

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2160
ANSWERED ON:12.12.2008
ASSISTANCE TO SMALL AND MEDIUM ENTREPRENEURS BY BANKS
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Will the Minister of FINANCE be pleased to state:

- (a) the present fund requirement for the small and medium enterprises and allocation to the sector by various public sector banks, bank-wise;
- (b) whether the public sector banks are planning to augment the fund requirements of the small and medium enterprises sector; and
- (c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a),(b) & (c): Reserve Bank of India has no information about the fund requirement for the small and medium enterprises (SME). However, in terms of Policy Package on stepping up of credit to SME sector, announced in the Parliament in August, 2005, Public Sector Banks (PSBs) were advised by the Government to achieve the target of 20% year-on-year growth, which is to be doubled by 2009-10, i.e. within a period of 5 years. The progress of SME lending by PSBs for the year ending March, 2008 shows a growth of 34.33% over March 2007. Year on year growth in Sept. 2008 over Sept. 2007 has been 24.38%. A statement showing bank-wise outstanding credit given by PSBs to small and medium enterprises is at Annexure.