

Schemes Supporting MSMEs overcome COVID Situation

Prime Minister's Employment Generation Programme (PMEGP)

The Scheme is implemented by Khadi and Village Industries Commission (KVIC), as the nodal agency at the National level. At the State level, the Scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Board (KVIBs) and District Industries Centres (DICs) and banks. Only online application is accepted. The beneficiaries can submit their application online at www.kviconline.gov.in/pmegportal/pmegphome/index.jsp. The online EDP training was introduced in the month of October 2019. The application procedure is simplified by discontinuing role of the District Level Task Force Committee and permitting Implementing Agencies to forward the application to the banks directly by adopting scorecard evaluation.

Credit Linked Capital Subsidy for Technology Upgradation

The objective of the Scheme is To facilitate technology to MSEs through institutional finance for induction of well established and proven technologies in the specific and approved 51 sub-sector/products. Both upgradation projects (with or without expansion) and new projects are eligible. The eligibility is any Micro and Small Enterprise (MSE) having valid Udyam Registration and availing institutional credit to buy new Plant & Machinery approved under the scheme.

- Special Benefits are applicable in case of SC/ST, Women, NER/Hill States/Aspirational Districts/LWE Districts.
- The subsidy shall be admissible for investment in acquisition/replacement of Plant & Machinery/equipment and Technology up-gradation of any kind (Core plant & Machinery).
- Upfront subsidy of 15% on institutional credit up to Rs. 1.0 Crore (i.e. subsidy cap of Rs.15.00lakh) for identified sectors/subsectors/technologies.

2% Interest Subvention Scheme for MSMEs 2018

The objective is to encourage both manufacturing and service enterprises to increase productivity and provide incentives to MSMEs for on-boarding on GST platform which helps in formalization of economy, while reducing the cost of credit. Eligibility to all MSMEs who have valid GSTN Number and registered on Udyam portal Trading activities with KYC are also eligible. The interest relief will be calculated at two percentage points per annum (2%p.a.), on outstanding balance from time to time from the date of disbursal/drawl or the date of notification of this scheme, Whichever is later, on the incremental or fresh amount of working capital sanctioned or incremental or new term loan disbursed by eligible institutions.

Rs 20,000 Crore Subordinate Debt for Stressed MSME

The objective is sustaining and reviving the MSMEs which have either become NPA or are on the brink of becoming NPA. Promoter(s) may infuse this amount in MSME unit as equity and thereby enhance the liquidity and maintain debt-equity ratio. In a situation, where an outright loan is difficult, sub-debt with guarantee will provide the requisite financing to the MSME Units. This Scheme seeks to extend support to the promoter(s) of the operational MSMEs which are stressed and have become NPA as on April 30, 2020:

- Promoter(s) of the MSMEs will be given credit equal to 15% of their stake (equity plus debt) or Rs.75lakh whichever is lower. The maximum tenor for repayment will be 10 years. There will be a moratorium of 7 years on payment of principal. Guarantee for the sub-debt: 90% guarantee coverage would come from the scheme/trust and remaining 10% from the concerned promoter(s). ■