

## Year-end review | Ministry Of Micro, Small and Medium Enterprises (MSME)

### About the Ministry

- In May 2007, Ministry of Micro, Small and Medium Enterprises was formed by merging the erstwhile Ministry of Small Scale Industries and the Ministry of Agro and Rural Industries.
- The Ministry designs policies and promotes/ facilitates programmes, projects and schemes and monitors their implementation with a view to assisting MSMEs.
- The primary responsibility of promotion and development of MSMEs is of the State Governments.
  - However, the Government of India, supplements the efforts of the State Governments through various initiatives.
- The role of the ministry and its organizations is to assist the States in their efforts to encourage entrepreneurship, employment and livelihood opportunities.

### Two Divisions of Ministry of Micro, Small & Medium Enterprises (M/o MSME)

1. Small & Medium Enterprises (SME) Division
2. Agro & Rural Industry (ARI) Division

### Major Initiatives and Achievements During 2024

#### PM VISHWAKARMA

- It was launched by the Hon'ble Prime Minister on **17.09.2023** to provide ***end-to-end support to artisans and craftspeople*** of ***18 trades*** who work with their hands and tools.

#### Formalization of MSMEs

- Formalization is an important enabler for providing an identity to the MSME enterprises and ease of doing business.
- As on 26.12.2024, as many as 5.70 crore MSMEs, with an employment of 24.14 crore are registered on [Udyam Registration Portal](#) and Udyam Assist Platform (UAP).
- The Ministry of MSME, through its Development and Facilitation Offices (DFOs) has promoted special registration drives across the country.

*Udyam Assist Platform (UAP) facilitates online registration of informal micro enterprises through assist process of Udyam registration number and Udyam assist certificate.*

## Credit Guarantee Scheme

- 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 Rs 2 crore to Rs 5 crore.
  - The annual guarantee fees were also reduced and threshold limit for waiver of legal action was increased.

To know more about it [click here](#)

## Special Scheme for Micro Enterprises

- Under this scheme few MSMEs which are registered on the Udyam Assist Platform are ***exempt from GST regime***.
- It was ***launched on 14<sup>th</sup> February, 2024*** in which loans up to Rs 20 Lakh guaranteed without any Primary Security are provided to Informal Micro Enterprises and the Guarantee coverage is 85%.

## MSME - Trade Enablement and Marketing (MSME-TEAM)' Scheme

- 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 Micro and Small Enterprises (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.

## Yashasvini Campaign

- It is a key step towards ***achieving gender parity by 2029*** on the Udyam and Udyam Assist (UA) portals.
- It 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.

## MSME Hackathon 4.0

- It ***promotes idea incubation and innovation among start-ups and young entrepreneurs***.
- It support 500 young entrepreneurs by providing assistance of up to Rs. 15 lakh each to promote incubation and innovation.

## [Centre for Rural Enterprise Acceleration through Technology \(CREATE\)](#)

- CREATE aims to ***enhance local productivity***, improve product quality, and boost the economic potential.

- CREATE will provide a Pashmina wool roving facility, training for development of production facility for essential oil extraction from roses and other flowers and so on.

### **Prime Minister's Employment Generation Programme (PMEGP)**

- PMEGP is a ***credit linked subsidy scheme*** for providing ***employment opportunities*** through establishment of micro-enterprises in the ***non-farm sector***:
  - By providing Margin Money (subsidy) to beneficiaries availing loan from banks for setting up new enterprises.
- The maximum project cost of Rs. 50 lakh in Manufacturing Sector and Rs. 20 lakh in Service Sector.

### **MSME Champions Scheme**

- The objective of the MSME Champions Scheme is to select clusters and enterprises and modernize their processes, reduce wastages, sharpen business competitiveness, and facilitate their National and Global reach and excellence.
- The Scheme has 3 components, namely:
  1. 'MSME-Sustainable' (ZED)
  2. 'MSME-Competitive' (LEAN)
  3. 'MSME-Innovative' (Incubation, Design, IPR)

### **Self-Reliant India Fund Scheme**

- It provides equity funding to those MSMEs which have the potential and viability to grow and become large units.

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

- It was *launched in the year 2003*.
- The objective is to enhance the productivity and competitiveness of MSEs through financial assistance for establishment of '*Common Facility Centers, flatted factories, (CFCs)*' and *creation and up-gradation of industrial estates*.
- Under the scheme, 609 projects have been approved of which, 353 projects have been completed so far.

### **Scheme of Fund for Regeneration of Traditional Industries (SFURTI)**

- The Scheme was *launched in 2005-06* and aims at organizing traditional artisans into collectives/clusters for product development.

### **Raising and Accelerating MSME Performance (RAMP) Scheme**

- 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.

### **Khadi and Village Industries Commission**

- The Government is committed to promote Khadi and Village Industries Sector to *foster socio-economic development in rural India*.
- This sector, with its rich legacy and untapped potential, is being revitalized through targeted interventions through Khadi and Gramodyog Vikas Yojana (KGVY).

### **National Small Industries Corporation (NSIC)**

- NSIC provides *credit support for raw material procurement* by making the payment to suppliers in Raw Material Assistance scheme against Bank Guarantee.
- NSIC forms consortia of small units manufacturing the same products, thereby pooling in their capacity, which provides comfort level to MSEs as suppliers and also to buyers.

### **References**

1. [PIB |Year-end review](#)
2. [About |Ministry Of Micro, Small and Medium Enterprises \(MSME\)](#)

