

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

UNSTARRED QUESTION NO:787
ANSWERED ON:04.08.2011
CLOSURE OF SMALL SCALE INDUSTRIES
Joshi Shri Mahesh

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

- (a) the number of Micro, Small and Medium Enterprises (MSMEs) closed down during each of the last three years and current year, separately, State and UT-wise;
- (b) the number of persons rendered jobless due to such closure during the said period, State and UT-wise;
- (c) whether the Government proposes to revive closed MSMEs; and
- (d) if so, the details thereof indicating the package provided/ proposed to be provided in this regard during the said period, State and UT-wise?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

- (a) Information on closure among Micro, Small and Medium Enterprises (MSMEs) in registered sector is obtained only through conduct of Census, which are conducted once in five years. As per the 'Final Report of Fourth All India Census of Micro, Small and Medium Enterprises 2006-07: Registered Sector', with reference year 2006-07, State and UT-wise number of enterprises closed down in the country is given in enclosed Annexure.
- (b) The number of persons rendered jobless due to such closure, State and UT-wise data is not maintained centrally. However, as per the 'Final Report of Fourth All India Census of Micro, Small and Medium Enterprises 2006-07: Registered Sector' the number of persons employed in registered sector is 93.09 lakhs which grew by 51.04% compared to Third All India Census of Small Scale Industries 2001-2002, indicating no net loss of employment.
- (c) & (d) Financial assistance, by way of debt restructuring, including fresh loans for rehabilitation of sick MSE is provided by primary lending institutions (PLIs), including commercial banks, which provide credit to the MSEs. Reserve Bank of India (RBI) has issued following guidelines / instructions to banks in this respect:
 - (i) Rehabilitation of sick MSEs (January 2002);
 - (ii) Debt restructuring mechanism relating to viability criteria, prudential norms for restructured accounts, provision of additional finance and time frame for restructuring package (September 2005); and
 - (iii) Restructuring / rehabilitation policy with non-discretionary one-time settlement (OTS) scheme for MSE sector (May 2009).