

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

UNSTARRED QUESTION NO:604
ANSWERED ON:15.03.2012
PERFORMANCE OF MSME
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the percentage of total Micro, Small and Medium Enterprises (MSMEs) and registered MSMEs units across India;
- (b) the percentage of total national production contributed by registered and unregistered MSMEs, separately from 2004 to 2012, State-wise;
- (c) the percentage of total employment generated by registered and unregistered MSMEs separately during the said period;
- (d) whether Government is aware that unregistered MSMEs are unable to access financial schemes and assistance from banks;
- (e) if so, the steps taken by the Government in this regard;
- (f) the total credit disbursed to MSMEs through banks and financial Institutions during the said period and the percentage of credit accessed by registered and unregistered MSMEs; and
- (g) the steps taken/ being taken by the Government to facilitate flow of credit to the MSMEs sector ?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

- (a): As per 'Quick Results : Fourth All India Census of Micro, Small & Medium Enterprises 2006-2007' the total number Micro, Small & Medium Enterprises (MSMEs) in the country is 261.01 lakh. The percentage share of registered MSMEs is 5.94.
- (b): As per the data available from Central Statistics Office, Ministry of Statistics and Programme Implementation, the estimated percentage share of Micro and Small Enterprises (MSEs) sector in the Gross Domestic Product stands at 5.84,5.83,7.20,8.00 and 8.72 for the years 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 respectively (latest available).The corresponding data for the registered and unregistered sectors and further distribution state-wise is not available.
- (c): The Government monitors employment generation in MSME sector by conduct of All India Census of MSMEs periodically in the country. The latest Census (Fourth Census) was conducted with reference year 2006-07. The total employment generated by registered MSMEs, as per 'Final Result Fourth All India Census of Micro, Small & Medium Enterprises 2006-07: Registered Sector' is 93.09 lakh persons whereas the total employment generated by unregistered sector as per 'Quick Results : Fourth All India Census of Micro, Small & Medium Enterprises 2006-2007' is 502.57 lakh persons. As per 'Economic Survey 2010-11' total employment in organized sector of the economy, as on 31st March 2007, is 272.76 lakh persons.
- (d): The registration of MSMEs is a necessary condition for availing of the benefits of financial assistance schemes of the Ministry of MSME. However, the unregistered MSMEs are eligible for availing of assistance from the banking sector.
- (e): The Reserve Bank of India (RBI) has issued detailed guidelines to all scheduled commercial banks on lending to MSMEs which, inter alia, provide for a time frame for disposal of loan applications and loan limit for dispensing the collateral requirement for MSEs.
- (f): As per data available from RBI, outstanding credit by public sector banks to MSEs and its percentage share in total bank credit are as given below.

At the end of March	Outstanding credit to	Credit to MSEs as
Micro and Small	Percentage of total	
Enterprises (MSEs)	Bank Credit	
(Rs. In Crores)		

2005 67,800 9.5

2006	82,434	8.1
2007	1,02,550	7.8
2008	1,51,137	11.1
2009	1,91,408	11.3
2010	2,78,398	13.4
2011 (P)	3,76,625	15.1

(P) Provisional

(g): As per recommendations of the Task Force on MSMEs under the chairmanship of the Principal Secretary to the Prime Minister, RBI has advised the banks to achieve a 20 per cent year-on-year growth in credit to MSEs and a 10 per cent 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 RBI's extant guidelines to banks, 60 per cent of MSEs advances should go to the Micro Enterprises. The banks have been advised that the allocation of 60 per cent of the MSEs advances to the Micro Enterprises is to be achieved in stages viz., 50 per cent in the year 2010-11, 55 per cent in the year 2011-12 and 60 per cent in the year 2012-13.