

MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES
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MINISTRY OF SMALL SCALE INDUSTRIES



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Existing and Revised Definition of MSMEs



Existing MSME Classification

Criteria : Investment in Plant & Machinery or Equipment

Classification	Micro	Small	Medium
Mfg. Enterprises	Investment < Rs. 25 lac	Investment < Rs. 5 cr.	Investment < Rs. 10 cr.
Services Enterprise	Investment < Rs. 10 lac	Investment < Rs. 2 cr.	Investment < Rs. 5 cr.

Revised MSME Classification

Composite Criteria : Investment And Annual Turnover

Classification	Micro	Small	Medium
Manufacturing & Services	Investment < Rs. 1 cr. and Turnover < Rs.5 cr.	Investment < Rs. 10 cr. and Turnover < Rs.50 cr.	Investment < Rs. 20 cr. and Turnover < Rs.100 cr.

Enterprises Vs Employment generation

- Startup India
- More than 1.2 Lakh enterprises
- >8 lakh employment
- Standup India
- >1 Lakh enterprises

Table 2.2: Estimated Number of MSMEs (Activity Wise)

Activity Category	Estimated Number of Enterprises (in lakh)			Share (%)
	Rural	Urban	Total	
(1)	(2)	(3)	(4)	(5)
Manufacturing	114.14	82.50	196.65	31
Trade	108.71	121.64	230.35	36
Other Services	102.00	104.85	206.85	33
Electricity*	0.03	0.01	0.03	0
All	324.88	309.00	633.88	100

*Non-captive electricity generation and transmission

Table 2.4: Percentage Distribution of Enterprises in rural and urban areas.

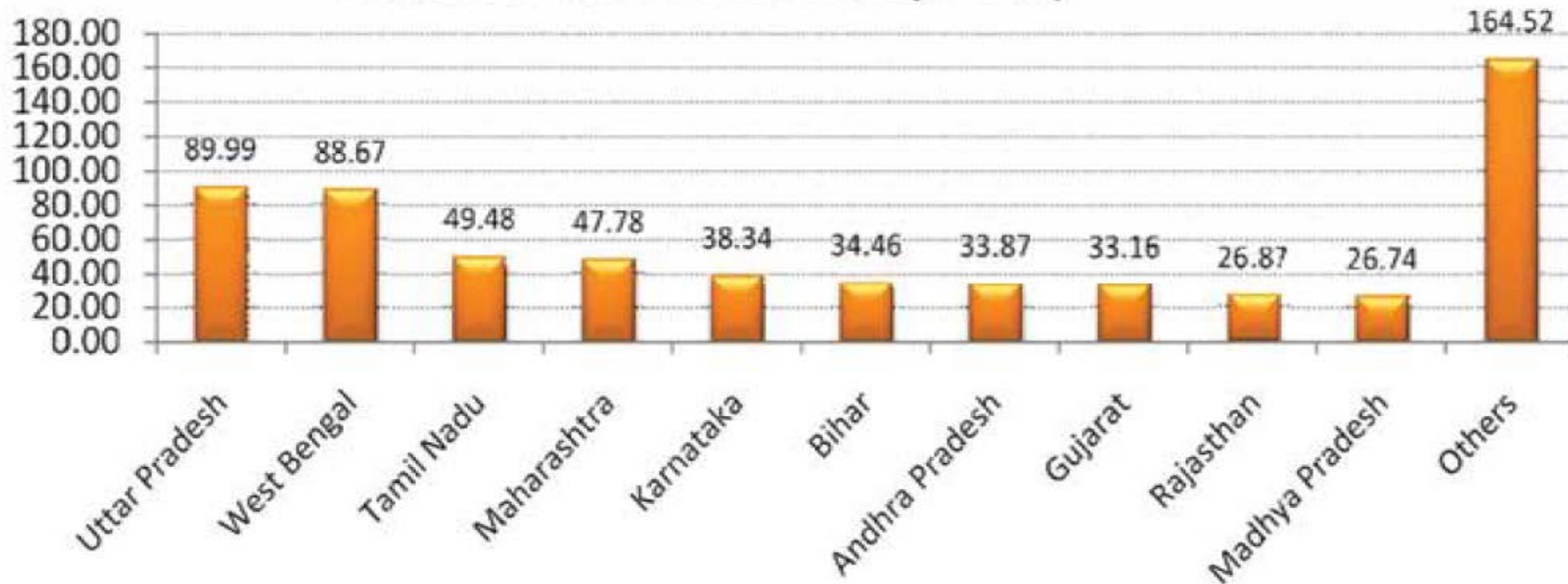
(Male/ Female ownership category wise)

Sector	Male	Female	All
Rural	77.76	22.24	100
Urban	81.58	18.42	100
All	79.63	20.37	100

Table 2.5: Percentage distribution of Enterprises by Male/Female Owners

Category	Male	Female	All
Micro	79.56	20.44	100
Small	94.74	5.26	100
Medium	97.33	2.67	100
All	79.63	20.37	100

Number of Estimated MSMEs(in lakh)



Percentage Share of Rural and Urban MSMEs in the Country (number in lakh)

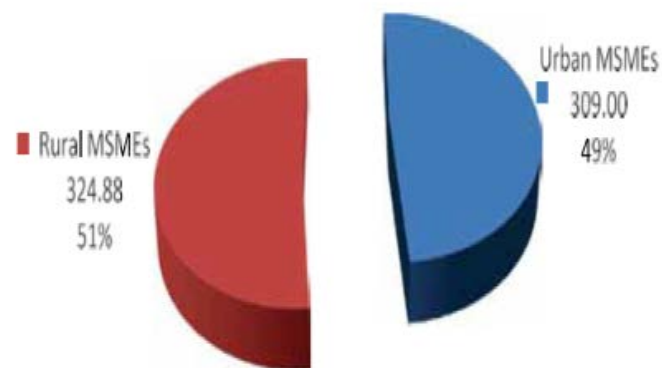


Table 2.8: Estimated Employment in MSME Sector (Broad Activity Category Wise)

Broad Activity Category	Employment (in lakh)			Share (%)
	Rural	Urban	Total	
Manufacturing	186.56	173.86	360.41	32
Trade	160.64	226.54	387.18	35
Other Services	150.53	211.69	362.22	33
Electricity*	0.06	0.02	0.07	0
All	497.78	612.10	1109.89	100

*Non-captive electricity generation and transmission

Unicorns of India

2019 – 7

2020 – 11

2022 – 44

2022 – 108

2023 – 111

Principal organisations of the MSME are:

- i) Small Industries Development Organisation (SIDO);
- ii) National Small Industries Corporation (NSIC).
- iii) Three national-level Entrepreneurship Development Institutes at Hyderabad, Noida and Guwahati.
- iv) National Commission for Enterprises for Unorganised Sector (NCEUS) headquarters in New Delhi.

Small Industries Development Organisation (SIDO): established in 1954

Major Activities

- **Advising the Government** on policy formulation for promotion and development and enhancement of competitiveness of small-scale industries.
- **Facilitating credit flow to micro and small enterprises** through support measures like the Credit Guarantee Fund Scheme.

- **Providing techno-economic and managerial consultancy, common facility and extension services to small-scale units.**

- Providing support measures for **creation and upgradation of infrastructure facilities** through individual schemes/programmes as well as to clusters under Small Industries Cluster Development Programme.

- **Human resource development** through training and skill upgradation.

- **Providing market analysis, services.**

- **Conducting periodical census/survey of the SSI** and generating data/reports on various important parameters/indicators of growth and development of the sector.

National Small Industries Corporation Limited (NSIC) 1955

Major Activities

promoting, aiding, and fostering the growth of small scale industries and industry related small scale services / business enterprises in the country, on a commercial footing.

The Corporation expanded activities in **Marketing, Technology, Financing and Information Support to small enterprises in the country.**

National Institute of Small Industry Extension Training (NISIET), Hyderabad (1960)

Major Activities

To assist in promotion, development, and modernisation of small and medium enterprises (SMEs) in the country.

NISIET is involved in entrepreneurship development related training programmes, training research and consultancy, including the methodology of cluster development.

The National Institute for Entrepreneurship and small Business Development (NIESBUD)

Established in 1983 by the MSME

An apex body for coordinating and overseeing the activities of various institutions/ agencies engaged in Entrepreneurship Development Particularly in the area of small industry and small business.

The Institute which is registered as a society under Govt. of India Societies Act (XXI of 1860).

The major activities of the Institute, include,

1. Development of model syllabi for training of various target groups,
2. Designing effective training strategies, methodology, manuals and tools, facilitating training and
3. Supporting Central/State Governments and other agencies in executing programmes of entrepreneurship and small business development, etc.

Mission

To promote, support and sustain entrepreneurship and small business through training, research, education, consultancy and other interventions

Objectives

To evolve standardised materials and processes for selection, training, support and sustenance of entrepreneurs.

To help/support and affiliate organisations in carrying out training and other entrepreneurship development related activities.

To serve as an apex national level resource institute for entrepreneurship development ensuring its impact across the country and among all strata of the society.

To provide information and support to trainers, promoters and entrepreneurs

To offer consultancy nationally/internationally for promotion of entrepreneurship and small business development.

To share internationally experience and expertise in entrepreneurship development.

Indian Institute of Entrepreneurship (IIE), Guwahati (1993),

Aim: Undertaking training, research and consultancy activities in the small industry sector focusing on entrepreneurship development as an autonomous national institute.

Entrepreneurship development, training, entrepreneurship education, research, consultancy, publication and sensitisation of environment for promotion of entrepreneurship, enterprise creation and self-employment in the North Eastern Region.

National Commission for Enterprises in the Unorganised Sector

Advisory body and a watchdog for
the informal sector

The Khadi and Village Industries Commission (KVIC)

The Khadi and Village Industries Commission (KVIC) is a statutory body established by an Act of Parliament (No. 61 of **1956**, as amended by act no. 12 of 1987 and Act No.10 of 2006.

In April 1957, it took over the work of former All India Khadi and Village Industries Board.

KVIC clocks record Rs 1.15 lakh crore turnover

In FY22,

The khadi sector recorded 43% growth at Rs 5,052 crore against Rs 3,528 crore in 2020-21.

The village industries sector grew 20% to reach Rs 1,10,364 crore in 2021-22 from Rs 92,214 crore the previous year.

Read more at:

https://economictimes.indiatimes.com/industry/cons-products/fmcg/kvic-clocks-record-rs-1-15-lakh-crore-turnover/articleshow/91190487.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Conclusion