

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 8  
ANSWERED ON MONDAY, NOVEMBER 25, 2024  
AGRAHAYANA 4, ,1946 (SAKA)**

**INITIATIVES TO SUPPORT MSMEs  
QUESTION**

**8. Dr. Bholu Singh:**

**Will the Minister of CORPORATE AFFAIRS  
be pleased to state:**

- (a) whether the Government has introduced any initiatives to support Micro, Small, and Medium Enterprises (MSMEs) recently in accessing credit under the Companies Act;**
- (b) if so, the details thereof including the provisions made for MSMEs to address financial challenges and ease of doing Business;**
- (c) whether the Government has monitored the effectiveness of these initiatives; and**
- (d) if so, the outcomes observed so far in supporting MSMEs across the country?**

**ANSWER**

**THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS AND  
MINISTER OF STATE IN THE MINISTRY OF ROAD, TRANSPORT AND HIGHWAYS**

**[ SHRI HARSH MALHOTRA]**

**(a) to (d):- The Government has taken a number of initiatives to support MSMEs to address financial challenges, in accessing credit and for Ease of Doing Business as given below:**

- (i) Credit Guarantee Scheme for Micro and Small Enterprises, through Credit Guarantee Fund Trust for Micro and Small Enterprises, provides guarantee to its Member Lending Institutions (MLIs) for the credit extended by them to Micro and Small Enterprises. Collateral free loan up to a limit of Rs. 500 lakh to Micro and Small Enterprises, with a guarantee coverage up to 85 % for various categories of loan is provided under Credit Guarantee Scheme. Since inception of the scheme till 31.10.2024, 97.68 lakh guarantees were approved involving an amount of Rs. 7.57 lakh crore.**
- (ii) Prime Minister's Employment Generation Programme (PMEGP) is a major credit-linked subsidy programme which aims at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and rural/urban unemployed youth. A loan of upto Rs. 50 lakh for manufacturing sector and Rs. 20 lakh for service sector is provided under the scheme.**
- (iii) PM Vishwakarma Scheme provides end-to-end support to artisans and craftspeople including credit support at 5% interest rate along with guarantee coverage.**
- (iv) Trade Receivables Discounting System (TReDS) has been operationalized to address the problem of delayed payments to MSMEs.**
- (v) The Government has introduced MSME Form I for reporting outstanding payments beyond 45 days to Micro and Small enterprises by companies, promoting prompt payment to MSMEs, and ensuring transparency in transactions involving small vendors and suppliers.**
- (vi) Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS), for businesses, including MSMEs was announced as a part of Atmanirbhar Bharat package. A total of 1.19 crore number of guarantees were issued to businesses, including MSMEs. Of this, 1.13 crore guarantees amounting to Rs. 2.42 lakh crore were issued to MSMEs. State Bank of India's research report dated**

**23.01.2023 on ECLGS, indicates that almost 14.6 lakh MSME accounts were saved due to ECLGS Scheme (including restructured) from becoming NPA, of which 98.3% of the accounts were in micro and small category.**

- (vii) New revised criteria for classification of MSMEs based on both investment size and turnover has been issued.**
- (viii) New registration of MSMEs through "Udyam Registration" for Ease of Doing Business.**
- (ix) No global tenders for procurement up to Rs. 200 crore.**
- (x) Inclusion of retail and whole sale trades as MSMEs w.e.f. 02.07.2021.**
- (xi) Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs.**
- (xii) Under Vivad se Vishwas – I, relief by way of refund of 95% of the deducted performance security, bid security and liquidated damages was provided to MSMEs. Relief was also provided to MSMEs debarred for default in execution of contracts.**
- (xiii) Launch of Udyam Assist Platform to bring the Informal Micro Enterprises under the formal ambit for availing the benefit under Priority Sector Lending.**

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