

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2352  
ANSWERED ON:07.12.2012  
LOANS TO FOOD AND AGRO PROCESSING UNITS  
Adhi Sankar Shri

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

(a) whether as per the norms recently revised by the RBI loans for food and agro processing units have been classified under the Micro and Small Enterprises category; and

(b) if so, the details thereof along with its likely repercussions and the reaction of food and agro processing units thereto?

**Answer**

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

(a) & (b): In terms of revised RBI guidelines on Priority Sector Lending, loans to food and agro processing units are classified under Micro and Small Enterprises (MSEs), provided the units satisfy investments criteria prescribed for MSEs, as provided in VHcro, Small and Medium Enterprises Development (MSMED) Act, 2006.

Since loans to food and agro processing units in MSE sector, are classified under priority sector lending, banks are encouraged to increase their lending to this sector.