

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

UNSTARRED QUESTION NO:481
ANSWERED ON:07.08.2013
CLOSURE OF SSI
Ajmal Shri Badruddin

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

- (a) whether the Government is aware of closure of small scale industries in various States of the country including the State of Assam;
- (b) if so, the details thereof and the reasons therefor during each of the last three years and the current year, State-wise, industry-wise; and
- (c) the action being taken by the Government to revive closed units and also for setting up of new small scale units in these States including Assam?

Answer

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

(a): Information on the number of closed Micro, Small and Medium Enterprises (MSMEs) in the country is collected by conducting All India Census of Registered Sector periodically. As per latest Census (Fourth Census) conducted (with base reference year 2006-07), wherein the data was collected till 2009 and results published in 2011-12, and the previous Census (Third All India Census of Small Scale Industries, 2001-02), the number of closed MSMEs in various States including Assam is given in Annexure.

(b): The reasons for closure of MSMEs are varied and range from inadequate access to capital, technology & market, inability to survive competition and financial non-viability due to changing business environment.

(c): Rehabilitation package for the revival of viable sick micro and small enterprises (MSEs) is provided by primary lending institutions, including commercial banks, which provide credit to the MSEs. The rehabilitation package is determined as per the guidelines issued by Reserve Bank of India (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.