



## Enterprise Development Centres

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The Union Micro, Small and Medium Enterprises Sector (MSME) Minister will soon launch Enterprise Development Centres (EDCs) for **developing a cadre of indigenous entrepreneurs** in the MSMEs.

- **Planned for every district**, the ministry is targeting the launch of 20 EDCs out of a planned 500 by the end of the current financial year (2019-20).
- **Structure**
  - The EDCs will be **similar to incubators for start-ups**.
  - The centres will be broad-based and **shall be run by special purpose vehicles** in partnership with the private sector, business management organisations, local industry associations.

- **Focus Areas**

- **Incubation:**

- For the first time, an integrated unit will **help new and existing businesses develop** by providing services such as management training, and office space etc.
    - It will also offer “enterprise development courses, vocational guidance and skill development for budding entrepreneurs”.

- **For Struggling Firms:**

The EDCs will also have “**enterprise clinics**” for struggling firms, which the government hopes will reduce the number of small businesses falling into a debt trap financed by bank loans.

- **Plugging Financial Difficulties:**

- The centres would offer **credit facilitation and syndication**, export promotion and supplier inclusion.
    - In the distant future, incentives and loans by the government for the sector will also flow through the EDCs, after determining the capabilities of the firm through set parameters.

- **Expanding Entrepreneur Base:** The government hopes that EDCs will also expand the entrepreneur base by **drawing individuals from diverse demographics** such as youth, women, scheduled castes and tribes and disabled backgrounds.

## Micro, Small and Medium Enterprises

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- In India, enterprises have been classified broadly into **two categories**:
  - **Manufacturing.**
  - Those engaged in **providing/rendering of services.**
- Both categories of enterprises have been **further classified into micro, small and medium enterprises** based on their investment in plant and machinery (for manufacturing enterprises) or on equipment (in the case of enterprises providing or rendering services).
- The present ceiling on investment to be classified as micro, small or medium enterprises is as under:

<b>Classification</b>	<b>Manufacturing Enterprises</b>	<b>Services Enterprises</b>
<b>Micro</b>	Up to Rs.25 lakh	Upto Rs.10 lakh
<b>Small</b>	Above Rs.25 lakh & upto 5 crore	Above Rs.10 lakh & upto 2 crore
<b>Medium</b>	Above Rs.5 crore & upto 10 crore	Above Rs.2 core & upto 5 crore

**Source: BS**