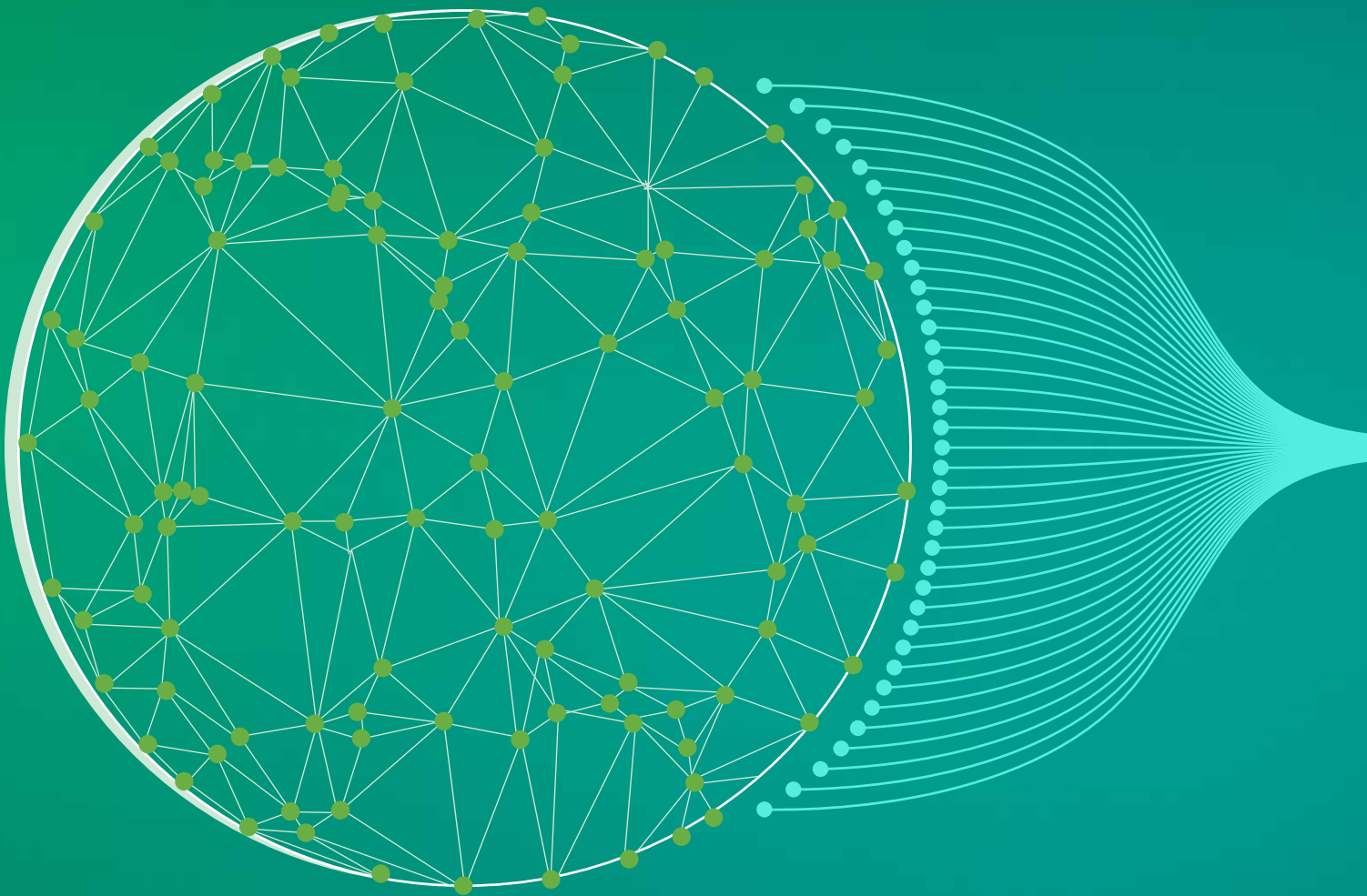

Achieving Efficiencies in **MSME Sector Through Convergence of Schemes**



January 2026



सत्यमेव जयते

NITI Aayog

ACHIEVING EFFICIENCIES IN MSME SECTOR THROUGH CONVERGENCE OF SCHEMES



DISCLAIMER:

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PREFACE

Micro, Small, and Medium Enterprises (MSMEs) are vital in India's economic landscape, contributing significantly to employment generation, industrial output, and exports. These enterprises are a backbone for innovation and entrepreneurship, fostering inclusive economic growth. Recognizing their importance, the Ministry of MSME has introduced multiple schemes to provide financial assistance, skill development, infrastructure support, marketing aid, and technological upgradation. However, the presence of overlapping objectives and fragmented implementation across various ministries and departments might increase inefficiencies, affecting the effectiveness of these schemes. Addressing these challenges through a structured approach is critical for maximizing their impact and ensuring optimal utilization of resources.

This report, *Achieving Efficiencies in MSME Sector through Convergence of Schemes* highlights the need for streamlining MSME schemes to enhance their efficiency and accessibility. Convergence is proposed as a strategic approach to optimize policy execution and resource allocation. It can be categorized into two key types: Information Convergence, which integrates government-generated data at central and state levels to improve coordination and decision-making, and Process Convergence, which aligns operational frameworks by merging similar schemes, consolidating components, streamlining programs into umbrella schemes, fostering Centre-State collaboration, and ensuring inter-ministerial coordination.

As part of the consultation process, discussions were held with officials from the Ministry of Micro, Small & Medium Enterprises (MoMSME) to gain insights into existing policies and regulatory frameworks. In addition to government consultations, discussions were also held with key industry stakeholders to incorporate their perspectives on the needs and challenges faced by MSMEs. Inputs were gathered from senior officials and experts from the Federation of Telangana Chambers of Commerce and Industry (FTCCI), Indian Industries Association (IIA), World Trade Centre (WTC), Association of Lady Entrepreneurs of India (ALEAP), Industry Development Council (IDC), Industry, Commerce & Export Promotion Department of the Government of Telangana, Maharashtra Small Scale Industries Development Corporation (MSSIDC), Department of MSME & Export Promotion of the Government of Uttar Pradesh, Small Industries Development Bank of India (SIDBI), and other banking institutions. Additionally, the team engaged with the management, CEOs, and other stakeholders of the MSMEs. Drawing upon extensive research and stakeholder consultations, this report identifies key challenges in MSME scheme implementation and explores convergence opportunities to enhance their efficiency and impact.

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The authors extend their sincere gratitude to NITI Aayog for its leadership, guidance, and support in the successful completion of this study on the convergence of MSME schemes. We would like to express our deep appreciation to Shri Suman K. Bery, Vice Chairman, NITI Aayog; Dr. Arvind Virmani, Member, NITI Aayog; and Shri B.V.R. Subrahmanyam, CEO, NITI Aayog, whose vision and encouragement have been instrumental in shaping this report. Their strategic insights and unwavering support were invaluable throughout the process, helping to refine the approach toward streamlining MSME programs under cooperative federalism.

Furthermore, we would like to extend our heartfelt gratitude to Shri Ishtiyaque Ahmed, Program Director, Industry and Foreign Investment Division, for his steadfast support and incisive feedback. His expertise played a crucial role in ensuring that this report presents a robust policy framework tailored to the unique challenges of MSME scheme implementation and convergence. We would also like to acknowledge Ms. Neha Nautiyal, Deputy Secretary, NITI Aayog; Ms. Aashwita Lal, Director, NITI Aayog; Shri Upendra Kumar Gupta, Deputy Advisor, Shahid Qayoom, Consultant, NITI Aayog; and Karun Gupta, Young Professional, NITI Aayog, for their valuable insights and continuous support throughout the study. Their contributions have significantly enriched the depth and practical relevance of this report. This study is a reflection of the collective efforts of all stakeholders dedicated to strengthening the MSME ecosystem in India.



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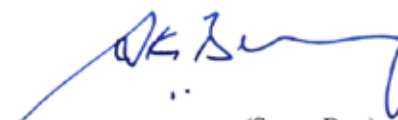
India's Micro, Small and Medium Enterprises (MSMEs) represent the entrepreneurial spirit of our nation and are key drivers of inclusive and sustainable economic growth. From generating employment to bolstering exports and innovating across sectors, MSMEs form a resilient backbone of our economy. At a time when India is poised to become a \$5 trillion economy, it is imperative that our policy instruments empower these enterprises with agility, clarity, and coordinated support.

Over the years, various ministries and departments have launched numerous schemes targeting diverse challenges faced by MSMEs — ranging from skill development and infrastructure to market access and innovation. While these efforts reflect our commitment, the multiplicity of programs and institutional silos have occasionally led to fragmented implementation and underutilisation of resources.

This report, *Achieving Efficiencies in MSME Sector through Convergence of Schemes*, presents a compelling roadmap to overcome these structural barriers through strategic convergence. By unifying data systems and streamlining overlapping processes, we can amplify the impact of our schemes, reduce the administrative burdens, and ensure better access for MSMEs across the country. The report outlines two key pillars of convergence: The first is Information Convergence, which leverages digital infrastructure to integrate data and facilitate informed decision-making across levels of government. The second is Process Convergence, which aims to harmonise schemes, enhance Centre-State collaboration, and ensures inter-ministerial coordination. These two pillars together provide a strategic framework to streamline efforts and maximise the impact of Government support for the MSME sector.

Implemented in a phased and consultative manner, these reforms have the potential to significantly improve the efficiency of public expenditure and the reach of Government support.

I would like to express my appreciation to the Administrative Staff College of India and the NITI Aayog team for their joint efforts in producing this report. Their collaboration has resulted in a document that assesses the current state of the MSME sector but also offers actionable recommendations for its future growth.


(Suman Bery)





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MESSAGE

Micro, Small, and Medium Enterprises (MSMEs) form the foundation of the Indian economy, making substantial contributions to GDP, employment generation, industrial output, and R&D, exports. As key enablers of innovation and entrepreneurship, they play a crucial role in promoting regional development, bridging economic disparities, and driving inclusive growth. By generating millions of jobs, especially in rural and semi-urban areas, MSMEs not only support livelihoods but also enhance industrial productivity and technological progress. Given their vast potential to reshape the economic landscape, fostering their expansion and strengthening their capabilities is essential for long-term sustainable development.

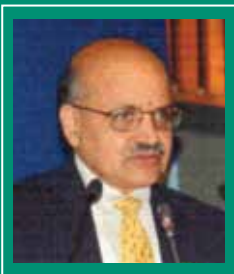
In recognition of this, the Government of India has implemented various policies, programs, and financial initiatives to empower and uplift MSMEs. These schemes have significantly improved financial accessibility and market opportunities for MSMEs. Furthermore, digital initiatives have streamlined regulatory processes, making business operations more efficient. The government also emphasizes technology adoption, cluster-based industrial development, and skill enhancement ensuring MSMEs remain competitive on a global scale. The Union Budget 2025-26 announced 'Export Promotion Mission' to help the MSMEs to and labour-intensive exportable sectors in getting integrated with Global Value Chains (GVCs). This is needed for quality change in the whole MSME supply chain.

For MSMEs to achieve sustained growth, integrating these initiatives is essential. A well-coordinated approach ensures the efficient use of resources, eliminates redundancies, and establishes a comprehensive support framework that provides financial assistance, technological guidance, and market connectivity. Convergence not only simplifies administrative formalities but also strengthens supply chains, encourages environmentally sustainable practices, and promotes collaboration among industry stakeholders.

Information and process convergence is critical to reducing the financial and time cost of complying with Government regulations. Easy access to information is also improving imperfect markets. This study examines information and process convergence in the MSME sector and highlights the benefits of a unified approach. The findings suggest that integrating digital platforms, converging and merging overlapping schemes, will improved efficiency, decision-making, and increase accessibility to government support.

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MESSAGE

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in driving India's economic growth, generating employment, and boosting exports. Given their vast potential to reshape the economic landscape, fostering their expansion and strengthening their capabilities is essential for long-term sustainable development.

The government facilitates seamless convergence of multiple MSME-focused policies by ensuring alignment between different ministries, state governments, and industry bodies. The government encourages MSMEs to integrate with larger supply chains, public procurement policies, and global markets through initiatives like the Government e- Marketplace (GeM) and its Public Procurement Policy. These efforts ensure that MSMEs have direct access to government contracts and corporate partnerships, thereby improving market linkages.

To further accelerate their progress, the convergence of various government schemes and initiatives brings enhanced efficiency, streamlined processes, and holistic support, creating a thriving ecosystem for MSMEs. By streamlining resources, policies, and financial assistance, convergence ensures seamless access to credit, advanced technology, skill development, and market expansion. This approach optimizes efficiency, eliminates redundancies, and fosters a collaborative environment where MSMEs can thrive. Furthermore, the integration of initiatives promotes sustainable development, encouraging MSMEs to adopt sustainable practices while contributing to economic and social progress.

This study explores the need and importance of convergence in the MSME sector, as well as the means of converging various MSME programmes, highlighting its role in accelerating growth, fostering innovation, and building a resilient business ecosystem.

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Message

Micro, Small and Medium Enterprises (MSMEs) contribute around 29% to the nation's GDP, generate employment for over 28.7 crore individuals, and support nearly 46% of our exports. Their importance extends beyond mere numbers, as they drive inclusive growth, foster innovation, and provide livelihood, particularly in rural areas, where entrepreneurial spirit continues to thrive despite infrastructural challenges. This report examines the convergence of MSME programmes under cooperative federalism, a topic that carries significant relevance, given the critical role of the MSME sector in our economy.

The convergence of various government schemes in India is essential to maximize their impact, avoid duplication of efforts, and ensure efficient resource utilization. By integrating multiple initiatives, service delivery can be enhanced and administrative processes can be streamlined. This approach fosters inclusive growth, reduces gaps in implementation, and promotes sustainable development across sectors.

The findings of this study highlight that while the MSME sector has maintained a steady growth rate and made considerable contributions to GDP and exports, there is scope to improve service delivery, scheme coordination, and effective outreach. To ensure that the benefits of government schemes reach all segments of the MSME community, enhanced coordination among central, state, and local government agencies is vital. This can address challenges such as fragmented support systems, limited outreach of schemes, and low awareness levels and thereby, improve the overall efficacy of government interventions.

I extend my heartfelt gratitude to Hon'ble Vice Chairman NITI Aayog, Shri Suman Bery, Hon'ble Member NITI Aayog, Dr Arvind Virmani and CEO NITI Aayog, Shri BVR (Subrahmanyam for their continuous guidance provided during the course of this study. I also compliment Administrative Staff College of India and their dedicated team for undertaking this important work.


(Ishtiyaque Ahmed)

LIST OF ABBREVIATIONS

AIDC	Assam Industrial Development Corporation
AIFs	Alternative Investment Funds
APIIC	Andhra Pradesh Industrial Infrastructure Corporation
ASPIRE	A Scheme for Promotion of Innovation, Rural Industry & Entrepreneurship
ATI	Assistance to Training Institutions
BI	Business Incubators
BRS	Business Registration Service
CAF	Common Artisan Fund
CAGR	Compound Annual Growth Rate
CBFTE	Capacity Building of First Time MSE Exporters
CFCs	Common Facility Centres
CFP	Cluster Facilitation Project
CGTMSE	Credit Guarantee Fund Trust for Micro and Small Enterprises
CGWB	Central Ground Water Board
CLCSS	Credit Linked Capital Subsidy Scheme
CSR	Corporate Social Responsibility
CVY	Coir Vikas Yojana
CWC	Central Water Commission
DAY - NRLM	Deendayal Antyodaya Yojana - National Rural Livelihood Mission
DBT	Direct Benefit Transfers
DC-MSME	Development Commissioner
DDU-GKY	Deen Dayal Upadhyaya Grameen Kaushalya Yojana
DFS	Department of Financial Services
DFS	Department of Financial Services
DGFT	Directorate General of Foreign Trade
DIC	District Industries Center
DoNER	Development of the North Eastern Region
DPIIT	Department for Promotion of Industry and Internal Trade

DRDO	Defence Research Development Organization
DSR	Diagnostic Study Report
DST	Department of Science and Technology
EA	Einheitlicher Ansprechpartner
EAP	Entrepreneurship Awareness Programme
EPCG	Export Promotion Capital Goods
ESDP	Entrepreneurship and Skill Development Programme
FGDs	Focus Group Discussions
FoF	Fund of Funds
GDP	Gross Domestic Product
GeM	Government e-Marketplace
GoI	Government of India
His	Host Institutes
IC	International Cooperation
IMD	India Meteorological Department
IMEs	Informal Micro Enterprises
IndEA	India Enterprise Architecture
IPR	Intellectual Property Rights
KGVIY	Khadi Gramodyog Vikas Yojana
KPIs	Key performance indicators
KVIC	Khadi and Village Industries Commission
KVKs	Krishi Vigyan Kendra
LBIs	Livelihood Business Incubators
LLM	Large Language Model
M&E	Monitoring and Evaluation
MDA	Market Development Assistance
MDP	Management Development programme
MEIS	Merchandise Exports from India Scheme
MeitY	Ministry of Electronics and IT
MGIRI	Mahatma Gandhi Institute for Rural Industrialisation
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Scheme
MHI	Ministry of Heavy Industries

MIs	Mentor Institutes
MM	Margin Money
MoF	Ministry of Finance
MoFPI	Ministry of Food Processing Industries
MoJS	Main ministry- Ministry of Jal Shakti
MoMSME	Ministry of Micro, Small, and Medium Enterprises
MoRD	Ministry of Rural Development
MPSIDC	Madhya Pradesh State Industrial Development Corporation
MSC	Multi-Sectoral Collaboration
MSDE	Ministry of Skill Development & Entrepreneurship
MSE-CDP	Micro & Small Enterprises Cluster Development Programme
MSEs	Micro and Small Enterprises
MSME	Micro, Small, and Medium Enterprises
MSMED	Micro, Small, and Medium Enterprises Development
NABARD	National Bank for Agriculture and Rural Development
NBFCs	Non-Banking Financial Companies
NCS	National Career Service
NEIDS	North-East, combines the North East Industrial Development Scheme
NIDHI-iTBI	NIDHI-inclusive Technology Business Incubator
NIMSME	National Institute for Micro, Small and Medium Enterprises
NRSC	National Remote Sensing Centre
NSIC	National Small Industries Corporation
NSQF	National Skills Qualifications Framework
NVCFL	NSIC Venture Capital Fund Limited
ODOP	One District, One Product
PMAGY	Combines Pradhan Mantri Adarsh Gram Yojana
PM-AJAY	Pradhan Mantri Anusuchit Jaati Abhyuday Yojana
PMEGP	Prime Minister's Employment Generation Programme
PMKVY	Pradhan Mantri Kaushal Vikas Yojana
PMRY	Prime Minister's Rojgar Yojana
PMS	Procurement and Marketing Support
PPP	Public-Private Partnership

PRIs	Panchayati Raj Institutions
PSIEC	Punjab Small Industries & Export Corporation
PSUs	public sector undertakings
RAMP	Raising & Accelerating MSME Performance
RBI	Reserve Bank of India
REGP	Rural Employment Generation Programme
RSETIs	Rural Self Employment Training Institutes
S&T	Science and Technology
SAMPADA	Scheme for Agro-Marine Processing and Development of Agro-processing Clusters
SFC	Standing Finance Committee
SFCs	State Financial Corporations
SFURTI	Scheme of Fund for Regeneration of Traditional Industries
SHGs	Self-Help Groups
SIDBI	Small Industries Development Bank of India
SIP	Strategic Investment Plan
SPV	Special Purpose Vehicle
SRI	Self-Reliant India
TBI	Technology Business Incubator
TCs	Technology Centres
TUS	Technology Upgradation Scheme
UAP	Udyam Assist Platform
ULB	Urban Local Body
Uts	Union Territories
ZED	Zero Defect Zero Effect

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EXECUTIVE SUMMARY

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in India's economy by contributing significantly to employment generation, industrial output, and exports. They form the backbone of innovation and entrepreneurship, serving as key drivers of inclusive and sustainable economic growth. To support this sector, the Ministry of MSME currently implements 18 schemes aimed at providing financial assistance, skill development, infrastructure support, marketing aid, and technological upgradation. However, the presence of overlapping objectives and fragmented implementation across multiple ministries and departments has at times resulted in inefficiencies, duplication of efforts, and limited beneficiary outreach. In light of these challenges, convergence approaches are proposed to streamline policy implementation, enhance inter-ministerial coordination, and ensure more effective and efficient allocation of resources.

India has experimented with multiple models of convergence, which can broadly be categorized into two types. Information Convergence involves integrating government-generated data at both the central and state levels to strengthen coordination and improve decision-making. Process Convergence focuses on aligning operational frameworks through strategies such as merging similar schemes or components, consolidating programs under umbrella schemes, fostering Centre-State collaboration, and establishing inter-ministerial coordination mechanisms.

This study aims to achieve the following objectives:

1. To evaluate the various Government of India (GoI) schemes and programmes of the MSME sector.
2. To examine the present level of convergence of MSME programmes.
3. To identify the best practices of convergence in center, states and internationally.
4. To make recommendations on the convergence opportunities and corrective steps.

These objectives aim to provide a comprehensive understanding of how convergence can be leveraged to build a more coherent, responsive, and impactful policy ecosystem for the MSME sector.

Methodology:

The study adopts a mixed-methods approach combining secondary research and extensive stakeholder consultations to identify convergence opportunities of MoMSME schemes. The methodology consists of the following key steps:

1. Review of MoMSME Schemes

All existing schemes were reviewed based on eligibility, target beneficiaries, areas of support, intervention types, and implementing agencies. This helped map the scheme landscape and identify overlaps.

2. Identification of Uniqueness, Similarities, and Duplication

The analysis focused on detecting thematic overlap and duplication across schemes to understand gaps, inefficiencies, and areas where convergence may be beneficial.

3. Stakeholder Consultation Workshops and Focus Group Discussions (FGDs)

To validate findings and gather practical insights, workshops were conducted across six locations—Mumbai, Lucknow, Chennai, Tiruppur, Guntur, and Hyderabad. The workshops and FGDs with key stakeholders helped capture operational challenges and expectations related to scheme convergence. The participants included officials from the Ministry of MSME, state departments, banks, industry associations, and MSME representatives.

4. Development of the Convergence Framework

Insights from the review and consultations were synthesised to design a proposed convergence model, outlining justification, implementation pathways, and potential challenges.

Recommendations:

The following recommendations are proposed to facilitate convergence across centrally administered schemes to enhance policy coherence, operational efficiency, and targeted delivery of support to MSMEs:

1. Centralized Portal For Micro, Small And Medium Enterprises (MSMEs)

To enhance information convergence and streamline access to MSME support, a centralized digital portal integrating schemes, compliance requirements, financial assistance, and market insights is recommended. This AI-powered platform will provide real-time guidance, personalized scheme recommendations, and seamless tracking of applications through an interactive dashboard. The portal should include key modules such as scheme information, compliance tracking, financial assistance, and market research, with AI-driven chatbots and mobile app integration for accessibility. By collaborating with technology research institutions and digital governance bodies, the proposed initiative will simplify MSME operations, improve compliance efficiency, and provide critical market intelligence, ensuring a more effective and transparent support system.

2. Convergence of Scheme of Fund for Regeneration of Traditional Industries (SFURTI) with the Micro and Small Enterprises - Cluster Development Programme (MSE-CDP)

To streamline cluster development efforts and optimize resources, it is recommended to integrate SFURTI with MSE-CDP. While both schemes focus on cluster-based development, MSE-CDP aims at enhancing infrastructure and competitiveness, whereas SFURTI supports traditional industries, particularly in uncovered and aspirational districts. The proposed convergence framework includes the creation of a special category for traditional industries within MSE-CDP, maintaining SFURTI's objectives while benefiting

from a unified governance structure. Local institutions such as NGOs and Panchayati Raj Institutions (PRIs) may continue to play a role in traditional industry clusters, ensuring regional expertise and stakeholder involvement.

3. Convergence of Skill Development Programmes

Multiple government schemes focus on entrepreneurship, technical skills, and rural craftsmanship, often with overlapping objectives. A coordinated skill development framework will ensure a more structured and responsive training approach for MSMEs. The proposed convergence strategy should follow a three-tiered approach. (i) Entrepreneurship and Business Skills Development – Merge skill components of PMEGP, IC, and PMS under ESDP to offer training in entrepreneurship, financial literacy, market access, export readiness, and credit facilitation. (ii) Technical Skill Development – Enhance coordination among Tool Rooms, Technology Centres, MSME Lean Scheme, and digital initiatives, ensuring specialized technical training aligned with industry requirements. (iii) Training for Rural and Women Artisans – Continue skill-building initiatives under Coir Vikas Yojana, National SC-ST Hub, and Khadi & Village Industries programmes, preserving their focus on traditional crafts, rural entrepreneurship, and marginalized communities.

4. Convergence of Procurement and Marketing Scheme (PMS) and International Cooperation (IC) Schemes

To simplify access to marketing support for MSMEs and enhance their domestic and international market reach, it is recommended to converge PMS and IC under a unified Marketing Assistance Wing with two key components: Domestic Marketing Assistance and International Marketing Assistance. The Domestic Marketing Assistance wing may focus on capacity building through ESDP, organizing and participating in domestic trade fairs/exhibitions, and domestic procurement. The International Marketing Assistance wing may focus on capacity building through ESDP for first-time exporters, organizing and participating in international trade fairs/exhibitions, and Framework for International Market Intelligence Dissemination.

5. Convergence of A Scheme for Promoting Innovation, Rural Industries & Entrepreneurship (ASPIRE) with MSME Innovative

To streamline innovation support for MSMEs, it is recommended to merge ASPIRE with MSME Innovative under a special category for agro-rural enterprises. Under the convergence framework, it is suggested that ASPIRE be integrated as a dedicated agro-rural enterprise category within MSME Innovative. A portion of MSME Innovative's budget may be earmarked for agro-rural incubators, ensuring continuity of financial support. A structured implementation framework will guide the transition, including strategic planning, stakeholder engagement, funding allocation, and performance monitoring.

Conclusion:

For schemes with similar objectives, convergence should be prioritized through a well-coordinated governance structure that enables smoother implementation and greater

efficiency. Such convergence can be strengthened by fostering collaboration among ministries and implementing agencies through workshops, joint trainings, and targeted outreach, which would enhance scheme impact and improve beneficiary mobilization. Capacity-building of administrators should also be emphasized to ensure better targeting and delivery of support.

At the same time, convergence efforts must be approached with caution for schemes designed for specific beneficiary groups, such as the National SC/ST Hub or the NER MSME Promotion Programme, to prevent dilution of their intended impact. Similarly, large flagship programmes like PMEGP and PM Vishwakarma should remain independent due to their substantial scale, distinct objectives, and focused economic benefits.



01

**MSMES AS
GROWTH
ENGINES OF
THE ECONOMY**

1.1 ROLE OF MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMES) IN THE ECONOMIC DEVELOPMENT

The Micro, Small, and Medium Enterprises (MSME) sector is the foundation stone of India's economic framework, encompassing a diverse range of businesses with varying levels of scale, technology, and innovation. These enterprises play a critical role in driving economic development by contributing significantly to Gross Domestic Product (GDP), Export, generating employment, and supporting regional and sectoral growth. The sector is characterized by diverse range of businesses that vary in size, technological capability, and employment generation. With the capacity to produce 6,000 distinct products, MSMEs play a pivotal role in catering to the demand for mass consumption goods. Given its strategic importance, the MSME sector has the potential to serve as an engine of economic growth, provided it is supported by a conducive policy environment and targeted developmental initiatives.

CLASSIFICATION:

In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 of Government of India, a classification came into effect on 1st July, 2020, based on investment in plant and machinery and turnover. A revised classification has come into effect from April 1, 2025, as per the Ministry of MSME's Notification S.O. No. 1364(E) dated March 21, 2025.

Table 1.1. MSME Classification

Enterprise	Earlier Classification		Revised Classification	
	Investment in plant and machinery	Turnover	Investment in plant and machinery	Turnover
Micro	Not exceeding Rs. 1 crore.	Not exceeding Rs. 5 crores.	Not exceeding Rs. 2.5 crore.	Not exceeding Rs. 10 crores.
Small	Not exceeding Rs. 10 crores.	Not exceeding Rs. 50 crores.	Not exceeding Rs. 25 crores.	Not exceeding Rs. 100 crores.
Medium	Not exceeding Rs 50 crores.	Not exceeding Rs. 250 crores.	Not exceeding Rs 125 crores.	Not exceeding Rs. 500 crores.

ECONOMIC CONTRIBUTION:

The growth of MSME sector is at par with the Industrial Sector for the last two decades. Between 2000 and 2016, the industrial sector grew at an average of around 7.6%, while the MSME sector averaged **8.6% growth**¹. Between 2017 and 2023, the sector contributed between **27% and 30% to the GDP** of the country².

¹ Report of the Expert Committee on Micro, Small and Medium Enterprises (2019)

² CONTRIBUTION OF MSMEs TO THE GDP <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2035073>

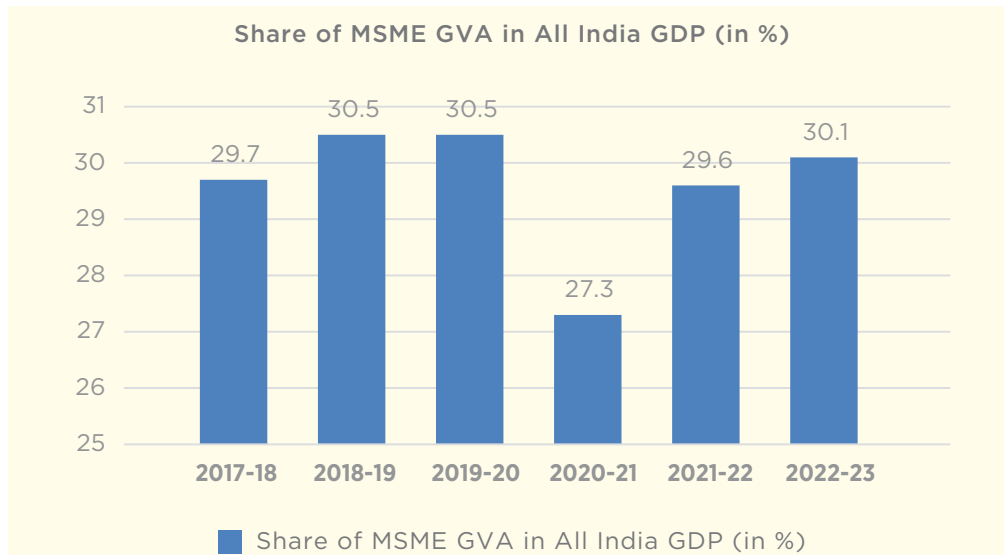


Figure 1.1: Contribution to GDP

Accounting to this growth, the sector employs 62%³ of the country's workforce that is **approximately 28.13 crores**⁴ which in terms of volume stands next to the agriculture sector only. MSMEs' share in the **country's export is about 45%**⁵ although approximately only 1.1% of MSMEs registered on the Udyam Portal are engaged in export activities⁶. Their export contribution peaked at 49.77% just before the COVID-19 pandemic.

REGIONAL PRESENCE:

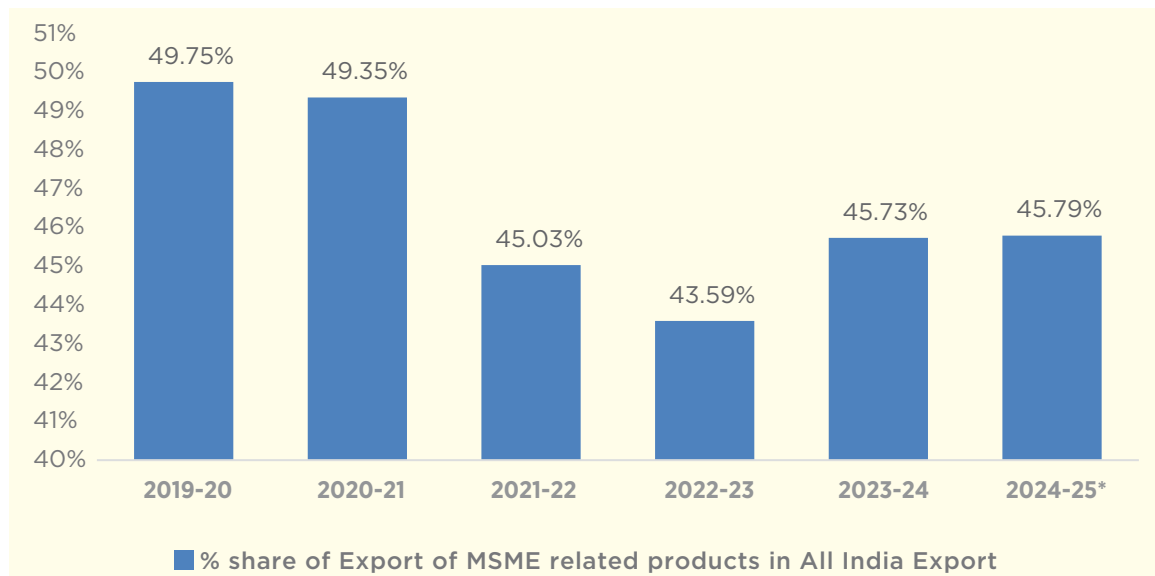


Figure 1.2: Contribution to Exports (*up to May 2024)

3 A microscope on small businesses: The productivity opportunity by country. McKinsey Global Institute (MGI). (2024).

4 As per Udyam Registration Portal

5 CONTRIBUTION OF MSMEs TO THE GDP <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2035073>

6 EXIM Report (2023)

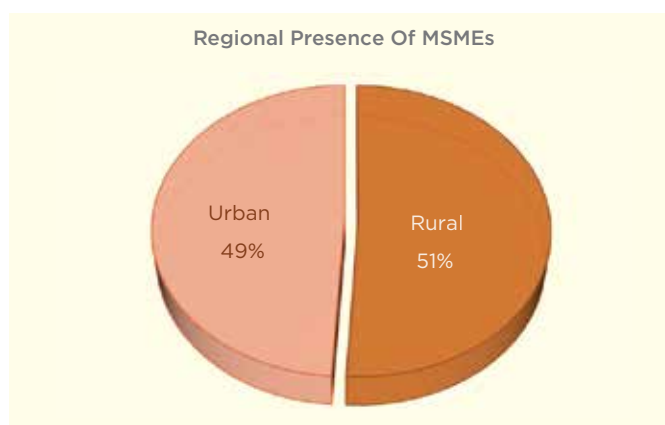


Figure 1.3: Regional Presence of MSMEs

The distribution of MSMEs is marginally skewed in favour of rural areas, which account for 51% of the total, compared to 49% in urban areas⁷. This reflects the entrepreneurial spirit that thrives across India despite infrastructural challenges. However, the majority of rural MSME units remain informal and unregistered, with limited access to digital tools and platforms⁸. This has necessitated the formalization of MSMEs across the country.

FORMALIZATION:

Pushing forward the objective of MSME formalisation, Government of India (GoI) launched the Udyam Registration Portal in 2020 to simplify the registration process. This initiative is expected to induce MSMEs to come into the fold of formalisation and avail the benefits of the various schemes and facilities extended to the sector. Retail and Wholesale trades have also been included as MSMEs for this purpose⁹. To rationalize the informal sector, the Ministry, in collaboration with the Small Industries Development Bank of India (SIDBI), introduced the Udyam Assist Platform (UAP) in January 2023, to integrate Informal Micro Enterprises (IMEs) into the formal sector. The Udyam Registration Portal enables existing enterprises to self-register online, free of cost and paperless, to obtain a Udyam Registration Certificate, whereas the Udyam Assist Platform helps informal micro enterprises without the required documents register through designated agencies and receive an equivalent certificate.

MARKET SIZE:

Till 2016, there were 6.34 crore¹⁰ unincorporated nonagricultural MSMEs in the country engaged in different economic activities¹¹. About **3.94 crore MSMEs are registered on the**

⁷ MSME Annual Report (2023-24)

⁸ Source: MSME DEPARTMENT, GOVERNMENT OF TN, 2021
(www.msmeonline.tn.gov.in/images/MSME_Committee_Draft_Report.pdf)

⁹ SIDBI Annual Report 2021-22 (<https://development.sidbi.in/AnnualReport202122/msme-outlook.php>)

¹⁰ As per the latest National Sample Survey (NSS) 73rd round, conducted by National Sample Survey Office, Ministry of Statistics & Programme Implementation

¹¹ Non-agricultural enterprises which are not incorporated (i.e. not registered under Companies Act, 1956) include proprietary and partnership enterprises (excluding limited liability partnerships), Self Help Groups (SHGs), Non-Profit Institutions (NPIs) and Trusts.

Udyam Registration Portal. Another 2.71 crore informal micro enterprises are registered on the Udyam Assist Platform. This number is expected to grow from 6.34 crore to approximately 7.5 crore, growing at a projected Compound Annual Growth Rate (CAGR) of 2.5%. As on October 2024, out of the registered MSMEs, 25% are engaged in manufacturing, while 75% are involved in service activities¹².

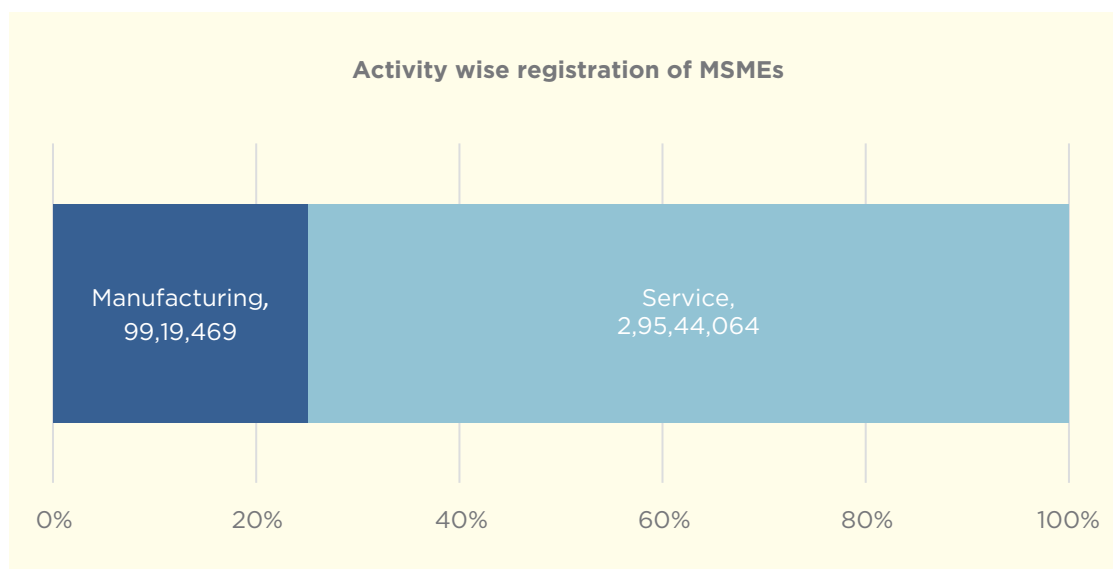


Figure 1.4: Share of Manufacturing and Services Enterprises

GOVERNMENT SPENDING ON MSME SECTOR:

Several measures are being undertaken for the holistic development of the sector. Among other steps, the **government spending on the sector has risen to 22,094 crores in 2023-24** from 6,717 crores in 2019-20.¹³

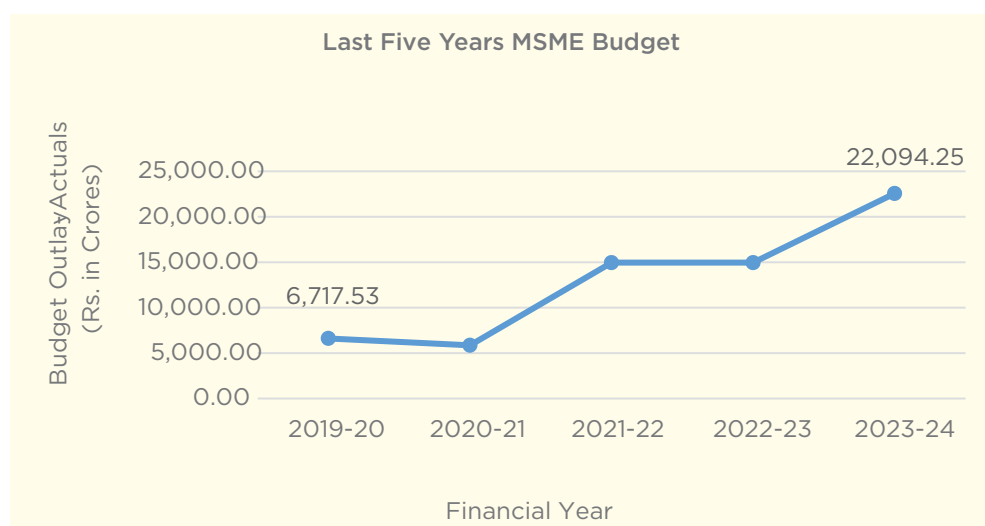


Figure 1.5: Government Spending on MSME

¹² Source: Udyam Registration Portal (<https://udyamregistration.gov.in/RealTimeUdyamDashboard.aspx>)

¹³ MSME Budget 2024

1.2 MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMES) AND ITS ATTACHED ORGANIZATIONS

MSME ORGANIZATION STRUCTURE

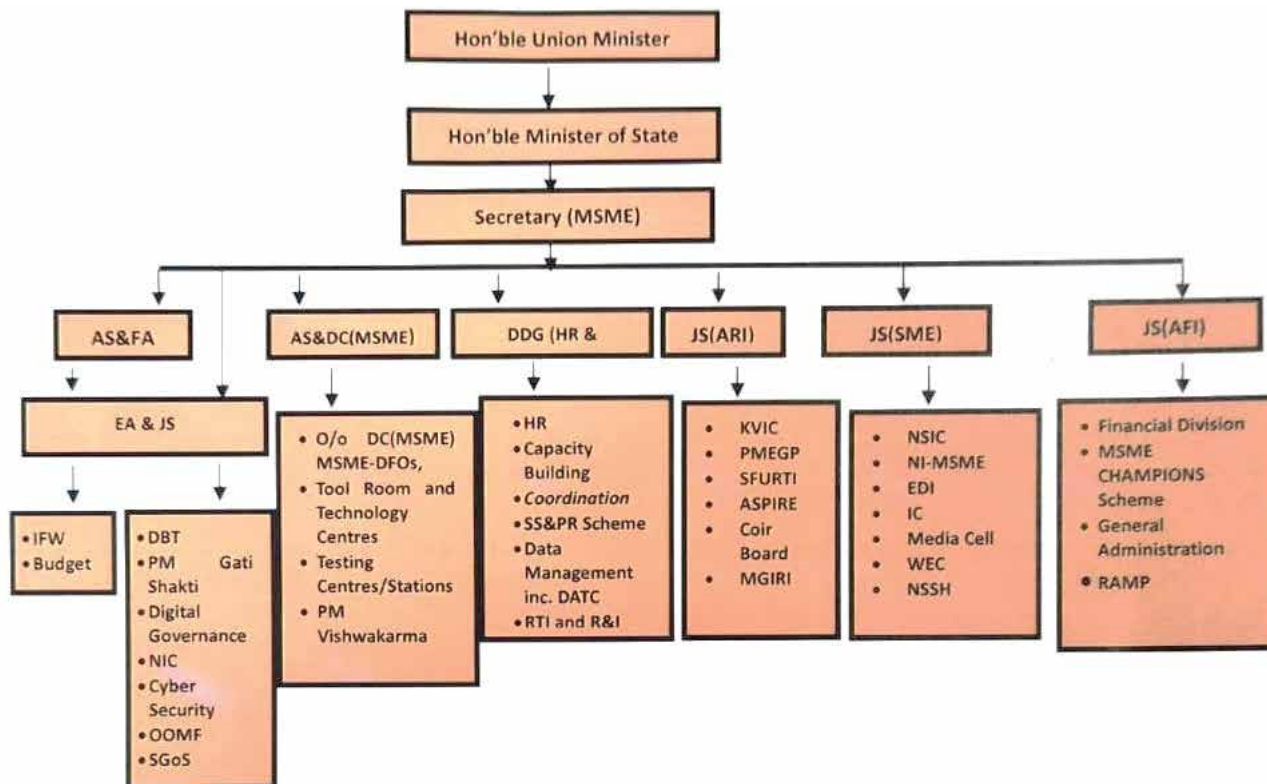


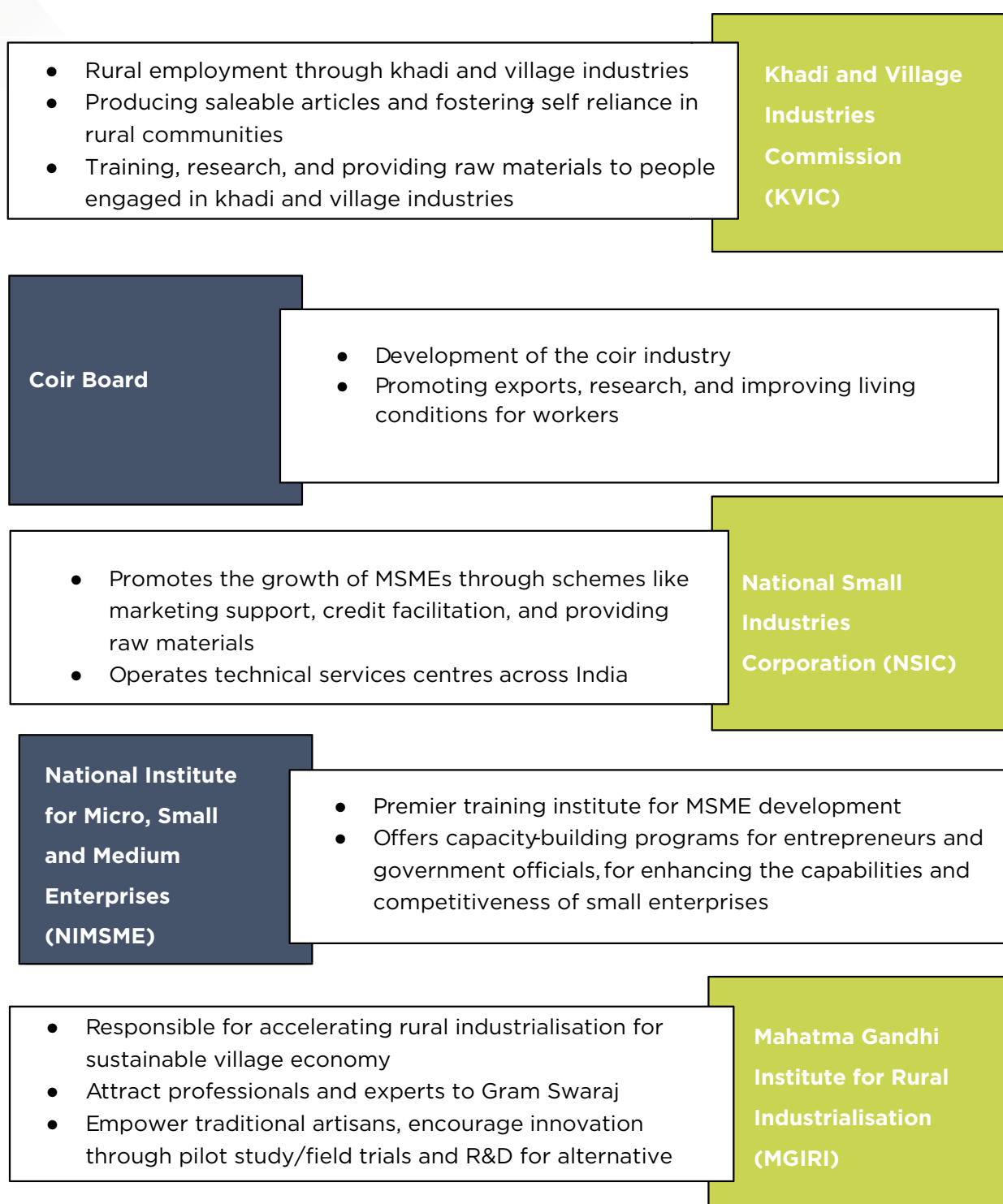
Figure 1.6: MSME Organizational Setup

Source: msme.gov.in/about-us/organization-setup

The Ministry of Micro, Small & Medium Enterprises (MSME) has several key organizations attached to it, each with specific mandates to support the sector. Role of some of the key bodies and departments include:

Office of the Development Commissioner (DC - MSME)

- Implementing policies and various programs for MSMEs
- Advising the government on policy formulation,
- Offering consultancy services,
- Facilitating technology upgradation and modernization
- Developing human resources through training programs



In addition to the key bodies and offices mentioned above, various other institutions, banks, and financial entities play a crucial role in the successful planning, implementation, and monitoring of MSME schemes. For instance, organizations such as the National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), and State Financial Corporations (SFCs) contribute significantly to MSME development through financial support, capacity building, and providing advisory services. These institutions collaborate with the Ministry of MSME and Industry Associations to ensure the smooth dissemination of information regarding schemes, enhance access to credit, and monitor the effective implementation of these programs.

While the institutions have made remarkable contributions individually, a unified approach that aligns their efforts is essential for holistic growth and sustainable development of the MSME sector.

This is because MSMEs often face complex challenges due to the fragmented support system provided by multiple government agencies and schemes, which operate in silos¹⁴. It is argued that the present ecosystem of MSME suffers from poor delivery of services at the field level¹⁵. The schemes and programmes have limited outreach with a large number of very small schemes and that there is a lack of coordination among the various organisations involved in the promotion of MSMEs, including organisations of the State/UT Governments and poor linkages with the institutional stakeholders in the private sector. This necessitates the need for a converged and cohesive approach to maximize the benefits available to the sector. In the next chapter, the necessity to converge the efforts of every department and all the resources, for an effective planning, implementation and monitoring of a scheme is explored.

14 Source: ADB Briefs 2021 - Enhancing Competitiveness and Productivity of India's Micro, Small, and Medium-Sized Enterprises during Pandemic Recovery

15 MSME Strategic Action Plan (<https://msme.gov.in/sites/default/files/MSME-Strategic-Action-Plan.pdf>)

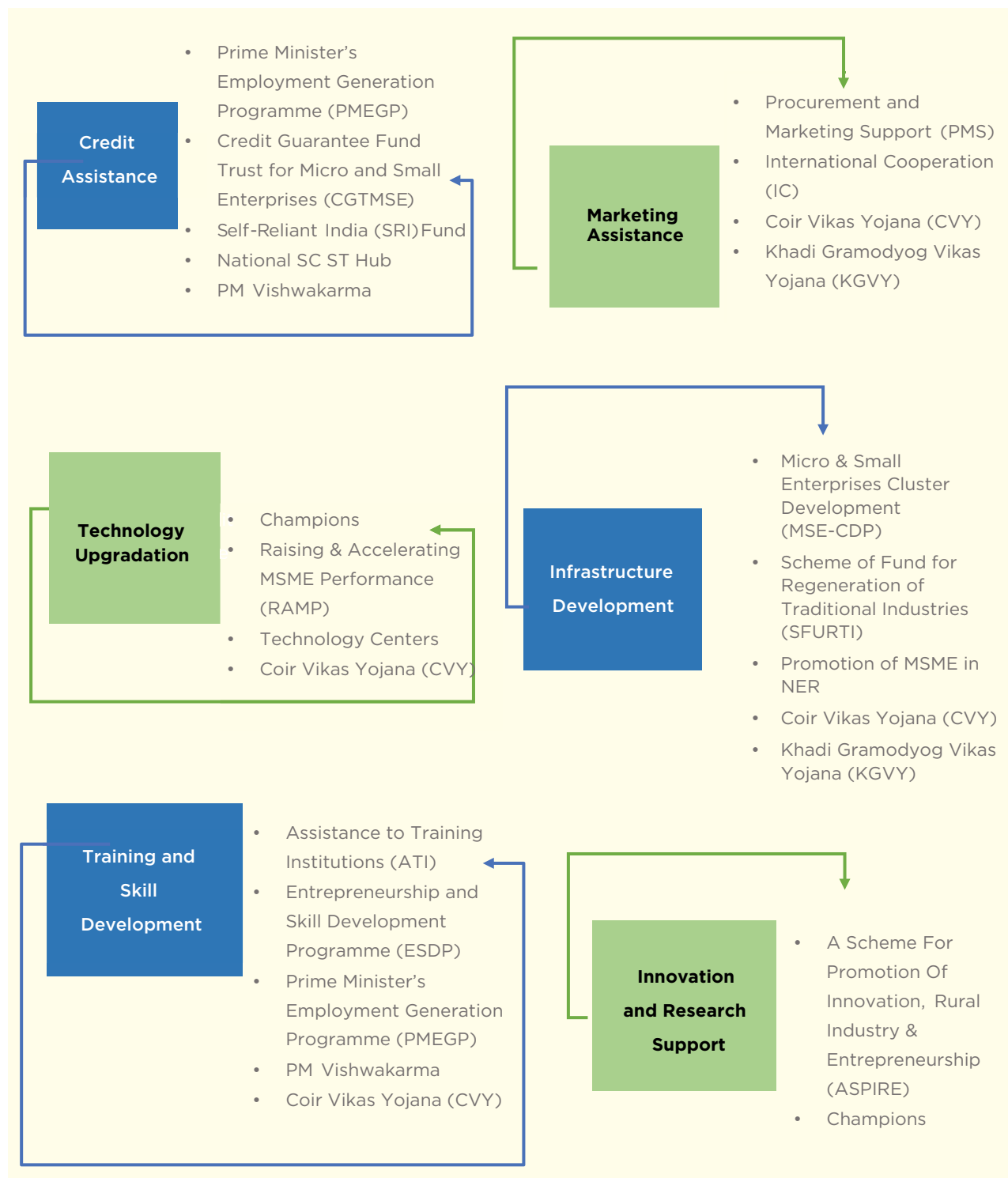


02

**THE CASE
FOR
CONVERGENCE**

2.1 OVERVIEW OF MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMES) SCHEMES

The Ministry of MSME has launched 18 schemes targeted at providing **credit and financial assistances, skill development training, infrastructure development, marketing assistance, technological and quality upgradation and innovation support**, for MSMEs across the country.



The 18 schemes mentioned in the context of MSME development have been grouped based on the type of support provided to MSMEs. It is important to note that many of these schemes revolve around more than one focus area, often serving multiple purposes. For example, the Prime Minister's Employment Generation Programme (PMEGP) not only provides financial assistance to set up micro and small enterprises but also incorporates components of skill development for unemployed youth.

Apart from the schemes under the Ministry of Micro, Small, and Medium Enterprises (MoMSME), the Government of India has also collaborated with various other ministries, departments, and statutory bodies to launch key initiatives aimed at supporting and enhancing the growth of MSMEs. Some of these key initiatives are listed in Table 2.1.

Table 2.1. Other Initiatives for MSME

Initiative	Launched by	
MUDRA Loans (Pradhan Mantri MUDRA Yojana - PMMY)	Government of India (GoI)	Implemented by Ministry of Finance. Partnered by various financial institutions
Direct Benefit Transfers (DBT)	Government of India (GoI)	Involves multiple ministries and departments, including the Ministry of Finance and Ministry of Electronics and Information Technology, to streamline subsidy and benefit transfers directly into the beneficiaries' bank accounts.
Credit Guarantee Scheme for MSMEs	Ministry of MSME (MoMSME)	In collaboration with Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)
Public Procurement Policy	Government of India (GoI)	Central and state governments, along with public sector undertakings (PSUs)
Skill India Digital Platform	Ministry of Skill Development & Entrepreneurship (MSDE)	As part of Skill India Initiative. Partnered by Training Institutes, Employers, and Private Sector Stakeholders
Emergency Credit Line Guarantee Scheme (ECLGS)	Ministry of Finance (MoF)	As part of Aatma Nirbhar Bharat Abhiyan
MSME SAMBHAV	Ministry of MSME (MoMSME)	National Level Awareness Program
MSME Samadhaan	Ministry of MSME (MoMSME)	Involves State Governments, Industry Associations
MSME Sampark	Ministry of MSME (MoMSME)	Involves State Governments, Industry Associations
MSME Sambandh	Ministry of MSME (MoMSME)	Involves State Governments, Industry Associations

2.2 THE NEED OF CONVERGENCE FOR SUSTAINABLE GROWTH

Government initiatives mainly aim to improve quality of life or a particular aspect of it. In doing so, sometimes, the initiatives tend to overlap in terms of their objectives and impact they expect to create. These initiatives are spread across various departments or ministries in the government requiring coordination and collaboration among all of them at different levels. For instance, in the table mentioned above, there are numerous initiatives taken by the GoI to support the growth of MSMEs through different collaborative partners.

Previous studies on MSME have highlighted a systemic weakness in the duplication of same/similar programmes run by various Ministries/Departments for the same target groups¹⁶. For instance, the Coir Board is situated in the ambit of the Ministry of MSME, however, other Departments also invest in programmes for promotion of coir industry. Similar issues are found for village industry sector where major investments, which are not fully coordinated, are taking place from the Handicrafts Institutions as well as Rural Development set up. Similar issues are being faced in various micro and small enterprise-based sectors such as leather, handicrafts, etc.

PM's task force on MSMEs suggested that there needs to be a convergence of schemes as far as possible on a single platform which will facilitate an easier and convenient delivery of benefits to the target group without any leakage¹⁷. Current studies also highlight the urgent need for convergence and that policy structures need to be firmed up to facilitate effective implementation of these programmes to ensure that allocation results in outputs and outputs in outcomes¹⁸. A coordinated effort can significantly reduce the risk of duplication and the confusion it causes in the beneficiary group¹⁹.

Ideally, the approach should be for agencies to work across portfolio boundaries, formally and informally, to achieve a shared goal and an integrated government response to particular issues to improve effectiveness and efficiency. This approach is also recognized by Sustainable Development Goal SDG 17 - Partnerships for the goals - multi-sectoral collaboration. Multi-Sectoral Collaboration (MSC) means multiple stakeholders and sectors intentionally coming together and collaborating in a managed process to achieve shared outcomes and common goals²⁰. **Convergence of all programmes in terms of funding, support, inspection, and supervision mechanism will lead to maximize the benefits accrued to the beneficiaries²¹.**

16 Source: MSME Strategic Action Plan <https://msme.gov.in/sites/default/files/MSME-Strategic-Action-Plan.pdf>

17 Report of Prime Minister's Task Force on Micro, Small and Medium Enterprises, 2010


18 Press Information Bureau, Government of India, Ministry of Finance <https://www.pib.gov.in/newsite/PrintRelease.aspx?relid=70159>

19 Source: MSME Strategic Action Plan <https://msme.gov.in/sites/default/files/MSME-Strategic-Action-Plan.pdf>

20 <https://sdgs.un.org/goals/goal17>

21 MSME & Skills Convergence, Govt. of West Bengal

The intended objectives of such convergence should be:

Single Window	Mobilization of beneficiaries for all schemes on a single platform through outreach programmes	
Centralized Database	Real-time data capture on a single centralized database by seamlessly integrating the individual databases	
Funds	Effective planning for optimum utilization of Central/State Government funds	
Infrastructure	Optimum usage of available infrastructure	
Monitoring	Effective monitoring and inspection mechanism at the grass root level involving resource pool from individual institutions	
Awareness	Widespread community connects, outreach programmes at the grass root level	

The next chapter draws on past research studies and best practices to outline various approaches through which convergence can be implemented in the MSME sector.



03

CONVERGENCE MODELS AND BEST PRACTICES

3.1. FRAMEWORK FOR EFFECTIVE CONVERGENCE:

India's journey toward enhanced governance has involved multiple models of convergence, aiming to integrate information and processes across various levels of government. In the context of policy implementation, convergence involves aligning and coordinating multiple schemes to ensure they complement each other, reduce redundancies, and enhance overall effectiveness. Convergence can be broadly classified into two key types:

1. Information Convergence and
2. Process Convergence.

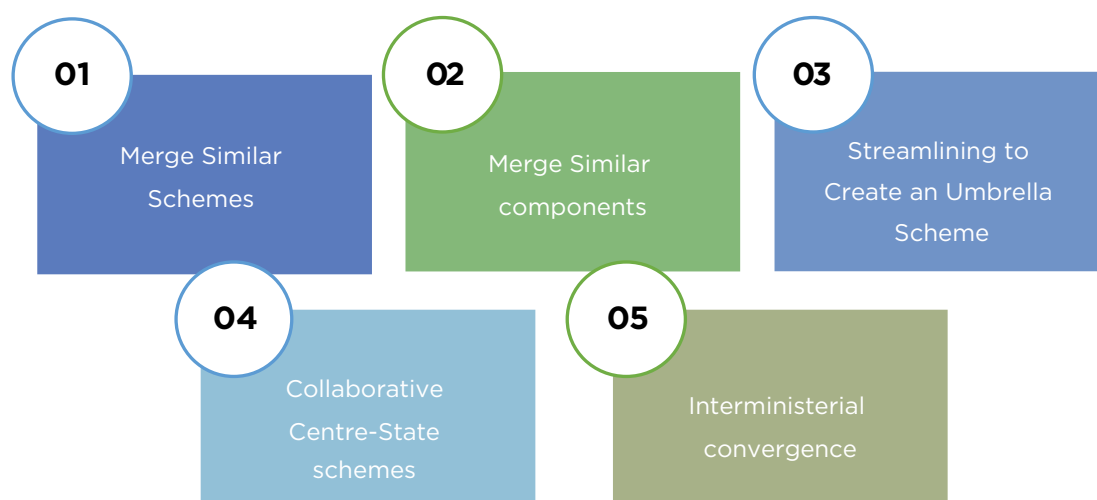
This chapter will delve into these convergence models to understand their implementation and impact on governance through some best practices at national and international level.

3.1.1 Information Convergence

While breaking physical silos between ministries and departments can be challenging, breaking virtual silos is a more achievable goal. Information convergence focuses on integrating government-generated data at both the central and state levels. By effectively sharing this data, there is possibility to enhance coordination, facilitate informed decision-making, and ultimately improve governance outcomes. The availability and accessibility of shared information serve as foundation of efficient, transparent, and accountable governance.

3.1.2 Process Convergence

Process Convergence refers to the unification and alignment of various government schemes, processes, and activities to reduce duplication, streamline operations, and deliver services more effectively. It aims to create synergy by merging similar schemes, combining common components, and promoting collaboration between different levels of government and across ministries. This approach ensures that resources are used efficiently, overlaps are minimized, and citizens receive services in a more coordinated and integrated manner. Process Convergence can be carried out in one of the five ways mentioned below:



It is important to differentiate between convergence and merger in the context of policy implementation. Convergence refers to the alignment and coordination of multiple schemes to ensure they complement each other, reduce redundancies, and enhance overall effectiveness. Under convergence, schemes maintain their individual structures but work collaboratively by sharing resources, expertise, and implementation frameworks. This allows for greater integration while preserving the unique objectives of each scheme. Merger, while distinct, can be considered one form of convergence—one that involves fully combining two or more schemes into a single entity by consolidating their objectives, components, budgets, and administrative mechanisms. This results in a unified scheme that replaces the original ones, thereby streamlining operations. However, a merger represents only one end of the convergence spectrum and may not fully capture the broader, more flexible approaches that convergence can encompass. Process convergence can be operationalized in various ways, depending on the nature of the schemes and administrative priorities.

3.2. BEST PRACTICES

3.2.1 Best Practices for Information Convergence

Some notable examples of information convergence initiatives from India include:

Table 3.1: Past Information Convergence Initiatives in India

Information Convergence Initiative	Description	Key Stakeholders	Impact
IndiaWRIS ²²	A web-based database providing real-time information on surface and groundwater resources, and water quality.	<p>Main ministry- Ministry of Jal Shakti (MoJS);</p> <p>Other agencies- Central Water Commission (CWC), Central Ground Water Board (CGWB), India Meteorological Department (IMD), National Remote Sensing Centre (NRSC),</p> <p>State govt- Andhra Pradesh, Uttar Pradesh and Gujarat etc.</p>	Informed decision-making in water resource management

22 <https://pib.gov.in/PressReleasePage.aspx?PRID=1643776>

Information Convergence Initiative	Description	Key Stakeholders	Impact
PM Gati Shakti ²³	A digital platform for coordinated planning and implementation of infrastructure projects.	16 Ministries (Central Government)	Improved coordination in infrastructure development
DISHA Dashboard ²⁴	Enables monitoring of project progress and KPIs for 42 flagship schemes across 20+ ministries.	20+ Ministries (Central Government)	Enhanced accountability and timely intervention in scheme implementation
India Enterprise Architecture (IndEA) ²⁵	Provides a generic framework comprising of a set of architecture reference models, which can be converted into a Whole-of-Government Architecture	Ministry of Electronics and IT (MeitY)	Used by Central Ministries, State Governments, Government Agencies and Public Sector Enterprises who wish to re-architect their enterprises for integrated delivery of digital services
National Career Service (NCS) ²⁶	Digital platform providing employment-related services, integrated with 28 State/UT portals	Ministry of Labour and Employment, 28 States/UTs	Unified job search and career counselling services across multiple states

CASE STUDY: NATIONAL BEST PRACTICES

1. Telangana's TG-iPASS

Background: Before 2014, industrial approvals in Telangana (as in most Indian states) were plagued by bureaucratic delays, procedural delays, and lack of coordination among departments. Entrepreneurs had to visit multiple government offices, submit the same information repeatedly, and wait for months to receive clearances. This inefficiency was a major bottleneck in attracting investments and promoting industrial growth in the newly formed state.

Solution: To address these challenges, the Government of Telangana enacted the TG-iPASS (Telangana Industrial Project Approval and Self-Certification System) Act, 2014, establishing a single-window, time-bound, and transparent clearance system for industrial projects.

²³ <https://pib.gov.in/PressReleasePage.aspx?PRID=2003463>

²⁴ <https://pib.gov.in/PressNoteDetails.aspx?NoteId=150545&ModuleId=3®=3&lang=1>

²⁵ <https://egovstandards.gov.in/sites/default/files/2021-10/IndEA%20Framework%20V%201.0.pdf>

²⁶ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1989161>

Key features of the system include:

- ⦿ 1 day to 30 days of approval time frame depending upon on the complexity of the approval.
- ⦿ Making mandatory for the Competent Authorities to seek shortfall/additional information required, only once, within three days from receipt of the application.
- ⦿ Empowering Entrepreneurs with Right to clearances to know the reasons for delay in getting the clearance within time limits.
- ⦿ Penalties for officers who delay clearances beyond stipulated time.

Enabling Infrastructure: TG-iPASS integrates over 25 departments onto one digital platform where investors can apply for all approvals simultaneously. The system supports real-time data exchange among departments (Pollution Control, Urban Development, Fire, Power, etc.) reducing paperwork and delays. Investors can track application status online, ensuring transparency. Built-in escalation and resolution systems enhance investor confidence.

Impact: As of FY 2022-23, TG-iPass has approved ₹26,791 crore worth of investments in 3,191 new industrial projects. Cumulatively TG-iPASS has attracted 22,745 industries so far, investments of Rs. 2,60,060 Crs. and created employment for 17.54 lakhs people²⁷.

CASE STUDY: INTERNATIONAL BEST PRACTICES

1. Estonia's "Once Only" Principle

Background: Estonia, a small Baltic nation with a population of 1.3 million, is globally recognized for its digital governance leadership. In 1990s, Estonia adopted a "digital-first" approach to build efficient, citizen-centric public services. A cornerstone of this transformation is the "Once Only" Principle.

Before the implementation of digital governance, citizens had to:

- ⦿ Submit the same personal information (e.g., name, address, income) to multiple government departments repeatedly.
- ⦿ Deal with long queues, paperwork, and delays in services such as healthcare, tax, business registration, and education.
- ⦿ Face a lack of coordination between government agencies, leading to inefficiencies and duplication of efforts.

Solution: In the early 2000s, Estonia incorporated the "Once Only" Principle into its legal framework, which mandates that the state cannot ask citizens for the same information more than once²⁸. Instead, government departments must retrieve the required data from existing databases, with appropriate consent and secure access.

27 Invest Telangana Annual Report (2022-23) https://invest.telangana.gov.in/wp-content/uploads/2023/06/Final-Annual-Report-2003_A4_compressed.pdf%20Annual%20Report%202022-23

28 https://economy-finance.ec.europa.eu/document/download/2ec579de-624a-4f48-961d-3c3994fc75c1_en?filename=digital_identity_once-only-principle_and_reducing_administrative_burden.pdf&prefLang=ga

Enabling Infrastructure: X-Road is Estonia's secure data exchange layer that connects over 1,000 public and private sector organizations. It allows decentralized databases (tax, health, police, education, etc.) to communicate securely and in real time. Citizens can access and control their data through the e-Estonia portal, and can see who accessed their information and why²⁹.

2. Canada's BizPaL

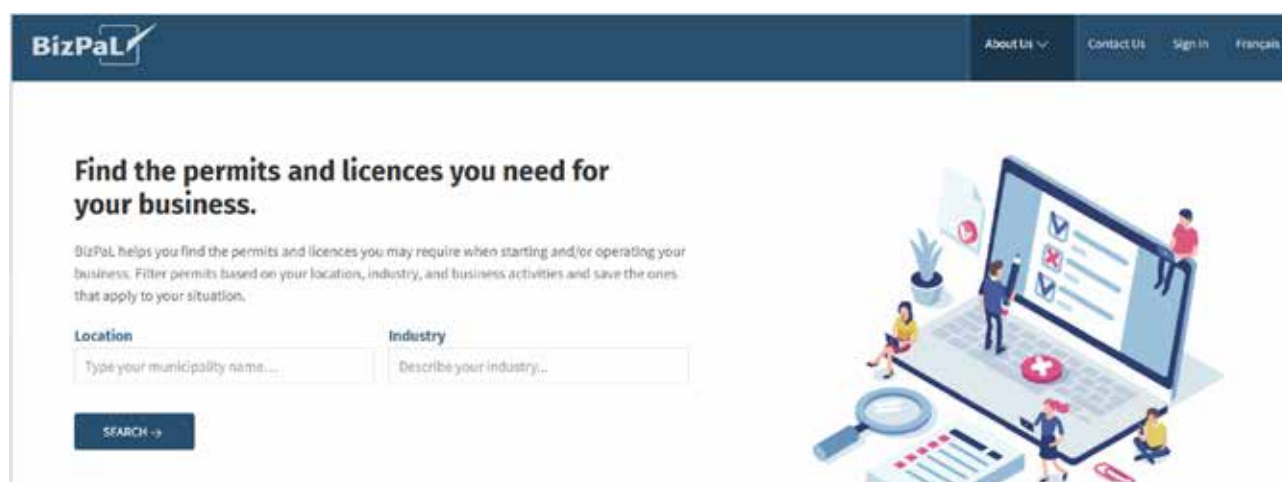


Fig 3.1: Canada's BizPal Interface

Background: In Canada, starting or expanding a business often required navigating a fragmented system involving federal, provincial/territorial, and municipal authorities, each with its own set of permits and licenses. This created confusion, duplication of efforts, and delays, especially for small and medium enterprises (SMEs). To address this challenge and streamline business compliance, Canada's Innovation, Science and Economic Development (ISED) launched BizPaL (Business Permits and Licences).

Solution: BizPaL³⁰ is an online portal that consolidates regulatory requirements from all levels of government, helping entrepreneurs identify and apply for necessary permits and licenses quickly and accurately.

Key features of the portal include:

- ◉ Personalized Application: Users receive a customized list of required permits based on inputs like business type, location, and operations.
- ◉ Step-by-Step Guidance: The platform walks users through compliance in an easy-to-understand manner.
- ◉ Cross-Government Coverage: It integrates federal, provincial/territorial, and municipal regulations.

²⁹ <https://e-estonia.com/interoperability-as-the-meeting-point-for-a-digital-nordic-league>

³⁰ <https://bizpal.ca/>

Enabling Infrastructure: Managed by ISED in collaboration with 600+ participating jurisdictions across Canada. Close coordination between ISED and local governments ensures up-to-date and jurisdiction-specific content. There are common templates and information protocols which ensures that data from multiple government tiers is aligned. The portal is cloud-based, multilingual (English/French), and designed to support a wide range of business types and regulatory variations.

3. Singapore's GoBusiness Licensing Portal

Background: Singapore has recognized as one of the most business-friendly countries in the world. However, entrepreneurs previously faced delays in licensing, requiring interactions with multiple government agencies for approvals. Each agency had its own forms, portals, and timelines, creating redundant data submissions, confusion, and delays, especially for startups and SMEs. In response, the Government of Singapore launched the GoBusiness Licensing Portal as part of its Smart Nation strategy, to centralize and streamline all business-facing regulatory processes.



Fig 3.2: Singapore's GoBusiness Licensing Portal Interface

Solution: Launched in 2019, the GoBusiness Licensing Portal³¹ is a single digital gateway that integrates licensing, registration, and advisory services across agencies. It offers:

- License Recommendation Engine: Users input business type, activities, and location, then the system suggests only the relevant licenses.
- Integrated Application System: Businesses apply for multiple licenses from over 40 agencies via a single unified interface.
- Guided Journeys: Step-by-step workflows for business setup, expansion, and closure.
- One-Stop Access: Includes tools for applying for grants, checking permit status, and accessing business support schemes.

³¹ <https://www.gobusiness.gov.sg/>

Enabling Infrastructure: Government Technology Agency (GovTech) led the digital design, ensuring mobile-first, secure, and intuitive user experience. Powered by Singapore's National Digital Identity (Singpass) and MyInfo Business, the portal allows data auto-fill from government records³². APIs connect systems from agencies like URA, SFA, NEA, MOM, and ACRA removing duplication and enabling parallel processing.

BOX 3.1: OTHER INTERNATIONAL BEST PRACTICES

Germany's Einheitlicher Ansprechpartner (EA): It is a digital one-stop shop designed to simplify administrative procedures for businesses, particularly in line with the EU Services Directive. The platform integrates services from state and local authorities, enabling users to submit applications, upload documents, and track the real-time status of permits and licenses.

Australia's Business Registration Service (BRS): An online platform that simplifies the process of starting a business by integrating the registration of key business identifiers such as the Australian Business Number (ABN), Goods and Services Tax (GST), and business names. The platform provides a step-by-step guided experience through a user-friendly interface, significantly reducing complexity for new entrepreneurs. It also offers real-time status updates, enhancing transparency and user confidence, while its mobile-friendly design ensures accessibility for users on the go.

European Union Multi-Level Governance for Environmental Compliance: EU's multi-level governance approach aims to align national environmental policies with EU-wide standards. This model requires member states to share data and coordinate policy at local, national, and EU levels, leading to a harmonized regulatory approach across countries. The program underscores how international frameworks can guide national systems to converge effectively, promoting both compliance and collaborative problem-solving.

3.2.2 Best Practices for Process Convergence

1. Merger of Similar Schemes:

Under this approach, government agencies identify and combine government schemes with overlapping objectives or target beneficiaries. By merging similar schemes, redundancy is minimized, allowing for more efficient use of resources and reducing administrative overhead. This consolidation leads to improved service delivery, better coordination, and a greater impact on the intended beneficiaries.

³² <https://www.tech.gov.sg/products-and-services/for-businesses/corporate-transactions/gobusiness/>

Some of the past examples of such merger are:

Table 3.2: Merger of Similar Schemes in the past

Merged Scheme	Ministry/Organisation	Details
Vigyan Dhara ³³	Department of Science and Technology (DST)	Three umbrella schemes, merged into a unified central sector scheme namely 'Vigyan Dhara' of DST. The scheme has three broad components: <ul style="list-style-type: none"> i. Science and Technology (S&T) Institutional and Human Capacity Building ii. Research and Development and iii. Innovation, Technology Development, and Deployment.
Pradhan Mantri Anusuchit Jaati Abhyuday Yojana (PM-AJAY) ³⁴	Department of Social Justice and Empowerment -Unified scheme for integrated development of SC-majority villages.	Combines Pradhan Mantri Adarsh Gram Yojana (PMAGY) with two other schemes since FY 2021-22.

2. Merge Similar Components of Schemes:

Involves achieving convergence by combining overlapping components from different schemes. Instead of managing separate schemes that contain similar elements, these components can be merged to create a more focused and effective initiative. Some of the examples are:

Table 3.3: Merger of Similar Components in the past

Example	Ministry	Description
Technology Business Incubator (TBI) ³⁵	Ministry of MSME	The TBI component under the ASPIRE scheme has been discontinued due to its convergence with the Incubation Scheme of the Ministry of MSME. However, all TBIs approved until March 31, 2021, will continue to receive financial assistance for the procurement of plant and machinery according to the previous guidelines applicable to TBIs.

33 <https://pib.gov.in/PressReleaseframePage.aspx?PRID=2048574>

34 <https://pib.gov.in/PressReleaseframePage.aspx?PRID=1982754>

35 https://aspire.msme.gov.in/WriteReadData/DocumentFile/ASPIRE_NEW.pdf

MSME Champions Scheme ³⁶	Ministry of MSME	<p>The MSME Champions scheme was formulated by the Standing Finance Committee (SFC) by merging all six components of the erstwhile Technology Upgradation Scheme (TUS). This holistic approach aims to unify, synergize, and converge various schemes and interventions toward a single purpose: modernizing processes, reducing waste, enhancing business competitiveness, and facilitating national and global reach and excellence for clusters and enterprises. The MSME Champions scheme includes 3 components:</p> <ul style="list-style-type: none"> • MSME- Sustainable (ZED) • MSME- Competitive (LEAN) • MSME-Innovative (focused on incubation, intellectual property rights, design, and digital MSME)
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3. Streamlining to Create an Umbrella Scheme:

Streamlining involves consolidating smaller schemes under a larger, comprehensive “umbrella scheme.” This approach reduces administrative overhead, ensures better coordination among various initiatives, and provides holistic support to beneficiaries. By grouping related programs, the government can enhance efficiency and improve the overall impact of its policies.

Table 3.4: Umbrella Schemes

Example	Ministry	Description
Mission Poshan 2.0, Mission Vatsalya and Mission Shakti ³⁷	Ministry of Women and Child Development	Based on common themes, all major schemes of the Ministry have been classified under 3 umbrella schemes.
National Handloom Development Programme ³⁸	Ministry of Textile	<p>The NHDP has been formulated for the financial years 2021-22 to 2025-26, focusing on the integrated and holistic development of handlooms and the welfare of handloom weavers. It includes several components:</p> <ul style="list-style-type: none"> A. Small Cluster Development Programme B. Handloom Marketing Assistance C. Need-based Special Infrastructure Project D. Mega Cluster Development Programme E. Concessional Credit/Weaver MUDRA Scheme F. Handloom Weavers' Welfare G. Other Miscellaneous & Promotional Components

³⁶ <https://pib.gov.in/PressReleaselframePage.aspx?PRID=1786356>

³⁷ <https://pib.gov.in/Pressreleaseshare.aspx?PRID=1703147>

³⁸ <https://handlooms.nic.in/assets/img/Final%20Revised%20%20Guidelines%20NHDP%2012.04.2023.pdf>

4. Collaborative Centre-State Convergence:

Promotes cooperation between central and state governments to align their programs and schemes. By sharing resources and responsibilities, this model ensures that initiatives are tailored to local needs while simultaneously meeting national objectives. There are several examples of this, some of which are given below.

Table 3.5: Collaborative Centre-State Convergence

Example	Ministry / Organisation	Description
Uttar Pradesh: Convergence of One District One Product (ODOP) and National Export Promotion Programs ³⁹	Ministry of Commerce & Industry (DGFT), State MSME & Export Promotion Department	The UP MSME & Export Promotion Department promotes district-specific products under ODOP, focusing on branding, capacity building, and infrastructure. This scheme is operationally converged with DGFT's Districts as Export Hub ⁴⁰ , enabling ODOP units to benefit from central export schemes like RoDTEP and TIES. The result is a unified ecosystem offering shared marketing, logistics, financial support, and duty remission -empowering artisans and small producers to access domestic and international markets.
Tamil Nadu: Convergence of State Food Processing Policy with Central Schemes ⁴¹	Ministry of Food Processing Industries (MoFPI), Tamil Nadu Department of Agricultural Marketing & Agri-Business (DAM&AB)	The Tamil Nadu Food Processing Policy 2018 identifies the Department of Agricultural Marketing & Agri-Business (DAM&AB) as the nodal agency responsible for implementing food processing initiatives in the state. A core focus of the policy is to facilitate convergence between state-level support and central government schemes such as the Pradhan Mantri Kisan SAMPAADA Yojana (PMKSY), PMFME, and schemes from MSME, National Horticulture Board (NHB), and National Horticulture Mission (NHM). Through this convergence, the state enables start-ups, MSMEs, and agro-entrepreneurs to access capital subsidies, infrastructure support, and market linkages across both levels of government. The approach encourages the leveraging of dual funding for eligible food processing units and promotes the use of shared infrastructure such as common processing centres, cold chains, and food parks.
Andhra Pradesh: Convergence of Electronics Promotion Policy and National Programs	Ministry of Electronics and IT (MeitY), State IT & Electronics Department	The state's electronics manufacturing policy offers capital subsidies, power incentives, and interest rebates, which are designed to stack with central schemes like the PLI for Electronics and initiatives under Make in India and Digital India.

³⁹ <https://odopup.in/en/page/introduction>

⁴⁰ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1897408&utm>

⁴¹ https://cms.tn.gov.in/cms_migrated/document/GO/agri_e_ms_272_am3_2018.pdf

5. Inter-ministerial Convergence:

Involves different ministries collaborating to achieve shared goals, breaking down silos that often hinder effective governance. By pooling expertise, funding, and resources, this approach addresses issues that span multiple domains, such as rural development or social welfare.

There are several examples of collaborative Centre-State and Inter-ministerial Convergence. Some of which are given below.

Table 3.6: Inter-ministerial convergence

Example	Ministry	Description
Convergence Between Mahatma Gandhi NREGA⁴² and (i) Catalytic Development Programme (ii) Rubber Board	Ministry of Textiles, Ministry of Rural Development (MoRD)	Sericulture in India, supported by the Central Silk Board under the Ministry of Textiles, is a major rural livelihood activity generating employment for 7.5 million people. The sector benefits from convergence between MGNREGA and the Ministry's Catalytic Development Programme, enabling better resource utilization, transparency, and local need-based planning through Panchayati Raj Institutions. This synergy enhances rural development, women's empowerment, and economic equity.
	Ministry of Commerce & Industry, Ministry of Rural Development (MoRD)	The Rubber Board, under the Ministry of Commerce & Industry, supports sustainable rural livelihoods through rubber plantations via two key schemes, Rubber Plantation Development Scheme (RPD) and Rubber Development in North East (RDNE). These schemes provide early-stage support, skill building, value addition, and market linkages. A convergence framework with MGNREGA has been introduced to leverage labour and resources for rubber cultivation, ensuring long-term income and market access for rural communities.

⁴² https://nrega.nic.in/MGNREGA_new/convergence.aspx

Example	Ministry	Description
(iii) Horticulture Department	Ministry of Agriculture & Farmers' Welfare (MoA&FW), Ministry of Rural Development (MoRD)	The Horticulture Department under the Ministry of Agriculture & Farmers' Welfare (MoA&FW) promotes convergence with MGNREGA (Ministry of Rural Development) to enhance nutrition, income, and livelihoods through horticulture. Convergence is planned under the Mission for Integrated Development of Horticulture (MIDH) and National Horticulture Mission (NHM), with training support extended to officials and community resource persons under NRLM.
Ministry of Railways and MGNREGA Convergence for Infrastructure Development ⁴³	Ministry of Railways, Ministry of Rural Development (MoRD)	Collaboration focuses on developing rural infrastructure, including approach roads, level crossings, and rail embankment maintenance. MGNREGA provides unskilled labour, while the Ministry of Railways provides technical expertise and top-up payments. This improves connectivity and reduces logistical barriers for MSMEs.
Departments of Women & Child Development (DWCD) and Health & Family Welfare (DHFV) ⁴⁴	Ministry of Health & Family Welfare (DHFV)	The convergence framework between the DoHFW and DWCD under the National Health Mission involves coordinated service delivery at the grassroots level, particularly through platforms like Village Health and Nutrition Days (VHNDs). It ensures collaboration in service provision, joint training of frontline workers (AWWs, ASHAs, ANMs), shared monitoring tools, and integrated planning for maternal and child health, nutrition, and family welfare programs.
PM Vishwakarma ⁴⁵	Ministry of Micro, Small & Medium Enterprises (MoMSME), Ministry of Skill Development & Entrepreneurship (MSDE), Department of Financial Services (DFS), Ministry of Finance	Launched on 17 September 2023 by the Government of India, PM Vishwakarma is a flagship initiative aimed at supporting traditional artisans and craftspeople engaged in 18 trades such as carpentry, blacksmithing, pottery, etc. It offers formal recognition through a PM Vishwakarma certificate and ID, skill training with stipends, a toolkit incentive of ₹15,000, and collateral-free credit up to ₹3 lakh at a concessional interest rate of 5%, with credit guarantees supported by CGTMSE. By combining skilling, financial access, and market linkages, PM Vishwakarma serves as a model for inter-ministerial convergence to empower India's traditional workforce.

43 https://nrega.nic.in/MGNREGA_new/convergence.aspx#:~:text=Ministry%20of%20Railways,of%20the%20works%20in%20convergence.&text=Protection%20work%20of%20existing%20railway%20embankment/cutting/bridges.

44 <https://nhm.gov.in/index1.php?lang=1&level=2&sublinkid=1084&lid=149>

45 https://pmvishwakarma.gov.in/cdn/MiscFiles/eng_v30.0_PM_Vishwakarma_Guidelines_final.pdf

CASE STUDY: NATIONAL BEST PRACTICES

1. Maharashtra: Convergence of MSE-CDP and State Industrial Cluster Development Program

Background: The Government of Maharashtra and the Ministry of MSME, Government of India, initiated programs to support cluster development in Maharashtra. At the central level, the Micro & Small Enterprises – Cluster Development Programme (MSE-CDP) was introduced to assist in the creation of Common Facility Centres (CFCs) and infrastructure support. Simultaneously, Maharashtra had its own State Industrial Cluster Development Program, focused on strengthening traditional and emerging industrial clusters.

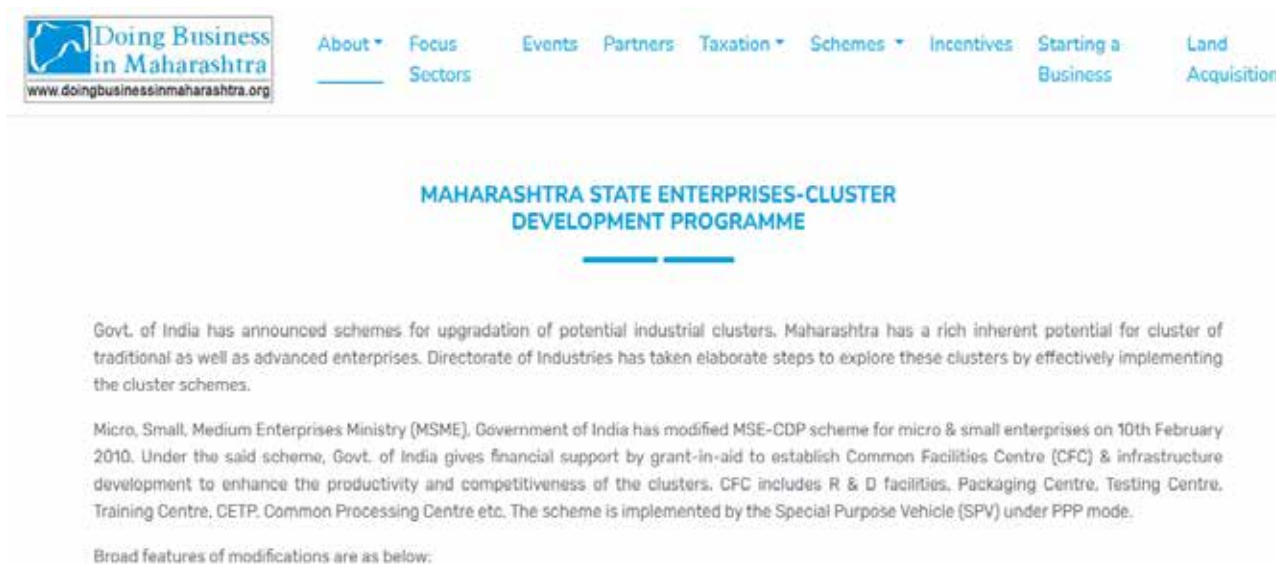


Fig 3.3: Maharashtra State Enterprises-Cluster Development Programme

Solution: The Government of Maharashtra adopted a convergence strategy by aligning its State Cluster Development Program with the centrally sponsored MSE-CDP⁴⁶. This dual-level approach ensured shared responsibilities, pooled funding, and synchronized implementation. The convergence enhances productivity, reduces operational costs, and boosts MSME competitiveness by creating modern cluster-level infrastructure and facilities. The state's Directorate of Industries plays a pivotal role, in collaboration with the Ministry of MSME, through its Special Purpose Vehicle (SPV) model which serves as the implementing entity. Operating under a Public-Private Partnership (PPP) model, SPVs are responsible for the establishment and operation of Common Facility Centres (CFCs). These CFCs cater to the shared needs of cluster units by offering Research and Development (R&D) support, Product testing and quality certification, Common processing facilities, Packaging and branding services.

⁴⁶ <https://www.doingbusinessinmaharashtra.org/MSE-CDP.php>

Under the MSE-CDP framework:

- Up to 70% of project cost is funded by the Ministry of MSME for CFCs.
- 60% assistance is available for infrastructure development projects like roads, power distribution, and water supply.
- The remaining cost is shared between the State Government and the SPV (cluster stakeholders).
- By synchronizing the state's financial assistance with this central funding, Maharashtra enables clusters to leverage dual benefits, thereby reducing the financial burden on individual enterprises.

Cluster Identification and Project Development

- The Directorate of Industries, Government of Maharashtra, plays a pivotal role in:
- Identifying potential clusters based on sectoral strength and needs
- Conducting diagnostic studies and preparing Detailed Project Reports (DPRs)
- Coordinating with the Ministry of MSME for approvals and fund release

Impact: More than 12,000 small-scale industries across multiple sectors have directly benefited from the converged scheme implementation. Clusters have witnessed reduced production costs due to shared machinery and infrastructure, improved product quality and market competitiveness, enhanced access to export markets through better branding and certification, the converged program has promoted inclusive industrial growth in both developed and backward regions of Maharashtra.

2. Raising and Accelerating MSME Performance (RAMP)

Background: To overcome challenges like limited access to finance, inadequate market linkages, low productivity, and fragmented support mechanisms across states and ministries the Government of India, the Ministry of MSME with support from the World Bank, launched the RAMP (Raising and Accelerating MSME Performance) program in 2022, with a total outlay of ₹6,062 crore (USD 808 million)⁴⁷.

Solution: RAMP aims to transform the MSME ecosystem by addressing systemic constraints through:

- Improved access to markets and credit
- Technology adoption and green practices
- Better Centre-State policy coordination
- Institutional capacity-building

It incentivizes states to develop their Strategic Investment Plans (SIPs) for MSME development, which are then evaluated and co-funded by the central government through the Ministry of MSME.

⁴⁷ <https://www.pib.gov.in/Pressreleaseshare.aspx?PRID=1844602>

Enabling Infrastructure: Governed by National Steering Committee under Secretary (MSME). Credit Monitoring Committee involves members from MoMSME, Ministry of Finance, RBI, SIDBI, CGTMSE. SIPs are submitted by State MSME Departments with detailed policy actions, capacity-building plans, and cluster strategies. Promotes use of Udyam Portal, MSME Champions platform, and Trade Receivables Discounting System (TReDS).

CASE STUDY: INTERNATIONAL BEST PRACTICES

1. United Kingdom's Universal Credit

Background: Before 2013, the UK welfare system was fragmented across six major income-related benefits: Jobseeker's Allowance (JSA), Employment and Support Allowance (ESA), Income Support, Working Tax Credit, Child Tax Credit, and Housing Benefit. These were administered separately by various departments (DWP, HMRC, local authorities), causing inefficiencies, duplication, and confusion for claimants.

Solution: Universal Credit⁴⁸ replaced these six benefits with a single, consolidated monthly payment based on individual circumstances. The system merges functions, eligibility checks, and payment mechanisms into a unified digital service.

Key features include:

- Unified eligibility and application: One integrated claim for all income-related support.
- Real-time income updates: Links with HMRC Real-Time Information (RTI) enable automatic earnings assessment.
- Single taper and conditionality: A consistent withdrawal rate applied as income increases, with standardized conditionality and sanctions.

Enabling Infrastructure: A single portal for applications, updates, and interactions. Integration with HMRC (for income), Department for Work and Pensions (DWP), Jobcentre Plus, and local authorities. This Eliminated manual eligibility checks and legacy-enforcement errors. Legislation under Welfare Reform Act 2012 enabled seamless merging of schemes and regulatory coherence.

2. Australia - Regional Rail Revival

Background: Regional Victoria's rail network suffered from decades of underinvestment and fragmented oversight. Pre-2017, rail upgrades were managed separately by state and federal agencies, resulting in disjointed planning, delays, and inefficiencies in improving regional transport infrastructure⁴⁹.

Solution: Launched in 2017, Regional Rail Revival is a large-scale, joint federal state infrastructure initiative aimed at upgrading Victoria's regional rail lines. It merges multiple rail upgrade projects (including Regional Fast Rail and Regional Network Development) into a unified program with clear objectives and streamlined execution.

⁴⁸ Policy paper Government Transformation Strategy appendix: case studies (2017)

⁴⁹ <https://www.audit.vic.gov.au//report/freight-outcomes-regional-rail-upgrades>

Key features:

- ⦿ Unified project framework covering track, signaling, station, and level crossing improvements.
- ⦿ Joint funding model: Primarily funded by the Australian Government, with the Victorian State Government as a co-investor.
- ⦿ Delivery managed under a single governance entity - Rail Projects Victoria - ensuring integrated planning, procurement, and implementation.

Enabling Infrastructure: A bilateral agreement defines roles, responsibilities, and financial contributions between federal and state governments. Rail Projects Victoria provides oversight, procurement, and program coordination. Shared standards, timetables, and quality controls ensure consistent execution across multiple rail corridors.

The examples and case studies explored in this chapter demonstrate how convergence, whether through information systems, inter-ministerial collaboration, or centre-state partnerships, can significantly enhance the efficiency, outreach, and impact of MSME support mechanisms. By breaking silos and aligning efforts across government levels and departments, convergence creates a more responsive and streamlined policy ecosystem. In the next chapter, the existing MSME schemes are analysed, drawing out their commonalities, distinct features, and on-ground insights gathered through stakeholder consultations, to better understand what enables or hinders effective delivery.



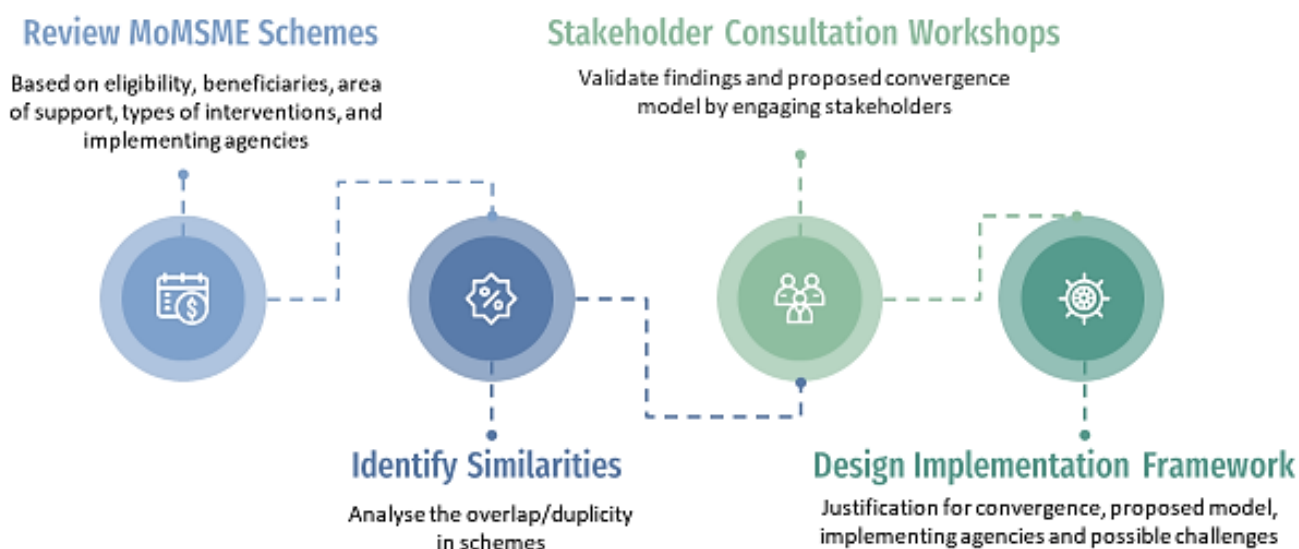
04

INSIGHTS ON CONVERGENCE OPPORTUNITIES

4.1. METHODOLOGY

This study identifies convergence opportunities within Ministry of MSME (MoMSME) schemes through:

- i. **Secondary Research**
- ii. **Stakeholder Consultation Workshops**



The premise for consulting the stakeholders was set by analysing the schemes. From these scheme guidelines certain similarities emerged, basis which an implementation framework and convergence model was created.

The series of six stakeholder consultation workshops included representatives from industry associations, government officials, bankers, and enterprises. A stratified sampling method was used to ensure that all key strata, including industry sectors and regions, were adequately represented. **Six FGDs conducted between June to September 2024:**

Table 4.1: Details of Six workshops

Workshop Location	Sectors					
	1	2	3	4	5	6
Mumbai, Maharashtra	Textiles	Pharma	Chemicals	Automobile	Engineering	Leather
Lucknow, UP	Food Products	Hosiery and Garments	Metal Products	Cotton textiles	Ceramics	Wool, Silk, Synthetic Fibre Textiles

Chennai, TN	Coir	Automobile	Food Processing	Textiles	Leather & Footwear	Precision Engineering
Tiruppur, TN	Coir	Automobile	Food Processing	Textiles	Leather & Footwear	Precision Engineering
Guntur, AP	Pharma & Life Science	Defence and Precision Engineering	Electronics	Food Products	IT Services	-
Hyderabad, TS	Pharma & Life Science	Defence and Precision Engineering	Electronics	Food Products	IT Services	-

Additionally, a series of Focus Group Discussions (FGDs) were also conducted with key stakeholders, including MSME Secretary and other senior officials from the Ministry of MSME and representatives from the banking sector. **A total of 98 stakeholders were consulted throughout the study to help refine the proposed convergence recommendations.**

Table 4.2 Details of FGDs with MoMSME and Bankers

Focussed Group Discussions during August– September 2024		
Focussed Group	Location	Participants
Ministry of MSME	New Delhi	Secretary Additional Secretary & Development Commissioner Additional Development Commissioner Joint Development Commissioner Joint Secretary Joint Director Deputy Director
Bankers	Virtual	General Manager - Bank of Baroda General Manager - SIDBI General Manager - State Bank of India General Manager - Canara Bank

Quantitative inputs on the following parameters were captured:

Awareness & Accessibility of Schemes

- Level of awareness among beneficiaries about various government schemes.
- Sources of information used by MSMEs to learn about schemes.
- Ease of access to scheme-related guidelines and application procedures.
- Reasons for non-participation in available schemes.

Challenges & Barriers in Scheme Utilization

- Common hurdles faced in the application and approval process.
- Procedural and documentation challenges affecting scheme uptake.
- Time taken from application to fund disbursement.
- Percentage of applicants who abandoned the process due to complexity.

Duplicity & Convergence of Schemes

- Extent of overlap between different schemes offering similar benefits.
- Cases of MSMEs availing multiple schemes for the same purpose.
- Challenges in navigating multiple schemes simultaneously.
- Role of different departments/institutions in guiding beneficiaries toward the right schemes.
- Need and demand for a single-window system for MSME schemes.

4.2. MINISTRY OF MSME SCHEMES: SIMILARITIES AND UNIQUENESS

To support and nurture the MSME sector, the Ministry of MSME implements 18 schemes focused on addressing key challenges related to credit access, infrastructure development, technology adoption, innovation, and market expansion. This section provides a detailed review of these schemes, highlighting their core objectives, areas of intervention, and target beneficiaries. It also examines overlaps and complementarities across schemes, identifying both unique features and areas of convergence that can inform streamlined policy implementation.

The **Prime Minister's Employment Generation Programme (PMEGP)** is a central sector scheme, administered by the Ministry of Micro, Small, and Medium Enterprises (MoMSME). It was created by merging two earlier schemes: Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP). Under the Scheme, Margin Money (Subsidy) is provided to individuals availing loan from banks for setting up new enterprises. Since inception of the scheme from FY 2008-09, more than 9.65 lakh micro enterprises have been assisted across the country with a Margin Money (MM) subsidy of more than Rs. 25,263.33 Crore providing estimated employment to 78.84 lakh persons⁵⁰.

50 Press Information Bureau (<https://pib.gov.in/PressReleaselframePage.aspx?PRID=2035100>)

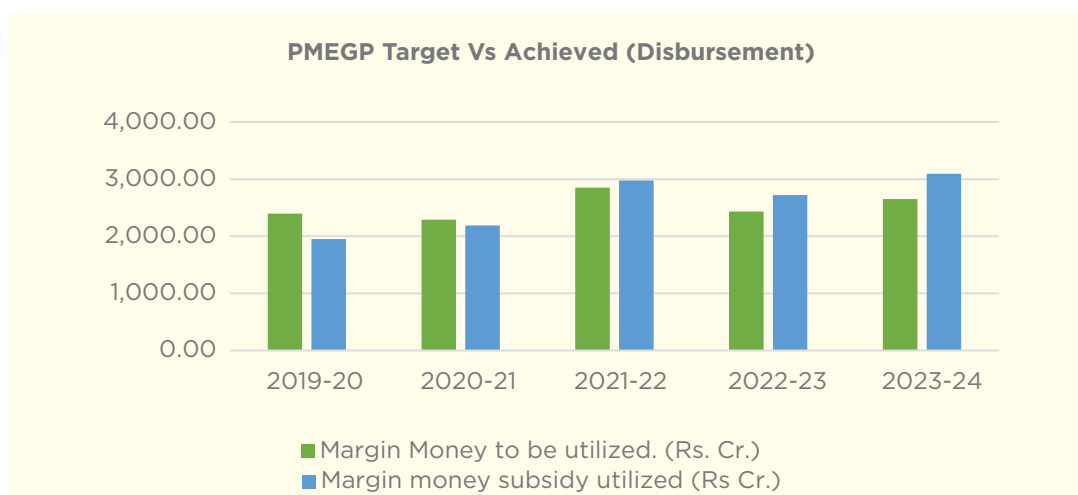


Figure 4.1: PMEGP Target Vs Achieved (Disbursement)

Table 4.3: PMEGP Snapshot

1. Prime Minister's Employment Generation Programme (PMEGP)	
Components	Credit Assistance: Financial support is provided as a combination of beneficiary contribution, bank credit, and government subsidy.
	Skill Development: Reputed NGOs, SHGs, and institutions provide entrepreneurship development training to beneficiaries.
Quantum of Assistance	2025-26 (BE) (in crores)
Beneficiaries are required to contribute 5-10% of the project cost, based on their category. Subsidy for General Category: 15% (Urban), 25% (Rural) Subsidy for Special Category: 25% (Urban), 35% (Rural)	Rs. 2954.42 Cr. ⁵¹

Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) is a trust established by the Government of India and SIDBI; it implements and manages the Credit Guarantee Scheme for Micro and Small Enterprises (CGSMSE) which is a scheme to provide collateral-free credit to MSEs. CGTMSE is the implementing body, while CGSMSE is the financial scheme providing guarantees. CGSMSE provides collateral-free credit support to Micro and Small Enterprises (MSEs) through a credit guarantee for loans extended by Member Lending Institutions like banks, financial institutions, and Non-Banking Financial Companies (NBFCs). Since its inception, the CGSMSE scheme has successfully provided

⁵¹ Source: <https://www.indiabudget.gov.in/doc/eb/allsbef.pdf>

credit guarantee coverage to over 67 lakh beneficiaries across more than 100 industrial sectors. The cumulative guarantee amount sanctioned under all schemes reached ₹4,24,597 crore as of March 2023, with a total of 1,10,83,693 guarantees approved⁵². The scheme was provided with an additional corpus support of ₹9,000 crore in the Union Budget for FY 2023-24⁵³ to revamp its Scheme to provide guarantee for additional ₹2 lakh crore to Micro & Small Enterprises.

Table 4.4: CGTMSE Snapshot

2. Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)	
Components	Credit Assistance: Financial support is provided as a combination of beneficiary contribution, bank credit, and government subsidy.
Quantum of Assistance	Budget
Micro Enterprises: Up to 85% coverage for loans up to ₹5 lakh, and 75% for loans above ₹5 lakh and up to ₹500 lakh. Micro and Small Enterprises (MSEs) in North East Region and other Special Categories: 80%-85% coverage depending on the borrower profile and credit amount. All other MSE borrowers: 75% coverage.	The scheme is being revamped as the approved corpus of ₹9,000 crore has already been achieved. ⁵⁴

The **Self-Reliant India (SRI) Fund** is a Fund of Funds (FoF) initiative launched by the Government of India in 2020 as part of the Aatmanirbhar Bharat package. Managed by NSIC Venture Capital Fund Limited (NVCFL), a subsidiary of the National Small Industries Corporation (NSIC), the SRI Fund aims to provide equity capital rather than loans to MSMEs. The scheme involves investing in daughter funds managed by professional investment firms, which in turn, provide growth capital to promising MSMEs. The total provision of the fund is Rs. 50,000 crores, with Rs. 10,000 crores from the Government of India and Rs. 40,000 crores through Private Equity/Venture Capital Funds⁵⁵. Till June 2024, total 53 Daughter Funds have been empanelled by way of investing more than Rs. 8,353 crore, and 450 potential MSMEs have been assisted⁵⁶.

Table 4.5: SRI Fund Snapshot

3. Self-Reliant India (SRI) Fund	
Components	Credit Assistance: To boost equity or equity-like financing for MSMEs.
Quantum of Assistance	2025-26 (BE) (in crores)
Equity and Quasi-Equity Financing for MSMEs	Rs. 700 Cr. ⁵⁷

52 Press Information Bureau (<https://pib.gov.in/PressReleasePage.aspx?PRID=1982308>)

53 Press Information Bureau (<https://pib.gov.in/PressReleaseFramePage.aspx?PRID=1920289>)

54 Source: <https://msme.gov.in/sites/default/files/FINALMSMEANNUALREPORT2023-24ENGLISH.pdf>

55 Press Information Bureau (<https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1943193®=3&lang=1>)

56 Press Information Bureau (<https://www.pib.gov.in/PressReleaseDetailm.aspx?PRID=2041681®=3&lang=1>)

57 Source: <https://www.indiabudget.gov.in/doc/eb/allsbepdf>

The **Procurement and Marketing Support (PMS) Scheme** was launched to enhance the marketability and competitiveness of Micro and Small Enterprises (MSEs) in domestic and international markets. The scheme aims to support the marketing activities of MSEs, helping them explore and access new markets.

Table 4.6: PMS Snapshot

4. Procurement and Marketing Support (PMS) Scheme	
Components	Marketing Assistance: Promoting Domestic & International Market Access for MSEs.
	Capacity Building: Vendor Development Program consisting of training on various aspects related to Government e-Marketplace (GeM) and exhibition of products.
Quantum of Assistance	
2025-26 (BE) (in crores)	
Market Access Initiative: 80% of space rent charges for general category MSEs and 100% for Special Category Capacity Building: 80% reimbursement for adoption of bar code, Adoption of Modern Packaging Techniques, Financial assistance on annual membership fee for adoption of E-Commerce Platform Development of Retail Outlet: Rs. 30 lakh max per outlet in Metro & A class cities and Rs. 20 lakh max per outlets for other cities	
Rs. 65 Cr. ⁵⁸	

International Cooperation Scheme promotes international marketing opportunities to MSMEs by providing financial assistance on reimbursement basis for airfare, space rent, freight charges, advertisement & publicity charges, entry/registration fee, registration-cum-membership certificate charge/fee, export insurance premium. Till 2023-24, Rs. 19,57,533 was released to 300 MSMEs⁵⁹ in form of support for trade fairs, buyer-seller meets, etc.

Table 4.7: International Cooperation Snapshot

5. International Cooperation Scheme	
Components	Marketing Assistance: Promoting International Market Access for MSMEs.
	Capacity Building: Capacity Building of First Time MSE Exporters (CBFTE).
Quantum of Assistance	
2025-26 (BE) (in crores)	
Participation in international exhibitions/trade fairs and buyer-seller meets: Up to 100% of the airfare and space rent for MSME delegations. International conferences and seminars and Business delegations: 75% of the cost of air travel for MSME representatives and up to 75% of the registration fees.	
Rs. 27 Cr. ^{60, 61}	

58 Source: <https://www.indiabudget.gov.in/doc/eb/allsbef.pdf>

59 Press Information Bureau (<https://pib.gov.in/PressReleaseframePage.aspx?PRID=1987719>)

60 Source: <https://www.indiabudget.gov.in/doc/eb/allsbef.pdf>

61 SPIC Budget

Table 4.8: Similarities and Uniqueness of Procurement and Marketing Scheme & International Cooperation Scheme

	Procurement and Marketing Support	International Cooperation Scheme
Assistance to MSMEs	Facilitate international market access	Facilitate international market access
	Capacity building	Capacity building
	Organizing and participating in International trade fairs/exhibitions	Organizing and participating in International trade fairs/exhibitions
	Domestic marketing assistance	X
	X	Export Insurance, Registration-cum-Membership Certificate (RCMC) fee for first-time exporters
	X	Testing & Quality Certification fee assistance

A Scheme for Promotion of Innovation, Rural Industries & Entrepreneurship (ASPIRE)'s main objective is promoting entrepreneurship and employment generation in agro-rural sector with special focus on rural and underserved areas. During 2023, 5 new Alternative Investment Funds (AIFs), were supported with a commitment of Rs. 145 crores taking the total commitment to Rs.217.50 crore to 11 AIFs, out of the total corpus of Rs. 310 crores⁶². Four new Livelihood Business Incubator (LBIs) were approved and 25,468 beneficiaries were trained, out of which 1,458 were wage employed. 225 micro-enterprises were established via the incubation programs conducted in the LBIs⁶³.

Table 4.9: ASPIRE Snapshot

6. A Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship (ASPIRE)		
Components	Innovation: Livelihood Business Incubator (LBI): An entity set up for imparting skill development and incubation programs	
	Credit Assistance: FoF - Invest through Alternate Investment Funds (AIFs), in early-stage scalable start-ups in need of support and nurturing to succeed in developing technology	
Quantum of Assistance		2025-26 (BE) (in crores)
Setting up LBIs: One-time grant of 100% of cost of Plant & Machinery other than the land and infrastructure or an amount up to INR 100 lakh, whichever is less to be provided.		Rs. 20 Cr. ⁶⁴

62 Press Information Bureau (<https://pib.gov.in/PressReleaselframePage.aspx?PRID=1992842>)

63 Press Information Bureau (<https://pib.gov.in/PressReleaselframePage.aspx?PRID=1992842>)

64 Source: <https://www.indiabudget.gov.in/doc/eb/allsbef.pdf>

MSME Champions scheme has been formulated through Standing Finance Committee (SFC) by merging all 6 components of Technology Upgradation Scheme (TUS). The end objective is to pick up clusters and enterprises and modernize their processes, reduce wastages, sharpen business competitiveness and facilitate their National and Global reach and excellence. There are 3 components under the new MSME Champions scheme, the details of which are as below:

1. **MSME-Sustainable (ZED)** - to create awareness amongst MSMEs about Zero Defect Zero Effect (ZED) practices and motivate and incentivize them for ZED Certification
2. **MSME-Competitive (Lean)** - for enhancing the competitiveness of MSME Sectors through implementation of Lean Tools and Techniques. Lean Tools and Techniques are a tested and proven methodology for improving the competitiveness of MSME sector.
3. **MSME-Innovative** (for Incubation, IPR, Design and Digital MSME) - a combination of innovation in incubation, design intervention and by protecting IPR in a single mode approach to create awareness amongst MSMEs about India's innovation







The Digital MSME will be interlinked with all the other components of the MSME Champions Scheme.

Table 4.10: MSME Champions Snapshot

7. MSME Champions	
Components	Technology Upgradation: This is an umbrella scheme incentivizing MSMEs to reduce wastage, improve competitiveness, integrate digitalization, offer incubation support for innovative ideas.
Quantum of Assistance	2025-26 (BE) (in crores)
Subsidy on cost of ZED certification - 80/60/50% for Micro, Small and Medium Enterprises.	Rs. 54.72 Cr ⁶⁵ .
Financial Assistance to Host Institute for developing and nurturing the ideas shall be provided up to maximum of Rs. 15 lakh per idea to HI.	
90% subsidy on Total Cost of Implementation of Lean Tools and Techniques at three different levels - Basic, Intermediate, and Advanced.	

65 Source: <https://www.indiabudget.gov.in/doc/eb/allsbbe.pdf>

Table 4.11: Similarity between ASPIRE (Incubation Component) and MSME Innovative (Incubation Component)

ASPIRE	Similarity	MSME Innovative
 Special Focus: Rural Areas	Skill Development: Offers SDI to entrepreneurs in the MSME sector.	
	Support for incubation and business development: Providing financial support to foster innovation	
	Focus on Tech: Promote technological advancement and innovation in MSMEs.	

The Scheme of Fund for Regeneration of Traditional Industries (SFURTI) was launched in 2005-06 for making Traditional Industries more productive and competitive by organizing the Traditional Industries and artisans into clusters to provide support for their long-term sustainability and economies of scale. The scheme was revamped in 2014-15.

Table 4.12: SFURTI Snapshot

8. Scheme of Fund for Regeneration of Traditional Industries (SFURTI)		
Components	Hard Intervention (Infrastructure): Creation of common facility centres, raw material banks, upgradation of production infrastructure, warehousing facility, tools and technological upgradation	
	Soft Intervention (Skill Development): Build general awareness, counselling, skill development and capacity building, exposure visits, market development initiatives	
	Thematic Interventions: Interventions on a cross-cutting basis for brand building, new media marketing, e-commerce initiatives, research and development	
Quantum of Assistance		2025-26 (BE) (in crores)
The financial assistance provided for any specific project shall be subject to a maximum of Rs. 5 (five) crore to support Soft, Hard and Thematic interventions.		Rs. 362 Cr. ⁶⁶

Micro and Small Enterprises-Cluster Development Programme (MSE-CDP) was implemented for the development of clusters across country for creation of tangible 'assets' i.e. Common Facility Centres (CFCs) to address the common issues such as improvement of technology, skills, quality etc. As per a report of Evaluation Study of MSE-CDP conducted by the National Productivity Council, the scheme has been able to strengthen and improve the efficiency of the value chain of the units in the cluster









⁶⁶ Source: <https://www.indiabudget.gov.in/doc/eb/allsbepdf>

resulting into overall productivity growth of around 10-15% and growth in turnover in the range of 20-30%⁶⁷.

Table 4.13: MSE-CDP Snapshot

9. Micro and Small Enterprises-Cluster Development Programme (MSE-CDP)	
Components	Hard Intervention (Infrastructure): Common facility centres (for testing, training centre, raw material depot, effluent treatment, complementing production processes, etc
	Soft Intervention (Skill Development): To build capacity of MSEs for common supportive action through formation of self-help groups, consortia, upgradation of associations
Quantum of Assistance	
For preparation of Diagnostic Study Report (DSR) - Rs. 2.50 lakhs and for field organization of Ministry of MSME up to Rs. 1.00 lakh. For Soft Intervention - 75% of sanctioned amount, with maximum project cost of Rs. 25 lakh per cluster.	
2025-26 (BE) (in crores)	
Rs. 410 Cr. ⁶⁸	

Table 4.14: Similarity between MSE-CDP and SFURTI

SFURTI	Similarity	MSE-CDP
	Soft Interventions - Skill Development, Capacity Building, Exposure Visits, Market Promotion Initiatives	
	Hard Intervention - Common facility centres, procuring machinery, providing Raw Material Banks, warehousing, and training centers	
	Development of land - Land, roads, drainage, power distribution in new/existing industrial (multi-product) areas/estates/Flatted Factory Complex	
	Focus - Penetrating uncovered districts, aspirational districts for setting up collectives. Focus on traditional industries with special focus on endangered art/crafts	
NGOs, Institutions of the Central and State Governments, PRIs	Implementing Agency	DC-MSME

67 Evaluation Study of MSE-CDP (<https://www.dcmsme.gov.in/schemes/Evaluation-Study-of-MSE-CDP-by-NPC.pdf>)

68 Source: <https://www.indiabudget.gov.in/doc/eb/allsbepdf>

Entrepreneurship and Skill Development Programme (ESDP) was launched by the office of Development Commissioner Ministry of Micro, Small & Medium Enterprises (O/o DC-MSME) under “Development of MSMEs” vertical. The objective of the programme is to motivate young persons to consider self-employment or entrepreneurship as one of the career options.

Table 4.15: Skill Development Snapshot

10. Entrepreneurship and Skill Development Programme (ESDP)	
Components	Skill Development
Quantum of Assistance	2025-26 (BE) (in crores)
Entrepreneurship Awareness Programme (EAP) -One Day training programme is conducted for Entrepreneurship awareness Entrepreneurship cum Skill Development Programme(E-SDP) - Six weeks training programme for Entrepreneurship & Skill Training	
Advance E-SDP: The One Week Advance ESDP programmes Management Development programme (MDP) - One-week training programme for Management capacity building Advance MDP: One Week Advance MDP Training Programmes State Administrative Training Institutes (ATIs)	Rs. 96 Cr. ⁶⁹

The objective of the **Assistance to Training Institutions (ATI) Scheme** is to strengthen capacity for training for Skill Development, entrepreneurship, providing training to staff of DICs and related Government institutions dealing with MSMEs and strengthening overall capacity of National Institutions under Ministry of MSME. The assistance is provided to National level training institutions operating under the Ministry of MSME, namely, National Institute of Micro, Small, and Medium Enterprises (NI-MSME), KVIC, Coir Board, Tool Rooms, National Small Industries Corporation (NSIC) & Mahatma Gandhi Institute for Rural Industrialization (MGIRI) in the form of capital grant for the purpose of creation and strengthening of infrastructure and support for entrepreneurship development and skill development training programmes. Assistance is also provided to existing State level Entrepreneurship Development Institutes (EDIs) for creation or strengthening/ expansion of their training infrastructure.

Table 4.16: ATI Snapshot

11. Assistance to Training Institutions (ATI)	
Components	Skill Development: Establishing Training Institutions/EDIs to train and support first-generation entrepreneurs

69 Source: <https://www.indiabudget.gov.in/doc/eb/allsbbe.pdf>

Quantum of Assistance	2025-26 (BE) (in crores)
Amount of assistance will not exceed the actual amount required for creation or strengthening/expansion of the infrastructure of the training institution.	Rs. 40 Cr. ⁷⁰
The maximum assistance under the scheme to a State level EDI will be restricted to Rs. 250 lakhs.	
Assistance for skill development programmes is based on the duration of the National Skills Qualifications Framework (NSQF) compliant training programmes	

MoMSME has established 18 **Technology Centres (TCs)** earlier known as Tool Rooms (10 Nos) and Technology Development Centres (8 Nos) spread across the country. The Technology Centres' primary focus is to support industries particularly MSMEs in the country through access to advanced manufacturing technologies.

Table 4.17: Technology Centres Snapshot

12. Technology Centres	
Components	Technology Upgradation: Establishing Training Institutions/ EDIs to train and support first-generation entrepreneurs
Quantum of Assistance	2025-26 (BE) (in crores)
Technological, Incubation and business advisory support to MSMEs and skilling services to the employed/unemployed skill seekers. Direct and indirect employment generation.	Rs. 160 Cr. ^{71,72}

Promotion of MSME in NER is envisaged to provide financial support for enhancing the productivity and competitiveness as well as capacity building of Micro, Small and Medium Enterprises (MSMEs) in the NER and Sikkim.

Table 4.18: Promotion of MSME in NER Snapshot

13. Promotion of MSME in NER	
Components	Technology Upgradation: Creation of common facilities to supplement manufacturing, testing, packaging, R&D, product and process innovations and training
	Infrastructure Development: Create/ upgrade infrastructural facilities in the new/existing Industrial Areas including Flatted Factory Complexes for MSMEs

70 Source: <https://www.indiabudget.gov.in/doc/eb/allsbef.pdf>

71 Source: <https://www.indiabudget.gov.in/doc/eb/allsbef.pdf>

72 Tool Rooms and Technical Institutions Budget

Quantum of Assistance	2025-26 (BE) (in crores)
<p>Technology Upgradation: Financial assistance up to 90% of the total project cost (maximum Rs.13.5 Cr)</p> <p>Development of Industrial Estates: Financial assistance up to 90% of the total project cost (maximum assistance per project shall be Rs.13.50 Crore for development of New estate and Rs. 9 Crore for existing Industrial Estate).</p> <p>Development of Tourism Sector: 90% (maximum assistance Rs.4.50 Cr.).</p>	Rs. 95 Cr. ⁷³

National SC-ST Hub is set up to provide professional support to SC/ST Entrepreneurs to fulfil the obligations under the Central Government Public Procurement Policy for Micro and Small Enterprises Order 2012, adopt applicable business practices and leverage the Stand-Up India initiatives. The objective is to promote “enterprise culture” amongst the SC / ST population. Various components/interventions have been introduced to cater the needs of SC-ST MSEs in the areas of finance, technology, market linkages, capacity building etc. with a view to provide a conducive ecosystem.

Table 4.19: National SC-ST Hub Snapshot

14. National SC-ST Hub	
Components	Credit Assistance/ Marketing Assistance/ Skill Development/ Technology Upgradation: This is an umbrella scheme covering all kinds of support to SC/ST
Quantum of Assistance	2025-26 (BE) (in crores)
<p>25% subsidy on institutional finance up to Rs.1 Cr. Subsidy cap of Rs. 25 Lakhs without any sector specific restrictions on technology upgradation</p> <p>The training cost will be released to training institutes on 50:40:10 pattern</p> <p>50% as advance amount on approval of training proposal,</p> <p>40% on training completion and submission of Utilization Certificate and,</p> <p>10% on submission of outcome report.</p> <p>The maximum limit on cost of toolkit is Rs. 50,000/- (including GST) per toolkit per candidate.</p> <p>The assistance under this scheme will be limited to 80% or Rs. 1,00,000/- (excluding GST and all other applicable taxes).</p>	Rs. 151 Cr. ⁷⁴

⁷³ Source: <https://www.indiabudget.gov.in/doc/eb/allsbbe.pdf>

⁷⁴ Source: <https://www.indiabudget.gov.in/doc/eb/allsbbe.pdf>

Raising and Accelerating MSME Performance (RAMP) is a World Bank supported scheme launched in 2022. Under the programme, the Centre approves Strategic Investment Plans (SIPs) for nine states, including Rajasthan, West Bengal, and Gujarat, under the Raising and Accelerating MSME Performance (RAMP) scheme, with a total funding of Rs 713 crore (US\$ 85.49 million), aiming to reduce compliance costs and improve credit access for micro, small, and medium enterprises. On March 30, 2022, the Indian government allocated Rs. 6,062.45 crore (US\$ 808 million) for the scheme Raising and Accelerating MSME Performance (RAMP). The programme aims to improve market and credit access, strengthen institutions and governance at the centre and state levels, improve centre-state connections and partnerships, resolve late payment difficulties, and green MSMEs. Each state can design the RAMP Programme as per the need assessment of the state.

Table 4.20: RAMP Snapshot

15. Raising and Accelerating MSME Performance (RAMP)	
Components	Credit Assistance/Marketing Assistance/Technology Upgradation
Quantum of Assistance	2025-26 (BE) (in crores)
Promotes Centre-State collaboration by providing grants to States for preparation of Strategic Investment Plan (SIP), which is a roadmap developed by the respective State/UT for development of	
the MSME sector in the State. RAMP provides grants to States/UTs for implementing selected projects in the SIP. Since its launch, all States and UTs (except UT of Delhi) have evinced keen interest in participating in RAMP.	Rs. 1500 Cr ⁷⁵

Coir Vikas Yojana (CVY) is an Umbrella Scheme being implemented by Coir Board for the Development of Coir Industry all over the Country. It was essentially created to help in transfer of technology for development of skill of coir workers through technological interventions and integration of various platforms.

Table 4.21: Coir Vikas Yojana Snapshot

16. Coir Vikas Yojana	
Components	Technology Upgradation and Infrastructure: To modernize the coir industry by providing advanced infrastructure
	Skill Development: To provide training on sophisticated machinery/ advanced technology
	Marketing Assistance: To promote coir as an eco-friendly natural fibre and showcase Indian coir products globally.

75 Source: <https://www.indiabudget.gov.in/doc/eb/allsbbe.pdf>

Quantum of Assistance	2025-26 (BE) (in crores)
25% of the cost of admissible items of Plant and Machinery procured by the Coir units. 100% of space rent/airfare, up to Rs. 1.00 lakh or actual rent paid, whichever is lower. Market Development Assistance (MDA), is set at 10% of the average annual sales turnover of coir products.	Rs. 104.39 Cr. ⁷⁶

Khadi Gramodyog Vikas Yojana consists of three grants, Khadi Vikas Yojana Grants for marketing, interest, infrastructure for Khadi Products. Gramodyog Vikas Yojana Grants for Village Industry sector and Khadi Grant to meet administrative needs.

Table 4.22: Khadi Gramodyog Vikas Yojana Snapshot

17. Khadi Gramodyog Vikas Yojana	
Components	Infrastructure: Revival of khadi institutions
	Skill Development: Training and Skill Development Programmes
	Marketing Assistance: Subsidy on procurement of raw material
Quantum of Assistance	2025-26 (BE) (in crores)
Subsidy @ 35% on Prime Cost for Cotton/Muslin, Wool and Polyvastra and @ 20% on Prime Cost for Silk Khadi Interest Subsidy - Khadi Institution pay only 4% interest rate. The difference is borne by the Khadi and Village Industries Council (KVIC) Financial Assistance for revival of khadi institution with ceiling limit of Rs.15.00 lakh	Rs. 1065.77 Cr. ⁷⁷

Launched on 17th November 2023, the **PM Vishwakarma Scheme** provides holistic support to artisans and craftspeople, offering recognition, skill enhancement, tool incentives, credit aid, digital transaction bonuses, and marketing assistance.

Table 4.23: PM Vishwakarma Snapshot

18. PM Vishwakarma	
Components	Skill Development: Upgradation of skill of artisans
	Credit Assistance: Easy access to collateral free credit
	Marketing Assistance: To provide a platform for brand promotion and market linkages to help them access new opportunities for growth.

76 Source: <https://www.indiabudget.gov.in/doc/eb/allsbe.pdf>

77 Source: <https://www.indiabudget.gov.in/doc/eb/allsbe.pdf>

Quantum of Assistance	2025-26 (BE) (in crores)
<p>Basic Training is of 40 hours, over 5-7 days,</p> <p>Advanced Skill Training of 15 days/ 120 hours or more at designated Training Centres.</p> <p>A toolkit incentive of Rs. 15,000 after Skill Verification at the start of Basic Training.</p> <p>Loan assistance of Rs. 3,00,000/- wherein, the beneficiaries can avail the first loan tranche up to Rs. 1,00,000/- and second loan tranche up to Rs 2,00,000/.</p>	Rs. 5100 Cr. ⁷⁸

4.3. INSIGHTS FROM STAKEHOLDER CONSULTATIONS

These observations from the secondary research were discussed during stakeholder consultation workshops to gain practical insights and refine the understanding. The aim of conducting stakeholder workshops was to validate theoretical findings, gather practical feedback, and refine the proposed convergence model based on real-world experiences and challenges. The current shortcomings in the system and key factors that hinder beneficiaries from effectively accessing the schemes were also discussed.

4.3.1. Need for Improved Awareness of Schemes

Government support is known to have a positive and important impact on the output of MSMEs⁷⁹, but most MSMEs are not aware of government support available for them. Even when they are, they hardly avail it⁸⁰. MSMEs in general face the challenge of gathering information⁸¹ about all the schemes, policies, and programmes. Approximately 70% of MSMEs are aware⁸² that a variety of government schemes exist, information about eligibility, application, type of support under the schemes but their usage remains significantly low. For instance, very few MSMEs avail the benefits of marketing schemes⁸³, they are not aware of credit schemes⁸⁴ and special financial privileges given by banks. Moreover, awareness of IPR & Technology Centre Schemes is at lower level compared to other schemes of the government and the number of MSMEs that availed scheme is minimal⁸⁵.

78 Source: <https://www.indiabudget.gov.in/doc/eb/allsbbe.pdf>

79 The Role of Government Cash Subsidy Assistance, Entrepreneurship Orientation and Product Innovation on the Performance of MSMEs in Gelamjaya Village, Pasar Kemis, Tangerang Regency. Journal of Management, 102 - 108. VOL. 12 NO. 1 (2021) <https://doi.org/10.35335/enrichment.v12i1.164>

80 A STUDY ON MSME'S AWARENESS TOWARDS GOVERNMENT SUBSIDIES (2023)

81 Press Information Bureau 20 Jul 2023

82 FTCCI Report: CURRENT PRACTICES AND CHALLENGES OF MSMEs

83 FTCCI Report: CURRENT PRACTICES AND CHALLENGES OF MSMEs

84 A Report on Issues and Challenges in Financing MSME in Pune, Maharashtra

85 FTCCI Report: CURRENT PRACTICES AND CHALLENGES OF MSMEs

Stakeholder consultations and literature review reveal three major barriers to beneficiary mobilization under various schemes: **duplication of schemes, limited awareness among beneficiaries, and difficulties in accessing resources**. These barriers were further validated during FGDs, where 86% of stakeholders identified scheme duplication as the most significant obstacle preventing effective participation.

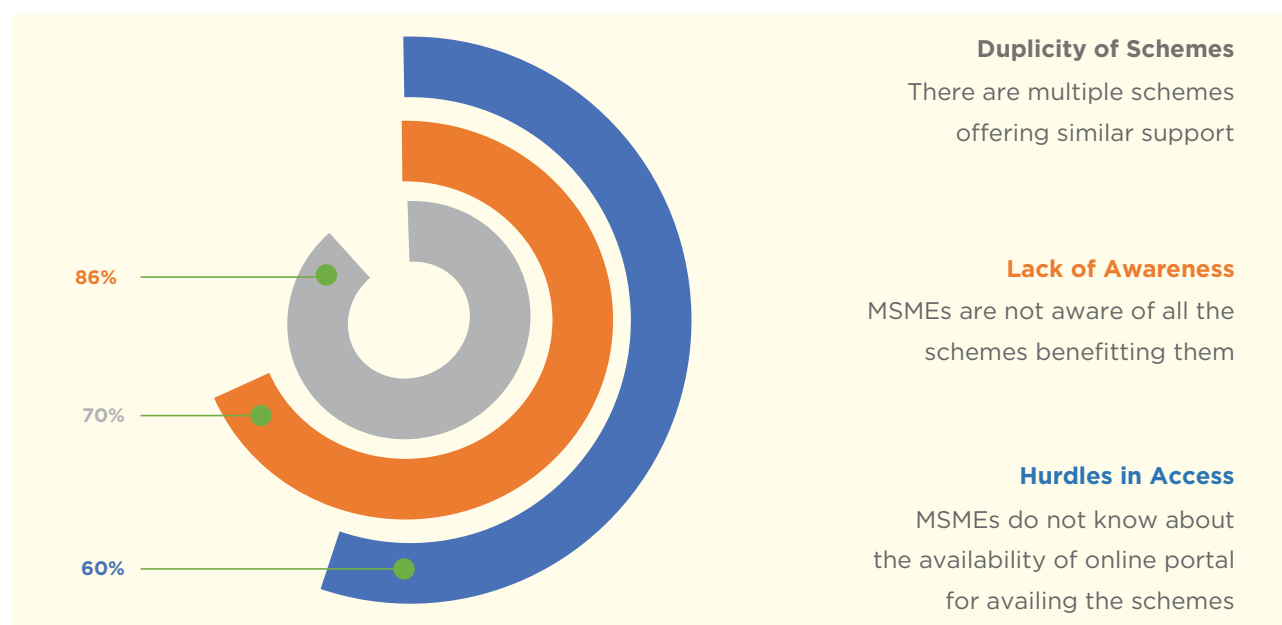
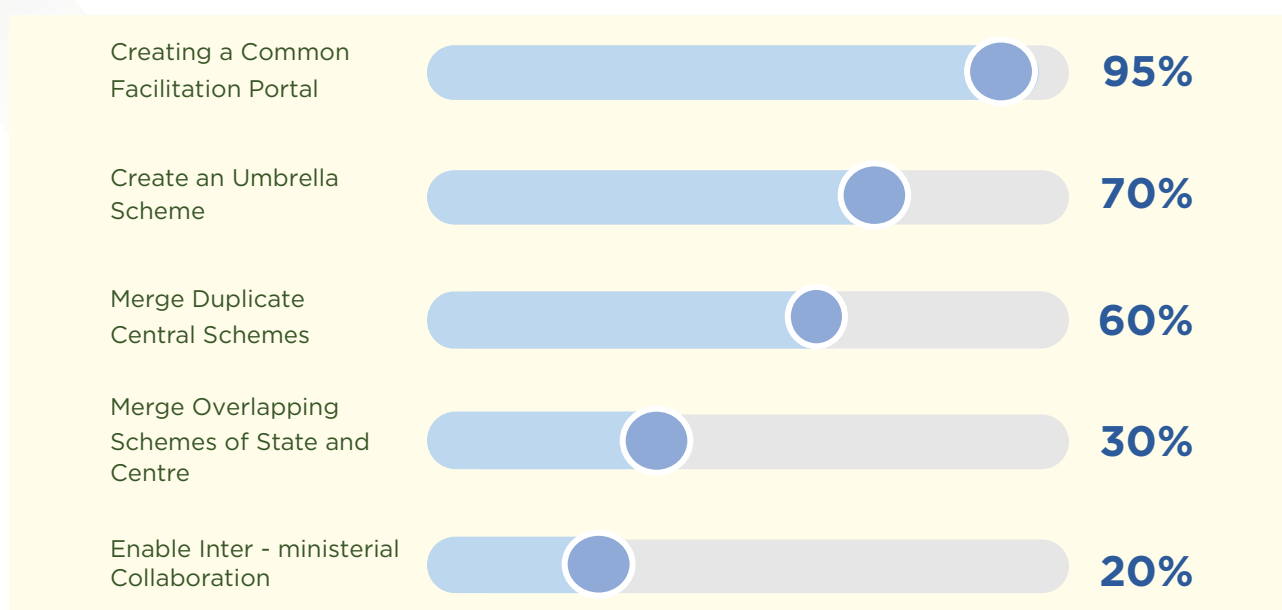


Figure 4.2: Barriers in scheme mobilization

The key players of the MSME ecosystem which includes Government Officials, Industry Associations, Bankers and MSME themselves, are largely unaware of majority of the schemes. In fact, online portals for accessing information on government schemes are relatively unused. Schemes such as ZED, MSME Champions, and RAMP, are quite well-known in industry circles, however, there is severe lack of know-how on how to apply or navigate the process, rendering these schemes ineffective in practice. For instance, in a poll of 39 associations at Hyderabad workshop, only one enterprise utilized the Procurement and Marketing Scheme (PMS), despite many being eligible for it. While government efforts are commendable, such as the introduction of the RAMP scheme, there are still significant disconnects between policy design and implementation. Out of 18 schemes listed out, the awareness regarding the schemes is only about 25%, i.e. 4-5 schemes. The most popular schemes used by the MSMEs are PMEGP, PM Vishwakarma, MSME Champions and RAMP. 90% of stakeholders have not used any digital portal. 10% use NIVESH MITRA, NCD India and GeM.

To tackle the issue of limited awareness about available schemes, solutions such as creation of a centralized facilitation portal, creating an umbrella scheme and merging duplicate schemes were considered. **Creation of a centralised portal was proposed as the optimal solution.**



5.1.2. Opinion on convergence

1. Scheme of Fund for Regeneration of Traditional Industries (SFURTI) and Micro & Small Enterprises Cluster Development (MSE-CDP)

It was examined in the previous section how both schemes create common facility centres and improve basic amenities with a fundamental goal of enhancing the growth and sustainability of small and medium enterprises in India. Both the schemes emphasize capacity building and skill development through soft interventions such as training, workshops, and market promotion initiatives, which aim to empower local artisans and entrepreneurs. Additionally, they support hard interventions by facilitating the establishment of common facility centres, where businesses can access shared resources like machinery and raw materials. In essence, SFURTI and MSE-CDP complement each other in driving the overall advancement of micro and small enterprises while nurturing the rich heritage of traditional crafts in India.

The theoretical assessment of schemes indicates comparable components. To obtain a comprehensive understanding from a grassroots perspective, the identified commonalities alongside the unique aspects of both schemes were presented to the stakeholders to solicit their opinions regarding the possibility of merging the two schemes. **Stakeholder feedback reinforced the theoretical findings, with suggestions that the overlapping objectives of these schemes could justify their convergence.** Notably, SFURTI is under consideration for discontinuation, which prompted discussions on merging its components with MSE-CDP. This move could optimize resource allocation and reduce duplicative efforts, ultimately enhancing the effectiveness of cluster development initiatives while minimizing administrative waste.

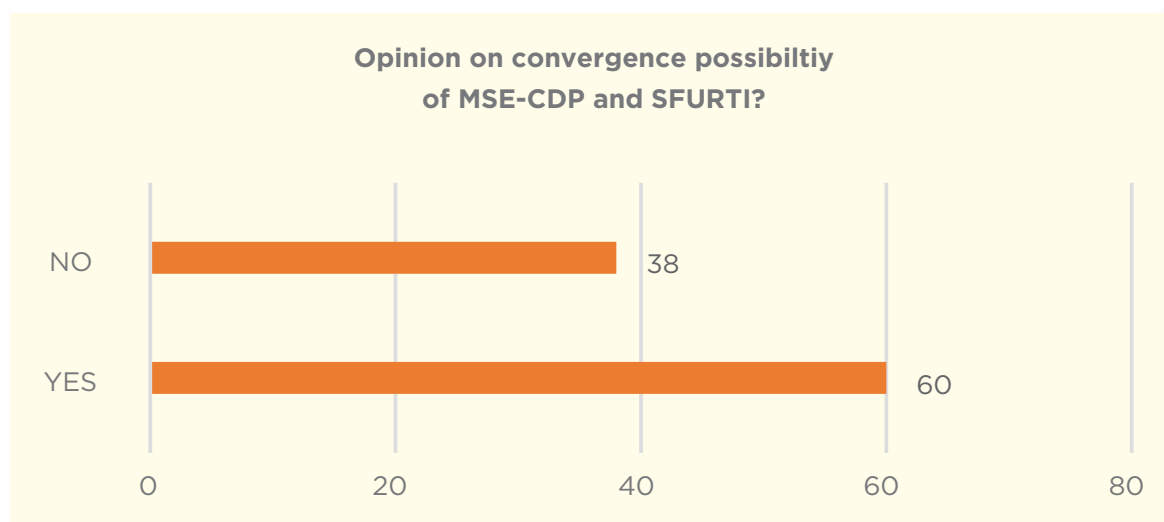


Fig 4.3: MSE-CDP and SFURTI

2. Procurement and Marketing Support (PMS) and International Cooperation (IC)

The Procurement and Marketing Support (PMS) scheme and the International Cooperation (IC) scheme, are similar, primarily in their objective of enhancing market access for Micro and Small Enterprises (MSEs) and promoting their competitiveness. PMS supports participation in domestic and international trade fairs, exhibitions, and vendor development programs. Similarly, the IC scheme aids MSEs in participating in international exhibitions and trade fairs, enhancing their visibility and potential for export. The PMS encourages modernization through interventions such as adopting e-commerce platforms and modern packaging techniques, while the IC scheme includes initiatives like financial assistance for first-time exporters to cover costs associated with registration and certification, thereby improving their readiness for international markets. In summary, both schemes are designed to strengthen the capabilities of MSEs, helping them to navigate market challenges and expand their reach, whether domestically or internationally.

Stakeholders were consulted on whether the Procurement and Marketing Support (PMS) scheme should be converged with the International Cooperation (IC) scheme. It was highlighted that although similar, PMS scheme caters to both domestic and international marketing support for MSMEs, and the IC scheme is limited to providing assistance specifically for international marketing activities. **A large portion of stakeholders supported the idea of merging PMS into IC, recognizing the potential for streamlined operations and better alignment of objectives. Many suggested creating a dedicated marketing wing under the Ministry of MSME to ensure focused support.** This entity would oversee all marketing-related initiatives, both domestic and international, ensuring focused support. The creation of this wing could also allow for more specialized assistance in areas such as branding, export promotion, and market access, without needing to merge the two schemes outright.

3. A Scheme for Promotion Of Innovation, Rural Industries & Entrepreneurship (ASPIRE) (Incubation Component) and MSME Innovative (Incubation Component)

ASPIRE and MSME Innovative scheme are two schemes implemented by MoMSME that share several similarities, particularly in their focus on fostering entrepreneurship and innovation. Both initiatives provide skill development opportunities. ASPIRE aims to equip entrepreneurs with the necessary skills to launch and sustain their businesses. The MSME Innovative scheme also focuses on skill enhancement, ensuring that entrepreneurs have access to training that can help them innovate and grow. ASPIRE provides financial and technical support for business incubation, while MSME Innovative similarly offers resources to promote business development, particularly for start-ups and innovative enterprises. Both schemes aim to create an ecosystem where new businesses can thrive through mentorship and guidance. ASPIRE promotes the use of technology in enhancing agricultural practices and fostering innovation. The MSME Innovative scheme also emphasizes technological advancement as a crucial component for the growth of MSMEs, encouraging the adoption of innovative technologies to improve competitiveness. **These shared objectives indicate a concerted effort by the government to strengthen incubation facilities for the MSME sector**, particularly in rural and underserved areas, through innovation and skills development. However, there are opportunities for convergence between the ASPIRE and MSME Innovative schemes that could enhance their overall effectiveness.

To facilitate a discussion, the similarities of both the schemes to stakeholders were presented. **Although many stakeholders were unfamiliar with the ASPIRE initiative, they recognized the similarities between the two schemes.**

Both the MSME Innovative (Incubation) scheme under MSME Champions and the ASPIRE scheme share a common objective of promoting innovation and entrepreneurship through business incubators, utilizing similar support mechanisms. Based on the stakeholder consultation, the potential for convergence was explored. **While stakeholders identified challenges, such as ASPIRE being a niche scheme specifically for agro-rural enterprises, they believe convergence is possible and beneficial.** The below mentioned four possible convergence options were discussed with stakeholders:

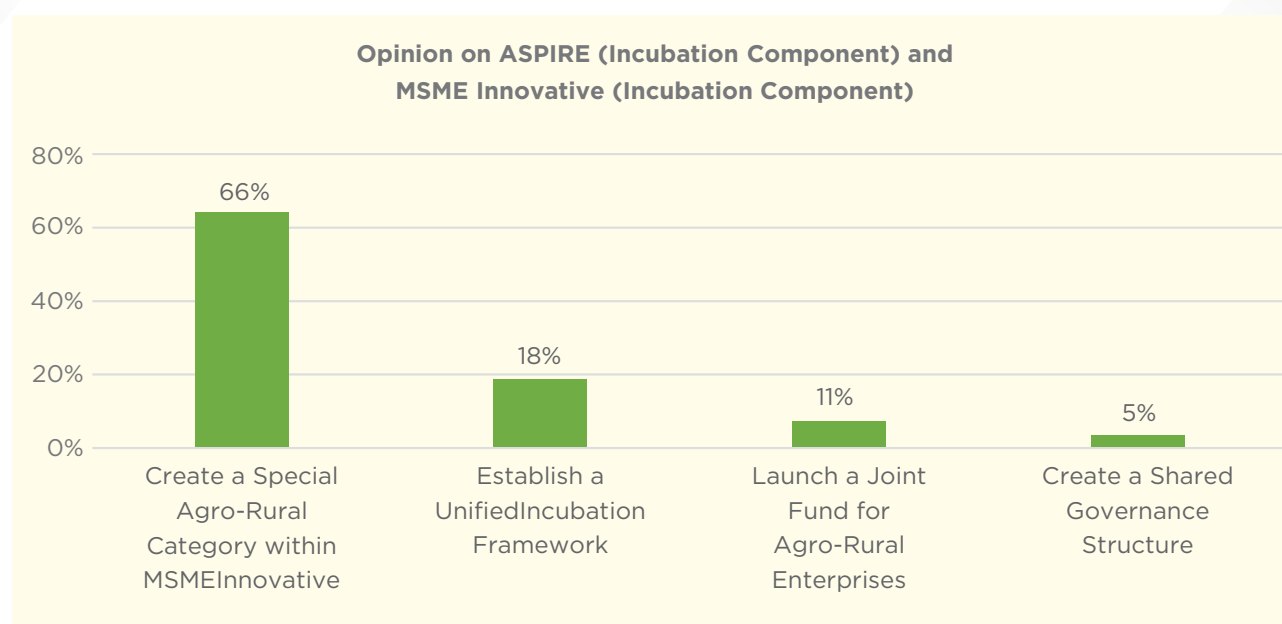


Figure 4.4: *Opinion on ASPIRE (Incubation Component) and MSME Innovative (Incubation Component)*

Integrating ASPIRE as a special component under MSME Innovative was viewed as the most feasible option. This approach, where ASPIRE could have a dedicated budget allocation within the MSME Innovative framework, was seen as the most efficient way to ensure that agro-rural incubators continue to receive targeted support while benefiting from the broader reach and resources of MSME Innovative. This solution addresses the need for specific support mechanisms for agro-rural enterprises while streamlining efforts under a unified scheme.

The need for convergence between ASPIRE and the MSME Innovative (Incubation Component) arises from the overlapping objectives of both schemes in fostering entrepreneurship, skill development, and technological innovation. This convergence will lead to better synergy between policy interventions, reducing administrative complexities and enabling holistic support for enterprises at different stages of innovation and business development. MSME Innovative's extensive network may be leveraged while retaining ASPIRE's focus on rural enterprises. This alignment will also facilitate knowledge-sharing, mentorship, and capacity-building initiatives, strengthening the entrepreneurial ecosystem across sectors. Additionally, pooling resources from both schemes can lead to the creation of joint funds for technology adoption, market expansion, and export promotion, further boosting MSME competitiveness.

4. Skill Development Initiatives

It is found in literature that absence of a coordinated approach to skill development⁸⁶ hinders the growth of MSMEs. Problems like absenteeism, high wage rates, work

⁸⁶ Naveen Negi, Arvind Mohan, Musliadi Bin Usman, Almighty C. Tabuena. (2023). Challenges of Skill Development of Workers in MSME Sector: An Empirical Study of Training Organisations. *European Economic Letters (EEL)*, 13(3), 89-94. <https://doi.org/10.52783/eel.v13i3.214>

stoppages, training costs, and unionisation are persistent across all sectors of MSMEs⁸⁷. The technical skills gap is particularly concerning, with a 40%⁸⁸ deficit between the skills produced by education systems and those required by the industry. With respect to government initiatives aimed at skill development and entrepreneurship, one of the major challenges that arises is the significant overlap among various schemes. While these programs are designed to foster employment, entrepreneurship, and capacity building, the duplication of efforts across ministries leads to inefficiencies in resource allocation, confusion among beneficiaries, and fragmented implementation. For instance, many schemes with similar goals of promoting self-employment and entrepreneurship exist under different ministries. For instance, PMEGP is similar to the Start-up India initiative by the Department for Promotion of Industry and Internal Trade (DPIIT), as both focus on encouraging entrepreneurship and creating jobs. The schemes target similar beneficiaries (youth and unemployed) with a similar objective. Similarly, for entrepreneurial training there is Entrepreneurship and Skill Development Programme (ESDP) and also Pradhan Mantri Kaushal Vikas Yojana (PMKVY) by the Ministry of Skill Development and Entrepreneurship (MSDE)⁸⁹ and Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) by the Ministry of Rural Development (MoRD)⁹⁰, all these schemes aim to skill and train people, including rural youth, for self-employment or wage employment.

Analysis of qualitative data from stakeholder workshops reveal that majority of the workforce is unskilled or low-skilled with little to no knowledge of factory operations. Another major concern is that skilled youth are moving out of the country, either to seek better employment opportunities or higher wages. This migration of talent exemplifies the phenomenon of brain drain, where the emigration of highly educated or skilled individuals can lead to a significant loss of human capital for the home country. Although there are programs like PMEGP, ATI, ESDP that are catering to skill development, the MSMEs are not able to take full benefit of these schemes due to:

- Too many different portals,
- Lack of digital access
- Unawareness about how and where to apply.

For MSMEs to be able to utilize schemes like ESDP and PMEGP properly, they need all the skill related schemes in a single portal.

87 Adhinarayan, B. (2014). *An evaluation of the problems and prospects of small-scale entrepreneurship in an emerging economy: A study of selected industries in Tamil Nadu districts* [PhD Thesis]. Anna University.

88 Source: World Bank's Ease of Doing Business Report (2023), Indicators and Research Articles

89 Schemes & Initiatives - <https://www.msde.gov.in/en/schemes-initiatives>

90 DDUGKY - <http://ddugky.info/>

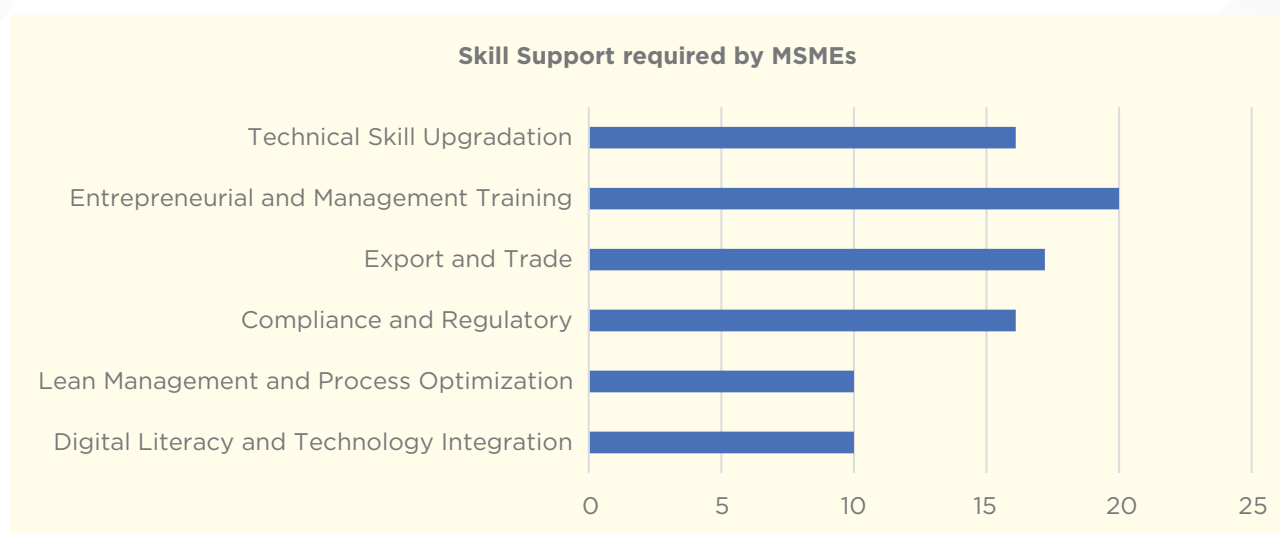


Figure 4.5: Skill support required by MSMEs

Enterprises need training in areas of entrepreneurial training, technical skills, trade-related skills, regulatory compliance and digital literacy.

Proposed ways for convergence of skill development initiatives:

1	Unified Skill Development Scheme for MSMEs: A single scheme that consolidates various skill initiatives to reduce fragmentation and improve accessibility.
2	National Council for MSME Skill Development: A dedicated body to oversee and coordinate skill development efforts across different sectors.
3	Integrated Digital Platform for MSME Skill Development Programs: A single online portal that brings all skill-related programs together, making it easier for MSMEs to access and apply.
4	Sector-Specific Training Programmes with Industry-Academia Linkages: Customized training programs tailored to the specific needs of different industries, designed in collaboration with academic institutions and industry experts.

In summary, feedback from stakeholders complements the research findings and stresses on the importance of aligning the MoMSME initiatives, revealing a strong consensus on the need for integration. In the next chapter, the specific recommendations for the convergence of these schemes are outlined, drawing on the insights gathered throughout this research to propose actionable strategies that can improve collaboration and impact within the MSME sector.



05

**RECOMMENDATIONS
FOR CONVERGENCE
AND WAY FORWARD**

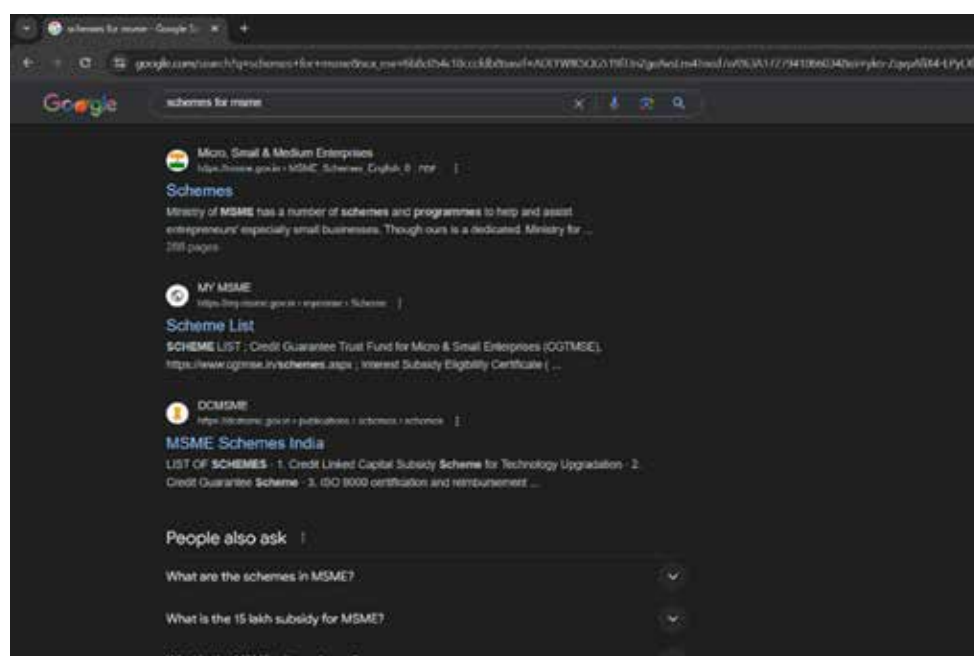
The recommendations are designed to streamline information access, harmonize processes, and address broader issues through a two-pronged approach: Information Convergence, Process Convergence. Each component aims to simplify the operational landscape for MSMEs, reduce redundancies, and enable a more supportive ecosystem for growth. Implementing these strategies can help create an integrated support framework that enhances efficiency, improves accessibility, and empowers MSMEs to capitalize on available opportunities.

INFORMATION CONVERGENCE

RECOMMENDATION 1: CENTRALIZED PORTAL FOR MSMEs:

Currently, MSMEs face challenges in accessing relevant information on government schemes, compliance requirements, and financial assistance due to the dispersed nature of existing platforms such as **My MSME, NSWS, My Scheme, and the Udyam Registration Portal**. The fragmented information infrastructure may lead to inefficiencies, increased administrative burdens, and potential information gaps. Even, searching for “schemes for MSME” on Google, yields scattered results, lacking a cohesive representation of available resources.

Research indicates that fragmented information infrastructure increases the cost of compliance and hampers the ability of MSMEs to fully leverage government schemes⁹¹. Additionally, the absence of a unified portal limits MSMEs’ growth potential, as many are unaware of beneficial schemes or compliance regulations.



91 Understanding Indian MSME Sector (May 2025) https://www.sidbi.in/uploads/Understanding_Indian_MSME_sector_Progress_and_Challenges_13_05_25_Final.pdf#:~:text=However%2C%20MSMEs%20need%20to%20focus%20on%20enhancing,digital%20adoption%2C%20skilling%2C%20labour%20availability%20and%20infrastructure.&text=Despite%20its%20crucial%20role%2C%20the%20MSME%20sector,Inadequate%20infrastructure%20and%20technology%20adoption%2C%20hindering%20productivity.

The Udyam Registration Portal has API integration with more than 44 portals. On the my.msme.gov.in portal, detailed information on schemes, compliance requirements, etc., is available. However, there is still immense scope for streamlining the online platforms. Therefore, the Ministry of MSME is working on a Portal of Portals, by which the information convergence will be further streamlined and made available for all stakeholders.

Proposed Centralized Portal for MSMEs:

Although the Ministry of MSME is developing a “Portal of Portals” to further streamline information convergence and enhance accessibility for all stakeholders, it is suggested that the portal may include the following modules to provide comprehensive support for MSMEs, in line with some of the best practices such as Canada’s BizPal or Singapore’s GoBusiness.

Module 1 - Basic Information Module

This module serves as a repository of four fundamental information for MSMEs, including:



Scheme Information: Details about all central (MoMSME and Other Ministries) and state government schemes, including eligibility criteria and benefits.



Compliance Requirements: Pre-filled data from Income Tax and GST. Guidance on regulatory and tax compliance.



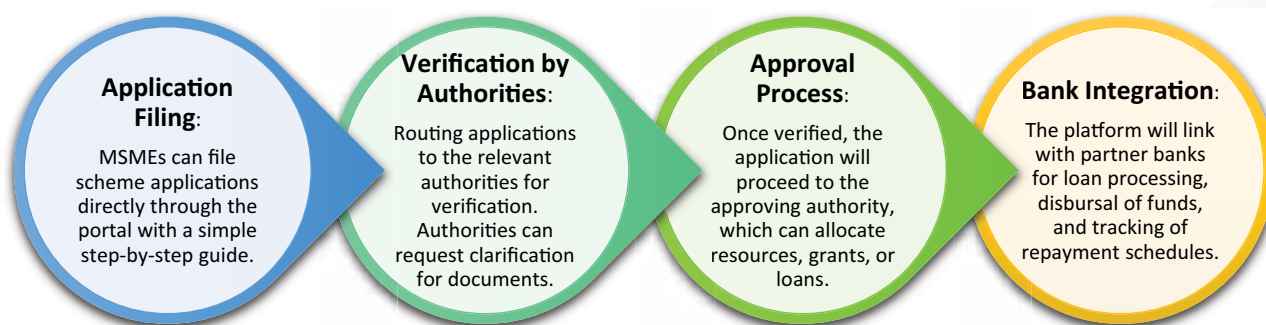
Financial Assistance: Information on loan schemes, grants, and subsidies from various government and private institutions.



Generative AI Model: A Large Language Model (LLM) will allow the MEs to probe and seek guidance related to available schemes and their eligibility.

Module 2 - Process Module

This module handles the procedural aspects of applying for schemes, tracking applications, and interacting with various authorities. MSMEs can monitor the progress of their applications through a dashboard that shows where the application is in the process - filing, verification, approval, or disbursal.



Module 3 - Compliance Module

This module may be designed to simplify and support MSMEs in fulfilling regulatory and statutory requirements, minimizing risks of penalties or de-registration. It will serve as a virtual compliance officer offering MSMEs structured, real-time, and customized guidance on staying compliant with various laws and rules.

Document Repository: The module shall host a secure document repository where MSMEs can upload and manage all important compliance-related documents, such as GST filings, income tax returns, environmental clearances, audit reports, and employee welfare filings. By integrating with government systems like DigiLocker, PAN, and GSTN, the portal can also enable automatic fetching and validation of compliance documents to avoid duplication and reduce manual errors.

Tracking and Alerts: To support timely compliance, the module shall feature an automated compliance calendar that tracks enterprise-specific deadlines across domains like tax, labour, environment, and sector-specific regulations. MSMEs will receive personalized alerts and reminders via SMS, email, and in-portal notifications for upcoming filings, license renewals, or audit submissions.

Guided Compliance Assistance: Guided assistance through step-by-step digital walkthroughs may be offered that explain how to complete common compliance tasks, such as filing GST returns, renewing licenses, or fulfilling annual reporting requirements. An AI-enabled chatbot, trained on a large language model, can be embedded in the portal to offer real-time, multilingual support for answering compliance-related queries.

Module 4 - Market Research Module

This module will provide data-driven insights for MSMEs, helping them to:

Identify Growth Opportunities: Leveraging generative AI technologies, the module shall provide detailed market analysis customized to the nature, size, and sector of the enterprise. This analysis will include real-time trends, emerging demand hotspots, and consumer preferences. The module may also tap into enterprise-level databases to offer benchmarking insights, enabling MSMEs to evaluate their performance in comparison to peers, identify market gaps, and refine their competitive strategies.

Access Financial Resources: The module shall offer structured and searchable information on a wide range of financing instruments, including traditional bank loans, working capital finance, venture capital funding, angel investment networks, and government-sponsored grants or subsidy programs. The portal will help users discover financing opportunities based on their eligibility, credit profile, and sectoral alignment.

Explore Export Potential: For MSMEs interested in exploring international markets, the module shall provide guidance on entering new markets, including sector-specific regulations and logistics.

Technological Integration

- AI-Driven Personalization:** The portal will use AI algorithms to analyse the business profile of each MSME and provide tailored scheme recommendations.
- Chatbot for Real-Time Assistance:** An AI chatbot will offer step-by-step guidance on navigating compliance procedures, applying for schemes, and availing financial support.
- Mobile App Integration:** The platform will include a mobile application to provide MEs with seamless access to information and real-time notifications.

Comparison of Existing Platforms

Presently the MSMEs have access to the portals namely, My MSME, NSWS, My Scheme and Udyam Reg. Portal.

Table 5.1 highlights gaps in the current platforms and the advantages the proposed centralized portal will offer:

Table 5.1 – Comparison between proposed portal and existing portals of MSMEs

Particulars	Proposed Portal	My MSME	NSWS	My Scheme	Udyam Registration Portal
Schemes availability (Central, State & Other Ministry)	Yes	Yes	Yes	Yes	Yes
Online forms for direct filing and applying of schemes	Yes	Partially	Partially	No	No
e-filing - DSC or Aadhar OTP	Yes	Yes	Yes	No	Yes
Online Tracking Mechanism	Yes	Yes	Yes	No	No
Approving authority access	Yes	Yes	Yes	No	Yes
Helpline 24x7	Yes	Yes	Yes	No	No
Artificial Intelligence Enabled	Yes	No	No	No	No
Chat-Bot	Yes	No	No	No	No
Mobile Application	Yes	Yes	Yes	No	No
Connected to Udyam Server for pre-filled data	Yes	No	No	No	Yes

Comparison of Proposed Portal vs. Best Practices

The table below compares the proposed portal with some of the best practices.

Table 5.2 – Comparison between proposed portal and best practices

Feature	Proposed Portal	BizPaL (Canada)	GoBusiness (Singapore)	TS-iPASS (Telangana, India)	Germany's Einheitlicher Ansprechpartner	Business Registration Service (Australia)
Cross-Government Integration	Yes - Central, State, and Ministry	Yes - Federal, Provincial, Municipal	Yes - Over 20 Government Agencies	Yes - Multiple State Agencies	Yes - State and Local Authorities	Yes - Federal and State Authorities
Personalized Recommendations	Yes - Based on business profile	Yes - Based on business type and location	Yes - AI-Driven based on business needs	No	Yes - Based on Business Requirements	Yes - Based on Business Activities
Real-Time Updates & Compliance	Yes - Regulatory updates and tracking	No - Focus on permits and licenses	Yes - Compliance reminders and updates	Yes - Track applications and approvals	Yes - Real-Time Application Tracking	Yes - Updates on Registration Status
AI-Enabled Chatbot for Assistance	Yes - 24/7 Support	No	Yes - Personalized Assistance via AI	No	No	No
Mobile App Integration	Yes	No	No	Yes	No	Yes
Online Tracking of Application Status	Yes - Track applications and approvals	Yes - Track permits and licenses	Yes - Track licenses and schemes	Yes - Track approvals and status updates	Yes - Track Status of Permits and Licenses	Yes - Track Registration Status

Based on the comparison of best practices, the proposed portal integrates features from **BizPaL**, **TS-iPASS**, **Einheitlicher Ansprechpartner**, and **Australia's Business Registration Service** while enhancing personalization through AI-driven recommendations and real-time updates. It will also provide 24/7 support via a chatbot. Furthermore, the proposed portal broadens its scope by incorporating cross-government integration at the central, state, and ministry levels, making it more comprehensive than the approaches adopted by the other portals, which are often limited to specific administrative levels or services.

Building the Portal:

To ensure robust design, technical efficiency, and policy alignment, the following institutions are proposed to play key roles in the development and management of the portal.

Relevant technology development institutions / Advanced computing agencies / Specialized IT research bodies	To provide technical expertise in the development of advanced IT solutions, including artificial intelligence, data analytics, and management systems essential for the portal's functionality.
Government IT infrastructure agencies / Digital governance bodies / Public sector technology service providers	To support the development of secure, scalable, and interoperable government applications, ensuring seamless integration with existing digital platforms of ministries and departments.
Government agencies responsible for MSME development	To serve as the Nodal Agency responsible for coordination, oversight, and ensuring alignment of the portal with the broader objectives of MSME policy and service delivery.

PROCESS CONVERGENCE

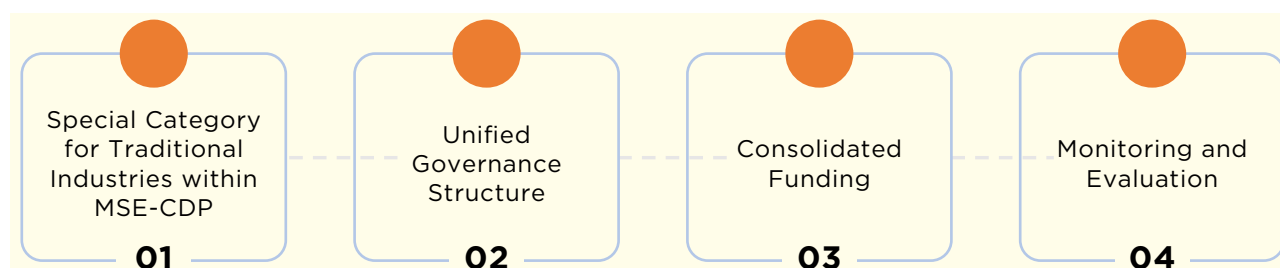
RECOMMENDATION 2: MICRO AND SMALL ENTERPRISES - CLUSTER DEVELOPMENT PROGRAMME (MSE-CDP) AND SCHEME OF FUND FOR REGENERATION OF TRADITIONAL INDUSTRIES (SFURTI)

Scheme of Fund for Regeneration of Traditional Industries (SFURTI) is implemented by different agencies, including NGOs, institutions of central and state governments, and Panchayati Raj Institutions (PRIs), whereas the O/o DC-MSME oversees 'Micro and Small Enterprises - Cluster Development Programme' (MSE-CDP). The stakeholders and implementation frameworks are different, and therefore, it may be challenging to converge the two schemes. However, the suggestion for the merger of SFURTI with the MSE-CDP stems from the overlap in key components of both schemes, such as cluster development through hard and soft interventions. While MSE-CDP focuses on enhancing infrastructure and competitiveness for MSE clusters, SFURTI also supports micro and small enterprises but has a narrower focus of penetrating uncovered and aspirational districts, promoting traditional industries, and preserving endangered crafts and arts.

Given SFURTI's smaller budget and narrower scope, integrating its components within MSE-CDP would enhance resource efficiency and program reach. The merger would ensure a special focus on traditional industries within the broader MSE-CDP framework, allowing for better coordination, greater financial backing, and more comprehensive support for cluster development while preserving SFURTI's original objective of supporting traditional and endangered industries. This approach would enable a more unified and impactful mechanism for supporting MSEs across various sectors, including those with unique cultural and economic significance.

Table 5.3 – Comparison between MSE-CDP and SFRUTI

Aspect	MSE-CDP	SFRUTI
Objective	To enhance the competitiveness, productivity, and sustainability of micro and small enterprises by developing clusters with shared infrastructure and resources.	To revitalize and strengthen traditional industries and artisan-based clusters, ensuring sustainable employment and improving product quality.
Target Audience	Micro and Small Enterprises (MSEs) operating in clusters across various industries, including manufacturing, food processing, and handicrafts.	Traditional artisans and industries involved in coir, khadi, handicrafts, bamboo, honey, and other rural trades.
Support Mechanism	Provides financial support for setting up Common Facility Centers (CFCs), infrastructure development, and cluster-based interventions.	Offers grants for capacity building, infrastructure development, market promotion, and technology upgradation for traditional industries.
Skill Development	Facilitates skill development through workshops, training programs, and technology transfer initiatives for MSEs.	Focuses on artisan training, skill enhancement, and product diversification to improve marketability and productivity.
Access to Finance	Provides funding support with grants up to 70-90% of project costs for infrastructure and shared facilities.	Grants up to 90% of the project cost, with financial assistance from the Ministry of MSME and implementing agencies.
Technology Integration	Supports technology adoption, automation, and the establishment of common production facilities with advanced machinery.	Encourages the use of modern tools and sustainable production techniques to enhance traditional craftsmanship.
Government Support	Implemented by the Ministry of MSME, with financial support and technical guidance provided to industry clusters.	Implemented by the Ministry of MSME through nodal agencies like KVIC, Coir Board, and other industry bodies.

Convergence Framework:

A structured convergence mechanism for merging SFURTI with MSE-CDP shall be designed to ensure effective resource utilization and retention of the unique focus on traditional industries.

1. Special Category for Traditional Industries within MSE-CDP (Sub-scheme Creation)

A dedicated sub-scheme can be established within MSE-CDP to specifically address traditional industries, preserving the focus on crafts, arts, and endangered industries that SFURTI supports. As per SFURTI's original goal, the emphasis on clusters in uncovered and aspirational districts may be continued, while also integrating these into MSE-CDP's larger cluster development strategy.

2. Unified Governance Structure

Relevant support institutions for MSMEs can be the nodal agency for the overall administration of the merged program but regional agencies such as NGOs, PRIs, and institutions may be involved with SFURTI to act as implementation partners, particularly in traditional industry-focused clusters. The local institutions should be empowered to retain their role in traditional industry clusters under the special category, leveraging their expertise and local networks, while MSE-CDP oversees broader industrial cluster development.

3. Consolidated Funding

The budgets of SFURTI and MSE-CDP can be combined to form a larger pool of funds for cluster development, while earmarking a specific percentage for traditional industries. This ensures focused investment in sectors that need special attention without diluting the financial strength of the overall program. Flexibility should be provided in allocating resources to uncovered or aspirational districts, depending on the requirements of each sector, allowing greater responsiveness to local needs.

4. Monitoring and Evaluation

A comprehensive monitoring and evaluation system should be developed that tracks both the performance of traditional industries under the special category and the broader impact of the MSE-CDP. This will help assess the effectiveness of interventions across different types of clusters. The cluster-level beneficiaries can be tracked using digital tools for feedback on outcome-based KPIs such as infrastructure use, market performance, and skill enhancement.

Implementation Framework

This framework outlines the key steps, roles, and processes for the successful convergence of SFURTI and MSE-CDP. It streamlines resources, optimizes cluster development, and maintains the focus on traditional industries. The framework ensures a phased and strategic integration while preserving each scheme's unique objectives. The Ministry of MSME, along with its state-level counterparts, designated nodal agencies, and implementing partners such as NGOs and PRIs, may collaboratively lead this process across the following four core components:

1. Strategic Planning and Program Realignment

A detailed review of the existing components of SFURTI and MSE-CDP can be conducted, focusing on budget allocations, the scope of interventions (both hard and soft), and geographic focus. Based on this review, both programs can be aligned under a single strategic framework, designating MSE-CDP as the umbrella program for all cluster development initiatives within the MSME sector. Within this unified structure, a special category for traditional industries can be created under MSE-CDP, incorporating the objectives and focus areas of SFURTI. The combined budget of both schemes can be reallocated, ensuring that a portion (15-20%) of the total budget is earmarked specifically for the development of traditional industries, particularly in uncovered and aspirational districts.

2. Institutional Coordination and Governance Mechanism

It is proposed that the existing governance structure of MSE-CDP continue to oversee the integrated program, thereby ensuring consistency in cluster development efforts across all sectors. Nodal agencies currently engaged in implementing SFURTI—such as NGOs, Panchayati Raj Institutions (PRIs), and institutions from both central and state governments—may operate under the MSE-CDP framework for the specific purpose of supporting traditional industry clusters. These agencies are expected to retain their existing roles and domain expertise while aligning their efforts with the broader objectives of the unified cluster development strategy. Additionally, the formation of state- and district-level advisory boards is proposed, comprising representatives from the Ministry of MSME, NGOs, industry experts, and associations of traditional crafts and artisans, to provide localized input and guide cluster development priorities at the regional level.

3. Program Implementation and Cluster Identification

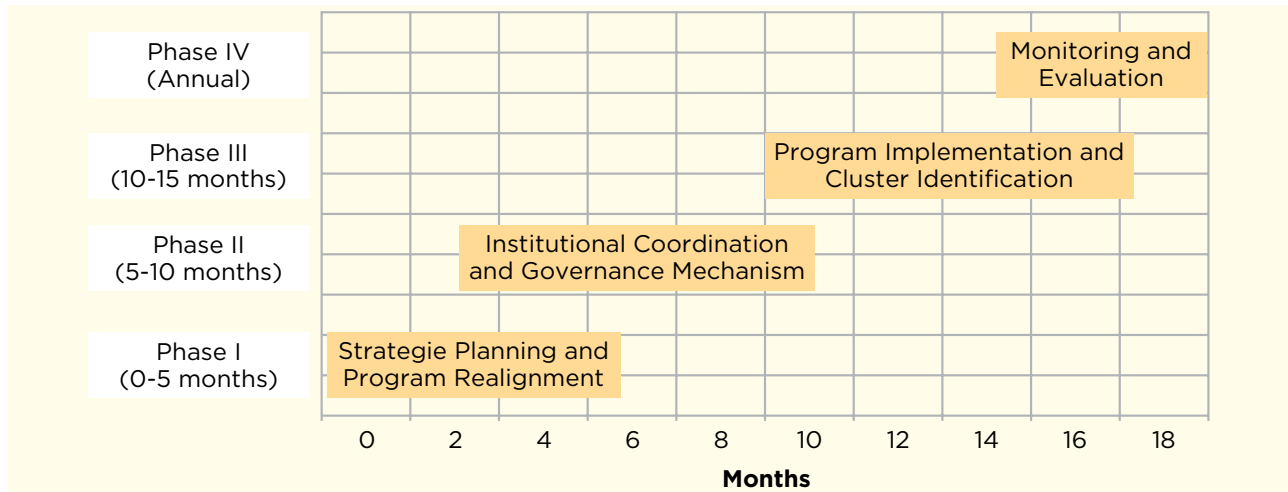
It is recommended to conduct a joint mapping exercise to identify existing clusters under both SFURTI and MSE-CDP, as well as to map new clusters in districts that align with the objectives of both schemes. Based on this exercise, clusters can be categorized into two distinct groups to enable the development of tailored interventions. The first category can be termed “General MSE Clusters,” which refers to standard MSE clusters typically targeted under MSE-CDP. The second category can be defined as “Traditional Industries Clusters,” focusing on areas previously covered under SFURTI, such as traditional crafts and arts. This categorization will help streamline program implementation and ensure that interventions are designed according to the unique needs of each cluster type.

4. Monitoring and Evaluation Framework

A unified M&E framework to integrate progress tracking for both traditional industry clusters and general MSE clusters will be useful. This framework should include clearly defined Key Performance Indicators (KPIs) for each category, covering aspects such as cluster growth, technology adoption, and improvements in artisan livelihoods. Bi-

annual performance reviews could be conducted for both types of clusters to ensure effective implementation. For traditional industries, the focus should be on ensuring adequate support for market linkages and the preservation of cultural crafts, while for MSE clusters, the emphasis should remain on enhancing competitiveness and fostering innovation. Additionally, feedback mechanisms involving advisory boards and implementing agencies should be put in place to continuously refine and improve interventions based on real-time data and ground-level insights.

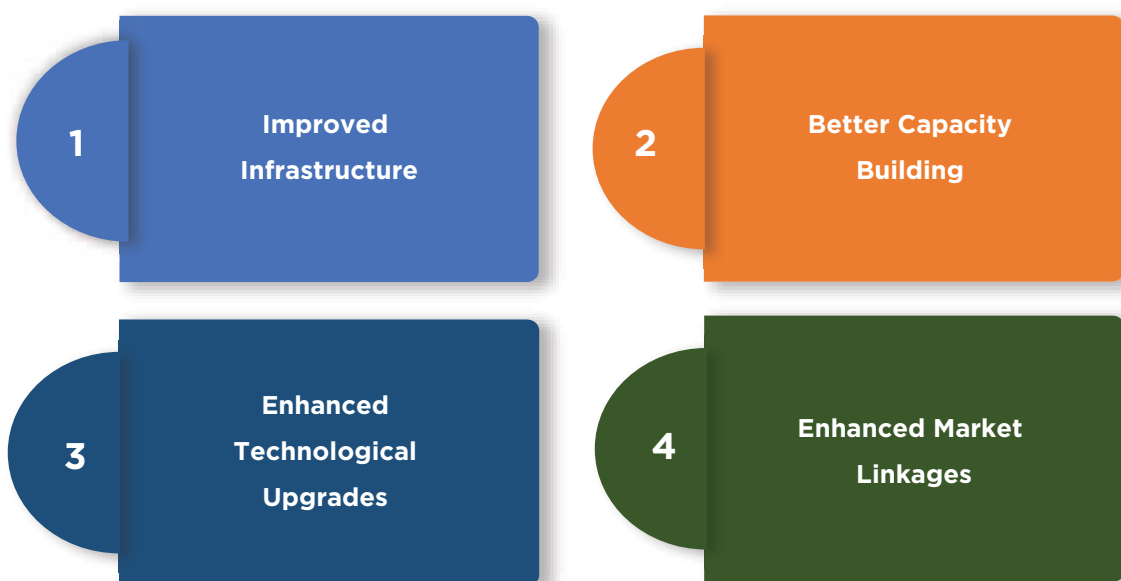
5. Timeline



IMPLEMENTATION TIMELINE

Benefits

The following benefits may emerge from the suggested convergence model:



The merger of SFURTI with MSE-CDP shall create a streamlined and efficient support system for MSME clusters, optimizing resources and eliminating redundancy. It ensures that traditional industries, especially in uncovered and aspirational districts, receive focused attention through specialized interventions while benefiting from the broader infrastructure and market development initiatives of MSE-CDP. By leveraging SFURTI's grassroots expertise and MSE-CDP's robust cluster development framework, this convergence promotes cohesive growth, preserving cultural heritage while boosting the competitiveness of both traditional and modern MSMEs. This unified approach enhances geographic reach, fosters public-private partnerships, and drives sustainable economic growth, ensuring balanced development across sectors.

Challenges

Coordination and Alignment of Objectives: MSE-CDP and SFURTI, while both aimed at boosting MSMEs, have distinct objectives. MSE-CDP focuses on infrastructure development, while SFURTI is more aligned with traditional industries and artisan-based clusters. Aligning these distinct goals is a legitimate challenge, and misalignment could lead to fragmented efforts and delays in meeting both objectives simultaneously.

Complex Governance Structure: One of the challenges in scheme convergence is that SFURTI is implemented by multiple agencies, including NGOs, institutions of central and state governments, and Panchayati Raj Institutions (PRIs), whereas the O/o DC-MSME oversees MSE-CDP. The involvement of different stakeholders and varying implementation frameworks makes it difficult to align and integrate these two schemes effectively. With multiple stakeholders involved coordination becomes complex.

Financial Resource Allocation and Management: Allocating financial resources would require careful planning to avoid resource mismanagement or disproportionate funding to certain clusters. Inadequate or uneven distribution of funds could result in some clusters receiving insufficient financial support, while others might be overfunded, leading to disparities in development.

Varied Levels of Cluster Readiness: Some clusters may be better equipped to absorb and utilize infrastructure or skill development assistance, while others may require significant groundwork before being eligible for the convergence benefits. This could lead to slower development in regions where traditional industries lack basic infrastructure, further widening the gap between advanced clusters and underdeveloped ones. Ensuring readiness across diverse clusters will be time-intensive and may slow down the convergence process.

Resistance to Change in Traditional Industries: Traditional industries, particularly artisans, may be resistant to modern technologies or new production techniques introduced under the MSE-CDP scheme. There may also be concerns about losing cultural identity or traditional craftsmanship. Resistance to adopting modern methods could undermine the productivity and competitiveness gains that the convergence aims to achieve, especially in clusters where preserving cultural heritage is crucial.

Capacity Gaps in Implementation Agencies: The implementing agencies might not have sufficient capacity, in terms of manpower and expertise, to handle the simultaneous rollout of both schemes. Capacity limitations could lead to delays, poor quality of services, or mismanagement, which would dilute the overall impact of the convergence.

RECOMMENDATION 3: CONVERGE SKILL DEVELOPMENT PROGRAMMES

The skills ecosystem in India's MSME sector plays a crucial role in improving productivity, enhancing competitiveness, and driving sectoral growth. As the backbone of the Indian economy, MSMEs contribute significantly to employment generation and economic development. However, the sector continues to face challenges in bridging the skill gap, primarily due to evolving technological demands and the diverse needs of various industries. A robust and responsive skills ecosystem is essential for equipping the MSME workforce with industry-relevant competencies, fostering entrepreneurship, and ensuring long-term, sustainable economic growth.

Building such an ecosystem requires a coordinated and comprehensive approach involving key stakeholders, including government bodies, industry partners, training institutions, and financial organizations. Together, these actors can develop a dynamic skill development framework tailored to the unique needs of MSMEs.

To better understand the skill requirements of the sector, an analysis was conducted, and a comprehensive mapping of existing schemes addressing these needs is presented below. This mapping highlights how various programs respond to specific competency gaps within the MSME sector. Identifying these linkages also allows for the recognition of overlaps, gaps, and opportunities for strategic convergence within the current framework.

Table 5.4: Skill required for MSMEs

Required Skill	Related MSME Schemes	Description
Entrepreneurial and Management Training	Entrepreneurship and Skill Development Programme (ESDP) Prime Minister Employment Generation Programme (PMEGP)	Training in business planning, financial management, marketing, and entrepreneurship development. Training in leadership, communication, negotiation, customer service, and team management.
Technical Skill Upgradation	Tool Rooms and Technical Institutions	Industry-specific technical skills, technology adoption, product quality, and skill enhancement.
Digital Literacy and Technology Integration	Digital MSME	Training on digital tools like ERP, CRM, e-commerce, digital marketing, and cybersecurity.
Lean Management and Process Optimization	MSME-Competitive (Lean)	Training on lean practices, process optimization, supply chain, and inventory management.
Compliance and Regulatory	ZED (Zero Defect Zero Effect) Certification Scheme, National SC/ST Hub	Training on quality standards, regulatory compliance, sustainability practices, and statutory requirements.

Export and Trade	International Cooperation Scheme, ESDP	Training on export procedures, international trade regulations, documentation, and market access.
Innovation and Incubation Support	Technology Centres and Incubation Centres, ASPIRE	Training on product innovation, design thinking, prototyping, incubation, and startup support.

Several initiatives are actively addressing the need for targeted skill development across the MSME sector, which includes a diverse range of enterprises, including informal and micro units. While there may be potential for convergence in specific areas of skill development, a complete merger of schemes may not be practical due to differences in target beneficiaries, sectoral focus, and the technical nature of training content. Nevertheless, the Ministry of MSME is already collaborating with the Ministry of Skill Development and Entrepreneurship (MSDE) and other stakeholders, such as GeM and SIDBI, to identify and implement areas of alignment wherever feasible. Based on a thorough review of existing schemes, a detailed mapping of skill requirements, and consultations with key stakeholders, the recommendations for convergence and potential merger have been formulated. These approaches are aligned with the profile of beneficiaries and the specific nature of training required, and are discussed below.

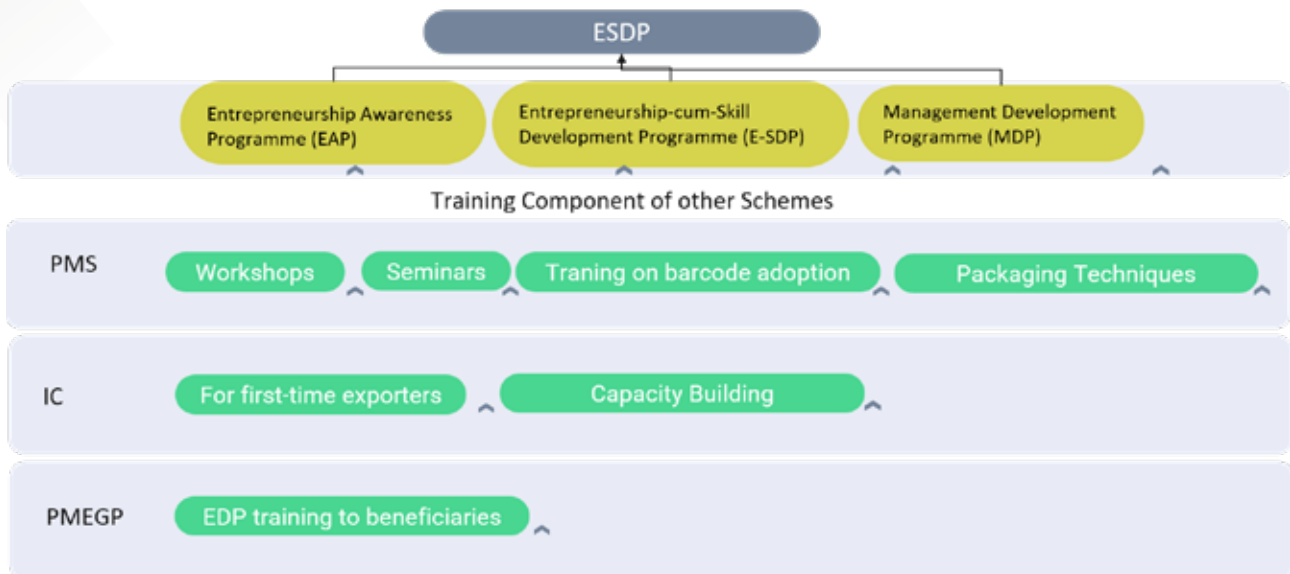
Convergence framework

The following merger and convergence approaches can be adopted based on the beneficiaries and the type of training required:



i. Entrepreneurship and Business Skills Development Program:

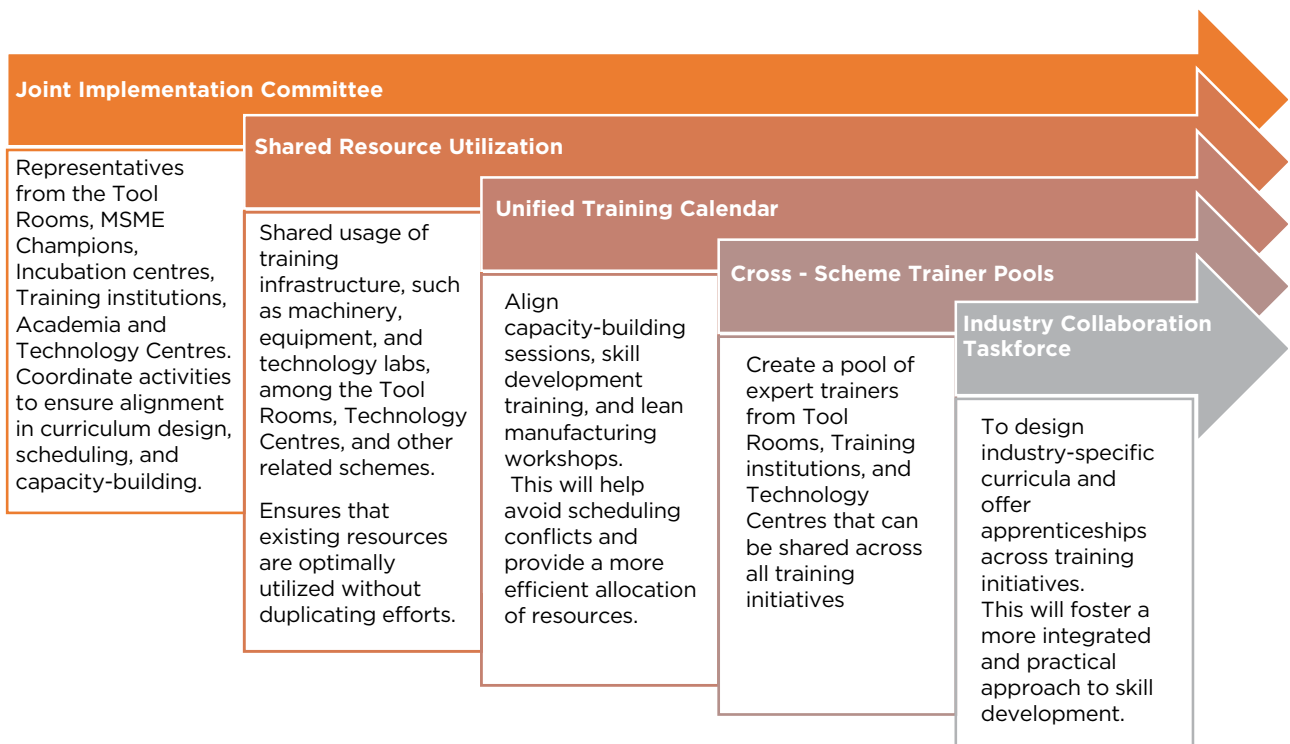
It is recommended to merge the skill component of Prime Minister Employment Generation Programme (PMEGP), International Cooperation (IC), and Procurement and Marketing Scheme (PMS) under Entrepreneurship and Skill Development Programme (ESDP) to provide entrepreneurial skills, financial literacy, market access, export, and credit access training.



While the full merger of PMEGP may be challenging due to its status as a flagship scheme, aligning its certification and training components with ESDP can help reduce duplication, optimize resources, and improve efficiency.

ii. MSME Technical Skill Development Program:

A unified implementation approach is recommended to improve coordination among the capacity-building components of Tool Rooms, Technical Institutions, MSME Lean Scheme, MSME Digital, Technology Centres, and other affiliated training institutions. The focus should be on industry-specific technical skills, lean manufacturing practices, and adoption of advanced technologies.



iii. Establish a Coordination Mechanism for Technical Skill Development

Given the diversity of technical training across MSME schemes, a full merger may not be practical. Instead, a coordination mechanism is proposed through a **Joint Implementation Committee** comprising representatives from Tool Rooms, training institutions, Technology Centres, and incubation hubs. This committee would align curricula, schedules, and capacity-building efforts. Shared infrastructure use, a **Unified Training Calendar**, and **Cross-Scheme Trainer Pools** would help optimize resources and avoid duplication. An **Industry Collaboration Taskforce** would support the design of sector-specific curricula and apprenticeships, ensuring a more integrated and practical skill development approach. Establishing a dedicated coordination mechanism or oversight committee could help track training offerings, align them with regional MSME needs, and avoid programmatic overlap.

iv. Training program for Rural and Women Artisans:

The schemes such as Coir Vikas Yojana, National SC-ST Hub Scheme, and Khadi & Village Industries programs can continue to operate independently, with training initiatives focused on promoting traditional crafts, rural industries, marginalized communities, and women's entrepreneurship for inclusive development.

However, convergence through a unified training framework—such as a shared pool of expert trainers and collaboration with industry partners—can enhance the quality and consistency of training across schemes. Such an approach allows for flexibility while addressing the specific capacity-building needs of diverse beneficiary groups.

Implementation Framework

To implement the recommended convergence of various MSME skill development schemes, a structured approach is necessary to streamline the processes while ensuring effective coordination among stakeholders. The Ministry of MSME, or a designated institution, may serve as the central coordinating authority for convergence, supported by key stakeholders such as the Inter-ministerial Steering Committee, MSME policy bodies, skill scheme administrators, and financial authorities. The following framework outlines key steps for the successful implementation of the proposed convergence:

1. Governance and Oversight Mechanism

A dedicated Inter-ministerial Steering Committee for Skill Development in the MSME sector can be established, comprising representatives from relevant government agencies responsible for skilling and entrepreneurship, skill development institutions, policy research and advisory organizations, institutional stakeholders within the MSME sector, and financial institutions. This committee will play a central role in overseeing the integration of programs, ensuring effective inter-ministerial coordination, and providing strategic direction for skill development initiatives across various sectors.

2. Implementation Approach

i. Entrepreneurship and Business Skills Development Program

For Entrepreneurship and Business Skills Development Program, NSDC's existing e-learning platforms and partner training institutes of MoMSME can be used for online and in-person training. Collaborations with industry associations, banks,

and financial institutions may be made to provide practical training in business management and credit access. Clear KPIs should be established to track the success of training programs, such as the number of MSMEs trained, certifications awarded, and business growth metrics.

ii. MSME Technical Skill Development Program

For coordination of technical programs, the technical and technological training components can be maintained under their respective schemes, but improve coordination. To do this, the Steering Committee under the Ministry of MSME can oversee the alignment of training programs offered by Tool Rooms, Technical Institutions, and Technology Centres. The MSME Sampark Portal can be used to consolidate the offerings of Tool Rooms, MSME Lean Scheme, MSME Digital, and other technical institutions. Programs must be tailored based on specific industry needs, ensuring that training covers lean manufacturing, digitalization, and the adoption of advanced technologies. Training programs should be adapted to the needs of MSMEs in specific regions to ensure relevance and maximum impact. Feedback from MSMEs should be collected on the usefulness of the training programs, and regularly update the curriculum to meet emerging industry requirements.

iii. Training program for Rural and Women Artisans

A cross-scheme pool of expert trainers could be created - who can provide specialized training across these sectors, ensuring consistency and quality. Partnership with local cooperatives, women's self-help groups (SHGs), and industry partners can be built to enhance the market-readiness of trained artisans and rural entrepreneurs. It should be ensured that skill development programs for women and marginalized communities include components like digital marketing, branding, and e-commerce for expanding market access

3. Funding Mechanism

A unified funding framework can be considered by pooling financial resources from various schemes such as PMEGP, IC, PMS, and other MSME technical schemes under the broader MSME Skill Development budget. This integration would require close coordination with the Ministry of Finance. A transparent system for resource allocation is encouraged, based on regional demands, target sectors, and the number of MSMEs participating in each program. Additionally, a performance-based funding model may be adopted, where training institutions receive additional funds based on specific metrics such as course completion rates, MSME growth post-training, and job creation outcomes.

4. Capacity Building and Strengthening of Training Infrastructure

To support the increased demand from converged programs, efforts can be made to strengthen existing training infrastructure, including NSDC-affiliated institutions, MSME Tool Rooms, and Technology Centres. A comprehensive trainer capacity-building program is encouraged to enhance the capabilities of trainers across business

and technical domains. It is advisable that all participating training institutes be accredited through NSDC to ensure consistent quality standards. A dedicated space for collaboration between industries, training institutions, and MSMEs could further enable co-development of industry-relevant courses and apprenticeships. The MSME Sampark portal may also be upgraded to enhance functionality and accessibility by incorporating these additional features:

- Single Window Access: Integrate MSME Sampark with platforms like the Skill India Digital Hub and National Career Service to provide a single access point for all MSME skill development programs and resources.
- Integrated Training Calendar: Add a real-time, centralized training calendar with filters by scheme, region, and course type, along with SMS/email notifications for session reminders.
- Multilingual Support: Provide platform access in multiple regional languages for wider accessibility.

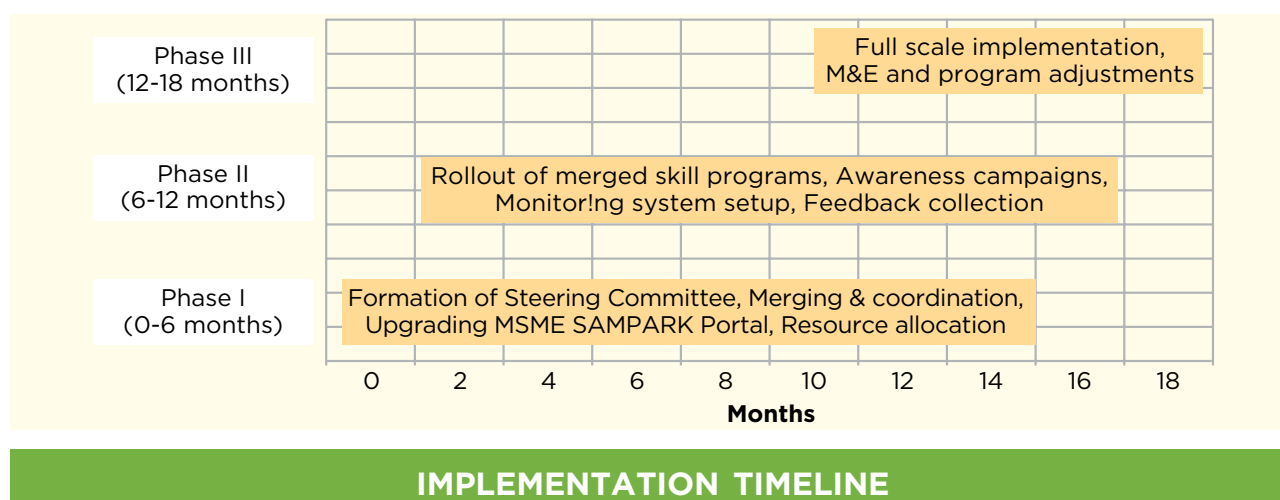
5. Monitoring and Evaluation (M&E)

An integrated online monitoring system is recommended to track the progress of the convergence initiative. Key performance indicators may include the number of MSMEs trained across schemes, participant satisfaction, business growth post-training, and employment generation. A periodic third-party evaluations can be conducted to assess the effectiveness and impact of the strategy, enabling continuous improvement.

6. Awareness and Outreach

It is important to design and implement comprehensive awareness campaigns that specifically target MSMEs located in rural and underserved regions. These campaigns should aim to inform stakeholders about the range of training programs available and highlight the tangible benefits of skill development. In addition, building strong public-private partnerships can play a crucial role in expanding the reach of these initiatives. Industry partners may be actively involved in co-developing training content and participating in outreach activities, thereby ensuring that MSMEs are not only aware of the opportunities under the converged schemes but are also well-equipped to take full advantage of them.

7. Timeline



Benefits

The key benefits of the skill development convergence approach across all three cases are:



The skill development convergence approach offers key benefits by optimizing resources, enhancing access to comprehensive skill sets, and providing tailored support for diverse beneficiary groups. By integrating similar components across programs, such as entrepreneurship and technical skills, the framework reduces duplication, maximizes resource allocation, and streamlines administrative processes for cost-effective training delivery. Beneficiaries gain access to a broader skill range, meeting the evolving needs of MSMEs in both traditional and modern markets. Each convergence case targets specific groups—like rural and women artisans or MSMEs needing technical skills—ensuring inclusive, relevant training across all MSME clusters. Additionally, the unified framework enables better monitoring and evaluation, allowing for real-time improvements and impactful skill development that directly supports MSME growth and competitiveness.

Challenges

The key challenges faced in all three cases of skill development convergence are:

Fragmentation in Skill Development Schemes: The MSME sector comprises a diverse range of entrepreneurs, including informal micro-enterprises, each with distinct skill training needs. Multiple schemes currently address these needs, but their objectives, target beneficiaries, and technical aspects vary. While certain components of skill development may appear suitable for integration, a full merger may not be feasible due to these structural differences. Additionally, efforts are already underway to enhance coordination among key stakeholders, including the Ministry of MSME, the Ministry of Skill Development and Entrepreneurship (MSDE), GeM, and SIDBI, to identify common ground and improve alignment where possible. Nevertheless, can be pursued if:

- A standardized framework is developed to accommodate sector-specific training needs within a unified system.
- Stakeholders collaborate to streamline skill development efforts while retaining the flexibility needed for targeted interventions.

Coordination Across Multiple Schemes: Integrating skill development components from various schemes like PMEGP, IC, ESDP, Tool Rooms, and Technology Centres involves aligning different objectives, funding structures, and timelines. This can lead to coordination difficulties and administrative delays.

Varied Beneficiary Needs: MSMEs in different sectors, such as rural artisans or high-tech industries, have diverse skill requirements. Therefore, designing a unified training approach that caters to all these groups without compromising relevance or quality can be challenging.

Capacity Constraints in Implementing Agencies: Many training institutions, tool rooms, and technical centers may lack the capacity to handle the increased scale and complexity of delivering converged training programs, leading to inefficiencies or delays.

Resistance to Change: Traditional industries and artisans, particularly in rural areas, may resist new training models or technologies. This can hinder the adoption of advanced skills, limiting the overall impact of the convergence initiative.

RECOMMENDATION 4: PROCUREMENT AND MARKETING SUPPORT (PMS) & INTERNATIONAL COOPERATION (IC)

The Procurement and Marketing Support includes various components such as awareness programs, Vendor Development Programs (VDPs), workshops, reimbursement for modern packaging and barcodes, promotion of e-commerce adoption, and retail outlet development. Its primary focus is on reaching first-time beneficiaries and those in aspirational districts. On the other hand, the International Cooperation scheme supports MSMEs through market development assistance in trade fairs (limited to group participation, not individuals), Capacity Building for First-time MSE Exporters (CBFTE), and an International Market Intelligence Dissemination (IMID) framework. The target group for this scheme is generally more aware and experienced in market exposure. While both schemes aim to provide marketing assistance, they differ in their components and target beneficiaries as discussed in the table below.

Table 5.5: Comparison between Procurement and Marketing Support (PMS) and International Cooperation (IC) Scheme

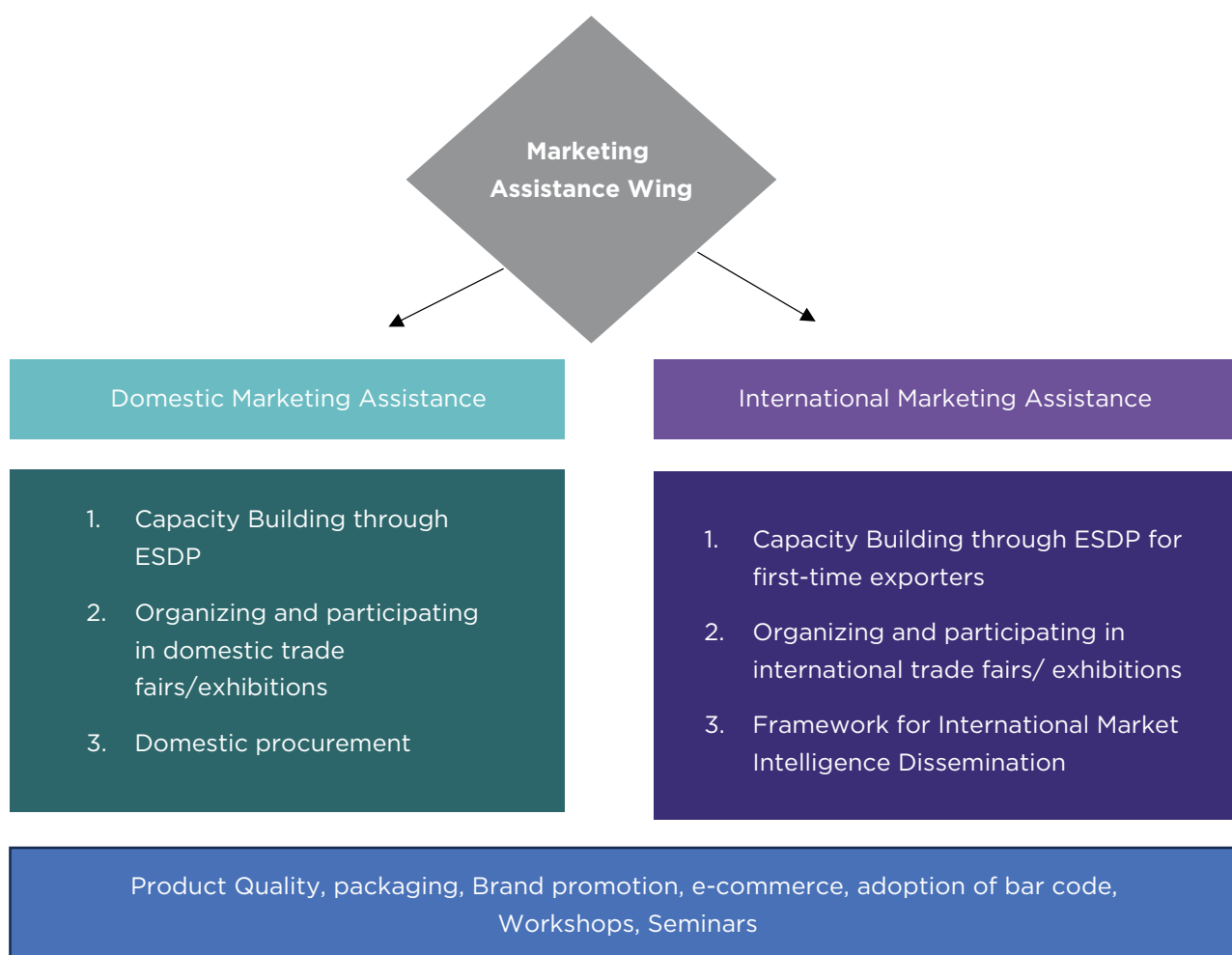
Aspect	Procurement and Marketing Support (PMS)	International Cooperation (IC) Scheme
Objective	To enhance market access for MSMEs by supporting participation in domestic trade fairs, exhibitions, e-commerce, and procurement processes.	To facilitate MSME participation in international trade events, promote exports, and foster global collaboration through technology exchange and business partnerships.
Target Audience	Micro, Small, and Medium Enterprises (MSMEs), particularly those seeking better market access and government procurement opportunities.	MSMEs, industry associations, and export-oriented enterprises aiming to expand into international markets and adopt global best practices.
Support Mechanism	Provides financial assistance for MSMEs to participate in trade fairs, B2B meetings, and vendor development programs. Supports e-commerce onboarding and government procurement linkages.	Offers funding for MSMEs to attend international exhibitions, trade delegations, and technology exchange programs. Encourages global networking and collaboration.
Skill Development	Conducts training programs on marketing strategies, branding, quality certification, and procurement procedures.	Supports training in international business practices, export compliance, quality standards, and global trade regulations.
Access to Finance	Offers financial support for exhibition space rental, stall setup, and branding expenses.	Provides financial assistance for travel, participation fees, and promotional activities in international markets.
Technology Integration	Encourages MSMEs to adopt digital marketing, e-commerce platforms, and advanced branding techniques to improve sales.	Facilitates MSME exposure to global technology trends, R&D collaborations, and best manufacturing practices through international partnerships.
Government Support	Implemented by the Ministry of MSME through various support programs, including GEM (Government e-Marketplace) integration.	Managed by the Ministry of MSME, supporting industry associations and enterprises in forming global trade alliances and technology partnerships.

Therefore, it is proposed to integrate the PMS and IC Schemes into a unified framework with two key components: Domestic Marketing Assistance and International Marketing Assistance. This approach will simplify MSMEs' access to support while fostering a comprehensive market development strategy that evolves with their needs. By optimizing processes and resources, this integrated model will enhance efficiency and synergy, ultimately strengthening government support as MSMEs expand from local to global markets. Also, MSMEs that aim to transition from domestic marketing support to international marketing support can do so seamlessly through a unified framework.

The proposal emphasizes convergence and not merger of the schemes, ensuring that the PMS and IC Schemes continue to serve their respective target groups while functioning within a cohesive framework that maximizes their collective impact.

Convergence Framework

To streamline marketing support for MSMEs, a dedicated Marketing Wing is proposed, comprising two key sub-components:



Features of Domestic Marketing Assistance wing:

The Domestic Marketing Assistance wing is proposed to focus on facilitating the participation of MSMEs in national-level exhibitions, trade fairs, and buyer-seller meets across the country. As part of this initiative, support may be extended to help MSMEs improve branding, enhance product development, and access e-commerce platforms to expand their domestic market reach. The wing may assist in promoting linkages between MSMEs and large-scale industries, as well as government departments, by encouraging participation in procurement processes through platforms such as the Government e-Marketplace (GeM). Additionally, financial support may be provided to enable MSMEs to set up stalls at domestic trade events, with the overall objective of strengthening their visibility and market presence within India.

Features of International Marketing Assistance wing:

The International Marketing Assistance wing can be designed to support MSMEs in accessing global markets by facilitating their participation in international trade fairs, business-to-business (B2B) events, and buyer-seller meets abroad. It can offer financial subsidies to help enterprises explore international markets, obtain product certifications, and undertake export promotion activities. To prepare MSMEs for global competition, this wing should provide export readiness programs aimed at enhancing their capabilities in compliance, quality standards, and documentation. Additionally, both financial and logistical support can be extended for international marketing initiatives, including promotional events and participation in trade delegations to key overseas markets.

Implementation Framework

The proposed implementation framework for the Marketing Assistance Wing focuses on operationalizing the Domestic Marketing Assistance and International Marketing Assistance components to effectively support MSMEs. Relevant MSME policy-making bodies, in collaboration with state governments, industry experts, marketing professionals, external evaluators, and other key stakeholders, will play a crucial role in designing, executing, and monitoring marketing support interventions. This framework consists of several key elements:

1. Governance Structure

Creation of the wing, comprising representatives from relevant government departments, industry associations, and MSME stakeholders to oversee the implementation of the unified marketing assistance framework. Form dedicated teams for Domestic and International Marketing Assistance, each responsible for program development, execution, and evaluation.

2. Resource Allocation and Budgeting

A balanced and responsive approach to resource allocation is advisable, ensuring that funding is distributed equitably between domestic and international components in accordance with program demand and actual uptake. This ensures that both segments receive the necessary support to grow and scale effectively. Additionally, it is recommended to explore collaborative partnerships with private sector entities and international organizations to secure supplementary funding and technical support. Such partnerships can enhance the sustainability and reach of marketing initiatives, while also bringing in global best practices and innovative models of implementation.

3. Program Development and Design

Domestic Marketing Assistance:

In enhancing domestic marketing assistance for MSMEs, it would be beneficial to develop a comprehensive calendar of key national events, exhibitions, and trade fairs where MSMEs can showcase their products. Alongside this, establishing a streamlined and accessible application process for financial support will help MSMEs participate more effectively in these events. Strengthening collaboration with design experts and

marketing professionals is encouraged to facilitate specialized workshops and offer one-on-one consulting on branding strategies and product improvements. Partnerships with leading e-commerce platforms may also be explored, along with providing MSMEs with the necessary tools, training, and handholding to develop and maintain a robust online presence. Additionally, forging linkages with large-scale industries can help create procurement opportunities, while platforms like the Government e-Marketplace (GeM) may be leveraged to connect MSMEs with government buyers.

International Marketing Assistance:

For international marketing assistance, it is advisable to begin by identifying and prioritizing key global markets that align with the strengths and potential of Indian MSMEs. Financial assistance schemes could be designed to support enterprises aiming to explore these markets. Targeted training programs focusing on international compliance requirements, market research techniques, and export documentation processes would help prepare MSMEs for global trade. Strategic partnerships with logistics and shipping companies could be considered to provide MSMEs with preferential rates and logistical support during international outreach efforts. Moreover, organizing trade missions to selected countries, supported by both logistical coordination and financial subsidies, can significantly enhance the global visibility and competitiveness of Indian MSMEs.

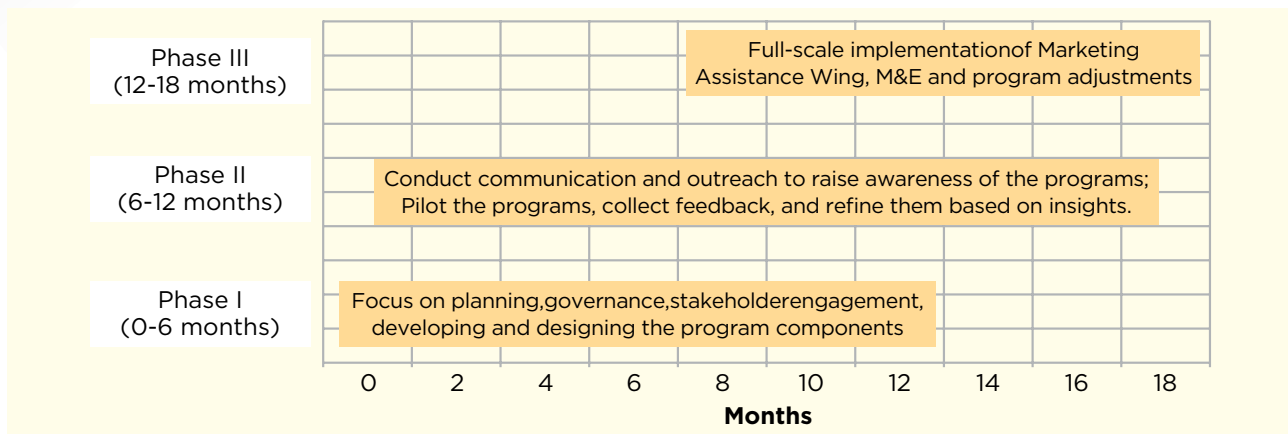
4. Communication and Outreach

It is advisable to design and implement comprehensive awareness campaigns to effectively inform MSMEs about the newly established unified marketing assistance framework. These campaigns should communicate the types of support available under both domestic and international components, along with step-by-step guidance on how to access these resources. To further support MSMEs in navigating the system, a dedicated single-point contact mechanism—such as a national helpline—may be established. This helpline can serve as a reliable source of information and assistance, addressing queries related to eligibility, application procedures, and program benefits, thereby ensuring timely and accurate support for MSMEs across the country.

5. Monitoring and Evaluation

To ensure the effectiveness of the unified marketing assistance framework, it is recommended to develop a set of clearly defined KPIs for both the domestic and international components. These indicators may include the number of MSMEs supported through the program, measurable increases in sales and market reach, participation rates in training sessions and promotional events, and other relevant impact metrics. Establishing such performance benchmarks will enable continuous monitoring and facilitate evidence-based decision-making. In parallel, a structured feedback mechanism should be implemented to gather insights directly from participating MSMEs regarding the relevance and utility of the assistance provided. Incorporating MSME feedback into program design will help refine strategies, improve delivery mechanisms, and ensure the initiatives remain responsive to the evolving needs of the sector.

6. Timeline



IMPLEMENTATION TIMELINE

Benefits

The key benefits of the above-mentioned convergence approach are:



The convergence of the domestic and International marketing-based schemes into a unified framework offers several key benefits for MSMEs. Firstly, it provides simplified access, enabling MSMEs to engage with a single point of contact for all their market promotion activities, thus eliminating the confusion and complexity of navigating multiple schemes. This consolidation not only streamlines the process but also enhances efficiency by reducing administrative costs and complexity associated with overlapping components. As a result, resources can be utilized more effectively, ensuring that support reaches the intended beneficiaries. Moreover, the integrated marketing strategy aligns domestic and international marketing efforts, creating a comprehensive market access strategy that caters to the diverse needs of various MSMEs. This holistic approach allows for scalability, as enterprises can begin by leveraging domestic market assistance to build

their capabilities and confidence before transitioning to international marketing support as they grow. Ultimately, this convergence fosters an environment where MSMEs can thrive, adapt, and compete effectively in both local and global markets.

Challenges

Different Target Groups: The primary focus of PMS is on reaching first-time beneficiaries, including those from aspirational districts, to enhance their domestic market reach. The IC Scheme, on the other hand, is designed to support market development for MSMEs at an international level. The MSMEs benefiting from IC generally have higher awareness and exposure compared to those under PMS. Nevertheless, convergence can be explored if a tiered support mechanism is developed, where PMS focuses on domestic market preparedness while IC provides advanced international market support. A sequential progression model could be introduced, allowing MSMEs to transition from PMS to IC once they meet specific eligibility criteria.

Administrative Disruptions: Merging the two schemes may result in initial administrative disruptions. Existing bureaucratic structures may need to be realigned, and staff may need training to adapt to the unified scheme's new processes and objectives, which could lead to delays and resistance.

Resource allocation: Deciding how to allocate resources between domestic and international components could be a challenge. The demands of international marketing activities often require substantial funding, potentially leading to an imbalance where resources for domestic support are reduced.

Barriers for Smaller Enterprises: Smaller or newly established MSMEs may feel overwhelmed by a single scheme that encompasses both domestic and international components. They may find it challenging to understand and access the appropriate support, especially if they are not yet ready for international exposure.

Market Dynamics: The dynamics of domestic and international markets are vastly different. Strategies that work domestically may not be applicable internationally. Designing a unified scheme that can effectively adapt to both sets of market conditions without compromising the quality of support could be difficult. Therefore, it is very important to design the scheme with flexible options so MSMEs can choose the type of support that fits their current stage and requirements. The scheme guidelines should provide clear guidelines, establish clear roles, responsibilities, and communication channels, allocate resources in a balanced manner, and review periodically to ensure neither component is underfunded.

RECOMMENDATION 5: MSME INNOVATIVE & A SCHEME FOR PROMOTING INNOVATION, RURAL INDUSTRIES & ENTREPRENEURSHIP (ASPIRE)

It has been observed that the ASPIRE scheme has relatively low awareness despite being an established scheme. On the other hand, MSME Innovative, which offers similar support for promoting innovation and entrepreneurship, is widely recognized and utilized by MSMEs. Given the overlap in objectives and support structures between these two schemes, it is proposed to merge ASPIRE with MSME Innovative. The ASPIRE scheme, which aims to promote rural entrepreneurship and innovation, has experienced limited uptake due to

gaps in awareness, outreach, and alignment with market realities. By converging it with MSME Innovative—which has broader visibility and greater adoption—the resources of ASPIRE can be better utilized.

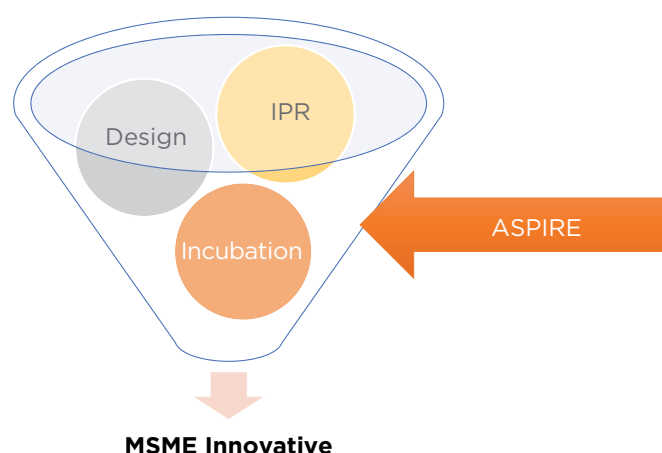
The MSME Innovative scheme is an amalgamation of three former schemes—Incubation, Design, and IPR Schemes of the Ministry of MSME⁹². It is a component of the MSME Champions Scheme and was established to provide a holistic approach by unifying, synergizing, and converging three sub-schemes under a common objective. Similarly, the ASPIRE scheme promotes innovation in agro and rural-based enterprises through incubators. Integrating ASPIRE with MSME Innovative can create a more cohesive and effective framework to support innovation across all MSMEs, including the agro-rural sector. The table below provides details of the similarities between both schemes:

Table 5.6: Comparison between MSME Innovative and ASPIRE

Aspect	MSME Innovative	ASPIRE
Objective	Promote innovation and entrepreneurship in MSMEs. Supporting Business Incubators (BI).	Promote innovation, and entrepreneurship in the agro and rural-based industries. Setting up Livelihood Business incubators (LBI).
Target Audience	MSMEs across sectors	Agro- Rural entrepreneurs, and start-ups
Support Mechanism	Financial support, incubation, hand-holding, and R&D assistance	Livelihood Business Incubators (LBIs), financial support, hand-holding and R&D assistance
Skill Development	Provides training to enhance MSME capabilities	Focus on entrepreneurship and skill development through incubators
Access to Finance	Provides grants and funding opportunities for procuring plant & machinery, nurturing ideas – HI & BI.	Offers financial assistance to LBI, HI & MI for procuring plant & machinery, nurturing ideas and operational expenses. ASPIRE Fund of Funds with SIDBI used
Technology Integration	Promotes the adoption of advanced technologies	Adoption of new technologies in the agro-rural sector.
Government Support	Ministry of MSME	Ministry of MSME

Both schemes—MSME Innovative (Incubation) under MSME Champions and ASPIRE—share the same objective of fostering innovation through incubation, utilizing a similar funding mechanism through Host Institutes. However, ASPIRE specifically focuses on the agro-rural sector, while MSME Innovative targets the entire MSME spectrum. Another difference is that ASPIRE has a separate Fund of Funds managed by SIDBI to invest in early-stage enterprises and start-ups within the agro-rural sector.

Convergence Framework



ASPIRE could be integrated into MSME Innovative as a **special category** dedicated to agro-rural enterprises. The existing corpus fund available under the ASPIRE Fund of Funds until the current financial year can be utilized as it is. However, from the upcoming financial years, a certain percentage of the budget of MSME Innovation can be reserved specifically for incubators related to the agro and rural economy.

While ASPIRE primarily focuses on **agro-based incubators**, its integration within MSME Innovative will not limit the scope to agriculture alone. Instead, it will **broaden access to advanced technology incubation** by leveraging the already diverse framework of MSME Innovative. This approach will **ensure a balanced, sector-agnostic model** while still addressing the specific needs of agro-based startups.

Implementation Framework

Authorities responsible for MSME development, along with key functionaries of ASPIRE and MSME Innovation, relevant financial institutions, state governments, and external evaluators, will play critical roles in designing, executing, financing, and assessing this integration. The implementation framework for integrating ASPIRE into MSME Innovation as a special category for agro-rural enterprises would be:

1. Strategic Planning and Budget Allocation

It is important to begin by clearly outlining the objectives for integrating ASPIRE within the MSME Innovation framework, with a specific focus on supporting agro-rural enterprises. As part of the budget planning process, a defined percentage of MSME Innovation's budget should be allocated to agro-rural-focused incubators starting from the upcoming financial year. During the transition period, the existing corpus under ASPIRE's Fund of Funds can be allocated to support agro-rural incubators. A structured plan should also be developed for budget allocation post-convergence, ensuring that Host Institutes (HIs), Livelihood Business Incubators (LBIs), and Mentor Institutes (MIs) that specialize in agro-rural enterprises continue to receive targeted support and maintain program continuity. Additionally, it is advisable to conduct consultations with key stakeholders, including government bodies, incubators, and rural enterprise representatives, to align on program objectives and implementation needs.

2. Establish the Agro-Rural Enterprise Category in MSME Innovation

A dedicated category under MSME Innovation should be created specifically for agro-rural enterprises. Within this category, eligibility criteria and operational guidelines need to be established to direct funding and support to Host Institutes, Livelihood Business Incubators, and Mentor Institutes that focus on agro-rural industries. To ensure broad awareness and uptake, an outreach campaign could be launched to inform potential incubators and MSMEs operating in agro-rural sectors about this new support mechanism.

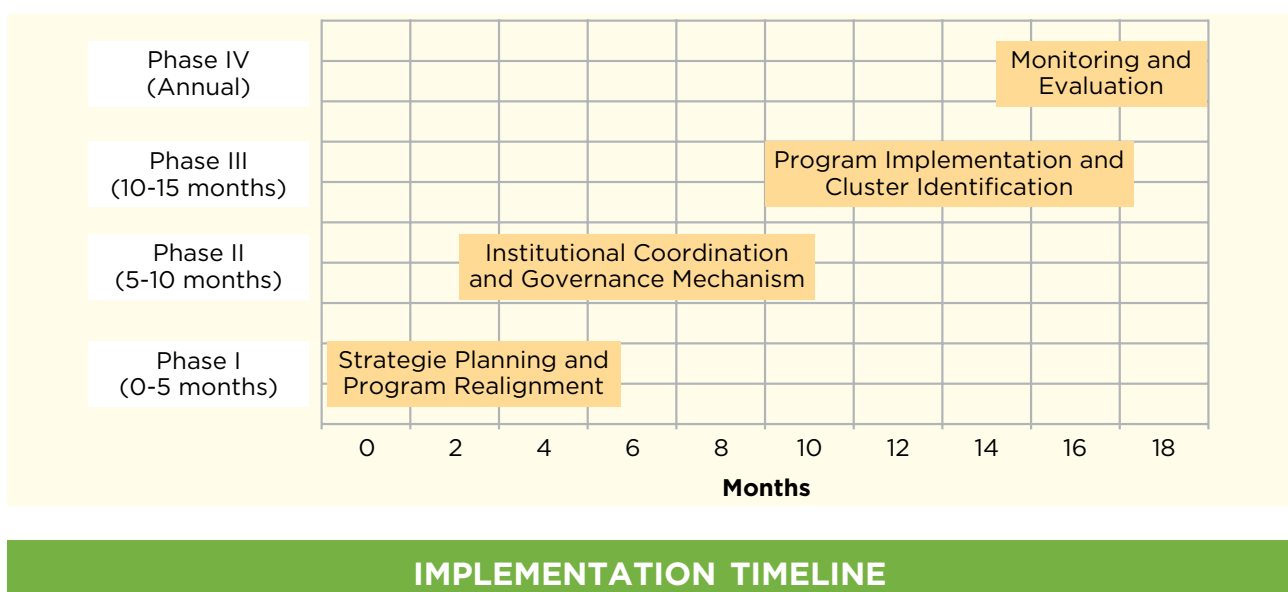
3. Operationalize and Support Agro-Rural Incubators

Disbursement of grants could commence for Host Institutes, LBIs, and MIs based on their eligibility and alignment with the goals of supporting agro-rural enterprises. In parallel, training and capacity-building programs can be organized to strengthen the capabilities of these incubators in serving agro-rural communities effectively. A monitoring framework needs to be established to assess the early impact and overall progress of the incubators receiving support under this initiative.

4. Review, Feedback, and Budget Continuity (Ongoing/Annually)

At the end of each financial year, a review could be conducted to evaluate the performance and impact of the agro-rural category within the MSME Innovation program. Feedback should be gathered from participating incubators and supported MSMEs to identify areas for improvement and enhance program effectiveness. Based on the outcomes of the review, the reserved budget percentage allocated to agro-rural enterprises within MSME Innovation may be adjusted to ensure that targeted and continuous support is sustained over time.

5. Timeline:



Benefits

The key benefits of the proposed convergence approach are:



The convergence of ASPIRE with MSME Innovative brings several key benefits for agro-rural industries. First, it enables broader access to essential resources, such as support for Design and Intellectual Property Rights (IPR), which helps agro-based enterprises develop unique products and protect their innovations. Additionally, agro-rural businesses stand to benefit from MSME Champions' digitization initiatives, giving them greater access to digital tools and platforms that can improve productivity, expand market reach, and enhance adaptability in today's economy. The merger also integrates ASPIRE into a larger, comprehensive support system within MSME Innovative, granting agro-rural enterprises access to a wider range of expertise and resources, ultimately streamlining their experience in receiving aid. Lastly, the inclusion of a reserved budget for agro-rural initiatives ensures sustained and focused financial support for Host Institutes, Livelihood Business Incubators (LBIs), and Mentor Institutes (MIs), enabling them to grow without competing for resources allocated to other sectors.

Challenges

Risk of Dilution of Focus: There is a potential risk that the distinct focus of ASPIRE on agro-rural industries may be diluted within the broader framework of MSME Innovative. Ensuring dedicated resources and attention to agro-rural needs will be essential.

Complex Resource Management: Allocating resources specifically for agro-rural enterprises within a larger MSME budget could create administrative complexities. Clear guidelines and oversight, possibly managed by SIDBI, would be required to avoid resource diversion to other areas.

Maintaining Specialized Support for LBIs: The merger could make it challenging to retain ASPIRE's unique focus on Livelihood Business Incubators (LBIs) essential for agro-rural development. SIDBI's continued involvement in managing the reserved budget would help maintain this targeted support.

Potential Operational Adjustments for Stakeholders: With ASPIRE integrated, stakeholders accustomed to its standalone operation might face initial adjustments to align with MSME Innovative processes. Transition support and training will be needed to facilitate a smooth adaptation to the new structure.

ENSURING EFFECTIVE AND INCLUSIVE MSME SUPPORT MECHANISMS

Considering feedback from stakeholders and research findings, it is recommended that a cautious approach be taken regarding the merging of existing MSME schemes, particularly those created for specific target groups. Maintaining the integrity of targeted initiatives like the National SC/ST Hub and the Promotion of MSMEs in the North Eastern Region (NER) is crucial, as these programs address unique socio-economic and cultural challenges. Merging such schemes could dilute their effectiveness and hinder their ability to provide focused support to marginalized communities. Similarly, programs with a broad beneficiary base, like the Prime Minister's Employment Generation Programme (PMEGP), should remain untouched, as they serve a diverse array of MSMEs and play an essential role in job creation and economic growth. Their large-scale impact should not be compromised through convergence. For schemes where convergence is not possible, enabling collaboration among different programs could be the ideal approach. This can be achieved through joint workshops, training sessions, and outreach efforts that maximize each scheme's impact while ensuring that the distinct needs of specific groups are met. Additionally, training and resources for administrators should be prioritized to enhance their understanding of the unique challenges faced by various communities, enabling them to provide more tailored support and interventions.

However, for schemes with similar objectives and delivery mechanisms, convergence should be prioritized, allowing for optimal resource utilization and reducing administrative redundancies. This process must be accompanied by a robust mechanism to prevent inefficiencies and ensure that the intended beneficiaries continue to receive targeted support. To facilitate effective implementation, a coordinated governance structure should be established to oversee the transition, address operational challenges, and track outcomes.

MOMSME SCHEMES:

S No.	Schemes	Guidelines
1	MSME Champions	https://dcmsme.gov.in/CLCS_TUS_Scheme/MSME%20Innovative%20Scheme%20Guidelines.pdf https://www.dcmsme.gov.in/schemes/clcs-tus/LEAN-Operational-Guidelines.pdf https://zed.msme.gov.in/uploads/Subsidy_Women.pdf
2	Raising and Accelerating MSME Performance (RAMP)	https://www.nimsme.org/news-article/raising-accelerating-msme-performance-ramp-scheme
3	International Cooperation (IC) Scheme	https://ic.msme.gov.in/IC_APP/WriteReadData/GuideLine/Final%20and%20approved%20IC%20Scheme%20Guidelines-2021.pdf
4	Assistance to Training Institutions (ATI) Scheme	https://msme.gov.in/sites/default/files/PDF%20REVISED%20ATI%20GUIDELINES%20English%201.9.2016%20%281%29.pdf
5	Technology Centres Scheme	https://dcmsme.gov.in/CLCS_TUS_Scheme/new-Technology-Centers/Scheme_Guidelines.aspx#:~:text=by%20these%20Centres-,Guidelines,the%20vacant%20built%20up%20spaces.
6	Marketing Assistance Scheme	https://msme.gov.in/sites/default/files/MAScheme-New-18112014.pdf
7	Promotion of MSME in NER and SIKKIM	https://www.dcmsme.gov.in/schemes/Revised_Guidelines_on_31May2022.pdf
8	Self-Reliant India (SRI) Fund	https://dcmsme.gov.in/Final%20SRI%20Operating%20Guidelines%20%20approved%20by%20Minister%20%2017%2008%202021.pdf
9	Credit Guarantee Scheme for Micro & Small Enterprises (CGTMSE)	https://www.cgtmse.in/Default/ViewFile/?id=1673390907997_CGTMSE%20-%20Scheme%20Document%20CGS%20I_updated%20as%20on%20Jan%2010,%202023.pdf&path=Page
10	Procurement and Marketing Support (PMS) Scheme	https://dcmsme.gov.in/OM%20&%20PMS%20Scheme%20Guidelines.pdf

11	Prime Minister's Employment Generation Programme (PMEGP)	https://www.kviconline.gov.in/pmegp/pmegpweb/docs/pdf/PMEGPscheme.pdf
12	Entrepreneurship Skill Development Programme (ESDP) Scheme	https://msmedi.dcmsme.gov.in/Manuals/Approved%20ESDP%20Guidelines_new.pdf
13	A Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship (ASPIRE)	https://aspire.msme.gov.in/WriteReadData/DocumentFile/ASPIRE_NEW.pdf
14	Scheme of fund for regeneration of traditional industries (SFURTI)	https://sfurti.msme.gov.in/WriteReadData/Circular/SFURTI_NEW.pdf
15	Micro & Small Enterprises Cluster Development Programme (MSE-CDP) Scheme	https://www.dcmsme.gov.in/schemes/New-Guidelines.pdf
16	National SC-ST Hub Scheme	https://www.scsthub.in/sites/default/files/NSSH_Guidelines_o.pdf
17	Coir Vikas Yojana	https://msme.gov.in/sites/default/files/Revised_Operation_Guidelines_of_CVY.pdf
18	Khadi Gramodyog Vikas Yojana	https://msme.gov.in/sites/default/files/RevisedoperationalGuidelinesofGVY.pdf
19	PM Vishwakarma - Enabling Artisans and Craftspeople to Build Enterprises	https://jrghbank.in/tenders/PM%20VISHWAKARMA-SCHEME%20GUIDELINES.pdf

STATE SCHEMES:

Telangana:

S. No	Scheme Name	Guidelines
1	T-IDEA (Telangana State Industrial Development and Entrepreneur Advancement) Incentive Scheme, 2014	https://industries.telangana.gov.in/Library/2015INDS_MS77.pdf
2	T -PRIDE(Telangana State Programme for Rapid Incubation of Dalit Entrepreneurs Incentive Scheme)	https://industries.telangana.gov.in/Library/2015INDS_MS78.pdf
3	Telangana State Industrial Project Approval and Self-Certification System (TS-iPASS)	https://ipass.telangana.gov.in/viewpdf.aspx?enc=olSBrXI6rl1gh1ZI/gAtClkxOo/1mEK3ZEGd-edYO3dbgHlf+VSWFL6LVs+mm8Rg6nTRHe7ix-LA1Uzvt6vtEOd7yNOIXTsEGt9qK4Uv6FedkHCt/kkWVR29+JYNYHIZscBFbJdq58wnda+4yAdp-gLI0kO7S3yIF5rB2c2iHYP+7tg9EjvNHByfVEv-NylEWGg+UoSdX02uK/fnSHrc+5C7QINOm-v0Fbs9y8MefluZR0L8=
4	Scheme for economic development of ST entrepreneurs	https://startup.telangana.gov.in/wp-content/uploads/2021/06/cmstei_scheme_details.pdf
5	Self Employment Scheme	https://industries.telangana.gov.in/selfemployment.aspx
6	Bank linked schemes	https://tsmfc.in/schemeinfo.php?id=5
7	Suvidha Incubation	https://www.msmekipathshala.com/webkype/assets/pdf/SCHEMES%20OF%20DIFFERENT%20STATE%20GOVERNMENTS%20/SCHEMES%20DETAIL%20OF%20TELANGANA%20STATE.pdf
8	T-Fund (Telangana Innovation Fund)	https://www.startupindia.gov.in/content/dam/invest-india/Templates/public/state_startup_policies/Telangana-Innovation-Policy-Issued-GO.pdf

S. No	Scheme Name	Guidelines
9	The Telangana Handloom Weavers Thrift Fund Saving and Security Scheme (THWTFSSS) “Nethannaku Cheyutha”.	https://www.msmekipathshala.com/webkype/assets/pdf/SCHEMES%20OF%20DIFFERENT%20STATE%20GOVERNMENTS%20/SCHEMES%20DETAIL%20OF%20TELANGANA%20STATE.pdf
10	Common fiscal incentives for all companies	https://www.msmekipathshala.com/webkype/assets/pdf/SCHEMES%20OF%20DIFFERENT%20STATE%20GOVERNMENTS%20/SCHEMES%20DETAIL%20OF%20TELANGANA%20STATE.pdf

Maharashtra:

S.No	Scheme Name	Guidelines
1	Industrial Promotion Subsidy (IPS)	https://maitri.mahaonline.gov.in/PDF/Industrial%20Promotion%20Subsidy%20(IPS)%20under%20Indus-trial%20Policy%20-%20modification%20under%20Goods%20and%20Services%20Tax%20(GST)%20regime.pdf
2	Interest Subsidy Incentive	https://maitri.mahaonline.gov.in/PDF/Package%20Scheme%20of%20Incentives%20-%202019.pdf
3	Exemption from Electricity Duty	https://maitri.mahaonline.gov.in/PDF/Package%20Scheme%20of%20Incentives%20-%202019.pdf
4	Waiver of Stamp Duty	https://maitri.mahaonline.gov.in/PDF/Package%20Scheme%20of%20Incentives%20-%202019.pdf
5	Power tariff Subsidy	https://maitri.mahaonline.gov.in/PDF/Package%20Scheme%20of%20Incentives%20-%202019.pdf
6	Additional Incentives for Strengthening MSMEs	http://di.maharashtra.gov.in/_layouts/15/doistaticsite/English/investors_guide_psi.html

West Bengal:

S.No	Scheme Name	Guidelines
1	Bhabisyat Credit Card Scheme	https://wbmsme.gov.in/sites/default/files/cms/circularpdf/bhabishyat_credit_card.pdf
2	Karma Sathi Prakalpa	https://wbxpress.com/files/2021/01/1825-MSMET.pdf
3	Banglashree Scheme	https://www.wbsidcl.in/assets/contents/incentive_scheme_4420_msmet-09112023.pdf
4	Interest Subsidy on Term Loan (IS)	https://msme.icaai.org/wp-content/uploads/2022/12/West-Bengal-1.pdf

S.No	Scheme Name	Guidelines
5	Textile Incentive Scheme	https://msme.icaai.org/wp-content/uploads/2022/12/West-Bengal-1.pdf
6	Finance Clinic	https://wbmsmet.gov.in/ki_ies_finclnrcs
7	Incentive Scheme 2020 for approved Industrial Park	https://wbmsme.gov.in/sites/all/themes/anonymous/pdf/SAIP%202020_Notification.pdf
8	Rural Entrepreneurship Hub	https://wbmsme.gov.in/sites/all/themes/anonymous/pdf/reh_for_website.pdf
9	Silpa Disha	https://msme.icaai.org/wp-content/uploads/2022/12/West-Bengal-1.pdf
10	Silpa Sathi	https://silpasathi.wb.gov.in/msme_Incentives
11	State Capital Investment Subsidy	https://wbmsme.gov.in/sites/all/themes/anonymous/pdf/SAR_642_MS___MAT_Department_Revenuey_31.07.2020_.pdf

Uttar Pradesh:

S.No	Scheme Name	Guidelines
1	ODOP Scheme	https://abhinavpahal.nic.in/uploads/Od7X2fcBcYODOP.pdf
2	Common Facility Centre (CFC) Scheme	https://odopup.in/site/writereaddata/siteContent/201904171130237521cfc_scheme.pdf
3	Marketing Development Assistance Scheme	https://epbupindia.in/Home/MDA
4	Skill Development and Toolkit Distribution Scheme	https://odopup.in/site/writereaddata/siteContent/201905081050489239odop-sceam.pdf
5	Uttar Pradesh Chief Minister Youth Self Employment Scheme	https://up.nic.in/news/launch-of-mysy-mukhyamantri-yuva-swarojgar-yojana-portal-for-directorate-of-industries-and-enterprise-promotion-government-of-uttar-pradesh/
6	Scheme for Promoting Establishment of Private Industrial Parks 2017	https://invest.up.gov.in/wp-content/themes/investup/pdf/Private-Industrial-Park_Scheme.pdf
7	Land Incentives	https://msme.icaai.org/wp-content/uploads/2021/06/UP-MSME-Policy.pdf
8	Land Use Conversion	https://msme.icaai.org/wp-content/uploads/2021/06/UP-MSME-Policy.pdf

S.No	Scheme Name	Guidelines
9	Special Purpose Vehicles (SPV) Formation	https://msme.icaai.org/wp-content/uploads/2021/06/UP-MSME-Policy.pdf
10	Stamp Duty Exemption	https://invest.up.gov.in/uttar-pradesh-micro-small-medium-enterprises-promotion-policy-2022/
11	Employee Provident Fund (EPF) Reimbursement	https://invest.up.gov.in/uttar-pradesh-micro-small-medium-enterprises-promotion-policy-2022/
12	Capital Interest subsidy	https://invest.up.gov.in/uttar-pradesh-micro-small-medium-enterprises-promotion-policy-2022/
13	Infrastructure interest subsidy	https://invest.up.gov.in/uttar-pradesh-micro-small-medium-enterprises-promotion-policy-2022/
14	Industrial quality development subsidy	https://invest.up.gov.in/uttar-pradesh-micro-small-medium-enterprises-promotion-policy-2022/
15	Land conversion waiver	https://invest.up.gov.in/uttar-pradesh-micro-small-medium-enterprises-promotion-policy-2022/
16	Electricity charges reimbursement	https://invest.up.gov.in/uttar-pradesh-micro-small-medium-enterprises-promotion-policy-2022/
17	A Small, Medium Enterprise Venture Capital Fund (SMEVCF)	https://invest.up.gov.in/wp-content/themes/investup/pdf/Medium-Small-Micro-Enterprise-brochure.pdf
18	Vishwakarma Shram Samman Yojna	https://upid.ac.in/vishwakarma-shram-samman-yojana-vssy/

Gujarat:

S.No	Scheme Name	Guidelines
1	Gujarat Industrial Policy 2020	https://ic.gujarat.gov.in/documents/commondoc/2020/Industrial-Policy2020.pdf
2	Gujarat MSME Export Promotion Scheme	https://slbcgujarat.in/wp-content/uploads/2021/04/Compendium-of-schemes-and-guidelines-for-MSME-sector-Final.pdf
3	Assistance of Capital Investment Subsidy	https://slbcgujarat.in/wp-content/uploads/2021/04/Compendium-of-schemes-and-guidelines-for-MSME-sector-Final.pdf
4	Assistance for Interest Subsidy for Manufacturing & Service Sector	https://slbcgujarat.in/wp-content/uploads/2021/04/Compendium-of-schemes-and-guidelines-for-MSME-sector-Final.pdf

S.No	Scheme Name	Guidelines
5	Assistance for Quality Certification (ERP Assistance)	https://slbcgujarat.in/wp-content/uploads/2021/04/Compendium-of-schemes-and-guidelines-for-MSME-sector-Final.pdf
6	Net SGST Reimbursement	https://msme.icaai.org/wp-content/uploads/2022/12/Gujarat.pdf
7	Assistance for Quality Certification (Quality certification)	https://msme.icaai.org/wp-content/uploads/2022/12/Gujarat.pdf
8	Financial Support to MSMEs in ZED Certification	https://ic.gujarat.gov.in/documents/commondoc/2023/Draft%20ZED%20Guideline.pdf
9	EPF Reimbursement	https://msme.icaai.org/wp-content/uploads/2022/12/Gujarat.pdf
10	Assistance in implementation of Information and Communication Technology	https://ic.gujarat.gov.in/documents/commondoc/2023/Draft%20ICT%20Guideline.pdf
11	Assistance for Technology Acquisition	https://ic.gujarat.gov.in/assistance-for-technology-acquisition.aspx
12	Assistance for Patent Registration	https://msme.icaai.org/wp-content/uploads/2022/12/Gujarat.pdf
13	Assistance for saving in consumption of Energy and Water	https://msme.icaai.org/wp-content/uploads/2022/12/Gujarat.pdf
14	Rehabilitation of Sick Enterprises	https://imd.gujarat.gov.in/Document/2016-7-29_650.pdf
15	Power connection charges	https://msme.icaai.org/wp-content/uploads/2022/12/Gujarat.pdf
16	reimbursement of rent	
17	Assistance for raising Capital through SME Exchange	https://ic.gujarat.gov.in/documents/pagecontent/Sme%20Final%20Guideline_24-10-2017-gen.pdf

Tamil Nadu:

S.No	Scheme Name	Guidelines
1	Grant of Quality Certification Reimbursement of Charges (Qcert)	https://www.msmetamilnadu.tn.gov.in/pdf/msme_e_35_2019.pdf
2	Promotion of Energy Audit and Conservation of Energy (PEACE)	https://msmeonline.tn.gov.in/incentives/pdf/peace_ea_cye.pdf

S.No	Scheme Name	Guidelines
3	New Entrepreneur Cum Enterprise Development Scheme (NEEDS)	https://www.dictiruchi.in/needs.pdf
4	Unemployed Youth Employment Generation Programme (UYEGP)	https://msmeonline.tn.gov.in/uyegp/pdf/uyegp_go_66.pdf
5	Annal Ambedkar Business Champions Scheme (AABCS)	https://msmeonline.tn.gov.in/uyegp/pdf/uyegp_go_66.pdf
6	MSME Skill Training and Employment Scheme	https://msmeonline.tn.gov.in/uyegp/pdf/uyegp_go_66.pdf
7	Subsidy for Fund Raising from SME Exchange	https://www.msmeonline.tn.gov.in/incentives/html_cye_sme.php
8	Incentive for Patent Registration/ Trade Mark Registration / Geographical Indications	https://www.msmeonline.tn.gov.in/incentives/html_cye_ipr.php
9	Reimbursement of Stamp Duty & Registration Charges	https://www.msmeonline.tn.gov.in/incentives/html_cye_stamp.php
10	Pay Roll Subsidy	https://www.msmeonline.tn.gov.in/incentives/html_cye_pay.php
11	Power Subsidy- LTPT	https://www.msmetamilnadu.tn.gov.in/new-schemes.php
12	Generator Subsidy	https://www.msmetamilnadu.tn.gov.in/new-schemes.php
14	Subsidy for Fund Raising	https://www.msmetamilnadu.tn.gov.in/new-schemes.php
15	BACK - ENDED INTEREST SUBSIDY	https://www.msmetamilnadu.tn.gov.in/beis.php#:~:text=Back%2Dended%20interest%20subsidy%20of,Fund%20Trust%20Scheme%20(CGTMSE).



सत्यमेव जयते

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