

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

UNSTARRED QUESTION NO:3643

ANSWERED ON:15.12.2014

CLOSURE OF MSME UNITS

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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) units presently operating and employees engaged in these units in the country, State-wise;
- (b) the contribution of the MSME to the Gross Domestic Produce during each of the last three years and the current year;
- (c) whether certain MSME units have been sick and closed down during the said period;
- (d) if so, the details thereof and the reasons therefor along with the number of people who lost their jobs due to such closure during the said period, State-wise; and
- (e) the steps taken by the Government for revival of the said MSME units along with the fund allocated for the purpose?

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. State-wise details of total number of MSMEs and total employment in the MSME Sector are given in Annexure- I

(b): 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), 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 MSMEs | 7.39 | 7.27 | 7.04 | |
| Service Sector MSMEs | 29.30 | 30.70 | 30.50 | |
| Total | 36.69 | 37.97 | 37.54 | |

(c) & (d): 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 Enterprises (MSEs) in the country at the end of March 2013 and 2014 are 220492 and 465492 respectively. The State-wise details are given in Annexure-II and Annexure-III.

The reasons for Sickness of MSMEs are varied and range from inadequate access to capital, technology & market, inability to survive competition and financial non-viability due to changing business environment.

The information on the persons who lost their jobs due to Sickness is not maintained.

(e): Rehabilitation package for revival of viable 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 MSMEs; and
- iii. A non- discretionary one time settlement scheme for the MSE sector.

