

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 3778
TO BE ANSWERED ON 23.03.2023

SETTING UP OF MSMEs

3778. SHRI ASHOK MAHDEORAO NETE:

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

- (a) whether the Government has decided to set up more number of Micro, Small and Medium Enterprises (MSMEs) with a view to ensure overall development of the country and if so, the details thereof;
- (b) the details of the steps being taken by the Government to set up MSMEs on a large scale in the country; and
- (d) the incentives being given to the entrepreneurs who are willing to set up MSMEs?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a), (b) & (d): The MSME sector consists of private enterprises and investments in this sector are made by the entrepreneurs themselves. 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 MSMEs in the country. A number of recent steps have been taken by Government including AatmaNirbhar Bharat Abhiyaan to promote the MSME sector in the country. These include:

- 1) Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme, for businesses, including MSMEs.
- 2) Rs. 50,000 crore equity infusion through Self Reliant India Fund.
- 3) New revised criteria for classification of MSMEs.
- 4) No global tenders for procurement up to Rs. 200 crores.
- 5) "Udyam Registration" for MSMEs, for Ease of Doing Business w.e.f. 1.7.2020
- 6) Launching of an online Portal "Champions" in June, 2020 to cover many aspects of e-governance including grievance redress and handholding of MSMEs.
- 7) Inclusion of Retail and Wholesale traders as MSMEs w.e.f. 2.7.2021 for availing benefits under Priority Sector Lending.
- 8) Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs w.e.f. 18.10.2022.
- 9) Launch of Udyam Assist platform on 11.1.2023 to bring Informal Micro Enterprises under the formal ambit for availing benefits under Priority Sector Lending.

- 10) Field offices of Ministry of MSME organize various awareness campaign for UDYAM registration and benefits of Government schemes /programmes, in coordination with MSME/ Industry Departments of States/UTs concerned and other MSME stakeholders through physical workshops, social media, print media & electronic media for creating wide publicity for increasing participation from all stake holders.
- 11) Budget 2023 announcement :
 - 1) Infusion of Rs 9,000 crore Credit Guarantee Trust for Micro, Small & Medium Enterprises (CGTMSE) with reduced credit cost by about 1 per cent.
 - 2) PM Vishwakarma KAushal Samman (PM VIKAS): Financial Assistance for traditional artisans and craftspeople to improve the quality, scale and reach of their products, integrating them with the MSME value chain, access to advanced skill training, knowledge of modern digital techniques and efficient green technologies, brand promotion, linkage with local and global markets, digital payments, and social security.
 - 3) Vivad se Vishwas – Relief for MSMEs: In cases of failure by MSMEs to execute contracts during the Covid period, 95 per cent of the forfeited amount relating to bid or performance security, will be returned to them by government and government undertakings.
 - 4) Under Section 43B of Income Tax Act: Deduction has been allowed for expenditure incurred on payments only when payment is actually made to MSMEs.
