



Ministry of Micro, Small and Medium Enterprises

Helping the Unorganized..

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A close-up photograph of a person's hand, wearing a gold bangle and a plaid shirt, sorting through a stack of colorful fabrics. The background is blurred, showing shelves of more fabrics in a textile shop.

Definition and overview of MSME Sector in India

Micro, Small and Medium Enterprises (MSMEs) - India

These definitions are governed by Micro, Small & Medium Enterprises Development (MSMED) Act, 2006

Enterprises	Micro	Small	Medium
-Manufacturing Investment in P&M	Upto Rs. 25 Lakh	Above Rs. 25 Lakh & Upto Rs. 5 Crore	Above Rs. 5 Crore & Upto Rs. 10 Crore
-Services Investment in Equipment	Upto Rs.10 Lakh	Above Rs. 10 Lakh & Upto Rs. 2 Crore	Above Rs. 2 Crore & Upto Rs. 5 Crore

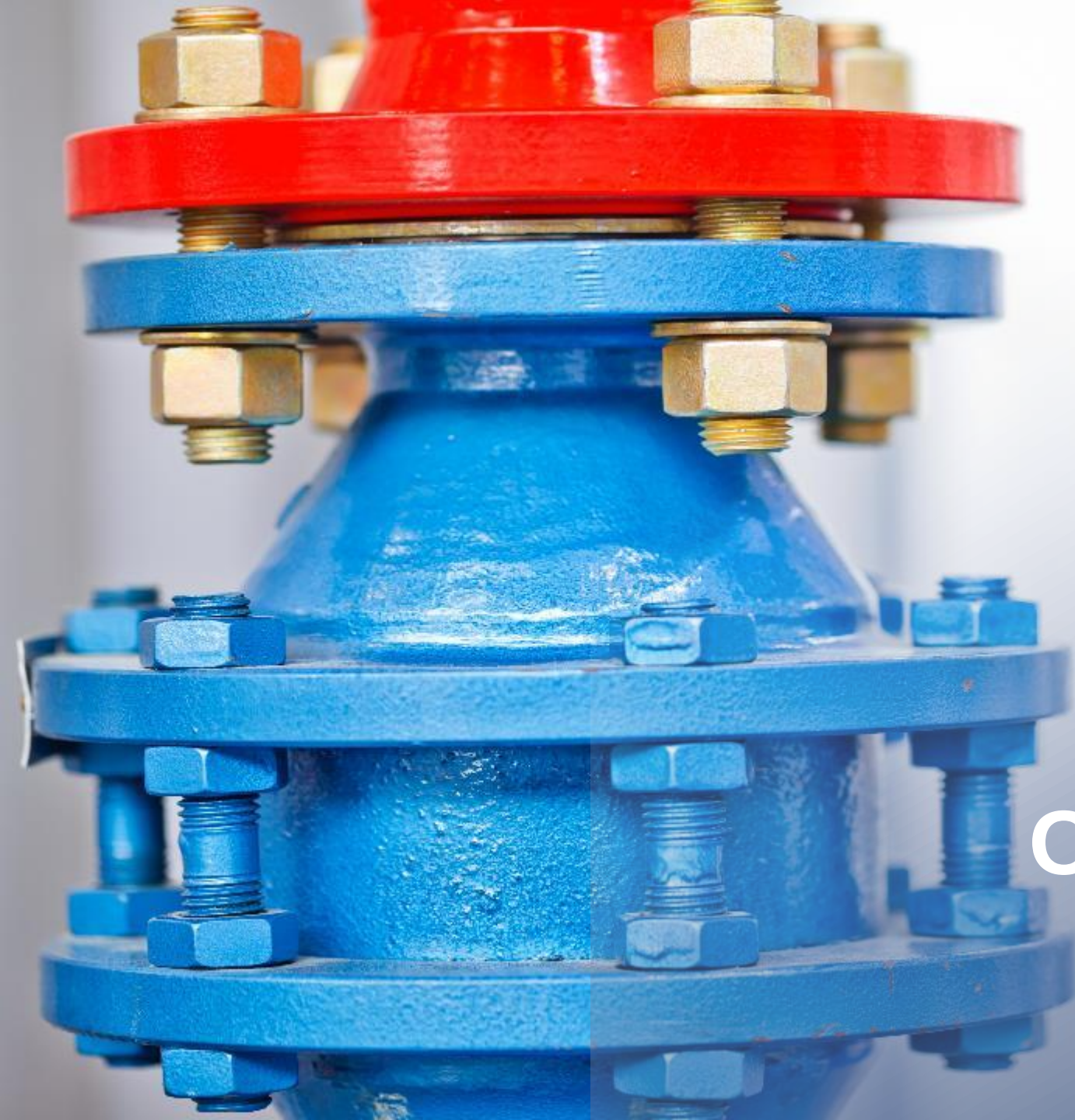
Proposed Bill - Micro, Small & Medium Enterprises Development (Amendment) Bill, 2015

- The Bill was introduced in the Parliament
- Department related Parliamentary Standing Committee agreed to the provisions in the bill
- Subsequently, it was referred to an informal group of Ministers under the chairmanship of Hon'ble Finance Minister
- The informal group met on 14th Sep 2017 and suggested a composite criterion for defining the MSME

Overview of MSMEs in India



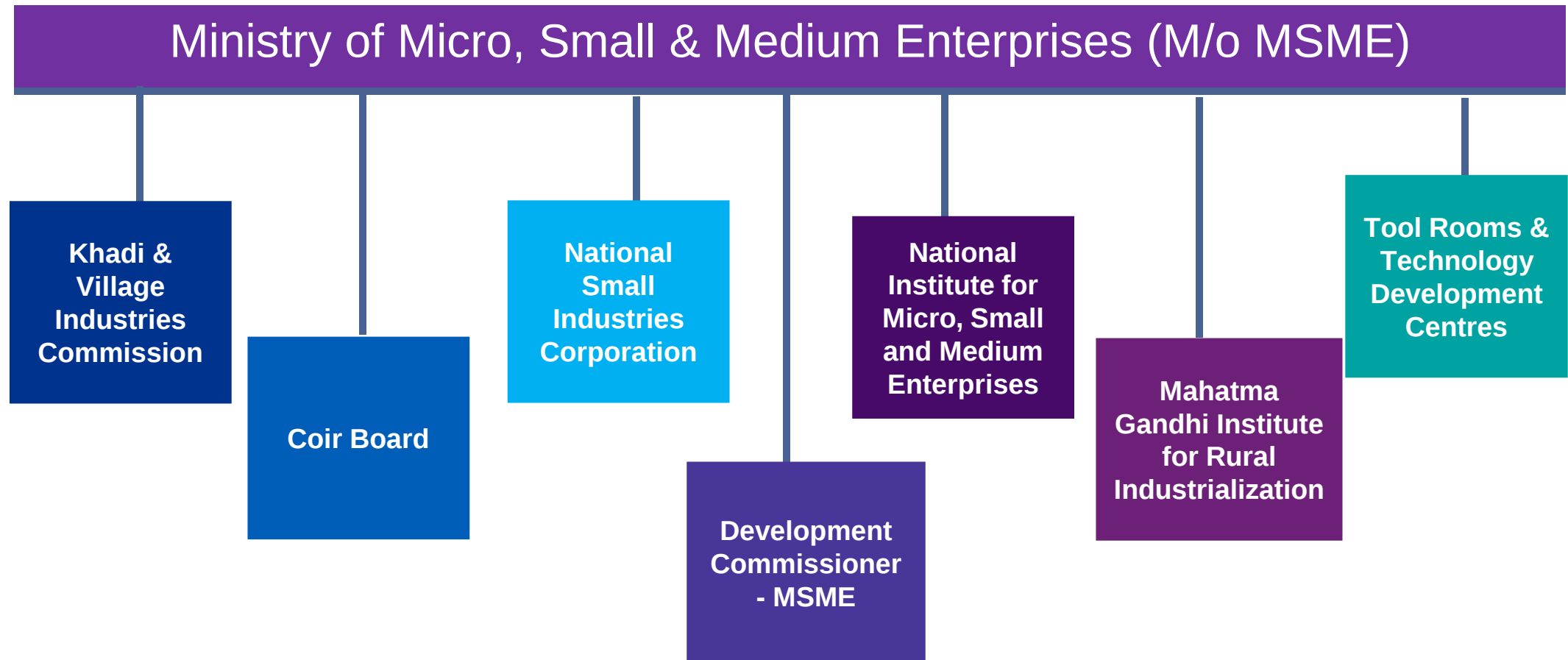
- MSME sector a critically important sector of the economy
- The sector is one of the principal contributors to Gross Domestic Product (GDP), exports and employment generation
- As per NSSO Survey, there are 6.34 Crore MSMEs in India



Organizational Set-up

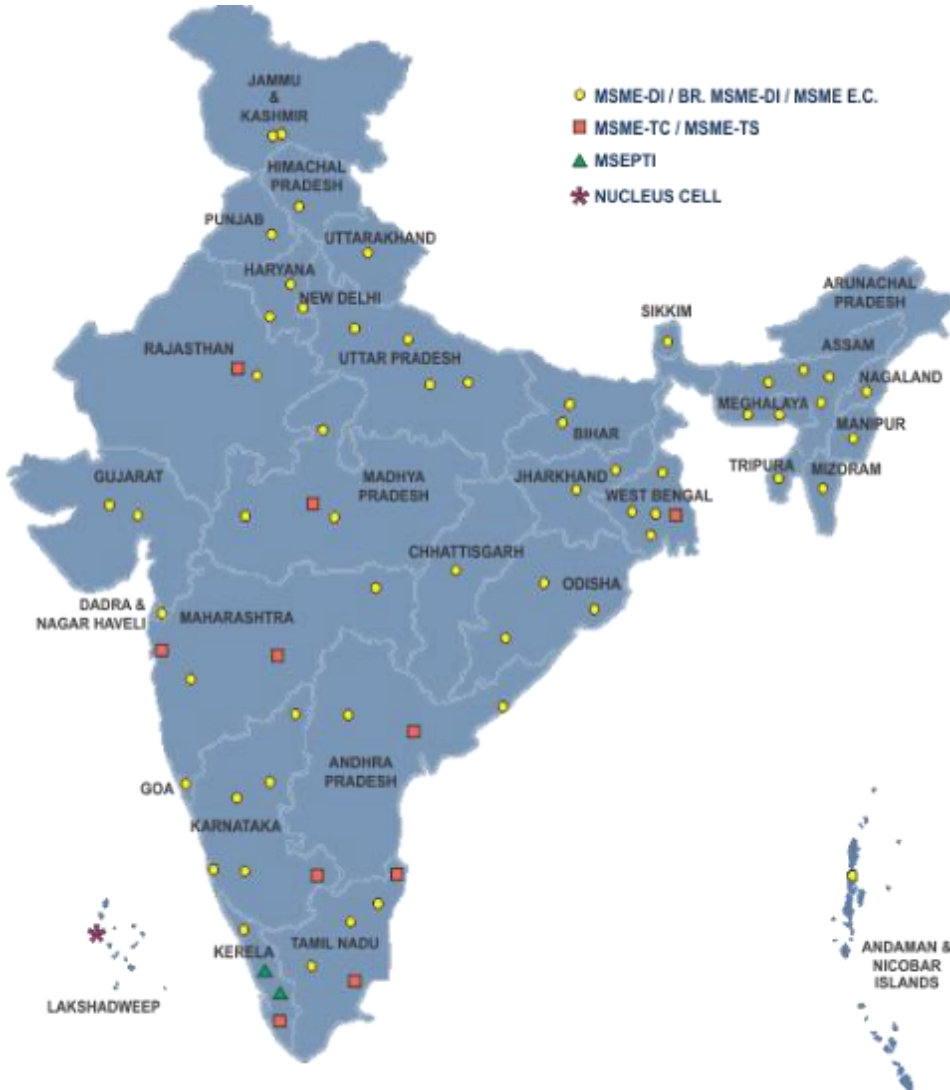
Organizational Set - up

M/o MSME implements its various programmes/schemes through the following organizations attached to the Ministry

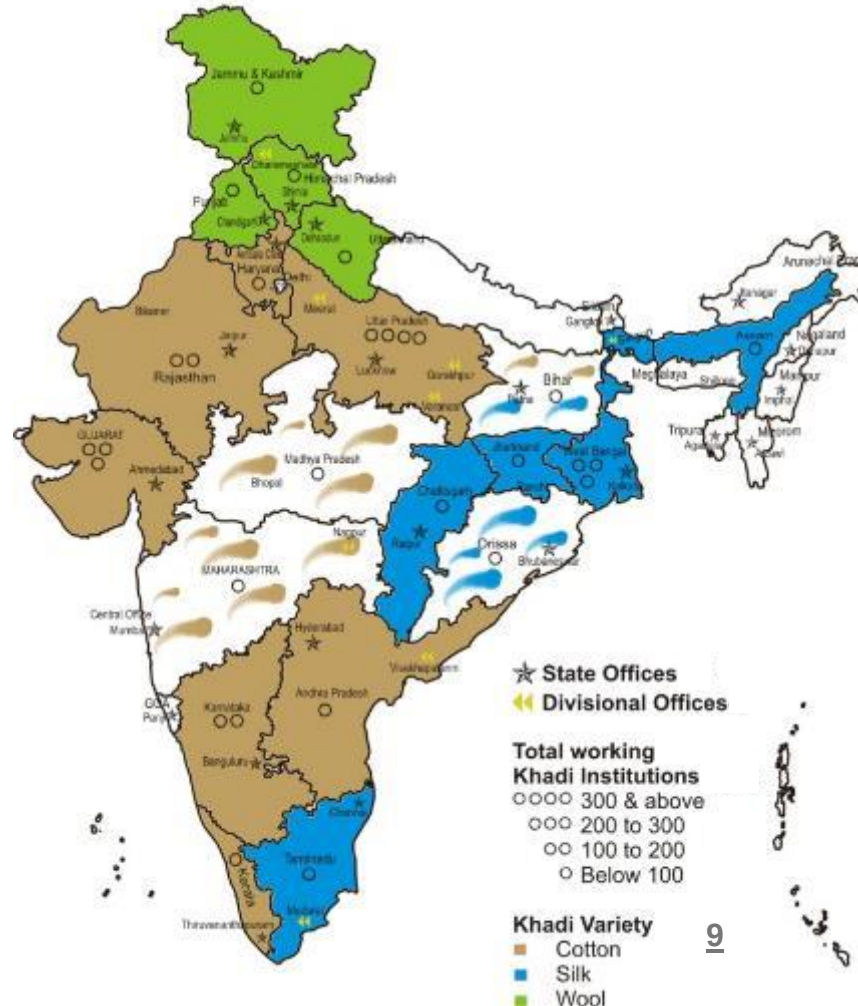


Footprint of M/o MSME

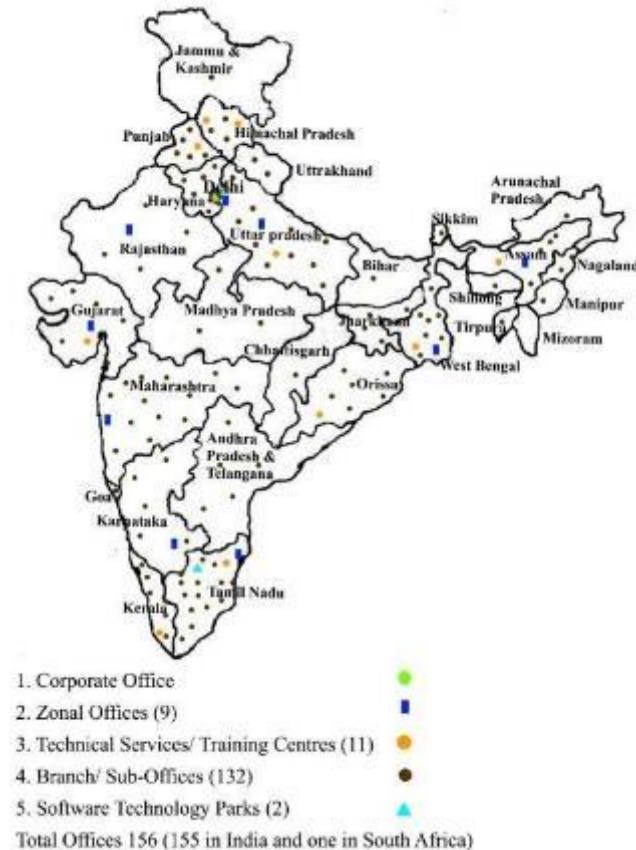
Development Commissioner (MSME) (87 offices)



Khadi and Village Industries Commission (46 offices) (2,375 Khadi institutions)



National Small Industries Corporation (164 offices)



Schemes



Major Schemes of MSME

Prime Minister's Employment Generation Programme (PMEGP)

- ❖ A credit linked capital subsidy scheme implemented through KVIC for setting up of Micro Enterprises
- ❖ Financial assistance of **upto Rs 25 Lakh & Rs 10 Lakh** for Mfg. & service sector respectively
- ❖ During XII Plan Period, **2.54 Lakh** enterprises created generating employment of **19.44 Lakh** persons

Smt. Papana Mani Chandana, Kothapeta village, Guntur District, Andhra Pradesh - Instant Chapathi and Poori Making unit



Major Schemes of MSME (Contd..)

Credit Linked Capital Subsidy Scheme (CLCSS)

- ❖ Aim to facilitate technological upgradation
- ❖ Subsidy of 15% limited to maximum of Rs 15 Lakh for purchase of plant & machinery
- ❖ Since, inception (2000 – 01) a total of **4,709 MSEs** benefited by capital subsidy of **Rs 2,802.31 Crore** (upto 24.07.2017) and loan amount of **Rs 25,297.25 Crore**

Southern Power Equipment Co. Private Limited, Bangalore, Karnataka - Power and Distribution Transformers



Major Schemes of MSME (Contd..)

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

- ❖ Special corpus to guarantee credit flows to MSEs
- ❖ Loans upto Rs 2.00 Crore, without collateral
- ❖ Since its inception i.e. 2000, **28,56,136 proposals** have been approved under the scheme extending guarantee coverage of **Rs 1.34 Lakh Crore**. Present outstanding is **Rs. 72,000 Crore**
- ❖ **106** active Member Lending Institutes (MLIs) and **5** Non Banking Financial Companies (NBFCs) are covered under the scheme extending loans to MSEs

Major Schemes of MSME (Contd..)

ASPIRE: A Scheme for Promoting Innovation and Rural Entrepreneurship

- ❖ The scheme comprises Livelihood Business Incubators (LBIs), Technology Business Incubators (TBIs) and Fund of Funds
- ❖ **62 LBIs** are approved and **30** have commenced training activities
- ❖ **Over 11,000 incubates** have completed incubation, **30%** of which have set up their **own enterprises** and have been engaged in **productive employment**
- ❖ **8 TBIs** are approved, **55 compelling ideas** have been received from these TBIs
- ❖ Out of the Fund of Funds (Rs. 60 Crore), **Rs.55.50 Crore** has been committed for utilization in **6 Alternate Investment Funds (AIFs)**

Training in LBI at NSIC centre, Delhi



Major Schemes of MSME (Contd..)

Scheme of fund for Regeneration of Traditional Industries (SFURTI)

- ❖ Funding support to traditional industries & artisan clusters to make them competitive
- ❖ Heritage Cluster - Rs 8.0 Crore
Major Cluster - Rs 3.0 Crore
Mini Cluster - Rs 1.5 Crore
- ❖ As on 25.10.2017, **DPRs of 74 clusters** approved.
32 clusters completed
- ❖ **Rs. 141 Crore** committed; **over 60,000** artisans covered

Gorakhpur Cotton Khadi Cluster, Uttar Pradesh & Ektal Bell Metal Cluster, Chhattisgarh by KVIC



Major Schemes of MSME (Contd..)

National SC-ST Hub (NSSH) Scheme

- ❖ The Hub launched in **October, 2016**, to achieve the target of 4% of procurement from SC/ST MSEs and to promote entrepreneurship
- ❖ **40 Vendor Development Programmes (VDPs)** organized in current FY with **1,291 participants**
- ❖ **11 international** and **48 domestic** exhibitions organized
- ❖ **12 NSSHOs (NSSH Offices)** across the nation are being setup for providing handholding support to MSEs
- ❖ A dedicated **Web Portal** is being created.

National SC-ST Hub Confluence September 2017



Major Schemes of MSME (Contd..)

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

- ❖ Support the growth of MSEs by addressing common issues by way of creating Common Facilities Centers (CFCs)
- ❖ Govt support for CFC/ID – 70% / 60% of project cost (max. 15 / 10 Crore)
- ❖ As on 30.09.2017, **46 CFCs** and **150 Infrastructure projects** have been completed

Readymade Garment Cluster, Nagpur

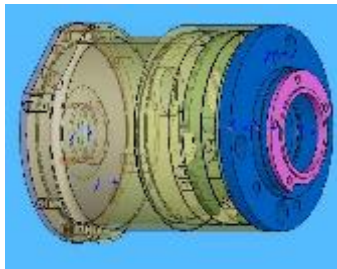
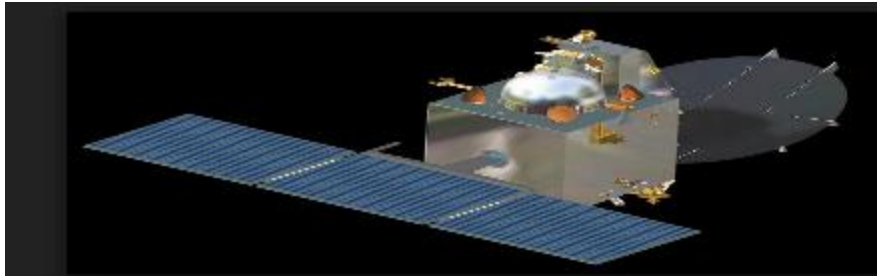


Major Schemes of MSME (Contd..)

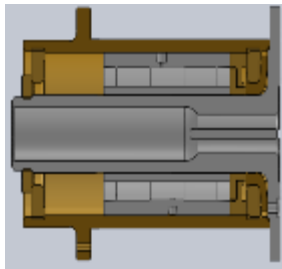
Technology Center Systems Programme (TCSP)

- ❖ Technological support to MSMEs by making available access to state-of-the-art manufacturing technologies
- ❖ Construction of **15 new and upgradation of 18 existing Technology Centers (TCs)** through World Bank assistance
- ❖ **Over 1.5 Lakh persons** are being trained every year under the scheme

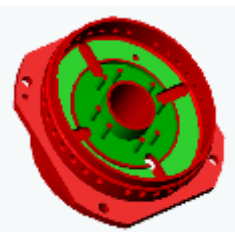
Mars Orbiter Mission (MOM)



**Solar Array
Driving Assembly**



**Momentum
Wheel Assy.**



**Dynamically
Tuned
Gyroscope**

Tejas Aircraft



Fuel Line Replacement Units

Establishing 15 New & Upgrading 18 Technology Centers



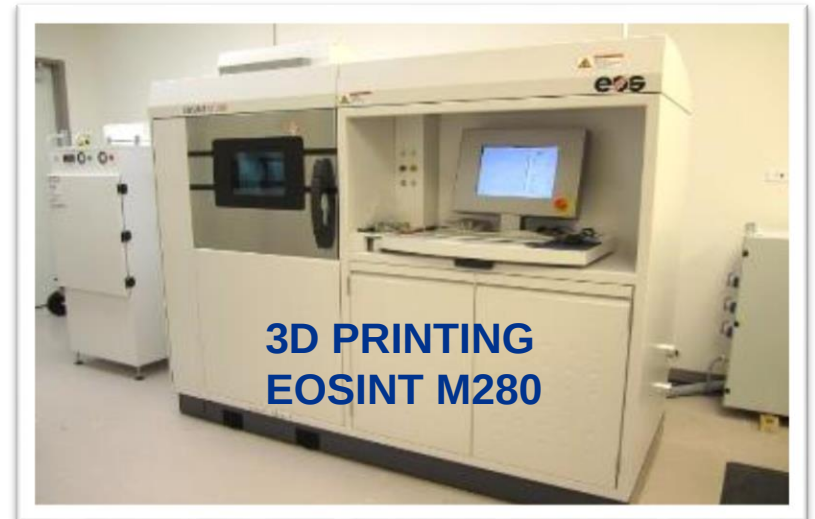
Bhiwadi – Technology Centre



Durg – Production Block



Bengaluru –Production Block



Up-gradation of Bhubaneswar TC

Major Schemes of MSME (Contd..)

Coir Vikas Yojana

- ❖ Focus on the following components:
 - ❖ Skill Upgradation & Mahila Coir Yojana (MCY)
 - ❖ Development of Production Infrastructure (DPI)
 - ❖ Domestic Market Promotion (DMP)
 - ❖ Export Promotion Market (EMP) Trade and Industry Related Functional Support Services (TIRFSS) –
 - ❖ Welfare Measures (Group Personal Accident Insurance Scheme)
- ❖ The scheme is concentrated in three states: Karnataka, Tamil Nadu and Kerala. Products such as coir mats, mattresses, furniture, geo-textile related products etc.

Coir Geo textiles for soil erosion control



Innovative Coir Products - Coir Pith, Coir Wood and Coir House



**Budget & Expenditure
(2017-18)**

Budget & Expenditure

Budget (2017-18) in Rs.

6,481.96 Cr

**Total Expenditure
Till Sep 2017 in Rs.**

4,120.43 Cr

**Total Expenditure
Till Oct 2017 in Rs.**

4, 701.25 Cr

Major Challenges identified and Way Forward



Access to modern technology

- **TCSP** – Technology Center Systems Programme
- **CLCSS** – Credit Linked Capital Subsidy Scheme
- **ASPIRE** – A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship

Access to Market

- **GeM** – Government e-Marketplace for Government procurement
- **PPP** - Public Procurement Policy
- **SMAS** - Special Marketing Assistance Scheme
- **MATU** - Marketing Assistance and Technology Upgradation Scheme

Challenges & Way Forward (Contd..)

Access to Infrastructure

- **MSE – CDP** – Micro and Small Enterprises – Cluster Development Programme
- **SFURTI** – Scheme of Fund for Regeneration of Traditional Industries
- **ASPIRE** – A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship

Delay in Payments to MSEs

- Delayed Payment Portal “MSME Samadhaan” Launched: <http://samadhaan.msme.gov.in>
- Empowering the MSEs to register their complaints online

Challenges & Way Forward (Contd..)

Access to Skilled Manpower

- Training through Sector Skill Councils (SSCs)
- National Apprenticeship Promotion Scheme
- Entrepreneurship Skill Development Programmes

Awareness Creation

- Regional and National Level Conclaves
- Vendor Development Programmes (VDPs)
- Collaborative efforts with States



Reaching out to the
Grassroots

Reaching out to the Grassroots



- Direct Benefit Transfer/ Digital Payments – 22 Schemes on boarded
- Adoption of Cluster Development Approach for developing new and upgradation of existing clusters
- Bringing State Government onboard for scheme implementation
- Develop skills in thrust sectors with collaboration with various Councils
- Organizing – Exhibitions/ Trade fairs/ Buyer-Seller Meets etc.
- Vendor and Entrepreneurship Development Programmes
- “MSME Pakhwada”

Thank You

Micro, Small & Medium Enterprises Development (Amendment) Bill, 2015

<u>Manufacturing Enterprises</u>	Investment limit in Plant & Machinery	
	Existing	Proposed
Micro Enterprises	Up to Rs. 25 lakh	Up to Rs. 50 lakh
Small Enterprises	Above Rs. 25 lakh & up to Rs. 5 Crore	Above Rs. 50 lakh & up to Rs. 10 Crore
Medium Enterprises	Above Rs. 5 Crore & up to Rs. 10 Crore	Above Rs. 10 Crore & up to Rs.30 Crore
<u>Service Enterprises</u>	Investment limit in Equipments	
	Existing	Proposed
Micro Enterprises	Up to Rs. 10 lakh	Up to Rs. 20 lakh
Small Enterprises	Above Rs. 10 lakh & up to Rs. 2 Crore	Above Rs. 20 lakh & up to Rs. 5 Crore
Medium Enterprises	Above Rs. 2 Crore & up to Rs. 5 Crore	Above Rs. 5 Crore & up to Rs. 15 Crore



Composite Criterion



Criteria	Manufacturing/ Service		
	Micro	Small	Medium
Turnover (Rs. Lakh)	1000	5000	25000
Employment (No)	20	100	250
Investment in plant and machinery/ equipment (Rs. Lakh)	50	500	1000

