



GOVERNMENT OF INDIA
MINISTRY OF MICRO,
SMALL & MEDIUM ENTERPRISES

MSMEs TO Champions



Technology
The Enabler

भारत
आत्मनिर्भरता की ओर ...



“ Our responsibility to make the 21st century, the century of India, will be fulfilled by the pledge of self-reliant India.

– Narendra Modi
Prime Minister



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Nitin Jairam Gadkari
Minister
Ministry of Micro, Small and
Medium Enterprises



Pratap Chandra Sarangi
Minister of State
Ministry of Micro, Small and
Medium Enterprises

INDIAN MSMEs:

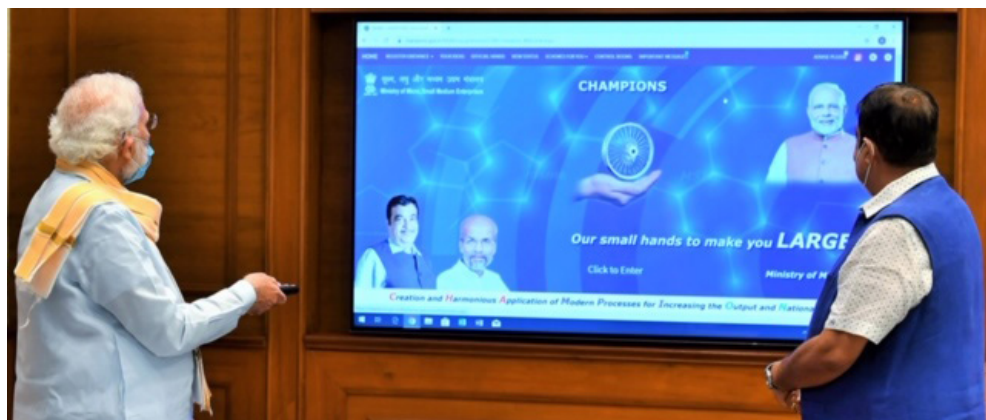
A NEW BEGINNING

Micro, Small and Medium Enterprises popularly called as MSMEs have been the backbone of Indian economy. Silently operating in different areas across the country, more than 6 crore MSMEs have a crucial role to play in building a stronger and self-reliant India. These small economic engines have a huge impact on the country's GDP- making a contribution of around 30 percent. They contribute to almost half of exports from the country. Additionally, more than 11 crore people are employed in the MSME sector.

In the aftermath of COVID-19 pandemic, the MSME sector was badly hit. MSME Ministry is committed to support the MSMEs, and the people who depend on them. It is the vision of the Ministry to see that MSME sector withstands the present challenges successfully and out of the sector, a number of units become domestic and global champions. Ministry is doing its best and will continue to do the same in future also.

Our Hon'ble Prime Minister was quick to recognize the role of MSMEs in building the Nation. That is why MSMEs formed a very prominent part of the announcements made under the Aatmanirbhar Bharat package, aimed at reviving the economy post Covid. All efforts are being made to encourage MSMEs to take benefit of the initiatives under the package.

In that spirit and direction, in recent months, the MSME Ministry has been very proactive in helping the small businesses of India realize their true potential. Ministry has undertaken numerous initiatives that are aimed at empowering the MSMEs to tide over the present crisis and become drivers of growth for the Indian Economy. Some of the key reforms undertaken by the Ministry to foster the growth of MSME sector are highlighted below:



A

Need for the Reform:

The COVID-19 pandemic has caused unprecedented disruptions to economic activities across countries. The pandemic has severely affected and continues to disrupt domestic production network, trade, services and MSMEs thereby affecting overall growth and welfare.

- MSME sector was the most affected sector during the countrywide lockdown and there was no dedicated platform for MSMEs to resolve their grievances in various fields related to finance, raw material, labour, regulatory permissions and also provide them relevant information to deal with pandemic.
- The MSMEs were not able to reach directly to the concerned authority for resolution of their queries, hence, Champions Portal was launched with the aim to make one-stop-shop to solve their grievances, encouraging, supporting, helping and handholding them.



25,800+
GRIEVANCES RECEIVED

24,300+ (98%)
GRIEVANCES REPLIED TO

(as on 31 Dec 2020)



B Approach and Present Impact:

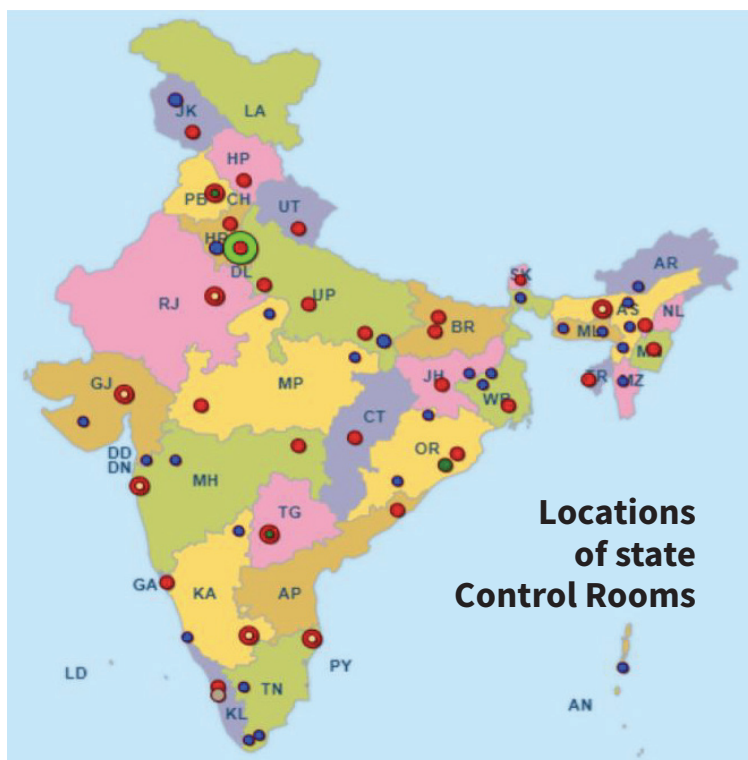
Hon'ble Prime Minister Shri Narendra Modi launched the technology platform CHAMPIONS on 1st June, 2020. CHAMPIONS is an online platform to help and handhold the MSMEs specially in this difficult time. CHAMPIONS stands for Creation and Harmonious Application of Modern Processes for Increasing the Output and National Strength.

It is an ICT based technology system aimed at making the smaller units big by solving their grievances, encouraging, supporting, helping and handholding throughout the business lifecycle.

- Key objective of CHAMPIONS includes:
 - i) **Grievance Redressal:** To resolve the problems of MSMEs including those of finance, raw materials, labor, regulatory permissions etc. particularly in the Covid created difficult situation;
 - ii) **To help them capture new opportunities:** including manufacturing of medical equipments and accessories like PPEs, masks, etc and supply them in National and International markets;
 - iii) **To identify and encourage the sparks:** i.e. the potential MSMEs who are able to withstand the current situation and can become national and international champions.

E-GOVERNANCE AT ITS BEST

- The platform facilitates a single window solution for all needs of MSMEs.
- The web based platform Champions is a control room-cum-management information system. As part of the system, it is seamlessly connected to 68 state control rooms in a hub & spoke model.
- The hub is situated in New Delhi in Secretary MSME's office and the spokes are covered in all states in various offices and institutions of Ministry.



- Champions platform is an integrated approach to provide a single window solution to MSMEs. It is integrated with Delayed payment monitoring portal (MSME SAMADHAN), Udyam Registration and MSME Idea portal.

- Ministry has onboarded public sector banks, private sector banks, regional rural banks and other financial institutions to provide extended support for finance facilitation/ resolving grievances through CHAMPIONS platform.
- Information on regular updates on recent development in MSME sector is being provided through the platform.
- **New Schemes** : Information on new schemes and announcements related to MSMEs
- **Existing Schemes of MSMEs**: Up to date information on Existing Schemes of MSMEs
- **Schemes for Startups**: Separate section in the portal on various initiatives undertaken by the Government to promote Start up culture in the country
- **Latest News Section**: Dedicated section on latest news with the information of recent development in the MSME space along with various notifications of new initiatives undertaken by the Government to foster the growth of MSME sector
- **FAQs**: Comprehensive data bank of FAQs covering relevant schemes and initiatives undertaken by the Government of India. The FAQ section covers vast area of topics to answer the most pertinent questions of MSMEs.

Frequently Asked Questions about MSME schemes

[View all Questions](#)

Show 20 entries

Search:

General Questions

Q 1. → What kind of business comes under MSME?

Ans : All Business activities - Services and Manufacturing are covered in MSME sector except activities as mentioned in O.M. 5/2(1)/2020-P&G/Policy dated 17.07.2020.

[Click Here](#)

Q 2. → Is GST mandatory for MSME?

Ans : As per para 5(3) of the Notification no. S.O. 2119/E dated 26.06.2020, the turnover related figures of such enterprise which do not have PAN will be considered on self-declaration basis for a period up to 31st March, 2021 and thereafter, PAN and GSTIN shall be mandatory.

Q 3. → Are traders eligible for MSME?

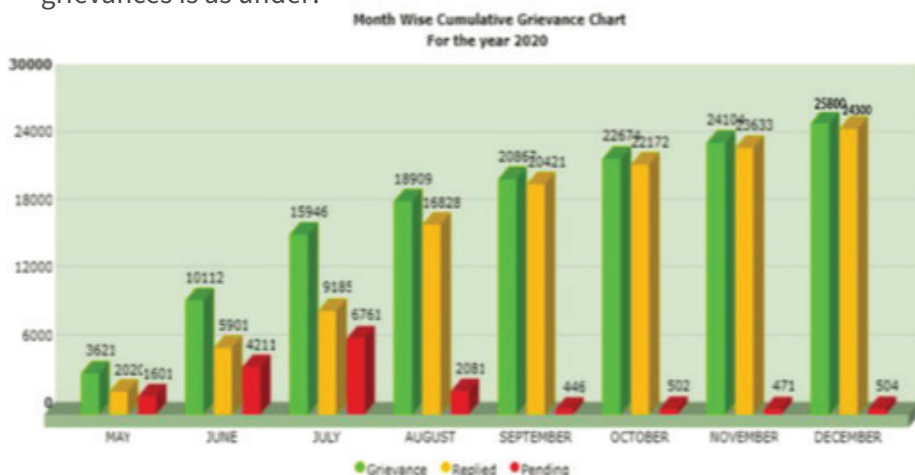
Ans : As per the current definition of MSME, wholesale and Retail trade (vide O.M. 5/2(1)/2020-P&G/Policy dated 17.07.2020) are not eligible to register as MSMEs.

Q 4. → How many days it will take to get MSME certificate?

Ans : To facilitate the procedure of MSME registration in accordance with the revised MSME definition, Ministry of MSME launched a new portal - Udyam Registration Portal (udyamregistration.gov.in), on 1st July 2020. It is a unified portal with registration process that is free of cost, paperless and digital. The portal is aimed at reducing transaction time and costs for entrepreneurs and promote Ease of Doing Business. Generally it takes 2-3 days, in cases wherein GST/PAN details are part of registration. Those without PAN details, the certificate is available on the same day.

- **Artificial Intelligence Corner Tab:** The portal also has an AI Corner to showcase all Social media AI analytics under the Champions portal. This section includes the most trending schemes, MSME issues, positive and negative sentiments etc.

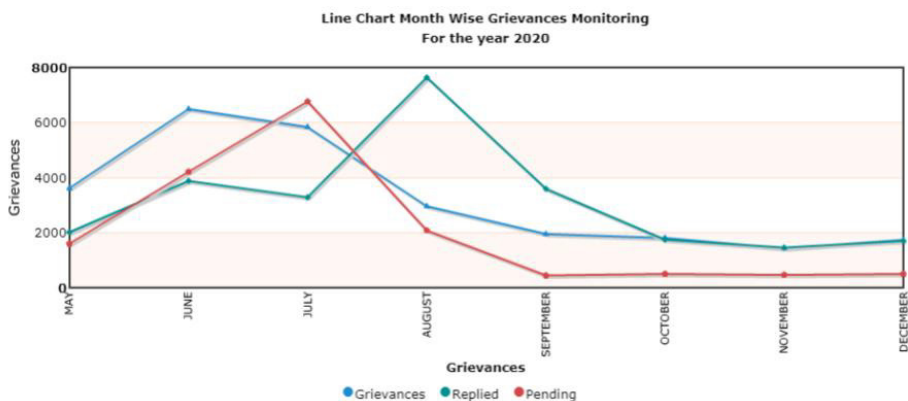
- As on 31 Dec 2020, 25800+ grievances have been received on the portal, of which 24300+ i.e. around 98% have been replied. Month wise details of grievances is as under:



- During the initial outbreak of COVID-19 pandemic, the portal has been very helpful to provide the all possible support to MSMEs in various areas. Details of month wise grievances received on the portal is as under:

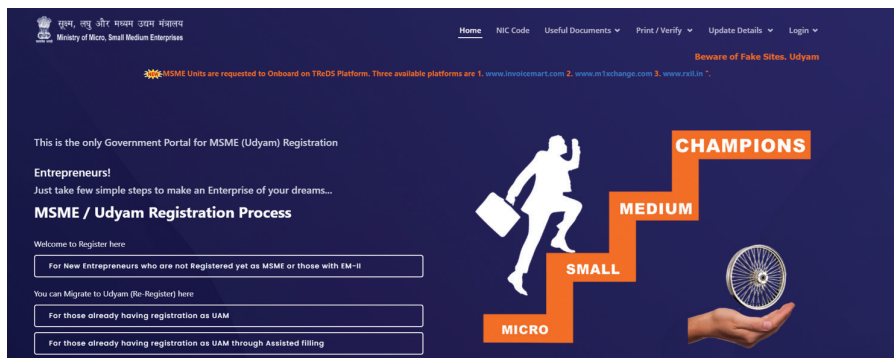
C Future Impact:

- The portal aims to be a single window solution for all needs of MSMEs by integration with various portals of MSME and providing necessary guidance to starters/ MSMEs.
- It will help in capturing new opportunities, identify and encourage potential MSMEs to help them become national and international champions.
- The portal will also help MSMEs to widen the market access and integration with global value chain to help them become competitive in international market.



D Additional Information/ Value Adds:

- With a view to resolve grievances pertaining to other department & organizations, the portal has also onboarded other stakeholders like banks (54) including RRBs, CPSEs (52), State Govt. (25), Ministries/ Deptt.(16) to provide extended support for facilitation/ resolving of issues through Champions Portal.
- More than 750 FAQs have also been uploaded on the portal related to MSME schemes for the benefit of MSME.



A

Need of the Reform

With a view to promote formalization of MSMEs and ease of doing Business, Udyog Aadhaar Memorandum (UAM) for registration of MSMEs was mooted by Prime Minister Narendra Modi in his 'Mann Ki Baat', on October 3, 2014.

- While the UAM brought MSMEs under the formal and organized side of their existence, the process to avail UAM number was complex and time consuming. Moreover, due to the provision of self-certification the UAM was prone to multiple registration by a single entity.
- Further, in line with Government of India's top focus on energizing MSMEs in the country, Government approved the upward revision of MSME definition on 1st July 2020 under the Aatmanirbhar Bharat Package.
- The government revised the MSME classification by inserting composite criteria of both investment and annual turnover. Also, the distinction between the manufacturing and the services sectors under the MSME definition has been removed. The new criteria of classification is expected to bring many benefits that will aid MSMEs to grow in size.
- Apart from an upward revision of the investment thresholds, an additional criterion of turnover has also been introduced.



In view of the above, there was a need of a portal to facilitate MSME registration aligned with revised definition of MSMEs in a simplified and seamless manner. Accordingly, Udyam Registration Portal was conceptualized.

B Approach and Present Impact:

The Ministry issued a notification dated on 1st June 2020 regarding an upward revision of definition of MSMEs. Apart from the old criteria of categorization of MSMEs on the basis of investment in Plant and Machinery/Equipment, an additional criterion of turnover has been included. This upward revision is expected to pave way for strengthening and growth of the MSMEs. Particularly, the provision of excluding the exports from counting of turnover will encourage the MSMEs to export more and more without fearing to forgo the benefits of a MSME enterprises. This is expected to exponentially add to exports from the country leading to more growth and economic activity and creation of jobs.

As a result of change in classification criteria, an enterprise is being classified as a micro, small or medium enterprises on the basis of the following criteria, namely: -

a) Micro enterprise: where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees;

b) Small enterprise: where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; and

c) Medium enterprise: where the investment in plant and machinery or equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

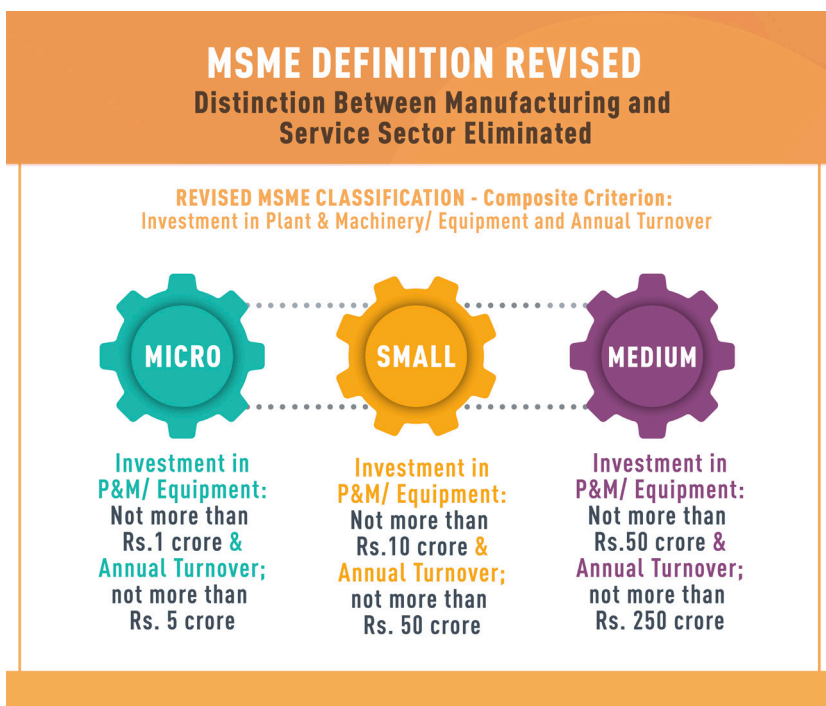
To facilitate the procedure of MSME registration in accordance with the revised MSME definition, Ministry of MSME launched a new portal–Udyam Registration Portal (udyamregistration.gov.in), on 1st July 2020.

- Udyam Registration Portal is a unified portal with registration process free of cost, paperless and digital. The portal is aimed at reducing transaction times and costs for entrepreneurs and promote Ease of Doing Business.
- The new MSME registration process is extremely simple, seamless, and entrepreneur friendly. It is a globally benchmarked process and a revolutionary step towards Ease of Doing Business.
- It is totally paperless and based on self-declaration. We are not asking for any information or documents from the registering MSMEs.
- All the relevant data is being fetched from Income Tax and GST Networks in the backend.
- Udyam registration offers entrepreneurs to avail incredible advantages under the current MSME scheme of the Government.
- Ministry of MSME has also commenced API integration of Udyam Registration portal with GeM so that MSEs can participate in Government procurement easily.

- Key highlights of the Udyam Registration process are as under:
 - MSME registration process is fully online, paperless and based on self-declaration. No documents or proof are required to be uploaded for registering an MSME;
 - Adhaar Number will be required for registration;
 - A Registration number will be given after registration;
 - After completion of the process of registration, an Udyam Registration Certificate will be issued;
 - This certificate will have a dynamic QR Code from which the web page on our Portal and details about the enterprise can be accessed;
 - There will be no need for renewal of Registration;
 - PAN & GST linked details on investment and turnover of enterprises will be taken automatically from the respective Government data bases;
 - MSME Ministry's online system is fully integrated with Income Tax and GSTIN systems;
 - No enterprise is supposed to file more than one Udyam Registration. However, any number of activities including manufacturing or service or both may be specified or added in one Registration;
 - Government 's Facilitation mechanism in the name of single window systems at Champions Control Rooms and at DICs will help people in this process;
 - Registration Process is totally free. No Costs or Fees are to be paid in this regard.
- As on 31st Dec, more than 16.5 Lakh MSMEs have registered under Udyam Registration Portal.

Future Impact:

While the upward revision is expected to pave the way for strengthening and growth of the MSMEs, the new simplified way of registration is envisaged to promote 'Ease of Doing Business'. Moreover simple, transparent, authentic online system which will help in formalization of MSME sector.



TECHNOLOGY SUPPORT TO MSMEs BY MINISTRY'S TECHNOLOGY CENTERS TO PRODUCE COVID-19 RELATED MEDICAL ITEMS AND AUXILIARIES AND MARKETING SUPPORT THROUGH E-PLATFORM



A

Need for the Reform:

During COVID-19, the demand for hand sanitizer and its bottles increased dramatically. Accordingly, the demand for Bottle Dispenser (pumps) increased manifold (50 lakh per day).

- The pre-covid manufacturing capacity of bottle dispensers/pumps in the country was at around 5 lakh per day.
- To meet the demand, efforts were being made to import lot of dispensers from China (Rs 4 - 5 per dispenser).
- The supply chain from abroad was totally disturbed, which led to huge price rise (Rs 30 per dispenser) for such dispensers in the country. This resulted in hike of the prices of sanitizers in the market.
- Further, there was a need for a marketplace where products can be displayed and can be delivered across India.

Approach and Present Impact:

i) Support to MSMEs by Ministry's Technology Centers to produce Covid-19 related Medical Items and Auxiliaries:

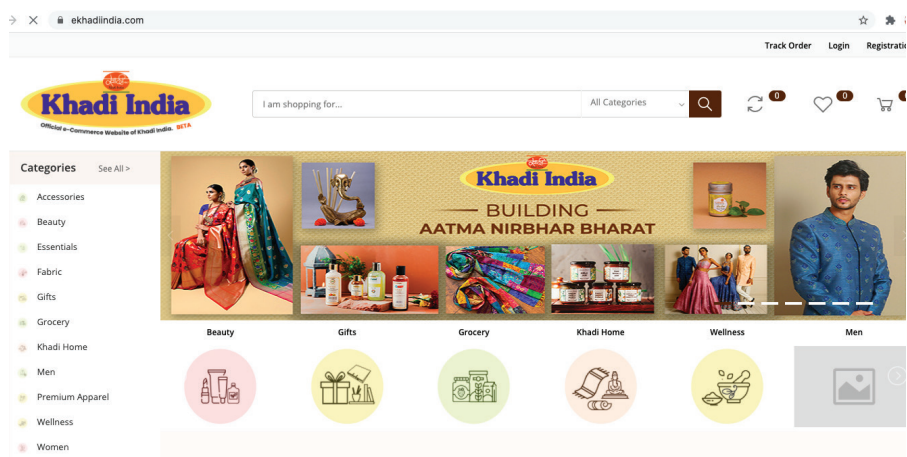
In the beginning of May, 2020, several rounds of meetings were held with the concerned stakeholders and Ministry's officials and Tool Rooms (TRs) and Technology Centers (TCs). Meetings were also held with the industry including All India Plastic Manufacturers Association (AIPMA), All India Medical Devices Manufacturers Association etc. to understand how to ramp up local manufacturing of dispensers.

- The private sector was motivated to expand the capacities. However, it was realized that sudden increase in manufacturing is not possible. This situation was because the moulds were not available in the country. So far, the industry was importing moulds also.
- TCs were motivated to take up this activity. Seven moulds were required for manufacturing the pump components. Ministry approved grant for TCs for purchase of new machinery worth Rs. 26 crore for various products. TCs took the challenge of manufacturing the moulds for dispensers as Multi cavity (16 or 24 cavity) moulds were not being manufactured in the country. To reduce the timelines, the required seven moulds were parallelly distributed to a number of TCs located at various places (Ahmadabad, Ludhiana, Aurangabad, Jamshedpur, Hyderabad, Mumbai).
- As the outcome of the efforts made by TCs, two sets of the moulds were provided by our TCs to the industry for manufacturing of sanitizer pumps; Flip cap moulds of 30 mm and 24 mm were developed by TC Ludhiana; Inspired by this, now, some private tool rooms are also manufacturing moulds.
- Because of the above, today, we are almost self sufficient in dispenser manufacturing. The current approx. manufacturing (though dynamic) is 40 lakh per day. Cost has come down to Rs. 5.50 from Rs. 23 in April-May 2020. Many Indian companies have started manufacturing and have surplus stock.

- Further, with a view to promote manufacturing sanitizer to fulfill the market demand, the Government also liberalized licensing for manufacturing of the sanitizers. Sugar Mills, Distilleries, FMCG were motivated to start manufacturing sanitizers.
- One Technology Centre of the Ministry of MSME namely Fragrance & Flavour Development Centre (FFDC) at Kannauj was asked to take license for sanitizer and alcohol to manufacture sanitizer. It developed and manufactured the hand sanitizers as per WHO standards and supplied to the healthcare system in and around Kannauj.
- The Ministry of MSME provided funds to FFDC for purchase of packaging line and other equipment. FFDC followed the guidelines of NPPA for maximum rates for the sanitizer, whereas in the private market, it was selling at higher rates. FFDC sold more than 90,000 bottles & 400 cans of Hand Sanitiser and supplied to the various Govt. Organizations like Northern Railways, Banks etc. Sanitizer testing facility was also created, and testing has been started.
- Further, sample for Ayurvedic/ cosmetic Sanitizer have been developed using natural aroma which are under testing (CSIR-National Botanical Research Institute, Lucknow). Fragrance for sanitizer has also been developed. At present, the availability of the sanitizer material is sufficient in the country.
- In addition to above, UV Sanitizer Boxes were also designed and manufactured by our TC at Ramnagar and the design was given to the Industry.
- Technology Centres also started manufacturing face shields and masks during the period when the country was facing peak shortage in these items. Today, the country is self-sufficient in masks. Similarly, TC Chennai fabricated close-all PPB using hot tape sealing machine. TC Meerut installed blood penetration testing equipment for testing PPE kit. Similar/ related testing facilities are also set up at our Okhla TC for gloves and close-all PPB Kits.

ii) Launch of e-commerce Platform (www.ekhadiindia.com): A revolutionary step towards online and B2C outreach of MSME products.

There has been a steady rise in demands for Khadi and Village Industries products over the last few years with 2018-2019 alone witnessing the surge of 25%. However the reach of Khadi products was limited due to limited presence of Khadi outlets across the country. With a view to make natural Khadi India products easily accessible to the customers across India through e-marketing, Ministry's khadi arm-Khadi & Village Industries Commission (KVIC) launched e-commerce Portal **www.ekhadiindia.com** on 1st Jan 2021. This move was also necessitated by covid resultant restrictions on physical exhibition & marketing.



- The platform is the first of its kind government's online shopping platform to boost rural economy and become self-sustainable.
- It is another step of Ministry towards Prime Minister's Vocal for local call and to continue fulfilling the growing demand of khadi products amid Covid.
- In addition to domestic market, the portal will help Indian local products & producers reach the global markets.

- The portal is a step towards building an ecosystem that enables MSMEs to help achieve the Prime Minister's goal of "Aatmanirbhar Bharat". The Key features of ekhadiindia.com that sets it apart from other online ecommerce platforms includes:

- Exclusively focuses on Khadi and Villages Industries products.
- Authentic Khadi Trade Mark products are available only through this portal.
- The portal is at par with any other modern technology rich ecommerce portal. The website catalogues over 1500 products across various consumer verticals.
- It's built on an ecosystem where any SME/Artisans/Weavers can directly sell their products thus driving the country towards digital India.
- The products range from apparel, grocery, cosmetics, home décor, health and wellness products, essentials and gifts.
- Available in both website and mobile app versions with digitized Payment ecosystem.
- This digital e-market place will give a major push to sale of Khadi products and with a nationwide reach to consumers and will generate opportunities for weavers, artisans, craftsmen and entrepreneurs working with the Khadi and Village Industries.

C Future Impact:

- During the early stages of the pandemic, a number of medical items and auxiliary items like face mask, PPE, sanitizer, face shield etc. were being imported from China.

- Due to the sustained efforts of the government, now our local industries including the MSMEs have started producing all these items in the country and even started to export.
 - A major role was played by the technology Centers of M/o MSME that have provided the requisite help to the MSMEs through government funded innovations and design support.
 - Technology centres are of utmost importance as they will help in increasing production, reducing unemployment and fulfil the dream of a self-reliant country.
 - Ekhadi Portal is a futuristic digital marketplace fulfilling the customer's growing shift towards natural products and supply the products at their door steps, especially by the new generation consumers. The portal is an answer to the call of youth demographics who prefer online shopping over offline shopping. Further, it will benefit weavers, artisans, craftsmen and farmers by providing a platform to sell their products across India.
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**AND HENCE, MSME MINISTRY IS
AMONG PROUD RECEIPIENTS OF
DIGITAL INDIA AWARDS-2020,
GIVEN BY
HON. PRESIDENT OF INDIA
ON 30TH DECEMBER**

DECEMBER 2020



भारत आत्मनिर्भरता की ओर ...



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