

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3219
ANSWERED ON:13.08.2010
FUNDS FOR MSMES
Singh Baba Shri K.C.

Will the Minister of FINANCE be pleased to state:

(a) the amount of loans disbursed by the banks to micro, small and medium enterprises in the country during the last three years, State-wise and bank-wise;

(b): whether Government is aware of the hardships being faced by the said enterprises; and

(c): if so, the details thereof alongwith the corrective steps taken / being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a): State-wise (for the last reporting Friday of March of the years 2008 & 2009) and Bank-wise (for the last reporting Friday of March of the years 2008, 2009 & 2010) outstanding credit to the MSE sector are as under:

State-wise:-

(Rs. in thousand)

States 2008 2009 States 2008 2009

Assam 15248922 18920232 Punjab 103431891 116071571

Meghalaya 1815833 1951873 Haryana 63217894 70671319

Mizoram 169064 481190 Chandigarh 15276481 23556425

Arunachal 692682 993737 J&K 27191405 20028976
Pradesh

Nagaland 479921 1313415 H.P 12571795 13389326

Manipur 594208 696453 Rajasthan 84864148 89789425

Tripura 1471002 1748358 Gujarat 128936008 148576735

Bihar 13733406 18243351 Maharashtra 507663998 614559186

Jharkhand 19450859 35883535 Daman & Diu 440501 920186

West Bengal 132220862 152605883 Goa 8792298 12046830

Orissa 32034013 39496183 Dadra & Nagar 491255 571495
Haveli

Sikkim 1095417 1073792 Andhra Pradesh 137166540 164090077

A & N Islands 650874 728730 Karnataka 120660200 151659124

U.P 126605613 134668646 Lakshadweep 83026 23875

Uttarakhand 13839947 20559437 Tamilnadu 264653383 297539560

M.P 59387491 84019582 Kerala 70288689 84021395

Chattisgarh 22440201 22845335 Pondicherry 3187444 2847549

Delhi 144538809 214681657

Bank-wise:- (Rs. in crore)
2008 2009 2010

Public Sector Banks 148651.5 191307.4 278397.9

Private Sector Banks 46068.77 47916.1 64534.19

Foreign Banks 15489.12 18137.63 21068.96

(b) & (c): The Task Force on MSMEs constituted under the chairmanship of the Principal Secretary to the Prime Minister to address the issues of the MSME Sector in its report made various recommendations in the areas of credit, taxation, labour issues, infrastructure/technology / skill development, marketing, etc, for providing an impetus to the growth of the sector. In terms of the recommendations of the Task Force, banks have been advised to achieve a 20% year-on-year growth in credit to micro and small enterprises and a 10% annual growth in the number of micro enterprises accounts. In order to ensure that sufficient credit is available to micro enterprises within the MSE Sector, as per the Reserve Bank of India (RBI) extant guidelines to banks, 60% of MSE advances should go to the micro enterprises. The banks have been advised that the allocation of 60% of MSE advances to the micro enterprises is to be achieved in stages viz. 50% in the year 2010-11, 55% in the year 2011-12 and 60% in the year 2012-13.