

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 1386
TO BE ANSWERED ON 13.03.2023

LOSS OF REVENUE

1386. SHRI AKHILESH PRASAD SINGH:

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

- (a) whether Government is aware that two-thirds of Micro, Small and Medium Enterprises (MSMEs) in the country were temporarily shut for three months or more in FY21 and over half of them saw a decline of over 25 per cent in revenues, according to a survey by Small Industries Development Bank of India (SIDBI);
- (b) if so, the details of the steps taken by Government to aid MSMEs to recover after the pandemic; and
- (c) the details of the MSMEs that availed credit under Government's Emergency Credit Line Guarantee Scheme (ECLGS) and year-wise details regarding the guarantees issued on loans under the ECLGS?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a): 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. Over 50% respondents saw decline in revenue of more than 25%.

(b): The Ministry of MSME implements various schemes and programmes for the promotion and development of MSME Sector in the country. These schemes and programmes inter alia include Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Scheme for Micro and Small Enterprises, Micro and Small Enterprises Cluster Development Programme (MSE-CDP), etc. Benefits under these schemes are available to all eligible MSMEs throughout the country. Besides, the Government has taken a number of recent initiatives under the Aatma Nirbhar Bharat Abhiyan to mitigate the negative impact of Covid-19 on small businesses in the country. Some of them are:

1. Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS), for businesses, including MSMEs.
2. Rs. 50,000 crore equity infusion through Self Reliant India Fund.
3. New revised criteria for classification of MSMEs.
4. No global tenders for procurement up to Rs. 200 crore.

5. Inclusion of Retail and Wholesale traders as MSMEs w.e.f. 2.7.2021.
6. Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs w.e.f. 18.10.2022.
7. “Udyam Registration” for MSMEs, for Ease of Doing Business w.e.f. 1.7.2020.
8. Launching of an online Portal “Champions” in June, 2020 to cover many aspects of e-governance including grievance redress and handholding 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.
10. 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.
11. Budget 2023 announcement :
 - 1) Infusion of Rs 9,000 crore Credit Guarantee Trust for Micro, Small & Medium Enterprises (CGTMSE) with reduced credit cost by about 1 per cent.
 - 2) PM Vishwakarma KAushal Samman (PM VIKAS): Financial Assistance for traditional artisans and craftspeople to improve the quality, scale and reach of their products, integrating them with the MSME value chain, access to advanced skill training, knowledge of modern digital techniques and efficient green technologies, brand promotion, linkage with local and global markets, digital payments, and social security.
 - 3) Vivad se Vishwas I – Relief for MSMEs: In cases of failure by MSMEs to execute contracts during the Covid period, 95 per cent of the forfeited amount relating to bid or performance security, will be returned to them by government and government undertakings.
 - 4) Under Section 43B of Income Tax Act: Deduction has been allowed for expenditure incurred on payments only when payment is actually made to MSMEs.

(c): As reported by Department of Financial Services (DFS), under Emergency Credit Line Guarantee Scheme (ECLGS) as on 31.1.2023, total **1.13 crore guarantees** amounting to **Rs. 2.39 lakh crore** have been provided to **MSMEs**. The Year-wise detail is attached at **annexure I**.

Annexure referred to in reply to part (c) of the Rajya Sabha Unstarred Question No. 1386 for answer on 13.03.2023

Year	Total No of Guarantees Issued	Amount Guaranteed Issued (Rs. In Cr)
2020-21	9,045,507	160,165
2021-22	2,227,517	63,784
2022-23 (up to 31.1.2023)	80,230	15,208
	11,353,254	239,156