



# NEWSLETTER



<b>S. No.</b>	<b>News Headline</b>	<b>Page No.</b>
1	Rs 3 lakh crore credit facility will cover professionals, says FM	1
2	Gadkari approves scheme to make India self-reliant in agarbatti production	2
3	UP to set up MSME industrial parks; marks DPR for north India's longest expressway	3
4	Centre may extend deadline for emergency capital loans 3	3
5	Govt releases draft Defence Production and Export Promotion Policy, 2020	4
6	MSMEs may get waiver from one-year insolvency suspension, centre plans special resolution framework	4
7	RBI allows one-time recast of retail loans to soften Covid blow	5
8	Nitin Gadkari urges industry to identify sectors to boost exports, make India 'self-reliant'	6
9	KVIC set to open first of its kind Training-cum-Production Centre of Silk in Arunachal Pradesh	8
10	Govt may allow cooperative banks to lend under MSME credit guarantee scheme	8
11	Land Bank to help MSMEs in the Works	9
12	Nitin Gadkari asks apparel exporters body to take steps for increasing exports	9
13	Gadkari calls for increased global investment in highways, MSME sectors	10
14	Govt considering giving MSME status to dealers: Gadkari	11
15	Centre rolls out subordinate debt scheme for MSMEs	11
16	UP Cabinet approves draft bill allowing MSMEs to start operations within 72 hrs of application	12
17	Centre to develop a single e-compliance window soon to promote ease of doing business	13
18	Drop in demand, supply disruptions hit MSMEs	14
19	DRDO lists 108 items to boost local industry	15
20	Govt open to more tweaks in ₹3 trillion credit guarantee scheme: Sitharaman	16
21	Over 300,000 MSMEs have registered on Udyam portal since July	17
22	Govt asks PSUs to speed up trade receivable compliances	17
23	Fund of Funds: NSIC to soon approach Sebi for registration of alternative fund entity	18
24	Self-reliance in defence sector will boost India's global standing, says PM Modi	18
25	Seize the Covid-19 opportunity to expand protection business, IRDAI Chairman tells insurers	19
26	Business climate continuously improving, says Niti Aayog CEO	20
27	MSME hubs in South India struggle to restart biz	21
28	Digital lending takes a hit as loan disbursals plunge amid coronavirus pandemic	21
29	Govt plans to bring social security schemes under one umbrella	22
30	India can become world's toy hub; time to be vocal about local toys: PM	22

## MSME NEWS UPDATE

### 1. Rs 3 lakh crore credit facility will cover professionals, says FM

A Rs 3 lakh crore emergency credit facility targeted at small enterprises will now be extended to professionals such as doctors and chartered accountants as well to help them tide over the crisis triggered by the coronavirus disease (Covid-19), finance minister Nirmala Sitharaman said, warning that the timing of a full economic recovery is tough to predict when the pandemic is still to play itself out. The government estimates that around Rs1 lakh crore of the facility would be used by the professionals. Sitharaman said the Rs3 lakh crore emergency working capital loan scheme meant for Micro, Small and Medium Enterprises (MSMEs) had attracted significant response and its scope has been expanded at the request of industry so that more units and individual professionals can get financial support as well. "After consultations with stakeholders and taking into account the remaining headroom under the scheme, it is decided to include individual loans for business purposes within its ambit," she said. The scope of the Emergency Credit Line Guarantee Scheme (ECLGS) has also been expanded in line with the revised definition of MSMEs and the cap on funding under the scheme doubled from Rs5 crore to Rs10 crore.

This is the latest in a string of stimulus measures announced by the Modi government to cushion the impact of the coronavirus disease pandemic, which struck at a time when a slowdown in householding spending and corporate investment had already become a drag on economic growth, which decelerated to 4.2% in fiscal 2019-20, the slowest pace in 11 years. It follows precipitous growth contractions reported by the US and European countries after the pandemic closed shops, factories and restaurants, signalling a period of recession. The US economy posted a second-quarter contraction of 9.5%, the worst figure on record. Europe as a whole saw GDP fall by 12.1% in the Eurozone and 11.9% across the bloc. Most economists expect India's economy to shrink by at least 5% this financial year.

India's gross domestic product numbers for the April-June quarter are expected at the end of August; for two of those months, the country was under a hard lockdown, and that is expected to have taken its toll on Asia's third largest economy. ECLGS is one of the key components of the Rs20 lakh crore economic stimulus package under the Atmanirbhar Bharat Abhiyan (Self-Reliant India Initiative) launched in mid-May, which offered additional working capital finance of 20% of the outstanding credit as of February 29, 2020 in the form of a term loan to units with up to Rs25 crore outstanding and revenue of up to Rs100 crore. Explaining the amended eligibility criteria Debashish Panda, secretary in the department of financial services (DFS) said, "It is decided to increase the upper ceiling of loan outstanding from Rs25 crore to Rs50 crore, and to increase the annual turnover ceiling from Rs100 crore to Rs250 crore in line with the new definition of MSME." The Cabinet on June 1 raised the upper limit of turnover for a MSME to Rs250 crore.

Hindustan Times, August 02, 2020

## MSME NEWS UPDATE

### 2. Gadkari approves scheme to make India self-reliant in agarbatti production

MSME Minister Nitin Gadkari has approved an employment generation programme proposed by Khadi and Village Industries Commission to make India self-reliant in agarbatti production. The programme named 'Khadi Agarbatti Aatmanirbhar Mission' aims at creating employment for unemployed and migrant workers in different parts of the country while increasing domestic agarbatti production substantially, the MSME Ministry said.

"The proposal was submitted to the Ministry of MSME for approval. The pilot project will be launched soon and on full-fledged implementation of the project, thousands of jobs will be created in the agarbatti industry," the ministry said.

The programme aims at handholding artisans and supporting the local agarbatti industry. The current consumption of agarbatti in the country is approximately 1,490 MT per day but local production is just 760 MT. There is a huge gap between the demand and the supply and hence, immense scope for job creation, said the ministry. Under the scheme, KVIC will provide automatic agarbatti making machines and powder mixing machines to the artisans through the successful private agarbatti manufacturers who will sign the agreement as business partners.

KVIC has decided to procure only locally-made machines by Indian manufacturers. The Centre earlier took two major decisions by placing the agarbatti item from "free" trade to 'restricted' trade in the import policy and enhancing the import duty from 10 per cent to 25 per cent on 'round bamboo sticks' used for manufacturing of agarbatti for the benefit of the domestic industry. KVIC Chairman Vinai Kumar Saxena said the two decisions of the central government created a huge employment opportunity in the agarbatti industry.

"In order to encash the huge employment generation opportunity, the KVIC designed a programme namely 'Khadi Agarbatti Aatmanirbhar Mission' and submitted to the Ministry of MSME for approval," Saxena said. KVIC will provide 25 per cent subsidy on the cost of the machines and recover the remaining 75 per cent of the cost from the artisans in easy instalments every month. Under the scheme, the business partner will provide raw material to artisans for making agarbatti and pay them wages on job work basis. The cost of artisans' training will be shared between KVIC and the private business partner wherein the Commission will bear 75 per cent of the cost while 25 per cent will be paid by the business partner.

"Each automatic agarbatti-making machine makes approximately 80 kg agarbatti per day which will provide direct employment to four persons. One powder mixing machine, to be given on a set on five agarbatti making machines, will provide employment to two persons," the MSME Ministry said. The wages to the artisans will be provided by the business partners on weekly basis directly in their accounts through direct benefit transfer only.

Mint, August 02, 2020



## MSME NEWS UPDATE

### 3. UP to set up MSME industrial parks; marks DPR for north India's longest expressway

Uttar Pradesh government will set up industrial parks for micro, small and medium enterprises (MSME) in six of its most industrialised districts, including Varanasi and Kanpur, and has invited proposals from consultants for it. UP has decided to set up MSME parks in Varanasi, Agra, Kanpur, Moradabad, Gorakhpur and Azamgarh. The state has the largest number of MSMEs in the country at 14%. UP has also started the process of DPR for its most ambitious expressway project which will connect Meerut with Prayagraj through a six-lane, 601km-long road passing through the districts of Ghaziabad, Hapur, Bulandshahar, Amroha, Sambhal, Badaun, Shajahanpur, Hardoi, Unnao, Raibareli and Pratapgarh. Consultants were invited on August 1 for a road safety audit at the stage of the DPR for this project, which is expected to spur industrial growth and high-speed connectivity in the state. UP already had the 302km-long Agra-Lucknow Expressway and has also started construction of the 340km-long Purvanchal Epressway, 296km-long Bundelkhand Epressway, and the 91km-long Gorakhpur Link Expressway.

Economic Times, August 03, 2020

### 4. Centre may extend deadline for emergency capital loans

The Union government may extend the October 31 deadline to avail the emergency working capital loan facility – worth a total of Rs 3 lakh crore – for small enterprises and individual professionals to help them tide over the crisis triggered by the Covid-19 pandemic, according to two officials with direct knowledge of the matter. The government has already extended the scope of the provision by enhancing eligibility criteria to include larger units and individual professionals such as doctors and chartered accountants. The proposal to continue the scheme beyond October is also under active consideration, the officials said on condition of anonymity. The Union Cabinet on May 20, 2020 approved an Emergency Credit Line Guarantee Scheme (ECLGS) for about five months ending October 31. The scheme provides for an easy additional working capital loan at a concessional rate of interest to an existing borrower who is not a defaulter. Finance minister Nirmala Sitharaman expanded its scope at the request of industry in line with the revised definition of micro, small and medium enterprises (MSMEs) and the cap on funding under the scheme doubled from Rs 5 crore to Rs 10 crore. Apart from industrial units with turnover up to Rs 250 crore (earlier cap was Rs 100 crore), the finance minister extended the facility to individual professionals. The National Credit Guarantee Trustee Company Ltd (NCGTC), which issued the operational guidelines of ECLGS on June 2, said the interest rate under the scheme is capped at 9.25% per annum for banks and financial institutions. For non-banking finance companies (NBFCs), the interest rate should not exceed 14% per annum. NCGTC is a wholly owned company of the Union government formed in March 2014 to act as a trustee for multiple credit guarantee funds.

Hindustan Times, August 03, 2020

## MSME NEWS UPDATE

### 5. Govt releases draft Defence Production and Export Promotion Policy, 2020

Giving a fillip to defence manufacturing in the country with the focus on 'Atmanirbhar' (self-reliance), the Government came out with a draft Defence Production and Export Promotion Policy (DPEPP) 2020. The main objective is to achieve a turnover of more than Rs 1,75,000 crore (25 Billion dollar) including Rs 35,000-crore worth of exports in aerospace by 2025.

Giving details of the draft of the policy, now in public domain for inviting suggestions, officials said the main focus is on providing a framework to position India amongst the leading countries of the world in defence and aerospace sectors. The DPEPP 2020 is envisaged as an overarching guiding document of the defence ministry to provide a focused, structured and significant thrust to defence production capabilities of the country for self-reliance and exports. Besides achieving a turnover of Rs 1,75,000 Crores, the policy also aims to develop a dynamic, robust and competitive defence industry, including aerospace and naval shipbuilding industry to cater to the needs of armed forces with quality products.

Moreover, the document focuses on efforts to reduce dependence on imports by giving a push to Make in India through initiatives like domestic design and development. Also, to promote export of defence products and become part of the global defence value chains, the draft said. The policy brings out multiple strategies under the following focus areas like procurement reforms, indigenization, support to MSMEs/Start-ups, optimise resource allocation, investment promotion, FDI and ease of doing business amongst others.

The Pioneer, August 04, 2020

### 6. MSMEs may get waiver from one-year insolvency suspension, centre plans special resolution framework

The government will soon notify a special insolvency resolution framework for stressed MSMEs, which is likely to reduce the mandatory time-frame for submitting a resolution plan for such businesses to just 90 days from the current 270 days for all companies, to cut delays, sources told. The promoters, who are not wilful defaulters, will also be allowed to bid for their stressed assets. While insolvency proceedings are suspended for up to one year against fresh defaults from March 25 to soften the Covid-19 blow, MSMEs will likely be allowed to approach the adjudicating authority even during this period to declare them insolvent if they wish to pursue a resolution of their stressed assets. But for this, they have to take approval from unrelated financial creditors accounting for at least 25% of the total outstanding financial claims. However, creditors, for their part, can't drag MSMEs to the National Company Law Tribunal (NCLT) during this one year. The special framework will adopt the new definition of MSMEs. So, firms with an annual turnover of up to Rs 250 crore each or investments of up to Rs 50 crore, will be covered by it. "The framework is ready and will be notified soon. It will expedite the resolution process and cut costs," said sources.

## MSME NEWS UPDATE

According to the proposals, the promoters will also continue to run the MSMEs, instead of the financial creditors through the help of resolution professionals, throughout the course of resolution. If the successful bidder is a third party, the control of the company will then be shifted out of the original promoters' hands to the new owners. If finally approved, the proposals will be part of a special framework under Section 240-A of the Insolvency and Bankruptcy Code (IBC) that the government has proposed to bring in to offer certain flexibilities to MSMEs battered by the Covid-19 outbreak. Finance and corporate affairs minister Nirmala Sitharaman had in May announced the intent to come out with the special mechanism for MSMEs.

Data available with insolvency regulator IBBI show, proceedings in 2,170 cases were going on as of March 2020. Typically most of the insolvent firms are MSMEs, so any relief to such small businesses will benefit a large number of insolvent units. Also, a much shorter time frame will expedite the resolution process when bad loans are expected to see a sharp spike due to the pandemic. As such, the resolution of close to a third of the ongoing cases has been dragging on beyond the mandatory 270 days, primarily due to legal hassles. While larger firms have greater abilities to absorb risks, MSMEs have been most vulnerable to the damaging impact of the pandemic. So, extending flexibilities to them through the special framework at this juncture remains critical from the government's point of view.

Another source said the government is also considering a suggestion to allow the flexibility of extending the 90-day time-frame by 30 days or so with the approval of the NCLT. The extant framework provides for a time-frame of 180 days for the submission of a resolution formula for any insolvent company, which can be extended by another 90 days with the NCLT approval. Already, in a bid to insulate small businesses from being dragged to the NCLT, the default threshold for triggering insolvency has recently been raised to Rs 1 crore from just Rs 1 lakh earlier. The special framework is aimed at complementing the Centre's latest measures under the Atmanirbhar Bharat Abhiyan scheme in ensuring that MSMEs get adequate credit to resume operations.

For instance, MSMEs are eligible for the recent package, including additional, collateral-free working capital loan (up to 20%) with a cap of Rs 3 lakh crore (with official guarantee), subordinate debt of Rs 20,000 crore and Rs 50,000-crore fund of funds to bolster the equity base of MSMEs that have growth potential and need some handholding. Just the collateral-free loan move is expected to help 45 lakh units, the government has said.

Financial Express, August 06, 2020

### **7. RBI allows one-time recast of retail loans to soften Covid blow**

The Reserve Bank of India (RBI) kept interest rates on hold and gave lenders the power to restructure certain loans – including individual as well as corporate loans – as it sought to strike a balance between helping revive growth in

## MSME NEWS UPDATE

pandemic-battered economy and keeping rising inflation in check. RBI governor Shaktikanta Das sounded a note of caution that a prolonged spread of Covid-19 poses “downside risk” for the domestic economy but assured that the central bank will use the available monetary space “judiciously” to boost growth. “At the end of its deliberations, the monetary policy committee (MPC) voted unanimously to leave the policy repo rate unchanged at 4% and continue with the accommodative stance of monetary policy as long as necessary to revive growth and mitigate the impact of Covid-19, while ensuring inflation remains within the target going forward,” Das said after the rate-setting panel concluded its three-day meeting.

Das warned India’s real gross domestic product (GDP) growth is set to contract in 2020-21 but did not give a specific forecast. “An early containment of the Covid-19 pandemic may impart an upside to the outlook. A more protracted spread of the pandemic, deviations from the forecast of a normal monsoon and global financial market volatility are key downside risks,” he said. Banks can strike rescheduling agreements with borrowers that were on track to repay their loans on March 1, in the early days of the coronavirus outbreak. The move came ahead of the expiry of a blanket loan moratorium later this month.

Industry estimates peg the total quantum of loans coming up for recast at ₹5-8 trillion, or 5-8% of the ₹101 trillion loan book. “A large number of firms that otherwise maintain a good track record under existing promoters face the challenge of their debt burden becoming disproportionate, relative to their cash flow generation abilities,” Das said. Borrowers will be eligible for resolution under this framework if they were classified as standard, but not in default for more than 30 days with any lending institution as on March 1, 2020. The central bank said the resolution plan may be invoked till December 31, 2020 and shall have to be implemented within 180 days (90 days for retail accounts) from the date of invocation.

The central bank set up an expert committee under the chairmanship of veteran banker KV Kamath to make recommendations to RBI on the required financial parameters, along with the sector-specific benchmarks for the special window.

Hindustan Times, August 08, 2020

### **8. Nitin Gadkari urges industry to identify sectors to boost exports, make India 'self-reliant'**

To boost 'self-reliant India' endeavour, Union minister Nitin Gadkari urged the industry to identify the sectors heavily reliant on imports, particularly from China, and look for substitutes towards indigenous production to make India a superpower. Asserting that a case study is in the offing based on three years of imports and exports, Gadkari said China's 70 per cent of exports pertained to ten sectors that included electrical machinery and equipment accounting for 26.09 per cent of its exports worth USD 671 billion and machinery including computers grabbing 10.70 per cent



## MSME NEWS UPDATE

of its exports worth USD 417 billion. Road Transport, Highways and MSME Minister Gadkari urged the industry to look beyond metropolises and developed cities to lay a network of industries and ventures in rural, far-flung and tribal areas which never grabbed attention. "It pains me that 90 per cent of the focus of industry bodies is on major industries in big cities and metropolises. There is seldom any focus on rural, tribal and remote areas. There is a need to change it, Advance sector wise planning is the need of the hour to make India a superpower," Gadkari said.

"China's 70 per cent of exports are from 10 sectors," Gadkari said and urged to identify what was imported in India and how can that be replaced with indigenous production for 'self-reliance' while assuring all government support in this initiative. He said of the China's exports, apart from machinery and equipment, furniture and related things accounted for exports worth USD 100 billion, plastics products (USD 84 billion), vehicles (74.40 billion) and clothing (USD 66.80 billion). "Industry should identify sectors to boost exports and reduce imports. In some areas we will have to increase import duty to encourage Indian manufacturers," he said.

Assuring all possible help to the industry for making rural and tribal areas their hub, the minister said a wide network of highways, railways and waterways was bound to bring down logistics cost. He also said that a host of initiatives including redefining the definition of MSMEs will yield rich dividends. The minister informed that the government is working on a scheme for inclusion of smallest units under the MSME ambit and providing for their micro-financial requirements. He also stressed the need for upgradation of technology by industry players and urged them to explore joint ventures to bring in foreign low-cost capital.

In addition, he urged the industry to come up with the list of obsolete legislations hindering their growth so that steps could be taken to facilitate new ventures besides. "There is an urgent need to create employment, and focussing on rural, agriculture, tribal and village areas including 115 aspirational districts could be beneficial. The target is to shift about 7-8 per cent of population from overcrowded cities to upcoming smart cities and villages," the minister said.

He exhorted the industry to explore investment opportunities on the sides of proposed 22 new expressways. He also asked the industry to draft a proposal for insurance of highway stretches, saying this will do away the requirement of bank guarantees. "This will speed up financial closure of road projects and finance raising, facilitating faster project completions," he said. The minister also said that he was in discussion with Uttarakhand government for developing Auli, a famous tourist destination, into a world-class place so that it becomes a venue for events like the World Economic Forum that takes place in Davos, Switzerland.

**Business Today, August 08, 2020**

## MSME NEWS UPDATE

### 9. KVIC set to open first of its kind Training-cum-Production Centre of Silk in Arunachal Pradesh

The far-flung tribal village of Chullyu in Arunachal Pradesh will soon be bustling with spinning and weaving activities with Khadi and Village Industries Commission (KVIC) set to open the first of its kind Training cum Production Center of Silk in the State. Conceived just six months ago, the Centre will be launched in the first week of September. The KVIC has refurbished and converted a dilapidated school building into the training cum production center. The school building has been provided to KVIC by the education department of Arunachal Pradesh Government zero rent. Machinery like handlooms, Charkha, Silk reeling machines and warping drums have already arrived, and installation of machines are in full swing. The first batch of 25 local artisans of Chullyu village has been selected to begin the training with.

The project was conceived in February this year during the visit of KVIC Chairman Shri Vinai Kumar Saxena to this tribal village Chullyu. Identifying a great potential of silk production and other activities of village industries in the village, Saxena sanctioned setting up of training cum production center for the Eri Silk, which is traditionally worn by local tribals. The work, however, progressed at a slow pace due to Covid-19 lockdown. Recently KVIC also distributed 250 honey bee boxes in Chullyu village which has rich flora for production of high-altitude honey. Located on the main highway just 30 km before the most popular tourist spot Ziro, Chullyu is a scenic village known for its eco-friendly ways of living. It is easily approachable by tourists which is an advantage for the local artisans.

The Pioneer, August 10, 2020

### 10. Govt may allow cooperative banks to lend under MSME credit guarantee scheme

The government may include cooperative banks as a lending institution under the emergency credit line guarantee scheme (ECLGS) that was announced to support stressed micro, small and medium enterprises (MSME). MSME minister Nitin Gadkari said the finance minister will take a decision in this regard soon.

"The finance minister has explained that due to the dual regulation and supervision, cooperative banks are not included as member lending institutions (MLIs) under ECLGS. However, data regarding their financial position is being collected from scheduled state cooperative banks and urban cooperative bank to include them as MLIs under the scheme, in consultation with the Reserve Bank of India, depending on availability on headroom of the scheme," Gadkari said at the MSME Conclave organized by FICCI.

Currently, all public sector banks and private sector banks and non-banking financial companies (NBFCs) have been extending loans under ECLGS. ECLGS was announced as a part of the government's ₹20 trillion financial package to help the poor and small businesses tide over the covid-19 crisis, by providing them additional funding of up to ₹3 trillion in the form of a fully guaranteed emergency credit line.

## MSME NEWS UPDATE

"The main objective of the Scheme is to provide an incentive to Member Lending Institutions (MLIs), i.e., Banks, Financial Institutions (FIs) and Non-Banking Financial Companies (NBFCs) to increase access to, and enable availability of additional funding facility to MSME borrowers, in view of the economic distress caused by the covid-19 crisis by providing them 100% guarantee for any losses suffered by them due to non-repayment of the GECL (guaranteed emergency credit line) funding by borrowers," according to an official statement released by the government in May. Gadkari said since disbursement at the moment is only ₹1.2 trillion, as compared to the target of ₹3 trillion, cooperative banks can be allowed to lender under the scheme.

Cooperative institutions play a crucial role in financial inclusion in both rural and urban areas. According to an RBI report, there were 1,551 urban cooperative banks as on 31 March 2018, and 96,612 rural cooperative banks as on 31 March 2017, with the latter accounting for 65.8% of the total asset size of all cooperative banks.

As far as the issue of problem of delayed payments to MSMEs is concerned, the minister said that he has urged all ministries, departments and state-owned companies to clear pending bills of MSMEs within 45 days and the union MSME ministry is closely monitoring the complaints lodged on digital portal—SAMADHAN.

Mint, August 10, 2020

### 11. Land Bank to help MSMEs in the Works

In a bid to promote small shops and business houses, the Centre is mulling a land bank and social micro finance institute (SMFI) to assist the micro, small and medium enterprises (MSMEs). "We are working on the idea of a land bank and social micro finance institution which will be very helpful for entrepreneurs and persons who want to run small shops and businesses," Nitin Gadkari, minister for MSMEs, said at a webinar.

Besides, the government is also planning to promote the manufacturing of selected products, especially agro based and khadi products in the rural belts. The efforts are part of the government's Atmanirbhar Bharat Abhiyan initiative to reduce the dependence of imports and push exports. "Handloom, handicrafts, khadi industries and agro-based industries should be encouraged, especially in 115 aspirational districts in the country. We will have to plan special policies for agricultural, rural and tribal sector because they have huge potential of creating employment," he said.

The Asian Age, August 11, 2020

### 12. Nitin Gadkari asks apparel exporters body to take steps for increasing exports

Union Minister Nitin Gadkari asked the Apparel Export Promotion Council (AEPC) to take measures for increasing exports by two times and emphasised upon technology upgradation and research to improve quality and remain cost competitive in the global market. The government is providing support through a package announced recently

## MSME NEWS UPDATE

for liquidity and stress management in the micro, small and medium enterprise (MSME) sector, the Union MSME minister said.

He was inaugurating the 'Virtual Workshop: A joint initiatives of Apparel Export Promotion Council and MSME Ministry' through videoconferencing. Gadkari also stressed the need for lab testing camp for products & design and called for also having a centre for design. He further emphasised upon the need to explore the use of new source materials, such as bamboo, in the textile industry. The minister urged apparel industries to set up clusters in rural, tribal and backward areas and contribute to their development and employment generation. An official statement said he "called upon the Apparel Export Promotion Council (AEPC) to take measures for increasing exports two times. He also emphasised on technology upgradation and research to improve quality and remain cost competitive in the global market".

The domestic textile and apparel industry, including handicrafts, stood at USD 140 billion in 2018, of which USD 100 billion was domestically consumed, while the remaining portion worth USD 40 billion was exported to the world market. The textile and garment industry in India is expected to reach USD 223 billion by 2021. The industry has a 2.3 per cent share in the country's GDP and accounts for 13 per cent of industrial production, and 12 per cent of the country's export earnings.

Financial Express, August 11, 2020

### **13. Gadkari calls for increased global investment in highways, MSME sectors**

Union minister Nitin Gadkari called for increased investment by international institutions and bodies in the Indian Highways and MSME sectors, the MSME Ministry said. The minister for Road Transport, Highways and MSMEs said automobile and micro, small and medium enterprises are the two growth engines of the country's economy, according to a release by the MSME ministry.

The minister stated that under Indian Road Safety Assessment Programme, 21,000 km roads have been assessed and about 3,000 km road length is under technological upgradation. He said better road engineering and increased public awareness has brought about improvement. "It is estimated, he added, that these upgradation programmes will bring about 50 per cent reduction in road accidents. Gadkari informed that our objective is to set out to achieve zero road fatalities by 2030," an official statement said.

He said, by social awareness and education, improving emergency services, pressing for medical insurance, providing more hospitals, etc the country is inching closer to achieving its Road safety targets. He emphasised that it is the micro, small and medium enterprises (MSME) sector which will drive the Indian economy in the coming years.



## MSME NEWS UPDATE

He said that investment in infra and insurance sectors has been opened up, as there are huge opportunities in insurance, pension and share economies.

Business Standard, August 12, 2020

### 14. Govt considering giving MSME status to dealers: Gadkari

The government is considering granting MSME status to dealers as it will enable them to avail benefits offered to micro, small and medium enterprises, Union Minister Nitin Gadkari has said. Micro, small and medium enterprises (MSMEs) comprising manufacturing and services units need to get registered to avail the benefits and subsidies offered under various government schemes. Registered MSMEs are eligible for tariff subsidies and tax and capital subsidies. The registration also helps them in getting government tenders and enables easier access to loans at low-interest rates.

"Regarding MSME, we are thinking now of giving MSME status to dealers also and they will get the benefit of it, that is also under consideration by which they will get the benefits," Gadkari said. The minister also reiterated his appeal to major industries to clear the outstanding dues to MSMEs in a timely manner. "We are also requesting to the Finance Ministry, the industries who want to make their technology centres, training centres, research centres, from Income Tax point of view whether we are in a position to give some more support to them by which we can inspire and motivate them for more research and innovation," Gadkari said.

The Tribune, August 18, 2020

### 15. Centre rolls out subordinate debt scheme for MSMEs

The Union government has launched the Credit Guarantee Scheme for Subordinate Debt for MSMEs, thereby operationalising the Rs 20,000 crore distressed assets fund. The Ministry for MSMEs issued guidelines for the scheme which was announced under the Aatmanirbhar Bharat economic package. In a tweet, the ministry said that all public sector banks along with some private banks are on board. "Govt has given yet another facility for financially stressed MSMEs. The sub-debt scheme has been launched. All preparation is done. All PSU Banks and some Pvt Banks are on board," it said.

The scheme would be applicable to all credit facilities sanctioned under CGSSD for a maximum period of 10 years from the guarantee availment date or March 31, 2021 whichever is earlier, or till the amount of Rs 20,000 crore of guarantee amount is approved. As per the guidelines, the scheme is applicable for those MSMEs whose accounts have been standard as of March 31, 2018 and have been in regular operations, either as standard accounts, or as NPA accounts during financial year 2018-19 and financial year 2019-20.

## MSME NEWS UPDATE

It will be valid for MSME units which are stressed, which are SMA-2 and NPA accounts as on April 30, 2020 who are eligible for restructuring as per the RBI guidelines. "Under this arrangement, promoter(s) of the MSME unit will be given credit equal to 15 per cent of his/her stake (equity plus debt) or Rs 75 lakh whichever is lower," said the guideline. Any guarantee approved under the scheme shall be over and above the existing loan/guarantee sanctioned by the trust. Post-restructuring, NPA classification of these accounts shall be as per the extant income recognition and asset classification (IRAC) norms for banks.

Millennium Post, August 19, 2020

### **16. UP Cabinet approves draft bill allowing MSMEs to start operations within 72 hrs of application**

To facilitate the setting up of more businesses in Uttar Pradesh, especially in the post-Corona times, the state's Cabinet has approved a draft bill that allows MSMEs to start operations within 72 hours after submitting their application, without having to wait for no objection certificates (NOCs) from various departments. The Micro Small and Medium Enterprises (Infrastructure and Operation) Bill 2020, which would be tabled in the monsoon session of state legislature for approval, proposes to exempt MSMEs from various approvals and inspections that are required for their establishment and operations in the initial years. At present, one needs to get clearances from 29 different departments before being allowed to establish an MSME unit in the state. Interestingly, until now UP did not have its own MSME Act and was working on the basis of the central Act.

Additional chief secretary, MSME, Navneet Sehgal said henceforth anybody willing to set up a new MSME unit can submit an application on a prescribed format and would be given approval within 72 hours. "An application can be made through a "Declaration of Intent" at the District Level Nodal Agency (DLNA), which will have to issue an acknowledgment within 72 hours of receiving the application. This acknowledgment certificate will remain valid for 1,000 days from the date on which it is issued. On the basis of this acknowledgement, one can establish their unit," he said, adding that the investor will then have 1000 days to get the necessary clearances after the first go-ahead. "The new law would help setting up of more MSMEs in the state, which in turn would help create employment opportunities. We have set a target to create about 15 lakh jobs in the next one year," he said. However, MSME units producing products like tobacco, gutka, pan masala, alcohol, carbonated drinks, fire crackers, plastic bags of 40 microns or less and other items that are banned by the government or marked by UP Pollution Control Board in red category will not be covered by the act.

Meanwhile, in another related development, MSMEs in UP will get a marketing assistance of up to Rs 5 lakh under the new start-up policy. Addressing a virtual conference, additional chief secretary (Electronics and Information Technology) Alok Kumar said the government has notified the new Start-Up Policy 2020, which is aimed at extending

## MSME NEWS UPDATE

support and encouragement to start ups and incubation centres in the state. “Under the new policy, there is a window of up to Rs 5 lakh as marketing assistance to MSMEs,” he said.

Financial Express, August 20, 2020

### **17. Centre to develop a single e-compliance window soon to promote ease of doing business**

The central government has been planning to develop a single e-compliance window for India Inc. This new framework will enable the companies to comply with the different regulatory requirements at one go. As per the senior government official, the idea is to reduce the compliance burden. The Ministry of Corporate Affairs has also initiated discussions with various regulators including RBI, SEBI, and the Department for Promotion of Industry and Internal Trade, to create a single platform with common data sources.

At present, companies in India have to make multiple filings, and different regulators have different formats and requirements for the submission of data. With a common platform, companies will be able to file their data in one place while regulators will get their data from one source. The objective behind proposing the single e-compliance platform is to integrate databases of the Corporate Affairs Ministry and other bodies for bringing down the duplication in the filing. The move will further help in the ease of doing business.

The Expert explained that there should be a single repository from which all the regulators can pull the required data. Possibly, some regulators may require additional information for which they can request separately, but they will be able to get 80-90% of their requirements from this single repository. He further added that this will also reduce the scope to manipulate information that is being sent to different regulators in order to comply with different regulations or to avoid taxes.

Ministry of Corporate Affairs has now been planning to integrate other platforms in order to ensure that the companies are saved from the task of multiple filings with multiple bodies including the regulators. Within the plan, Trade Receivables Discounting System (TReDS) for the Micro, Small and Medium Enterprises (MSMEs) is also being integrated. The ministry has also been working on version three of MCA-21 which will further simplify user-interface, which is likely to roll out from September 2021. The government’s plan to reduce the compliance burden in all the areas as part of the ease of doing initiative and to make India attractive to foreign investors. Ease of doing business is a key priority for government and various steps are in line which will help the country break into the top 50 in the World Bank’s Ease of Doing Business Index.

Jagran Josh, August 21, 2020

# MSME NEWS UPDATE

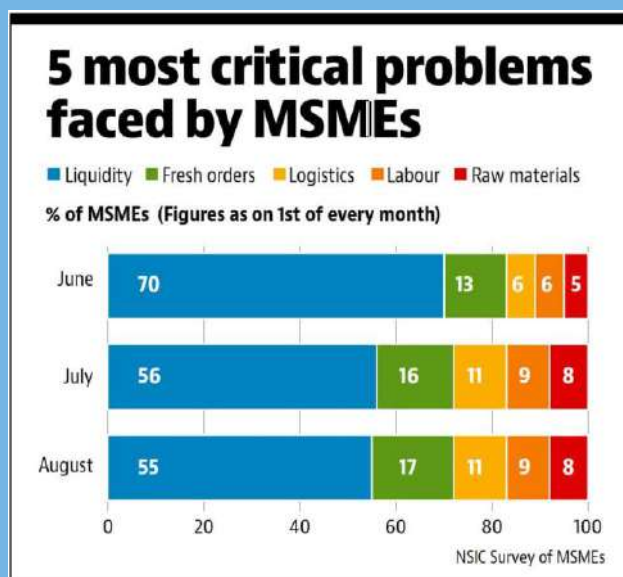
## 18. Drop in demand, supply disruptions hit MSMEs

Most of India's economic enterprises might have resumed functioning after the country began to lift the nation-wide lockdown from June but are still far from achieving pre-pandemic levels of activity. Only one in four of India's Micro, Small and Medium Enterprises (MSMEs), which produce almost 30% of the country's GDP and employ almost one fourth of the work force, were using even half of their installed capacity on August 1. While things are improving compared to how they were in June, immediately after the national lock down was lifted; the nature of economic challenge is undergoing a transformation from liquidity related problems to falling demand and disruptions in supply chains and logistics.

An online survey of around 6000 MSMEs conducted by the National Small Industries Corporation (NSIC) in June, July and August shows that the unlock process is almost complete. Only 9% MSMEs had not opened up for business as on August 1. However, capacity utilisation levels -- current production as share of potential production -- continues to be very low. Only 26% of the respondents reported 50% or higher capacity utilisation levels on August 1. To be sure, this number was just 18% on June 1. The latest Industrial Outlook Survey conducted by the Reserve Bank of India shows that net assessment on current capacity utilisation levels fell to its lowest value since April-June 2000 in the April-June quarter this year.

The survey also shows that liquidity related problems, although they continue to affect a majority of firms, are being replaced by other issues -- lack of demand, supply chain disruptions and logistical challenges. The share of firms which reported liquidity among the five most critical problems was 70% in June; it has come down to 55% in August. Share of firms reporting raw materials, labour, fresh orders and logistics etc as their critical problems has increased.

(See Chart 1)





## MSME NEWS UPDATE

The government's key post-pandemic scheme for the MSMEs, the Emergency Credit Line Guarantee Scheme (ECLGS) was primarily aimed at addressing the liquidity crunch facing MSMEs. The government had issued an advisory to all its departments to expedite pending dues of MSMEs. The data given in the presentation shows that the share of pending dues at the end of the month in total dues by close of the month has not changed much between April and June. It continues to hover above 20%. The government and RBI have announced a host of other measures, including one-time restructuring of stressed loans of MSMEs up to this fiscal year, Rs. 20,000 crore subordinate debt for MSMEs, Rs. 50,000 crore fund for equity infusion into MSMEs and banning global tenders up to Rs. 200 crores to benefit MSMEs, the presentation said.

Hindustan Times, August 22, 2020

### 19. DRDO lists 108 items to boost local industry

From mini unmanned aerial vehicles to fire detection systems and bullet proof vehicles to tank transporters, the Defence Research and Development Organisation (DRDO) has come out with a list of 108 systems and sub-systems that it will help the Indian industry design and develop to strengthen the local defence ecosystem. A DRDO delegation met defence minister Rajnath Singh and briefed him on the 108 defence items identified for local production by the industry to achieve self-reliance in the defence sector, a defence ministry spokesperson said.

It will also allow the DRDO to sharpen its focus on advanced technologies, the defence ministry said in a statement.

"This initiative will pave the way for the Indian defence industry to develop many technologies towards building an AtmaNirbhar Bharat," the defence minister's office tweeted. The other items on the list prepared by the DRDO are NBC (nuclear, biological and chemical) shelters, missile canisters, navigation radars, satellite navigation receivers, mine-laying equipment and armoured engineering reconnaissance vehicles. The DRDO will also provide support to the domestic industry for the design, development and testing of these systems, the ministry said.

"All the requirements of these systems by R&D establishments, armed forces and other security agencies can be met through development contracts or production orders on suitable Indian industry. This will allow the DRDO to focus on design and development of critical and advanced technologies and systems," the statement added.

The present industry base of the DRDO consists of 1,800 micro, small and medium enterprises, defence public sector undertakings, ordnance factories and large-scale industries. The government had announced that it will ban the import of 101 different types of weapons, systems and ammunition over the next five years, a significant step on the long road towards achieving self-reliance in the defence sector. The negative import list included artillery guns, light military transport aircraft, conventional submarines and long-range land attack cruise missiles.

## MSME NEWS UPDATE

The detailed list of equipment published by the defence ministry has spelled out that the embargo on import will kick in between December 2020 and December 2025 for different categories of military hardware. The military hardware on the negative import list includes assault rifles, sniper rifles, short-range surface-to-air missiles, beyond visual range air-to-air missiles, corvettes, missile destroyers, light combat helicopter, ship-borne cruise missiles, light combat aircraft, a variety of radars and different types of ammunition.

Hindustan Times, August 25, 2020

### 20. Govt open to more tweaks in ₹3 trillion credit guarantee scheme: Sitharaman

Finance Minister Nirmala Sitharaman said the government is open to further tweaking the ₹3 trillion credit guarantee scheme for providing collateral-free loans to small businesses. She also said that domestic revenue generation is a concern as sectors like tourism, real estate, hospitality, and airlines have been affected "disproportionately" by the COVID-19 pandemic.

In a meeting, Sitharaman said structural reform is a key priority for the government and it will move fast on the Cabinet-cleared disinvestment proposals, including that of banks. "The (Rs) 3 Lakh Crore scheme is open for professionals now and Government is open to more tweaking, changes if required," Sitharaman said.

Earlier this month, the government had widened the scope of the ₹3-lakh crore credit guarantee scheme by doubling the upper ceiling of loans outstanding to ₹50 crore and including certain individual loans given to professionals like doctors, lawyers and chartered accountants for business purposes under its ambit, apart from MSMEs. Till August 20, banks have disbursed more than ₹1 lakh crore loans under the ₹3-lakh crore Emergency Credit Line Guarantee Scheme (ECLGS), which was announced as part of the Aatmanirbhar Bharat package. The minister further said that every announcement has had a structural reform component with it, and the government is reaching out to industry to understand their concerns.

"Structural reforms (are) key priority for the government, reflected in government announcements to address COVID-19 challenges," Sitharaman said. With post-COVID reset happening, data-driven manufacturing models and newer investments can happen in FinTech, she said. "Some sectors such as tourism, real estate, hospitality, airlines have been affected disproportionately. Domestic revenue generation is a concern," Sitharaman said, adding the government is working with the Reserve Bank of India to ensure adequate support to banks

Mint, August 25, 2020

## MSME NEWS UPDATE

### 21. Over 300,000 MSMEs have registered on Udyam portal since July

"More than 3 lakh registrations have taken place in the months of July and August and now the speed is going up," Secretary in the MSME Ministry A K Sharma said. Sharma further emphasised that the process for registration of MSMEs through the government website is "absolutely free" and cautioned the public not to fall prey to fake websites. "I would also like to caution that we have been hearing that there were many fake websites which have emerged in the market claiming that they would enable the registration process," the Secretary said.

He further said that the Fund of Funds scheme will soon be rolled out. "The other scheme we are working on is the Fund of Funds scheme, most of the formalities are over and in a very short while we will go to the market and invite private equity funds and venture capital funds," Sharma said.

Regarding the delay in outstanding payments to MSMEs, the Secretary shared that in "May, June and July, thousands of crores of rupees which were pending towards the MSME dues have been paid by government departments and central public sector enterprises". In May, Sitharaman had also said that MSMEs receivables from the government and Central Public Sector Enterprises (CPSEs) will be released within 45 days.

Business Standard, August 25, 2020

### 22. Govt asks PSUs to speed up trade receivable compliances

The government has tightened the screw on its central public sector enterprises (CPSEs) that have not completed the mandatory onboarding of their vendor network onto the electronic factor discounting platform TReDS. The matter was raised at a meeting in the Prime Minister's Office. These companies have been asked to submit compliance reports to the Department of Public Enterprises (DPE), after it came to light that hundreds of government owned corporations had not registered and transacted on the platform even once.

Various ministries exercising administrative controls over these corporates have been asked to monitor progress and ensure compliance within the new deadline, the Ministry of Heavy Industries and Public Enterprises has said.

TReDS or Trade Receivables Discounting System is an electronic bill discounting platform regulated by the central bank to provide MSME 'suppliers' of corporate 'buyers' instant payments for future receivables. "The matter has been reviewed in a meeting held at PMO and the administrative Ministries/ Departments are to take necessary action so as to ensure CPSEs under their administrative control register their MSE vendors on TReDS portal on priority," the ministry memorandum says. Only 3397 MSMEs of the 33640 eligible vendors of these government corporations have been onboarded on to the platform till date, as per the memorandum, which was issued to the CEOs of all CPSEs.

The Economic Times, August 26, 2020

## MSME NEWS UPDATE

### **23. Fund of Funds: NSIC to soon approach Sebi for registration of alternative fund entity**

State-owned National Small Industries Corporation will approach markets regulator Sebi shortly for registering an alternative fund entity, paving the way for setting up of the "Fund of Funds", a top official said. Mr. Anand Sherkhane, additional development commissioner in the Ministry of Micro, Small and Medium Enterprises (MSMEs), said the process of bringing on board venture capital companies would begin once the entity is registered by the Securities and Exchange Board of India (Sebi).

In May, the government announced it will set up a "Fund of Funds" with an initial corpus of Rs 10,000 crore that will provide equity funding support for MSMEs. The Fund of Funds shall be operated through a "Mother" and a few "Daughter" funds. It is expected that with leverage of 1:4 at the level of daughter funds, the Fund of Funds will be able to mobilise equity of about Rs 50,000 crore, the government had said. "It would be ultimately housed in the National Small Industries Corporation (NSIC) and they would be doing the due diligence and setting up the company as early as possible," Sherkhane said.

Shekhane added that he is told the special purpose vehicle has almost been formed, in few days, they would approach Sebi for registering the alternative fund institution. The Fund of Funds will establish a framework to help MSMEs in capacity augmentation. This will also provide an opportunity to get listed in stock exchanges.

The Outlook, August 27, 2020

### **24. Self-reliance in defence sector will boost India's global standing, says PM Modi**

Prime Minister Narendra Modi said that his government's resolve for 'Aatmanirbhar Bharat' is not inward-looking, but aimed at boosting India's capabilities and global peace, and also for helping the world economy become more stable. Speaking at a defence industry outreach seminar, Modi said India's self-reliance on defence capabilities will boost its standing of being a net security provider in the Indian Ocean and make it a defence supplier for many friendly countries, depending on strategic ties.

Wooing private players, he asserted that the import embargo on a number of defence equipment is not only aimed at curbing imports but also giving a boost to the domestic industry. He said more items will be added to this import embargo list later. He noted that India has long been one of the biggest defence importers in the world and rued that enough attention was not paid to augmenting domestic production in the past despite the country having inherited a capable ecosystem at the time of Independence.

Asserting that a new mindset has emerged on his government's watch, he said it is working to boost domestic manufacturing and developing new technologies with the maximum role for the private sector. His government has



## MSME NEWS UPDATE

opened the way for 74 per cent FDI (Foreign Direct Investment) in defence production through automatic route, he noted. Referring to recent labour reforms in a number of states, Modi said the reform exercise is not going to stop. The work on building defence corridor is also on at a rapid pace in states of Uttar Pradesh and Tamil Nadu, he said, while adding that Rs 20,000 crore investment would be made for this in the next five years. Modi said his government has always worked to remove red-tape and roll out red carpet for the private sector, while asserting that it is a win-win situation for everyone.

The Print, August 27, 2020

### **25. Seize the Covid-19 opportunity to expand protection business, IRDAI Chairman tells insurers**

Insurance industry should see the current Covid-19 crisis as an opportunity and take steps to expand the protection business, says IRDAI Chairman Subhash Chandra Khuntia. Addressing the 21st FICCI Annual Insurance Conference, "India Insurance in the post Covid-19 world", Khuntia said time has come for the insurance industry to rise to the occasion and help build an industry that will meet the protection needs of the country.

At the video conference, Khuntia highlighted that India's insurance penetration at 3.7 per cent of GDP is still very low compared to the world average of 7 per cent, and the insurance industry must look to tap the growth potential for protection business during the current Covid-19 times. With COVID-19 now spreading into the hinterland, there is huge growth potential for insurers in tier-2,3 and 4 cities, Khuntia added.

"Prosperity will grow in rural India, especially with good agriculture performance. We should tap this market", he said. Khuntia wanted insurers to come up with simple, intelligible and, at the same time, innovative products to meet the protection needs of people. The IRDAI Chairman also urged insurers to devise more 'job loss' and 'income loss' related products.

He also said there is huge potential for growth in providing products for group insurance and catering to the insurance needs of Small and Medium Enterprises (SMEs). Khuntia ruled that despite prodding, no life insurers are coming with short- term group insurance products. "It is good to be risk averse. But industry should come forward to provide risk cover", he said, adding that insurers have very little to show on micro insurance and more needs to be done on this front. The IRDA Chief noted that the country was still in the midst of the pandemic and that people may have to live with it for some more time. Khuntia urged insurance industry to frame strategies to add 10 lakh agents over the next five years.

As for the performance of insurance industry so far this fiscal, things are not as bad as feared, and all segments — life, health and general — have done reasonably well, he noted. Only life insurance is facing some degrowth, while health and general insurance segments have shown growth.

## MSME NEWS UPDATE

Speaking at the conference, LIC Chairman MR Kumar said the impact of Covid-19 on the economy was emerging and that the insurance industry in India was not prepared for the pandemic. He said that the world cannot claim that it was unaware of the pandemic and also pointed out that the global economy had been slowing down even prior to the outbreak of Covid-19.

Kumar noted that though the current phase is quite challenging for insurers in terms of new business procurement, the real effect of Covid-19 is yet to be fully seen. “Insurance Industry should be prepared for the long haul”, he said. Kumar added that the challenges of Covid-19 cannot be handled by using the conventional methods. He suggested that industry should focus on the elements of acronym ‘Ideas’— Investment, Distribution, Economics and Efficiency, Administration and Solvency.

Business Line, August 27, 2020

### **26. Business climate continuously improving, says Niti Aayog CEO**

India’s business climate has been continuously improving and the government will work tirelessly to make India one of the easiest countries to invest and create wealth, Niti Aayog CEO Amitabh Kant said. Kant also emphasised that Prime Minister Narendra Modi’s vision of ease of living for the citizens of India will be the government’s focus. His comments come a day after the World Bank announced the decision to pause publication of its global ‘Doing Business Report’ due to irregularities in reporting of data based on which countries were ranked with regard to their business climate.

All of us in the government will continue to work tirelessly to ensure efficient and effective norms for MSMEs, businesses, startups and entrepreneurs and make India one of the easiest countries to invest and create wealth. — Amitabh Kant, CEO, Niti Aayog “India’s business climate has been continuously improving, not for the World Bank’s Index (ease of doing business) sake but to make India easy and simple,” he said. “All of us in the government will continue to work tirelessly to ensure efficient and effective norms for MSMEs, businesses, startups and entrepreneurs and make India one of the easiest countries to invest and create wealth,” he said. India jumped 14 places to the 63rd position in the World Bank’s latest ease of doing business ranking. India has improved its ranking by 79 positions in five years (2014-19).

About the World Bank’s decision, Niti Aayog vice-chairman Rajiv Kumar said the World Bank should be carrying out a serious investigation into the irregularities in reporting of data. “The World Bank should undertake serious investigation into a number of irregularities witnessed in reporting of data in its Doing Business Report and bring out the next report as soon as possible,” Kumar said.

The Tribune, August 28, 2020

## MSME NEWS UPDATE

### 27. MSME hubs in South India struggle to restart biz

As smaller businesses in south India strive to restart factories amid a further easing of curbs last week and removal of interstate travel barriers, some key challenges remain. These include labour shortages, transportation, debt pile-up and a credit crunch. Manufacturing hubs across the South are staring at huge costs. These small factories are built on the back of migrant workers from northern and eastern states. When the pandemic struck, millions in distress set off on long journeys home in independent India's biggest domestic migration. Now, the owners are doing everything they can to persuade them to return to work. Some are booking flights, many are buying seats on coaches, and everybody is praying for the resumption of train services.

The developments have put a spotlight on how difficult it is to unlock the economy for micro, small and medium enterprises (MSMEs), the growth accelerators of the economy that contribute about 30% to the gross domestic product. Industry estimates say the exodus of labour from Tirupur alone would number more than 120,000. The situation isn't different in Bengaluru's Peenya industrial hub that employs more than 1 million people in about 5,000 units across auto parts, garments and light engineering. There are huge rental vacancies particularly close to industrial suburbs like Peenya, including those left vacant by migrant workers, said a city-based developer, requesting not to be named.

Mint, August 28, 2020

### 28. Digital lending takes a hit as loan disbursements plunge amid coronavirus pandemic

India's digital lending sector has taken a significant hit due to the pandemic with loan disbursements of the top three companies reduced by 90 per cent from \$104 million to \$15 million during the March-May period, a report by market research firm said.

Gross Non-Performing Assets (GNPA) have also doubled, from 2-4 per cent in FY20 to 5-8 per cent now. Nearly 20-50 per cent of these firms' customers have availed the moratorium offered by the RBI, the survey found. The Expert said that the loan book of the 99 per cent of India's digital lenders comes from MSMEs. Since 30% of these businesses had to shut down due to the pandemic, loan disbursements were also impacted.

According to recent RBI estimates, there is a \$331 billion credit gap between the capital requirements of MSMEs and formal credit supply. Industry experts say that digital lenders could fill this void and target enterprises which had no credit access earlier. "Our estimates suggest that the digital lenders can target nearly 20 million MSMEs by FY22 for loan disbursements and tap into a huge \$300 billion unorganised lending opportunity," expert said.

The New Indian Express, August 28, 2020

## MSME NEWS UPDATE

### **29. Govt plans to bring social security schemes under one umbrella**

The government proposes to bring at least half a dozen social security schemes, including old age pension and insurance, under the ambit of the proposed social security code. The move is aimed at universalisation by bringing all existing schemes under one umbrella without any additional cost to the exchequer and is expected to cover more than 20% of the bottom of the population.

A senior government official told that the labour ministry will shortly finalise a list of the existing social security schemes that can be brought under the social security code once the code is approved by Parliament and notified. “The move is aimed at consolidating millions of beneficiaries of the existing social security schemes under one administration for effective implementation and to avoid duplication,” said the official, The schemes expected to immediately come under the code are the PM Shram Yogi Maandhan scheme, the PM Laghu Vyapari Maandhan Yojana and the Atal Pension Yojana.

All these are voluntary contribution pension schemes in which contribution is made by the subscriber and matched by the Centre, making the beneficiary eligible for Rs 1,000-5,000 per month pension after attaining the age of 60. Schemes completely funded by the Centre such as the old-age pension scheme and the health insurance schemes, including the Pradhan Mantri Jeevan Jyoti Bima Yojana under which individuals contribute a miniscule amount year after year for availing health insurance, could be brought in next.

Section 13 of the proposed social security code provides for bringing all existing social security schemes under the code through notification. “Notwithstanding anything contained in this code, the central government may, by notification, assign additional functions to a social security organisation including administration of any other Act or scheme relating to social security subject to such provisions as may be specified in this behalf in the notification,” it said. Introduction of this section will make it easy for the government to consolidate all schemes under the proposed Social Security Organisation without having to go to Parliament for bringing all such schemes under one roof as they are currently being administered by different ministries including the finance ministry and the rural development ministry.

The Economic Times, August 28, 2020

### **30. India can become world's toy hub; time to be vocal about local toys: PM**

Prime Minister Narendra Modi began the 68th edition of his monthly radio programme ‘Mann Ki Baat’ with assuring the nation that even though the country is battling at various fronts, the country can fight it together. The Prime Minister said India had the talent and ability to become a toy hub for the entire world and called upon start-ups to work towards realising this potential while being “vocal about local toys”. He said the global toy industry was over





## MSME NEWS UPDATE

Rs 7 lakh crore but India's share was very small, as he stressed on the need to work to increase it. Modi called upon start-up entrepreneurs to 'team up for toys' and said it was time to get vocal for local toys. He stressed on the fact that several 'toy clusters' were being developed in India such as Andhra Pradesh, Karnataka, Tamil Nadu, Assam and Varanasi. "Building a toy industry will give a boost to the MSME sector."

PM Modi praises various apps that were part of 'app innovation challenge', calls it a good sign for 'Aatmanirbhar Bharat'. Talking about the 'app innovation challenge', he said apps were made by the youth of the country belong to the tier 2 and tier 3 cities. He also named a few apps during the interaction. Modi said besides classroom learning, educational apps played an important role in building confidence among students. He also asked young entrepreneurs to develop computer games in and also about India.

The Tribune, August 30, 2020

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