



MSME TITBITS



MSME & START-UP PROMOTION BOARD
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament
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Behind every successful business decision, there is always a **CMA**

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“The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio economic context through competencies drawn from the integration of strategy, management and accounting.”

VISION STATEMENT

“The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally.”

ABOUT THE INSTITUTE

The Institute of Cost Accountants of India (ICMAI)- formerly known as the Institute of Cost and Works Accountants of India (ICWAI) is set up by an Act of Parliament (viz. Cost and Works Accountants Act, 1959) to develop and regulate the profession of Cost Accountancy in the country and is under the administrative control of the Ministry of Corporate Affairs, Government of India. The Institute is the 2nd largest Cost & Management Accounting body in the world and the largest in Asia. The Institute is a founding member of the International Federation of Accountants (IFAC), the Confederation of Asian & Pacific Accountants (CAPA) and the South Asian Federation of Accountants (SAFA). Presently, the Institute has about 1 Lakh members both in employment and practice and more than 5 Lakhs students on its rolls.



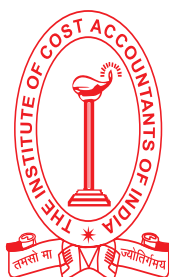
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President's Message

CMA Bibhuti Bhusan Nayak

President, The Institute of Cost Accountants of India



It is with great pride I introduce the third volume of MSME TITBITS, a flagship publication of the MSME & Startup Promotion Board. This edition builds upon our mission to spotlight the vital role Micro, Small, and Medium Enterprises (MSMEs) play in driving innovation, generating employment, and sustaining economic growth across India.

This year, as we mark nationwide MSME Day in the month of June, we not only honor their achievements but also confirm our commitment to supporting their growth. It is crucial to ensure that MSMEs have access to finance, markets, technology, and policy support to thrive in an increasingly competitive and digitalized world.

The MSME sector, often hailed as the growth engine of the nation, continues to demonstrate extraordinary resilience and adaptability. This volume captures a wide spectrum of insights from emerging trends and policy shifts to real-life success stories that echo the determination and creativity of our entrepreneurs. It also sheds light on the evolving challenges the sector faces and the collaborative efforts being made to overcome them.

The newly introduced measures ranging from enhanced credit facilities and digital transformation initiatives to support for rural enterprise development are a testament to the government's commitment to empowering over 5.9 crore MSMEs that form the bedrock of our industrial and export landscape.

We encourage all stakeholders—governments, financial institutions, corporations, and individuals—to champion initiatives that empower MSMEs, especially those led by women, youth, and underrepresented communities.

I extend my sincere thanks to CMA Suresh R Gunjalli, Chairman of the MSME & Startup Promotion Board, for his visionary leadership and unwavering dedication. I also wish to acknowledge the valuable contributions of our authors and everyone who has worked tirelessly to bring this publication to life.

May this volume serve not only as a source of knowledge but also as an inspiration for budding entrepreneurs and seasoned business owners alike. Together, let us continue to build a stronger, more inclusive, and innovation-driven MSME ecosystem.

CMA Bibhuti Bhusan Nayak

President

The Institute of Cost Accountants of India



Vice President's Message

CMA TCA Srinivasa Prasad

Vice President, The Institute of Cost Accountants of India



Dear Readers,

It gives me immense pleasure to present the third volume of MSME TITBITS, a special edition dedicated to the MSME Month – June 2025. The MSME sector, hailed as the Second Engine of Development, stands as a testament to India's spirit of enterprise, resilience, and innovation.

MSME Day was officially designated by the United Nations General Assembly to raise awareness about the importance of MSMEs in achieving sustainable development goals. The first MSME Day was celebrated on 27th June, 2017, as a result of a resolution adopted by the UN General Assembly in April 2017.

The decision to establish MSME Day recognized the significant contributions made by MSMEs to employment generation, poverty alleviation, innovation, and inclusive economic growth. The resolution emphasized the need to support and promote these enterprises through various policies, programs, and initiatives.

With this issue, we continue our commitment to empowering MSMEs and startups, providing a dynamic platform that informs, inspires, and ignites action across the entrepreneurial landscape.

This volume arrives at a pivotal moment, as MSMEs confront new-age challenges amid rapidly evolving markets, digital transformation, and policy shifts. But within these challenges lie immense opportunities—opportunities to adapt, to lead, and to thrive. In these pages, you will find thoughtful insights, real-world case studies, and forward-looking perspectives to help you chart your course in this exciting, albeit complex, terrain.

More than just a publication, MSME TITBITS is a reflection of our shared journey—of every entrepreneur daring to dream, every enterprise pushing boundaries, and every initiative working towards a more inclusive and sustainable economic future.

We extend our heartfelt gratitude to all contributors, readers, and the entire team behind this initiative. Your continued support fuels the mission of the MSME and Startup Promotion Board and reinforces our collective belief that small enterprises can lead to big change.

Let us move ahead with determination, collaboration, and innovation.

Jai Hind....!!

CMA TCA Srinivasa Prasad

Vice President

The Institute of Cost Accountants of India



Chairman's Message

CMA Suresh Rachappa Gunjalli

Chairman, MSME & START-UP PROMOTION BOARD, ICAI



I am delighted and proud to present this Special Edition of MSME TITBITS (Vol. 3), dedicated to commemorating MSME Month – June 2025, a defining chapter in India's entrepreneurial journey. The celebration of World MSME Day on June 27th, as endorsed by the United Nations, offers a momentous opportunity to honour the resilience, creativity, and contributions of MSMEs—the true architects of inclusive and sustainable growth.

The Union Budget 2025–26 has placed a renewed spotlight on the MSME sector, affirming its central role in India's development agenda, alongside critical pillars like agriculture, investment, and exports. The Budget outlines transformative policy measures aimed at easing credit flows, strengthening digital infrastructure, and especially empowering women entrepreneurs with targeted tools to innovate, expand, and thrive.

This issue of TITBITS arrives at a time of optimism, policy clarity, and strategic momentum. With new initiatives such as tax simplification, enhanced access to market linkages, and promotion of technology adoption, the landscape is rapidly evolving—and so are the opportunities.

At the MSME and Start-Up Promotion Board (MSPB) of the Institute, we remain deeply committed to nurturing this vibrant ecosystem. In a major step forward, MSPB recently signed a Memorandum of Understanding (MoU) with the National Institute for Micro, Small and Medium Enterprises (ni-msme), Hyderabad, during the National Conference on Navigating the Future with ESG 2.0, held on 29th May 2025 at the ni-msme campus.

I had the honour of being present at the event alongside:

- CMA T C A Srinivasa Prasad, Vice President, ICAI
- CMA Chittaranjan Chattopadhyay, Member, MSPB
- Dr. A. Murkute, Director General, ni-msme
- Prof. Manoj K. Arora, Vice Chancellor, SRM University, Andhra Pradesh
- Dr. K. Sriharsha Reddy, Dean & Professor, IMT Hyderabad

This MoU marks a strategic collaboration to amplify capacity building, innovation, and research for MSMEs, reinforcing our commitment to excellence, sustainability, and impact.

Within this volume, we dive deep into the heartbeat of the sector—examining new policies, highlighting emerging



trends, navigating challenges, and celebrating the incredible stories of resilience that define MSME India. From disruptive startups to legacy enterprises, from rural innovations to export-ready manufacturing hubs, this issue is a tribute to every dream that dared to become a business.

MSMEs and Startups continue to be pillars of employment, engines of innovation, and vehicles for economic inclusion. As we collectively move towards building a self-reliant, globally competitive India, collaboration, shared learning, and professional guidance will be our compass.

I invite you to immerse yourself in the pages ahead, engage with the insights, and lend your voice to this remarkable journey of enterprise. Together, let us create, collaborate, and catalyse a future that celebrates every entrepreneur.

With warm regards,

CMA Suresh R. Gunjalli

Chairman

MSME & Start up Promotion Board, ICAI



From the Desk of the MSME and Start-Up Promotion Board

Micro, Small, and Medium Enterprises commonly referred to as **MSMEs** play a foundational role in shaping the economic landscape of countries across the globe. Particularly in developing economies, these enterprises are instrumental in generating employment, encouraging innovation, and supporting industrialization in both urban and rural areas.

MSME Day was officially designated by the United Nations General Assembly to raise awareness about the importance of MSMEs in achieving sustainable development goals. The first MSME Day was celebrated on June 27th, 2017, as a result of a resolution adopted by the UN General Assembly in April 2017.

On the occasion of MSME day, the UN reveals a theme that denotes the priority focus area for the advancement of MSMEs as recognized by the organization for that specific year. The themes of MSME Day are chosen to reflect the current challenges and opportunities facing MSMEs around the world. The themes also highlight the importance of MSMEs to the global economy and their role in sustainable development. In line with that the MSME and Start up Promotion Board is also celebrating June as a MSME month by conducting webinars, seminars and conclaves.

The evolution of MSMEs in India reflects the country's changing economic priorities and policy frameworks over time. Before the mid-2000s, such enterprises were categorized under the broader label of **Small Scale Industries (SSIs)**. These businesses operated without a formal and unified classification system, leading to fragmented support structures.

A significant milestone came in 2006 with the enactment of the **Micro, Small and Medium Enterprises Development (MSMED) Act**. This legislation formally recognized MSMEs as a distinct sector, laying down the legal definitions based on investment thresholds and establishing support mechanisms tailored to their needs.

Further reform arrived in 2020, prompted by the economic disruptions caused by the COVID-19 pandemic. Recognizing the need for a more flexible and inclusive framework, the Indian government redefined MSMEs by introducing a turnover-based classification. This updated definition also brought manufacturing and service enterprises under a single umbrella, allowing for a more holistic approach to policy-making and financial inclusion.

In 2024–2025, the MSME sector stands as a pillar of the Indian economy. It contributes nearly 30% to the country's GDP, 45% of total manufacturing output, and 40% of exports. With over 63 million MSME units operating across the country, the sector collectively employs more than 110 million people, making it the second-largest employment generator after agriculture.

This diverse and dynamic sector spans multiple domains. In manufacturing, MSMEs lead in industries such as textiles, food processing, and electronics. In the services space, they play a key role in information technology, tourism, logistics, and more. Additionally, traditional and artisanal sectors such as handicrafts and rural crafts benefit from the resilience and cultural richness of MSME-led initiatives.

A notable trend in recent years has been the digital transformation of MSMEs. Increasingly, these businesses

are embracing e-commerce platforms, cloud-based tools, and fintech services to streamline operations, reach new customers, and improve access to finance.

With the right mix of policy support, innovation, and market connectivity, MSMEs are well-positioned to lead India's journey toward sustainable and inclusive economic growth.

MSMEs are not just small businesses—they are strategic drivers of national development. As India and other nations navigate a complex global economic landscape, the empowerment of MSMEs through digital tools, financial support, and regulatory simplification will be critical. By addressing their challenges and capitalizing on emerging opportunities, MSMEs can continue to serve as the cornerstone of resilient and equitable economic progress.

The MSME and Start-Up Promotion Board (MSPB) remains steadfast in its mission to empower and elevate the Micro, Small, and Medium Enterprises (MSME) and Start-Up ecosystem across India. As a statutory professional body established in 1959 under an Act of Parliament and functioning under the administrative control of the Ministry of Corporate Affairs, Government of India, ICAI has consistently upheld the values of excellence, transparency, and innovation in the domains of finance, taxation, audit, and cost and management accountancy.

In alignment with national priorities and the evolving needs of the sector, the Board has been proactively addressing the dynamic landscape of MSMEs through advocacy, education, and policy engagement. Our unwavering commitment to supporting entrepreneurs and business leaders is reflected in our range of initiatives aimed at nurturing innovation, encouraging sustainable practices, and promoting inclusive economic development.

MSME and Start up Promotion Board attended a conclave **“The Kolkata MSME & Startup Conclave 2025 - Powering Bengal's Entrepreneurs” on 15th and 16th January at PJ Auditorium, Indian**

Statistical Institute, Kolkata where the institute was a Strategy Partner. On January 23rd, the MSME and Start up Promotion Board conducted a Conclave on **“MSME – Global Aspiration 2025” at the British Club, British Deputy High Commission, Office Kolkata.** The event was jointly organised by MSME & Start up Promotion Board and Members in Industry & PSU Committee. The 128th Birthday Celebration of Netaji Subhas Chandra Bose was celebrated in the Conclave.

We are pleased to announce the successful release of the Third volume of “MSME TITBITS”, a flagship of bi-monthly publication that serves as an indispensable knowledge resource for stakeholders exploring the Indian MSME and Start-Up ecosystem. This edition encapsulates key insights into current and emerging market trends, budgetary highlights, regulatory updates, and the multifaceted challenges confronting MSMEs.

In furtherance of our objectives, MSME and Start up Promotion Board has conducted a series of educational and capacity-building events, including webinars, seminars, and conclaves, all designed to raise awareness, disseminate critical knowledge, and strengthen the MSME framework. Notable webinars include:

- Empowering MSMEs with Tech: Cost Optimization & Smart Decision-Making with AI
- Govt. Initiatives for MSME
- AI and MSME A Perfect Match for Success
- MSME Schemes - CMAs Role

The Board has developed and circulated several important knowledge products and resources, including:

- MSME TITBITS – Volume 1 & Volume 2
- Enterprise Performance & Risk Management for MSMEs
- Compendium on MSME Schemes across States and Union Territories

These publications are thoughtfully curated to serve as essential tools for policymakers, practitioners, and entrepreneurs, helping to foster innovation, sustainability, and scalability within the MSME and Start-Up segments.

Some memorable moments in the joint programme of MSME & Start up Promotion Board, ICAI and CII TCM held at Chennai on 17th April, 2025. In the Meeting CMA T C A Srinivasa Prasad, Vice President, ICAI, CMA Suresh R Gunjalli, Chairman, MSME & Start-up Promotion Board, ICAI, CMA S Dorairajan, CMA A Vadivel & CMA M Nagesh Babu, CII addressed the participants.



The MSME and Start up Promotion Board was participated in the National Conference on “ESG 2.0 - Advancing Green Finance: Driving Innovation and Transforming Investments for a Sustainable Economy” organised by National Institute for Micro, Small and Medium Enterprises (ni-msme) on 29th and 30th May 2025 at ni-msme campus, Hyderabad. The MSME and Start up Promotion Board (MSPB), ICAI had a Book Stall for the two days’ conference in ni-msme campus. The MSPB has participated as a Logo partner and also signed a MOU on 29th May, 2025 in the occasion.

The Conference also addressed the regulatory landscape, focusing on the Securities and Exchange Board of India’s (SEBI) mandatory ESG disclosures and the Reserve Bank of India’s (RBI) initiatives on climate risk. These discussions have provided actionable insights into how financial institutions can comply with evolving norms while building resilience.

Glimpses of exchanging of the Memorandum of Understanding (MoU) between MSME and Start up Promotion Board of the Institute and National Institute for Micro Small and Medium enterprises (ni-msme) at ni-msme campus, Hyderabad on 29th May 2025 at National Conference on Navigating the Future with ESG 2.0

Vice President CMA, T C A, Srinivasa Prasad and Dr. Ashutosh A. Murkute, DG, ni-msme is exchanging the MOU signed in between MSME and Start up Promotion Board (MSPB) of ICMAI and ni-msme.

Prof. Manoj K. Arora, VC, SRM AP, Dr. K Sriharsha Reddy, Dean & Prof IMT Hyderabad with CMA, Suresh Rachappa Gunjalli, Chairman MSPB, CMA Chittaranjan Chattopadhyay, Member MSPB, Dr. E. Vijaya, Director SEM ni-msme and CMA Dr. Sumita Chakraborty, Secretary of the MSPB were also present on the occasion.



Book Stall in the NI MSME Campus on 29th and 30th May, 2025



Some memorable moments of the National Conference on “ESG 2.0 - Advancing Green Finance: Driving Innovation and Transforming Investments for a Sustainable Economy” organized by ni-msme, a premier institution under the Ministry of MSME, Government of India on 29th May 2025 at ni-msme campus, Hyderabad where MSME Startup Promotion Board was a Logo sponsorer and Knowledge partner in the Conference.



Dr. Sravan Kumar Dube Director, Regional Center- IISWC addressing the gathering



Chairman, MSPB is introducing ICAI before the gathering



Vice President of ICAI is addressing the gathering.



Dr. A Murkute Director General, ni-msme is addressing the gathering.





List of Webinars Conducted by MSME and Start up Promotion Board (MSPB)

Sl. No.	Name of the program	Name of speaker	Designation	Month	Photo
1	Enhancing MSME Competitiveness through Innovation & Creativity	Dr. Sivapriya Chellappa	Co-Founder, JNANA VIKAS JAGRATI	December, 2024	
2	CMAs as Advisors to Taxation of Start-Ups and Start-up MSMEs	CMA Guruprasad V	Consultant	January, 2025	
3	Cost Optimisation for MSMEs	CMA (Dr.) Jayaram Ramakrishnan	Professor of Practice IFMR GSB, Krea University, Andhra Pradesh	February, 2025	
4	Ecosystem of MSME Sector in India	CMA Deenadayalan K S	Joint Director MSME Department Government of Tamil Nadu	February, 2025	
5	Decoding the MSME Act and Procedural Compliances	CMA Mahendra Bhombe	Practicing Cost & Management Accountant, Strategic Consultant	March, 2025	
6	MSME Schemes - CMAs Role	CMA Udaya Shanker Proddaturi	Management Consultant	March, 2025	

Sl. No.	Name of the program	Name of speaker	Designation	Month	Photo
7	AI and MSME – A Perfect Match for Success	CMA Vikita Subudhi	Practicing Cost Accountant	April, 2025	
8	Govt. Initiatives for MSME	CMA (Dr.) Priyanka Saxena	Consultant	April, 2025	
9	Empowering MSMEs with Tech: Cost Optimization & Smart Decision-Making with AI	CMA Vijay Kiran Agastya	Consultant	May, 2025	

MSME Notification

2 THE GAZETTE OF INDIA : EXTRAORDINARY [PART II—SEC. 3(ii)]

(iii) खंड (iii) में,-

(क) "पचास करोड़" शब्दों के स्थान पर "एक सौ पच्चीस करोड़" शब्द रखे जाएंगे;

(ख) "दो सौ पचास करोड़" शब्दों के स्थान पर "पांच सौ करोड़" शब्द रखे जाएंगे;

2. यह अधिसूचना 1 अप्रैल, 2025 से प्रवृत्त होगी।

[फा. सं. पी-11/3/2023-नीति-डीसीएमएसएमई]

डॉ. रजनीश, अपर सचिव एवं विकास आयुक्त

नोट: मूल अधिसूचना भारत के राजपत्र, असाधारण, भाग- II, खंड 3, उपखंड (ii) में संख्या का.आ. 2119 (अ), तारीख 26 जून, 2020 द्वारा प्रकाशित की गई थी।

MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

NOTIFICATION

New Delhi, the 21st March, 2025

S.O. 1364(E).—In exercise of the powers conferred by sub-section (1) read with sub-section (9) of section 7 and sub-section (2) read with sub-section (3) of section 8 of the 'Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006)', the Central Government after obtaining the recommendations of the Advisory Committee in this behalf hereby makes the following amendments in the notification of Government of India, Ministry of Micro, Small and Medium Enterprises number S.O. 2119 (E), dated the 26th June, 2020, published in the Gazette of India, Extraordinary, Part-II, Section 3, sub-section (ii), dated the 26th June, 2020, namely:-

1. In the said notification in paragraph 1,—

(i) in clause (i),-

(a) for the words "one crore", the words "two crore and fifty lakh" shall be substituted;

(b) for the words "five crore", the words "ten crore" shall be substituted;

(ii) in clause (ii),-

(a) for the words "ten crore", the words "twenty five crore" shall be substituted;

(b) for the words "fifty crore", the words "one hundred crore" shall be substituted;

(iii) in clause (iii),-

(a) for the words "fifty crore", the words "one hundred twenty five crore", shall be substituted;

(b) for the words "two hundred and fifty crore", the words "five hundred crore" shall be substituted;

2. This notification shall come into force with effect from the 1st day of April, 2025.

[F. No. P-11/3/2023-POLICY-DCMSME]

Dr. RAJNEESH, Addl. Secy. & Development Commissioner

Note: The principal notification was published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (ii), vide number S.O. 2119(E), dated the 26th June, 2020.

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Here is the classification in a table format:

Category	Investment in Plant and Machinery or Equipment	Annual Turnover
MICRO	Not more than Rs. 2.5 crore	Not more than Rs. 10 crore
SMALL	Not more than Rs. 25 crore	Not more than Rs. 100 crore
MEDIUM	Not more than Rs. 125 crore	Not more than Rs. 500 crore

Contents

1	Government Initiatives for MSME	1-7
2	Articles on MSME	8-34
3	Achiever Speaks	35-41
4	Multiple Progress Update	42-43
5	Some Important Links as a ready reckoner	44-48



1

Government Initiatives for MSME

The Government of India has implemented a robust array of initiatives aimed at bolstering the Micro, Small, and Medium Enterprises (MSME) sector, recognizing its pivotal role in the economy. These efforts range from financial support and procurement policies to capacity building and market integration. Key initiatives include the Udyam Registration Portal, PM Vishwakarma scheme, PMEGP, SFURTI, and the Public Procurement Policy for MSEs, all aimed at fostering entrepreneurship, enhancing employment, and integrating informal sectors into the formal economy. These initiatives reflect the government's commitment to supporting MSMEs and driving inclusive economic growth nationwide.

Financial Initiatives

Credit Guarantee Scheme (CGTMSE):

The Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) has approved guarantees worth ₹5 lakh crore, a significant milestone. In FY 2023-24, they approved 17,24,073 guarantees amounting to ₹2,02,807 crore, a 94% increase from the previous year. The scheme aims to facilitate collateral-free credit for MSEs.

Key Statistics and Highlights:

Milestone:

CGTMSE has approved cumulative guarantees worth ₹5 lakh crore, a significant achievement.

FY 2023-24:

Approved 17,24,073 guarantees amounting to ₹2,02,807 crore, a 94% increase from the previous year.

Growth:

The Trust has approved more guarantees in the last three years than in its first two decades.

Purpose:

The scheme aims to provide collateral-free credit to Micro and Small Enterprises (MSEs).

Number of MLIs:

As of FY 2020, 115 financial institutions were member lending institutions (MLIs).

Fee Structure:

The annual guarantee fee is 2% per annum on the disbursed or outstanding amount, with a reduced rate of 1.5% for female entrepreneurs and units from North-East India.

Pradhan Mantri Mudra Yojana (PMMY):

The Pradhan Mantri Mudra Yojana (PMMY) has sanctioned over 52 crore loans, worth ₹32.61 lakh crore, since its launch in April 2015. The scheme has seen a significant increase in loan accounts, with over 52 crore loans facilitated. Mudra has also seen a shift from micro to small enterprises, with the share of Kishor loans (₹50,000 to ₹5 lakh) growing significantly.

Key Statistics and Highlights:

Loan Sanctions:

Over 52 crore loans have been sanctioned.

Loan Amount:

₹32.61 lakh crore has been sanctioned.

Borrower Categories:

A significant portion of loans have been sanctioned to women entrepreneurs and SC/ST/OBC categories.

Category Breakup:

The Shishu category accounts for the largest number of loans (78%), followed by Kishor (20%) and Tarun (2%), according to the PIB.

Loan Amounts by Category:

Shishu: Loans up to ₹50,000.

Kishor: Loans from ₹50,000 to ₹5,00,000.

Tarun: Loans from ₹5,00,000 to ₹10,00,000.

Financial Institutions:

A wide range of financial institutions, including public and private sector banks, NBFCs, MFIs, and cooperative banks, are disbursing Mudra Yojana loans.

Revenue and Profit:

Revenue has increased from ₹1,014.58 crore in FY 2021-22 to ₹1,537.20 crore in FY 2022-23, and net profit has increased from ₹246.51 crore to ₹577.45 crore during the same period.

NPA Rate:

The NPA (Non-Performing Assets) rate under PMMY is considered among the lowest for this segment in the world.

Technology Upgradation Subsidy:

Technology Upgradation Subsidy (TUS) schemes in

India, particularly the Credit Linked Capital Subsidy Scheme (CLCSS), aim to facilitate technology adoption by Micro, Small, and Medium Enterprises (MSMEs). Key statistics include the CLCSS providing a 15% capital subsidy on institutional finance for up to ₹ 1 crore. Additionally, the Technology Upgradation Fund Scheme (TUFS) offers varying subsidy levels based on the nature and scale of the unit, with some sectors receiving up to 25% subsidy on project costs. These schemes are designed to support technology and quality upgrades in various industries, including textiles and other MSMEs.

Key Statistics and Highlights:

CLCSS Subsidy:

15% upfront capital subsidy on institutional finance of up to ₹ 1 crore for technology upgrades in specified sub-sectors.

TUFS Subsidy:

Varies based on sector, with some receiving up to 25% of project costs. For example, garment and technical textiles may receive a 15% subsidy, while weaving, knitting, and processing units may receive 10%.

Targeted Support:

Additional subsidies or financial assistance may be available for specific groups, such as women/SC/ST-owned MSMEs, those in NER/Himalayan/LWE/Island territories/aspirational districts, or those participating in schemes like SFURTI.

Sectoral Focus:

TUFS covers various sectors within the textile industry, including spinning, weaving, knitting, and technical textiles, as well as jute, silk, and handloom sectors.

Impact:

MSMEs contribute significantly to India's GDP, and technology upgrades are crucial for their competitiveness



and growth. In 2023-24, MSME-related products accounted for 45.73% of India's total exports.

Support for MSMEs:

The Ministry of MSME also provides financial assistance for testing, quality, and product certification, as well as handholding support and technology upgradation for zero-effect solutions

Stand-Up India Scheme:

The Stand-Up India Scheme, aimed at promoting entrepreneurship among women and Scheduled Caste/Scheduled Tribe (SC/ST) individuals, has seen significant growth in recent years. As of PIB report, the scheme has sanctioned loans totaling ₹. 61,020.41 crore and benefited over 1,90,844 women entrepreneurs, along with significant increases in SC and ST accounts and loan amounts.

Key Statistics and Highlights:

Loan Sanctions and Disbursements:

Total Amount Sanctioned: Over ₹. 61,020.41 crore.

Total Number of Accounts: Over 1,90,844 women entrepreneurs, along with growth in SC and ST accounts.

Growth in Loan Amounts:

SC: Loans increased from ₹. 1,826.21 crore to ₹. 9,747.11 crore between November 2018 and November 2024.

ST: Loans increased from ₹. 574.65 crore to ₹. 3,244.07 crore between November 2018 and November 2024.

Women: Loans increased from ₹. 12,452.37 crore to ₹. 43,984.10 crore between November 2018 and November 2024.

Impact and Empowerment:

Financial Empowerment:

The scheme has empowered SC, ST, and women entrepreneurs to start and grow their businesses.

Livelihood Creation:

It has helped create numerous livelihoods and fostered inclusive growth across India.

Increased Entrepreneurship:

The scheme has significantly boosted entrepreneurship among the target groups.

Other Key Figures:

Total Applications: 299,274.

Sanctioned Applications: 275,321.

Handholding Agencies: 24,613.

Branches Connected: 148,520

Micro Finance Programme:

The Indian microfinance sector has seen significant growth, expanding from 5.8 crore unique clients in March 2020 to 7.8 crore in March 2024. The outstanding portfolio has also increased from ₹. 2.31 lakh crore to ₹. 4.33 lakh crore during the same period. As of September 30, 2024, the portfolio stood at ₹3,73,918 crore with 7.7 crore unique borrowers. The sector now reaches 720 districts.

Key Statistics and Highlights:

Unique Clients: Increased from 5.8 crore in March 2020 to 7.8 crore in March 2024.

Outstanding Portfolio:

Rose from ₹. 2.31 lakh crore to ₹. 4.33 lakh crore between March 2020 and March 2024.

Active Loans:

As of September 30, 2024, there were 1,265 Lakh active loans.

Geographic Reach:

The microfinance sector now operates in 720 districts.

Contribution to GVA: The microfinance sector contributes 2.03% to India's GVA (Gross Value Added),

according to an NCAER study conducted by MFIN in 2021.

Subsidy Benefits for MSMEs:

Key Highlights:

Patent & Trademark Registration:

Up to 50% reimbursement of fees for intellectual property protection

ISO Certification:

Up to 75% subsidy for quality management standard implementation.

ZED Certification:

Up to 80% support for Zero Defect & Zero Effect quality initiatives.

NMCP:

Funding under National Manufacturing Competitiveness Program for technological modernization.

LEAN Manufacturing:

Up to 80% subsidy for implementing efficiency improvements.

Protection Against Delayed Payments:

The Micro, Small and Medium Enterprises Development Act (MSMED Act) of 2006 provides protection against delayed payments to MSMEs by establishing a 45-day payment period and imposing penalties on buyers for late payments. The MSME Samadhaan online platform, launched by the Ministry of MSME, enables MSMEs to register complaints and track the status of delayed payment cases.

Key aspects of protection against delayed payments under the MSMED Act:

45-day Payment Period: Buyers of goods or services from an MSME have 45 days to make payment from

the date of acceptance or deemed acceptance.

Interest on Delayed Payments:

If payment is not made within 45 days, the buyer is liable to pay interest on the unpaid amount, calculated at three times the bank rate notified by the Reserve Bank of India (RBI).

Compounded Interest:

The interest is compounded monthly.

Penalties for Late Payment:

The MSMED Act specifies that buyers who fail to pay within 45 days are liable to penalties, including interest on delayed payments.

MSME Samadhaan Platform:

This online portal allows MSMEs to register complaints and track the status of their cases.

Micro and Small Enterprises Facilitation Council (MSEFC):

The MSEFC, chaired by the Director of Industries, resolves delayed payment disputes.

Timely Resolution:

Cases are expected to be decided by the MSEFC within 90 days.

Government Support:

The MSME Samadhaan platform is backed by the government.

Digital Filing:

MSMEs can submit complaints against both private and government buyers online.

Cost-effective:

Filing complaints through MSME Samadhaan is cost-effective, requiring no court fees.



Tax Initiatives

Tax Benefits for MSMEs

Direct Tax Benefits for MSMEs

MSMEs can take advantage of reduced tax rates. Domestic companies with turnovers under ₹400 crore face a concessional tax rate of 25%. Other MSME tax benefits include:

1. Presumptive Taxation Scheme

Section 44AD of the Income Tax Act offers a Presumptive Taxation Scheme to simplify tax filing for small businesses. Eligible taxpayers, including individuals, HUFs, and partnership firms (except LLPs), can declare 8% of their turnover as income (6% for digital transactions) without maintaining extensive accounts. This scheme applies to businesses with turnovers up to ₹3 crore. However, once opted in, taxpayers must follow the scheme for five consecutive years or face disqualification from re-entering it for the next five years.

2. Tax Holidays

Tax holidays allow MSMEs to be exempt from certain taxes for a limited time, promoting growth in certain industries or regions. MSMEs can benefit from a five-year exemption starting from the year production begins. Eligible start-ups under Section 80-IAC can avail of profit-linked tax holidays for three years within ten years of incorporation.

3. Depreciation Benefits

MSMEs in India benefit from deductions on assets like machinery over their useful life, reducing taxable income year by year. With accelerated depreciation, they can claim higher deductions in the initial years, freeing up capital for reinvestment and supporting business expansion.

4. Carry Forward of Losses

MSMEs can carry non-speculative business losses for

eight years and apply these losses to future business income. On the other hand, speculative losses can be carried forward for just four years and can only be offset by speculative earnings.

For MSMEs to carry forward losses, they must file ITR before the due date. Failing to file on time disqualifies the business from carrying forward losses. Moreover, the company doesn't need to operate in the following years to claim these losses.

Indirect Tax Benefits for MSMEs

1. Goods and Services Tax (GST)

Introduced on July 1, 2017, MSME benefits in GST consolidate various indirect taxes previously levied by central and state governments, including VAT, excise duties, and service tax, to create a uniform tax structure.

To aid MSMEs, the government has set a threshold limit, allowing companies with annual turnover up to ₹40 lakh for goods and ₹20 lakh for services to be eligible for this MSME GST exemption. MSMEs may also opt for the Composition Scheme, offering reduced GST rates between 1% and 6%.

2. Excise Duty

Excise duty is a tax applied to goods manufactured domestically. The government grants full MSME tax exemption on certain outputs to support MSMEs. To qualify, MSMEs must meet specific requirements, such as having an annual turnover below a pre-defined limit. Originally, the exemption cap was ₹30 lakh, but it has been raised to ₹100 lakh over time. Furthermore, MSMEs enjoy simplified regulatory obligations and are not required to maintain statutory records.

3. Custom Duty

To support MSMEs and enhance domestic manufacturing and exports, the Indian government has introduced several customs duty incentives. Recent budget updates

feature cuts in customs duties for spandex, leather, and marine products. Not only that, the Import of Goods at Concessional Rate (IGCR) scheme allows for reduced duties on imported raw materials.

Export duties have also been reduced on wet blue and crust leather products. Additionally, MSMEs can benefit from the Authorised Economic Operator (AEO) status, which provides advantages like Direct Port Delivery (DPD), Direct Port Entry (DPE), faster customs clearance, and exemption from bank guarantees.

Infrastructure Initiatives

The Indian government supports MSME infrastructure development through various schemes and initiatives. These include the Micro & Small Enterprises Cluster Development Programme (MSE-CDP), which aims to enhance productivity and competitiveness by providing financial assistance for common facility centers and industrial estates. The PM Gati Shakti National Master Plan also plays a role in ensuring integrated planning and coordinated execution of infrastructure projects. Furthermore, the Infrastructure and Technology Support scheme focuses on developing world-class infrastructure for the handicraft sector.

Infrastructure Initiatives for MSMEs:

Micro and Small Enterprises Cluster Development Programme (MSE-CDP):

This scheme provides financial assistance for establishing common facility centers, flatted factories, and upgrading industrial estates, aiming to enhance the productivity and competitiveness of MSMEs.

PM Gati Shakti National Master Plan:

This plan promotes integrated planning and coordinated execution of infrastructure projects, benefiting MSMEs by improving connectivity and logistics.

Infrastructure and Technology Support:

This scheme aims to develop world-class infrastructure

to support handicraft production, enhance product quality, and reduce costs, enabling MSMEs to compete globally.

Raising and Accelerating MSME Performance (RAMP):

This scheme focuses on improving the performance of MSMEs by providing access to credit, technology, and other support services.

National SC-ST Hub Scheme:

This scheme promotes the participation of SC/ST entrepreneurs in public procurement and other government initiatives.

Tool Rooms and Technical Institutions:

This component of infrastructure development and capacity building provides access to advanced technology and training for MSMEs.

Public Procurement Policy for MSEs:

This policy ensures that a certain percentage of government procurement is reserved for MSMEs, promoting their growth.

Industrial Infrastructure Development Fund (IIDF):

This fund provides financial support for the development of industrial infrastructure, including industrial estates and parks.

Scheme of Fund for Regeneration of Traditional Industries (SFURTI):

This scheme supports the revival of traditional industries, including those with a significant MSME component.

Atmanirbhar Bharat Package:

This package includes measures to support MSMEs during the COVID-19 pandemic and ensure their continued operations.

Creation of Industrial Estates and Parks:

The government is actively working on the creation of



new industrial estates and parks to provide a conducive environment for MSME growth.

Renovation of Existing Industrial Estates:

Efforts are underway to renovate and upgrade existing industrial estates to meet the evolving needs of MSMEs.

Plug-and-Play Rental Factories:

The government is encouraging the development of plug-and-play rental factories to provide MSMEs with easy access to infrastructure and facilities

Market Development Initiatives

The Indian government offers several initiatives to help Micro, Small, and Medium Enterprises (MSMEs) develop and expand their markets, both domestically and internationally. These include schemes for market promotion, capacity building, and access to finance, as well as initiatives to integrate MSMEs into the formal economy.

Market Development Initiatives for MSMEs:

Market Development Assistance (MDA):

This scheme, managed by the Ministry of Commerce, provides funding for MSMEs to participate in international trade fairs, study tours, and trade delegations to access and develop overseas markets.

Scheme of Fund for Regeneration of Traditional Industries (SFURTI):

Make in India offers financial and other support for traditional industries, including those that are MSMEs.

Public Procurement Policy for MSEs:

This policy mandates that public procurement authorities reserve a certain percentage of their procurement for MSMEs, providing them with greater access to government contracts.

MSME-TEAM Initiative:

This initiative helps MSMEs onboard e-commerce platforms by providing assistance with aspects like catalogue preparation, account management, logistics, and packaging.

Raising and Accelerating MSME Performance (RAMP) Scheme:

RAMP aims to improve MSMEs' access to markets, finance, and technology upgradation, and also strengthens institutions at the central and state levels.

Udyam Registration Portal:

This portal allows MSMEs to register and access various schemes and benefits.

Pradhan Mantri Vishwakarma Kaushal Samman (PM Vishwakarma):

This scheme aims to enhance the skills of artisans and craftsmen, helping them improve their product quality and access new markets.

Other Initiatives:

Additional initiatives include domestic market promotion (DMP), export market promotion (EMP), and trade and industry related functional support services (TIRFSS).

These initiatives reflect the government's commitment to supporting MSMEs and promoting inclusive economic growth

2

Articles on MSME

Strategies for promotion and development of micro enterprises - CMAs role



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1. Sustainable Development Goal (SDG)



One of the SDGs directly related to poverty is SDG-1, which aims to “End poverty in all its forms everywhere”. This goal include targets like eradicating extreme poverty, reducing poverty by half, and ensuring social protection for the poor and vulnerable. One of the means to fulfil this is through micro enterprise promotion and development. India has made notable advancements in achieving SDG-1, with a score improvement from 60 in 2020-21 to 72 in 2023-24.

Various strategies to be adopted to address this in a professional approach wherein CMAs have a role.

2. MSME definition



MSME increased investment and turnover limits: It is meant to support expansion and competitiveness.

Investment limits: Micro: ₹.2.5 crores; Small: ₹.25 crores; Medium: ₹.125 crores

Turnover limits: Micro: ₹.10 crores; Small: ₹.100 crores; Medium: ₹.500 crores

Total Udyam registration including Udyam Assist Platform (UAP): Total (6,17,25,108) - Udyam (3,52,71,482) - UAP (2,64,53,626)

Udyam registration - Micro enterprises - 6,09,11,213

CMAs have to focus on plant and machinery or equipment (productive assets) which give good returns on investment.

3. Scheme of Fund for Regeneration of Traditional Industries (SFURTI)



It is a cluster approach formed as a Special Purpose Vehicle (SPV) to organise traditional industries to offer infrastructure, technology upgradation, innovation, product development, and marketing. Providing common facilities such as testing, storage (raw material bank), warehousing (finished goods), branding, e-commerce initiatives for economic operations. It covers both hard and soft interventions. Khadi and Village Industries Commission (KVIC) undertakes the task for khadi, village industries, coir products. Regular clusters (500 artisans) with Government assistance of

up to ₹.2.5 crore and major clusters (more than 500 artisans) with Government assistance up to ₹.5 crore. There are 513 approved out of which 376 are functional. Nodal agency is KVIC and the implementing agencies are Non-Governmental Organisations (NGOs) and government institutions.

Professionals can choose one activity and offer continuous service for a long term period where payment is done through the clusters.

4. National Manufacturing Competitiveness Programme (NMCP)



It is meant to offer a number of services. Lean manufacturing aims to reduce costs and improve productivity, marketing support, setting up incubators, barcodes for products, creating intellectual property (patents, copyrights, trademarks, and geographical indicators), improving quality. It is a holistic approach where enterprises can avail facilities. Development Commissioner MSME (DC-MSME) is the nodal agency

Lean manufacturing: Maximise efficiency and eliminate waste. Funding to the extent of 80% of consultant fee subject to limit. MSME registered: 30,039, Basic certified: 11,948.

Bar code: Reimbursement of 75% of one time registration fee (one time and recurring for 3 years) for bar coding.

Intellectual Property Facilitation Centres (IPFCs): There are 33 IPFCs which provide guidance, training, and assistance in identifying, protecting, and managing intellectual property rights, ultimately boosting innovation and competitiveness.

Professionals can offer a variety of services having their own expertise.

5. Marketing support



Participation in exhibitions: National Small Industries Corporation (NSIC) provides support to explore new markets and retain the existing ones. There are two schemes: special marketing assistance scheme for SC/ST, procurement and marketing support.

Market development assistance scheme: Manufacturing enterprises are permitted to participate representing their enterprise. Funding 50% of space rent (6 square meters space), air fare subsidy of 75% with a total amount of ₹.1,25,000.

Professionals can offer services to explore markets.

6. Micro Units Development and Refinancing Agency (MUDRA) loans



There are four categories:

Shisu - Rs.50,000

Kishor - Rs.5,00,000

Tarun - Rs.10,00,000

Tarun plus - Rs.20,00,000

Micro Credit Scheme is offered mainly through Micro Finance Institutions (MFIs), who deliver the credit up to ₹.1 lakh for micro enterprise/small businesses. Though the model of delivery is through Self Help Groups (SHGs)/Joint Liability Groups (JLGs), loans are given by MFIs to individual entrepreneurs for specific income generating micro enterprise/small businesses. Small Industries Development Bank of India (SIDBI) provides refinance, credit guarantee and monitoring.

MUDRA cards are given to withdraw cash and transact point of sale machines.

Activities are: Vendors, traders, shop keepers, equipment finance, transport vehicles, agri-allied non-farm activities, services, textile products

Funding: Loans are given by financial institutions, Non-Banking Financial Companies (NBFC), MFI. Total loans given are 6,67,77,013 amounting to sanction of ₹.5,41,012 crores.

Professionals have to ensure that scaling up takes place with a long range plan.

7. Vishwakarma scheme



About the scheme: It is implemented up to 2027-28 with an outlay of ₹.13,000 crores to provide end-to-end support to the artisans and craftspeople belonging to 18 trades wherein 27.87 lakh beneficiaries have registered; loans approved - 3,35,008 amounting to ₹.2,892 crores; e-vouchers - 15,00,330

Trades: Wood-based: carpenter, boat maker; Iron/

metal (copper, brass, bronze)-based: armorer, hammer and tool kit maker, locksmith; Stone-based: sculptor, stone breaker (three dimensional); Gold/Silver-based: goldsmith; Other trades: potter; cobbler/footwear artisan; mason; basket/mat/broom maker/coir weaver; traditional doll and toy maker (wool, cotton, wood); barber; garland maker (flowers, leaves); washer man; tailor (buttons, fabrics); fishing net maker.

Eligibility: One member, one family - husband, wife and unmarried children.

Application: Application for registration obtained from Common Service Centres.

Skills: Skills are passed on from one generation to another, guru-shishya, and master craftsman model to increase the value chain.

Offers: Certificates are issued, digital identity cards are given.

Financial: Incentive for tool kits (₹.15,000 - e-RUPI or e-voucher to procure from designated centres).

Training and funding: Training of 40 hours in a span of 5-7 days, first loan trench of ₹.1 lakh (18 months), advanced training of 120 hours in a span of 15 days, second loan trench of ₹.2 lakhs (30 months), free board and lodge, ₹.500 per day stipend - basic and advanced training, certificate from National Skill Qualification Framework, material available on Skill India platform.

Funding: Enterprise Development Loan of ₹.3 lakhs collateral free - first and second trenches, interest rate of 5% with interest subvention of 8% by Government of India, covered under Credit Guarantee Fund Trust (CGT) for MSEs, first trench covers 50% of portfolio, second trench covers 15% of portfolio.

Value chain: Artisan Producer Organisations are groups or entities that support and empower artisans, often through initiatives like fair trade practices, advocacy, capacity building, financial support and market access for common cause.

The value of the chain is improving design, quality, skill upgradation, modern tools, collateral free credit, incentive for digital transactions Re.1 per transaction - up to 100 eligible transitions per month, brand promotion and market linkages - branding, advertising, publicity, e-commerce - onboarding - Open Network for Digital Commerce, GeM, Khadi India, MSME Mart, supply chain, backward and forward linkages, packaging, logistics.

Procurement and Marketing Support Scheme or International Cooperative Scheme to participate in exhibitions, export through export promotion councils, associations/trusts/societies for collective display of products. Providing social security benefits.

Professionals to chip in and address issues in the form of teams taking into consideration each aspect of the business.

8. Credit cards for micro enterprises



Customised credit cards with a limit of ₹.5 lakhs for micro enterprises registered on Udyam portal. This boosts the lending businesses and facilitates easy availability of working capital. It enables to foster growth of business, creates financial inclusion, and streamlines loan distribution. First year 10 lakh cards are to be issued. It is under the Laghu Udhyaami Credit Card Scheme.

Professionals to identify and guide entrepreneurs to function effectively.

9. PM Street Vendors Atma Nirbhar Nidhi



Micro credit facility for enhancing loans from banks, UPI linked credit cards, capacity building activities.

Urban street vendors are eligible to avail a working capital loan of up to ₹.10,000 with tenure of 1 year and repaid in monthly installments without collateral. On timely or early repayment, the vendors will be eligible for the next cycle of working capital loan with an enhanced limit of ₹.20,000 and ₹.50,000. Implementing agency is SIDBI.

National Association of Street Vendors of India (NASVI) is an organisation that advocates for the rights and welfare of street vendors across the country. Its history reflects the evolution of street vendors' movements, their struggles, and successes in securing legal and social recognition. There are 1 crore street vendors.

Professionals create opportunities such as identity cards issuance, group insurance, etc., for sustainability.

10. Joint Liability Group (JLG)



It is an informal group of 4-10 individuals who come

together to access bank loans, typically for agricultural or income-generating activities, with each member jointly liable for the loan repayment. Financing could be for individuals or groups. National Bank for Agriculture and Rural Development (NABARD) supports formation and refinances.

Professionals can suggest activities and long range plans for ensuring mutual trust and networking for common cause.

11. Self-Help Groups (SHGs)



SHGs comprises 10-20 members to create within a joint liability group to ensure creditworthiness to join the stream. Most of the SHGs are women led. NABARD Micro Credit Innovations Department (MCID) plays a major role as facilitator and mentor. There is a SHG-Bank Linkage Programme (BLP) to address credit issues related to unreached and underserved poor households. SHGs to adopt 'Panchsutras' viz., conduct of regular group meetings, regular savings within the group, internal lending based on the demand of members, timely repayment of loan and maintenance of proper books of accounts are considered to be of good quality and over years have proved themselves to be good customers of banks. NGOs, regional rural banks, farmers clubs, and volunteers play a role as a Self Help Group Promoting Institution (SHGPI). Rating the various players to bring in a good competitive environment. NABARD is a refinancing agency.

Professionals to bring out good management practices to improve operations.

12. MFI

MFI aims to reduce poverty, promote financial inclusion, and empower individuals by providing access to finance. It helps individuals and business owners to start or expand their businesses by providing micro loans or micro credits. These are regulated by the Reserve Bank of India (RBI).

Professionals can render support in monitoring and effective recovery of loans.

13. Voluntary organisations (VOs)

It can be trust, society, section-8 company. Register on NGO darpan portal for seeking funds and grants from the government. They offer skill development, mentoring, and networking. Darpan registration for NGOs and VOs.

CMA institute to develop models to undertake tasks.

14. Rural Development and Self Employment Training Institute (RUDSETI)

Conducts training programmes of both short and long term comprising hard and soft skills. It promotes entrepreneurship and guides for establishing enterprises. Promoted by Dharmasthala Manjunatheshwara Educational Trust. The Ministry of Rural Development (MoRD) replicated the model.

Professionals can contribute in terms of giving inputs in line with the markets.

15. Rural haats

NABARD supports rural haats to facilitate infrastructure, operate trading, and establish linkages. It is a generally open area where mostly agriculture and handicrafts are being marketed.

Professionals to ensure good networking of markets to have fair price to producers.

16. MSME mitras

The services offered at the door step of enterprise such as Udyam registration, zero defect zero effect, obtaining funding, ensuring receiving payments of public procurement. Mitras are given money based on their performance. They are to be registered under Udyam and Lean MSME portals. SIDBI is taking care of the registration. NSIC supports Udyam mitra cells and funds for operations.

Professionals can register and offer services.

17. Government e-marketing (GeM)

The Director General of Supplies and Disposals (DGS&D) operates the portal. There are reserved 358 items for exclusive procurement from MSEs to promote their growth and development. It is mandatory to procure by government related ministries and organisations 25% of requirements from MSEs. Out of 25% (4% of SC/ST and 3% of women). Preference is given to local products, first generation entrepreneurs and women.

Saras collection is a programme that helps rural SHGs sell their daily utility products to government buyers. It was launched on the GeM portal by the MoRD and Panchayati Raj. Corporates are signing MoUs to sell products of the saras collection. Total procurement ₹.75,693 crores.

Professionals can support registration, participation in tender.

18. Consortia & tender marketing scheme

NSIC helps MSEs by forming consortia to pool their capacity and participate in tenders, securing orders in bulk, and distributing them based on individual capacities, thereby easing marketing problems for MSEs.

Professionals can identify and ensure tapping the markets.

19. Delayed payment to MSMEs

Buyers (government related ministries and

organisations) who fail to pay MSMEs within 45 days of accepting goods or services are liable to pay compound interest, three times the bank rate, to the supplier. MSME Samadhaan is an online platform for MSMEs to file complaints and track the status of delayed payments. Micro and Small Enterprise Facilitation Councils (MSEFC) set up by State governments to resolve payment disputes. CPSUs and companies above ₹.500 crore turnover to on-board Trade Receivable Discounting System (TReDS), an electronic platform for facilitating the discounting of trade receivables of MSMEs through multiple financiers. MSME samadhan applications filed - 2,28,675.

Professionals can guide entrepreneurs to ensure payments are received timely.

20. Prospects for professionals



Identification of prospective entrepreneurs to get training at various locations of their convenience, preparation of project reports for seeking funding based on the schemes available, complying with formalities to operate legally, ensuring implementation of the project timely to avoid overruns, operate business smoothly by adopting all the management techniques for improving productivity, manuals of good manufacturing practices, green products, creating records and accounting systems to manage operations effectively. All these aspects are of a long term basis.

Conclusion:

There is a need to work out a model to ensure smooth flow of operations right from identification of enterprises, entrepreneurs, offer training, research and consultancy that paves way to meet emerging markets.

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Cost Management for Manufacturing SMEs – A Framework



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Introduction

Indian SMEs are constrained by capital, both human and financial, as they operate in a crowded and competitive marketplace. Furthermore, the infrastructure for manufacturing, distribution, information technology, and customer service is severely limited. The intrinsic nature of such companies is that they do not have economies of scale to be competitive from a cost point of view and seldom have access to the full range of information they need to operate at maximum efficiency. Consequently SMEs are under increasing pressure to remain competitive in today's global economy.

It is in the above context that Management accounting becomes particularly relevant for SMEs. Management

accounting practices (MAPs) are vital tools in promoting development plans, controlling operations, formulating strategy, changing management as they act as the key information system in the decision-making process (Mitchell & Reid, 2000).

This paper proposes a management accounting framework for Small and Medium Enterprises (SMEs) operating in India. The same was motivated by the existing low uptake of management accounting and inconsistent use of Management Accounting Practices (MAPs) by SMEs, in India as revealed by multiple researchers. The model framework advanced in this paper is meant to regularize and systematize the use of MAPs by SMEs.

The existing management accounting frameworks largely meet the needs of large entities and they were too complex for small businesses as they were developed based on the needs of large entities (Greenberg & Wilner, 2015).

The idea behind the framework is to enhance the use of MA given its criticality in creating and sustaining value for SMEs

At a broad level Cost & Management accounting framework comprises of two elements namely

1. Cost measurement
2. Cost management

Cost measurement

Cost Measurement includes the following:

- Collecting cost data and
- Assigning the source expenses in a way that is meaningful for the organization

Cost Management involves using the cost data collected for

- Operational control
- Assessment and evaluation; and
- Predictive planning.

Cost measurement framework for MSMEs

The initial stage of a decision-making framework is to determine the cost of a product or a service. Other management accounting pillars cannot be properly implemented if the costing pillar is not applied precisely (Yoshikawa, 1994; Lukka & Granlund, 1996). Any good costing system is dependent on two sources of data namely the financial accounting system and secondly the operations.

Given the limitations that SMEs face in terms of manpower quality and technology it is ideal to initially develop a simple traditional costing system and increase the sophistication (in terms of Cost centres, activities and drivers used) in a phased manner. One such system that was propounded is the SIMPLI COST Partha system ((Source: <https://www.magzter.com/stories/Business/The-Management-Accountant/Simplicost-A-Cost-Partha-System-For-MSMEs> - propounded by Mr M.Gopalakrishnan past President ICWAI))

To implement, the SMEs need to identify the basic inputs

1. Bill of material or Master recipe (Material consumption norms) for each product (material costs constitute between 50-75% of total sale value for most SMEs)
2. Product specific costs (ref to as direct costs) – Die/tooling, packing, freight to be identified
3. Routing or process flow for each product including outsourced or job work operations
4. Identify the conversion cost (direct labour, tools, consumables, power) for above process flow in terms of cost per machine hour or man hour or per kg (suitable base to be determined based on nature of operations).
5. Once a Cost table (for conversion cost) as defined

above is worked out then the same can be applied to any product to arrive at conversion costs.

6. The next stage would be assign capacity related costs (depreciation & support facilities)
7. All other expenses (Production, admin and selling Overheads) are shown as a common cost pool (a percentage can be used)
8. Cost table & Common cost pool percentages to be periodically revised when significant changes are observed in the cost elements listed

The output from the above system would be

1. Level 1 Contribution(Cn) = Sale price less (sum of costs arrived at on basis of 1,2 & 5 above)
2. Level 2 Contribution = Level 1 Cn less costs identified in point 6 above
3. Final margin = Level 2 Cn – Cost based on pt 7

The key to running the Simplicost system is capturing the Production numbers and determination of process flow and simple mapping of financial data into the cost elements defined above.

However the SMEs, as they grow need to modify this system to accommodate for the following aspects

1. Cost centre accounting – when value add part of the firm is higher and proportion of support expenses are bound to grow as a proportion of total conversion costs)
2. Provide for batch & product level drivers like set up, die design & manufacturing
3. Identify customer specific expenses. This is critical as firms today are required to move from a product to customer centric position
4. Invest in digital technology to seamlessly capture financial & operations data for Costing

Through this SMEs can move on to a more sophisticated

traditional costing and later an Activity based costing model.

Cost Management

Operational control

Controlling expenses has historically been a popular use of cost data, particularly for mature organizations. The frequent reporting of expenses and costs provides a form of near-term feedback to which managers can react. Managers' reactions to the data depend on their expectations, their "gut feel" intuition, or the formal budget or planned targets. (Cokins, MA framework, 2001). SMEs are no exception to this. However the SMEs have got to learn to use a judicious mixture of Financial & Non financial metrics for this. Traditionally financial metrics such as Sales growth %, Profitability to Sales %, Variance analysis have to be used in conjunction with measures like manufacturing defect rates, Customer rejections, benchmarking of processes with industry standards.

A KPI like monitoring OEE % would be an example in case. Post implementation of robust costing system the SME can convert it from a Operational KPI to a Financial KPI.

Uses of cost data for learning are intended to help organizations better understand the driving influences that cause costs to occur

The phased increase in sophistication of cost measurement system would serve as a rich source of inputs for this exercise

Assessment and evaluation

The analysis of segment wise Contribution & profits would be the first stage in this. However the objective should be to further analyze profit contribution by additionally recognizing the impact of diversity and variation (beyond products and service lines) caused by supply-chain options (e.g., freight type, route type,

order type, channel, and customers' cost-to-serve)

These would serve as an invaluable input to SME managers for a range of decisions

- pricing competitively,
- backing up requests for price increases with data
- Targeting of specific product and customer segments
- Prioritizing while drawing up production plans

Predictive planning

This represents the pinnacle in terms of the framework and pre supposes a robust cost measurement system in place. This involves flexing the cost data to perform

- what-if analysis
- trade-off analysis
- make or buy decisions
- investment decisions and
- Activity based budgeting

Conclusion

The framework proposes that SMEs should apply the traditional methods of management accounting before moving on to contemporary components. Judicious mix of financial and non financial metrics need to be deployed. Leveraging low cost digital technologies too would greatly complement SMEs in their efforts in this direction. SMEs can take a call on applying the various aspects of this framework after considering the resources at their disposal. An entity should apply both traditional and contemporary MAPs as these components complement each other in producing excellent results for the entity. SMEs need to note that **practice of management accounting framework proposed is a process and not a one off event.**

KPIs – A Key to Performance Improvement



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Introduction

Key performance indicators (KPIs) are crucial quantifiable indicators that evaluate the performance of an enterprise against a set of targets, objectives, or industry peers, over a period of time and on consistent basis. These indicators need to be developed on the basis of industry specific activities, its parameters and form of business. These can be used to determine the enterprise's progress in achieving its strategic and operational goals, and also to compare its performance operational as well as financial against other businesses within its industry.

Key performance indicators facilitate performance evaluation and help in decision-making. These indicators should be 'SMART' that means specific, measurable, achievable, replicable, and time-bound.

Data about these indicators should be convenient and economical to collect.

Indian MSME Sector is the corner stone of the Indian Economy and one of the most progressive set of industries having huge growth potential. Currently, sector is consistently growing. Exports from the sector have seen substantial growth almost 4 times in 4 years, rising from ₹3.95 lakh crore in 2020-21 to ₹12.39 lakh crore in 2024-25 and the number of exporting units has also surged, from 52,849 in 2020-21 to 1,73,350 in 2024-25.

Since Indian products from MSME are expected to compete with global market with respect to quality, rate and delivery, it is required to strengthen the internal systems and controls to match the products with international standards. A consistent monitoring mechanism is required to evaluate the growth pattern of the business. Here, KPIs play a significant role in the given circumstances.

Common Key Performance Indicators

Enterprise Performance is the combined outcome of several quantitative, qualitative and financial factors. It is pertinent to note that the perception of performance differs from stakeholder to stakeholder. For example, Entrepreneur aims for profit maximization, Shareholders seek maximum returns in terms of dividend flow as also capital appreciation, Lenders want higher interest without impairing safety and security, Employees look for better remuneration, Exchequer is on an incessant chase for more and more tax collections, Economy expects over all prosperity and so on & on.

In order to satisfy all stake holders, managers keep striving to achieve an optimum performance. Now, to monitor various business aspects, some common KPIs are identified and can be understood with the help of following figure and explanation thereunder:

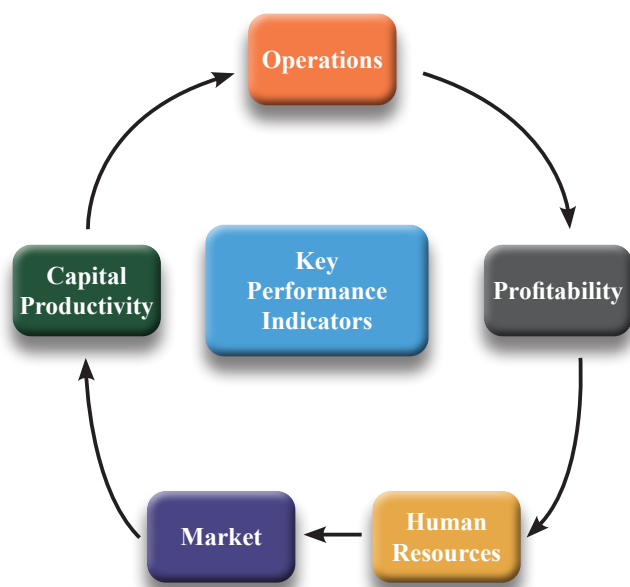


Figure 1: Key Performance Indicators

Operational Indicators

These indicators are quantitative in nature and are unique for each industry and need daily stringent monitoring and reporting with corrective measures. Key indicators developed for a particular industry can be extracted from daily production or manufacturing report. Plant in-charge can be made responsible for timely reporting and drawing the conclusions and take corrective actions where ever needed.

These indicators encompass:

- i. **Capacity Utilisation** is usually shown in percentage with a target of about 95% - 100%. In some industries it is known by some other name like in Power generation industry it is called plant load factor or in airlines it is called Passenger Load Factor (PLF) etc.
- ii. **Total Production** is mentioned in product unit like numbers, MT, KL or KW etc. and it is dependent on installed capacity and its utilisation.
- iii. **Material Yield or Raw Material Recovery** is calculated as rate of finished goods produced as

percentage to the raw material consumption in quantity. This percentage varies according to industry norms. For example, in Sugar Industry it is 11 to 13%, for metal it is 85 – 90% and for oil refining yield is about 88% - 90%. This is one of the most crucial parameters because a slight improvement in recovery or yield percentage leads to increase in contribution because in most of the industries all the costs are already incurred.

- iv. **Bye Products Recovery** is indicated in percentage or absolute quantitative terms. This quantity generated is either directly consumed in some process or sold in the market. Its recovery percentage varies according to industry and it adds revenue to the kitty.
- v. **Total Stoppages** indicate the total duration for which plant remained shut during the day and the reasons therefor. Reasons mentioned help in taking the immediate corrective actions. Ideally forced stoppages should be zero.

There can be some additional indicators like for power generation plant additionally KPIs may include auxiliary consumption, Station Heat rate, CV of fuel consumed etc. A thumb rule can be remembered that key operating parameters **that have a bearing on the financial performance, to be added in the KPIs.**

Profitability Indicators

These Indicators are similar for all Industries. These can be monitored on daily, weekly and monthly basis. Daily KPIs may include Value of Production, Raw Material Consumption, Primary Margin, Variable Expenses, Contribution etc. Monthly Performance P&L account can be drawn and submitted to management for the purpose of planning and decision making. Some crucial indicators are:

- i. **Value of Production (VOP):** Basic objective of any enterprise may be related to the manufacturing of a product or rendering a service. Functional

fulfillment of this primary objective is reflected in the monetary value of the goods and services produced by an enterprise which in other words is termed as Value of Production. It can be calculated with the help of formula below:

$$\text{Value of Production} = \frac{\text{Revenue from Operations} + \text{Increase / (- Decrease) in Stock of Finished Goods}}{\text{}} \quad \text{--- (1)}$$

VOP reflects the primary function of an entity and hence is the primary financial measure that needs to be monitored by even the smallest of the enterprises on a daily basis. Growth in VOP implies successive increase in volumes of production. A growth rate of 15% may be considered as moderate in times of prosperous stability.

- ii. **Primary Margin** equals to revenue minus cost of raw material consumed. It's a crucial indicator for high raw material intensive industries where raw material cost constitutes about 75% - 85% of total cost e.g. Sugar, Refined Oil, Metal alloy, Forging etc.
- iii. **Contribution** is defined as excess of the Sales Value over the Variable Cost. It represents the margin available to meet the Fixed Costs. Excess of Contribution over Fixed Cost denotes the Profit.

Giving cognizance to the concept of value of production, the definition of contribution can be refined as excess of Value of Production over Variable Costs. Following formula can be arrived at:

$$\text{Contribution} = \text{Value of Production} - \text{Variable Costs} \quad \text{--- (2)}$$

Higher the quantum of contribution better the coverage of fixed costs and profits.

For some Industries monitoring of Contribution Per Unit is also significant and to be monitored on daily basis.

Contribution per unit	=	$\frac{\text{Total Contribution in Rs.}}{\text{Total Production Quantity}}$
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For a Power generation plant, it can be worked out per Killo Watt (KW) of power generated, for metal industry it can be in MT, for Liquor bottling plant it can be in number of cases and so on.

- iv. **Profitability:** Profit is the excess of income over expenses and profitability is the ratio of profit to revenue from operations. Profitability measures the relationship between the profit earned and the revenue generated from the operations by the enterprise. The ratio is meant to indicate the net earnings available for entrepreneurial distributions. Higher profitability implies not only prudent financial management, but also abundant generation of funds for capital formation.

Profitability Ratio, being revenue based, does not reflect the stock impact on production function. Hence, it is essential to consider value of production as the key parameter while evaluating the performance of an enterprise and express profit as a percentage to value of production. The formula can be expressed as:

$$\text{Profit to Value of Production} = \frac{\text{(Profit After Tax/Value of Production)}}{\text{}} \times 100 \quad \text{--- (3)}$$

The norms for Profitability and Profit to Value of Production are product / service specific and may differ from industry to industry.

Human Resources Indicators

Human resources or Man power are the most crucial factor of operation i.e. production or rendering of services. The Key Performance Indicators for Human Resources activity of the enterprise measures the effectiveness and efficiency of the Human Resources deployed. It helps management to understand contribution of Human assets to the overall success of the organization and simultaneously identify areas of improvement.

Some major indicators are Employee Turnover Rate; Employee Retention Rate; Cost per Hire; Employee

Productivity; Training Effectiveness and Employee Satisfaction. Most of the indicators are worked out on the basis of certain qualitative parameters except Employee Productivity. The significance and computation of Employee Productivity is given below:

i. Employee Productivity

Apart from traditional quantitative and qualitative elements, monitoring the financial performance of every employee is also crucial in achieving the targeted growth momentum. One simple way to measure the performance of employees could be by computing the value of production per every rupee spent as employee cost. The resultant multiple reveals the employee productivity, higher the multiple higher the productivity and so on. The formula reads as:

$$\text{Employee Productivity} = \frac{\text{Value of Production}}{\text{Employee Cost}}$$

The measure and the monitoring of Employee Productivity assumes higher significance in Service Industry such as Banks, Information Technology, etc. wherein Skilled Human Resources constitute the core strength and largest element of cost.

Capital Productivity Indicators

Capital is the life blood for operations of any enterprise. Capital productivity indicators measure the financial health and progress towards strategic goals related to capital management of an enterprise. These indicators help businesses to understand the efficiency, and overall performance in managing capital, making informed decisions, and tracking their progress. Important indicators are given below:

- i. Return on Net Worth (RONW):** shows the relationship between the Return (Profit) generated and the Net Worth (Equity Funds Deployed) in the business. Equity holders are most concerned about this ratio. The formulae for the indicator is:

$$\text{Return on Net Worth} = \frac{(\text{Profit After Tax} / \text{Net Worth})}{\times 100}$$

A high RONW indicates that the enterprise operating with prudence and is on way to growth whereas a low return indicates the adverse situation.

- ii. Fixed Capital Productivity:** gives out the value of production generated per rupee of capital employed in the fixed assets of the enterprise. It is derived as a ratio by dividing the value of production with the fixed assets deployed. The formula can be expressed as:

$$\text{Fixed Capital Productivity} = \frac{\text{Value of Production}}{\text{Fixed Assets}}$$

A higher ratio implies higher production for every rupee invested and also better utilization of the fixed assets whereas a lower ratio speaks vice versa.

- iii. Working Capital Productivity:** indicates the level of efficiency in the utilization of net working capital. Working Capital Productivity is computed as a ratio by dividing the sales with the net current assets. For the purpose of analysis, sales can be substituted with value of production and can expressed with the help of formula below:

$$\text{Working Capital Productivity} = \frac{\text{Sales}}{\text{Net Current Assets}}$$

A higher ratio signifies lower operating cycle, faster circulation of the funds and better utilization of the current assets whereas a lower ratio signifies the converse.

- iv. Liquidity:** measures the ease with which an enterprise can pay off its current liabilities from the liquid assets available to it. All the current assets are considered as liquid assets. Of the current assets, cash is considered the standard for liquidity, because it is the one that can most quickly and easily be converted into other assets.

Current Ratio is the means adopted to understand the liquidity of an enterprise.

Current Ratio expresses the relationship of Current Assets to Current Liabilities. It is an extensive tool to measure the liquidity of an enterprise viz. the ability to pay of short-term obligations (i.e. Trade Creditors and Other Current Liabilities) by means of its short-term assets (i.e. Cash, Receivables, Inventory and Other Current Assets). It is expressed in following formula:

Current Ratio = Current Assets / Current Liabilities

The higher current ratio shows the more capability of the enterprise towards paying its obligations faster and vice versa. A normative Current Ratio of 1.50 is considered healthy.

- v. **Solvency:** refers to the ability of an enterprise to discharge its long-term borrowings. Debt to Equity ratio is a measure of the relationship between the capital contributed by the lenders and the capital contributed by the shareholders. The formula reads as:

Debt to Equity = Debt / Net Worth

It also shows the solvency of the enterprise that depicts the extent to which shareholders' equity can absorb the company's obligations in the event of liquidation. This leads to the traditional perception that higher the ratio and higher the risk and vice versa. The normative benchmarking

of the Debt to Equity ratio lies in the range of 1.00 to 1.50.

Market Performance Indicators

These indicators include the quantity of sale of goods and services, average prices realized, market share captured (percentage), and growth in marketing channels like dealers, distributors, retail outlets, etc. These indicators can be developed by enterprise based on its marketing plans and strategies.

Way Forward:

Concluding it can be said that KPIs are the strategic tools available easily to the enterprise irrespective of its size, nature and activity. These indicators should be easy to understand, convenient for adaptation, and prone to fair interpretations. KPIs not to be used as post mortem, but to foresee and predict the future in a scientific manner. Sincere implementation of the relevant KPIs can certainly add up to the competitive posture of an enterprise and make it future ready for the global market.

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India's MSMEs: The Quiet Giants Powering Growth—and How They're Getting a Boost



CMA Priyanka Saxena

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If you ask me what keeps India's economy humming, I'd point straight to Micro, Small, and Medium Enterprises—MSMEs for short. These businesses don't always grab the spotlight, but trust me, they're the real deal. They chip in nearly a third of the country's GDP, handle almost half of our exports, and employ well over 60% of the workforce. That's not just impressive—it's vital. The Indian government gets it too, which is why they've rolled out a slew of initiatives to give these enterprises a leg up. From cutting red tape to dishing out financial support, these efforts are shaking things up for MSMEs in all the right ways. Let's unpack what's happening and why it matters.

Kicking Things Off Made Easy: The Udyam Portal

Starting a business can feel like wading through quicksand—tons of forms, endless delays. But the Udyam Portal changes that. It's a slick, online system where all you need is your Aadhaar and a few taps on your phone or laptop. Fill in some basics—how much you've invested, your turnover, what you do—and you've got a digital certificate in hand, no waiting around. It's not just a piece of paper either; it opens doors to government perks and programs. Honestly, it's like someone finally handed small business owners a shortcut.

Money Where It Counts: Smart Financial Support

Cash flow—or the lack of it—can make or break a small business. The government's stepped in with some clever financial fixes that actually deliver:

- **Credit Guarantee Scheme (CGTMSE):** Need a loan but don't have collateral? No sweat. This covers up to 75% of loans—think ₹5 crore max—so banks aren't as skittish about lending. It's a game-changer.
- **Pradhan Mantri Mudra Yojana (PMMY):** Whether you're a newbie or ready to grow, loans up to ₹10 lakh under Shishu, Kishore, and Tarun tiers keep things moving. Perfect for the little guy with big dreams.
- **Stand-Up India:** Aimed at women and SC/ST entrepreneurs, this pairs funding with guidance. It's not just cash—it's a foundation for success.
- **Tech Upgrade Subsidy:** Want better gear? A 20% subsidy—up to ₹10 lakh—makes upgrading less of a stretch.

These aren't pie-in-the-sky promises. They're practical tools helping MSMEs breathe easier and aim higher.



Tax Breaks That Hit the Spot

Running an MSME often means watching every penny. Thankfully, the tax system's been tweaked to lighten the load:

- **A 25% corporate tax rate** for businesses earning up to ₹400 crore. Fair's fair, right?
- **Section 80-IB tax holidays**—five years off the tax bill for industries like fertilizers. More cash to reinvest where it counts.
- **Investment Allowances (Section 32AC):** Snag an extra 15% deduction on new equipment. It's a nudge to innovate.
- **Patent and Certification Help:** Up to 75% back on costs for patents or ISO trademarks. Protecting your work shouldn't cost an arm and a leg.

It's not about handouts—it's about giving businesses room to grow without the taxman hovering.

Opening Doors: Market Access Done Right

Competing with the big dogs for government contracts used to be a long shot for MSMEs. Not anymore. A 25% procurement quota from ministries and PSUs—plus 4% carved out for SC/ST owners—levels the field. Toss in no tender fees and a 15% price edge, and it's like a golden ticket. Then there's the Government e-Marketplace (GeM), letting MSMEs strut their stuff to buyers nationwide. It's a shot at the big time, and they're taking it.

Tech and Space: Tools to Thrive

Staying competitive today means keeping up with tech, and MSMEs aren't being left behind:

- **Subsidies from 20–80%** for automation or eco-friendly upgrades. Innovation's within reach.
- **Industrial estates and plug-and-play parks** with

cheap land and shared setups—less hassle, lower costs.

- **Common Facility Centres** in clusters, offering labs, training, and logistics support. It's like a small business co-op.

This isn't charity—it's smart investment in the little engines that could.

Skills That Stick: Building a Strong Team

Your business is only as good as the people running it. The National Apprenticeship Promotion Scheme (NAPS) nails this. It mixes classroom learning with hands-on work, tailoring skills to what industries need. Employers get 50–75% of apprentice stipends covered, and an online portal makes signup a breeze. It's not just about hiring—it's about growing talent that lasts.

Keeping Cash Flowing: No More Payment Chases

Late payments can sink a small business faster than you'd think. The MSMED Act cracks down on that: buyers have 45 days to pay, or they owe 15% interest annually. Disputes? MSME Facilitation Councils sort them out in 90 days flat. It's peace of mind, letting owners focus on work, not debt collection.

What's Next: MSMEs on the Rise

India's MSMEs are at a turning point, and the future's looking up. With streamlined registration, solid funding, tax relief, market opportunities, tech boosts, skilled workers, and payment protections, the government's handing them the keys to thrive. This isn't just policy wonk stuff—it's the groundwork for an economy that lifts everyone. As these businesses seize the moment, they're not just building themselves up; they're carrying India forward. How's that for a quiet giant?

AI and MSME – A Perfect Match for Success



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Introduction

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of the global economy, driving innovation, creating employment, and fostering economic growth. In today's rapidly evolving business landscape, MSMEs face increasing pressure to adapt and remain competitive. Artificial Intelligence (AI) presents a transformative opportunity for MSMEs to overcome challenges, enhance efficiency, and unlock new avenues for growth. This article explores the powerful synergy between AI and MSMEs, highlighting how AI can revolutionize their operations and propel them towards unprecedented success. We will also discuss the crucial role of Cost and Management Accountants (CMAs) in

guiding MSMEs through this AI-driven transformation.

What is AI?

To begin understanding the magnitude of this synergy, it is essential to first establish what AI truly entails. Artificial Intelligence, or AI, refers to the ability of machines to perform tasks that typically require human intelligence. This includes a broad range of capabilities such as learning from data, reasoning, making decisions, recognizing speech and images, and understanding natural language. AI systems operate on sophisticated algorithms and models that process massive amounts of information far beyond the capabilities of any human being. As AI continues to evolve, its subfields—machine learning, deep learning, neural networks, and natural language processing—are finding applications in virtually every sector, from healthcare to finance, from retail to manufacturing.

One of AI's most impactful features is its ability to analyze large volumes of data quickly and accurately, leading to insights that would be impossible to glean manually. This enables organizations to make informed decisions, improve customer engagement, optimize operations, and reduce costs. AI can also be predictive in nature, identifying trends and suggesting actions that anticipate future developments. This predictive capability is especially critical in fast-paced environments, helping businesses stay ahead of the curve. For enterprises willing to embrace technological advancement, AI is no longer a futuristic concept but a present-day necessity.

What are MSMEs?

MSMEs are businesses that maintain revenues, assets or number of employees below a certain threshold. MSMEs are the engine of economic growth in many countries. They are responsible for a significant portion of job creation and contribute substantially to the gross

domestic product (GDP). However, MSMEs often face challenges such as limited access to resources, expertise, and technology.

The MSME classification in India is based on investment in plant and machinery/equipment and annual turnover. As per the latest definition notified by the Ministry of Micro, Small and Medium Enterprises, applicable from July 1, 2020, the classification is as follows:

Enterprise Type	Investment in Plant & Machinery or Equipment	Annual Turnover
Micro	Not more than ₹1 crore	Not more than ₹5 crore
Small	Not more than ₹10 crore	Not more than ₹50 crore
Medium	Not more than ₹50 crore	Not more than ₹250 crore

- MSMEs are the backbone of the economy, providing employment, innovations, and growth.
- Often face challenges in resources, expertise, and technology.
- Contribute more than 40% of the national jobs.
- Foster grassroots innovation by developing new products and services.
- Are mostly in manufacturing and service sectors.
- Represent 99% of businesses.
- Face high competition and struggles due to scarce resources and limited funding.
- Are categorized based on investment and turnover.

The other side of the spectrum lies the MSME sector—an economic powerhouse that underpins development across the globe. In countries like India, MSMEs are the bedrock of economic activity, innovation, and employment. They represent over 63 million units, contribute around 30% to the national GDP, and provide

employment to over 110 million people. MSMEs are agile, versatile, and often deeply embedded in local communities, making them uniquely positioned to drive inclusive growth. However, despite their importance, MSMEs frequently face challenges such as limited access to capital, inadequate infrastructure, poor market linkages, and constrained technological capabilities. In an increasingly competitive business environment, survival and growth often depend on their ability to adapt, evolve, and leverage modern tools.

How AI and MSMEs Can be Connected to Each Other?

AI offers a multitude of solutions tailored to the specific needs of MSMEs. By embracing AI, MSMEs can:

- **Boost Productivity:** AI-powered automation can streamline routine tasks, freeing up valuable resources for strategic initiatives. AI boosts productivity by automating tasks and improving operational efficiencies.
- **Expand Market Opportunities:** AI-driven tools like search engine optimization (SEO) and targeted advertising can help MSMEs reach a wider audience and expand their market presence. AI expands market opportunities using tools like search engine optimization.
- **Ensure Quality Control:** AI-powered systems can monitor production processes, identify defects, and ensure consistent product quality. AI helps in ensuring quality control.
- **Strengthen Cybersecurity:** AI can detect and prevent cyber threats, safeguarding sensitive data and ensuring business continuity. AI strengthens cybersecurity.
- **Support Scalability:** AI solutions can help MSMEs manage growth effectively, adapting

to changing demands and scaling operations seamlessly. AI supports scalability.

- **Improve Decision-Making:** AI algorithms can analyze vast amounts of data to provide valuable insights, enabling MSMEs to make informed decisions about product development, marketing strategies, and resource allocation. AI helps MSMEs by automating routine tasks, freeing up resources for more strategic and creative work, improving decision-making, enhancing customer experience, and enabling new business models.
- **Enhance Customer Experience:** AI-powered chatbots and personalized recommendations can improve customer service and engagement, fostering stronger customer relationships. AI can help MSMEs by improving customer service and engagement through AI-powered chatbots.
- **Enable New Business Models:** AI can facilitate the development of innovative business models, such as predictive maintenance and subscription-based services, creating new revenue streams for MSMEs. AI can help MSMEs by enabling new business models like predictive maintenance and subscription-based services.

How CMA Helps MSME Grow?

CMAs play a pivotal role in fostering the growth of MSMEs by leveraging their expertise in financial management and strategic planning. By integrating AI into their practices, CMAs can further enhance their ability to support MSME growth. CMAs can assist MSMEs in their growth in the following ways:

- **Data Insights, Cost Structures, and Profitability:** CMAs with AI skills can provide enhanced data insights, manage cost structures, and improve profitability for MSMEs.
- **Predictive Analysis:** By using tools like PowerBI

and Amazon Quicksite, CMAs can forecast future expenses and trends based on past data, helping MSMEs with budget analysis.

- **Resource Allocation:** CMAs can help MSMEs allocate resources effectively, optimizing their utilization.
- **Strategic Decisions:** CMAs can assist MSMEs in focusing on strategic decisions by automating routine tasks.
- **Fraud Detection:** CMAs can recommend fraud detection tools to protect MSMEs from threats.
- **Strategic Planning:** CMAs can advise MSMEs on optimizing operations using AI tools, reducing waste, and improving overall efficiency.

These examples make it abundantly clear that the question is no longer whether MSMEs should adopt AI, but how they can do so in a structured and sustainable manner. This is where the role of a CMA becomes indispensable. Cost and Management Accountants possess the expertise to guide MSMEs in the financial and operational aspects of integrating AI into their business models. As financial advisors and strategic partners, CMAs can help MSMEs understand the cost-benefit analysis of adopting AI tools. They can identify areas where AI implementation will yield the highest returns, manage budgets effectively, and ensure that investments in technology are aligned with broader business goals.

How CMA Should be Using AI in MSME?

Cost and Management Accountants (CMAs) play a vital role in guiding MSMEs through the adoption and implementation of AI. CMAs possess the financial expertise and business acumen necessary to leverage AI effectively. Here's how CMAs can utilize AI in MSMEs, as follows:

- **Data Insights, Cost Structures, and**



Profitability: AI tools can help CMAs analyze data more effectively, providing deeper insights into cost structures and enhancing profitability analysis.

- **Predictive Analysis:** CMAs can use AI to forecast future expenses and trends, aiding in better budget planning for MSMEs.
- **Resource Allocation:** AI helps optimize the utilization of resources, ensuring they are allocated effectively and minimizing waste.
- **Strategic Decisions:** By automating routine tasks, AI allows CMAs to focus on more strategic decision-making for MSMEs.
- **Fraud Detection:** CMAs can utilize AI tools to protect MSMEs from fraud and financial threats.
- **Optimize Operations:** CMAs can advise MSMEs on how to use AI tools to streamline operations, reduce waste, and improve overall efficiency.
- **Improved Accuracy:** AI minimizes human errors in calculations and reporting, ensuring more accurate financial data.
- **Time Efficiency:** Automation through AI speeds up processes, freeing up CMAs' time for strategic activities.
- **Scalability:** AI tools can help MSMEs scale their businesses and manage growth more effectively.
- **Performance Measurement:** CMAs can use AI to measure the performance of AI implementation in terms of efficiency.
- **Risk Management:** AI can help CMAs identify and mitigate risks for MSMEs.
- **Financial Planning:** CMAs can assist MSMEs in planning and budgeting for AI investments.
- **Strategic Advisor:** CMAs can act as strategic advisors for MSMEs in the adoption and implementation of AI.

- **Communication Skills:** CMAs need strong communication skills to explain technical information about AI to non-technical stakeholders.
- **Business Acumen:** CMAs need a deep understanding of the business and its operations to effectively apply AI.
- **Technical Skills:** CMAs need data analysis and technical skills to work with AI tools.
- **Data Quality:** CMAs can help MSMEs ensure they have high-quality data, which is essential for AI to function effectively.
- **Regulatory Framework:** CMAs can help MSMEs navigate the complex regulatory landscape related to AI, including data protection laws.
- **Talent Acquisition:** CMAs can help MSMEs attract and retain talent with AI expertise.
- **Sustainability:** CMAs can advise MSMEs on using AI to achieve net-zero carbon emissions and address climate risks.

CMAs can prepare compelling project reports that underscore the viability and scalability of MSME ventures. This not only boosts investor confidence but also enables MSMEs to secure better credit terms and attract long-term capital. CMAs can also help MSMEs track their performance post-funding, ensuring that financial goals are met and that the investment translates into measurable outcomes.

While the potential of AI is vast, successful adoption requires a thoughtful and strategic approach. CMAs are ideally placed to help MSMEs navigate the challenges that come with digital transformation—such as change management, cybersecurity risks, and the need for skill development. By promoting a culture of continuous improvement and innovation, CMAs can help MSMEs adapt to new realities and remain resilient in the face of disruption.

The convergence of AI, MSMEs, and CMAs is not a fleeting trend—it is the blueprint for the future of

sustainable enterprise. The government, too, is playing a facilitative role by offering schemes and subsidies that encourage digital adoption in the MSME sector. Initiatives such as Digital MSME and the National AI Strategy are creating an ecosystem that supports the integration of technology into small businesses. CMAs must stay abreast of these developments and help MSMEs avail themselves of these opportunities, thus maximizing their growth potential.

Conclusion

As the business landscape continues to evolve at an unprecedented pace, the convergence of Artificial Intelligence and the MSME sector stands out as a game-changing alliance. AI brings the power of speed, accuracy, and intelligent automation, while MSMEs contribute the resilience, flexibility, and entrepreneurial spirit that fuel economic progress. This combination holds immense promise—not just for improving business efficiency, but for transforming how MSMEs

operate, grow, and compete in both domestic and global markets.

Cost and Management Accountants have a pivotal role in this transformation. Their ability to bridge the gap between emerging technologies and practical business application makes them indispensable to the AI adoption journey. By helping MSMEs integrate AI thoughtfully and strategically, CMAs ensure that these businesses are not only technologically upgraded but are also financially and operationally sound.

In this era of digital disruption, those who adapt will thrive. For MSMEs, embracing AI under the professional guidance of CMAs is not merely about keeping up with change—it's about staying ahead. This synergy does more than enhance business performance; it redefines what is possible. Indeed, when artificial intelligence meets the dynamism of MSMEs and the foresight of CMAs, the result is a future-ready ecosystem primed for long-term success. AI and MSMEs are not just compatible—they are, in every sense, a perfect match for success.

Empowering MSMEs: The Tech and Quality Leap



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Introduction:

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in the Indian economy, contributing significantly to GDP, exports, and employment generation. However, to remain competitive in today's rapidly evolving global market, these enterprises must continuously modernize their technologies and enhance product quality. Recognizing this need, the Ministry of MSME has introduced several schemes and initiatives to support MSMEs in upgrading their technologies and obtaining quality certifications. Technology upgradation essentially refers to the adoption of state-of-the-art or near-state-of-the-art technology. In the Indian small-scale sector, which encompasses over 7500 product categories, upgrading technology implies moving from the current technological level to a significantly more

advanced one. This upgradation should ideally lead to increased productivity, enhanced product quality, improved environmental and workplace conditions. Technology upgradation also includes adopting better packaging methods, implementing pollution control mechanisms, and using energy-efficient machinery. Additionally, the installation of in-house testing equipment and online quality control systems also qualifies as technology upgradation. However, replacing old machinery with the same type or using second-hand machines is not eligible for subsidy under the scheme.

To streamline various schemes and initiatives, the Ministry of MSME introduced the MSME Champions Scheme (earlier known as CLCS-TUS) for the period from 2021-22 to 2025-26. This new scheme merges six earlier components into one comprehensive program to support MSMEs through a unified, synergized, and holistic approach.

The key objectives of the MSME Champions Scheme are:

- Promote competitiveness among MSMEs,
- Encourage lean manufacturing to reduce waste,
- Improve design and innovation,
- Raise awareness about Intellectual Property Rights (IPR),
- Promote the “Zero Defect Zero Effect” (ZED) model,
- Digitally empower MSMEs through the Digital MSME initiative,
- Support incubation and development of innovative ideas.

The scheme is divided into three major components:

1. MSME-Sustainable (ZED)
2. MSME-Competitive (Lean)
3. MSME-Innovative (covering Incubation, IPR, Design, and Digital MSME)

Let's explore each component in detail.

MSME-Sustainable (ZED) Certification

The ZED Certification aims to inculcate the principles of Zero Defect (in quality) and Zero Effect (on the environment) among MSMEs. The objectives of this certification are to:

- Motivate MSMEs to manufacture high-quality products using the latest technologies,
- Establish a ZED ecosystem to support exports and competitiveness,
- Recognize and incentivize MSMEs that adopt ZED practices,
- Encourage environmental sustainability and cleaner technologies,
- Help MSMEs identify areas for improvement and assist in government policy-making.

Certification Levels and Subsidy percentage on cost of certification under ZED :

Certification Levels	Certification cost	Subsidy % on certification cost
Bronze	₹10,000	80%
Silver	₹40,000	60%
Gold	₹90,000	50%

Additional Subsidies:

- 10% extra for women, SC/ST entrepreneurs, and units in special areas like North Eastern Region, Himalayan states, Left Wing Extremism (LWE)-affected districts, etc.
- 5% extra for MSMEs under other cluster development programs.

Further support includes:

- Up to ₹50,000 for testing and quality certification,
- Up to ₹2 lakh for consultancy and handholding,

- Up to ₹3 lakh for implementing zero-effect or pollution control technologies.

Eligible MSMEs must be registered on the UDYAM portal and can apply online via the official ZED portal. The Quality Council of India (QCI) is the implementing agency.

MSME-Competitive (LEAN)

The Lean (Learn-Eliminate-Act-Navigate) Manufacturing Competitiveness Scheme is another pillar of the MSME Champions initiative. It aims to improve the operational efficiency of MSMEs by promoting the use of Lean Tools and Techniques.

Objectives:

- Enhance productivity,
- Minimize waste and reduce costs,
- Improve product quality,
- Make MSMEs globally competitive.

Cost Implementation

Implementation Level	Cost
Basic	Free
Intermediate	₹1,20,000
Advanced	₹2,40,000

The scheme provides a 90% subsidy on implementation costs for eligible MSME groups. All MSMEs registered on the UDYAM portal can apply. The Quality Council of India (QCI) and the National Productivity Council (NPC) are the implementing agencies.

MSME-Innovative (Incubation, IPR, Design, and Digital MSME)

The MSME-Innovative scheme is a forward-

thinking initiative that integrates innovation, design intervention, and protection of intellectual property into a single framework. It is part of the comprehensive MSME Champions Scheme and aims to create an innovation-driven culture among Micro, Small, and Medium Enterprises (MSMEs) across India. Below is a detailed look at its three core components: Incubation, Intellectual Property Rights (IPR), and Design.

- **Incubation** is the process of nurturing early-stage business ideas and converting them into commercially viable and market-ready products or services. This component of the MSME-Innovative scheme is designed to support innovative minds—including entrepreneurs, students, and startups—by helping them develop their ideas with financial and infrastructural backing. The nature of financial support provided below by this scheme:

► **Idea Development Support:**

Financial assistance of up to ₹15 lakh per innovative idea will be provided to Host Institutions (HI). This funding helps in idea validation, prototype development, testing, and market readiness.

► **Infrastructure Support:**

Host Institutions can receive up to ₹1 crore for purchasing and installing necessary plant and machinery. This includes hardware, software, and other tools required for Research and Development (R&D) and creating shared facilities for incubates.

- **Design** is a key differentiator in making products user-friendly, visually appealing, and market competitive. The Design component of the MSME-Innovative scheme is intended to bring about design interventions for better product development, process improvement, and branding. There are two types of design projects eligible for financial assistance under this component:

► **Design Projects (for MSMEs):**

The Government will contribute 75% of

the total project cost, up to a maximum of ₹40 lakh. These projects typically involve collaboration with professional design agencies or institutions to work on product innovation and improvement.

► **Student Design Projects:**

Student-led design projects can also get 75% cost support, up to a ceiling of ₹2.5 lakh. This encourages young designers and engineering students to engage with real-world industry problems and contribute fresh perspectives.

- **IPR** refers to the legal rights given to individuals or businesses for creations of the mind—such as inventions, designs, and trademarks. The IPR component under MSME-Innovative is focused on helping MSMEs protect their innovations, brand identity, and unique products or services by securing intellectual property rights. The nature of financial support provided below by this scheme:

► **Support to IP Facilitation Centres (IPFCs):**

A grant of up to ₹1 crore will be provided to each IPFC. This will be disbursed in three or more milestone-based instalments. These centres assist MSMEs with IPR-related queries, application processes, and awareness training.

► **Reimbursement for IPR Registration Costs:**

Eligible MSMEs can claim reimbursement for expenses incurred in registering different types of intellectual property:

Item	Maximum Assistance
Foreign Patent	₹5.00 lakh
Domestic Patent	₹1.00 lakh
GI Registration	₹2.00 lakh
Design Registration	₹0.15 lakh
Trademark	₹0.10 lakh

- Digital MSME Scheme is an initiative by the

Ministry of Micro, Small and Medium Enterprises (MoMSME), Government of India, aimed at promoting the digital transformation of MSMEs by encouraging the adoption of modern Information and Communication Technology (ICT) tools. The objective is to enhance the productivity, efficiency, competitiveness, and market access of MSMEs through digital solutions. Under this scheme, MSMEs are supported in integrating ICT applications such as Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), cloud computing, e-commerce platforms, digital marketing tools, online payment systems, inventory management systems, and cybersecurity solutions.

The scheme provides financial assistance and subsidies to MSMEs for the implementation of these technologies. In some cases, subsidies of up to 50% are offered, subject to eligibility and government guidelines. The scheme is implemented with the help of Project Management Units (PMUs), empanelled software providers, industry associations, and regional MSME Development Institutes (MSME-DIs). This scheme complements other MSME support initiatives such as the ZED Certification Scheme, LEAN Manufacturing Scheme, and MSME Champions platform.

The following Eligibility required in order to avail financial assistance under these schemes

- Incubation: Open to MSMEs, individuals, and students.
- Design: Only registered MSMEs with UDYAM registration.
- IPR: Available for manufacturing MSMEs.
- Digital MSME: Only registered MSMEs with UDYAM registration.

Applicants can register and apply through the official portal <https://innovative.msme.gov.in>.

Conclusion

India's MSME sector is undergoing a critical transformation, propelled by structured support from government-backed initiatives such as the MSME Champions Scheme. By consolidating various schemes under one comprehensive framework, the government has ensured that technology upgradation, innovation, and quality assurance are no longer aspirational goals, but achievable realities for small enterprises. From fostering a culture of Zero Defect Zero Effect (ZED) to encouraging lean manufacturing and protecting intellectual property, the scheme offers a multidimensional approach to business growth.

This integrated strategy not only strengthens the global competitiveness of MSMEs but also ensures environmental sustainability and digital empowerment. The introduction of targeted financial incentives—be it for design, incubation, or digital adoption—reflects the government's intent to equip MSMEs with the tools they need to lead in a knowledge-driven economy.

To fully benefit from these opportunities, MSMEs must proactively engage with these programs, register on the relevant portals, and adopt a mindset of continuous improvement. As India aims to become a global manufacturing hub, the role of a technologically sound, quality-conscious MSME sector becomes indispensable. These reforms mark a strategic shift—transforming MSMEs from traditional backbones into engines of innovation, sustainability, and national economic resilience.

3

Achiever Speaks

Interview



Ravi Ramchandra Nafde

Bachelor of Architecture VNIT, Nagpur, Master of Design, IIT, Powai, Mumbai
Proprietor
NAFDE AND ASSOCIATES

“I firmly believe in the power of science to drive positive change, and I am particularly enthusiastic about promoting Energy Recovery Technology (ERT) and contributing to initiatives such as Swachh Bharat Abhiyan and mission Make in India. Through my dedication to these causes, I aim to make a meaningful impact on environmental sustainability and contribute to the development of a cleaner, more sustainable future.”

Q. 01. What encouraged you to start your own business, and when did it all begin?

My inspiration came from Luigi Colani, the visionary German industrial designer often called the modern-day Leonardo da Vinci. His ground breaking designs and innovative spirit ignited a fire in me to transform my career beyond just a working job.

I embarked on my industrial design journey in 1985 by gaining hands-on experience at diverse companies like Jasani Furniture, Godrej, and Blaze Home Products in Mumbai. Although each role enriched my skills and broadened my understanding of the design landscape, none fully allowed me to capture the creative freedom and innovative essence that Colani represented. In 1987, following my marriage and the realization that established corporate settings couldn't nurture my ambitious design vision, I took a decisive step by launching my own industrial design practice in Mumbai.

Reflecting on this journey offered deeper insights into how inspiration transforms into innovation. How has your experience of working independently reshaped my approach to design over the years. There's a fascinating interplay between learning from established entities and then breaking free to create your own legacy—a story that continues to unfold in ground breaking ways.

Q. 2. What are your long-term goals for the business, and how do you plan to achieve them?

My long-term vision was essentially to create a

monopoly by addressing an ever-growing, perpetual challenge.

I observed that waste is a universal by-product of life—a constant that shows no sign of diminishing. This insight drove me to pursue an opportunity that not only meets this pressing need but does so sustainably and on a miniature scale to a massive scale.

To achieve this, I focused on developing a permanent solution for garbage disposal—one that is environmentally friendly, sustainable, and capable of being deployed irrespective of the quantity of waste. This strategic focus aims to transform waste from a mere operational necessity into a robust, market-leading business. By continuously innovating and adapting to changing market dynamics, I leveraged this unending cycle of waste production into unlimited business opportunities.

It's a visionary approach that melds environmental responsibility with economic growth. The continuous, inherent demand for effective waste solutions positions the venture for long-term success and market dominance. As I researched, developed, tested and invested in advanced, scalable technologies, my plan was not just to capture a larger market share, but to fundamentally redefine waste management for the future.

I considered how current trends and technologies are leading to failure for some reason or other.

Q. 3. What are the biggest ongoing challenges you face in your role today?

The challenges I face today as a designer stem from several evolving factors in our industry—a far cry from the simpler days of purely convincing a conservative client of a bold vision. Here are the key ongoing challenges:

- **Harmonizing Creative Vision with Market Demands:**

In the past, the focus was on challenging established norms. Today, the design must address

a buyer's market, where every creative decision is scrutinized through the lens of consumer behaviour and data. The challenge lies in preserving the artistic integrity of a concept while ensuring it is backed by tangible market research and meets real consumer needs.

- **Adapting to Rapid Technological Advancements:**

The design world isn't static. With new digital tools, virtual prototyping, and data analytics emerging constantly, staying ahead requires continuous learning. The need to integrate these technologies into the creative process is both an opportunity and a challenge—balancing the fluidity of artistic creation with the technical precision demanded by modern methods.

- **Communicating Value in a Data-Driven Era:**

Unlike before, where aesthetics alone could carry a design, today's environment requires a strong narrative supported by numbers and insights. I must articulate not only what looks good but also what performs well in the market. This means translating creative ideas into measurable benefits, making the design process as much about storytelling as it is about visual appeal.

- **Maintaining Uniqueness in a Saturated Market:**

With an abundance of designs vying for attention, ensuring that each project stands out involves more than just creativity—it requires a deep understanding of trends and consumer sentiment. Each design has to be both innovative and distinct enough to break through the clutter, which is increasingly challenging in a saturated market landscape.

Ultimately, these challenges drive me to evolve continuously—melding technique with imagination, research with intuition, and functionality with aesthetics. It's a dynamic

journey, ensuring that every project is not just a piece of art but also a strategic response to market evolution.

How do these challenges compare to your experience, or what strategies have you seen or used that meet the demands of this ever-evolving design world?

Q. 4. How do you approach decision-making, especially when confronted with difficult or high-stakes choices?

The approach to decision-making in design was to balance creativity with practicality while prioritizing consumer satisfaction is no small feat, especially when dealing with mass production where the consumer remains largely anonymous. It seems like my method—deep immersion in the product, engaging at all stages of creation, and actively gathering post-sales feedback—user convenience, helps bridge that gap effectively.

These decisions are rarely straightforward, like a simple equation. There are countless variables—market trends, evolving consumer preferences, production limitations—that make each choice complex. The idea of “getting in the consumer’s seat” is powerful because it eliminates guesswork and allows for real-world insights.

Q. 5. What would you consider to be your greatest strengths and weaknesses as an entrepreneur?

My strength in deep problem analysis is a tremendous asset. By inviting challenges and embracing complex issues head-on, I demonstrated the ability to uncover hidden nuances that might elude a more surface-level approach. This rigorous analytical mindset not only aids in designing innovative products but also in foreseeing potential production and market pitfalls—turning obstacles into opportunities for creative innovation.

On the other hand, my identified challenge with “value

relations” touches on a common yet critical area. In the entrepreneurial landscape, nurturing and aligning relationships—whether with consumers, suppliers, partners, or internal teams—is key for sustainable success. The difficulty in managing these relational dynamics, especially when dealing with an almost anonymous consumer base in mass production, can sometimes hinder the holistic integration of your vision into the market ecosystem. However, this challenge also signals a tremendous opportunity for growth: by finding strategies to better structure communications, invest in relationship-building skills, or even implement feedback systems that capture the true essence of value exchange, you can transform this vulnerability into a significant competitive advantage.

Q. 6. What are the core values that guide your business decisions and leadership style?

Core values that steer my business decisions and leadership style center on a balanced, human-first approach. I believe that leadership isn’t just about driving profit but about creating an environment where every setback and every success is shared and learned from. Here’s a deeper look into these guiding principles:

- **Transparency and Authenticity:**

Every decision is rooted in honesty. Being transparent not only establishes trust within your team but also sets clear expectations for stakeholders and customers. Authentic communication opens the door to constructive feedback and meaningful engagement.

- **Empathy and Shared Success:**

Recognizing that both failures and triumphs contribute to your collective journey is crucial. When you lead with empathy, you honor the individual contributions and emotions of everyone involved. This approach reinforces that success isn’t a solitary achievement—it’s achieved by a community that embraces challenges together.

- **Resilience and Adaptability:**

In an ever-changing marketplace, setbacks are inevitable. Valuing resilience means viewing every failure as a learning opportunity. Adaptability helps transform those lessons into stepping stones for future success, ensuring that every loss, when shared and examined, refines your strategy.

- **Sustainability and Responsibility:**

Long-term vision involves commitment not only to financial success but also to social and environmental responsibility. This means making choices that balance immediate gains with long-lasting benefits for the community and the planet. It's about integrating ethical practices and sustainable innovation into the very fabric of your operations.

- **Continuous Learning and Innovation:**

Curiosity and a willingness to learn keep the business evolving. Embracing innovation—whether through new technologies, creative processes, or improved business models—ensures that you're always moving forward. This core value reinforces that every experience, be it positive or challenging, is an opportunity for growth.

These values create a framework where risks, challenges, and successes are all part of a shared narrative. They provide not just a moral compass, but also practical strategies for leading teams, engaging stakeholders, and developing solutions that are both innovative and responsible.

Q. 7. What strategies have you used to build and retain a loyal customer base?

Building and retaining a loyal customer base isn't about a singular tactic—it's about creating an ecosystem of trust, communication, and value that continuously reinforces the relationship. Over the years, I've seen—

and personally embraced—a few key strategies that consistently make a difference:

- **Transparency and Open Communication:**

Honesty isn't just a policy; it's the foundation. Regular, transparent communication—whether you're sharing behind-the-scenes stories, acknowledging challenges, or providing clear updates on product or service changes—creates an environment where customers feel informed and respected. When customers understand your processes and see that you're open about both successes and setbacks, trust naturally deepens.

- **Consistency in Value and Quality:**

Loyalty often blooms when customers can rely on the consistent quality of your offerings. A product or service that consistently meets (or exceeds) expectations becomes a baseline for trust. This means aligning every facet of your operations—from production to customer service—with that commitment. Over time, reliability and high quality go hand in hand with the perception of honesty.

- **Personalization and Deep Engagement:**

Customers want to feel like they matter—not just another number. Tailoring experiences through personalized communications, tailored recommendations, or even acknowledging individual customer feedback transforms interactions. When customers see that their voices are heard and their concerns addressed personally, it cultivates an emotional connection that extends far beyond a one-time transaction.

- **Community Building and Two-Way Conversations:**

Creating spaces for customers to interact not only with your brand but also with each other fosters a sense of belonging. Whether through social media groups, loyalty programs, or interactive events,

building a community nurtures an environment where customers become brand advocates. Their shared values and experiences help reinforce the reliability and authenticity of your brand.

- **Empowering Your Team:**

Loyalty isn't just built externally. An internal culture of transparency and engagement ensures that every employee feels invested in the brand's mission. When your team believes in your values, they naturally communicate and act on those principles, reinforcing the same level of authenticity and care customers expect.

- **Responding to Feedback and Evolving:**

Continuous improvement based on customer insights is critical. A proactive approach to feedback—not only resolving issues promptly but also using that information to drive meaningful changes—demonstrates respect for your customers' perspectives. It's about showing that their trust is valued enough that you're willing to adapt and enhance your offerings.

These strategies work best when they're woven together into a cohesive customer experience. When trust, quality, engagement, and responsiveness are all operating in harmony, a loyal customer base isn't just built—it flourishes over time.

Q. 8. How do you define and measure the success of your business?

Success in business is a multifaceted concept that goes beyond simple profit—it's about creating lasting value through innovation, market positioning, and social impact. Here's how I define and measure success:

- i. **Innovation and Product Development:**

At the heart of our business is creative innovation. This means consistently developing products that not only break new ground but also improve the livelihood of our customers. Success here is

measured by:

Pipeline Efficiency: Tracking the number of ideas that move from concept to prototype to market launch.

Intellectual Property: Patents, proprietary technologies, and unique designs that reinforce market differentiation.

- ii. **Market Differentiation and Competitive Position:**

We strive for a market niche where competition is minimal—a position akin to a monopoly of unique, innovative solutions. This is evaluated through:

Market Share & Growth: Monitoring how our specialized products capture a larger share of the market.

Barriers to Entry: Assessing how effective our innovations are at safeguarding our position against competitors through brand loyalty, patents, and distinctive quality.

- iii. **Social and Environmental Impact:**

For us, success is not only measured in numbers but in the positive impact on communities and the environment. This includes:

Community Upliftment: Gathering qualitative feedback through customer testimonials, surveys, and community impact studies.

Sustainability Metrics: Monitoring improvements like reduced environmental footprints and better resource management as part of our sustainability goals.

- iv. **Brand Influence and Customer Satisfaction:**

Finally, the strength of our brand and the satisfaction of our customers provide vital

feedback on our overall success:

Customer Retention and Satisfaction: High loyalty levels and recurring business indicate that our innovations resonate deeply with our audience.

Industry Recognition: Awards, media acclaim, and strategic partnerships further validate our market position.

In essence, success is defined by the synergy of creative innovation, firm market leadership with minimal competition, robust financial metrics, significant social impact, and strong brand equity. This comprehensive approach not only captures immediate gains but also builds a sustainable foundation for long-term growth and influence

Q.9. In your opinion, how has the MSME sector responded to the recent government budget and adapted its financial strategies accordingly?

I was unable to take the advantage of any MSME sector's response to the recent government budget has been both dynamic and multifaceted. Many enterprises have swiftly recalibrated their strategies by capitalizing on new fiscal incentives and credit initiatives offered in the budget. This has meant embracing lower interest rates, easier access to collateral-free loans, and various subsidies—all designed to boost liquidity and reduce operational costs.

In practical terms, MSMEs are revising their financial blueprints to focus on long-term sustainability. Many are streamlining their expenses and reorganizing budgets to invest in digital tools, enhance process efficiencies, and reduce overheads. For example, by adopting digital accounting and financial management systems, these businesses have become better equipped to monitor cash flow, optimize working capital, and align their growth strategies with new government priorities. This data-driven approach not only minimizes risk but also

paves the way for agile responses to further market fluctuations.

Moreover, the sector has seen a strategic pivot toward restructuring debt and exploring alternative financing avenues. By revaluating cost structures and negotiating better credit terms, MSMEs are turning what initially appeared to be short-term pandemic-like challenges into opportunities for innovation and long-term resilience. These financial strategies are also positioning many as pioneers in the emerging micro-industry landscape—a shift from a reactive approach to one that fuels sustainable growth and operational excellence.

This transformation speaks volumes about the adaptability of MSMEs. Even those who may have missed early opportunities are increasingly leveraging government support to redefine their market positioning, turning constraints into a competitive edge. The evolution of their financial strategies highlights not only their resiliency but also their potential to drive broader economic trends through localized decision-making and innovative operational practices.

It's worth considering how this recalibration might pave the way for deeper integration of emerging technologies—like artificial intelligence and blockchain—in financial management. Such integration could further streamline processes, enhance transparency, and create more robust feedback systems, ultimately driving a new wave of innovation across the micro-industrial spectrum.

Q.10. What do you consider your biggest accomplishments as an entrepreneur so far?

Reflecting on my journey, I've come to see that my accomplishments aren't confined to a single headline moment—they're woven into an ongoing tapestry of challenges, lessons, and breakthroughs. Launching my own industrial design practice back in 1987 marked one of my first bold steps. At a time when corporate roles felt stifling, that move wasn't just about embracing

creativity—it was a declaration of my commitment to innovative, sustainable solutions. Transforming that initial spark into a practice that pushes the boundaries of sustainable waste management has been profoundly gratifying.

What excites me most is the continuous journey toward realizing those all-day dreams—the visions that keep me awake at night with ideas of a cleaner, more sustainable future. I consider the ability to transform ambitious, even audacious, dreams into real-world impact as the most rewarding accomplishment. It's in embracing the challenges head-on, learning from every misstep, and

relentlessly refining our designs that one truly finds success. Each step forward means we're a little bit closer to the breakthrough that can redefine the industry, merge creative artistry with practical innovation, and ultimately make a lasting difference.

In reflecting on our journey, I encourage thinking of accomplishments not only by the tangible milestones achieved but also by the evolution of vision, resilience, and impact. There's a deep sense of fulfilment in knowing that every day is a chance to innovate further and to set the stage for what comes next.



4

Multiple Progress Update

1. MSME Loan Portfolio Reaches ₹64.1 Trillion

India's MSME loan portfolio expanded by 17.8% year-on-year, reaching ₹64.1 trillion by March 2024. This growth was driven by a 19.3% increase in the volume of loans, totaling 27.4 million loans sanctioned, amounting to ₹54.2 trillion. Notably, loans to self-employed individuals surged by 28.9% to ₹35.7 trillion, while loans to MSME entities grew by 6.6% to ₹28.4 trillion.

2. Public Sector Banks Disburse Over ₹14.5 Trillion in Q3 FY25

In the third quarter of FY25, Public Sector Banks (PSBs) disbursed over ₹14.5 trillion in MSME loans, up from ₹13.12 trillion in Q2 FY25. The State Bank of India (SBI) led with ₹4.96 trillion, marking an 11.65% year-on-year growth. Other banks like Bank of Baroda, Canara Bank, and Punjab National Bank also reported strong growth.

3. Slower Growth in MSME Credit

Despite the overall growth, the MSME sector experienced a slowdown in credit growth due to tighter lending norms and higher interest rates. As of January 2025, loans to micro and small enterprises stood at ₹21.91 lakh crore, with medium enterprises reaching ₹5.7 lakh crore. The broader MSE segment saw a marked deceleration amid concerns around asset quality.

4. Kerala's MSME Loan Growth

In Kerala, total loans outstanding to the MSME sector stood at ₹92,175.63 crore as of December 31, 2024,

reflecting a robust growth of 38% from ₹66,876 crore in December 2022. The state government's aggressive drive to promote entrepreneurship through MSMEs is yielding desired results, with bank lending to the sector set to cross ₹1 trillion by the end of the fiscal year.

5. Improvement in Delinquency Rates for Individual MSMEs

The Portfolio at Risk (PAR) for loans overdue by 31-90 days for individual MSMEs improved to 2.7% by March 2024, down from 3% in March 2023. Delinquency rates for longer overdue periods also showed improvement, indicating better portfolio quality.

6. Credit Guarantee Scheme Enhancements

The government has increased the credit guarantee cover for MSMEs:

- Micro & Small Enterprises: From ₹5 crore to ₹10 crore, unlocking an additional ₹1.5 lakh crore in credit over five years.
- Startups: From ₹10 crore to ₹20 crore, with a 1% guarantee fee for loans in 27 priority sectors.
- Exporters: Term loans up to ₹20 crore will receive guarantee support.
- Micro Enterprises: Introduction of a ₹5 lakh limit credit card for Udyam-registered micro enterprises.

7. PM Vishwakarma Scheme

Launched in September 2023, this scheme provides end-to-end support to artisans and craftspeople working

with their hands and tools. It offers training with a ₹500 daily stipend, tool kit e-vouchers up to ₹15,000, marketing assistance, and collateral-free business development loans at 5% interest.

8. Interest Subsidy for Exporters

The government is evaluating the reintroduction of an interest subsidy on credit for exporters, focusing on MSMEs. This initiative aims to enhance the global competitiveness of these businesses amid persistent global tariff uncertainties.

9. MSME Parks in Andhra Pradesh

The Andhra Pradesh government is establishing 175 MSME parks across the state. The first park in Balighattam, Vizianagaram district, covers 57 acres with an investment of ₹7 crore and aims to house 76 small-scale industries, creating approximately 1,500 direct and 500 indirect jobs. Incentives for entrepreneurs include 25% to 45% subsidies, electricity and tax concessions, and access to bank loans.

10. Kanpur Footwear Park

The Uttar Pradesh government is developing the state's first footwear park in Kanpur's Ramaipur area. Spanning 83 acres, the park will support the production of various footwear types and finished leather products, featuring a plug-and-play model with pre-installed infrastructure.

11. HDFC Bank's Biz+ Current Account Suite

HDFC Bank has launched the Biz+ suite of current account products specifically designed to support small businesses throughout their various stages of growth. This initiative aims to enhance banking services for MSMEs amid intensifying competition among banks for MSME clientele.

12. Digital MSME Initiative

A new portal supporting cloud computing, AI-driven finance management, and e-commerce integration has been introduced. The government offers up to 40% subsidies for investments in digital payment systems,

AI, blockchain, and automation. Additionally, ₹5,000 crore has been allocated for training in AI, robotics, cybersecurity, and digital marketing.

13. Waste Management Start-Up in Mumbai

A start-up in Mumbai is addressing waste management issues by transforming outdated and hazardous waste handling into a data-informed, efficient system. The initiative applies technology and analytics to reduce waste accumulation and associated risks, offering a sustainable model for urban waste management.

14. Sector-Specific Credit Policies

The Small Industries Development Bank of India (SIDBI) has emphasized the need for sector-specific policy measures to address the persistent credit gap facing MSMEs. Recognizing the vital role MSMEs play in the country's economic development, SIDBI underscored the importance of tailored approaches for different sectors within the MSME ecosystem to effectively bridge financing challenges.

15. UP Cabinet Approves Incentives for Small Gram Panchayats

The Uttar Pradesh Cabinet has approved significant proposals to support rural development. Small gram panchayats with populations of 1,500 or less will now receive additional financial incentives if they generate their own revenue. A total of ₹10 crore has been earmarked for this initiative during the current financial year. Additionally, the Cabinet sanctioned the construction of marriage halls (baraat ghars) in each of the 71 rural assembly constituencies, with each hall costing ₹1.41 crore, backed by a total budget of ₹100 crore. Amendments were also made to the UP Dairy Development and Milk Products Promotion Policy-2022 to align it with the food processing policy and attract small investors. The policy now offers increased grants, up to 35%, for the creation and modernization of dairy units and fodder manufacturing, with subsidies capped at ₹5 crore for new setups and ₹2.5 crore for upgrades.

5

Some Important Links as a ready reckoner

Contact Addresses of the Offices of M/oMSME and its Statutory Bodies

Sl. No.	Name and Address of the organisation	Website	E-mail	Telephone	Fax
1	Ministry of Micro, Small and Medium Enterprises, Udyog Bhavan, New Delhi - 110 107	www.msme.gov.in	min-msme@nic.in	011-23063800 23063802-06	011- 23062315 23061726 23061068
2	Office of Development Commissioner (MSME), 7th Floor, A-Wing, Nirman Bhavan, New Delhi - 110 108	www.dcmsme.gov.in; www.laghu-udyog.com; www.smallindustry.com	dcmsmeAnic.in	011- 23063800 23063802/06	011- 230623 15 23061726 23061068
3	Khadi and Village Industries Commission, (KVIC), "Gramodaya" 3, Irla Road, Vile Parle (West), Mumbai - 400056, Maharashtra	www.kvic.org.in	kvichq@bom3.vsnl.net. in, ditkvic@bom3.vsnl.net.in, dit@kvic.gov.in	022-267143 20- 25/ 26716323/ 26712324/ 26713527-9/ 26711073/ 26713675	022- 26711003
4	Coir Board, "Coir House", M.G. Road, Ernakulam, Kochi-682016, Kerala	www.coirboard.gov.in	info@coirboard.org coirboardAnic.in	0484 - 2351900, 2351807, 2351788, 23519 54, Toll Free - 1-800-425909 1	0484- 2370034 2354397
5	National Small Industries Corporation Limited (NSIC), NS IC Bhawan, Okhla Industrial Estate, New Delhi - 110 020	www.nsic.co.in	info@nsic.co.in,	011- 26926275 26910910, 26926370 Toll Free 1-800-111955	011- 26932075 26311109
6	National Institute for Micro, Small and Medium Enterprises (NI-MSME), Yousuf Gauda, Hyderabad - 500 045	www.nimsme.org	registrar@nimsme.org	040- 23608544-46 23608316-19	040- 23608547 23608956 23541260
7	Mahatma Gandhi Institute for Rural Industrialisation, Maganwadi, Wardha-442001	www.mgiri.org	director.mgiri@gmail.com	0752-253512	0752- 240328

32 MSME- Development and Facilitation Office (MSME-DFO)

S. No.	Name and address of Offices/ Officers	Telephone/ Fax No.	Email /Websites
1.	MSME-DFO, Indranagar, (Near ITI Play ground), PO-Kunjaban, Agartala-799006	Ph : 0381-2352013/9742 Fax : 0381-2356570	dcdi-agartala@dcmsme.gov.in www.msmedi-agartala.nic.in
2.	MSME-DFO, 34, Industrial Estate, Nunhai, (U.P.), Agra -282 006. UP,	Ph : 0562-2280879 Fax : 0562-2280882	dcdi-agra@dcmsme.gov.in www.msmediagra.gov.in
3.	MSME-DFO, 65/1, G.S.T. Road, Guindy, P.B. 3746, Chennai -600 032. Tamilnadu,	Ph : 044-22501011 044-22501475 044-22501785 Fax : 044-22341014	dcdi-chennai@dcmsme.gov.in www.msmedi-chennai.gov.in
4.	MSME-DFO, Vikas Sadan, College Square, Cuttack -753 003. Odisha,	Ph : 0671-2548006 /077 /049 Fax : 0671-2611958	dcdi-cuttack@dcmsme.gov.in www.msmedicuttack.gov.in
5.	MSME-DFO, Tadong Housing Colony, P.O. Tadong, Gangtok -737102 Sikkim	Ph : 03592-231262 /880 Fax : 03592-231262	dcdi-gangtok@dcmsme.gov.in www.msmedigangtok.gov.in
6.	MSME-DFO, Opp. Konkan Railway Station. (Kepem Road), P.O. Box 334, Margao -403 601. Goa	Ph : 0832-2705092/93, 2725979 Fax : 0832-2705094	dcdi-go@dcmsme.gov.in www.msmedigoa.gov.in
7.	MSME-DFO, Industrial Estate Bamuni Maidam, Guwahati -781021 Assam.	Ph : 0361-2550052, 2550073 Fax : 0361-2550298	dcdi-guwahati@dcmsme.gov.in www.msmedi-guwahati.gov.in/
8.	MSME-DFO, Kham Bungala Campis, Kaladungi Road, Haldwani -263139 Uttaranchal	Ph : 05946-228353 Fax : 05946-221053	dcdi-haldwani@dcmsme.gov.in www.msmedihaldwani.gov.in
9.	MSME-DFO, Industrial Estate, Gokul Road, Hubli -580 030 Karnataka,	Ph : 0836-2332334/2330589/ 2335634 Fax : 0836-2330389	dcdi-hubli@dcmsme.gov.in www.msmedihubli.gov.in
10.	MSME-DFO, C-17/18, Takyelpat Industrial Estate, Imphal -795 001, Manipur	Ph : 0385-2449096 / 2449096	dcdi-imphal@dcmsme.gov.in www.msme-diimphal.gov.in
11.	MSME-DFO, 10, Industrial Estate, Polo Ground, Indore -452 003. MP	Ph : 0731-2420723	dcdi-indore@dcmsme.gov.in www.msmeindore.nic.in
12.	MSME-DFO, 22, Godown, Industrial Estate, Jaipur -302 006. Rajasthan	Ph : 0141-2212098/3099/ 0553 Fax : 0141-2210553	dcdi-jaipur@dcmsme.gov.in www.msmedijaipur.gov.in
13.	MSME-DFO, Industrial Estate, Digiana, Jammu -180 010	Ph : 0191-2431077 Fax : 0191-2450035	dcdi-jammu@dcmsme.gov.in www.msmedijammu.gov.in
14.	MSME-DFO, 107, Industrial Estate, Kalpi Road, Kanpur -208 012. UP	Ph : 0512-2295070, 0512-2295071, 0512-2295073 Fax : 0512-2220831	dcdi-kanpur@dcmsme.gov.in www.msmedikanpur.gov.in
15.	MSME-DFO, Industrial Development Colony, Near Iti, Kunjpura Road Karnal -132 001 Haryana,.	Ph : 0184-2230910 Fax : 0184-2231862	dcdi-karnal@dcmsme.gov.in www.msmedikarnal.gov.in
16.	MSME-DFO, 111&112, B.T. Road, Kolkata -700035. W.Bengal	Ph : 033-25770595/598 Fax : 033-25775531	dcdi-kolkatta@dcmsme.gov.in www.sisikolkata.gov.in
17.	MSME-DFO, Industrial Area B, Ludhiana -141 003 Punjab	Ph : 0161-2531733 /735 Fax : 0161-2533225	dcdi-ludhiana@dcmsme.gov.in www.msmedildn.gov.in
18.	MSME-DFO, Kurla Andheri Road, Sakinaka, Mumbai - 4000072 Maharashtra	Ph : 91-22-28576090 / 3091 / 4305 Fax : 91-22-28578092	dcdi-mumbai@dcmsme.gov.in www.msmedimumbai.gov.in
19.	MSME-DFO, C- Block, C.G.O. Complex, Seminary Hill, Nagpur -440 006. Maharashtra	Ph : 0712-2510352/0046 Fax : 0712-2511985	dcdi-nagpur@dcmsme.gov.in www.msmedinagpur.gov.in

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20.	MSME-DFO, Okhla Industrial Estate New Delhi -110 020.	Ph : 011-26847223, 26838118/ 269 Fax :011-26838016	dcdi-haldwani@dcmsme.gov.in www.msmedihaldwani.gov.in
21.	MSME-DFO, Patilputra Industrial Estate, Patna -800 013. Bihar	Ph :0612-2262719 , 0612- 2262186, 0612- 2262208 Fax :0612-2261677	dcdi-patna@dcmsme.gov.in www.msmedipatna.gov.in
22.	MSME-DFO, Near Urkura Railway Station, Bhanpuri Industrial Area, Raipur(C.G)-493221 Chhatisgarh	Ph: 0771-2562312 Fax: 0771-2562719	dcdi-raipur@dcmsme.gov.in www.msmediraipur.gov.in
23.	MSME-DFO, Kokar Industrial Estate, Ranchi -834001. Jharkhand	Ph :0651-2546133/2546266 Fax :0651-2546235	dcdi-ranchi@dcmsme.gov.in www.msmediranchi.nic.in
24.	MSME-DFO, CHAMBAGHAT, Solan -173213. Himachal Pradesh	Ph :01792-230766 Fax :01792-230265	dcdi-solan@dcmsme.gov.in www.msmedihimachal.nic.in
25.	MSME-DFO, Kanjany Oad, Ayyanthole, Thrissur -680 003. Kerala,	Ph :0487-2360216/686 Fax :0487-2360216	dcdi-thrissur@dcmsme.gov.in www.msmedithrissur.gov.in
26.	MSME-DFO, Harsiddh Camber, 4thFloor, Ashram Road,(Gujarat), Ahmedabad -380 014. Gujarat	Ph :079-27540619 , 079-27544248 079-27543147	dcdi-ahmbad@dcmsme.gov.in www.msmediahmedabad.gov.in
27.	MSME-DFO, E-17/18, Industrial Estate, Naini, Allahabad -211 009. U.P,	Ph :0532-2697468/6810 Fax :0532-2696809	dcdi-allbad@dcmsme.gov.in www.msmediallahabad.gov.in
28.	MSME-DFO, Rajaji Nagar, Industrial Estate Bangalore -560 044. Karnataka,	Ph :080-23151540/582/583 Fax :080-23144506	dcdi-bang@dcmsme.gov.in www.msmedibangalore.gov.in
29.	MSME-DFO, Narsapur Cross Roads, Bala Nagar, Andhra Pradesh Hyderabad -500 037	Ph :040-23078857 Fax :040-23078131/32/33	dcdi-hyd@dcmsme.gov.in www.msmehyd.ap.nic.in
30.	MSME-DFO, Institute,Goshala Road, P.O. Ramna, Muzaffarpur -842 002. Bihar	Ph :0621-2282486 Fax: 2284425	dcdi-mzfpur@dcmsme.gov.in www.msmedimzfpur.bih.nic.in
31.	MSME Development Institute, 6th Mile, Sovima, Dimapur, Nagaland - 797115. (Near Nagaland Bamboo resource Centre)	Ph : 03862-248552	Brdcdi-dima@dcmsme.gov.in
32.	MSME-Development Institute, Visakhapatnam ANDRA PRADESH F-19 to 22, IDA, D-Block, Autonagar, Visakhapatnam-530012	Ph : 0891-2517942, 2701061	brdcdi-vish@dcmsme.gov.in

S. No	Name and address of Offices/ Officers	Telephone/ Fax No.	Email /Websites
1.	BR.MSME-DFO Apidfc Building 'C' Sector, Itanagar -791111.	Ph : 0360-2291176	brmsme.itan@gmail.com
2.	BR.MSME-DFO Vip Road, Jungle Ghat, Post Box No.547, Portblair-744103	Ph : 03192-252308	
3.	BR.MSME-DFO Link Road Point, N.S.Avenue, Silchar-788006	Ph : 03842-247649	brdcdi-sile@dcmsme.gov.in



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4.	BR.MSME-DFO Darrang College Road, Tezpur-784001	Ph : 03712-221084	brdcdi-tezp@dcmsme.gov.in
5.	BR.MSME-DFO RA-39 (Ground Floor), Urvashi (Ph. 2), Bengal Ambuja, Tarashankar Sarani, City Centre, Durgapur -713216.	Ph :0343-2547129	brdcdi-durg@dcmsme.gov.in
6.	BR.MSME-DFO Chandpur Industrial Estate, Varanasi -221106.	Ph : 0542-2370621	brdcdi-vara@dcmsme.gov.in
7.	BR.MSME-DFO Amalepatti, Diphu-782460 Karbi Anglong (dist)	Ph : 03761-272549	brdcdi-diph@dcmsme.gov.in
8.	BR.MSME-DFO Masat Industrial Estate, Silvassa	Ph : -0260-2640933,2643103	brdcdi-silv@dcmsme.gov.in
9.	BR.MSME-DFO 3rd Floor, Annexe Building Amruta(Jasani) Building Premises, Near Girnar Cinema MG Road Rajkot -360001	Ph : 0281-2471045	brdcdi-rajk@dcmsme.gov.in
10.	BR.MSME-DFO Iti Campus, Hansi Road, Bhiwani-125021	Ph : 01664-242236	brdcdi-bhiw@dcmsme.gov.in
11.	BR.MSME-DFO Opposite Industrial Estate, Sanat Nagar, Srinagar -190 005.	Ph : 0191-2431077, 2435425	brdcdi-bhiw@dcmsme.gov.in
12.	BR.MSME-DFO Katras Road, Matkuria, Dhanbad-826001	Ph : 0326-2303769/380	brdcdi-dhan@dcmsme.gov.in
13.	BR.MSME-DFO L-11, Indl.Estate, Yeyyadi, Mangalore-575008	Ph : 0824-2217936 /96	brdcdi-mang@dcmsme.gov.in
14.	BR.MSME-DFO C-1 & 2, Industrial Estatem.S.K. Mill Road, Gulbarga-585102	Ph : 08472-420944	brdcdi-gulb@dcmsme.gov.in
15.	BR.MSME-DFO 7, Indl. Estate, Tansen Road,, Gwalior -474004.	Ph :0751/2422590	dcdigwl.msme@gov.in
16.	BR.MSME-DFO Udyog vihar, Chorhatta, Rewa -486001	Ph :07662/222448	brdcdi-reva@dcmsme.gov.in
17.	BR.MSME-DFO 32-33,Midc, Indl. Area, Chikal Thana, Aurangabad-431210.	Ph :0240-2485430 Fax :0240-2484204	brdcdi-aura@dcmsme.gov.in
18.	BR.MSME-DFO Lower Lachimiere, Shilong-793001	Ph : 0364 2223349	brdcdi-shil@dcmsme.gov.in
19.	BR.MSME-DFO Tura,Near TV Tower Dakopgre Tura Meghalaya -794101	Ph : 03651-222569	brdcdi-tura@dcmsme.gov.in
20.	BR.MSME-DFO, Upper Republic Road, Aizwal	Ph: 0389-2323448	brdcdi-aizw@dcmsme.gov.in
21.	BR.MSME-DFO C-9, Indl.Estate, Rourkela -769004.	Ph :0661-2507492	brdcdi-rour@dcmsme.gov.in

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22.	BR.MSME-DFO New Colony, Rayagada –765004	Ph :06852-222268	brdcdi-raya@dcmsme.gov.in
23.	BR.MSME-DFO 386, Patel Road, Ram Nagar, Coimbatore	Ph : 0422 2233956 (tele fax)	brdcdi-coim@dcmsme.gov.in
24.	BR.MSME-DFO Station More,P.O.Suri, Birbhum -731101.	Ph : Ph :03462-2554402	brdcdi-birb@dcmsme.gov.in
25.	BR.MSME-DFO Plot No. PP11, TANSIDCO Industrial Estate, Melur Main Road, K Pudur, Madurai, Tamil Nadu,India - 625007	Ph : 0452 2918313	brdcdi.mdri@dcmsme.gov.in
26.	BR.MSME-DFO 3&4, Industrial Estate, Sevoke Road, Siliguri -734001	Ph :0353/2542487	brdcdi-sili@dcmsme.gov.in

Attention to Members

The MSME & Start-up Promotion Board of our esteemed Institute is poised to disseminate a scholarly work entitled “Monograph on Pre-packaged Insolvency Resolution Process (PPIRP) for MSMEs.” This scholarly monograph serves as an invaluable resource for practicing Cost and Management Accountants, enabling them to furnish comprehensive solutions to their clientele with respect to the intricacies of PPIRP.

While it is generally accurate to assert that the Pre-Packaged Insolvency Resolution Process (PPIRP) constitutes a comprehensive remedy for financially distressed Micro, Small, and Medium Enterprises (MSMEs) within the Indian context, it is imperative to note certain distinguishing features. The PPIRP is meticulously crafted to offer a more expedited and economically efficient alternative to the conventional Corporate Insolvency Resolution Process (CIRP) for MSMEs encountering financial adversities.

This monograph is pertinent to all stakeholders who are either directly or indirectly involved as Service Providers within the MSME Sector in India, particularly benefiting MSME Promoters, CMA Practitioners serving as Consultants, as well as Resolution Professionals (RPs) operating under the Insolvency and Bankruptcy Code (IBC), 2016.



NOTES

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