

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION No. 2903
TO BE ANSWERED ON 05.08.2021

Assistance to MSMEs

2903. SHRI PARTHIBAN S.R.:

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

- (a) the total number of Micro, Small and Medium Enterprises (MSMEs) operating in the country before the year 2020 along with the number of MSMEs currently operating in the country and the details of the number of MSMEs closed down/suffered because of Covid-19;
- (b) the details of institutional and financial assistance provided to MSMEs post Covid-19 lockdown in March, 2020; and
- (c) the monetary value addition done by MSMEs in the country?

ANSWER

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

(a): 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 was 102,32,468.

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 so far 41,37,443 classified MSMEs are registered on the portal in All India (from 01.07.2020 to 31.07.2021).

As MSMEs are present in both formal and informal sector, data regarding temporary or permanent closure/suffered of the units is not maintained by the Government of India in Ministry of Micro, Small and Medium Enterprises (MSME).

Studies have been conducted by National Small Industries Corporation (NSIC) and Khadi and Village Industries Commission (KVIC) to assess the impact of COVID-19 Pandemic on MSMEs including units set up under Prime Minister's Employment Generation Programme (PMEGP).

- A. The main findings of the online study conducted by NSIC to understand the operational capabilities and difficulties faced by the beneficiaries of NSIC schemes amid Covid-19 pandemic are as follows:
 - i. 91% MSMEs were found to be functional.
 - ii. 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.)
- B. The findings of the study conducted by KVIC are as under:
 - 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 during Covid-19 Pandemic.
 - ii. Among the 88% who were affected, 57% stated that their units were shut down for some time 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 paid the salaries in full, 42.54% reported to have partially paid and 10.86% reported to have not paid salary for some time 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.

(b): The Ministry of Micro, Small and Medium Enterprises (MSMEs) implement various other schemes for the growth and development of MSME sector in the country. These include Prime Minister Employment generation Programme (PMEGP), Micro and Small Enterprises-Cluster Development Programme (MSE-CDP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS) and SC/ST Hub.

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.

All new and existing Micro and Small Enterprises engaged in manufacturing or services including trading activity are eligible to be covered under Credit Guarantee Scheme (CGS) implemented by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). CGTMSE has approved 4,35,520 guarantees for an amount of Rs. 30,168.57 crore during 2018-19, 8,46,650 guarantees for an amount of Rs. 45,851.22 crore during 2019-20, 8,35,592 guarantees for an amount of Rs. 36,899.39 crore during 2020-21.

Under Interest Subvention Scheme for Incremental Credit to MSMEs, number of beneficiaries and amount are 13,62,355 and Rs. 541.51 crore during 2019-20 and 9,08,860 and Rs. 431.07 crore during 2020-21 respectively.

As part of the Aatma Nirbhar Bharat Abhiyaan, under the Emergency Credit Line Guarantee Scheme (ECLGS), around 1.09 crore MSME borrowers have been provided with guarantee support amounting to Rs. 1.65 lakh crore as on 02.07.2021.

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 35,361 grievances have been redressed upto 12.07.2021.

(c): As per the information received from Central Statistics Office, Ministry of Statistics & PI, Share of MSMEs in Gross Value Added (GVA) to All India GVA at current prices (2011-12) for the years 2017-18, 2018-19 and 2019-20 was 32.7%, 33.5% and 33.1% respectively.