

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION No. 88**  
**TO BE ANSWERED ON 17.07.2017**

**REVIVAL OF CLOSED MSMES**

88. SHRI RAJENDRA AGARWAL:

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

- (a) whether a large number of Micro, Small and Medium Enterprises (MSMEs) have been closed down in the country if so, the details thereof and the reasons therefor along with the number of workers affected therefrom during each of the last three years and current year, State/UT-wise;
- (b) whether the Government has set up/proposes to set up a panel to study the problems being faced by MSMEs in the country and if so, the details and status thereof; and
- (c) the steps taken/proposed to be taken by the Government to revive and rehabilitate the closed/sick MSMEs in the country?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF  
MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI HARIBHAI PARATHIBHAI CHAUDHARY)

(a): Information on closure among Micro, Small and Medium Enterprises (MSMEs) are obtained through conduct of periodic census. As far as the 4<sup>th</sup> All India Census of MSMEs conducted with reference to 2006-07 is concerned, 4.96 lakh MSMEs were found closed. The State/UT-Wise closed MSMEs from the same data source is as given in Annexure-I. The main reasons for closure are (1)Lack of demand, (2)Shortage of working capital, (3)Non-availability of raw materials, (4)Power shortage, (5)Marketing problems, (6)Labour problems, (7)Management problems etc.

The information on the number of workers affected is not collected through the census as referred to above.

(b): No specific panel was set up to study the problems being faced by MSMEs in the country. However, One-Man Committee under the Chairmanship of former Cabinet Secretary was appointed to provide a framework for a National policy for MSME Sector, which has submitted the report.

(c): The Ministry of MSME, under Section 9 of the MSMED Act 2006, notified a Framework for Revival and Rehabilitation of sick MSMEs on the 29<sup>th</sup> May, 2015. Under this scheme, any enterprise can seek revival and rehabilitation benefit through a committee constituted by the banks with representatives from State Governments experts and others. Subsequently, the RBI, on the 17<sup>th</sup> March, 2016, issued a revised Framework along with operating instructions to make it compatible with existing regulatory guidelines. In respect of MSME loans above Rs. 10 lakh to Rs. 25 crore, the framework provides for committee approach for deciding corrective action plan for stressed MSMEs.

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**Annexure-I**

**Annexure-I referred to in reply to part (a) of the Lok Sabha Unstarred Question No. 88 for answer on 17.07.2017**

Table: State/UT-wise distribution of closed MSME

<b>Sl. No.</b>	<b>State/UT Name</b>	<b>CLOSED</b>
01	Andaman & Nicobar Island	142
02	Andhra Pradesh*	2250
03	Arunachal Pradesh	167
04	Assam	6266
05	Bihar	16344
06	Chandigarh	559
07	Chhattisgarh	15485
08	Dadra & Nagar Haveli	0
09	Daman & Diu	24
10	Delhi	0
11	Goa	2754
12	Gujarat	34945
13	Haryana	10973
14	Himachal Pradesh	4034
15	Jammu & Kashmir	1831
16	Jharkhand	3712
17	Karnataka	47581
18	Kerala	34903
19	Lakshadweep	0
20	Madhya Pradesh	36502
21	Maharashtra	41856
22	Manipur	929
23	Meghalaya	665
24	Mizoram	669
25	Nagaland	2395
26	Orissa	5744
27	Puducherry	711
28	Punjab	24553
29	Rajasthan	17342
30	Sikkim	86
31	Tamil Nadu	82966
32	Tripura	424
33	Uttar Pradesh	80616
34	Uttarakhand	8219
35	West Bengal	10708
	<b>All India</b>	<b>496355</b>

\*Including Telangana

Source : Fourth All India Census of MSME, 2006-07