

Empowering India's Growth: Comprehensive Insights into MSME Schemes and Employment Dynamics through Udyam Registration

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Abstract

The performance and growth of MSME in the Indian economy over the last five decades is highly progressive. MSMEs sector is the second-largest employment provider in India and more specifically, it has been showing a massive contribution to the nation's GDP as well. The Government of India has announced different schemes to promote the MSME across the nation to ensure its vision as MSME is the engine of growth and development of the Indian economy. In India, the MSME sector is the pillar of the national economy, nearly 36.1 million enterprises are working in various industries nation-wide on which 120 million people are employing and contribute around 29% to the nation's GDP. Even though, Indian government provides various packages to stimulate the MSME sector, the growth of this sector has been marred by several challenges and it has been encountered various hurdles to function the organization smoothly. Thus the present study focuses to understand the schemes and opportunities provided by the Central Government of India and also the study aim to analyse the progression of employment generated by MSMEs registered under the Udyam Registration Portal across various states.

Keywords: MSME, PMEGP, CGTMSE, SFURTI, KGVY

Introduction

MSMEs are the engine of the national development as it is the most vibrant and active sector in India for the last few decades. Entrepreneurs play a key role in the development of the MSME sector as it provides a great contribution in terms of employment generation, export, and also highly significant contributor to the nation's GDP. The MSME sector is highly heterogeneous as age, educational qualification, gender, backward communities and rural people are associated with it and produce a wide range of products from the traditional to the sophisticated ones. The central government has announced various reforms to help the MSME to be self-reliant in India. The central government has declared to make a provision of Rs. 20,000 crores for MSME and also provide Rs.4,000 crores for the support. Guarantee free and collateral-free loans amounting to total Rs. 3.00 Lakh crores, and also announced a moratorium of 12 months on payment of Principal. The Central Government has also initiated an attempt to expand the investment and turnover package of micro, small and medium enterprises and it will come into effect from 1 July 2020. In the micro-enterprises where investment in Plant and Machinery or Equipment does not exceed one crore rupees and turnover does not exceed five crore rupees, the investment in Plant and Machinery or Equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees in the small enterprises and the medium enterprises where investment in Plant and Machinery or Equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

Statement of the Problem

Even though the government has been introducing various schemes to boost MSME sector, the sector has been lagging due to several reasons such as improper guiding and HR system, lack of skilled labours, infrastructure hurdles, unavailability of proper training, to disseminate correct and needful information, lack of regular interface between entrepreneurs of MSMEs and government authorities, lack of communication with respect to policy changes and the platforms to address the grievances. Thus the proposed study is highly significant and relevant in the present era to examine various schemes and opportunities available in the MSME sector to enhance the socio-economic development of the nation. The investigator also sought to analyze which state has the highest number of registered MSMEs under the Udyam Registration scheme for the effectiveness of policies and initiatives to foster MSMEs in state.

Scope of the Study

The majority of newly developed goods and procedures are introduced in the manufacturing sector, making MSMEs a significant source of innovation. Their ability to be more focused and resourceful in their operations makes them essential for the development of the nation's backward and geographically underdeveloped regions. MSMEs also give the general public access to vital services including hospitality, healthcare and transportation so MSMEs are highly significant for the country to prosper and flourish. The business played a vital part in creating job possibilities in the nation's rural areas. Nearly 30% of the GDP is contributed by the manufacturing sector, which employs over 110 million people across services and has over 63 million MSMEs. The central government has been supporting the manufacturing sector with several laws and initiatives as it realizes how significant it is to national development. In order to obtain the best results for the socioeconomic development of the country, the suggested study is therefore extremely significant and relevant in the modern day to evaluate numerous schemes and opportunities available in the MSME sector. Therefore, the proposed study holds relevance in the contemporary context as it explores

various schemes within the MSME sector aimed at enhancing the socioeconomic development of the nation. Furthermore, the researcher endeavoured to investigate states that optimize these opportunities, shedding light on their impact in driving the overall progress of the state.

Objectives

- To understand the various schemes provided by the Central Government to promote MSMEs in the state.
- To make a comparative analysis of the progression of various states to register MSMEs under Udyam Registration portal to foster the effectiveness of policies and initiatives of MSMEs in state.

Literature Review

(Zanjurne) offers an in-depth analysis of the current state of India's MSME sector and its trajectory for future growth. Zanjurne emphasizes the sector's significant role in job creation, economic diversification, and fostering innovation. The study also explores the challenges facing MSMEs, including regulatory obstacles and limited access to finance and technology. Zanjurne projects a promising future for the sector, especially with supportive government policies and advancements in technology. These insights provide a valuable foundation for further research into the growth and development of MSMEs in India.

(Kumar Dey) provides an insightful analysis of the MSME sector's evolution and its crucial role in India's economic landscape. Dey highlights the sector's contributions to industrial output, employment generation, and the fostering of entrepreneurship across the country. The study underscores the sector's resilience and adaptability despite various challenges, including limited access to finance and technology. Dey also emphasizes the importance of government initiatives and policy frameworks in nurturing the growth of MSMEs. This research contributes to a deeper understanding of the sector's potential and the factors that can drive its sustainable development in India.

(Khatri) offers a thorough examination of the obstacles faced by MSMEs in India. Khatri identifies several key challenges, including regulatory

complexities, inadequate access to credit, and the lack of technological integration within the sector. The study emphasizes the impact of these hurdles on the growth and sustainability of MSMEs, often limiting their potential contributions to the economy. Khatri suggests that targeted government policies and support systems are essential for overcoming these challenges and promoting the sector's development. This research provides valuable insights into the specific areas where interventions are needed to empower MSMEs and bolster their role in India's economic progress.

(Choudhury and Goswami) presents a thorough analysis of the persistent funding challenges faced by MSMEs in India. The study finds that access to finance remains a significant barrier to the growth and sustainability of MSMEs, with financing gaps particularly pronounced in rural areas. Goswami and Choudhury discuss the role of traditional lending institutions, which often favor established businesses over smaller enterprises due to perceived risks. The authors also highlight the potential of alternative financing options, such as fintech and microfinance, to bridge these gaps and support MSME growth. This research underscores the need for targeted financial policies and innovative lending mechanisms to address the financing challenges faced by MSMEs in India.

(Bhatia and Thakur) provides an in-depth examination of the MSME sector's contributions and potential in the Indian economy. The study highlights the sector's pivotal role in job creation, income generation, and fostering regional development. Bhatia and Thakur analyze various performance indicators, including productivity and efficiency, to assess the sector's current state and its prospects for future growth. They discuss challenges such as regulatory hurdles and market competition but also recognize the potential of government initiatives and technological adoption to support the sector. This research underscores the importance of a conducive policy environment and strategic investments to enhance performance, prospects of MSMEs in India.

Methodology

The methodology used in the present study is descriptive and analytical. The source of data is secondary sources. The secondary data were collected from the website of the central government ministry of Micro, small and medium enterprises, Press Information Bureau, Government of India, books, journals and newspapers. The data is displayed as a table, and interpretations are provided based on the objectives of the study. Graphical method is used to analyse the data.

Table 1 Various Schemes Provided by the Central Government to Promote MSMEs in India

S. No.	Name of the Schemes	Objective	Eligibility
1	Prime Minister's Employment Generation Programme (PMEGP)	To provide financial assistance to set up self-employment ventures and generate sustainable employment opportunities in rural as well as urban areas	Individuals aged 18 and above are eligible to apply, with no additional restrictions
	2nd Loan for up-gradation of the existing PMEGP/ MUDRA units	To assist existing units for expansion and upgradation of well performing units and also cater to the need of the entrepreneurs for bringing new technology to modernize the existing unit	Existing well performing PMEGP or REGP or MUDRA units
2	Credit Guarantee Scheme for Micro & Small Enterprises (CGTMSE)	To encourage first generation entrepreneurs to venture into self-employment opportunities by facilitating credit guarantee support for collateral free loans	Existing Entrepreneurs and Aspiring Entrepreneurs

3	Micro & Small Enterprises Cluster Development Programme (MSE-CDP) Scheme	Supporting MSEs involves addressing issues like technology, skills, quality, and market access, upgrading infrastructural facilities in industrial areas, establishing common centers for various processes, and promoting green manufacturing	Existing Entrepreneurs [in form of a Special Purpose Vehicles (SPVs)]
4	Scheme of Fund for Regeneration of Traditional Industries (SFURTI)	The goal is to form collectives among traditional industries and artisans, enhancing production and value addition to boost competitiveness, ultimately elevating income and ensuring sustainable employment	Existing artisans from traditional industries in sectors such as Handicraft, Textile, Agro-Processing, Bamboo, Honey, Coir and Khadi
5	Entrepreneurship Skill Development Programme (ESDP) Scheme	To promote new enterprises, capacity building of existing MSMEs and inculcating entrepreneurial culture in the country	Aspiring and Existing Entrepreneurs
6	Assistance to Training Institutions (ATI) Scheme	National level training institutions under the Ministry of MSME receive capital grants to enhance infrastructure and support entrepreneurship and skill development, while existing State-level Entrepreneurship Development Institutes (EDIs) also receive assistance to strengthen and expand their training facilities	Institutions of Ministry of MSME and existing State level EDIs
7	Coir Vikas Yojana	<p>An Umbrella Scheme being implemented by Coir Board for the Development of Coir Industry all over the country.</p> <p>1. Science & Technology This program aims to update production, create new machinery, diversify products, use eco-friendly tech, transfer technology, and offer testing and service facilities.</p> <p>2. Skill Upgradation and Mahila Coir Yojana</p> <p>a. Mahila Coir Yojana To disseminate information on the schemes and latest technologies available in coir sector and also to attract prospective entrepreneurs to this sector.</p> <p>b. Skill Upgradation The Mahila Coir Yojana, implemented by the Coir Board, aims to empower rural women artisans in coconut-producing areas by offering training, stipends, and opportunities for self-employment.</p> <p>3. Export Market Promotion The Export Market Promotion Board engages in activities like joining international exhibitions, creating publicity, and offering support through the Export Market Development Assistance Scheme/International Co-operation Scheme.</p>	Coir production/processing units registered under the Coir Board must possess a valid Udyam Registration Certificate

		<p>4. Domestic Market Promotion</p> <p>The Domestic Market Promotion scheme involves showcasing and selling coir products in showrooms and sales depots, participating in domestic exhibitions, organizing exclusive fairs, and providing Market Development Assistance to Coir Co-operative units and PSUs through the respective State Governments or Union Territories.</p> <p>5. Trade And Industry Related Functional Support Services</p> <p>This program will encompass tasks such as researching and collecting primary and secondary level information, analyzing data through statistical methods, drawing conclusions, and ultimately preparing and publishing reports.</p> <p>6. Welfare Measures</p> <p>The Coir Board is set to launch a new welfare scheme to benefit Coir workers, replacing the existing Pradhan Mantri Suraksha Bima Yojana (PMSBY).</p>	
8	Procurement and Marketing Support (PMS) Scheme	<p>The scheme's goal is to encourage new market access initiatives, such as organizing or participating in trade fairs and exhibitions, to raise awareness and educate MSMEs on packaging methods, technology, import-export policies, the GeM portal, MSME Conclaves, and other relevant subjects for market access development.</p>	<p>Businesses in the manufacturing and service sectors that possess a valid Udyam Registration (UR) Certificate are eligible.</p>
9	International Cooperation (IC) Scheme	<p>The scheme empowers MSMEs to enter the export market by supporting their involvement in international events, offering actionable market intelligence, and reimbursing costs associated with exporting goods and services, enabling them to stay current and responsive to evolving challenges.</p> <p>Sub-Component-I: Market Development Assistance of MSMEs (MDA).</p> <p>Sub-Component-II: Capacity Building of First Time MSE Exporters (CBFTE).</p> <p>Sub-Component-III: Framework for International Market Intelligence Dissemination (IMID).</p> <p>Sub-Component-I and Sub-Component-II are actively functioning and the guidelines for both components are accessible on the Ministry's website.</p> <p>Sub-Component-III is set to commence operations shortly, with guidelines to be circulated and made available on the Ministry's website.</p>	<p>The Ministry of MSME oversees various state and central government organizations, institutions, and registered industry associations, working collectively to support and promote the growth of micro, small, and medium enterprises in India.</p> <p>As of September 20, 2022, the Ministry has entered into agreements with 18 Export Promotion Councils (EPCs), Export Credit Guarantee Corporation Ltd (ECGC), and National Small Industries Corporation Ltd (NSIC) to facilitate the reimbursement of Registration cum Membership certification (RCME), Export Insurance Premium, and Testing & Quality Certification expenses for first-time Micro and Small Enterprises (MSE) exporters.</p>

10	National SC-ST Hub Scheme	Assist Scheduled Caste and Scheduled Tribe Entrepreneurs in meeting the requirements of the Central Government Public Procurement Policy for Micro and Small Enterprises Order 2012, adopting relevant business practices, and leveraging the Stand-Up India initiatives to provide professional support.	The application process is open for both aspiring and existing SC/ST entrepreneurs, providing them with an opportunity to access valuable resources and support for their business endeavours.
11	A Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship (ASPIRE)	Establishing a network of Livelihood Business Incubators (LBIs) in rural and underserved areas aims to foster innovation, boost entrepreneurship, and address unemployment by creating formal and scalable micro-enterprises in the agro-rural sector, while simultaneously enhancing skills in new technologies and contributing skilled human capital to nearby industrial clusters for the growth and competitiveness of the MSME sector.	Entities such as government agencies, state governments, training centers under ministries/departments, industry associations, academic institutions, and qualified not-for-profit private institutions with a track record in effectively implementing incubation or skill development programs are eligible to establish a Learning and Business Incubator (LBI).
12	Khadi Gramodyog Vikas Yojana a. Khadi Vikas Yojana b. Gramodyog Vikas Yojana	To boost the income and lives of Khadi artisans, the plan includes improving workspaces, selling more Khadi, and creating jobs. Traditional skills will be brought back, stores upgraded, and Khadi introduced to more people globally. The goal is to enhance the lives of rural artisans and their unique craft.	Individuals between the ages of 18 and 55, registered with Khadi Institutions under KVIC or State Khadi and Village Industries Boards, and possessing a valid Aadhar Card or government-issued Identity Card, are eligible for assistance under KGVY; however, those who have previously received benefits from similar government schemes are not eligible. Preference will be given to individuals from marginalized groups such as SCs/STs, women, unemployed youth, and those in the BPL category.
13	Promotion of MSME in NER and SIKKIM	The envisioned financial support scheme focuses on bolstering the infrastructure development of Micro, Small, and Medium Enterprises (MSMEs) with the primary goal of improving productivity, sustainability, competitiveness, and overall growth. The scheme specifically targets common challenges faced by MSMEs, including the enhancement of technology, skills, quality, and market access. Furthermore, the initiative aims to establish shared facilities dedicated to manufacturing, testing, packaging, research and development (R&D), and training. These facilities will specifically cater to the natural resources found in the North Eastern Region (NER) and Sikkim, encompassing fruits, spices, agriculture, forestry, sericulture, and bamboo.	A State Government or any State Government organization actively involved in fostering the growth of Micro, Small, and Medium Enterprises (MSMEs).

14	<p>Tool Rooms and Technical Institutions – A Component of Infrastructure Development & Capacity Building scheme MSME Sustainable (ZED) Certification MSME- Innovative (Incubation, IPR and Design)</p>	<p>Eighteen MSME Tool Rooms & Technical Institutions have been established across India, focusing on the integrated development of various industrial sectors such as general engineering, foundry & forging, electronics, fragrance, glass, sports goods, and footwear, with the aim of supporting MSMEs.</p>	<p>Training programs in industrial units, with a focus on the MSME sector, welcome participants ranging from school dropouts to those with M. Tech qualifications.</p>
15	<p>MSME Champions Scheme</p>	<p>The Ministry of MSME aims to boost competitiveness in Micro, Small, and Medium Enterprises (MSMEs) through initiatives like the Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS), encompassing Lean Manufacturing, Design improvement, Intellectual Property Rights awareness, Zero Defect Zero Effect (ZED) Scheme, Digital MSME empowerment, and innovation promotion via Incubation nationwide. The forthcoming Digital MSME component, part of the MSME Champions scheme, will seamlessly integrate with other elements, fostering a unified approach for incubation, IPR, design, sustainability (ZED), and competitiveness (Lean) to drive innovation and excellence in MSMEs.</p> <p>The actively working 3 components under the new MSME Champions scheme are</p> <p>1) MSME-Sustainable (ZED) Certification The ZED Certification aims to foster the adoption of Zero Defect Zero Effect (ZED) practices within Micro, Small, and Medium Enterprises (MSMEs), promoting a culture of excellence and efficiency in their operations. The ZED Certification program seeks to empower MSMEs by promoting the manufacturing of quality products through the latest technology, tools, and continuous process improvement, fostering competitiveness, recognizing achievements, and incentivizing higher ZED Certification levels while increasing public awareness and aiding government decision-making.</p> <p>2) MSME - Innovative (Incubation, IPR and Design) Foster innovation across the entire value chain by supporting idea development, facilitating concept-to-market transitions, enhancing design competitiveness, safeguarding intellectual creations, and promoting collaboration among MSMEs, academia, industry, and government institutions. Serve as a bridge between industrial/academic leaders and innovators to encourage affordable, commercially viable, and sustainable innovations benefiting a broad audience.</p>	<p>All MSMEs registered with the UDYAM registration portal of the MoMSME are eligible to participate in MSME Sustainable (ZED) Certification and access associated benefits and incentives. To apply for the incubation program, individuals, students, and MSMEs aiming to develop innovative ideas should submit their applications through registered HIs. The beneficiary unit must qualify as a micro, small, or medium enterprise according to the MSMED Act and possess a valid UAM or Udyam Registration. This requirement particularly applies to manufacturing MSMEs.</p>

16	Credit Guarantee Scheme for Subordinate Debt (CGSSD) for Stressed MSMEs	Subordinate debt can play a crucial role in supporting and revitalizing struggling MSMEs at risk of becoming NPAs, offering a viable financing option for promoters to inject equity, boosting liquidity, and maintaining a balanced debt-equity ratio, especially when obtaining a conventional loan proves challenging.	This scheme aims to provide assistance to promoters of operational MSMEs that were stressed, turned into NPAs by April 30, 2020, and were in good standing as of November 1, 2016.
17	Self Reliant India (SRI) Fund	The Self Reliant India (SRI) Fund, established by the Ministry of Micro, Small and Medium Enterprises through NSIC Venture Capital Fund Limited, aims to provide capital support to Daughter Funds for onward provision to MSMEs, fostering faster growth, creating employment opportunities, and supporting enterprises to become national/international champions while contributing to India's self-reliance in technology, goods, and services.	Several MSMEs (Micro, Small, and Medium Enterprises) are experiencing a positive growth trajectory, propelled by innovative strategies, robust market demand, and effective adaptation to evolving business landscapes.
18	Raising and Accelerating MSME Performance (RAMP)	Streamlining collaboration between central and state authorities to boost MSME promotion and development, improving existing MoMSME schemes for technology upgrades, fortifying the receivable financing market for MSMEs, strengthening the Credit Guarantee Trust for Micro & Small Enterprises (CGTMSE), supporting green initiatives and women-owned MSEs through guarantees, and minimizing delays in payments to MSEs.	The RAMP scheme aims to benefit over 5.5 lakh MSMEs from fiscal year 2022-23 to 2026-27, with implementation handled by State agencies. These small and medium-sized enterprises (MSMEs) can benefit from various support programs and initiatives facilitated by state governments or agencies to foster their growth and sustainability.

Source: Ministry of Micro, Small and Medium Enterprises, Government of India

Comparative Analysis of Total no. of Persons Employed in MSMEs Registered Under Udyam Registration Portal 2020-24

Table 2 State/UT wise Total no. of Persons Employed in MSMEs Registered under Udyam Registration Portal 2020-21

S. No	State/UT	2020-21
1	Maharashtra	4458451
2	Tamil Nadu	3335236
3	Gujarat	2466078
4	Uttar Pradesh	2090951
5	Karnataka	1957273
6	Telangana	1648221
7	Rajasthan	1547664
8	Delhi	1333992
9	Haryana	1284400
10	West Bengal	1107009
11	Punjab	913645

12	Madhya Pradesh	826879
13	Andhra Pradesh	709811
14	Bihar	694423
15	Kerala	674974
16	Odisha	576236
17	Jharkhand	379680
18	Chhattisgarh	282710
19	Assam	234963
20	Uttarakhand	217210
21	Jammu And Kashmir	190902
22	Himachal Pradesh	140826
23	Chandigarh	103597
24	Manipur	91176
25	The Dadra and Nagar Haveli and Daman and Diu	66442

Source: Press Information Bureau, Government of India

Figure 1 State/UT wise Total no. of Persons Employed in MSMEs Registered under Udyam Registration Portal 2020-21

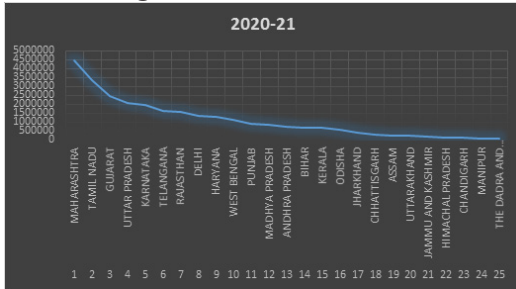


Figure 2 State/UT wise Total no. of Persons Employed in MSMEs Registered under Udyam Registration Portal 2021-22

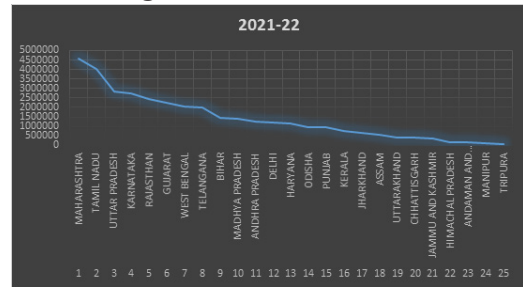


Table 3 State/UT wise Total no. of Persons Employed in MSMEs Registered under Udyam Registration Portal 2021-22

S. No.	State/UT	2021-22
1	Maharashtra	4566130
2	Tamil Nadu	4054934
3	Uttar Pradesh	2832512
4	Karnataka	2757427
5	Rajasthan	2457478
6	Gujarat	2241194
7	West Bengal	2049849
8	Telangana	1982579
9	Bihar	1447440
10	Madhya Pradesh	1400971
11	Andhra Pradesh	1231311
12	Delhi	1189801
13	Haryana	1175432
14	Odisha	958600
15	Punjab	934704
16	Kerala	763846
17	Jharkhand	683346
18	Assam	561497
19	Uttarakhand	403177
20	Chhattisgarh	398414
21	Jammu And Kashmir	385608
22	Himachal Pradesh	175196
23	Andaman and Nicobar Islands	173158
24	Manipur	118058
25	Tripura	83737

Source: Press Information Bureau, Government of India

Table 4 State/UT wise Total no. of Persons Employed in MSMEs Registered under Udyam Registration Portal 2022-23

S. No.	State/UT name	2022-23
1	Maharashtra	4890908
2	Tamil Nadu	4662649
3	Uttar Pradesh	4171713
4	Karnataka	3578112
5	West Bengal	2932684
6	Rajasthan	2816087
7	Andhra Pradesh	2745495
8	Telangana	2677513
9	Gujarat	2439554
10	Bihar	2175714
11	Madhya Pradesh	1823041
12	Odisha	1295934
13	Haryana	1255892
14	Delhi	1236440
15	Punjab	1161308
16	Assam	956912
17	Jharkhand	922057
18	Kerala	851407
19	Jammu And Kashmir	698551
20	Chhattisgarh	556453
21	Uttarakhand	401591
22	Himachal Pradesh	199516
23	Tripura	179287
24	Manipur	147183
25	Goa	82455

Source: Press Information Bureau, Government of India

Figure 3 State/UT wise Total no. of Persons Employed in MSMEs Registered under Udyam Registration Portal 2022-23

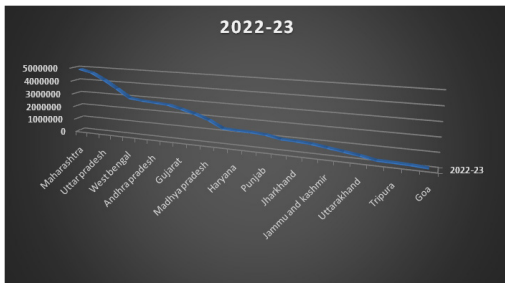


Figure 4 State/UT wise Total no. of Persons Employed in MSMEs Registered under Udyam Registration Portal 2023-24

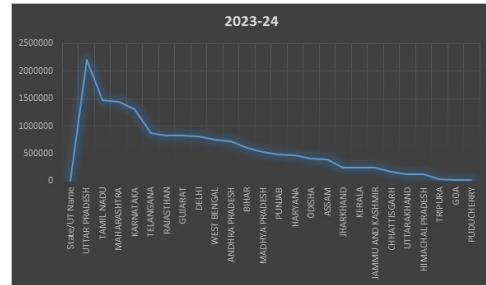


Table 5 State/UT wise Total no. of Persons Employed in MSMEs Registered under Udyam Registration Portal 2023-24

S.no.	State/ut name	2023-24
1	Uttar Pradesh	2209675
2	Tamil Nadu	1474860
3	Maharashtra	1442862
4	Karnataka	1311507
5	Telangana	875418
6	Rajasthan	831202
7	Gujarat	822168
8	Delhi	814990
9	West Bengal	752510
10	Andhra Pradesh	727568
11	Bihar	606625
12	Madhya Pradesh	524148
13	Punjab	481552
14	Haryana	465005
15	Odisha	406823
16	Assam	394341
17	Jharkhand	246818
18	Kerala	236464
19	Jammu And Kashmir	234669
20	Chhattisgarh	162031
21	Uttarakhand	124721
22	Himachal Pradesh	118312
23	Tripura	33383
24	Goa	21968
25	Puducherry	21212

Source: Press Information Bureau, Government of India

Findings

The central government offers various financial support mechanisms such as loans at concessional rates, credit guarantee schemes, and subsidies. These financial incentives are designed to help MSMEs access the capital they need to grow and sustain their businesses.

The government provides programs and initiatives focused on enhancing the skills of entrepreneurs and employees within the MSME sector. This includes training sessions, workshops, and seminars to improve business management and technical skills.

Schemes are in place to facilitate market access for MSMEs, such as participating in trade fairs, exhibitions, and online marketplaces. These opportunities help MSMEs to expand their customer base and increase sales.

Initiatives have been launched to streamline regulatory procedures and reduce bureaucratic hurdles for MSMEs. This includes simplified registration processes, easy compliance requirements, and access to government procurement opportunities.

The government supports MSMEs in adopting modern technology and digitalization through various schemes that provide financial support for purchasing new machinery and equipment, as well as integrating digital solutions.

Specific schemes help MSMEs to expand their presence in international markets, including export promotion programs and assistance with meeting international standards and certifications.

The central government supports the development of MSME clusters to encourage collaboration and shared resources among enterprises

within specific industries or regions. This can lead to increased productivity and innovation.

Various schemes and policies are in place to protect MSMEs from unfair competition, such as initiatives to ensure timely payments and prevent market domination by large corporations.

In 2023, Uttar Pradesh emerged as the state with the highest number of registered MSMEs under the Udyam Registration scheme. This marks a significant shift from previous years, as Uttar Pradesh was not in the leading position prior to 2023. This increase in registered MSMEs suggests that the state's policies and business environment may have become more favorable for small and medium-sized enterprises. The leading position of Uttar Pradesh in 2023 calls for a closer look at the state's policies and support for MSMEs, which may serve as a model for other states aiming to boost their MSME sectors.

Marginal Decrease in Maharashtra's Ranking. Maharashtra, which was one of the most prominent states in terms of registered MSMEs under Udyam Registration from 2020 to 2023, experienced a marginal decrease in 2023. The state fell to the third position in 2023, indicating a possible shift in focus or competitiveness in other states that impacted its ranking. Although Maharashtra remains a key player, its decrease in ranking suggests potential areas for improvement. The state may need to review its strategies for fostering MSME growth to regain its top position.

Karnataka has consistently maintained a position among the top five states in terms of Udyam Registration throughout the study period. This consistency highlights the state's stable environment for MSMEs and its ongoing efforts to promote and support the sector. Karnataka's consistent performance underscores the effectiveness of its policies and initiatives. Other states may benefit from studying Karnataka's approach to MSME support.

As per the report of 2023-24, December 14, 2023, Maharashtra led the top five states in Udyam registrations with an impressive 37.12 lakh units. Tamil Nadu followed with 21.74 lakh units, while Uttar Pradesh closely trailed with 20.28 lakh units. Gujarat and Rajasthan both showed strong numbers, recording 15.53 lakh and 15.57 lakh units respectively. Maharashtra, Tamil Nadu, and Uttar

Pradesh, with their significant share of registered MSMEs, not only serve as vital engines of economic growth and employment generation within their respective regions but also play a pivotal role in shaping the national landscape of entrepreneurship, innovation, and industrial development.

Reports pointed out that Maharashtra emerges as the leading state in Udyam registrations, boasting an impressive count of 32.76 lakh units following closely behind Maharashtra are the states of Tamil Nadu, Uttar Pradesh, Gujarat, and Rajasthan. This data underscores Maharashtra's prominent position as a hub for entrepreneurial activity and small business development in India. It highlights the state's robust ecosystem, conducive policies, and infrastructure, which have collectively fostered a thriving landscape for MSMEs.

Limitations of the Study

Despite providing comprehensive insights into MSME schemes and employment dynamics through Udyam registration, this study has several limitations. The reliance on data from the Udyam-Registered Portal may not fully capture the diversity and scope of the entire MSME sector across India, as not all enterprises may have registered on the platform. Additionally, the study's analysis may be influenced by the availability and quality of the data, which could limit the depth of conclusions drawn. Furthermore, the focus on specific schemes and employment trends within a particular time frame may not account for broader economic shifts or regional variations. Future research could expand on this work by incorporating a wider array of data sources and examining longer-term trends.

Conclusion

In India, registering as a Micro, Small, and Medium Enterprise (MSME) offers a plethora of benefits, ranging from access to easy credit facilities to financial assistance through grants, loans with guarantees, and a host of other incentives. These benefits play a pivotal role in facilitating the growth and sustainability of businesses across various sectors. Firstly, one of the most significant advantages of MSME registration is the access to easy credit facilities. Registered MSMEs often find

it easier to secure loans from financial institutions as they are perceived as lower-risk borrowers due to their formalized status. This access to credit enables MSMEs to invest in infrastructure, technology and workforce development, thereby fueling their expansion and competitiveness in the market. Additionally, MSMEs can avail themselves of financial assistance through grants and subsidies provided by both the central and state governments. These financial aids are typically aimed at promoting innovation, research and development, technology adoption, and market expansion. By leveraging these funds, MSMEs can undertake projects that enhance their productivity, quality, and competitiveness, thus positioning them for sustainable growth and success in the long run. Moreover, registered MSMEs often benefit from preferential treatment in terms of procurement by government agencies and large corporations. MSME registration opens doors to various subsidies and tax incentives offered by the government. The central government's schemes for MSMEs aim to foster a supportive environment that encourages growth, innovation, and sustainability within the sector. By providing financial assistance, market opportunities, and regulatory support, the government plays a crucial role in empowering MSMEs to contribute significantly to the economy. In conclusion, the benefits of registering as an MSME in India are manifold and extend beyond just financial assistance. They encompass a supportive ecosystem that fosters growth, innovation, and competitiveness among small and medium-sized enterprises. By availing themselves of these benefits, MSMEs can not only thrive in a dynamic business environment but also contribute significantly to the nation's economic development and prosperity.

Suggestions

- Conduct a sector-wise analysis to understand the performance of MSMEs across different industries such as manufacturing, services, agriculture, and handicrafts.
- Identify key sectors driving MSME growth in each state and explore their specific challenges and opportunities.
- Understand the impact of digitalization on MSMEs and how various government schemes

are promoting digital adoption among small businesses in enhancing productivity, efficiency, market reach, and competitiveness.

- Government should understand the importance of upskilling and reskilling MSME workforce to meet the demands of a rapidly evolving market and continuous development of these skills may improve employee morale and retention, enhance productivity and quality of output, foster a culture of learning and growth, and position themselves for long-term success and sustainability.
- Highlight specific schemes and initiatives aimed at promoting entrepreneurship among women, SC/ST, OBC, and minority communities to promote growth and empowerment in fostering a vibrant MSME ecosystem.
- Promote international collaboration, technology transfer, and export promotion among MSMEs which highlights the Export Promotion Capital Goods (EPCG) scheme and Market Development Assistance (MDA) scheme that support MSMEs in accessing global markets.
- Evaluate the effectiveness of monitoring and evaluation mechanisms implemented for MSME schemes such as performance tracking, assessment in ensuring accountability and transparency in scheme implementation.
- Explore partnerships between government agencies, industry associations, and non-governmental organizations (NGOs) to strengthen support mechanisms for MSMEs. Discuss how collaborative efforts are driving advocacy, policy dialogue, and knowledge sharing in the MSME ecosystem.
- Highlight initiatives promoting sustainability, environmental conservation, and green practices among MSMEs and also help to adopt eco-friendly technologies, reducing carbon footprint, and promoting circular economy principles for long-term growth and resilience.
- Encourage feedback mechanisms in shaping MSME policies and programmes and promote participatory approaches by government to involve industry associations, academia, and civil society organizations in decision-making processes.

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