GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 1233
TO BE ANSWERED ON 10.03.2025

MSMEs IDEA HACKATHON 4.0

1233.   SHRI SANJAY SINGH:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:
(a)   the current progress of the Micro, Small and Medium Enterprises (MSMEs) Idea Hackathon 4.0 and the number of MSMEs benefited so far;
(b)   the details of the enterprises that have benefited under MSMEs Idea Hackathon 4.0, State-wise;
(c)   whether any new scheme has been formulated to simplify the loan approval process, if so, the details of its key provisions thereof, and
(d)   the current status of adoption of advanced technology by MSMEs, and the policies being formulated by Government to encourage technological upgradation in this direction?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a) & (b):   29,237 ideas were received from Host Institutes under MSME Idea Hackathon 4.0 by the Ministry of Micro, Small And Medium Enterprises. A total of 930 ideas have benefitted MSME units in previous Hackathons. The state-wise detail of MSMEs benefitted under MSME Idea Hackathon 4.0 is not available yet, as it is currently under evaluation.

(c):   The New Credit Assessment Model was announced in the Union Budget 2024-25 that Public sector banks (PSBs) will build their in-house capability to assess MSMEs for credit, instead of relying on external assessment. PSBs will develop it based on the scoring of digital footprints of MSMEs in the economy. The credit assessment model for MSMEs based on digital footprints is expected to be a significant improvement over the traditional assessment of credit eligibility based only on asset or turnover criteria. That will also cover MSMEs without a formal accounting system. That will also cover MSMEs without a formal accounting system. The benefits to MSMEs by use of this model includes submission of application from anywhere through online mode, reduced paperwork and Branch visit, instant in-principle sanction through digital mode, seamless processing of credit proposals, end to end straight through process (STP), reduced turnaround time (TAT), Credit decision based on objective data/ Transactional behaviour and credit history, no Physical collateral securities for loans covered under CGTMSE, among others.

(d):   The adoption of advanced technology by MSMEs is on the rise with embracing digital tools, cloud computing, Artificial Intelligence, Internet of Things, and e-commerce platforms to enhance productivity and competitiveness. The Government of India has implemented several policies/ various schemes which inter-alia includes, MSE-Cluster Development Programme, Tool Rooms / Technology Centres, Micro and Small Enterprises (MSE) - Green Investment Financing for Transformation (GIFT) Scheme, Raising and Accelerating MSME Performance (RAMP) and MSME Champions Scheme, which promotes waste minimization, design improvement, and digital empowerment.

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