

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION No. 911
TO BE ANSWERED ON 08.12.2025

**ISSUES AND PROBLEMS FACED BY MSMEs IN THE
STATE OF TAMIL NADU**

911. SHRI R. GIRIRAJAN:

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

- (a) whether Government has taken a keen note of the issues and problems pertaining to the Micro, Small and Medium Enterprises (MSME) sector in the State of Tamil Nadu and if so, the details thereof; and
- (b) whether Government has any plans to provide adequate financial support and technology and trade support to various MSMEs including leather and textile sector in the State of Tamil Nadu?

ANSWER

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

(a) and (b): The Government of India has taken a number of steps to address the issues and challenges pertaining to the MSME sector in the country, including in the State of Tamil Nadu. Some of these steps are as under:

- i. New revised criteria for defining MSMEs adopted in 2020. This has been further revised w.e.f. from 01.04.2025.
- ii. Udyam Registration for MSMEs, for Ease of Doing Business w.e.f. 01.07.2020.
- iii. Inclusion of Retail and Wholesale traders as MSMEs w.e.f. 02.07.2021.
- iv. Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs.
- v. Launch of Udyam Assist platform on 11.01.2023 to bring Informal Micro Enterprises under the formal ambit for availing the benefit under Priority Sector Landing.
- vi. Operationalisation of Self Reliant India Fund for equity infusion into MSMEs.
- vii. Launch of Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS), for businesses, including MSMEs. The Scheme was operational till 31.03.2023. As per a research report dated 23.01.2023 of the State Bank of India on ECLGS, almost 14.6 lakh MSME accounts, of which about 98.3% of the accounts were in the Micro and Small Enterprises categories, were saved from slipping into non-performing asset classification.

- To provide adequate financial support and technology and trade support to various MSMEs, including leather and textile sector, a series of measures have been undertaken, which inter-alia include schemes such as Prime Minister's Employment Generation Programme for setting up of new micro enterprises in the non-farm sector by providing Margin Money subsidy on the Bank loan, Special Credit Linked Capital Subsidy Scheme with a provision of 25% subsidy to SC/ST MSEs on institutional finance for procurement of Plant & Machinery/ Equipment, Credit Guarantee Scheme for collateral free loans for Micro and Small Enterprises with a guarantee coverage of upto Rs. 10 crore, collateral free loans upto Rs 20 Lakh for Informal Micro Enterprises, PM Vishwakarma Yojana, Mudra Loan, etc.
- MSME Champions Scheme has been formulated with an end objective to modernize the processes, reduce wastages, sharpen business competitiveness of enterprises, and facilitate their National and Global reach and excellence. Further, the Ministry of MSME, in order to help the MSMEs to grow technologically and to enhance their competitiveness, has established Technology Centres (TCs) and Extension Centres (ECs) across the country. These TCs/ECs provide various services like technology support, skilling, incubation and consultancy to MSMEs and skill seeker.
