

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA  
UNSTARRED QUESTION N O. 2347  
TO BE ANSWERED ON 09.08. 2021

Effect of COVID-19 on MSMEs

2347. Lt. Gen. (Dr.) D. P. Vats (Retd.):

Shri Harnath Singh Yadav:

Shri Vijay Pal Singh Tomar:

Will the Minister of Micro, Small and Medium Enterprises be pleased to state:

- (a) whether it is a fact that Micro, Small and Medium Enterprises (MSMEs) manufacturing sector has adversely suffered due to prevailing COVID-19 pandemic in the country;
- (b) if so, action taken by Government to boost the MSMEs sector; and
- (c) if so, the details thereof along with the steps taken for foreign investment in the MSMEs sector to boost the country's MSMEs sector?

ANSWER

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

(a): COVID-19 epidemic 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 has also had impact on the MSME sector.

(b) & (c): The Ministry of MSME implements various schemes and programmes for growth and development of MSME Sector in the country. These schemes and programmes include Prime Minister's Employment Generation Programme (PMEGP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE), 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 Upgradation 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.

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- 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.

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 36,373 grievances have been redressed upto 01.08.2021.

Further, to boost the country’s MSME Sector, the World Bank has approved a loan of \$500 million to support Government of India’s programme “Raising and Accelerating MSME Performance (RAMP)” aimed at revitalizing the MSME sector, which has been heavily impacted by the COVID -19 pandemic. It would enhance MSME performance through capacity building, handholding, skill development, quality enrichment, technological upgradation, digitization, outreach and marketing promotion through delivery of higher quality integrated services.

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