

MSME TITBITS

MSME & START-UP PROMOTION BOARD



ICMAI
**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**

भारतीय लागत लेखाकार संस्थान

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Behind every successful business decision, there is always a **CMA**

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“The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio economic context through competencies drawn from the integration of strategy, management and accounting.”

VISION STATEMENT

“The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally.”

ABOUT THE INSTITUTE

The Institute of Cost Accountants of India (ICMAI)- formerly known as the Institute of Cost and Works Accountants of India (ICWAI) is set up by an Act of Parliament (viz. Cost and Works Accountants Act, 1959) to develop and regulate the profession of Cost Accountancy in the country and is under the administrative control of the Ministry of Corporate Affairs, Government of India. The Institute is the 2nd largest Cost & Management Accounting body in the world and the largest in Asia. The Institute is a founding member of the International Federation of Accountants (IFAC), the Confederation of Asian & Pacific Accountants (CAPA) and the South Asian Federation of Accountants (SAFA). Presently, the Institute has about 1 Lakh members both in employment and practice and more than 5 Lakhs students on its rolls.



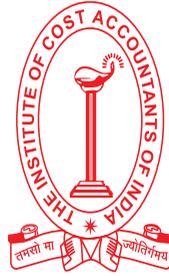
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President's Message

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President, The Institute of Cost Accountants of India



The release of the 7th volume of MSME TITBITS coincides with a pivotal phase in India's economic journey, as the MSME sector assumes a central role in advancing the national vision of a "Viksit Bharat." The Union Budget 2026–27 reinforces this direction by placing strong emphasis on infrastructure creation and financial deepening, areas that directly influence the competitiveness and sustainability of MSMEs.

The record capital expenditure reflects a clear policy commitment to improving logistics efficiency, strengthening supply chains and expanding market access. For MSMEs, particularly those operating in Tier-II and Tier-III regions, this creates opportunities to integrate more effectively with domestic and global value networks.

A notable feature of the Budget is its structured approach to MSME empowerment through equity support, liquidity enhancement and compliance facilitation. The shift towards equity-oriented funding through the ₹10,000 crore SME Growth Fund along with the strengthened Self-Reliant India Fund, is a forward-looking measure that supports innovation, technology adoption and scalable growth while reducing excessive dependence on debt.

Equally important are reforms aimed at improving liquidity and financial discipline. The institutionalisation of the Trade Receivables Discounting System (TReDS) for transactions with Central Public Sector Enterprises, coupled with its integration with the Government

e-Marketplace, is expected to significantly mitigate delayed payments and strengthen working capital cycles across the MSME ecosystem.

The introduction of the "Corporate Mitras" initiative, in collaboration with the three professional institutions, underscores the importance of structured compliance support. This initiative seeks to simplify regulatory processes, reduce disputes and promote a trust-based compliance framework where professional guidance plays a vital role.

As the sector advances, technology adoption, digital accounting, robust cost management and sustainability practices will be key differentiators. In this context, ICMAI remains committed to supporting MSMEs through capacity building, professional expertise and advocacy, ensuring that enterprises are well-equipped to leverage emerging opportunities such as those arising from the Electronics Components Manufacturing Scheme and Semiconductor Mission 2.0.

This evolving policy environment presents MSMEs with an opportunity to transition from resilience to leadership. With professional governance, financial discipline and strategic foresight, the sector can make a decisive contribution to building a self-reliant, competitive, and globally integrated Indian economy.

Jai Hind!

CMA TCA Srinivasa Prasad

President

The Institute of Cost Accountants of India



Vice President's Message

CMA Neeraj Dhananjay Joshi

Vice President, The Institute of Cost Accountants of India



The Union Budget 2026–27 reflects a shift from policy formulation to execution-focused reform in India's MSME ecosystem. Beyond financial allocations, the emphasis is increasingly on implementation frameworks that call for greater preparedness, discipline, and accountability at the enterprise level.

For MSMEs, emerging opportunities are accompanied by higher performance expectations. Improved access to finance, strengthened payment mechanisms and simplified compliance structures will deliver results only when supported by effective financial planning, cost control and timely decision-making. The focus, therefore, moves from understanding policy to applying it with precision.

In this environment, professional financial management becomes a critical enabler of enterprise sustainability. Cost optimisation, working capital management, pricing decisions and compliance integration are areas where structured analytical approaches can significantly enhance business resilience. The growing reliance on digital platforms and data-driven systems further underscores the importance of professional expertise in converting regulatory requirements into operational advantage.

MSME TITBITS seeks to support this transition by offering practical insights that bridge policy developments with on-ground application. By interpreting fiscal and regulatory changes through a practitioner's lens, the publication aims to assist MSMEs and professionals in aligning compliance with performance objectives.

As MSMEs adapt to evolving market and policy conditions, agility, continuous upskilling and institutionalised financial systems will define competitiveness. Professional institutions such as ICMAI play a vital role in this process by strengthening capacity, promoting analytical rigour and supporting effective implementation of reforms.

The present phase offers an opportunity to move beyond compliance-led responses toward performance-driven execution. Through disciplined implementation and informed professional engagement, MSMEs can reinforce their contribution to sustainable economic growth and national development.

Best regards,

CMA Neeraj Dhananjay Joshi

Vice President

The Institute of Cost Accountants of India



Chairman's Message

CMA (Dr.) K Ch A V S N Murthy

Chairman, MSME & START-UP PROMOTION BOARD, ICMAI



Dear Entrepreneurs, Professional Colleagues and Stakeholders,

It is with great pleasure and a sense of strategic purpose that I present the 7th Volume of MSME TITBITS. This edition arrives at a pivotal moment, following the announcement of the Union Budget 2026-27, which has firmly positioned our MSME and Start-up sectors at the heart of the “Viksit Bharat” roadmap.

The Budget 2026-27 has signalled a structural shift from mere survival to “Scale-up Financing.” The Government’s commitment to transforming high-potential enterprises into “Champion MSMEs” provides a fertile ground for our Cost and Management Accountancy (CMA) fraternity to lead the way in financial discipline and strategic growth.

Friends, the key Budgetary Pillars for MSMEs & Start-ups are,

- **Growth Capital & Equity:** The launch of the `10,000 crore SME Growth Fund and the `2,000 crore top-up for the Self-Reliant India (SRI) Fund addresses the long-standing equity gap. These funds are designed to incentivize performance and help small units transition into global competitors.
- **Liquidity & TReDS Mandates:** In a landmark move for cash-flow stability, the Trade Receivables Discounting System (TReDS) is now mandated for all purchases from MSMEs by Central Public Sector Enterprises (CPSEs). Coupled with the integration of the GeM portal and credit guarantee mechanisms for invoice discounting, this will significantly unlock working capital.

- **The “Corporate Mitra” Initiative:** A matter of immense pride for our Institute is the Government’s call for professional bodies like ICMAI to train a cadre of “Corporate Mitras.” These accredited para-professionals will assist MSMEs in Tier-II and Tier-III cities with affordable compliance and regulatory support, a mission we are eager to spearhead.
- **Technological & Sectoral Boost:** With an outlay of `40,000 crore for Electronics Components Manufacturing and the launch of Semiconductor Mission 2.0, specialized MSMEs in deep-tech and precision engineering have been handed a clear growth mandate.

As we navigate these changes, the role of CMAs becomes even more critical. We are no longer just auditors; we are Value Creators and Compliance Partners. Our focus remains on helping MSMEs adopt Total Cost Management (TCM) and sustainable ESG practices to remain competitive in a “Warehouse Operator-Centric” global trade environment.

I encourage all readers to dive into this volume, which meticulously analyzes these budget highlights and provides actionable insights. Let us together turn these policy visions into measurable public trust and economic prosperity.

Happy reading!

CMA (Dr.) K Ch A V S N Murthy

Chairman

MSME and Start up Promotion Board, ICMAI



From the Desk of the MSME and Start-Up Promotion Board

The dawn of the fiscal year 2026-27 brings with it a transformative energy that reaffirms India's position as the most vibrant laboratory for entrepreneurship. We stand at a unique crossroads where your individual ambition meets a national mission to build a Viksit Bharat 2047. Today, being an entrepreneur in India is not just a career choice but a participation in a historic economic resurgence where the "small" is finally being empowered to become "champion."

The Union Budget 2026-27 serves as a powerful testament to this shift, moving beyond mere subsidies toward a strategic partnership between the government and the visionary founder. By placing MSMEs and Startups at the absolute centre of the growth story, the budget has unlocked a three-pronged support system focused on Equity, Liquidity, and Professionalism. With the introduction of the dedicated ₹10,000 crore SME Growth Fund, the government is now providing high-potential enterprises with the patient risk capital needed to scale without the immediate burden of debt. This is further reinforced by a significant top-up to the Self-Reliant India Fund, ensuring that even micro-enterprises have the fuel to ignite their journey toward global competitiveness.

The MSME and Startup Promotion Board of ICMAI acts as the vital professional architect in this ecosystem, ensuring that the visionary provisions of the Union Budget translate into measurable business success. Our Board is dedicated to institutionalizing cost-competitiveness and fiscal discipline within your enterprises, deploying specialized CMA-led

consultancy to help you navigate the new "Corporate Mitra" framework. By providing hands-on assistance in project report preparation, credit appraisal, and the implementation of Lean Manufacturing practices, ICMAI ensures that Indian startups do not just survive but scale profitably. We are committed to bridging the gap between grassroots innovation and institutional finance, making Ease of Doing Business a practical reality through rigorous financial mentorship and professional handholding.

To ensure that the growth is not restrained by administrative hurdles, the new budget has introduced a simplified Income Tax Act and expanded the TReDS platform to improve the cash flow. The Board encourage to embrace this era of digital transparency and quality-driven manufacturing. The bridge between a local idea and a global brand has never been shorter, and the resources to cross it have never been more accessible. Courage to Innovate is the bedrock of our nation's resilience and we are committed to ensuring that every enterprise thrives in this new age of Indian excellence.

Warm regards,

MSME and Start up Promotion Board

Institute of Cost Accountants of India (ICMAI)

Glimpse of 6th Board Meeting of MSME and Start up Promotion Board held on Friday, 7th November 2025 at CMA Bhawan, 4, Monteith Ln, Egmore, Chennai, Tamil Nadu-600008





Finance Budget 2026-27 Highlights

“Champion SMEs”

“Recognising MSMEs as a vital engine of growth, I propose a three-pronged approach to help them grow as Champions”.

- Hon'ble Finance Minister Nirmala Sitharaman

The Union Budget 2026 Highlights primarily focused on agriculture, MSME development, skill development and emerging sectors like AI and robotic technologies. The Finance Minister presented the Union Budget 2026 on 01st February, Sunday.

The Union Budget 2026 sends a positive signal to India's start-up ecosystem by reinforcing a capex-led, reform-driven growth strategy aligned with the vision of Viksit Bharat. The government's emphasis on ease of doing business, technology adoption and access to capital creates an enabling environment for innovation led enterprises.

- Start-ups are expected to benefit from the strong push on manufacturing, electronics, semiconductors, biopharma, AVGC, AI and deep-tech, along with targeted measures to scale MSMEs and emerging enterprises.
- The proposed SME Growth Fund, Self-reliant India Fund, expansion of Trade Receivables Electronic Discounting System (TReDS), and improved access to risk capital are likely to ease funding constraints for growth-stage start-ups.
- Professional bodies such as ICAI, ICAI and ICSI and are empowered to develop ‘Corporate

Mitras’, supporting compliance and Ease of Doing Business for MSMEs and start-ups.

- Policy initiatives relating to data centers, cloud services, fintech infrastructure, education-to employment pathways and services exports open new growth opportunities for tech-enabled and platform-based start-ups.

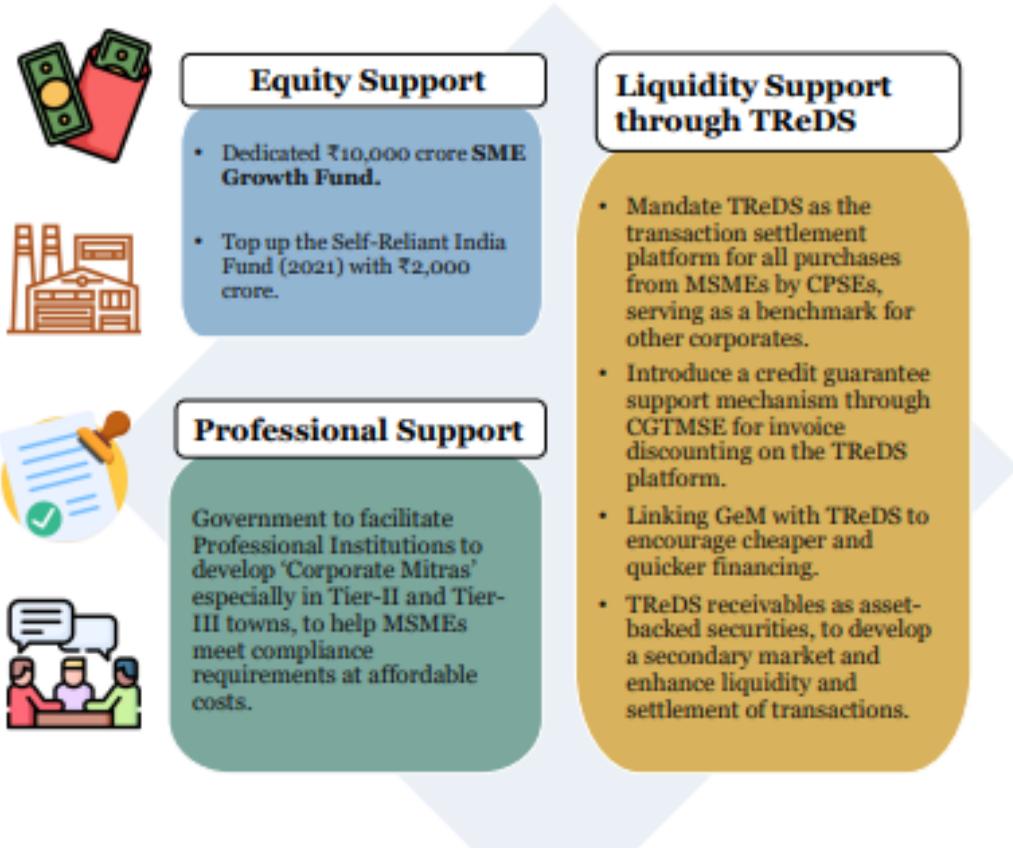
While there is no change in the corporate income tax rates, for companies which are under the old corporate tax regime, the MAT rate is reduced from 15% to 14%. Further, no MAT credit is allowed from 01 April 2026 if continued under the old corporate tax regime. Where the company switches to the new corporate tax regime (i.e., 22% without claiming any deduction) from FY 2026-27, set-off of brought forward MAT credit shall be limited to 25% of the tax payable from FY 2026-27. This essentially facilitates a smoother transition for corporates from the old corporate tax regime to the new corporate tax regime.

- Until now, buy-back of shares was taxable as ‘dividend’. With effect from 01 April 2026, buy-back of shares is taxable as ‘capital gains’. The tax rate on capital gains shall be applicable for non-promoter shareholders. For promoter shareholders, additional tax is applicable. The tax rate for corporate promoters is 22%, while that for non-corporate promoters is 30%.
- Safe Harbour TP margins for IT/ ITES/ KPO and contract R&D services relating to software development are proposed to be reduced to 15.5%.
- Foreign companies availing services from Indian data centers and earning income from such

services will enjoy an income tax exemption until 2027, reducing their tax exposure when operating through Indian reseller arrangements. A new exemption has been announced for non-residents visiting India to render services under a forthcoming specified scheme (details awaited).

- A comprehensive overhaul of the FEMA Non-Debt Instrument (NDI) / FDI Rules has been initiated to create a modern, simplified, and investor-friendly framework aligned with India’s evolving economic priorities.

Three-pronged approach to help MSMEs grow as ‘Champions’





List of Webinars Conducted by MSME and Start up Promotion Board (MSPB)

Sl. No.	Name of the program	Name of speaker	Designation	Month	Photo
1	Enhancing MSME Competitiveness through Innovation & Creativity	Dr. Sivapriya Chellappa	Co-Founder, JNANA VIKAS JAGRATI	December, 2024	
2	CMAs as Advisors to Taxation of Start-Ups and Start-up MSMEs	CMA Guruprasad V	Consultant	January, 2025	
3	Cost Optimisation for MSMEs	CMA (Dr.) Jayaram Ramakrishnan	Professor of Practice IFMR GSB, Krea University, Andhra Pradesh	February, 2025	
4	Ecosystem of MSME Sector in India	CMA Deenadayalan K S	Joint Director MSME Department Government of Tamil Nadu	February, 2025	
5	Decoding the MSME Act and Procedural Compliances	CMA Mahendra Bhombe	Practicing Cost & Management Accountant, Strategic Consultant	March, 2025	
6	MSME Schemes - CMAs Role	CMA Udaya Shanker Proddaturi	Management Consultant	March, 2025	
7	AI and MSME – A Perfect Match for Success	CMA Vikita Subudhi	Practicing Cost Accountant	April, 2025	

Sl. No.	Name of the program	Name of speaker	Designation	Month	Photo
8	Govt. Initiatives for MSME	CMA (Dr.) Priyanka Saxena	Consultant	April, 2025	
9	Empowering MSMEs with Tech: Cost Optimization & Smart Decision-Making with AI	CMA Vijay Kiran Agastya	Consultant	May, 2025	
10	Avenues of Bank Finance for MSME and Start ups	CMA Balbir Singh	General Manager, Panjab National Bank	June, 2025	
11	Uplifting Indian MSMEs - A Glance on Government Schemes	Dr. Sivapriya Chellappa	Co-Founder, JNANA VIKAS JAGRATI	June, 2025	
12	MSME - Value Creation & ESG Integration	CMA Siddhartha Pal	Management Consultant & ESG Expert	June, 2025	
13	Success Mantra for a Startups.	CMA Jyotsna Rajpal	Practicing Cost Accountant	June, 2025	
14	AI Powered MSMEs - The Digital Transformation	CMA Vikita Subudhi	Practicing Cost Accountant cum Faculty	June, 2025	
15	Importance of Cost Analysis & Process Mapping for Start-ups	CMA (Dr.) Jayaram Ramakrishnan	Professor IFMR GSB, Krea University, Andhra Pradesh	June, 2025	
16	SME Growth Navigation and Opportunities for CMAs	CMA Dr. Chaitanya Shah	Financial Advisor	September, 2025	

Sl. No.	Name of the program	Name of speaker	Designation	Month	Photo
15	Generative AI for MSME Growth	Shri Subbarao Mukkavilli	Founder of SkillCulture, Forcey Former Executive Director and CTO Registered Independent Director	October, 2025	
15	Do You Want to Be the Next Unicorn! Transform Your Business into a Billion Dollar Reality	CMA Pankaj Jain	Founder Jain Ventures Consulting Pvt. Ltd	December, 2025	
15	Strategic Thinking - A Guide to Align with the Rapidly Changing Business	Dr. Sivapriya Chellappa	Co-Founder, JNANA VIKAS JAGRATI	February, 2026	

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1

Government Initiatives for MSME

MSME Loans for Small Businesses

An MSME Loan is a form of business loan given to micro, small, and medium-sized businesses for the purpose of establishing a business, expanding a business, or paying other business needs. MSME loans are unsecured, and obtaining them is usually a simple process. However, there are strict eligibility requirements for this form of financing. MSME loans are defined as “loans for business enterprises for support in terms of finance, infrastructure, and, another area” by the Government of India and RBI.

Let’s look at some of the benefits of MSME Loans

1. Affordable MSME Loan Interest Rate

MSME loans are generally preferred not only because of their guarantee and convenience but also because they are affordable. Small businesses or startups can’t afford to spend a fortune on paying exorbitant amounts of interest. MSME loan usually comes with an affordable MSME loan interest rate which makes them an ideal choice for small businesses.

2. Collateral-free Business Loans

Business loans are collateral free loan meaning small businesses do not need to pledge any collateral for loan eligibility as it could hamper their productivity. This makes MSME’s an ideal source of funds for small businesses.

3. Flexibility

MSME loans are usually available for short-term capital requirements by small or medium enterprises. This allows a certain level of flexibility to the borrower, as there is no set of long-term commitment required on the MSMEs part. A short-term commitment allows businesses to allocate funds more efficiently and keep a close check on the cash flow.

4. Tax Benefits

MSME loans are usually availed by small business owners to grow and expand their company. Since it involves repayment which is an expense to the company, tax benefits are available on interest charges, so that small businesses can focus on their growth and expansion without worrying about the tax implications.

5. Accessibility

The most challenging things while running a business are the availability of startup capital, funds for sustaining the already established business, or expansion. Through an MSME loan, which requires minimum documentation and quick disbursement of loans, businesses can have a huge benefit. This can come in handy for small businesses when they are in urgent need of funds.

6. Uses of MSME Loan

- ▶ Purchasing of land for starting a business
- ▶ Purchasing a factory
- ▶ Purchasing machines and equipment
- ▶ Buying raw materials
- ▶ Bills payment, debts repayment, and employee wages
- ▶ Business Expansion
- ▶ Funds for marketing and advertising

MSME loans with appropriate interest rates ensure that, as compared to other conservative kinds of financial assistance, a very small amount is spent on loan repayment, resulting in savings. MSME loans are typically used by small firms for short-term needs. Because there is no long-term commitment, this gives the borrower some flexibility. Having a short-term commitment allows small and medium-sized businesses to manage their cash flow and deploy available resources more effectively.

Collateral-Free MSME Loans: Empowering the Future of Indian Businesses

In recent years, collateral-free MSME loans have become increasingly popular in the Indian economy, providing a lifeline for small and medium-sized businesses. Unlike traditional loans, they do not require collateral, making them accessible to those with lower credit scores. These loans can help businesses meet their working capital needs and grow in a competitive market. Join us as we explore the benefits and potential of collateral-free MSME loans for Indian businesses.

If you want to start or expand your business in India, collateral-free loans are available for MSMEs. These loans come with a low-interest rate, typically 8 to 16%. Each bank has its own policies for determining the maximum loan amount based on its norms, but

some organizations do not limit it. The repayment term for these loans can be up to 15 years.

Financial institutions, such as banks and NBFCs, provide loans to MSMEs, and the Government of India also launches new schemes to support MSMEs' growth. These loan schemes have a minimal interest rate and do not require collateral. Some popular schemes that offer collateral-free loans to MSMEs include CGTMSE and Mudra loans.

Benefits of a Collateral-Free MSME Loan

Get Easy Access

One of the most significant advantages of MSME loans is their accessibility. If you seek a business loan in India, you can apply for an MSME loan through multiple channels, such as traditional banks, authorized financial institutions, NBFCs, or Government-appointed nodal agencies.

Another significant benefit is that these loans are unsecured, meaning that businesses do not need to provide any security or collateral to obtain them. This makes MSME loans an excellent option for small businesses that may not have substantial assets to use as collateral.

Fast Disbursal

MSME loans are known for their speedy disbursal process. Banks and NBFCs can disburse the loan amount within a week, with some lenders even processing and paying the loan within a day or two. For example, the MSME loan scheme offered by the Government can disburse the loan amount in under an hour, providing borrowers with immediate access to funds.

As these loans do not require collateral and have simple eligibility and documentation requirements, the KYC procedure is not lengthy, and lenders can disburse the loan amount quickly. Overall, the MSME business loan is a hassle-free way for small businesses to obtain the funds they need to grow and expand.



Help to Deal with Seasonal Cash Flow Requirements

Running a small business in India's economic landscape can be challenging. Many MSMEs struggle with seasonal restrictions that affect their services. While they may have enough cash, they may find it challenging to carry out their day-to-day business activities at other times. A sudden cash crunch can be especially unfavourable for businesses in certain circumstances. The unpredictability of the market and cash flow can make it difficult for MSMEs to manage their finances effectively.

Owners Stay in Control

The MSME loan provides small business owners with complete control over their ventures. Unlike other financing methods, such as venture capital or angel investors, MSME loans do not require the owners to give up equity ownership in their businesses. With an MSME loan, lenders do not interfere with the management of the business, and their primary concern is the timely repayment of the loan amount.

This gives small business owners the freedom and flexibility to make decisions without the pressure of outside investors and allows them to retain full ownership of their ventures.

Affordable interest rate

For small-scale businesses, every paisa counts, and having access to more funds can help them take calculated risks and increase their profits. The MSME loan offers a low and affordable interest rate, making it easier for small businesses to repay the loan without feeling overwhelmed.

This can be especially beneficial for businesses that are just starting or those that are trying to expand their operations. With access to affordable financing, small businesses can invest in new equipment, hire more staff, and take other steps to grow and improve their businesses, ultimately leading to greater profits in the long run.

The freedom and control that come with the MSME loan allow small business owners to make decisions without outside pressure and retain full ownership of their ventures. In a country like India, where small businesses face many challenges, the MSME business loan can be a valuable tool to help these businesses succeed and thrive.

E-Commerce in MSME growth

The ease of setting up an online store and the low cost of entry have made e-commerce a game-changer for MSMEs, allowing them to compete with larger companies and tap into new opportunities. By leveraging the power of e-commerce, MSMEs can not only boost their growth but also contribute to the overall development of the Indian economy and remain relevant in the global market.

The role of e-commerce in the growth of Micro, Small and Medium Enterprises (MSMEs) is a topic of great significance in today's fast-paced and interconnected world. With the advent of technology and the increasing popularity of online shopping, e-commerce has become a crucial aspect of the Indian economy and the global market. It provides MSMEs with a platform to reach a wider audience and expand their business in the global markets.

1. Easy access to finance for Fin-Tech Players

Micro, Small, and Medium Enterprises (MSMEs) often need cash because of their business nature and the type of labour they use. They may need help in obtaining enough working capital, which can affect the smooth supply of raw materials.

This is where B2B e-commerce players come in to help. These players have formed partnerships with modern FinTech companies to provide MSMEs with convenient and timely access to finance when they need it most.

Through these partnerships, MSMEs can access

financing quickly and easily without going through the lengthy and complicated process of obtaining a loan from a traditional bank. This helps them to overcome their working capital challenges and continue their operations smoothly.

2. New age evaluation procedure and collateral-free loans

Financial technology (FinTech) companies have had a significant impact on various stages of loan operations. One of the most significant changes they have brought is the availability of collateral-free loans.

Collateral-free loans are loans that do not require the borrower to put up any assets as security for the loan. This is in contrast to traditional loans, which typically require collateral, such as a property or a vehicle, to secure the loan.

The ability to offer collateral-free loans has revolutionised the lending industry and has made it easier for people to access credit. It has also opened up new opportunities for those who may have not yet had access to traditional loans due to a lack of collateral.

FinTech companies have made it possible to assess the creditworthiness of borrowers through innovative techniques such as data analysis and machine learning. This has enabled them to offer collateral-free loans with a lower risk of default, making it a win-win situation for both borrowers and lenders.

3. Digitization of the distribution chain for speedier logistical turnaround time.

Ensuring fast delivery and meeting production schedules can become a challenge when there are continuous delays in getting raw materials and shipping finished products. This is where logistics

become a significant issue for Micro, Small, and Medium Enterprises (MSMEs), limiting their production capabilities.

To address this problem, e-commerce players have leveraged technology and human resources. This helps them to overcome the logistic hurdles and provide a smooth and efficient delivery process.

Moreover, B2B e-commerce platforms with a large network of suppliers can also play a crucial role in helping MSMEs secure high-quality raw materials at competitive prices. By partnering with these e-commerce players, MSMEs can access a wider pool of suppliers, improving their chances of finding the right raw materials for their production needs.

4. Contributing to the supply chain with cost-saving services

MSMEs (Micro, Small, and Medium Enterprises) often need help to connect directly with their suppliers and customers. This is due to the many intermediaries involved in the buying and selling process, which drives up prices and adds complexity to the transactions.

However, with the advent of online marketplaces, MSMEs can bypass these extra costs and intermediaries. It is to engage directly with their suppliers and customers. It is also worth noting the recent revision of the MSME definition by the Indian government.

5. Customer marketing via e-commerce

Expanding the consumer base generally needs investments that an MSME may need help to achieve. However, moving their business to an online marketplace enables an MSME to broaden its consumer base significantly. The increasing link between the B2B e-commerce sector with



Indian MSMEs is a promising start towards addressing some of the traditional difficulties in the industry.

One can observe the growth of trust and flexibility on both sides as B2B e-commerce platforms offer better, hassle-free, unique solutions to small firms. Continuous developments like digital payments, hyper-local logistics, analytics-driven consumer engagement and digital ads have helped the e-commerce industry in India to grow at a far faster rate.

Consequently, we are seeing a rising number of small firms getting onto the e-commerce bandwagon. From leveraging discounts as a strategy to focusing on profitability through ease to easy return policies, personalisation, time-bound services and a more accessible digital interface, B2B e-commerce has come a long way.

In conclusion, the role of e-commerce in the growth

of MSMEs has become increasingly vital in the modern business landscape. By providing MSMEs with an accessible and cost-effective platform to reach a wider audience, e-commerce has become a catalyst for growth and expansion in the Indian economy and the global market. The benefits of e-commerce are numerous, including increased exposure, access to new markets, and the ability to compete with larger companies.

Furthermore, the growth of MSMEs through e-commerce also positively impacts the Indian economy as a whole, creating new jobs and driving economic development. The future of e-commerce in the evolution of MSMEs is bright, and it is likely to play an even greater role in the future. To remain competitive and succeed in the ever-evolving business landscape, MSMEs must embrace e-commerce and the opportunities it provides.

Strategic role of CMAs in elevating families from BPL-to-APL



CMA P. Udaya Shanker

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Enterprises

Abstract

To achieve a resilient economy, the “bottom of the pyramid” must be fortified. To move in this direction, identifying Below Poverty Line (BPL) families and tuning them to move ahead by leveraging various government schemes to facilitate becoming Above Poverty Line (APL) families. Initiatives have to be in line with world bank moves, address issues through various stakeholders, etc., to have a holistic development. CMAs can associate in this process of the transition across the unorganised sector, agriculture and allied activities, waste management, and enabling support mechanisms aligning with Sustainable Development Goal-2 (Zero Hunger).

SDG-2 aims to make everyone hunger free before 2030 which calls for food security, improved nutrition, and sustainable agriculture. The goal is supported by 8 targets and 14 indicators to measure progress.

World Bank Group

India is one of the fastest growing economies and aims for high middle-income status by 2047, having already become the world’s fifth-largest economy. The economy has quadrupled in real terms since 2000 and tripled per capita income. The country’s share in the global economy doubled from 1.6% to 3.4% by 2023 in a span of 13 years.

The indicators considered for the purpose are: Health (nutrition, child and adolescent mortality, maternal health); Education (years of schooling and attendance); Standard of living (cooking fuel, sanitation, drinking water, housing, electricity, assets, bank account).

I. Unorganised sector

A. Street vendors as micro enterprises

The Ministry of Housing and Urban Affairs through PM Street Vendors AtmaNirbhar Nidhi (PM SVANidhi) provides support to street vendors of census towns and peri-urban areas. The mechanism involves identification of street vendors by monthly Lok Kalyan melas, issuance of identity cards, display of parichay board; facilitate collateral free working capital term loan in three tranches i.e., ₹.15,000, ₹.25,000 and ₹.50,000 with repayment schedule of 12, 18 and 36 months, providing credit cards of 5 years validity to those repaid 2nd tranche and eligible for 3rd tranche with initial limit of ₹.10,000 later enhanced to ₹.30,000, guarantee cover for lenders up to 20% of NPA; promoting digital adoption through incentive using Digi Saathi/Sakhi platform for inward digital transaction ₹.1/transaction with limit of ₹.100/month and outward wholesale digital purchases of minimum ₹.2,000 at ₹.100/quarter having ₹.20/transaction; capacity building through entrepreneurship, financial literacy, packaging, street food culture for vendors towards hygiene and food safety, facilitate new market access, backward and forward linkages, workshops and seminars; connect to social security schemes. Interest rates wherein subsidy of 7% per annum credited quarterly. Lending institutions are under credit guarantee on a portfolio basis of 31.87%, 8.25% and 6% for the 1st, 2nd and 3rd tranches. National Street Vendor Forum yearly event organised by National Association of Street Vendors of India (NASVI) wherein stakeholders plan for future policies. NASVI

Street Sathi App (multi lingual) connects street vendors to government schemes, digital identity, access to training and resources. Digital Street Project enables digital transformation, addresses livelihood issues, income assurance, upgrading skills, empowerment through inclusiveness.

Sunil Patil of Dolly Chaiwala, a first generation entrepreneur from Nagpur serves tea with swift, dramatic hand movements to entertain customers and known as “Celebrity Chaiwala of India” and “Jack Sparrow of India” generates ₹.1 lakh monthly revenue. February 2024 video showed serving tea to Microsoft Co-founder Bill Gates who shared on Instagram preparing tea with his signature flair commenting, “In India, you can find innovation everywhere you turn — even in the preparation of a simple cup of tea!” leading to widespread media coverage.

CMA's role

Associate with awareness regarding funding options such as direct (cash) and indirect (infrastructure), creating favourable working conditions (basic amenities such as water, waste disposal), identifying market areas (side walks, markets, parks, religious places), modus operandi could be mobile or permanent structure, adopting technologies in line with markets (vending machines, equipments to improve productivity), logistics for smooth operations, promoting health (camps), empowering through social media, bringing in competition, and protecting legal rights. Connect with Town Vending Committees to operate street vending and maintain harmony amongst the society at large besides ensuring effective utilisation of funds. At the national level associate with Deendayal Antyodaya Yojana-National Urban Livelihood Mission meant to reduce poverty, access gainful self employment, skilled wage employment, providing shelters equipped with essential services to the urban homeless.

B. Circular economy and waste management

Waste management is a burgeoning sector where rag pickers handle waste by collection and sorting of 40 million tonnes annually. Rag pickers earn ₹.300-400/day involving waste management which is recycled, with 4 million individuals working under hazardous conditions.

Bio-medical waste used in different colours of containers consists of general non-hazardous (black) that do not pose a health risk, infectious (yellow) contaminated with blood or bodily fluids, sharps (blue/white) items like needles and scalpel blades, chemical, pharmaceutical (blue/white), radioactive, offensive. Treatment could be auto claving, incineration, chemical disinfection, disposed of in landfills.

Fuel briquettes

Biodegradable waste is used to make fuel briquettes an eco-friendly and efficient alternative energy source, utilising food scraps and yard clippings. This improves air quality, energy efficiency, etc.

Lucknow as clean city

Municipal Corporation has 18.5 lakh MT waste, 12.86 lakh MTs scientifically processed which demonstrates initiatives for a greater cause. The Refuse Derive Fuel (RDF) (2.27 lakh MT), Construction and Demolition (C&D) waste, bio-soil, and coarse fractions utilised in environmentally-friendly ways such as recycling, co-processing, and low-land filling. As waste is processed, several valuable by-products are generated. Inert materials such as coarse fractions (4.38 lakh MT), bio-soil (0.59 lakh MT), and CD waste (2.35 lakh MT) used for landfilling and infrastructure development in low-lying areas.

ITC initiative

Well Being Out of Waste (WOW) programme

which has reached 4.6 million households and 5.2 million school children. It helps separation of recyclable and non-recyclable categories, reduces waste through landfills, packaging solutions substituting single-use plastics, collaborating with local communities to implement decentralised solid waste management and sustainable livelihoods for waste collectors. Green temple initiative wherein waste generated in worship places is turned to biogas and compost for gardens.

Waste management - Japan

Residents of Kamikatsu town with less than 2,000 population of 'Zero Waste' village organise their trash into 45 categories. Built on the site of an incinerator, become the centerpiece of an ambitious goal to reuse or recycle everything it produces. In doing so, the Japanese island of Shikoku has become a world-leading example of how a community can eliminate waste.

CMAs role

Educate entrepreneurs regarding waste management such as solids to make incessant sticks out of flowers, re-cycle scrap; liquid to recycle water, filter engine oil; hazardous to carry out effluent treatment (toxic, corrosive); organic to make composting (food, agriculture). Educate to use the resources effectively by way of "3R" Reduce, Re-use, Re-cycle costing models. The assets to be used fully and dispose of them timely.

C. Modernising traditional professions by adopting best practices

Activities moving from traditional to modern way such as cooking to catering, cloud kitchens; cleaning to dusting, mopping, vacuum; barbers to salons, spa, pedicure where even fishes are used, manicure, beauty parlour, mehindi, tattoo; weavers of cotton, silk, khadi, lenin; tailors to fashion, garments, designing; washermen to dry



cleaning, laundry; photography to video, drone, etc., have changed in tune with markets. Focus is on event management which is gaining attention. This requires a shift in mindset and adherence to professional standards.

Ramesh Babu, a salon owner in Bengaluru became a notable figure. Strategically added tours and travels portfolio with over 400 vehicles, including high end. The journey from a barber to a billionaire is a testament to his hard work.

Jawed Habib an hair stylist, businessman, politician and a second generation entrepreneur studied in Morris School of Hairdressing, UK. He owns Jawed Habib Hair and Beauty Ltd., which operates across the country in franchise model, and offers on-line courses. His grandfather Nazir Ahmed served as official hairdresser for Lord Linlithgow, Lord Mountbatten, and Jawaharlal Nehru. His father Habib Ahmed Habib's Hair and Beauty in The Oberoi Hotel, New Delhi and worked for the President of India, Rashtrapati Bhavan.

CMA role

Building competence to gain knowledge both academic and practical besides skill upgradation from unskilled to professional relevant to the job and industry standards by way of ranking. Create positive attitude, reliability, and professionalism. Communicate effectively in person and using tools. Adaptability through open to change by facilitating transition from physical to virtual operations and adjusting to environments or responsibilities adopting unique selling propositions. Aligning personal goals with organisational objectives. These help create a productive and supportive work environment.

D. Scaling rural impact through Self Help Groups (SHGs)

SHG is to bring together the rural poor for

mutual benefit focusing on women. Bank linkage is to promote savings habits, lending amongst members, prepare business plans, work together harmoniously, even rating takes place. The members move from non-income generating i.e., consumption loans to production activities, to meet social needs, have debt swapping, ensure repayment, etc. Sanctioned savings linked loans by banks varying from 1:1 to 1:4, matured SHGs given beyond the limits set. Under GeM portal MoRD and Panchayati Raj signed MoUs with corporates to sell products of the Sale of Articles of Rural Artisans Society (SARAS) collection wherein total procurement is ₹.75,693 crores.

The Grameen Credit Score scheme enhances financial inclusion for rural women entrepreneurs and SHGs. The banks use the credit score of an SHG to offer individual credit scores to its members, facilitating credit assessment and access to financial services. This increases financial access, customised financial products, improved credit assessment, and economic stability for women-led SHGs.

CMAs role

Associate in promoting SHGs by identifying the groups on the basis of common requirements (in terms of poverty, living conditions, location, caste), bring in harmonious relationship amongst the members, identify the individual member needs; evolve business plan that is sustainable, ensure bank linkages and financial discipline by avoiding money lenders, setting limits of funding to each member (based on illness, basic needs), maintaining records including assets of common purposes, minutes of the meeting and penalty for non-attendance, regular update of bank transactions, passbook for each member, timely repayment of loans, ensuring credit rating improvement; associate with group insurance coverage; provide training to members, develop

manuals based on the current trends; connect to the society for broader service areas; raise funds under corporate social responsibility, donations and grants; make the members out of the group after meeting their needs. Time frame for the activities are: formation 6 months, 1-2 years to understand each other, beyond this period for sustenance. A broader task for the CMAs is to associate with NGOs, regional rural banks, cooperative banks, farmer clubs, and know the booklet developed for the purpose. Factors considered for rating are: group size, nature of members, timings and attendance for the meeting, participation by members, savings within the group, interest rates for internal lending, purpose of funds usage, recovery of loans, records maintenance, accumulated savings, knowledge of rules framed, level of education, government schemes awareness, etc. At the chapter level to interact with officials associated with, state level to organise conferences involving various stakeholders, national level to associate with policy making bodies.

II. Agriculture and allied activities building value chain

A. Dairy

World milk day is on 1st June. The country employs over 80 million rural households, predominantly small and marginal farmers in the sector and accounts for 5% of the economy, contributing 24% of global milk production having market size ₹.18,975 billion in 2024. Dairy Entrepreneurship Development Scheme (DEDS) through which assistance is offered for setting up small dairy farms and other components. The products associated with are milk, curd, yogurt, cheese, butter, ghee, ice creams, milk powder, etc. Funding is given to farmers, entrepreneurs, SHGs, co-operative societies, etc. Capital subsidy

is 25% of outlay and 33.33% for SCs and STs. National Dairy Development Board (NDDB) provides working capital loans to co-operatives based on a maximum 80% of the requirement at 8.00% p.a. Anand Milk Union Limited (AMUL) is an outstanding example wherein Dr Verghese Kurien, dairy engineer and social entrepreneur, brought white revolution. The country exports 64,000 metric tonnes to UAE, Bhutan, Singapore.

CMAs role

Promote value addition encompassing milk (whole, skim and flavoured), cheese (cheddar, mozzarella, and cottage cheese), yogurt (smoothies, dressings and desserts), butter, ghee, cream used in cooking, baking, and making desserts like ice cream, whipped cream, kefir (a fermented milk drink), buttermilk, and various types of cream cheese.

III. Support mechanism for rural entrepreneurship

A. Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE)

Setting up both livelihood and technology business incubators to create jobs and reduce unemployment. Aims is to boost grass root economic development at district level. It facilitates innovative, entrepreneurship, agro based activities, provides business solutions for unmet social needs to strengthen the competitiveness. Funding ₹.1 crore for government organisation and ₹.75 lakhs for others.

B. Sahakar Mitra

Internship Programme (SIP) of National Cooperative Development Corporation (NCDC) wherein emphasises the value of vocal for local. Providing 5 lakh graduates of 18-35 age short-term up to 4 months for creating opportunities to promote cooperative-based entrepreneurship focuses on SCs/STs. They are ambassadors to



establish 10,000 new cooperative societies. Themes are leadership, business planning, project preparation, and financial management.

CMA's role

Involve in activities to enhance skills, knowledge, and capabilities of individuals, organisations, or systems to achieve goals effectively. It is through training, education, mentorship to gain new skills and improve performance. Soft and hard interventions focusing on communication and strategic thinking and technical skills such as data analysis and proficiency. Infrastructure upgrading both physical resources and systems within an organisation to support its operations and growth. Collaborating with multiple stakeholders to tackle systemic challenges and develop robust systems. Supplying the necessary tools, equipment, and technology to perform tasks efficiently. These activities are essential for organisations to remain

agile, respond to change, and tackle market challenges. They help businesses improve their organisational framework, develop a resilient workforce, and drive long-term growth.

Conclusion

A number of initiatives taken by the government to promote entrepreneurship with focus on the BPL. One of the means is to move towards self-employment. In this regard providing promotional services, financial support, etc. CMAs to offer services such as advisory, mentorship, risk management, cost effectiveness operations, dress codes, festivals, events, private labeling, export prospects analysis, financial governance, profiling case studies, etc., aimed to bridge the gap between government policy and ground-level execution impeccably.

Innovation over Imitation: Indian startups' survival imperative – A path for sustainable growth



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Abstract:

Startup ecosystem of India has expanded rapidly in scale and global visibility in recent years; yet this apparent success masks some darker aspects like, a persistent innovation deficit. While startup registrations and unicorn counts remain high, rising closures, weak intellectual property creation, and limited R&D investment point to deeper structural fragile quality. This article explores how imitation

has increasingly displaced indigenous innovation within Indian startups, tracing the cultural, financial, educational, and policy forces shaping this outcome. Drawing selective comparisons with the United States, China, and Europe, it identifies gaps in research funding, risk tolerance, and patient capital. The article concludes by outlining a strategic framework to enable deeper, more resilient, innovation-led entrepreneurial growth in India.

1. Introduction

India's startups ecosystem frequently garners global attention as one of the fastest-growing entrepreneurial landscapes in the world. As of 31.10.2025, India has 1,97,692 DPIIT-registered startups [1], overtaking most markets except China and the USA in sheer numbers[2]. Accompanied by 125 unicorns, this rapid growth has been celebrated as evidence of India's emergence as a global innovation hub [3].

However, beneath this surface success lies a significant and often overlooked disconnect. Official data indicates that 6,385 Indian Startups had closed operations by October 2025, including several well-funded ventures once touted as future giants [4]. At the same time, the pace of new unicorn creation appears to be slowing, and several previously high-valuation startups have faced restructuring or shutdowns, leading analysts to only question, the ecosystem's depth.

Additionally, independent assessments indicate that many unicorns and high-value Startups lack significant intellectual property assets such as patents or proprietary technologies, pointing to a relatively shallow innovation base when compared with headline valuations [5].

This article does not dispute India's entrepreneurial energy or startups scale. Rather, it analyses why imitation—replication of foreign models—has become more common than indigenous innovation, and explores how structural, cultural, and policy factors contribute to this issue. It also contrasts India's approach with the



innovation ecosystems of the United States, China, and Europe, and presents a clear roadmap for creating a more robust, innovation-driven Startups culture.

2. Imitation Bias in Indian Startups

2.1 How Replication Became the Norm

In many emerging ecosystems, imitation operates as a shortcut to initial traction. India's early wave of startups often borrowed ideas from Silicon Valley or major Chinese ecosystems. While adapting successful models is not inherently detrimental, problems arise when replication begins to substitute genuine problem discovery and original value creation.

A commonly cited example is the rise of ride-hailing platforms. After the global success of Uber, Indian companies such as Ola and others entered similar markets with minor localisation. Likewise, food delivery and quick commerce platforms proliferated with hardly any substantive innovation beyond promotional tactics. Many of these ventures eventually collapsed or were forced into consolidation once funding pressures tightened and unit economics proved unsustainable.

Such patterns reflect a broader trend where success is pursued by copying global blueprints rather than inventing context-specific solutions.

2.2 Startup Failures and Innovation Deficit

A joint study by IBM and Oxford Economics found that up to 77% of Indian Startups fail due to lack of innovation, meaning they either offer solutions that already exist elsewhere or lack uniqueness relative to market needs^[6]. This innovation deficit is not merely about ideas—it's about generating defensible value through technology, design, and insight that rivals global peers.

Innovation, in its true sense, requires expertise

in research, a tolerance for early failure, and significant investment in prototyping and deep product development—elements that are generally weak in the Indian ecosystem.

3. Growth without Depth—Scaling before Understanding

3.1 The Pitfalls of Rapid Scale

India's venture capital environment often rewards rapid scaling metrics such as user acquisition and top line growth. While these are important indicators, they can mask a lack of product-market fit and deep customer insight. Growth at any cost often becomes a substitute for truly understanding why customers adopt a product and how, or even whether, a solution addresses their underlying problems.

For example, multiple logistics and food delivery Startups focused on discounts and promotions to rapidly acquire users without fully understanding last-mile delivery challenges, regulatory constraints, and cost structures at local levels^[7]. When the funding environment changed, those companies faced structural fragilities rather than operational strengths.

3.2 Deep Understanding as a Precursor to Innovation

In contrast, globally successful Startups frequently invest significant time in problem immersion, ethnographic study, and iterative prototyping before attempting rapid scaling. Founders who spend time understanding real user behaviours uncover latent needs that no amount of surface-level data can reveal.

Such deep insight often leads to solutions far more resilient and enduring than superficial replication. Indian founders must prioritise such immersion rather than treating it as a post-scale activity.

4. R&D Investment—India vs USA, China, and Europe

4.1 Global Innovation Investment Patterns

A broad indicator of innovation capacity is national expenditure on research and development (R&D). The table below summarises comparative global investment:

Country/Region	R&D Spending (% of GDP)	Implication
United States	~3.6%	Strong research ecosystem, innovation pipeline
China	~2.8%	Strategic state-supported technology growth
European Union (avg.)	~2.2%	Collaborative research frameworks
India	<1%	Limited research exposure, low deep-tech growth

Sources: *Published in net* – [8]

This stark difference in R&D investment explains why ecosystems like the US and China produce both quantity and quality in innovation—global breakthroughs like AI platforms, advanced semiconductors, and biotechnology solutions.

4.2 Decomposing R&D: Public vs Private Contribution

In mature innovation ecosystems, private-sector R&D investment plays a pivotal and often decisive role. In the United States, private companies spend more on R&D than governments and universities combined, fuelling sustained innovation beyond academic settings. China’s government similarly

mobilises state R&D funding to strategic sectors, creating integrated university–industry–government research networks.

India’s private sector R&D share is comparatively low, and government expenditure, while growing, remains inadequate to nurture deep-tech pipelines that extend beyond IT services and digital applications.

5. Government Policy—From Enablement to Strategic Innovation Support

5.1 Startup India and Initial Support Structures

Initiatives such as **Startup India** and **Atal Innovation Mission** have helped catalyse early-stage entrepreneurship by easing compliance, providing seed funding, and promoting incubation ecosystems. These interventions have undoubtedly lowered barriers to entry and expanded the number of registered startups.

However, high registration counts and supportive slogans do not equate to innovation-led growth. Many policies focus on ecosystem *presence* rather than *innovation depth*.

5.2 The Missing Middle: Sustained R&D Incentives

Indian policy currently lacks sufficiently scaled mechanisms to support **long gestation research projects** that could enable breakthroughs. Programmes that do exist often emphasise short-term establishment support, leaving early-stage research and innovation efforts underfunded and fragmented.

By contrast, China’s programmes intertwine government planning with industry roadmaps, backing multi-year innovation goals in sectors like electric vehicles, advanced materials, and artificial intelligence [9].

In the US, federal research funding agencies



such as the National Science Foundation (NSF), Department of Energy (DOE), and Defense Advanced Research Projects Agency (DARPA) allocate significant funds to foundational research that eventually stimulates new industries.

6. The Quick-Profit Mindset and Its Consequences

6.1 Short-Term Profit Pressures

A pervasive pressure in India’s startups ecosystem is the expectation of early monetisation. Investors and founders alike often prioritise models that promise rapid return, even at the expense of innovation rigor.

True innovation involves cycles of trial, error, and learning—activities that often delay revenue generation. When investors prioritise quick scale and early profitability, founders are unconsciously steered away from high-risk, high-reward innovation models toward safer, incremental, and ultimately replicative solutions.

6.2 Experimentation vs. Replication

In ecosystems where investors reward

experimentation and product iteration, startups can explore deep engineering and research pathways without the pressure for instant profit. This is more common in Silicon Valley and parts of Europe, where VC funds are structured to support long development cycles and founders are valued for learning milestones, not just revenue.

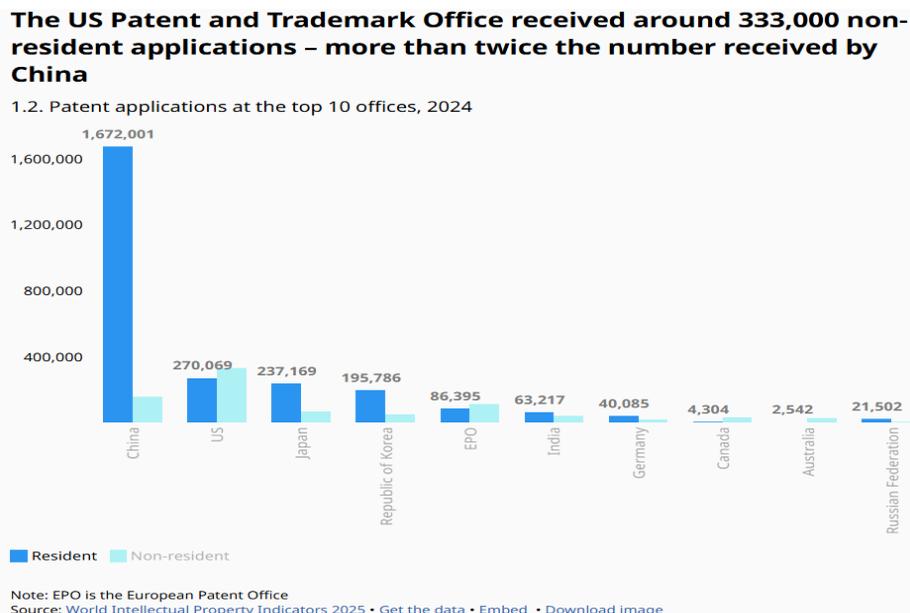
India’s investor community increasingly demands **instant traction**, which incentivises copying proven models rather than inventing new ones.

7. Intellectual Property and Innovation Output - Patents as a Proxy for Innovation Depth

Patent activity offers a measurable lens into innovation output. In 2024:

- ▶ **China filed over 1.7 million patent applications**
- ▶ **The United States filed around 600,000**
- ▶ **India filed fewer than 105,000**

These figures—which come from global intellectual property organisations—illustrate the relative innovation shortfall in India’s ecosystem^[10].



In above chart, the numbers for Non-residents are not appearing, however, can be taken proportionately to arrive the total of both categories.

Lower patent activity correlates with lower long-term differentiation, as firms without intellectual property are more susceptible to competition and replication.

8. Educational and Cultural Barriers to Innovation

8.1 Education System Dynamics

India's higher education system produces a large quantity of engineers and graduates, but many lack exposure to **fundamental research, product thinking, and interdisciplinary problem solving**. Innovation ecosystems thrive where education systems encourage curiosity, experimentation, and risk taking—cultures less dominant in Indian academic training.

8.2 Risk Aversion and Failure Stigma

In mature innovation ecosystems, failure is often treated as a stepping stone to success. In India, however, the social and financial cost of failure remains high. Bankruptcy laws, regulatory penalties, and cultural stigma create additional deterrents against high-risk experimentation.

9. Lessons from the US, China, and Europe

9.1 United States: Innovation Through Research Ecosystems

The US innovation model combines federal research agencies, top universities, and extensive private R&D investment. Technology clusters like Silicon Valley and Boston thrive due to deep connectivity between lab research and commercial application.

9.2 China: State-Led Technology Growth

China's central planning integrates strategic funding, industrial participation, and policy vision to drive innovation in sectors such as **semiconductors, AI, electric vehicles, and renewable energy**. Startups are often backed by strategic funds aligned with national priorities.

9.3 Europe: Collaborative Research Networks

European startups ecosystems leverage cross-border research programmes (e.g., **Horizon Europe**) that fund collaborative innovation across universities, industries, and governments.

These global models illustrate how **strategic alignment of funding, research, and entrepreneurial intent** fosters sustained innovation.

10. A Strategic Framework for India

10.1 Government Actions

- ▶ Gradually increase R&D spending to 2%+ of GDP
- ▶ Fund long-term, non-dilutive research grants
- ▶ Strengthen patent and IP support mechanisms
- ▶ Introduce failure-tolerant regulatory reforms

10.2 Founders and Promoters

- ▶ Prioritise problem understanding over replication
- ▶ Invest early in prototypes before scaling
- ▶ Seek long-term product excellence rather than short-term monetisation

10.3 Investors and Capital

- ▶ Deploy patient capital with longer horizons
- ▶ Reward learning milestones and experimentation



- Support deep-tech and high-revision cycles

Conclusion

India’s Startups ecosystem has remarkable energy and scale, but the prevalent pattern of imitation undermines its long-term potential. By focusing on error-tolerant innovation cycles, deep research investment, and ecosystem reforms that value discovery over rapid scaling, India can transform its startups landscape from replication-heavy to truly innovative.

Innovation—understood as deep, original problem-solving that creates enduring value—must decisively replace imitation as the core driver of entrepreneurial growth in India and to achieve this goal, proper care including R&D budget allocation by the Government of India, needs to be enhanced to desired level.

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Quality, Productivity, and Cost Management for SMEs in India



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Executive Summary

Quality and productivity are the most powerful levers small and medium enterprises (SMEs) can use to reduce costs, improve margins, and strengthen competitiveness. For Indian SMEs—especially manufacturing and processing units clustered around cities—targeted improvements in shopfloor organization, defect prevention, supplier quality, and basic maintenance deliver measurable reductions in scrap, rework, labour hours per unit, and inventory days. This document explains why quality and productivity matter, how they interact to lower costs, a

practical 12-week implementation plan, case studies, ready-to-use templates, and a cost-benefit worksheet.

Why Quality and Productivity Are Strategic for SMEs

- Quality reduces direct and hidden costs: Defects, rework, returns, and warranty claims increase material and labour consumption, while hidden overheads such as inspection time, expedited shipping, and lost sales erode profitability.
- Productivity spreads fixed costs and frees capacity: Higher output per worker or machine reduces fixed overhead per unit and enables more orders without immediate capital expenditure.
- Together they reduce working capital: Better quality reduces buffer stock and rework inventory, while higher productivity shortens lead times and lowers work in progress.

For SMEs operating on thin margins, even modest improvements in scrap reduction or throughput can convert losses into sustainable profits.

How Quality and Productivity Reduce Costs

- Lower variable cost per unit: Reduced defects and rework lower material waste and labour hours.
- Lower labour and overhead per unit: Productivity gains spread fixed costs over more saleable units.
- Reduced working capital and financing cost: Shorter lead times and lower WIP reduce inventory days and financing needs.
- Avoided capital expenditure: Improved first-pass



yield and reduced downtime increase effective capacity.

- Reduced hidden costs: Consistent quality reduces warranty claims, customer complaints, and expedited shipments.

The Interplay Between Quality and Productivity

- Quality enables productivity: Consistent processes allow line balancing and takt time improvements.
- Productivity supports quality: Organized workplaces and predictable flows make defect detection easier.
- Sequence matters: Start with workplace organization and defect prevention before pursuing speed.

Practical 12-Week Implementation Plan

Weeks 1–2: Establish foundation with 5S and visual management

- Conduct a rapid 5S sweep.
- Mark material flows and tool locations.
- Install visual boards showing daily targets and actuals.

Weeks 3–4: Define critical control points and standard work

- Identify three critical control points.
- Create one-page job cards for top operations.
- Train supervisors to own checks.

Weeks 5–6: Implement basic TPM and preventive maintenance

- Introduce daily machine checks and logs.

- Schedule weekly preventive maintenance.
- Track machine uptime.

Weeks 7–8: Run Kaizen sprints and measure cycle time

- Hold Kaizen events to identify waste.
- Document improvements and update job cards.

Weeks 9–10: Engage suppliers and tighten incoming quality

- Share specifications with suppliers.
- Implement incoming checklists and sample testing.

Weeks 11–12: Sustain and scale

- Establish daily shopfloor huddles.
- Create KPI boards.
- Plan rollout to next process.

Hedging Raw Materials to Stabilize Costs

SMEs can hedge against raw material price volatility using:

- **Futures contracts:** Lock in purchase prices on MCX or NCDEX.
- **Options contracts:** Cap costs with call options or protect against declines with puts.
- **Forward contracts:** Customized agreements with suppliers.
- **Fixed-price supplier deals:** Long-term contracts with price caps.
- **Swaps and diversification:** Exchange floating for fixed prices or blend strategies.

Certification programs from NSE, MCX, and NCDEX provide training in derivatives and commodity risk management.

Key Performance Indicators (KPIs)

Track weekly and review monthly:

- Scrap percentage
- First-pass yield
- Labour hours per unit
- Inventory days
- On-time delivery percentage
- Machine uptime

Case Studies

Case Study 1: Auto Component Supplier

- Implemented 5S, incoming inspection, job cards, and Kaizen sprint.
- Results: Scrap reduced by 18%, die changeover time reduced by 25%, overtime fell by 30%, and on-time delivery improved.

Case Study 2: Textile Dyeing Unit

- Standardized recipes, implemented TPM, trained supervisors, and introduced colour acceptance checklists.
- Results: Machine downtime reduced by 22%, rework and complaints dropped, labour hours fell, and urgent freight costs reduced.

Ready-to-Use Templates

- Job Card Template
- Incoming Inspection Checklist
- Kaizen Event Worksheet
- Daily Machine Check Log
- Cost-Benefit Worksheet

Prioritizing Improvements for Fastest ROI

- 5S and visual management
- Critical control points
- Standard work
- Quick Kaizen on bottlenecks
- Basic TPM
- Supplier engagement

Common Pitfalls

- Lack of visible metrics
- No ownership of initiatives
- Too many initiatives at once
- Ignoring supplier quality
- Pushing speed without quality

Funding and Policy Support

SMEs can access government schemes for training, certification, and technology upgradation to offset costs.

Sustaining Improvements

- Daily huddles
- Weekly Kaizen sessions
- Monthly management reviews
- Supervisor skill building
- Recognition and rewards



Sample 12-Week Calendar

- Week 1: 5S kickoff
- Week 2: Baseline KPI measurement
- Week 3: Define control points
- Week 4: Train supervisors
- Week 5: Start machine checks
- Week 6: Kaizen sprint
- Week 7: Supplier checklist
- Week 8: Measure results
- Week 9: Pilot TPM schedule
- Week 10: Review KPI trends
- Week 11: Rollout plan
- Week 12: Management review

Calculating Financial Impact

- Scrap savings: $\text{Material usage} \times \text{scrap percentage} \times \text{material cost}$.

- Labour savings: $\text{Reduced labour hours} \times \text{annual units} \times \text{labour rate}$.
- Inventory savings: $\text{Reduced inventory days} \times \text{average inventory value} \times \text{carrying cost percentage}$.

Payback periods are often within months for low-cost interventions.

Final Thoughts

Quality and productivity are core business levers for SMEs. Many high-impact actions require little capital and can be implemented with existing staff and modest training. Start small, measure rigorously, assign ownership, and scale what works. Over time, improvements compound into lower costs, better cash flow, happier customers, and capacity for growth. Derivative techniques should also be used to protect margins against external volatility. Continuous training and empowerment of our members by the Institute is essential for sustaining competitiveness.

M

arket-Led MSME Transformations



CMA Nirmal Kumar Chakrabarti

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Introduction

Micro, Small and Medium Enterprises (MSMEs) occupy a central position in India's economic architecture, not merely as contributors to output and employment but also as engines of inclusive growth, regional development, and entrepreneurial dynamism. Over the years, successive governments have recognised the sector's strategic importance through legislative, fiscal, and policy interventions. However, the evolving scale, complexity, and global integration of MSMEs have necessitated a shift from a protection-oriented framework to one that actively enables growth, competitiveness, and market access.

Two recent policy updates significantly support this effort. The first is the revised classification of MSMEs in the Union Budget 2025-26, effective from 1 April 2025, which raises the investment and turnover thresholds for micro, small, and medium enterprises. The second is the introduction of the Market Development Assistance (MDA) Guidelines, 2024, aimed at boosting MSMEs' market visibility, particularly for exports and global trade. Together, these measures reflect a clear policy goal: fostering MSME growth and helping them connect with both domestic and international markets.

The revised MSME classification and the MDA Guidelines are complementary instruments of reform, and their combined implications for enterprise growth, market access, and the broader economic ecosystem are analysed.

Evolution of MSME Policy in India

The policy framework governing MSMEs in India has historically been shaped by the need to protect small enterprises from structural disadvantages, including limited access to capital, technology, and markets. Early interventions focused on reservation policies, concessional finance, and statutory protections, including safeguards against delayed payments. While these measures played a crucial role in nurturing entrepreneurship, they also unintentionally encouraged enterprises to remain small to retain benefits.

As India's economy liberalised and integrated with global markets, this approach became increasingly misaligned with economic realities. MSMEs began operating in competitive domestic and international environments, where scale, efficiency, and market reach were essential for survival. Recognising this shift, policymakers gradually reoriented MSME policy towards competitiveness, technology adoption, and formalisation. The introduction of digital platforms, an emphasis on export promotion, and the rationalisation



of regulatory frameworks reflected this changing philosophy.

The revised MSME classification and the MDA Guidelines must be seen as outcomes of this long-term transition from safeguarding smallness to enabling sustainable growth.

Modified MSME Classification: Understanding the Context and Reasons

The MSME Development Act, 2006, defines and supports MSMEs in India. Initially based solely on investment thresholds, this approach became inadequate due to inflation, tech advances, and asset-light service models. In 2020, the government unified sectors, using turnover as a new criterion, acknowledging investment alone was insufficient. However, the new thresholds became restrictive with rising costs, larger turnover, and goals like ‘Make in India’ and export growth.

The Budget 2025-26 revision raises limits for micro, small, and medium enterprises: micro firms can invest up to ₹2.5 crore with a ₹10 crore turnover, small firms up to ₹25 crore with a ₹100 crore turnover, and medium firms up to ₹125 crore with a ₹500 crore turnover. This shift aims to prevent penalising growth and to promote ongoing participation in the MSME sector.

Implications of MSME Reclassification for Enterprise Growth

One of the most significant implications of the revised classification is the removal of the psychological and regulatory barriers to scaling up. Previously, enterprises approaching the upper limits of MSME

thresholds often avoided expansion to avoid losing access to MSME benefits. The new limits mitigate this “threshold anxiety,” enabling enterprises to invest in capacity expansion, technology upgradation, and market development without the immediate risk of reclassification.

From a legal and policy standpoint, the expanded definition broadens the base of enterprises eligible for MSME-focused schemes, credit facilities, and policy support. Medium enterprises with substantial turnover, many of which are export-capable and technologically advanced, continue to enjoy MSME status, thereby strengthening the sector’s overall competitiveness. This change also enhances the relevance of market-linked schemes, as a larger segment of enterprises now has both the capacity and the incentive to explore new markets.

Market Development Assistance (MDA): Addressing the Demand-Side Constraint

While access to finance and infrastructure often dominate MSME policy discussions, market access remains a key, complex challenge. Many enterprises struggle to enter new markets due to high promotion costs, limited brand recognition, and limited exposure to buyers. The 2024 Market Development Assistance (MDA) Guidelines aim to address this by supporting activities that enhance market presence. MDA recognises that production capacity alone doesn’t guarantee success; enterprises need integration into markets, buyers, and value chains. MDA typically facilitates MSME participation in international trade fairs, exhibitions, buyer–seller meets, and other promotional events. By subsidising or reimbursing part of the costs of these activities, the scheme lowers entry barriers for MSMEs seeking to explore domestic

and global markets. The 2024 guidelines reaffirm the government's commitment to export-oriented MSME growth and market diversification.

Collaboration Between MSME Reclassification and MDA Guidelines

The true importance of the recent policy reforms becomes clear when the updated MSME classification is considered together with the MDA Guidelines. Raising the MSME thresholds significantly broadens the range of enterprises qualifying for market development support. Businesses that have reached a particular size but remain under MSME status now possess both the ability and the policy support to carry out structured market growth.

This mutuality reflects a deliberate policy alignment. The reclassification ensures that enterprises can grow without exiting the MSME framework, while MDA provides the tools needed to convert growth into a sustainable market presence. Together, they shift the focus of MSME policy from input subsidies and survival support to demand creation and competitiveness.

Budget 2025-26 and market-driven MSME growth

The Union Budget 2025-26 explicitly identifies MSMEs as one of the six engines of economic growth, underscoring their macroeconomic importance. With over one crore registered MSMEs employing approximately 7.5 crore people and contributing significantly to manufacturing output and exports, the sector's performance directly affects economic stability and growth.

Market development initiatives, such as MDA, align

closely with this macroeconomic narrative. By enabling MSMEs to access global markets, these schemes support export diversification, enhance foreign exchange earnings, and strengthen India's position in global value chains. The revised classification ensures that enterprises that contribute meaningfully to exports are not excluded from MSME-specific support mechanisms.

Strategic importance for export-oriented MSMEs

For export-focused MSMEs, the combination of reclassification and market development support can be truly game-changing. Attending international exhibitions and trade events often marks the first step towards building a presence in the global marketplace. Yet the costs, such as travel, logistics, stall rentals, and marketing materials, can be daunting for smaller businesses.

MDA assistance helps overcome these financial and informational barriers, enabling MSMEs to connect directly with international buyers, gain insights into market trends, and benchmark their products against global standards. Over time, this valuable exposure can lead to improvements in product quality, branding, and competitiveness. With the added financial and regulatory flexibility from the revised classification, MSMEs are better positioned to move from tentative exports to consistent, sustained global engagement.

Compliance, Governance, and Professional Responsibility

As the MSME ecosystem grows, compliance and governance become increasingly crucial. Enterprises must meet eligibility, documentation, and reporting



standards under the revised classification and MDA framework. Effective use of aid requires transparency, accountability, and alignment with scheme goals. Professionals, including chartered accountants, company secretaries, cost accountants, and consultants, play a critical role in this context. Accurate classification, proper disclosure, and the ethical use of government support are essential not only for individual enterprises but also for maintaining the credibility and sustainability of MSME policy initiatives.

Challenges and the Way Forward

Despite their progressive intent, the revised classification and MDA Guidelines encounter challenges in implementation. Knowledge gaps among MSMEs, limitations in administrative capacity, and difficulties in quantifying the tangible outcomes of market development assistance persist as concerns. Furthermore, regional and sectoral disparities may

restrict the uniform effectiveness of these schemes.

Overcoming these challenges will require ongoing policy updates, digital integration of schemes, and the use of data to evaluate results. Building institutional capacity and increasing stakeholder participation will be essential to fully realise the benefits of these reforms.

Conclusion

The revised MSME classification from 1 April 2025 and the 2024 Market Development Assistance Guidelines significantly recalibrate India's MSME policy. They support enterprise growth and market access, shifting from protectionism to competitive development. For MSMEs, this fosters expansion, innovation, and global outreach. Policymakers see the sector as a resilient growth engine. The policy's success hinges on effective implementation, professional management, and MSMEs seizing new opportunities.

3

Achiever Speaks



Keyur Sarada

Founder,

KESARJAN BUILDING CENTER PVT. LTD.

Interview

1. **What was the specific moment or problem that made you realize this business needed to exist? How did the idea of Kesarjan come?**

Ans: The zeal for starting business was there, family support and environment was conducive. The critical was methodology of teaching at SBST, CEPT. Practical experience, site visit along with theoretical teaching made us aware of concurrent trend in the industry. I remember that in 1993 we went to Mumbai to see country's one of the first RMC plant. Thus, as I was aware of fly ash at the time when it was novice to many engineers in field also. My luck has worked here also another premier institute, Entrepreneurship Development Institute of India, EDI, started Open Learning Programme in Entrepreneurship in my year of graduation.

So, I wanted to start manufacturing, with technical education and all-round training for enterprising,

selection of product was easy with my own interest in environment friendly activities. I narrowed down on fly ash based bricks and blocks and started visiting existing units. I also visited the Raichur, the major fly ash brick manufacturing hub at that time. We consulted CFRI, banglore for technical mix design. They didn't do anything but across the road IISc was there and I met Prof. KS Jagdish. One and half hour spent with him is life time memory and very basic learning in this subject. Every technical literature was telling that fly ash lime reaction will form.... but jagdshsir's explanation and small booklet helped me clearly understand that lime-pozzolana reaction ultimately turns to C-S-H reaction.

I was just starting the business and I came across the HUDCO's initiative of Building Center. A movement called Building Center started with an objective to transfer the appropriate technologies



from Lab to field. The got registered as BC and that’s what reflects in our name. The BC movement was at peak at that moment. I went through 15 days training at Cheenai for BC manager. I Lauri Baker sir there among many other stallwarts in appropriate technology. I also visited Auroville as part of the training. This all was building up my attitude towards the segment.

The KESARJAN was set up in 1996 with the conviction and commitment to make the construction field environment friendly on the basis of “REDUCE, REUSE AND RECYCLE” principle.

By training an engineer and strong inclination to do something environment friendly, saw an opportunity to fix inert industrial by products into building materials, to be consumed in bulk. Thus, saving virgin material used for manufacturing building material and solving the disposal problem for by-products.

Forever the purpose of doing some impact activity with economic sense, that has fuelled its functioning. The prime impact goal was recycling the waste – environmental.

2. What was the most effective channel for getting your first 100 customers?

Ans: At the time of beginning fly ash bricks were quite new product. However, being from institute like CEPT, mostly mouth to mouth publicity helped a lot. Professional recommendation and something environment friendly and technically sound product help me a lot.

We also started advertisement in yellow pages in those days.

3. Can you describe a time you were close to quitting? How did you navigate that period?

Ans: From the beginning the economically it was roller

coaster ride. There was good support from family, but too much diversification – from manufacturing to construction. And too many innovation -new products instead of scaling particular product/s, turn out too costly.

After about 20 years, i.e. in 2017, there was huge accumulation of losses and was not able to pay interest also. Those days, took consultancy assignments. But I had good faith in the activity I was doing. So, after giving 5 days to on-site assignment, I was giving 2 days to enterprise.

This strategy helped me navigate through covid era also.

In 5-6 years, we could turn around the Kesarjan. It’s again profit making.

- 4. What is a piece of feedback you received from an employee or mentor that fundamentally changed how you lead?

Ans: My personal approach was – I can do it all the things, constantly doing new things. Couldn’t scale up any particular thing. With informal hints from the employees and discussion with mentor could turn around the enterprise. We concentrated on exposed quality bricks and lime mortar.

5. What is the biggest threat to your business that keeps you up at night?

Ans: It’s a too small a company, that is vulnerable to economic cycle. Even it is difficult to expand the management team due to the same.

Recruiting new talent and scaling up is biggest challenge.

6. If everything goes perfectly, what does your industry look like in five years because of your company?

Ans: Proud to say that ours is exemplar practice. We

convert construction and demolition (C&D) waste in value added products like exposed quality bricks and lime mortar. This is viable without any grants or incentive. Moreover, it also saves virgin resource like soil used for making the bricks.

On the contrary, presently only about 1% of C&D waste is recycled in our country. Our approach of converting it into value added products should incentivise the usage of this wonderful resource.

7. What is the single biggest pain point your company is solving for customers right now?

Ans: In today's market client is also aware of environmental impact. We are providing bricks with 85-95% recycled content with better quality. That too which can be kept exposed, one can show proudly to the world.

The another product is lime mortar – rejuvenating the age old material in today's context.

8. Aside from financial success, how will you measure whether your career was a success?

Ans: It is fulfilling journey. The purpose of starting the enterprise was to recycle the by-products. With about 3000 tons of different industrial by products and C&D waste recycled per year - we are doing our bit.

9. What is the hardest thing you've had to say 'no' to in the last year?

Ans: There was proposal to take up a huge order of conventional paver block with conventional method. But could stick to our concentration to recycle products.

10. How do you maintain the company culture as you scale from a small team to a larger organization?

Ans: Very clear goal of recycling and quality consciousness has kept clear focus for the team.



KESARJAN
BUILDING CENTER
PVT. LTD.
REDUCE REUSE RECYCLE

CONSULTANCY: <ul style="list-style-type: none">• Building Materials<ul style="list-style-type: none">• Mud• Recycled Aggregates• Lime Mortar• Incorporation of industrial by products in building materials.• Non conventional Building Const.• Services<ul style="list-style-type: none">• Water Harvesting• Waste water recycling• Organic Landscaping	MANUFACTURING: <ul style="list-style-type: none">• Masonry materials• Lime mortar TRAINING : <ul style="list-style-type: none">• Workshops with students, architects and engineers for non conventional technologies.• Disaster Resistant Technology• Quality
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4

Multiple Progress Update

1. Infrastructure & Connectivity

The Push for “Gati Shakti” 2.0

- **High-Speed Rail Expansion:** Construction on the Mumbai-Ahmedabad bullet train corridor has reached 85% completion of civil works, with trial runs expected by year-end.
- **Green Expressways:** The Ministry of Road Transport reports that 15,000 km of access-controlled highways are now operational, reducing logistics costs from 14% to an estimated 9% of GDP.
- **Digital Twins:** The 2026 budget formally integrates “Digital Twin” technology for all new urban infrastructure projects to optimize maintenance and resource allocation.

2. Energy Transition & Sustainability

Mainstreaming Green Hydrogen

- **Green Hydrogen Mission:** India has successfully commissioned its first three commercial-scale green hydrogen plants. The 2026-27 budget allocates a 20% increase in subsidies for electrolyzer manufacturing.
- **Solar Saturation:** Under the PM-Surya Ghar scheme, over 15 million households have now transitioned to rooftop solar, significantly easing

the load on the national grid during peak summer months.

- **Circular Economy:** New mandates for “Battery Swapping” interoperability have been codified to accelerate EV adoption in the commercial logistics sector.
- ### 3. Technology & Digital Public Infrastructure (DPI)

The Rise of Sovereign AI

- **IndiaAI Compute Capacity:** The government has achieved its goal of 10,000 GPU clusters, now available to local startups at subsidized rates to build “Bhashini”-integrated LLMs for local languages.
- **Semiconductor Fabrication:** The first “Made in India” memory chips have officially rolled out from the Gujarat facility, marking a pivot from design-only to end-to-end manufacturing.
- **6G Roadmap:** The budget outlines the first phase of 6G testbeds in Tier-1 cities, aiming for a 2030 commercial launch.

4. Agriculture & Rural Economy

Climate-Resilient Farming

- **Digital Agriculture Stack:** 100 million farmers



are now onboarded onto the unified portal, providing real-time soil health data and direct-to-mill crop sales without intermediaries.

- **Natural Farming:** The transition to chemical-free farming has reached 5 million hectares, supported by a new “Green Bonus” incentive introduced in this year’s budget.
- **Storage Infrastructure:** The world’s largest grain storage program in the cooperative sector has completed 60% of its planned silos, drastically reducing post-harvest losses.

5. Skill Development & Education

Bridging the Employability Gap

- **Skill India Digital:** A new “Credit-Linked Skill Framework” allows vocational training hours to be converted into academic credits for university degrees.
- **R&D Innovation:** The Anusandhan National Research Foundation has cleared its first batch of 500 private-sector partnered grants, focusing heavily on DeepTech and BioTech.

5

Some Important Links as a ready reckoner

Contact Addresses of the Offices of M/oMSME and its Statutory Bodies

Sl. No.	Name and Address of the organisation	Website	E-mail	Telephone	Fax
1	Ministry of Micro, Small and Medium Enterprises, Udyog Bhavan, New Delhi - 110 107	www.msme.gov.in	min-msme@nic.in	011-23063800 23063802-06	011- 23062315 23061726 23061068
2	Office of Development Commissioner (MSME), 7th Floor, A-Wing, Nirman Bhavan, New Delhi - 110 108	www.dcmsme.gov.in; www.laghu-udyog.com; www.smallindustry.com	dcmsmeAnic.in	011- 23063800 23063802/06	011- 230623 15 23061726 23061068
3	Khadi and Village Industries Commission, (KVIC), "Gramodaya" 3, Irla Road, Vile Parle (West), Mumbai - 400056, Maharashtra	www.kvic.org.in	kvichq@bom3.vsnl.net. in, ditkvic@bom3.vsnl.net.in, dit@kvic.gov.in	022-267143 20- 25/ 26716323/ 26712324/ 26713527-9/ 26711073/ 26713675	022- 26711003
4	Coir Board, "Coir House", M.G. Road, Ernakulam, Kochi-682016, Kerala	www.coirboard.gov.in	info@coirboard.org coirboardAnic.in	0484 - 2351900, 2351807, 2351788, 23519 54, Toll Free - 1-800-425909 1	0484- 2370034 2354397
5	National Small Industries Corporation Limited (NSIC), NS IC Bhawan, Okhla Industrial Estate, New Delhi - 110 020	www.nsic.co.in	info@nsic.co.in,	011- 26926275 26910910, 26926370 Toll Free 1-800-111955	011- 26932075 26311109
6	National Institute for Micro, Small and Medium Enterprises (NIMSME), Yousuf Gauda, Hyderabad - 500 045	www.nimsme.org	registrar@nimsme.org	040- 23608544-46 23608316-19	040- 23608547 23608956 23541260
7	Mahatama Gandhi Institute for Rural Industrialisation, Maganwadi, Wardha-442001	www.mgiri.org	director.mgiri@gmail.com	0752-253512	0752- 240328



32 MSME- Development and Facilitation Office (MSME-DFO)

S. No.	Name and address of Offices/ Officers	Telephone/ Fax No.	Email /Websites
1.	MSME-DFO, Indranagar, (Near ITI Play ground), PO-Kunjaban, Agartala-799006	Ph : 0381-2352013/9742 Fax : 0381-2356570	dcdi-agartala@dcmsme.gov.in www.msmedi-agartala.nic.in
2.	MSME-DFO, 34, Industrial Estate, Nunhai, (U.P.), Agra -282 006. UP,	Ph : 0562-2280879 Fax : 0562-2280882	dcdi-agra@dcmsme.gov.in www.msmediagra.gov.in
3.	MSME-DFO, 65/1,G.S.T. Road, Guindy, P.B. 3746, Chennai -600 032. Tamilnadu,	Ph : 044-22501011 044-22501475 044-22501785 Fax : 044-22341014	dcdi-chennai@dcmsme.gov.in www.msmedi-chennai.gov.in
4.	MSME-DFO, Vikas Sadan, College Square, Cuttack -753 003. Odisha,	Ph : 0671-2548006 /077 /049 Fax : 0671-2611958	dcdi-cuttack@dcmsme.gov.in www.msmedicuttack.gov.in
5.	MSME-DFO, Tadong Housing Colony, P.O. Tadong, Gangtok -737102 Sikkim	Ph : 03592-231262 /880 Fax : 03592-231262	dcdi-gangtok@dcmsme.gov.in www.msmedigangtok.gov.in
6.	MSME-DFO, Opp. Konkan Railway Station. (Kepem Road), P.O. Box 334, Margao -403 601. Goa	Ph : 0832-2705092/93, 2725979 Fax : 0832-2705094	dcdi-goa@dcmsme.gov.in www.msmedigoa.gov.in
7.	MSME-DFO, Industrial Estate Bamuni Maidam, Guwahati -781021 Assam.	Ph :0361-2550052, 2550073 Fax : 0361-2550298	dcdi-guwahati@dcmsme.gov.in www.msmedi-guwahati.gov.in/
8.	MSME-DFO, Kham Bungala Campis, Kaladungi Road, Haldwani -263139 Uttaranchal	Ph :05946-228353 Fax : 05946-221053	dcdi-haldwani@dcmsme.gov.in www.msmedihaldwani.gov.in
9.	MSME-DFO, Industrial Estate, Gokul Road, Hubli -580 030 Karnataka,	Ph : 0836-2332334/2330589/ 2335634 Fax :0836-2330389	dcdi-hubli@dcmsme.gov.in www.msmedihubli.gov.in
10.	MSME-DFO, C-17/18, Takyelpat Industrial Estate, Imphal -795 001, Manipur	Ph : 0385-2449096 / 2449096	dcdi-imphal@dcmsme.gov.in www.msme-diimphal.gov.in
11.	MSME-DFO, 10, Industrial Estate, Polo Ground, Indore -452 003. MP	Ph : 0731-2420723	dcdi-indore@dcmsme.gov.in www.msmeindore.nic.in
12.	MSME-DFO, 22, Godown, Industrial Estate, Jaipur -302 006. Rajasthan	Ph : 0141-2212098/3099/ 0553 Fax : 0141-2210553	dcdi-jaipur@dcmsme.gov.in www.msmedijaipur.gov.in
13.	MSME-DFO, Industrial Estate, Digiana, Jammu -180 010	Ph : 0191-2431077 Fax : 0191-2450035	dcdi-jammu@dcmsme.gov.in www.msmedijammu.gov.in
14.	MSME-DFO, 107, Industrial Estate, Kalpi Road, Kanpur -208 012. UP	Ph : 0512-2295070, 0512- 2295071, 0512-2295073 Fax : 0512-2220831	dcdi-kanpur@dcmsme.gov.in www.msmedikanpur.gov.in
15.	MSME-DFO, Industrial Development Colony, Near Iti, Kunjpura Road Karnal -132 001 Haryana,.	Ph : 0184-2230910 Fax : 0184-2231862	dcdi-karnal@dcmsme.gov.in www.msmedikarnal.gov.in
16.	MSME-DFO, 111&112,B.T.Road, Kolkata -700035. W.Bengal	Ph : 033-25770595/598 Fax : 033-25775531	dcdi-kolkatta@dcmsme.gov.in www.sisikolkata.gov.in
17.	MSME-DFO, Industrial Area B, Ludhiana -141 003 Punjab	Ph : 0161-2531733 /735 Fax : 0161-2533225	dcdi-ludhiana@dcmsme.gov.in www.msmedildn.gov.in
18.	MSME-DFO, Kurla Andheri Road, Sakinaka, Mumbai - 400072 Maharashtra	Ph : 91-22-28576090 / 3091 / 4305 Fax : 91-22-28578092	dcdi-mumbai@dcmsme.gov.in www.msmedimumbai.gov.in
19.	MSME-DFO, C- Block, C.G.O. Complex, Seminary Hill, Nagpur -440 006. Maharashtra	Ph : 0712-2510352/0046 Fax : 0712-2511985	dcdi-nagpur@dcmsme.gov.in www.msmedinagpur.gov.in

S. No.	Name and address of Offices/ Officers	Telephone/ Fax No.	Email /Websites
20.	MSME-DFO, Okhla Industrial Estate New Delhi -110 020.	Ph : 011-26847223, 26838118/ 269 Fax :011-26838016	dcdi-haldwani@dcmsme.gov.in www.msmedihaldwani.gov.in
21.	MSME-DFO, Patilputra Industrial Estate, Patna -800 013. Bihar	Ph :0612-2262719 , 0612- 2262186, 0612- 2262208 Fax :0612-2261677	dcdi-patna@dcmsme.gov.in www.msmedipatna.gov.in
22.	MSME-DFO, Near Urkura Railway Station, Bhanpuri Industrial Area, Raipur(C.G)-493221 Chhatisgarh	Ph: 0771-2562312 Fax: 0771-2562719	dcdi-raipur@dcmsme.gov.in www.msmediraipur.gov.in
23.	MSME-DFO, Kokar Industrial Estate, Ranchi -834001. Jharkhand	Ph :0651-2546133/2546266 Fax :0651-2546235	dcdi-ranchi@dcmsme.gov.in www.msmediranchi.nic.in
24.	MSME-DFO, CHAMBAGHAT, Solan -173213. Himachal Pradesh	Ph :01792-230766 Fax :01792-230265	dcdi-solan@dcmsme.gov.in www.msmedihimachal.nic.in
25.	MSME-DFO, Kanjany Oad, Ayyanthole, Thrissur -680 003. Kerala,	Ph :0487-2360216/686 Fax :0487-2360216	dcdi-thrissur@dcmsme.gov.in www.msmedithrissur.gov.in
26.	MSME-DFO, Harsiddh Camber, 4thFloor, Ashram Road,(Gujarat), Ahmedabad -380 014. Gujarat	Ph :079-27540619 , 079-27544248 079-27543147	dcdi-ahmbad@dcmsme.gov.in www.msmediahmedabad.gov.in
27.	MSME-DFO, E-17/18, Industrial Estate, Naini, Allahabad -211 009. U.P,	Ph :0532-2697468/6810 Fax :0532-2696809	dcdi-allbad@dcmsme.gov.in www.msmediallahabad.gov.in
28.	MSME-DFO, Rajaji Nagar, Industrial Estate Bangalore -560 044. Karnataka,	Ph :080-23151540/582/583 Fax :080-23144506	dcdi-bang@dcmsme.gov.in www.msmedibangalore.gov.in
29.	MSME-DFO, Narsapur Cross Roads, Bala Nagar, Andhra Pradesh Hyderabad -500 037	Ph :040-23078857 Fax :040-23078131/32/33	dcdi-hyd@dcmsme.gov.in www.msmehyd.ap.nic.in
30.	MSME-DFO, Institute,Goshala Road, P.O. Ramna, Muzaffarpur -842 002. Bihar	Ph :0621-2282486 Fax: 2284425	dcdi-mzfpur@dcmsme.gov.in www.msmedimzfpur.bih.nic.in
31.	MSME Development Institute, 6th Mile, Sovima, Dimapur, Nagaland - 797115. (Near Nagaland Bamboo resource Centre)	Ph : 03862-248552	Brdcdi-dima@dcmsme.gov.in
32.	MSME-Development Institute, Visakhapatnam ANDRA PRADESH F-19 to 22, IDA, D-Block, Autonagar, Visakhapatnam-530012	Ph : 0891-2517942, 2701061	brdcdi-vish@dcmsme.gov.in

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4.	BR.MSME-DFO Darrang College Road, Tezpur-784001	Ph : 03712-221084	brdcdi-tezp@dcmsme.gov.in
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11.	BR.MSME-DFO Opposite Industrial Estate, Sanat Nagar, Srinagar -190 005.	Ph : 0191-2431077, 2435425	brdcdi-bhiw@dcmsme.gov.in
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14.	BR.MSME-DFO C-1 & 2, Industrial Estatem.S.K. Mill Road, Gulbarga-585102	Ph : 08472-420944	brdcdi-gulb@dcmsme.gov.in
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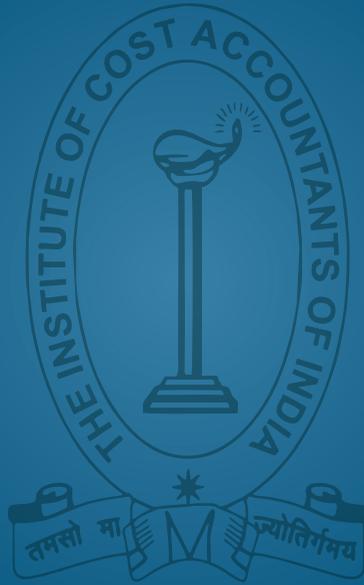
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