

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
STARRED QUESTION NO. *62
TO BE ANSWERED ON 02.12.2024

ROADMAP FOR MSMEs SECTOR

*62. SHRI P. WILSON:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether Government has devised any plan/roadmap for MSMEs sector to improve economic growth, access to funding, capital infrastructure and overcome impediments, if so, the details thereof;
- (b) if not, the reason therefor;
- (c) whether Government has considered extension of the Non-Performing Assets (NPA) classification period for loans to MSMEs from the current 90 days to 180 days by banks and Government, if so, the details thereof;
- (d) if not, the reason therefor;
- (e) whether any steps have been taken to facilitate seamless export through e-commerce platforms for MSMEs and to increase indigenous technologies for MSMEs, if so, the details thereof; and
- (f) if not, the reason therefor?

ANSWER

MINISTER FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI JITAN RAM MANJHI)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY OF PART (a) TO (f) OF THE RAJYA SABHA STARRED QUESTION NO. *62 ON “ROADMAP FOR MSMEs SECTOR” FOR REPLY ON 02.12.2024

(a): Government follows a focused strategy for MSME and has inter alia taken the following measures to improve economic growth, access to funding, capital infrastructure and overcome impediments for the MSME sector:

- (i) **Formalization of MSME through registration under Udyam Registration Portal(URP) and Udyam Assist Platform (UAP):** Since the adoption of the revised definition of MSMEs on 01.07.2020, a total of 5.53 crore enterprises have been registered on URP and UAP with an employment of 23.30 crore persons.
- (ii) **Access to Affordable Credit:** Registered MSMEs on URP and UAP are eligible for Priority Sector Lending by banks. As per RBI, credit to MSMEs has increased from Rs. 15.10 lakh crore in March, 2019 to Rs. 27.2 lakh crore in March, 2024. More than 87 lakh guarantees coverage amounting to Rs. 6.29 lakh crore have been provided to MSEs under the Credit Guarantee Scheme (CGS) till FY 2023-24. Under Prime Minister Employment Generation Programme (PMEGP) over 9.8 lakh enterprises have been provided with a margin money support of over Rs. 26,000 crore.
- (iii) **Capital Infrastructure Support:** Under the Micro and Small Enterprises Cluster Development (MSE-CDP), financial assistance upto 70% of Project cost is being provided by Government of India for establishment of Common Facility Centres (CFCs) and Infrastructure Development. For the development of MSMEs in North Eastern Region, a special scheme for ‘Promotion of MSMEs in North Eastern Region and Sikkim’, is in operation which provides financial assistance up to 90% of the total project cost for creating / upgrading infrastructure facilities.
- (iv) **Incentive for Promoting MSMEs:** Public Procurement Policy for MSEs provides for a mandatory 25% annual procurements by CPSEs from Micro and Small enterprises. During 2023-24, CPSEs procured 43.55% (Rs.73,980.51 Crore) of their total procurement from MSEs against the target of 25%. Further, Procurement and Marketing Support Scheme (PMS) extends benefit for enhancing market access of Micro and Small Enterprises (MSEs) through their participation in national/International Trade Fairs/Exhibitions/MSME Expo, etc.
- (v) **Access to Equity Funding:** Government has set up Fund of Funds with the nomenclature Self Reliant India (SRI) Fund to infuse Rs. 50,000 crore as equity funding in those MSMEs which have the potential and viability to grow. The Fund of Rs. 50,000 Crore has a provision of Rs.10,000 Crore from Government and Rs.40,000 Crore through Private Equity / Venture Capital funds.

(b): Does not arise.

(c) and (d): Non Performing Assets (NPA) classification is under the purview of Reserve Bank of India (RBI). As informed by RBI, no proposal regarding extension of NPA classification period from 90 days to 180 days is under consideration.

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(e): In order to facilitate seamless export through e-commerce platforms for MSMEs and to increase the indigenous technologies for MSMEs, some of the measures taken by Government are as follows:

- i. To promote export-oriented MSMEs, the value of actual export is excluded, while calculating the Net Turnover for classification of an enterprise as MSME.
- ii. Government is implementing International Co-operation Scheme to encourage MSMEs to export their products to other countries and facilitates their participation in the international trade exhibitions and fairs held abroad. Further, for Capacity Building of First Time Exporters (CBFTE), reimbursement is provided to new MSE exporters for costs incurred on Registration cum-Membership Certification with Export Promotion Councils, Export Insurance Premium and Testing and Quality Certification for exports.
- iii. As an e-commerce initiative, MSME TEAM (Trade Enablement and Marketing) is being implemented with an objective to support MSMEs by integrating them with the Open Network for Digital Commerce (ONDC) to promote e-commerce in India.
- iv. A network of Technology Centres/Tool Rooms has been established by Government across the country to provide access to advance manufacturing technologies to MSMEs, and to impart training to youths in partnership with academia and industry.
- v. Other initiatives to provide new and indigenous technologies to MSME include Green Investment and Financing for Transformation Scheme to help MSEs adopt green technology and Scheme for Promotion and Investment in Circular Economy to promote circularity among MSEs are under implementation.

(f): Does not arise.
