

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 3627
TO BE ANSWERED ON 10.08.2023

INCENTIVES TO MSMEs

3627. DR. AMAR SINGH:

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

- (a) the details of support and incentives being provided to encourage the growth and development of Micro, Small, And Medium Enterprises (MSMEs) in the country;
- (b) the manner in which the Government is facilitating access to credit and financial assistance for MSMEs to promote entrepreneurship;
- (c) whether there are any plans to enhance the competitiveness of MSMEs in the global market and if so, the details thereof;
- (d) the steps being taken to promote innovation and technology adoption among MSMEs; and
- (e) the measures being taken by the Government to simplify regulatory processes and reduce bureaucratic hurdles for MSMEs, with a goal to promote 'Ease of Doing Business' and facilitate their growth and competitiveness?

ANSWER

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

- (a): The Ministry of Micro, Small and Medium Enterprises (MSME) implements various schemes to encourage the growth and development of MSME sector across the country in the areas of credit support, formalization, technological assistance, infrastructure development, skill development and training and market assistance to MSMEs. The schemes/programmes inter alia include Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Scheme for Micro and Small Enterprises (CGTMSE), Micro and Small Enterprises-Cluster Development Programme (MSE-CDP), Entrepreneurship Skill Development Programme (ESDP), Procurement and Marketing Support Scheme (PMS) and National SC/ST Hub (NSSH).
- (b): The Government has taken a number of initiatives towards facilitating greater ease of access to credit and financial assistance for MSMEs. Some of them are:
 - (i) Prime Minister's Employment Generation Programme (PMEGP) which is a major credit linked subsidy programme aimed at generating self-employment.
 - (ii) Credit Guarantee Scheme (CGS) to strengthen credit delivery system and to facilitate the flow of credit to the Micro and Small Enterprise sector without the hassles of collateral and third party guarantee up to a maximum of Rs. 500 lakh. As announced in Budget 2023-24, Rs. 9,000 crore has been infused in the corpus of CGTMSE to enable additional credit of Rs. 2 lakh crore with a reduced cost of credit.
 - (iii) Self Reliant India (SRI) Fund: Rs. 50,000 core equity infusion through SRI Fund. This scheme has a provision of Rs. 10,000 crore from Government of India and Rs. 40,000 crore leverage through Private Equity/Venture Capital funds. This initiative is aimed at providing growth capital to the deserving and eligible units of MSME sector.
 - (iv) Launch of Udyam Assist Platform on 11.01.2023 to bring Informal Micro Enterprises (IMEs) under the formal ambit for availing the benefits under Priority Sector Lending.

(c) & (d): Ministry of Micro, Small and Medium Enterprises (MSME) implements MSME Champions scheme with the objective to modernize MSMEs' manufacturing processes, reduce wastages, encourage innovativeness, sharpen business competitiveness and facilitate their National and Global reach and excellence. Various financial incentives are being provided to MSMEs under the scheme. Components under the MSME Champions scheme are MSME-Sustainable (ZED), MSME-Competitive (Lean) and MSME-Innovative (Incubation, IPR, Design and Digital MSME).

(e): The Government has taken several steps for making favourable environment to boost the MSME sector in the country under Ease of Doing Business. Some of them are:

- (i) Udyam Registration (UR) Portal provides fully online, paperless and transparent MSME registration process. No documents or proof are required to be uploaded for registering an MSME. Only Aadhaar Number and PAN is enough for registration. PAN and GST linked details on investment and turnover of enterprises are taken automatically from Government databases.
- (ii) Digital Payments to pass on the benefits of the schemes of Ministry of MSME through digital payment gateway.
- (iii) MSME SAMBANDH Portal- helps in monitoring the implementation of Public Procurement Policy for micro and small enterprises.
- (iv) MSME SAMADHAAN Portal- helps in empowering micro and small entrepreneurs across the country to register their cases relating to delayed payments.
- (v) Champions Portal for speedy redressal of grievances.
- (vi) Under Public Procurement Policy for Micro and Small Enterprises Order, 2012, the number of regulatory compliances in regard to Government to Business and Government to Citizen, has been reduced from 7 to 4.
- (vii) Government e-Marketplace (GeM)- facilitates online procurement of common use Goods & Services required by various Government Departments/ Organizations/CPSEs.
