

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION No. 691**  
TO BE ANSWERED ON 17.09.2020

**STRESSED SMALL AND MICRO COMPANIES DURING COVID-19  
IN TAMIL NADU**

691. DR. KALANIDHI VEERASWAMY:

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

- (a) the details of the number of stressed small and micro companies during the period of COVID-19 within Tamil Nadu;
- (b) the details of the number of small companies declared bankrupt during the period of COVID-19 within Tamil Nadu; and
- (c) the steps being taken by the Government for their revival?

**ANSWER**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI NITIN GADKARI)

(a): The Reserve Bank of India issued guidelines on 'Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises' to Scheduled Commercial Banks (excluding Regional Rural Banks) in March 2016. Under this Framework, banks have been advised to identify incipient stress in the MSME accounts and refer it to the Committees formed under the framework for Corrective Action Plan for rectification, restructuring and recovery. The number Accounts referred to the Committee and Accounts resolved by the committee for the half year ended March, 2017 to half year ended March, 2020 are:

S No.	For the half year	Total MSME	
		Accounts referred to the Committee during the half year	Accounts resolved by the Committee during the half year
1	October 2016- March 2017	1,00,803	1,37,282
2	April 2017- September 2017	87,062	95,107
3	November 2017-March 2018	1,30,208	1,30,473
4	April 2018-September 2018	1,50,165	1,23,227
5	November 2018-March 2019	1,42,275	1,46,519
6	April 2019-September 2019	1,72,949	1,50,613
7.	October 2019-March 2020	3,39,728	3,24,621

Source: RBI

Note: Number of cases resolved by the committees is more than the cases referred due to some pending cases with the committees at the beginning of the half year which have been resolved during the period.

(b): As per the ownership classification, most of the MSMEs are either operating as proprietorship or partnership firms. Therefore the clause of bankruptcy does not apply to such firms. In case of registered companies, it has already been notified by the Ministry of Law & Justice on 05.06.2020 that no application for initiation of corporate insolvency resolution process of a corporate debtor shall be filed, for any default arising on or after 25.03.2020 for a period of six months or such further period, not exceeding one year from such date as may be notified in this behalf.

(c): The Ministry of MSME implements various schemes and programmes for growth and development of MSME Sector in the country including Tamil Nadu. 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).

Recently, 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.

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 19,235 grievances have been redressed upto 14.09.2020. RBI has also announced several measures to Reduce Financial Stress of MSMEs.

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