GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2372
ANSWERED ON:25.07.2014
REVIVAL OF MSME
Patel Shri Devji Mansingram

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any record of sick Micro, Small and Medium Enterprises (MSME) seeking Central assistance for their revival in the country;

(b) if so, the details thereof, State/UT-wise including Rajasthan and the assistance provided to such units during each of the last three years and the current year; and

(c) the other schemes/ plans implemented/ being implemented by the Government for revival of such sick units in the county?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SMT. NIRMALA SITHARAMAN)

(a) & (b): No, Sir. However, a statement showing state- wise position of sick Micro & Small Enterprises (MSEs) as maintained by Reserve Bank of India (RBI) is annexed. There are 20336 sick units in Rajasthan.

(c): The revised guidelines for rehabilitation of sick units in the MSE sector have been issued by RBI vide their circular RPCD.CO.MSME & NFS.BC.40/ 06.02.31/2012-13 dated November 1, 2012 which inter-alia provides:

(i) Introduction of handholding stage to prevent sickness.
(ii) Banks to decide on the reliefs and concessions for rehabilitation of viable/ potentially viable units based on their own Board approved policies.
(iii) The banks to put in place a non-discretionary One Time Settlement Scheme for recovery of non-performing loans for the Micro & Small Enterprises (MSE) Sector, duly approved by the Board of Directors.
Small Industries Development Bank of India (SIDBI) has also introduced a Scheme for "Management/ Restructuring of Stressed Assets and Rehabilitation Scheme for Micro, Small & & Medium Enterprises (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.