

Reasons for Sickness of MSMEs in Madhya Pradesh

1. **Business Slowdown:** Due to weak market demand, rising input costs.
2. **Delayed Payments from Debtors:** MSMEs often sell on credit; delayed receivables create cash flow problems.
3. **Closure of Business Units:** Due to unviable operations, family issues, or migration to other jobs/sectors.
4. **Obsolete or Failing Products:** Lack of innovation leads to poor product acceptance in the market.
5. **Failed Expansion or Diversification:** Entering new markets or scaling too fast without planning.
6. **Change in Business Model:** Sudden shift in product/service strategy that didn't succeed.
7. **Low Demand in Rural and Semi-Urban Markets:** Many MSME in MP are based in tier-2/tier-3 cities and face limited local demand. Poor forward and backward linkage.
8. **Technological Obsolescence:** Failure to adopt newer machinery, tools, or digital processes.
9. **Unskilled Labour and Poor Management:** Inability to manage cost, marketing, and HR functions effectively.

Rehabilitation Efforts for Sick MSMEs in Madhya Pradesh

1. **Restructuring of Loans:** Banks offer revised repayment schedules, working capital limits, or EMI deferment.
2. **One-Time Settlement (OTS):** For non-viable units, banks offer settlement schemes to close NPA accounts.
3. **Handholding and Advisory Support:** Special MSME cells and nodal officers in banks offer counselling and guidance.
4. **Financial Literacy & Mentorship:** Connecting MSMEs with chartered accountants, industry experts, and mentors.
5. **Linking with Government Schemes:** Help with PMEGP, CGTMSE, Mudra Yojana, etc., for financial and subsidy support.
6. **Skill Development & Training:** Industrial training institutes (ITIs), MSME Tool Rooms offer training programs.
7. **Facilitating Market Access:** Assistance in online selling, government e-marketplace (GeM), and trade fairs.
8. **Encouraging Cluster-Based Development:** Development of MSME clusters in places like Indore, Bhopal, Gwalior for economies of scale.
9. **Moratorium Support During Crisis (e.g., COVID-19):** Temporary relief in interest or repayment obligations during economic stress.
10. **Coordination with State-Level Task Force:** MP government task forces monitor and support rehabilitation through SLBC and DIC offices.