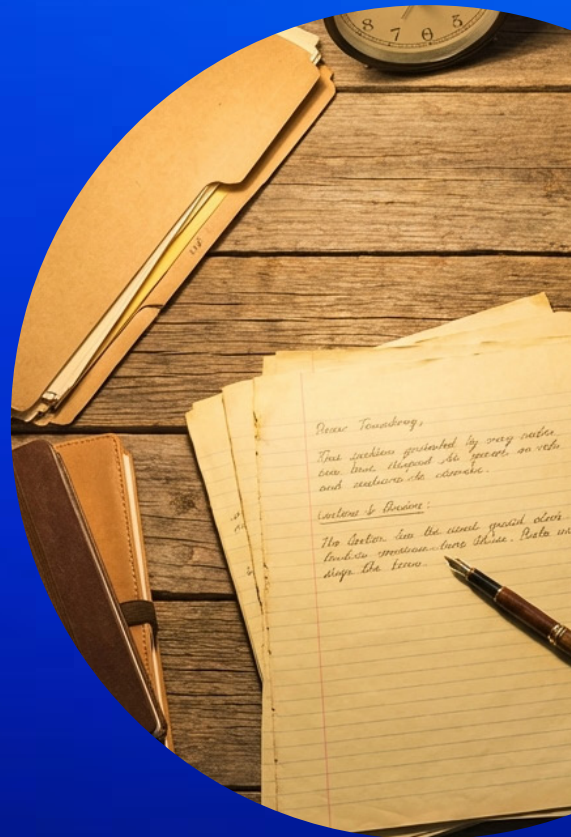
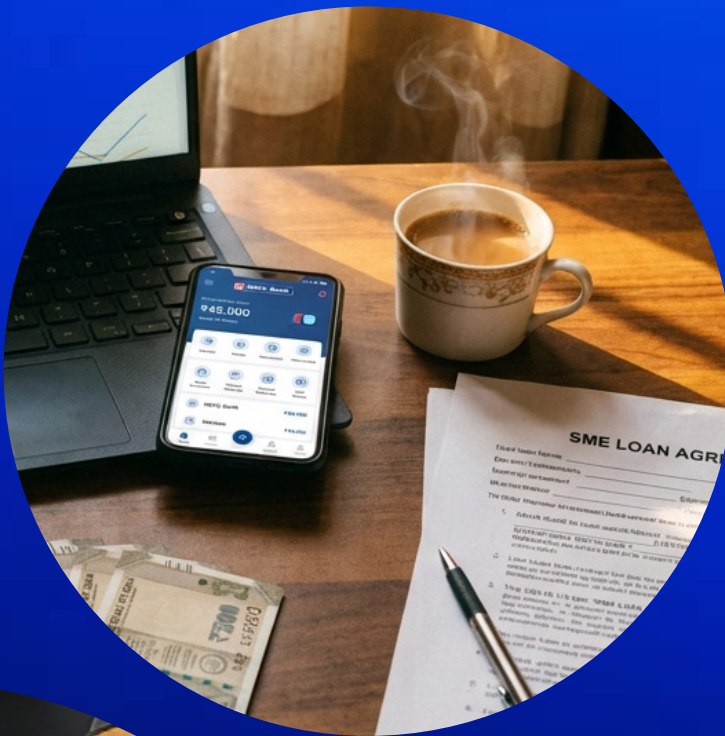




# Kurukshetra

May Edition



# Welcome to PadhAI

## KURUKSHETRA MONTHLY COVERAGE

You are here because you understand a fundamental truth of UPSC preparation: ***it's not about reading everything – it's about reading what truly matters, in the right way, at the right time.***

Magazines like Kurukshetra offer deep insights into rural development, governance, social schemes, and grassroots policy implementation. Yet for many aspirants, the challenge lies in separating exam-relevant content from general narratives.

PadhAI's Kurukshetra coverage is designed to do exactly that - ***filter, structure, and align policy discussions with UPSC requirements.***

## Why This Kurukshetra Coverage Matters

At PadhAI, we don't reproduce articles. We ***extract core themes***, map them with the syllabus, and connect them with ***Prelims and Mains PYQs***.

Every topic included here:

- carries relevance for ***GS Papers or Essay***,
- strengthens understanding of ***developmental and governance issues, and***
- builds ***analytical depth*** rather than surface-level knowledge.

Nothing is added for volume.

Everything is added for value.

## Part of the PadhAI Preparation Ecosystem

This Kurukshetra coverage forms part of a larger, integrated learning system that includes:

- early and concise ***monthly magazines***,
- ***daily PIB summaries*** with exam-focused clarity,
- ***monthly compliance tracking***,
- complete ***Prelims & Mains PYQs with structured answers***,
- relevant ***news article summaries***, and
- ***personal tutor chat support*** for continuous guidance.

The aim is simple:

***one trusted ecosystem instead of multiple scattered sources.***

## Our Guiding Philosophy

At PadhAI, everything is built around one belief:

- *Learn only what matters.*
- *Learn it the right way.*
- *Learn it at the right time.*

We don't believe in shortcuts.

We believe in clarity, consistency, and cumulative preparation.

## A Final Note

UPSC preparation is demanding and often overwhelming.

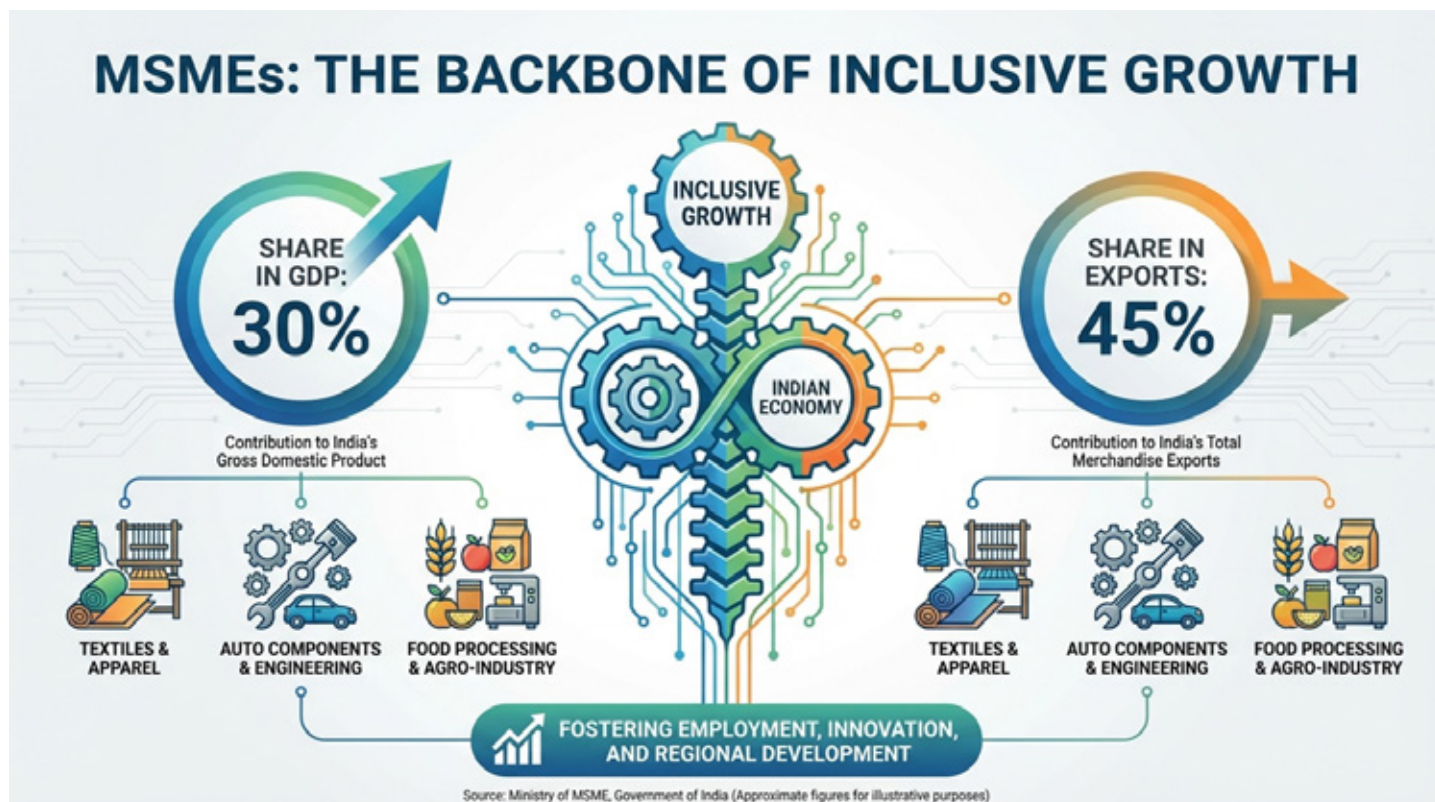
PadhAI exists to ensure you prepare with ***direction, relevance, and confidence*** — never blindly, never alone.

If this **Kurukshetra** coverage helps you save time, connect policy with practice, and strengthen your answers, then it has served its purpose.

**Welcome to PadhAI.**

**A community built to prepare — not to overwhelm.**

## Topic I: MSMEs: The Backbone of Inclusive Growth



**Summary:** MSMEs (Micro, Small, and Medium Enterprises) are regarded as the **engine of inclusive growth** in India, playing a vital role in economic development, rural upliftment, and equitable income distribution. They act as a catalyst for industrialisation in backward regions and are the nation's **second-largest employment generator** after agriculture.

**Background:** Recognized as one of the four critical pillars of national development in the **Union Budget 2025–26**, MSMEs are central to decentralized industrialisation. Their contribution to the national Gross Value Added (GVA) has shown resilience, rising from 27.3% in 2020–21 to **30.1% in 2022–23**.

### Key Points:

- **Scale of Impact:** As of April 2025, there are **6.23 crore registered MSMEs** in India, providing employment to 26.66 crore people.
- **Economic Contribution:** The sector contributes approximately **one-third of India's GDP** and more than **45% of total exports**.
- **Sectoral Diversity:** While spanning various industries like textiles and hospitality, roughly **70% of MSMEs operate in the services sector**, with micro-enterprises being the dominant group.
- **Formalisation:** The introduction of the **Udyam Registration Portal (URP)** and **Udyam Assist Platform (UAP)** has streamlined formalisation, increasing registrations from 1.65 crore in 2023 to 6.23 crore in 2025.

## Prelims Facts (One Liners):

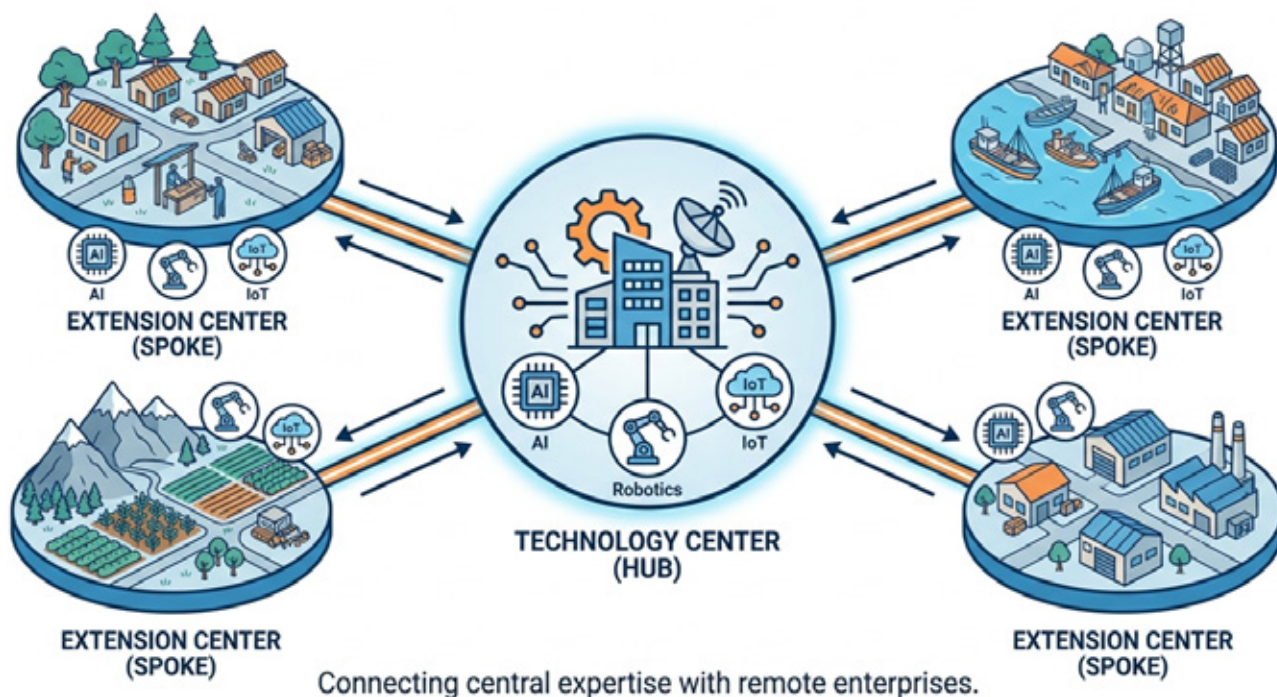
1. MSMEs contribute approximately **45.73% to India's total exports** as of FY 2023–24.
2. **Maharashtra, Uttar Pradesh, and Tamil Nadu** are the top three states with the highest number of MSME registrations.
3. MSMEs constitute about **90% of businesses globally** and generate up to 70% of global employment.
4. The sector's exports surged significantly from ₹3.95 lakh crore in 2020–21 to **₹12.39 lakh crore in 2024–25**.

**MCQ Practice:** Q. According to the Kurukshetra May 2025 excerpts, what was the approximate number of registered MSMEs in India as of April 2025? A) 1.65 Crore B) 4 Crore C) 6.23 Crore D) 10 Crore

**Answer: C** (Formalisation efforts through Udyam portals led to an increase in registrations to 6.23 crore by April 2025.)

## Topic 2: Science and Technological Empowerment of MSMEs

### HUB-AND-SPOKE MODEL: MSME TECHNOLOGY EMPOWERMENT



**Summary:** Integrating MSMEs with **scientific and technological advancements** is essential to convert publicly funded R&D into commercially viable products. Government interventions focus on fostering an innovation ecosystem to enhance the global competitiveness of MSMEs in emerging fields like **cleantech, drone technology, and healthcare devices**.

**Background:** The government has established structured linkages between industry and academia through hubs like the **Common Research and Technology Development Hub (CRTDH)**, launched in 2014-15 to facilitate innovation in MSME clusters.

**Key Points:**

- **CRTDH Network:** Currently, **18 hubs** operate across sectors such as renewable energy and affordable healthcare, providing R&D facilities and pilot plants.
- **CSIR Mega Innovation Complex:** Established in **Mumbai in January 2025**, this complex offers world-class incubation labs and technical support for deep-tech firms and MSMEs.
- **NIDHI Programme:** Supports high-potential tech startups through **Technology Business Incubators (TBI)** and promotes social inclusion through **Inclusive TBI (ITBI)** in Tier-2 and Tier-3 cities.
- **Extension Centers:** A planned network of **100 Extension Centers** aims to bring advanced technologies like **AI, AR/VR, and Robotics** to grassroots levels.
- **CREATE:** The Centre for Rural Enterprise Acceleration through Technology in **Leh** focuses on local products like **pashmina wool and bio-processing** to boost livelihoods in remote terrains.

**Prelims Facts (One Liners):**

1. The **CRTDH** was launched by the Department of Scientific and Industrial Research (DSIR) in 2014-15.
2. The **Ministry of MSME** operates **33 Technology Development Centers** aiding in manufacturing and skill development.
3. Over **72,000 trainees** have already been trained through the recently commissioned 25 Extension Centers.
4. The **Build-Operate-Transfer (BOT) PPP model** is being used to develop new Technology Centers to expand their reach.

**MCQ Practice:** Q. Where was the CSIR Mega Innovation Complex for MSMEs established in January 2025? A) New Delhi B) Bangalore C) Mumbai D) Hyderabad

**Answer: C** (The complex was established in Mumbai to facilitate collaboration between MSMEs, startups, and research institutions.)

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### Topic 3: Revolutionizing MSME Finance and Credit Access



**Visual Element:** A photograph of a solar panel manufacturing unit, with a caption highlighting MSME involvement in clean energy and space components for missions like Chandrayaan.

**Summary:** Access to **affordable and collateral-free finance** is critical for MSME survival and growth. Recent policy reforms, including upcoming RBI guidelines on credit flexibility and the expansion of the **Credit Guarantee Scheme**, aim to ease financing constraints significantly.

**Background:** MSMEs are a core segment of **Priority Sector Lending (PSL)**, requiring banks to allocate 40% of their Adjusted Net Bank Credit to the priority sector, with **7.5% specifically reserved for Micro Enterprises**.

#### Key Points:

- **Revised Classification:** From April 1, 2025, thresholds were expanded to allow enterprises to scale without losing benefits; for example, **Small Enterprises** can now have a turnover of up to **₹100 crore**.
- **Credit Guarantee (CGTMSE):** The guarantee limit was doubled from ₹5 crore to **₹10 crore** in April 2025, with coverage up to **90% for women-owned enterprises**.
- **MSME Credit Card:** A new scheme for Udyam-registered units offers up to **₹5 lakh in collateral-free working capital**, with 10 lakh cards to be issued in the first year.
- **Self Reliant India Fund:** A ₹10,000 crore fund providing **equity support** to growth-oriented MSMEs through venture capital.
- **Support for Artisans:** The **PM Vishwakarma Scheme** provides traditional artisans with concessional loans at **5% interest** and skill upgradation.

**Prelims Facts (One Liners):**

1. Loans to Micro and Small Enterprises (MSEs) up to **₹10 lakh are collateral-free**.
2. The **CGTMSE** has provided 44 lakh guarantees worth ₹5.02 lakh crore between 2023 and 2025.
3. The **Pradhan Mantri Mudra Yojana (PMMY)** has disbursed over 51.67 crore loans worth ₹32.61 lakh crore since 2015.
4. The **PMEGP** has assisted over 10 lakh enterprises, generating 83 lakh jobs.

**MCQ Practice:** Q. What is the new turnover limit for an enterprise to be classified as a "Medium Enterprise" under the revised April 2025 criteria? A) ₹100 Crore B) ₹250 Crore C) ₹500 Crore D) ₹1000 Crore

**Answer: C** (Medium Enterprises can now have an investment of up to ₹125 crore and a turnover of up to ₹500 crore.)

**Topic 4: Technology Adoption: Challenges and the Way Forward**

Topic 4: Technology Adoption: Challenges and the Way Forward			
Emerging Technology	Key Impacts & Benefits	Adoption Challenges	The Way Forward (Solutions)
<b>Artificial Intelligence (AI)</b>	Automation & Efficiency Predictive Analytics Personalization	High Computational Costs Data Privacy & Bias Skill Mismatches	Ethical Frameworks Cloud-based Platforms Upskilling Programs
<b>3D Printing (Additive Manufacturing)</b>	Rapid Prototyping Customized Production Reduced Material Waste	Slow Production Speed Limited Material Properties Intellectual Property Risks	Hybrid Manufacturing Material Science R&D Secure Digital Rights Management
<b>Green Tech (Sustainable Solutions)</b>	Reduced Carbon Footprint Renewable Energy Resource Efficiency	High Setup Costs Grid Integration Issues Intermittency	Government Incentives Smart Grid Investments Energy Storage Advancements
<b>Overall Outlook: Navigating the Path</b>	<b>Challenges (e.g., Costs, Skills)</b>	<b>Strategic Investments &amp; Policy Support</b>	<b>Realizing Potential &amp; Sustainable Growth</b>

Visual Element: A table comparing emerging technologies like AI, 3D Printing, and Green Tech against their specific impacts and challenges, such as high setup costs and skill mismatches.

**Summary:** While technology adoption is a necessity for survival, many Indian MSMEs suffer from **technological backwardness** and a fragmented ecosystem. Addressing financial constraints and skill gaps is vital to unlocking the full potential of the sector in the digital era.

**Background:** Many MSMEs operate with outdated machinery and lack in-house R&D capabilities, resulting in poor absorption of new technologies even when government-supported programs exist.

## Key Points:

- **Core Challenges:** High capital costs, **low digital literacy**, unreliable infrastructure (power/internet), and the lack of tailored technological solutions.
- **Digital MSME Scheme:** Encourages the adoption of **cloud computing and ICT tools** to improve digital readiness.
- **ZED Certification:** Promotes "**Zero Defect Zero Effect**" manufacturing, focusing on high quality with minimal environmental impact.
- **Impact of AI & Automation:** Potential to boost efficiency and streamline operations, though it faces challenges like **skill mismatches**.
- **Champions Portal:** A one-stop digital platform for MSMEs providing **grievance redressal** and real-time advisory support.

## Prelims Facts (One Liners):

1. MSMEs contribute around **30% to India's GDP** but struggle with low productivity due to obsolete equipment.
2. The **PRISM Scheme** supports grassroots innovation and helps individuals and startups commercialize ideas.
3. Nearly **50% of MSME owners** lack adequate market intelligence on global consumer trends.
4. The **World Bank-aided TCSP** helped establish 15 new Technology Centres to support product development.

**MCQ Practice:** Q. Which government intervention specifically promotes manufacturing with "Zero Defect" and "Zero Effect" on the environment? A) PRISM Scheme B) ZED Certification Scheme C) Digital MSME Scheme D) PMEGP

**Answer: B** (The ZED scheme encourages MSMEs to produce high-quality goods with minimal environmental impact.)

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## Topic 5: Revitalizing MSMEs: Strategic Sectors and Clean Tech



**Summary:** The **National Manufacturing Mission** and specific sectoral schemes are repositioning MSMEs as key players in high-growth areas like **clean technology and aerospace**. These interventions aim to reduce import dependency and enhance long-term industrial resilience.

**Background:** The focus has shifted toward modernization and globalization of labour-intensive sectors to boost both employment and exports.

### Key Points:

- **Clean Tech Focus:** Incentives are provided for MSMEs to manufacture **solar PV cells, EV batteries, and wind turbines**.
- **Labour-Intensive Sectors:** The **Focus Product Scheme** for the footwear and leather industry is expected to create **22 lakh jobs**.
- **Aerospace & Space:** MSMEs have successfully contributed components for national missions like **Chandrayaan**.
- **Startup Ecosystem:** A **₹10,000 crore Fund of Funds** has been proposed to nurture startups in Tier-2 and Tier-3 cities.
- **Inclusive Entrepreneurship:** A dedicated scheme aims to support **5 lakh first-time entrepreneurs** from SC/ST communities, women, and rural youth.

### Prelims Facts (One Liners):

1. The **Ministry of MSME** was allocated **₹23,168.15 crore** in the Union Budget 2025–26.
2. The **National Institute of Food Technology** will be established in **Bihar** to boost food processing in eastern India.
3. The number of **exporting MSMEs** rose from roughly 52,000 to over **1.73 lakh** between 2021 and 2025.
4. MSMEs in the toy sector are being supported through dedicated **cluster development** and skill-building initiatives.

**MCQ Practice:** Q. Which mission aims to integrate MSMEs into broader industrial value chains and provides sector-specific strategies for domestic production? A) National Green Hydrogen Mission B) National Manufacturing Mission C) Stand-Up India D) Skill India Mission

**Answer: B** (The National Manufacturing Mission offers policy support to MSMEs to integrate them into industrial value chains.)

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