

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
STARRED QUESTION NO. *298
TO BE ANSWERED ON 20.03.2025

CHALLENGES FACED BY MSMEs

*298. SHRI CHHOTELAL:
ADV. CHANDRA SHEKHAR:

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

- (a) whether it is a fact that the Medium, Small and Micro Enterprises (MSMEs) are facing challenges including issues such as formalization and inclusion, limited access to finance, markets, technology and digitalization, infrastructural bottlenecks and skilling; and
- (b) if so, the initiatives/measures being taken by the Government to remove these bottlenecks, strengthen MSMEs and enhance their competitiveness?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI JITAN RAM MANJHI)

(a) and (b): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) AND (b) OF THE LOK SABHA STARRED QUESTION NO. *298 FOR ANSWER ON 20.03.2025.

(a): A revised definition, based on the twin criteria of investment and turnover, was adopted on 01.07.2020 to define Micro, Small and Medium Enterprises (MSMEs) and Udyam Registration Portal (URP) was launched for registration of MSMEs. To bring Informal Micro Enterprises (IMEs) under the formal ambit of MSMEs, Udyam Assist Platform (UAP) was launched on 11.01.2023. The year-wise details of registered MSMEs are given below:

Year-wise details of Registered MSMEs on URP and UAP in the Country					
Financial Year	As on 31.03.2021	As on 31.03.2022	As on 31.03.2023	As on 31.03.2024	As on 15.03.2025
All India	28,29,746	79,52,575	1,64,99,727	4,13,93,255	6,13,37,576

Once an enterprise is formalized, it becomes eligible to avail the benefits of various schemes, subject to meeting the eligibility criteria, as per the guidelines. Under various schemes and measures of the Government, there are provisions for special incentives to ensure inclusiveness. For example, under Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs), collateral free loan up to a limit of Rs. 500 lakh (w.e.f. 01.04.2023) to MSEs with guarantee coverage up to 90 % for various categories of loan is provided. The details of the number of guarantees provided and the amount of guarantees approved for Micro and Small Enterprises, are given below:

Duration	2000-01 to 2019-2020	2020-2021 to 2024-2025
Number of Guarantees Approved	43,53,591	64,81,482
Amount of Guarantees Approved (In Rs crore)	2,28,704	6,55,987

(b): To support and strengthen the MSMEs Sector, the Government implements various measures, which, inter-alia, include measures for formalization of enterprises, measures to provide access to financial support, marketing support, technological support, infrastructure, skilling, etc.

- (i) For providing ease of access to finance, in addition to CGS, Schemes, such as, Prime Minister's Employment Generation Programme (PMEGP) for setting up of new micro enterprises in the non-farm sector by providing Margin Money subsidy on the Bank loan, Special Credit Linked Capital Subsidy Scheme with a provision of 25% subsidy to SC/ST MSEs on institutional finance for procurement of Plant & Machinery/Equipment, PM Vishwakarma Yojana, Pradhan Mantri Mudra Yojana, etc., are implemented. The details of the units assisted under PMEGP are, as given below:

Details of the Units assisted under PMEGP from FY 2014-15 till FY 2023-24			
Number of Units Assisted	Sanctioned Loan Amount	Margin Money (MM) Subsidy	Employment Opportunities Generated
6.86 Lakhs (Micro Enterprises)	Rs. 53,296 Crores	Rs. 19,739 Crores	54 Lakhs

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- (ii) Public Procurement Policy for Micro and Small Enterprises Order 2012 provides an assured market share to Micro and Small Enterprises (MSEs). Procurement and Marketing Support Scheme (PMSS) extends benefits to MSEs for market access through participation in Trade Fairs/ Exhibitions, Vendor Development Programmes, adoption of Modern Packaging Technique, e-Commerce platforms, etc. The number of Enterprises benefitted under various components of PMSS are as follows:

Financial Year	No. of Enterprises benefitted	Expenditure (Rs. in Crore)
2020-21	3,276	12.48
2021-22	2,332	5.17
2022-23	22,998	27.49
2023-24	Around 35,000	68.69

- (iii) The network of Technology Centres / Tool Rooms in the country supports MSMEs in providing access to advance manufacturing technologies, training & skilling and business consultancy services to make them competitive. ZED 2.0 Scheme has been launched for improved efficacy of certification levels and for enhancing quality and competitiveness. To digitally empower MSEs, the Trade Enablement and Marketing Scheme has been launched.
- (iv) The Government implements Micro and Small Enterprises Cluster Development Programme to enhance the productivity and competitiveness of MSEs by extending financial assistance to establish Common Facility Centres (CFCs) in the existing clusters and establish/up-grade infrastructural facilities in new/existing industrial estates/areas/flatted factory complexes.
- (v) Entrepreneurship and Skill Development Programme promotes new enterprises, build capacity of existing MSMEs and inculcate entrepreneurial culture in the country.
