

Contents at a Glance

Chapter 1 —Industrial Policy Statements Since 1948 and Enactment of MSME Act, 2006	3
Chapter 2 —Ministry of MSME, its Divisions and Organisations	11
Chapter 3 —The Micro, Small and Medium Enterprises Development Act, 2006 (Act No. 27 of 2006)	31
Chapter 4 —Udyam Registration	86
Chapter 5 —MSME SAMADHAAN - Delayed Payments to Micro and Small Enterprises under MSME Act, 2006	91
Chapter 6 —Online Dispute Resolution (ODR)	98
Chapter 7 —The Coir Industry Act, 1953 (Act No. 45 of 1953)	113
Chapter 8 —The Khadi and Village Industries Commission Act, 1956 (Act No. 61 of 1956)	134
Chapter 9 —Prime Minister Employment Generation Programme and Other Credit Support Schemes	163
Chapter 10 —Development of Khadi, Coir and Village Industries	203
Chapter 11 —Marketing Promotion Schemes	375
Chapter 12 —Technology Upgradation and Quality Certification	406
Chapter 13 —Entrepreneurship and Skill Development Programmes (ESDP)	471
Chapter 14 —Micro & Small Enterprises Cluster Development (MSE-CDP)	487
Chapter 15 —Schemes of National Small Industries Corporation (NSIC)	514
Chapter 16 —National SC-ST Hub	545
Chapter 17 —National Award Scheme	576
Chapter 18 —Technology Centres / Extension Centres (TCEC)	583
Chapter 19 —Scheme of Surveys, Studies and Policy Research (SS&PR Scheme)	585
Chapter 20 —Promotion of MSMEs in NER and Sikkim	595
Chapter 21 —MSE-SPICE (RAMP PROGRAMME)	603

<i>Chapter 22</i> —Vishwakarma Scheme	615
<i>Chapter 23</i> —Udyam Sakhi	640
<i>Chapter 24</i> —Self-Reliant India (SRI) Fund	643
<i>Chapter 25</i> —Tool Rooms & Technical Institutions	645
<i>Chapter 26</i> —Master Directions of RBI – Priority Sector Lending and MSME Sector	651
<i>Chapter 27</i> —Master Directions of RBI - Lending to MSME Sector	657
<i>Chapter 28</i> —The Factoring Regulation Act, 2011 (Act No. 12 of 2012) & Regulations issued by RBI	680
<i>Chapter 29</i> —Trade Receivables Discounting System (TReDS)	697
<i>Chapter 30</i> —Revival and Rehabilitation of Micro, Small and Medium Enterprises	711
<i>Chapter 31</i> —Prudential Norms for Restructuring of Advances	721
<i>Chapter 32</i> —MSMEs under the aegis of the Insolvency and Bankruptcy Code, 2016	731
<i>Chapter 33</i> —Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)	759
<i>Chapter 34</i> —Raising Finance from Lenders - Key Issues for MSME Borrowers	831
<i>Chapter 35</i> —Assessment of Working Capital Finance by Banks to MSME - Recommendations of Various Committees	851
<i>Chapter 36</i> —Micro Units Development and Refinance Agency Ltd. (MUDRA)	859
<i>Chapter 37</i> —Institutional Framework for MSME	873
<i>Chapter 38</i> —SEBI Measures for MSME - IPO and Listing of Securities at SME Exchange	887
<i>Chapter 39</i> —Role of Professionals in Setting-up MSMEs and Startups	927
<i>Chapter 40</i> —OECD SME and Entrepreneurship Strategy	933

Contents

Part I: Industrial Policy Statements Since 1948 and Enactment of MSME Act, 2006

Chapter 1—Industrial Policy Statements Since 1948 and Enactment of MSME Act, 2006

1.1	Industrial Policy Reforms Before 1991	3
1.1.1	Industrial Policy, 1948	3
1.1.2	Industrial Policy, 1956	4
1.1.3	Industrial Policy, 1977	4
1.1.4	Industrial Policy, 1980	5
1.2	Industrial Policy Reforms After 1991	5
1.2.1	Industrial Policy, 1991	5
1.3	Evolution and Regulatory Framework for SMES – Journey towards the enactment of MSME Act, 2006	6
1.3.1	SME Development Bill, 2005	6
1.3.2	The Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993	7
1.3.3	Enactment of the 'Micro, Small and Medium Enterprises Development Act, 2006 (Act 27 of 2006) (MSME Act)'	7
1.4	Role of MSME in Indian Economy	7

Part II: Ministry of MSME, its Divisions and Organisations

Chapter 2—Ministry of MSME, its Divisions and Organisations

2.1	Micro, Small and Medium Enterprises Sector	11
2.1.1	Khadi and Village Industries (KVI)	11
2.1.2	Coir Industry	11
2.1.3	Ministry of Micro, Small & Medium Enterprises (M/o MSME)	11
2.1.3.1	Enactment of MSME Act	12
2.1.3.2	Merger of Ministry of SSI and Ministry of Agro & Rural Industry to Ministry of Micro, Small and Medium Enterprises	12
2.1.3.3	Role of State Government in Promotion and Development of MSME	12

2.2	Organisational Setup of Ministry of MSME	13
2.2.1	Divisions	13
2.2.2	Office of the Development Commissioner	13
2.2.3	National Board for Micro, Small and Medium Enterprises (NBMSME)	13
2.3	Vision, Mission and Functions of Ministry of Micro, Small and Medium Enterprises	13
2.3.1	Vision	13
2.3.2	Mission	14
2.3.3	Functions	14
2.3.4	Schemes of the Ministry	14
2.4	Divisions of Ministry of MSME	14
2.4.1	AFI Division	14
2.4.2	SME Division	15
2.4.2.1	International Cooperation Section	15
2.4.2.2	SME Section	15
2.4.2.3	EDI Section	16
2.4.2.4	Women Entrepreneurship Cell (WEC)	17
2.4.2.5	Media Cell	17
2.4.3	Agro and Rural Industries (ARI Division)	17
2.4.3.1	Coir Section	17
2.4.3.2	KVI(I) Section	18
2.4.3.3	KVI (II) Section	19
2.4.3.4	PMEGP Section	19
2.4.4	Internal Finance & Budget	20
2.4.5	DBT Division	20
2.5	Organisations Attached with the Ministry of MSME	21
2.5.1	Office of Development Commissioner (MSME)	21
2.5.2	Khadi & Village Industries Commission (KVIC)	21
2.5.2.1	Objectives	21
2.5.2.2	Functions	21
2.5.3	Coir Board	22
2.5.3.1	Objectives	23
2.5.3.2	Functions	23
2.5.4	National Small Industries Corporation Ltd. (NSIC)	24
2.5.4.1	Objectives	24
2.5.4.2	Functions	24

2.5.5	National Institute of Micro, Small and Medium Enterprises (NI-MSME)	25
2.5.5.1	Objectives	25
2.5.5.2	Functions	26
2.5.6	Mahatma Gandhi Institute of Rural Industrialisation (MGIRI)	26
2.5.6.1	Objectives	26
2.5.6.2	Functions	26
2.6	Training Institutes	27

Part III: MSME Act, Registration, Samadhan and Online Dispute Resolution

Chapter 3—The Micro, Small and Medium Enterprises Development Act, 2006 (Act No. 27 of 2006)

3.1	Commencement and Definitions Prescribed Under the MSME Act - Chapter I	32
3.1.1	Short Title and Commencement - Section 1	32
3.1.2	Definitions - Section 2	32
3.2	National Board for Micro, Small and Medium Enterprises—Chapter II (Section 3 to 6)	42
3.2.1	Establishment of Board - Section 3	42
3.2.1.1	The National Board for Micro, Small and Medium Enterprises Rules, 2006	44
3.2.1.2	Term of Office of Members -Rule 3	44
3.2.1.3	Resignation - Rule 4	44
3.2.1.4	Change of Address - Rule 5	44
3.2.1.5	Manner of Filling Vacancies Among Members - Rule 6	45
3.2.2	Removal of Member from Board - Section 4	45
3.2.3	Functions of Board - Section 5	45
3.2.3.1	Procedure to be Followed in the Discharge of their Function by the Members of the Board - Rule 7	46
3.2.4	Powers and Functions of Member-Secretary of Board - Section 6	47
3.2.4.1	Powers and functions of Member-Secretary of the Board - Rule 8 of the National Board for Micro, Small and Medium Enterprises Rules, 2006	47
3.3	Classification of Enterprises and Registration, Advisory Committee and Memorandum of Micro, Small and Medium Enterprises – Chapter III (Sections 7 & 8 of MSME Act, 2006)	47
3.3.1	Classification of Enterprises – Section 7	47
3.3.1.1	Power of Central Government to Classify -Section 7(1)	47
3.3.1.2	Power of Central Government to vary the criteria - Section 7(9)	48

3.3.1.2.1	Classification of Enterprises - Gazette Notification S.O. 1364(E), dated 21st March, 2025 (Effective from 1st April, 2025)	49
3.3.1.2.2	Gazette Notification number S.O. 2119(E), dated 26th June, 2020 (Effective from the 1st day of July, 2020)	50
3.3.1.2.2.1	Becoming a Micro, Small or Medium Enterprise	50
3.3.1.2.2.2	Composite Criteria of Investment and Turnover for Classification	50
3.3.1.2.2.3	Calculation of Investment in Plant and Machinery or Equipment	50
3.3.1.2.2.4	Calculation of Turnover	51
3.3.1.3	Advisory Committee – Section 7(2) & (3)	51
3.3.1.3.1	Constitution of Advisory Committee	52
3.3.1.4	Central and State Government May Seek Recommendation of Advisory Committee – Section 7(4), (6) & (7)	53
3.3.1.5	Role and Functions of the Advisory Committee – Section 7(5) & (8)	53
3.3.2	Memorandum of Micro, Small and Medium Enterprises – Section 8	54
3.4	Measures for Promotion, Development and Enhancement of Competitiveness of Micro, Small and Medium Enterprises (Chapter IV, Sections 9 to 14)	55
3.4.1	Measures for Promotion and Development -Section 9	55
3.4.2	Credit Facilities -Section 10	56
3.4.3	Procurement Preference Policy -Section 11	57
3.4.4	Funds -Section 12	57
3.4.4.1	The Micro, Small and Medium Enterprises Fund Rules, 2016 – Gazette Notification No. GSR 1032 (E), dated 28th October, 2016	58
3.4.4.1.1	Objective of Fund – Rule 3	58
3.4.4.1.2	Administration of Fund – Rule 4	58
3.4.4.1.3	Composition of Governing Council – Rule 5	58
3.4.4.1.4	Approval and Release of Money from Fund – Rule 6	59
3.4.4.1.5	Progress Reports and Review – Rule 7	60
3.4.4.1.6	Secretarial Support – Rule 8	60
3.4.4.1.7	Information on Web portal – Rule 9	60
3.4.4.1.8	Accounts and Audit – Rule 10	60
3.4.5	Grants by Central Government -Section 13	60

3.4.6	Administration and Utilisation of Fund or Funds -Section 14	61
3.5	Delayed Payments to Micro and Small Enterprises – Chapter V (Sections 15 to 25 of MSME Act, 2006)	62
3.5.1	Liability of Buyer to Make Payment - Section 15	62
3.5.1.1	Certain Deductions to be Only on Actual Payment - Section 43B(h) of the Income-tax Act, 1961	62
3.5.1.2	Certain Deductions Allowed on Actual Payment Basis Only - Section 37 of the Income-tax Act, 2025	63
3.5.2	Date from Which and Rate at Which Interest is Payable - Section 16	64
3.5.3	Recovery of Amount Due - Section 17	65
3.5.4	Reference to Micro and Small Enterprises Facilitation Council - Section 18	65
3.5.4.1	Whether MSMED Act, 2006 overrides the provisions of the Arbitration Act, 1996?	66
3.5.4.2	Registration is Not a Barrier to Accessing Remedies for MSMEs	67
3.5.4.3	MSME Act Does Not Preclude the Application of the Limitation Act	68
3.5.4.4	A Writ Petition under Article 226 is Not Maintainable Against an Award of the Micro and Small Enterprises Facilitation Council (MSEFC)	69
3.5.5	Application for Setting Aside Decree, Award or Order - Section 19	69
3.5.5.1	Deposit of 75% of the amount in terms of award is pre-requisite to entertain appeal	70
3.5.6	Establishment of Micro and Small Enterprises Facilitation Council - Section 20	70
3.5.7	Composition of Micro and Small Enterprises Facilitation Council (MSEFC)- Section 21	71
3.5.8	Requirement to specify unpaid amount with interest in the annual statement of accounts - Section 22	72
3.5.8.1	Disclosure to be Made in the Balance Sheet under the Head 'Trade Payables' by the Debtors of MSME – Schedule III of the Companies Act, 2013	73
3.5.8.2	General Instructions for Preparation of Balance Sheet – Para FA	74
3.5.9	Interest Not to be Allowed as Deduction from Income - Section 23	74
3.5.10	Overriding Effect - Section 24	75
3.5.11	Scheme for Closure of Business of Micro, Small and Medium Enterprises - Section 25	75

3.6	Miscellaneous – Chapter VI (Sections 26 to 32)	76
3.6.1	Appointment of Officers and Other Employees - Section 26	76
3.6.2	Penalty for Contravention of Section 8 or Section 22 or Section 26 - Section 27	77
3.6.3	Jurisdiction of Courts - Section 28	77
3.6.4	Power to Make Rules - Section 29	78
3.6.4.1	The Micro, Small and Medium Enterprises Development (Furnishing of Information) Rules, 2016- Gazette Notification No. G.S.R. 750(E), dated 29th July, 2016	79
3.6.4.1.1	Information – Rule 3	80
3.6.4.1.2	Information to be Furnished Online – Rule 4	80
3.6.5	Power to Make Rules by State Government - Section 30	83
3.6.6	Power to Remove Difficulties - Section 31	84
3.6.7	Repeal of Act 32 of 1993 - Section 32	84
Chapter 4— Udyam Registration		
4.1	Udyam Registration	86
4.2	Salient features	86
4.3	Requirement for Registration	87
4.4	Benefits of Udyam Registration	87
4.5	Registration Process	88
4.6	Registration of Existing Enterprises	88
4.7	Updation of Information and Transition Period in Classification	89
4.8	Facilitation and Grievance Redressal Enterprises	89
Chapter 5— MSME SAMADHAAN - Delayed Payments to Micro and Small Enterprises under MSME Act, 2006		
5.1	Related Provision	91
5.2	Nature of Assistance	91
5.3	Who can Apply	91
5.4	Salient Features	91
5.5	Implementation	92
5.6	MSME Samadhaan Portal - Ease of filing application under MSEFC, an Initiative from Ministry of MSME, Govt. of India	92
5.7	FAQs of the MSME SAMADHAN – Delayed Payment Monitoring System	92
5.8	MSME SAMADHAAN: To Address Delayed Payment to MSEs	96
Chapter 6—Online Dispute Resolution (ODR)		
6.1	Introduction	98
6.2	Launch of ODR Portal	98
6.3	Objects behind the launch of ODR Portal	99
6.4	Eligibility to access ODR and its Implementation	99

6.5	Stakeholders of the ODR Portal	99
6.6	Major Modules of MSME ODR Portal	99
6.7	ODR Process	100
6.7.1	Pre-MSEFC Stage	100
6.7.2	MSEFC Stage	106
6.7.3	Conciliation/Mediation Under the MSEFC Stage	106
6.7.4	Arbitration Under the MSEFC Stage	109

Part IV: The Coir Industry Act, 1953 & The Khadi and Village Industries Commission Act, 1956

Chapter 7—The Coir Industry Act, 1953 (Act No. 45 of 1953)

7.1	Preliminary – Chapter I (Sections 1 to 3)	113
7.1.1	Short title, Extent and Commencement – Section 1	113
7.1.2	Declaration as to Expediency of Control by the Union – Section 2	113
7.1.3	Definitions – Section 3	113
7.2	The Coir Board – Chapter II (Sections 4 to 11)	114
7.2.1	Establishment and Constitution of the Coir Board – Section 4	114
7.2.2	Vacancies, etc., Not to Invalidate Acts and Proceedings – Section 5	115
7.2.3	Salary and Allowances of Chairman – Section 6	115
7.2.4	Vice-Chairman – Section 7	116
7.2.5	Executive and Other Committees – Section 8	116
7.2.6	Secretary and Staff – Section 9	117
7.2.7	Functions of the Board – Section 10	118
7.2.8	Dissolution of the Board – Section 11	119
7.3	Control over the Export of Coir Fibre Coir Yarn and Products – Chapter III (Section 12)	121
7.3.1	Control of Export of Coir Fibre, Coir Yarn and Coir Products – Section 12	121
7.4	Finance, Accounts and Audit – Chapter IV (Sections 13 to 17)	122
7.4.1	Imposition of a Duty of Customs on Export of Coir Fibre, Coir Yarn and Coir Products – Section 13	122
7.4.2	Payment of Proceeds of Cess to the Board – Section 14	123
7.4.3	Grant by the Central Government to the Board – Section 14A	123
7.4.4	Constitution of Fund – Section 15	124
7.4.5	Borrowing Powers of Board – Section 16	125
7.4.6	Accounts and Audit – Section 17	125
7.5	Control by the Central Government – Chapter V (Sections 18 to 19)	126
7.5.1	General Control Over Acts and Proceedings of the Board – Section 18	126

7.5.2	Report and Returns – Section 19	126
7.6	Miscellaneous – Chapter VI (Sections 20 to 27)	127
7.6.1	Penalties – Section 20	127
7.6.2	Offences by Companies – Section 21	127
7.6.3	Previous Sanction of Central Government for Prosecution – Section 22	128
7.6.4	Protection of Action Taken in Good Faith – Section 23	129
7.6.5	Power to Delegate – Section 24	129
7.6.6	Suspension of Operation of Act – Section 25	130
7.6.7	Power of Central Government to Make Rules – Section 26	131
7.6.8	Power of Board to Make By-Laws – Section 27	132
Chapter 8—The Khadi and Village Industries Commission Act, 1956		
(Act No. 61 of 1956)		
8.1	Preliminary – Chapter I (Sections 1 to 3)	134
8.1.1	Short Title and Extent – Section 1	134
8.1.2	Definitions – Section 2	134
8.2	The Khadi and Village Industries Commission – Chapter II (Sections 4 to 14)	135
8.2.1	Establishment and Constitution of the Commission – Section 4	135
8.2.2	Powers and Functions of the Chief Executive Officer – Section 5	136
8.2.3	Powers and Functions of the Financial Adviser – Section 5A	137
8.2.4	Disqualifications for Membership of the Commission – Section 6	137
8.2.5	Removal of Chairman, Member, etc., from the Commission – Section 6A	138
8.2.6	Resignation of Office by Member – Section 7	139
8.2.7	Vacancies, etc., Not to Invalidate Acts and Proceedings of the Commission – Section 8	140
8.2.8	Temporary Association of Persons with the Commission for Particular Purposes – Section 9	140
8.2.9	Constitution of the Board – Section 10	141
8.2.10	Commission to Consult the Board – Section 11	142
8.2.11	Meetings of the Commission – Section 12	142
8.2.12	Zonal Committee – Section 12A	143
8.2.13	Term of Office and Conditions of Service of the Chairman and Other Members – Section 13	144
8.2.14	Officers and Servants of the Commission – Section 14	145
8.3	Functions of the Commission– Chapter III (Sections 15 to 16)	145
8.3.1	Functions of the Commission – Section 15	145
8.3.2	Power of Central Government to Give Directions – Section 16	147

8.4	Finance, Accounts and Audit Reports– Chapter IV (Sections 17 to 24A)	147
8.4.1	Payment to the Commission – Section 17	147
8.4.2	Commission to Receive Gifts, Grants, Etc. – Section 17A	148
8.4.3	Funds of the Commission – Section 18	148
8.4.4	Power of the Commission to Spend – Section 19	149
8.4.5	Standing Finance Committees – Section 19A	150
8.4.6	Recovery of Monies Due to the Commission as Arrears of Land-Revenue – Section 19B	151
8.4.7	Budget – Section 20	151
8.4.8	Borrowing of Money – Section 21	152
8.4.9	Transfer of Liabilities and Obligations to the Commission – Section 22	153
8.4.10	Accounts and Audit – Section 23	154
8.4.11	Returns and Reports – Section 24	154
8.4.12	Exemption from Liability to Pay Income-tax – Section 24A	155
8.5	Miscellaneous– Chapter V (Sections 25 to 28)	156
8.5.1	Dissolution of the Commission – Section 25	156
8.5.2	Power to Make Rules – Section 26	156
8.5.3	Power to Make Regulations - Section 27	158
8.5.4	Rules and Regulations to be laid before Parliament – Section 28	159
	THE SCHEDULE	160

Part V: Central Schemes of MSMEs

Chapter 9—Prime Minister Employment Generation Programme and Other Credit Support Schemes

9.1.	Prime Minister Employment Generation Programme (PMEGP)	163
9.1.1	Description	163
9.1.2	Nature of Assistance	163
9.1.3	Who can Apply	164
9.1.4	How to Apply	164
9.1.5	Whom to Contact	164
9.1.6	Progress under PMEGP	164
9.1.7	Guidelines on Prime Minister’s Employment Generation Programme (PMEGP)	164
9.1.8	Guidelines for Second Financial Assistance under PMEGP for Expansion of the Existing Successful PMEGP/MUDRA Units	188
9.2	Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTSME)	191
9.2.1	Objective	191
9.2.2	Key Benefits	191

9.2.3	Scheme Applicable For	191
9.2.4	Eligible Activity	192
9.2.5	Detailed Information	192
9.2.6	Guarantee Coverage for Various Categories of Borrower	192
9.3	Interest Subsidy Eligibility Certificate (ISEC)	192
9.3.1	Description	192
9.3.2	Nature of Assistance	193
9.3.3	Who can Apply	193
9.3.4	How to Apply	193
9.3.5	Whom to Contact	193
9.3.6	Procedure for Operating “Interest Subsidy Scheme” under Institutional Financing for Kahdi and Village Industries	193
Chapter 10—Development of Khadi, Coir and Village Industries		
10.1	Khadi Gramodyog Vikas Yojana (KGVY)	203
10.1.1	Description	203
10.1.2	Nature of Assistance	203
10.1.3	Who can Apply	203
10.1.4	How to Apply: http://www.kviconline.gov.in	203
10.1.5	Whom to Contact	203
10.1.6	Operational Guidelines of the Scheme	203
10.1.6.1	Operational Guidelines of KVY	203
10.1.6.2	Operational Guidelines of Gramodyog Vikas Yojana (GVY)	234
10.2	Revamped Scheme of Fund for Regeneration of Traditional Industries (SFURTI)	253
10.3	Coir Vikas Yojana (CVY)	297
10.3.1	Description	297
10.3.2	CVY Components	297
10.3.3	Scheme Guidelines	297
10.4	Scheme for Promoting Innovation, Rural Industry & Entrepreneurship	351
Chapter 11—Marketing Promotion Schemes		
11.1	Procurement & Marketing Support Scheme (PMS)	375
11.1.1	Scope of the Scheme	375
11.1.2	Eligibility Condition	375
11.1.3	Scheme Components:	375
11.1.4	Nature of Assistance	375
11.1.5	How to Apply	376
11.1.6	Whom to Contact	376

11.1.7	Detailed Guidelines	376
11.2	International Cooperation (IC) Scheme	390
11.2.1	Description	390
11.2.2	Nature of Assistance	390
11.2.3	Who can Apply	390
11.2.4	How to Apply	390
11.2.5	Whom to Contact	391
11.2.6	Detailed Guidelines	391
Chapter 12—Technology Upgradation and Quality Certification		
12.1	MSME Champions Scheme (Erstwhile CLCS-TUS)	406
12.1.1	Objective	406
12.1.2	Who can Apply	406
12.1.3	Detailed Guidelines	406
12.2	MSME Sustainable (ZED) Certification	414
12.2.1	Objective	414
12.2.2	Nature of Assistance	414
12.2.3	Subsidy on Cost of ZED Certification	415
12.2.4	Additional Subsidy	415
12.2.5	Financial Assistance in Testing/Quality/Product Certification	415
12.2.6	Handholding/Consultancy Support	415
12.2.7	Support in Technology Upgradation for Zero Effect Solutions	415
12.2.8	MSME KAWACH (Knowledge Acquisition through WASH for an Accelerated COVID-19 Handling) Certification	415
12.2.9	Graded Incentives	415
12.2.10	Eligibility/Applicability	415
12.2.11	How to Apply	415
12.2.12	Whom to Contact	415
12.2.13	Detailed Guidelines	416
12.3	MSME-Competitive (LEAN)	434
12.3.1	Objective	434
12.3.2	Nature of Assistance	434
12.3.3	Eligibility/Applicability	434
12.3.4	How to Apply	434
12.3.5	Whom to Contact	434
12.3.6	Detailed Guidelines	434

12.4	MSME—Innovative (Incubation, IPR, Design and Digital MSME)	442
12.4.1	Objective	442
12.4.2	Nature of Assistance	442
12.4.3	Item	443
12.4.4	Eligibility/ Applicability:	443
12.4.5	How to Apply?	443
12.4.6	Whom to Contact?	443
12.4.7	Detailed Guidelines	443
12.5	Digital MSME	466
12.5.1	Objectives	466
12.5.2	Key Benefits	466
12.5.3	Scheme Applicable For	466
12.5.4	How to Apply	466
12.5.5	Detailed Guidelines of Digital MSME	467
Chapter 13—Entrepreneurship and Skill Development Programmes (ESDP)		
13.1	Entrepreneurship and Skill Development Programmes (ESDP)	471
13.1.1	Description	471
13.1.2	Nature of Assistance	471
13.1.3	Who can Apply	472
13.1.4	How to Apply	472
13.1.5	Detailed Guidelines	472
13.2	Assistance to Training Institutions (ATI)	480
13.2.1	Description	480
13.2.2	Nature of Assistance	480
13.2.3	Who can Apply	480
13.2.4	How to Apply	480
13.2.5	Whom to Contact	480
13.2.6	Detailed Guidelines	480
Chapter 14—Micro & Small Enterprises Cluster Development (MSE-CDP)		
14.1	Description	487
14.1.1	Common Facility Centres (CFCs)	487
14.1.2	Infrastructure Development	487
14.2	Nature of Assistance	487
14.3	Who can Apply	487
14.4	How to Apply	487
14.5	Whom to contact	488
14.6	Detailed Guidelines	488

14.7	Promotion of MSME in North Eastern Region (NER) and Sikkim	505
Chapter 15—Schemes of National Small Industries Corporation (NSIC)		
15.1	About NSIC	514
15.2	Schemes of NSIC	514
15.2.1	Single Point Registration Scheme (SPRS)	514
15.2.2	Credit Facilitation Through Bank	519
15.2.3	Raw Material Assistance (RMA) against Bank Guarantee	522
15.2.4	Consortia & Tender Marketing Scheme	526
15.2.5	SIC Technical Services Centres	529
15.2.6	E-Marketing/Digital Services Facilitation for MSMEs	542
15.2.7	National Scheduled Caste and Scheduled Tribe Hub	544
Chapter 16—National SC-ST Hub		
16.1.	Guidelines of National Scheduled Caste and Scheduled Tribe Hub Scheme - Part A	545
16.1.1	Special Credit Linked Capital Subsidy for Technology Enablement of SC-ST MSES – Chapter I	548
16.1.2	Capacity Building and Training Programs – Chapter II	558
16.1.3	Support for Enhancing Competitiveness through Various Interventions/Sub-schemes – Chapter III	563
16.1.4	Special Marketing Assistance Scheme (SMAS) for SC/ST Entrepreneurs – Chapter IV	569
16.2	Administrative Structure – Part B	573
Chapter 17—National Award Scheme		
	Modified Operational Guidelines for National MSME Award Scheme (2022-23 to 2025-26)	576
Chapter 18— Technology Centres / Extension Centres (TCEC)		
18.1	Establishment of New Technology Centres/Extension Centres under Hub & Spoke Model	583
18.2	Description	583
18.3	Nature of Assistance	583
18.4	Who can Apply	584
18.5	How to Apply	584
18.6	Whom to Contact	584
Chapter 19— Scheme of Surveys, Studies and Policy Research (SS&PR Scheme)		
19.1	Description	585
19.2	Nature of Scheme	585
19.3	Eligibility to Conduct the Studies/ Surveys	585
19.4	Who can Apply	585
19.5	How to Apply	585

19.6	Empanelment of Consultancy Organizations/ Institutions	585
19.7	Whom to Contact	585
19.8	Operational Guidelines for Central Sector Schemes (2021-22 to 2025-26) on Survey, Studies and Policy Research Scheme (SS&PR Scheme)	586
Chapter 20—Promotion of MSMEs in NER and Sikkim		
20.1	Introduction	595
20.2	Objectives	595
20.3	Components Under the Scheme:	595
20.3.1	Setting up of New and Modernization of Existing Mini Technology Centres	595
20.3.2	Development of New and Existing Industrial Estates	595
20.3.3	Development of Tourism Sector	596
20.4	Financial Assistance	596
20.5	Scheme Applicable For	596
20.6	How to Apply	596
20.7	Whom to Contact	596
20.8	Operational Guidelines of NER and Sikkim Scheme	596
Chapter 21—MSE-SPICE (RAMP PROGRAMME)		
21.1	Introduction	603
21.2	Rational of the Scheme	603
21.3	Objective of the Scheme	604
21.4	Features of the Scheme	605
21.5	Financial Assistance	605
21.5.1	Capital Subsidy	605
21.5.2	Awareness Generation and Demand Creation among MSEs	605
21.5.3	IEC Component	606
21.6	Output and Outcome Framework	606
21.7	Implementing Agency and its Role and Responsibilities	606
21.7.1	Role and Responsibilities of SIDBI	607
21.7.2	Role and Responsibilities of Specialized Organisations/Agencies	607
21.8	Process of Disbursement of Subsidy	607
21.9	Conditions for Subsidy	608
21.10	Scheme Steering Committee	611
21.11	Monitoring and Evaluation	611
Chapter 22—Vishwakarma Scheme		
22.1	Introduction	615
22.2	Objectives, Approach and Coverage	615
22.2.1	Objectives	615
22.2.2	Approach	616

22.3	Benefits under PM Vishwakarma	619
22.3.1	PM Vishwakarma Certificate and ID Card	619
22.3.2	Skill Upgradation	619
22.3.2.1	Skill Assessment and Basic Training	620
22.3.2.1.1	Skill Assessment	620
22.3.2.1.2	Basic Training	620
22.3.2.2	Advanced Training	621
22.3.2.3	Training Stipend	621
22.3.3	Toolkit Incentive	621
22.3.4	Credit Support	622
22.3.4.1	Enterprise Development Loan	622
22.3.4.2	Concessional Interest and Interest Subvention	622
22.3.4.3	Credit Guarantee	623
22.3.4.4	Participating Financial Institutions	623
22.3.5	Incentive for Digital Transaction	624
22.3.6	Marketing Support	624
22.4	Eligibility	625
22.5	Registration Process	625
22.5.1	Application for enrolment	625
22.5.2	Verification and Approval	627
22.5.2.1	Stage 1: Verification at Gram Panchayat or ULB level	627
22.5.2.2	Stage 2: Vetting and Recommendation by the District Implementation Committee	627
22.5.2.3	Stage 3: Approval by the Screening Committee	627
22.6	Process Flow for availing benefits under the Scheme	628
22.6.1	PM Vishwakarma Certificate and ID Card	628
22.6.2	Skill Upgradation	628
22.6.3	Toolkit Incentive	629
22.6.4	Credit Support	629
22.6.4.1	Enterprise Development Loan	629
22.6.4.2	Concessional Interest and Interest Subvention	630
22.6.4.3	Credit Guarantee	630
22.6.5	Incentive for Digital Transaction	630
22.6.6	Marketing Support	631
22.7	Financial Provisions	631
22.8	Implementation Framework	632

22.8.1	National Steering Committee (NSC)	633
22.8.2	State Monitoring Committee (SMC)	633
22.8.3	District Implementation Committee	634
22.8.4	Credit Oversight Committee	635
22.8.5	Roles and Responsibilities	635
22.9	Coordination with Ministries	637
22.9.1	Coordination with Common Service Centres (CSCs) and NIC, Ministry of Electronics and Information Technology	637
22.9.2	Coordination with Ministry of Labour & Employment	637
22.9.3	Coordination with Ministry of Panchayati Raj	637
22.9.4	Coordination with Ministry of Housing and Urban Affairs	637
22.9.5	Coordination with Ministry of Consumer Affairs, Food & Public Distribution	637
22.9.6	Coordination with Ministry of Information and Broadcasting	638
22.9.7	Coordination with Ministry of Rural Development	638
22.9.8	Coordination with Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industries	638
22.9.9	Coordination with Department of Posts, Ministry of Communications	638
22.9.10	Coordination with Ministry of Tourism	638
22.9.11	Coordination with Ministry of Cooperation	638
22.9.12	Coordination with Ministry of Agriculture	638
22.10	Review and Monitoring	638
Chapter 23—Udyam Sakhi		
23.1	About Udyam Sakhi	640
23.2	Mission	641
23.3	Various Schemes of Ministry of MSME	641
Chapter 24—Self-Reliant India (SRI) Fund		
24.1	About the Scheme	643
24.2	Fund Objective:	643
24.3	SRI Fund Structure	643
24.4	SRI Fund Features	644
Chapter 25—Tool Rooms & Technical Institutions		
25.1	Objective	645
25.2	Key Benefits	645
25.3	Who can Apply	645
25.4	Detailed Information	645
25.5	List of 18 MSME Tool Rooms & Technical Institutions	646

Part VI: RBI Guidelines

Chapter 26—Master Directions of RBI – Priority Sector Lending and MSME Sector

26.1	Categories under Priority Sector	651
26.2	Micro, Small and Medium Enterprises (MSMEs) – Para 10 of the Master Directions	651
26.2.1	Factoring Transactions – Para 10.1 of the Master Directions	653
26.2.2	Other Loans eligible to be classified under PSL in the MSME category – Para 10.2 of the Master Directions	653
26.3	Export Credit – Para 11 of the Master Directions	655
26.4	Formalisation of Informal Micro Enterprises on Udyam Assist Platform	656

Chapter 27—Master Directions of RBI - Lending to MSME Sector

27.1	Preliminary– Chapter I	657
27.1.1	Short Title and Commencement	657
27.1.2	Applicability	657
27.1.3	Definitions/Clarifications	657
27.2	Definition of MSME under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 – Chapter II	658
27.3	Targets/Sub-targets for Lending to MSME Sector – Chapter III	658
27.3.1	Priority Sector Guidelines for MSME sector	658
27.3.2	Prime Minister’s Task Force on MSMEs	658
27.4	Common Guidelines/Instructions for Lending to MSME Sector – Chapter IV	661
27.4.1	Collateral	661
27.4.2	Composite Loan	662
27.4.3	General Credit Card (GCC) Facility	662
27.4.4	Streamlining flow of credit to Micro and Small Enterprises (MSEs) for facilitating timely and adequate credit flow during their ‘Life Cycle’	662
27.4.5	Debt Restructuring Mechanism for MSMEs	664
27.4.6	Framework for Revival and Rehabilitation of MSMEs	665
27.4.7	Structured Mechanism for Monitoring the Credit Growth to the MSE Sector	665
27.5	Institutional Arrangements – Chapter V	666
27.5.1	Specialised MSME Branches	666
27.5.2	Empowered Committee on MSMEs	666
27.5.3	Banking Codes and Standards Board of India (BCSBI)	667
27.5.4	Micro and Small Enterprises Sector – The imperative of Financial Literacy and Consultancy Support	667

27.5.5	Cluster Approach	667
27.5.6	Delayed Payment	668
27.6	Committees on Flow of Credit to MSE Sector – Chapter VI	669
27.6.1	Report of the Committee to Examine the Adequacy of Institutional Credit to SSI Sector (Now MSE) and Related Aspects (Nayal Committee)	669
27.6.2	Report of the Working Group on Flow of Credit to SSI (NOW MSE) Sector (Ganguly Committee)	669
27.6.3	Working Group on Rehabilitation of Sick SMEs (Chairman: Dr. K.C. Chakrabarty)	669
27.6.4	Prime Minister’s Task Force on Micro, Small and Medium Enterprise	669
27.6.5	Working Group to Review the Credit Guarantee Scheme for Micro and Small Enterprises	669
27.6.6	FAQs on MSMES Released by the RBI (Up, dated as on July 29, 2025)	670
Chapter 28—The Factoring Regulation Act, 2011 (Act No. 12 of 2012) & Regulations issued by RBI		
28.1	Preliminary- Chapter I	680
28.1.1	Short title, Extent and Commencement – Section 1	680
28.1.2	Definitions– Section 2	680
28.2	Registration of Factors - Chapter II	683
28.2.1	Registration of Factors – Section 3	683
28.2.1.1	Registration of Factors (Reserve Bank) Regulations, 2022	683
28.2.2	Provisions of Non-banking Financial Companies Apply to Factor – Section 4	684
28.2.3	Recruitment for Registration as a Factor Not to Apply to Bank or Statutory Corporation or Government Company – Section 5	685
28.2.4	Powers of Reserve Bank to Give Directions and to Collect Information from Factors – Section 6	685
28.3	Assignment of Receivables - Chapter III	685
28.3.1	Assignment of Receivables – Section 7	685
28.3.2	Notice to Debtor and Discharge of Obligation of Such Debtor – Section 8	686
28.3.3	Discharge of Liability of Debtor on Payment to Assignee – Section 9	686
28.3.4	Payment made by Debtor to Assignor to be Held in Trust for Benefit of Assignee in Certain Cases – Section 10	686
28.4	Rights and Obligations of Parties to Contract for Assignment of Receivables - Chapter IV	686
28.4.1	Rights and Obligations of Parties to Contract for Assignment of Receivables – Section 11	686

28.4.2	Liability of Debtor – Section 12	686
28.4.3	Assignor to be Trustee of Assignee – Section 13	687
28.4.4	Liability of Debtor in case of an Assignor being Micro or Small Enterprises – Section 14	687
28.4.5	Principle of Debtor Protection – Section 15	687
28.4.6	Defences and Right of Set Off of Debtor – Section 16	687
28.4.7	Modification of Original Contract – Section 17	688
28.5	Registration of Assignments - Chapter V	688
28.5.1	Registration of Certain Assignments of Receivables Transactions – Section 19	688
28.5.1.1	The Registration of Assignment of Receivables Rules, 2012	689
28.5.1.2	The Registration of Assignment of Receivables (Reserve Bank) Regulations, 2022	690
28.5.2	Public Inspection – Section 20	691
28.6	Offences and Penalties - Chapter VI	691
28.6.1	Penalties – Section 21	691
28.6.2	Penalties for Non-compliance of Direction by Reserve Bank – Section 22	691
28.6.3	Offences – Section 23	692
28.6.4	Cognizance of Offences – Section 24	692
28.6.5	Offences by Factors – Section 25	692
28.7	Miscellaneous - Chapter VII	693
28.7.1	Provisions of this Act to Override Other Laws – Section 26	693
28.7.2	Application of Other Laws Not Barred – Section 27	693
28.7.3	Limitation – Section 28	693
28.7.4	Confidentiality of Information – Section 29	693
28.7.5	Power to Exempt – Section 30	693
28.7.6	Provisions of this Act not to Apply or Affect in Certain Cases – Section 31	694
28.7.7	Power to Make Regulations – Section 31A	694
28.7.8	Power of Central Government to Make Rules – Section 32	695
28.7.9	Laying of Rules – Section 33	695
28.7.10	Power to Remove Difficulties – Section 34	696
28.7.11	Amendments to Certain Enactments – Section 35	696
	The Schedule	696
	Chapter 29—Trade Receivables Discounting System (TReDS)	
29.1	Guidelines for the Trade Receivables Discounting System (TReDS)	697
29.2	Expanding the Scope of Trade Receivables Discounting System	704

29.3	FAQs released by RBI on TReDS (January 1, 2020)	705
29.4	Consolidated guidelines to CPSEs on procurement from Government e-Marketplace (GeM) portal and TReDS	708
29.4.1	Trade Receivables Discounting System (TReDS)	708
29.4.2	Government e-Marketplace (GeM) Portal	708
29.5	On boarding Process on the TReDS – Gazette Notification dated 7th November, 2024	709
29.6	Trading Platforms for MSMEs	709
29.6.1	Receivables Exchange of India Ltd (RXIL)	710
29.6.2	Invoicemart	710
29.6.3	M1xchange	710
Chapter 30 Revival and Rehabilitation of Micro, Small and Medium Enterprises		
30.1	Introduction	711
30.2	Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises	712
Chapter 31—Prudential Norms for Restructuring of Advances		
31.1	Definition of Restructuring – Para 16 of the Master Circular	721
31.2	Prudential Norms – Para 17 of the Master Circular	722
31.2.1	Asset Classification	722
31.2.2	For MSME accounts where aggregate exposure of the lenders is less than ₹25 crores	722
31.2.3	For all other accounts where aggregate exposure of the lenders is NOT less than ₹25 crores	722
31.3	Provisioning Norms – Para 18 of the Master Circular	723
31.4	Additional Finance – Para 19 of Master Circular	724
31.5	Income recognition norms – Para 20 of Master Circular	724
31.6	Conversion of Principal into Debt/Equity and Unpaid Interest into ‘Funded Interest Term Loan’ (FITL), Debt or Equity Instruments – Para 21 of Master Circular	724
31.7	Change in Ownership – Para 22 of Master Circular	726
31.8	Principles on classification of sale and lease back transactions as restructuring – Para 23 of Master Circular	727
31.9	Prudential Norms relating to Refinancing of Exposures to Borrowers – Para 24 of Master Circular	727
31.10	Takeout Finance – Para 25 of Master Circular	727
31.11	Regulatory Exemptions – Para 26 of Master Circular	728
31.11.1	Exemptions from RBI Regulations	728
31.11.2	Exemptions from Regulations of Securities and Exchange Board of India (SEBI)	728
31.12	Restructuring of frauds/willful defaulters – Para 27 of Master Circular	728

**Part VII: MSMEs under the aegis of the Insolvency and
Bankruptcy Code, 2016**

**Chapter 32—MSMEs under the aegis of the Insolvency and
Bankruptcy Code, 2016**

32.1	Introduction	731
32.2	Application of this Code to Micro, Small and Medium Enterprises—Section 240A	731
32.3	Clause (c) of Section 29A of IBC	732
32.4	Report of the Sub-Committee of the Insolvency Law Committee on Pre-packaged Insolvency Resolution Process	733
	32.4.1 Meaning of Pre-pack	733
	32.4.2 The summary of the recommendations made by the Sub-committee is as under	733
32.5	The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021	735
	32.5.1 The reasons narrated in the preamble of the (Amendment) Ordinance were	736
32.6	Pre-Packaged Insolvency Resolution Process (PPIRP) – Chapter IIIA (Sections 54A to 54P) of the IBC	736
	32.6.1 Corporate debtors eligible for pre-packaged insolvency resolution process – Section 54A	736
	32.6.2 Duties of insolvency professional before initiation of pre-packaged insolvency resolution process – Section 54B	738
	32.6.3 Application to initiate pre-packaged insolvency resolution process – Section 54C	739
	32.6.4 Time-limit for completion of pre-packaged insolvency resolution process – Section 54D	740
	32.6.5 Declaration of moratorium and public announcement during pre-packaged insolvency resolution process – Section 54E	740
	32.6.6 Duties and powers of resolution professional during pre-packaged insolvency resolution process – Section 54F	741
	32.6.7 List of claims and preliminary information memorandum – Section 54G	743
	32.6.8 Management of affairs of corporate debtor – Section 54H	744
	32.6.9 Committee of creditors – Section 54-I	744
	32.6.10 Vesting management of corporate debtor with resolution professional – Section 54j	745
	32.6.11 Consideration and approval of resolution plan – Section 54K	745
	32.6.12 Approval of resolution plan – Section 54L	747
	32.6.13 Appeal against order under section 54L – Section 54M	748

32.6.14	Termination of pre-packaged insolvency resolution process – Section 54N	748
32.6.15	Initiation of corporate insolvency resolution process – Section 54-O	749
32.6.16	Application of provisions of Chapters II, III, VI, and VII to this Chapter – Section 54P	750
32.7	Summary of Chapter IIIA of the IBC	751
32.7.1	Eligibility for Pre-packaged Insolvency Resolution Process (PPIRP)	751
32.7.2	Pre-initiation Phase	752
32.7.3	Application for Initiation	753
32.7.4	Post-initiation Phase	754
32.7.5	Approval of Resolution Plan	755
32.7.6	Closure of PPIRP	756

Part VIII: Credit Guarantee Fund Trust for Micro and Small Enterprises

Chapter 33—Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

33.1	Objective	759
33.2	Guarantee Coverage	759
33.3	Credit Guarantee Schemes	760
33.3.1	Credit Guarantee Schemes for Banks (CGS-I)	760
33.3.2	Credit Guarantee Schemes for NBFCs (CGS-II)	793
33.3.3	PM SvaNidhi	807
33.3.4	Credit Guarantee Scheme for Co-lending (CGSCL)	816

Part IX: Working Capital Finance for MSMEs

Chapter 34—Raising Finance from Lenders - Key Issues for MSME Borrowers

34.1	Introductory	831
34.1.1	MSME Loan	831
34.1.2	Types of Loan Facility to MSME	831
34.1.3	Variables Considered by Banks for Assessing Various Risks	831
34.1.4	Process for Availing of a Loan by MSME Applicant	832
34.1.5	Rate of Interest and How to Reduce the Cost of Credit	832
34.1.6	Availment of Loan Without Credit Score	833
34.2	Collateral Free Credit Services for MSME	834
34.2.1	Collateral Free Loan	834
34.2.2	Microfinance Loans	834
34.2.3	Credit Guarantee	834

34.3	Standards Ensuring Fair Treatment of MSME by Banks	837
34.3.1	Charter of Customer's Rights	837
34.3.2	Fair Practices Code for Lenders	838
34.3.2.1	Pre-sanction Appraisal	838
34.3.2.2	Disbursement and Post-disbursement Supervision	839
34.3.2.3	Charging of Interest	839
34.4	Credit Sanctioning for MSME	840
34.4.1	Credit Sanctioning Process by Banks	840
34.4.2	Credit Proposal Tracking System (CPTS)	841
34.4.3	Digital Lending	842
34.4.4	Access to Credit through Straight Through Processing (STP)/Straight Through Processing (Shishu Mudra)	843
34.5	Credit Assessment	844
34.5.1	Credit Information Companies	844
34.5.2	Credit Rating Agencies (CRA)	845
34.6	Disclosures to MSME Borrower	845
34.6.1	Key Fact Statement (KFS) for Retail and MSME Loans & Advances	845
34.6.2	Cluster Financing	846
34.6.3	Penal Charges	847
34.6.4	Annual Percentage Rate (APR)	847
34.7	Portals for Access to Credit	848
34.7.1	Trade Receivables Discounting System (TReDS)	848
34.7.2	PSB Loans in 59 Minutes: A digital platform for credit facilities, providing business loans to MSME through a contactless and efficient process	849
34.7.3	GST Sahay	849
34.7.4	Jan Samarth	849
Chapter 35—Assessment of Working Capital Finance by Banks to MSME - Recommendations of Various Committees		
35.1	Meaning of Working Capital	851
35.1.1	Gross Working Capital	851
35.1.2	Net Working Capital	851
35.2	Constituents of Working Capital	851
35.2.1	Current Assets	851
35.2.2	Current Liabilities	852
35.3	Assessment of Working Capital based on the Recommendations of Various Committees	853
35.3.1	Daheja Committee, 1968	853

35.3.2	Tandon Committee, 1974	853
35.3.2.1	First Method of Lending	854
35.3.2.2	Second Method of Lending	854
35.3.2.3	Third Method of Lending (Not Popular)	855
35.3.3	Working Group to Review the System of Cash Credit (Chore Committee – 1979)	856
35.3.3.1	Important Recommendations Accepted by the RBI	856
35.3.4	Report of the Committee to Examine the Adequacy of Institutional Credit to the SSI Sector and Related Aspects – Method Recommended by the Nayak Committee 1991 (Turnover Method)	857
35.3.4.1	Assessment of Realistic and Achievable Level of Targeted Sales for the Current Year and Ensuring Year	857
35.3.4.2	Assessment of Working Capital Management	858
35.3.5	Marathe Committee, 1982	858
Chapter 36—Micro Units Development and Refinance Agency Ltd. (MUDRA)		
36.1	Announcement for Formation for MUDRA in Union Budget 2015-16	859
36.1.1	Incorporation of MUDRA	859
36.1.2	Mission, Vision, and Purpose of MUDRA	859
36.2	Meaning of Micro Enterprises	859
36.3	Constraints for Micro Enterprises	860
36.3.1	Financial Constraints	860
36.3.2	Operational and Infrastructure Challenges	860
36.3.3	Market and Competition Hurdles	860
36.3.4	Human Capital and Skill Gaps	860
36.3.5	Regulatory and Policy Issues	861
36.4	Product/Offerings of MUDRA	861
36.5	Pradhan Mantri MUDRA Yojana (PMMY)	861
36.5.1	Interest Rate	862
36.5.2	Upfront Fee/Processing Charges	862
36.5.3	Benefits	862
36.5.4	Eligible Borrowers	862
36.5.5	Application Process	863
36.5.6	Documents Required for Shishu Loan	863
36.5.7	Documents Required for Kishore, Tarun and Tarun Plus Loan	864
36.6	Micro Credit Scheme	864
36.7	Refinance Scheme for Banks/NBFCs/MFIs	864
36.8	Purpose of MUDRA Loan	865

36.9	Illustrative List of Activities under MUDRA	865
36.10	MUDRA Card	866
36.11	Creation of Framework for “Small Business Finance Entities”	866
36.12	Synergies with Make in India Campaign	866
36.13	Synergies with National Rural Livelihoods Mission/National Urban Livelihood Mission	866
36.14	Synergies with National Skill Development Corporation	867
36.15	The MUDRA Pricing	867
36.16	Development and Promotional Support	867
36.17	Imparting Financial/Business Literacy	868
36.18	Promotion and Support of Grass Root Institutions	868
36.19	Working with Credit Bureaus	868
36.20	Working with Rating Agencies	868
36.21	Portfolio Credit Guarantee	869

Part X: Institutional Framework for MSMEs

Chapter 37—Institutional Framework for MSMEs

37.1	National Board for Micro, Small & Medium Enterprises (NBMSME)	873
37.2	National Institute for Micro, Small and Medium Enterprises (NI-MSME)	875
37.3	Entrepreneurship Development Institute of India (EDII)	875
37.4	Small Industries Development Bank of India (SIDBI)	876
37.5	District Industries Centres (DIC)	876
37.6	Khadi and Village Industries Commission (KVIC)	878
37.7	National Small Industries Corporation (NSIC)	878
37.8	Mahatma Gandhi Institute for Rural Industrialization (MGIRI)	883
37.9	Small Industries Development Corporation India (SIDCI)	883
37.10	State Financial Corporation (SFCs)	884
37.11	Banks/NBFCs	884

Part XI: SEBI Measures for MSME – IPO and Listing of Securities at SME Exchange

Chapter 38—SEBI Measures for MSME - IPO and Listing of Securities at SME Exchange

38.1	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018	887
38.1.1	Initial Public Offer by Small and Medium Enterprises - Chapter IX (Regulations 227 to 281A)	887
38.1.1.1	Eligibility Requirements – Part I (Regulations 227 to 230)	887
38.1.1.2	Issue of Convertible Debt Instruments and Warrants – Part II (Regulations 231 to 235)	890
38.1.1.3	Promoters’ Contribution – Part III	

	(Regulations 236 and 237)	892
38.1.1.4	Lock-in and Restrictions on Transferability – Part IV (Regulations 238 to 243)	895
38.1.1.5	Appointment of Lead Managers, Other Intermediaries and Compliance officer – Part V (Regulation 244)	897
38.1.1.6	Disclosures in and Filing of Offer Documents – Part V (Regulations 245 to 247)	898
38.1.1.7	Pricing – Part VII (Regulations 248 to 251)	900
38.1.1.8	Issuance Conditions and Procedure – Part VIII (Regulations 252 to 277)	901
38.1.1.9	Miscellaneous – Part IX (Regulations 278 to 281A)	909
38.2	The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	912
38.3	Benefits of Listing of Securities at SME	913
38.4	Listing of Securities at SME Exchange at BSE	914
38.5	Listing of Securities at SME Exchange at NSE	922

Part XII: Role of Professionals in Setting-up MSMEs and Startups

Chapter 39—Role of Professionals in Setting-up MSMEs and Startups

39.1	Selecting the Best Form of Business Organisation	927
39.2	Registration of MSMEs	927
39.3	Compliances to Various Labour Laws	928
39.4	Compliances to Environmental Laws	929
39.5	Compliances to Taxation Laws	929
39.6	Lising on SME Exchange	929
39.7	Legal Compliances & Corporate Governance Issue	929

Part XIII: Global Perspective of MSMEs

Chapter 40—OECD SME and Entrepreneurship Strategy

40.1	About the OECD	933
40.2	OECD Legal Instruments	933
40.3	Background Information	934
40.4	Rationale for the Recommendation	934
40.5	A Co-operative and Inclusive Process for Developing the Recommendation	934
40.6	Scope of the Recommendation	935
40.7	Next Steps	935
40.8	Recommendation of the Council on SME and Entrepreneurship Policy	936