

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 2491
TO BE ANSWERED ON 20.12.2021

PROMOTING INNOVATION AND UPSCALING IN MSME

2491. SHRI SUJEET KUMAR:

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

- (a) whether Government intends to promote innovation and upscale Micro, Small and Medium Enterprises (MSMEs) to withstand global competitions;
- (b) whether Government has taken measures to provide Information Technology Enabled Services (ITES) at an affordable cost to facilitate international competition for MSMEs, if so, the details thereof and, if not, the reasons therefor; and
- (c) how measures have been taken by Government to incentive and promote corporatization among the MSMEs?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NARAYAN RANE)

(a): The Ministry of Micro, Small and Medium Enterprises (MSME) has been implementing various schemes /programmes to promote innovation and upscale MSMEs inter alia MSME Champions Scheme, Credit Guarantee Scheme, MSE Cluster Development Programme, Public Procurement Policy for MSMEs and Market Development Assistance Scheme. These schemes/programmes help MSMEs' growth, enhance their competitiveness and promotion of exports. The Ministry of MSME has established several Technology Centres for assisting on technological interventions along with training support to Micro, Small and Medium Enterprises (MSMEs) for enhancing global competitiveness.

Ministry is also operating two schemes for setting up business incubators in educational institutes to facilitate innovation. These are "Support for Entrepreneurial and Managerial Development of MSMEs through Incubators" under MSME Champions Scheme and ASPIRE (A Scheme for Promotion of Innovation, Rural Industry & Entrepreneurship).

(b): Ministry of MSME has taken measures to provide software applications at an affordable cost to facilitate international competition for MSMEs through the Digital MSME component under MSME Champions Scheme by providing subsidized ERP Software for MSMEs that can help to manage day to day business activities through multiple tool kits such as accounting, sales, finance, procurement, planning, inventory, production, manufacturing and distribution, human resources activities and supply chain operation etc.

In addition, Ministry of Electronics and Information Technology (MeitY) being the administrative Ministry for e-Governance, promoting the inclusive and sustainable growth of the Electronics, IT & ITES industries has taken initiatives through India BPO Promotion Scheme (IBPS) under Digital India Programme by providing financial support up to Rs. 1 lakh per seat in the form of viability gap funding towards capital and operational expenditures with an aim to create employment opportunities and dispersal of IT/ITES industry in small cities/towns. In addition, scheme provides various special incentives to the units promoting local entrepreneur, encouraging employment to women and physically disabled persons etc. within the overall cap of Rs. 1 lakh per seat.

(c): Ministry of MSME is facilitating inclusion and ease of doing business, by providing permanent registration through an online portal i.e. 'Udyam Registration' (www.udyamregistration.gov.in). The process for Udyam Registration is totally free, fully digitalized and paperless. E-certificates with dynamic QR Code are issued online on completion of the registration process. This will enable MSMEs to avail various benefits and incentives being offered through the schemes such as Credit Guarantee Scheme, Public Procurement Policy, additional edge in Government Tenders & Protection against delayed payments, eligibility for priority sector lending from Banks, eligibility for registration in Government e-Market place, etc. Further, the Ministry has notified inclusion of trade and street vendors in the definition.
