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**PRAGYA CONSULTING**

**SUSTAINABLE SOCIAL SENSIBLE**

**Proudly Presents**

**India's First Magazine dedicated to MSMEs**

# **BizIgnite**

**POWERING INDIA'S MSME REVOLUTION**

IN COLLABORATION WITH:



[Navigating Global Headwinds](#)

[AI for MSMEs](#)

[Powering India's Self-Reliance](#)

# About Us

**Pragya Consulting** is a **registered MSME** dedicated to empowering micro, small, and medium enterprises (MSMEs) with **strategic marketing and branding solutions**. Our mission is to provide sustainable, cost-effective, and tailored solutions that enhance the visibility, credibility, and growth of MSMEs in competitive markets.

## Our Vision

We envision a future where MSMEs seamlessly **transition from informal operations to structured, scalable enterprises**, unlocking their full growth potential and evolving into future multinational corporations (MNCs).

With a strong foundation in economics and marketing, Pragya Consulting blends data-driven insights with innovative marketing strategies to help businesses create a strong market presence.

We specialize in:

- ✔ **Knowledge Management** – Enabling businesses with critical market insights and industry intelligence.
- ✔ **Custom Reports** – We go beyond standard insights by offering customized reports tailored to the specific needs of various stakeholders including industry and Government.
- ✔ **Brand Strategy & Positioning** – Crafting compelling brand narratives that enhance visibility and trust.
- ✔ **Digital & Performance Marketing** – Leveraging online platforms for lead generation, engagement, and conversions.
- ✔ **Thought Leadership & Content Marketing** – Showcasing MSMEs as credible industry leaders through strategic content.
- ✔ **BizIgnite – First indian magazine** dedicated to MSMEs for providing information on policy and regulatory framework in addition to various schemes being offered by Government for empowering MSMEs.

At Pragya Consulting, we don't just offer services; we build partnerships for success.

**Our mission is to transform MSMEs from informal enterprises to structured, competitive businesses ready to scale and compete in global markets.**

# Editorial

The September 2025 edition of BizIgnite highlights India's MSMEs at a pivotal growth phase amid global challenges. This issue features Prime Minister Modi's Independence Day Address, laying out a roadmap for a self-reliant India and emphasizing MSMEs' role in "Viksit Bharat." The landmark Next-Gen GST Reforms 2025 simplify tax slabs, easing compliance and boosting competitiveness for MSMEs.



Key articles include "Navigating Global Headwinds," detailing strategic resilience amid US tariffs; "Government e-Marketplace (GeM)," showing how digital public procurement empowers MSMEs; "AI for MSMEs," exploring affordable AI solutions transforming small businesses; and "Powering India's Self-Reliance," focusing on initiatives like Vocal for Local and the ODOP program.

The edition also spotlights "Digital Pathways to Global Markets," covering ni-msme's efforts to strengthen MSMEs' digital branding and marketing, and shares inspiring "Success Stories" blending tradition with technology. With expert insights and policy updates, BizIgnite reaffirms its commitment to empowering MSMEs as vital drivers of India's economic ascent and global competitiveness.

**Welcome to BizIgnite—Your Partner in Growth.**

**Meera Bhalla**

**Editor-in-Chief, BizIgnite**

**Pragya Consulting**

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# PM MODI'S INDEPENDENCE DAY ADDRESS

## A Roadmap for MSMEs in a Self-Reliant India

Prime Minister Shri Narendra Modi's 79th Independence Day address from the historic Red Fort laid out an ambitious blueprint for India's journey towards becoming a 'Viksit Bharat' (developed India) by 2047. At the heart of this vision lies '**Atmanirbhar Bharat**' (self-reliant India), a concept that presents unprecedented opportunities and responsibilities for Micro, Small, and Medium Enterprises (MSMEs). The speech was a powerful articulation of how India's economic prowess will be built on the strength and innovation of its local businesses, resonating deeply with the '**Vocal for Local**' initiative.

### Self-Reliance as Economic Strength

Prime Minister Modi declared: "*The greatest measure of self-respect even today is its self-reliance.*" He warned that "*the greater a nation's reliance on others, the more its freedom comes into question.*" For MSMEs, this message is unmistakable. Reducing import dependency, localizing supply chains, and enhancing domestic manufacturing capacities will be critical for competitiveness in a world defined by global trade uncertainties.

He highlighted the success of '**Operation Sindoor**', noting that "**Made in India**" defense capabilities enabled swift and effective action. This commitment extends to the **semiconductor industry**, with six new units under establishment and set to start operating by the end of this year. This **presents a significant opportunity for MSMEs to integrate into the high-tech supply chain.**

Similarly, he mentioned a determined drive for **energy self-sufficiency**—through solar, hydro, green hydrogen, and nuclear energy; the **National Deep Water Exploration Mission and the National Critical Mineral Mission** promise business opportunities in exploration, processing, and supply chain management; and the **rise of the space sector** (already home to 300+ startups, many of them MSMEs).

### Quality, Cost, and Global Competitiveness

Reiterating his "*Zero Defect, Zero Effect*" mantra, the Prime Minister urged businesses to compete on global terms by producing high-quality products at competitive prices. His call for "*दाम कम लेकिन दम ज्यादा*" (low price, high value) to urge MSMEs to promote efficiency and innovation, and scale sustainably.

### Reform and Ease of Doing Business

He highlighted a government push toward simplification: over **4,000 compliances removed, 1,500 obsolete laws abolished, and next-generation GST reforms on the horizon.** These measures are designed to reduce regulatory burdens, cut transaction costs, and improve ease of operations.

### Employment and Inclusion

The newly announced **Prime Minister Viksit Bharat Rozgar Yojana**, a ₹1 lakh crore scheme to support 3 crore jobs, directly strengthens the MSME ecosystem by creating a skilled workforce and expanding consumer demand. He also cited "**2 crore women becoming Lakhpati Didis**" through the SHGs initiative.

Prime Minister Modi's speech offered more than rhetoric and highlighted that as India marches towards 2047, MSMEs will remain the indispensable pillars of the **Viksit Bharat vision.**

# MSME SAMACHAR

## Your Gateway to MSME Insights & Innovation

### National-level updates

#### Next-Gen GST Reforms 2025

September 4, 2025

The GST Council, chaired by Union Finance Minister Nirmala Sitharaman, has approved landmark Next-Generation GST reforms aimed at relieving the common man and empowering businesses, especially MSMEs. These reforms, effective from September 22, 2025, simplify VAT structure to just two slabs—5% and 18%—removing the earlier multiple slabs and introducing a 40% rate on luxury and sin goods to ensure revenue balance.

#### Key Benefits for MSMEs

- Simplified Compliance:** Reduction from complex multiple slabs to two main
- Lower Tax Rates on Inputs & Goods:** Many inputs critical for small and medium enterprises—including cement, auto parts, packaging, handicrafts, textiles, and machinery—will now attract significantly lower GST rates (mostly 5%).
- Boost to Cashflow and Competitiveness:** Faster refunds and streamlined GST filing will ease working capital pressures, enabling MSMEs to manage cash flow better and scale operations.
- Support for Exports and Domestic Value Chains:** Rationalization of GST on packaging materials and logistics will reduce supply chain costs, enhancing
- competitiveness** in export markets and domestic supply chains.
- Sectoral Aid:** Lower GST rates on handicrafts, food processing, agriculture machinery, and medical devices will revitalize these labor-intensive and manufacturing sectors critical for MSMEs.

The reforms also aim to **lower prices on essentials and consumer durables**, thereby boosting purchasing power and stimulating consumer demand—factors that will feed growth back into MSMEs and the broader economy.

Overall, these Next-Gen GST reforms mark a decisive step toward a simpler, fairer, and growth-driven tax system,

**Table : Slab-wise GST 2.0 and GST comparison**

GST Slab Category	Existing GST Rates	GST 2.0 Rates (from Sept 22, 2025)	Notes
<b>Essential Goods &amp; Food</b>	Nil to 5%	Nil to 5%	Staple foods, milk, paneer, Indian breads remain exempt or at low rates
<b>Daily Use Consumer Goods</b>	12%, 18%	5%	Includes hair oils, soaps, toothpaste, toothbrushes, bicycles, tableware, packaged food
<b>Services &amp; Standard Goods</b>	18%	18%	Telecom, financial services, electronics, restaurant services, small vehicles
<b>Luxury and Sin Goods</b>	28% + Cess (up to 15%)	40% (Consolidated slab)	High-end cars, tobacco products, aerated beverages shifted to 40% slab
<b>Intermediate Slabs</b>	5%, 12%, 18%, 28%	Mostly eliminated, consolidated into 5% and 18%, with 40% for luxury products	Rationalization cuts complexity and aligns similar products under fewer slabs

### Government Unveils Simplified GST Registration Scheme to Boost MSMEs

September 2, 2025

The Central Board of Indirect Taxes and Customs (CBIC) has launched a Simplified GST Registration Scheme effective September 2, 2025, aimed at easing compliance for small and low-risk businesses.

Under this initiative, eligible applicants can receive GST registration within three working days, significantly reducing waiting time and paperwork.

Businesses classified as low-risk, or those with input tax credit (ITC) claims below ₹2.5 lakh per month, are eligible for this faster process, expected to benefit approximately 96% of fresh applicants.

The scheme supports MSMEs by simplifying tax registration, encouraging entrepreneurship, and strengthening India's position in ease of doing business.

Finance Minister Nirmala Sitharaman emphasized that these reforms are designed not just to reduce tax rates but to streamline processes, lowering compliance burdens and improving ease of living and business operations for small enterprises.

This move complements the broader GST 2.0 reforms launching on September 22, 2025, which rationalize GST slabs to mainly 5% and 18%.

Overall, the simplified registration initiative is a key step toward digital empowerment and formalization of MSMEs, fostering sustainable economic growth.

### US imposes additional 25% tariffs on India

August 27, 2025

The United States imposed an additional 25% tariff on Indian imports, raising total duties to 50% amid geopolitical tensions, particularly India's ongoing purchase of Russian oil. This escalation significantly impacts India's export sectors, especially MSMEs concentrated in labour-intensive industries like textiles, gems and jewellery, leather goods, marine products, and chemicals.

MSMEs, which constitute about 70% of exports in these affected sectors and hold thin profit margins, face the harshest blow. The tariffs threaten India's export competitiveness against regional

rivals such as Vietnam and Bangladesh, potentially leading to a drastic reduction of export volumes by up to 40-45% in FY 2025-26. Key hubs like Surat's diamond industry and Tiruppur's textile exports are already witnessing order cancellations and inventory pile-ups.

Economists estimate a possible 0.2-0.4% hit to India's GDP growth due to this tariff hike, with exports to the US—India's largest trading partner—valued at \$87 billion at risk. Industry stakeholders urge the government to extend financial support and incentives, including interest subventions and subsidies, to mitigate MSMEs' challenges.

The government's strategic response includes diplomatic engagement, market diversification efforts, and exploring relief schemes to cushion MSMEs from this tariff shock.

**Table: impact of US tariffs on key Indian goods and services sectors**

Sector	Tariff Rate Impact	Key Effects on MSMEs
Textiles & Apparel	Up to 50%	Loss of export competitiveness, order cancellations
Gems & Jewellery	Around 50%	Inventory pile-up, reduced demand
Leather & Footwear	Up to 50%	Decline in export orders, pressure on small producers
Marine Products	Up to 50%	Export disruptions, income instability
Chemicals	Up to 50%	Competitive disadvantage, lower export volumes
Pharmaceuticals	Exempt (0%)	No tariff impact, sector remains competitive
Electronics & Semiconductors	Exempt (0%)	No tariff impact

### Government Prepares Four New Schemes to Ease Exporters' Burden Amid 50% US Tariffs

September 3, 2025

The Indian government is finalizing four new schemes aimed at alleviating the heavy burden on exporters facing a sharp 50% tariff imposed by the United States on several Indian goods. These measures specifically target MSMEs in labour-intensive sectors such as textiles, gems and jewellery, leather, footwear, engineering goods, and agri-marine products.

The four key schemes are:

1. **Special Credit Line:** Providing collateral-free loans to MSMEs to ease working capital shortages.
2. **Interest Subvention Scheme:** Offering interest subsidies to exporters to reduce the cost of borrowing.
3. **Refinance Scheme:** SIDBI to provide refinance support to banks and NBFCs to encourage lending to exporters.
4. **Export Incentive Package:** Enhancing export promotion incentives and subsidies to improve global competitiveness.

These schemes aim to protect employment, ease liquidity stress, and provide exporters time to diversify markets. The government's approach includes both financial relief and structural reforms, reflecting a commitment to sustaining India's export growth amid global trade challenges.

Finance Minister Nirmala Sitharaman stressed the importance of supporting MSMEs and pointed to ongoing diplomatic efforts to resolve tariff tensions, while bolstering domestic capacities to withstand international shocks.

### India Highlights MSME Integration and Economic Opportunities at 25th SCO Summit in Tianjin

September 8, 2025

Prime Minister Narendra Modi, in his address at the 25th Shanghai Cooperation Organisation (SCO) Summit held in Tianjin, China, underscored the critical pillars of Security, Connectivity, and Opportunity for regional prosperity. Emphasizing peace and stability as prerequisites for economic growth, he called for coordinated action against terrorism and radicalization, stressing no tolerance for double standards in terrorism handling.

India spotlighted the transformative potential of MSMEs in regional trade and economic collaboration under the SCO framework. Stressing strengthening diversified trade and resilient supply chains, India placed MSME integration into global value chains at the forefront. The country's advances in Digital Public Infrastructure, including real-time payment systems (UPI), identity management (India Stack), and digital commerce (ONDC), were presented as replicable platforms to reduce MSME costs and expand market access across member nations.

The Prime Minister also proposed the establishment of a Civilizational Dialogue Forum to enhance people-to-people ties and cultural understanding among SCO countries. India reaffirmed support for key connectivity projects like the Chabahar port and the International North-South Transport Corridor, aligning with the vision for enhanced cooperation in start-ups, innovation, and youth empowerment.

India's active engagement at SCO amplifies its commitment to sustainable and inclusive growth while boosting MSME participation in global trade, thereby strengthening economic resilience and regional integration.

### India's Semiconductor Mission Accelerates with SEMICON India 2025, Paving Path to Global Leadership

September 5, 2025

India is rapidly emerging as a key player in the global semiconductor industry, fueled by the ambitious India Semiconductor Mission (ISM) and marked by the successful SEMICON India 2025 event held from September 2 to 4, 2025, in New Delhi.

Inaugurated by Prime Minister Narendra Modi, the event featured over 350 companies from 33 countries, showcasing India's evolving ecosystem that spans semiconductor design, manufacturing, packaging, and testing.

The government's ₹76,000 crore Production Linked Incentive scheme has already committed nearly ₹65,000 crore to semiconductor fabrication, packaging, design, and assembly projects across six states. A major milestone was reached with the launch of one of India's first end-to-end Outsourced Semiconductor Assembly and Test (OSAT) pilot facilities in Sanand, Gujarat, by CG Power. This facility aims to produce the first 'Made in India' chip, with the capacity scaling to 14.5 million units per day, while generating over 5,000 jobs.

India is advancing to next-gen technologies with semiconductor design focused on 3-nanometer chips, Silicon Carbide fabrication for high-temperature and high-voltage applications crucial for defense and aerospace, and cutting-edge 3D glass packaging. The mission supports startups with 23 chip design projects under the Design Linked Incentive scheme, further driving innovation and self-reliance.

Skill development is a cornerstone of ISM, with over 60,000 students trained and more than 2,000 skilled jobs expected from new projects. Collaboration among academia, research institutions, and industry fosters innovation and technological growth.

India's integrated efforts position it to become a global semiconductor powerhouse, underpinning critical sectors from electronics to defense, fulfilling the vision of "Designed and Made in India."

### **DRDO Urges MSMEs to Boost India's Self-Reliance Through Defence Sector Engagement** September 8, 2025

The Defence Research and Development Organisation (DRDO), through its Defence Technology and Test Centre (DTTC) in Lucknow, has reaffirmed full support for micro, small, and medium enterprises (MSMEs) to strengthen indigenous defence production and research. Speaking at a conclave held on September 6, DRDO Chairman Dr. Samir V Kamat emphasized that this is an opportune time for MSMEs to actively engage in defence research and development (R&D) as part of India's vision for a self-reliant India (Aatmanirbhar Bharat).

The event gathered over 100 participants from MSMEs, startups, and industry bodies such as Laghu Udyog Bharti, focusing on skill development, R&D funding, technical consultancy, and technology transfer to advance the Uttar Pradesh Defence Industrial Corridor. Dr. Kamat credited Defence Minister Rajnath Singh for the conception of DTTC, highlighting the centre's impact on benefiting industries and fostering innovation.

The surge in India's defence manufacturing was noted, with a record production value of ₹1.27 lakh crore in FY 2023-24 and defence exports reaching ₹23,622 crore in FY 2024-25. The Innovations for Defence Excellence (iDEX) initiative

supports MSMEs and startups by providing financial grants and aiding innovation in cutting-edge technologies like AI, quantum tech, and cyber security.

Defence Minister Rajnath Singh lauded the MSMEs and DRDO for their vital role in realizing Prime Minister Narendra Modi's vision of a self-reliant India through defence manufacturing. The DRDO has assured continued assistance to empower MSMEs to emerge as key contributors to the nation's defence capabilities and economic growth by 2047.

### State-level updates

#### **Karnataka Attracted Over ₹12 Lakh Crore in Investments Due to Strong Economic Climate** September 4, 2025

Karnataka has emerged as one of India's top investment destinations, attracting new proposals worth over ₹12 lakh crore between financial years 2021-22 and 2024-25, according to a study by the MSME Export Promotion Council. A significant portion of this comprises private sector investments totaling over Rs 10 lakh crore.

The robust economic climate, driven by strong foreign direct investment, world-class infrastructure projects, progressive policies, and a vibrant talent and innovation ecosystem, supports Karnataka's position as a growth leader. The state accounts for 42% of India's software exports, 65% of aerospace exports, and 50% of the

country's machine tools production.

Karnataka's MSME sector thrives with over 8.5 lakh units employing around 70 lakh people across industries including electronics, textiles, food processing, and automotive components. Additionally, the state hosts 14,000 DPIIT-recognized startups and is home to 45 unicorns.

While the agriculture sector grew 4% in FY25, tourism remains a largely untapped potential area needing focused infrastructure and branding support. The study recommends tax breaks and subsidies for resorts, eco-lodges, and community-run initiatives to promote sustainable tourism growth.

This study underscores Karnataka's balanced development as a powerhouse of innovation, manufacturing, and entrepreneurship, positioning it as India's undisputed economic growth engine.

### **Maharashtra's AURIC Industrial Smart City Set to Generate Over 62,400 Jobs**

September 7, 2025

Maharashtra's AURIC Smart City, located in the Chhatrapati Sambhajnagar district across the Shendra-Bidkin Industrial Area, has attracted investments worth Rs 71,343 crore, with 323 industrial plots allotted for both large-scale and MSME sectors. Since the project's launch by Prime Minister Narendra Modi on

September 7, 2019, AURIC has rapidly evolved as a key industrial hub receiving significant interest from global and domestic investors.

The Shendra Industrial Area hosts 135 MSMEs, 17 large-scale industries, and 16 non-MSMEs, including marquee names like South Korea's Hyosung, which set up its first spandex plant in India here. Meanwhile, the Bidkin Industrial Area, a major growth driver in Marathwada, counts 49 MSMEs and 27 large-scale projects with investments worth Rs 76,219 crore, creating over 35,000 jobs. Notable investors include Ather Energy, Toyota Kirloskar, Lubrizol, and JSW Green Mobility.

Focusing on inclusive growth, AURIC supports women entrepreneurs and MSMEs with initiatives such as a planned 20,000 sq. ft. Skill Development Centre in partnership with CII. To further encourage MSMEs, office space rents were slashed by 50% to Rs 25 per sq. ft., effective April 1, 2025.

AURIC benefits from excellent multimodal connectivity, including the Samruddhi Mahamarg, Sambhajnagar-Pune Greenfield Expressway, Jalna Dry Port, and proximity to Aurangabad Airport. As part of the Delhi-Mumbai Industrial Corridor, it provides advanced infrastructure including assured utilities, efficient logistics, and environmentally sustainable facilities to boost manufacturing clusters in automobiles, pharmaceuticals, chemicals,

electronics, textiles, and food processing.

NICDC CEO Rajat Kumar Saini praised AURIC's success in attracting investments and empowering MSMEs, reinforcing its role as a future-ready industrial powerhouse driving Maharashtra's economic growth.

### **AI and tech updates**

### **OpenAI Plans Major 1-GW AI Data Center in India as Part of Global Stargate Expansion**

September 1, 2025

OpenAI, the creator of ChatGPT, is planning to establish a massive new data center in India, marking a significant phase in its global Stargate AI infrastructure expansion valued at \$500 billion. According to reports from Bloomberg and others, the planned facility will have at least 1 GW of capacity, making it one of the largest data centers in India, a market already attracting investments from giants like Microsoft, Google, and Reliance Industries.

The company is in early discussions with potential Indian partners to secure land, regulatory approvals, and energy resources for the project. While the exact location and timeline remain uncertain, OpenAI CEO Sam Altman is expected to reveal more details during his upcoming visit to India this month.

This expansion aligns with OpenAI's broader strategy to build

a global AI infrastructure network, following earlier commitments in the U.S., Abu Dhabi, and Norway. The India data center is also seen as a move to enhance AI service delivery to Indian users by reducing latency, improving customization, and addressing data sovereignty concerns.

OpenAI has recently registered as a legal entity in India and plans to open its first office in New Delhi later this year. India is a critical market for OpenAI, being its second-largest by user base. The data center initiative also complements India's growing AI ecosystem under the government's IndiaAI Mission, aimed at fostering homegrown AI capabilities.

### **ShiprocketX Launches DDP Enablement and AI-Powered HSN Vision Tool for Exporters**

September 1, 2025

ShiprocketX, the international shipping arm of Shiprocket, has introduced two major innovations aimed at simplifying global trade for Indian exporters, specifically targeting the US and Canadian markets. The platform has launched Delivered Duty Paid (DDP) enablement and unveiled HSN Vision, an AI-driven tool designed to automate duty and tax calculations for exporters.

With the new DDP enablement, exporters can now book shipments with transparent and upfront viewing of duties and tariff rates, ensuring seamless and cost-effective shipments without unexpected customs charges

upon arrival. Shipping rates start at just ₹375 (excluding GST) for 50 grams, making international shipping accessible and affordable.

Complementing this, the HSN Vision tool allows exporters to upload product images, which the AI analyzes to accurately identify the Harmonised System of Nomenclature (HSN) code, instantly calculating applicable duties and taxes. This innovation saves exporters time, reduces classification errors, and enhances operational efficiency in managing cross-border trade compliance.

Akshay Ghulati, CEO of International Shipping at Shiprocket, emphasized that these technology-first solutions aim to democratize access to global markets for India's small and mid-sized exporters, helping them navigate complex tariff regimes confidently while reducing compliance risks.

These offerings further strengthen ShiprocketX's mission to empower Indian exporters with asset-light, tech-enabled infrastructure that simplifies cross-border logistics, boosting their growth in major consumer markets like the US and Canada.

### **Swiggy Launches Giftables, an AI-Powered Personalized Gifting Platform in India**

September 4, 2025

Swiggy Ltd, India's leading on-demand convenience platform, has expanded into the gifting market with the launch of "Giftables," a new service aimed at simplifying

and personalizing the gifting experience for consumers. Currently live in Bangalore, Giftables will soon roll out to Mumbai, Delhi, and other metros, catering to both planned and last-minute gifting needs.

The platform offers curated selections across diverse categories, including chocolates, cakes, flowers, jewellery, toys, electronics, and more. A standout feature is the forthcoming AI-powered gifting chatbot that recommends personalized gift options based on recipient profiles, such as health-conscious, fashion-forward, or traditional preferences.

By consolidating product categories and leveraging Swiggy's extensive delivery ecosystem, Giftables stands poised to become both a consumer convenience and a robust new revenue driver for the platform.

Customers can conveniently mix and match items—such as pairing cakes with flowers or sweets with perfume—and enjoy delivery within 10 to 60 minutes. This innovation eliminates the hassle of multiple orders across separate platforms, streamlining gifting for urgent or spontaneous occasions.

This launch marks Swiggy's strategic move from food delivery toward becoming a comprehensive lifestyle service provider, reflecting evolving consumer demands for on-demand, personalized experiences. ♦

# NAVIGATING GLOBAL HEADWINDS

## India's Strategic Resilience and Emerging Opportunities for MSMEs



In today's turbulent global landscape, Indian Micro, Small, and Medium Enterprises (MSMEs) are at the forefront of a significant economic transformation. As geopolitical currents shift and new challenges arise, India is demonstrating remarkable strategic autonomy and resilience, creating a dynamic environment that presents both hurdles and unprecedented opportunities for its vast MSME sector.

### The Tariff Storm: Navigating US Pressures

The global economic environment has been particularly volatile, recently marked by the imposition of 50% tariffs by the United States on Indian imports. This aggressive move, which doubled the previous 25% duty, is viewed not merely as a trade adjustment but as a political penalty.

The US cited India's continued purchase of Russian oil as the primary reason, with White House trade adviser Peter Navarro controversially labeling India a "laundromat for the Kremlin" and accusing it of "funding Modi's war" in Ukraine. Other US officials have echoed concerns about India's own tariffs on American products and non-tariff barriers, threatening that if India doesn't "budge," the US will not either.

The impact of these tariffs is substantial, directly affecting nearly \$87 billion worth of Indian exports to the US. Sectors vital to India's export economy and employing millions, such as textiles, apparel, diamonds, gold, gems, jewelry, machinery, agriculture, leather, and furniture, are particularly vulnerable. MSMEs dominate these sectors, meaning this tariff burden will

erode competitiveness and disrupt supply chains. Experts predict a slowdown in India's GDP growth by approximately 0.2 to 0.4 percentage points in 2025-26 and foresee hundreds of thousands of job losses. Markets have already reacted negatively, with the Indian Rupee hitting a record low and major indices like the Sensex and Nifty experiencing sharp declines. This situation is described as a "trade embargo" or "earthquake" for exporters, underscoring the urgent need for strategic adaptation.

### India's Shield: Domestic Resilience & Diversification

Prime Minister Narendra Modi has emphasized strategic autonomy and national interest, asserting India's oil imports are market-driven to ensure energy security, calling US actions "unfair, unjustified, and unreasonable."

The latest tariff hikes pose a serious threat to the MSME sector, which has a strong presence in export-oriented industries such as garments, gems and jewellery, footwear, auto-components, furniture, and chemicals.

Since MSMEs dominate these sectors, the additional tariff burden is expected to erode competitiveness and disrupt supply chains. India's response integrates short-term relief and long-term competitiveness.

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**Key strategic responses for India**

In the short term, the government is working on measures such as **credit guarantees and export-oriented financial support** to help firms withstand the immediate shock of steep U.S. tariffs. While no final decision has yet been taken, one option under consideration is the ₹25,000 crore support package announced in the Union Budget 2025–26 as part of the Export Promotion Mission.

In the long-run however, India needs to shift focus towards reforming its domestic demand and manufacturing sector to ensure its globally competitive. These include:

- Boosting Domestic Demand:** PM Modi has announced GST reforms to reduce tax slabs to 5% and 18%, making essentials more affordable, stimulating consumer spending, and freeing cash flow. This is projected to boost India’s GDP by 0.6% (over \$22 billion), helping offset export losses.
- Market Diversification:** To reduce dependence on the US, India is actively pursuing trade agreements with European blocs (such as the EFTA agreement effective October 1), accelerating Free Trade Agreement (FTA) talks with the European Union, and exploring markets in China, Latin America, Africa, and West Asia. ASEAN and East Asian partnerships, including

- renewed engagement with China, present further opportunities.
- Lowering Trade Protection and Regulatory Reforms:** India recognizes the need to rationalize its own high tariffs and Quality Control Orders (QCOs) that have hindered integration into global value chains (GVCs). Rationalizing tariffs and streamlining regulations will help attract foreign investment and multinational manufacturing operations, critical for MSME growth.
- Value Addition and Technology Adoption:** While production-linked incentives (PLI) have increased scale, India must now enhance value capture through R&D, innovation, and technological upgrading.
- Labor Regulation Reform:** Current labor laws restrict MSME growth and production scale by imposing compliance burdens at size thresholds. Revamping these laws to enable smooth scale-up without disproportionate constraints is essential for India’s manufacturing competitiveness and integration into GVCs.

Ensuring the global competitiveness of India’s production base is critical to turning the current tariff crisis into an opportunity for long-term resilience. Along with immediate steps to protect its exporters, India is required to pursue a long-term strategy that strengthens scale, productivity, and value addition

**Key strategic responses for India**

The infographic consists of five colored boxes, each with an icon and text:

- Boosting Domestic Demand** (Orange box): Icon of a bar chart with an upward arrow. Text: "GST reforms to reduce tax slabs, making essentials more affordable".
- Market Diversification** (Teal box): Icon of a globe. Text: "Pursuing trade agreements with European blocs and other markets".
- Lowering Trade Protection and Regulatory Reforms** (Blue box): Icon of a shield with a checkmark. Text: "Rationalizing tariffs and streamlining regulations".
- Value Addition and Technology Adoption** (Red box): Icon of a lightbulb with a gear inside. Text: "Enhancing value capture through R&D and technological upgrading".
- Labor Regulation Reform** (Green box): Icon of a scale of justice. Text: "Revamping laws to enable smooth scale-up".

**Forging New Alliances: Opportunities Across Continents**

Beyond internal measures, India is deepening ties with strategic partners, reshaping its global economic and security footprint, opening new avenues for MSMEs:

- **Philippines:** A strategic partnership covering defense, trade, and industries is forming a “global coalition of like-minded states” to counter regional challenges, with opportunities in defense procurement and digital collaboration.
- **Japan:** A \$68 billion investment pledge over the next decade focuses on infrastructure, green energy, digital partnerships, space exploration, semiconductors, and rare earth minerals, fostering MSME access to high-growth sectors and cutting-edge technology.
- **Russia:** India is deepening its energy and military partnerships, including joint Arctic exploration and defense technology transfers, alongside connectivity projects like the International North-South Corridor to enhance trade routes.
- **China:** A cautious reset includes resumed air links, eased visa rules, and border trade reopenings. Efforts to increase Chinese imports of Indian IT software and biomedicine offer significant

- market access opportunities for MSMEs, albeit with prudent caution due to ongoing geopolitical sensitivities.

**Dawn of Digital Diamonds: India’s Tech Leap**

Prime Minister Modi recently highlighted that while oil was the “black gold” of the last century, semiconductor chips are the “digital diamonds” of the 21st century. India’s evolving role from consumer to creator in advanced semiconductors is exemplified by the unveiling of the Vikram 32-bit indigenous microprocessor, developed by ISRO’s semiconductor lab for defense, aerospace, automotive, and energy applications.

The semiconductor mission has attracted \$18 billion in investments, aiming to train 85,000 professionals by 2030 and move toward innovation-led manufacturing beyond assembly. This burgeoning high-tech sector offers MSMEs opportunities in specialized components, services, and talent development.

**India’s Growth Story: A Beacon of Confidence**

Despite tariff pressures, India’s economic fundamentals remain strong, with a 7.8% GDP growth in

Q1 2025-26, making it the “fastest-growing major economy” globally. Institutions such as the World Bank and IMF project continued robust growth.

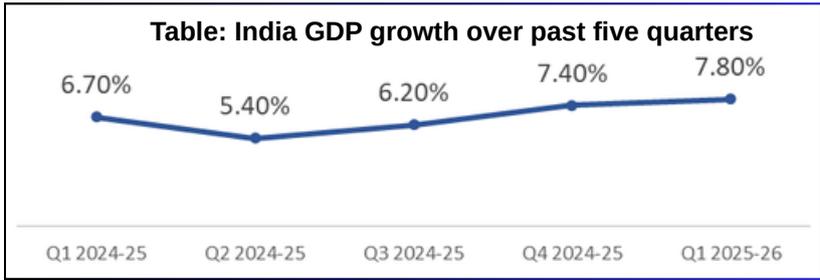
India advances toward self-reliance across sectors:

- Clean energy target of 50% achieved five years early.
- National critical minerals mission enhancing resource self-sufficiency.
- Space (Gaganyaan) and pharmaceutical leadership.
- Global leader in milk, pulses, fish, and agro-exports.
- Digital economy dominance via UPI, handling 50% of global real-time transactions.
- Remarkable poverty alleviation of 250 million over the last decade.

**Conclusion**

This current global environment unveils a new era of strategic autonomy presenting rich opportunities for MSMEs to innovate, scale, and explore new markets, contributing decisively to India’s path toward becoming a developed, self-reliant nation.◆

*Based on key inputs shared by Dr. Purna Prabhakar; Associate Fellow, Centre for Social and Economic Progress (CSEP)*



# Marketplace

## Special Section

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## GOVERNMENT E-MARKETPLACE (GeM)

### Transforming MSME Public Procurement in India

In the evolving landscape of India's digital economy, the Government e-Marketplace (GeM) has emerged as a transformative force—especially for Micro, Small, and Medium Enterprises (MSMEs). Established in 2016 by the Ministry of Commerce and Industry, GeM is an online procurement platform that enables government departments to purchase goods and services from verified sellers via transparent and efficient processes. Over nearly a decade, GeM has redefined the rules of public procurement, opening up unprecedented opportunities for MSMEs to grow, innovate, and compete nationally.

#### Why GeM Matters for MSMEs

India's public procurement market is vast—worth over ₹5 lakh crore annually. Before GeM, MSMEs faced hurdles of opacity, favoritism, delayed payments, and complex bidding methods in government contracts. GeM has changed the game with:

- **Transparency and Inclusivity:** All registered government buyers and sellers can interact, search, compare, bid, and transact in a transparent digital ecosystem. This has removed intermediaries, reduced malpractices, and leveled the

playing field for MSMEs, women entrepreneurs, and startups.

- **Ease of Access:** MSMEs get direct, digital access to an all-India market of thousands of public buyers—central/state ministries, PSUs, and autonomous bodies. No longer confined to local tenders, MSMEs can showcase products to a huge, reliable customer base.
- **Prompt Payments:** Delayed government payments have long been an MSME pain point. GeM mandates standardized payment cycles, automated invoice tracking, and escalation channels for disputes, ensuring MSMEs maintain healthy cash flows.
- **Marketing & Operational Savings:** Selling on GeM eliminates the need for costly promotional campaigns and marketing, as the main prospective buyer—government—is searching for sellers on the platform itself. Dynamic pricing enables MSMEs to quickly adapt to market trends.
- **Ease of Doing Business:** With features like the AI-powered chatbot GeMAI, a

streamlined user dashboard, digital onboarding, and policy support for “Make in India” and green procurement, GeM empowers even small and rural businesses to participate meaningfully.

#### Registration Steps: Onboarding MSMEs to GeM

Getting started with GeM is simpler than many expect. Here's a clear, step-by-step journey for MSME sellers:

##### Step 1: Prerequisites

Gather essential documents:

- PAN Card
- GST Registration Certificate
- MSME Certificate or Udyam Registration
- Email ID and Mobile Number linked to Aadhaar
- Product/service details

##### Step 2: Creating an Account

- Visit [gem.gov.in](http://gem.gov.in)
- Select “Seller/Service Provider” option under “Sign Up”
- Configure a new user ID, authenticate with Aadhaar/PAN, and verify via OTP

##### Step 3: Profile Completion

- Input organization details: company name, office address, type of entity (proprietorship, partnership, private limited, etc.)
- Upload necessary documents

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- Fill bank account details for payment settlements

**Step 4: Vendor Assessment and OEM Registration**

- Apply for vendor assessment to receive “OEM” (Original Equipment Manufacturer) status if manufacturing products
- List brands and categories as required
- Step 5: Product & Brand Listing
- Add product/service offerings, uploading of catalog, pricing, and detailed specifications
- Step 6: Bidding and Order Management
- Participate in relevant bids/RFQs and interact directly with buyers
- Use the dashboard to monitor orders, process payments, and manage supply

**Alternate Route via Udyam Portal:**

If newly registered as MSME on [udyamregistration.gov.in](http://udyamregistration.gov.in), there’s an integrated option to request GeM registration during the Udyam application—a seamless one-window approach.

**Key Features and Success Metrics**

- Pan-India Reach: GeM connects over 70,000 government buyers with more than 7.2 lakh sellers and service providers, including lakhs of MSMEs.
- Record Procurement Value: In fiscal 2024-25, GeM facilitated public procurement worth

₹5.43 lakh crore, with aims to cross ₹7 lakh crore in the current year.

- **Innovation Enablement:** MSMEs can suggest new products; buyers can place custom bids and enjoy e-auction facilities.
- **Digital Integration:** AI tools like GeMAI enhance user experience, while integrations with Udyam, Startup India, DPIIT, and other portals simplify compliance and registration.

**MSMEs’ Growth Stories: Real Impact**

For a small manufacturer in Moradabad, once geographically limited to regional handicraft markets, GeM has enabled direct access to government orders nationwide, prompt payments, and a scalable business model. Textile clusters in Surat, agricultural producers in Andhra Pradesh, and IT startups in Bengaluru have all seen substantial expansion and stability by onboarding with GeM—fueled by its transparency, support, and vast market.

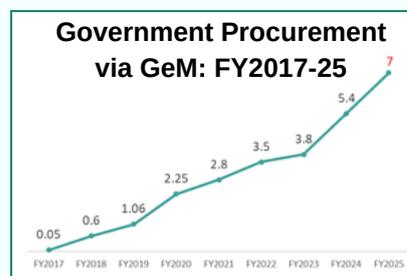
**GeM and the Way Forward: Driving Digital Public Procurement**

GeM is not just a marketplace; it is a catalyst in India’s leap towards “Digital India,” Vocal for Local, and Atmanirbhar Bharat. Its roadmap includes:

- **Greater MSME Participation:** Initiatives to train and onboard women-led, rural, and startup enterprises.



- **AI and Blockchain Integration:** To strengthen security, predictive analytics, and operational efficiency.
- **Sustainability Focus:** Prioritizing green/eco-friendly procurement and production



**Conclusion**

For MSMEs seeking growth, stability, and market access, GeM is nothing short of a public procurement revolution. Participating in GeM means playing a strategic role in India’s development story: driving local manufacturing, fostering innovation, and contributing to transparent, inclusive economic growth.

As GeM continues to expand its features and reach, it presents an open invitation for every MSME to “go digital, go national.” Ready to get started? Log into GeM, list your business, and join thousands who are already redefining Indian public procurement—one order at a time.

*Based on inputs from Dr Shibanda Nayak, Assistant Director, MSME DFO Cuttack, Ministry of MSME.* ♦

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# AI FOR MSMEs

## A Smart Start Without Breaking the Bank

India has 63 million MSMEs, contributing nearly 30% to the nation's GDP. Yet, most still use spreadsheets and gut instinct for critical decisions. As AI for small business India becomes more accessible, it promises to break this cycle and unlock a new era of growth.

### The Reality Check: Where Most MSMEs Stand Today

If you run a small business in India, you probably spend hours on manual data entry, guess at inventory needs, struggle to respond to customers 24/7, and make pricing decisions based on "what feels right." Understanding customer preferences is a challenge, and larger competitors leveraging technology continue to pull ahead. But now, AI solutions designed for MSMEs—affordable, practical, and easy-to-adopt—are changing the picture.

### What AI for MSMEs Really Means for Your Business

AI isn't just fancy tech—it's an assistant that works tirelessly, makes no calculation mistakes, and gets smarter every day. In simple terms:

- Instead of spending hours analyzing sales, AI does it in minutes.
- Instead of guessing next

- month's hot products, AI uses data patterns to predict.
- Instead of hiring someone for customer support at night, AI answers routine questions.
- AI unlocks patterns and insights hidden in your data, transforming guesswork into actionable intelligence.

### Five Ways Small Business Process Automation Can Transform Your MSME

#### 1. AI Inventory Management: End the Guesswork

Avoid overstocking or stockouts—AI forecasting tools can process past sales, seasonal trends, and factors like festivals to predict demand. Textile MSMEs, for example, have reduced excess inventory by 40% using AI-powered demand predictions.

#### 2. Customer Analytics for Small Business Growth

Every transaction and interaction is customer insight. AI segments customers—loyal, price-sensitive, or seasonal—predicts their lifetime value, and spots those about to leave. Smart technology offers tailored recommendations, making upselling and cross-selling natural and effective. It's like giving each customer their personal shopping advisor.

#### 3. Chatbots for MSME Customer Service Excellence

Hiring 24/7 support staff isn't realistic for MSMEs. But losing business due to missed queries is costly. Modern chatbots handle order tracking, common questions, and catalogue browsing, offering a personal touch. They learn from each interaction, continuously improving and saving you staffing costs.

#### 4. AI Ad & Image Creation

Creating advertisements and product images manually is slow and expensive. AI tools generate professional images for ads, branding kits, and product photography with minimal effort—saving 30–70% on ad expenses. AI can also create realistic digital models for fashion retail, showcasing garments and products authentically.

#### 5. Operations Optimization with AI

AI-driven tools streamline operational tasks like delivery route planning, workforce scheduling, and sales team routing. Route optimization balances traffic, delivery

timing, and vehicle use; driver assignments become seamless, and expected arrival times are reliably predicted. These improvements save time and cut costs in ways manual planning cannot.



### Getting Started: Your AI Journey in Three Simple Steps

**Step 1:** Pick one area—inventory, customer service, or financial planning—and start there.

**Step 2:** Organize relevant data (sales records, customer lists, invoices). AI tools work best with clean, simple data—not perfection.

**Step 3:** Launch a small pilot project, such as analyzing sales trends or testing a basic chatbot. Focus on quick, measurable results to build confidence.

### Specialized AI Solutions for Various Industries

#### For Retail and Fashion

AI technology for retail MSMEs streamlines catalog management and customer experience. Tools like Fashion Image Intelligence categorize inventory by style or color; Virtual Try-On lets customers visualize products before buying, reducing returns.

Fashion Photo Creator transforms simple text prompts into powerful product images—no need for expensive photo shoots.

#### For Financial Services and Investment

AI financial assistants extract essential information from documents such as balance sheets, P&L statements, and invoices. Smart lead scoring predicts which prospects will convert. Fraud detection flags suspicious transactions early. These solutions enable real-time insights and more confident decisions for MSME owners.

#### For Manufacturing and Logistics

AI logistics suites optimize complex multi-stop routing, assign drivers intelligently, and predict arrival times. Image-recognition systems ensure high-quality standards by detecting defects faster and more reliably. Efficiency gains here reduce operational costs, improve delivery schedules, and elevate product quality.

### You Don't Need a Million-Rupee Budget to Start

Modern AI offerings are tailored—and priced—for smaller



businesses. Many feature pay-per-use models or free trial periods, so MSMEs can test the waters risk-free. The key is to select platforms that scale alongside your business, designed with MSMEs in mind.

### The Competitive Edge of AI Adoption

Early adopters of AI respond to market changes quicker, personalize customer experiences, and reduce operational costs—gaining a serious advantage. Remember, data-driven decisions are inherently superior to gut instinct. AI doesn't replace human judgment; it strengthens it.

Companies like MENRV.AI deliver comprehensive AI solutions specially for Indian MSMEs, covering customer analytics, forecasting, document analysis, meeting transcription, route optimization, and more. MSMEs in India can access a wide suite of tools that address everyday bottlenecks simply and effectively.

### Your Next Move: Take Action

AI is already here for MSMEs—it's just a question of when you begin your journey. Start by identifying your chief business bottleneck. Look for AI solutions built for MSMEs rather than large enterprises. Focus on return-on-investment: lower costs, higher sales, and greater customer satisfaction. ♦

Article shared by **Dr. Angshuman Ghosh, Founder & CEO, MENRV.AI**  
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B2B

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Locally  
Sourced



B2C

Spotlight

# POWERING INDIA'S SELF-RELIANCE

## Vocal for Local and ODOP initiatives

“Vocal for Local,” launched in 2020 under the Atmanirbhar Bharat initiative, is a transformative campaign aimed at promoting indigenous products and empowering local entrepreneurs, artisans, and farmers. By strengthening domestic supply chains and encouraging consumers to prioritize locally made goods, it seeks to generate employment, reduce import dependency, and enhance India's self-reliance.

Complementing this vision, the **One District One Product (ODOP)** initiative identifies and nurtures unique products from every district, providing vital support in branding, marketing, packaging, and exports. Together, these initiatives not only preserve traditional skills and craftsmanship but also elevate local specialties onto national and global platforms. By aligning grassroots producers with government support systems, they pave the way for MSMEs to evolve as globally competitive enterprises while fueling inclusive growth across India.

To understand them better, we spoke with Dr. Sharma, Director, ni-msme. In this exclusive interview, he explains **how ODOP is the practical extension of Vocal for Local**, the mechanisms driving product identification and global market access, and the transformative role these initiatives play in uplifting districts, artisans, and entrepreneurs across India.

**Interview: Dr. Shreekant Sharma, Director, School of Entrepreneurship and Extension (SEE), ni-msme**

**How does the ODOP framework identify and promote unique district products, and what has been its impact on MSME growth?**

The One District, One Product (ODOP) framework identifies unique products in each district through a consultative process involving state Governments, central ministries, and local stakeholders. Selection is based on existing production clusters, cultural significance, **Geographic Indication (GI) tags**, export potential, and market demand, ensuring alignment with regional strengths and economic viability.

The ODOP initiative has two main implementing agencies:

- **Ministry of Food Processing Industries (MoFPI)** → under the PM Formalisation of Micro Food Processing Enterprises (PMFME) scheme, focused on food products.
- **Ministry of Commerce & Industry (DPIIT)** → promoting ODOP products, including handicrafts, textiles, and industrial goods, especially for exports.

With state and Union Territory Governments collaboration products are finalised across diverse sectors including traditional foods, textiles, handicrafts, and leather goods. Which are supported for credit-linked subsidies (up to 35% of project cost), seed capital for Self Help Groups (SHGs), marketing and branding grants, and infrastructure funding for common facility centers and incubation hubs. Capacity building includes entrepreneurship training, skill development, technology adoption, and quality certifications.

ODOP products are also integrated into digital platforms such as the Government e-Marketplace (GeM) and the Open Network for Digital Commerce (ONDC), with participation in trade fairs and export promotion events. Infrastructure investments improve production efficiency and product quality.

The initiative has accelerated MSME formalization and expansion by enhancing product standards and broadening market access. For example, Uttar Pradesh promotes MSMEs under ODOP, generating exports, primarily from textiles and handicrafts. ODOP not only boosts local economies by creating jobs and increasing incomes but also preserves traditional skills and crafts. ODOP transforms district-level unique products into scalable MSME-driven enterprises, fostering inclusive growth and

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- cultural preservation. It aligns with the Government of India's Atmanirbhar Bharat and Vocal for Local missions, reinforcing local identities while enhancing competitiveness.

**What are the major product categories included under the ODOP initiative?**

The major product segments covered under the ODOP initiative include a wide variety of traditional foods, agricultural products, textiles, handicrafts, and other locally significant goods. Some key segments are:

- **Traditional Food Products:** Includes items like mango, litchi, petha (Agra), makhana (Darbhanga), turmeric, spices, millets, rice-based products, bakery items, pickles, and fisheries-based products such as marine fish and poultry.
- **Textiles:** Regional specialties like chikankari (Lucknow), banarasi sarees (Varanasi), pochampally ikat (Telangana), cotton yarn, and other handloom products.
- **Handicrafts and Artisanal Goods:** Kullu shawls, Madhubani paintings, blue pottery (Jaipur), leather products, wooden toys, musical instruments, stone and marble products.
- **Agricultural and Plantation Products:** Including groundnut, cashew processing, bananas, sugarcane products, various cereals, spices like black pepper, betel vine, and minor forest produce.

- **Animal-Based and Fisheries Products:** Poultry, meat, milk-based products, and value-added fishery products.
- **Other Manufacturing Goods:** Foundry clusters, rolling mill machinery, machine parts, and niche industrial products relevant to specific districts.

In total, the ODOP program has identified 1,102 products from 761 districts across the country, reflecting India's rich cultural and economic diversity, and aiming to promote local strengths for balanced regional growth.

**What is "Vocal for Local" initiative and how does ODOP fuel this mission?**

"Vocal for Local," launched by the Government of India, promotes indigenous products, supports MSMEs, and reduces import dependence to enhance self-reliance. It encourages prioritization of locally made goods, empowering regional economies and preserving traditional craftsmanship.

ODOP is a key pillar of this mission, linking district specialties with Government incentives, capacity building, branding, and digital market access.

**Direct Fuel for "Vocal for Local"**

- ODOP identifies unique products in every district



- across India such as pineapple in Kishanganj, makhana in Araria, and litchi in Muzaffarpur and **connects them to targeted government support, subsidies, and branding efforts.**
- This localization strengthens the identity and visibility of micro and small enterprises, enabling their goods to be showcased and marketed as **"local champions"** not just regionally but nationally.
- Under the PMFME scheme, all districts have received focused assistance, including credit-linked subsidies, capacity building, and branding, which help bring these products to larger consumer bases.

**Market Access and Digital Enablement**

- The initiative leverages platforms like the GeM and ONDC, integrating tens of thousands of MSMEs into transparent digital supply chains supporting the **"Vocal for Local" brand identity.**
- Products from 500 Aspirational Blocks have been mapped under Niti Aayog's ABP programme and are promoted

- through dedicated e-commerce windows on Government portals, giving micro-enterprises access to new buyers and markets.
- Capacity-building efforts include entrepreneurship training, skill development, and marketing support to ensure MSMEs can compete both in quality and scale.

**Financial and Infrastructure Benefits**

- MSMEs and producer collectives (FPOs, SHGs, cooperatives) receive substantial financial incentives:
  - In PMSME the Credit-linked capital subsidies is up to 35% (max ₹10 lakh/unit).
- These measures increase productivity, raise product standards, and help MSMEs meet the growing demand for authentic local goods.

**Impact Summary**

- The ODOP initiative ensures that India's "Vocal for Local" campaign is rooted in real and diverse local economies, elevating MSMEs by combining place-based identity, digital market integration, and government-enabled growth pathways.
- There is tangible evidence of sales increase, improved product recognition, and broader consumer access for ODOP-branded goods, making "Vocal for Local" a scalable and sustainable movement for MSMEs nationwide.

**What measures is the Government of India undertaking to address the challenges faced by MSMEs?**

The Government has launched comprehensive interventions targeting these pain points:

- **Credit Access:** Schemes like the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) enable collateral-free loans. SIDBI provides refinance and capacity-building support to lending institutions and promotes digital lending platforms to formalize MSMEs' access to credit.
- **Technology and Innovation:** MSME Technology Centres, and incubators enhance technology upgradation and R&D. Digital marketplaces like GeM and ONDC facilitate e-commerce participation.
- **Regulatory Ease:** Udyam Registration offers a streamlined single-window registration. Simplified GST, self-certification, and the Ease of Doing Business reforms reduce compliance burdens. MSME facilitation centers offer grievance redressal.
- **Domestic Demand & Supply Chain:** Mandated public procurement from MSMEs ensures steady demand. ODOP and cluster development schemes create focused value chains and improve infrastructure, logistics, and aggregation models.
- **Additional Measures:** Skill development initiatives like

- Skill India and PMKVY enhance workforce quality. Direct Benefit Transfers and subsidy schemes support formalization. Export promotion councils assist MSMEs in global market access.
- Schemes for MSMEs span across finance (CGTMSE, MUDRA, PMSME), technology (CLCSS, SFURTI), marketing (PMS, ZED), and skills (EDP/ESDP). The [www.mysme.gov.in](http://www.mysme.gov.in) portal serves as a single-window platform for applying to and availing MSME schemes and services, while the [www.myscheme.gov.in](http://www.myscheme.gov.in) portal works as a search engine to discover all Government schemes, including those for MSMEs, ensuring easy access and transparency. Together, these efforts aim to boost MSME resilience, innovation, operational efficiency, and global competitiveness, driving inclusive economic growth.

**What are your key take aways?**

"Vocal for Local, with MSMEs at its core, and ODOP promoting district-specific products, together drive the Atma Nirbhar Bharat vision of reducing import dependence and boosting exports. These initiatives enhance quality, branding, and competitiveness of Indian goods.

This makes MSMEs more resilient and better positioned to face challenges like international tariffs while sustaining growth in global markets." ♦

# DIGITAL PATHWAYS TO GLOBAL MARKETS



## Centre for Digital Branding and Marketing of ni-msme to empower MSMEs



India today stands at a unique moment in its economic journey. With a population exceeding 1.4 billion, one of the world's youngest workforces, and a rapidly expanding digital economy projected to reach seven trillion dollars by 2030, the country is poised to emerge as a global entrepreneurial hub. Yet, **while Indian entrepreneurs excel at producing quality goods**—whether it be handlooms, spices, handicrafts, or innovative services—**many of them remain invisible in the global marketplace.**

**The missing piece is not the product but the brand.**

MSMEs, along with Farmer-Producer Organisations (FPOs), Off-Farm Producer Organisations (OFPOs), and Self-Help Groups (SHGs), form the backbone of India's economy. Collectively, they contribute nearly 30% to the GDP and employ over 110 million people. However, their growth potential is often stunted due to limited knowledge of branding,

inadequate marketing skills, and restricted access to digital platforms. In contrast, in countries like South Korea or Singapore, over 80% of small enterprises actively use digital tools to connect with customers, expand across borders, and strengthen their competitiveness. This global-local divide highlights an urgent need for India to invest in digital branding and marketing at the grassroots level.

The past decade has witnessed a revolution in how businesses engage with consumers. Affordable smartphones, cheap internet data, and government initiatives such as **Digital India and the Open Network for Digital Commerce (ONDC)** have democratized access to online platforms. Farmers once confined to local mandis can now sell directly to urban households through e-commerce. Women-led SHGs that relied on neighbourhood fairs are shipping millet snacks, pickles, and handcrafted goods

to customers across states, and even abroad. Social commerce platforms like Instagram Shops and WhatsApp Business are redefining entrepreneurship by giving even the smallest producer a direct channel to customers. Despite this progress, challenges remain. Research shows that while 75% of firms in India reported increased sales after adopting digital marketing, many grassroots enterprises are still hesitant.

**A significant proportion of rural entrepreneurs are unaware of e-marketplaces like Amazon, Flipkart, or ONDC. Social media platforms, though accessible, are underutilized in rural areas.**

A lack of confidence, limited digital skills, and the absence of sustained mentorship create barriers to adoption. One-off training programs are not enough; what enterprises need is continuous handholding and structured support to help **them navigate the complexities of online branding and marketing.**

Inaugurated by Shri B Uday Bhaskar, CGM, NABARD, Telangana R.O. the **centre's vision aligns closely with India's national ambition of becoming a Viksit Bharat by 2047**, ensuring inclusive and sustainable growth.

CDBM goes beyond conventional training. Entrepreneurs are not only introduced to the basics of digital literacy such as setting up an online presence, using digital payment systems, and practicing safe online behaviour - but are also guided through the deeper nuances of branding and storytelling.

**Crafting logos, designing packaging, and building a unique identity are emphasized as essential steps in creating a brand** that resonates with consumers. Equally important is practical exposure to social media and e-commerce platforms. Training sessions on WhatsApp Business, Instagram, Facebook, Google Business, Canva, ONDC, Amazon, Flipkart, and leading marketplaces help entrepreneurs position themselves competitively in both domestic and international markets.

A standout feature of the CDBM approach is its **use of technology** for content creation. With the rise of artificial intelligence, even small enterprises can now produce professional-quality visuals, reels, and advertisements at minimal cost. CDBM introduces entrepreneurs to these tools, enabling them to compete with larger brands despite limited resources. Additionally, the centre

offers guidance on revenue model planning and sustainable business strategies, ensuring that digital transformation leads to long-term growth rather than short-lived experiments.

The **impact of this initiative is already visible**. Women-led SHGs producing traditional food items have been able to expand their reach beyond state borders. Artisan clusters, once struggling to survive, are now reviving handloom traditions by marketing their products online with stronger brand identities. FPOs are packaging and branding their produce, bypassing middlemen, and selling directly to customers at better prices. These success stories not only uplift incomes but also strengthen local economies and build confidence among rural entrepreneurs.

**Globally, small enterprises have long leveraged digital branding as a growth engine**. Platforms like Etsy in the United States empower individual artisans to sell worldwide. In Southeast Asia, SMEs are thriving by using social media commerce integrated with fintech and logistics solutions. India is gradually catching up, but the pace must accelerate. If MSMEs and grassroots enterprises fully embrace digital branding and marketing, they could unlock unprecedented growth and contribute significantly to exports and GDP.

The broader significance of initiatives like CDBM lies in their potential to reshape India's development story. By enabling

**small enterprises to adopt modern branding and marketing practices**, the country is not only strengthening business competitiveness but also fostering inclusive development.

Digital empowerment creates ripple effects—enhancing farmer incomes, expanding women-led businesses, generating rural employment, and reducing dependence on exploitative intermediaries. This ensures that India's journey towards Viksit Bharat 2047 is both inclusive and sustainable.

The future of Indian enterprise is undoubtedly digital, but it must also be inclusive. With the right blend of training, mentorship, and access to tools, even the smallest producer can aspire to become a global brand.

The Centre for Digital Branding and Marketing represents a pioneering step in this direction. Its work demonstrates that digital marketing is not just about increasing sales; it is about creating opportunities, building resilience, and empowering communities.

As India positions itself as a leader in the global digital economy, empowering its MSMEs, FPOs, OFPOs, and SHGs through digital branding will be the key to transforming local businesses into global success stories.

**Article shared by Mr. Sarath Muthyala, Associate Faculty Member, SED, Head - Center for Digital Branding and Marketing (CDBM), ni-msme, Hyderabad**

## BLENDING TRADITION WITH DIGITAL INNOVATION: THE CASE OF DOMAKONDA POTTERY

In the villages of Domakonda, Lingupally, Sangameshwar, and Amberpet, pottery is a way of life. To preserve this heritage and support livelihoods, 199 artisans formed the Domakonda Pottery World Producer Company Limited on 1st August 2023 with NABARD's support. Despite their skills, they faced low exposure, unstable incomes, and no branding or market strategies, with sales limited to local bazaars and little access to digital platforms. NABARD's intervention created a Common Facility Center (CFC) that offered shared resources, modern tools, and technical guidance, improving production and quality.

The breakthrough came in December 2024, when CEO Mr. D. Chandrashekar attended a five-day ni-msme training program, Leveraging Digital Tools for Market Acquisition: Way Forward to Branding and Marketing, organized through its Centre for Digital Branding and Marketing (CDBM) and sponsored by NABARD, Telangana Regional Office. The training introduced tools like Google Business Profile, Facebook, Instagram, WhatsApp Business for catalogues, Canva and AI tools for designs, and digital payments for smooth transactions.

The impact was transformative. The company built a digital presence, launched online operations, and reached customers beyond their region. Within months, sales touched Rs. 87,000, largely through Instagram. More



importantly, artisans gained confidence, family support increased, and incomes stabilized. This journey highlights how Ni-MSME's CDBM, with NABARD's backing, is enabling rural enterprises to blend tradition with technology, ensuring heritage crafts like Domakonda pottery not only survive but thrive in the digital economy.

## BLENDING TRADITION WITH DIGITAL INNOVATION: THE CASE OF DOMAKONDA POTTERY

In Ghatkesar, Medchal–Malkajgiri district of Telangana, the Sai Baba Artisan Group, led by Mrs. Manjula, has preserved the tradition of handlooms and handicrafts through kurtis, mats, and craft items that embody both skill and heritage. Despite their artistry, the group struggled with limited visibility, seasonal sales, and no digital presence. Annual income barely touched Rs. 80,000, with opportunities confined to local exhibitions.

A breakthrough came in December 2024 when Manjula attended a five-day training program at ni-msme, Hyderabad, Leveraging Digital Tools for Market Acquisition: Way Forward to Branding and Marketing. Sponsored by NABARD Telangana Regional Office and conducted by the Centre for Digital Branding and Marketing (CDBM), the training introduced her to Google Business Profile, Facebook, Instagram, WhatsApp Business for catalogs, Canva and AI-based design tools, and digital payments through UPI and QR codes.

Determined to act, she quickly created an online presence, designed branded visuals, and launched festive sales promotions. Soon, orders began flowing in from Ghatkesar, Hyderabad, and nearby towns. Sales rose by 20%, but the greater achievement was the confidence gained. Women artisans, once hesitant with smartphones, began actively promoting their products online, while families extended growing support.



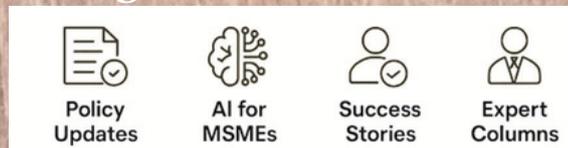
This story underlines how ni-msme's CDBM, with NABARD's support, is empowering rural entrepreneurs to blend tradition with technology. For the Sai Baba Artisan Group, weaving has become more than fabric—it is about weaving identity, confidence, and growth. Digital empowerment has transformed their livelihood into a pathway of sustainable progress.◆



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