

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 606**  
**TO BE ANSWERED ON 22.07.2021**

**Impact of Covid on MSME Sector**

606. SHRI DR. PRITAM GOPINATHRAO MUNDE:  
SHRI GIRISH BHALCHANDRA BAPAT:  
SHRI RAHUL RAMESH SHEWALE:

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

- (a) whether Covid-19 pandemic had a very severe adverse impact on the entire MSME sector in the country;
- (b) if so, the details thereof;
- (c) whether the Covid-19 pandemic placed MSME owners, employers, workers and institutions associated with the MSME sector into a very difficult state where no one had any experience to handle this kind of situation;
- (d) if so, the details thereof;
- (e) the extent to which the Covid-19 pandemic adversely impacted MSMEs' earnings; and
- (f) the steps taken or proposed by the Government to revive the MSME sector?

**ANSWER**

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

(a) to (f): The adverse impact of Covid-19 pandemic has been felt on the economy including on the MSME sector. To revive the MSME sector, the Government has taken the following steps:

- 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 Self-Reliant India Fund
- iv. New Revised criteria of 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.

An Online Portal "Champions" has been launched on 01.06.2020 by Hon'ble Prime Minister. This covers many aspects of e-governance including redressal of grievances and handholding of MSMEs.

RBI has also announced several measures to Reduce Financial Stress of MSMEs.

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