

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 1067
TO BE ANSWERED ON: 09.02.2026

TECHNOLOGICAL ADVANCEMENT AND PRODUCTIVITY ENHANCEMENT

1067. SHRI BRIJ LAL:
SMT. DARSHANA SINGH:

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

- (a) the progress achieved under the schemes promoting technological upgradation during the last five years;
- (b) the number of Micro, Small, and Medium Enterprises (MSMEs) that have adopted advanced manufacturing or digital tools with the support of Government;
- (c) whether common facility centers have led to improvements in productivity and cost efficiency;
- (d) if so, the details thereof;
- (e) the challenges identified by Government in enabling MSMEs to access and adopt modern technology; and
- (f) Government roadmap for accelerating the adoption of industry 4.0 among small enterprises?

ANSWER

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

(a) & (b): The Government is implementing targeted schemes to promote technological upgradation and adoption of advanced, green and efficient technologies by MSMEs. Under the Micro and Small Enterprises – Green Investment and Financing for Transformation (MSE-GIFT) Scheme, concessional institutional finance is provided for adoption of clean and energy-efficient technologies, including renewable energy solutions, through 2% interest subvention for up to five years and a Risk Sharing Facility. As on date, loans amounting to ₹3,852 crore have been sanctioned to 5,395 MSE since its launch in December 2023. Further, the MSE-Scheme for Promotion and Investment in Circular Economy (MSE-SPICE), supports adoption of Circular Economy solutions across identified waste and recycling sectors through capital subsidy on plant and machinery; under the scheme, loans amounting to ₹16.85 crore have been sanctioned to 14 MSE units. In addition, under the MSME-Sustainable (ZED) Certification Scheme, financial assistance of up to ₹3 lakh per MSME is provided for technology upgradation towards cleaner production, pollution control and zero-effect manufacturing, under which technology upgradation assistance of ₹ 3.48 Crore has been extended to 120 MSMEs.

(c) & (d): Micro and Small Enterprises-Cluster Development Programme (MSE-CDP) aims to enhance the productivity and competitiveness of Micro and Small Enterprises (MSEs) by extending financial assistance for establishment of Common Facility Centers (CFCs) and establishment / upgradation of Industrial Areas / Estates / Flatted Factory Complex in the existing cluster. Under the scheme total 242 CFCs have been approved out of which 113 CFCs are completed. The development of CFCs under MSE- CDP has yield significant improvement in the performance of member unit viz. increase in production/member unit by 20% to 30% and decrease in cost of production by 5% to 7% as per evaluation study conducted by NPC this year.

(e): The Government has identified challenges such as limited access to affordable finance for technology investments, high initial cost of advanced machinery, lack of awareness regarding emerging technologies, skill gaps, and constraints in adopting green solutions, particularly among micro and small enterprises.

(f): The Government's roadmap for accelerating awareness and preparedness for Industry 4.0 among Micro, Small and Medium Enterprises (MSMEs) includes introductory capacity-building interventions under the MSME Competitive (Lean) Scheme. The Scheme primarily focuses on lean manufacturing practices, while also sensitising MSMEs to basic and advanced concepts of Industry 4.0. This exposure is intended to build foundational understanding and readiness among MSMEs, enabling them to explore gradual adoption of advanced digital and smart manufacturing technologies as per their scale and capability.
