

MSME TITBIT



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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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 (ICAI)- 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.



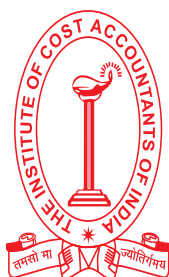
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President's Message

CMA Bibhuti Bhusan Nayak

President, The Institute of Cost Accountants of India



It is heartening to note that the MSME & Start up Promotion Board of the Institute under the Chairmanship of CMA Suresh R. Gunjalli is releasing the first issue of their bi-monthly publication “MSME Titbit”.

With the advent of Indian youth skewed towards start-ups and the existence of MSMEs since 2001, the things are getting more organized and advanced. Being a young nation, India is turning out to be an overtly transforming nation. The government is no longer hesitant in introducing beneficial schemes aimed at supporting MSMEs to sustain and achieve swift growth.

Anything out of the box is a Trend these days. With the support from Government and youth's interesting in starting a new business, the MSMEs are growing rapidly. Start-up India was launched by the Hon'ble Prime Minister on 16th January 2016 to nurture the wave of innovation and new businesses in the country. The start-up ecosystem of the country has flourished in the last few years and India has become the 3rd largest start up ecosystem in the world in terms of number of start-ups.

In the business landscape, the terms “Start-ups” and “MSMEs” (Micro, Small, and Medium Enterprises) are often used interchangeably, leading to confusion among many. While start-ups and MSMEs contribute significantly to the Indian economy, they possess distinct characteristics that set them apart.

Let the collective dedication and commitment of the MSME & Start up Promotion Board serve as an inspiration to the readers.

Wishing you a very happy, healthy prosperous New Year 2025.

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



It gives me immense pleasure to address you all through the pages of this first edition of the MSME Titbits. This publication marks an important milestone in our ongoing efforts to spotlight the invaluable contributions of Micro, Small, and Medium Enterprises (MSMEs) in driving the economic growth and innovation of our nation.

As we continue to navigate through dynamic market conditions and global challenges, MSMEs remain the backbone of our economy, fostering job creation, innovation, and regional development. They not only contribute significantly to the GDP but also provide resilience and diversity in our economic ecosystem. In fact, MSMEs account for around 30% of India's GDP and contributes to 45% of India's total exports, highlighting their crucial role in shaping the nation's economic landscape. Furthermore, the MSME sector employs approximately 110 million people, making it the second-largest employer after agriculture.

This book encapsulates a wealth of knowledge, real-world insights, and inspiring success stories from across the MSME landscape. It is a testament to the spirit of entrepreneurship and the tenacity of MSME leaders who, despite facing obstacles, continue to innovate and pave the way for a more inclusive and sustainable future. According to recent reports, there are over 63 million MSMEs in India, with a significant percentage of them operating in rural and semi-urban areas, helping to bridge regional disparities.

We extend our sincere gratitude to the MSME & Start-up Promotion Board of the Institute and all the authors for contributing to this publication and encourage every reader, whether an aspiring entrepreneur or an established business owner, to absorb the lessons shared within these pages.

My best wishes to the MSME & Start-up Promotion Board for the continued success in all its endeavours.

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



Dear Readers,

As India surpasses the milestone of over 6.3 crore Micro, Small, and Medium Enterprises (MSMEs), we can proudly acknowledge them as the backbone of the Indian economy. MSMEs drive innovation, generate employment, and foster inclusive growth, playing a pivotal role in achieving the nation's entrepreneurial aspirations. The Ministry of MSME continues to play a critical role in our nation's economic development by creating jobs and promoting innovation.

I am delighted to announce the launch of MSME Titbit, a journal by the MSME & Startup Promotion Board (MSPB) of the Institute of Cost Accountants of India (ICMAI). This journal is dedicated to the growth and promotion of MSMEs and Startups in India. Supported by ICAI, this initiative aims to provide a platform for sharing knowledge, driving innovation, and showcasing best practices essential for the success of MSMEs and Startups.

The mission of MSME Titbit is to address the challenges and opportunities faced by businesses in today's dynamic landscape. It seeks to deliver actionable insights, guidance, and solutions that empower entrepreneurs and business leaders to thrive.

In this inaugural edition, we present a curated selection of articles, insightful reports from the Ministry of MSME, expert opinions, and inspiring success stories that highlight the resilience and innovation within the MSME and Startup ecosystems. MSPB's objective is to create a resource that not only informs but also inspires MSME owners and aspiring entrepreneurs to pursue sustainable growth and prosperity.

I encourage you to delve into the content of MSME Titbit and engage with the diverse perspectives that will shape the future of our economy. Together, we can build an environment that fosters collaboration, innovation, and growth for MSMEs and Startups.

On behalf of the team behind this journal, I extend my heartfelt gratitude to all contributors, partners, and readers for your unwavering support. Let us continue striving for excellence and work towards creating a robust, inclusive, and vibrant entrepreneurial ecosystem.

Wishing you a Happy New Year! May 2025 bring you happiness, good health, and countless opportunities. Here's to new beginnings and exciting ventures!

CMA Suresh R. Gunjalli

Chairman

MSME & Start up Promotion Board, ICAI



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

The MSME and Start-Up Promotion Board (MSPB) is a dedicated board of the Institute of Cost Accountants of India (ICMAI) with a primary focus on contributing to the growth and development of the MSME and Start-Up sectors in India. Established in 1959 as a statutory body under the Ministry of Corporate Affairs, ICMAI has earned a reputation as a trusted partner of the Government of India, championing best practices in finance, audit, taxation, and management accountancy.

In line with its commitment to fostering the growth of Micro, Small, and Medium Enterprises (MSMEs) and Start-ups, the ICMAI founded the MSME and Start-Up Promotion Board. Since its inception, the Board has been actively working towards advancing the MSME sector. As part of our strategic initiatives, we are pleased to announce that the Board has recently signed a Memorandum of Understanding (MOU) with the MSME Chamber of Commerce and Industry of India (MSMECCII), Delhi, these collaborations aim to foster academic, research, and training cooperation moreover, we are excited to announce to launch of a new certificate course on MSME in collaboration with the National Institute for MSME, Hyderabad. This program is designed to provide valuable skills and knowledge to professionals in the MSME sector.

We are organizing a series of programs, seminars, webinars, and conclaves focused on raising awareness about the role of MSMEs and promoting efficient operational models and recently conducted webinars are on:

- Enhancing MSME competitiveness through innovation & creativity
- CMAs as advisors to taxation of start-ups and Start-up MSMEs

Our Members are already engaged in policy development to promote MSMEs and start-ups, encourage entrepreneurship, and enhance employment opportunities. They are also working to enhance the competitiveness of MSMEs and start-ups. Additionally, we regularly conduct webinars and collaborate with various MSME bodies to exchange ideas that support the MSME & Start-Up Promotion Board.

MSPB 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 MSPB 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.

The MSME and Start-Up Promotion Board is committed to leveraging the professional expertise of its members to guide and support stakeholders in the MSME sector. To further this goal, the Board has published several valuable resources, including:

- Enterprise Performance & Risk Management for MSMEs
- Compendium on the MSME Schemes – Prevalent in the States/Union Territories of India
- Bi-monthly publication: MSME Titbits

These publications serve as essential platform for enhancing knowledge and supporting the growth of MSMEs and start-ups across India.



2025 Budget Impact on MSMEs

- Investment and turnover limits for MSMEs increased by 2.5x and 2x to support scalability and better capital access.
- The Union Budget 2025 highlights higher credit guarantees, ₹ 10,000 Crore Fund of Funds and new micro-enterprise Credit Cards.
- The government will provide dedicated schemes for key industries and an Export Promotion Mission for global integration.

The Union Budget 2025 brings significant policy measures aimed at strengthening the Micro, Small, and Medium Enterprises (MSME) sector. With over 5.7 crore MSMEs playing a crucial role in India's economy - contributing 36% to manufacturing and 45% to exports - these new reforms seek to provide better credit access, technological upgrades, and growth incentives.

- ▶ For Micro and Small Enterprises: The guaranteed cover has been increased from ₹ 5 Crore to ₹ 10 Crore, unlocking additional credit worth ₹ 1.5 Lakh Crore over five years.
- ▶ For Startups: The guaranteed cover has been increased from ₹ 10 Crore to ₹ 20 Crore, with a moderated 1% guarantee fee for loans in 27 focus sectors vital for the Aatmnirbhar Bharat initiative.
- ▶ For Exporter: Term loans up to ₹ 20 Crore will receive guarantee support, enabling growth in overseas markets.

3. Introduction of Credit Cards for Micro Enterprises

The government will introduce a customised financial product, the Credit Card for Micro Enterprises, offering registered enterprises a ₹ 5 Lakh limit on the Udyam portal. In the first year, 10 Lakh such cards will be issued to ensure seamless access to working capital, complementing MSME tax benefits designed to ease the financial burden on smaller businesses.

4. Expansion of the Fund of Funds for Start-ups

Building upon the success of existing Alternative Investment Funds (AIFs), the government has announced a new ₹ 10,000 crore Fund of Funds to support high-growth start-ups and entrepreneurship. This expands the scope of government-backed AIFs and supplements the existing ₹ 91,000 crore fund, boosting small business funding in budget to foster innovation and growth.

A Deep Tech Fund of Funds will be explored

Budget Highlights for MSMEs

1. Revision in MSME Classification Criteria

The investment and turnover thresholds for MSME classification have been increased by 2.5 and 2 times, respectively, to facilitate scalability, technological advancement, and improved access to capital. This will enable MSMEs to expand operations while still claiming the benefits of MSME government policies meant for the sector.

2. Strengthened Credit Guarantee Cover

Access to credit remains a key focus area, with expanded credit guarantee cover across different segments. To ensure greater access to credit, the budget proposes enhancements to the Credit Guarantee Scheme:

to support and catalyse the next generation of startups as part of this initiative.

5. Scheme for First-Time Entrepreneurs

A new scheme aims to support 5 Lakh first-time entrepreneurs from women, Scheduled Castes (SC), and Scheduled Tribes (ST). The scheme will provide term loans of up to ₹ 2 Crore over five years, along with online capacity-building programs to enhance entrepreneurial and managerial skills.

6. Focus on Labour-Intensive Sectors

The budget outlines special measures for labour-intensive industries, recognising MSMEs' role in employment generation. In this context, a detailed MSME sector budget analysis highlights these areas:

- ▶ **Footwear and Leather Industry:** A dedicated scheme will support design capacity, component manufacturing, and quality enhancement, generating 22 lakh jobs and ₹ 1.1 Lakh Crore in revenue.
- ▶ **Toy Industry:** Under the 'Make in India' initiative, a structured plan will foster high-quality, sustainable, and innovative toy production, strengthening India's position as a global toy hub.
- ▶ **Food Processing:** A National Institute of Food Technology, Entrepreneurship and Management will be established in Bihar to boost food processing in the Eastern region, creating value addition opportunities for farmers and employment for youth.

7. National Manufacturing Mission & Clean Tech Manufacturing

The budget introduces a National Manufacturing Mission, aligning small, medium, and large enterprises with the Make in India initiative. With a special emphasis placed on Clean Tech manufacturing, the mission aims to:

- ▶ Improve domestic value addition.
- ▶ Develop an ecosystem for solar PV cells, EV batteries, wind turbines, electrolysis systems, and grid-scale batteries.
- ▶ Strengthen clean technology manufacturing, supporting India's climate-friendly industrial transition.

8. Export Promotion Mission

An Export Promotion Mission will be launched to further integrate MSMEs into the global economy. Jointly driven by the Ministries of Commerce, MSME, and Finance, the initiative will focus on:

- ▶ Easier access to export credit.
- ▶ Cross-border factoring support.
- ▶ Addressing non-tariff barriers for MSMEs in international markets.

The Union Budget 2025 introduces transformative measures that could shape the future of the MSME sector. The budget presents a comprehensive roadmap for strengthening MSMEs, with targeted tax reforms for MSMEs, credit access, and sectoral growth initiatives. These announcements aim to bolster India's position as a global manufacturing hub.



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Schemes for MSME

“MSMEs are amongst the strongest drivers of economic development, innovation and employment”.

Prime Minister's Employment Generation Programme (PMEGP)

Objective:

- The scheme aims to provide financial assistance to set up self-employment ventures and generate sustainable employment opportunities in rural as well as urban areas.
- To generate sustainable and continuous employment opportunities for rural and unemployed youth as well as prospective traditional artisans and thereby halt occupational migration.

Key benefits:

- Credit linked subsidy program for setting up new micro-enterprise in non-farm sector.
- Margin Money subsidy ranges from 15% to 35% of project cost for projects up to ₹. 50 Lakh in Manufacturing sector and ₹. 20 Lakh in the Service sector.
- For beneficiaries belonging to Special categories such as SC/ST/ Women/ Minorities/ Ex-Servicemen/ Transgender/ Aspirational districts/ NER, the margin money subsidy is 35% in rural areas and 25% in urban areas.

Scheme applicable for:

- Any individual, above 18 years of age can apply.

Detailed Information:

- The own contribution of the beneficiary is 10% of the project cost in case of General category and 5% of the project cost in case of Special category (SC/ST/OBC/PH/Women/Ex Servicemen/ Transgender/Aspirational Districts/NER) beneficiaries.
- If the application for loan is approved, Banks sanction and release the balance amount of 90 to 95 percent of the total project cost suitably for setting up of the units by the beneficiaries.
- In order to have sustainability of the projects/units set up under the scheme, support services are also provided in the form of Backward & Forward Linkages by organizing events like workshops, EDP training to the beneficiaries, exhibitions, etc.
- Government of India has introduced online process for flow of applications and disbursement of Margin Money directly to financing branches.
- Online application form is mandatory for individuals on the e-portal. The application form/ PMEGP MIS portal is mobile friendly. SMS/e-mail alerts are sent to the applicants automatically by the system or by the concerned officials at each stage.

- Model Projects Reports of different activities have been put up on PMEGP e-portal for the benefit of potential beneficiaries.
- To increase the registration of MSMEs in the country, the Government has undertaken measures for PMEGP units to adopt the Udyog Aadhar Memorandum (UAM)/UDYAM Registration.

How to apply:

- Apply on: <https://www.kviconline.gov.in/pmegportal/pmegphome>

2nd Loan for up-gradation of the existing PMEGP/ REGP/ MUDRA units

Objective:

- With an objective to assist existing units for expansion and upgradation, the scheme provides financial assistance to successful/well performing units.
- The scheme also caters to the need of the entrepreneurs for bringing new technology/ automation so as to modernize the existing unit.

Key benefits:

- Maximum subsidy would be 15% of the project cost (20% for NER and Hill States). The balance amount of the total project cost is provided by Banks as term loan.

Scheme applicable for:

- Existing well performing PMEGP/REGP/ MUDRA units

Detailed Information:

- Further financial assistance scheme for expansion/ upgrade the existing PMEGP/REGP/MUDRA units for manufacturing and Service/ Trading units from the year 2018-19

- The maximum cost of the project under manufacturing sector for up-gradation is ₹.1.00 crore and ₹. 25.00 lakhs under Service/ Trading sector.
- Maximum subsidy would be 15% of the project cost (20% for NER and Hill States) i.e. ₹. 15.00 lakhs in Non-NER and ₹. 20.00 Lakh for NER and Hill States. The balance amount of the total project cost shall be provided by Banks as term loan.
- All existing units financed under PMEGP/MUDRA Scheme whose margin money claim has been adjusted and the first loan availed has been repaid in stipulated time are eligible to avail the benefits
- The units should have been making profit for the last three years.
- Beneficiary can apply to the same financing bank, which sanctioned the loan for their unit, or to any other financing bank, which is willing to extend credit facility for second loan.
- The beneficiary can choose any implementing agency and that may be different from the agency chosen for 1st loan.
- Registration of Udyog Aadhar Memorandum (UAM)/UDYAM REGISTRATION is mandatory.
- The 2nd loan should lead to additional employment generation.
- To submit the application under 2nd loan for up-gradation, the beneficiaries have to apply by filling application form on PMEGP e-Portal.

How to apply:

- Apply on: <https://www.kviconline.gov.in/pmegportal/pmegphome>

Credit Guarantee Schemes for Micro & Small Enterprises (CGTMSE)

Objective:

- To encourage first generation entrepreneurs to

venture into self-employment opportunities by facilitating credit guarantee support for collateral free / third-party guarantee-free loans to the Micro and Small enterprises (MSEs), especially in the absence of collateral.

Key benefits:

- Credit guarantee for loans up to ₹. 2 crores, without collateral and third-party guarantee.
- Guarantee coverage ranges from 85% (Micro Enterprise up to ₹ 5 lakhs) to 75% (others).
- 50% coverage is for retail activity.

Scheme applicable for:

- Existing Entrepreneurs and Aspiring Entrepreneurs.

Detailed Information:

- Any collateral/ third party guarantee free credit facility (both fund as well as non-fund based) extended by eligible institutions, to new as well as existing Micro and Small Enterprises, including Service Enterprises, with a maximum credit cap of ₹. 2 crores are eligible for guarantee under the scheme. Recently, guarantee coverage made eligible to select NBFCs and Small Finance banks.
- The guarantee cover available under the scheme is to the extent of 50%/ 75% / 80% & 85% of the sanctioned amount of the credit facility. The extent of guarantee cover is 85% for micro enterprises for credit up to ₹. 5 lakh. The extent of guarantee cover is 50% of the sanctioned amount of the credit facility for credit from ₹. 10 lakhs to ₹. 1 crore per MSE borrower for retail trade activity.
- The extent of guarantee cover is 80% for (i) Micro and Small Enterprises operated and/or owned by women; and (ii) all credits/loans in the North East Region (NER) for credit facilities up to ₹. 50 lakhs. In case of default, the trust settles the claim up to 75% of the amount in default of the credit facility extended by the lending institution for credit facilities up to ₹ 2 crore.

How to apply:

- Through Member Lending Institutions (Banks and NBFCs)
- For detailed guidelines please visit <https://www.cgtmse.in>

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

Objective:

- To support the sustainability and growth of MSEs by addressing common issues such as improvement of technology, skills & quality, market access, etc.
- To create/upgrade infrastructural facilities in the new/existing Industrial Areas/Clusters of MSEs.
- To set up Common Facility Centres (for testing, training, raw material depot, effluent treatment, complementing production processes, etc.).
- Promotion of green & sustainable manufacturing technology for the clusters.

Key benefits:

- Creation of Common Facility Centres including Plug & Play Facilities.
- Support for Infrastructure Development Projects including Flatted Factory Complexes.

Scheme applicable for:

- Existing Entrepreneurs [in form of a Special Purpose Vehicles (SPVs)].

Detailed Information:

- COMMON FACILITY CENTRES: Creation of “tangible assets” such as Common Production / Processing Centre, Design Centers, Testing

Facilities including Plug & Play Facilities. GoI Assistance: up to 80% of the maximum Project cost of ₹. 30 crores.

- **INFRASTRUCTURE DEVELOPMENT:** Development of land, roads, drainage, power distribution etc. in new/existing industrial (multi-product) areas/estates/Flatbed Factory Complex. GoI Assistance: up to 70% of the maximum Project cost of ₹. 15 crores.

How to apply:

- Apply on: <https://cluster.dcmsme.gov.in>

Scheme of Funds for Regeneration of Traditional Industries (**SFURTI**)

Objective:

- To organize traditional industries and artisans into collectives by increasing production and value addition to make products competitive
- To promote traditional sectors and increase income of artisans providing sustainable employment.

Key benefits:

- GoI support:
- Up to ₹. 2.5 cr. for up to 500 artisans
- ₹. 5 cr for more than 500 artisans.
- A production facility is set up with latest machineries
- Raw material support
- Soft Interventions – upto ₹. 25 lakhs
- Skill Development
- Exposure Visits
- Buyer Seller Meets
- Marketing connect, e-commerce
- Design support

Scheme applicable for:

- Existing artisans from traditional industries in sectors such as Handicraft, Textile, Agro-Processing, Bamboo, Honey, Coir, Khadi, etc.

Detailed Information:

- Artisans are constituted into Special Purpose Vehicles (SPVs) by Implementing Agencies (State/ Central Govt. organizations, NGE Entrepreneurship Awareness Programme (EAP)-One Day training programme is conducted for Entrepreneurship/ Self-employment awareness and motivation to different sections of the society including SC/ ST/ Women, differently abled, Ex-servicemen and BPL persons as career options.
- Entrepreneurship cum Skill Development Programme(E-SDP) - Six weeks training programme is conducted for Entrepreneurship & Skill Training in Agro Based Products, Hosiery, Food & Fruit Processing Industries, Carpet Weaving, Mechanical Engineering Workshop/ Machine Shop, Heat Treatment, Electroplating, Basic/Advance Welding/ Fabrication/Sheet metal work, Basic/ Advance Carpentry, Glass & Ceramics etc.
- Advance E-SDP: The One Week Advance ESDP programmes are conducted through IIMs/IITs/ ICAR/CSIR/BARC/IISC/NIT/ Agricultural University of Central and State government etc.
- Management Development programme (MDP)- One week training programme for Management capacity building Training to Existing Entrepreneurs and their supervisory staff in Industrial Management, Human Resource Management, Marketing Management, Export Management/Documentation & Procedures, Materials Management, Financial/Working Capital Management, Information Technology, Digital Marketing, Quality Management/QMS/ ISO 9000/EMS, WTO, IPR, Supply Chain Management, Retail Management, Logistics Management etc.
- Advance MDP: The One Week Advance MDP

Training Programmes is conducted through State Administrative Training Institutes (ATIs) and/or other reputed institutions in this domain of Central or State Governments/NITs/ Regional Engineering Colleges/ Agricultural colleges/Autonomous bodies of Central/State Governments to provide MDP training to MSMEs promoters/executives.

How to apply:

- Apply through the websites of MSME-DFOs, MSME-TC and other Implementing Agencies under ESDP scheme.

The scheme link - <http://dcmsme.gov.in/Enterprise&skillDevelopment.htm>

and <http://msmedi.dcmsme.gov.in>

Assistance to Training Institutions (ATI) Scheme

Description:

- The assistance is provided to National level training institutions operating under the Ministry of MSME, namely, NI-MSME, KVIC, Coir Board, Tool Rooms, NSIC & MGIRI in the form of capital grant for the purpose of creation and strengthening of infrastructure and support for entrepreneurship development and skill development training programmes. Assistance is also provided to existing State level EDIs i.e. owned and controlled by a State Government/UT for creation or strengthening/ expansion of their training infrastructure.

Nature of Assistance:

- Amount of assistance will not exceed the actual amount for strengthening/ expansion of the infrastructure required by the training institutions of this Ministry. Scale of maximum assistance to the State level EDIs will be restricted to ₹. 3.00 crore in each case. Assistance for skill development programmes will be provided as per the prescribed rates.

Who can apply:

- Institutions of Ministry of MSME and existing State level EDIs.

How to apply:

- Organizations wishing to apply for assistance for creation or strengthening of infrastructure may send their applications to the Director/Deputy Secretary (EDI), Ministry of Micro, Small and Medium Enterprises, Udyog Bhawan, Rafi Marg, New Delhi – 110 011.

Whom to contact:

- Deputy Secretary (EDI), M/o MSME

Procurement and Marketing Support (PMT) Scheme

Objective:

- The scheme aims to promote new market access initiatives like organizing / participation in National / International Trade Fairs / Exhibitions / MSME Expo, etc. held across the country and to create awareness and educate the MSMEs about the importance / methods/ process of packaging in marketing, latest packaging technology, import-export policy and procedure, GeM portal, MSME Conclave, latest developments in international / national trade and other subjects / topics relevant for market access developments.

Scheme components:

Market Access

- Participation of Individual MSEs in Trade Fairs / Exhibitions.
- Organizing Domestic/ International Trade Fairs/ Exhibition and participation in trade fairs/ exhibitions by the Ministry/Office of DC (MSME)/ Government organizations.
- Vendor Development Program (VDP).

Capacity Building

- Adoption of Modern Packaging Techniques
- Adoption of Bar Code
- Adoption of e-Commerce Platform
- National Workshops / Seminars
- Organizing National workshops/seminars by the Ministry / Office of DC (MSME) (Conventional/ Virtual).

Detailed Information:

- For detailed information, refer PMS Scheme guidelines on <http://dcmsme.gov.in/OM%20&%20PMS%20Scheme%20Guidelines.pdf>

Scheme applicable for:

- Manufacturing/ Service Sectors MSEs having valid Udyam Registration (UR) Certificate.

How to apply:

- Apply on: www.dcmsme.gov.in

International Cooperation (IC) Scheme

Objective:

- The scheme aims to build Capacity of MSMEs for entering export market by facilitating their participation in international exhibitions/ fairs/ conferences/ seminar/ buyer-seller meets abroad as well as providing them with actionable market-intelligence and reimbursement of various costs involved in export of goods and services. The Scheme provides opportunities to MSMEs to continuously update themselves to meet the challenges emerging out of changes in technology, changes in demand, emergence of new markets, etc.

The Scheme covers the following sub-components:

- **Sub-Component-I:** Market Development

Assistance of MSMEs (MDA).

- **Sub-Component-II:** Capacity Building of First Time MSE Exporters (CBFTE).
- **Sub-Component-III:** Framework for International Market Intelligence Dissemination (IMID).

As on date, Sub-Component-I and Sub-Component-II are in operation. The guidelines of these two components have already been circulated which are available on Ministry's website. Sub-Component-III will be in operation soon.

Eligible Organisations under Sub-Component-I :

- Ministry of MSME and organizations under the Ministry
- State/Central Government Organizations/ Institutions and Registered Industry/Enterprise Associations etc.
- Participation of MSME delegations in international exhibitions, trade fairs and buyer-seller meets in foreign countries (Physical Mode).
- **Space Rent (Stall Charges):** Up to ₹. 3.00 lakh per MSME.
- **Air Fare:** Up to ₹.1.50 lakh per MSME
- **Duty allowance:** USD150 per day for Office Bearer.
- **Freight charges:** Up to ₹. 50,000/-per MSME unit and ₹. 75,000/-per MSME for Latin American Countries.
- **Advertisement and publicity charges:** Up to ₹.5.00 lakh.
- **Registration fee:** Up to ₹. 5,000/-.
- Participation of MSME delegations in international exhibitions, trade fairs and buyer-seller meet by Foreign Organisers (Virtual Mode).
- Space/Stall Charges including catalogue/digital material charges for Participating in the Virtual International Events organized by foreign countries: Upto ₹.1.5 lakh.

- Advertisement and Publicity Charges: Up to ₹. 5.00 lakh.
 - ▶ Organizing International conferences/summits/ workshops/Seminars on the themes relevant to MSME sector (Physical Mode) to be organized in India by the Industry Associations/Government Organizations.
- Charges for holding/organizing the International conferences / summits / workshops / seminars in India by Industry Associations including charges for venue rent, catering, advertisement & publicity, security arrangement, etc.: Up to ₹. 10.00 lakh.
- Economy class Airfare for foreign speakers/experts/resource persons: Up to ₹.5.00 lakh.
 - ▶ Organising International conferences/summits/workshops/ seminars on the themes relevant to MSME sector (Virtual Mode) to be organized by Industry Associations/ Government Organizations.
- Virtual Space/ Platform/License Fee/ Rent for Organising Conferences /summits/ workshops/seminars: Up to ₹. 2.00 lakh. Publicity Cost incurred on promotion/marketing/publicity of the event: Upto ₹.5.00 lakh.
- Translation and Interpretation charges involved in the virtual event: Up to ₹.1.00 lakh.
 - ▶ Organising Mega international conferences/summits/ workshops/seminars, bilateral/multilateral Government to Government Events in India (Physical /Virtual Mode) by Ministry of MSME, its organizations solely or in partnership with industry associations for promotion of MSME sector.

Sub-Component-II

Under this component, incidental costs viz. Registration cum Membership certification (RCME); Export Insurance Premium; Quality certification is reimbursed to first time MSE Exporters. The Ministry on 20.09.2022 has signed MoUs with 18 Export Promotion Councils (EPCs), Export Credit Guarantee Corporation Ltd (ECGC) and National Small Industries Corporation Ltd (NSIC) as implementing agencies for Reimbursement

of RCMC Fees, Export Insurance Premium and Testing & Quality Certification to MSEs.

For more detailed information, refer to Scheme guidelines, on the following link: <https://msme.gov.in/sites/default/files/RevisedICScheme2021>.

How to apply:

- Apply on: <http://ic.msme.gov.in>.

A Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship (ASPIRE)

Objective:

- To set up a network of Livelihood Business Incubators (LBIs), predominantly in the rural and underserved areas, to promote innovation and accelerate entrepreneurship for the following:
 - ▶ Generate employment opportunities by facilitating formal, scalable micro-enterprise creation in the agro-rural sector.
 - ▶ Skill, up-skill, re-skill unemployed, self-employed/ wage earners in new technologies in the agro-rural sector.
 - ▶ Provide skilled human capital to nearby industrial clusters and promote innovations for strengthening the competitiveness in the MSME sector.

Key Benefits:

- Maximum of INR 1 crore. to Government agencies & INR 75 lakh to Private agencies for procuring plant and machinery.
- Maximum of INR 1 crore. to Government and Private agencies as operational expenditure support towards manpower cost, running incubation and skill development programmers, etc.

Scheme applicable for:

- Any agency/institution of Government of India/

State government or existing training centres under Ministries/Departments of Government of India/State Government, Industry Associations, Academic Institutions.

- Any not-for-profit private institutions with experience in successfully executing incubation and/or skill development programmes may be eligible to set up an LBI.

Detailed Information:

- Livelihood Business Incubator (LBI): An entity set up for imparting skill development & incubation programmes for promoting entrepreneurship and employment generation in agro-rural sector with special focus on rural and underserved areas.
- In case of private organizations, 25% of the Capital Expenditure has to be borne by the Applicant Organization.
- Detailed guidelines are available at :

<https://aspire.msme.gov.in/ASPIRE/AFHome.aspx>

How to apply:

- Apply On:

<https://aspire.msme.gov.in/ASPIRE/AFHome.aspx>

Credit Linked Capital Subsidy Component under Credit Linked Capital Subsidy and Technology Up-gradation Scheme (CLCS-TUS)

Objectives:

- The Credit Linked Capital Subsidy (CLCS) Component of CLCS-TU Scheme aims at facilitating technology up-gradation of MSE units by providing capital subsidy on the institutional finance (credit) availed by them

for modernization of their plant and machinery involved in manufacturing process and equipment for rendering services, as the case may be. The Credit Linked Capital Subsidy also covers the micro and small enterprises (MSEs) of Khadi & Village industries and Coir sectors.

Eligibility/ Applicability:

- Any Micro and Small Enterprise (MSE) availing institutional finance (credit) to buy new Plant & Machinery approved under the scheme;
- Special Benefits –
 - In case of SC/ST, Women, NER / Hill States / Aspirational Districts / LEW Districts, the subsidy shall be admissible for investment in acquisition /replacement of Plant & Machinery /equipment & Technology up-gradation of any kind (Core plant & Machinery).
 - Second hand & fabricated will not be eligible.

Nature of Assistance:

- Upfront subsidy of 15% on institutional finance (Credit) upto ₹. 1.0 Crore (i.e. subsidy cap of ₹. 15.00 lakh) for identified sectors/ subsectors/ technologies.
- The ceiling limit of amount of loan/institutional finance (Credit) eligible for subsidy is ₹.1.00 crore.
- The calculation of subsidy amount will be based on the actual cost of purchase plant and machinery inducted by the unit for technology up-gradation.

How to Apply:

- Applicant meeting the eligibility criteria may approach to loan lending bank branch / PLI. Then on behalf of the applicant the lending bank branch will examine and apply for subsidy claim through a dedicated online application & tracking management System (MIS). The application will reach to the Ministry through 11 nodal Banks / Agencies. These 11 Nodal Banks / Agencies are as follows:

- (1) Small Industries Development Bank of India (SIDBI);
- (2) National Bank for Agriculture and Rural Development (NABARD);
- (3) State Bank of India (SBI);
- (4) Bank of Baroda (BOB);
- (5) Punjab National Bank (PNB);
- (6) Bank of India (BOI);
- (7) Tamil Nadu Industrial Investment Corporation (TIICL);
- (8) Andhra Bank;
- (9) Corporation Bank;
- (10) Canara Bank and
- (11) Indian Bank.

Contact:

- Loan lending bank branch or Nodal Banks /Agency under the scheme and MSME-Development & Facilitation Organisation (MSME-DFO) under Office of Development Commissioner, New Delhi.

Coir Vikas Yojana - Umbrella Scheme

Coir Vikas Yojana (CVY) is an Umbrella Scheme being implemented by Coir Board for the Development of Coir Industry all over the country.

Objective:

- To enhance utilization of the raw material abundantly available in the country at economic levels of production.
- To increase income/returns to workers, entrepreneurs, exporters and other stake-holders of the industry.
- Full utilization of the market potential of the products within the country and abroad and

Industry related functional support services.

- Development of improved equipment, machinery, processes and new products.
- Promoting large scale investment in Coir Industry.
- Development of skilled manpower for Coir industry, empowerment of rural women and Employment Generation.
- Welfare measures for coir workers.
- To upgrade the coir industry through technological interventions and integration of various Digital Platforms.

Under this Umbrella Scheme, the Coir Board is implementing the following sub schemes/ programmes:

I. SCIENCE & TECHNOLOGY

Modernization of Production Processes, Development of Machinery and Equipment, Product Development and Diversification, Development of Environment friendly technologies, Technology Transfer, Incubation, Testing and Service Facilities, are the components of this programme.

II. SKILL UPGRADATION AND MAHILA COIR YOJANA

a. Skill Upgradation

With a view to disseminate information on the schemes and latest technologies available in coir sector and also to attract prospective entrepreneurs to this sector, the Board organizes Entrepreneurship Development Programmes, Workshops, Seminars, Awareness Programmes, Exposure Tour etc. under this Scheme.

b. Mahila Coir Yojana

Mahila Coir Yojana is a women oriented, self-employment scheme being implemented by the Coir Board. The scheme is intended to provide training with stipend facilities and

creation of self-employment opportunities to rural women artisans in regions producing coconut.

III. EXPORT MARKET PROMOTION

The activities of the Board under Export Market Promotion include participation in international exhibitions, publicity, providing assistance under Export Market Development Assistance Scheme/International Co-operation Scheme etc.

IV. DOMESTIC MARKET PROMOTION

The main activities under the Domestic Market Promotion scheme are display cum sales of coir products through its Showrooms & Sales Depots, participation in domestic exhibitions organized by other Agencies, organizing exclusive fairs, disbursement of Market Development Assistance (MDA) to the Coir Co-operative units and PSUs, through the State Governments/ UTs concerned.

V. TRADE AND INDUSTRY RELATED FUNCTIONAL SUPPORT SERVICES

The activities under this programme would involve primary and secondary level information search, collection and statistical analysis of information including export, drawing inferences and preparation and publication of the reports.

VI. WELFARE MEASURES

The Coir Board is planning to introduce new welfare scheme for the welfare of Coir workers in place of Pradhan Mantri Suraksha Bima Yojana (PMSBY).

Scheme applicable for:

- All Coir Production/processing units registered under Coir Board and having valid Udyam Registration Certificate.

How to apply:

- The details of the Schemes are available in the Coir Board Website.
- Coir Board Website - <http://coirboard@gov.in>.

Entrepreneurship And Skill Development Programme (ESDP) Scheme

Description of the Scheme:

- The Entrepreneurship promotion and development Programmes (ESDP) are being organized regularly to nurture the talent of youth by enlightening them on various aspects of industrial/business activity required for setting up MSEs. These Programmes are conducted for youth and other people interested to set up their own enterprises/ industrial/self-employment ventures. Such activities are also organized in ITIs, Polytechnics and other technical institutions/business schools, where skill/talent is available to motivate them towards self-employment.

Objective:

- To promote new enterprises, capacity building of existing MSMEs and inculcating entrepreneurial culture in the country.

Key Benefits:

- Widen the base of entrepreneurship by development, achievement, motivation and entrepreneurial skill to the different sections of the society.

Scheme applicable for:

- Aspiring and Existing Entrepreneurs.

Detailed Information:

- **Entrepreneurship Awareness Programme (EAP): -**
 - ▶ One Day training programme is conducted for Entrepreneurship/ Self-employment awareness and motivation to different sections of the society including SC/ ST/ Women, differently abled, Ex-servicemen and BPL persons as career options.

- **Entrepreneurship cum Skill Development Programme (E-SDP): -**

- ▶ Six weeks training programme is conducted for Entrepreneurship & Skill Training in Agro Based Products, Hosiery, Food & Fruit Processing Industries, Carpet Weaving, Mechanical Engineering Workshop/ Machine Shop, Heat Treatment, Electroplating, Basic/ Advance Welding/ Fabrication/Sheet metal work, Basic/ Advance Carpentry, Glass & Ceramics etc.

- **Advance E-SDP: -**

- ▶ One-Week Advance ESDP programmes are conducted through IIMs/IITs/ ICAR/ CSIR/ BARC/IISC/NIT/Agricultural University of Central and State government etc.

- **Management Development programme (MDP): -**

- ▶ One week training programme for Management capacity building Training to Existing Entrepreneurs and their supervisory staff in Industrial Management, Human Resource Management, Marketing Management, Export Management/ Documentation & Procedures, Materials Management, Financial/Working Capital Management, Information Technology, Digital Marketing, Quality Management/ QMS/ISO 9000/EMS, WTO, IPR, Supply Chain Management, Retail Management, Logistics Management etc.

- **Advance MDP: -**

- ▶ The One Week Advance MDP Training Programmes is conducted through State Administrative Training Institutes (ATIs) and/ or other reputed institutions in this domain of Central or State Governments/NITs/ Regional Engineering Colleges/ Agricultural colleges/Autonomous bodies of Central/State Governments to provide MDP training to MSMEs promoters/executives.

Who can Apply:

- Youth and other people interested to set up their own industrial/business/self-employment venture.

The qualification of the participants and structure of the fees will be decided by the Implementing Agencies. The age of the participants will be 18 years and above.

How to apply:

- Apply through the websites of MSME-DFOs, MSME-TC and other Implementing Agencies under ESDP scheme.

The scheme link: -

- ▶ <http://dcmsme.gov.in/Enterprise&Development.htm> and
- ▶ <http://msmedi.dcmsme.gov.in>

Marketing Promotion Schemes (PMS)

Ministry of MSME, Govt. of India has been providing marketing support to the Micro & Small Enterprises (MSEs) under its Marketing Promotion Schemes for enhancing their marketing competencies and competitiveness to meet the challenges in the fast-changing global economic scenario. The following two schemes are covered under the Marketing Promotion Schemes:

1. International Cooperation Scheme (IC)
2. Procurement and Marketing Support Scheme (P&MS)

1. International Cooperation Scheme (IC)

Objective:

- The scheme aims to build Capacity of MSMEs for entering export market by facilitating their participation in international exhibitions/ fairs/conferences/ seminar/ buyer-seller meets abroad as well as providing them with actionable market-intelligence and reimbursement of various costs involved in export of goods and services. The Scheme provides opportunities to MSMEs to continuously update themselves to meet the challenges emerging out of changes in

technology, changes in demand, emergence of new markets, etc.

The Scheme covers the following sub-components:

- Sub-Component-I :
Market Development Assistance of MSMEs
- Sub-Component-II:
Capacity Building of First Time MSE Exporters (CBFTE)
- Sub-Component-III:
Framework for International Market Intelligence Dissemination (MID). As on date, Sub-Component-I and Sub-Component-II are in operation. The guidelines of these two components have already been circulated which are available on Ministry's website. Sub-Component - III will be in operation soon.

1(I). Sub-Component - I:

Eligible Organizations under Sub-Component - I:

- Ministry of MSME and organizations under the Ministry
- State / Central Government Organizations / Institutions and Registered Industry/ Enterprise Associations etc.

Activities covered under Sub-Component – I:

- Participation of MSME delegations in international exhibitions, trade fairs and buyer-seller meet in foreign countries (Physical Mode):

Space Rent (Stall Charges)	Upto ₹. 3.00 lakh per MSME.
Air Fare	Upto ₹.1.50 lakh per MSME
Duty allowance:	USD150 per day for Office Bearer
Freight charges:	Upto ₹.50,000/- per MSME unit and ₹.75,000/- per MSME for Latin American Countries.

Advertisement and publicity charges	Upto ₹.5.00 lakh
Registration fee	Upto ₹.5,000/-

- Participation of MSME delegations in international exhibitions, trade fairs and buyer-seller meet by Foreign Organizers (Virtual Mode):

Space/Stall Charges including catalogue/digital material charges for Participating in the Virtual International Events organized by foreign countries	Upto ₹.1.5 lakh
Advertisement and publicity charges	Upto ₹.5.00 lakh

- Organizing International conferences/ summits/ workshops/Seminars on the themes relevant to MSME sector (Physical Mode) to be organized in India by the Industry Associations/Government Organizations:

Charges for holding/organizing the international conferences/ summits/ workshops /seminars in India by Industry Associations including charges for venue rent, catering, advertisement & publicity, security arrangement, etc.	Upto ₹.10.00 lakh
Economy class Airfare for foreign speakers / experts/ resource persons	Upto ₹.5.00 lakh

- Organizing International conferences/ summits/ workshops/ seminars on the themes relevant to MSME sector (Virtual Mode) to be organized by Industry Associations/ Government Organizations:

Virtual Space/ Platform / License Fee / Rent for Organising Conferences / summits/ workshops / seminars	Upto ₹.2.00 lakh
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Publicity Cost incurred on promotion / marketing / publicity of the event	Upto ₹.5.00 lakh
Translation and Interpretation charges involved in the virtual event	Upto ₹.1.00 lakh

- Organizing Mega International conferences / summits / workshops / seminars, bilateral / multilateral Government to Government Events in India (Physical / Virtual Mode) by Ministry of MSME, its organizations solely or in partnership with industry associations for promotion of MSME sector.

1(II). Sub-Component - II for Capacity Building of First Time MSE Exporters (CBFTE):

- Under this component, incidental costs viz. Registration-cum-Membership certification (RCME); Export Insurance Premium; Quality certification is reimbursed to first time MSE Exporters. The Ministry on 20.09.2022 has signed MoUs with 18 Export Promotion Councils (EPCs), Export Credit Guarantee Corporation Ltd. (ECGC) and National Small Industries Corporation Ltd (NSIC) as implementing agencies for Reimbursement of RCMC Fees, Export Insurance Premium and Testing & Quality Certification to MSEs.

Who Can Apply?:

Government Institutions, Registered Industry Associations, Export Promotion Councils associated with promotion and development of MSME sector. The Applications for availing financial assistance are invited on IC Scheme portal i.e. <https://ic.msme.gov.in>

For more detailed information refer to Scheme guidelines, on the following link:
<https://msme.gov.in/sites/default/files/RevisedICScheme2021.PDF>

How to apply:

- Apply on: <http://ic.msme.gov.in>

Whom to contact:

Under Secretary (IC),
M/o Micro, Small and Medium Enterprises (MSME)
Govt. of India, New Delhi, Ph: 011-23063219.

2. Procurement and Marketing Support Scheme (P&MS)

Objective:

- The scheme aims to promote new market access initiatives like organizing / participation in National / International Trade Fairs / Exhibitions / MSME Expo, etc. held across the country and to create awareness and educate the MSMEs about the importance / methods/ process of packaging in marketing, latest packaging technology, import-export policy and procedure, GeM portal, MSME Conclave, latest developments in international / national trade and other subjects / topics relevant for market access developments.

Scheme components:

- Market Access:**
 - Participation of Individual MSEs in Trade Fairs / Exhibitions.
 - Organizing Domestic/ International Trade Fairs/Exhibition and participation in trade fairs/exhibitions by the Ministry/ Office of DC (MSME)/Government organizations.
 - Vendor Development Program (VDP).
- Capacity Building:**
 - Adoption of Modern Packaging Techniques
 - Adoption of Bar Code
 - Adoption of e-Commerce Platform
 - National Workshops / Seminars
 - Organizing National workshops/seminars by the Ministry / Office of DC (MSME) (Conventional / Virtual)

- **Development of Retail Outlet:**
 - Infrastructure development of Retail Outlets for promoting (Geographical Indication) GI Products.
- **Detailed Information:**
 - For detailed information, refer PMS Scheme guidelines on <http://dcmsme.gov.in/OM%20&%20PMS%20Scheme%20Guidelines.pdf>
- **Scheme applicable for:**

Manufacturing/ Service Sectors MSEs having valid Udyam Registration (UR) Certificate.

Who Can Apply?:

- Individual Manufacturing/Service MSEs may submit their application online or system in place.

How to apply:

- Apply on: www.dcmsme.gov.in

Whom to contact:

- Joint Development Commissioner,
O/o DC, MSME
Nirman Bhawan, New Delhi, Tel.: 011- 23061091.

National SC-ST Hub Scheme

Objective:

- The Government of India considers entrepreneurship as an integral part of accomplishing rapid economic growth in the country. In order to ensure that all sections of the society, especially the marginalized groups including SC/ST entrepreneurs reap the benefits of growth and prosperity, Government is trying to make procurement activities of the public sector more inclusive and participative.
- The National SC/ST Hub has been set up to provide professional support to Scheduled Caste and Scheduled Tribe Entrepreneurs to fulfill the obligations under the Central Government

Public Procurement Policy for Micro and Small Enterprises Order 2012, adopt applicable business practices and leverage the Stand-Up India initiatives.

Key Benefits:

- 25% subsidy on purchase of plant & machinery/ equipment or ₹. 25 lakh whichever is less.
- Marketing and mentoring support through participation in exhibitions and vendor development programmes.
- Reimbursement of fees charged for bank loan processing, testing services, membership of Export Promotion Council, membership in Govt. promoted eCommerce Portals, Single Point Registration Scheme of NSI.
- Collection, collation and dissemination of information regarding SC/ST enterprises and entrepreneurs to CPSEs.
- Free skill trainings and distribution of trade specific tool kits to trained candidates under the Skill Development programmes.

Scheme applicable for:

- Aspiring and Existing SC/ST Entrepreneurs.

Detailed Information:

- National Scheduled Caste and Scheduled Tribe Hub (NSSH) was launched by Hon'ble Prime Minister in October 2016 to provide professional support to SC/ST entrepreneurs to fulfill the obligations under the Central Government Public Procurement Policy for Micro and Small Enterprises Order 2012, adopt applicable business practices and leverage the Stand-up India initiatives. The Hub has undertaken several initiatives to facilitate SC/ST entrepreneurs by providing professional support in their capacity building, market linkages, finance facilitation, tender bid participation, etc. through its various sub-schemes / interventions. The NSSH works on the mentioned priority areas through various sub-schemes which are as follows:

- ▶ 25% subsidy on purchase of plant & machinery/equipment Special Credit Linked Capital Subsidy Scheme.
- ▶ 100% subsidy on airfare and twice of DA as the rate prescribed by MEA under Special Marketing Assistance Scheme.
- ▶ 100% subsidy to obtain NSIC's Registrations under the Single Point Registration Scheme with a nominal fee of ₹. 100/-.
- ▶ Reimbursement of 80% or ₹. 1.0 lakh whichever is less on Bank Loan Processing fee
- ▶ Reimbursement of 80% or ₹. 1.0 lakh whichever is less on for Performance Bank Guarantees.
- ▶ Reimbursement of 80% or ₹. 1.0 lakh whichever is less on testing fee.
- ▶ Reimbursement of 80% or ₹. 20,000 whichever is less on membership/subscription fee of Export Promotion Council Membership.
- ▶ Reimbursement of 80% or ₹. 25,000 whichever is less on membership fee of Government promoted e-Commerce Portals.
- ▶ Reimbursement of 90% or course fee or ₹. 1.0 lakh whichever is less to top 50 NIRF Rated Management Institution's Short-Term Training Program Fee
- The Hub is being implemented by the Ministry of MSME, Govt. of India through National Small Industries Corporation (NSIC), a public-sector undertaking under the administrative control of this Ministry.
- Conduct the study/ survey and analyze on the basis of empirical data and use the results of surveys, evaluation studies of scheme for this Ministry and analytical studies for policy research, designing appropriate strategies and measures of intervention by the Government.

Nature of Scheme:

- Proposals for studies/surveys under the scheme received through the concerned divisions and organizations under the Ministry of MSME will be entertained.

Eligibility to conduct the studies/surveys:

- Agencies/Institutions as mentioned under para 7.1.2. of the operational guidelines of the scheme are eligible for conducting the studies/surveys under the scheme.
- Selection of Professional Agencies/Institutions for grants (Vide Para 7.1.2 of the Operational guidelines of SS&PR scheme):
 - ▶ As per the Para 7.1.2 of the guidelines, the professional agencies/ research institutions engaged in the field of studies/surveys on various sectors with qualified statisticians, economists etc. and belonging to one of the following categories are eligible for grants/ assistance under the scheme:
 - (a) MSME – DFOs (earlier MSME-DI);
 - (b) Organisations under Ministry of MSME, such as, Ni-MSME, NSIC, MGIRI etc.;
 - (c) Institutions/agencies which are empanelled under the Ministry of MSME;
 - (d) Institutions receiving annual recurring grants from the Central or State Government Agencies;
 - (e) Institutions registered as professional society under the Societies Registration Act;
 - (f) Institutions registered as 'Trusts' under the Trusteeship Act.;

For detailed guidelines:

- Visit: <https://www.scsthub.in>.

Scheme of Surveys, Studies and Policy Research (SS & PR scheme)

Description:

- Conduct the study/survey to analyze the constraints and challenges faced by the MSME as well as the opportunities available to them;

- (g) Institutions incorporated under the Companies Act;
- (h) Proprietary and Partnership concerns of repute.

Who can apply?:

- Clusters, Industrial associations/Consortia

How to apply?:

- The eligible agencies/institutions as mentioned under para 7.1.2. of the operational guidelines of the scheme can apply for conducting the studies on CPP Portal as and when the study proposals are uploaded on the CPP Portal as well as this Ministry website. The selection of agencies/ institutions could be carried through the competitive bidding process.

Empanelment of consultancy organizations/ institutions:

- The interested agencies/ institutions can apply for empanelment under this scheme in the prescribed format as mentioned under para 7.1.5. of the operational guidelines of the scheme.
 - ▶ **The Para 7.1.5** of the operational guidelines

of the scheme outlines the provision regarding the empanelment of consultancy organizations/institutions.

- ▶ The para provides that with a view to facilitate identification of suitable consultancy organisations/ institutions in items of GFR 177 to 184, the Ministry of MSME will empanel suitable agencies, from time to time, based on applications received from them. The applications for empanelment will be submitted in the prescribed Format (Annexure – II) to Ministry of MSME. These will be considered by the Steering Committee, headed by DDG (Stat/DBT), Economic Advisor (IFW) and Deputy Secretary/Director (SS & PR/DBT) as its members, which would recommend such cases for approval of the Secretary (MSME) for 3 years.
- ▶ The data base of the empanelled agencies will be maintained on the website of the Ministry of MSME and shall be updated once every year.

Whom to contact:

- Under Secretary (DBT/DATC Division),
M/o MSME, Udyog Bhawan ,Ph: 011-23063313
Email : thomas.mk@nic.in

Source: <http://www.msme.gov.in>

2

Articles on MSME

Micro, Small and Medium Enterprises' (MSME's) challenging role and scope of CMAs in Indian context



CMA Parimal Ray

Ex-Lecturer, Sivanath Sastri College, Kolkata & Advisor to leading foreign company for MRT and Infra projects in Bangladesh.

Introduction

Bringing the weaker and smaller business enterprises under one roof to make it a strong pillar for economic development has been globally recognized for a long time. However, the idea of Micro, Small and Medium Enterprises (MSME) as a separate sector was formalized in India in the early decades of the second millennium. The concept of MSME sector was introduced by the Central Government under the banner of the MSMED Act, 2006. The MSME sector is considered as a strong base with the aim of playing a significant role for country's economic development. This sector is conceptually formed by consolidating the erstwhile Small Scale Industry (SSI) and Agro Rural Industries (ARI). Presently this sector is under the oversight of the Ministry of Micro, Small and Medium Enterprises. The MSMED Act of 2006 was thoroughly revised in 2020 by the Government of India as an important part of Atmanirbhar Bharat package announced on 13th May 2020. In this revision, a few of the most relevant aspects are covered. These are the conditions for becoming MSME unit which has been raised and expanded, as well as both the manufacturing and services businesses being brought under the ambit of MSME¹.

Criteria to fall under MSME

It varies widely from one country/region to another. For example, currently this sector is defined in India as per the latest provisions of the MSMED act 2006 (revised in 2020) as However, the basic understanding to categorize a business unit under the group is its size, either by way of benchmarking the number of employees or the business volume or a hybrid of these two essential aspects of business.

In the USA, the basis of defining of MSME is different in one respect from India. The US considers the number of employees instead of Investment amount, as is considered in India.

In India, the criteria of MSME units are clarified in the revision of Act of MSMED Act of 2006 in the year 2020 as below. It now includes Turnover as a criteria and both manufacturing and service rendering units are now covered under the MSME banner. Besides, in this new definition/benchmark the Export revenue is not considered to give a boost to the units and avoid the

fear of losing the benefits available to MSMEs in case of export business decline.

The categorization in the European Union (EU) is slightly different from that in the US and in India. EU besides acknowledging the importance of Head count and Turnover, it also allows another factor i.e., the Balance Sheet total for determining the size of the enterprise more comprehensively.

In the 3 sample countries/group as stated above, the common factor they choose is the Annual earnings and the number of employees engaged by the enterprises to determine their size.

However, in members of the Organization for Economic Cooperation and Development (OECD) has given the definition of SMEs considering the number of employees they engage.

A brief table showing the criteria in the above 4 countries/group is appended below. In this table MSME is mentioned as the base of comparison but for OECD it shall be read as SMEs.

Comparative criterion for MSME units in different countries/regions - a sample of 4 countries/group															
USA				India				EU member countries				OECD member countries			
Criterion	Micro unit	Small Scale unit	Medium Scale unit	Criterion	Micro unit	Small Scale unit	Medium Scale unit	Criterion	Micro unit	Small Scale unit	Medium Scale unit	Criterion	Micro unit	Small Scale unit	Medium Scale unit
Employee strength	<10	< 500	<1500	Investment	Rs 1 Crore	Rs 10 Crore	Rs 20 Crore	Head count	< 10	< 50	< 250	Head count	< 10	10-49	50-249
Annual revenue	< \$ 1 million	< \$ 100 million	< \$ 750 million	Turnover	Rs 5 Crore	Rs 50 Crore	Rs 100 Crore	Annual Turnover	≤ € 2 million	≤ € 10 million	≤ € 50 million	[Reference: OECD definition – Ref Mc Kinsey Global Institute publication; link - 'https://www.mckinsey.com/mgi/our-research/a-microscope-on-small-businesses-spotting-opportunities-to-boost-productivity']			
Source: Published in the Global Council for Promotion of International Trade. Link: https://gcpiit.org/boosting-small-business-growth-encoding-msme-policies-and-reforms-in-the-united-states/" \~:~text=The%20US%20government%20defines%20MSMEs,of%20less%20than%20\$750%20million]				[Reference: website of Ministry of Micro, Small and Medium Enterprises, Govt. of India, published in their website on 25.06.2022. Link : 'https://msme.gov.in/faqs/q1-what-definition-msme:']				OR							
								Balance Sheet Total	≤ € 2 million	≤ € 10 million	≤ € 43 million				
								[Source: Article on web by Erasmus for Young Entrepreneurs (EYE Corner); Link: 'https://www.erasmus-entrepreneurs.eu/page.php?cid=6&pid=019&faqcat=14&faqid=101" \~:~text=%22Enterprises%20qualify%20as%20micro%2C%20small,Mundus%20for%20Students%20or%20Leonardo?%20C2%BB]							

Considering the above sample, it transpires that the defining factors for the categories are based on four major factors (any one or two in each case) of which two are mostly common - the number of employees and the revenue/turnover.

Initiatives to foster the growth and efficacy of MSMEs - UK, EU and Indian scenario²

As a mark of recognizing the importance and significant contributions of the MSME sector, the 27th June of each year is observed as the International Micro, Small and Medium sized Enterprises' day. The critical role played by the MSME sector is acknowledged by the United Nations General Assembly to promote awareness of reaching the UN's goals for sustainable development (SDG), speeding up economic growth and eliminating poverty across nations.

Another applaudable initiative is the establishment of the European India Centre for Business and Industry (EICBI) which is a forum registered by the European Commission to assist the Micro, Small, and Medium Enterprises (MSMEs) in collecting opportunities in the UK-India corridor and EU-India corridor.

EICBI has displayed appreciable performance acting as a link between India and Europe (including the UK) to encourage trade and reinforce relationships. EICBI with its affiliated forums have successfully arranged to hold 31 major sessions at Parliaments in Europe which includes 26 at the British Parliament in London/other locations in the UK and 5 at the European Parliament in Brussels/other locations in Belgium. EICBI offers various advisory services on regulatory compliance, market strategies, and business expansion programs.

The considerable contributory role by the MSMEs, to the tune of roughly 90% of businesses involving more than 70% of employment, and also approximately 50% of GDP worldwide, stands at the nucleus of the economy for most countries. Small and Medium Enterprises

referred to as SMEs account for about 99% of all businesses in the EU. The definition of an SME is important for access to financing and EU support programmes aimed specifically at these enterprises.

Similarities and differences between the MSMEs - Europe and India

These aspects are briefly narrated below:

Similarities	Dissimilarities
Based on Size: Though specific size brackets may vary for negligible magnitude, categorization of the businesses is based on the manpower engaged and the business turnover.	On the basis of number: In UK: Around 5.5 million MSMEs are operating of which small businesses (under 50 employees) account for the largest share. In India: Estimated figure is about tens of millions of MSMEs. In EU: Number varies in member countries No single figure, but estimated to be in the tens of millions [European Commission website].
Role in country's economy : MSMEs play a vital role contributing in a significant manner in all these regions (EU, England and India) towards its share in GDP, employment, and innovative initiatives.	Government Support: All three regions offer programs and initiatives to aid MSMEs, but the scope and focus can vary.

Conceptual and objective based perspectives:

European Union (EU)	United Kingdom (UK)	India
Harmonization of cross border regulations for uniform way of operation towards meeting the common economic goals	Focuses on promoting growth, innovation, and access to finance for SMEs. Resources include funding schemes, tax breaks, and mentorship programs	Strong emphasis on fostering entrepreneurship and formalizing vast MSME sector

Above table is prepared based on data published - Reference in Acknowledgement ³

Study of Mc Kinsey Global Institute – Contribution of MSME in GDP. Revenue and Employment

The scenario of contribution by MSME to each country's economic indicators though different yet signifies its pivotal role. World renowned consultant, Mc Kinsey & Co's Mc Kinsey Global Institute publishes their study reports in their website (Link given below) covering, inter alia, the MSME sector as well. The report available in the web while preparing this article (8th January 2025) provides an array of data and graphs explaining most explicitly the MSME sector's performance, role and contribution in various countries (advanced economy and emerging economies like India). In this paper, substantial references are made from their report.

According to their recent report published in their website, the following facts and figures are really eye opening. These data/information factually help us understand the significant role that MSMEs play in an economy (both in advanced and emerging economies).

(1) According to a study of Mc Kinsey covering 16 countries, the MSME sector accounts for two thirds of business employment, and this sector contributes as large roughly half of value addition by the corporate world. On global canvas, almost 50% of GDP is contributed by the MSME sector.

Mc Kinsey study reports analyze the reported data and their implications for (1) 10 (ten) Advanced economies

including USA, EU, UK and 6 (six) Emerging economies covering nations like Mexico, Brazil, India, Indonesia etc.

Productivity gap – MSME vs Large Corporates

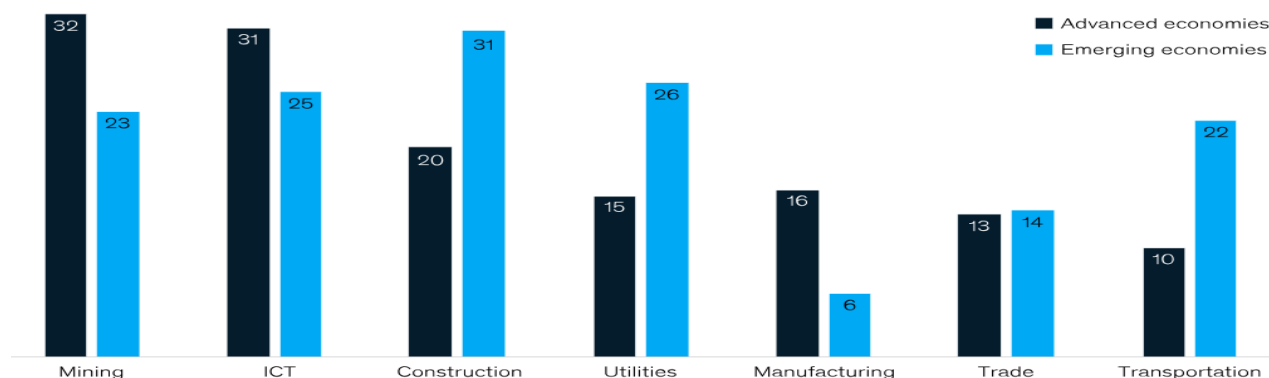
Mc Kinsey study demonstrates, productivity of MSME sector lags behind that of the larger enterprises across countries under study showing wider gap in the case of emerging economies like India. Average gap is as high as 71% for Emerging economies (India – 74%) whereas for the Advanced economies, the gap is 40%. This signifies the weakness of the MSMEs for diverse reasons in Emerging economies. Besides, in Advanced economies also there is enough room for improvement of the productivity of the MSME sector whereas the scenario for UK is quite encouraging depicting only 16% gap as compared to the larger enterprises. The gap of Micro units is larger than that of the advanced economies as compared to the MSME as a group. The studies also show about 19% (average) MSME units have scaled up to larger enterprises from 2000 to 2022. This information is encouraging and indicates that MSMEs are growing rapidly to become large enterprises to boost the economy of a country with a faster pace. The role of MSMEs in any economy is pivotal for energizing overall economic strength.

Their study also reveals an encouraging picture. Many of the companies in these countries could scale up from the MSME stage to the large business house category in just two decades (from 2000 to 2020). Exhibit 4 of the Mc Kinsey report shows it in the following graph⁴.

Exhibit 4

Mining and ICT companies scaled up more overall, while construction, utilities, and transportation MSMEs were more dynamic in emerging economies.

Share of scaled-up companies by country, share of 2022 large public companies that were MSMEs at some point since 2000, %, simple average across countries¹



Large companies defined as top public companies above specific market capitalization thresholds defined by country (as of December 2022). Of these, all companies that could be classified as MSMEs with <250 employees at any point after 2000 were considered to have scaled up into large companies by 2022. If a company was founded after 2000 and became a large company by 2022, it is considered to have scaled up.

Note: Sample size: 1,907 large companies of which 1,543 are from 9 advanced economies and 364 are from 4 emerging economies. Analysis excludes 100 companies included in country-level scale-up rates as they are typically involved in multiple economic activities and they could not be mapped to any one sector.

Source: S&P Capital IQ; The Conference Board Total Economy Database, April 2023; McKinsey Global Institute analysis

McKinsey & Company

Reference in Acknowledgement⁴

Challenges faced by MSMEs

MSME units face challenges from various angles everywhere in the world though their magnitude may vary. However, it is already well recognized globally that MSME sector is a game player along with the large sector in fostering economic growth of any country.

Such challenges or obstacles being faced by the MSME sector can be briefly grouped as below:

Shyness in Investment: MSMEs normally face the difficulties in raising funds/investments due to lack of promoters' financial strength, high interest rate, may face challenges accessing finance, such as a lack of credit, high interest rates, and complexity in documentation requirements etc.

Lack of efficient manpower: Due to its size and funding constraint, MSME struggles to get competent and professional personnel.

Uneven Competition: For MSME entities, it is difficult

to sustain the pressure of competition from the larger houses enjoying the benefit of large scale operation

Less bargaining power: MSMEs are unable to get the best bargain in input buying transactions due to their limited requirements as against the larger business houses.

Economic slowdown phase – it poses a threat to MSMEs and may lead to winding up of the enterprises if the phase continues for long time.

Other factors – Due to its shortcomings from the size and strength aspects as compared to the larger corporations, MSMEs suffer in the areas like superior technology, proper marketing infrastructure, lack of training and skill development programs, inadequacy of product development and research work etc. Besides it also faces critical issues while tapping export possibilities, forming joint ventures with globally acclaimed organizations, facing difficulties to handle environmental issues for a lack of needful fund and infrastructure. For example, in infrastructure projects, the safety, hygiene standards need large investments

which MSMEs generally find difficult thereby losing the opportunity to grab large contracts for growth and sustainability.

Opportunities of MSMEs – Indian panorama

MSMEs have an open pitch to play in Indian scene. Performing efficient in cost effective manner, the product and services of MSMEs will be well accepted by its client and consumers. Twofold objectives to be kept in mind always – Quality at affordable price. Some of the areas where MSMEs can contribute largely are:

- Agricultural products marketing and selling
- Logistics services
- Ancillaries to main products of big corporates
- Assembly industry
- Computer peripherals/hardware – both manufacturing and assembly and maintenance
- IT services
- All other sectors where large houses don't want to enter for any hurdle like large manpower involvement and sharing the investment requirement, keeping the cost of production lower.

India a roaring economy and a great emerging economic power and with large population, has tremendous potential for MSME sector provided this sector makes itself the efficient, productive and cost effective product and service provider.

Growth of MSME Sector - Role of Cost and Management accountants (CMAs)

The Institute of Cost Accountants of India (ICMAI) as a body as well as its members can play a pivotal role and contribute significantly to make MSME operations

successful and more efficient. The Government (both Central and State) can form Taskforces or committees to provide the undermentioned professional services for upliftment of MSME sector:

- Imparting Cost and Management techniques to the management of MSMEs
- Forming strategic partnership in the areas where MSMEs need their professional support
- Cost and Management studies to identify the areas for improvement and productivity
- Feasibility study
- Coordinate with the concerned ministry from time to time to place the grievances of the MSME sector with suggestive alternative solutions
- Interaction with leading Indian business houses – both on the shop floor and at management level to understand the areas needing improvement and how to raise the productivity and making the output at economic price to become clients' first choice
- Arranging campus recruitment from selected institutions and universities

There are many other areas where the CMAs and the ICAI institute can play a vital role to make MSME concept a revolutionary one in India. MSME sector demands earnest attention of governments and business units, various commercial bodies to extend full support to ensure continual growth of this sector in achieving the country's socio-economic goals.

Conclusion

In our country, government has taken numerous initiatives and schemes for supporting the MSME sector. Some of these schemes are⁵:

- Credit Linked Capital Subsidy Scheme for Technology Upgradation.
- Credit Guarantee Scheme.
- ISO 9000 certification and reimbursement scheme (application form and beneficiaries listing)
- Participation in International Fairs.

- Purchase and Price Preference Policy.
- Prime Minister's Rozgar Yojana (PMRY)

Though we recognize that MSMEs form one of the vital threads of economic fabric of any country due to its struggle for lagging productivity the desired outcome could not be achieved. To overcome this major hurdle, it is required for government and entrepreneurial initiatives to collectively reinforce this sector enabling to work as a complementary pillar with larger corporations to jointly achieve the overall socio-economic goals. In an agrarian country like India, to make MSME units a stronger base, the following areas need focused attention and action like:

- Improve infrastructure facilities for training, rewarding innovations, proper R&D.
- Installing means of support like financing at affordable rate, helping in arranging guarantees and other inputs for bidding.
- Electricity, Water and other basic need items for production to be made at a reasonably lower rate.
- Government aided institutes/organizations for providing lean manufacturing techniques, use of common production facilities like furnace for items like porcelain or earthen pots etc.
- Relaxing governmental compliances (not compromising with quality or legal/social needs) such as registrations, approvals etc.

If we all work together professionally as a dedicated team, it is not difficult to make MSME to support the nation as a strong tool to make our country Atmanirbhar

towards achieving the goal of Viksit Bharat 2047 as set by our PM.

Acknowledgement:

1. Reference: website of Ministry of Micro, Small and Medium Enterprises, Govt. of India, published in their website on 25.06.2022. Link : <https://msme.gov.in/faqs/q1-what-definition-msme>.
2. <https://www.eicbi.org/post/msmes-in-the-uk-india-eu-a-quick-look>
3. Referred Article styled as MSMEs in the UK, India & EU: A Quick Look by Divya Narvekar, a fellow with EICBI) in the website of EICBI - <https://www.eicbi.org/post/msmes-in-the-uk-india-eu-a-quick-look>
4. <https://www.mckinsey.com/mgi/our-research/a-microscope-on-small-businesses-spotting-opportunities-to-boost-productivity>. Reference article/paper by Anu-madgavkar, Marco Piccitto, Olivia White, Maria Jesus Ramirez, John Mischke and Kanmani Chockalingam. Link - <https://www.mckinsey.com/mgi/our-research/a-microscope-on-small-businesses-spotting-opportunities-to-boost-productivity> and Mc Kinsey & Co report in their website: article by link: <https://www.mckinsey.com/mgi/our-research/a-microscope-on-small-businesses-spotting-opportunities-to-boost-productivity>
5. <https://dcmsme.gov.in/publications/schemes/schemes.html>

Besides, in page 3, below the tables, relevant sources and links are provided.



Role of MSMEs in Economic Development of India



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MSME Sector in India

The Micro, Small, and Medium Enterprises (MSMEs) sector has become a dynamic and vital component of the Indian economy.

This sector plays a pivotal role in generating substantial employment opportunities with relatively low capital investment compared to large-scale industries. Additionally, MSMEs drive industrialization in rural and underdeveloped regions, helping to minimize regional disparities and promote a fairer distribution of national income and wealth. Acting as ancillary units, MSMEs complement the operations of larger industries and make a significant contribution to the socio-economic progress of the nation. Recognized as the “Engine of Economic Growth,” the MSME sector forms the backbone of India’s industrial ecosystem, contributing significantly to GDP, exports, and employment generation. Its dynamic nature allows it to adapt to global and domestic challenges, supporting India’s economic aspirations and socio-economic development goals. MSMEs are also important for achieving the Sustainable Development Goals (SDGs) and the 2030 Agenda for Sustainable Development.

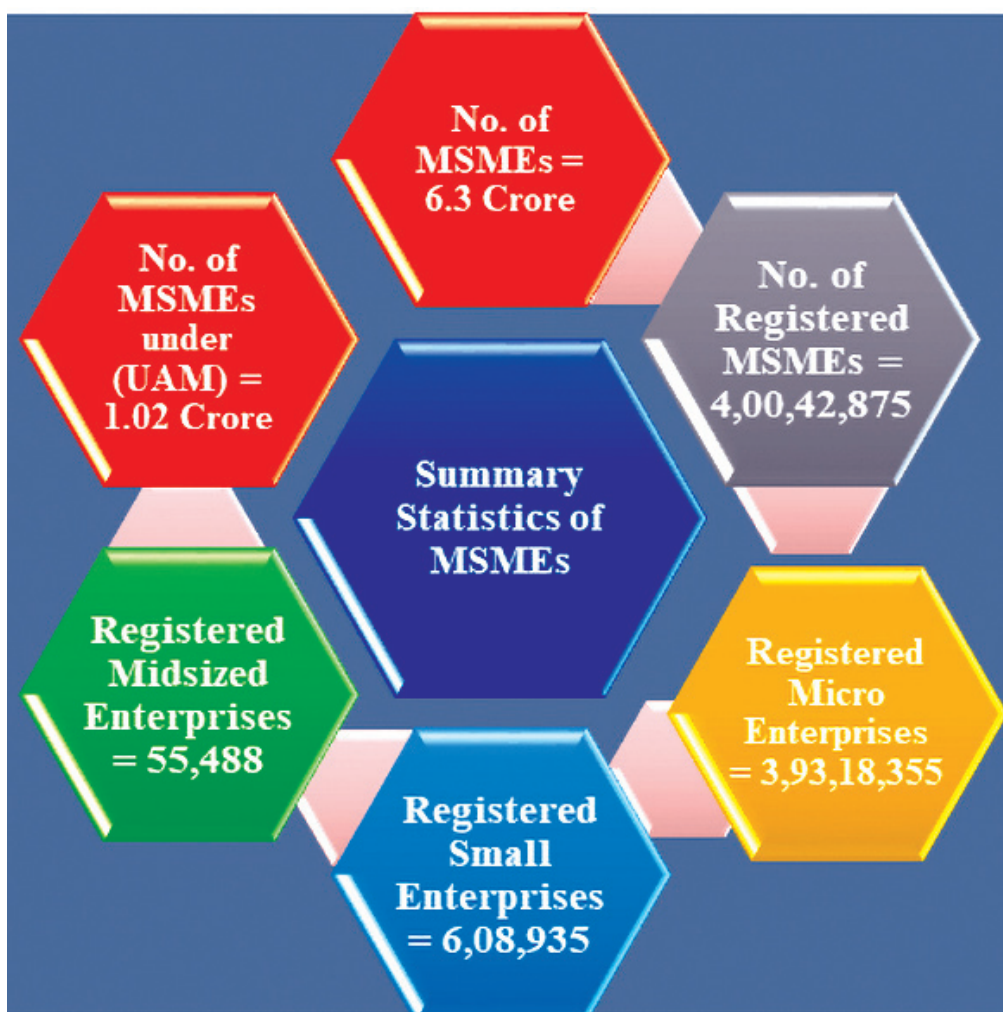
Definition and Classification of MSMEs

The MSME sector is categorized based on investment in plant, machinery, or equipment and annual turnover, as per the Micro, Small, and Medium Enterprises Development (MSMED) Act, 2006, which was revised in 2020 to reflect contemporary market dynamics. The revised classification, effective from July 1, 2020, ensures inclusivity and encourages growth by providing a broader framework for enterprises to operate:

Composite Criteria: Investment in Plant & Machinery/equipment and Annual Turnover

Classification	Micro	Small	Medium
Manufacturing Enterprises and Enterprises rendering Services	Investment in Plant and Machinery or Equipment: Not more than ₹.1 crore and Annual Turnover; not more than ₹. 5 crore	Investment in Plant and Machinery or Equipment: Not more than ₹.10 crore and Annual Turnover ; not more than ₹. 50 crore	Investment in Plant and Machinery or Equipment: Not more than ₹.50 crore and Annual Turnover ; not more than ₹. 250 crore

Source: <https://msme.gov.in/know-about-msme>

Chart – 1: Summary Statistics of MSMEs


Source: Ministry of Micro Small and Medium Enterprises, GeM Portal

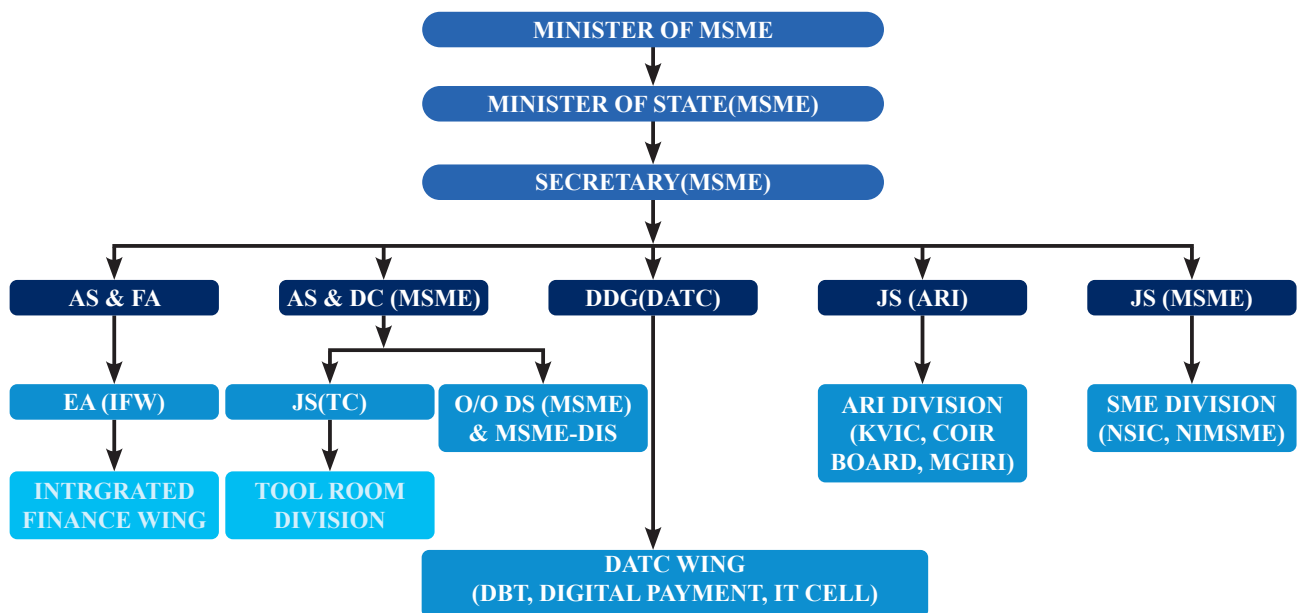
Micro, Small, and Medium Enterprises (MSMEs) are being encouraged to promote their products on e-commerce platforms, particularly through the Government e-Marketplace (GeM), which is managed and operated by the government. GeM serves as a procurement source for Ministries and Public Sector Undertakings (PSUs).

The Government e-Marketplace (GeM) portal in India has reached a remarkable milestone, recording over ₹9.82 lakh crore (approximately USD 117.72 billion) in public procurement transactions as of July 30, 2024. It has enabled online procurement for more than 63,000 government entities while supporting over 1.63 lakh women-led micro and small enterprises (MSEs) and 25,000 startups since its inception in 2016.

According to data from the Ministry of Micro, Small,

and Medium Enterprises, as of March 2024, the total number of MSMEs registered on the Udyam portal, including the Udyam Assist Platform (UAP), has reached 4,00,42,875. The platform continues to witness steady growth in registrations. Basically, India has approximately 6.3 crore MSMEs. The number of registered MSMEs stood at 4 crore units as of March 2024. As of December 2023, Maharashtra, Tamil Nadu, and Uttar Pradesh collectively account for nearly 40% of all registered micro, small, and medium enterprises (MSMEs) in India, according to findings from a CBRE-CREDAI report. These states, in particular, have emerged as the top three contributors to MSME registrations, with Maharashtra representing 17%, Tamil Nadu 10%, and Uttar Pradesh 9% respectively. ▪ Majority (72%) of the registered MSMEs, as of December 31, 2022, were service enterprises while manufacturing covered 28%.

Chart – 2: Organisation setup of MSME ministry DDG (DATC) Ministry



Source: Development Commissioner Ministry of Micro Small and Medium Enterprises (DCMSME) Website

Statutory bodies under the MSME Ministry

Following are the statutory bodies of MSMEs:

1. Khadi and Village Industries Commission (KVIC)

Khadi and Village Industries Commission (KVIC) is a statutory organisation engaged in promoting

and developing khadi and village industries for providing employment opportunities in rural areas, thereby strengthening the rural economy.

2. Coir Board (CB)

The Coir Board is a statutory body established for promoting overall development of the coir industry

and improving living conditions of workers in this industry.

3. National Small Industries Corporation Limited (NSIC)

Established in 1955, the National Small Industries Corporation Limited (NSIC) is responsible for promoting, aiding and fostering growth of micro and small enterprises in the country, generally on commercial basis.

4. National Institute for Micro, Small and Medium Enterprises (NI-MSME)

Established in 1960, the National Institute for Micro, Small and Medium Enterprises (NI-MSME) is responsible for enterprise promotion and entrepreneurship development, enabling enterprise creation, performing diagnostic development studies for policy formulation, etc.

5. Mahatma Gandhi Institute for Rural Industrialisation (MGIRI)

The objectives of the Mahatma Gandhi Institute for Rural Industrialisation (MGIRI) are to accelerate rural industrialisation for sustainable village economy, empower traditional artisans, encourage innovation through pilot study and R&D for alternative technology using local resources.

Role of MSME Sector in Indian Economy

MSME sector is a cornerstone of India's economic framework, contributing significantly to GDP, employment, and export earnings. It plays a critical role in fostering inclusive growth, regional development, and innovation. This review examines the diverse roles of the MSME sector in India's economy, highlighting its contributions, challenges, and future prospects.

1. Contribution to GDP

The MSME sector is a vital contributor to India's Gross Domestic Product (GDP). As per the Ministry of MSME, the sector contributed

approximately 30% to India's GDP in 2022-2023. With over 63 million enterprises, MSMEs span across manufacturing, services, and trade, acting as a backbone for the country's industrial and service sectors.

2. Employment Generation

MSMEs are the second-largest employer in India, following agriculture. They provide employment to over 110 million people across urban and rural areas. The labour-intensive nature of MSMEs, coupled with their ability to absorb unskilled and semi-skilled workers, makes them instrumental in addressing India's employment challenges. Sectors such as textiles, handicrafts, and food processing are notable for their employment potential.

3. Promoting Regional and Rural Development

MSMEs play a crucial role in promoting balanced regional development. By establishing industries in rural and semi-urban areas, MSMEs help bridge the urban-rural divide. They stimulate local economies, reduce migration to urban centers, and contribute to inclusive development. Notable examples include handicraft clusters in Rajasthan, textile hubs in Tamil Nadu, and food processing units in Punjab.

4. Export Contributions

The MSME sector is a significant contributor to India's export basket, accounting for around 45% of the total exports. Products such as garments, leather goods, gems and jewellery, and engineering components dominate MSME exports. Their integration into global value chains has enhanced India's competitiveness in international markets.

5. Fostering Entrepreneurship and Innovation

MSMEs are a hub for entrepreneurship and innovation, offering a platform for first-generation entrepreneurs to develop and commercialize ideas. Government initiatives such as Startup India and Make in India have further strengthened the link between MSMEs and innovation. The sector

also plays a key role in adopting and deploying emerging technologies, though challenges remain in scaling innovation across enterprises.

6. Encouraging Inclusivity

MSMEs promote inclusivity by empowering marginalized groups, including women and socially disadvantaged communities. Women-led MSMEs, supported by government schemes like Mahila Coir Yojana, are becoming more prominent, particularly in rural India.

7. Supporting Economic Resilience

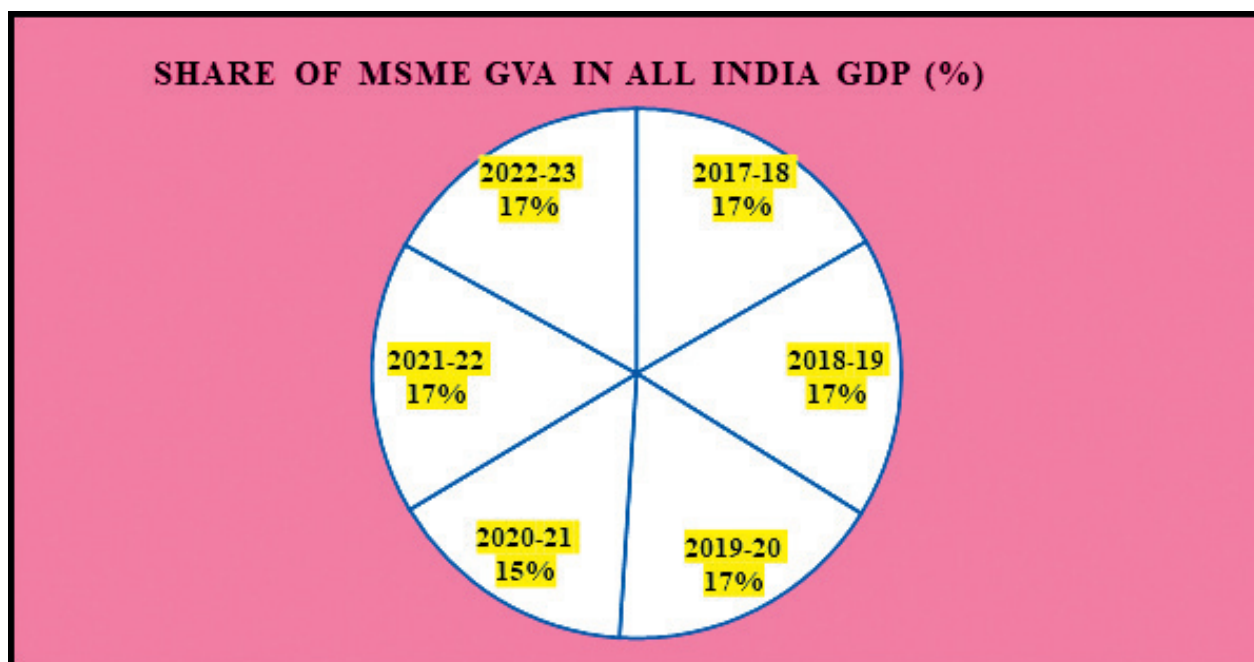
The MSME sector has demonstrated resilience

in the face of economic challenges, including the COVID-19 pandemic. Despite disruptions, MSMEs quickly adapted by embracing digital technologies, pivoting business models, and integrating into e-commerce platforms. They have played a critical role in India's recovery post-pandemic.

Contribution of MSMEs to the GDP

As per the latest information received from the Ministry of Statistics & Programme Implementation, the share of MSME Gross Value Added (GVA) in all India Gross Domestic Product (GDP) during last five years are as follows:

Chart – 3: MSME's Share of All India GVA



Source: Ministry of Statistics and Programme Implementation Database

The data on the share of MSME Gross Value Added (GVA) in India's GDP from 2017-18 to 2022-23 highlights the significant contribution of the MSME sector to the country's economy, with some fluctuations over the years. Between 2017-18 and 2019-20, the MSME sector maintained a steady contribution of around 30% to GDP, reflecting its robust role in supporting economic activities and employment

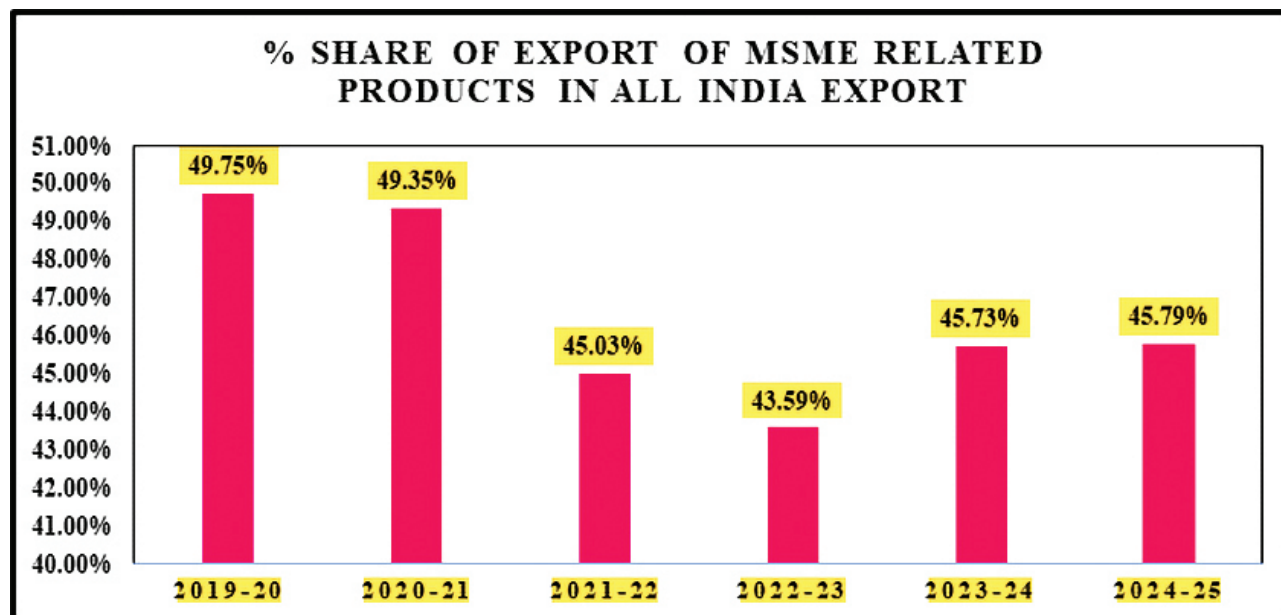
generation. In 2020-21, the share of MSME GVA dropped to 27.3%, marking a significant decline. This can be attributed to the impact of the COVID-19 pandemic, which disrupted economic activities, supply chains, and demand. The MSME sector, being highly sensitive to such shocks, faced challenges like liquidity constraints, reduced consumer demand, and operational disruptions. The sector rebounded in 2021-22, with its

share rising to 29.6%, and further improved to 30.1% in 2022-23. This recovery indicates the resilience of the MSME sector, supported by government initiatives such as the Emergency Credit Line Guarantee Scheme (ECLGS), digitalization, and efforts to improve market linkages.

Contribution of MSME to the Export

As per the latest information received from the Ministry of Statistics & Programme Implementation, the share of MSME related products in all India Export during last six years are as follows:

Chart – 4: MSME’s Share of All India Export



Source: Ministry of Statistics and Programme Implementation Database

The data shows the percentage share of MSME-related product exports in India’s total exports over the years. Between 2019-20 to 2020-21, the percentage slightly decreased from 49.75% to 49.35%, indicating a marginal decline in the contribution of MSME exports to India’s overall export share. Between 2020-21 to 2021-22, a significant drop is observed, from 49.35% to 45.03%, suggesting a notable reduction in the MSME sector’s export share. This could be due to disruptions like the COVID-19 pandemic impacting global trade and MSMEs. The share further decreased to 43.59% between 2021-22 to 2022-23, continuing the declining trend. This could reflect challenges such as supply chain disruptions, competitive pressures, or changes in export policies. From 2022-23 to 2023-24, the percentage increased to 45.73%, signalling a recovery in the MSME sector’s contribution to exports, possibly due to policy

interventions or improving global demand. On the other hand, a slight rise to 45.79% indicates stabilization and steady improvement in the MSME export share in between 2023-24 and 2024-25.

Government’s Initiatives

The Government has introduced several measures to support the Micro, Small, and Medium Enterprises (MSME) sector. These include:

1. **Collateral-Free Loans:** The Credit Guarantee Scheme for Micro and Small Enterprises is one of the flagship schemes of the Ministry of MSME for providing collateral free loans to Micro and Small Enterprises. This scheme was revamped in the year 2023, wherein ceiling limit of guarantee coverage was enhanced from ₹ 2 crore to ₹ 5 crore; the

annual guarantee fees reduced; and threshold limit for waiver of legal action was increased. 19.90 lakh guarantees have been approved amounting to ₹. 2.44 lakh crore during the period 1st January to 30th December, 2024. In addition, a Special Scheme for Micro Enterprises, which are exempt from GST regime and are registered on Udyam Assist Platform, was launched on 14th February, 2024 in which loans up to ₹ 20 Lakh guaranteed without any Primary Security are provided to Informal Micro Enterprises and the Guarantee coverage is 85%. Further, recognizing the importance of women entrepreneurs in economic growth of the country, the guarantee coverage has been enhanced for women-owned enterprises from existing 85% to 90% vis-a-vis 75% coverage for others with effect from 1st April, 2024.

2. **Equity Infusion:** A ₹50,000 crore equity infusion has been implemented through the Self-Reliant India (SRI) Fund, which includes a government contribution of ₹10,000 Crore as a corpus. Basically, Self Reliant India Fund Scheme of the Ministry of MSME provides equity funding to those MSMEs which have the potential and viability to grow and become large units. Since its operationalization in October 2021 till date, 57 Daughter Funds have been empanelled with NSIC Venture Capital Fund Limited (NVCFL), i.e. Mother Fund. SRI Fund has assisted 523 MSMEs by way of investment of ₹. 9,623 Crores. From 1st January, 2024 to 30th November, 2024, 06 daughter funds were empanelled with NVCFL. More than ₹. 2,701 Crore has been invested to assist 115 potential MSMEs.
3. **Revised MSME Classification:** New, updated criteria for classifying MSMEs have been introduced.
4. **‘MSME - Trade Enablement and Marketing (MSME-TEAM)’ Scheme:** Ministry has launched MSME-TEAM initiative during the Udyami Bharat event on 27.06.2024, with an outlay of ₹. 277.35 crore for promotion of

digitalisation of trade and commerce among MSMEs. The initiative enables and assists micro and small enterprises to onboard e-commerce platforms by assisting in catalogue preparation, account management, logistics and packaging. The Scheme aims at digital empowerment of 5 lakh MSEs, out of which 2.5 lakh MSEs will be women entrepreneurs owned MSEs. This will significantly enhance their access to market and contribute to their capacity building.

5. **Udyam Registration Portal:** MSMEs can now register through this portal to simplify business processes and enhance ease of doing business.
6. **Restrictions on Global Tenders:** No global tenders are allowed for government procurement contracts worth up to ₹200 crore.
7. **Inclusion of Retail and Wholesale Trades:** Retail and wholesale trades were officially recognized as MSMEs starting from July 2, 2021.
8. **Extended Non-Tax Benefits:** Non-tax benefits will continue for three years even if there is an upward revision in an MSME's classification status.
9. **RAMP Programme:** The Raising and Accelerating MSME Performance (RAMP) programme, with a budget of ₹6,000 crore over five years, has been launched to improve MSME performance. Basically, RAMP is a World Bank supported Central Sector Scheme aimed at improving access of MSMEs to market, finance and technology upgradation. The programme also aims at strengthening institutions at the Central and State level, and enhancing Centre-State collaboration. So far, all the 36 States and UTs have signed the Letter of Undertaking (LoU) with the Ministry for participating in the RAMP Programme.
10. **Portal Integration:** The Udyam Registration Portal has been integrated with the National Career Service (NCS) of the Ministry of Labour and Employment and the Skill India Digital

platform of the Ministry of Skill Development and Entrepreneurship. This enables registered MSMEs to connect with trained professionals and enhance their capacities.

11. **Vivad Se Vishwas-I Scheme:** Relief was provided to MSMEs through the refund of 95% of deducted performance security, bid security, and liquidated damages. Relief was also extended to MSMEs that faced debarment due to contract defaults.
12. **Udyam Assist Platform (UAP):** This platform has been launched to formalize informal micro-enterprises (IMEs) and help them access benefits under the Priority Sector Lending (PSL) scheme.
13. **Yashasvini Campaign:** Ministry of MSME has launched the Yashasvini Campaign, on 27.06.2024 during 'Udyami Bharat - MSME Day event, as a key step towards achieving gender parity by 2029 on the Udyam and Udyam Assist (UA) portals. The Yashasvini Campaign was launched in collaboration with Women Entrepreneurship Platform (WEP), NITI AAYOG and Ministry of Rural Development (MoRD). It has initiated the campaign towards formalization, capacity building, mentoring of women and promotion of Digital E-Commerce.
14. **PM Vishwakarma Scheme:** Hon'ble Prime Minister launched the PM Vishwakarma scheme on 17.09.2023, to provide end-to-end support to artisans and craftspeople of 18 trades who work with their hands and tools. Key Milestones (from 1st January 2024 to 30th December 2024) under the PM Vishwakarma scheme are as under:
 - **Registrations:** 24.77 lakh applications were successfully registered under the scheme.
 - **Skill Upgradation:** 15.05 lakh beneficiaries have completed basic skill training.
 - **Credit Support:** ₹. 2197.72 crore sanctioned to 2.54 lakh beneficiaries in the form of collateral-free loans at concessional rate of interest.
 - **Digital Incentive:** 6.58 lakh beneficiaries are digitally enabled.

- **Marketing support:** 75 trade fairs and exhibitions organized across the country to promote artisans and their crafts & skills.

Challenges midway of MSME Sector

The Micro, Small, and Medium Enterprises (MSME) sector in India faces several challenges that hinder its growth and development. These challenges can be broadly categorized into the following areas:

1. **Access to Finance**
 - Limited access to affordable credit remains one of the biggest hurdles for MSMEs.
 - High dependence on informal sources of finance due to stringent lending requirements from banks and financial institutions.
 - Collateral requirements and lack of proper credit history often restrict MSMEs from obtaining loans.
2. **Technological Constraints**
 - Many MSMEs lack access to modern technology and automation, making them less competitive in the global market.
 - Limited awareness and adoption of digital tools and Industry 4.0 technologies.
 - High costs associated with acquiring and implementing advanced technology.
3. **Marketing and Market Access**
 - Inadequate market linkages and limited ability to expand into new markets.
 - Difficulty in competing with large-scale enterprises, especially in international markets.
 - Lack of branding, marketing expertise, and e-commerce adoption.
4. **Infrastructure Deficiencies**
 - Poor infrastructure, including inadequate power supply, transportation, and logistics support.
 - Insufficient availability of industrial clusters and business parks.

- High costs associated with accessing quality infrastructure.

5. Regulatory and Compliance Burden

- Complex regulatory framework and frequent changes in policies create confusion.
- Challenges in adhering to labour laws, taxation policies, and environmental regulations.
- Cumbersome processes for obtaining approvals and licenses.

6. Skilled Workforce

- Shortage of skilled labour and lack of proper training facilities for upskilling the workforce.
- High attrition rates due to competition from larger companies offering better pay and benefits.

7. Delays in Payments

- Prolonged payment cycles from large corporations and government agencies strain working capital.
- Lack of strict enforcement of payment timelines under the Micro, Small and Medium Enterprises Development (MSMED) Act.

8. Global Competition

- Difficulty in competing with cheaper imports and global players with superior technology and economies of scale.
- Limited export-oriented production and challenges in meeting international quality standards.

9. Impact of Economic Fluctuations

- Vulnerability to economic slowdowns, such as reduced demand and increased input costs.
- Disruptions caused by events like the COVID-19 pandemic significantly impacted their operations.

10. Lack of Awareness and Support

- Limited awareness of government schemes, subsidies, and incentives.
- Ineffective utilization of initiatives like Udyam registration, GeM, and cluster development programs.

Addressing these challenges through targeted government policies, financial support, infrastructure improvements, and capacity building will be crucial for the sustained growth and competitiveness of India's MSME sector.

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Uddyam Registration: Unlocking Growth for MSMEs



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Introduction to MSMEs:

Micro, Small, and Medium Enterprises (MSMEs) are the lifeline of India's economic framework, serving as the backbone of industrial development, employment, and entrepreneurship. This sector fosters economic stability, reduces regional disparities, and promotes inclusive growth. MSMEs play an essential role in poverty alleviation by generating employment opportunities and driving industrialization in rural and semi-urban areas.

In recent years, the significance of MSMEs has grown, driven by their ability to innovate, adapt quickly to market changes, and contribute substantially to the national economy. By nurturing a culture of entrepreneurship, MSMEs stimulate economic diversification and regional development, aligning with the government's goal of building a self-reliant India.

Definition and Classification of MSMEs:

The Government of India revised the classification of MSMEs in 2020 to facilitate ease of doing business and boost their growth potential. This reclassification aimed to remove the distinction between manufacturing and service sectors and introduced a composite criterion based on investment and turnover.

Enterprise Type	Investment in Plant & Machinery/ Equipment	Annual Turnover
Micro	≤ ₹1 crore	≤ ₹5 crore
Small	≤ ₹10 crore	≤ ₹50 crore
Medium	≤ ₹50 crore	≤ ₹250 crore

This revised definition allows for scalability and ensures MSMEs can continue to receive benefits as they expand, supporting their sustainable growth. By removing previous constraints, the new classification enhances competitiveness and encourages enterprises to grow without the fear of losing government incentives.

Major Relief enjoyed by MSMEs that have Udyam Registrations

Under Income Tax Act 1961

- Presumptive taxation regime under section 44AE of the Income-tax Act, 1961, to those who own not more than 10 trucks irrespective of turnover.
- Exemption from compulsory tax audit under section 44AB of the Income-tax Act, 1961, for specified entities with turnover of ₹ 5 cr. or less R 10 crore or less with effect from the assessment year 2021-22] provided such entities transact 95% or more of their receipts and payments through cashless modes [Payment or receipt by a cheque

or a bank draft which is not crossed account payee shall be deemed to be payment or receipt in cash]. Suppose 95% or more cashless conditions are not fulfilled. In that case, the exemption threshold is a turnover of ₹ 1 crore unless the enterprise opts for presumptive taxation u/s 44AD (in which case the threshold limit is ₹ 2 crore or ₹ 3 crore u/s 44AE).

- (C) A company whose turnover does not exceed ₹. 400 cr. In a financial year is entitled to a concessional rate of tax of 25% applicable to small and medium companies as per the Finance Act.
- (D) Tax and non-tax benefits to DPIIT-recognized startups whose turnover does not exceed ₹. 100 crores.
- (E) Presumptive taxation regime under section 44AD of the Income Tax Act, 1961, for businesses being individuals/traditional partnerships (also known as partnership firms or general partnerships)/HUFs whose turnover does not exceed ₹. 2 crores.
- (F) Presumptive taxation regime under section 44ADA of the Income-tax Act, 1961, for small professionals whose gross receipts do not exceed ₹. 50 lakhs.
- (G) 17.16% optional tax regime for new manufacturing companies without specified deductions/ reliefs irrespective of turnover (Section 115BAB of the Income-tax Act, 1961)
- (H) Under Section 32AC, MSMEs can claim a 15% investment allowance for new investments in machinery, plant, and equipment.
- (I) MSMEs engaging in research and development can claim up to 200% tax deductions under Section 35(2AB), incentivizing innovation and product development.
- (J) Startups and MSMEs can now carry forward losses for up to 10 years, provided the original shareholders maintain majority ownership under the revised Section 79.

- (K) Section 54GB provides MSMEs capital gains exemptions when gains are reinvested into qualifying assets or equity shares of eligible startups.
- (L) In the budget announced in 2023, Section 79 of the Income Tax Act was amended to extend the period for carrying forward loss amount on changes in shareholding to 10 years from the date of incorporation. This thereby provides a relief to start-ups. If all owners of business continue maintaining their ownership of shares, the minimum of 51% criteria is relaxed and is deducted from the carried forward loss amount for start-ups. This adjustment has been implemented and taken into effect on April 1, 2023.
- (M) To incentivize prompt payments, the new budget has expanded the scope of Section 43B(h) of the Income Tax Act, 1961 to encompass all payments made to MSMEs. Upon completion of these payments, tax deductions can be claimed. This will be applicable if the payment is made within the prescribed time according to the MSME Development Act.

GST Provisions for MSMEs

a. Threshold for GST Registration:

- The threshold for compulsory GST registration has been increased, relieving smaller MSMEs from tax compliance burdens and allowing them to focus on business growth.

b. Simplified Compliance Processes:

- MSMEs benefit from reduced documentation and streamlined filing procedures, saving operational time and cost.

c. GST Rate Rationalization:

- Several goods and services specific to MSMEs benefit from lower GST rates, directly reducing costs.

d. Promotion of Digital Transactions:

- To encourage digital transactions, MSMEs enjoy additional incentives, enabling reduced costs and enhanced financial transparency.

Companies Act 2013

The following relaxations or exemptions are available to small companies: Small company exempted from presenting cash flow statements as part of its financial statements.

- Annual return of the company under section 92 of the Company Act, 2013 shall be signed by a director of the company where there is no company secretary. In such a case, company need not get it signed by a company secretary in practice.
- Auditor of small company exempted from reporting in audit report on adequacy of internal controls in terms of section 143(3)(i).
- Auditor of a small company is exempted from reporting matters required by the Companies (Auditor's Report) Order, 2020 (CARO, 2020)
- A small company need not comply with the normal requirement of at least four board meetings in a

calendar year with not more than a 120-day gap between two consecutive board meetings. A small company needs to hold at least one board meeting in each half of a calendar year and the gap between the two meetings should be at least 90 days. Even this relaxed requirement shall not apply to a small company which is OPC with only one director (as one person can't hold a meeting).

Conclusion:

MSMEs are poised to play a pivotal role in India's ambition to become a \$5 trillion economy. By fostering innovation, expanding market access, and leveraging government initiatives, MSMEs will continue to drive economic growth, generate employment, and position India as a global manufacturing hub. The Union Budget 2024-25 introduces various tax reforms to boost the MSME sector's viability and competitiveness. Reductions in income tax rates, simplified GST provisions, and increased investment allowances aim to provide financial relief, encourage innovation, and reduce operational costs. These changes are expected to accelerate the sector's contributions to India's GDP and export capacity while fostering economic growth.



Bridging the Credit Gap in MSME Sector in India: A Study



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1. Introduction

Micro, Small and Medium Enterprises (MSMEs) are considered engine growth of all over the world and an effective tool for fostering equitable development. This sector is highly labour-intensive and constitutes the majority of enterprises in most economies. The sector is considered important as it attributed to minimum capital and technological requirements, capacity for employment generation, utilisation of inherited or traditional skills, mobilisation of local resources, exportability of products, etc (Lama, 2013). The MSME sector is one of the most vibrant and dynamic sectors in the Indian economy and contributes nearly one-third of the country's GDP. With nearly 64 million MSME units it contributes 11 crore jobs and accounts for over 40% of the country's exports (MSME Annual Report, 2023-24). The MSME sector not only embraces economic growth but also uplifts the poor, backward-class people and plays a great role in women's empowerment (Naskar, 2019).

Despite their critical role in the Indian economy, MSMEs face significant challenges in accessing adequate and timely formal credit. This credit gap arises from various factors, including limited financial transparency, insufficient formalization, lack of comprehensive financial records, and a lack of collateral (Nandini, 2021 & Saleh, 2023). These issues lead to a significant gap between MSMEs credit requirements and the available supply, which is referred to as the credit gap. Also, a significant portion of the Indian MSMEs still faces considerable challenges related to digitisation. By adopting digital payment systems, MSMEs can create a digital footprint of their financial transactions. This will facilitate easier credit assessments by lenders, improves cash flow management, and enabling them to maintain clear and accurate financial records (Janakiraman, 2024).

2. Research Methodology

The approach used in the study is descriptive and analytical in nature and is based on secondary sources of data gathered from various research papers, reputed journals and magazines, annual reports of the Ministry of MSMEs and Credit Guarantee Fund Trust for Micro and Small Enterprises, RBI Handbook of Statistics on Indian Economy, RBI Bulletin, and other relevant websites to this matter.

3. Objectives of the Study

The objectives of the study are as follows:

- (1) To identify the financing gaps faced by MSMEs in India.
- (2) To understand the constraints of MSME finance.
- (3) To study the role of government and other regulatory bodies in facilitating MSME finance.

4. Analysis and Findings

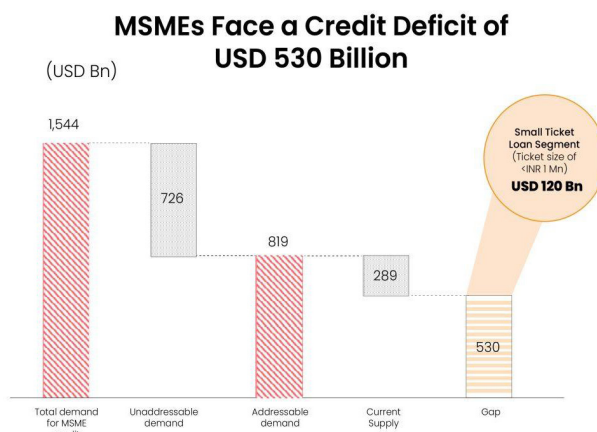
India is a nation recognised for small businesses. It has nearly 64 million MSMEs, which collectively contribute around one-third of the nation's GDP, making the sector a vital driver of economic growth. However, it faces significant challenges that hinder its progress. Restricted access to capital and limited digitization are the most pressing issues that need to be addressed systematically to unlock the sector's full potential.

4.1. MSMEs Credit Landscape in India

Indian MSME sector has suffered from the low level of formal credit penetration. The credit deficit in the MSME sector is the difference between the demand for external credit and the availability of formal financing. According to the report published by Avendus Capital (2023), among the 64 million MSMEs in India, only 14% have access to credit. The total financial requirement in

the MSME sector is approximately \$1,955 billion, with a debt-to-equity ratio of 3.8:1. The demand for debt financing alone is estimated at \$1,544 billion. In which nearly 47% of the demand from MSMEs was estimated to be un-addressable, as this demand refers to enterprises that are not financially viable or prefer financing from informal sources. On the remaining \$819 billion debt demand, \$289 billion demand is currently fulfilled by formal sources of credit, such as banks and NBFCs (45% by private banks, 43% by public banks and 12% by NBFCs). This results in a staggering credit gap of \$530 billion, creating a significant opportunity for lenders in this segment.

Fig I: MSMEs Credit Deficit in India



Source: Avendus MSME Report, 2023

MSMEs credit deficits are more prominent in the case of those who borrow INR 1 million or less (small ticket sizes). Almost 70% of their credit demand remains unmet, with an estimated credit deficit of \$120 billion. Micro enterprises are the most underserved segment for access to credit. Only 11% of total micro-enterprises have access to credit and 40% of loan has been denied for lack of collateral since 2020-21 (Avendus Capital, 2024).

4.2. Constraints in MSME Finance

Despite of several policy measures and regulations

from the Government, financial institutions and other regulatory bodies, there are still constraints exists on MSME financing. As the banks and other financial institutions are typically risk conservative and often do not lend to small businesses MSMEs in India confront a significant credit gap. Banks and NBFCs often view MSMEs as high-risk borrowers because of their minimal assets and capital. This industry is extremely susceptible to changes in the market and the economy. Sickness of MSME units is another concern of this sector(Mund, 2020). According to RBI report on September 2016, there are 4,80,280 sick Micro & Small businesses with a total of 326.74 billion in outstanding credit.

Information asymmetry poses a significant challenge for lenders when assessing the creditworthiness of MSMEs. Limited public information about MSMEs increases perceived risk for banks, often leading to higher collateral requirements. This presents a significant hurdle for many Indian MSMEs, who often lack sufficient collateral to secure adequate financing (Saleh,

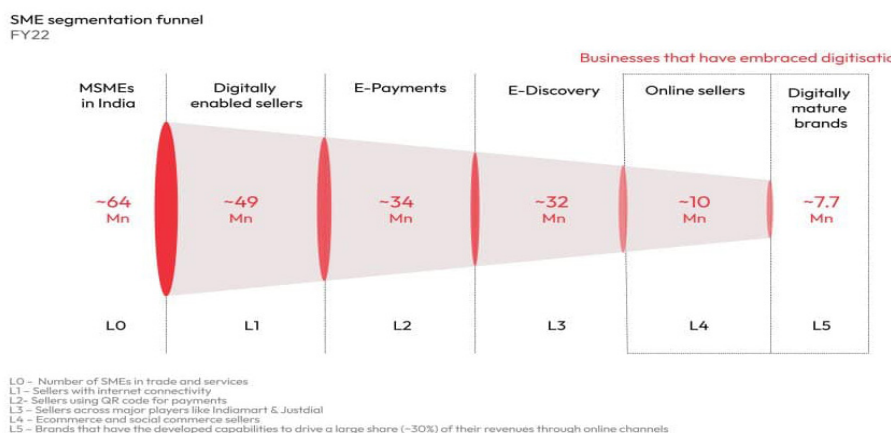
2023). Even when MSMEs can access credit, they often have to pay high interest rates, making it difficult for them to repay the loans.

Further, Inadequate financial literacy among MSME owners hinders their ability to effectively manage finances, thereby limiting their access to formal sources of funding. Indian MSME sector also suffers from limited access of equity financing, which is crucial for the expansion of the sector.

4.3. The Digitisation Imperative of the MSME Sector in India

The MSME sector in India remains significantly under-digitalised. However, the coordinated efforts of the Indian government and regulatory bodies are driving a paradigm shift in the digital transformation within the MSME sector. Key milestones like the launch of UPI and GST have facilitated MSME formalization and digital adoption. The COVID-19 pandemic further accelerated this shift, propelling the growth of digital payments (Mohan, 2023).

Fig II: Digitisation Imperative of Indian MSMEs



Source: Redseer IP, Expert Inputs, RedCare Analysis

According to the Redseer report, out of the 64 million MSMEs in India, 49 million enterprises are digitally enabled i.e. they have an internet connection, 34 million enterprises are facilitated with e-payments system, 32

million enterprises have e-discovery facilities and only 10 million businesses are selling their product through online platform. About 12% or around 7.7 million MSMEs are only digitally mature brands, that have

generated a large portion of revenues through online channels. This data suggests that while significant strides have been made in digitising Indian MSMEs, a substantial portion still requires further support to fully leverage the benefits of digital technologies.

4.4. Promotional Schemes for Bridging the Credit Gap

4.4.1 Initiatives taken by RBI

The Reserve Bank of India (RBI) has consistently prioritised the inclusion of MSMEs in the formal financial system through a number of focused initiatives. One of the key initiatives is the Priority Sector Lending (PSL) guidelines, mandating a sub-target of 7.5% of banks adjusted net bank credit for micro-enterprises, while all loans to MSMEs qualify under PSL. RBI has also promoted collateral-free lending by requiring banks not to insist on collateral for loans up to ₹10 lakh for micro and small enterprises (MSEs) and encouraging financial institutions to lend under the CGTMSE scheme which carries zero risk weight for the guaranteed portion of loans (Janakiraman, 2024).

RBI has implemented several initiatives to address the issue of delayed payment. The Trade Receivables Discounting System (TReDS) aims to expedite the trade receivable finance in the MSME sector through electronic platforms. The incorporation of the Account Aggregator (AA) framework and the inclusion of GSTN in the AA ecosystem will benefit from easier access to financial data. Also, a pilot project Unified Lending Interface (ULI) was launched in August 2023, to access customized, hassle-free credit using digital data.

To further support MSMEs, RBI has created a revival and rehabilitation framework for loans up to ₹. 25 crores, offering a streamlined process for addressing financial distress. Moreover, through the NAMCABS program, RBI actively engages bankers in training initiatives to enhance

their understanding of MSME credit needs and improve their ability to effectively support MSME financing.

The combined impact of government schemes like MUDRA and CGTMSE, coupled with RBI's supportive measures, has markedly improved the availability of formal credit to MSMEs. This positive trend is evident in the outstanding bank credit to MSMEs, which reached ₹27.25 lakh crore by March 31, 2024 (RBI, Handbook of Statistics on Indian Economy, 2023-2024). This substantial figure highlights the growing integration of MSMEs into the formal financial ecosystem. Also, the impressive annual growth rates of 12.39% and 20.58% in the last two financial years highlight the positive trajectory of MSME credit.

4.4.2 Initiatives Taken by Government

(1) Prime Minister's Employment Generation Programme (PMEGP)

The objective of the scheme is to generate employment opportunities by establishing self-employment ventures, projects, and micro enterprises. The scheme also aims to mitigate rural migration by providing sustainable employment to traditional and prospective artisans as well as the nation's unemployed youth. With a margin money subsidy range from 15% to 35%, the maximum cost of the project is up to ₹. 50 lakhs in the manufacturing sector and ₹. 20 lakhs in the service sector. The margin money subsidy is 35% in rural areas and 25% in urban areas, for beneficiaries belonging to special categories such as SC, ST, women, minorities, ex-servicemen, transgenders and aspirational districts. Since inception in 2008-09, this scheme assisted about 9.58 lakh micro enterprises with a margin money subsidy of ₹. 24,964 Crore and provided estimated employment to about 78.24 Lakh persons (MSME Annual Report, 2023-24). The performance of the PMEGP scheme for the last five years is shown below:

Table 1: Performance of PMEGPScheme

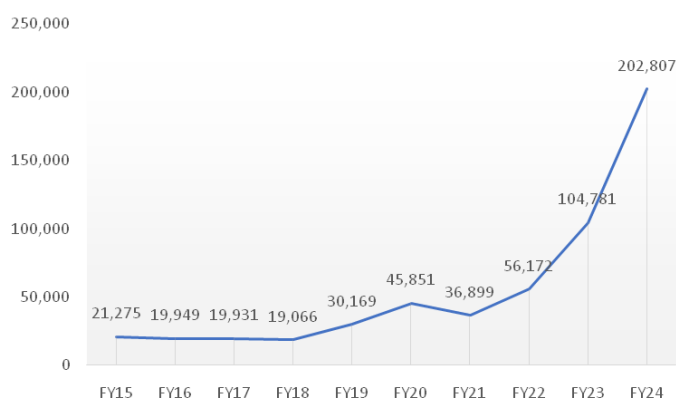
Year	Margin Money Disbursed (Rs. Crore)	Number of Micro Units Assisted	Estimated Employment
2017-18	1,312.4	48,398	3,87,182
2018-19	2,070.0	73,427	5,87,416
2019-20	1,950.82	66,653	5,33,224
2020-21	2,188.80	74,415	5,95,320
2021-22	2,977.66	1,03,219	8,25,752
2022-23	2,722.17	85,167	6,81,336
2023-24	3,093.88	89,118	7,12,944

Source: Govt. of India, Ministry of MSMEs Annual Report (2023-2024)

PMEGP scheme performances (Table 1) shows consistent growth in financial support, micro-unit assistance, and employment generation over the years. The disbursed money increased steadily from ₹. 1,312.4 crore in 2017-18 to ₹. 3,093.88 crore in 2023-24, which reflects the expansion of the scheme. The number of small-scale enterprises supported under this scheme rose significantly, starting from 48,398 in 2017-18 to 89,118 in 2023-24. The peak year for assistance was 2021-22, with 1,03,219 units assisted, possibly due to post-pandemic recovery efforts. Employment grew consistently, from 3,87,182 jobs in 2017-18 to 7,12,944 jobs in 2023-24. The highest employment generation occurred in the year 2021-22 (8,25,752 jobs), correlating with the highest number of units assisted in the year.

(2) Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

This scheme seeks to encourage self-employment among first-generation entrepreneurs by offering credit guarantee support through collateral-free loans to micro and small enterprises. It allows credit guarantees up to ₹. 5 crores, without collateral and third-party guarantee. As per the report of the Ministry of MSMEs, Govt. of India, CGTMSE has cumulatively approved guarantee cover for 87.96 lakh proposals, amounting to a total of ₹. 6.29 lakh crore. This signifies a significant effort to support Micro and Small Enterprises (MSEs) by facilitating access to credit, particularly for those who may lack collateral.

Fig. III: Guarantee Coverage – Amount wise (Rs. in Crore)


Source: CGTMSE Annual Report 2023-24

The guarantee coverage amount of CGTMSE has created a landmark by approving 17,24,073 guarantee applications worth ₹. 2,02,807 crores in 2023-24 from ₹. 21,275 crores in 2014-15. It shows a growth rate of 94% compared to 11,65,786 guarantee applications worth ₹. 1,04,781 crores in the previous financial year. The scheme has achieved a significant milestone in 2023-24 by settling the highest number of claims since its inception, reaching ₹. 2,637 crores, a substantial increase compared to the previous financial year amounted to ₹. 1,910 crores. This remarkable achievement highlights the crucial role of the CGTMSE in strengthening the MSME sector.

4.5. What Action Can MSMEs Undertake?

Besides the government policies and regulations, it is crucial for MSMEs to proactively build trust and visibility with lenders to enhance their access to finance. MSMEs should focus on the following aspects:

- (1) **Endorse Formalisation:** formalization and robust financial record-keeping are crucial steps for MSMEs to build trust with lenders. These measures not only improve access to finance but also enhance credibility and can unlock access to priority sector lending, government schemes, and ultimately, pave the way for sustainable growth and development.
- (2) **Adopt Digitisation:** adopting digital payment systems like UPI and online banking creates a valuable digital trail of financial transactions. This not only simplifies lender assessments of financial health but also significantly enhances cash flow management for MSMEs. By digitizing their financial operations, MSMEs gain greater control over their finances and establish a clear, auditable financial record.
- (3) **Discipline of Credit:** Through prioritizing credit discipline, carefully selecting appropriate credit products, and ensuring responsible utilization of borrowed funds, MSMEs can build strong credit histories,

improve their access to finance, and achieve sustainable growth.

- (4) **Capacity Building:** Investing in capacity building is crucial for the success of MSMEs. Through enhancing financial literacy and operational skills, and leveraging the support of industry bodies, incubators, and fintech solutions, MSMEs can strengthen their competitiveness, improve their access to finance, and achieve sustainable growth.
- (5) **Prioritise the use of TReDS:** MSMEs should utilise TReDS platforms for smoother transaction processing and timely payments, improved cash flow, accelerated payment cycles, and enhanced access to working capital.

5. Conclusion

Recognizing the crucial role of MSMEs in driving economic growth and wealth creation, the financial services sector, government, and regulatory bodies must accelerate efforts in addressing MSME funding challenges hindering their development and contributing to India's global ascent. Addressing restricted access to capital and limited digitization is crucial for unlocking the full potential of this sector. The RBI and the government have established a robust policy framework for MSME growth, including priority sector lending, collateral-free loans, and digital platforms like TReDS. However, it is equally crucial for MSMEs to effectively leverage these opportunities. Continued collaboration among all stakeholders is vital to ensure this vital sector's sustained growth and resilience.

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3

Achiever Speaks

**Sri. Sukumar Roy**

Managing Director
AMERSIL KETEX PVT. LTD.

Sri. Sukumar Roy is a visionary leader and entrepreneur in the Technical Textiles industry in India.

Mr. Sukumar Roy was born in 1937 in Naogaon, Bangladesh (then part of British India). He belongs to a family of Freedom Fighter.

Following India's independence in 1947, Mr. Roy and his family moved to India in 1953 in pursuit of better educational opportunities. For the Roy family, India represented a land of dreams and opportunity.

Mr. Roy earned his B.Sc. degree in Textile Technology from one of India's premier textile engineering institutions namely Govt College of Engg. and Textile Technology, Srirampur, in the district of Hooghly, WB.

As a textile technologist, he made an innovative career in the year, 1984, Mr. Roy initiated his first project for the development of gauntlet production and set up a manufacturing unit with indigenous technology at his

own in collaboration with Mr. D'Souza, Head of R&D at Exide Industries Limited. The two companies under the names i.e., Techfab Industries, Kharagpur and Vidyut Insulations, Jamshedpur, was formed under his leadership, and started its first commercial production of gauntlets, which was an innovative product in our own indigenous technology and machineries.

In 1990, Mr. Roy co-founded Safematic Fiber India Pvt. Ltd., an Indo-Danish joint venture with Keld Ellentoft Pvt. Ltd. Demark. This company was renamed afterwards as KE Burgmann Fibre Pvt. Ltd. in 1993. He set up another industry in 1994 in Jamshedpur under the name Vidyut Insulation Pvt Ltd as a Promotor Director.

In the year 2001, he set up another industrial unit under the name and style of KE Technical Textile Pvt. Ltd under his single leadership.

Mr. Roy's entrepreneurial spirit led to several major developments in the industrial development in west Bengal which is a source of huge employment opportunities especially in the rural and semi urban areas, the same are described below:

- **2009:** Established a new plant, Gagret Technical Fabrics Pvt. Ltd., in Gagret, Himachal Pradesh.
- **2011:** Opened the first overseas plant for gauntlet production in Dhaka, Bangladesh, under the name KE Technical Textile (Bangladesh) Ltd.
- **2015:** Formed a joint venture with AMER-SIL S.A. of Luxembourg, resulting in the creation of AMER-SIL KETEX Pvt. Ltd.
- **2016:** Merged Gagret Technical Fabrics Pvt. Ltd. with AMER-SIL KETEX Pvt. Ltd.

He set up a new plant in Bengaluru in 2016 under the name and style of Amer-Sil Ketex Pvt Ltd.

- **2019:** Established a new unit in Kharagpur (Demouli) for the production of high-silica high-temperature fiberglass fabric.
- **2021:** Launched another unit at Vidyasagar Industrial Park in Kharagpur under AMER-SIL KETEX Pvt. Ltd.
- **2022:** Celebrated the official opening of the new Kharagpur unit, attended by Her Excellency Mrs. Peggy Frantzen, Ambassador of Luxembourg to India.

Mr. Roy has also served in several notable leadership and community roles:

- Past President of the Kharagpur Chamber of Commerce.
- Past Chairman of the Association of Small & Medium Scale Industries in the Medinipur district.
- Past President and Ambassador of Rotary District 3291.
- He is involved in Educational Activities as the Chairman of Govt I.T.I Hijli.
- He is instrumental in setting up a college in Hijli under the name of Hijli College.
- He is the Governing Body member of Midnapur College.
- He was a member of the Governing Body of Raja Narendra Lal Khan Women's College, Midnapur.
- At present, more than 1000 employees are working in the industries promoted by him.

- His products are exported to more than 11(eleven) buyers in the World.

In recognition of his outstanding achievements and contributions, Mr. Roy was honored in 2021 with the prestigious civilian title of Officer in the Court of the Grand Duchy of Luxembourg.

He has served as Past President of the Kharagpur Chamber of Commerce and as the Past Chairman of The Association of Small & Medium Scale Industries for the district of Midnapore.

He also holds the position of President of the Hijli College Society and has contributed to research as the Co-principal Investigator of the Ramie Project at the IIT, Kharagpur. Mr. Sukumar Roy has also been a corporate co-sponsor for the Fire-Retardant Nano Composites project at the IEST, Shibpur.

He currently serves as the Chairman of the Government ITI in Hijli and Chairperson of Binpur 1 Government ITI, Jhargram. He is also a Life Member of St. John Ambulance and a Governing Body Member of Raja N.L. Khan Women's College in Midnapore.

It is also important to mention here that during his boyhood days, Sri. Roy stood second in the West Bengal Rifle Shooting competition in the year 1959. In the same year, he represented the NCC of W3st Bengal during the Republic Day celebration and joined the Tea Party with the then President of India, Baboo Rajendra Prasad.

His community contributions being the Past President and Past Ambassador of Rotary District 3291.



4 Multiple Progress Update

The period from 2025 to 2030 will witness even more pronounced changes in the MSME (Micro, Small, and Medium Enterprises) sector in India. As global trends evolve, the Indian MSME sector will need to adapt to new challenges and opportunities. Here are the expected future trends for MSMEs in India in the 2025-2030 period:

1. Continued Digital Transformation

- **AI and Automation Integration:** By 2030, AI, machine learning, and automation will be central to MSME operations. Small businesses will adopt automation not only in manufacturing but also in customer service (AI chatbots), inventory management, and supply chain optimization.
- **Cloud Computing and SaaS:** MSMEs will increasingly adopt cloud solutions and Software-as-a-Service (SaaS) platforms for CRM, ERP, and financial management. These solutions will offer cost-effective tools for businesses to scale.
- **E-Commerce Expansion:** MSMEs will increasingly sell directly to consumers via digital platforms and global e-commerce channels. India's rapidly growing digital economy will help MSMEs reach international customers more easily.

2. Sustainability and Green Business Practices

- **Carbon Footprint Reduction:** In response to climate change and regulatory pressures, MSMEs will adopt sustainable manufacturing practices. This includes using renewable energy sources (solar, wind), reducing waste, and improving energy efficiency.

- **Eco-friendly Products:** There will be an increasing demand for eco-friendly, sustainable, and organic products. MSMEs in sectors like textiles, agriculture, and food processing will need to adapt to the growing green consumer trend.
- **Circular Economy:** Many MSMEs will adopt the principles of the circular economy, focusing on reducing, reusing, and recycling resources, particularly in industries such as manufacturing and packaging.

3. Advanced Manufacturing

- **Smart Factories and IoT:** The integration of IoT (Internet of Things) in manufacturing processes will help MSMEs monitor equipment in real-time, predict maintenance needs, and optimize production. This will reduce downtime and improve overall productivity.
- **3D Printing and Additive Manufacturing:** 3D printing technology will allow MSMEs to create custom products, prototypes, and even spare parts quickly and efficiently. This will reduce manufacturing costs and time to market.
- **Robotics:** The use of affordable robots in manufacturing, logistics, and assembly lines will help MSMEs in sectors like automotive, electronics, and textiles to enhance precision and reduce manual labor.

4. Access to Finance and Financial Inclusion

- **Digitized Lending and Crowdfunding:** The next decade will see an expansion in digital lending platforms and peer-to-peer lending, which will offer MSMEs access to working

capital, growth funding, and venture capital.

- **Fintech Innovations:** With the rise of fintech, MSMEs will benefit from quicker loan approvals, alternative credit scoring, and lower interest rates. Digital platforms will help MSMEs access financing in a more seamless manner.
- **Government Schemes and Subsidies:** The government will likely expand its support programs for MSMEs, including financial subsidies, credit guarantees, and tax incentives aimed at boosting growth, innovation and exports.

5. Skill Development and Human Capital

- **Upskilling for Technology Adoption:** As MSMEs adopt new technologies, there will be a growing need for skilled workers. MSMEs will partner with educational institutions and training programs to upskill their workforce in digital technologies, AI, data analytics and robotics.
- **Rise of Gig and Remote Workers:** MSMEs will increasingly rely on remote teams and gig workers to access specialized talent on-demand, especially in areas like marketing, software development, and customer service.

6. Global Market Expansion and Export Growth

- **Cross-border E-Commerce:** MSMEs will benefit from international platforms, trade agreements, and government-backed programs that facilitate exporting goods. More businesses will scale globally, especially in sectors like textiles, food products, electronics, and IT services.
- **Global Supply Chain Integration:** With advances in logistics and digital tools, MSMEs will have access to more streamlined and cost-effective global supply chains, enabling them to procure raw materials and distribute finished products more efficiently.

7. Customized and Niche Market Focus

- **Personalized Products and Services:** Consumers will increasingly demand personalized and unique products, leading MSMEs to offer custom-made goods tailored

to individual preferences, such as in fashion, jewelry, and home décor.

- **Niche Market Specialization:** MSMEs will continue to carve out their niche in specialized markets, offering products or services that cater to specific regional, cultural, or functional needs. This trend will be supported by advances in technology and data analytics.

8. Collaborative Business Models and Networking

- **Co-creation and Shared Resources:** MSMEs will increasingly collaborate with each other, forming clusters or consortia to share resources, expertise, and technology. This collaboration will drive innovation and reduce costs.
- **Public-Private Partnerships:** MSMEs will collaborate more closely with both the government and large corporations to gain access to resources, technology, and market opportunities that would have otherwise been unavailable to them.

9. Data Analytics

- **Data-Driven Decision Making:** MSMEs will increasingly rely on data analytics to make better decisions. With the help of AI tools, they will gain insights into customer behavior, inventory management, and market trends, helping them optimize operations and improve their offerings.
- **Predictive Analytics:** AI-powered predictive analytics will help MSMEs forecast demand, manage supply chains more effectively, and predict market shifts.

10. Rise in Women Entrepreneurs

- **Gender-Inclusive Entrepreneurship:** The next decade will see more women entering the MSME sector, particularly in traditional industries, technology startups, and service-based businesses. Government initiatives and access to finance will further enable women to start and scale businesses.

11. Policy and Regulatory Support

- **Ease of Doing Business:** Continued reforms

will make it easier for MSMEs to operate and expand. The implementation of digital platforms for registration, compliance, and taxation will reduce the burden on businesses, ensuring faster growth.

- **Fostering Innovation:** With an increasing focus on innovation-driven growth, the government may introduce additional policies that encourage research and development, technological adoption, and intellectual property creation for MSMEs.

12. Healthcare and Biotechnology MSMEs

- **Rise of Healthcare Startups:** With India's growing healthcare needs, MSMEs in sectors such as biotechnology, pharmaceuticals, and healthcare services will thrive. The government's focus on affordable healthcare will further boost opportunities in this sector.
- **Biotech Innovations:** MSMEs involved in biotechnology will play an essential role in producing vaccines, diagnostic tools, and treatment technologies, contributing significantly to India's healthcare ecosystem.

13. Facilitating MSME Exports

Non-Banking Financial Companies (NBFCs) are expected to play a crucial role in the future growth and development of Micro, Small, and Medium Enterprises (MSMEs) in India, especially as the sector continues to face challenges related to access to finance, technological adoption, and scaling opportunities. NBFCs have emerged as important players in providing financial services to MSMEs due to their flexibility, innovative offerings, and understanding of the needs of smaller businesses.

- **Export Financing:** NBFCs can help MSMEs access export financing to scale their business in international markets. By providing short-term financing for raw materials, production costs, or shipping, NBFCs can help MSMEs overcome the financial hurdles associated with exporting.
- **Trade Finance Products:** Trade finance solutions offered by NBFCs, such as letters of

credit, invoice discounting, and factoring, can support MSMEs in expanding their global presence by reducing the financial risks associated with cross-border transactions.

14. China's Economic Growth Engine

Till 2021, about 80 per cent non-governmental employment was provided by SMEs in China.

India, with an eye on pushing economic growth, therefore needs to reboot its MSME sector at the earliest. With an eye on Viksit Bharat and achievement of the developed nation's status, growth in India's MSME sector would be a key factor.

Trade Policies and Export Potential

- **Regional Trade Agreements:** China has been a driving force in global trade agreements, such as the Regional Comprehensive Economic Partnership (RCEP), which includes many Asian countries. MSMEs in countries like India could see increased export opportunities to China and other RCEP member nations, thanks to reduced tariffs and more favorable trade policies.
- **China's Belt and Road Initiative (BRI):** Through the BRI, China has extended its infrastructure development and trade networks across Asia, Africa, and Europe. This initiative is creating new trade corridors that MSMEs can tap into, enabling access to new markets and supply chains. MSMEs in India, for instance, may benefit from improved infrastructure and logistical access to these new markets.
- **Import of Chinese Goods:** On the other hand, as China remains a key source of affordable products, MSMEs in many countries rely on importing goods from China to fuel their operations. This includes electronics, components, machinery, and raw materials. Trade tensions or shifts in Chinese economic policy could affect these import dynamics, influencing MSME costs and pricing strategies.

5

Some Important Link 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)

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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

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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/
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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
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

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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
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4.	BR.MSME-DFO Darrang College Road, Tezpur-784001	Ph : 03712-221084	brdcdi-tezp@dcmsme.gov.in
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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
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20.	BR.MSME-DFO, Upper Republic Road, Aizwal	Ph: 0389-2323448	brdcdi-aizw@dcmsme.gov.in
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22.	BR.MSME-DFO New Colony, Rayagada –765004	Ph :06852-222268	brdcdi-ray@dcmsme.gov.in
23.	BR.MSME-DFO 386, Patel Road, Ram Nagar, Coimbatore	Ph : 0422 2233956 (tele fax)	brdcdi-coim@dcmsme.gov.in
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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
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13. CMA Dushyant Dave

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16. Nominee from MSME Chamber of Commerce

17. Dr. E. Vijaya, Nominee from National Institute for MSME

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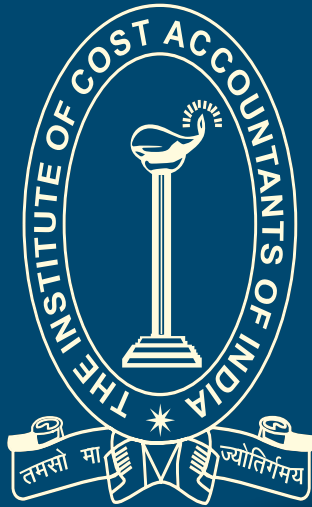
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