

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 430
TO BE ANSWERED ON 06.02.2023

RECOVERY OF MSMEs AFTER COVID-19 PANDEMIC

430. 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) (67 per cent) were temporarily shut for three months or more in FY21 and over half of all MSMEs faced 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 regarding steps taken by Government to aid MSMEs to recover after the pandemic; and
- (c) details regarding the MSMEs that availed credit under Government's Emergency Credit Line Guarantee Scheme (ECLGS) and year-wise details regarding guarantees issued on loans under ECLGS, for last five years?

ANSWER

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

(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. The Government has taken a number of recent initiatives. Some of these include:

- i. Rs. 5.00 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS) for businesses, including MSMEs;
- ii. Rs. 50,000 crore equity infusion through Self Reliant India (SRI) Fund;
- iii. New revised criteria for classification of MSMEs;
- iv. No global tenders for procurement up to Rs. 200 crores;
- v. "Udyam Registration" for MSMEs, for Ease of Doing Business;
- vi. Launching of an online Portal "Champions" in June, 2020 to cover many aspects of e-governance including redressing grievances and handholding of MSMEs;
- vii. Inclusion of Retail and Wholesale traders as MSMEs;
- viii. Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs.
- ix. Launch of Udyam Assist Platform (UAP) on 11.01.2023 to bring Informal Micro Enterprises (IMEs) under the formal ambit for availing the benefit under Priority Sector Lending (PSL).

(c): ECLGS was announced as part of the Aatma Nirbhar Bharat Package in May, 2020 to support eligible MSMEs and other business enterprises to meet their operational liabilities; and resume businesses in view of the distress caused by the COVID-19 crisis. As reported by Department of Financial Service (DFS), under ECLGS as on 31.12.2022, total 1.19 crore guarantees amounting to Rs. 3.60 lakh crore have been issued. Out of the total, 1.13 crore guarantees amounting to Rs. 2.38 lakh crore have been provided to MSMEs.

The year –wise details of guarantees issued to MSMEs under ECLGS since inception are as under:

| Sl. No. | Financial Year | No. of Guarantees issued | Amount Guaranteed issued (Rs. In Cr.) |
|---------|----------------------------|--------------------------|---------------------------------------|
| 1. | 2020-21 | 90,45,507 | 1,60,164.57 |
| 2. | 2021-22 | 22,27,517 | 63,783.536 |
| 3. | 2022-23 (As on 31.12.2022) | 78,924 | 14,583.86 |

Source: National Credit Guarantee Trustee Company Ltd (NCGTC)
