MSME

MARKET SIZE

**Trend point:** As on March 31, 2022, the Udyam Registration portal registered 80,16,457 MSMEs.

### Market Size

#### Sector Overview

The number of MSMEs increased by a CAGR of 18.5% from 2019 to 2020. According to Sidbi-TransUnion Cibil report, in FY21, the loan disbursements to MSMEs stood at Rs. 9.5 trillion (US$ 128.06 billion), a 40% increase compared with Rs. 6.8 trillion (US$ 91.66 billion) in FY20. This rise was driven by the government’s increased focus on schemes, such as the Emergency Credit Line Guarantee Scheme (ECLGS), to strengthen the country’s MSME sector.

#### Statutory Bodies

The MSME Ministry heads five statutory bodies—KVIC, Coir Board, NSIC, NI-MSME, and MGIRI. These bodies are responsible for aiding MSMEs with respect to government schemes and policies.

- **KVIC**: Khadi and Village Industries Commission
- **Coir Board**: National Institute for Micro, Small, and Medium Enterprises, (NI-MSME)
- **NSIC**: National Small Industries Corporation Limited (NSIC)
- **NI-MSME**: National Institute for Micro, Small and Medium Enterprises, (NI-MSME)
- **MGIRI**: Mahatma Gandhi Institute for Rural Industrialisation (MGIRI)

### Key MSME States

<table>
<thead>
<tr>
<th>Key MSME States</th>
<th>Percentage Share</th>
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<tbody>
<tr>
<td>Maharashtra</td>
<td>20.32%</td>
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<tr>
<td>Tamil Nadu</td>
<td>10.67%</td>
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<tr>
<td>Gujarat</td>
<td>8.08%</td>
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<tr>
<td>Uttar Pradesh</td>
<td>7.86%</td>
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<tr>
<td>Rajasthan</td>
<td>7.72%</td>
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</table>

### GOVERNMENT INITIATIVES

- **MSME Databank**: Technology Centre Systems Programme

### Key Points

- **Sector Overview**: The number of MSMEs increased by a CAGR of 18.5% from 2019 to 2020. According to Sidbi-TransUnion Cibil report, in FY21, the loan disbursements to MSMEs stood at Rs. 9.5 trillion (US$ 128.06 billion), a 40% increase compared with Rs. 6.8 trillion (US$ 91.66 billion) in FY20. This rise was driven by government’s increased focus on schemes, such as the Emergency Credit Line Guarantee Scheme (ECLGS), to strengthen the country’s MSME sector.

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- **Government Schemes**: In November 2021, the Indian government launched the Special Credit Linked Capital Subsidy Scheme (SCLCSS) for the services sector. This scheme will help enterprises in the services sector meet various technology requirements.

- **Policy Support**: In July 2021, the Indian government announced inclusion of retail and wholesale trades as MSMEs to strengthen the sector and boost economic growth.