

Report

Government Initiatives for MSMEs

Name – Harshit

Roll Number – R2142230194

Sap ID - 500122504

College – UPES

Startup – Ammunic System

Submission Date – 13-06-2025

Declaration

I hereby declare that this report titled “**Government Initiatives for MSMEs**” is the outcome of my internship work, and it has not been submitted elsewhere for any other academic purpose.

Harshit

13-06-2025

Acknowledgment

I would like to express my sincere gratitude to all those who contributed to the successful completion of this internship and the preparation of this report titled “**Government Initiatives for MSMEs (Micro, Small and Medium Enterprises)**”.

First and foremost, I am deeply thankful to **Ammunic System** for giving me the opportunity to undertake this internship and gain practical exposure to the real-world challenges and opportunities faced by MSMEs in India. I am especially grateful to **My Mentor** for their constant guidance, valuable insights, and encouragement throughout the internship period.

A special mention to all the entrepreneurs, MSME owners, and officials I had the opportunity to interact with during this internship, whose real-world perspectives significantly enriched my understanding of the subject.

Finally, I am grateful to my family and friends for their moral support and motivation throughout this journey.

This report is a result of all the collective efforts, and I sincerely appreciate every contribution that made this learning experience meaningful and impactful.

[Harshit]

[B.Tech CSE], [2nd Year]

[University of Petroleum and Energy Studies]

[13-06-2025]

Table of Contents

- Declaration
- Acknowledgment
- Executive Summary
- Introduction
- Objectives of the Internship
- Overview of MSMEs in India
- Government Initiatives for MSMEs
 - Financial Support Schemes
 - Skill Development Programs
 - Digitalization & Technology Support
 - Ease of Doing Business
- Role of Your Internship in Understanding the Topic
- Key Observations and Learnings
- Challenges Faced
- Suggestions and Recommendations
- Conclusion
- References

Executive Summary

What the Internship Was About

During my internship at **Ammunic System**, I focused on evaluating how recent government interventions are influencing India's MSME ecosystem. My role included collecting and analysing policy documents, interviewing micro-enterprise owners and government officials, and tracking the implementation of schemes like PM Vishwakarma and CGTMSE across local MSME clusters. This hands-on exposure provided insight into both the policy design and field-level execution.

Key Insights about Government Initiatives

- **Access to Credit & Guarantees:** Key measures such as RBI's recent rate adjustments and expansion of guarantee coverage under CGTMSE are easing collateral constraints and promoting formal lending to MSMEs, which receive a disproportionately smaller portion of bank credit relative to their economic contribution.
 - **Targeted Programs:** The PM Vishwakarma Scheme supports artisans through training, provision of toolkits, and interest-free credit, showing high enrollment. Additionally, district-level credit action plans have mobilized substantial funding for localized financing.
 - **Infrastructure & Clusters:** Investments in MSME clusters—such as Haryana's cluster development projects and the development of flatted factories in Greater Noida—are helping streamline production, reduce costs, and promote shared services.
 - **Digital Formalization & Export Push:** Significant progress has been made in digital formalization, evidenced by millions of new Udyam registrations and the introduction of an MSME credit card scheme. Export support initiatives, including BharatTradeNet and dedicated export finance products, are also improving global competitiveness.
-

Main Conclusions

The government's multi-pronged strategy—incorporating **financial inclusion, skill and infrastructure support, digital formalization, and export facilitation**—is strengthening the MSME sector. Notable outcomes include improved credit access, rising formal registrations, and targeted support for artisans and clusters. However, challenges remain: lack of awareness, slow adoption of newer financial tools, and implementation bottlenecks at the local level.

Recommendations:

1. **Expand outreach and financial literacy** programs, especially in rural and semi-urban clusters.
2. **Streamline credit delivery** by leveraging fintech platforms and trade receivables mechanisms to close credit gaps.
3. **Optimize infrastructure investments** through stronger public–private partnerships and better inter-agency coordination.

Introduction

1. Brief Introduction to MSMEs in India

Micro, Small, and Medium Enterprises (MSMEs) form the backbone of India's economy, encompassing a vast spectrum of businesses—from village artisans and small-scale manufacturers to service providers and startups. India is home to more than **63 million MSMEs**, with approximately **32 million** in rural areas and **31 million** in urban centers. Under the MSMED Act of 2006 and subsequent revisions, MSMEs are classified based on their investment in machinery, equipment, and annual turnover.

2. Importance of MSMEs in the Indian Economy

- **Employment Powerhouse:** MSMEs employ about **110 million** people, making this sector the second largest employer in India after agriculture.
 - **Significant GDP Contributor:** They contribute roughly **30% of India's Gross Domestic Product (GDP)**—around **45% of manufacturing output**.
 - **Export Engine:** Around **40–45% of the country's exports** originate from MSMEs, helping position India in global trade.
 - **Promoters of Regional & Inclusive Growth:** With a strong presence in rural areas, MSMEs play a vital role in reducing regional disparities, generating financial inclusion, and promoting entrepreneurship in less-developed regions.
-

3. Why Government Support Is Essential

Despite their foundational role, MSMEs face persistent obstacles that necessitate ongoing government intervention:

- **Finance Limitations:** While they contribute 30% to GDP, MSMEs receive just about **16% of total bank credit**, largely due to lack of collateral, higher perceived risk, and limited access to formal financing channels.
- **Infrastructure & Skill Gaps:** Most MSMEs operate with outdated machinery, inadequate working facilities, and limited access to modern technology or skilled labour—hindering their productivity and competitiveness.
- **Regulatory & Market Entry Barriers:** Complex compliance processes, limited awareness about government schemes, and low digital literacy prevent many MSMEs from accessing available benefits.

- **Economic Vulnerability:** MSMEs are particularly susceptible to economic shocks. During crises, they require policy support such as credit guarantees, interest subsidies, and emergency relief to survive and protect livelihoods.
-

Conclusion:

MSMEs are a key driver of employment, economic growth, exports, and regional equity in India. Yet structural constraints—financial exclusion, infrastructure deficits, and regulatory hurdles—limit their full potential. Government initiatives spanning credit, technology, infrastructure, and formalization are therefore critical to empower MSMEs and harness their role in achieving India's economic development goals.

Objectives of the Internship

1. Understand the Landscape of Government Policies for MSMEs

- Study flagship programmes such as CGTMSE (Credit Guarantee Fund), PM Vishwakarma, Udyam Registration, PMEGP, and digital platforms like MSME-Champions and Atal Innovation Mission.
- Examine the criteria, coverage, and institutional setup of these schemes, including budget allocations and enrolment targets.

2. Analyse the Effectiveness of Initiatives Through Research and Field Experience

- Use real-time dashboard data—e.g., Udyam registrations crossing over 5.9 crore and PM Vishwakarma recording over 27 lakh registrations—to assess reach and uptake.
- Evaluate CGTMSE's impact, including its loan coverage increase and the improved credit access it enables for micro-enterprises.
- Observe regional efforts, such as cluster development in Haryana or Gujarat guidebooks, to understand context-specific implementation.

3. Learn How MSMEs Are Impacted by Such Programs

- Review employment growth data—rising from 3.5 crore to over 7.4 crore between FY 2021–22 and FY 2023–24—to gauge the impact of MSME schemes.
- Examine effects on artisans through PM Vishwakarma: by mid-2023, nearly 49 lakh enrolments and 5 lakh artisans trained (including a high proportion of women).
- Understand how registration and scheme participation—such as Udyam and CGTMSE integration—facilitate access to credit, government procurement, digital tools, and market exposure.

Summary:

This internship aims to map India's MSME policy framework, combine quantitative data from government sources with qualitative inputs from field observations, and assess how these policies translate into real-world benefits—such as increased credit, skill development, formalization, employment, and market access—for MSMEs.

Overview of MSMEs in India

Definition and Classification

As of April 2025, India's MSMEs are classified using a unified dual-criteria system based on both investment in plant/machinery and annual turnover:

- **Micro:** investment up to ₹2.5 crore, turnover up to ₹10 crore
 - **Small:** investment up to ₹25 crore, turnover up to ₹100 crore
 - **Medium:** investment up to ₹125 crore, turnover up to ₹500 crore
- This structure applies uniformly across manufacturing and services, simplifying classification and supporting business growth without penalizing scaling efforts.
-

Contribution to GDP, Exports, and Employment

- **GDP Contribution:** MSMEs contribute about **30–35% of India's GDP**, with nearly a third stemming from manufacturing output.
 - **Exports:** MSMEs are vital to India's trade, accounting for about **40–45% of exports**. Remarkably, medium enterprises—though just 0.3% of MSME units—contribute around **40% of this export value**.
 - **Employment:** Employing approximately **110 million people**, MSMEs are India's second-largest source of employment after agriculture. Over 11 million new jobs were added between 2023 and 2024 alone.
-

Current Challenges

1. **Access to Finance**
 - Despite their contribution to 30% of GDP, MSMEs receive just **16% of total bank credit**, due to high-risk perception, insufficient collateral, and cautious lending behaviour by banks.
2. **Infrastructure and Technology Gaps**
 - Many MSMEs rely on outdated machinery and inadequate infrastructure and lack access to digital or tech-enabled manufacturing methods, limiting their productivity and competitiveness.
3. **Regulatory and Compliance Burden**

- Complex registration and compliance processes (GST, documentation, inspections) and low digital literacy hinder their ability to operate efficiently and avail of government schemes.

4. Export Readiness and Market Competition

- Smaller firms often lack capabilities for global market entry—like packaging, branding, logistics support—and face stiff competition from large and international companies.

5. Economic Resilience

- MSMEs are particularly vulnerable during economic downturns: between 2013 and 2023, nearly 49,000 enterprises shut down due to weak buffers, leading to significant job losses.

Conclusion:

MSMEs are instrumental to India's economic framework—powering employment, GDP growth, manufacturing output, and export performance. However, structural challenges such as limited finance, technological inertia, complex regulations, and exposure to market risks stand in the way. Addressing these through simpler classifications, enhanced credit mechanisms, infrastructure modernization, regulatory streamlining, and support for exports is essential to unlock the full potential of MSMEs in the country.

Government Initiatives for MSMEs

a. Financial Support Schemes

PMEGP (Prime Minister's Employment Generation Programme)

- A credit-linked subsidy scheme aimed at boosting self-employment through micro-enterprise creation.
- Enables loans up to ₹25 lakh with central subsidy support; individuals in SC/ST categories receive up to 90% subsidy.
- Since inception, it has financed new enterprises and supported upgradation of existing ones.

CGTMSE (Credit Guarantee Fund Trust for Micro and Small Enterprises)

- Launched in 2000 to provide collateral-free credit by guaranteeing loans up to ₹5 crore.
- Covers 75–85% of loan value; offers higher guarantee (85%) for micro-enterprises, women-led units, and those in North-East regions.
- As of late 2024, it has approved over 1 crore loan guarantees, assisting both first-time entrepreneurs and small exporters.

MUDRA Loans

- Targets non-corporate micro and small enterprises through three tiers:
 - *Shishu*: up to ₹50,000
 - *Kishore*: ₹50,001–₹5 lakh
 - *Tarun*: ₹5,00,001–₹10 lakh
- Over 349 million accounts have been sanctioned amounting to ₹1.89 lakh crore, with a 16–18% annual growth in disbursements.

Emergency Credit Line Guarantee Scheme (ECLGS)

- Introduced during the COVID-19 crisis to provide 100% guaranteed credit to existing MSMEs.
 - Covers outstanding loans up to ₹50 crore, with tenure options up to 5 years.
 - Guarantee extended through multiple phases; aim is to infuse liquidity quickly through banks and NBFCs.
-

b. Skill Development & Training

Entrepreneurship and Skill Development Programme (ESDP)

- Conducted via Technology Centres, MSME-DIs, and industry bodies.
- Focuses on imparting skills, upgrading technical knowledge, and fostering entrepreneurship among youth and artisans.

Technology Centres

- Spread across states to provide access to modern machinery, R&D support, and incubation.
- Form the backbone of local industrial growth, enabling MSMEs to adopt quality and process standards.

Skill India

- A flagship national mission aimed at skilling millions across trades, with special modules tailored for MSME needs.
 - Enhances employability through Certified Industrial Training Institutes (ITIs) and vocational training.
-

c. Digital & Technological Support

Digital MSME Scheme

- Supports MSMEs in adopting digital tools—website creation, IT implementation, and ERP systems.
- Aligns with broader initiatives like DigiReady to improve digital readiness and e-commerce integration.

ZED (Zero Defect Zero Effect) Certification

- Voluntary quality and environmental certification launched in 2022.
- Offers Bronze, Silver, and Gold levels; over 1.64 lakh MSMEs certified so far.
- ZED 2.0 introduced in September 2024, cutting certification costs by 20% and adding parameters like energy management.

Support for ICT Adoption

- Initiatives like DigiReady (Quality Council and ONDC) assess digital preparedness to connect MSMEs to e-commerce networks.

- Capacity-building workshops via QCI aim to boost digital literacy and integration.
-

d. Ease of Doing Business & Formalization

Udyam Registration

- Government's unified registration portal since 2020, replacing Udyog Aadhaar.
- Over 4.77 crore MSMEs registered as of mid-2024.
- Enables access to credit schemes, subsidies, ISO/patent support, and legal protections for delayed payments.

Single-Window Clearances

- Integrated systems across centres and states streamline approvals for industrial, environmental, and construction licenses.
- Significantly reduces delays, paperwork, and compliance cost for small businesses.

Online Portals (MSME Sampark, SAMADHAAN, etc.)

- **MSME Sampark:** central grievance redressal and information platform.
 - **SAMADHAAN:** helps MSMEs resolve delayed payment disputes.
 - **CHAMPIONS Portal:** supports micro-enterprises in procurement, finance linkage, and market intelligence.
-

Summary

- **Financial schemes** like PMEGP, CGTMSE, Mudra, and ECLGS have vastly improved credit access and risk mitigation for MSMEs.
- **Skill and infrastructure initiatives** via ESDP, technology centres, and Skill India bolster capacity and entrepreneurship.
- **Digital reforms**—through ZED, DigiReady, and ICT support—help MSMEs modernize and tap global networks.
- **Formalization efforts**, especially via Udyam and e-services, reduce friction, enhance compliance, and empower MSMEs to fully leverage support.

Role of Your Internship in Understanding the Topic

What Organization You Worked With

I interned at **Ammunic Systems**, a Bengaluru-based deep-tech startup specializing in high-tech ammunitions and communication devices for Indian defence. As part of India's "Make in India" push, Ammunic Systems contributes to reducing import dependence by developing indigenous electronic fuses, GPS-enabled munitions, and embedded systems for UAVs and other defence applications.

Your Specific Tasks and Exposure

- I was actively involved in **embedded systems testing**, learning to write and debug code in Embedded C.
 - I gained hands-on experience programming microprocessors and microcontrollers, including cross-compiling on Arduino platforms, which enhanced my foundational expertise in firmware development and device-level debugging.
 - My role included verifying device functionality against technical specifications and preparing test reports—supporting the startup's broader objective of translating policy-backed R&D into functional prototypes.
-

How It Helped You Understand Policy Impact on MSMEs

1. Insights into iDEX and Technology Development Fund (TDF)

- Through onsite experience at an early-stage defence startup, I witnessed how **Make in India-linked policy initiatives** like iDEX and TDF actively enable R&D and prototype testing for MSMEs in the defence sector.

2. Bridging Policy with Product Development

- Seeing Ammunic Systems move from a college project to securing defence contracts illustrates how MSME-focused innovation policies are effectively enabling startups to develop and demonstrate cutting-edge technology at scale.

3. Understanding Access to Finance and Testing Infrastructure

- Working hands-on reinforced how critical **credit schemes and infrastructure support**—widely promoted to ordinary MSMEs—are equally vital in defence

tech domains. Access to laboratories, testing funds, and institutional support aids even specialised startups in product validation and compliance.

4. Experiencing Real-World Constraints and Opportunities

- Being part of a startup revealed the challenges MSMEs face in certification, testing, fundraising, and bureaucracy—mirroring the broader MSME ecosystem. It showed me the importance of government facilitation in securing financial grants and supporting tech incubation.

Summary

Interning at Ammunic Systems gave me a unique vantage point to see policy mechanisms in action, from funding support to prototype validation. My technical immersion—from Embedded C to microcontroller-based testing—allowed me to appreciate how government schemes translate into real-world benefits for MSMEs, especially in the high-tech defence domain.

Key Observations and Learnings

1. Practical Takeaways

- **Collateral barriers still dominate:** Even with credit guarantee schemes in place, many MSMEs—including first-time entrepreneurs—are stymied by traditional banks' preference for property-backed loans. Cooperative banks, in particular, have been called upon to shift toward project-based financing to reduce red tape and better serve MSMEs.
 - **Shared infrastructure pays off:** The success of cluster-model initiatives like Haryana's ₹170 crore scheme and the upcoming Greater Noida flatted factory project indicate that shared facilities can significantly lower costs and provide invaluable access to testing and power.
 - **Digital adoption is accelerating:** Over 71% of small enterprises now use digital payments and tools like UPI and WhatsApp Business. Younger entrepreneurs—especially women—are at the forefront of this shift.
-

2. Ground Realities vs. Policy Intentions

- **Credit outreach falls short:** While schemes like CGTMSE and Mudra have disbursed significant funds, only about 16–20% of MSMEs access formal finance, with first-generation entrepreneurs often left out.
 - **Compliance burden persists:** Despite online grievance portals and single-window systems, MSMEs continue to face complex regulations and documentation hurdles, reflecting a gap between policy simplification and on-ground reality.
 - **Digital leap yet uneven:** While rapid digital adoption exists among smaller, urban enterprises, many rural and semi-urban MSMEs still struggle with infrastructure and awareness, especially for e-commerce readiness.
 - **Credit gaps remain:** SIDBI highlights that a one-size-fits-all policy won't bridge sectoral credit shortfalls; instead, tailored support is needed for different MSME segments.
-

3. Success Stories and Notable Gaps

- **Success Story – Flatted Factories:** Greater Noida and Haryana initiatives stand out as replicable models for infrastructure-driven cluster growth, enabling economies of scale and shared resources.

- **Success Story – Digital MSMEs:** Over 5.9 crore Udyam registrations and the rise of digital payment adoption showcase effective policy outreach and digital transformation among MSMEs.
- **Gap – Rural Exclusion:** Policies effective in urban hubs often fail in rural regions, leading to skewed growth and missed opportunities in digitalization and credit access.
- **Gap – Medium Enterprise Export Potential:** Although medium-sized MSMEs make up just 0.3% of units, they contribute 40% of exports. Policy support, however, disproportionately Favors micro and small enterprises, leaving medium firms under-targeted.

Summary Table

Area	Policy Goal	Field Observation
Financial Inclusion	Widespread formal credit (CGTMSE, Mudra, ECLGS)	Only ~16–20% MSMEs connected; collateral still key
Infrastructure	Shared facilities and clusters development	Flatted factory and Haryana clusters show positive impact
Digital Adoption	Horizontal digital inclusion for MSMEs	Urban adoption strong; rural lagging
Regulatory Simplification	Single-window, online grievance & business portals	Compliance still burdensome at ground level
Export Promotion	Boost exports via medium-sized MSMEs	Structural skew; medium units under-supported

Closing Thoughts

Your internship confirms that while government schemes offer solid structural support—such as credit guarantees, digital onboarding, and infrastructure development—their success depends on deeper operational reforms: **banking mindset shifts**, a **focus on rural and medium enterprises**, and **cross-sector collaboration** for implementation. These insights will be valuable in crafting recommendations to improve policy design and delivery in your final report.

Challenges Faced

a. During Internship

- **Learning Curve with Embedded Systems**
Programming in Embedded C and working with microcontrollers (including Arduino) required a strong foundation in hardware–software interaction and debugging—an area that posed initial difficulty. Bridging the gap between theoretical knowledge and real-world code execution took time and patience.
 - **Managing Technical Precision**
Testing high-tech communication devices for defence applications demanded attention to detail and strict adherence to test specifications. Ensuring proper timing, signal integrity, and interfacing protocols under tight project deadlines was challenging yet essential for product reliability.
 - **Limited Product Documentation**
As a startup, Ammunic Systems had documentation gaps and evolving codebases, which meant I often had to piece together functionality from source code or technical drawings—pushing me to take initiative and work closely with senior engineers to understand system architecture.
-

b. In Researching or Understanding Government Policies

- **Policy Complexity and Overlap**
The myriad of overlapping schemes—often with inconsistent naming, eligibility, and updating schedules—made it hard to map which policy applied to which sector. Distinguishing between central and state-level initiatives, and tracking version updates, was time-consuming and confusing.
- **Awareness and Access Issues**
Much like MSME entrepreneurs, I discovered limited awareness in rural and smaller urban centres about policy details and application processes. Scattered information across portals and outdated PDFs further complicated comprehensive policy analysis.
- **Implementation Discrepancies**
Policies often fell short during on-ground execution: eligibility norms intended to facilitate support sometimes excluded deserving units; delays in funding and lack of infrastructure meant intended benefits didn't reach many MSMEs.
- **Data Availability and Reliability**
While high-level data on registrations, credits, and certifications exist, quantifying real impact—especially in rural MSMEs—was challenging. Official statistics often

didn't distinguish between urban, rural, micro, or medium enterprises, obscuring implementation gaps.

Summary Table

Challenge Type	Description
Technical Learning	Embedded C debugging, hardware constraints, and domain-specific tools
Documentation Gaps	Working with evolving codebases and sparse manuals
Policy Analysis	Overlapping schemes, naming inconsistencies, and version tracking
Implementation Gaps	On-ground deviations in eligibility, awareness, and execution
Data Limitations	Lack of granular, updated data on scheme uptake and region-specific impacts

These experiences have deepened my understanding of both the technical and policy landscapes—highlighting the reality that **well-intentioned schemes and innovative products still face practical hurdles in execution and reach**. I've gained valuable perspective in bridging the gap between policy frameworks and their actual influence on MSMEs.

Suggestions and Recommendations

• For Policymakers

1. Encourage Collateral-Free and Unsecured Lending

- Push cooperative and commercial banks to adopt project-based lending, reducing reliance on collateral, especially for first-time entrepreneurs.
- Expand unsecured credit options, leveraging alternative credit scoring for women and underserved MSMEs.

[timesofindia.indiatimes.com+10hdfcbank.com+10timesofindia.indiatimes.com+10reuters.com+4smestreet.in+4timesofindia.indiatimes.com+4](#)

2. Promote Sector-Specific Lending Policies

- Design tailored working capital and equipment finance programs for specific sectors like textiles and manufacturing.
- SIDBI's recommendation underscores a strategic need for different financial treatments across sectors.

[economictimes.indiatimes.com](#)

3. Boost Export Support Infrastructure

- Develop specialized schemes to assist MSMEs in overseas product registration.
- Provide training and mentorship on packaging, branding, and e-commerce to enhance global competitiveness.

[geeksforgeeks.org+15dna-consulting.in+15economictimes.indiatimes.com+15economictimes.indiatimes.comtimesofindia.indiatimes.com](#)

4. Simplify Compliance Procedures

- Streamline single-window systems, reduce documentation complexity, and ensure portals like MSME-Sampark are intuitive.
- Publish easy-to-use guidebooks—like the SGCCI's model—that demystify scheme entry processes.

[economictimes.indiatimes.com+6taxguru.in+6dna-consulting.in+6policy.worldsearch.co.in+15en.wikipedia.org+15dna-consulting.in+15timesofindia.indiatimes.com](#)

5. Scale Digitalization Efforts Inclusively

- Incentivize ICT adoption via subsidies and tailored digital literacy programs, with a focus on rural and semi-urban MSMEs.
- Promote digital payments, ERP tools, and e-commerce readiness to close the urban-rural digital gap.

[economictimes.indiatimes.com+1economictimes.indiatimes.com+1](#)

• For MSMEs to Better Leverage Schemes

1. Proactively Register and Access Portals

- Complete Udyam registration to ensure eligibility for government schemes and reserved procurement channels.
- Use Government e-Marketplace (GeM) and public procurement portals to access tenders and enhance business credibility.

[dna-](#)

[consulting.in+3en.wikipedia.org+3policy.worldsearch.co.in+3hfs.in+2policy.worldsearch.co.in+2en.wikipedia.org+2](#)

2. Plan with Strategic Scheme Alignment

- Match business needs—whether finance, technology, certification, or market access—with the most relevant government schemes.
- Seek expert help through consultants and MSME-DIs to streamline applications.

3. Adopt Technology Proactively

- Utilize Digital MSME, ZED, and MSME-Champions portals to upgrade efficiency, ensure quality, and resolve digital issues.
- Invest in digital tools for accounting, supply chain, and e-commerce to drive productivity.

[timesofindia.indiatimes.com+10dna-](#)

[consulting.in+10smestreet.in+10reuters.com+15thehindubusinessline.com+15smestreet.in+15en.wikipedia.org+2en.wikipedia.org+2smestreet.in+2](#)

4. Participate in Clusters and Shared Facilities

- Benefit from shared testing/infrastructure centres like those in Haryana and Greater Noida, which deliver cost advantages and compliance readiness.
- Engage in cluster-level training and mentoring to enhance collective manufacturing competence.

[hdfcbank.com+15dna-](#)

[consulting.in+15timesofindia.indiatimes.com+15timesofindia.indiatimes.com](#)

5. Engage in Export and Tender Opportunities

- Register on portals like GeM and MSME 1-Connect to receive export support and tender alerts.
 - Apply for programs under NVA, RAMP, and EPCG to access markets and build export capacity.
timesofindia.indiatimes.com+2policy.worldsearch.co.in+2en.wikipedia.org+2timesofindia.indiatimes.com
-

• For Future Interns

1. Embrace Both Technical and Policy Perspectives

- Combine hands-on technical roles (like Embedded C, microcontroller programming) with analysis of MSME policy outcomes to develop holistic insights.

2. Document Gaps and Solutions

- Observe and record on-ground mismatches between policy design and implementation (e.g., application delays, infrastructure shortfalls).
- Provide actionable suggestions rooted in your field experience.

3. Build Multi-Stakeholder Engagement

- Connect with MSME owners, bank officials, cluster managers, and policymakers to triangulate viewpoints.
- Leverage these insights to enrich both qualitative and quantitative analyses.

4. Utilize Data for Impact Analysis

- Incorporate recent metrics (on Udyam registrations, loan disbursements, job creation, digital adoption) to frame evidence-backed recommendations.

5. Develop Communication and Design Skills

- Use clear visuals (infographics, flowcharts) and step-by-step guides in reports to simplify complex policies for broader MSME audiences.
-

By adopting these recommendations, policymakers can enhance scheme accessibility and inclusivity, MSMEs can more effectively harness support mechanisms for growth, and future interns can contribute valuable insights—bridging policy frameworks with real-world impact.

Conclusion

This internship reinforced the vital role that MSMEs play in India's economic landscape—contributing to employment, exports, and regional growth. Through my hands-on experience at a deep-tech startup and comprehensive policy research, several key insights emerged:

- **Policies have meaningful impact, but require robust implementation:** Schemes like CGTMSE, Mudra, and Udyam have improved access to finance, digital registration, and credit guarantees. However, collateral requirements, procedural delays, and rural-urban disparities continue to limit their reach.
- **Infrastructure and capacity-building are game changers:** Shared facilities like Haryana's ₹170 crore cluster initiative and UP's flatted factories model have successfully reduced production costs and empowered MSMEs to scale their operations
[researchgate.net](https://researchgate.net/publication/354712345)+7msmepolicy.unescap.org+7aktunote.com+7aktunote.com+2en.wikipedia.org+2drishtiias.com+2timesofindia.indiatimes.com.
- **Innovation and technology adoption are essential for future resilience:** MSMEs that embrace digital tools, ICT, and quality certifications such as ZED are better placed to compete globally and withstand market disruptions.
- **Tailored, data-driven policy matters:** SIDBI's call for sector-specific finance strategies, and Assocham's push for legal reforms, highlight the need for nuanced interventions that address varied MSME segments and their unique challenges
nexusnews.org+2drishtiias.com+2rbi.org.in+2.

Reflective Insights:

Continued government commitment to innovation—whether through fintech-based credit delivery, precision-targeted credit schemes, technological incubation, or improved regulatory design—will be pivotal to unlocking the vast potential of MSMEs. My internship at Ammunic Systems underlined how ecosystem support catalyses real-world innovation, reinforcing that policy must be co-created with MSMEs to be effective.

Moving forward, sustained efforts in simplifying access to finance, bolstering digital and infrastructure capacities, and fostering an innovation-friendly policy environment will ensure that MSMEs—not only in traditional sectors but also in emerging deep-tech and export-oriented industries—thrive and drive India's economic growth.

Most relevant recent news

1. UP to Fast-Track 15 MSME Industrial Zones

The Uttar Pradesh government announced plans to establish 15 dedicated MSME industrial zones across 11 districts (covering 764 acres and 872 industrial plots), along with a ₹125 crore flatted factory in Greater Noida. These new hubs aim to enhance infrastructure, reduce costs, and boost local manufacturing and employment.

[Read more](#)

2. Greater Noida Flatted Factory Complex

Under the same scheme, Greater Noida will see a ₹125 crore flatted factory complex built in Sector 28. This multi-storey facility will offer shared, ready-to-use industrial units, enabling small businesses to scale operations with ease and access modern infrastructure.

[Details here](#)

3. Vizianagaram District's ₹13,444 Crore Credit Plan

Vizianagaram in Andhra Pradesh unveiled an ambitious ₹13,444 crore credit roadmap for FY 2025–26, earmarking ₹1,843 crore for MSMEs (via Mudra, Startup India, PM Vishwakarma, etc.). Over 86,000 Vishwakarma applications were received, with ₹6.86 crore sanctioned so far. Authorities are pushing lenders to expedite disbursements and perform on-ground utilization checks.

[Learn more](#)

These initiatives reflect a strong push by state governments toward **infrastructure-led growth, enhanced credit access, and enterprise clustering**—critical steps in operationalizing policy goals into tangible MSME support.

References

Government Websites

- Ministry of Micro, Small & Medium Enterprises (MSME) – Official portal, including policy documents and the latest **MSME Annual Report 2024–25** [msme.gov.in+5msme.gov.in+5msme.gov.in+5](#).
 - Press Information Bureau (PIB) – “Economic Survey 2024–25” detailing employment statistics, cluster support, credit schemes, Udyam Registration, MSME grievance and CHAMPIONS portals [sidbi.in+2pib.gov.in+2en.wikipedia.org+2](#).
 - Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) – Background on collateral-free loan guarantees [en.wikipedia.org+1pib.gov.in+1](#).
 - Udyam Registration – Official registration portal, reporting over 4.77 crore MSME registrations as of July 2024 [pib.gov.in+4en.wikipedia.org+4sidbi.in+4](#).
-

Reports

- *MSME Annual Report 2024–25* (MSME Ministry) – Contains comprehensive data on employment, scheme performance, cluster development, and formalization trends .
 - *Economic Survey 2024–25* – Highlights include MSME employment (23.24 crore), Self-Reliant India (SRI) Fund, CGTMSE revamp, TReDS, Udyam Portal, and cluster development [pib.gov.in](#).
 - *Annual Survey of MSMEs in India* (ICRIER, 2025) – Explores the role of digitalization in enterprise growth [icrier.org+1icrier.org+1](#).
 - *Understanding the Indian MSME Sector* (SIDBI/Crisil, 2025) – Analyses on credit gaps, formalization, digital lending, and sustainability [sidbi.in+1timesofindia.indiatimes.com+1](#).
 - *NITI Aayog: Designing a Policy for Medium Enterprises* – Highlights structural skew where 0.3% medium units contribute 40% of MSME exports [economictimes.indiatimes.com](#).
-

Articles and News Reports

- **Reuters (June 10, 2025)** – RBI's rate cuts aimed at boosting credit flow to MSMEs, which contribute around 29% to GDP but receive only ~16% of bank credit [reuters.com](#).

- **Economic Times / Times of India** – Covering UP’s MSME industrial zones and flatted factory projects .
-

Academic Papers

- Biswas, S. (2021) *She Innovates: Female Owner and Firm Innovation in India* – Examines the positive correlation between female entrepreneurship and innovation [arxiv.org](#).
 - Bhatia-Kalluri, A. (2021) *E-commerce for Rural Micro-Entrepreneurs* – Analyzes constraints villagers face in digital market access [economictimes.indiatimes.com+11arxiv.org+11drishtias.com+11](#).
 - Serrao et al. (2021) *Impact of Financial Inclusion on Vulnerable Households in Karnataka* – Explores the transformative role of financial inclusion [arxiv.org](#).
-

Note: These sources provided verified data on MSME demographics, financing schemes, policy effectiveness, digital adoption trends, and sectoral challenges—forming the backbone of your report’s analysis and recommendations.