

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. 700
TO BE ANSWERED ON 06.02.2020

FINANCIAL DISTRESS FACED BY MSMEs

700. SHRIMATI MAHUA MOITRA:

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

- (a) the number of MSMEs closed down or are in deep financial distress during the last three years;
- (b) whether the Government is going to help MSMEs by reducing taxes on LLPs and partnerships and if so, the details thereof;
- (c) whether the Government proposes to allow MSMEs to procure gas and electricity freely as electricity and gas prices for MSMEs are going up every day and if so, the details thereof; and
- (d) the measures the Government is taking to improve the plight of MSMEs?

ANSWER

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

(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. As per the information received from Reserve Bank of India, stressed accounts referred to the Corrective Action Plan Committee during the half year ended March 2017, September 2017, March 2018, September, 2018 and March 2019 are 1,00,803; 87,062; 1,30,208; 1,50,165 and 1,42,275 respectively.

(b): Ministry of Micro, Small and Medium Enterprises does not have any such plan.

(c): As reported by Bureau of Energy Efficiency, various activities have been carried out to support MSMEs in the field of energy efficiency. These include demonstration of pilot Energy Efficiency (EE) technology in MSME clusters, Energy Management Centres in 12 MSME clusters, technical assistance to 50 MSMEs in implementation of ISO:50001:Energy management Systems, Energy conservation guidelines for MSMEs, dedicated knowledge portal for MSMEs etc.

(d): The Ministry of Micro, Small and Medium Enterprises (MSMEs) implements various schemes to support different sectors of MSMEs across the country. These include Prime Minister's Employment Generation Programme (PMEGP), Micro and Small Enterprises-Cluster Development Programme (MSE-CDP), Scheme for Promotion of MSMEs in North Eastern Region and Sikkim, Tool Rooms and Technology Centers, Mission Solar Charkha (MSC), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), Procurement and Marketing Support Scheme, Entrepreneurship Skill Development Programme (ESDP), Credit Guarantee Scheme for Micro and Small Enterprises (MSEs) and Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS).
