



YOUTH EMPOWERMENT SCHEMES



सत्यमेव जयते
Government of India

MSME

MICRO, SMALL & MEDIUM ENTERPRISES

सूक्ष्म, लघु एवं मध्यम उद्यम

Government of India

Ministry of Micro, Small & Medium Enterprises

(An ISO 9001:2008 Certified Organisation)

Definition of Micro, Small and Medium Enterprises in India

Micro, Small and Medium Enterprises as per MSMED Act, 2006 are defined based on their investment in plant and machinery (for manufacturing enterprise) and on equipment for enterprises providing or rendering services. The present ceilings on investment for enterprises to be classified as Micro, Small and Medium Enterprises are as follows:

Classification	Manufacturing Enterprises* (Investment limit in Plant & Machinery)	Service Enterprises** (Investment limit in equipment)
Micro	Rs. 2.5 million / Rs. 25 lakh	Rs. 1 million / Rs. 10 lakh
Small	Rs.50 million / Rs. 5 crore	Rs. 20 million / Rs 2 crore
Medium	Rs 100 million / Rs 10 crore	Rs. 50 million / Rs 5 crore

The term “village industries” has been redefined in amended KVIC, Act, 1956 as “any industry located in a rural area which produces any goods or renders any service with or without the use of power and in which the fixed capital investment per head of artisan or worker does not exceed Rs. one lakh (Rs. one lakh and fifty thousand in case of village industry located in a hilly area) or such other sum as may, by notification in the Official Gazette, be specified from time to time by the Central Government”

Prime Minister’s Employment Generation Programme (PMEGP)

Description

The scheme is implemented by Khadi and Village Industries Commission (KVIC) as the nodal agency at the national level. At the state level, the scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks. The Government subsidy under the scheme is routed by KVIC through the identified banks for eventual distribution to the beneficiaries/ entrepreneurs into their bank accounts.

Nature of assistance

The maximum cost of the project/unit admissible in manufacturing sector is Rs.25 lakhs and in business/service sector is Rs.10 lakhs.

Levels of funding under PMEGP:

Categories of beneficiaries under PMEGP	Beneficiary’s contribution (of project cost)	Rate of subsidy (of project cost)
Area (location of project/unit)	Urban	Rural
General category	10%	15%25%
Special (including SC/ST/OBC/	05%	25%35%



Minorities / Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas, etc.)

The balance amount of the total project cost will be provided by the banks as term loan and working capital.

Who can apply

Any individual above 18 years of age can apply. The beneficiary must have passed at least VIII standard for projects costing above Rs.10 lakh in the manufacturing sector, and above Rs.5 lakh in the business/service sector. Only new projects are considered for sanction under PMEGP. SHGs (including those belonging to BPL, provided that they have not availed benefits under any other scheme), Institutions registered under Societies Registration Act, 1860; Production Co-operative Societies, and Charitable Trusts are also eligible.

Existing units (under PMRY, REGP or any other scheme of Government of India or State Government) and units that have already availed Government subsidy under any other scheme of Government of India or State Government are not eligible.

How to apply

The State/Divisional Directors of KVIC in consultation with KVIB and Director of Industries of the respective states (for DICs) will give advertisements locally through print & electronic media inviting applications along with project proposals from prospective beneficiaries desirous of establishing the enterprise/starting of service units under PMEGP.

The beneficiaries can also submit their application online at <http://www.kviconline.gov.in/pmegp/pmegponlineapp> and take the printout of the application and submit the same to respective offices along with the detailed project report and other required documents.

A Scheme for promoting Innovation and Rural Entrepreneurship (ASPIRE)

Description

The main objectives of the scheme are to:

- (i) Create new jobs and reduce unemployment
- (ii) Promote entrepreneurship culture in India
- (iii) Grassroots economic development at district level
- (iv) Facilitate innovative business solution for un-met social needs, and
- (v) Promote innovation to further strengthen the competitiveness of MSME sector.



Nature of assistance 80 Livelihood business incubators (2014-2016) to be set up by NSIC, KVIC or Coir Board or any other Institution/agency of Govt. on its own or by any of the agency/Scheme for promotion of Innovation, Entrepreneurship and Agro-Industry organisation of the M/o MSME, one-time grant of 100% of cost of Plant & Machinery other than the land and infrastructure or an amount up to Rs.100 lakhs whichever is less to be provided

In case of incubation centres to be set up under PPP mode with NSIC, KVIC or Coir Board or any other Institution/agency of Govt., one-time grant of 50% of cost of Plant & Machinery other than the land and infrastructure or Rs.50.00 lakhs, whichever is less to be provided.

Assistance towards the training cost of incubates will be met out of the ATI scheme of the Ministry as far as possible for both centres.

Total budget plan is Rs.62.50 crore for 2014-2016.

Who can apply Implement the Incubation and Commercialisation of Business Ideas Programme through technical/research institutes including those in the field of agro based industry. These would be designated as Knowledge Partners and would incubate new/existing technologies for their commercialisation. To provide funds for the incubator/incubation and create necessary synergy between this scheme and the Livelihood Business Incubators/Technology Business Incubators and Incubation schemes of MSME/NSIC/ KVIC/Coir Board/ Other Ministries/Departments as well as Private incubators.

How to apply Application can be sent to Scheme Steering Committee of Ministry of MSME. Scheme Steering Committee will be responsible for overall policy, coordination, and management support. The Committee is chaired by Secretary, Ministry of MSME.

Revamped Scheme of Fund for Regeneration of Traditional Industries (SFURTI)

Description The main objectives of the scheme are to:

- To organize the traditional industries and artisans into clusters to make them, competitive and provide support for their long term sustainability
- To provide sustained employment for traditional Industry artisans and rural entrepreneurs;
- To enhance marketability of products of such clusters by providing support for new products, design intervention and



improved packaging and also the improvement of marketing Infrastructure;

- To equip traditional artisans of the associated clusters with the improved skills and capabilities through training and exposure visits;
- To make provision for common facilities and improved tools and equipments for artisans;

Nature of assistance The Scheme would cover three types of interventions namely 'soft Interventions', 'hard Interventions' and 'thematic interventions'. The project outlay for various clusters is as follows:

Heritage cluster (1000-2500 artisans *): Rs 8 crore

Major cluster (500-1000 artisans *): Rs 3 crore

Mini cluster (Up to 500 artisans *): Rs 1.5 crore

*For NER/ J&K and Hill States, there will be 50% reduction in the number of artisans per cluster.

Soft Interventions: Max Rs 25.00 lakhs (100% scheme funding)

Hard Interventions: As per project requirement (75% scheme funding)

Cost of Technical Agency 8 % of Soft and Hard interventions (100% scheme funding)

Cost of Implementing Agency/ Cluster Development Executive: Max Rs 20.00 lakhs (100% scheme funding).

Who can apply Non-Government organizations (NGOs), Institutions of the Central and State Governments and, Semi-Government institutions, field functionaries of State and Central Govt., Panchayati Raj institutions (PRIs), etc with suitable expertise to undertake cluster development.

How to apply The above eligible agency/organization has to submit the proposal to the State Office, KVIC and the same is to be scrutinized at State Level Project Screening Committee before submitting to Scheme Steering Committee for approval.

Coir Udyami Yojana (Earlier known as Schemes for Rejuvenation, Modernisation and Technology Upgradation of Coir Industry)


Description This is a credit linked subsidy scheme for setting up of coir units with project cost up to Rs.10 lakh plus one cycle of working capital which shall not exceed 25% of the project cost. Working capital will not be considered for subsidy.



- Nature of assistance** Maximum admissible cost of the project is 10 lakhs plus working capital, which shall not exceed 25% of the project cost.
- Beneficiary's contribution 5% of the project cost
Bank credit Rate 55%
Rate of Subsidy 40% of the project
- Who can apply** Individuals, Companies, Self Help Groups, Non Governmental Organizations, Institutions registered under Societies Registration Act 1860, Production Co-operative Societies, Joint Liability Groups and Charitable Trust.
- How to apply** The applications can be collected from Coir Board Offices, District Industries Centres, Coir Project Offices, Panchayati Raj Institutions and the Nodal Agencies approved by the Board for this purpose and have to be submitted directly to the Coir Board Field Offices or through the DICs.

Micro & Small Enterprises Cluster Development Programme (MSE-CDP)

- Description** The Ministry of MSME has adopted cluster development approach as a key strategy for enhancing productivity and competitiveness as well as capacity building of MSEs and their collectives in the country. Clustering of units also enables the providers of various services to them, including banks and credit agencies, to provide their services more economically, thus reducing the costs and improving the availability of services for these enterprises.
- Nature of assistance**
- Diagnostic Study, Soft Intervention, Setting up of Common Facility Centres (CFCs) Infrastructure Development (Upgradation / New)
- Cost of project and Govt. of India assistance:
- Diagnostic study - maximum cost Rs.2.50 lakh.
 - Soft interventions - maximum cost of project Rs.25.00 lakh, with Gol contribution of 75% (90% for special category States and for clusters with more than 50% women/micro/ village/SC/ST units).
 - Hard interventions, i.e., setting up of CFCs – maximum eligible project cost of Rs.15.00 crore with Gol contribution of 70% (90% for special category States and for clusters with more than 50% women/micro/village/SC/ST units).
 - Infrastructure development in the new/ existing industrial



estates/areas; maximum eligible project cost Rs.10.00 crore, with GoI contribution of 60% (80% for special category States and for clusters with more than 50% women/micro/SC/ST units).

Who can apply

Industrial associations/Consortia, Clusters

How to apply

Only online applications are considered with effect from 01-04-2012. Hard copy of applications need to be sent through State Governments or their autonomous bodies or field institutes of the Ministry of MSME i.e., MSME-DIs. The proposals are to be approved by the Steering Committee of MSE-CDP.

Assistance to Training Institutions (ATI)

Description

The assistance shall be provided to training institutions in the form of capital grant for creation/strengthening of infrastructure and support for conducting entrepreneurship development and skill development training programmes.

Nature of assistance

Maximum assistance for creation or strengthening of infrastructure will be Rs.150 lakh on matching basis, not exceeding 50% of project cost. However, for the North-Eastern Region (including Sikkim), Andaman & Nicobar and Lakshadweep, maximum assistance on matching basis would be Rs.270 lakh or 90% of project cost, whichever is less.

Maximum assistance per trainee per hour for entrepreneurship development and skill development programmes is Rs.50 (Rs.60 for NER, A&N and Lakshadweep).

Who can apply

Any State/Union Territory Government training institutions, NGOs and other development agencies can apply for assistance for creation or strengthening of infrastructure.

Training institutions who wish to conduct training programmes under the scheme will have to enroll themselves with national level EDI i.e., **ni-msme**, Hyderabad.

How to apply

Organisations who wish to apply for assistance for creation or strengthening of infrastructure may send their applications to the Director (EDI), Ministry of Micro, Small and Medium Enterprises, Udyog Bhawan, Rafi Marg, New Delhi - 110 107.

Training institutions who wish to conduct training programmes or persons who wish to enroll for training programmes under the scheme may visit <http://msmetraining.gov.in/> or approach the EDI mentioned above.



Central Tool Rooms

There are 18 Technology centres under control of DC (MSME), offering training, services such as design and manufacturing of production tools, common facilities for machining and metrological services, consultancies etc. These TC's are equipped with state of art CNC machines, CMM's, engineering, CAD/CAM and simulator software's. They offer training on long-term, busy with duration of one year and above, short term busy, with duration six months or less.

Diploma level courses : Tool and die making, Production engineering, Automation and robotics, mechatronics, Electronics and communication engineering. Etc.

PG level courses : ME/M. Tech, PG diploma in tooling, CAD/CAM, VLSI/ Embedded systems, Design for manufacturing, mechatronics etc.

Short term courses : Duration of 3 weeks to six months in CAD/CAM/Simulation VLSI/Embedded systems / Automation.

TC's are training around 1 lakh trainees per year, while long term trainees are getting 100% placements; short term trainees are able to enhance their employment potential. They are serving good no. of industries including SME's. All TC's are financially self-sustaining and most of them have been generating surplus.

Technology Centre Systems Programmes

Under Technology Centre System Programme (TCSP), 15 New Technology Centres (Tool Rooms) would be set up and existing Tool Rooms would be upgraded with support of World Bank.

Further details visit the following website : www.dcmsme.gov.in

Credit Guarantee Scheme (CGTMSE)

Description Ministry of Micro, Small and Medium Enterprises, Gol and Small Industries Development Bank of India (SIDBI), established a Trust named Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to implement Credit Guarantee Fund Scheme for Micro and Small Enterprises. The corpus of CGTMSE is being contributed by Gol and SIDBI.

Nature of assistance Collateral free loans up to a limit of Rs.1 crore - for individual MSEs

Who can apply Both existing and new enterprises are eligible under the scheme.

How to apply Candidates meeting the eligibility criteria may approach banks/ financial institutions, which are eligible under the scheme, or scheduled commercial banks and select Regional Rural Banks.



Pradhan Mantri Mudra Yojana

Description

Primary product of MUDRA will be refinance for lending to micro businesses and units. The 2015 Budget has proposed the creation of Micro Units Development Refinance Agency (MUDRA) Bank, with a corpus of Rs.20, 000 crores, and credit guarantee corpus of Rs.3,000 crores.

Nature of assistance

The primary product of MUDRA will be refinance for lending to micro businesses / units under the aegis of the Pradhan Mantri MUDRA Yojana. The initial products and schemes under this umbrella have already been created and the interventions have been named 'Shishu', 'Kishor' and 'Tarun' to signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur as also provide a reference point for the next phase of graduation / growth for the entrepreneur to aspire for:

- Shishu : covering loans up to Rs. 50,000/-
- Kishor : covering loans above Rs. 50,000/- and upto Rs. 5 lakh
- Tarun : covering loans above Rs. 5 lakh and upto Rs. 10 lakh

Who can apply

Businesses / entrepreneurs / units covered would include proprietorship/partnership firms running as small manufacturing units, shopkeepers, fruits/vegetable sellers, hair cutting salons beauty parlours, transporters, truck operators, hawkers, co-operatives or body of individuals, food service units, repair shops, machine operators, small industries, artisans, food processors, self help groups, professionals and service providers etc. in rural and urban areas with financing requirements up-to Rs.10 lakhs.

How to apply

Application by eligible individuals and institutions can be sent to the Nodal Officer of the respective regions. The details of the Nodal officer can be found at <http://www.mudra.org.in/Nodal-Officers-MUDRA.pdf>.

Udyog Aadhaar: Ease of Registration Process through Udyog Aadhaar Memorandum (UAM) :

Based on the Hon'ble Prime Minister's suggestion in his 'Mann Ki Baat', on 3.10.2014, to simplify forms to enable ease of registration of MSME's, Ministry has notified a simple one-page registration Form 'Udyog Aadhaar Memorandum' on 18th September, 2015 in the Gazette of India Vide Notification Number S.O 2576 (E). The simplified one page registration form "Udyog Aadhaar" was made after consultations with the states and stakeholders, on recommendation made by the Kamath Committee and observations/approvals by Department Related Parliamentary Standing Committee, National Board and Advisory Committee etc. This is in line

with Prime Minister's announcement with regard to dispensing with requirement of attestation of documents to be replaced with self-attestation of document. The salient features of the Udyog Aadhaar Memorandum are

- The one page simplified registration Form would constitute a self declaration format under which the MSME will self certify its existence, bank account details, promoter/owner Aadhaar details, other minimum basic information required, etc
- Creating a business friendly environment with easy entry and exit procedures to encourage entrepreneurial activity.
- Encouraging States to strengthen existing 'Single Window System' with a High Power Committee empowered go give all necessary clearances for setting up a business.
- There shall be no fee for filing the UAM




Framework for Revival and Rehabilitation of MSME

The Ministry of Micro, Small & Medium Enterprises has notified a Framework for Revival and Rehabilitation of MSMEs, in exercise of the powers conferred under section 9 of the Micro, Small and Medium Enterprises Development Act, 2006. In India, the existing mechanism for addressing revival, rehabilitation and exit of small enterprises is very weak. The most recent Doing Business (DB) Report, a joint project of the World Bank and the International Finance Corporation, ranks India 137 out of the 189 economies for resolving insolvencies. It notes that resolving insolvency takes 4.3 years on average and costs 9.0% of the debtor's estate, with the most likely outcome being that the company will be sold as piecemeal sale. Pending a detailed revision of the legal framework for resolving insolvency/bankruptcy, there is a felt need for special dispensation for revival and exit of MSMEs. The MSMEs facing insolvency/bankruptcy need to be provided legal opportunities to revive their units. This could be through a scheme for re-organization and rehabilitation, which balances the interests of the creditors and debtors. It is expected that above Framework will help the lenders and debtors in revival and rehabilitation of enterprises and shall unlock the potential of MSMEs, besides improving our international ranking in Doing Business Index.

http://msme.gov.in/WriteReadData/Whatsnew/Gazette_Notification_09062015.pdf

Stand Up India

The "Stand up India" initiative was announced by the Prime Minister in his address to the nation on 15th August, 2015. "Stand Up India Scheme" is being implemented by the Department of Financial Services, Ministry of Finance. The Scheme envisages promoting



entrepreneurship among SC/ST and Women entrepreneurs. The Scheme is intended to facilitate at least two such projects per bank branch, on an average one for each category of entrepreneur by all the 1.25 crore bank branches spread across the country. It is expected to benefit atleast 2.5 lakh borrowers. The overall intent of the Scheme is to leverage the institutional credit structure to reach out to these under-served sectors of the population by facilitating bank loans repayable up to 7 years and between Rs. 10 lakh to Rs. 100 lakh for Greenfield (new) enterprises to be set up by SC, ST and Women borrowers. The loan under the scheme would be appropriately secured and backed by a credit guarantee through a credit guarantee scheme.

Start Up India

Prime Minister of India, Shri Narendra Modi, in his Independence Day speech (2015), announced the “Start-up India” initiative. This initiative aims at fostering entrepreneurship and promoting innovation by creating an ecosystem that is conducive for growth of Start-ups. The objective is that India must become a nation of job creators instead of being a nation of job seekers. The Prime Minister of India formally launched the initiative on January 16, 2016 from Vigyan Bhawan, New Delhi.

In order to meet the objectives of the initiative, Government of India is announcing this Action Plan that addresses all aspects of the Startup ecosystem. The Action Plan for the Start Up India is divided into following 4 areas:

- | | |
|--|-------------------------------------|
| (I) Simplification and Handholding, | (II) Funding support and incentives |
| (III) Industry – Academia partnership and incubation | (IV) Definition of Start Ups |

Follow-up action by the Ministry of MSME:

The relaxations of norms of public procurement for Start Ups under action plan ‘Simplification and Handholding’ are as follows;

‘In order to promote Startups, Government shall exempt Startups (in the manufacturing sector) from the criteria of “prior experience/ turnover” without any relaxation in quality standards or technical parameters. The Startups will also have to demonstrate requisite capability to execute the project as per the requirements and should have their own manufacturing facility in India’

This is the key component of the Action Plan which pertains to Ministry of MSME. Ministry has proposed to amend the Public Procurement Policy order 2012 which provide that Central Ministries and CPSEs should not insist not prior experience – prior turnover criteria in their bidding process. The criteria for eligibility and qualification for the bidder should be based on capability to deliver the goods and services to meet the technical and quality specification. Office of DC (MSME) is under process for issuing notification /instructions to the procuring entities as per the instruction of Department of Expenditure, Ministry of Finance.



सत्यमेव जयते

(भारत सरकार)

सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय

Ministry of Micro, Small & Medium Enterprises

(AN ISO 9001:2008 CERTIFIED ORGANIZATION)



MINISTRY

Ministry of Micro, Small & Medium Enterprises

**MSME - Schemes**

There are a number of schemes and programmes to help and assist entrepreneurs, especially small businesses. Besides this, several other Ministries have also been supporting the cause of MSME sector. A comprehensive list/details of such schemes and programmes for the stakeholders is presented here for ease of access from a single source.

[Read more..](#)**MSME - Entrepreneurship Skill Development Programme**

Schemes envisages financial assistance for establishment of new institutions (EDIs), strengthening the infrastructure of the existing EDIs and for supporting entrepreneurship and skill development activities.

[Read more..](#)**News & Events**

Awareness of all programmes, schemes and events is done by the Ministry in print and electronic media including social media. All attached and subordinate offices, autonomous institutions and PSU under the Ministry also engage in publicity through news and events about the support services being offered by such organisations to the MSME sector.

[Read more..](#)**PMEGP - Prime Minister's Employment Generation Programme**

PMEGP is a credit linked Scheme to facilitate participation of financial institutions for higher credit flow to micro sector. Its objectives are to generate continuous and sustainable employment opportunities in Rural and Urban areas of the country.

[Read more..](#)**Office of Development Commissioner**

Development Commissioner (MSME) was established in 1954 and over the years, it has seen its role evolve into an agency for advocacy, hand holding and facilitation for the small industries sector. It has over 70 field offices and 21 autonomous bodies (Tool Rooms, Training Institutions and Project-cum-Process Development Centers) under its management.

[Read more..](#)**KVIC - 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 with a mission to create employment opportunities in Rural Areas with focus on women and weaker sections of the society.

"खादी वस्त्र नहीं विचार है."

[Read more..](#)**Coir Board**

Coir Board, set up under the Coir Industry Act, 1953 by the Government of India, is engaged in sustainable development of Coir Industry through research and development, quality improvement, modernisation and training, market promotion and welfare of all those who are engaged in the coir industry.

[Read more..](#)**NSIC - National Small Industries Corporation**

NSIC, a Public Sector Enterprise under MSME, has a mission of promoting, aiding and fostering the growth of micro, small and medium enterprises in the country. NSIC operates through countrywide network of offices and Technical Centres. It offers a package of services for marketing support, credit support, technology support and other support services.

[Read more..](#)**NIMSME**

National Institute for MSMEs (NIMSME), is a premier institution for the promotion, development and modernization of the SME sector. The Institute strives to achieve its avowed objectives through a gamut of operations ranging from training, consultancy, research and education, to extension and information services.

[Read more..](#)**MGIRI - Mahatma Gandhi Institute for Rural Industrialization**

Mahatma Gandhi Institute of Rural Industrialization has been set up by the collaborative efforts of KVIC and IIT Delhi at the historical premises of Magarwadi, Wardha. The Institute envisions to support, upgrade and accelerate the process of Rural Industrialization in the country.

[Read more..](#)**MSME Virtual Cluster**

Micro, Small and Medium Enterprises are the most prolific job creators and pioneers in developing new ideas. M/o MSME desires to help these businesses located at geographically dispersed locations with the concept of "Virtual Cluster".

28450 Industries
510 Academic Institutions
184 Domain Experts

[Read more..](#)**Entrepreneurs Memorandum(EM)**

MSMED Act, 2006 provides for filing of Entrepreneur's Memorandum by the entrepreneur setting up a micro/small enterprise. MSME has endeavoured to create a single IT platform to be used by all States of the country for entrepreneurs to file the EM online.

52046 Total no of Applications

[Read more..](#)