

# businesswise

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**MSMEs OF INDIA**

**Cover Story**

## **FROM THE FORGOTTEN TO THE FRONTLINE: MSMES IN INDIA**

### **MSME Reboot**

**How 2025 Reset the Game  
for Small Businesses**

### **Special Report**

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### **Markets**

**India UK FTA:  
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## From The Editor



When India began its MSME journey formally with the Micro, Small and Medium Enterprises Development (MSMED) Act in 2006, it marked a defining moment in the country's industrial evolution. But the story began even earlier back in 2004, when the seeds of this vibrant sector were sown with the vision of making India self-reliant through entrepreneurship, innovation, and employment generation. Over the past two decades, MSMEs have become the silent backbone of our economy, contributing nearly 30% to the GDP and employing over 33 crore people. Yet, as we look back and ahead, it is evident that while progress has been remarkable, the road ahead is still long and full of challenges.

What's heartening is that MSMEs are not an afterthought in India's policy landscape, they are at the very centre of it. From cabinet meetings to major national addresses, Prime Minister Narendra Modi has consistently placed MSMEs at the core of India's development discourse. Whether it's the push for Vocal for Local, the Make in India mission, or the focus on Digital India, the leadership's intent is crystal clear: MSMEs are to be the growth engines of a New India.

But leadership alone cannot transform the ecosystem. The real gaps lie in the layers beneath, in the systems, institutions, and intermediaries that connect policy with the ground. Many within the "niche" layers, the bureaucratic, regulatory, and financial intermediaries often become bottlenecks instead of enablers. The result is a fragmented ecosystem where policy intent does not always translate into tangible impact for the small entrepreneur on the ground.

To build a strong and future-ready MSME ecosystem, India must shift from announcements to real execution and move from fragmented processes to integrated solutions. The focus must begin with Ease of Doing Business at the grassroots, through simplified compliance, single-window clearances, and seamless digital facilitation.

Equally important is access to affordable finance, ensuring credit reaches both established enterprises and new, innovative businesses. Technology adoption and upskilling are essential for global competitiveness in an AI-driven economy, supported by robust local ecosystems where clusters, incubators, and state institutions work together to drive innovation. Finally, India needs data-backed, outcome-oriented policymaking, ensuring every intervention delivers measurable impact and real progress for MSMEs.

India's MSME story is one of resilience, evolution, and hope. We've come a long way since 2004, but the journey to becoming a truly enabling ecosystem, one that can sustain future generations of entrepreneurs, has only just begun. The vision is in place, the leadership is aligned; what we need now is collective accountability and consistent action from every stakeholder who shapes this ecosystem. Because for India to truly rise, its MSMEs must soar.

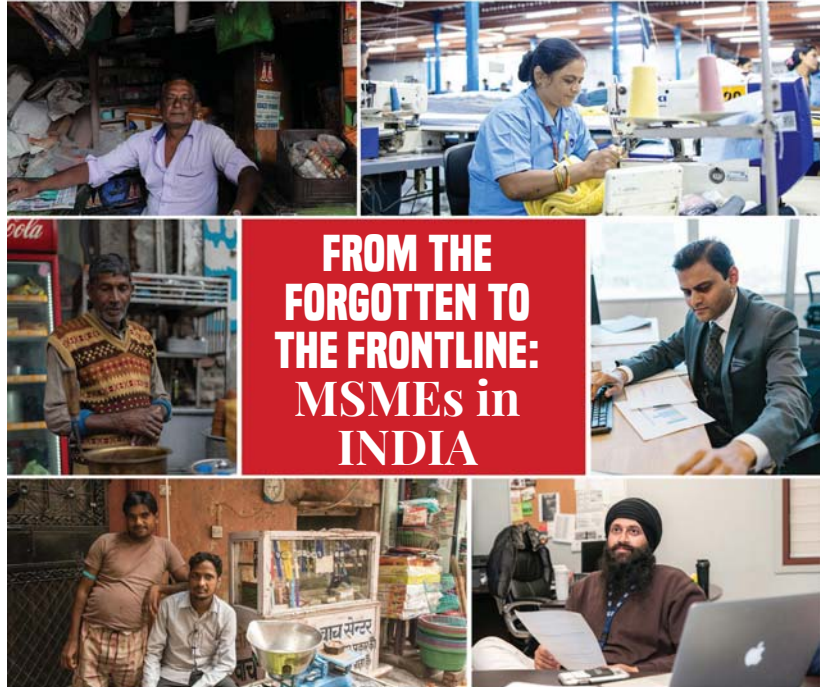
Sushma Morthania

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## INTERNATIONAL

## Government boosts MSME participation in global exhibitions

The Ministry of Micro, Small and Medium Enterprises announced support for MSMEs to participate in global fairs, buyer-seller meets, and international workshops under its International Cooperation Scheme. Financial assistance covers international event visits, export certification, and quality testing fees. The scheme aims to help micro and small exporters stay updated on global tech, demand shifts, and market trends, strengthening their competitiveness. The announcement also highlighted that MSMEs' share in India's merchandise exports rose from 45.74 % in 2023-24 to 48.55 % in 2024-25.



## India–New Zealand Free Trade Agreement Expands MSME Export Opportunities

India and New Zealand concluded a Free Trade Agreement in December 2025, providing zero-duty market access for a large share of bilateral trade. The agreement significantly improves export prospects for Indian MSMEs across sectors such as textiles, engineering goods, handicrafts, and processed foods, enabling easier entry and more competitive pricing in the New Zealand market. The FTA also promotes investment flows, services trade, and cooperation in research and innovation, with announced investment commitments of around USD 20 billion. Government statements emphasized that the pact will help Indian MSMEs diversify export markets and strengthen India's economic presence in the Indo-Pacific region.

## India Reforms Import Quality Checks to Facilitate Trade with the U.S.

The Indian Government announced reforms to streamline import quality checks, aiming to cut paperwork, speed up approvals, and reduce redundant inspections. While this move responds to concerns raised by the United States during trade negotiations, it signals India's intent to simplify cross-border regulatory processes that historically slow exports and imports. Faster, more transparent quality checks help Indian MSMEs reduce compliance hurdles when exporting to major markets like the U.S. and could ease the path toward broader tariff reductions or trade arrangements with Washington in 2026.



## India to Chair Kimberley Process, Boosting Global Diamond Trade

**I**ndia was selected to chair the Kimberley Process Certification Scheme in 2026, a key global initiative to regulate ethical trade in rough diamonds. As the world's largest diamond-polishing hub, Indian MSMEs in the gems and jewellery cluster are deeply integrated into global supply chains. India's leadership role helps shape certification standards that ensure conflict-free diamond trade, enhancing credibility and market access for Indian MSME exporters in high-value international markets, while strengthening sector governance and compliance frameworks.



## India-Oman CEPA Signed

**O**n December 18, 2025, India signed a Comprehensive Economic Partnership Agreement (CEPA) with Oman, strengthening bilateral trade ties. The deal eliminates tariffs on key MSME exports like marine products, leather, and engineering goods, directly benefiting labor-intensive clusters. Central government projections indicate boosted market access in the Gulf, with Oman committing to simplified customs for Indian SMEs. This pact counters global uncertainties, enabling MSMEs to scale shipments without ongoing negotiations.

## India-Taiwan SME Forum Drives Automotive & EV Collaboration

**T**he 4th India-Taiwan SME Cooperation Forum recently took place at the India Expo Centre in Greater Noida, bringing together innovators and industry leaders to boost collaboration in automotive components and electric vehicles (EVs). Organized by India's Ministry of MSME along with Taiwan's Industrial Technology Research Institute (ITRI) and the Small and Medium Enterprise and Startup Administration (SMESA), the event created a vibrant platform for dialogue. Participants discussed how digital transformation, green technologies, and stronger supply chains can open new opportunities. For Indian MSMEs, this forum offered a chance to connect with global partners and gain access to cutting-edge automotive and EV technologies.





## CETA push intensifies as India and the UK look to early ratification

**I**ndia and the UK have reiterated their commitment to early ratification of the Comprehensive Economic & Trade Agreement (CETA), signed in July 2025, during PM Starmer's recent India visit. Both leaders welcomed the repositioning of the Joint Economic & Trade Committee (JETCO) to steer implementation. Under CETA, India will secure duty-free access for up to 99% of its exports to the UK, spanning textiles, auto parts, pharmaceuticals and gems. MSMEs are seen as major beneficiaries, with simplified access to UK markets and tariff relief expected to boost competitiveness.



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### COMPLIANCE

## MCA significantly expands 'Small Company' compliance relief

**E**ffective 1 Dec 2025, the Ministry of Corporate Affairs amended the Companies Act rules to raise the financial thresholds that define a small company's paid-up capital to 10 crore and turnover to 100 crore. This broadens eligibility for simpler governance requirements, fewer filings, and reduced statutory obligations for a large set of MSMEs that fall under corporate structures, easing regulatory compliance and lowering costs. Businesses should update their compliance calendars and ROC filings accordingly to avail these benefits in FY 2025-26 and beyond.



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## Tick-Tock for Corporates - New Rules, Bigger Penalties

**T**he 2025 amendments to the Companies Act, 2013 emphasize stricter compliance with corporate governance norms. Key compliance areas include timely filing of annual returns (Form MGT-7), audited financial statements (Form AOC-4) and auditor appointments (Form ADT-1) within prescribed deadlines. Companies must also maintain updated statutory registers of members, directors, and debenture holders. Non-compliance attracts tiered penalties based on company size, ranging from 50,000 to 5 lakhs for failures like delays or incomplete filings. Repeated offences within 3 years double penalties. Real-time disclosures within 7 days are mandatory, with daily fines for delays to enhance transparency and accountability under the law.





## GST 2.0 Reforms Modernise MSME Tax Compliance

**F**rom November 1, 2025, the Government implemented GST 2.0 reforms to simplify and modernise indirect tax compliance for MSMEs. New registrations now receive auto-approval within three working days, significantly reducing paperwork and human interface. The reforms also introduce stricter timelines for record-keeping and return filings, with returns older than three years no longer permitted for filing or revision. At the same time, refund processing and registration approvals have been accelerated, improving liquidity and predictability for businesses. While the system enhances ease of doing business, it also requires MSMEs to maintain greater compliance discipline to avoid penalties and fully benefit from faster, more transparent tax processes.



## RBI advises banks to link MSME loans to external benchmarks

**T**he Reserve Bank of India, informed by the Government in Parliament, advised banks to link MSME loan rates to an external benchmark with a three-month reset clause to enhance monetary policy transmission. While not a direct tax compliance measure, linking credit pricing impacts financial compliance planning and interest cost predictability for MSMEs, affecting cash flow management and reporting under credit arrangements.

## Government reassesses Quality Control Orders (QCOs) compliance burden

**G**overnment discussions have begun on re-evaluating the scope and implementation of Control Orders (QCOs) after industry feedback emphasized implementation challenges. Easing QCO enforcement timelines and stakeholder consultations are being considered to reduce procedural drag and avoid supply chain disruptions for MSMEs, with official reviews aimed at balancing quality assurance with practicable compliance timelines.



## Compliance Mandates Put Pharma MSMEs at Risk

**P**harmaceutical MSMEs across India are raising concerns over new regulatory mandates requiring bioequivalence studies for formulations. Industry bodies, including the Drug Marketing & Manufacturing Association (DMMA), warn that compliance costs of 20–40 lakh per product could force thousands of small units to shut down. Many of these enterprises operate on thin margins and lack access to affordable finance. While the move aims to ensure higher drug quality standards, MSMEs argue that the timeline and cost burden are impractical. Industry groups are urging the government to either withdraw the mandate or extend deadlines to safeguard sector sustainability.



## Revised Schedule-M Rules: A Tough Road Ahead for Small Pharma Makers:

**S**tarting January 1, 2026, new Revised Schedule-M norms for pharmaceuticals will come into effect, aiming to strengthen quality standards. While well-intentioned, these rules bring significant challenges for small pharma MSMEs, especially those with turnovers under 50 crore. The biggest hurdle is the requirement for expensive bioequivalence studies, which many small manufacturers cannot afford easily. Industry bodies say this could force more than 5,000 small units to shut down. These businesses are now urging the government to extend the compliance deadline to April 2027, giving them breathing room to adapt without risking livelihoods.

## NITI Aayog proposes slashing criminal tax offences

**N**ITI Aayog has recommended major reforms to decriminalise most tax offences, aiming to simplify compliance and foster trust between taxpayers and authorities. Under the proposal, the 35 existing criminal offences in the Income-tax Act would be reduced to six core offences involving deliberate, high-value fraud. Twelve minor or procedural offences would be fully decriminalised, while seventeen would retain criminal liability only if intentional wrongdoing is proven. The reforms also suggest removing mandatory jail terms, restoring judicial discretion, and shifting the burden of proof away from taxpayers. These changes are expected to ease compliance, reduce litigation, and benefit MSMEs.





## BIS overhauls certification process to ease MSME compliance

**T**he Bureau of Indian Standards (BIS) has revamped its product certification process to make compliance faster and simpler for MSMEs. The new system is fully digitised and promises time-bound approvals within 30 days through a simplified route. To enhance outreach, BIS has also launched “Manak Manthan” open houses and field-level support drives to assist entrepreneurs with certification requirements and queries. These reforms aim to reduce procedural hurdles, promote voluntary standard adoption, and improve MSME competitiveness, especially in sectors like electronics, food processing, and engineering, where adherence to quality standards is crucial for market access and export readiness.



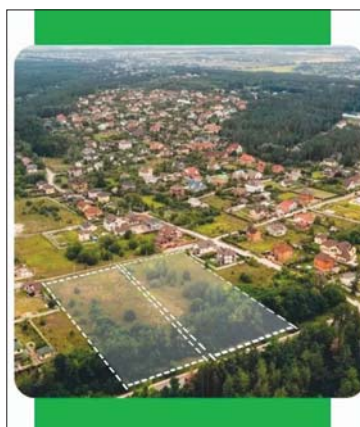
## High-level Gauba panel proposes 38-point MSME agenda to simplify rules



**A** government-set high-level committee (Gauba panel) has published a 38-point agenda to simplify MSME regulation. Recommendations span simpler definitions, streamlined environmental and food safety compliance for small units, rationalised GST return processes, and a push for trust-based regulatory treatment. The panel argues many small firms face disproportionate compliance costs; implementing these measures could free resources for growth and job creation. Policymakers are studying prioritised actions that can be immediately operationalised for micro and small enterprises.

## Karnataka Automates Land Conversion For MSMEs

**T**he Karnataka State Legislature on September 10, 2025, passed the Karnataka Land Reforms Amendment Act, permitting MSMEs to utilize up to two acres of agricultural land without requiring formal land-use conversion approval through auto-conversion. Deputy Commissioners can now approve agricultural land purchases up to 4 hectares for industrial purposes, previously limited to half an acre. This reform eliminates the previously herculean task of obtaining land-use conversion, removes middleman harassment, and substantially eases business establishment. MSMEs benefit from faster project implementation, reduced bureaucratic costs, and



**Karnataka automates land conversion for MSMEs**

improved ease of doing business. Small enterprises can acquire affordable land efficiently without

navigating complex procedures, particularly benefiting rural and semi-urban manufacturing units.

## India's Patent Gets a Digital Upgrade

The Department for Promotion of Industry and Internal Trade (DPIIT) published the Draft Patent (Amendment) Rules, 2025, aiming to fast-track patent examinations, simplify filing through enhanced digital processes, and update fee structures to reflect international standards. The amendments focus on electronic communication, procedural efficiency, and strong timelines for both applications and adjudication, promoting transparency and quicker outcomes. They introduce digital complaint and appeal mechanisms, streamlined forms, and provisions designed to benefit startups, MSMEs, and research institutions, marking a modernization of India's patent regime.



### EXPORTS

## Cabinet OKs ₹45,060 Cr Export & MSME Support Package

In November 2025, the Cabinet approved a ₹45,060 crore export support package that includes the Export Promotion Mission and a ₹20,000 crore collateral-free credit guarantee scheme for exporters, including MSMEs. This initiative targets global trade headwinds and tariff pressures by enhancing liquidity and credit access for MSME exporters. The credit guarantee covers additional working capital support and bolsters exporters' ability to compete internationally without heavy collateral, strengthening resilience against external shocks.



## Interest Equalisation Scheme Benefits MSME Exporters

The government has reaffirmed support for MSME exporters through the Interest Equalisation Scheme (IES), which offers interest subvention on export credit, reducing borrowing costs. Under the reconstituted Board of Trade discussions, rollout of interest subvention and Market Access Initiative benefits were confirmed to support exporters coping with high tariff barriers and global cost pressures. This financial support is designed to improve price competitiveness of Indian MSME goods in overseas markets.

## Creative Goods Exports Surge, Benefiting MSME Sectors

Recent data shows a strong rise in exports of creative goods including jewellery, rugs, fashion accessories, and toys between April and October FY 2025–26. The UAE emerged as a major destination, highlighting increased global demand for India's artisan and MSME-driven products. This diversification beyond traditional sectors signals broader international market acceptance and opens export opportunities for small manufacturers engaged in design-led trade.





## DGFT Launches Export Facilitation Helpline

**T**he Directorate General of Foreign Trade (DGFT) unveiled a new 24x7 Export Facilitation Helpline to assist MSME exporters with licensing, documentation, and refund queries. Exporters can access the helpline through phone, WhatsApp, and an AI-enabled chatbot integrated into the DGFT portal. The move aims to cut red tape and reduce turnaround times, a long-standing pain point for small exporters. For MSMEs in textiles, engineering goods, and handicrafts, the helpline offers direct answers on scheme eligibility, shipment delays, and market access queries. Entrepreneurs are encouraged to register and test the system, as early feedback will shape improvements.

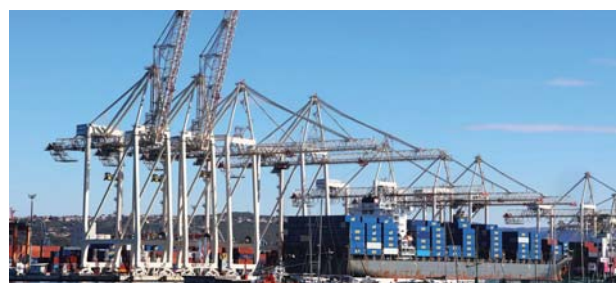


## UPI Goes Global with Singapore & UAE Links

**T**he National Payments Corporation of India (NPCI) confirmed that Unified Payments Interface (UPI) has expanded cross-border payment integration with Singapore and the UAE. MSMEs exporting to these markets can now receive payments instantly in INR, cutting costs tied to forex conversions and reducing settlement delays. This step is especially valuable for small exporters in garments, handicrafts, and food processing who previously faced weeks-long payment cycles. The move also builds trust with foreign buyers, who prefer seamless transactions. MSMEs are advised to check with their banks for activation to ensure faster invoicing and liquidity.

## US pushes India to open E-commerce Inventory Model

**U**S trade negotiators are pressing India to allow foreign-owned online marketplaces (e.g. Amazon, Flipkart) to hold and sell their own inventory, instead of only serving as intermediaries. They argue the current restrictions create an uneven playing field compared to domestic platforms that can stock goods directly. India is reportedly considering a pilot for export-oriented inventory operations, but trade bodies warn such a shift could disadvantage small retailers.



## Export Growth Favors Giants: MSMEs Fight for Market Share

**D**espite geopolitical upheaval, India's export story shows resilience, with exports rising 5.19% to USD 346.10 billion between April and August 2025, even as global trade slowed. This growth, however, remains concentrated among larger exporters, leaving MSMEs struggling to capture proportional market share. Small enterprises in handicrafts, organic products, and niche manufacturing must urgently invest in quality certifications, e-commerce capabilities, and logistics partnerships to leverage this export momentum, as international buyers increasingly prefer suppliers with digital traceability and consistent quality standards.

## Warning Bells: MSME Registrations Dip in Madhya Pradesh

**M**adhya Pradesh has reported a sharp decline in new MSME registrations over the past two years, with 17,845 fewer enterprises registering in 2024–25 compared to previous years. The drop has raised concern among policymakers and industry observers, signaling potential challenges in entrepreneurship growth. Analysts suggest that regulatory hurdles, limited access to finance, or business closures may be behind the slowdown. For existing MSMEs, this trend could weaken local ecosystems, reducing supplier networks and cluster benefits. To revive momentum, state-level reforms, stronger credit support, and targeted awareness campaigns are essential to attract fresh entrepreneurs and sustain MSME growth.

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## Pan-India survey to map MSME competitiveness launched

**T**he Ministry of Micro, Small & Medium Enterprises (MSME Ministry) has announced plans for a nationwide survey to identify the key challenges facing micro and small enterprises across India. According to Additional Secretary Rajneesh, the survey will feed into policy design aimed at improving competitiveness, cost-efficiency and scalability of MSMEs. The survey underscores the government's intent to base future interventions on richer data, a beneficial sign for MSMEs, as it could lead to more tailored support mechanisms.

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## “Swadeshi” procurement push strengthens local-MSME role

**T**he Swadeshi drive under the Atmanirbhar Bharat Sankalp Abhiyan targets 25% procurement from MSMEs. To support this, subsidies are offered across 19 sectors, including agriculture and processed food, engineering goods, handloom and textiles, leather, carpets, glass and ceramics, wood products, sports goods, defence, services, education, tourism, IT and ITES, medical value travel, and logistics. These measures aim to strengthen MSME participation in government procurement pipelines, provided they meet quality and registration norms, and align with the central policy emphasis on promoting local sourcing and indigenous industry growth.





## TECHNOLOGY

## Govt expands tech support with 9 new Technology Centres

**T**he Ministry of MSME established nine additional Technology Centres under the Technology Centre Systems Programme (TCSP) in Dec 2025, bringing the total to 27 centres nationally. The Government allocated 200 crore (FY 2025–26) to support their establishment and operations. These centres provide technical training and exposure to advanced technologies such as artificial intelligence, robotics, and the Internet of Things (IoT) for MSME entrepreneurs, workers, and youth, thereby enhancing digital and manufacturing skills that are crucial for competitiveness and innovation among MSMEs.



## InDApp launched — India's unified MSME digital platform

**I**n Nov 2025, the National Industries Research and Development Council (NIRDC) — under the Ministry of MSME launched InDApp, India's first integrated single-window digital platform for MSMEs. The platform simplifies access to government approvals, real-time market intelligence, export and subsidy schemes, and business opportunities nationwide. InDApp streamlines processes from planning to execution, enabling MSME entrepreneurs to make informed decisions and accelerate growth. By aggregating support from multiple ministries in one portal, InDApp enhances transparency and digital ease of doing business.

## Tech upgradation and digitalisation push for MSMEs

**T**he Government has intensified its focus on technology upgradation and digitalisation for MSMEs, reinforcing schemes like the MSE-Cluster Development Programme, Technology Centres, GIFT, and MSME Champions portal. These initiatives promote modernisation, quality enhancement, and digital tools adoption across MSME operations. The MSME Champions and Udyam portals, alongside platforms like GeM, TReDS, MSME Mart, and ODR, accelerate online market access, financing, and grievance resolution. A network of Export Facilitation Centres also provides tech mentoring and export competitiveness support.



## ONDC Expands Reach for MSMEs

**T**he Open Network for Digital Commerce (ONDC) announced that over one lac MSMEs are now active sellers on its platform, reflecting strong adoption across the country. ONDC's low-cost onboarding model and integration with logistics and payment partners have enabled small businesses to expand their digital visibility across multiple buyer applications without heavy technology investments. MSMEs in food services, handicrafts, apparel, and electronics are among the key beneficiaries. The open-network architecture is helping level the playing field by reducing dependence on large e-commerce platforms, allowing MSMEs to access wider markets, improve discoverability, and strengthen direct-to-consumer sales channels.



## Smart Manufacturing for All: SAMARTH Centres Empower MSMEs

**T**he Government of India has launched SAMARTH Centres under the National Manufacturing Mission to help MSMEs adopt advanced manufacturing technologies. These hubs will allow small firms to experiment with automation, IIoT, robotics, and digital twin solutions without heavy investments. By reducing entry barriers to technology, SAMARTH Centres aim to boost productivity, cut inefficiencies, and make smaller players globally competitive. For MSMEs in tooling, precision engineering, and component manufacturing, this initiative opens doors to affordable innovation. As these centres expand across India, they could redefine how MSMEs scale operations, embrace Industry 4.0, and integrate into global supply chains



## RAMP Programme rolls out to boost MSME tech adoption and market access

**U**nder the RAMP programme, supported by the World Bank and implemented by the MSME Ministry, the government is scaling support for technology upgradation, digitisation, innovation and broader market access for MSMEs. While not brand new, recent October commentary highlights renewed emphasis on reaching Tier-2 / Tier-3 MSMEs and particularly women-owned firms to adopt digital tools and integrate with platforms like the National Small Industries Corporation's Global Mart. MSMEs should explore eligibility and readiness for RAMP-linked support channels.





## Ayush Sector Goes Digital: MSMEs Poised for AI and App-Driven Growth

The two-day National Workshop on “IT Solutions in the Ayush Sector” concluded in Kerala, highlighting the adoption of digital platforms under the Ayush Grid. Tools like A-HMIS, e-LMS, e-Aushadhi, mYoga App, and NAMASTE Portal were showcased to improve healthcare delivery, patient safety, and global outreach. The workshop provided a platform for 155 participants from 23 States and Union Territories to share best practices and draft protocols for digital integration. For MSMEs, particularly in the IT, health-tech, and Ayush product sectors, this initiative opens opportunities in software development, AI solutions, mobile apps, and digital services, enabling them to collaborate with the government and expand market reach.

### GOVERNMENT POLICIES & SCHEMES/ ECOSYSTEM

## MSME Formalisation & Policy Review Strengthens Growth Ecosystem

India's MSME ecosystem in 2025 has increasingly shifted toward formalisation, digital trade, and procurement-led growth, bolstered by recent policy reforms. The sector's deeper integration into formal finance, digital commerce (GeM, ONDC), and government procurement has helped enterprises scale faster, improve compliance, and access ecosystem support more efficiently. This policy emphasis reflects broader government efforts—spanning credit, tech adoption, and market access reforms—that aim to solidify MSMEs as engines of economic productivity.



## Centre Allocates Funds to Boost Rural Entrepreneurship (SVEP)

The Start-up Village Entrepreneurship Programme (SVEP) received fresh budgetary support with over 18 crore from the Centre for FY 2025-26, complemented by state contributions. SVEP under DAY-NRLM supports rural self-reliance by enabling Self Help Groups and individuals to start non-farm micro-enterprises, from artisans to service providers. With active mobilization of SHGs and digital market linkages, this policy enhances grassroots ecosystem development and empowerment for MSME aspirations in rural areas.

## SIDBI Launches Scheme to Strengthen MSME Clusters

**S**IDBI has introduced the “Development of Industry Associations” (DIA) scheme to support MSME clusters across India. The program focuses on empowering industry associations with capacity building, shared services, and financial assistance for sustainable growth. For MSMEs, this translates into easier access to common facilities, skill development, and better policy representation. By fostering self-sustaining clusters, the initiative aims to reduce operational challenges and improve competitiveness. Small business owners are encouraged to engage with their local industry associations to benefit from this support, expand networks, and leverage opportunities to grow in both domestic and export markets.



## UP Niryat Vridhi Abhiyaan - First cohort begins

**I**ndia SME Forum, in association with Uttar Pradesh Small Industries Corporation (UPSIC), commenced and inducted a first cohort of first time aspirational exporter MSMEs under the Uttar Pradesh Niryat Vridhi Abhiyaan (UPNVA) 2025–26, a capacity-building programme aimed at strengthening the export readiness of MSMEs across Uttar Pradesh. The program will enable 500 MSMEs, shortlisted through a structured eligibility criteria & evaluation process. Addressing the participants, Mr. Raj Kamal Yadav, Managing Director, UPSIC, and Mr. Vinod Kumar, President, India SME Forum, at the recently organised orientation programme, highlighted the importance of structured training, digital tools, and institutional support to enable MSMEs to access global markets. The first cohort is expected to be ready to explore foreign markets by March 2026.

## NABARD Launches ₹1,000 Cr Fund for Start-ups & Rural Enterprises

**N**ABARD announced the launch of a second fund worth ₹1,000 crore aimed at strengthening start-ups and rural enterprise growth. This initiative enhances the MSME finance ecosystem by supporting entrepreneurship at village and district levels, expanding investment support for early-stage enterprises, and reinforcing rural investor confidence. The fund's focus aligns with national priorities to promote inclusive enterprise growth and diversify economic opportunities beyond urban centres.





## Ministry of MSME's outreach for implementation of Special Campaign 5.0

The Ministry of MSME entered the Implementation of Special Campaign 5.0, focusing on digitisation, cleanliness, e-waste management and record modernisation across k eld field offices. The drive emphasises saturating district-level facilitation, speeding up pending applications and improving the state-level take-up of central schemes. MSMEs should use district facilitation centres during October to resolve registrations, certification queries and scheme onboarding, as the campaign aims at faster redressal and visible on-the-ground handholding.



## Government Launches Market Access Support Scheme for MSME Exporters

The Union Government has rolled out the Market Access Support (MAS) Scheme under the 25,060 crore Export Promotion Mission (EPM) to strengthen global market access for Indian exporters, with a strong focus on MSMEs and first-time exporters. The scheme provides structured financial and institutional support for participation in buyer-seller meets, trade fairs, exhibitions, and reverse buyer delegations. It aims to diversify export markets and products while enabling predictable market entry pathways and stronger buyer engagement. To ensure MSME inclusion, organisers must ensure significant MSME participation in supported events. The scheme also prioritises new geographies and smaller markets to encourage export diversification and sustained growth.

## Labour Codes Implementation to Simplify MSME Compliance

The Central Government has reiterated its push for the implementation of the four Labour Codes to simplify and consolidate India's labour compliance framework, particularly for micro and small enterprises. The codes merge multiple central labour laws into unified regulations covering wages, industrial relations, social security, and occupational safety, aiming to reduce overlapping filings and inspections. For MSMEs, the reforms are expected to ease compliance burdens through simplified registers, digital filings, and fewer returns, while providing clearer norms on wages and worker benefits. The government has emphasised capacity-building and awareness measures to help small businesses transition smoothly and improve formal workforce participation.



## KVIC Rolls Out ₹500 Crore Scheme for Rural MSMEs

**T**he Khadi and Village Industries Commission (KVIC) announced a new ₹500 crore support package under the Prime Minister's Employment Generation Programme (PMEGP). The scheme prioritises rural and women-led MSMEs in agro-processing, textiles, and handicrafts. Subsidies of up to 35% on project costs and easier credit access are being offered to encourage rural entrepreneurship and reduce migration pressures. KVIC will also set up district-level facilitation centers to handhold applicants through loan processes and business planning. Rural MSMEs are urged to apply early, as the fund is expected to be oversubscribed within months of launch.



कामये दुखतमानाम्।  
प्राणिनाम् आर्तिनाशनम्॥

## Centre revises PLI Scheme to boost Textile MSMEs

**T**he Government of India has revised the Production Linked Incentive (PLI) Scheme for Textiles to make it more accessible for MSMEs and emerging manufacturers. The minimum investment threshold for new applicants has been lowered to 150 crore from the earlier 300 crore, expanding eligibility for smaller units. The revised norms also simplify documentation and offer flexibility in product categories, including man-made fibers and technical textiles. This move is expected to attract wider participation, enhance value addition, and strengthen India's textile exports by empowering MSMEs to upgrade technology and improve global competitiveness.



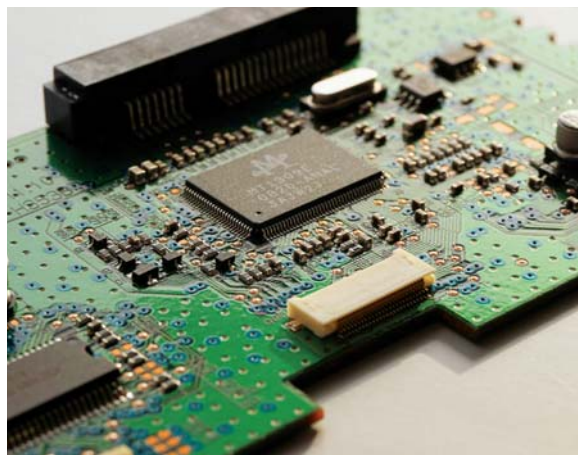
## UP expands ODOP scheme with global market linkages for MSMEs

**T**he government of Uttar Pradesh has announced the expansion of its One District One Product (ODOP) initiative to include a joint global-market focus for MSMEs. The state's MSME department will build raw-material banks, expand common facility centers (CFCs) and introduce QR code-based traceability for ODOP products to strengthen cluster value chains. Officials say the aim is to enable micro units to scale without sacrificing quality and to tap export opportunities leveraging recent trade deals. For smaller MSMEs in the state this means improved infrastructure access, better logistics and a chance to plug into international markets via the ODOP platform.



## Credit Guarantee Scheme Removes Collateral Barrier for Millions

**T**he government approved the Mutual Credit Guarantee Scheme for MSMEs (MCGS-MSME), providing 60% guarantee coverage by the National Credit Guarantee Trustee Company Limited (NCGTC) to Member Lending Institutions. This scheme directly tackles the collateral barrier that excludes millions of viable MSMEs from formal credit markets, particularly in manufacturing where machinery purchases and capacity expansion require substantial loans. By guaranteeing 60% of loan value, banks face reduced risk and can extend credit to first-generation entrepreneurs, women-led enterprises, and businesses in tier-2/3 cities that traditionally struggle to provide land or property as security, potentially unlocking billions in productive investment.



## Electronics-component scheme sees strong MSME participation

**I**n the Electronics Component Manufacturing Scheme (ECMS), the government received investment proposals totalling 1.15 lakh crore by the 30 Sept deadline, nearly double the original target of around 59,000 crore. Industry Minister Ashwini Vaishnaw noted that around 60% of the applications came from micro, small & medium enterprises (MSMEs). This signals strong traction among smaller players in electronics manufacturing and shows how MSMEs are increasingly engaging in strategic sectors. MSMEs should monitor the approvals and support windows under ECMS for component manufacturing opportunities.

## PLI Scheme Window Reopens for ACs & LED Lights

**O**n September 15, 2025, the Government of India reopened the Production-Linked Incentive (PLI) scheme application window for white goods such as air conditioners and LED lights. The window will remain open until October 14, 2025, giving manufacturers another opportunity to participate in this high-impact program aimed at increasing domestic production and reducing import dependence. For MSME entrepreneurs in the electronics and appliance supply chains, this reform means access to fresh investment opportunities, stronger demand for components, and potential partnerships with larger manufacturers. It can help MSMEs scale up, upgrade technology, and integrate into global supply chains.



## FINANCE

## RBI Advises Banks to Link MSME Loans to External Benchmark

The Reserve Bank of India has directed banks to link MSME loan rates to an external benchmark, with interest reset every three months. This shift is designed to improve monetary policy transmission, helping borrowers benefit from rate cuts more quickly and reducing borrowing costs over time. Banks must also allow existing borrowers to switch to the new regime by mutual consent. Additional government-backed credit guarantee measures like the Mutual Credit Guarantee Scheme for MSMEs ease access to loans and reduce collateral burdens, particularly for essential equipment and machinery credit.



## SEBI's India Market Access Portal

Last year, SEBI launched the India Market Access portal, a single-window digital gateway for Foreign Portfolio Investors (FPIs). This new website consolidates all rules, forms, documentation, registration steps, tax & regulatory compliance, and repatriation guidelines in one place. Though this is aimed primarily at global investors, MSMEs benefit indirectly. Increased FPI inflows can lead to deeper capital markets, higher valuation benchmarks, and more investor interest in Indian firms. MSMEs seeking foreign funding (via IPOs or investment rounds) will face smoother regulatory clarity and possibly better pricing. Also, improved market infrastructure can raise demand for high-quality products and supply chains.

## Central Bank of India Joins Hands with C2FO to Empower MSMEs with Faster Payments

In a boost for India's MSME sector, the Central Bank of India has partnered with C2FO Factoring Solutions to enhance access to the Trade Receivables Discounting System (TReDS). This collaboration enables MSMEs to receive early payments on invoices through C2FO's digital platform, improving cash flow and business resilience. The initiative aligns with the Reserve Bank of India's drive to digitize trade finance, offering a transparent, efficient way to manage receivables. For small businesses, this partnership could be a game-changer, easing liquidity pressures and fostering sustained growth.





## Govt readies next-generation MSME reform package

**T**he PMO, Ministry of MSME and Finance Ministry are finalising a comprehensive reform package aimed at cutting compliance costs, improving logistics and promoting innovation for MSMEs. The reforms expected to be rolled out by year-end focus on simplifying filings, faster approvals for scale-ups, digital single-window clearances and incentives to upgrade technology and ESG practices. Officials say the changes will prioritise ease of doing business for micro and small units and reduce time and cash-flow burdens, helping firms compete globally without adding new regulatory layers.



## MNRE explores “patient capital” framework chance for green MSME projects

**T**he Ministry of New & Renewable Energy is evaluating a “patient capital” framework of long-tenor financing aligned to 20–25 year PPAs to bridge a financing gap for renewable projects. While targeted primarily at larger projects, the policy discussion includes mechanisms (longer debt tenors, blended finance windows) that could benefit MSME suppliers and domestic component manufacturers by easing working-capital stress and encouraging local manufacturing of green components. MSMEs in solar, rooftop, storage and green services should monitor scheme design for dedicated windows or concessional instruments.

## RBI to pilot deposit tokenisation on wholesale CBDC rails implications for MSME finance

**T**he Reserve Bank is launching a pilot to tokenise deposits and short-term instruments using its wholesale CBDC infrastructure. Though a banking-sector initiative, the move promises faster settlements, cheaper interbank flows and better liquidity management, outcomes that could trickle down to MSMEs via lower financing costs, quicker supplier payments and improved cash-management products from banks. Small firms should watch participating banks’ product launches; tokenisation may enable innovative short-term working-capital products suited for supply-chain MSMEs.





## FROM THE FORGOTTEN TO THE FRONTLINE: MSMEs in INDIA

***What changed when India finally put its smallest businesses at the center of its growth strategy? This transformation of MSMEs reveals how policy vision can turn vulnerability into national strength***

**T**he journey of India's Micro, Small, and Medium Enterprises (MSMEs) is a story of resilience, marked by both challenges and revival. Although the MSMED Act was enacted in 2006 to provide a framework for their growth, the 2007-08 global financial crisis exposed the vulnerabilities of these small enterprises. Exports declined sharply, liquidity tightened, and NPAs increased, leaving many small

exporters particularly affected by the economic shock. The crisis highlighted the urgent need for targeted support, financial access, and structural measures to strengthen MSMEs and enhance their capacity to withstand economic turbulence.

The response during this period highlighted the need for more inclusive support for MSMEs. Fiscal stimulus packages in 2008-09 largely focused on infrastructure and automobile

sectors, providing tax incentives and excise duty relief that primarily benefited larger industries. While the RBI introduced restructuring schemes, these were often complex and accessible mainly to enterprises with established banking relationships, leaving many micro and small enterprises (MSEs), especially those operating in informal or semi-formal credit systems, with limited access to relief and working capital support.



During this period, MSMEs faced significant challenges in accessing liquidity, credit guarantees, and export support. Sectors such as textiles, handicrafts, and gems & jewellery experienced a sharp decline in exports, while the signing of the ASEAN Free Trade Agreement in 2009 increased import competition. This combination of global economic pressures and rising import exposure created additional hurdles for small manufacturers, making recovery more difficult for many enterprises.

Against this backdrop of longstanding challenges, the post-2014 period marked a significant shift for MSMEs. The sector gained recognition as a key driver of the economy, leading to the establishment of a more supportive and growth-oriented policy framework that emphasized access to finance, digital tools, and market opportunities.

Everything changed for India's MSMEs in 2014. In his very first Independence Day speech, Prime Minister Narendra Modi did something no leader had done before, he spoke directly to MSMEs and women entrepreneurs, recognizing them as the true nation builders. For a sector that had long been overlooked and left vulnerable to financial shocks, this acknowledgment was a turning point and the start of a decade-long transformation.

One of the most significant initiatives that followed was the Pradhan Mantri MUDRA Yojana (PMMY), launched in April 2015. For millions of MSEs, this scheme became a lifeline, providing collateral free finance at a time when access to credit was a persistent barrier. By categorizing loans into Shishu (up to 50,000), Kishore (50,000 to 5 lakh), and Tarun (5 lakh to 10 lakh), the scheme offered support to entrepreneurs at every stage of their journey. Since its inception, over 52 crore MUDRA loans worth 32.61 lakh crore have been sanctioned, with the average loan size rising from 38,000 in FY16 to nearly 1.02 lakh in FY25. Notably, around 69% of beneficiaries are women, demonstrating how the scheme not only empowered entrepreneurs but also promoted gender inclusive growth.



Alongside MUDRA, the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) played a transformative role in strengthening MSMEs' access to finance by removing the barrier of collateral. With guarantee coverage of up to 75%, small businesses could secure loans with confidence, enabling them to invest, expand, and innovate. Over the years, CGTMSE's coverage was further expanded to include retail traders and co-lending arrangements, significantly broadening financial inclusion for India's smallest enterprises and encouraging banks to lend without fear of default.

At the same time, the government reinforced its commitment to MSMEs through public procurement policies, ensuring that 25% of all central government purchases were sourced from small businesses, with special provisions for SC, ST, and women entrepreneurs. In 2017, the introduction of the Goods and Services Tax (GST) created a unified national market, replacing a fragmented state based taxation system and providing a huge relief for MSMEs that had long struggled with complex tax compliance. Together, these reforms not only eased operational burdens but also created a more predictable and enabling environment, allowing MSMEs to focus on growth, innovation, and competitiveness.

**India's MSMEs, once exposed and vulnerable to financial and operational shocks, have been transformed into a resilient, confident, and rapidly growing segment of the economy.**



The Prime Minister's Employment Generation Programme (PMEGP) complemented these efforts by offering credit linked subsidies to foster entrepreneurship and generate employment. Since 2014, the scheme has supported the establishment of approximately 3.9 lakh new units, creating jobs for nearly 31.2 lakh individuals and reinforcing the MSME sector as a major engine of livelihood and growth.

Thanks to these initiatives, India's MSMEs, once exposed and vulnerable to financial and operational shocks, have been transformed into a resilient, confident, and rapidly growing segment of the economy. By easing access to finance, promoting women led enterprises, and incentivizing new business creation, PM Modi's administration has not just strengthened MSMEs but has also ensured that they can thrive, innovate, and continue to be the backbone of India's economic progress.

Empowerment of MSMEs also came through targeted initiatives aimed at marginalised entrepreneurs, with the National SC/ST Hub (NSSH) emerging as a landmark intervention. Launched in 2015, the Hub was designed to bring SC and ST entrepreneurs into the mainstream economy by providing access to finance, capacity-building programmes, and market opportunities. Through the NSSH, entrepreneurs gained entry into government procurement, mentoring support, and business networks. To date, the programme has benefited entrepreneurs through subsidies worth over 320 crore, strengthening their capacity to grow and compete.

The initiative demonstrated how inclusion moved beyond policy intent to practical opportunity, reinforcing the understanding that India's economic growth can only be truly robust and sustainable when historically marginalized groups have equitable access to resources, markets, and institutional support systems. By institutionalising such targeted programmes, the government ensured that MSME empowerment remained inclusive, deliberate, and transformative, equipping entrepreneurs with the tools, confidence, and platforms needed to compete successfully on a national stage.

PM Modi has emphasized that women will be key drivers of the nation's growth. Women's entrepreneurship has emerged as a central pillar of MSME empowerment, with the Stand-Up India initiative significantly expanding their economic participation. Women account for approximately 39.8% of MSME registrations. By promoting greenfield enterprises among women and SC/ST communities and facilitating access to institutional credit through bank-branch-linked lending, the scheme addressed long-standing financing gaps. As of October 2025, Stand-Up India has sanctioned over 62,800 crore to more than 2.75 lakh beneficiaries, with women receiving over 80% of the loans. By



enabling first-time entrepreneurs to formalize and scale their businesses, the initiative has strengthened women-led enterprises, fostered job creation, and advanced inclusive economic development.

During the COVID-19 crisis, the approach toward MSMEs was markedly different. Recognizing that MSMEs form the backbone of India's economy, the government acted swiftly to protect them from collapse. The Emergency Credit Line Guarantee Scheme (ECLGS) was launched to provide collateral free loans, ensuring that lakhs of small and micro enterprises could continue operations, pay wages, and meet working capital needs. Without this intervention, a significant portion of MSMEs would have faced bankruptcy, potentially triggering a cascading economic crisis. By combining immediate financial support with structural reforms, the administration ensured that MSMEs could survive the crisis, preserve jobs, and continue contributing to India's economic growth.

Recognising that timely payments are the lifeblood of small businesses, PM Modi introduced the 45-day payment rule to address chronic delays by large buyers in settling dues to MSMEs. The measure acknowledged that uninterrupted cash flow is essential for the survival and day-to-day operations of small enterprises. Despite implementation challenges and resistance from large buyers, the government remained firm in advancing this reform, reinforcing the importance of payment discipline across the supply chain. While enforcement mechanisms continue to evolve, the rule sent a clear signal that MSMEs are a national priority and that protecting their financial stability is central to sustaining enterprise growth and employment.

Just as critical was the Public Procurement Policy, which, for the first time, mandated that 25% of all government procurement must come from MSMEs. Importantly, the 25% target was structured to promote inclusivity, with 4% marked for SC and ST entrepreneurs and 3% for women owned MSMEs. This was not a symbolic gesture; it was an infusion of trust and opportunity. For decades, small businesses were shut out of government contracts, unable to compete with large corporations or navigate the labyrinth of tendering systems. The policy changed that overnight, leveling the playing field by guaranteeing MSMEs access to one of the largest buyers in the country, the Government of India itself.

The impact has been transformative. Thousands of small businesses that once struggled to find steady markets suddenly had access to assured demand. The ripple effects of schemes like Stand-Up India

## Immediate financial support and structural reforms ensured that MSMEs could survive the crisis, preserve jobs that contributed to India's economic growth.

are visible across sectors, from engineering goods suppliers in Ahmedabad to textile units in Coimbatore, handicraft artisans in Rajasthan, and IT service firms in Bengaluru. For many, winning a government tender was not just revenue, it was credibility. Banks became more willing to lend, new customers trusted these firms, and small enterprises gained the confidence to scale. This single policy alone has pulled lakhs of enterprises out of informality, setting them on growth trajectories once unimaginable.

Complementing procurement reforms, the Digital India initiative and e-commerce platforms unlocked entirely new markets for MSMEs. Platforms like GeM and private online marketplaces allow even the smallest businesses to connect directly with customers across India and beyond, bypassing intermediaries and expanding their reach. Under PM Modi's leadership, the government also took decisive steps to protect MSMEs from external threats, carefully navigating trade agreements to safeguard domestic industries.

The combination of policy and technology has been revolutionary. Today, over 11.4 lakh MSMEs are active sellers on GeM, collectively transacting more than 7.44 lakh crore in business. For the first time, small producers and artisans can compete for large government contracts on a transparent, digital, and competitive marketplace, where geography, intermediaries, or scale no longer impose limits. By integrating market access reforms with digital tools, the government has created one of the most powerful growth enablers in the history of Indian MSMEs, empowering them to thrive in a rapidly evolving economy.

The Digital India revolution brought MSMEs out of the shadows and into the formal economy. With UPI recording over 10 billion transactions each month, millions of small firms have been formalized. A roadside shopkeeper in Varanasi, a handicraft artisan in Odisha, or a tailor in Surat can now accept digital payments, build a credit history, and access loans that were once beyond reach. For the first time, India witnessed the large-scale formalization of MSMEs through technology. UPI empowered small businesses to enter the financial system and access markets with ease. PM Modi's push for digital adoption meant entrepreneurs no longer had to wait for perfect telecom conditions. Whether on 2G, 3G, or 4G, MSMEs were encouraged to go online, buy, sell, and compete on digital platforms. This digital revolution lowered entry barriers, connected rural entrepreneurs to national markets, and gave Indian MSMEs unprecedented visibility both domestically and globally.



## Many recent reforms underscored the importance of MSMEs as a national priority, ensuring their survival was not compromised.

At the same time, the government recognized that digital empowerment alone could not shield MSMEs from external pressures. On the international front, the India ASEAN Free Trade Agreement (AIFTA), implemented in 2010, had led to a surge in imports, particularly in electronics and textiles. Many Indian MSMEs struggled to compete with the influx of cheaper goods, resulting in a widening trade deficit and the erosion of local industries. Recognizing these adverse effects, PM Modi's government initiated a review and renegotiation of AIFTA, ensuring that domestic MSMEs were better protected and that trade practices promoted fair competition.

Similarly, India opted out of the Regional Comprehensive Economic Partnership (RCEP) in 2019, a decision that reflected a strategic move to shield MSMEs from overwhelming competition. The RCEP included countries like China, Japan, and Australia, whose advanced manufacturing sectors posed a significant threat to Indian MSMEs. The agreement's provisions could have led to an influx of low cost imports, undermining local industries and exacerbating the trade deficit. By withdrawing from RCEP, the government prioritized the interests of MSMEs, ensuring they were not exposed to unfair competition.

These actions underscore PM Modi's sustained commitment to safeguarding India's MSMEs by ensuring that trade policies

remain aligned with domestic enterprise interests. By carefully assessing global trade engagements and their potential impact on small businesses, the government has sought to balance market access with protection for vulnerable sectors. This calibrated approach has played an important role in preserving the competitiveness, resilience, and long-term growth of India's MSME ecosystem.

One of the key steps in creating a more business friendly environment for MSMEs under PM Modi's leadership was the introduction of the Jan Vishwas (Amendment of Provisions) Bill, 2023. Recognizing that complex regulations and criminal penalties for minor procedural lapses often stifled entrepreneurship, the government sought to simplify the legal framework and reduce the regulatory burden on small businesses. The Bill decriminalized over 180 minor offences across 42 central laws, replacing harsh imprisonment clauses with civil penalties or administrative actions. This was particularly beneficial for MSMEs, which often operate with limited resources and are disproportionately affected by procedural non-compliance. By replacing fear of imprisonment with predictable monetary penalties and streamlined adjudication processes, the Bill empowered small enterprises to focus on growth and innovation rather than navigating a maze of legal risks.

Additionally, the Bill rationalized penalties through a structured system where fines increase gradually over time, ensuring deterrence without penalizing businesses excessively. The creation of dedicated



adjudicating authorities and appellate mechanisms further ensured that disputes were resolved quickly and fairly, minimizing interruptions to business operations. Outdated provisions that no longer served any meaningful purpose were also removed, eliminating unnecessary hurdles for entrepreneurs. For MSMEs, these reforms translated into tangible benefits: reduced compliance anxiety, lower legal costs, faster resolution of disputes, and a clearer, more predictable regulatory environment.

In essence, the Jan Vishwas Bill exemplifies the government's focus on ease of doing business and MSME empowerment, reflecting a shift from punitive governance to a trust based approach that encourages compliance and enables small businesses to thrive. By simplifying laws and reducing unnecessary criminalization, the government ensured that MSMEs could dedicate more time, capital, and energy to growth, innovation, and employment generation, reinforcing their critical role in India's economic development.

The impact of India's MSME reforms extends far beyond policies or numbers; it is both psychological and structural. For years, MSMEs operated with limited visibility, their challenges often overshadowed in broader economic debates. Under PM Modi's leadership, MSMEs have been engaged as a vital engine of India's growth, with focused attention on their operational needs and workforce. This engagement has been reinforced through concrete action, including improved access to finance through initiatives such as MUDRA and CGTMSE, the creation of digital platforms like GeM, measures to protect domestic industries, and efforts to expand global market opportunities. Together, these interventions have

**“ For a long period, India's MSMEs remained on the margins of economic policymaking, even though they were central to employment, exports, and grassroots enterprise. What changed after 2014 was not merely the introduction of new schemes, but a fundamental shift in recognition - MSMEs were acknowledged as strategic contributors to national growth rather than residual participants in the economy. That shift altered policy design, improved access to finance, and, most importantly, restored entrepreneurial confidence. ”**



**- Mr. Vinod Kumar, President, India SME Forum**



Union Minister Sri Piyush Goyal presenting the Jan Vishwas Bill in the Lok Sabha



delivered outcomes that entrepreneurs can rely on and build upon with confidence.

That renewed confidence is particularly significant given that MSMEs rarely engage in politics, remaining absorbed in the daily challenge of sustaining and growing their businesses. Yet under Prime Minister Narendra Modi's government, they feel recognised, valued, and genuinely supported. In more than 100 speeches, he has consistently highlighted their importance, sending a clear message that small businesses and their employees are central to the vision of a Viksit Bharat. This affirmation has sparked a new wave of confidence: entrepreneurs are no longer focused solely on survival; they are innovating, taking risks, and dreaming bigger, secure in the knowledge that the government sees and backs them.

MSMEs have emerged as a cornerstone of India's economic vision, driving growth, innovation, and employment across sectors. Today, they are empowered with access to finance, digital tools, and government procurement opportunities, enabling them to compete, scale, and contribute meaningfully to the nation's development. Beyond their economic impact, MSMEs foster inclusive growth by supporting women entrepreneurs, marginalized communities, and small-scale producers, ensuring that India's progress is rooted in widespread participation and sustainable enterprise. Positioned at the heart of the country's growth strategy, they have become one of the most dynamic and resilient engines of India's economic transformation.

This transformation is not only domestic. At the G20, BRICS, and United Nations forums, India's MSME reforms are cited as models for developing nations. Countries across Africa and Asia are studying India's approach to digitalization, inclusion, and grassroots financial support. For the first time, India is not just catching up; it is setting global benchmarks.

The numbers underscore the impact: MSMEs today contribute 30% to India's GDP, 45% to exports, and provide livelihoods to over 325 million people. With continued reforms, digital empowerment, and deeper global integration, MSMEs are

**PM Modi has emphasized that women will be key drivers of the nation's growth. Women entrepreneurship has emerged as a central pillar of MSME empowerment, with the Stand-Up India initiative significantly expanding their economic participation**

poised to become a primary driver of India's rise to superpower status by 2047.

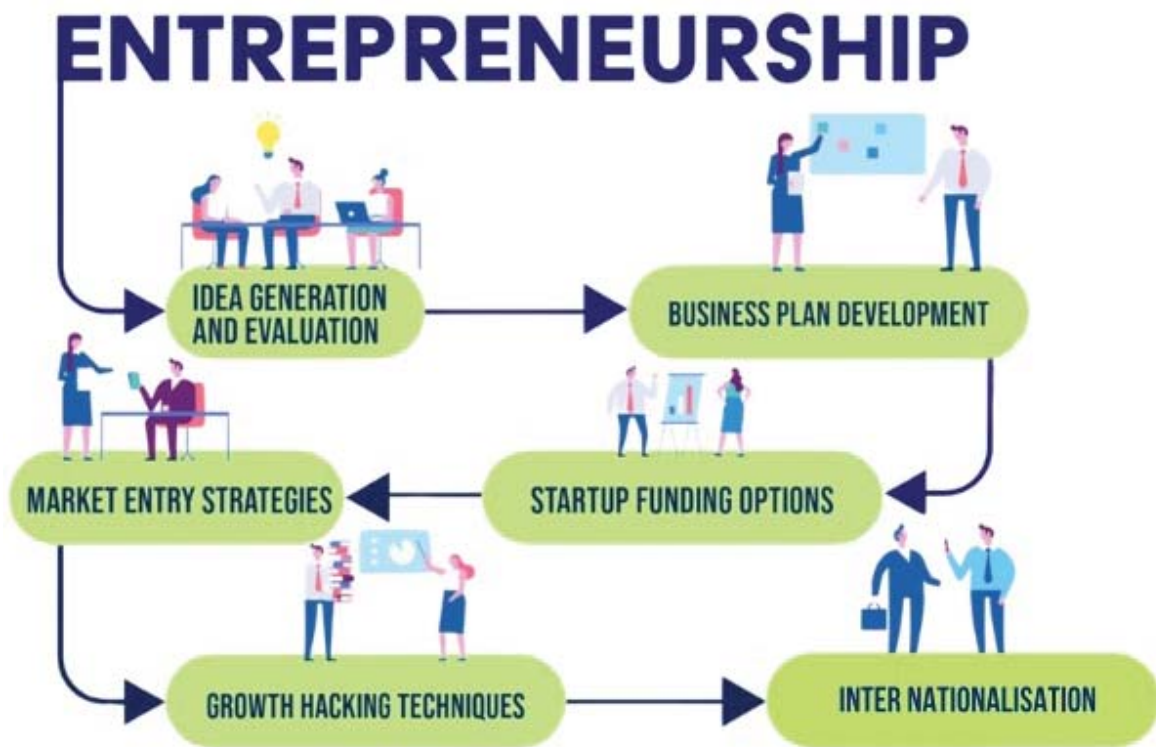
The period from 2014 to 2025 has been one of activation, empowerment, and structural transformation. Prime Minister Narendra Modi has not merely acted as a policymaker for the country's smallest entrepreneurs, but as a catalyst, recognising their potential, creating platforms for growth, and placing MSMEs at the centre of India's economic strategy. For the first time in decades, small entrepreneurs are no longer invisible; they operate within an ecosystem consciously designed to support scale, resilience, and competitiveness.

The vision of Atmanirbhar Bharat complements the empowerment of MSMEs, aligned with the journey towards Viksit Bharat envisions India as a globally competitive, knowledge-driven, and inclusive economy. MSMEs are central to this ambition, as their growth, innovation, and global outreach translate into industrial strength, enhanced exports, and job creation. **bwise**



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# THE MSME RESET

## How 2025 Reset the Game for Small Businesses

***2025 was a turning point for India's MSMEs. Governments at the Centre and in states rolled out reforms that directly impact how small businesses raise credit, manage taxes, access markets, and scale exports. This article highlights the most consequential MSME reforms of 2025 and explains what they mean in practice for entrepreneurs looking to grow beyond survival into scale.***

**I**n 2025, the Indian government and various state administrations introduced a series of reforms aimed squarely at strengthening the backbone of the economy MSMEs. From tax simplification and expanded credit access to digital compliance and export incentives, the policy agenda of 2025 was both broad and deep. For MSME owners and exporters, these reforms are not just headlines; they are real tools to improve competitiveness, unlock capital, and build sustainable growth.

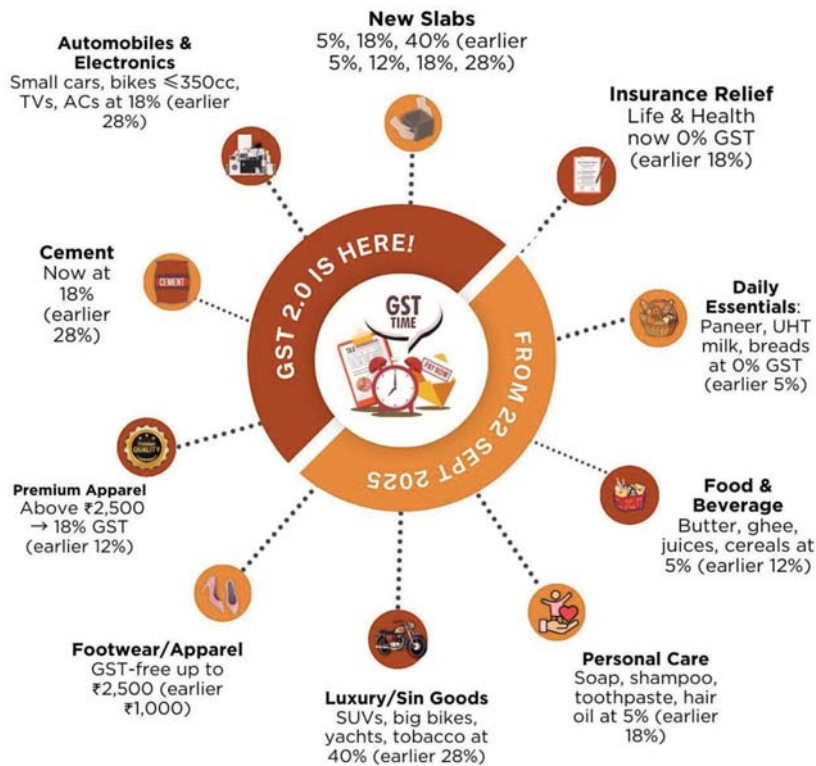
The year began with the Union Budget 2025-26 laying the cornerstone for many of these reforms. In a bid to widen the ambit and potential of MSMEs, the Centre revised the MSME classification limits, effectively expanding the definition to allow more enterprises to qualify as MSMEs. The investment and turnover thresholds were raised significantly, a move intended to help small businesses access benefits, credit, and procurement opportunities reserved for registered MSMEs. As per the new definitions, micro enterprises

now qualify up to 10 crore turnover (from 5 crore), with similar upward revisions for small and medium categories. These changes are expected to benefit millions of enterprises by enabling easier access to schemes and protections under the MSME Act.

Another landmark reform was the revival and extension of the Remission of Duties and Taxes on Export Products (RoDTEP) scheme. After a temporary pause for review, the RoDTEP scheme was reinstated and extended, restoring certainty for exporters particularly



# GST 2.0



integrated services such as logistics, credit, and insurance. Importantly, the focus expanded beyond traders to include small manufacturers and exporters, helping MSMEs access digital markets with better price discovery and reduced dependence on dominant e-commerce platforms.

The government also softened its Quality Control Order (QCO) approach for MSMEs by withdrawing or relaxing several QCOs on raw materials and intermediates. This reduced compliance pressure, eased input sourcing, and lowered costs for small manufacturers, while giving exporters more flexibility to meet quality requirements without disrupting production or export timelines.

On the taxation front, 2025 marked a renewed push towards a “GST 2.0” framework, an evolution of the indirect tax system aimed at simplifying compliance, reducing disputes, and strengthening digital reporting and analytics. Rather than a single overhaul, this phase reflects a series of targeted reforms focused on rationalising procedures,

MSMEs in labour-intensive sectors, by reimbursing embedded taxes not otherwise refunded. This was a significant boost for exporters, especially in labour-intensive sectors like textiles, leather, and agriculture, making Indian products more competitive in global markets.

Digitalisation and dispute resolution also took center stage. The launch of the Online Dispute Resolution (ODR) portal in mid-2025 provided MSMEs a faster, digital route to resolve payment delays, a chronic issue that often chokes working capital and growth. Payment delays of over 45 days have long affected small suppliers, and the ODR mechanism has the potential to improve cash flow predictability.

ONDC moved from a pilot initiative to scaled MSME onboarding. The platform rolled out MSME-focused seller enablement programmes and

**GST 2.0 framework, an evolution of the indirect tax system aimed at simplifying compliance, reducing disputes, and strengthening digital reporting and analytics.**





## The road ahead for Indian MSMEs is both challenging and promising. The 2025 reforms are among the most comprehensive seen in recent years

improving return filing systems, and enabling data-driven monitoring. For MSMEs, long burdened by complex compliance requirements and frequent litigation, these measures are expected to reduce operational friction, enhance tax certainty, and create a more predictable and business-friendly indirect tax environment over time.

Another important reform in 2025 was the easing of compliance for e-commerce exporters, especially MSMEs shipping small parcels overseas. Banking and customs procedures for closing export shipping bills were simplified for low-value consignments up to **USD 1,000 (or equivalent)**, reducing paperwork, bank charges, and repeated follow-ups that had long troubled small online exporters. System improvements were also introduced to address technical

transmission failures of shipping bills, helping clear long-pending cases. Together, these changes reduced compliance friction for high-volume, low-value exports and made cross-border e-commerce more practical for MSMEs.

Towards the end of the year, the government introduced the Market Access Support (MAS) Scheme under the government's Export Promotion Mission. The scheme directly addresses one of the biggest gaps faced by MSME exporters' access to international buyers and markets. By supporting participation in trade fairs, buyer-seller meets, exhibitions, and reverse buyer delegations, MAS helps MSMEs showcase products, build buyer relationships, and enter new geographies with lower risk. A key feature is the mandatory inclusion of MSMEs in supported events, ensuring

that small exporters benefit from government-backed market access rather than being crowded out by large firms.

India implemented a historic overhaul of labour laws by consolidating 29 older statutes into four new labour codes covering wages, industrial relations, social security, and workplace safety. This modernised framework standardises definitions, simplifies compliance and expands social security coverage, including for gig and contract workers. For MSMEs, the simplified codes aim to make workforce management clearer, reduce compliance hassles and bring uniformity in wage and employment practices all of which support smoother operations and, ultimately, competitiveness in both domestic and export markets.



States, too, played their part. Several state governments rolled out initiatives to complement national reforms. For instance, Uttar Pradesh announced the construction of modern flatted factories in Greater Noida to provide MSMEs with plug-and-play manufacturing space, reducing initial capital requirements and improving ease of doing business. Meanwhile, Uttar Pradesh's Start-up Policy 2025 aligned with national entrepreneurial priorities emphasised rural enterprise promotion through programmes like SVEP, adding funds to strengthen village-level enterprises.

## Market Access Support (MAS) Scheme under the government's Export Promotion Mission. The scheme directly addresses one of the biggest gaps faced by MSME exporters' access to international buyers and markets.

Maharashtra also strengthened MSME infrastructure support by offering **rent reimbursement for units operating out of flatted factory complexes** in key industrial zones. The measure reduces fixed overhead costs for small manufacturers during their early years, allowing them to deploy scarce capital towards machinery, technology upgrades, and workforce expansion. By lowering entry barriers into organised industrial spaces, the policy encourages formalisation, faster scaling, and improved compliance among MSMEs, particularly in manufacturing and export-oriented clusters.

Haryana introduced the Make in Haryana Industrial Policy 2025, replacing earlier MSME and enterprise policies. The new framework sharpens incentives for MSMEs and green manufacturing, with support for investment, technology upgrades, and faster approvals. For small businesses, it creates a clearer and more attractive environment to set up, expand operations, and link into domestic and export supply chains.

Taken together, these reforms reflect a shift in policy thinking from ad-hoc support to systemic change. MSMEs today have access to larger market definitions, easier and safer credit, simplified taxes, digital dispute resolution, and export-friendly incentives. These interventions are crucial in an era where global competition demands agility, compliance readiness, and investment in modern technology.

The road ahead for Indian MSMEs is both challenging and promising. The 2025 reforms are among the most comprehensive seen in recent years, aimed at not only sustaining small businesses but enabling them to scale, export, and compete globally. For entrepreneurs, the opportunity lies in converting these policy changes into operational practices transforming legislative intent into business growth and resilience. **bwise**





## INDIA UK FTA NUTS AND BOLTS FOR MSMEs

***The India–UK CETA opens preferential access to a £2.7 trillion market, enabling Indian MSMEs in textiles, leather, engineering, and seafood to boost exports, simplify trade, and integrate into global value chains.***

**O**n July 24, 2025, in London, Indian Prime Minister Narendra Modi and British Prime Minister Keir Starmer affixed their signatures to one of the most anticipated trade pacts of the decade: the India-United Kingdom Comprehensive Economic and Trade Agreement (CETA). This landmark Free Trade Agreement (FTA) wasn't just a ceremonial flourish, as it marked the culmination of over four years of grueling negotiations, finally sealing a

deal that promises to reshape bilateral trade worth an estimated £25.5 billion annually.

The context behind this signing is as much geopolitical as economic. For the UK, post-Brexit blues lingered like a stubborn fog, with tariffs, supply chain snarls, and a desperate hunt for new markets after severing EU ties in 2020. Enter India, the world's fastest-growing major economy, with a burgeoning middle class and

a youthful workforce hungry for global opportunities. Talks kicked off in 2021 amid the pandemic's chaos, stalling repeatedly over thorny issues like visa quotas for Indian professionals, agricultural safeguards, and intellectual property rights. A breakthrough came in May 2025 when both sides announced an "agreement in principle," paving the way for Modi's state visit. The FTA slashes tariffs on 90% of goods and eases services trade, and fosters investment flows, all while navigating India's



protective stances on sensitive sectors like dairy and poultry.

It's a win-win: the UK gains preferential access to India's vast consumer base, while India eyes a foothold in Europe's affluent markets via the UK gateway. But beyond the headlines of whisky and gems flowing freer, the real story lies in the unsung heroes, India's Micro, Small, and Medium Enterprises (MSMEs), poised to ride this wave to unprecedented growth. As of September 23, 2025, the agreement is signed but awaits ratification and entry into force, yet its provisions already signal transformative potential for Indian MSMEs.

MSMEs stand to gain disproportionately from this FTA. With tariffs eliminated or phased out on key exports, these nimble players, often family-run outfits in dusty industrial belts, can now compete on a level playing field against larger conglomerates. Imagine a small leather artisan in Kanpur or a textile weaver in Surat slashing export costs by up to 16%, turning marginal profits into sustainable livelihoods. The agreement's crown jewel for MSMEs is the near-total duty-free access to the UK's £2.7 trillion economy, a market of 67 million discerning consumers craving quality at competitive prices. This isn't

abstract; industry projections suggest MSME exports to the UK could surge 25-30% within three years, injecting vitality into rural economies and curbing urban migration.

At its core, the FTA reshapes the future for small enterprises by democratizing global trade. No longer confined to domestic silos or sporadic e-commerce forays, MSMEs can scale ambitiously; think tech-enabled supply chains linking Birmingham factories with Bengaluru startups. Enhanced rules of origin provisions ensure that value-added Indian products qualify for preferences, rewarding innovation over mere assembly. Moreover, the pact opens doors to UK capital for MSME upgrades, from adopting green tech in manufacturing to digital tools for inventory management. This could catalyse an "MSME 2.0" era: resilient, tech-savvy firms that not only export goods but also co-create solutions, like sustainable fashion lines blending Indian craftsmanship with British design ethos. In a world of supply chain disruptions, from Red Sea tensions to US-China frictions, this FTA offers MSMEs a stable, diversified corridor, insulating them from volatility and fostering long-term partnerships. It's a blueprint for inclusive growth, where small players evolve into agile giants, driving India's ambition to become a \$5 trillion economy by 2027.

## Tariff Reductions and Enhanced Market Access

The FTA eliminates or significantly reduces tariffs on over 90% of goods traded between India and the UK, directly lowering costs for MSMEs and opening up lucrative export avenues. Pre-FTA barriers, such as high duties on textiles, leather, and engineering goods, are phased out, enabling small producers to price competitively in the UK market. Rules of origin require 40-60% local value content for preferences, incentivising MSMEs to invest in quality and innovation while qualifying for duty-free entry.

For Indian MSMEs, these changes translate to immediate cost savings and broader market penetration, with simplified customs procedures and mutual recognition of standards reducing non-tariff barriers like testing and certification requirements.



Product/Sector	Country of Export	Pre-FTA Tariff (Before July 2025)	Post-FTA Tariff (After July)	Notes
Whisky	UK to India	150%	75% (initially), 40% by 2035	Phased reduction over 10 years, boosting UK beverage exports.
Automobiles	UK to India	Up to 110%	10% (under quota system)	Applies to specific quotas; enhances UK carmakers' competitiveness.
Medical Devices	UK to India	7-15% (avg. 12%)	0-3% (avg. 3%)	Part of 90% tariff line reductions, immediate benefits for UK exporters.
Aerospace Components	UK to India	Up to 11%	0%	Full tariff elimination, aiding UK advanced manufacturing.
Electrical Machinery	UK to India	8-12% (avg. 10%)	0-5% (halved or eliminated)	Phased reductions, supporting UK industrial exports.
Lamb	UK to India	10-20% (avg. 15%)	0-3% (avg. 3%)	Reduced tariffs, increasing UK meat exports.

Product/Sector	Country of Export	Pre-FTA Tariff (Before July 2025)	Post-FTA Tariff (After July 2025)	Effect
Textiles and Clothing	India to UK	Up to 12%	0%	Duty-free for 99% of Indian exports, boosting MSMEs.
Leather and Footwear	India to UK	Up to 16%	0%	Significant export growth is projected for Indian MSMEs.
Marine Products (e.g., Shrimp)	India to UK	4.2-8.5%	0%	Access to the UK's \$5.4B seafood market, a major win for coastal MSMEs.
Gems and Jewellery	India to UK	5-10% (avg. 7%)	0%	Projected to double exports to \$1.88B in 3 years.
Engineering Goods	India to UK	5-10% (avg. 8%)	0%	Benefits auto parts, engines, and machinery exports.
Organic Chemicals	India to UK	Up to 8%	0%	Enhances competitiveness of the Indian chemical sector.
Agricultural Products (e.g., Mangoes, Millets)	India to UK	5-20% (avg. 10%)	0% (95% of agri lines)	Boosts exports by 20% in 3 years and supports farmers.
Processed Foods (e.g., Pickles, Pulses)	India to UK	Up to 70%	0% (99.7% of lines)	Major opportunities for Indian food exporters.
Sports Goods and Toys	India to UK	5-12% (avg. 8%)	0%	Growth in soccer balls, cricket gear, and eco-toys.

## Sector-Specific Opportunities for MSMEs

Certain sectors gleam brightest under this agreement, offering MSMEs the easiest entry points. Textiles and apparel top the list, with 99% tariff elimination unlocking a £10 billion UK market for Indian fabrics, garments, and home furnishings. A cluster of 5,000 MSMEs in Tamil Nadu's Tirupur alone could see orders double, as duties on cotton yarns drop to zero. Leather and footwear follow suit, envisioning Agra's tanneries exporting duty-free to high-street chains like Clarks, boosting shipments by 40% per industry estimates.

Engineering goods, from auto components to machine tools, benefit from phased reductions, aiding 20,000-odd MSMEs in Pune and Chennai to penetrate the UK's automotive revival. Gems and jewelry, a sparkle for Jaipur's artisans, gain from simplified customs, while seafood processors in Visakhapatnam tap into Britain's £5 billion fish market sans 12% levies. Emerging stars include sports goods (Jalandhar's hockey sticks going global) and toys (duty-free delight for eco-friendly wooden playsets). These sectors, labor-intensive and

export-ready, require minimal upfront tweaks, making them low-hanging fruit for quick wins. Provisions for sharing information on technical regulations, standards, and conformity assessments further ease entry, while commitments to address barriers like intellectual property procedures empower MSMEs to protect their innovations.

## Capacity Building and Skills Development

Education and capacity building form a cornerstone of the FTA's approach to MSME empowerment, recognising that knowledge gaps can hinder small businesses from competing in international markets. The agreement promotes access to training in science, technology, engineering, mathematics (STEM), digital trade, and innovation, particularly for underrepresented groups in MSMEs. It encourages sharing best practices and resources to build competencies, ensuring MSMEs can integrate into global value chains and adapt to emerging sectors.

- **Skills and Capacity-Building Programs:** Targeted initiatives in areas like digital trade, innovation, and sustainable practices, with a focus on

enabling MSMEs to utilise benefits from transformative technologies such as artificial intelligence, clean energy, and robotics.

- **Education for Underrepresented Groups:** Improving participation and leadership in fields where women, youth, persons with disabilities, and minority groups are underrepresented, through professional competencies and occupational skills related to trade.
- **Innovation-Driven Learning:** Collaboration between governments, universities, and research agencies for capacity building, including start-up exchange missions and platforms to connect nascent entities with key customers and partners.
- **Data and Analysis Integration:** Exchanging methods for collecting disaggregated data and conducting analyses to inform educational policies, evaluating effects on MSMEs in various trade roles.

## Financial Inclusion and SME-to-SME Support Networks

The FTA underscores the value of peer-to-peer connections among SMEs and MSMEs, facilitating mentorship,





knowledge exchange, and market access through dedicated support mechanisms. It aims to reduce isolation for small businesses by promoting networks that link entrepreneurs across borders, with a particular focus on inclusive participation from diverse groups. Financial inclusion is prioritised, alongside SME-to-SME linkages for resilience and competitiveness.

- **Business Networks and Leadership Development:** Sharing experiences on developing leadership and business networks, including digital platforms for cross-border partnerships and trade missions for business owners and entrepreneurs.
- **Trade Missions and Linkages:** Initiatives to foster SME-to-SME mentorship, collaboration, and integration into local, regional, and global supply chains via information sharing.
- **Financial Inclusion and Literacy:** Promoting access to financing, trade financing, and financial assistance tailored for MSMEs, including programs for women-owned enterprises.

- **Inclusive Participation:** Supporting economic opportunities for diverse groups by strengthening professional skills and identifying best practices for equitable trade involvement.

### Innovation and Startup Ecosystems

Startups are positioned as engines of growth in the FTA, with a dedicated focus on innovation to provide funding, incubation, and technology access to nascent enterprises, helping them scale and innovate. By aligning with sustainable development goals, these provisions aim to create mutual benefits, particularly in emerging technologies and climate-resilient products.

- **Incubators and Accelerators:** Promoting cooperation between SME centers, incubators, and accelerators, including participation in exchange missions for start-ups.
- **Access to Financing and Technology:** Enhancing access to skills-building in innovation and digital tools, alongside fostering

innovation in global value chains and supply chain resilience.

- **Tech-Agnostic Collaboration:** Identifying areas like clean energy, AI, and robotics for joint efforts, considering impacts on gender equality, SME engagement, and climate ambitions.
- **Regulatory Support:** Bilateral cooperation on regulatory approaches that facilitate innovation, including risk-based testing of technologies across borders and industry-led standards.

### Access to Public Procurement and Government Support

Public procurement emerges as a key avenue for MSME growth, emphasising simplified procedures and capacity building to help small businesses compete for government contracts. The agreement recognizes the need to address barriers like complex regulations, ensuring MSMEs can benefit from transparent and equitable opportunities. This aligns with broader development goals, promoting inclusive economic participation.

- **Simplified Procedures and Set-Asides:** Rules favoring MSMEs,



**The India-UK FTA isn't a distant diplomatic trophy; it's a launchpad for MSMEs to soar. As these enterprises weave into the UK's fabric, they'll not only fatten India's forex repository but also redefine small business as a force for equitable prosperity.**

including information on business registration, employment regulations, and temporary entry for businesspersons.

- **Capacity Building for Compliance:** Training and resources to navigate procurement regulations, standards, and conformity assessments.
- **Inclusive Procurement Policies:** Promoting equal opportunities for diverse MSME owners through responsive approaches.
- **Monitoring and Best Practices:** Exchanging views on procurement-related policies to enhance access during global economic crises.

### **Collaborative Mechanisms for Ongoing Support**

To operationalise these commitments, the FTA establishes working groups and contact points, facilitating ongoing collaboration on MSME

issues. These mechanisms support joint activities, research, monitoring, and stakeholder engagement, ensuring effective implementation. They focus on priorities like gender equality, innovation, and development cooperation, while avoiding duplication.

- **Innovation Working Group:** Composed of government representatives, identifies cooperation areas, develops activities, and reports progress, meeting at least annually.
- **Gender Equality Working Group:** Oversees cooperation on access, stakeholder engagement, and monitoring, including establishing contact points for communication.
- **Sustainability Subcommittee:** Considers matters related to development cooperation, supporting joint activities and resource allocation.

- **SME Contact Points:** Designated points to facilitate communications, exchange information, and coordinate on MSME-related matters.
- **Joint Schemes and Research:** Collaborative initiatives for sector-specific research, capacity building, and global supply chain support, involving non-governmental experts.

### **Seizing the Opportunities**

To seize these advantages, MSMEs must act decisively, as procrastination could cede ground to Vietnamese or Bangladeshi rivals. First, decode the FTA's fine print: register on the Indian Trade Portal for certificates of origin, ensuring 40-60% local value content to claim preferences. Government schemes like the Market Access Initiative (MAI) offer reimbursements for UK certifications (e.g., CE marking for engineering exports) and participation in trade fairs like London's Source Fashion. Digital upskilling is non-negotiable; leverage platforms like IndiaMart or Amazon UK to build online storefronts, targeting millennial buyers with storytelling around "Made in India" sustainability. Collaborate via clusters: join export networks for bulk shipping deals and buyer matchmaking. Finally, eye non-tariff perks: mutual recognition of standards eases testing burdens, while eased visa rules for business visits (up to 10,000 annually) facilitate on-ground networking. With schemes like the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) providing collateral-free loans, funding a UK pivot is feasible.

The India-UK FTA isn't a distant diplomatic trophy; it's a launchpad for MSMEs to soar. As these enterprises weave into the UK's fabric, they'll not only fatten India's forex repository but also redefine small business as a force for equitable prosperity. The question isn't if they'll benefit; it's how boldly they embrace the horizon. **bwise**





# AI FOR MANUFACTURING MSMEs:

## THE SMART PARADIGM FOR INDUSTRIAL TRANSFORMATION

***Smart technologies, including AI-driven quality control and predictive maintenance, are helping MSMEs cut costs, boost efficiency, and enhance product quality, making Industry 4.0 tools increasingly accessible for scaling and competitiveness.***

### AI and Industry 4.0: The Great Equaliser for MSME Manufacturing

**I**magine stepping into a factory where machines anticipate their own maintenance needs before a breakdown occurs, quality control systems identify the tiniest defects invisible to the human eye, and production lines seamlessly recalibrate themselves to minimise waste and maximise efficiency. This is not a distant dream; it is the tangible reality of Artificial Intelligence (AI)

and Industry 4.0 at work. AI, at its core, is computer intelligence capable of learning, analysing, and making decisions with a level of precision and speed that outpaces human capacity.

Industry 4.0, often described as the fourth industrial revolution, is the ecosystem where these smart technologies converge, interlinking every component of a manufacturing setup through the power of data and connectivity. One of the most practical AI tools MSMEs can deploy

is Predictive Maintenance AI systems. These tools use machine learning and IoT sensors to monitor equipment in real time, predicting failures before they happen and scheduling maintenance to prevent costly breakdowns. Instead of routine schedules or reacting to unexpected downtimes, MSMEs can minimise disruptions, extend equipment life, and save significantly on repair costs. Computer Vision systems also enable automated quality inspection, ensuring products meet standards without relying solely on human

oversight. As Dr. Raghunath Anant Mashelkar, renowned scientist and former Director General of CSIR, emphasises, ***“AI is not about replacing humans but augmenting human capability, especially crucial for MSMEs where every employee’s productivity directly impacts profitability.”***

What makes this shift remarkable is that AI solutions, once exclusive to corporate giants, have become affordable and scalable, positioning them as essential allies for forward-looking MSMEs determined to thrive in today’s competitive industrial landscape.

### Smart Solutions in Practice

The integration of AI into manufacturing MSMEs creates a ripple effect of improvements across every aspect of your business. Smart sensors can monitor your production equipment 24/7, predicting breakdowns before they happen and saving you from costly emergency repairs and production halts.

AI-powered quality control systems can inspect products faster and more accurately than human workers, ensuring consistent quality while freeing up your skilled workforce for more strategic tasks. Inventory management becomes effortless with AI algorithms that predict demand, optimise stock levels, and automatically reorder materials when needed, eliminating both stockouts and excess inventory costs. Energy consumption drops significantly as AI systems optimise power usage across your facility, reducing electricity bills by up to 30%. Customer service improves through chatbots that handle routine inquiries, allowing your team to focus on building relationships and closing deals. Supply chain management becomes more resilient with AI analysing global

trends, weather patterns, and market conditions to suggest the best suppliers and delivery routes. Even financial planning benefits, as AI analyses your business data to identify profit opportunities and cost-saving measures you might have missed.

### GO Digital: Every Sector Falls to AI

The transformation happening in manufacturing today isn’t just about big corporations anymore. Small and medium enterprises across every sector are discovering that artificial intelligence isn’t a luxury; it’s becoming essential for survival. From cement plants to textile workshops, MSMEs are using smart technologies to compete with much larger players.

Cement and mining operations use predictive maintenance with LSTM networks monitoring equipment vibrations to prevent breakdowns. Computer vision spots structural cracks while reinforcement learning optimises kiln operations. Simulation environments combine the Discrete Element Method for material flow with Computational Fluid Dynamics for airflow tracking. Pharmaceutical companies deploy graph neural networks for drug molecule screening, speeding discovery. Soft sensors monitor batch processes while predictive models forecast contamination risks. Operations use molecular dynamics platforms like GROMACS for drug validation and bioreactor digital twins. Medical imaging facilities implement U-Net architectures for segmentation and





Vision Transformers for classification. YOLO algorithms enable rapid scan detection, while Generative Adversarial Networks create training datasets for rare conditions. Financial institutions use XGBoost for credit scoring and isolation forests for fraud detection. Transformer models power trading, while NLP systems enhance compliance. Monte Carlo simulators provide stress testing capabilities. Textile manufacturers revolutionise defect detection with computer vision during production. Electronics manufacturers deploy Automated Optical Inspection using neural networks for circuit defects. Both use discrete-event simulation for production optimisation.

### Ready to Begin? Here's How to Start Your First Steps with AI

Starting your AI journey doesn't require massive investments or technical expertise, it begins with small, strategic steps. First, conduct a digital audit of your current processes to identify areas where AI can have the most immediate impact, such as quality



control, predictive maintenance, or inventory management. Connect with local technology partners, government-supported incubation centers, or AI solution providers who specialise in manufacturing MSMEs, many offer pilot programs at reduced costs. Take advantage of government schemes like the Technology Development Fund and Digital India initiatives that provide financial support for technology adoption in small businesses. Start with one AI application, master it, measure its impact, and then gradually expand to other areas.

Take the example of the healthcare sector. AI transforms patient care through screening systems that analyse symptoms and medical histories for early disease detection. Virtual Reality simulators train medical staff in complex procedures, while computer vision assists in diagnostic imaging and wound assessment. Natural language processing powers intelligent

**“AI is not about replacing humans but augmenting human capability, especially crucial for MSMEs where every employee's productivity directly impacts profitability.”**



**- Dr. Raghunath Anant Mashelkar**  
Renowned Scientist and  
Former Director General of CSIR

chatbots for patient triage and appointment scheduling. Real-time monitoring systems track vital signs and predict patient deterioration. To create effective simulation environments, healthcare facilities use synthetic patient data generation with privacy protection, virtual patient models for treatment testing, and agent-based simulations that optimise patient flow, resource allocation, and emergency response protocols across clinics and hospitals.

### Transform to Lead: The Path Forward for MSMEs

The integration of AI and Industry 4.0 technologies represents more than technological advancement; it's the foundation for sustainable industrial transformation that will define the next generation of successful MSMEs.

By embracing these smart technologies, manufacturing MSMEs can achieve unprecedented levels of efficiency, quality, and competitiveness while creating more skilled jobs and contributing to India's vision of becoming a global manufacturing hub. The transformation goes beyond immediate benefits: AI-enabled MSMEs become more resilient to market fluctuations, better positioned to meet evolving customer demands, and capable of scaling operations without proportional increases in costs or complexity. This paradigm shift from traditional manufacturing to smart manufacturing isn't just about staying relevant, it's about thriving in an increasingly digital economy where agility, precision, and innovation determine market leadership. The time for transformation is now, and the tools are within reach for every manufacturing MSME ready to embrace the future. **bwise**

# ALTERNATIVE FINANCING FOR MSMEs

## Why Crowdfunding Could Be the Game Changer

**India's MSMEs, though innovative, face financing gaps; crowdfunding offers collateral-free funding, market validation, and community support to help bridge the ₹30 lakh crore credit shortfall and drive growth.**

In a small co-working hub in Bengaluru, 27-year-old Raghav and his team of engineers developed an AI-driven health monitoring device that can detect early signs of cardiac stress through wearable sensors. Doctors praised the prototype, and demand from hospitals was immediate. But when Raghav approached banks for funding, the response was familiar: "Collateral first, loan later." Venture capitalists, meanwhile, dismissed the idea as "too early stage." With no access to affordable finance, his groundbreaking innovation risked stalling.

Raghav's story reflects the struggle of countless MSMEs in India: bold ideas, strong demand, but barriers to timely credit.

### The Credit Gap

India's MSME sector employs over 330 million people, contributes



nearly 30% to GDP, and accounts for 45% of exports. Yet, as of 2025, it faces an addressable credit gap of nearly 30 lakh crore, according to SIDBI. This gap leaves enterprises without timely funding, especially first-generation entrepreneurs, women-led ventures, and those creating innovative but untested products.

"I walked into three banks with my business plan, and all three asked for collateral I didn't have," recalls Anil Kumar, a Lucknow-based maker of eco-friendly cleaning products. "Without an alternative, I would have shut shop before even starting."

### Crowdfunding: You Don't Need a Banker, You Need Believers

Here is where crowdfunding emerges as a democratised, disruptive solution. Globally, a \$20+ billion industry, it has fueled startups from smartwatches to organic farms.

Platforms like Kickstarter and Indiegogo prove that customers can be the earliest funders, validating demand while providing capital.

In India, platforms such as Ketto, Wishberry, and FuelADream first gained popularity for medical expenses and creative projects. Now, MSMEs increasingly use them for business launches and expansions. The model offers two big advantages: capital without collateral and the chance to convert customers into a loyal community of backers.

Consider Organiko, a social enterprise making sustainable skincare from donkey milk. Its founder launched the first line of soaps with 34,000 raised through crowdfunding, supplementing her personal savings. That small campaign grew into a business supporting over 150 rural families in Delhi-NCR and Uttar Pradesh.



Or take HoloSuit, a Bengaluru-based startup that developed a full-body motion capture suit. By crowdfunding on Catapooolt, the team raised early funds, attracted partnerships, and gained media visibility. Today, HoloSuit has won awards and carved a global niche.

These stories highlight what makes crowdfunding powerful: it raises funds, builds community, and proves demand in real time.

### Why Indian Entrepreneurs Need It More?

Despite the potential, crowdfunding in India remains underutilised. Regulatory uncertainty, low awareness, and cultural hesitation about seeking money from strangers have slowed its adoption. Current crowdfunding for MSMEs in India is mostly reward-based or donation-based, and equity crowdfunding is still awaiting clear regulations. By contrast, countries like the US and UK have thriving equity crowdfunding ecosystems where small businesses can raise funds by offering shares directly to the public. In China, reward-based crowdfunding is deeply integrated with e-commerce, making it seamless for consumers.



**India's MSME sector employs over 330 million people, contributes nearly 30% to GDP, and accounts for 45% of exports. Yet, as of 2025, it faces an addressable credit gap of nearly ₹30 lakh crore, according to SIDBI**



If India introduced clearer equity crowdfunding rules, integrated campaigns with ONDC, and offered tax incentives to backers, it could unlock a powerful financing pipeline.

### Beyond Money: Building Trust and Markets

For entrepreneurs, the magic of crowdfunding lies beyond capital. It builds storytelling, customer trust, and early validation. A successful campaign signals readiness to the market, attracts investors, and strengthens supplier negotiations.

But challenges remain. Many MSME owners cite difficulties in marketing campaigns, setting realistic goals, and managing backer expectations.

That's why ecosystem support is essential. Training MSMEs in digital marketing, packaging their stories, and managing compliance will determine whether crowdfunding stays niche or becomes mainstream.

### The Way Forward

As India positions itself as a global manufacturing and innovation hub, alternative financing is not a luxury; it is a necessity. Crowdfunding represents freedom: to test ideas without debt, scale without dilution, and grow with the very customers who sustain the business.

For entrepreneurs like Raghav, it could mean the difference between waiting years for a loan and launching his business today. For India's MSME sector, embracing crowdfunding could turn the ₹30 lakh crore credit gap into ₹30 lakh crore worth of opportunity.

The decade ahead will be shaped not just by how much money MSMEs raise, but by how creatively they raise it. Crowdfunding may well be the wings small businesses need to take off. **bwise**

# REFLECTIONS 2025

## INDIA SME FORUM

*India SME Forum, throughout the year 2025, undertook a wide range of initiatives, each carefully aligned to the diverse realities of micro, small, and medium enterprises across sectors and geographies.*

- **Empowered over 476,000 MSMEs across India through DIGISHAASTRA initiative, a structured capacity-building programme for digital empowerment with digital tools, training, and tech adoption support.**
- **Over 31,000 MSMEs received direct intensive classroom training covering digital skilling, financial credit worthiness, quality standards & certifications, securing and leveraging intellectual property rights.**
- **Enabled over 50,000 MSMEs with direct access to global markets, government schemes, finance, IP protection, and regulatory guidance. International trade platforms and B2B conventions facilitated hundreds of MSMEs to secure export opportunities through MoUs, & shipping orders.**
- **Led MSME Delegations at 5 major international trade fairs in the UAE (Dubai), Russia (Moscow), UK (Birmingham), Thailand (Bangkok), and Greece (Thessaloniki), showcasing GI-tagged products, unlocking new business opportunities upto USD 25 million in the US & ME region, €22 million across Europe.**
- **202743 women trained & Counselling | 9332 Rural Women Businesses Supported | 11293 Urban Women owned Businesses supported | 2823 women supported to sell on Ecommerce platforms and foray into international markets for the first time**

*The major highlight of 2025 was the first time instituted biennial National MSME Impact Awards, for recognising outstanding contributions by State Governments, financial institutions, corporates, marketplaces, and ecosystem enablers for strengthening and driving Ease of Doing Business (EoDB) for MSMEs through progressive policies, digital governance, access to credit, export facilitation, skilling, and technology adoption.*

*As this chapter closes, Reflections 2025 stands as a testament to India SME Forum's unwavering commitment to holistic, impactful support—support that goes beyond advocacy to enable real outcomes, By strengthening resilience, enhancing competitiveness, and promoting inclusive economic progress.*

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**Knowledge Sharing**

## Raising and Accelerating MSME Performance (RAMP) – Maharashtra

The Raising and Accelerating MSME Performance (RAMP) Programme in Maharashtra emerged as a vital initiative by India SME Forum that commenced on 5th June 2024 and ongoing till April 2026. Backed by the Government of India and the World Bank, it aimed to boost competitiveness and sustainable growth for Micro, Small, and Medium Enterprises statewide.

Through an MoU with Maharashtra Small Scale Industries Development Corporation (MSSIDC), India SME Forum served as the Implementing Agency, delivering targeted capacity-building programmes. Key achievements included 250 specialised workshops across 26 districts covered GeM onboarding, Finance Management, Digital Loans, Input Tax Credit, Intellectual Property Rights under Innovative Schemes, and audit process optimisation. Each session, attended by 50-60 pre-registered MSMEs, focused on practical challenge resolution and best practices. Additionally, 10 Export Readiness Workshops in Mumbai,



Nagpur, Ahilyanagar, Chhatrapati Sambhajinagar, Nashik, Kolhapur, Pune, and Thane, successfully training 500 MSMEs in global market access. This extensive programme significantly enhanced financial literacy, digital adoption, regulatory compliance, and operational efficiency, empowering Maharashtra's MSMEs for long-term resilience and aligning with national industrial growth priorities.

## GST Samvaad 2.0 – Delhi

GST Samvaad 2.0, organised by India SME Forum on 29th November 2025 in New Delhi, gathered over 60 MSME entrepreneurs, senior GST officials, logistics operators, and e-commerce platforms for a focused dialogue on GST 2.0 compliance challenges. It tackled key issues like high compliance costs, documentation overload, registration bottlenecks, ITC difficulties, and inconsistent GTA tax treatment.

Inaugurated by Dr. Sasmit Patra, MP (Rajya Sabha), who advocated halving compliance burdens to unleash entrepreneurial energy, the session engaged senior officials including Shri Vinayak Chandra Gupta (Chief Commissioner, CGST Delhi North), Shri. Manish Mohan Govil, IRS, Principal Commissioner, Department of Logistics, Shri Prakash Singh Rawat, IRS, AAD, DG GST, Shri Pawan Kumar, IRS (2005), Commissioner, CGST Delhi (East), Shri MD. Irfan Aziz, IRS, Commissioner GST Delhi (West), Shri Prashant Kumar Jha, IRS, Additional Director, DG DGST' Dr. Shafali G. Singh, IRS (C&IT), Director, GST Council

**“MSMEs should not be spending more time and money complying with GST than building their businesses. If compliance costs can be halved, if a notice no longer triggers fear and uncertainty, and if yearly time spent on GST can drop from 15 hours to five, we unlock enormous entrepreneurial.”**

**- Dr. Sasmit Patra**

Member of Parliament, Rajya Sabha

MSMEs shared practical concerns, while officials noted an ongoing study on pain points for imminent reforms. The consultation's insights will shape India SME Forum's formal recommendations to GST authorities, promoting simpler processes and digital tools for sectors like logistics, manufacturing, and e-commerce. This direct engagement bridged policymakers and MSMEs, fostering collaboration and advancing ease of doing business.



Dr. Sasmit Patra, Member of Parliament (Rajya Sabha), Shri. Vinayak Chandra Gupta, IRS, Chief Commissioner, CGST Delhi North, Shri. Manish Mohan Govil, IRS, Principal Commissioner, Department of Logistics, Shri Prakash Singh Rawat, IRS, AAD, DG GST, Shri Pawan Kumar, IRS (2005), Commissioner, CGST Delhi (East), Shri MD. Irfan Aziz, IRS, Commissioner GST Delhi (West), Shri Prashant Kumar Jha, IRS, Additional Director, DG DGST' Dr. Shafali G. Singh, IRS (C&IT), Director, GST Council

## Pune Export Readiness Workshop

The Pune Export Readiness Workshop, held on 13th October 2025 in Pune, Maharashtra, equipped MSMEs with essential tools and knowledge to thrive in global markets. Its focused sessions addressed export documentation, quality standards, international compliance, global marketing strategies, e-commerce integration, logistics, and direct buyer engagement.

Conducted as an intensive hands-on programme, the workshop provided practical mentoring and actionable insights to help participants overcome common export barriers and enhance their competitiveness.

Maharashtra-based sellers actively participated, gaining the confidence and skills needed to prepare effectively for presentations to international buyers. The workshop strengthened their export readiness, enabling smoother market access and positioning them for successful global outreach.



This targeted intervention highlighted India SME Forum's commitment to building practical export capabilities among MSMEs, fostering sustainable international growth.

## Bharat Quality Mission – New Delhi

The Bharat Quality Mission, launched on 28th May 2025 in New Delhi under the theme “Enabling MSMEs for Global Competitiveness”, represented a pivotal advocacy and facilitation effort by India SME Forum. It addressed the challenges MSMEs face in complying with Quality Control Orders (QCOs) while upholding high standards for global market access.

The mission focused on practical solutions: phased QCO implementation with grandfathering provisions, streamlined BIS certification processes, sector-specific standards, digital single-window support systems, and robust facilitation mechanisms. It emphasised continuous engagement between regulators and MSMEs to ensure smooth compliance without stifling growth.

Through constructive dialogue with policymakers, industry stakeholders, and MSME representatives, the initiative advocated for balanced regulations that promote quality assurance while easing operational burdens on small enterprises.

By championing these reforms, the Bharat Quality Mission strengthened the support ecosystem for MSMEs, enhanced their competitiveness in domestic and international markets, and reinforced India's commitment to quality-driven manufacturing excellence. Smt. Nidhi Khare addresses “There is a need to correctly interpret the purpose of QCOs. Whatever fears MSMEs have must be addressed. Businesses must adapt logically and progressively, and where the government's support is needed to change processes, that will be provided.



Smt. Nidhi Khare, IAS, Secretary, Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution, Govt. of India.  
Shri H.J.S Pasricha, Deputy Director General Bureau of Indian Standards, Govt. of India.



“When India rejected substandard goods, manufacturing units began shifting to India bringing investment, technology, jobs, and confidence. This momentum is key to India becoming the third-largest economy, which requires strong manufacturing and globally competitive MSMEs. QCOs boost quality and exports, and adherence to standards is essential. To support this, we are strengthening testing infrastructure across the country with INR 78 crore being invested through BIS. Our aim is to empower MSMEs with the knowledge, tools, and confidence they need to move forward.”

- Smt. Nidhi Khare

IAS, Secretary, Department of Consumer Affairs,  
Ministry of Consumer Affairs, Food & Public Distribution, Govt. of India



## National IP Outreach Mission (IP Awareness Workshops)

The National IP Outreach Mission, a pan-India series of IP Awareness Workshops held in March-April and November-December 2025 across states including Uttar Pradesh, West Bengal, Uttarakhand, Himachal Pradesh, Punjab, Jammu & Kashmir, Karnataka, and Andhra Pradesh, was a key collaboration between India SME Forum and the Ministry of MSME.

The workshops delivered practical IPR education on patents, trademarks, copyrights, designs, and geographical indications to MSMEs, startups, students, and entrepreneurs, using interactive sessions, expert guidance, and case studies to highlight IP protection, branding, and commercialisation.

Reaching thousands in tier-2 and tier-3 regions, the mission boosted IP literacy, provided actionable registration tools, and empowered participants to safeguard innovations and leverage IP for growth. This nationwide effort built a stronger innovation ecosystem for MSMEs, supporting quality-driven competitiveness.



Shri Chander Bhushan, General Manager, DIC Chamba, Himachal Pradesh

## Digishaastra Initiative: One-Year Milestone & Report Launch on MSME Digitalisation

The Digishaastra Initiative, launched in December 2024 by India SME Forum in partnership with the Ministry of MSME, celebrated its first anniversary on 2nd December 2025 in New Delhi with the release of a comprehensive report titled “The State of Digitalisation in Indian MSMEs - A Study on the Evolving Digital Landscape of MSMEs in India”. This landmark event was graced by senior officials including Ms. Mercy Epao (JS-SME), Shri Ateesh Kumar Singh (JS-AFI), and Shri Kartikey Sinha (Director, NSIC).

Drawing from primary data collected from 7,835 MSMEs across diverse sizes, regions, and sectors, the report revealed that 53.8% of Indian MSMEs have adopted at

least one digital tool, with digitised enterprises reporting significant growth: 41.4% saw 21–30% sales increases and 69% experienced at least 10% customer base expansion. Email led adoption at 95.4%, followed by CRM (71.8%) and e-commerce tools (70.4%). Micro enterprises and mid-career owners (45–54 years) emerged as frontrunners in digital uptake.

Challenges persist, with 52.6% struggling to select suitable tools and 97.3% unaware of government digitalisation incentives, underscoring the need for continued guidance and awareness. In its first year, Digishaastra far exceeded targets, training over 476,000 entrepreneurs nationwide in essential digital skills, operational efficiency, and market expansion tools. The initiative has driven formalisation, financial inclusion, and global competitiveness for MSMEs.

A major highlight was the announcement by WhatsApp, in collaboration with the Ministry of MSME, of an AI-powered chatbot to provide real-time, personalised support on schemes, compliance, credit, skilling, and digital onboarding. This was formalised through a Letter of Intent signed between the Ministry of MSME, WhatsApp, NSIC, and India SME Forum.



## Digishaastra Initiative: Driving Digital Empowerment for MSMEs

**T**he Digishaastra Initiative, powered by WhatsApp and implemented by India SME Forum in collaboration with the Ministry of MSME, has rapidly scaled digital adoption among Indian MSMEs in 2025. By addressing key barriers, lack of training, tool awareness, data security concerns, and low productivity, the programme delivers practical skills through on-ground workshops, online modules, guidebooks, self-learning videos, and multi-channel outreach.

Over 50 master trainers and on-ground teams conducted 71 workshops across 14 states (Maharashtra, Andhra Pradesh, Uttar Pradesh, Madhya Pradesh, Haryana, Punjab, Himachal Pradesh, Gujarat, Jharkhand, Jammu & Kashmir, Goa, Karnataka, Bihar, Rajasthan), training 15,609 MSMEs in classroom settings. Simultaneously, 19,611 MSMEs enrolled in online training, with 5,339 completing the modules. Outreach efforts reached new heights: 15.29 lakh MSMEs via EDM campaigns (72.5% open rate, 2.69% CTR), 15,861 printed handouts distributed, 19.11 lakh web impressions (led by Maharashtra, Andhra Pradesh, Uttar Pradesh, Madhya Pradesh, Haryana, Karnataka), 65,222 guidebooks and videos amplified (2.9 lakh views), and 2.9 million social media impressions across Telegram, WhatsApp, LinkedIn, Instagram, and Twitter.



Cumulatively, Digishaastra has engaged and trained over 476,000 MSMEs, equipping them with WhatsApp Business tools for enhanced efficiency, customer engagement, and market reach, transforming micro and small enterprises into digitally resilient competitors.

This initiative continues to bridge the digital divide, aligning with national goals for a future-ready MSME sector that drives inclusive growth and economic resilience.

### Recognition

## 11th Edition of India SME 100 Awards - 2025

**T**he India SME 100 Awards 2025, organised by India SME Forum, recognised the top 100 Micro, Small, and Medium Enterprises for their outstanding performance in financial growth, innovation, people capital, international outlook, and corporate governance. This edition celebrated achievers of 2024 through a rigorous, transparent process: 100% online nominations, algorithmic scoring (500 financial points on growth and soundness, 500 non-financial on innovation and impact), physical/legal due diligence, and jury verification.

Out of 27,467 applications, 21,726 valid nominations were evaluated, with the highest score at 718, 111 above 700, and detailed distribution across score ranges. The awards generated over 14 million impressions, 430+ social media mentions/posts by winners, and 1800 sq. cm. press coverage, engaging 77,000+ entrepreneurs and inspiring MSME excellence in sustainability and global competitiveness.

**“At the 11th India SME Award ceremony, I had the privilege of interacting with enthusiastic and dynamic SME entrepreneurs who are not only excelling in their ventures but are also contributing meaningfully to India’s development. Today, SMEs stand as the silent architects of India’s growth story and the nation’s future capital investment.”**

**- Shri Anurag Thakur**  
Member of Parliament, Lok Sabha





# International MSME Day 2025: National MSME Impact Awards – New Delhi



The International MSME Day 2025 Conclave & National MSME Impact Awards, held on 27th June 2025 at The Lalit, New Delhi, celebrated global MSME excellence under the theme “Enabling a Paradigm Shift in MSME Exports”. Organised by India SME Forum, this prestigious awards recognised top performers, fostering policy dialogue with government leaders, and inspiring export-driven growth.

The conclave featured insightful presentations on global trade and investment by foreign diplomats, including Mr. Daniel Delgado (Embassy of Mexico), Mr. Rahul Chongtham (Embassy of Iceland), H.E. Mr. Molalign Asfaw (Embassy of Ethiopia), and Mr. Yerassimos Lazaris (Embassy of Greece). In a highlight conversation, Mr. Srinidhi Kalvapudi, Head of Amazon Global Selling India, shared Amazon’s goal to enable \$80 billion in e-commerce exports by 2030, supporting India’s \$200 billion target.

The National MSME Impact Awards honoured outstanding contributions across 10 categories, with 29 awards presented: Gold (10), Silver (8), Bronze (9), and Special Mentions (2). Key awardees included:

- **Best State for MSMEs:** Gold - Maharashtra; Silver - Andhra Pradesh; Bronze - UP; Special Mention - Assam
- **Best Public Sector Bank:** Gold - Bank of Baroda; Silver - SBI; Bronze - Union Bank of India & Canara Bank
- **Best Private Sector Bank:** Gold -

- HDFC; Silver - Kotak Mahindra Bank; Bronze - Axis Bank
- **Best NBFC:** Gold - Shriram Finance Ltd; Silver - Bajaj Finance Ltd
- **Technology Providers:** Gold - Microsoft; Bronze - Tally Solutions
- **Export Platforms & Enablers:** Gold - Amazon Global Selling; Special Mention - DGFT
- **Marketplace:** Gold - Amazon India; Silver - Meesho; Bronze - GeM
- **Digital Solutions:** Gold - Google; Silver - Meta; Bronze - ONDC
- **Logistics Solutions:** Gold - DHL; Silver - India Post; Bronze - Shipglobal
- **Insurance Service Provider:** Gold - New India Assurance; Silver - United India Insurance; Bronze - Tata AIA Life Insurance

The awards were adjudicated by a distinguished jury chaired by Dr. Prabhat Kumar, IAS (Retd.), Former Cabinet Secretary, alongside eminent members including Shri Dhanendra Kumar, Shri Amitabh Kant, Dr. Aruna Sharma, Shri Prahlad Kakar, Dr. J.S. Juneja, Shri T.R. Bajalia, and Shri Vinod Kumar (Convenor).

With 250+ MSMEs registered for the conclave, the event inspired export excellence, strengthened international linkages, and highlighted MSMEs’ pivotal role in India’s economic growth.



**Facilitation**

## Bharat Intellectual Property Yatra: Empowering MSMEs Nationwide

**T**he Bharat Intellectual Property Yatra, a landmark pan-India initiative by India SME Forum in 2025, centered on the theme “Creating, Enabling and Growing MSMEs through Intellectual Property Rights”, it brought essential IP awareness, branding strategies, and government scheme access to entrepreneurs in tier-2 and tier-3 cities.

Held from March to December 2025, across 9 cities of Thane, Agra, Haridwar, Panipat, Vadodara, Bangalore, Goa, Nashik and Delhi, the yatra engaged around 1,200 MSMEs over 18 days from sectors like manufacturing, textiles, handicrafts, and e-commerce.

The initiative aimed to democratize IP knowledge, facilitate on-the-spot registrations for trademarks, patents,

designs, IP reimbursements, Udyam, and GeM portals, and provide personalized mentorship alongside workshops on branding, business model innovation, and D2C strategies.

Key outcomes included numerous IP filings and government portal registrations, enhanced branding and innovation capabilities, stronger market positioning, and

valuable networking through expert panels. The yatra significantly boosted IP literacy, confidence in commercialization, and access to national schemes, fostering a collaborative ecosystem aligned with Make in India and Startup India, marking a pivotal step in transforming intellectual property into a growth engine for Indian MSMEs.



## Gifts & Lifestyle Middle East 2025

**T**he Gifts & Lifestyle Middle East 2025, held from 11th-13th November 2025 at Dubai World Trade Centre, UAE, provided a vital global showcase for Indian MSMEs. India SME Forum led a delegation featuring 13 authentic Geographical Indication (GI)-tagged products, including textiles, handicrafts, woodwork, carpets, and décor items, under the theme of innovative gifts, premium lifestyle accessories, and festive home décor.

Supported by the Ministry of MSME's Innovation Scheme, the initiative aimed to build B2B ties with Gulf retailers, highlight unique Indian artisanal heritage, and boost export growth. Mr. Amit Kumar Tamaria, Joint Director, Ministry of MSME and the pavilion received a visit from Hon'ble Consul General of India in Dubai, Mr. Satish Kumar Sivan.

Participants engaged directly with international buyers and distributors, gaining market insights and feedback amid rising global demand for sustainable, handmade products. The showcase

unlocked projected export potential of USD 150,000 in the UAE market. This participation elevated international visibility for GI-protected crafts, preserved traditional artistry, and strengthened global market access for Indian MSMEs.



*Shri Amit Kumar Tamaria, Joint Director, Ministry of MSME, Govt. of India*



*Mr. Satish Kumar Sivan Hon'ble Consul General of India, Dubai*



## HomeTextile & HomeDesign 2025 – Moscow

The HomeTextile & HomeDesign 2025, held from 21st-23rd October 2025 in Moscow, Russia, offered a prominent international stage for Indian MSMEs under the theme of premium home textiles, sustainable designs, and lifestyle furnishings. India SME Forum curated a dedicated GI Focus Pavilion showcasing authentic Geographical Indication (GI)-tagged textiles renowned for their cultural heritage, craftsmanship, and eco-friendly attributes.

The primary objectives were to connect Indian MSME producers directly with international retailers, designers, and wholesalers, promote value-added and sustainable textile

offerings, and secure bulk export orders while expanding global market reach for GI-protected products.



Over three days, the pavilion attracted more than 2,000 visitors, including buyers, designers, and industry professionals, who praised the quality, uniqueness, and sustainability of the showcased GI textiles. Targeted B2B meetings facilitated high-quality leads and in-depth discussions, opening new export avenues in the Russian market.

The participation yielded impressive results, generating projected business worth €2-4 million, with many first-time exhibitors expressing enthusiasm for future international fairs. Beyond immediate opportunities, the event delivered valuable market insights for product refinement and strengthened the global positioning of Indian GI textiles.



## Autumn Fair 2025 – Birmingham, UK

The Autumn Fair 2025, held from 7th-10th September 2025 at the NEC Birmingham, UK, served as a key international platform for Indian MSMEs and focused on seasonal trends in home, gift and lifestyle products while serving as a platform to connect suppliers with retailers preparing for holiday and festive markets.

India SME Forum organised a dedicated Indian Pavilion to showcase original GI-tagged products, highlighting India's rich craftsmanship and cultural authenticity. The primary aims were to demonstrate MSME capabilities to international buyers, foster direct B2B connections, and drive export orders for premium, heritage-backed Indian goods.

Over four days, the pavilion drew more than 2,000 visitors, including major UK retailers, wholesalers, and designers, who engaged enthusiastically with the exhibited items. Structured B2B meetings generated strong leads, meaningful networking, and valuable market feedback on trends and preferences.

The participation unlocked significant export potential, with GI-tagged products projected to generate €5–10 million in business opportunities in the UK market. This successful showcase boosted the global visibility of Indian GI products, strengthened export linkages, and positioned Indian MSMEs as preferred partners for the UK's festive retail season.

## 36th Souvenirs, Gifts, Folk Art, Fashion & Accessories Trade Fair – Thessaloniki

The 36th Souvenirs, Gifts, Folk Art, Fashion & Accessories Trade Fair, held from 14th-16th February 2025 in Thessaloniki, Greece served as a premier exhibition dedicated to souvenirs, gifts, and artisanal crafts that offered a vibrant platform to highlight global arts and heritage.

India SME Forum organised and facilitated a focused delegation of 9 Indian GI producers, empowering them to present their unique GI-certified products, embodying India's rich cultural traditions in folk art, handicrafts, fashion accessories, and souvenirs, to an international audience of buyers, retailers, and distributors.

The core objectives were to promote India's artisanal legacy, enable direct market access for GI producers,



foster B2B connections, and expand export opportunities in Europe by showcasing authentic, origin-protected craftsmanship.

The delegation's participation proved highly successful, generating strong interest and substantial business leads. The showcased GI products unlocked estimated export potential of €5-10 million in the European market, reinforcing the global appeal of Indian heritage crafts and opening new avenues for sustained international trade.



Ms. Rukmani Attri - Joint Development Commissioner, O/O DC (MSME)  
Mr. Ashok Kumar Gautam - Assistant Director MSME - DFO, Solan



## Thailand Industrial Fair 2025 – Bangkok

The Thailand Industrial Fair 2025, held from 12th-15th February 2025 in Bangkok, Thailand, emerged as a forward-looking international platform for Indian MSMEs. Under the compelling theme “Empower Your Future with AI Transformation for Sustainable Growth”, the Fair spotlighted cutting-edge industrial machinery, automation, and AI-driven innovations.



India SME Forum actively facilitated the participation of Indian entrepreneurs, enabling them to showcase advanced, technology-led industrial solutions to a global audience of buyers, stakeholders, and industry professionals. The primary objectives were to empower MSMEs with international exposure, promote AI-enabled sustainable growth, enhance competitiveness through innovation, and forge valuable connections for future-ready industrial transformation.

The Indian contingent made a strong and impactful presence at this premier B2B exhibition, attracting significant attention from visitors and potential buyers. Their displays of innovative machinery and AI-integrated solutions generated keen interest, sparking meaningful dialogues and opening doors to new collaborations and market opportunities in Southeast Asia.



## GI Mahotsav Nagpur 2025

The GI Mahotsav Nagpur 2025, held from 21st-23rd March 2025 in Nagpur, India, celebrated India's invaluable artisanal legacy under the evocative theme "oriGInale xpo Invaluable Treasures of Incredible India". Organised by India SME Forum with support from the Ministry of MSME under the MSME Innovative Scheme, this vibrant three-day exhibition provided a dedicated domestic platform for Geographical Indication (GI) producers across India to showcase and sell their authentic, region-specific products, while promoting the country's rich arts, crafts, and cultural heritage. By bringing GI-tagged treasures directly to buyers and enthusiasts, it aimed to raise awareness, foster appreciation for traditional craftsmanship, and strengthen market linkages for sustainable growth.

India SME Forum successfully brought together 50 GI producers from diverse states and union territories, presenting an exquisite array of unique handicrafts, textiles, agricultural products, and artisanal creations. The exhibition drew an impressive footfall of over 5,000 visitors and buyers, who engaged enthusiastically with the displays, generating significant market interest and sales.

Visitors expressed overwhelming appreciation for the authenticity and cultural depth of the products, with many calling for such events to become regular fixtures. The strong positive feedback underscored the Mahotsav's role in creating greater public awareness and pride in India's ancient crafts and heritage.



Hon'ble Shri Nitin Gadkari, Union Minister for Road Transport and Highways, Government of India.  
Dr. Vijay Sirsath, Joint Director, MSME - DFO, Nagpur



## LEAP - Livelihoods & Entrepreneurship Acceleration Program

The LEAP - Livelihoods & Entrepreneurship Acceleration Program, implemented by India SME Forum in partnership with MEPMA (Mission for Elimination of Poverty in Municipal Areas), Government of Andhra Pradesh, emerged as a transformative capacity-building initiative in 2025. Focused on urban women entrepreneurs and Self-Help Group (SHG) members, LEAP focuses on empowering beneficiaries to evolve traditional livelihoods into sustainable, scalable enterprises.

The project's core objectives included building entrepreneurial and managerial skills, promoting formalisation through Udyam and GST registrations, enhancing market access via branding and digital tools, fostering financial inclusion with DPI platforms, and driving employment generation for local economic upliftment. Targeted at women-led micro enterprises in manufacturing, services, and trade, LEAP provided structured training, mentoring, and institutional linkages to overcome barriers to growth.

Through hands-on workshops, personalised guidance, and scheme facilitation, participants gained practical capabilities in business planning, compliance, digital adoption, and value addition. The initiative significantly boosted registrations under key government portals, improved access to credit and schemes, and elevated income levels while ensuring long-term business sustainability.

LEAP's impact extended beyond individual enterprises, creating higher-order women-led businesses, generating employment in urban communities, and strengthening Andhra Pradesh's urban MSME ecosystem. By championing women entrepreneurship and formalisation, the project advanced national goals of inclusive development, poverty alleviation, and economic empowerment.



**Ecosystem Building**

## Reverse Buyer-Seller Meet (RBSM) – Pune

The Reverse Buyer-Seller Meet (RBSM), a landmark event under the RAMP Scheme, took place on 6th-7th November 2025 at Four Points by Sheraton, Pune. Organised by India SME Forum in partnership with MSSIDC and supported by the Ministry of MSME, it powerfully aligned with the Facilitation and Ecosystem pillars that India SME Forum works towards for MSME growth.

RBSM brought together over 225 Maharashtra MSMEs from key sectors including Agro & Food Processing, Automotive & EV, Pharmaceuticals, Electronics, Engineering, Textiles, Renewable Energy, and Chemicals with 45 international buyers from 16 countries (Bahrain, Costa Rica, Egypt, Ghana, Hungary, Japan, Kenya, Nepal, New Zealand, Russia, Sri Lanka, Tanzania, Togo, Uganda, UK, and Zimbabwe).

Through panel discussions on export policies and e-commerce exports, international delegate presentations highlighting opportunities worth INR 200 crore, pre-scheduled B2B meetings, live product demonstrations, and intensive networking, the RBSM created a dynamic platform for global integration.

Inaugurated by Shri Vikas Pansare (IAS), Managing Director, MSSIDC, who stressed bridging global market gaps and fostering long-term trade ties, RBSM delivered remarkable outcomes: 50 MoUs were signed, securing export deals worth USD 899,000 and joint projects valued at USD 12.2 million and significantly accelerated

export growth, built enduring international partnerships, and solidified Maharashtra's role as a premier MSME export hub.



“Through the Reverse Buyer-Seller Meet, we are bridging the gap between Maharashtra's MSMEs and international buyers, creating opportunities for cross-border partnerships. We're focused on strengthening market-matching mechanisms and fostering export readiness. This platform aims to promote Maharashtra's MSME capabilities and generate meaningful, long-term trade relationships that boost the state's exports.”

- Shri Vikas Pansare (IAS)  
Managing Director, MSSIDC

## 4th Edition of International SME Convention 2025 – Delhi

The International SME Convention 2025, held from 2nd-4th November 2025 in New Delhi, stood as a flagship global gathering for MSMEs, with a strong focus on high-impact B2B meetings. Organised by India SME Forum, the convention aligned powerfully with the Facilitation and Ecosystem pillars, creating a vibrant platform for cross-border trade, investment, knowledge exchange, and policy dialogue.

The event aimed to elevate Indian MSMEs' global competitiveness by connecting them directly with international buyers, policymakers, and industry leaders, fostering partnerships that drive export growth, innovation, and sustainable business expansion.

Bringing together 45 international buyers from 16 countries with hundreds of Indian entrepreneurs, the convention facilitated over 400 scheduled B2B meetings. These intensive interactions culminated in the signing of 15 deal memos between Indian sellers and international buyers, marking tangible steps toward new export orders, joint ventures, and strategic collaborations.

This high-energy convention reinforced global confidence in Indian MSMEs, opened new market avenues, and strengthened an inclusive international ecosystem that supports sustained growth and opportunity for small enterprises worldwide.





## AP-MSME Export Development Convention 2025 – Visakhapatnam

The AP-MSME Export Development Convention 2025, held on 9th-10th November 2025 at Fairfield by Marriott, Visakhapatnam, was a key initiative by India SME Forum in collaboration with Andhra Pradesh MSME Development Corporation (APMSME) and supported by the Ministry of MSME and the World Bank. Aligning with Facilitation and Ecosystem pillars, it empowered Andhra Pradesh's 18.6 lakh MSMEs with global market access amid shifting trade dynamics.

Over 250 MSMEs from sectors like Agro & Food Processing, Automotive & EV, Pharmaceuticals, Electronics, Engineering, Textiles, Renewable Energy, and Chemicals connected with 35 international buyers from 13 countries (Costa Rica, Egypt, Ghana, Hungary, Kenya, Malawi, Nepal, New Zealand, Russia, Sri Lanka, Tanzania, Togo, Uganda, and Zimbabwe). Through panel discussions on export policies and e-commerce, delegate presentations highlighting INR 174 crore opportunities, pre-scheduled B2B meetings, live demonstrations, and networking, the event drove strategic insights and direct linkages.

Inaugurated by dignitaries including Shri Kondapalli Srinivas (Hon'ble Minister for MSME), Shri P. Vishnu



“Andhra Pradesh stands at the threshold of a remarkable transformation, powered by visionary leadership and an unyielding commitment to innovation. Under the Hon'ble Chief Minister's guidance, our state is embracing futuristic technologies, building robust industrial clusters, and empowering MSMEs to scale from micro to global enterprises. With policies tailored for every sector, common facility centres to strengthen competitiveness, and financial inclusion through enhanced credit support, we are creating a thriving ecosystem for entrepreneurs. Today, Andhra Pradesh is not just fostering business; it is nurturing a culture of enterprise, excellence, and global collaboration. Together, we are shaping a new era where every family can dream, build, and lead as entrepreneurs of tomorrow.”

**- Shri Kondapalli Srinivas**

Hon'ble Minister for MSMEs, Government of Andhra Pradesh,



Kumar Raju (MLA), Shri Tammireddy Siva Sankara Rao (Chairman, APMSME), and Shri Vishwa M (CEO, APMSME), it culminated in 25 MoUs signed with 171 MSMEs, fostering export deals, partnerships, and joint ventures.

With 60% first-time exporters, 22% women-led enterprises, and 18% from marginalised sections, the inclusive convention boosted confidence, global integration, and Andhra Pradesh's role in India's export growth.

## 3rd India–Djibouti Business Forum

**T**he 3rd India–Djibouti Business Forum, a virtual webinar on 26th November 2025 themed “Discussion on Strategic and Economic Cooperation Initiatives between India and Djibouti”, was jointly organised by the Embassy of India in Djibouti and India SME Forum.

The forum aimed to boost bilateral trade and investment by connecting Indian and Djiboutian businesses and facilitating B2B interactions among entrepreneurs and government officials.

Key participants included H.E. Mr. M. Keivom, Ambassador of India to Djibouti; H.E. Mr. Abdillahi Assoweh Isse, Ambassador of Djibouti to India; Mrs. Safia Mohamed Ali Gadileh, Secretary of State for Investment, Djibouti; Mr. Mahdi Darar Obsieh, Director General, National Investment Promotion Agency, Djibouti; and Ms. Deepali Agrawal, Deputy Managing Director, Exim Bank, India.



*H.E. Mr. M. Keivom, Hon'ble Ambassador of India to Djibouti  
Mrs. Safia Mohamed Ali Gadileh, Secretary of State Secretariat for Investment and Private Sector Development*

Outcomes included productive B2B dialogues, greater awareness of trade and investment opportunities, and strengthened linkages paving the way for future MSME collaborations

between the two nations. This initiative highlighted India's growing Africa engagement and India SME Forum's role in fostering international ecosystems for MSMEs.

## India-Chile Startup Bridge

**T**he India-Chile Startup Bridge, a virtual webinar held on 22nd September 2025, fostered innovation and bilateral ties between Indian and Chilean startup ecosystems. Organised by India SME Forum, it aligned with Ecosystem and Facilitation pillars.

The session briefed Indian MSMEs and startup leaders on Chile's “BIG” program under Startup Chile, featured interactive discussions with Chilean stakeholders, and evaluated startups via live elevator pitches, shortlisting promising ones for the Entrepreneurship, Innovation & Investment Summit in Chile 2025.

With India SME Forum's facilitation, the webinar enabled compelling pitches, direct engagement with



Chilean investors and accelerators, and heightened awareness of cross-border trade, investment, and ecosystem opportunities. It

strengthened bilateral linkages and built a solid foundation for future MSME and startup collaborations between India and Chile.



## India-Sweden Business Roundtable – New Delhi

**T**he India-Sweden Business Roundtable, held on 16th September 2025 at the Constitution Club of India, New Delhi, served as a strategic platform to deepen bilateral economic ties. Organised with facilitation support from India SME Forum, the roundtable focused on joint opportunities in green technology, smart manufacturing, and exports.

The roundtable aimed to strengthen India-Sweden trade relations by bringing together entrepreneurs, industry leaders, and stakeholders from both nations for meaningful dialogue and collaboration on sustainable innovation and market expansion.

Through productive B2B interactions, the session enhanced mutual understanding of trade and investment landscapes, highlighted emerging opportunities in priority sectors, and forged stronger business linkages. Participants gained valuable insights into each country's MSME ecosystem, paving the way for future partnerships, joint ventures, and export initiatives.



This focused engagement reinforced India-Sweden cooperation in high-growth areas, boosted confidence among MSMEs for cross-border ventures, and contributed to building a resilient, innovation-driven bilateral ecosystem.

## Launch of Strategic Collaborations: Centres of Excellence - India SME Forum at UNIDO GC in Riyadh

**T**he Launch of Strategic Collaborations: Centres of Excellence, Intelligent Manufacturing and Robotics Hubs, and the Open Innovation Program, a high-level side event held on 24th November 2025 from 11:30 a.m. to 12 p.m. in Riyadh, Saudi Arabia, showcased UNIDO's commitment to advancing industrialization through international partnerships. Hosted by the Ministry of Industry and Mineral Resources of Saudi Arabia as part of the Global Industry Summit 2025 (UNIDO's 21st General Conference from 23-27 November), the event aligned with the Ecosystem and Facilitation pillars of India SME Forum.



India SME Forum President Mr. Vinod Kumar participated in this prestigious forum, sharing his expertise in artificial intelligence, digital economy, and sustainable industrial growth. The initiative aimed to promote inclusive and sustainable industrialization, explore digital technologies, targeted investments, and strategic partnerships to shape future industries, while amplifying youth voices in co-creating innovative solutions under the "Investment and Partnership Day" theme.

The event facilitated meaningful exchanges among global leaders, fostering collaborations in green tech, smart manufacturing, and robotics. Mr. Kumar's contributions highlighted India's MSME role in driving economic transformation, strengthening international ties, and supporting the 2030 Agenda for Sustainable Development.

This participation underscored India SME Forum's global influence, enhancing bilateral cooperation with UNIDO and Saudi Arabia, and opening avenues for Indian MSMEs in intelligent manufacturing and open innovation programs.



# PATENTS AS ENGINES OF GROWTH

## India's Innovation-Led Economic Transformation

***What changed when India finally put its smallest businesses at the center of its growth strategy? This transformation of MSMEs reveals how policy vision can turn vulnerability into national strength***

India's patent landscape has undergone a remarkable transformation over the past decade, emerging as a cornerstone of the nation's innovation-driven economic growth strategy. With the country securing the 6th position globally in patent filings and improving from 81st to 38th rank in the Global Innovation Index between 2015 and 2025, patents have become instrumental in positioning India as a knowledge-based economy. The surge in patent activity reflects not merely quantitative growth but a fundamental shift in how innovation contributes to national prosperity,

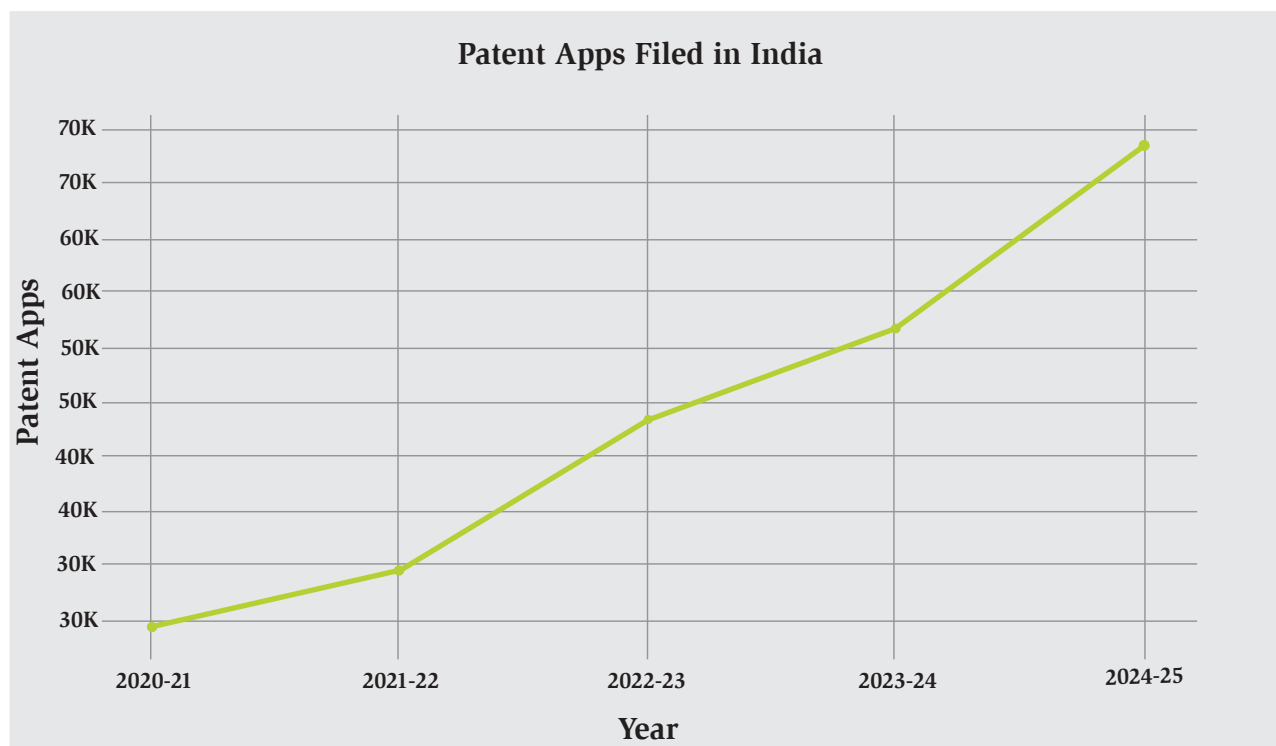
with patent filings increasing from 42,763 in 2014-15 to over 92,000 in 2023-24. This extraordinary journey demonstrates the critical intersection between intellectual property protection and economic advancement, particularly as India witnesses its patent-to-GDP ratio climbing from 144 in 2013 to 381 in 2023.

### **The Evolving Patent Landscape in India**

India's patent ecosystem has experienced unprecedented growth, characterized by several transformative milestones. In fiscal year 2023-24, the country granted

an astounding 103,057 patents, marking a remarkable 1,624% increase since 2014-15. This acceleration reflects a maturing innovation environment where domestic innovators now contribute more than 55% of total patent applications, surpassing foreign filings for the first time in history. The geographic distribution of innovation has also expanded beyond traditional hubs, with Tamil Nadu leading at 9,565 applications, followed by Maharashtra and Karnataka, while emerging states like Uttar Pradesh, Punjab and Telangana demonstrate impressive numbers. The processing efficiency of India's patent office has improved substantially, with examination





Source: Rising Patent Applications in India (2020–2025) Report, Ministry of Commerce & Industry, PIB (July 2025) and WIPO.

Year	Patent Applications Filed
2020-21	24,326
2021-22	29,508
2022-23	43,301
2023-24	51,571
2024-25	68,176

Source: Report, Ministry of Commerce & Industry, PIB (July 2025) and WIPO.

pendency reduced to 49.5 months for final decisions and an average of 10.6 months to first action. The introduction of expedited examination mechanisms has further shortened timelines to 1-1.5 years for eligible applicants, making patent protection more accessible and timely. These improvements signal a governmental commitment to streamlining procedures, digitizing operations and aligning with international best practices, thereby creating an innovation-friendly environment that encourages both domestic and foreign inventors to seek protection in India.

### Patents as Catalysts for Economic Growth and National Development

Patents serve as powerful economic

enablers that drive national development through multiple interconnected pathways. The relationship between patent activity and economic prosperity is evidenced by the positive correlation between patent filings and GDP growth, with India's patent-to-GDP ratio demonstrating how innovation scales alongside economic expansion. Patents stimulate investment in research and development by assuring inventors that their innovations will be protected from unauthorized replication, thereby justifying the substantial costs and risks associated with developing new technologies.

The economic impact of patents extends beyond individual inventors to encompass broader societal

benefits, including job creation, technology transfer and competitive market dynamics. Patents facilitate the introduction of inventions to the market and the establishment of new enterprises, enhancing productivity and generating income through licensing arrangements, royalties and product sales. For a developing nation like India, patents also encourage foreign direct investment and technology transfer, as international companies seek protection for their innovations in markets with robust intellectual property frameworks. The knowledge-sharing aspect of patents further contributes to economic development, as patent disclosures become part of the public domain after protection expires, enabling subsequent innovators to build upon existing knowledge and drive incremental innovations.

### MSMEs: The Emerging Powerhouses of Patent Innovation

Micro, Small and Medium Enterprises constitute the backbone of India's



economy, accounting for over 63 million units, employing more than 110 million people, generating approximately 30% of GDP, and contributing 45.79% of total exports. Despite their economic significance, MSMEs have historically been underrepresented in the patent system, together with startups, accounting for less than 10% of annual patent filings. However, recent data reveals an encouraging transformation: patent filings by MSMEs and startups have surged by an extraordinary 310% over the past five years, climbing from 1,492 in 2018-19 to 6,120 in 2023-24.

This remarkable growth can be attributed to increased awareness of intellectual property rights as strategic business assets, combined with supportive government policies, including 80% fee reductions for patents, 75% reductions for design applications, and comprehensive schemes like the MSME Support for Commercialisation of IP (MSME-SCIP) Programme. These initiatives

provide reimbursements up to 10 lakhs for Indian patents and 15 lakhs for foreign patents, along with support for trademarks, copyrights, biomaterials, datasets and know-how licensing. The National Intellectual Property Awareness Mission, launched in 2021, has educated over 2.4 million students and faculty about IP rights, creating a foundation for sustained patent engagement among future entrepreneurs.

### Why MSMEs Should Strategically Invest in Patents

For MSMEs operating in competitive markets with limited resources, patents represent strategic assets that offer multifaceted advantages extending far beyond legal protection. Patents provide exclusive rights to unique products or processes, preventing competitors from directly copying innovations and allowing MSMEs to establish strong market positions without immediate threats of imitation. This exclusivity enables premium pricing strategies, stronger customer loyalty, and sustainable growth trajectories that avoid destructive price competition.

Patents enhance MSME credibility and attract investment, as investors view strong intellectual property portfolios as indicators of higher growth potential and competitive advantage. Studies demonstrate that small companies with registered IP rights are 21% more likely to achieve high growth than those without such protection. Patents also open revenue streams through licensing agreements, allowing MSMEs to generate income without scaling production or distribution infrastructure. Royalty rates can reach up to 20% of net revenue generated by patented technology, providing predictable income flows with minimal risk.

In the global marketplace, patents facilitate export opportunities by providing legal protection in international markets, thereby fostering confidence in pursuing overseas expansion. Patents also serve as valuable tools for strategic partnerships, joint ventures, and collaboration opportunities with larger corporations that prefer partnering with patent-holding entities rather than developing similar technologies independently. For MSMEs seeking acquisitions or mergers,



robust patent portfolios significantly enhance valuations, with patents often becoming decisive factors that fetch higher purchase prices.

### How Patents Propel Company Growth and Market Leadership

Patents fundamentally transform company trajectories by creating defensible competitive moats that sustain market leadership over extended periods. Companies with patent portfolios can establish technological barriers that deter competitors, command premium pricing due to unique offerings and leverage exclusivity to capture significant market share. The pharmaceutical sector exemplifies this dynamic, where patented drugs face no generic competition during protection periods, allowing manufacturers to price products at substantial premiums, often experiencing 50-80% price drops when patents expire and generics enter.

Patents enable companies to monetize intellectual assets through diverse channels, including licensing to multiple parties, cross-licensing arrangements that provide access to external technologies, patent

pools that facilitate industry-wide standardization and outright sales of non-core patents to generate capital. Technology transfer facilitated by patents allows companies to expand into new markets, overcome regulatory barriers through the Patent Cooperation Treaty mechanism and mitigate risks through strategic partnerships.

The reputational and signaling benefits of patents cannot be understated, as patent portfolios demonstrate technical expertise, specialization and innovation capacity to customers, partners and investors. Some companies incorporate patents into marketing campaigns to project innovative images, while others use patent portfolios as bargaining chips in negotiations, providing leverage in cross-licensing discussions and partnership formations. Patents also protect against legal threats, providing grounds for enforcement actions against infringers and securing compensation for damages.

### Symphony Limited: Patent-Driven Growth

Founded in 1988 in Ahmedabad, Symphony Limited transformed into

India's leading air cooler brand and a global player across 60+ countries by strategically building a robust IP portfolio comprising 51 patents, 419 trademarks, 82 registered designs and 20 copyrights. By patenting key innovations like touch controls and air-cleaning technologies, Symphony created insurmountable competitive barriers that prevented rivals from replicating its products, enabling premium pricing, high profit margins and sustained market leadership. Strategic acquisitions of international companies like IMPCO (U.S.) and Keruilai (China) further strengthened its patent arsenal and global presence. Symphony's success demonstrates a critical truth for Indian MSMEs: patents aren't just legal shields but engines of exponential business growth when treated as core business strategy rather than compliance formalities; they unlock global markets, premium valuations and industry-wide competitive advantages.

### Building an Innovation-Led Future

India's patent journey reflects a nation transitioning from an imitation economy to an innovation powerhouse, with patents serving as critical instruments for economic transformation. As the country continues ascending the Global Innovation Index rankings and strengthening its patent ecosystem through policy reforms, digital initiatives and awareness programs, the transformative potential of patents in driving inclusive economic growth becomes increasingly evident. For MSMEs, embracing patents as strategic business assets rather than mere legal formalities represents a pathway to sustainable competitiveness, global market access and long-term prosperity. The convergence of supportive government policies, reduced administrative burdens, enhanced examination efficiency and growing IP awareness positions India to leverage its creative capacity for national development, ensuring that innovation translates directly into economic power and improving the lives of millions across the nation. **bwise**

**In the global marketplace, patents facilitate export opportunities by providing legal protection in international markets, thereby fostering confidence in pursuing overseas expansion.**





# OPPORTUNITIES BEYOND BORDERS GERMANY

***As global markets shift, Indian MSMEs are discovering fresh possibilities beyond traditional export destinations. Germany stands out as a structured, sustainability-driven market where small Indian businesses can scale globally.***

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**T**hey say you should never put all your eggs in one basket, and for Indian MSMEs, this lesson rings true today. While traditional markets remain important, new windows of opportunity are now

opening in Germany, offering Indian exporters fresh ground to explore.

Take Amit, a small business owner from India. He had been selling handmade crafts and food items locally and abroad. When he heard about the growing

demand for sustainable and high-quality products in Germany, he explored this new market. At first, he wasn't sure, as Germany was unfamiliar to him. But what he discovered was a market that was big, welcoming, and structured to support small businesses like his.





### Why Germany is Good for Indian MSMEs?

Germany sits at the heart of Europe, making it a natural gateway to neighbouring countries like France, Austria, and the Netherlands. It is known for its efficient systems, supportive policies, and well-regulated business environment. Importantly, Germany places a high value on innovation, sustainability, and ethical trade, which aligns perfectly with the strengths of Indian MSMEs.

Both Indian and German MSMEs form the backbone of their economies. In Germany, over 99% of all companies are 'Mittelstand', employing nearly 60% of the workforce. Similarly, India's MSMEs account for almost 30% of GDP and 45.6% of exports, providing livelihoods to millions. While German MSMEs are known for precision, technology, and process-driven efficiency, Indian MSMEs

excel in craftsmanship, adaptability, and cost-effective solutions. Together, they complement each other; German MSMEs or Mittelstand bring in advanced technology and know-how, while Indian MSMEs add creativity, scale, and diverse product offerings.

This complementarity creates rich opportunities for collaboration. Indian firms can support German businesses with IT services, software, and digital transformation while learning from German expertise in automation and Industry 4.0. Sustainable products such as organic food, textiles, handicrafts, and eco-friendly innovations from India find strong demand in Germany, where consumers increasingly prefer green and ethical products. Manufacturing partnerships also hold promise, combining German engineering with India's affordable production capacity to create globally competitive ventures. Equally, Germany's vocational training model, admired worldwide, offers a chance for Indian MSMEs to enhance workforce skills through joint skilling and training initiatives.

Germany's strength in global trade makes the country an even more attractive destination for Indian entrepreneurs. As Europe's largest economy and the world's third-largest exporter, Germany is known for its machinery, automobiles, chemicals, and high-tech goods. Yet, it is also a major importer of food, textiles, and consumer products, sectors in which India is already a strong player. Germany's openness to trade, its reputation for quality, and its consumer base that values sustainability makes it a natural partner for Indian MSMEs looking to expand internationally.

### India-Germany Renewable Energy Collaborations

The partnership between India and Germany has already found firm ground in renewable energy. In recent years, the two countries signed agreements to cooperate on green hydrogen, solar power, and sustainable energy financing. Germany pledged €10 billion in climate finance by 2030 to support India's transition to clean energy. Joint projects are already underway in solar parks, wind energy, and green mobility, with MSMEs playing

**Both Indian and German MSMEs form the backbone of their economies.**





an important role as suppliers and service providers. Looking ahead, opportunities in battery storage, hydrogen technologies, circular economy solutions, and energy-efficient manufacturing are set to deepen collaboration between Indian and German small businesses.

Starting a business in Germany does not need to be intimidating. MSMEs can seek assistance from local support offices and business centres like the Indo-German Centre for Business Excellence or Indo-German Business Promotion. Training programs and mentorship opportunities allow entrepreneurs to learn directly from experienced business owners, while government initiatives offer financial support for startup costs and market research. Picking a strong business idea and understanding the needs of German customers is an essential first step.

For Indian MSMEs, entering the German market is not as difficult as it may seem. Some of the most effective approaches include participating in Germany's world-renowned trade fairs, where hundreds of buyers and partners gather from across Europe, and building connections through the Indo-German Chamber of Commerce and other local networks. Support from the Indian Export Promotion

Councils and government schemes can also ease entry into the market. Online platforms such as Amazon.de, Zalando, and Etsy provide access to German consumers without the need for physical stores, while B2B portals connect businesses directly with wholesale buyers. Forming joint ventures with German MSMEs in sectors such as technology, manufacturing, and renewable energy creates long-term opportunities, while certifications like CE, ISO, and Fair Trades help build credibility and trust. Germany's thriving startup and innovation ecosystem, combined with its strong push for green energy, offers fertile ground for Indian MSMEs to grow and collaborate.

### **From Government Support to Friendly Global Markets: A Win for Indian Products**

The German government further strengthens the business environment by offering grants, low-interest loans, and training programs designed to support new businesses. Special regulations make it easier to hire workers and obtain permits, while participation in international fairs and events creates direct exposure to buyers and partners. For MSMEs that bring innovative ideas or eco-friendly products, the government provides additional incentives and support.

German consumers, meanwhile, are open-minded, curious, and quality-driven. They appreciate products that are not only well-made but also come with a story, something that Indian MSMEs, with their traditions of craftsmanship and sustainability, can naturally provide. A handwoven textile, a spice blend, or a handcrafted toy from India is often valued not just as a product but as a cultural expression.

For Amit, this became the turning point. With help from a local German support office, he listed his crafts on popular online platforms and began showcasing his products at trade fairs. Slowly, orders started flowing in, not just from German customers but also from buyers in neighbouring countries. What once felt uncertain soon turned into an opportunity for growth on a much larger scale.

For Indian MSMEs, Germany is more than just a market; it is a platform to grow across Europe, learn from one of the world's most successful MSME ecosystems, and form partnerships built on innovation and sustainability. The lesson is clear: markets evolve, and with them new horizons appear. The key lies in exploring, adapting, and being ready to step forward. **bwise**





## ACCELERATING EXPORTS THROUGH GIs

### A Global Gateway for MSMEs

***India's Geographical Indication products embody the heritage of their regions. With strategic branding, quality assurance, and global market access, GIs—from Darjeeling Tea to indigenous crafts—can unlock significant economic value for rural communities and MSMEs.***

**A**mid the rolling hills of West Bengal, the aroma of freshly plucked tea leaves tells a story centuries in the making. For 52-year-old farmer Gopal, every harvest carries the legacy of his family and the unique identity of Darjeeling Tea. Yet for years, imitation teas and local market constraints kept his earnings modest. The game changer arrived when Darjeeling Tea received India's first Geographical Indication (GI)

tag, unlocking global recognition and new markets for his cooperative.

As of March 2025, India's cultural and agricultural richness is reflected in over 658 registered GI products including spanning textiles, handicrafts, food items, and agricultural produce. Each GI links a product's uniqueness to its place of origin, its people, and enduring traditions. For rural artisans, farmers, and small businesses, GIs serve as economic passports, safeguarding

against imitation, enhancing credibility, and opening access to premium domestic and international markets. Unlike generic goods, GI-certified products cannot be replicated outside their native regions, giving producers a competitive edge while preserving centuries-old skills.

The impact is already visible: Banarasi Sarees have been revived through women-led cooperatives selling directly to global buyers; Aranmula Kannadi, Kerala's rare

handcrafted mirrors, command high premiums internationally; and Assam Orthodox Tea has established a niche in specialty markets across Europe and the Middle East. These examples illustrate how GI certification can expand markets, boost incomes, and preserve cultural heritage, offering rural communities sustainable pathways into global trade.

### Bridging Tradition and Global Markets

Despite Darjeeling Tea's global recognition, many Indian GI products remain under-recognised. Unlike Champagne or Scotch Whisky, carefully positioned as symbols of heritage and luxury, products such as Kaju Feni or Madhubani Paintings are often sold without the storytelling and branding that highlights their cultural roots. This lack of narrative and quality positioning limits their appeal in premium international markets.

Strategic interventions, consistent quality standards, collective producer action, compelling storytelling, and targeted marketing are essential to unlock their full potential. With the right support, Indian GI products can reach global consumers who value authenticity, generate economic opportunities,

uplift rural communities, and showcase India's cultural heritage worldwide.

### Globalising India's GI Products

The global success of products like Champagne, Parmesan Cheese, and Darjeeling Tea demonstrates that GIs are not just legal protections but also powerful tools that link heritage, quality, and origin to global prestige. Champagne commands premium prices not merely for its production, but because France has meticulously positioned it as a symbol of luxury and exclusivity. Similarly, Scotch Whisky is inseparable from Scotland's identity, while Mexico's Tequila

**With the right support, Indian GI products can reach global consumers who value authenticity, generate economic opportunities, uplift rural communities, and showcase India's cultural heritage worldwide.**



has evolved from a regional drink into a globally recognised emblem through strict regulation, quality assurance, and sustained promotion.

In contrast, many Indian GI products, such as Banarasi Sarees, Kanchipuram Silk, Kashmiri Carpets, Kaju Feni, and Madhubani Paintings, remain under-recognised despite exceptional craftsmanship. The gap is not in quality, but in the absence of strong branding, compelling storytelling, and structured global market access. To bridge this, India needs a comprehensive internationalisation strategy: building awareness in premium markets like the United States, Japan, France, and the Gulf; partnering with international retailers and e-commerce platforms; and positioning Indian GIs alongside globally celebrated heritage products.

Trade fairs and cultural showcases are critical gateways. Indian handlooms can feature at Paris Fashion Week, GI-tagged spices at Berlin's Green Week, and traditional sweets like Mysore Pak at Dubai gourmet festivals. Dedicated "India GI Pavilions" at expos such as Ambiente, Maison & Objet, and Gulfood can provide collective visibility and direct buyer access. Complementary cultural diplomacy, India Weeks in London, Tokyo, and New York, collaborations with Michelin Starred chefs, and partnerships with international designers can reposition GI products as aspirational lifestyle offerings, blending heritage with contemporary global trends.







The key lesson from global experience is clear: registering a GI is only the first step. Elevating a product to international prestige requires collective producer action, rigorous quality standards, evocative storytelling, and sustained long-term branding. Organised cooperatives, standardised certification, and professional marketing are essential to transforming India's centuries-old crafts into globally respected brands.

### From Tradition to Prestige

Champagne's global status stems not just from its production but from decades of strategic branding. French producers positioned it as a symbol of luxury, celebration, and exclusivity, linking it to prestigious events, from royal courts to Hollywood. Marketing campaigns, celebrity endorsements, and festive associations reinforced its aspirational image, emphasizing lifestyle, heritage, and cultural identity.

Darjeeling Tea presents a parallel opportunity. Its unique aroma, flavor, and cultivation heritage already set it apart, yet its global recognition is limited compared to Champagne. By adopting similar branding strategies and storytelling around terroir, artisanal cultivation, and historical legacy, Darjeeling Tea

**The global success of products like Champagne, Parmesan Cheese, and Darjeeling Tea demonstrates that GIs are not just legal protections but also powerful tools that link heritage, quality, and origin to global prestige.**

and other Indian GI products can enhance their market positioning. Targeted campaigns in premium markets, collaborations with chefs and lifestyle brands, and participation in international trade fairs can elevate perception, create aspirational value, and expand business opportunities.

Other GI products such as Banarasi Sarees, Kashmiri Carpets, Kaju Feni, and Madhubani Paintings carry rich histories, intricate craftsmanship, and distinctive regional identities. By emphasizing these cultural roots, standardising quality, and adopting narrative-driven branding,

these products can differentiate themselves in international markets, moving beyond commodities to symbols of heritage and artisanal excellence. Strategic use of trade fairs, e-commerce, designer collaborations, and cultural showcases can amplify visibility, command premium pricing, and secure access to high-value markets.

The experience of Darjeeling Tea demonstrates that GI recognition alone is not enough. Only when origin, quality, and storytelling converge can regional products transform into globally respected commodities. Replicating this approach across India's diverse GI landscape can elevate rural artisans, increase profitability, and create sustainable economic opportunities, turning centuries-old crafts into thriving global businesses that carry the story of India's heritage worldwide.

### From Heritage to Global Value Chains

If nurtured with vision, India's GI products can do more than boost exports; they can transform villages into entrepreneurial hubs. Rural MSMEs can emerge as global ambassadors of India's cultural and agricultural wealth.

In the hills of Darjeeling, Gopal carefully packs boxes of Darjeeling Tea bound for Europe. "For years, I thought our tea belonged only to our region. Now, people across the world savor it with pride," he reflects.

His story is just one leaf in a larger tapestry of transformation, highlighting the potential of India's traditional products. With strategic branding, quality standards, organised cooperatives, and supportive policies, artisans and farmers can reach discerning global consumers. Through focused internationalisation, India's villages can showcase their heritage worldwide, one GI product at a time. **bwise**

# SURVIVING DISASTERS: THE SIGACHI INDUSTRIES SAGA

*Following a tragic industrial incident at Sigachi Industries in June 2025, India SME Forum engaged with its leadership in December to discuss safety, governance, accountability, and lessons learned—shared here to encourage constructive industry dialogue.*



In June 2025, we woke up to the shocking news of a tragic industrial accident at a Sigachi Industries manufacturing facility, resulting in loss of life and injuries to workers. The incident deeply concerned us and brought renewed focus on industrial safety, governance, and accountability in high-risk manufacturing. It also highlighted challenges often faced and at times overlooked by MSMEs, including rapid scale-up without commensurate risk controls, gaps in safety culture, and the tendency to view compliance as a procedural requirement rather than a core operational priority.

Sigachi has been a long standing Member of India SME Forum and given the seriousness of the incident and its wider implications for the MSME sector, India SME Forum managed to visit the Company for a brief interaction after the incident with Mr. Amit Raj Sinha, Managing Director and CEO of Sigachi Industries, in December 2025, to understand what transpired and the lessons the company claims to have drawn. As Sigachi

Industries is a member of the Forum, and as part of our responsibility to facilitate informed industry dialogue, we considered it important to place this perspective on record. This interview is published to contribute to constructive discourse without prejudice, endorsement, or judgment so that MSMEs and manufacturing stakeholders can reflect on these issues and strengthen safety, compliance, and governance practices going forward.

**Q: Could you take us back to the origins of Sigachi Industries? What was the vision when you started, and what problem did you aim to solve?**

Sigachi's journey began with a very simple but powerful thought: India must not only be a consumer of high-quality pharmaceutical inputs but also a producer that the world can trust. Back in the early days, the pharmaceutical excipients market was heavily dependent on imports, and there was a trust deficit when it came to Indian manufacturing standards. The vision was to bridge that gap to create a company that delivered uncompromising quality, reliability, and innovation from India to the world.





From day one, our philosophy was purpose-driven customer obsession, asking ourselves, “How can we empower our customers to make medicines safer, more effective, and more affordable?” That purpose continues to guide us even today as we diversify into APIs, Food & Nutrition and O&M division.

**Q: Sigachi is in the news for the unfortunate accident recently. Could you share your personal experience of that day?**

30 Jun 2025, will remain the most difficult day of my life and in the history of Sigachi. The sudden dust explosion at our Hyderabad unit led to the collapse of a production block and the tragic loss of many valued colleagues. In those first moments, there was shock and disbelief, but very quickly, the focus shifted to what mattered most: saving lives, supporting the injured, and standing with the families of those affected.

What I remember most is how the Sigachi team came together selflessly. Colleagues were at hospitals, mortuaries, and relief centers round the clock, some even using their own resources to ensure no family went without food, shelter, or immediate care. It was a moment

“  
*30 June 2025 will remain the most difficult day of my life and in the history of Sigachi.*

”  
**- Mr. Amit Raj Sinha**  
MD & CEO, Sigachi Industries

of deep grief, but also one that showed the character and unity of our people.

That day changed me as a leader. It reinforced that safety, compassion, and resilience must guide every decision as we rebuild a stronger Sigachi.

**Q: How did you reassure your people and stakeholders in the immediate aftermath?**

My first instinct was to ensure that every affected individual and family received immediate support in the form of medical, financial, and emotional aid. We personally reached out to employees on the ground, held discussions with families, and assured them that Sigachi would stand with them, not just in words but in action.

At the same time, I engaged with regulators, industry associations, and customers. The message was clear: safety and transparency are non-negotiable at Sigachi. We did

not hide behind processes; we took accountability and promised corrective action. That honesty, though difficult, helped reassure stakeholders that Sigachi was committed to bouncing back responsibly.

**Q: What systems or policies did you re-examine post the incident?**

The incident was a turning point for all of us at Sigachi, and it demanded nothing less than a decisive reset. We undertook a comprehensive review of our operational controls and risk governance frameworks. Every SOP, escalation protocol, and compliance checkpoint was re-evaluated to ensure they meet the highest standards, not just minimum statutory requirements.

We also invested heavily in safety systems and infrastructure upgrading fire detection and suppression mechanisms, enhancing explosion-prevention systems, and strengthening engineering controls on the shop floor. Safety has moved from being a compliance metric to a cultural cornerstone.

Another area we re-examined was our policies towards people. We rolled out interim compensation and ex-gratia financial support packages for the families of the colleagues we lost and compensation for those injured. But more importantly, we redefined how Sigachi supports its people in moments of crisis with empathy, speed, and transparency.

Finally, we reviewed our transparency and communication frameworks. We realized that trust is built not just by what we produce but by how openly we communicate, even in the most difficult circumstances. That's why we have made stakeholder reporting and board engagement more rigorous, and why we're embedding a culture where bad news is surfaced immediately.

In parallel, we also started a strategic realignment of our portfolio, shifting focus towards margin-led products,

“  
**Transparency builds trust, even during setbacks, sharing bad news faster than good news.**  
”

improving cost structures, and embedding ESG and sustainability deeper into our growth story. This ensures that the reset is not only about safety but also about building long-term resilience.

**Q: What were the most difficult decisions you had to make during the crisis?**

The hardest decision was to take accountability publicly, even before we had all the facts. As a leader, that is never easy because the spotlight is intense and the scrutiny unforgiving. But it was the right thing to do.

Equally difficult was the decision to pause certain operations, despite the financial impact, to ensure that a full review and reset could be done. It was painful commercially but morally necessary. Looking back, those decisions defined the values Sigachi stands for.

**Q: How did your leadership team and employees bounce back emotionally and professionally?**

Resilience doesn't happen overnight. We created forums for open conversations, brought in counseling experts, and acknowledged the pain rather than brushing it aside. This human approach gave our people the strength to recover emotionally.

Professionally, we re-anchored ourselves to the Panch Vridhhi growth roadmap, reminding teams that our journey of building Sigachi was bigger than a single setback.

Step by step, project by project, our people rebuilt confidence. The fact that we didn't lose sight of our future helped everyone bounce back with renewed energy.

**Q: Did the accident change your perspective on risk management and operations?**

Completely. Risk management is no longer a compliance exercise; it is the DNA of our decision-making. Every new plant, process, and project is now evaluated with safety and resilience as central metrics. For me personally, it was a humbling reminder that leadership is about foreseeing risks, not just managing them when they occur.

**Q: How did investors, customers, and industry peers respond?**

I was deeply moved by the solidarity. Investors and board members stood by us, offering guidance while also demanding accountability. Customers, many of whom have been with us for decades showed patience and trust, continuing to work with us through the transition. Industry peers reached out with empathy, reminding us that in times of crisis, the community matters as much as competition.

This mix of support and constructive pressure became a driving force in our recovery.

**Q: What do you consider Sigachi's biggest milestone so far?**

Our biggest milestone is our credibility on the global stage. Numbers and revenues matter, but for me, the fact that global pharma leaders trust Sigachi to be part of their value chain is the true achievement. From a modest beginning, we now supply to over 50 countries, hold multiple regulatory accreditations, and are part of critical supply chains worldwide. That credibility is hard-earned and priceless.

**Q: Apart from the accident, what failures or stumbling blocks shaped your journey?**

Every leadership journey is marked





“My advice is simple: treat failures as teachers, not verdicts.”

not just by successes but also by moments that test resilience. Beyond the tragic accident, one of the biggest stumbling blocks for me has been managing people's growth in a fast-scaling organization. As Sigachi expanded across geographies and verticals, aligning diverse teams, building leadership depth, and sustaining a consistent culture often proved more challenging than strategy or finance.

There were times when systems lagged behind growth, and talent development did not keep pace with opportunity. Those gaps reminded me that building businesses is as much about nurturing people as it is about building products. Each failure or delay became a lesson in the need for stronger leadership pipelines, better mentoring, and continuous investment in human capital. These experiences, though difficult, shaped me into a more grounded leader, focused not only on financial growth but also on creating an environment where our people can grow with the company.

**Q: What is the most valuable lesson you've learned from failure?**

The most valuable lesson is that transparency builds trust, even during setbacks. I tell my teams: share bad news faster than good news. Problems don't vanish when you hide them; they multiply. But when you surface them early, we can solve them together. This mindset is slowly getting into Sigachi's cultural ethos.

**Q: How do you balance growth with responsibility?**

Growth without responsibility is hollow. For me, responsibility means three things:

- Towards employees – Ensuring safety, investing in skill development, and building careers.
- Towards society – Strengthening ESG, reducing environmental impact, and contributing to community development.
- Towards stakeholders – Building sustainable, profitable growth

that inspires confidence. We believe profitability and purpose are not opposing goals; they are complementary.

**Q: If you were to restart today, what would you do differently?**

I would invest earlier and deeper in people and culture. Technology changes, markets evolve, but culture is the one sustainable differentiator. If I could go back, I would prioritize building that foundation right from day one.

**Q: What advice would you give to new entrepreneurs about dealing with failures and uncertainties?**

My advice is simple: treat failures as teachers, not verdicts. Every entrepreneur will stumble; what matters is how quickly you learn, reset, and rise again. Build resilience as deliberately as you build revenues. And remember, Entrepreneurship is not a sprint; it's a marathon that tests not only your strategy but also your character. **bwise**

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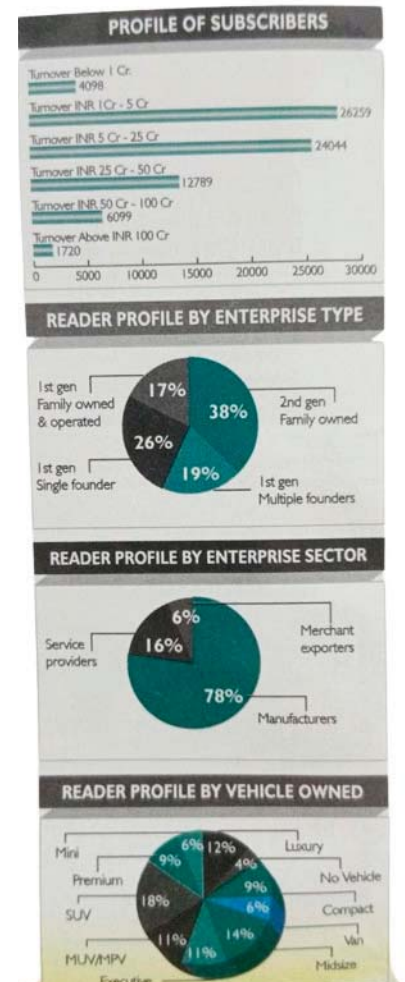
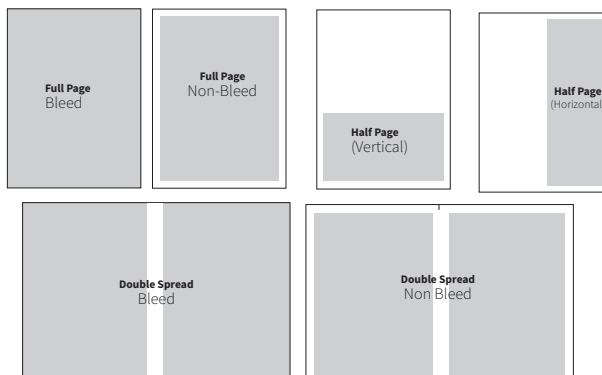
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