

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

STARRED QUESTION NO:186

ANSWERED ON:18.12.2013

REVIVAL OF SICK MSMES

Naranbhai Shri Kachhadia; Siddeswara Shri Gowdar Mallikarjunappa

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

- (a) whether due to power shortage, non-availability of funds, expensive credit and economic slowdown, several Micro, Small and Medium Enterprises (MSME) units have closed down/turned into sick units;
- (b) if so, the details thereof along with the details of such MSME units which have been closed down/turned into sick during each of the last three years and the current year, State/UT-wise;
- (c) the amount of credit provided by the banks to MSME sector outstanding at present;
- (d) the number of units in the MSME sector which have availed the non-discretionary one time settlement offered under the rehabilitation package; and
- (e) the details of the steps being taken to revive the closed/sick units?

Answer

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

(a) to (e) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) IN RESPECT OF THE LOK SABHA STARRED QUESTION NO. 186 FOR ANSWER ON 18.12.2013

(a): As per provisional data compiled by the Reserve Bank of India (RBI) the number of sick micro, small and medium enterprises (MSMEs) in March, 2013 was 2,48,890.

(b): The number of sick MSMEs in March, 2013 has increased from 88,635 in March, 2012 on account of revision of definition of sickness made by RBI in November, 2012. The State/Union Territory-wise position of sick micro and small enterprises (MSEs) and sick medium enterprises is given at Annexure I & II respectively.

(c): As per the provisional RBI data, the outstanding credit to MSME sector in respect of scheduled commercial banks was Rs.8,55,658.52 crore at the end of March, 2013.

(d): RBI in its circular issued on 1st November, 2012 has directed banks to provide non-discretionary one time settlement (OTS) to non-viable sick MSEs. As per RBI data, 2,03,186 sick MSEs have been identified as potentially non-viable as at the end of March, 2013.

(e): The revised guidelines for rehabilitation of sick MSEs issued on 1st November, 2012 by RBI, 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 (OTS) scheme for the MSE sector.

Further, Small Industries Development Bank of India (SIDBI) has also introduced "Management/ Restructuring of Stressed Assets and Rehabilitation Scheme for MSMEs". The Scheme provides for relief and concessions (in the form of re-schedulement, reduction in rate of interest, funding of overdue/ future interest and waiver etc.) as well as need based additional financial assistance for revival of MSME sick units.

As per provisional data provided by RBI, 8836 sick MSEs have been identified as potentially viable of which 4,460 are under nursing as at the end of March, 2013.