

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2727  
ANSWERED ON:09.12.2011  
BANK CREDIT TO MSMES  
Reddy Shri K. Jayasurya Prakash

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government keeps a track of credit flow by banks to Micro Small and Medium Enterprises (MSMEs) electronically;
- (b) if so, the details thereof alongwith its aims and objectives; and
- (c) the plan prepared for the remaining period of Eleventh Five Year Plan in this regard in consultation with the State Governments?

**Answer**

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

(a) to (c): Reserve Bank of India (RBI) keeps a track of credit flow to Micro Small and Medium Enterprises (MSMEs), which is reviewed by the Government on regular basis.

The Government of India has advised, as under, all banks vide its letter dated 7th July 2010:

# Achieve a 20 per cent year-on-year growth in credit to micro and small enterprises to ensure enhanced credit flow;

# The allocation of 60% of the 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 and

# Achieve a 10% annual growth in number of micro enterprise accounts.

RBI has also reported that it closely monitors the achievements of targets by banks on a half yearly basis, i.e., March and September each year. In addition there is the Empowered Committee at the Regional Office level and Standing Advisory Committee (SAC) at the Central Office level of RBf which also monitors flow of credit to MSE sector.

State-wise progress of flow of credit to MSME is also reviewed periodically in State Level Bankers Committee (SLBC) meetings.