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# A Short Note on Strategies made by the Government of India for the Endurance of MSMEs Post Pandemic - Covid 19

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**Abstract**

*In Indian economy, the micro, small, medium enterprises MSMEs plays a crucial part in many structures. The commitment of the area represents 29% of Indian GDP, and utilizes more than 11 crore individuals in its 6.3 crore endeavors. Nonetheless, the COVID-19 pandemic significantly affects msme in India, this area had nearly crash-arrived in 2020, confronting a solid withdrawal in income. The area had experienced the most in guaranteeing business coherence, tested by serious liquidity reserves and diminished request.*

*During the emergency, it's the public authority's liability regarding the focused on area to give means to endure what is going on and again to raise MSMEs area and furthermore the Indian GDP. Here we will take a gander at the few drives taken by the public authority of india to work on the msme area from the ruin happened because of pandemic Coronavirus.*

**Need for Protecting MSMEs in India**

In each nation, MSMEs are a basic piece of the nations economy: they are businesses as well as clients to bigger organizations across the inventory network. Their endurance and capacity to restart activities rapidly will be an advantage for the economy all in all.

The effect on joblessness SMEs is very nearly 45% of all out work in the agricultural nations. The unexpected, loss of interest seriously influences the capacity of SMEs to work, and the subsequent closure increments joblessness. There is a Long-term fundamental gamble, that is An inability to safeguard SMEs will reflectively affect the more extensive economy and will keep the speed of any recuperation in danger. In the first place, as people face loss of pay and raised vulnerability, the spending will be limited and utilization will have an intensifying impact on huge organizations. Additionally, the emergency rise an inquiry for provincial monetary improvement endeavors. More modest towns depend intensely on SMEs for work

and monetary movement and could confront critical troubles and relocation issues on the off chance that the private companies were to shut down.

So in general setting , there is a requirement for the msmes to restart their capacities.

### **Content**

Here there are Various Steps taken by the Indian government for Revival of MSME Sector because of COVID-19 Pandemic :

The Ministry of MSME executes different plans and projects for development and improvement of MSME Sector in the country. These plans and projects incorporate

- **Extra credit through redid Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) plot**

The Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) Scheme assists with getting monetary help to msmes. This assists with working with extra credit of Rs. 2 lakh crore for Micro and Small Enterprises and extend work amazing open doors.

- **Raising and Accelerating MSME Performance (RAMP)**

Finance Minister had declared the carrying out of Raising and Accelerating MSME Performance (RAMP) program with cost of Rs. 6,000 crore more than 5 years. This will help the MSME area to raise and turn out to be more aggressive and effective.

- **Interlinking of Udyam, e-Shram, NCS and ASEEM Entries**

The Finance Minister had expressed that Udyam, e-Shram, NCS and ASEEM entries will be interlinked. Their extension will be augmented. They will currently proceed as gateways with live, natural data sets, giving G2C, B2C and B2B administrations. These administrations will connect with credit assistance, skilling, and enlistment with an expect to additionally formalize the economy and work on the innovative open doors for all.

The drives under Aatma Nirbhar Bharat Abhiyan to help the MSME Sector in the country particularly in Covid-19 pandemic. Some of them are:

1. Rs 20,000 crore Debt for MSMEs.
2. Rs. 3 lakh crores Collateral free Automatic Loans for business.
3. Rs. 50,000 crore value implantation through MSME Fund of Funds.
4. New reconsidered eligibilities for characterization of MSMEs.
5. New Registration of MSMEs through ‘Udyam Registration’; making simple to carry on with Work.
6. The worldwide tenders for acquirement up to Rs. 200 crores, which helps msmes. .

### **Computerized Innovative Intiation by the Government of India**

An internet based Portal “Champions” had sent off on 01.06.2020 by the Prime Minister. The gateway covers numerous parts of e-administration including complaint redressal and handholding of MSMEs. Through this entry, absolute 18,723 complaints had changed upto 09.09.2020. RBI had additionally declared a lot more measures to Reduce Financial strain on MSMEs

- The CHAMPIONS remains here for Creation and Harmonious Application of Modern Processes for Increasing the Output and National Strength.
- It is an innovation driven Control Room-Cum-Management Information System which uses present day data and correspondence innovation (ICT) devices.
- Notwithstanding ICT devices including phone, web and video meeting, the framework is empowered by Artificial Intelligence, Data Analytics and Machine Learning.
- It is additionally completely incorporated on an ongoing premise with the Government of India’s

fundamental complaints entrance Centralized Public Grievances Redress and Monitoring System (CPGRAMS) and the Ministry's other electronic components.

- The whole ICT design is made in house with the assistance of the National Informatics Center.
- An organization of control rooms is made in the Hub and Spoke Model.
- This Hub is arranged in New Delhi in the Secretary MSME's office.
- The spokes will be in the States in different workplaces and organizations of the Ministry.

Point: To help Indian MSMEs in troublesome times and make them National and Global CHAMPIONS by tackling their complaints and empowering, supporting, aiding and hand holding them.

### Three Targets

Support: To assist the MSMEs in this tough spots with enjoying pandemic as far as money, unrefined components, work, consents, and so forth

Explore: To assist them with getting new open doors like assembling of clinical extras in the pandemic circumstances and furthermore items like Personal Protection Equipments (PPEs), covers, and so forth Which are required in the Coronavirus times.

Promote: To distinguish the splendid side of the MSMEs who can endure as well as ascend in each perspective they go through.

### Approaches Made by Indian Government

#### Financial Policy Support from RBI

The Reserve Bank of India has given a notice expressing that to permit the banks to deduct the sum set to new MSME borrowers free from their net interest and time liabilities. This implies that banks are excluded to keep up with cash save proportion for the advances dispensed from January 1 to October 31 2021 to initially time MSME borrowers.

The RBI has likewise allowed Non-Banking Financial Companies (NBFCs) to profit bank subsidizing under Targeted Long Term Repo Operations (TLTRO) to increment steady loaning and push the weight of the areas. Under the plan, NBFCs will actually want to give a credit help to monetarily drying MSMEs.

While these actions will assist NBFCs with battling liquidity challenges by getting monetary help from bigger monetary establishments and banks, they will likewise make supports all the more effectively accessible for MSMEs.

#### Strategies that were made in Association Spending Plan

The Union Budget 2021-2022 had made numerous capital related arrangements for MSMEs, with the public authority giving Rs 15,700 crore for the area. The choice to energize the joining of One Person Companies (OPCs) in the spending plan is the main angle in the MSME biological system.

The focal government and Ministry of MSMEs have gotten an enormous number of miniature and little units under the area, helping them with their actions, plans and concessions.

The National Company Law Tribunal (NCLT) procedures lead to seepage of valuable monetary assets for the area. To make facilitate the goal of cases, the public authority has looked to reinforce NCLT structure while reporting the presentation many substitute techniques for obligation goal, some of them are e-courts and extraordinary system for MSMEs.

The public authority has started many measures under Atmanirbhar Bharat Abhiyan. They incorporate Rs 20,000 crore subordinate obligation for MSMEs and Rs 50,000 crore value implantation through MSME assets of assets.

The advantages add Rs 3 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS). With a total of Rs 2.39 lakh crore advance previously been endorsed as of January 29, the insurance free programmed credit for organizations has been a significant help to the area. The justification of charges and obligations (for different items from steel and compounds to articles of clothing and calfskin) made simple for nearby makers and will additionally help the area.

### **Conclusion**

Having the solid government support and the adaptability to conquer what is happening by MSMEs, the area has had the option to take-off, prearranging a restoration story. In any case, the economy being in specialized downturn, the area actually needs a lot more grounded approach push to amplify its true capacity.

The area ends up battling with long-standing difficulties of inaccessibility of working capital, complex administrative and permitting system, severe advance disbursal arrangements, number of compliances required, arising computerized reception, and the last yet not the least, an extremely muddled tax collection strategies in the country.

Most MSMEs can't benefit the proportions of advance disbursal attributable to how much administrative work, documentation, non-existing record, and non-accessibility of sufficient insurance, particularly for a first-time frame borrower. The expense of consistence, covering all licenses, and complex tax assessment negatively affect the endeavors. The difficulties of maintaining a business during pandemic and deficit sought after add more confusions to this area.

As far as admittance to capital, forthcoming or deferred installments to MSMEs ought to be thought of Close checking of installments to MSMEs through TReDS ought to be done at a focal level.

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