

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

UNSTARRED QUESTION NO:2491
ANSWERED ON:08.12.2014
REFORMS IN SMALL SCALE SECTOR
Bhuria Shri Dileep Singh;Sathyabama Smt. V.

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Government is aware that several small scale industries in the country have turned sick due to multi door approach for getting license, loans etc. in the country;
- (b) if so, whether the Government proposes to set up a single-window clearance system in this regard for this industry;
- (c) if so, the details thereof and the reasons therefor; and
- (d) the steps taken by the Government in this regard?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA)

(a)to(d): The main reasons for sickness are inadequate and delayed credit disbursal, obsolete technology, marketing problems, availability of raw material, infrastructural constraints and managerial deficiencies, etc. The recent increase in sickness as per official data is mainly on account of revision in the definition of sickness in MSME units with effect from November 1, 2012 by RBI. The multi door approach for getting licence, loan etc. in the country is mainly affecting the start ups adversely, but is not a root cause for sickness. The single window clearance system is a subject matter of State Governments. The Government of India has been emphasizing its need to the State Governments at various fora. The State Governments have also made varied progress in this regard.