

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 681**  
**TO BE ANSWERED ON 04.02.2021**

**IMPACT OF COVID 19 ON MSME SECTOR**

681. DR. SUKANTA MAJUMDAR:  
SHRI VINOD KUMAR SONKAR:  
SHRI BHOLA SINGH:  
SHRI RAJA AMARESHWARA NAIK:  
SHRI NISITH PRAMANIK:  
SHRIMATI SANGEETA KUMARI SINGH DEO:  
DR. JAYANTA KUMAR ROY:

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

- (a) whether the Government has made any assessment of impact of COVID-19 and lockdown on the Micro, Small and Medium Enterprises (MSME) sector;
- (b) if so, the details thereof;
- (c) whether the Government has taken various initiatives under Atmanirbhar Bharat Abhiyan for MSME Sector;
- (d) if so, the details thereof and the current status of their implementation;
- (e) whether the Government has taken any technology based initiatives and interventions to tackle COVID-19 challenge; and
- (f) if so, the details thereof and the other major steps being taken by the Government for the development of MSME sector?

**ANSWER**

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

(a) & (b): Ministry of Micro, Small & Medium Enterprises (MSME) has conducted a study through Khadi and Village Industries Commission (KVIC) to assess the impact of COVID-19 pandemic on the micro units set up under the Prime Minister's Employment Generation Programme (PMEGP) and below are the main findings:

- i. 88% of the beneficiaries of PMEGP scheme reported that they were negatively affected due to Covid-19 while the remaining 12% stated that they were benefitted due to Covid-19.
- ii. Among the 88% who were affected, 57% stated that their units were shut down during this period, while 30% reported drop in production and revenue.
- iii. Among the 12% who had benefitted, 65% stated that their business increased as they had units in retail and health sector and around 25% stated that their units benefitted as they were dealing with essential commodities or services.

- iv. On the question of regular payment of salaries to the employees, around 46.60% respondents stated that they had fully paid the salaries, 42.54% reported to have partially paid and 10.86% reported to have not paid salary during this period.
- v. Majority of the beneficiaries expressed the need for additional financial support, relaxation of waiver of interest and marketing support for their products.

(c) & (d): Government has announced a comprehensive package of Rs.20 Lakh crore for all the sections of the society including Industries and MSMEs, under Atmanirbhar Bharat Abhiyan (ABA). Announcements pertaining to MSMEs and their current status are given below:

- i. Emergency Credit Line for MSMEs: Government has operationalized Rs. 3,00,000 crore collateral free loan scheme w.e.f. 23.05.2020 which is likely to benefit 45 lakh MSMEs. As on 01.01.2021, loans for an amount of Rs. 2.10 lakh crore have been sanctioned.
- ii. Rs. 20,000 crore as Subordinate Debt for Stressed MSMEs: As on 31.12.2020, 249 guarantees have been approved amounting to Rs. 27.27 crore.
- iii. Rs. 50,000 crore Equity infusion for MSMEs through Fund of Funds (FoF): CCEA has approved a corpus of Rs. 10,000 crore for Fund of Funds scheme. The detailed guidelines have been issued by the Ministry of MSME.
- iv. No Global tenders for government procurement up to Rs. 200 crore
- v. Clearing of payment due to MSMEs: Government has announced that MSME dues should be cleared by the Government agencies and CPSEs within 45 days. Since May 2020 and up to 11.01.2021, pending payments of Rs. 26,363.75 crore have been made to MSMEs out of the total dues of Rs. 33,323.92 crore.
- vi. Initiatives taken by Ministry of MSME through KVIC for providing employment opportunities to people including migrant workers under ABA in 116 districts of 6 States:
  - Under PMEGP, margin money amounting to Rs. 207.49 crore has been disbursed for setting up 5924 units.
  - Under beekeeping/Honey Mission, 335 beneficiaries have been trained and 3350 bee colonies and toolkits have been distributed.
  - Under Kumbhar Shashktikaran Programme, 1000 potters have been trained and electric pottery wheels have been distributed.

(e) & (f): Technology based initiatives and various steps taken by the Ministry of MSME for development of MSME sector are as under:

- i. Champions.gov.in, a single interactive platform with 64 control rooms across the country, has launched by the Ministry in June, 2020, to provide prompt redressal to MSME grievances at the field level.
- ii. Government is working towards creating e-commerce linkages for MSMEs including creation of online portals. KVIC has launched its portal- [www.ekhadiindia.com](http://www.ekhadiindia.com) for Business to Customer (B2C) outreach of KVI micro businesses.

- iii. Online Entrepreneurship Development Programme (EDP) Training has been initiated expediting the release of loan to the entrepreneurs under PMEGP.
- iv. MSME-Development Institutes (DIs) are working closely with Industry Associations and providing hand-holding support for bank loans, Udyam registration, e-passes, and GST.
- v. MSME-DIs are also working with State Governments in helping the MSME units for procuring raw materials for manufacturing of masks, PPE kits, etc.
- vi. The rate of interest under “Raw Material Assistance Scheme (RMA) against Bank Guarantee” has been reduced by 1.50% per annum w.e.f. 1<sup>st</sup> June, 2020 and again by 0.50% per annum on 1<sup>st</sup> October, 2020 to provide cheaper financial assistance to MSME units.

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