

What is the status of MSME in Indian economy.

Examine issues with MSME debt & suggest improvements.

Micro small-medium enterprises (MSME) are considered as the backbone of India's economy. It greatly lives up to the country's goals of distributive justice.

Status of MSME in India

* There are 63.3 crore registered units in the country out of which more than 60 crore are micro units.

* They employ 12 crore people and contribute 30% of India's GDP.

* 48% of total exports are done by the MSME units.

* Udyam Portal has been created to improve the incorporation of MSMEs.

Yet, there are issues plaguing the sector such as,

Issues with definition

* The units are classified on the basis of investment and turnover.

* The micro units limit is less than ₹ 50000 which is high as many micro units operate less than

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* The units operating upto ₹ 50000 also get same benefits of the lower capacity units.

Improvements

incubate the micro enterprises by separating them from the definition of MSMEs can be help for short term.

also revision of the Section 43b(h)

of Income tax act can be beneficial

to the msme units.