

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 1394
TO BE ANSWERED ON 13.02.2025

CHALLENGES FACED BY MSMEs

1394. SHRI VIJAYAKUMAR ALIAS VIJAY VASANTH:
SHRI MANICKAM TAGORE B:

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

- (a) the number of MSMEs benefited from the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme and the additional measures taken to ease access to finance for MSMEs;
- (b) whether only 20% of MSMEs have adopted advanced technology and if so, the steps taken to support technology upgrades and the budget allocated for this purpose in the current year;
- (c) whether the 50% of MSMEs are facing infrastructure issues such as unreliable power and poor transportation, if so, the plans in place to address these challenges, especially in rural areas;
- (d) whether according to a survey, 70% of MSMEs struggle with marketing and market access, if so, the Government initiatives aimed at helping MSMEs build digital marketing strategies and expand into domestic and international markets; and
- (e) whether 65% of MSMEs are reporting difficulties with tax compliance and labour laws, if so, the reforms being introduced by the Government to simplify the laws?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a): A total of 1.04 crore credit guarantees amounting to Rs. 8.34 lakh crore have been extended to Micro and Small Enterprises (MSEs) under Credit Guarantee Scheme (CGS) being implemented by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) since FY 2000-01 to FY 2024-25 (till 31.01.2025).

For uninterrupted flow of credit and financial support to the Micro, Small and Medium Enterprises (MSME) sector, a series of measures have been undertaken, which inter-alia include schemes such as Prime Minister's Employment Generation Programme 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 for procurement of Plant & Machinery/ Equipment through institutional credit (bank loan), CGS for collateral free loans for MSEs, collateral free loans upto Rs 20 Lakh for Informal Micro Enterprises, PM Vishwakarma Yojana, Mudra Loan, etc.

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(b): The Ministry of MSME implements “MSE- Scheme for Promotion and Investment in Circular Economy (SPICE)” and “MSE- Green Investment Financing for Transformation (GIFT)”. MSE- SPICE scheme encourages recirculation of resources in the MSMEs through the strategies of reducing, reusing and recycling of resources, which includes re-processing waste materials and the Budget Outlay of the scheme is Rs 472.50 crore from 2023-2026. MSE- GIFT scheme provides concessional financial assistance to MSEs for investments in adoption of green technologies and practices and the Budget Outlay of the scheme is Rs 478 crore from 2023-2026. Further, MSMEs may avail benefits of existing Tool Rooms/ Technology Centres established by the Ministry of MSME.

(c): As informed by Ministry of Power, Government of India launched Revamped Distribution Sector Scheme with the objective of improving the quality and reliability of power supply to consumers through a financially sustainable and operationally efficient Distribution Sector. Further, to create an enabling, inclusive and business friendly environment for industrial growth in the country, Department for Promotion of Industry and Internal trade has taken measures like PM GatiShakti National Master Plan and National Logistics Policy.

(d): The Government has taken various measures to facilitate marketing access to MSMEs. The Ministry of MSME implements Procurement and Marketing Support Scheme for enhancing market access of MSEs; International Co-operation Scheme to encourage MSMEs to export their products and facilitates participation in international exhibitions/fairs/buyer-seller meets, etc.; MSME TEAM (Trade Enablement and Marketing) to empower MSMEs with digital tools and guidance to effectively utilize the e-commerce marketplace; and provide reimbursement to new MSEs for Capacity Building of First Time Exporters.

(e): As informed by Central Board of Indirect Taxes & Customs, Department of Revenue, the Government has undertaken various initiatives / policy measures to encourage MSMEs in the country. No GST Registration is required for supply of goods upto Rs. 40 lakh and supply of services upto Rs. 20 lakh, Composition scheme for Goods/Restaurant Services and Service Providers, Quarterly Returns Monthly Payment scheme, etc.
