

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 3487**  
**TO BE ANSWERED ON 10.08.2023**

**GST –REGISTERED MSMEs**

3487. SHRI PRADYUT BORDOLOI:

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

- (a) whether the Government has taken alternative measures to encourage investments and capacity building in light of the challenges being faced by Micro, Small and Medium Enterprises (MSMEs) in accessing finance and discontinuation of two per cent interest subvention scheme for GST-registered MSMEs and if so, the details thereof and if not, the reasons therefor;
- (b) the details of retail MSMEs which are currently utilising digital tools for their day-to-day operations for the last five years, State-wise;
- (c) whether the Government is incentivizing MSME investments in digital transformation along with the measures being implemented to make the digital ecosystem including sensors and systems more affordable for MSMEs and if so, the details thereof; and
- (d) the steps taken by the Government to promote fintech solutions for enhancing MSMEs' access to finance, particularly the efforts made to integrate fintech platforms with traditional banking services?

**ANSWER**

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

- (a): The Government has taken many measures to improve the flow of credit to MSMEs in the country. Some of them are given below:
- i. Priority Sector Lending Guidelines: In terms of Master Direction on 'Priority Sector Lending (PSL) – Targets and Classification' dated September 4, 2020, all bank loans to MSMEs conforming to the conditions prescribed therein qualify for classification under Priority Sector Lending.
  - ii. Collateral requirements of MSME units: Scheduled Commercial Banks have been mandated not to accept collateral security in the case of loans up to ₹10 lakh extended to units in Micro & Small Enterprises category. RBI issued circular No. RPCD.SME & NFS. BC. No. 79/06.02.31/2009-10 dated May 6, 2010.
  - iii. CGTMSE provides credit guarantee to its Member Lending Institutions for loans extended by them to Micro and Small Enterprises without any collateral security and third party guarantee. With effect from 01.04.2023, the credit limit for Guarantee Coverage under Credit Guarantee Scheme for Micro & Small Enterprises has been enhanced from ₹ 2 crore to ₹ 5 crore and the annual guarantee fees have been reduced by 50%.

- iv. Infusion of Rs.9,000 crore in the corpus of Credit Guarantee Fund Trust for MSEs to enable an additional credit of Rs.2.00lakh crore at reduced cost (Budget announcement 2023).
- v. Under the revised guidelines of Prime Minister's Employment Generation programme issued on 13.05.2022, the project cost for Manufacturing and Services have been enhanced to Rs. 50.00 Lakh and Rs. 20.00 Lakh, respectively from Rs. 25.00 Lakh and Rs. 10.00 Lakh respectively.
- vi. Under Aatmanirbhar Bharat, the Government of India has announced Self Reliant India Fund to infuse equity in MSMEs which have the potential and viability to grow.
- vii. New revised composite criteria of Investment & turnover for classification of MSMEs adopted on 26.06.2020.
- viii. "Udyam Registration" for MSMEs, for Ease of Doing Business w.e.f. 1.7.2020.
- ix. Launch of Udyam Assist Platform on 11.01.2023 to bring Informal Micro Enterprises under the formal ambit for availing the benefits under Priority Sector Lending.
- x. No global tenders for procurement up to Rs. 200 crore.

(b): The Ministry of MSME does not maintain such data.

(c) & (d): As informed by Reserve Bank of India (RBI) and Department of Financial Services (DFS), Ministry of Finance to increase investment inflow through the fintechs, a number of measures have been taken; including the following:

- Trade Receivables Discounting System (TReDS): In order to address the problem of payments to MSMEs, RBI has issued guidelines for setting up and operating the TReDS. The scheme facilitates the financing of trade receivables of MSMEs from corporate and other buyers, including government departments and public sector undertakings through multiple financiers electronically.
- Account Aggregator (AA) Framework: As a regulator, RBI has created an enabling environment for growth of digital technology for new financial products and services.
- The Government e-Marketplace has launched 'GeM SAHAY', a mobile app based financing solution for the Micro and Small Enterprises (MSEs) on a pilot basis to enable collateral free online credit to eligible MSEs from public sector /scheduled banks and NBFCs at competitive interest rates. The GeM SAHAY product is built on Open Credit Enablement Network (OCEN) platform and works completely without any manual interface.