



BACKGROUNDERS
Press Information Bureau
Government of India

From Enterprise to Empowerment: The MSME Story

Engines of Growth in a Changing Economy

26 June 2026

From artisans and rural enterprises to innovative manufacturers, MSMEs are powering India's growth story. Through sustained reforms, digitalisation and targeted support, millions of enterprises are gaining greater access to finance, technology, skills and markets. The sector's expanding contribution to employment, manufacturing and exports underscores its growing significance. As India advances towards Viksit Bharat 2047, the sector will continue to play a pivotal role in driving employment, entrepreneurship and sustainable economic development.

India's MSMEs: Powering Inclusive Economic Growth

In every corner of India, enterprises take a different form. It could be a weaver preserving generations of craftsmanship, a small manufacturer serving global markets, a woman entrepreneur building a business, or a young innovator building a startup. Diverse in scale and sector yet united in spirit, these millions of enterprises form the foundation of India's MSME ecosystem.

Today, MSMEs are far more than business enterprises. They are engines of employment, innovation and inclusive growth, creating opportunities across rural

and urban India alike. **Driven by formalisation, digital transformation and sustained policy interventions**, the sector continues to expand. It is strengthening its contribution to the economy while advancing the vision of *Aatmanirbhar Bharat* and *Viksit Bharat 2047*. From enterprise to empowerment, the MSME story is increasingly becoming a story of India's growth and transformation.

The United Nations designated **27 June** as **Micro, Small and Medium-sized Enterprises (MSME) Day**. The observance raises awareness of the significant contribution of MSMEs towards achieving the **United Nations Sustainable Development Goals (SDGs)**.

As key drivers of economic growth, MSMEs play a critical role in building resilient and inclusive economies. In recognition of this imperative, the theme for MSME Day 2026 is **"Empowering MSMEs through Innovation and Sustainable Industrial Development."**

India Strengthens Global MSME Cooperation through BRICS

In June 2026, India hosted the First BRICS MSME Forum and the Third SME Working Group Meeting under its BRICS Chairship. Under the theme “**Building MSME Ecosystems: Sustainable Roots to Global Routes,**” member countries shared best practices and policy initiatives for MSME development. Discussions focused on improving access to finance, technology adoption and sustainable growth for MSMEs.

India's MSME Landscape: Scale, Diversity and Impact

MSMEs today play a pivotal role in driving India's economic growth and industrial development. Reflecting their expanding role in the economy, the Government revised the definition of MSMEs with effect from 1 April 2025. Based on investment and annual turnover, it provides enterprises greater room to expand while continuing to benefit from policy support.

Category	Investment in Plant & Machinery/ Equipment	Annual Turnover
Micro Enterprise	Up to ₹ 2.5 crore	Up to ₹ 10 crore
Small Enterprise	Up to ₹ 25 crore	Up to ₹ 100 crore
Medium Enterprise	Up to ₹ 125 crore	Up to ₹ 500 crore

DID YOU KNOW?

Credit Assessment Model (CAM) is a digital loan appraisal system that uses verified data to enable faster and objective assessment of MSME loan applications.

Between 1st April and 31st December, 2025, Public Sector Banks sanctioned more than 3.96 lakh MSME loan applications using a new **digital credit assessment system**. The total value of these sanctions exceeded ₹52,300 crore.

The January 2026 data shows that the sector contributes about **31.1% in GDP, 35.4% in manufacturing output** and **48.58% in exports**. With **more than 38.9 crore people employed**, MSMEs are the **second-largest source of employment** after agriculture.

Beyond economic indicators, MSMEs are nurturing a vibrant entrepreneurial culture across the country. The sector has emerged as a **gateway for first-generation entrepreneurs, women-led enterprises and youth-led ventures**, particularly in semi-urban and rural areas. This transformation is being reinforced by a series of enabling reforms. Initiatives such as the digital Credit Assessment Model and enhanced equity support to

SIDBI are expanding their access to formal finance.



A Year of Transformation

The year 2025-26 marked a significant chapter in India's MSME growth story. It witnessed several landmark achievements that strengthened India's MSME ecosystem across formalisation, credit access, technology adoption, grievance redressal and market development.

Formalisation Reaches New Heights

- **Registrations** under the Udyam Registration Portal and Udyam Assist Platform crossed **8.7 Crore as on June 2026**.
- The expansion of the formal enterprise base improved access to institutional finance, government schemes and market opportunities for millions of micro and small businesses.

Expanding Access to Credit

- The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) **completed 25 years of operation**.
- **29.03 lakh guarantees** have been approved **amounting to ₹3.77 lakh crore** during the period 1st January to 30th November, 2025.
- To improve credit availability, the **guarantee coverage ceiling** was enhanced from **₹5 crore to ₹10 crore**, enabling larger collateral-free support for MSMEs.

Khadi and Village Industries & Coir Sector Scale New Heights

- **Sales** of Khadi and Village Industries crossed **₹1.27 lakh crore** during the year.
- The sustained growth reflected rising demand for locally produced goods and the increasing role of rural enterprises in employment generation.
- The **Coir sector** also witnessed **strong export growth** and technology adoption. The coir **exports** reached **₹6614.40** in 2025-26.

Responsive and Technology-Driven Governance

- The **MSME Samadhaan Portal** continued to address delayed payment disputes faced by Micro and Small Enterprises. As on June 2026, the portal **received 2,56,892 applications** involving **claims worth ₹55,244.29 crore**. Of these, **58,148 cases were successfully disposed** of by MSE Facilitation Councils.
- The CHAMPIONS Portal strengthened grievance redressal for enterprises. During 2025-26, it **received 39,494 grievances**, of which 39,387 were resolved, achieving a **disposal rate of 99.72%**.
- The Government also **launched the Online Dispute Resolution (ODR) Portal**. It aims to **reduce the incidence of delayed payments** for MSEs and expand access to a technology-enabled ODR mechanism.



Improving Market Access

- Procurement by Central Public Sector Enterprises and Government entities is monitored through the **MSME Sambandh Portal**. As of June 2026, **118 CPSEs** procured goods and services **worth ₹31,443.32 crore during FY 2026–27**. Of this, **54.51% was sourced from MSEs**, benefiting more than 29,769 enterprises across the country.
- The MSME, Khadi and Village Industries Commission (KVIC), National SC-ST Hub (NSSH), and Coir Pavilions showcased the theme “**Vibrant MSMEs, Viksit Bharat**” at the **44th India International**

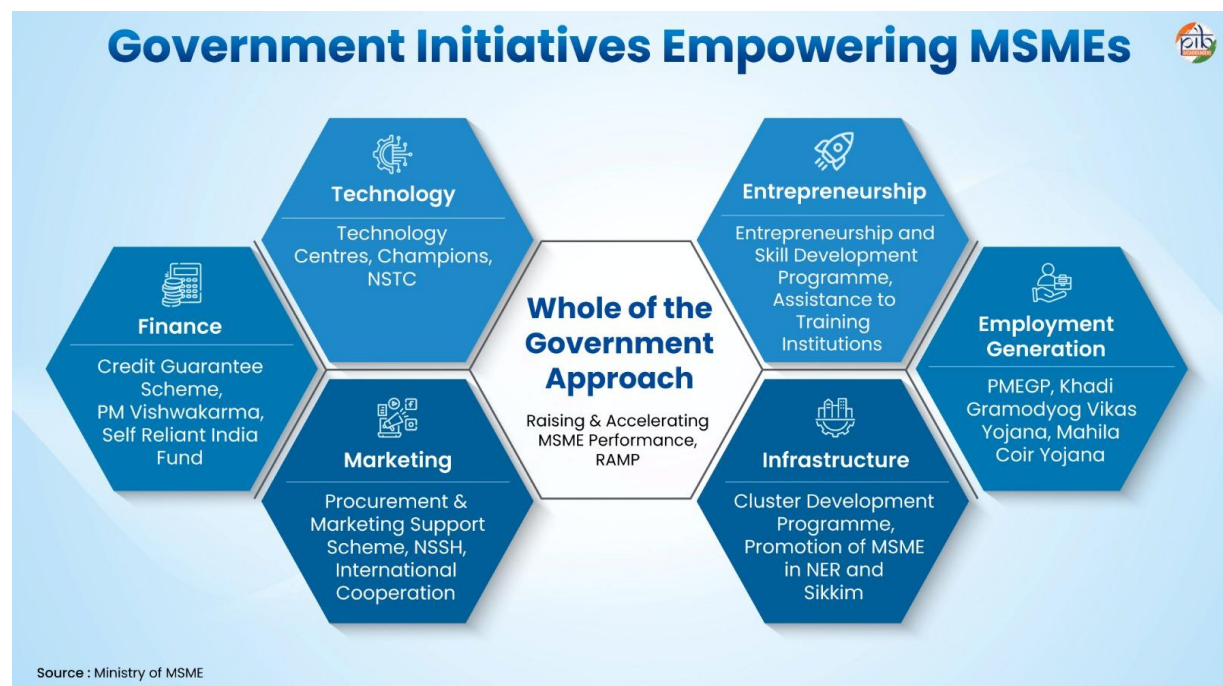
Trade Fair (IITF) 2025. Their efforts were recognized with the Silver Medal under the 'Empowering India' category.

- A total of **292 stalls** were allotted to MSMEs and Vishwakarmas from 29 States and Union Territories. **More than 67% of the stalls were allotted to women entrepreneurs**, over **34% to SC/ST entrepreneurs**. Additionally, 15 stalls were provided to entrepreneurs with disabilities.

Together, these milestones reflect the continued efforts to build a more competitive, innovative and future-ready MSME ecosystem.

Empowering the Udyami with Policies & Initiatives

At the heart of India's MSME success story lies a strong ecosystem of policy support and institutional interventions. Through initiatives focused on entrepreneurship and enterprise development, the Government is enabling millions of businesses to unlock new opportunities and contribute to economic growth.



PM Vishwakarma

PM Vishwakarma provides **end-to-end support to artisans and craftspeople** engaged in **18 traditional trades**. The scheme has emerged as a major catalyst for artisan empowerment, through skill training, toolkit support, digital transactions and marketing assistance. The target of **30 lakh beneficiary registrations**, originally planned for four years, was achieved within just two years.

The Scheme's Transformative Multi-Dimensional Impact:

- **Skill Upgradation:** Over 24 lakh beneficiaries have completed basic skill training.
- **Credit Support:** More than ₹5,133 crore were sanctioned to over 5.98 lakh beneficiaries in the form of collateral-free loans at concessional rate of interest.

- **Digital Incentive:** Over 7.91 lakh beneficiaries have been digitally enabled.

PM Vishwakarma Transforming Lives of Artisans of Nagaland



Smt. Villi, a basket maker from Zunheboto, Nagaland, strengthened her traditional craft through skill training under the PM Vishwakarma Scheme. She also availed a collateral-free loan of ₹1 lakh to purchase raw materials and expand her enterprise. As a result, her monthly income rose by around 40% to nearly ₹15,000. Her journey highlights how PM Vishwakarma is helping artisans enhance skills, grow their businesses and secure better livelihoods while preserving traditional crafts.

A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE)

The ASPIRE Scheme promotes entrepreneurship and livelihood generation in rural areas through skill development, incubation and support for micro-enterprises. With **109 approved Livelihood Business Incubators (LBIs)** as of June 2026, the scheme has strengthened rural entrepreneurship and inclusive growth:

- **1.23+ lakh** beneficiaries have been trained,
- With **32,085 beneficiaries** being suitably **employed** and;
- More than **1,000 micro-enterprises** have been established

Prime Minister's Employment Generation Programme (PMEGP)

The flagship **credit-linked subsidy scheme** promotes self-employment through the establishment of **micro-enterprises in the non-farm sector**. Under the Scheme, **Margin Money (Subsidy)** is provided to beneficiaries availing loan from banks for setting up new enterprises.

Since June 2025, its reach expanded further with application facilities being introduced in **19 regional languages excluding English and Hindi**. Since its inception (as on May 2026), the scheme has supported:

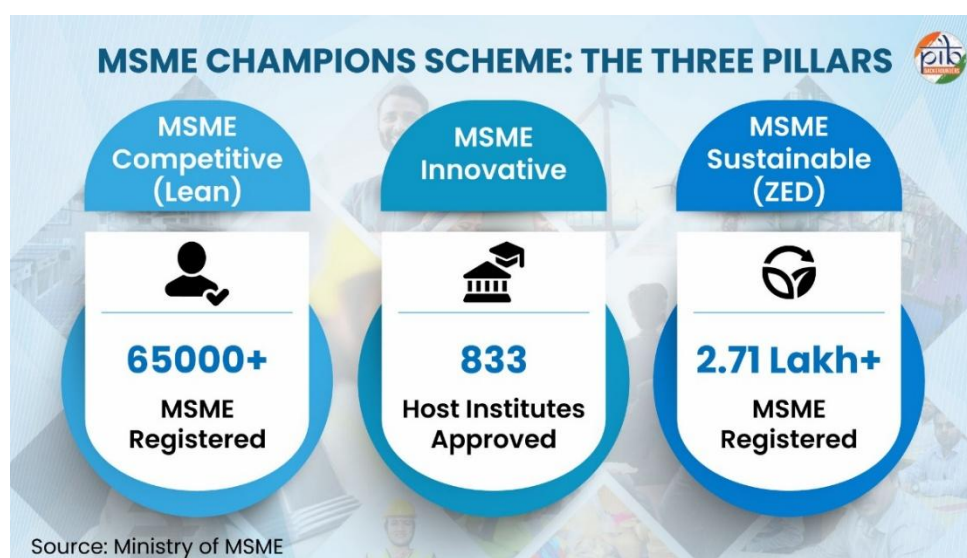
- **Over 10.84 lakh** micro-enterprises,
- With ₹ **29,623 crore in margin money subsidies** and;
- Generated employment for **more than 97 lakh people**.

MSME Champions Scheme

The MSME Champions Scheme supports enterprises in becoming more innovative, sustainable and globally competitive. It enables MSMEs to improve productivity, adopt global best practices and strengthen their position in domestic and international markets.

The scheme's impact is reflected across its three pillars:

- **MSME Innovative:** It has 3 components, namely, Incubation, IPR, Design. Under the 'Incubation' component, **833 Host Institutes** have been approved to nurture new ideas and startups. Under the 'Design' component, **21 MoUs** have been signed and 69 Professional Design/Student Projects have been approved. Under the 'IPR' component, **191 Patents, 807 Trademarks, 99 Designs and 06 GI registration** have been approved by Intellectual Property Facilitation Centre (IPFCs).
- **MSME Sustainable (ZED):** **Zero Defect Zero Effect (ZED)** is a certification framework that promotes quality manufacturing with minimal environmental impact. As on May 2026, more than **93.61 lakh MSMEs have been registered** and over **6.68 lakh enterprises** have been successfully certified.
- **MSME Competitive (LEAN):** The **Lean Manufacturing (LEAN)** scheme promotes the adoption of globally recognised lean practices to enhance operational efficiency and reduce waste. As on May 2026, over **65,647 MSMEs** have been registered under the scheme with nearly **18,961 enterprises** being certified.



Self-Reliant India (SRI) Fund

While many MSMEs have the potential to grow, access to equity capital often remains a challenge.

Launched under the Aatmanirbhar Bharat package, the SRI Fund is a Fund of Funds (FoF) initiative aimed at providing **equity support to promising MSMEs**. It is helping them overcome funding constraints, scale operations and attract further investment. The Budget 2026–27 has provided an additional **₹2,000 crore** to augment the Self-Reliant India Fund. This ensures continued access to risk capital for micro and small enterprises while supporting their growth and expansion. Notably, the SRI Fund has assisted **761 MSMEs** by way of investment worth **₹2,851 crore** (as of May 2026).

Promotion of MSMEs in North Eastern Region and Sikkim

The scheme for Promotion of MSMEs in NER & Sikkim continues to play an important role in expanding the MSME ecosystem in the North East. As on December 2025, **73 projects** have been approved to enhance manufacturing, testing, packaging, skilling and innovation infrastructure. During 2025, **eight new infrastructure projects** were approved across Assam and Meghalaya. The scheme involves a **total**

project cost of ₹114.37 crore with Government assistance amounting to ₹89.60 crore. These investments are helping create a **stronger foundation for enterprise-led growth in industrial estates and tourism infrastructure.**

National SC-ST Hub (NSSH)

The NSSH is helping entrepreneurs from Scheduled Caste and Scheduled Tribe communities access markets, build capacities and participate more actively in public procurement.

The scheme's impact is increasingly visible:

- **19,000+SC/ST** entrepreneurs being supported (January to October 2025)
- 111 Special Vendor Development Programmes and 3 major conclaves have been organised in Odisha and Bihar
- Public procurement from SC/ST-owned MSEs increased from about **₹99 crore in 2015-16** to over **₹3,731 crore in 2024-25**
- **230 candidates were trained** in hospitality skills (2025-26)
- SC/ST-owned MSEs accounted for **1.93% of total public procurement** as on December 2025

Rigtech Infra's Rise: A Story of Innovation, Support and Growth

With support from the National SC-ST Hub (NSSH), Rigtech Infra (OPC) Pvt. Ltd. in Ranchi secured a ₹25 lakh subsidy in 2023 to upgrade its manufacturing capabilities. The investment enhanced productivity and quality, helping the enterprise win government tenders worth ₹15.75 lakh from Rail Vikas Nigam Limited in 2025. Today, the company records an annual turnover of ₹4–5 crore and supports 16 jobs.



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

The scheme seeks to strengthen the productivity and competitiveness of MSEs through cluster-based development by providing Government grants for establishing Common Facility Centres (CFCs) and upgrading infrastructure in industrial estates and clusters.

The scheme has delivered significant progress in cluster-based development:

- **Strengthening Industrial Clusters:** As on June 2026, the scheme has approved **612 projects** aimed at enhancing productivity, technology access and infrastructure for MSMEs.
- **Creating Shared Infrastructure:** Of the approved projects, **364 projects have been completed**, providing enterprises with access to CFCs & industrial estates.

- **Continued Expansion in 2025-26:** During 2025-26 (up to 20th November 2025), 11 projects with a total cost of ₹253.23 crore were approved with 2 being completed.

Scheme of Fund for Regeneration of Traditional Industries (SFURTI)

India's traditional industries carry deep cultural and economic value. Yet artisans often face challenges such as, limited access to modern tools, and weak market linkages that restrict income growth and scalability.

SFURTI responds to these structural gaps by organising artisans into **well-supported clusters**. It organises traditional artisans into clusters for improved competitiveness, product development and sustainable income generation.

Over time, the scheme has established a strong national footprint, with **513 clusters** approved across the country, benefiting **3.03 lakh traditional artisans**. A total of **376 clusters** are currently functional as of June 2026. In 2023-24 alone, **18 new clusters** became operational, benefiting **11,810 artisans** across **11 States**.

Raising and Accelerating MSME Performance (RAMP)

Supported by the World Bank, the RAMP Scheme aims to improve MSMEs' access to markets, finance and technology. The scheme is strengthening the MSME ecosystem through reforms, institutional capacity building and greater Centre-State collaboration:

- **Driving State-Level Reforms:** Systematic Investment Plans (SIPs) submitted by all **36 States and UTs** have been evaluated, leading to the approval of **398 proposals worth ₹3,211.75 crore**.
- **Expanding MSME Reach:** As on June 2026, initiatives undertaken under the scheme have impacted **more than 55 lakh MSMEs** across the country.
- **Steady Programme Implementation:** The Government has achieved **50%** of the programme target in respect of claiming reimbursement, on account of completion of deliverables.

Technology Centres

The **Technology Centres** function as hubs for skill development, technology support and innovation. Through a network of Tool Rooms, Technology Centres, and Extension Centres, they foster industry-ready talent. The agenda is to support upskilling and reskilling of the workforce to meet emerging industry requirements.

- **18 Technology Centres** are supporting MSMEs across a wide range of manufacturing and technology-intensive sectors.
- To further strengthen this ecosystem, **20 new Technology Centres** and **100 Extension Centres** are being developed under the **Technology Centres and Extension Centres (TCEC) Scheme**.
- As of November 2025, **25 Extension Centres** are operational across the country, having imparted training to **53,963 youth** and extended support to **1,357 MSMEs**.

- **Nine new centres** have also been established under the World Bank-supported Technology Centre System Programme (TCSP). These centres have **trained 59,357 individuals** and **assisted 1,520 MSMEs** (Jan- Nov 2025).

By combining technology, skilling and industry support, the Technology Centre network is helping MSMEs innovate, modernise and compete in an increasingly technology-driven economy.

Shaping the Future Through Enterprise

The progress of India's MSME sector reflects a larger national transformation underway. Expanding access to finance, technology, skills, infrastructure and markets is enabling enterprises to become more productive, competitive and resilient. As the sector continues to evolve, its growing contribution to employment, innovation and economic growth will further strengthen India's development journey. It will also help lay the foundations of a more inclusive, self-reliant and developed India.

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