

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 6341**  
**TO BE ANSWERED ON 02.04.2026**

**MODERNISATION OF MSME IN UTTAR PRADESH**

6341. SHRI ZIA UR REHMAN:

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

- (a) whether the Government has conducted any assessment of the financial stress, technology gaps and export challenges faced by Micro, Small and Medium Enterprises (MSMEs) in industrial clusters of Western Uttar Pradesh;
- (b) if so, the details of credit support, technology upgradation schemes and cluster development programmes implemented in the region;
- (c) whether similar MSME-related challenges exist in other parts of the country; and
- (d) if so, the details of nationwide initiatives undertaken to strengthen and modernize the MSME sector across India?

**ANSWER**

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

(a) to (d): The Government regularly undertakes assessments of issues faced by Micro, Small and Medium Enterprises (MSMEs) through stakeholder consultations, inputs from State Governments, industry associations, and periodic studies conducted by various institutions. These assessments indicate that MSMEs, including those in industrial clusters of Western Uttar Pradesh, face challenges such as access to timely and affordable credit, technology obsolescence, infrastructure gaps, and constraints in accessing markets, etc.

Government has taken various measures to improve credit penetration and reduce financial stress for MSMEs across the country, which inter-alia includes:

- (i) Ministry of MSME implements Credit Guarantee Scheme (CGS) for Micro Small Enterprises (MSEs) through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to provide credit guarantee for loans extended to new as well as existing MSEs by Member Lending Institutions without collateral security and third-party guarantee.
- (ii) Prime Minister's Employment Generation Programme provides Margin Money subsidy up to 35%, for setting up of new micro enterprises, in the non-farm sector with project cost of Rs. 50 lakh for Manufacturing and Rs. 20 lakh for Services enterprises.
- (iii) PM Vishwakarma Scheme was launched on 17.09.2023 to provide end-to-end holistic support to artisans and craftspeople of 18 traditional trades who work with their hands and tools. The Scheme includes provision of loans up to Rs. 3 lakh with interest subvention up to 8%.

- (iv) Self-Reliant India (SRI) Fund has been set up to infuse Rs. 50,000 crore as equity funding in MSMEs with a provision of Rs. 10,000 crore from the Government of India and Rs. 40,000 crore through Private Equity/Venture Capital Funds.
- (v) Ministry of MSME implements MSME Champions scheme with a holistic approach to unify, synergize, and converge various schemes with common purpose. The end objective is to pick up enterprises and modernize their processes, reduce wastages, sharpen business competitiveness, and facilitate their national and global reach and excellence. There are 3 components under the MSME Champions scheme which include MSME-Sustainable (ZED) Certification Scheme, MSME-Competitive (Lean) Scheme and MSME-Innovative (Incubation, Design & IPR) Scheme.
- (vi) Ministry of MSME implements Procurement & Marketing Support (PMS) Scheme to enhance marketability and market access of products and services of MSEs. The Scheme supports market access initiatives such as organising/participation in national & international trade fairs/exhibitions, vendor development programmes (VDPs), adoption of e-commerce platform (MSME Global Mart), adoption of bar-code, national workshops/ seminars.
- (vii) Further, International Cooperation Scheme provides financial assistance to facilitate visits/participation of MSMEs in international exhibitions/fairs/buyer-seller meets and for organizing international conferences/seminar/workshops in India. Under this scheme, financial support is also provided to the first-time Micro & Small exporters on Registration-cum-Membership Certification (RCMC) with Export Promotion Councils (EPCs), Export Insurance Premium and Testing & Quality Certification for exports.
- (viii) Ministry of MSME has developed a dedicated support system for export promotion in MSME Sector in the country by establishing 65 Export Facilitation Centres (EFCs) in its field organizations namely MSME-Development and Facilitation Offices, MSME Technology Centres and MSME Testing Centres.

Some of the major interventions in the State of Uttar Pradesh are at **Annexure-I**

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**Annexure-I**

**Annexure referred to in reply of part (a) & (b) of Lok Sabha Unstarred Question No. 6341 for answer on 02.04.2026 under MSE-CDP Scheme.**

(i) The details of approved projects of Common Facility Centre (CFCs) implemented in the Western Uttar Pradesh under MSE-CDP Scheme:

<b>S. No.</b>	<b>Name of the Cluster</b>	<b>District</b>	<b>Present Status</b>
1.	Readymade Garments Cluster, Bareilly	Bareilly	Completed
2.	Scissors Cluster, Meerut	Meerut	Completed
3.	Pottery Cluster, Khurja	Bulandshahr	Completed

(ii) Details of the credit guarantees extended to MSEs in Uttar Pradesh under CGS, including Western region of Uttar Pradesh are as under:

<b>CGS - Guarantees approved- Inception in 2000 till 28.02.2026</b>			
<b>Sr. No.</b>		<b>No. of guarantees approved</b>	<b>Amount approved (in Rs. crore)</b>
1	All India	1,39,39,040	13,16,741
2	Uttar Pradesh	19,26,677	1,37,574

(iii) Under PMEGP micro enterprises assisted, Margin Money Subsidy disbursed since its inception:

<b>Sr. No.</b>	<b>State</b>	<b>No. of Units Assisted</b>	<b>Margin Money Subsidy (Rs. Cr)</b>
	All India	10,78,509	29,491.25
1	Uttar Pradesh	114,312	3,914.09

(iv) Self-Reliant India (SRI) Fund has assisted 731 MSMEs by way of total fund investment of Rs. 17,438 crore. Out of which, 23 MSMEs have been assisted by a way of total fund investment of Rs. 653.40 crore in Uttar Pradesh.