

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 533
TO BE ANSWERED ON 04.02.2021

RESTRUCTURING OF SICK MSMEs

533. SHRI B.Y.RAGHAVENDRA:

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

- (a) the total number of sick Micro, Small and Medium Enterprises (MSMEs) in the Country during the last three years;
- (b) whether the Reserve Bank of India has appointed a special committee for restructuring the bank loan of sick MSMEs and if so, the details thereof;
- (c) the salient features of restructuring the bank loan of sick MSMEs; and
- (d) the number of small scale industries restructured during the last three years, State/year and industry-wise;

ANSWER

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

(a) to (d): 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. With the issuance of these Guidelines, the concept of sickness no longer exists. 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 Corrective Action Plan for rectification, restructuring and recovery. The latest available data furnished by the Reserve Bank of India, regarding revival and rehabilitation of MSMEs for the half year ended March, 2017 to half year ended March, 2020 is given in Annexure I.

Moreover, with a view to facilitate meaningful restructuring of stressed MSME accounts, RBI has permitted a one-time restructuring of loans to MSMEs subject to certain conditions. The restructuring of the MSME borrower account under the revised guidelines is to be implemented by March 31, 2021 and such borrower accounts which may have slipped into NPA category between March 2, 2020 and date of implementation may be upgraded as 'standard asset', as on the date of implementation of the restructuring plan.

Annexure-I referred to in reply to part (a) to (d) of Lok Sabha Unstarred Question No. 533 for answer on 04.02.2021.

Data on Framework for Revival and Rehabilitation of MSME

(Accounts in Actual)

| SI. No. | For the half year | Accounts referred to the Committee during the half year (1) | Accounts resolved by the Committee during the half year (2) | Corrective Action Plan by the Committee (out of 2) | | |
|---------|----------------------------|---|---|--|---------------|----------|
| | | | | Rectification | Restructuring | Recovery |
| 1 | October 2016-March 2017 | 100803 | 137282 | 80905 | 2197 | 54180 |
| 2 | April 2017-September 2017 | 87062 | 95107 | 58512 | 207 | 36388 |
| 3 | October 2017-March 2018 | 130208 | 130473 | 81492 | 1024 | 47957 |
| 4 | April 2018-September 2018 | 150165 | 123227 | 76172 | 201 | 46854 |
| 5 | October 2018 to March 2019 | 142275 | 146519 | 78737 | 15425 | 52357 |
| 6 | April 2019-September 2019 | 172949 | 150613 | 71203 | 14240 | 65170 |
| 7 | October 2019-March 2020 | 339728 | 324621 | 71938 | 148369 | 104314 |

Source: RBI

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