

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 885**  
TO BE ANSWERED ON 17.09.2020

**SUBSIDY TO MSME WORKERS**

885. SHRI D.M. KATHIR ANAND:

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

- (a) whether the Government has taken any steps to provide wage subsidy to MSME workers;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

**ANSWER**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI NITIN GADKARI)

(a)&(b): No wage subsidy scheme, for MSME workers, has been introduced by the Govt. of India.

(c): The Government of India has, however, announced Emergency Credit Line Guarantee Scheme (ECLGS) as a part of Atmanirbhar Bharat Abhiyaan. Under the scheme, eligible MSME entities and business enterprises are provided fully guaranteed and collateral free additional credit of upto 20% of their outstanding as on 29.02.2020, with interest rate capped at 9.26% for Banks and Financial Institutions and at 14% for non-Banking Financial Institutions (NBFCs), and a moratorium of 12 months on principal repayment. The Scheme aims at helping MSMEs to tide over the crisis caused by COVID -19 pandemic and meet their operational liabilities, including inter alia, payment of wages to workers.

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