

***Monograph on***  
**Micro, Small and Medium Enterprises**  
**(MSMEs)**



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## THE PREFACE

There is a growing recognition worldwide that micro, small and medium enterprises (MSMEs) have an important role to play in the present context of rapidly developing technology and fast changing economic environment in favour of market orientation. The major advantage of the sector is its employment potential at low capital cost. The



labour intensity of the MSME sector is much higher than that of the large enterprises. The MSMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports.

In India too, the MSMEs play a pivotal role in the overall industrial economy of the country. Given their greater resource use efficiency, capacity for employment generation, technological innovation, promoting inter-sectoral linkages, raising exports and developing entrepreneurial skills, MSMEs have an important role to play in the present context. Their locational flexibility is an important advantage in reducing regional imbalances. In view of the MSME sector's role in the economic and social development of the country, the Government has emphasized on its growth and development. It has taken various measures/initiatives from time to time which have facilitated the sector's ubiquitous growth. Some of the measures taken by the Government of India include enactment of the Micro, Small and Medium Enterprises Development Act, 2006, amendments to the Khadi and Village Industries Commission Act, announcement of a Package for Promotion of Micro and Small Enterprises (MSEs), launching of innovative schemes under National Manufacturing Competitiveness Programme (NMCP), launching of Prime Minister's Employment Generation Programme (PMEGP) to generate employment opportunities, etc.

In recent years the MSME sector has consistently registered higher growth rate compared to the overall industrial sector. With its dexterity and dynamism, the sector has shown admirable innovativeness and flexibility to survive the recent economic downturn and recession. Available statistics Says (4<sup>th</sup> Census of MSME Sector), this sector employs an estimated 59.7 million persons spread over 26.1 million enterprises. It is

estimated that in terms of value, MSME sector accounts for about 45% of the manufacturing output and around 40% of the total export of the country. Of the 26 million MSMEs, only 1.5 million are in the registered segment while the remaining 24.5 million (94%) are in the unregistered segment. The State-wise distribution of MSMEs show that more than 55% of these enterprises are in 6 States, namely, Uttar Pradesh, Maharashtra, Tamil Nadu, West Bengal, Andhra Pradesh and Karnataka. Further, about 7% of MSMEs are owned by women and more than 94% of the MSMEs are proprietorships or partnerships. MSMEs in the country manufacture over 6,000 products. Some of the major subsectors in terms of manufacturing output are food products (18.97%), textiles and readymade garments (14.05%), basic metal (8.81%), chemical and chemical products (7.55%), metal products (7.52%), machinery and equipments (6.35%), transport equipments (4.5%), rubber and plastic products (3.9%), furniture (2.62%), paper and paper products (2.03%) and leather and leather products (1.98%).

The future of MSMEs is of major policy concern given their strategic importance in any discussion of reshaping the industrial sector. This is more so in case of India, which has one of the longest histories of government support to the sector since independence compared to most developing countries. Higher investments for innovative and knowledge based ventures as well as for research and development through greater partnership between the industry and academic institutions is required. The ongoing exercise to introduce a new Direct Tax Code and GST should specifically seek to achieve these policy objectives through appropriate provisions for graded corporate tax structure, tax pass through for angel and venture capital funds and incentives for R & D. Support should be extended to new formats like Limited Liability Partnerships and Single Person Companies, which provide MSMEs with an interim solution in the move from the informal to the formal economy.



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President

## *Monograph on* **Micro, Small and Medium Enterprises (MSMEs)**

### **Background:**

The Micro, Small and Medium Enterprises (MSMEs) constitute an important segment of the Indian economy in terms of their contribution to country's industrial production, exports, employment and creation of entrepreneurship base. The primary responsibility for promotion and development of MSMEs lies with State Government. However, the Government of India has always taken active interest in supplementing the efforts of the State Governments. The future of MSMEs is of major policy concern given their strategic importance in any discussion of reshaping the industrial sector. This is more so in case of India, which has one of the longest histories of government support to the sector since independence compared to most developing countries.

### **Who are they?**

'Micro', 'Small' and 'Medium' enterprises have been comprehensively defined in the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. The Act provides the first-ever legal framework for recognition of the concept of "enterprise".

Under the Act, enterprises have been categorized broadly into those engaged in (i) manufacturing and (ii) providing/rendering services. Both the categories have been further classified into micro, small and medium enterprises based on their investment in plant or in equipment (for manufacturing enterprises) or in equipment (in case of enterprises providing or rendering services).

- Manufacturing Enterprises: (a) Micro enterprises – investment up to Rs. 25 lakh; (b) small enterprises – investment between Rs. 25 lakh and Rs. 5 crore; (c) Medium enterprises – investment between Rs. 5 and 10 crores.
- Service Enterprises: (a) Micro enterprises – investment up to Rs. 10 lakh; (b) small enterprises – investment between Rs. 10 lakh and Rs. 2 crore; (c) Medium enterprises – investment between Rs. 2 and 5 crores.

The Act provides for a statutory consultative mechanism at the national level with wide representation of all sections of stakeholders, particularly the three classes of enterprises, and with a wide range of advisory functions.

**Other features of the Act** are as follows:

- Establishment of specific Funds for the promotion, development and enhancement of competitiveness of these enterprises.
- Notification of schemes/programs for the above purpose.
- Preference in government procurement to products and services of the micro and small enterprises.
- More productive mechanisms for mitigating the problems of delayed payments to micro and small enterprises.
- Simplification of the process of closure of business by all three categories of enterprises.

### **Why are MSMEs Important in the Present Context?**

MSMEs have an important role to play in the present context given their greater resource use efficiency, capacity for employment generation, technological innovation, promoting inter-sectoral linkages, raising exports and developing entrepreneurial skills. Their location flexibility is an important advantage in reducing regional imbalances. In addition, there are many economic and sociological factors that make a strong case for advocating a big push to this sector in the present phase of economic growth in India.

Among the **economic factors**, a few important ones can be stated as follows:

- The new feature of Internet and Communication technologies (ICT) is that they enable a much smaller scale of efficient production, compared to the earlier technologies.

- For minimization of risk, a new line is opened on a small scale.
- Where the material to be worked upon is not uniform, where the processes are not amenable to quick repetitions and where the products are not standardized, large-scale methods are not suitable or economical, and hence small industry thrives on its own strength.
- Market imperfections, due either to consumer resistance or to transport cost, also limit the size of the market and the scope of large-scale production.
- The small sector has certain inherent advantages in terms of flexibility of decision-making. This makes small firms more innovative and open to new ideas.
- This sector is better placed to cater to specific and changing customer needs. It may be noted that one of the finest sports car in the world is made in small scale.
- Small industry may undercharge the consumer on the assumption that it is really a low-cost industry, by not providing for, unwillingly or otherwise, adequate depreciation or remuneration for the factor of production owned or hired from friends and relatives. And the prices so set at these costs may be competitive with that of large industry.
- Introduction of the new technology has increased the sophistication of products and augmented their consumer orientation. This trait of the new technology has gone counter to mass scale production of a product with a given specification. Consumer orientation and preference for change as well as individualistic consumer tastes favor flexible manufacturing systems, introduction of computer-aided designs (CAD), and computer-aided manufacturing (CAM). All these favour small firms.
- Small sector plays an important part in the innovation process. For example, in recent years, about 10 percent of all patents registered in India have come from the small-scale sector.

- Small sector has built up brands that are small, reliable, trusted and local. These tiny brands have remained small in their volume of turnover but are truly big in their equity in the markets they operate in.

Above all, in view of the fact emerging economy and the structural reorientation. It is under going, the social and economic pressures that the transformation of an agrarian economy often generates would be eased if large numbers of those currently involved in agriculture find a role in rural small-scale industries. This interaction has the potential of smoother the process of liberalization of the rural economy.

Among the **sociological factors** the more important are as follows:

- There exists in man a desire to gamble, so that he takes risks irrespective of consequences, and small industry provides as outlet for this desire.
- Man often enjoys the independence or status of an entrepreneur for its own sake, and this is possible for more men in small industry than in large industry.
- Man starts his own business to provide employment to members of his family who may be unemployable or less gainfully employed elsewhere.

### **What MSMEs Suffer From?**

A few shortcomings from which the MSMEs sector suffers are the following.

- This sector foregoes possible benefits from economics of scale. This means that the prospects of these enterprises are better in sectors where economics of scale are less important.
- It may not be possible for a small firm to utilize its capacity as much as a large firm can do for a variety of operational problems related to demand, power, finance, management, etc. In some cases, this may result in sickness and eventual closure.

- Small industry is an easy to enter sector and is, therefore, prone to overcrowding, and this tendency is accentuated by the incentive scheme.
- Small sector may not be the most promising route to technological up-gradation and dynamism because in most of the new sectors technological creation has become increasingly capital-intensive. The risk involved is also much greater. Hence, as emphasis on small-scale industry may result in the loss of a major source of productivity growth, namely technological progress. Increasingly, sub-contracting and sub-subcontracting are becoming the nature of organizing production.
- A significant segment of this sector is engaged in polluting industries. Apart from the fact that small scale production technology is inherently more polluting compared to large scale production, the small units suffer from certain disadvantages in controlling pollution. In many units, the design of the effluent treatment plant may not be proper. In many locations, adequate land space is not available for installation of treatment plant. Non-availability of trained technical personnel poses a big hindrance. Financial constraints inhibit modernization of production process on the one hand, and building and operation of treatment plant or the other.

An important argument against this sector is the difficulty in controlling these enterprises, particularly in respect of taxation and labor legislation. Wages are often below acceptable standards and work hazards occur frequently.

Notwithstanding these shortcomings, the MSME sector presents a pattern of industrialization which is immensely favourable to the conditions obtaining in the country.



## **Growth Profile of the Sector:**

There are clearly three stages in the growth path followed by MSME sector:

The **first stage** is when most small units were tied to the apron strings of large manufacturers. These were essentially suppliers of either raw material or intermediate products, or were providers of other finished produce. In addition, there were also some which actually manufactured most of the products on behalf of the large enterprises. Many times these units were set up by a larger company through dummy investors.

Being tied by such an umbilical cord, meant, more bad than good for most small units. It meant getting tied down to the fortunes of the mother ship. If the markets were good for the buyer company, it meant good times for the suppliers too. If the weather turned bad, it meant serious trouble.

The **second stage** came with economic reforms and globalization that ended the day's cozy monopolies or carefully crafted oligopolies. Companies were more faced with a competitive landscape and the slightest slippages automatically translated into thinner margins. Companies had to build a robust and dependable pipeline with the vendor at the other end.

It also became necessary for buyers to invest in improving the suppliers' technological state, his shop-floor practices, quality culture and financial management, among other things. When provided by the right inputs and the right environment, many of these ancillaries turned out to be world class companies, enhancing not only their overall performance but also contributing significantly to the competitive strength of their buyers.

In the **third stage**, a new breed of small units started taking hold. These were small-to-medium units with new technology, new management practices and new enterprise-wide systems. They saw the world as their market, not restrained by any state or national boundaries, or being tied down to the large buyers. They realized the necessity of building new brands and invested money in them, scaling up size of manpower gradually. Many of these enterprises also made either green field investments or small acquisitions overseas. Some of them have become today preferred suppliers to a large number of Fortune-500 companies and transiting from their small-medium status to the big size.

### **Present Status:**

- ❖ The Fourth All India Census Report of MSMEs brings to light the following facts.
- ❖ There were 26.1 million MSMEs in 2006-2007.
- ❖ They represent 90 percent of India's registered companies.
- ❖ They account for about 40 percent of GDP and contribute about 40 percent of exports as well.
- ❖ 72 percent of these enterprises are engaged in services sector and only 28 percent of the MSMEs constitute the manufacturing sector.
- ❖ Service sector units are largely in Apparel, followed by Food Products and Beverages and Maintenance of Personal and Household goods.
- ❖ The MSME sector accounts for employment of 59.5 million persons, of which 9.5 million are in registered units and 50.3 million in the unregistered units.

Data from the International Finance Corporation shows that the number of formalized SMEs in a country increases with a more favorable investment climate, which includes a low cost of doing business and a short average time to start an enterprise.

The plan outlay for the Ministry of MSME for 2010-11 is Rs. 2550.00 crore. Out of this, the gross budgetary support accounts for Rs. 2400.00 crore, whereas Rs. 150.00 crore is slated to come from internal and extra budgetary resources (IEBR).

### **Measures to Promote the Sector:**

India has the largest history of small enterprises development policy in Asia as well as in the world at large. In the post-reforms period, there has been a shift in focus from 'protection' to 'promotion'.

In order to give more impetus to the sector, a number of central and state-level institutions have been set up to look after different aspects of the development programme. A brief glance of these institutions is presented in Table-1

**Table-1: PROMOTIONAL INSTITUTIONS**

INSTITUTION	MAJOR ACTIVITY
<b>A: Central level</b>	
Small Industries Development Organization (SIDO)	Apex body for promotion at the center
1. Small Industries Service Institutes (SISIs)	
2. National Small Industries Corporation (NSIC)	Marketing, Machinery on hire purchase, import of raw materials, exhibition, etc.
3. National Institute of Small Industries Extension Training (NISIET)	Research, training, consultancy etc.
4. National Institute for Entrepreneurship and Small Business Development (NIESBUD)	Coordination of Entrepreneurship Development Programmes (EDP) organized by various EDP Institutions in the country
5. Small Industries Development Bank of India (SIDBI)	Finance to provide direct and indirect assistance
<b>B State Level</b>	
1. Directorate of Industries	State level apex body
2. Small Industries Development Corporation	Promotion of small-sector through industrial estates
3. Small Industries Marketing Corporation	Long term finance
<b>C District Level</b>	
District Industries Centers	Provision of multiple service and support under a single roof

The various measures taken to promote the sector have included both protective measures and promotional program me. The dimensions of the protective framework are tabulated in Table-2 below:

**Tabel-2 DIMENSIONS OF PROTECTIVE FRAMEWORK**

	<b>POLICY MEASURS</b>	<b>IMPLICATION</b>
1.	Demarcation Through Definition	Eligibility to avail all concessions, benefits and incentives
2.	Concessional Finance	Lower cost of capital
3.	Priority Sector Lending	Ensures the flow of a certain percentage of credit
4.	Fiscal Incentives	Wide ranging tax benefits
5.	Price Preference	If quality is comparable, SST products are preferred to large industry products for government departments
6.	Reservation of Items for exclusive Government Purchases	Assured market
7.	Reservation of Item for exclusive manufacturing in SSI sector	Virtually presents any kind of competition from large scale units
8.	Preferential access to raw materials and liberal import policy	Assured supply of scarce raw materials
9.	Exemption from Labour Policy	More operational freedom

Among the **Promotional measures**, a few important ones are as follows:

- A quality certification scheme has been launched to improve the quality standards of the products which are to be assisted by awareness programmes and financial support to acquire ISO 9000 or similar international quality standards.

- Since 2002, expenses incurred to acquire ISO 14001 Environment Standard are being reimbursed.
- A Small Enterprise Information and Resources Centre Network (SENET) has been set up by installing net linked computers in small industries service institutes, technology nodal centers and the office of the Development Commissioner of the Central Government.
- SIDBI introduced a scheme of assistance for supporting the development of industrial areas. Under the scheme, assistance will be extended to the state small industries development corporations, state infrastructure development corporations and other such bodies engaged in developing industrial areas.
- Small enterprises are treated as a priority sector for extending credit by financing institutions. As such, 10 percent of the total credit to be advanced by commercial banks should go to small scale units.
- Banks have been allowed to provide lines of credit to state industrial development or financial corporations for extending loans to small-scale units, which will be treated as part of priority sector loans.
- National Equity Fund has been set up to promote small industries. The fund will help bridge the critical industries. The Fund will help bridge the critical gap in entrepreneurs' contribution for commencing a project or undertaking modernization.
- A credit Guarantee Fund Trust for small industries has been constituted.
- A credit rating agency, by the name of SMESIL, has started functioning. This would enable banks to determine appropriate pricing of loans.
- The RBI has directed banks to adopt 'cluster-based' approach by adopting a 4-C approach, namely customer focus, cost control, cross-sell and contain risk.
- A scheme for Small Enterprises Financial Centers has been implemented since 2005-06. It encourages banks to establish mechanisms for better coordination between their branches and

those of SIDBI, which are located in the identified clusters, for co-financing the SMEs.

- A Market Development Assistance Scheme has been launched exclusively for the small sector.
- A sub-contract exchange (SCX) has been set up. It helps the small sector gain information or areas in which they could work jointly with large industries.
- The NSIC has launched a B2B web portal and established a marketing intelligence cell which shall provide database and information support to the MSMEs.

It can therefore be seen that the government has adopted a multi-faceted program me of development for MSMEs. This program I have gained strength with the adoption of the new policy for small industries.

### **New Policy for Small Industries:**

The current policy in operation has proposed clear guidelines to deal with the three major areas of concern for the sector viz.: (i) finance, (ii) marketing, and (iii) technology. The major thrust areas of the policy are tabulated in Tabel-3 below.

**Table 3: MAJOR THRUST AREAS IN NEW POLICY**

	<b>MAJOR FEATURES</b>	<b>OBJECTIVES</b>
1	Emphasis to shift fro subsidies/ cheap credit to adequate credit	To meet the emerging demand for credit.
2	Equity participation by other undertakings - domestic/foreign.	
3	Introduction of factoring services through banks	
4	Marketing of mass consumption grads under common brand name	To strengthen small industry marketing
5	Industry associations to be involved in setting up sub-contracting exchanges	

	<b>MAJOR FEATURES</b>	<b>OBJECTIVES</b>
6	Technology Development Cell in Small Industry Development Organization.	To upgrade technology and promote modernization.
7	Industry association to establish quality counseling and common testing facilities	
8	Technology Information Centre and Technology Bureau for small Enterprises	
9	Reoriented modernization and technology up-gradation programmes- cluster-based approach	

The new policy seeks to promote complementary between MSMEs and larger units. It further seeks to create an environment where-in different segments that differ in scale and size can co-exist.

### **Co-existence of MSMEs with Large Enterprises:**

It would therefore be wrong to view MSMEs as entities independent from large units. The basic point is that size, like a machine or technology, must fit its functions. A watch on a tower is pointless just as a clock on a wrist is a net liability.

- There are certain product lines in which MSMEs possess a definite advantage over the large-sized units. In these, MSMEs can work as complementary to large units, carrying out certain operations or making certain parts for delivery to large firms. This would be particularly relevant in those cases where a firm producing a final product needs many intermediate products. A choice for the firm can now be either to manufacture those components or outsource its manufacturing to other firms. If the firm's demand for such

components is small, it would not realize scale economies (and other cost savings) by undertaking to produce them itself. It would therefore be advantageous to buy such inputs from a specialized sub-contractor who can reduce costs by achieving scale economies and by employing inputs geared to production of these components.

- The specialized firm, if it is of a smaller size, may also have lower capital costs. These complementary enterprises, also known as ancillary units, are found both in consumer goods industries and capital goods industries.

Liberalization, and the resultant availability of new technology, has opened up many new areas and complementarily.

In order to promote coexistence and enable MSMEs to play their rightful role in the rapidly emerging economy of India, **following sets of measures can be further recommended:**

- A more discriminating program me of assistance need to be designed and operated for better allocation needs. The principle of discriminating assistance involves, among others, the following.
  - Favoring the growth-oriented and viable units and the units satisfying the socio-economic norms, and avoiding others.
  - Fostering more of the clustered units to reinforce backward and forward linkages.
  - Relying exclusively or principally on assistance related to raw materials, marketing, machinery, technical advice, etc. sparingly.
  - Giving timely and adequate assistance.
- As part of a programme of development assistance, it is necessary to accord priority to measures calculated to improve managerial efficiency and productivity, and bring about modernization of equipment, know-how, techniques, management and organization structure.



- The government's declared policy of encouraging sub-contracting between small and large units is based on grounds of economy, efficiency, vertical diffusion of technology and specialization as well as for providing continuing support to ancillaries. The large industries should be made to play the game in a fair way. Ancillarisation should be practiced on a realistic, mutually beneficial and fair basis.
- There is indeed a pressing need to improve the skill base of small firms so as to upgrade the level of technical and general education of workers. Apart from improvement of theoretical instruction, efforts are required to upgrade practical experience in collaboration with large industry including public sector undertakings.
- An integrated package comprising appropriate policy support and inputs such as technology, management, finance, marketing aid, training and incentives has to be designed to remedy the problems of MSMEs. The approach in all this should, however, be developmental and not protective.
- In order to ensure that MSMEs serves the objective of industrial dispersal, an approach which emphasizes economies of infrastructure, agglomeration and inter-industry linkages would prove more effective.
- MSMEs should be encouraged to adopt low-cost automation which way assume three forms viz. (a) integration, (b) feedback control, and (c) technology. Integration involves processes in which the finished product is moved automatically untouched by hands. Feedback control is mainly on electronic process by which errors or diversion of the machine from a planned performance is automatically corrected. Computer technology depends on the use of electronically operated machines capable of recording and classifying information.

- The current technology is predominantly information-intensive unlike the earlier technologies that were essentially material-intensive. Denial of access to the information highway, in this information age, will severely handicap entrepreneurs in their quest for information on the latest technology, designs, and market conditions preventing them from networking with other firms. The government should take urgent measures to introduce more agencies to provide these services and bring in an element of competition. Without these, the Indian firms will not secure a level paying filed to be globally competitive.
- MSMEs should strive to make Intellectual Property Right a key element of their business operations as it helps them in increasing their competitiveness. The intellectual property (IP) protection is helpful in:
  - preventing competitors from copying or closely imitating a company's products or services,
  - avoiding wasteful investment in research and development and marketing;
  - creating a corporate identity through a trading and branding strategy;
  - negotiating licensing, franchising or other IP-based contractual agreement;
  - increasing the market value of the company;
  - acquiring venture capital and enhancing access to finance;
  - Obtaining access to new markets.

## Frequently Asked Questions:

**Q1. I wish to be self-employed. What are the options open to me?**

A: You can set up your own business and manage it.

**Q2. Does it have to be a factory only or some other enterprise also?**

A: As long as you want to set up your own business, it need not be only a manufacturing enterprise. It can as well be a service enterprise. Any business, if well-managed and efficiently run, can be equally lucrative.

**Q3. What should be my choice? Should I go in for manufacturing or a service enterprise?**

A: Nobody else can make this choice for you. It is you who have to make a choice. You have to initiate a process of conception, preparation and execution. It is you who have to conceive an idea (or even borrow it from any of the multiple sources). You have to understand the nuts and bolts of this idea, as to what are the requirements that need to be in place in order for the idea to be given a real shape. You have to identify the resources that can be arranged by you, as also the resources that you will be required to arrange from outside sources. These could be intellectual, physical or financial resources. Once you have a transparent and clear idea about your requirements, you will have to get yourself acquainted with the legal obligations attached to your proposed enterprise. In short, before you commit yourself you need to develop a complete business model within which you intend to operate.

**Q4. At what scale should I begin my enterprise i.e. should I plan on a small-scale, medium scale or large scale.**

A: The scale, in the final analysis, is determined by the volume of resources available, among which the more important are the financial resources and your entrepreneurial capabilities. If these are limited, you should plan on a small-scale only. Gradually, the

scale can grow as the enterprise generates surplus and economies of scale begin to be realized.

**Q5. Do I take it that if I do not have any financial savings I cannot hope to set up my own enterprise?**

A: Yes and No. **Yes**, because to set up any enterprise you need some seed capital. This has to be arranged from your own resources. You can arrange it from your family, friends, etc. These would all be informal sources. You cannot look forward to arrange large sums by this source. And no institutional lender would be willing to lend you money as long as he is not assured about the viability, and hence repaying capacity, of your enterprise. **No**, because if you have a sound business plan and can convince others about the success of your proposed venture, you will always find persons who are willing to put their money on stake in exchange for a part ownership in your venture.

Alternatively, even debt-finance may also be available. The only requirement is that it should be a sound business model.

**Q6. I gather the impression that I cannot depend upon government and commercial banks to extend me the necessary financial resources. Is it so?**

A: This is not true. The government has formulated different schemes to extend financial support to first generation entrepreneurs. For example, the State Governments provide seed capital and margin money assistance to small-scale entrepreneurs in order to enable them to secure loans from the commercial banks and the State Finance Corporations. Similarly, the National Equity Fund has been set up to help in bridging the gap in entrepreneurs' contribution for commencing a project or undertake modernization of an existing enterprise. The Rajiv Gandhi Udyami Mitra Yojana is a handholding scheme for the prospective first generation entrepreneurs. In addition, financial assistance is also made available through State Finance Corporations and State Industrial Development Corporations.

**Q7: Does the government provide any other help or measure of assistance?**

A: A number of institutional measures have been instituted to extend assistance to MSMEs, right from their conception stage onwards. This includes provision of technical know-how, training in advanced skills, marketing assistance, etc. In addition, various fiscal incentives have been designed for the benefit of MSMEs.

**Q8: Can you give any assurance that I will be a success in my venture?**

A: You yourself are the best guarantee for the success of your enterprise. If, you are motivated, hard-working and disciplined and a true believer in your own idea, sky is the limit. Pursue it.