**Abstract**

Manufacturing sector plays a momentous role in the intensification of an Indian economy. A dynamic change in Globalized business environment has been posing challenges of competitiveness and survival of manufacturing sector. MSME manufacturing units across the world are struggling hard to minimize their costs and maximise their performance. Lean manufacturing techniques offers a proven method to reduce costs, eliminate waste, increase productivity, maintains high level of quality and also higher profit. It requires top-down commitment and bottom-up involvement. It offers tools to identify the different types of wastages and defects within the manufacturing operation and provide remedial steps to eliminate them. Hence, the study is proposed to understand the role and importance of lean manufacturing tools and techniques and the challenges faced by MSMEs in implementation of Lean manufacturing.