

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA  
UNSTARRED QUESTION NO. 3019  
TO BE ANSWERED ON 18.12.2025

**PUBLIC PROCUREMENT POLICY FOR MSMEs**

3019. SMT. MANJU SHARMA:

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

- (a) the steps taken by the Government to promote ease of doing business for Micro, Small and Medium Enterprises (MSMEs);
- (b) the efforts made by the Government to provide a conducive environment to MSMEs in post Corona period; and
- (c) the steps taken by the Government for smooth implementation of the Public Procurement Policy for MSMEs?

**ANSWER**

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

(a) and (b): The Government of India has taken a number of steps to promote ease of doing business for Micro, Small and Medium Enterprises (MSMEs) and provide a conducive environment to them. Some of these steps are as under:

- i. New revised criteria for defining MSMEs adopted in 2020. This has been further revised w.e.f. 01.04.2025, so as to create upward mobility in technology, skilling and business growth and promote transformation of MSMEs and support their expansion.
- ii. Udyam Registration Portal for MSMEs, for Ease of Doing Business, launched w.e.f. 01.07.2020.
- iii. Inclusion of Retail and Wholesale traders as MSMEs w.e.f. 02.07.2021.
- iv. Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs.
- v. Launch of Udyam Assist platform on 11.01.2023 to bring Informal Micro Enterprises under the formal ambit for availing the benefit under Priority Sector Lending.
- vi. Operationalisation of Self Reliant India Fund for equity infusion into MSMEs.
- vii. Under Credit Guarantee Scheme (CGS) for Micro and Small Enterprises, guarantee is provided to Member Lending Institutions for the credit extended by them to MSEs without any collateral security or third-party guarantee. Additional corpus fund of Rs. 9,000 crore was infused into the corpus of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), as announced in the Union Budget 2023-24 to enable an additional credit of Rs. 2.00 lakh crore, at a reduced cost of credit.

- Launch of Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS), for businesses, including MSMEs. The Scheme was operational till 31.03.2023. As per a research report dated 23.01.2023 of the State Bank of India on ECLGS, almost 14.6 lakh MSME accounts, of which about 98.3% of the accounts were in the Micro and Small Enterprises categories, were saved from slipping into non-performing asset classification.

- To provide relief and support to MSMEs in post Corona period, Vivad se Vishwas I - Relief for MSMEs (VsV-I) Scheme was launched by Department of Expenditure, Ministry of Finance, Government of India on 11.04.2023.Under the Scheme, relief by way of refund of 95% of the deducted performance security, bid security and liquidated damages was provided for Government contracts entered during COVID 19 period. Relief was also provided to MSMEs debarred for default in execution of contracts. More than 60,000 claims of MSMEs vendors were finalised under the scheme. In addition, the delivery period was extended for all contracts, including PPP contracts by 3 to 6 months without any penalty.

(c): For smooth implementation of the public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012, a number of steps have been taken by the Ministry of MSME, as outlined below:

- (i) The Ministry of MSME launched “MSME-SAMBANDH Portal” on 8th December, 2017. The Portal helps in actively monitoring the procurement by Central Government Ministries, Departments and Central Public Sector Enterprises (CPSEs).
- (ii) The Ministry of MSME is actively engaged with Department of Public Enterprises, Ministry of Finance for better coordination with CPSEs for achieving the targets under the Policy. The Ministry of MSME also issues communications and clarifications on the Public Procurement Policy for MSEs, whenever required or asked for.
- (iii) Government e Marketplace (GeM), an online portal, is being used for procurement by Ministries/ Departments/ CPSEs. Follow up with GeM for supporting SC/ST and Women entrepreneurs is done on a regular basis.
- (iv) Vendor Development Programmes under the Procurement and Marketing Support Scheme serve as platform for MSEs, where MSEs can network with not only CPSEs but with also other stakeholders. Special Vendor Development Programmes/ Buyer-Seller Meets are being conducted by Departments/ CPSUs for SC/STs and women owned MSEs.
- (v) Special Credit Linked Capital Subsidy Scheme (SCLCSS) under National SC-ST Hub Scheme promotes setting up of new enterprises by aspiring SC/ST entrepreneurs and their capacity building for enhanced participation in public procurement.

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