

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

UNSTARRED QUESTION NO:961

ANSWERED ON:16.07.2014

SICK CLOSED MSMES

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

- (a) the number of Micro, Small and Medium Enterprises (MSMEs) presently operating in the country and the number of people employed in this sector along with their contribution to gross domestic product during each of the last three years and the current year;
- (b) whether a large number of MSMEs got closed/wound-up/became sick and unviable during the above period;
- (c) if so, the details thereof and the number of workers rendered unemployed; and
- (d) the measures taken/proposed to be taken by the Government for their rehabilitation?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA)

(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 361.74 lakh and 805.24 lakh respectively.

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, during 2010-11, 2011-12 & 2012-13, are as noted below:

Share of MSME Sector in Total GDP (%)			
Year	2010-11	2011-12	2012-13
Manufacturing Sector	7.39	7.27	7.04
Service Sector	29.30	30.70	30.50
MSMEs Total	36.69	37.97	37.54

(b) & (c):As per the data compiled by the Reserve Bank of India (RBI) from the Scheduled Commercial Banks, the position regarding number of sick MSMEs in the country at the end of March 2011, 2012 and 2013 (Provisional) are 92,258, 88,635 and 2,22,204 respectively. The State-wise details are given in Annexure-I, Annexure-II & Annexure-III. Information on number of workers rendered unemployed on this account is not maintained by RBI.

(d):Rehabilitation package for 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 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 scheme for the MSE sector.