

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

UNSTARRED QUESTION NO:2906

ANSWERED ON:14.03.2013

SICK MICRO SMALL AND MEDIUM ENTERPRISES

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

- (a) the number of sick Micro, Small and Medium Enterprises (MSMEs) in the country and the number of MSMEs closed down during the last three years and the current year, State/UT-wise;
- (b) the number of workers employed in sick MSMEs, State/UT-wise;
- (c) the details of the steps taken/being taken by the Government to assist/revive these sick/closed MSMEs along with the funds allocated/released for the purpose during the said period, State/UT-wise; and
- (d) the details of the achievements made in this regard during the said period, State/ UT-wise?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI K.H. MUNIYAPPA)

(a): As per the data compiled by the Reserve Bank of India (RBI) from the scheduled commercial banks, the position regarding number of sick micro and small enterprises (MSEs) in the country at the end of March, 2010, March, 2011 and March, 2012 (latest available) is as under: -

At the end of Number of sick MSEs

March 2010 77, 723

March 2011 90,141

March 2012 85,591
(Provisional)

The data furnished by RBI pertaining to medium enterprises is only for the period ending March, 2011 and March, 2012, which indicate that there were 2,117 and 3,044 sick medium enterprises respectively (provisional data). The State / Union Territory-wise number of sick MSEs and sick medium enterprises are given at Annexure- I & II respectively.

There were 4,96,355 closed MSMEs in the registered sector as per Fourth All India Census of MSMEs (reference year 2006-07). The State-wise position is given at Annexure -III.

(b): The data on number of workers employed in MSMEs, including sick MSMEs is not maintained by the RBI.

(c): Rehabilitation package for the revival of viable sick MSEs is provided by primary lending institutions (PLIs), including commercial banks, which provide credit to the MSEs. The rehabilitation package is determined as per the guidelines issued by RBI from time to time. The latest guidelines were issued by RBI in November, 2012, based on the recommendations of the Committee set up by Ministry of MSME to examine the definition of sickness and the procedure for assessing the viability of sick MSEs. The guidelines, inter alia, provide for:

- (i) Early detection of sickness;
- (ii) A viability study to form the basis of rehabilitation package to potentially viable sick MSEs; and

(iii) A non-discretionary one time settlement scheme for the MSE sector.

(d): The number of sick MSEs put under nursing by the banks for the period ending March, 2010, 2011 & 2012 is given at Annexure-IV and the corresponding data for sick medium enterprises at the end of March, 2011 and March, 2012 is given at Annexure -V.