

# The Role of MSME in Creating Rural Entrepreneurship and Employment in North East India

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## Abstract

Micro, small, and medium enterprises (MSME) play an important role in most developing economies. In the Indian economy, MSME have emerged as a highly vibrant and dynamic sector over the last five decades. It is the 2nd largest employer after the agriculture sector and generates 24.4 crore employment (Udyam Portal and UAP). MSME contribute approximately 30% of India's GDP, 36% of total manufacturing output, and over 45% of India's exports (MSME Annual Report, 2024-25). North East India (NEI) comprises eight states: Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura. North East India is endowed with plenty of untapped natural resources, such as forests, rivers, petroleum, copper, iron, and uranium. These resources can be utilised for economic development and employment generation in the region. This study aims to understand the role of MSME in creating rural entrepreneurship and generating employment in North East India and India. This study is purely based on secondary data extracted from various government reports, MSME Annual Reports, research papers related to MSME, books, and magazines etc.). In India, as of 31 December 2024 a total of 5, 77, 03,550 MSME, including IMEs on UAP, are registered. There are 5, 69, 01,755 enterprises registered under the micro category, 7, 32,782 enterprises registered under the small category, and 69,013 enterprises registered under the medium category. The total number of employment generation by the MSMEs in India as on 31st December, 2024 was 24, 36, 21, 355. Off the total employment generated, the micro category generates 22, 18, 87, 190, Small enterprises generates 1, 49, 94,229 and Medium enterprises generates 67, 39,936. In the case of North Eastern India, only 2.67% of the total MSME registered in the country are registered. The total number of enterprises registered in the NEI is 1543177. Of the total registered enterprises in NEI, Assam recorded the highest number of enterprises registered, accounting for 63.72%. For the purpose of further study, the role of MSME in different states of India may be examined and the development of MSMEs in different states may be compared.

**Keywords:** MSME, Rural Entrepreneurship, Employment, Economic and Social Development, Resources, North East India

## Introduction

The Micro, Small, and Medium Enterprise (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. This sector plays a very important role in contributing to the economy and social development of the country by creating entrepreneurship and generating large employment opportunities. Micro, Small & Medium Enterprises (MSME) have significantly contributed to the expansion of entrepreneurial endeavours through business innovations. MSME in India play a crucial role by providing large employment opportunities at a comparatively lower capital cost than large industries and through the industrialisation of rural and backward areas, inter alia, reducing regional imbalances and assuring a more equitable distribution of national income and wealth. It is the 2nd largest employer after agriculture sector and generates 24.4 crore employment (Udyam Portal and UAP).

MSME contributes around 30% of India’s GDP, 36% of total manufacturing output and over 45% of India’s export (MSME Annual Report, 2024-25). Micro, Small, and Medium Enterprises (MSME) serve as the backbone of economic development, contributing significantly to employment generation, industrial output, and exports.

The concept of small-scale industrial undertaking (SSI) in India was first introduced in the Industries (Development and Regulation) Act, 1951. However, a structured framework for MSMEs was established with the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, which provided the first official classification of MSMEs based on investment in plant and machinery or equipment.

**Evolution of MSME Classification**

- Pre-2006 Era: Small-scale industries (SSI) were defined primarily based on investment limits with different thresholds for small and ancillary industries.
- MSMED Act, 2006: Introduced a three-tier classification of Micro, Small, and Medium Enterprises, with different investment limits for manufacturing and service enterprises.
- Revised Classification (1 July 2020): The Government of India removed the distinction between manufacturing and service sectors and introduced a composite criterion based on both investment and turnover to classify MSMEs.
- Revised Classification (1 April 2025): The Government of India further revised the MSME classification to enhance the investment and turnover limits, allowing businesses to grow while retaining their MSME status.

**Table 1 Current MSME Classification  
(Effective from April 1, 2025)**

Enterprise Category	Investment Limit	Turnover Limit
Micro Enterprises	Up to Rs. 2.5 crore	Up to Rs. 10 crore
Small Enterprises	Up to Rs. 25 crore	Up to Rs. 100 crore
Medium Enterprises	Up to Rs. 125 crore	Up to Rs. 500 crore

**Source:** SIDBI Understanding Indian MSME Sector, May June, 2025

The North East India (NEI) comprises of eight states namely Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. The total geographical area and population of the region were 2, 62,179 sq. km and 45.50 million in 2011. Northeast India is a gateway to East Asia and has been acknowledged as a strategic focus for the ‘Act East Policy’, earlier known as the Look East Policy. North East India is endowed with plenty of untapped natural resources like forest, rivers, petroleum, copper, iron and uranium etc. These resources can be utilized for all economic development and employment generation in the region. The Ministry of MSME is actively promoting the development of MSME in the NER through different programs and schemes. The region still depends on the mainland of India to satisfy its needs. More development and growth of MSME through different programs and schemes is the need of the hour for the NER. With the backdrop of the above discussion, the present paper takes the broad objectives to study present scenario of MSME sector in India in general and North East India in particular.

**Objectives of the Study**

The specific objectives of this study are as follows:

1. To study the present scenario of the MSME sector in India.
2. To study the role of the MSME sector in the development of North East India.

**Literature Review**

The Micro, Small, and Medium Enterprises (MSME) sector has emerged as a dynamic sector of the Indian economy. It considerably helps in developing entrepreneurship and generates the second largest employment prospects. According to the latest Annual Report of MSME, 2024-25, the MSMEs sector contributes 30% of India’s GDP and over 45% of India’s exports. It is the 2nd largest employment sector after agriculture and generates employment for 2.4 crore people (MSME Annual Report, 2024-25).

Srivastava, S (2020) conducted a research work on the role of MSME sector in Indian economy with special reference to Gujarat. He found that the Micro, Small, and Medium Enterprises (MSME) sector

has emerged as a very important segment which contributes significantly to employment generation, innovation, exports, and inclusive growth of the economy. He further indicates that Gujarat has a clear vision for developing the MSME sector, and there is no doubt in accepting the fact that the state also has the status of a favoured global investment destination.

Shelly et al (2020) conducted a study on micro, small and medium enterprises in Indian economy with an objective to explore the growth in the number of MSME units, GDP contribution, employment generation and total exports of Indian economy, analyse the relationship between growth of MSME sector and fulfilment of sustainable development goals 2030, see the contribution of MSME sector in creating green jobs in India and to highlight the problems faced by the Indian MSME sector. Their study is based on secondary data collected from different sources, such as reports from the RBI, Ministry of MSME, Khadi and Village Industries Commission, Coir Board, and Silk Board. Their findings indicate that the growth of the MSME sector is higher than that of the industrial sector in 2006-07, 2007-08, 2013-14, 2014-15 and 2015-16. The share of the MSME sector in Indian GDP during 2006-07 to 2012-13 and the share of MSME in GVA is greater than that in GDP from 2011-12 to 2016-17. Their findings further indicate that employment generation and the number of working enterprises have shown a rising trend from 2006-07 to 2015-16. Their findings indicate that the number of working enterprises has increased at a higher rate than the jobs created in the MSME sector of India. Their study further indicates that the major problems faced by MSME are delayed payments, and they restrict themselves from using the legal provisions provided under the Micro, Small, and Medium Enterprises Development (MSMED) Act, 2006, as their bargaining power is low.

Arifin, R., Ningsih, A.A. T and Putri, A. K (2021) conducted a study on the important role of MSME in improving the economy of Malang, Indonesia. Their findings indicate that MSME in Melang face several obstacles that affect their increase in MSME including rising prices of raw materials, limited human resources, problems with capital, lack of facilities and infrastructure, and lack of access to product marketing.

Gupta, P and Shastri, M (2023) conducted a studied on role of micro, small and medium enterprises (MSMEs) in the rural development of India. The researchers suggested that promoting rural tourism with the help of rural MSMEs can be one of the best ways to boost the rural economy. Their study also showed that the lack of infrastructure in rural areas remains a major problem. The researcher further suggests that setting up ancillary units of large enterprises in rural areas could generate more employment in rural areas.

Bharti, P. and Ahmad, F. (2023) studied on role of micro, small and medium enterprises (MSME) on employment generation in Patna District, Bihar. Their findings showed that MSME play an important role in generating employment in the district. Most MSMEs provide direct employment opportunities for unskilled and semi-skilled labour forces, which have expanded job opportunities in rural areas. The researchers further revealed that MSME owners have differing motivations for starting their business endeavours. MSME activities have been attractive sources of income for many people who were unemployed or unable to find employment elsewhere due to a lack of skills or experience.

## **Research Methodology**

This study is purely based on secondary data collected from different sources of government records, books, and journals. To analyse MSME contribution to the economy, MSME GVA in total GDP, and MSME export to total exports, the data of the Financial Year from 2013 to 2024 were collected from the report of SIDBI Understanding Indian MSME Sector, June 2025. Data were also collected from the MSME Annual Report from 2012-13 to 2024-25. The collected data were analysed using tabulation and percentage methods.

## **Result and Discussion**

### **I. Present Scenario of MSME Sector in India**

The Micro, Small, and Medium Enterprises (MSME) sector remains a cornerstone of India's economic growth, playing a vital role in fostering innovation, employment generation and exports. Often referred to as the backbone of the nation's manufacturing and industrial ecosystem, MSMEs

bridge the urban-rural divide, promote entrepreneurship, support local supply chains and drive economic inclusivity. The contribution of MSMEs to India's economic growth is indispensable. With the country aiming to become a \$7 trillion economy by 2030, MSMEs are expected to play a pivotal role in steering the nation towards this milestone. A 12-year analysis of the share of MSMEs in both Gross Value Added (GVA) of GDP and exports is shown in Table-2.

**Table 2 MSMEs Contribution to Economy**

Year	MSME GVA in Total GDP (%)	MSME Exports in Total Exports (%)
2013	29.9	42.6
2014	29.8	42.4
2015	29.3	44.8
2016	29.5	49.9
2017	29.3	49.7
2018	29.8	48.6
2019	30.3	48.1
2020	30.5	49.8
2021	27.3	49.4
2022	29.6	45
2023	30.1	43.6
2024	29.6	45.7

**Source:** SIDBI Understanding Indian MSME Sector, June 2025

The analysis shows that MSME GVA peaked in FY2020 at 30.5%. Despite the challenges posed by the pandemic, MSME GVA contributed 27.3% and 29.6% to GDP in FY2021 and FY2022, respectively. Exports by MSMEs have also grown, from Rs. 3.95 lakh crore in FY2021 to Rs. 12.39 lakh crore in FY2025. The contribution of MSME GVA to GDP further improved in FY2023 to 30.1%, indicating the resilience and adaptability of the sector. As of FY2024, MSME GVA was 29.6%. In the case of total exports in India, MSME exports accounted for 45.7% of the total Indian exports in the financial year 2024.

**Distribution of Micro, Small & Medium Enterprises as per Udyam Registration (Including Informal Micro Enterprises on UAP)**

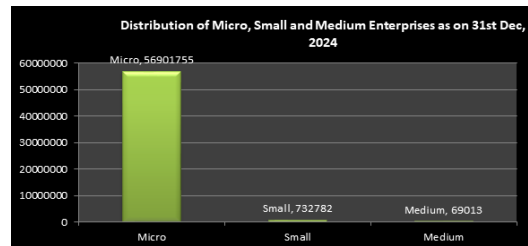
The distribution of Micro, Small and Medium Enterprises in India as of 31 December 2025 is shown

in Table-3. It is evident from the table that in India, as of 31 December 2024 a total of 5, 77, 03,550 MSME, including IMEs on UAP, are registered. There are 5, 69, 01,755 enterprises registered under the micro category, 7, 32,782 enterprises registered under the small category, and 69,013 enterprises registered under the medium category. Off the total enterprises registered, 45% of the enterprises are registered in the category of trading, 35% are in the category of service sector and 20% are in the category of manufacturing sector (Table-4).

**Table 3 Distribution of Micro, Small and Medium Enterprises in India as on 31st December, 2024**

Category	Nos. of Enterprises
Micro	5,69,01,755
Small	7,32,782
Medium	69,013
Total	5,77,03,550

**Source:** MSME Annual Report, 2024-25



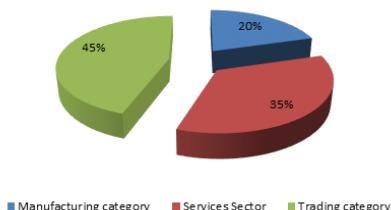
**Fig:** Distribution of Micro, Small and Medium Enterprises in India as on 31st December, 2024

**Table 4: Distribution of total enterprises registered in Manufacturing sector, Services sector and trading category in India as on 31st December, 2024**

Category Wise	Nos. of Enterprises Registered
Manufacturing category	1,17,53,385
Services Sector	20,12,3,279
Trading category	2,58,26,886
Total	57,7, 03,550

**Source:** MSME Annual Report, 2024-25

Share of Manufacturing, Services and Trading as on 31st December, 2024



**Figure 2: Share of Udyam Registration including Informal Micro Enterprises on UAP: Manufacturing, Services and Trading as on 31st December 2024**

### Employment Generation by MSME

The MSME sector is the backbone of India's economy, contributing to the country's socio-economic development. It serves as a vital component of the Indian economy, contributing significantly to the GDP, employment, and exports. The total number of employment generation by the MSMEs in India as on 31st December, 2024 was 24,36,21,355. Off the total employment generated, the micro category generates 22,18,87,190, Small enterprises generates 1,49,94,229 and Medium enterprises generates 67,39,936.

**Table 5 Distribution of Employment Generated by Micro, Small and Medium Enterprises in India (31st December, 2024)**

Category Wise	Nos. of Employment Provided
Micro	22,18,87,190
Small	1,49,94,229
Medium	67,39,936
Total	24,36,21,355

Source: MSME Annual Report, 2024-25

### Role of MSME sector in the Development of North East India

North-East India (NEI) comprises eight states: Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura. The eight

northeastern states which cover 263179 Km<sup>2</sup> of area that is 8% of India's total area), face several critical developmental challenges. The region is characterised by low per capita income, low capital formation, inadequate infrastructural facilities, communication bottleneck,s and geographical isolation from the mainstream. It is also characterised by inadequate exploitation of natural and human resources, for which industrial activities are very low in the entire region and the unemployment rate is high among the relatively highly literate people. Entrepreneurship refers to the functions performed by an entrepreneur to establish an enterprise. Entrepreneurship is a process involving various actions undertaken to establish an enterprise. It is the process of giving birth to a new enterprise. Rural entrepreneurship involves creating a new organisation that introduces a new product, serves or creates a new market, or utilises new technology in rural areas. Micro, Small and Medium Enterprises (MSME) play an important role in rural entrepreneurship by introducing new products, creating new markets in rural areas, and utilising new technology.

The total number of MSMEs registered in North East India is shown in Table-7. It is evident from the table that only 2.67% of the total MSME registered in the country are registered in North-Eastern India. The total number of enterprises registered in the NEI is 1543177. Off the total registered enterprises in NEI, Assam recorded the highest state in enterprises registered accounting for 63.72%, Tripura is the second highest enterprises registered state accounted 250772 (16.25%) enterprises registered, Manipur recorded the third highest registered enterprises state 124660 (8.08%), followed by Nagaland 51551 (3.34%), Meghalaya 38298 (2.48%), Mizoram recorded 41266 (2.67%) and Sikkim recorded the least state in NEI registered enterprises accounted 23774 (1.54%). Overall, in NEI, the total number of registered enterprises is still very low compared to the total number of MSME registered in the country, so there are still many opportunities for the expansion of enterprises in the region.

**Table 6 Distribution of Total Number of MSME of Udyam Registration including Informal Micro Enterprises on UAP as on 31st December, 2024**

Sl. No.	State	Micro	Small	Medium	Total
1	Arunachal Pradesh	29176	397	36	29609 (1.92%)
2	Assam	972486	9895	866	983247 (63.72%)
3	Manipur	123946	676	38	124660 (8.08%)
4	Meghalaya	37737	501	60	38298 (2.48%)
5	Mizoram	41054	201	11	41266 (2.67%)
6	Nagaland	51290	244	17	51551 (3.34%)
7	Sikkim	23560	195	19	23774 (1.54%)
8	Tripura	249701	998	73	250772 (16.25%)
	Total NER	1528950 (2.69%)	13107 (1.79%)	1120 (1.62%)	1543177 (2.67%)
	All India	56901755	732782	69013	57703550

**Source:** Annual Report of MSME, 2024-25

The Government of India has taken many initiatives for the development of the NER through the Ministry of Micro, Small, and Medium Enterprises. The state-wise physical performance of Khadi in the North-Eastern Region during 2024-25 is shown in Table-7. Up to 31-03-2025, the total production under Khadi industries in NER was 2015 lakhs, sales reached 2399 lakh,s and the cumulative employment generated from Khadi was 11414. Of the total employment generated by Khadi in NER, Assam recorded the highest employment generated

states accounting for 10185 in numbers which is 89.23% of the total employment generated in NER. Nagaland recorded the second highest employment in the North East states after Assam, accounting for 586 in numbers which is 5.13% of the total generated employment in NER under Khadi Industries. Assam recorded the highest production and sales of Khadi industries among the NE states. Next to Assam, Manipur recorded the second highest production and sale of Khadi Industries products.

**Table 7 State-wise Physical Performance of Khadi in NER during 2024-25 (Upto 31-03-2025)**

State-wise Physical Performance of Khadi in NER during 2024-25 (Up to 31-03-2025)

Sl. No	State	Production (in lakh)	Sales (in lakh)	Cumulative Employment (in numbers)
1	Arunachal Pradesh	24	74	62 (0.54%)
2	Assam	1758	1975	10185 (89.23%)
3	Manipur	111	108	334 (2.92%)
4	Meghalaya	28	31	117 (1.03%)
5	Mizoram	4	7	24 (0.21%)
6	Nagaland	55	92	586 (5.13%)

7	Sikkim	32	61	56 (0.49%)
8	Tripura	3	51	50 (0.44%)
9	Total NER	2015	2399	11414 (100%)

**Source:** Annual Report of MSME, 2024-25

PMEGP is a central sector scheme administered by the Ministry of Micro, Small and Medium Enterprises which aims to generate self-employment opportunities through the establishment of micro-enterprises in the non-farm sector for rural and urban areas. The PMEGP has been in operation since 2008-09 and has been approved for continuation over the 15th Finance Commission cycle, that is, for the period of five years from FY 2021-22 to FY 2025-26. PMEGP-Special efforts have been made by the KVIC to provide employment in the NER under PMEGP. The PMEG performance in NER during 2024-25 is shown in Table-9. It is evident from the table that the total estimated employment generation in the NER under PMEG was 26,888 numbers during 2024-25 till up to 31-12-2024 which is only 11.79% of the total estimated employment generation under the PMEG scheme in India. Assam is the highest state among the NER in generating employment under PMEG which reach 11552 numbers (42.96%) of the total estimated employment generation in North Eastern States. Nagaland is the second highest employment-generating state in the NER, accounting for 4592 numbers (17.07%), followed by Meghalaya

2848(10.59%), Manipur 2568(9.55%), Tripura 2528(9.40%), Mizoram 1688(6.27%), Arunachal Pradesh 592 (2.20%) and Sikkim 520 (1.93%). In terms of micro units assisted under PMEG, Assam enjoyed the highest number of units assisted 1444 which is 42.96% of the total units assisted in the NER. The state of Nagaland is the second highest state in the North Eastern Region in assisting micro units under PMEG, accounting for 547 (17.07%) units assisted. Meghalaya recorded the third highest in number of unit assisted 356(10.59%), followed by Manipur 321(9.55%), Tripura 316(9.40%), Mizoram 211(6.27%), Arunachal Pradesh 74(2.20%) and Sikkim recorded the least units assisted which is only 65(1.93%) numbers of units assisted. Compared with the total micro units assisted in India, the number of units assisted during 2024-25 in NER was 3361, which is only 11.79% of the total units assisted in India. The total margin money utilised under PMEG for all the northeastern States during 2024-25 was Rs. 10,048.55 lakh. The total margin money utilised under the PMEG scheme across India during 2024-25 was Rs. 1160.19 crore.

**Table 8 PMEG Performance in NER States during 2024-25 (up to 31-12-2024)**

PMEG Performance in NER States during 2024-25 (up to 31-12-2024)

Sl. No	State	Margin Money Utilized (in lakh)	No. of Micro Units Assisted (in number)	Estimated Employment (in numbers)
1	Arunachal Pradesh	427.65	74(2.20%)	592(2.20%)
2	Assam	4092.03	1444(42.96%)	11552(42.96%)
3	Manipur	715.12	321(9.55%)	2568(9.55%)
4	Meghalaya	904.69	356(10.59%)	2848(10.59%)
5	Mizoram	847.67	211(6.27%)	1688(6.27%)
6	Nagaland	2104.51	574(17.07%)	4592(17.07%)
7	Sikkim	183.03	65(1.93%)	520(1.93%)
8	Tripura	773.85	316(9.40%)	2528(9.40%)
9	Total NER	10,048.55 (100%)	3,361(100%)	26,888(100%)
	All over India	1160.19 (in terms of crore)	28,503	2,28,024

**Source:** MSME Annual Report, 2024-25

State-wise micro-enterprises (projects) assisted under PMEG in the Northeast for the past five years from 2020-21 to 2024-25 up to 31st December, 2024, are shown in Table-10. The table shows that the total number of microenterprises (projects) assisted under PMEG in Northeast India during 2020-21 was 7401 units, 8,823 were assisted during 2021-22, 5246

during 2022-23, 4852 units were assisted during 2023-24 and 3361 units were assisted during 2024-25. Comparing the trends of units assisted under PMEG in North East India from 2020-21 to 2023-24, the total units assisted under PMEG in North East India decreased by 2549 units which affects the development of the entire northeastern states.

**Table 9 State-wise Micro Enterprises (Projects) assisted under PMEG in North-East (for setting up of new PMEG Units and 2nd dose for existing units) from FY 2019-20 to FY 2024-25 (up to 31.12.2024)**

Sl.No.	State	2020-21	2021-22	2022-23	2023-24	2024-25	2020-21 to 2023-24
1	Arunachal Pradesh	98	196	158	169	74	71
2	Assam	2939	3855	2596	2417	1444	-522
3	Manipur	1556	1139	545	348	321	-1208
4	Meghalaya	359	699	306	280	356	-79
5	Mizoram	810	650	412	401	211	-409
6	Nagaland	740	1241	469	517	574	-223
7	Sikkim	57	85	57	132	65	75
8	Tripura	842	958	703	588	316	-254
9	Total NER	7401	8823	5246	4852	3361	-2549

Source: MSME Annual Report, 2024-25

### Conclusion

The analysis shows that the Micro, Small and Medium Enterprises (MSMEs) sector emerged as a very important segment contributing to the economy and social development of the country by creating entrepreneurship and generating large employment opportunities. It is the 2nd largest employer after the agriculture sector and generates 24.4 crore employment (Udyam Portal and UAP). MSME contribute approximately 30% of India's GDP, 36% of total manufacturing output, and over 45% of India's exports (MSME Annual Report, 2024-25). In India, as of 31 December 2024 a total of 5, 77, 03,550 MSME, including IMEs on UAP, are registered. There are 5, 69, 01,755 enterprises registered under the micro category, 7, 32,782 enterprises registered under the small category and 69,013 enterprises register under the medium category. Of the total registered enterprises, 45% are in the trading category, 35% in the service sector, and 20% in the manufacturing sector. The total number of employment generation by the MSMEs in India as on 31st December, 2024 was 24, 36, 21,

355. Off the total employment generated, the micro category generates 22, 18, 87, 190, Small enterprises generates 1, 49, 94,229 and Medium enterprises generates 67, 39,936. In the case of North Eastern India, only 2.67% of the total MSME registered in the country are registered. The total number of enterprises registered in NEI is 1543177. Of the total registered enterprises in NEI, Assam recorded the highest number of registered enterprises, accounting for 63.72% of the total. Tripura is the second highest enterprises registered state accounted 250772 (16.25% of) total. Manipur recorded the third highest registered enterprises state 124660 (8.08%). In terms of employment generation, the total estimated employment generation in the NER under PMEG was 26,888 numbers during 2024-25 till up to 31-12-2024 which is only 11.79% of the total estimated employment generation under the PMEG in India. Assam is the highest state among the NER in generating employment under PMEG which reach 11552 numbers (42.96%) of the total estimated employment generation in North Eastern States. Nagaland is the second highest employment

generation states in NE account to 4592 numbers (17.07%), followed by Meghalaya 2848(10.59%), Manipur 2568(9.55%), Tripura 2528(9.40%), Mizoram 1688(6.27%), Arunachal Pradesh 592 (2.20%) and Sikkim 520 (1.93%).

### Suggestions

Comparing the performance of MSMEs in creating enterprises and generating employment in the mainland and North East India, the latter is far behind the mainland in creating enterprises and generating employment. Only 2.67% of enterprises are registered in MSME of Udyam Registration, including Informal Micro Enterprises on UAP, as of 31 December 2024. Regarding employment generation, the total employment generation in India under the MSME sector in India up to 31-12-2024 was 2, 28,024, but in North East India, it was only 26,888. Therefore, the government must take appropriate measures to increase enterprises and generate more employment. Despite playing a crucial role, MSME face constraints in infrastructure development, especially in Northeast India. Therefore, the Government of India should focus on infrastructure development.

### Limitations

The present study is wholly based on secondary data sources, mainly collected from MSME annual reports, and therefore, it may have drawbacks associated with the data. The lack of proper records and data makes it difficult for researchers to present accurate findings.

### Research Gap

For future studies, the scope for research in this sector, especially in the northeastern region, is still quite unexplored. Moreover, this study used descriptive analysis to explore MSME performance. Future research can focus on different aspects of MSME performance using more advanced techniques. The role played by MSME in different states of India may be examined.

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