

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. 1965.
TO BE ANSWERED ON 22.09.2020

WAGE SUBSIDY TO MSMES DUE TO COVID-19 PANDEMIC

1965. SHRI RAHUL GANDHI:

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

- (a) whether the Government has assessed the impact of Covid-19 pandemic in MSME sector and if so, the details thereof particularly impact on production, capacity utilization and change in demand, if any;
- (b) whether the National Small Industries Corporation has received grievances from the MSME sector and if so, the details thereof particularly common grievances raised by the MSME sector;
- (c) whether the Ministry has received representations from the MSME sector requesting for wage subsidy to retain workers during the Covid-19 pandemic and if so, the details thereof; and
- (d) whether the Government seeks to provide wage support or any other subsidy to MSMEs, especially micro enterprises to prevent lay-offs and wage cuts in light of the severe contraction in GDP and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI PRATAP CHANDRA SARANGI)

(a): Various sectors including MSME Sector has been affected temporarily by nation-wide lockdown/Covid-19 pandemic in the country.

(b): Yes, Sir. Soon after Covid-19 Lockdown, NSIC constituted a Covid Cell to assimilate suggestions/queries on its schemes and to respond to them in time. The suggestions/queries received by NSIC from MSME sector pertained to Single Point Registration Scheme (SPRS) /Business to Business (B2B) portal and Raw Material Assistance Scheme which were responded to promptly.

(c)&(d): For addressing the grievances of MSMEs especially during COVID-19 Pandemic, An online Portal “Champions” has been launched on 01.06.2020 by Hon’ble Prime Minister. This covers many aspects of e-governance including grievance redressal and handholding of MSMEs. Through the portal, total 19,593 grievances have been redressed upto 17.09.2020.

Further, the Ministry of MSME implements various schemes and programmes for growth and development of MSME Sector in the country including Tamil Nadu. These schemes and programmes include Prime Minister's Employment Generation programme (PMEGP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE), Interest Subvention Scheme for Incremental Credit to MSMEs, Credit Guarantee Scheme for Micro and Small Enterprises, Micro and Small Enterprises Cluster Development Programme (MSE-CDP), Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS).

Recently, Post Covid-19, Government has taken a number of initiatives under Aatma Nirbhar Bharat Abhiyan to support the MSME Sector in the country especially in Covid-19 pandemic. Some of them are:

- i) Rs 20,000 crore Subordinate Debt for MSMEs.
- ii) Rs. 3 lakh crores Collateral free Automatic Loans for business, including MSMEs.
- iii) Rs. 50,000 crore equity infusion through MSME Fund of Funds.
- iv) New revised criteria for classification of MSMEs.
- v) New Registration of MSMEs through 'Udyam Registration' for Ease of Doing Business.
- vi) No global tenders for procurement up to Rs. 200 crores, this will help MSME.

RBI has also announced several measures to Reduce Financial Stress of MSMEs.

Government of India under Atmanirbhar Bharat package has already announced measures such as 'Extending the Employees Provident Fund Support for business and organised workers for salary months of June, July and August 2020 and EPF contribution has been reduced for Employers and Employees for 3 months to 10% from 12% for all establishment covered by EPFO for 3 months.
