

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
STARRED QUESTION NO. * 31
TO BE ANSWERED ON 06.02.2023

SURVEY OF CLOSED MSMEs

*31. SHRI RAGHAV CHADHA:

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

- (a) whether Government has conducted any survey of the Micro, Small and Medium Enterprises (MSMEs) shut down in the last three years;
- (b) if so, the details thereof;
- (c) the steps taken by Government to strengthen, support, finance, revive and reconstruct the existing MSMEs and MSMEs shut down during the last three years;
- (d) the measures taken or proposed to be taken by Government to protect interests of both employers and employees of MSME sector ; and
- (e) if so, the details thereof and the steps taken by Government to provide re-employment to the people who were rendered jobless during COVID-19 pandemic?

ANSWER

MINISTER FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NARAYAN RANE)

(a) to (e): A Statement has been laid on the table of the house.

Statement referred to in reply to Parts (a) to (e) of the Rajya Sabha Starred Question No. *31 for reply on 06th February, 2023

(a) & (b): A study conducted by SIDBI from September, 2021 to January, 2022, comprising 1,029 Micro, Small and Medium Enterprises (MSMEs) spread across 20 States and 2 UTs revealed that 67% of the respondent MSMEs were temporarily closed up to a period of three months. The study revealed that around 65% of the MSMEs surveyed, have availed the benefits under Emergency Credit Line Guarantee Scheme (ECLGS) and around 36% of the respondents (MSMEs) also availed loans under the Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE) Scheme. The survey data reveals a positive impact of the change in definition.

(c): The Government implements various schemes, programmes and initiatives for the promotion, development and enhancing the competitiveness of MSME sector in the country. A number of recent initiatives have been taken to strengthen, support, finance, revive and reconstruct MSMEs. These include:

1. Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS), for businesses, including MSMEs was announced as a part of Aatma Nirbhar Bharat Package with initial guarantee coverage of Rs. 3 lakh crore on 13.05.2020 with validity of scheme up to 30.11.2020. Subsequently, this was extended with infusion of Rs. 1.5 lakh crore on 29.09.2021 with validity of scheme up to 31.03.2022 and with infusion of Rs. 50,000 crore on 01.02.2022 with validity of scheme up to 31.03.2023. 1.19 crore number of guarantees have been issued to businesses, including MSMEs, amounting to Rs. 3.60 lakh Crore. Out of the total, 1.13 crore guarantees amounting to Rs. 2.38 lakh crore have been provided to MSMEs. State Bank of India's research report dated 06.01.2022 on ECLGS, indicates that almost 13.5 lakh MSME accounts were saved due to ECLGS scheme (including restructured) from becoming NPA, of which about 93.7% of the accounts were in Micro and Small category.
2. Rs. 50,000 crore equity infusion through Self Reliant India Fund. This scheme has a provision of Rs.10,000 Crore from Government of India and Rs.40,000 Crore leverage through Private Equity / Venture Capital funds. This initiative is aimed at providing growth capital to the deserving and eligible units of MSME sector. As on 31.12.2022, 34 Daughter Funds have been empanelled with the special purpose vehicle, NSIC Venture Capital Fund Limited and by way of investing of Rs. 2,790 Cr, 140 MSMEs have been assisted.
3. New revised criteria for classification of MSMEs.
4. No global tenders for procurement up to Rs. 200 crore.
5. "Udyam Registration" for MSMEs, for Ease of Doing Business w.e.f. 1.7.2020. A total of 1.39 crore MSMEs have registered on Udyam Portal with an employment of 9.92 crore.
6. Launching of an online Portal "Champions" in June, 2020 to cover many aspects of e-governance including grievance redress and handholding of MSMEs.
7. Inclusion of Retail and Wholesale traders as MSMEs w.e.f. 2.7. 2021.

8. Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs.
9. Launch of Udyam Assist Platform on 11.1.2023 to bring Informal Micro Enterprises (IMEs) under the formal ambit for availing the benefits under Priority Sector Lending. As on date, there are 12.7 lakh registered IMEs.
10. The Ministry of MSME vide notification no. S.O. 5670(E) dated 9.11.2018, had made it mandatory for all Central Government Ministries/ Departments/ CPSUs to procure at least 25% of their annual procurement from MSEs, including 3% from MSEs owned by women entrepreneurs. The procurement from CPSUs achieved 34% in 2022-23 (upto 2.2.2023) as against the mandated 25% from MSEs.
11. Field offices of Ministry of MSME organize various awareness campaigns for UDYAM registration and benefits of Government schemes /programmes, 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 stake holders.
12. In order to address the issue of delayed payment to MSMEs, RBI has issued guidelines for setting up and operating the Trade Receivables Discounting System (TReDS) to facilitate the financing of trade receivables of MSMEs from corporate and other buyers, including government departments and public sector undertakings (PSUs) through multiple financiers electronically.

(d) & (e): Some measures taken by the Government to protect the interests of employers and employees of MSME sector include:

- 1) On Udyam Registration portal, which was launched on 1.7.2020, 1.39 crore MSMEs with an employment of 9.92 crore have registered, which shows that the number of persons employed per enterprise stands at 7.2 persons /enterprise.
- 2) Budget 2022 announced the integration of Udyam, e-shram, National Career Service (NCS) and Aatmanirbhar Skilled Employee-Employer Mapping portals for the purpose of credit facilitation, skilling and recruitment. Since the integration of Udyam and NCS on 14.9.2022, 5.84 lakh MSMEs have accessed the NCS portal.
