

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 519
TO BE ANSWERED ON: 04.02.2021

RELIEF SUBSIDIES TO MSME ENTREPRENEURS

519. SHRI SANJAY KAKA PATIL:

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

- (a) whether the Government proposes to give relief subsidies or fund to MSME entrepreneurs due to COVID pandemic situation;
- (b) if so, the details thereof; and
- (c) whether the Government proposes to relax the taxation & bank loan schedule for MSMEs due to Covid-19 pandemic situation and if so, the details thereof?

ANSWER

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

(a) & (b): Government has implemented a judicious mix of fiscal and monetary policies along with regulatory and structural reforms to mitigate the negative impact of COVID-19 on the MSME entrepreneurs. Government has already announced a series of measures in this direction, which inter-alia includes Rs. 3 lakh crore collateral-free lending program with 100 percent credit guarantee for businesses including MSMEs, Rs. 20,000 crore subordinate debt for stressed MSMEs with partial guarantee, Rs. 45,000 crore partial credit guarantee scheme 2.0 for non-banking financial companies (NBFCs), housing finance companies (HFCs) to do fresh lending to MSMEs, Rs. 50,000 crore equity infusion for MSMEs through Fund of Funds, credit facility for street vendors (PM SVANidhi).

(c): On the taxation front, Government has taken some regulatory and compliance measures such as postponing tax-filing and other compliance deadlines, reduction in penalty interest rate for overdue GST filings. Government has introduced IBC related relaxations for MSMEs, amongst others. Moreover, with a view to facilitate meaningful restructuring of stressed MSME accounts, RBI has permitted a one-time restructuring of loans to MSMEs. The restructuring of the MSME borrower account under the revised guidelines is to be implemented by March 31, 2021 and such borrower accounts which may have slipped in to NPA category between March 2, 2020 and date of implementation may be upgraded as 'Standard asset' as on the date of implementation of the restructuring plan.
