

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3559
ANSWERED ON:16.12.2005
MICRO CREDIT FACILITIES
Ganesan Shri L.

Will the Minister of FINANCE be pleased to state:

- (a) the status of the effort made by the Government to extend microcredit facilities to small farmers and liberal loan facility to small and medium enterprises to cope with the challenges posed by the increased presence of Multi National Companies (MNCs) and consumerism;
- (b) the financial institutions that are effectively functioning in this regard; and
- (c) the details about the total funds disbursed with the number of beneficiaries during the last two years, State-wise ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

- (a): The Government has taken several measures for effective delivery of micro credit, including to small farmers and small and medium enterprises. The Micro Finance Development Fund with NABARD has been redesignated as Micro Finance Development and Equity Fund, and its corpus has been increased from Rs.100 crore to Rs.200 crore. An Advisory Board, consisting of representatives of National Bank for Agriculture and Rural Development (NABARD), Reserve Bank of India (RBI), Commercial Banks and professionals with domain knowledge, has been constituted to manage the fund. Guidelines have been issued allowing NGO-MFIs to access External Commercial Borrowings. Further, a policy package for stepping up credit to small and medium enterprises has been announced by the Government on August 10, 2005, inter-alia, including doubling of credit to these enterprises over a period of five years.
- (b): NABARD and Small Industries Development Bank of India (SIDBI) are the nodal institutions for providing credit to agriculture and small and medium enterprises, respectively.
- (c) : The data management information system does not generate the information in respect of loans given to small farmers and medium enterprises, especially through micro credit. However, State-wise details of credit given to Small Scale Industries by Public Sector Banks for the year March 2003 and March 2004 is at Annexure.