

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

UNSTARRED QUESTION NO:2978
ANSWERED ON:16.03.2010
CREDIT RATING FOR MSME
Singh Shri Ganesh

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether credit rating is mandatory for Micro, Small and Medium Enterprises to secure loan at economical rates;
- (b) if so, the details thereof and the reasons thereof; and
- (c) the number of units of Micro and Small Scale Industry to which rating have been allotted so far alongwith the number of pending applications?

Answer

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

a) & b) : The "Performance & Credit Rating Scheme" is being implemented by the Ministry of MSME with the aim to encourage Micro & Small Enterprises (MSEs) to undertake credit and performance rating from a reputed and accredited independent rating agency. The rating is not mandatory for MSEs to get loan at economical rates, however, a good rating helps MSEs in obtaining faster and concessional credit from banks as the rating under the Scheme serves as a trusted third party opinion on the capabilities and creditworthiness of the MSEs.

(c) : Up to 31.01.2010, a total of 17,287 MSEs have been assigned rating under the Scheme and 1440 applications were under process with the seven rating agencies empanelled under the scheme.