

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**STARRED QUESTION NO. \*243**  
**TO BE ANSWERED ON 05.12.2019**

**SMALL AND MEDIUM INDUSTRIES**

\*243. SHRI CHANDESHWAR PRASAD:

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

- (a) whether the share of small and medium industries in sick units has increased during recent years and if so, the details thereof;
- (b) the main reasons for increase in the number of sick units; and
- (c) the steps taken by Government for provide assistance to these units and keep them running?

**ANSWER**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI NITIN GADKARI)

(a) to (c): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PART (a) to (c) OF THE  
LOK SABHA STARRED QUESTION No. \*243 FOR ANSWER ON  
05.12.2019**

(a): The Reserve Bank of India has issued guidelines on 'Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises' to Scheduled Commercial Banks (excluding Regional Rural Banks) in March 2016. Under this Framework, banks have been advised to identify incipient stress in the MSME accounts and refer it to the Committees formed under the Framework for suitable Corrective Action Plan viz. rectification, restructuring and recovery. Data in this regard for the half year ended March 2019 vis-a-vis for the half year ended March 2018 received from Reserve Bank of India is furnished in the **Annexure**.

With a view to facilitate meaningful restructuring of Micro, Small and Medium Enterprises (MSMEs) accounts {MSME as defined in the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006} that have become stressed, it was decided to permit one-time restructuring of existing loans of MSMEs classified as 'standard' without a downgrade in the asset classification, subject to certain conditions. RBI issued guidelines to Scheduled Commercial Banks vide circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019.

(b): As per the final report of Fourth All India Census of Micro, Small and Medium Enterprises (MSMEs) some enterprises get closed due to lack of demand, shortage of working capital, non availability of raw materials, power shortage, marketing problems, labour problems, management problems and equipment problems.

(c): In order to enhance competitiveness & sustainability of Micro, Small and Medium Enterprises (MSMEs), Government has taken several measures. These include Prime Minister's Employment Generation Programme (PMEGP), Scheme of Funds Regeneration of Traditional Industries (SFURTI), A scheme for Promoting Innovation, rural Industry and Entrepreneurship (ASPIRE), Credit Linked Capital Subsidy and Technology up-gradation Scheme (CLCS-TUS), Credit Guarantee Scheme, Interest Subvention Scheme, Micro & Small Enterprises-Cluster Development Programme (MSE-CDP), National Schedule caste and Schedule tribe Hub (NSSH), MSME Sambandh and MSME-Samadhaan portal etc.

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**Annexure**

**Annexure referred to in reply to part (a) of Lok Sabha Starred Question No. \*243 for answer on 05.12.2019.**

**Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises for the half year ended March 2019 vis-a-vis for the half year ended March 2018**

Cases in actual

Sector	Micro, Small & Medium Enterprises cases handled by the committees									
	No. of cases referred to the committees during the HY ended <b>(1)</b>		No. of cases resolved by the committees during the HY ended <b>(2)</b>		Corrective Action Plan (CAP) by the committees (Out of (2))					
					Rectification		Restructuring		Recovery	
	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19
Micro Enterprises	87735	86228	86450	94309	55913	49162	726	12672	29811	32475
Small Enterprises	38843	44457	39286	43963	23806	25414	231	2217	15249	16332
Medium Enterprises	3630	11590	4737	8247	1773	4161	67	536	2897	3550
<b>Total MSMEs</b>	<b>130208</b>	<b>142275</b>	<b>130473</b>	<b>146519</b>	<b>81492</b>	<b>78737</b>	<b>1024</b>	<b>15425</b>	<b>47957</b>	<b>52357</b>

*As reported by Scheduled Commercial Banks*

*\* Number of cases resolved by the committees is more than the cases referred due to some pending cases with the committees at the beginning of the half year which have been resolved during the period.*

- i. It is observed that Rectification is the preferred Corrective Action Plan (CAP) of the committees under the Framework, with the option being exercised in 53.74% of the total cases resolved for the half year ended March 2019. The option of Recovery was exercised in 35.73% of cases resolved for the half year ended March 2019.
- ii. Maximum cases referred to the committees and resolved were of Micro Enterprises.