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Financial assistance towards MSMEs

Government has taken number initiatives for providing financial assistance to the Micro, Small and Medium Enterprises (MSMEs) to cope with the financial impact of the COVID-19 pandemic which inter-alia include measures such as :

i. Rs. 20,000 crore Subordinate Debt for MSMEs,

ii. Rs. 4.5 lakh crore Collateral free Automatic Loans under Emergency Credit Line Guarantee Scheme (ECLGS) for businesses, including MSMEs.

iii. Rs. 50,000 crore equity infusion through MSME Fund of Funds

iv. Rs.15,000 crore Special Refinancing Facility for Small Industries Development Bank of India (SIDBI) from RBI as a specific response to COVID-19 for on lending/refinancing purposes

v. Credit Guarantee Scheme to facilitate loans to 25 lakh persons through Micro Finance Institutions,

vi. Rs 30,000 crore Special Liquidity Scheme for NBFCs/HFC/MFIs,

vii. Rs. 90,000 crore partial Credit Guarantee Scheme 2.0 for Liabilities of NBFCs/MFIs.

In view of the challenges faced by taxpayers due to the outbreak of Novel Corona Virus (COVID-19), the Government of India has taken several taxation related measures for the industries including MSMEs which inter-alia include measures such as :-

i. extension of various time limits for compliances and statutory actions under the taxation laws

ii. extension of date for filing declaration under the Direct Tax Vivad se Vishwas Act

iii. issuance of corporate tax refunds,

iv. extension of the date of incorporation of eligible start up for claiming deduction under the relevant provisions of income tax act,

v. extending the date for making various investment/payment for claiming deduction under Chapter VIA-B of the Income Tax

vi. Concessional rates of interest in lieu of the normal rate of interest of 18% per annum for delayed tax payments.

This information was given by the Union Minister for Micro, Small and Medium Enterprises, Shri Narayan Rane in a written reply in the Rajya Sabha.