

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2200

ANSWERED ON:06.05.2016

Loan to MSME

Karadi Shri Sanganna Amarappa;Lokhande Shri Sadashiv Kisan;Nagar Shri Rodmal;Rathwa Shri Ramsinh Patalyabhai;Sivaprasad Dr. Naramalli;Yadav Shri Om Prakash

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

- a) whether the Government has fixed any target for granting loan to Micro, Small and Medium Enterprises (MSMEs);
- b) if so, the details thereof along with the quantum of loan disbursed by the banks during each of the last three years, State/UT-wise;
- c) the details of the sanctioned projects/loans under the MSME schemes during the said period, State-wise including Karnataka;
- d) whether the public sector banks/financial institutions also provide loan to sick industries, if so, the details thereof; and
- e) the steps taken/being taken by the Government to increase credit flow to MSME?

**Answer**

MINISTER OF STATE IN MINISTRY OF FINANCE

(a): Scheduled Commercial Banks (SCBs) have been advised to  
• achieve a 20 per cent year-on-year growth in credit to micro and small enterprises (MSEs);  
• allocate 60% of the MSE advances to micro enterprises; and  
• achieve a 10% annual growth in number of micro enterprise accounts.

In addition, under the revised Priority Sector Lending (PSL) guidelines, a target of 7.5 percent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, by March 2017 has been prescribed for SCBs for lending to Micro Enterprises.

(b) & (c): State-wise outstanding credit to MSEs including Karnataka as on March 31, 2013, 2014 and 2015 are furnished in the Annexure- I.

(d): Yes. The Public Sector Banks provide finance to sick industries for their rehabilitation following the guidelines of Reserve Bank of India (RBI). Position of Sick Small Scale Industry Units and Sick/ Weak Non-SSI Units Financed by Scheduled Commercial Banks is as per Annexure-II.

(e): Government of India and Reserve Bank of India have taken several steps for increasing credit flow to MSMEs which inter alia, include simplified method of computation of working capital requirements, PSL targets for lending to MSEs, specialised MSE branches in each district, non discretionary one time settlement scheme, collateral free lending upto Rs. 10 lakh, credit guarantee scheme, banking code for MSE customers, differential rate of interest for MSEs, Pradhan Mantri Mudra Yojana, Stand Up India scheme, Small Industries Development Bank of India (SIDBI) Make in India Fund, SIDBI Make in India Soft Loan Fund for Micro Small & Medium Enterprises (SMILE) etc.

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