

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 1681
TO BE ANSWERED ON 29.07.2021

Financial Stress faced by MSMEs

1681. ADV. DEAN KURIAKOSE:

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

- (a) whether the Government has taken any action to support the Micro, Small and Medium Enterprises (MSMEs) that are under severe financial stress due to COVID-19 pandemic;
- (b) if so, the details thereof;
- (c) whether the Government has taken any specific steps to help and start new MSME industries that focus on the food processing sector; and
- (d) if so, furnish the details thereof?

ANSWER

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

(a) & (b): In order to revive the Micro, Small and Medium Enterprises (MSMEs) with stressed accounts, the Government of India has announced Credit Guarantee Scheme for Subordinate Debt. Under this scheme, promoters of stressed MSMEs viz. SMA-2 and NPA accounts which are eligible for restructuring as per RBI guidelines on the books of the Lending institutions are provided with credit facilities to be covered under guarantee by the CGTMSE. The promoters need to infuse the funds in the form of equity investment for revival of such Units. In addition to this, Government has also announced Rs. 3 lakh crores Collateral Free Automatic Loans under Emergency Credit Line Guarantee Scheme (ECLGS) for business, including MSMEs, for those accounts which are classified as SMA-0 and SMA-1. The overall cap of admissible guarantee of ECLGS has further been raised from Rs. 3 lakh crore to Rs. 4.5 lakh crore on 28.06.2021.

(c) & (d): Ministry of MSME is implementing schemes such as Credit Guarantee Scheme for Micro and Small Enterprises and Prime Minister's Employment Generation Programme (PMEGP). Credit Guarantee Scheme for Micro and Small Enterprises is mandated to facilitate credit guarantee support for collateral free / third-party guarantee-free loans to the Micro and Small enterprises (MSEs), especially in the absence of collateral to both existing and new enterprises. Prime Minister's Employment Generation Programme (PMEGP) is a credit-linked subsidy programme aimed at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector. Both the schemes are sector agnostic and benefits of the schemes are also available to Food Processing Sector.
