

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. 1966
TO BE ANSWERED ON 22.09.2020

IMPACT OF COVID-19 ON MSME SECTOR

1966. SHRI RAHUL RAMESH SHEWALE:
SHRI N.K. PREMACHANDRAN:
SHRI SANTOKH SINGH CHAUDHARY:

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

- (a) whether the Government has made any assessment of the impact of Covid-19 pandemic on MSME sector so far and if so, the details and outcome thereof and if not, the reasons therefor;
- (b) the number of MSMEs which have become sick/been closed during the period of nation wide lockdown due to said pandemic, State/UT-wise and the details of contribution of MSME sector in enhancing unemployment due to the same;
- (c) the financial package announced by the Government for MSME sector for its revival along with number of MSMEs revived from such package so far, State/UT-wise;
- (d) whether banks are not implementing stimulus package in its true spirit and if so, the details thereof and the steps taken thereon;
- (e) whether the Government proposes to introduce an effective monitoring system for implementation of the scheme and if so, the details thereof; and
- (f) whether loans to MSMEs have contracted year-on-year in July and August, 2020 and if so, the details thereof along with the reasons therefor and the steps taken by the Government to revive MSMEs and generate employment?

ANSWER

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

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

(b): Under Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises, the number of Accounts referred to the Committee and Accounts resolved by the committee are:

S No.	For the half year	Total MSME	
		Accounts referred to the Committee during the half year	Accounts resolved by the Committee during the half year
1	October 2016- March 2017	1,00,803	1,37,282
2	April 2017- September 2017	87,062	95,107
3	October 2017-March 2018	1,30,208	1,30,473
4	April 2018-September 2018	1,50,165	1,23,227
5	November 2018-March 2019	1,42,275	1,46,519
6	April 2019-September 2019	1,72,949	1,50,613
7.	October 2019-March 2020	3,39,728	3,24,621

Source: RBI

Note: Number of cases resolved by the committees is more than the cases referred due to some pending cases with the committees at the beginning of the half year which have been resolved during the period.

(c) & (d): 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 which include:

- 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.

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.

As per data reported by Member Lending Institutions (MLIs), an amount of Rs. 1,63,103 crore has been sanctioned to 42,01,060 borrowers and an amount of Rs. 1,17,885 core disbursed to 25,01,216 borrowers under the Emergency Credit Line Guarantee Scheme (ECLGS) as on September 9, 2020.

(e): Ministry of MSME has already implemented SAMADHAAN Portal for empowering micro and small entrepreneurs across the country to directly register their cases relating to delayed payments and SAMBANDH Portal for monitoring the implementation of Public Procurement Policy for micro and small enterprises in the country.

(f): Growth/decline in credit outstanding to MSMEs by Scheduled Commercial Banks for the quarter ended June 2020 vis-à-vis March 2020 is given below:

Bank Group Category	Credit Outstanding to MSMEs in Rs. Crores		Growth/ Decline over the previous quarter
	March 2020	June 2020*	
Public Sector Banks	893314.83	838708.28	-6.11%
Private Sector Banks (including Small Finance Banks)	646988.27	659074.25	1.87%
Foreign Banks	73279.06	65458.95	-10.67%
Total	1613582.166	1563241.49	-3.12%

*June 2020 data is provisional

Source: RBI

Ministry of Micro Small and Medium Enterprises (MSME) implements various schemes and programmes for the growth and development of MSME Sector in the country. 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), 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).
