

(d) how Government proposes to revive these small scale industries since they generate large number of employment opportunities?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH): (a) and (b) Information on closure among Micro, Small and Medium Enterprises (MSMEs) in registered sector is obtained through conduct of periodic census of MSMEs. As per results of Fourth All India Census of MSMEs in registered sector, the cumulative number of enterprises closed down in the country was 4.96 lakhs, as on 31.3.07. Number of people employed by these MSMEs is 93.09 lakhs, as per 4th All India Census (2006-07), which grew by 51.04% compared to 3rd All India Census (2001-02). Hence there has been no net loss of overall employment.

(c) and (d) Main reasons for closure are financial non-viability due to changing business environment, lack of demand, obsolete technology, non-availability of raw material, infrastructural constraints, inadequate and delayed credit and managerial deficiencies.

Keeping in view different constraints on MSMEs, Government, Reserve Bank of India (RBI) and Public Sector Banks had taken several measures for MSMEs which, *inter-alia*, include: (i) extending loan limit under Credit Guarantee Scheme from Rs. 50 lakhs to Rs. 1 crore (with a guarantee cover of 50 per cent); (ii) increasing guarantee cover under Credit Guarantee Scheme from 80 per cent to 85 per cent for credit facility up to Rs. 5 lakhs; (iii) interest subvention of 2 per cent in pre-and post-shipment export credit to small and medium enterprises (SMEs) and (iv) reduction in interest rates for borrowing by micro enterprises by 1 per cent and in respect of SMEs by 0.5 per cent.

#### **Problems of MSMEs in NER**

1190. SHRI THOMAS SANGMA: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether a large number of MSMEs in the North Eastern Region (NER) are facing multi-faceted challenges compared to their counterparts in other regions of the country including acute shortage of electricity which is threatening their survival;

(b) if so, the details thereof and upto date assessment thereof, State-wise;

(c) whether Government proposes to address the electricity shortage faced by MSMEs; and

(d) if so, the details of the special incentives in this regard including the development of renewable energy projects?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH): (a) and (b) Yes, Sir. Challenges are due to inadequate local demands, lack of infrastructure, (particularly connectivity through road, rail, air, water and telecommunication), shortage of power among others. This has resulted in slow development of this region.

(c) and (d) Government in Department of Industrial Policy and Promotion (DIPP) is implementing North East Industrial and Investment Promotion Policy (NEIIPP) under which incentives are available for power generating plants upto 10 MW based on both conventional and non-conventional sources. The Policy also provides incentives viz. Capital Investment Subsidy @ 30% of the value of plant and machinery, Central Interest Subsidy @ 3% on working capital loan, Comprehensive Insurance Subsidy, 100% excise duty exemption on finished products made in North Eastern Region and 100% income tax exemption.

#### **Closure of small and medium sick units in Maharashtra**

1191. SHRI TARIQ ANWAR: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether it is a fact that thousands of small and medium units are sick in Maharashtra;

(b) if so, the number of factories closed during the last three years and the number of people rendered unemployed due to it;

(c) whether Government proposes to restart the closed units and to help the sick units in their revival; and

(d) if so, the details thereof?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH): (a) and (b) As per Reserve Bank of India (RBI) data, there were 6,646, 12,131 and 6,348 sick micro and small enterprises (MSEs) in Maharashtra State at the end of March, 2008, 2009 and 2010 respectively. Information in respect of medium enterprises is not collated by RBI. As per Fourth All India Census of Micro, Small and Medium Enterprises (reference year 2006-07), there were 4,96,355 registered closed enterprises in the country in 2006-07. This included 41,856 enterprises belonging to Maharashtra State. Number of people employed in registered sector is 93.09 lakhs, as per 4th All India Census (2006-07), which grew by 51.04% compared to 3rd All India Census (2001-02), indicating no net loss of employment.

(c) and (d) Financial assistance, by way of debt restructuring, including fresh loans for rehabilitation of sick MSE is provided by primary lending institutions (PLIs), including