IMPACT OF PANDEMIC ON MSMEs

129. SHRIMATI CHINTA ANURADHA:

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

(a) whether the Government has analysed the impact of Pandemic on the health of MSMEs;
(b) if so, the details thereof and if not, the reasons therefor;
(c) the details of measures being taken by the Government to undo the impact made by the pandemic on MSMEs; and
(d) the details of other proposed measures to be taken in this regard?

ANSWER

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

(a) & (b): As per the study conducted by SIDBI on the impact of the pandemic during the period September, 2021 to January, 2022 for a sample size of 1,029 MSMEs spread across 20 States and 2 UTs, 67% of the surveyed enterprises were temporarily closed up to period of 3 months. The study revealed that around 65% of the MSMEs surveyed, have availed the benefits under Emergency Credit Line Guarantee Scheme and around 36% of the respondents also availed loans under the Credit Guarantee Scheme for Micro & Small Enterprises. The survey data reveals a positive impact of the change in definition.

(c) & (d): In the recent past, the Government has taken number of initiatives to support MSMEs in the country. Some of these include:

i. Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme for business, including MSMEs.
ii. Rs. 50,000 crore equity infusion through Self Reliant India 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 on 02.07.2021.
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 the Informal Micro Enterprises (IMEs) under the formal ambit for availing the benefit under Priority Sector Lending (PSL).

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