



सत्यमेव जयते

सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय
Ministry of Micro, Small and Medium Enterprises

COVID-19
Relief for MSME Sector

BUILD THE ENTERPRISE OF YOUR DREAMS

Efforts to Fight COVID-19
by Ministry of MSME &
its Attached/Subordinate
Organisations



General Awareness by Media Cell of Ministry

Ministry is urging the general public through social media to maintain **social distancing** and **stay at home** by regular posting of infographics on Twitter, Facebook and Instagram.

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NOVEL CORONAVIRUS (COVID-19)

Protect yourself and others
Follow these **Do's** and **Don'ts**

DO'S ✓	DONT'S ✗
 Do practice frequent hand washing. Wash hands with soap & water or use alcohol based hand rub. Wash hands even if they are visibly clean	 Don't touch surfaces usually used by public (Railings, doors, gates, furniture etc.) without sanitizing them
 Do see a doctor if you feel unwell (fever, difficult breathing & cough). While visiting, doctor wear a mask/cloth to cover your mouth and nose	 Don't Have a close contact with anyone, especially if you're experiencing cough & fever
 Do cover your nose & mouth with handkerchief/ tissue while sneezing & coughing	 Don't touch your eyes, nose and mouth
 Do if you have these signs/ symptoms please call State helpline number or Ministry of Health & Family Welfare's 24*7 helpline at 011-23978046	 Don't travel in groups and participate in large gatherings
 Do throw used tissues into closed bins immediately after use	 Don't spit in public

TOGETHER WE CAN FIGHT CORONAVIRUS

For further information :
Call at Ministry of Health, Govt. of India's 24*7 control room number
+91-11-2397 8046
Email at - ncov2019@gmail.com

Special cover page informing about **do's and don'ts** for protection from **COVID-19** added to the monthly e-newsletter sent to **90 lakh+ Udyog Aadhaar Memorandum (UAM) holders.**

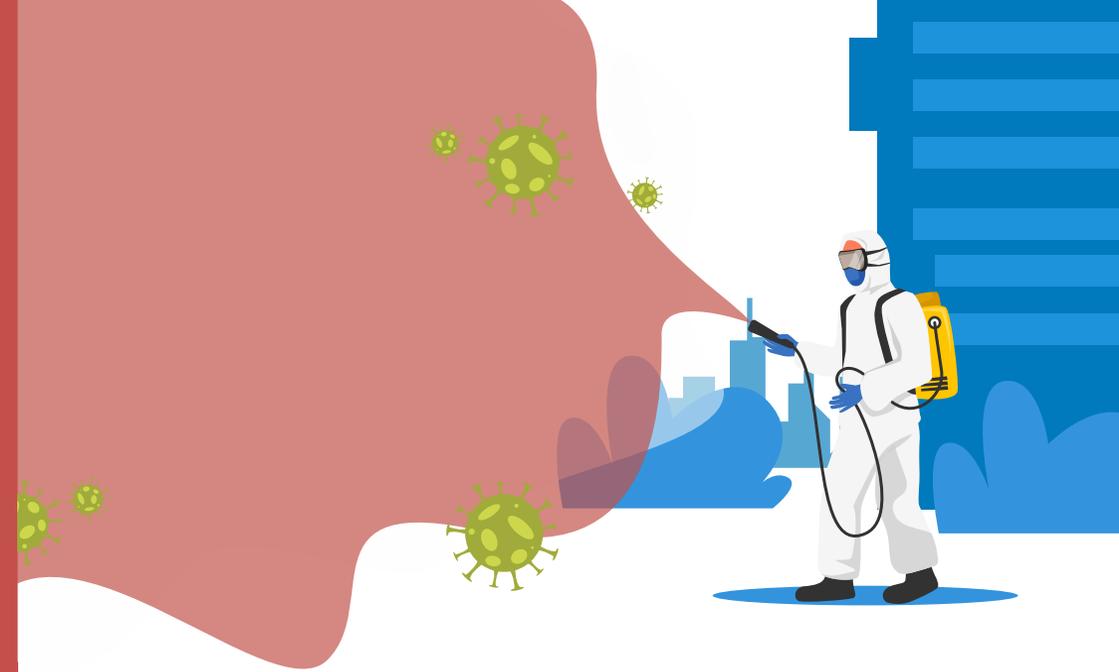
MINISTRY OF MSME FIGHTS #COVID19

#MSME Technology Centre, Hyderabad is developing a first of its kind prototype of electro mechanical #ventilator based on sensors.



BUILD THE ENTERPRISE OF YOUR DREAMS

- **Office Preparedness & Nomination of Nodal Officer for COVID-19:** All 31 DIs and their branch offices are at full alert and prepared
- **MSME Facilitation:** DIs instructed for all out efforts apart from their general facilitation.
- **MSMEs manufacturing medical items (39) and Auxiliary items (61)** – Preparation of list of MSMEs, Sharing the list with the State Govt. and GeM, Facilitation for passes for functioning of units, UAM/GeM/GST Registrations, Facilitating for Credit etc.
- **Practical demonstrations** on sanitizer manufacturing, sharing details of Mask , PPE manufacturing, formulations, Raw Material Suppliers, Quality Standards, Testing labs etc.
- **Information Dissemination** – Circulation of relevant communications from Ministry of MSME, SIDBI, Ministry of Steel etc. amongst MSMEs and Industry Associations
- **Help Desk:** Dedicated Help Desks to facilitate MSMEs will start functioning just after the Lockdown



Steps by organizations
under the Ministry:
MSME-DIs

Special efforts to fight COVID-19 by: Technology Centres (TCs)



Sanitizer

- Alcohol Based -- FFDC, Kannauj
- Ion Based -- IDEMI Mumbai
- H/Free Dispenser -- ESTC Ramnagar

Masks

- CFTI Chennai,
- IGDR Aurangabad,
- PPDC Meerut
- CFTI Agra

Gown

- CFTI, Chennai
- CFTI Agra

Ventilator

- CTR Hyd,
- CTTC Kolkata – *AMT* -- CTR, Ludhiana
- IDEMI Mumbai
- IGTR Aurangabad
- CTTC Kolkata
- IDTR Jamshedpur

Face Shield

- CTTC Kolkata

Hospital Furniture:

- **IV Stand** : ESTC Ramnagar
- **Beds** : PPDC Agra & IGTR Indore

Special efforts to fight COVID-19 by: Technology Centres (TCs)



Hardware for Corona Testing Kits

- CTR Hyderabad,
- CTTC Bhubneswar,
- IDTR Jamshedpur

Shelter Homes

- ESTC Ramnagar

Isolation Centres

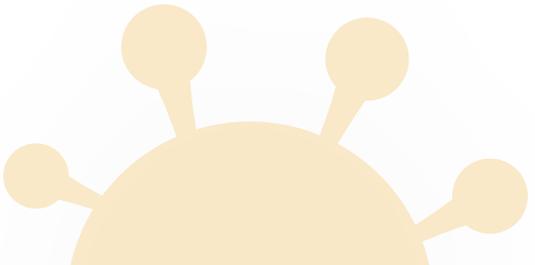
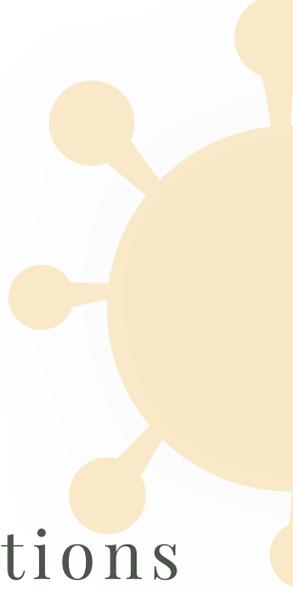
- TC, Bhiwadi and
- IDTR Jamshedpur

Food Distribution

- All TC's

Contribution to PM CARES Fund

- Rupees 22 lakh by all TCs



Steps by Organizations
under the Ministry:
KVIC

- Setting up of community kitchens for providing food packets to migrants
- Distribution of food packets in Delhi, Jammu, Nagpur, Bengaluru, Thane, Palghar, Jaipur, Coimbatore, Patna, Varanasi, Cuttack and Hyderabad
- Release of Rs. 1000 per month to each registered artisan from the Artisan Welfare Fund Trust
- Khadi institutions directed to release AWF contribution to the bank accounts of artisans in three instalments
- Release of funds under Market Development Assistance (MDA) to Khadi Institutions and Artisans through DBT

- Awareness programmes about prevention of COVID-19 being broadcast on MGIRI's Community Radio Station at 90.4 frequency in Wardha and Vidarbha regions
- Interviews with Doctors about protection from COVID-19 being broadcast on the same station
- Alcohol based Sanitizers and Masks prepared by the Institute distributed among its staff

Steps by Organizations under the Ministry: **MGIRI**



Steps by Organizations under the Ministry: **COIR BOARD**



- Coir Association (COCOMANS) Pollachi and Coir Board members provided all vegetables and food to public and Coir workers in Coimbatore Districts
- Coir Board employees raised Rs. 4.00 lakhs approximately for donating to PM CARES Relief Fund.
- Coir Board through coir industries and associations provided shelter, mask, sanitizer and food to all coir workers during the lock down
- COCOMANS: Rs 3.00 lakhs approximately collected from Coir Industries towards contribution to PM CARES Relief Fund

- MSMEs availing Raw Material Assistance against Bank Guarantee prior to 01/03/2020 allowed moratorium of 03 months for repayment of outstanding dues
- Accounts of MSMEs to be frozen to avoid outstanding in the books in cases where outstanding is going to touch 99.99% of BG value.
- SPRS enlistment certificates expiring between 01/03/2020 to 30/06/2020 to be continued.
- 50% discount offer on Annual membership in MSME Mart extended.
- Godowns of essential commodities like Polymers in Field Offices allowed to carry out operations
- Contribution of Rs. 100 lakhs made by NSIC to PM CARES Fund from its CSR fund. Its employees also contributed Rs. 15 lakhs.

Steps by Organizations
under the Ministry:

NSIC



Action Plan of the Ministry for Next 3 Months



Post Lockdown Plan

Priority in manufacturing of COVID Related Items such as masks, gloves, PPE, ventilators, Testing Equipment, Infrared Thermometers, etc.

Supporting Mass Production CFCs for mass production of such products/intermediaries by MSMEs

Emphasis on quick Industrial Infrastructure Development

Consultation with stakeholders for setting up of CFCs & manufacturing of identified items for domestic utilization as well as export purposes

Faster Approvals: May require relaxed terms & conditions especially for the items which fall under medical/auxilliary categories

Policy

Advocacy

(1 of 6)



Meeting Delivery Schedule

- in respect of Government orders, PSUs, Railways etc. where Liquidated Damages (LD) clause may apply as per contract terms.

Proposed Action

- DPE, Railway Board and other Ministries having PSUs to be approached to allow relaxation in applicability of LD clause for a period of two months from the schedule date of delivery/execution of order

Policy Advocacy *(2 of 6)*



Delayed Payments

- MSMEs always suffer due to delayed payments and also do not possess sufficient funds to meet crisis like COVID-19

Proposed Action

- DPE, Railway Board to be approached for immediate intervention and release of all pending payments by CPSEs and Railways to the MSME, even if the related matter is pending with MSEFC

Policy Advocacy (3 of 6)



Meeting Fixed Cost

- The most emerging challenge during the lockdown period as well as in the post COVID-19 period would be meeting fixed costs. While this will be burdensome in absence of regular funds flow, the problem will be more intensified if Banks/NBFC create pressure on MSMEs for repayments of the dues.

Proposed Action

- State Governments to be approached for taking suitable initiatives to exempt/reimburse the electricity and other fixed charges during this period.

Policy Advocacy (4 of 6)



Escalation of Raw Material Prices

- In the post COVID-19 period, it will be obvious for MSMEs to face challenges from rising raw material prices

Proposed Action

- Deliberate with Ministry of Finance to consider reduction in GST rates on raw materials to partially compensate for the price escalations.

Policy

Advocacy

(5 of 6)



Issues of Financial/Statutory Compliances

- Relaxation in statutory compliances like filing of GST returns in time, timely refunds of GST payments and some other measures need to be taken.

Proposed Action

- Department of Revenue to be approached for examining the matter and providing suitable relief measures.

Policy Advocacy (6 of 6)



Credit Support for MSMEs

- Moratorium period of 6 months for repayment of MSME loans and other forms of debts, together with a provision of 'no change' in the credit rating during the said period.
- Norms for declaring NPA period in banks be extended to 180 days for at least next 2 years as the MSMEs need uninterrupted banking assistance to deal with this crisis situation.
- Interest rate subvention @ 3% on loans to MSMEs that are healthy and not NPAs.

Proposed Action

- Deliberations with Department of Revenue and Department of Financial Services for bringing in suitable measures for the MSME sector.

Long Term Strategy for Sustainability of MSMEs



Long Term Strategy for Sustainability of MSMEs

“Smart Industrial Village” Policy

- To achieve an inclusive and equitable growth model with percolation of wealth
- To promote de-centralized economic structure to avoid concentration of the population resulting into the exodus of migrant workers

Promoting “Swadeshi” Ideology via Policy & Strategy Drafting

- By price advantage incentive for import substitution & indigenous product development
- Price Advantage incentive is a percentage additional advantage on a price to Indian supplier compared with cost of import for a particular product
- Defining & introduction of “Indian quality standard & certification” system to provide “non- tariff barriers” cover for incentivizing locally manufactured “SWADESHI” products
- To stimulate the local investment in manufacturing segment through promotion schemes & incentives, so that India becomes manufacturing hub

A Long Term Strategy for Sustainability of MSMEs

- Access to Information Technology Enabled Services (ITES) at an affordable cost would bring the MSME sector on a level playing field with bigger players.
- To promote **innovation and upscale MSMEs** to withstand global competitions.
- Technological upgradation of the MSMEs to minimize external risks to tolerable levels.
- Encouraging **corporatisation** of the MSME sector
- Encouraging **innovations** through setting up of large number of business incubators in educational institutions;
- Formulation of long term policies for the timely receipt of payments by MSMEs

A Long Term Strategy for Sustainability of MSMEs

Financial Assistance to MSMEs

- Prioritize lending to MSMEs from banks by including small enterprises in the earmarked priority sector and raising sub-target limit to 10% from 7.5%
- Collateral free & MUDRA small loans to encourage self employment .
- Relaxing ceiling on working capital by banks.

Safe Trade Policy to be devised for sectors dependent on Chinese imports e.g. Chemicals, Pharmaceuticals and electronics sectors, etc.

*By ourselves,
we sometimes suffer grave limitations,
but together we can overcome anything*



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