

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3216

ANSWERED ON:19.08.2011

LOAN BY SIDBI

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Will the Minister of FINANCE be pleased to state:

- (a) whether the RBI has mandated Small Industrial Development Bank of India (SIDBI) to provide loans to the Micro, Small and Medium Enterprises (MSMEs) sector;
- (b) if so, the details thereof alongwith the loans disbursed to MSMEs sector during the last three years and the current financial year;
- (c) whether the SIDBI has fulfilled its mandate with respect to disbursing loans to MSMEs sector;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the corrective steps taken/being taken by the Government in this regard?

Answer

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

(a) & (b): Small Industrial Development Bank of India (SIDBI), set up in 1990 under an Act of Parliament, is the principal financial institution for the promotion, financing and development of industry in the Micro, Small and Medium Enterprises (MSME) sector and to co-ordinate the functions of the institutions engaged thereof. The details of credit disbursement by SIDBI to the MSME sector for the last three Financial Year and current Financial Year are given below:

Financial Year	Total (Rs. Crore)
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2008-09	28298
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2009-10	31918
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2010-11	38796
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2011-12 (April-June)	8257
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(c) to (e): Since its inception, SIDBI has been providing refinance / indirect finance support to Primary Lending Institutions (PLIs). Its channelization of refinance provided much needed liquidity support to banks during the period of recent global financial crisis when liquidity had dried up in the system. All loans of SIDBI, both direct and indirect, are given to MSMEs.