

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 4095

TO BE ANSWERED ON 4th JANUARY 2019 / PAUSHA 14, 1940 (SAKA)
'Schemes to Ease MSME Funding'

4095: SHRI SUDHEER GUPTA:
SHRI ASHOK SHANKARRAO CHAVAN:
SHRI PARVESH SAHIB SINGH:
KUNWAR HARIBANSH SINGH:
SHRI S.R. VIJAYAKUMAR:

Will the Minister of FINANCE be pleased to state:

- (a) the total loans granted by Small Industries Development Bank of India (SIDBI) and Industrial Investment Bank of India (IIBI) during the last four years;
- (b) whether the Government is aware a large number of small and medium scale industries are on the verge of closure due to cash crunch, if so, the details thereof and the reasons for the same;
- (c) whether the Government plans to bring out any scheme/has taken major initiative to ease availability of funds to this sector;
- (d) if so, the details thereof and the time by which such scheme initiative are likely to be implemented; and
- (e) if not, the other corrective measures taken/being taken by the Government in this regard?

ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)

(a) The amount of direct loans extended by Small Industries Development Bank of India (SIDBI) during the last 4 years is as under:

Financial Year	Amount sanctioned (in Rs. crore)
2015	2,833.40
2016	3,517.68
2017	3,530.33
2018	2,274.31

Industrial Investment Bank of India (IIBI) is under Members' Voluntary Winding Up under the provisions of Companies Act since 06.09.2012. Hence, no loan has been sanctioned by it since then.

(b) to (e) Government have received representations from time to time regarding transient impact on cash flows of small entities during the transition phase to increased formalisation through registration under Goods and Services Tax (GST) etc. To support these entities during this phase, Government and Reserve Bank of India have taken several measures which inter-alia include extension of time period from 90 days to 180 days past due criterion to all Micro, Small and Medium Enterprises (MSMEs) including those not registered under GST as a standard asset subject to certain conditions, sanction of additional working capital limits to Micro and Small Enterprises (MSEs), permitting one-time restructuring of existing loans to MSMEs that are in default but 'standard' as on 1st January 2019 without an asset classification downgrade etc. These are in addition to previous support measures which, inter alia, include advice to all Scheduled Commercial Banks (SCBs) to achieve a 20% y-o-y growth in credit to MSEs, allocation of 60% of the MSEs advances to the micro enterprise accounts, a 10% annual growth in number of micro enterprise accounts, adoption of one cluster, operationalising at least one specialised MSME Branch in every district, simplified computation of working capital of MSE units to make it minimum 20% of the projected annual turnover of the unit for borrowal limits upto Rs.5 crore, setting up of Trade Receivables Discounting System (TReDS) to solve the problem of delayed payment of MSMEs etc.

Government have also recently launched a support and outreach programme for MSMEs on 2nd November, 2018. The programme inter-alia, includes, initiatives for MSMEs on access to credit, access to market, technology upgradation, ease of doing business, social security for MSME sector employees.
