

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

UNSTARRED QUESTION NO:1120

ANSWERED ON:02.03.2015

SICK MSME UNITS

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

- (a) the total number of Micro, Small and Medium Enterprises (MSMEs) and employees engaged therein, State/UT-wise along with the estimated contribution of MSME sector in GDP;
- (b) whether several Micro, Small and Medium Enterprises (MSMEs) units have either been closed / become sick due to shortage of power, paucity of funds, expensive loan and recession;
- (c) if so, the details thereof along with the details of such units which have been closed/become sick during the last three years and the current year, State/UT-wise and the current loan outstanding against the MSME sector given by banks;
- (d) the number of MSME units drawing the benefit of non-discretionary one time settlement scheme under the rehabilitation package; and
- (e) the details of the steps being taken by the Government for the revival of closed / sick MSME units?

Answer

MINISTER OF STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI GIRIRAJ SINGH)

(a): Information on the number of Micro, Small and Medium Enterprises (MSMEs) and employment in the sector is collected by conducting All India Census of the sector periodically. As per the latest Census (Fourth Census), conducted (with base reference year 2006-07), wherein the data was collected till 2009 and results published in 2011-12, as well as data extracted from Economic Census 2005 conducted by Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation (MoSPI), for activities excluded from Fourth Census, namely wholesale/retail trade, legal, educational & social services, hotel & restaurants, transports and storage & warehousing (except cold storage), the total number of MSMEs and total employment in the MSME Sector are 361.76 lakh and 805.24 lakh respectively. The State/UT-wise details are given in Annexure-I.

As per the revised methodology suggested by CSO, MoSPI, on the basis of the data on Gross Domestic Product (GDP) published by CSO, MoSPI and final results of the latest Census (Fourth Census), conducted (with base reference year 2006-07), wherein the data was collected till 2009 and results published in 2011-12, the estimated contribution of MSME sector to GDP for the year 2012-13 is as noted below:

Share of MSME Sector in Total GDP (%)	
Year	2012-13
Manufacturing Sector MSMEs	7.04
Service Sector MSMEs	30.50
Total	37.54

(b): Yes Madam.

(c): 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 the result published in 2011-12, number of closed MSMEs in Registered Sector is 4,96,355 at the end of March, 2007. As per the data compiled by the Reserve Bank of India (RBI) from the Scheduled Commercial Banks, the position regarding number of sick Micro, Small and Medium Enterprises (MSMEs) in the country at the end of March, 2014 is 4,68,399. The State/UT-wise details regarding the sick units and loan outstanding for last three years are given in Annexure-II.

(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 MSMEs. As per RBI data, 3,58,088 sick MSEs have been identified as potentially non-viable as at the end of March, 2014.

(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.