

# Important Central Sector Schemes for Micro, Small and Medium Enterprises

## MSMEs



सत्यमेव जयते

GOVERNMENT OF INDIA  
M/o MICRO, SMALL AND MEDIUM ENTERPRISES  
DEVELOPMENT COMMISSIONERATE  
ADVERTISING AND PUBLICITY DIVISION  
NIRMAN BHAVAN, NEW DELHI

## Credit and Financial Assistance to MSMEs

### Prime Minister's Employment Generation Programme (PMEGP)

**Description:** The scheme aims to generate employment opportunities in rural as well as urban areas of the country through setting up of new self-employment ventures / projects / micro enterprises.

The Scheme is implemented by Khadi and Village Industries Commission (KVIC), as the nodal agency at the National level. At the State level, the Scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and Banks.

Only new projects are considered for sanction under PMEGP.

**Nature of Assistance:** Subsidy under PMEGP (% of project cost): General category 15%(Urban), 25%(Rural); Special Category (including SC/ ST/ OBC/ Minorities/Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas, etc.): 25%(Urban), 35%(Rural).

**Who can apply:** Any individual, above 18 years of age can apply (For project costing above 10 lakh in manufacturing and in 5 lakh in service sector. He should have passed at least VIII standard. Self Help Groups, Institutions registered under Societies Registration Act,1860; Production Co-operative Societies, and Charitable Trusts are also eligible.

**How to apply:** Only online application is accepted. The beneficiaries can submit their application online at <https://www.kviconline.gov.in/pmegpeportal/pmegphome/index.jspt>.

**Whom to Contact:** Khadi and Village Industries Commission (KVIC) "Gramodaya" 3, Irla Road, Vile Parle (West) Mumbai-400056 (Maharashtra), Helpline-[www.KVIC.org.in](http://www.KVIC.org.in), Email-[kvichg@bom3.vsnl.net.in](mailto:kvichg@bom3.vsnl.net.in), Fax-022-26711003, Tel-022-26714320-25/26716323.

### Credit Linked Capital Subsidy Scheme for Technology Upgradation (CLCSS)

**Description:** The objective of CLCSS is to facilitate technology to MSEs through institutional finance for induction of well established and proven technologies in the specific sub-sector/products approved under the scheme.

**Nature of Assistance:** Upfront subsidy of 15% on institutional credit upto Rs. 1.0 Crore (i.e. subsidy cap of Rs. 15.00 lakh) for identified sectors/subsectors/technologies.

**Who can apply:** Any Micro and Small Enterprises (MSEs) unit.

**How to apply:** Candidates meeting the eligibility criteria may approach 11 nodal banks / agencies. These are SIDBI, NABARD, SBI, BoB, PNB, BOI, TIIC, Andhra Bank, Corporation Bank, Canara Bank and Indian Bank.



**Whom to Contact:** Nodal Banks/ Agency under the Scheme and Development Institutes under DC-MSME; ADC, O/o DC (MSME), Nirman Bhawan, New Delhi, Tel : 011-23062694.

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

**Description:** Ministry of Micro, Small and Medium Enterprises and Small Industries Development Bank of India (SIDBI) jointly established a Trust named Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) in order to implement Credit Guarantee Scheme for Micro and Small Enterprises (MSEs). The corpus of CGTMSE is contributed by Government of India and SIDBI.

**Nature of Assistance:** Collateral free loan upto a limit of ₹ 200 lakh.

**Who can apply:** New as well as existing Micro and Small Enterprises.

**How to apply:** SMEs meeting the eligibility criteria may approach eligible banks/ financial institutions/ Regional Rural Banks/ NBFCs.

**Whom to Contact:** CEO, CGT-MSE, SIDBI, Swavalamban Bhavan, C-11, G-Block, BKC, Bandra (East), Mumbai -400 051, Tel : 022-67531100.

### 2% Interest Subvention Scheme

**Description:** The Scheme aims at encouraging both manufacturing and service enterprises to increase productivity and provides incentives to MSMEs for onboarding on GST platform which helps in formalization of economy, while reducing the cost of credit. The Scheme is in operation for a period of two financial years FY 2018-19 and FY 2019-20.

**Nature of Assistance:** The interest relief will be calculated at two percentage points per annum (2% p.a.), on outstanding balance from time to time from the date of disbursement / drawal or the date of notification of this scheme, whichever is later, on the incremental or fresh amount of working capital sanctioned or incremental or new term loan disbursed by eligible institutions.

**Who can apply:** All MSMEs who has Valid Udyog Aadhar Number [UAN] and Valid GSTN Number shall be eligible as beneficiaries under the Scheme.

**How to apply:** MSMEs may apply to eligible lending institutions under the scheme.

**Whom to Contact:** CEO, SIDBI and MSME Development Institutes under DC-MSME; O/o DC (MSME), Nirman Bhawan, New Delhi, Tel : 011- 23061176.

## Skill Development and Training to MSMEs

### Entrepreneurship and Skill Development Programme (ESDP)

**Description:** The objective of the programme is to :

1. Motivate young persons representing different sections of the society including SC/ST/ Women, physically handicapped, Ex-servicemen and below poverty line (BPL) persons to consider self-employment or entrepreneurship as one of the career options.
2. Capacity building of existing MSMEs through Awareness and Managerial Development Programmes.

**Intended Beneficiary:** (i) Youth representing different sections of society including SC/ST/ Women, Physically Handicapped, Ex-servicemen and Below poverty line(BPL) persons. (ii) Existing MSME's.

**How to apply:** ESDP Programmes are implemented through MSME-DIs/TCs/State Governments/Agencies/Organisations.

**Whom to Contact:** MSME-Development Institutes and MSME-Technology Centres under DC-MSME; JDC/DD, O/o DC (MSME), Nirman Bhawan, New Delhi, Tel : 011-23061198/23061091

## Infrastructure Support to MSMEs

### Scheme of Fund for Regeneration of Traditional Industries (SFURTI)

**Description:** The main objective of the scheme is to organize the traditional industries and artisans into clusters to make them competitive and provide support for their long-term sustainability and economy of scale.

**Nature of Assistance:** The Scheme would cover three types of interventions: 'Soft Interventions', 'Hard Interventions' and 'Thematic Interventions'. The financial assistance provided for any specific project shall be subject to a maximum of Rs. 5 (Five) crore.

**Who can apply:** Non-Government Organizations (NGOs), Institutions of the Central and State Governments and Semi-Government institutions, field functionaries of State and Central Govt., Panchayati Raj Institutions (PRIs), etc. with suitable expertise to undertake cluster development. (ii) Private Sector participation is also encouraged for the implementation of cluster projects. Corporate entities can also take up projects directly by forming cluster-specific SPVs.(iii) Corporate and Corporate Social Responsibility (CSR) foundations with expertise in cluster development are encouraged to participate as Implementing Agencies. In case where a private sector entity is the IA, it shall contribute at least 50% of the total project cost excluding the cost of land.



**How to apply:** The eligible agency/ organization have to submit the proposal to any of the other designated Nodal Agencies under the scheme (as mentioned in the guidelines and as appointed from time to time) for onward submission to Scheme Steering Committee for approval.

**Whom to Contact:** Director/Deputy Secretary (ARI), M/o MSME, Udyog Bhawan, New Delhi, Tel : 011-23061543.

## **Micro & Small Enterprises Cluster Development (MSE-CDP)**

**Description:** The Scheme supports financial assistance for establishment of Common Facility Centres (CFCs) and to create/upgrade infrastructural facilities (IDs) in the new/existing industrial areas/clusters of MSEs.

**Nature of Assistance:** Common Facility Centers (CFC): The GOI grant will be restricted to 70% of the cost of Project of maximum Rs. 20.00 Crore. Gol grant will be 90% for CFCs in North-East & Hilly States, Island territories, Aspirational Districts/LWE affected Districts, Clusters with more than 50% (a) Micro/Village or (b) Women owned or (c) SC/ST units. The cost of Project includes cost of Land (Subject to maximum of 25% of Project Cost) (ii) Infrastructure Development: Gol grant will be restricted to 60% of the cost of project (Rs. 10.00 Crore for Industrial Estate & Rs. 15.00 Crore for Flatted Factory Complex). Gol grant will be 80% for Projects in North-East & Hilly States, Island territories, Aspirational Districts/ LWE affected Districts industrial areas/ estates/ Flatted Factory Complex with more than 50% a. micro/village or b. women owned or c. SC/ST units (iii) Marketing Hubs/Exhibition Centres by Associations. The Gol grant will be restricted to 60% of the cost of project of maximum Rs. 10.00 crore for Product Specific Associations with BMI rating of Gold Category and above from MABET (QCI) and 80% for Associations of Women Entrepreneurs. Remaining project cost is to be borne by SPV./State Government. (iv) Thematic Interventions. The Gol grant will be restricted to 50% of total cost of maximum 5 activities not exceeding Rs. 2.00 lakh for each activity. Gol grant under this component for each CFC would be Rs. 10.00 lakh. (v) Support to State Innovation Cluster Development Programme. The Gol fund would be limited to State Government or Rs. 5.00 Crore whichever is lower and the assistance would be 90% of project cost in respect of CFC projects in North-East/Hilly States, Island territories, Aspirational Districts/ LWE affected Districts, as well as for projects where beneficiaries are SC/ST/Women owned enterprises.

**Who can apply:** Clusters, Industrial Associations/Consortia.

**How to apply:** Online applications can be filed at <https://cluster.dcmsme.gov.in>.

**Whom to Contact:** MSME-Development Institutes under DC-MSME; ADC, O/o DC (MSME), Nirman Bhawan, New Delhi, Tel : 011-23062694.



## Technology Upgradation and Competitiveness Scheme for MSMEs

### Design Clinic Scheme

**Description:** The objective of Design Clinic Scheme is to enhance understanding of the industry and application to design and innovation, and to promote design as a value adding activity and integrate it in mainstream business and industrial process of MSMEs; bring the industrial design fraternity closer to the MSME Sector; increase the awareness of the value of design and establish design learning in the MSME, and Increase the competitiveness of local products and services.

**Nature of Assistance:** There is a provision of financial assistance of Rs. 15 Lakh (GOI: Units::75:25) for individual or upto 3 Micro units and 25 Lakh (GOI: Units::75:25) for more than 3 Micro units. For Small & Medium units, it is Rs. 25 lakh (GOI: Units:: 60:40) for individual or upto 3 Units and Rs. 40 Lakh (GOI: Units::60:40) for more than 3 Units.

**Who can apply:** All Udyog Aadhaar Memorandum (UAM) registered manufacturing Micro, Small and Medium Enterprises (MSMEs) profitable entity in last 3 years, are eligible to take the benefit of scheme.

**How to apply:** The MSME can submit their application to NID, Ahmedabad, IISC Bangalore who has been nominated as Implementing Agency.

**Whom to Contact:** National Institute of Design (NID), Ahmedabad, IISC Bangalore and field offices of DC (MSME) and Principal Director, MSME-TDC (PPDC), Foundry Nagar, Agra - 282006, e-mail: info@ppdcagra.com; Director/JDC, O/o DC (MSME), Nirman Bhawan, New Delhi, Tel:011-23062561/23061091.

### Lean Manufacturing Competitiveness Scheme (LMCS)

**Description:** The objective of the scheme is to enhance the manufacturing competitiveness in MSMEs through the application of various Lean Techniques by reducing waste, increase productivity, imbibing a culture of continuous improvements etc.

**Nature of Assistance:** Provision of financial assistance to MSMEs upto Rs. 36 Lakhs (maximum) per mini cluster of 10 units for a period of 18 month or till completion (GOI: Units: 80:20, Rs.28.8 Lakhs: Rs. 7.2 Lakhs).

**Who can apply:** All registered Micro, Small and Medium Enterprises (MSMEs) having valid Udyog Aadhaar Memorandum and engaged in manufacturing activities are eligible to avail the benefit of LMCS Scheme.

**How to apply:** Office of DC (MSME), Ministry of MSME is implementing this scheme through MSME-DIs/TCs/Central Govt./State Govt. and its institutions are found relevant for the successful implementation of the scheme.



**Whom to Contact:** Principal Director, MSME-TDC (PPDC), Foundry Nagar, Agra-282006, e-mail: info@ppdcagra.com and MSME Development Institutes under DC-MSME; Director/ JDC, O/o DC (MSME), Nirman Bhawan, New Delhi, Tel : 011-23062561/23061091.

### Digital MSME Scheme

**Description:** The main objective of the scheme is to make MSMEs digitally empowered and motivate them to adopt ICT tools and applications in their production & business processes to improve their competitiveness in national & international markets.

**Nature of Assistance:** (i) Development of India Enterprise Portal for disseminating information on various IT based services for MSMEs. (ii) IT Infrastructure for Enterprise Development Centre and Implementing Agencies.

**How to apply:** The MSMEs can contact to the National Monitoring & Implementing Unit (NMIU)/Implementing Agency (IA) for availing the benefit of the scheme.

**Whom to Contact:** Principal Director, MSME-TDC (PPDC), Foundry Nagar, Agra -282006, e-mail: info@ppdcagra.com and MSME-Development Institutes under DC-MSME; Director/ JDC, O/o DC (MSME), Nirman Bhawan, New Delhi, Tel : 011-23062561/23061091.

### Financial Support to MSMEs in ZED Certification Scheme

**Description:** The objectives of the scheme include inculcating Zero Defect & Zero Effect practices in manufacturing processes, ensure continuous improvement supporting the Make in India initiative. The scheme envisages promotion of Zero Defect and Zero Effect (ZED) manufacturing amongst MSMEs so as to promote adaptation of Quality tools/systems and Energy efficient manufacturing, Encourage MSMEs to constantly upgrade their quality standards in products and processes, to drive manufacturing with adoption of Zero Defect production processes and without impacting the environment.

**Nature of Assistance:** The subsidy provided by the Government of India for Micro, Small & Medium Enterprises will be 80%, 60% and 50% respectively.

**Who can apply:** All MSMEs registered under MSME Act, 2006 as amended from time to time and also to MSMEs which are included as per executive orders issued by AS & DC (MSME) consistent with MSME Act from time to time.

**How to apply:** The ZED Certification Scheme is a 4-step online process ([www.zed.org.in](http://www.zed.org.in)).

**Whom to Contact:** Principal Director, MSME-TDC (PPDC), Foundry Nagar, Agra -282006, e-mail: info@ppdcagra.com, and MSME Technology Development Centre under DC-MSME; Director/ JDC, O/o DC (MSME), Nirman Bhawan, New Delhi, Tel : 011-23062561/23061091.



## Support for Entrepreneurial and Managerial Development of MSMEs through Incubators

**Description:** The objective of the scheme is to promote & support untapped creativity of individual and to promote adoption of latest technologies in manufacturing as well as knowledge based innovative MSMEs.

**Nature of Assistance:** Financial assistance up to 15 lakh for developing/ nurturing the ideas. Upto Rs. 1.00 crore for procurement and installation of plant and machines in Business Incubator. Upto Rs. 1.00 Crore as seed capital support to appropriate Incubates in the form of soft loan, interest free loan, equity participation, grant or combination of these etc. for setting up of Startups.

**Who can apply:** Technical colleges, Universities Colleges other professional Colleges/ Institutes, R&D institutes, NGO involved in relevant activities etc. EFCs of DC (MSME), MSME-DIs /TCs /DICs or any institute/organization of Central/State Govt. may apply to register as Host Institute. Students/MSMEs can apply to the registered Host Institute for developing and nurturing the ideas.

**How to apply:** Students/Entrepreneurs/MSME will apply to National Monitoring & Implementing Units (NMIU) through Implementing Agency (IA) on MIS portal for availing the benefit of the schemes.

**Whom to Contact:** Principal Director, MSME-TDC (PPDC), Foundry Nagar, Agra -282006, e-mail: info@ppdcagra.com; Director/ JDC, O/o DC (MSME), Nirman Bhawan, New Delhi, Tel : 011-23062561/23061091.

## Building Awareness on Intellectual Property Rights (IPRs)

**Description:** Building Awareness on Intellectual Property Rights (IPRs) for the MSME is administered with the objective to enhance awareness of MSMEs about Intellectual Property Rights (IPRs) and to take measure for the protecting their ideas and business strategies.

**Nature of Assistance:** Reimbursement for Patent/GI Registration/Trademarks, setting up of IP Facilitation Centres, interactive Seminars/Workshops/Exhibitions and Awareness Programme.

**Who can apply:** MSME units having valid Udyog Aadhar Memorandum (UAM). These initiatives are being implemented through various eligible implementing agencies prescribed in the scheme guidelines.

**How to apply:** Online application can be filled at [www.my.msme.gov.in](http://www.my.msme.gov.in)

**Whom to Contact:** Principal Director, MSME-TDC (PPDC), Foundry Nagar, Agra -282006, e-mail: info@ppdcagra.com and MSME-Development Institutes under DC-MSME; Director/ JDC, O/o DC (MSME), Nirman Bhawan, New Delhi, Tel : 011-23062561/23061091.



## Tool Rooms & MSME Technology Centres

**Description:** The Technology Centres (TCs) facilitate an integrated development of MSMEs by providing quality Tool, Industry ready manpower, consultancy in tooling & related areas and processes & Products development in product group like Foundry & Forging, Electronics, Electrical Measuring Instruments, Fragrance & Flavour, Glass, Sport Goods and Footwear designing. These TCs are providing these services across the country.

**Nature of Assistance:** (i) To provide access of MSMEs to tooling facilities for enhancement of their efficiency. (ii) Process & Product development in relevant sector. (iii) Consultancy and Job works in relevant Sector and (iv) Skill Development.

**Who can apply:** (i) Units desirous of availing tooling and dies facilities and consultancy services. (ii) The eligibility for training programmes includes from school dropout to M. Tech level.

**How to apply:** Online application for training can be filled at respective Technology Centre's website or in person at Technology Centre. For tooling and consultancy services the relevant Technology Centres may be visited.

**Whom to Contact:** Head of the respective Technology Centres; ADC/ Director, O/o DC (MSME), Nirman Bhawan, New Delhi, Tel : 011-23062694/ 23062992.

## Procurement and Marketing Support to MSMEs

### Procurement and Marketing Support (PMS) Scheme

**Description:** PMS Scheme has been revamped to enhance the marketability of products and services in the MSME sector. The objective is to promote new market access initiatives, create awareness and educate the MSMEs about various marketing relevant topics and development of marketability.

**Nature of Assistance:** Assistance available for following scheme components (A) Participation of Individual MSEs in domestic trade fairs/exhibition across the country (B) Organizing/Participation in trade fairs/exhibitions (Regional/National/International) by the Ministry/ Office of DC (MSME)/ Government organizations (C) Capacity building of MSMEs in modern packaging technique (D) Development of Marketing Haats (E) International/National Workshops/ Seminars (F) Vendor Development Programmes: State Level Vendor Development Programmes (SLVDP) and National Level Vendor Development Programme (NLVDP) (G) Awareness Programmes.

**Who can apply:** Individual Manufacturing/Service MSE.

**How to apply:** Eligible MSEs may submit their application online or system in place.

**Whom to Contact:** JDC/ Deputy Director, O/o DC (MSME), Nirman Bhawan, New Delhi. Tel : 011-23061091/ 23062215.



## Procurement from Micro and Small Enterprises (MSEs)

**Description:** The Public Procurement Policy for Micro and Small Enterprises (MSE) has mandated that every Central Ministry/Department/PSU shall set an annual goal of minimum 20 per cent of the total annual purchases from the products or services produced or rendered by MSEs. However, the government recently revised the order making it compulsory for all CPSEs to procure 25% from MSEs instead of 20% of their total purchases. Out of the total annual procurement from Micro and Small Enterprises, 3 per cent from within the target shall be earmarked for procurement from Micro and Small Enterprises owned by women. A sub-target of 4% out of annual procurement is earmarked for procurement from MSEs owned by SC/ST entrepreneurs.

MSME Sambandh portal has been launched to monitor the progress of procurement from MSEs including MSEs owned by SC/ST and women.

**Who are eligible:** Any Micro or Small enterprise.

**Whom to Contact:** JDC/ Deputy Director, O/o DC (MSME), Nirman Bhawan, New Delhi. Tel : 011-23061091/ 23062215.

## Other Initiatives

### MSME SAMADHAAN Portal

**Description:** MSME Delayed Payment Portal – MSME Samadhaan (<http://msefc.msme.gov.in>) has been launched empowering micro and small entrepreneurs across the country to directly register their cases relating to delayed payments by Central Ministries/Departments/CPSEs/State Governments.

**Who are eligible:** Any Micro or Small enterprise.

**Whom to Contact:** ADC/ Director, O/o DC (MSME), Nirman Bhawan, New Delhi. Tel : 011-23061847/ 23061197.

### Udyog Aadhaar Memorandum (UAM)

A one-page simple registration form for online filing of UAM has been introduced which replaces the filing of Entrepreneur's Memorandum Part I&II. The filing of UAM can be done on <http://udyogaadhaar.gov.in>. The salient features of Udyog Aadhaar are:

- Registration is online and user-friendly.
- UAM can be filed on self-declaration basis.
- No documentation required.
- No Fee for filing.
- File more than one Udyog Aadhaar with same Aadhaar Number.

**Whom to Contact:** DD(SME), M/o MSME, Udyog Bhawan, New Delhi. Tel : 011-23061546.

Details of the schemes are available on  
Website: [www.dcmsme.gov.in](http://www.dcmsme.gov.in), [www.msme.gov.in](http://www.msme.gov.in)