

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:189
ANSWERED ON:23.02.2010
PROBLEM FACED BY MSMES
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the medium and small industries in the State of Tamil Nadu are facing hardships in getting long term finance;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government to allocate adequate funds to such industry in the said State?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a) to (c): As per the data furnished by the Reserve Bank of India (RBI), the outstanding credit to micro and small enterprises (MSEs) from the public sector banks in the State of Tamil Nadu has increased from Rs.12, 528 crore as at the end of March, 2007 to Rs.20, 610 crore as at the end of March, 2009 (latest available).

The Government is implementing various credit-related schemes like Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme, etc. across the country (including the State of Tamil Nadu) to facilitate adequate credit flow to the MSE sector. In addition, the Government announced a 'Policy Package for Stepping up Credit to Small and Medium Enterprises (SMEs)' in August 2005 which envisages public sector banks to fix their own targets for funding micro, small and medium enterprises (MSMEs) in order to achieve a minimum 20 per cent year-on-year growth in credit to the MSME sector. The Government also announced in February 2007 a 'Package for Promotion of Micro and Small Enterprises' with an objective to provide support in areas of credit, technology upgradation, marketing, infrastructure, etc. Further, keeping in view the impact of global economic slowdown on MSMEs, various measures were taken by the Government, the RBI and the Public Sector Banks to augment the flow of credit to the sector.