

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2111
ANSWERED ON:06.08.2010
CREDIT FACILITY FOR MSMES
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Will the Minister of FINANCE be pleased to state:

- (a): whether the Micro, Small and Medium Enterprises are facing the problem of inadequate capital;
- (b): if so, the details thereof; and
- (c): the corrective steps taken / being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (c): As announced in the Policy Package of August 2005, the Public Sector Banks have achieved the target of more than 20% credit to Micro, Small and Medium Enterprises (MSMEs) Sector. The data provided by the Reserve Bank of India (RBI) shows that outstanding credit to MSE Sector has shown a growth of 42.11% as on March 2010. In light of recommendations of High Level Task Force on MSME Sector, it has been decided that the share of Micro Enterprises in MSE lending needs to be increased to 60% in a phased manner viz. 50% in the year 2010-11, 55% in the year 2011-12 and 60% in the year 2012-13. It would be mandatory for the Public Sector Banks to achieve this target. Further, the banks should achieve an annual growth in the number of micro enterprise accounts of 10% every year.