

# An Overview of Micro, Small, And Medium Enterprises in India: Challenges and Opportunities

**KM Sristi Kesari**

Research Scholar, Department of commerce, PROF. Rajendra Singh Rajju Bhaiya University

## ABSTRACT

Micro, Small, and Medium-Sized Enterprises (MSMEs) are crucial to the nation's economy, industries, and living standards of society. They serve as new entrepreneurship and innovation in modern times. They also contribute significantly to economic growth by being successful, efficient, flexible, and innovative entrepreneurs. Even with new governmental initiatives for the MSMEs sector in India, as well as a defined development strategy and action, after many initiatives, MSMEs continue to face many obstacles, some are financial or non-financial. Recent data reveal the production, quality, price, exports, and employment opportunities of MSMEs' goods, as well as their contribution to the Country's economy. This paper aims to describe the situation, emerging opportunities, and growth of MSMEs in India. In addition to evaluating the MSMEs sector's importance in the context of globalisation, the paper looks at how well equipped this sector is to handle the problems brought on by increased competition and new initiatives.

**Keywords:** MSME, Indian Economy, challenges and opportunities, Importance, Growth, Employment Generation

## INTRODUCTION

Micro, small and medium-sized enterprises (MSMEs) have been seen as the most important pillar of the developing economy. It is essential to both emerging and developed large-scale industries and economy because they supply essential raw materials, components and parts of big industries required for production. This helps large firm reduce their cost, as MSMEs can produce the required inputs more economically and efficiently. These enterprises work as the foundation or pillar of the economy. They are necessary for a nation's economic development and progress. MSMEs are flexible and innovative; they can quickly adopt new technologies and designs. The Micro, Small and Medium Enterprises (MSME) sector is a dynamic sector of the Indian economy, contributing around 30% of India's GDP, over 45% of India's exports. It contributes significantly to the economy and social-cultural development of the country by fostering entrepreneurship and generating large employment opportunities at comparatively lower capital cost, next only to agriculture.

Ministry of Micro, Small and Medium Enterprises (MSME) are figure as progressive MSME sector by promoting growth and development of small business, including khadi, village and tinny industries, in cooperation with Ministries/Departments, State Governments, banks and other stakeholders, by providing support to existing enterprises, adopting cutting edge technologies and encouraging creation of new enterprise, financial inclusion, digital payment etc. The Ministry is dedicated to fostering inclusive growth

through efforts that ensure geographic inclusivity of rural and urban areas and demographic inclusivity of socially and economically weaker sections, such as SC/ ST Communities, and promoting social entrepreneurship and women's entrepreneurship to boost gender parity. The Ministry of MSME consists of the Small and Medium Enterprises (SME) Division, Agro and Rural Industry (ARI) Division, Administration and Financial Institutions (AFI) Division, Integrated Finance Wing (IFW) and Data Analytics and Technical Co-ordination (DATC) Wing.

**DEFINITION AND IMPORTANCE OF MSME**

Ministry of MSME’s Notification dated 26th June, 2020, the criteria for classifying enterprises were revised, w.e.f. 1st July, 2020, as part of the Aatma Nirbhar Bharat package. The revised classification criteria are as follows:-

- **a micro enterprise**, where the investment in plant and machinery or equipment does not exceed one crore rupees, and turnover does not exceed five crore rupees;
- **a small enterprise**, where the investment in plant and machinery or equipment does not exceed ten crore rupees, and turnover does not exceed fifty crore rupees;
- **a medium enterprise**, where the investment in plant and machinery or equipment does not exceed fifty crore rupees, and turnover does not exceed two hundred and fifty crores.

**. Revised Classification applicable w.e.f 1st April 2025**

Composite Criteria: Investment in Plant & Machinery/equipment and Annual Turnover

CLASSIFICATION	MICRO	SMALL	MEDIUM
<b>Manufacturing Enterprises and Enterprises rendering Services</b>	Investment in Plant and Machinery or Equipment: Not more than Rs. 2.5 crore and Annual Turnover not more than Rs. 10 crore	Investment in Plant and Machinery or Equipment: Not more than Rs. 25 crore and Annual Turnover not more than Rs. 100 crore	Investment in Plant and Machinery or Equipment: Not more than Rs. 125 crore and Annual Turnover not more than Rs. 500 crore

**MSMEs During Five-Year Plans**

The history of small-scale industries (SSIs) in India from the First to the twelve Five-Year Plan reflects a gradual and comprehensive government strategy to promote and support SSIs for balanced economic development. Here's a concise overview of the key initiatives and developments in each plan period:

**First Five-Year Plan (1951-56)**

- Focused on developing the village and small-scale industries to reduce the agricultural burden.
- Established key boards: Small Scale Industries Board, Central Silk Board, Coir Board, All-India Handicraft Board, All India Handloom Board, and All India Khadi and Village Industries Board.
- Rs. 42crore allocated, with nearly 70% directed to village SSIs.

**Second Five-Year Plan (1956-61)**

- Shifted priority to the industrial sector, emphasising the development of SSIs and ancillaries to large

industries.

- Rs. 187crore allocated for SSIs.
- Following the Karve Committee recommendations, 60 industrial estates were launched, offering essential infrastructure.
- Certain products are reserved for SSI production.

#### **Third Five-Year Plan (1961-66)**

- Emphasised diversification of SSI production and synergy between small and large sectors.
- Goals: increase rural/small city SSIs, enhance institutional finance accessibility, and improve worker productivity.
- The Small Scale Industries Board (SSIB) established a working group for the development strategy.
- Rs. 24crore set aside for expansion.

#### **Annual Plans (1966-69)**

- Green Revolution era with Rs. 132crore allocated for SSI development.

#### **Fourth Five-Year Plan (1969-74)**

- Extended earlier programs; increased reserved products from 180 to 340.
- Rs. 293crore budgeted.
- 346 industrial estates completed, employing 82,700 and output worth Rs. 99.25 crore annually.
- Nationalisation of 14 commercial banks in 1969 improved fund flow to SSIs.
- The H.S. Bhat committee recommended state-level support cells, raw material allocation, and tax rebates.

#### **Fifth Five-Year Plan (1974-79)**

- Emphasis on SSIs to reduce poverty and inequality and generate employment with low investment.
- District Industrial Centres (DICs) were established for comprehensive support.
- Budget of Rs. 388crore for DICs; 807 products reserved for SSI.
- Total Rs. 611crore allocated for SSIs.

#### **Sixth Five-Year Plan (1980-85)**

- Focus on enhancing productivity via technology and skill upgrades.
  - Promotion of dispersed SSI presence in rural, urban, and semi-urban areas.
  - Reserved items increased to 835.
  - Small Industries Development Organisation (SIDO) started consultancy for managerial, technical, and marketing support.
  - Council for Advancement of Rural Technology (CART) was created in 1982 for rural technical support.
  - Employment in SSIs reached 31.5 million, accounting for 80% of total industrial employment.
- The expansion of small-scale industries (SSIs) and MSMEs (Micro, Small, and Medium Enterprises) continued with increasing focus and investment from the Seventh Five-Year Plan onward, reflecting evolving priorities and challenges:

#### **Seventh Five-Year Plan (1985-90)**

- Emphasised the rapid development of infrastructure for village and semi-urban SSIs.
- Allocated Rs. 3,249crore for SSIs.
- Small Industries Development Organisation motivated and trained many enterprises.
- Promoted modern techniques for quality improvement and aimed to increase wages and employment.

**Eighth Five-Year Plan (1992-97)**

- Focused on credit availability to SSIs.
- Allocated Rs. 7,266crore.
- Introduced the Single Window System for composite loan sanction.
- Established 70 growth centres.
- Proposed Integrated Infrastructure Development Centres (IIDC) involving central/state governments and industry.
- Production reached Rs. 41.12 lakh crore; employment rose to 16 million.

**Ninth Five-Year Plan (1997-2002)**

- Addressed SSI problems, including product reservation review.
- Encouraged Non-Banking Financial Institutions (NBFCs) and banks specialised in SSI loans.
- Increased investment limits and simplified labour laws.
- Set up the Development & Modernisation Fund via SIDBI.
- Continued the IIDC scheme for global competitiveness amid liberalisation.
- Allocated Rs. 8,384crore.

**Tenth Five-Year Plan (2002-07)**

- Aimed to provide 100 million jobs and double per capita income in 10 years.
- Allocated Rs. 3,499crore focusing on human resource development, finance, entrepreneurship, and export promotion.
- MSMED Act 2006 was introduced, defining micro, small and medium enterprises by clear investment limits.

**Eleventh Five-Year Plan (2007-12)**

- Prime Minister's task force in 2009 made 85 MSME development recommendations.
- Priority lending to MSMEs emphasised.
- Developed Single Window Approval for the establishment of a manufacturing company.
- Launched National Manufacturing Policy (2011) to upgrade tech, provide equity investment, and promote eco-friendly technology.
- Provided Rs. 11,500crore for MSMEs.
- Greater focus on youth skill development.

**Twelfth Five-Year Plan (2012-17)**

- Working Group on MSMEs created to implement task force recommendations and propose action plans.
- Emphasised Khadi and Village Industries (KVI) and coir sector expansion.
- Prioritised transparent government schemes for global competition.
- Launched Credit Linked Capital Subsidy Scheme, Procurement Policy, and MSE Cluster Programme.
- Allocated Rs. 26,014crore.
- Focused on resolving MSMEs' issues: finance, production, marketing, raw materials, and skill development.

This timeline highlights progressive government measures to increase infrastructure, finance accessibility, modernisation, and policy support for SSIs/MSMEs, along with programs targeting employment, skill enhancement, and integration into global markets. The cumulative effect strengthened MSMEs' role in India's economic and social development, particularly in rural and semi-urban sectors.

## IMPORTANCE OF MSMEs

**Employment generation** MSMEs account for ~90% of the enterprises in India and ~30% of its GDP, while also providing large-scale employment.

As of 31.12.2024, a total number of 5,77,03,550 MSMEs, including IMEs on UAP, are registered. There are 1,17,53,385 enterprises registered in the Manufacturing category, 2,01,23,279 enterprises registered in the service sector and 25826886 enterprises registered in the trading category.

**Rise of women entrepreneurship** in MSMEs. Similar to the role of MSMEs in employment generation, women's empowerment is another aspect where MSMEs contribute significantly. Annual Survey of Unincorporated Enterprises shows female-owned proprietary establishments increased from 22.9% in 2022-23 to 26.2% in 2023-24. This reflects the evolving social mindset, fostering inclusivity and equality, thus paving the way for further growth.

**Digitally empower** the entire MSME ecosystem to ensure the successful implementation of the 'Digidhan Mission' within the Ministry and its attached offices. Key initiatives include: a. All offices of the Ministry of MSME, including its attached offices, have been digitally enabled. B. For the MSME registered under Udyog Aadhaar Memorandum (UAM), extensive efforts have been made to raise awareness about the ease and benefit of various digital payment methods, BHIM UPI and BHARAT QR CODE.

**AATMANIRBHAR BHARAT** In the aftermath of the COVID-19 pandemic, MSMEs were considered a very prominent part of the announcements made under the Aatmanirbhar Bharat Abhiyaan in view of the role of MSMEs in nation-building. The package allocated substantial resources to MSMEs and prioritised their inclusion in measures aimed at economic revival. Under the Aatma Nirbhar Bharat Package, the Government of India announced to set up an INR 10,000 crore Fund of Funds for MSME. This fund, which is called the Self-Reliant India (SRI) Fund, has the objective of supporting Venture Capital (VC) / Private Equity (PE) firms investing in the MSME sector.

**Eco-friendly practices:** The Ministry and its organisations, such as MGIRI and ni-MSME, are implementing and promoting eco-friendly practices, such as composting, rainwater harvesting, and the use of bio-char, amongst others. NI-MSME is also nurturing a startup on its campus focused on reusing and recycling concepts, demonstrating practical application of waste-to-wealth principles.

## CHALLENGES FACED BY MSME IN INDIA

Micro Small and Medium Enterprises (MSMEs) Challenges:

Micro Small and Medium Enterprises facing many problems in their day - to - day operations. They found It is difficult to sell their products, and they cannot spend on Advertising, Marketing, and Research, etc.

They are also facing stiff competition from large and other countries that export their products into our country, like China, Thailand, and Germany. Financial Institutions have limited exposure to MSMEs. There are multiple options for the MSME sector get assistance, but they are unable to survive. They are selling their products immediately because of weak bargaining power and the need for quick money. MSMEs are

Unable to get required support from the concerned Government, Financial Institutions, and Banks. The challenges are

- Access to finance
- Collateral Requirements
- Access to Infrastructure
- Facing stiff competition from Large firms

- Advertising, Sales, Promotion, Marketing, and Research are limited
- Marketing of their products
- Identification of new markets
- Ineffective Marketing Strategy
- Don't have their own marketing networks
- Limited access to Equity capital
- High Cost of Raw Materials
- Problems of Storage, Designing, and Packing
- Lack of Access to Global Markets
- MSMEs find it difficult to recruit motivated and technical personnel
- Lack of the latest Technology
- Tough competition from large firms
- MSMEs find it difficult to compete with imported goods from other countries
- Low production capacity
- Non – availability of highly skilled labour
- Low Production Capacity and lack of training

#### **Micro Small and Medium Enterprises (MSMEs): Opportunities**

Nowadays, many people depend on the MSMEs sector. This sector is the self-employment sector for people; most of the MSMEs are from rural areas. Every year, the MSMEs sector generates 3,000 jobs for people. The MSMEs sector is forever Classic. Many problems are encountered by the MSMEs, but still, this sector is growing continuously. The opportunities of MSMEs are:

- Enhance production with government schemes (ODOP)
- Strong Growth Potential
- Low Investment Requirements
- Operational Flexibility
- High contribution to the domestic market access
- Technology-oriented Enterprises
- Exporting products from the country
- Raising Domestic Sales
- Increasing National GDP
- Vibrant Domestic Demand
- Helps to the Emerging Economy and
- MSMEs are expected to become one of the fastest-growing sectors in India

#### **A REPORT ON NITI AAYOG**

NITI Aayog today released the report on 'Enhancing MSMEs Competitiveness in India', prepared by NITI Aayog in collaboration with the Institute for Competitiveness (IFC). The report presents a detailed blueprint for unlocking the immense potential of India's Micro, Small and Medium Enterprises (MSMEs) through systemic reforms in financing, skilling, innovation and market access.

The report delves into the key challenges affecting the competitiveness of MSMEs in India. Using firm-level data and the Periodic Labour Force Survey (PLFS), it provides recommendations to foster sustainable integration and enhance their incorporation into global value chains. It focuses on four important sectors

- textiles manufacturing and apparel, chemical products, automotive and food processing, while highlighting the sector-specific challenges and opportunities that need to be addressed to unlock the potential of MSMEs in India. The report examines current national and state policies, highlighting gaps in implementation and limited awareness among MSMEs.

One of the important findings of the report is the notable improvement in MSMEs' access to formal credit. Between 2020 and 2024, the share of micro and small enterprises accessing credit through scheduled banks rose from 14% to 20%, while medium enterprises saw an increase from 4% to 9%. Despite these improvements, the report reveals that a substantial credit gap remains. Only 19% of MSME credit demand was met formally by FY21, leaving an estimated ₹80 lakh crore unmet. The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) has expanded significantly, but still faces significant limitations. To bridge the credit gap and unlock inclusive, scalable finance for MSMEs, the report calls for a revamped CGTMSE, supported by institutional collaboration and more targeted services.

The report also highlights the pressing issue of skill shortages within the MSME sector. A large portion of the workforce lacks formal vocational or technical training, which hampers productivity and limits the ability of MSMEs to scale effectively. Many MSMEs also fail to invest sufficiently in research and development (R&D), quality improvement, or innovation, making it difficult to stay competitive in national and global markets. The report further points out that MSMEs face barriers in adopting modern technologies due to unreliable electricity supply, weak internet connectivity and high implementation costs. Despite state government schemes designed to support technological advancement in MSMEs, many enterprises are either unaware of them or unable to access them. In its analysis of clusters, the report finds that upgrading outdated technologies and improving marketing and branding capabilities are critical to improving competitiveness.

The report concludes that despite various MSME support policies and the recent boost to MSMEs through Union Budgets, increased effectiveness is hampered by low awareness. To enhance policy impact, the report recommends stronger state-level design and implementation, emphasising consistent monitoring, better data integration and improved stakeholder engagement in policy development. India's MSMEs can become a key driver of sustainable economic growth by focusing on targeted interventions, building stronger institutional collaborations and enhancing global competitiveness. It calls for enhanced support for MSMEs through digital marketing training, partnerships with logistics providers and creating platforms for direct market linkages, especially in regions with high growth potential, such as India's northeastern and eastern belts. It calls for a robust, adaptive and cluster-based policy framework at the state level that fosters innovation, enhances competitiveness and enables MSMEs to drive inclusive economic transformation.

## **CURRENT POSITION AND CONTRIBUTION OF MEME SECTOR TO THE INDIAN ECONOMY**

As per data from the Ministry of Micro, Small & Medium Enterprises, as of July 2024, the number of MSMEs registered on the Udyam portal, including the Udyam Assist Platform (UAP), has reached 4.77 crore, with continual growth observed. MSMEs are being encouraged to market their products on the e-commerce site, especially through the Government e-Marketplace (GeM), owned and run by the government, wherefrom Ministries and PSUs (public sector undertakings) source their procurement. Transactions on the Unified Payments Interface (UPI) reached a new milestone in May 2025, touching

18.68 billion in volume and Rs. 25,14,000 crore (US\$ 294.21 billion) in value, according to data released by the National Payments Corporation of India (NPCI).

Direct Benefit Transfers (DBT) under the MSME ministry's schemes stand at Rs. 6,83,917 crore (US\$ 80.40 billion) in FY25. The Total Direct Benefit Transfer (Cumulative) stands at Rs. 43,96,857 crore (US\$ 514.55 billion).

MSME-SAMBANDH scheme has positively impacted target beneficiaries by providing professional support in upgrading their skills, facilitating market linkages and handholding support which resulted in a ~36-fold increase in public procurement from SC/ST MSEs (in terms of value) i.e., Rs. 99 crore (US\$ 11.4 million) in FY16 to Rs. 3,543.66 crore (US\$ 414.70 million) in FY25 as reported on the MSME Sambandh portal.

As of December 2024, 32 states and union territories have submitted Strategic Investment Plans (SIPs), with 31 of these plans evaluated. Over 200 proposals, amounting to approximately Rs. 3,000 crore (US\$ 345.3 million), have been approved for the states and union territories. As of April 21, 2025 (FY25), 9,95,376 MSMEs have benefited.

A total of 12,479 programmes have been conducted, benefiting 5,66,410 persons, under the scheme, ESDP, during FY25.

Scheme of Fund for Regeneration of Traditional Industries (SFURTI) as on January 30, 2025, 51 clusters have become operational, benefiting a total of 29,055 artisans across 20 states. Additionally, 15 clusters were approved in FY23, with total assistance of Rs. 40.0 crore (US\$ 4.6 million) from the Government of India, directly benefiting 8,875 artisans.

From January to November 2024, tool rooms and technical Institutions have supported 44,223 units.

In alignment with the Atmanirbhar Bharat initiative, significant import substitution efforts have been implemented. As a result, several tool rooms have successfully developed and manufactured indigenous components tailored for Micro, Small, and Medium Enterprises (MSMEs).

Under the 'IPR' component, the Intellectual Property Facilitation Cell (IPFC) has approved a total of 73 patents, 616 trademarks, 37 designs, and 1 geographical indication (GI) registration as of September 2024. In the Union Budget FY26, the government announced support for 5 lakh first-time women entrepreneurs from scheduled castes and scheduled tribes, providing up to Rs. 2 crore (US\$ 0.2 million) in term loans along with online training. This represents a significant advancement toward gender inclusivity in business.

As of March 2024, the Government e-marketplace (GeM) portal served 5.8 million orders worth Rs. 3,87,006 crore (US\$ 46.67 billion) with 148,245 primary buyers and 215,743 secondary buyers.

As of December 14, 2023, under the top five state-wise Udyam registrations, Maharashtra recorded the maximum number of registrations with 37.12 lakh units, followed by Tamil Nadu (21.74), Uttar Pradesh (20.28), Gujarat (15.53), and Rajasthan (15.57).

The number of MSMEs in the country is expected to grow from 6.3 crore, of which only 2.5 crore have ever availed credit from formal sources, to approximately 7.5 crore in the coming times, growing at a projected CAGR of 2.5%.

Jammu and Kashmir leads in employment generation under the Prime Minister's Employment Generation Programme (PMEGP), with 44,542 projects assisted between 2021-22 and 2023-24, receiving a margin money subsidy of Rs. 921.38 crore (US\$ 110 million) and creating an estimated 3,56,336 jobs, accounting for 18% of nationwide employment generated under the scheme during this period.

Domestic business requires a strong financial stimulus with concessional working capital loans to ensure adequate liquidity is maintained in business operations from the government and financial institutions. Indian Micro, Small and Medium Enterprises (MSMEs) are rapidly adopting digital payments over cash, with 72% payments done through the digital mode compared with 28% cash transactions. Rise in digital adoption presents prospects for further growth in the sector. In FY23 till December 31, 2022, the number of digital transactions stood at 9,192 crore and were worth Rs. 2,050 trillion (US\$ 24.73 trillion).

### Literature review

**(Shelly, Sharma, & Bawa, 2020)** investigated that micro, small and medium – sized firms were essential for the development of any country's economy and were especially important for developing nations since they would regulate trade, create jobs, and mitigate poverty. This industry in India ranked second in terms of ownership, only to agriculture. The paper's main goals were to track changes in the number of MSME units. The Contribution of the Indian MSME industry to GDP, employment, and exports.

**(Ghosh and Deb, 2023)** Critically evaluated the marketing challenges in MSMEs and found that it is the distribution, competition, raw materials, product innovation and quality, branding, finance and promotion, information technology, Government Policies, and the insight of the owners of MSMEs that have significantly affected the marketing of the products produced through the MSME sector.

**(Poornima et al., 2023)** observed that the digital marketing through the World Wide Web, social media (Twitter, Instagram and WhatsApp) and search engine optimisation (SEO) have optimistically influenced the sales and marketing of MSMEs company products.

**(Pooja, 2009)** studied the Micro, Small, and Medium Enterprises (MSMEs) in the Indian Economy: business development strategies. This book covers a range of topics related to the growth of small businesses in India, including their benefits, effectiveness, and issues. More importantly, it makes recommendations for actions that would make small businesses more competitive so they might participate in the global economy.

**(Srinivas,2017)** analysed that MSMEs play a vital part in the inclusive expansion of the Indian economy based on their performance and contribution to that country's economic growth.

**Pratima Pandey (2023)**<sup>1</sup>, has stated that MSMEs contribute to the nation's growth and income Indian government, an initiative of the Atma Nirbhar Bharat scheme, has provided much-needed support for uplifting MSMEs. The plethora of challenges includes getting adequate finance, a lack of digital support, and intended beneficiaries being out of reach of the government. Support has been adequately addressed under the relief package provided by the government. In the pandemic era, the government support has not only helped the MSMEs to survive, but it has also built long-term sustainability and competitive advantage for this sector.

**Dr Amit Angadi, Jayadatta S, Pushparaj Kodaganur (2023)**<sup>2</sup>, Researchers have found that small and medium-sized enterprises (SMEs) benefit greatly from increased digitalisation of their operations, both in terms of output and efficiency. Fortunately, there is not much proof that using technology to deal with the aftermath of major disasters like COVID-19 is effective. Therefore, MSMEs must immediately boost their business chances by implementing a number of initiatives. Adoption of platforms equipped with digital technologies is one such measure.

### Objectives of the study

1. To determine the current position and contribution of the MSME sector to the Indian economy.

2. To identify and analyse the key challenges faced by MSMEs in India, and their impact on GDP.
3. To explore the opportunities available to MSMEs in India, including government support, innovation, and export potential.

To develop a roadmap for success for MSMEs in India by addressing the challenges they face and capitalising on the opportunities available to them.

### **Problem Statement**

MSMEs, which are most important for India's economic development, contribute heavily to generating employment opportunities, sustaining income, and reducing poverty, but unfortunately, despite their immense significance, they face numerous challenges that prevent their growth and success, such as financial access, inadequate infrastructure, a scarcity of skilled labour, obsolete technology, and regulatory complications, which greatly inhibit their growth potential.

### **Research methodology**

In this paper, I have used quantitative and qualitative research methodologies. The majority of this information is gathered through secondary sources, such as published annual reports, journals, books, and official websites, as well as access to various government programmes and activities.

### **Need for the study**

This research paper specifies the role and responsibilities of MSMEs in the economy. Today's world is globalised, and many MNCs companies are entering into other countries where they compete with domestic products and reach a large portion of the market. This paper enlightens the importance of MSMEs in the economy and the challenges faced by entrepreneurs. This paper highlights the government's role and increases opportunities for employment, financial infrastructure, and digitalisation.

### **conclusion**

The Micro, Small and Medium Enterprises (MSME) sector remains a cornerstone of India's economic growth, employment generation, and regional development. Despite facing critical challenges such as inadequate access to credit, regulatory hurdles, limited technological adoption, and global competition, the sector has shown remarkable resilience and adaptability. With the government focusing on digitalisation, skill development, and financial inclusion, MSMEs have significant opportunities to strengthen their competitiveness and integrate into global value chains. The increasing adoption of e-commerce, digital payment systems, and sustainable business practices further widens the scope for their expansion.

### **REFERENCES**

1. A REVIEW OF CHALLENGES AND OPPORTUNITIES FOR MSMEs IN INDIA: A ROADMAP FOR SUCCESS  
*References: Government Websites, Press Releases, Media Reports, Deloitte Report, Budget 2025-26*
2. [https://www.niti.gov.in/sites/default/files/2025-05/Enhancing\\_Competitiveness\\_of\\_MSMEs\\_in\\_India.pdf](https://www.niti.gov.in/sites/default/files/2025-05/Enhancing_Competitiveness_of_MSMEs_in_India.pdf)
3. Dr Sultan Singh Jaswal( 2014):” Problems and Prospects of Micro, Small and Medium

4. Enterprises (MSMEs in India)”, International Journal of Innovative Research and Studies (IJIRS), ISSN 2319-9725, Volume 3 Issue 5, May 2014.
4. Nishanth.P& Dr.Jakkariya .K.A(2014:Barriers faced by Micro, Small and Medium Enterprisesin Raising Finance”, Abhinav National Monthly Referred Journal of Research in Commerce andManagement, Volume 3, Issue 5 May 2014, ISSN 2277-1166.
5. Dr A. Shiralashetti: “Prospects and Problems of MSMEs in India – A Study ,, Shiv Shakti, International Journal of Multidisciplinary and Academic Research (SSIJMAR), Volume.1, JulyAugust, ISSN 2278-5973.
6. Prof. M. Chandraiah & R.Vani (2014): "The Prospects and Problems of MSMEs sector in India: An Analytical Study”, International Journal of Business and Management Invention, ISSN23198028.
7. Report of Prime Minister's Task Force on Micro Small and Medium Enterprises, Government of India, January 2010.
8. [www.msme.gov.in](http://www.msme.gov.in)
9. [www.dcmse.gov.in](http://www.dcmse.gov.in)
10. [www.nceuis.nic.in](http://www.nceuis.nic.in)
11. [www.business.gov.in](http://www.business.gov.in).
12. [www.smeworld.in](http://www.smeworld.in)
13. [www.rbi.in](http://www.rbi.in)
14. [www.sidbi.in](http://www.sidbi.in)