

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1960**  
TO BE ANSWERED ON 22.09.2020

**CONTRIBUTION OF MSMEs IN ECONOMY**

1960.           SHRI T.R. BAALU:

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

- (a) whether the Government has taken steps to raise public awareness of contribution of Micro, Small and Medium Enterprises (MSMEs) to continue the sustainable development in the Indian economy and if so, the details thereof;
- (b) the measures taken by the Government to ease the burden on MSMEs considering the fact that there are over six crore MSMEs across the country, which contribute 29 per cent to the GDP and almost half of the exports and these units also employ more than Eleven crore people;
- (c) whether the Government is aware of the fact that big industries are also responsible for squeezing the margins of Small and Micro industries or forcing them to undersell as they don't have the intellectual property rights for the products they produce and are forced to work at just two to five per cent margins; and
- (d) if so, the efforts made by the Government taking into account that India has around 63.4 million MSME units, which contribute 33.4 per cent of India's manufacturing and 24.63 per cent of the services GDP?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF  
MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI PRATAP CHANDRA SARANGI)

(a): The Ministry of Micro, Small and Medium Enterprises (MSME) implements various schemes for sustainable growth and promotion of the MSME sector. In many of these schemes such as Credit Linked Capital Subsidy - Technology Up-gradation Scheme (CLCS-TUS) and Entrepreneurship and Skill Development Programme (ESDP), awareness through workshops, seminars etc., is an important component.

(b): The Ministry of Micro, Small and Medium Enterprises (MSME) implements various schemes and programmes for promotion and development of Micro, Small and Medium Enterprises (MSMEs) throughout the country. These include the schemes/programmes such as Prime Minister's Employment Generation Programme (PMEGP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), A Scheme for Promoting Innovation, Rural Industry and Entrepreneurship (ASPIRE), Entrepreneurship and Skill Development Programme (ESDP), Credit Guarantee Fund Scheme for Micro and Small Enterprises, Credit Linked Capital Subsidy - Technology Up-gradation Scheme (CLCS-TUS), Micro & Small Enterprises - Cluster Development Programme (MSE-CDP), National Scheduled Caste and Scheduled Tribe Hub (NSSH), etc.

Under Atmanirbhar Bharat, Government recently announced a special economic and comprehensive package of Rs. 20 Lakh crore for all the sections of the society including Industries and MSMEs. Government has taken a number of initiatives to support the MSME sector in the country which include the following;

- i) Rs 20,000 crore Subordinate Debt for MSMEs.
- ii) Rs 3 lakh crores Collateral free Automatic Loans for business, including MSMEs.
- iii) Rs. 50,000 crore equity infusion through MSME Fund of Funds.
- iv) New revised criteria for classification of MSMEs.
- v) New Process of MSME Registration through 'Udyam Registration'.
- vi) No global tenders for procurement up to Rs. 200 crores, which will help MSMEs.

Hon'ble Prime Minister has launched an online Portal "Champions" on 01.06.2020. The portal covers many aspects of e-governance including grievance redressal and handholding of MSMEs. Through the portal, 19,593 grievances have been redressed upto 17.09.2020.

(c) & (d): The Government has notified Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 under MSMED Act. Under this policy, 25% of annual procurement by Central Ministries /Departments/Public Sector Enterprises (CPSEs) has to be made from Micro & Small enterprises. This includes 4% from MSEs owned by SC/STs and 3% from MSEs owned by Women entrepreneurs. 358 items are reserved for exclusive procurement from MSEs.

The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 contains specific provisions to deal with cases of delayed payments of the Micro and Small Enterprises (MSEs). Under the provisions of the Act, Micro & Small Enterprises Facilitation Councils (MSEFC) have been set up in the States/UTs. These Councils can be approached by the MSEs for resolution of delayed payment cases by way of conciliation and/or arbitration.

Ministry of MSME has launched SAMADHAAN portal to enable Micro & Small Enterprises (MSEs) to directly register their cases on the portal relating to delayed payments by Central Ministries / Departments/ CPSEs/ State Government & other buyers.

Ministry of MSME implements a scheme namely "Building Awareness on Intellectual Property Rights (IPR)", to encourage registration of IPR by MSMEs. Under the scheme, financial assistance is provided to MSMEs on grant of IPR. During the FY 2019-20, Rs. 9.41 crore was released under the scheme.

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