

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

STARRED QUESTION NO:452
ANSWERED ON:04.08.2009
SMALL SCALE INDUSTRIES
Gangaram Shri Awale Jaywant

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

- (a) the amount of loan sanctioned by the banks for the small scale industries during the last three years?
- (b) whether the Government is aware of the difficulties faced by such industries;
- (c) if so, the details thereof and the corrective steps taken thereon;
- (d) whether the Government proposes to set up any Fund for the development of small industries; and
- (e) if so, the details thereof and the time by which the Fund would be made operational?

Answer

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

(a) to (e) A Statement is placed on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 452 TO BE ANSWERED ON 04. 08 2009

(a): As per the information furnished by the Reserve Bank of India (RBI), the loans outstanding against the micro and small enterprises (MSEs) from the public sector banks during the last three years is as under:

As at the end of Loans outstanding
(Rs. in crore)

March, 2007	1,02,550
March, 2008	1,51,137
March, 2009	1,90,968 (Provisional)

(b)&(c): The major difficulties faced by the MSEs mainly relate to lack of adequate credit availability, technology and marketing constraints, infrastructure bottlenecks and enhanced competition due to liberalized trade regime. The major schemes/programmes implemented by the Government for assisting the MSE sector in overcoming these difficulties are Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme, Performance and Credit Rating Scheme, Cluster Development Programme, National Manufacturing Competitiveness Programme, Prime Minister's Employment Generation Programme and Market Development Assistance Scheme. In addition, some of the initiatives taken for the promotion and development of the MSE sector and for enhancing their competitiveness include enactment of the Micro, Small and Medium Enterprises Development Act, 2006, implementation of the 'Policy Package for Stepping up Credit to the Small and Medium Enterprises' announced in August 2005 and the comprehensive 'Package for Promotion of MSEs' announced in February 2007.

(d) & (e): As announced in the Union Budget 2009-10, it is proposed to provide a special fund of Rs. 4,000 crore out of Rural Infrastructure Development Fund (RIDF) to Small Industries Development Bank of India (SIDBI) to incentivise Banks and State Financial Corporations (SFCs) to lend to MSEs.