

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 3098
TO BE ANSWERED ON 04.08.2022

BAILOUT PACKAGE FOR MSMEs SECTOR

3098. SHRI A. GANESHAMURTHI:

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

- (a): whether any bailout package was announced by the Government for MSME sector, especially during Covid lockdown, keeping in view the significant contribution of MSME sector in terms of industrial output, employment generation and GDP growth;
- (b) if so, the details of initiatives taken by the Government to help MSME sector to face new challenges and survive, during the last three years;
- (c) whether any survey was conducted to find out the concessions and reliefs announced by the Government for MSME units;
- (d) if so, the details thereof; and
- (e) if not, the corrective steps proposed to revive the sector?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a) & (b): Government has announced and operationalised Aatma Nirbhar Bharat Package for MSMEs to cope up with the COVID-19 crisis, which inter alia includes the following major schemes:

- i) **Emergency Credit Line Guarantee Scheme (ECLGS):** This scheme was announced as a part of Aatma Nirbhar Bharat Package in May, 2020 to provide Collateral free Automatic Loans for businesses, including MSMEs. Initially, the admissible limit of the guarantee was Rs. 3 lakh crore which was later enhanced to Rs. 4.5 lakh crore. As per the Budget Announcement 2022-23, the ECLGS has been extended up to 31st March, 2023 with an expanded guarantee coverage of Rs. 5 lakh crore. The additional guarantee cover of Rs. 50,000 crore is earmarked exclusively for the hospitality and related enterprises.
- ii) **Self Reliant India (SRI) Fund:** The Government of India has announced Fund of Funds as a part of Aatma Nirbhar Bharat Package in May, 2020, with the nomenclature Self Reliant India (SRI) Fund to infuse as equity funding in MSMEs which have the potential and viability to grow and become large units. This initiative is aimed at providing growth capital to the deserving and eligible units of MSME sector. Under this scheme, till 30th June, 2022, Rs 1,571.55 Crore have been invested in MSMEs across the country.

(c) to (e): The Ministry of MSME on 7th September, 2021 assigned a Study to Small Industries Development Bank of India (SIDBI) to assess the impact of change in MSME classification on the Sector. The terms of reference of the said study inter alia also included assessment of impact of Covid-19 pandemic on the MSME sector. The study reveals that around 65 percent of the MSMEs surveyed have availed the benefits of Emergency Credit Line Guarantee Scheme.

As informed by Department of Financial Services (DFS), studies have been conducted to assess the impact of the support to MSMEs through ECLGS by National Institute of Bank Management (NIBM), NOMURA and Trans Union CIBIL. The studies have found that under ECLGS, the loans were fairly easy to obtain, cost effective, helpful to fulfil short term financial needs, eased cash flow burden. The scheme has been successful in helping MSME sector navigate through the crisis.

State Bank of India (SBI) came out with a research report dated 06.01.2022 on ECLGS, authored by its Group Chief Economic Advisor. It has been reported that almost 13.5 lakh MSME accounts were saved due to ECLGS scheme (including restructured), of which about 93.7% of the accounts were in Micro and Small category.
