

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 2497
TO BE ANSWERED ON: 11.08.2025

POLICY REFORMS FOR MSMEs

2497. SHRI PRAMOD TIWARI:

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

- (a) whether Government proposes to push for policy reforms specific to the unique problems and demands of various segments of Micro, Small and Medium Enterprises (MSMEs) without viewing them as a homogeneous sector, if so, the details thereof;
- (b) whether Government is working on a digitalisation road map for SMEs; and
- (c) if so, the steps taken/proposed to be taken to create upward mobility in technology, skilling and business growth and removing regulations preventing MSMEs from expanding into large companies?

ANSWER

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

(a) to (c): Promotion and development of enterprises is a State subject. The Central Government supplements the efforts of the State/UT Governments through various schemes, programmes and policy initiatives for overall development and promotion of Micro, Small and Medium Enterprises (MSMEs) in the country. In this background, the Government of India has taken a number of policy reforms specific to the unique problems and demands of various segments for MSMEs.

Udyam Registration Portal (URP) was launched by Ministry of MSME on 01.07.2020 to facilitate ease of registration for MSMEs. The process of registration on Udyam is fully online, paperless and based on self-declaration. For those Informal Micro Enterprises (IMEs), which do not have PAN and are exempted from GST, Udyam Assist Platform (UAP) was launched on 11.01.2023 in association with Small Industries Development Bank of India (SIDBI). The formalisation initiative has provided ease of doing business, created an identity for MSMEs and they become eligible to avail the benefit of the Schemes, subject to eligibility criteria.

The Government has taken several measures to encourage MSMEs to integrate with digital payment systems and e-commerce platforms. Through URP, an MSME can link with GeM platform and participate in Government procurement. MSME Global Mart Portal under National Small Industries Corporation is a business to business (B2B) Portal facilitating online marketing support to MSMEs. PM Vishwakarma Scheme seeks to incentivize digital transactions undertaken by the artisans and craftspeople through cash-backs to promote a new digital culture among the Vishwakarmas with regard to embracing digital payments ecosystem. Under this, an incentive amount of Re. 1 per eligible digital transaction (upto a maximum of 100 eligible transactions) monthly is credited to the beneficiary's bank account in DBT mode through Aadhaar Enabled Payment System.

To create upward mobility in technology, skilling and business growth and promote the transformation of MSMEs and support their expansion, the Government of India announced the revised definition of MSMEs in Budget Announcement 2025 and the investment and turnover limits for classification of all MSMEs has been enhanced to 2.5 and 2 times respectively. The revision will help MSMEs in achieving higher efficiencies of scale, better access to capital and technological upgradation.

Under the Tool Rooms & Technical Institutions, Ministry of MSME has set up 27 Tool Rooms & Technical Institutions known as Technology Centres (TCs) in the sectors like general engineering, automation, hand tools, plastics, auto parts, electrical & electronics, forging & foundry etc. to support MSMEs with the relevant technologies.

MSME Champions Scheme is a Central Sector Scheme applicable to Udyam registered manufacturing Micro, Small and Medium Enterprises (MSMEs) across India. MSME-Sustainable (ZED) Certification Scheme and Digital MSME Scheme are a subcomponent of MSME Champions Scheme.

Under Entrepreneurship Skill Development Programme basic and advanced entrepreneurship training is provided to help entrepreneurs improve their personal entrepreneurial skills and upscale their business or enterprise. Further, Udyam Registration portal has been integrated with portals of National Career Services, e-Shram of Ministry of Labour & Employment and Skill India Digital Portal.

As additional policy measures for promotion, development and expansion of MSMEs, the following announcements have been made in Budget 2025:

- (i) For Start ups, the guarantee coverage amount increased from the present Rs.10 crore to Rs. 20 crore.
- (ii) For well-run exporter MSMEs, credit guarantee for term loans up to Rs. 20 crore.
- (iii) A new Fund of Funds, with expanded scope and a fresh contribution of another Rs. 10,000 crore.
- (iv) A new scheme for 5 lakh women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs for term loans up to Rs.2 crore during the next 5 years.
