



Ministry of Corporate Affairs
Government of India
www.mca.gov.in



MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)

The Make in India Policy aims to facilitate investment, foster innovation, enhance skill development and build an Eco-system for manufacturing infrastructure in the country. The MSMEs of India would be the cradle for the "Make in India" vision. This would be the nursery where small existing businesses have the potential to become world beaters tomorrow. The larger players amongst the MSME space also are in a unique position to become global players attracting partners with technology and funds.

Key Highlights

- more than 6,000 products
- contributes 8% of the country's GDP
- 45% of the manufactured output
- 40% of its exports
- provide employment to about 80 million persons through 36 million enterprises.

LEAD PARTNER INSTITUTES



PERFORMANCE OF MSMEs

The role of micro, small and medium enterprises (MSMEs) in the economic and social development of the country is well established. The MSME sector is a nursery of entrepreneurship, often driven by individual creativity and innovation.

The labour to capital ratio in MSMEs and the overall growth in the MSME sector is much higher than in the large industries. The geographic distribution of the MSMEs is also more even. Thus, MSMEs are important for the national objectives of growth with equity and inclusion.

LEGAL FRAMEWORK

The Micro, Small and Medium Enterprises Development Act, 2006 provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises and for matters connected therewith or incidental thereto.

CLASSIFICATION OF MSMEs

MANUFACTURING SECTOR	
ENTERPRISES	INVESTMENT IN PLANT & MACHINERY
MICRO ENTERPRISES	DOES NOT EXCEED TWENTY FIVE LAKH RUPEES
SMALL ENTERPRISES	MORE THAN TWENTY FIVE LAKH RUPEES BUT DOES NOT EXCEED FIVE CRORE RUPEES
MEDIUM ENTERPRISES	MORE THAN FIVE CRORE RUPEES BUT DOES NOT EXCEED TEN CRORE RUPEES

SERVICE SECTOR	
ENTERPRISES	INVESTMENT IN EQUIPMENTS
MICRO ENTERPRISES	DOES NOT EXCEED TEN LAKH RUPEES
SMALL ENTERPRISES	MORE THAN TEN LAKH RUPEES BUT DOES NOT EXCEED TWO CRORE RUPEES
MEDIUM ENTERPRISES	MORE THAN TWO CRORE RUPEES BUT DOES NOT EXCEED FIVE CORE RUPEES

MEMORANDUM OF MSMEs

Any person who intends to establish a micro or small enterprise, may, at his discretion, or a medium enterprise engaged in providing or rendering of services may, at his discretion; or a medium enterprise engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the IDRA, is required to file the memorandum of micro, small or, as the case may be, of medium enterprise with such authority as may be specified by the State Government or the Central Government (Section 8 of The Micro, Small and Medium Enterprises Development Act, 2006).

THE SCHEMES/PROGRAMMES UNDERTAKEN BY THE MINISTRY

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 of MSME and its organisations is to assist the States in their efforts to encourage entrepreneurship, employment and livelihood opportunities and enhance the competitiveness of MSMEs in the changed economic scenario.

The schemes/programmes undertaken by the Ministry and its organizations seek to facilitate/ provide:

- (i) adequate flow of credit from financial institutions/banks;
- (ii) support for technology upgradation and modernization;
- (iii) integrated infrastructural facilities;
- (iv) modern testing facilities and quality certification;
- (v) access to modern management practices;
- (vi) entrepreneurship development and skill upgradation through appropriate training facilities;
- (vii) support for product development, design intervention and packaging;
- (viii) welfare of artisans and workers;
- (ix) assistance for better access to domestic and export markets; and
- (x) cluster-wise measures to promote capacity-building and empowerment of the units and their collectives.

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