

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

UNSTARRED QUESTION NO:168

ANSWERED ON:30.11.2015

Revival of Sick MSMEs

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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 total number of MSMEs closed down/become sick at present in the country, State/UT-wise;
- (b) whether the Government proposes to formulate any framework for revival and rehabilitation of the closed /sick MSMEs and if so, the details thereof including the funds allocated and monitoring mechanism set up for the purpose;
- (c) whether majority of MSMEs receive payment only after 90 days or more from the large enterprise thereby delaying capital to get their business going;
- (d) if so, the details thereof along with the reasons therefor; and
- (e) the corrective steps taken by the Government in this regard?

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) in the sector is collected by conducting All India Census of the sector periodically. The total number of MSMEs in the registered sector as per Fourth All India Census of MSME, 2006-07 and Entrepreneurs Memorandum Part-II filed during 2006-07 to 2014-15 are 37.75 lakh. The total number of MSMEs in the un-registered sector as per Fourth All India Census of MSME, 2006-07 are 346.12 Lakh. The State/UT-wise details are given in Annexure-I. As per provisional data compiled by the Reserve Bank of India (RBI) the number of sick micro, small and medium enterprises (MSMEs) in March, 2015 was 5,37,286. The State/Union Territory-wise position of sick micro, small and medium enterprises (MSMEs) is given at Annexure-II.

(b): Ministry of MSME has already notified a 'Framework for Revival and Rehabilitation of MSMEs' vide a Gazette Notification dated 29.05.2015 for the purpose of facilitating the promotion and development of MSMEs. Under this framework, any enterprise can seek revival and rehabilitation benefit through a Committee constituted by the banks with representatives from State Governments, experts, regional or zonal head of the bank and the officer in charge of MSMEs credit department of the bank.

(c) & d): Though delayed payments is a major problem faced by the MSMEs, it is not correct to conclude that majority of MSMEs receive payment only after 90 days or more from large enterprises.

(e): To overcome the problem of delayed payments, Ministry of MSME has established Micro and Small Enterprise Facilitation Councils (MSEFCs). As per provisions of chapter V section 18 of MSMED Act, 2006, every reference made to MSEFC should be decided within a period of 90 days from the date of making such reference. The Government continuously follows up the matter with the State Government /UT Administration for timely disposal of the case.