

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
LOK SABHA**

**UNSTARRED QUESTION NO. 1097.
TO BE ANSWERED ON WEDNESDAY, THE 26TH JULY, 2023.**

FINANCIAL CRISIS IN INDUSTRIES

1097. SHRI RAMSHIROMANI VERMA:

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government is aware of the financial crisis faced by industries in some sectors and if so, the details thereof;
- (b) whether the Government is also aware of the closure of industries in some sectors and if so, the details thereof;
- (c) whether the Government has identified the reasons responsible for the above issues;
- (d) if so, whether the Government has conducted any study in this regard; and
- (e) the corrective measures being taken by the Government in this direction?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सोम प्रकाश)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI SOM PARKASH)**

- (a) to (e):** Promotion of industrial growth is a continuous and ongoing effort and regular feedback is taken from multiple stakeholders as part of this exercise. The industrial growth process is accompanied by the formation of new enterprises and closure of old ones due to several factors such as innovation, upgradation of technology, changes in production line, changes in demand pattern, etc in response to the prevailing socio-economic conditions.

Government has undertaken various steps to boost industrial performance. These include introduction of Goods and Services Tax, reduction in Corporate tax rate, interventions to improve ease of doing business, measures for reduction in compliance burden, policy measures to boost domestic manufacturing through public procurement orders, Phased Manufacturing Programme (PMP), FDI policy reforms, etc.

The series of measures taken by the Government to improve the economic situation and convert the disruption caused by COVID 19 into an opportunity for growth includes Atmanirbhar packages, introduction of Production Linked Incentive (PLI) Scheme across fourteen sectors to augment the manufacturing capacity, investment opportunities under National Infrastructure Pipeline (NIP) and National Monetisation Pipeline (NMP), soft launch of National Single Window System (NSWS), etc. An institutional mechanism to fast-track investments has been put in place, in the form of Project Development Cells (PDCs) in all concerned Ministries/ Departments of Government of India.

The Emergency Credit Line Guarantee Scheme (ECLGS) for industry, with provision of Rs 3 lakh crore which has now been increased to Rs. 5 lakh crore, is in the form of a fully guaranteed emergency credit line to lending institutions. Financial support has been given to the stressed MSMEs with infusion of Rs.20,000 crore equity support through Subordinate Debt. Fund of Funds has been created to infuse equity worth Rs.50,000 crore in the MSME Sector by setting up Rs.10,000 crore Corpus Fund. Also, Government is ensuring timely payment to the MSMEs by instructing all Government of India and CPSEs to clear all receivables of MSMEs within 45 days. Procurement from domestic companies is being encouraged by disallowing global tender in government procurement tenders upto Rs 200 crore. In additional initiatives like Self-Reliant India Fund, Private Equity/Venture Capital funds, New revised criteria for classification of MSMEs, New Registration of MSMEs through 'Udyam Registration' for Ease of Doing Business, launching of an online portal "Champions", launch of Udyam Assist Platform (UAP) are to support different sectors of MSMEs across the country. In the Union Budget 2023- 24, an amount of Rs 9000 crore was infused in the corpus of revamped Credit Guarantee Scheme for MSEs, effective from 1st April, 2023. This is to enable additional collateral-free guaranteed credit of Rs 2 lakh crore.

Government has also focused on infrastructure development. PM Gati Shakti-National Master Plan & Logistics Policy facilitate development of infrastructure and last mile connectivity to reduce the logistic cost and increase the efficiency of economy. Capital investment outlay in the Budget has increased by almost 3 times from Rs. 3.39 lakh crore in 2019-20 to Rs. 10 lakh crore in 2023-24.
