

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 3467**  
**TO BE ANSWERED ON 23.03.2026**

**IMPLEMENTATION OF PROGRAMMES FOR MSME UNITS  
IN ERODE DISTRICT, TAMIL NADU**

3467. SHRI ANTHIYUR P. SELVARASU:

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

- (a) whether Government is aware that Micro, Small and Medium Enterprises (MSMEs) units in Erode district, in the State of Tamil Nadu, particularly textile-linked units, face high compliance burden, working capital stress and limited technology adoption;
- (b) if so, the details of Government programmes implemented in the district for technology upgradation, cluster support and compliance simplification; and
- (c) the steps Government proposes to improve competitiveness through common facilities, market linkage and easier credit support in Erode district?

**ANSWER**

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

(a) to (c): The Ministry of Micro, Small and Medium Enterprises is implementing various schemes/programs across the country including textile units of Erode district in the State of Tamil Nadu to address the issues faced by MSME units regarding technological upgradation, rising production cost and high compliance burdens, cluster development, market linkage and easier credit support etc in the MSME Sector. The schemes/programs interalia includes; Micro and Small Enterprises Green Investment and Financing for Transformation (MSE-GIFT) Scheme and Micro and Small Enterprises- Scheme for Promotion and Investment in Circular Economy (MSE-SPICE) schemes under the RAMP programme to incentivize technological up gradation and support on environmental compliances. Micro and Small Enterprises Cluster Development Programme (MSE-CDP) for establishment of common facility centers (CFCs), Procurement and Marketing Support (PMS) scheme for market linkage, MSME Champions scheme to modernize manufacturing processes, reduce wastages, improve competitiveness and Micro and Small Enterprises Facilitation Councils (MSEFCs) to help units realize delayed payments from larger industries so as to address a major cause of working capital.

Under MSE-GIFT scheme, 54 units of textile sector have been assisted with 2% interest subvention on total term loans(Sanctioned) of Rs 42.04 crore for technological upgradation in the Erode district of Tamil Nadu. Under PMS scheme, total 55 nos. of trade fair has been organized and benefited 5708 MSMEs of Tamilnadu. MSME Sustainable (ZED) component of MSME Champions Scheme has a provision for technology upgradation of up to ₹3 lakh for adoption of Zero Effect solutions. Similarly, under the MSME Competitive (LEAN) component, MSMEs are supported for adopting lean manufacturing practices through group of enterprise-based approach, leading to improved productivity, cost reduction and better resource utilization. The achievements of these two components of MSME Champions scheme in Erode district is as under:

## (i) MSME Sustainable (ZED) Scheme (Erode District – including textile units)

Sector	ZED Registration	ZED Bronze Certification	ZED Silver Certification	ZED Gold Certification
All Manufacturing	1538	918	26	27
Textile	669	468	8	11

## (ii) MSME Competitive (LEAN) Scheme (Erode District – including textile units):

Sector	Lean Registration	Lean Pledge	Lean Certification	GoE formed
All Manufacturing	101	101	29	02
Textile	25	25	03	-

Besides above, Amended Technology Upgradation Fund Scheme (ATUFS) of Ministry of textile was launched in January 2016 and it was in operation till 31.03.2022. The objectives of that scheme were to provide capital investment subsidy for benchmarked textile machinery. Scheme has been instrumental in supporting MSME industry as around 89% of beneficiaries under ATUFS are MSME units. Under these initiatives in Erode district, Tamil Nadu, a total of 143 UIDs have been assisted, with an effective investment of ₹991 crore. Additionally, subsidy support amounting to ₹51.94 crore has been released to promote modernization, strengthen cluster-based infrastructure, and reduce the financial and compliance burden on MSMEs, thereby enhancing their overall competitiveness.

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