

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**STARRED QUESTION No. \*45**  
**TO BE ANSWERED ON 22.07.2021**

**Impact of Pandemic on MSME Sector**

\*45. SHRIMATI PRATIMA MONDAL:

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

- (a) the steps taken by the Government to overcome the distress caused to the people engaged in MSME sector by the second wave of the Covid-19 pandemic;
- (b) the details of MSME organisations that had to be shut down due to the pandemic, State-wise; and
- (c) the quantum of loss suffered by the MSME sector due to the pandemic?

**ANSWER**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI NARAYAN RANE)

(a) to (c): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PART (a) to (c) OF THE LOK SABHA STARRED QUESTION No. \*45 FOR ANSWER ON 22.07.2021**

(a): Government has taken several measures to support MSMEs which are affected by Covid-19. Some of the initiatives taken by Government to support MSMEs affected by Covid-19 are:

- i. The validity of Udyog Aadhar Memorandum (UAM) is extended upto 31.12.2021 vide notification no. S.O. 2347(E) dated 16.06.2021.
- ii. On 02.07.2021, the Government has included Retail and whole sale trades as MSMEs and they are allowed to be registered on Udyam Registration Portal. This will help more MSMEs to take benefits of Priority Sector Lending.
- iii. RBI has taken several measures for helping MSMEs. To facilitate restructuring of loan accounts of MSMEs having aggregate exposure up to Rs. 25 crore, RBI –
  - i. vide circular dated 05.05.2021, extended it again, in view of the resurgence of the pandemic, permitting invocation of restructuring till 30.09.2021.
  - ii. vide circular dated 04.06.2021, enhanced the aggregate exposure eligible for restructuring to Rs. 50 crore.

Till 25.06.2021, 13.06 lakh MSME loan accounts with an aggregate amount of Rs. 55,333 crore have been restructured by Public Sector Banks.

- iv The Emergency Credit Line Guarantee Scheme has been launched for emergency credit line of up to Rs. 4.5 lakh crore to businesses including MSMEs and the same is backed by 100% Central Government guarantee. Till 02.07.2021, Rs. 2.73 lakh crore have been sanctioned under this scheme.

(b) & (c): As per Covid-19 related guidelines issued by Government of India and State Governments from time to time, functioning of many of the MSMEs were temporarily affected.

As per the online study conducted by National Small Industries Corporation (NSIC) to understand the operational capabilities and difficulties faced by the beneficiaries of NSIC schemes amid Covid-19 pandemic, five most critical problems faced by MSMEs were identified as Liquidity (55% units), Fresh Orders (17% units), Labour (9% units), Logistics (12% units) and availability of Raw Material (8% units).

As per a study conducted by National Institute for Micro, Small and Medium Enterprises (NiMSME), the sectors which were adversely affected during Covid-19 include Hospitality – hotels and restaurants & Tourism – travel agents & tour guides.

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