

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. 2813
TO BE ANSWERED ON 05.08.2021

Crisis in MSME Sector

2813. SHRI RAVNEET SINGH BITTU:

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

- (a) whether the Government is aware that the MSME Sector in the country including the sewing machines, bicycles, auto parts and garments industry in Ludhiana, Punjab are facing a huge financial crisis and if so, the details thereof;
- (b) whether the Government has any proposal to slash the high GST slab of 28 per cent on auto parts in the near future and if so, the details thereof;
- (c) whether the Government is planning to provide any special financial package including deferment of EMIs and the interest on the loans etc. to help these industries in the MSME sector especially in Ludhiana, Punjab which are facing financial distress: and
- (d) if so, the details thereof and if not, the reason therefor?

ANSWER

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

(a): COVID-19 pandemic has temporarily affected various sectors including Micro, Small and Medium Enterprises in the country. Economic activity contracted due to the strict lockdown measures imposed by the Government. This contraction had impact on the sewing machines, bicycles, auto parts and garments industry of Ludhiana also.

An online Portal “Champions” has been launched on 01.06.2020 by Hon’ble Prime Minister. This covers many aspects of e-governance including grievance redressal and handholding of MSMEs. Through the portal, total 36,738 grievances have been redressed upto 03.08.2021 and 21 such grievances received on sewing machines, bicycles, auto parts and garments industry on the champion portal and were addressed.

As per Udyog Aadhaar Portal (since inception October 2015 to June 2020), the number of Micro, Small and Medium Enterprises (MSMEs) registered in All India under National Industrial classification codes 27400 Manufacture of Electric Light equipment (Sewing machine) are 21,962 and under classification code of 2008, ‘3092’ Manufacture of bicycles and invalid carriages category was 4,703 and under code 29301 Manufacture of Auto parts are 6,568 and under classification code 14101 Manufacture of all types of textile garments and clothing accessories are 2,18,232 .

On 1st July, 2020, after adoption of new definition of MSMEs, a new registration portal ‘Udyam Registration’ has been launched by M/o MSME and the number of Micro, Small and Medium Enterprises (MSMEs) registered in All India under National Industrial classification codes 27400 Manufacture of Electric Light equipment (Sewing machine) are 12,207 and under classification code of 2008, ‘2537’ Manufacture of bicycles and invalid carriages category and under code 29301 Manufacture of Auto parts are 9589 and under classification code 14101 Manufacture of all types of textile garments and clothing accessories are 87,729 and so far 2537 MSMEs are registered under NIC 2008 Code (3092) Manufacture of bicycles and invalid carriages category.

(b): The decision of slashing the GST slab is decided by GST Council. This Ministry does not have any such information.

(c) & (d): Under Special Financial package, the Ministry of MSME implements various schemes and programmes for growth and development of MSME Sector including Bicycle, Sewing machine, Auto parts and Garment Industries in the country. These schemes and programmes include Interest Subvention Scheme for Incremental Credit to MSMEs, Credit Guarantee Scheme for Micro and Small Enterprises, Micro and Small Enterprises Cluster Development Programme (MSE-CDP), Credit Linked Capital Subsidy and Technology Up-gradation Scheme (CLCS-TUS).

Post Covid-19, Government has taken a number of initiatives under Aatma Nirbhar Bharat Abhiyan to support the MSME Sector in the country especially in Covid-19 pandemic. Some of them are:

- i) Rs 20,000 crore Subordinate Debt for MSMEs.
- ii) Rs. 3 lakh crores Collateral free Automatic Loans for business, including MSMEs.
- iii) Rs. 50,000 crore equity infusion through MSME Fund of Funds.
- iv) New revised criteria for classification of MSMEs.
- v) New Registration of MSMEs through 'Udyam Registration' for Ease of Doing Business.
- vi) No global tenders for procurement up to Rs. 200 crores, this will help MSME.

Under Infrastructure support package, the Ministry of MSME implements Cluster Development Programme (MSE-CDP) for the development of MSMEs, the following Common Facility Centres (CFCs) have been established in Punjab. These CFCs have facilities for computerized product designing and CNC machining for production of engineering items which can be utilized by Bicycle industry of Punjab.

Common Facility Centre set up MSME Ministry in the State of Punjab				
S. No.	Name of CFC	Year of Completion of CFC	Total project cost (Rs. in lakh)	GoI grant (Rs. in lakh)
1.	CFC in Oil Expeller & Parts Manufacturing Cluster, Ludhiana	December, 2020	1518.68	1335.63
2.	CFC in Hi-Tech Cluster, Mohali	November, 2020	1407.69	1099.39

Tool Room, Ludhiana has facilitated Bicycle Industries of Ludhiana during Covid-19 period by providing Tool Room services as mentioned below

- a) Design validation of bicycle mud guard design through 3D printing
- b) Machining of tools for chain wheels
- c) Design and Development of press tool for c- clamp of bicycle saddle
- d) Heat treatment of Dies of B Cup, Aluminium Cycle frame, Gear hub spring, Dies of Cycle Fork, Die/Punch of Free Wheel.
- e) Raw Material testing
- f) Placement assistance through trainees.