

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 1810
TO BE ANSWERED ON 05.12.2024

REVIVAL OF SICK MSMEs

1810. SHRI KULDEEP INDORA:

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

- (a) whether the Government has drawn any plan to ensure enhanced financial support, technological upgradation, easy access to Government schemes, etc. to sick Micro, Small & Medium Enterprise (MSME) units in the country and if so, the details thereof;
- (b) whether the Government proposes comprehensive training and development programmes to upskill workers in MSMEs, if so, the details thereof; and
- (c) whether the Government has any plan to constitute dedicated committees to monitor the progress of MSME revival plans and timely and need based intervention and if so, the details thereof?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a): The Reserve Bank of India (RBI) 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 viz. rectification, restructuring and recovery.

The Government has taken a number of steps to enhance financial support, technology upgradation and easy access to credit for the MSME sector in the country, through various schemes, programmes and policy initiatives. Some of the schemes implemented are as follows:

- i. To facilitate the flow of credit to the Micro and Small Enterprises, without the hassles of collateral and third party guarantee up to a maximum of Rs. 5 crore, Credit Guarantee Scheme for Micro and Small Enterprises has been implemented.
- ii. Prime Minister Employment Generation Programme (PMEGP) is a major credit-linked subsidy program, aimed at generating self-employment for Micro Enterprises.
- iii. Pradhan Mantri Mudra Yojana (PMMY) extends collateral free credit up to Rs. 20 lakh.
- iv. Stand-Up India (SUI) Scheme facilitates loans from Scheduled Commercial Banks (SCBs) of value between Rs. 10 lakh and Rs. 1 crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and one women borrower per bank branch.

- v. A network of Technology Centres/Tool Rooms has been established by Government across the country to provide access to advance manufacturing technologies to MSMEs, and to impart training to youths in partnership with academia and industry.
 - vi. Other initiatives to provide new and indigenous technologies to MSME include Green Investment and Financing for Transformation Scheme to help MSEs adopt green technology and Scheme for Promotion and Investment in Circular Economy to promote circularity among MSEs are under implementation.
 - vii. PM Vishwakarma Scheme provides end-to-end holistic support, including credit support to artisans and craftspeople in the 18 trades covered.
 - viii. Launch of Udyam Assist Platform on 11.01.2023 to bring Informal Micro Enterprises (IMEs) under the formal ambit of MSME.
 - ix. Inclusion of Retail and Wholesale traders as MSMEs for the purpose of availing Priority Sector Lending benefits, w.e.f. 02.07. 2021.
 - x. To increase awareness about the benefits available through registration among MSMEs in the country, awareness programmes are conducted by the field offices of Ministry of MSME, in coordination with MSME/ Industry Departments of States/UTs concerned and other MSME stakeholders through physical workshops, social media, print media & electronic media for creating wide publicity for increasing participation from all stakeholders
- (b): The Ministry of Micro, Small and Medium Enterprises conducts comprehensive training and development programme viz Entrepreneurship and Skill Development Programme (ESDP) Scheme, Prime Minister's Employment Generation Programme (PMEGP), Skill Upgradation and Mahila Coir Yojana, SCST Hub, Assistance to Training Institutions (ATI) Scheme, PM Vishwakarma Scheme, A Scheme For Promotion of Innovation, Rural Industry & Entrepreneurship (ASPIRE) and training through Technology Centres set up across the country.
- (c): As informed by Reserve Bank of India, in order to provide a simpler and faster mechanism to address the stress in the accounts of MSMEs, Reserve Bank of India vide circular dated March 17, 2016, FIDD.MSME & NFS.BC.No.21/06.02.31/2015-16, has put in place a framework for revival and rehabilitation (FRR) of MSME units having loan limits up to 25 crore. As per the FRR guidelines, banks shall identify incipient stress in the MSME accounts by creating three sub-categories under the Special Mention Account (SMA) category. On the basis of early warning signals, the branch maintaining the account shall consider forwarding the stressed accounts with aggregate loan limits above Rs.10 lakh to a committee whereas accounts with loan limit below 10 lakhs shall be examined at branch level for corrective action plan (CAP). The resolutions under CAP may include rectification, restructuring and recovery.
