Quietly Enormous

Stats, Stories & Surprises from the Heart of India's Economy



iRISMSME

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Why Quietly Enormous

Every word in this title is doing work.

Quietly — because this is a sector that does not announce itself. It does not ring a bell at Dalal Street when it crosses a milestone. It does not issue press releases. It opens its shutter at 7am, takes an order, makes something, delivers it, and closes at night. It has done this, every day, for decades. Without fanfare. Without a stage.

Enormous — because the numbers, when you actually look at them, are staggering. 38.77 crore workers. 31.1% of GDP. 48.58% of India's exports. 8.7 crore registered enterprises. This is not a small story dressed up in large language. This is one of the largest economic ecosystems on earth, hiding in plain sight on every street in every city in every district of this country.

Put the two words together and you have the story this book is here to celebrate. The mason, the weaver, the kirana owner, the diamond cutter, the trader, the manufacturer — they hold this country up. Quietly. Enormously. Every single day.

India does not work without them. It never has.

It is time we said so —

loudly, clearly, and with data.



A Note Before You Begin



Shilpa Dhobale
Business Head, IRIS MSME

India knows its large companies by name. It knows its small businesses only as a number. 38 crore jobs. A third of GDP. Nearly half of everything we sell to the world. The figures are staggering. These are the businesses that hold up the entire economy and are somehow still the least seen part of it. The kirana store that survived demonetisation, GST, and a pandemic, and opened again each time. The trader whose working capital lives in a diary. The micro-unit of one room and one machine, where nearly every great Indian enterprise once began. There are tens of millions of them, in every district and every lane.

This book is our attempt to do the opposite: to take one number at a time and return it to the person behind it.
At IRIS, much of our work has lived in the world of large corporations and the regulators who oversee them, a demanding world of data and compliance. We have built that capability carefully, over years. And the more capable our tools became, the clearer one question grew: what if the same rigour were turned toward the part of the economy that needs it most, and would gain the most from it? That question led us, inevitably, to India's MSMEs.

This was not a softer choice or a side project. It was a conviction: that the businesses doing the most for this country have had the least built for them, and that closing that gap is the most worthwhile thing our work can do.

Our own contribution to this story is on the data side: helping these businesses become visible, formal, and counted. We have partnered with the governments of Goa, Karnataka, and Telangana to bring these enterprises closer to the schemes, the credit, and the recognition that were always meant for them but could rarely find them. And we will keep building these collaborations, with more states and more partners, so that real value reaches the MSMEs who need it.

This book is our way of holding MSMEs, the small giants as we see them, up to the light. It is about the businesses themselves, every one of them: the makers, the traders, the shopkeepers who keep India running in plain sight. The data is only here to point at them more clearly.

This is the side of India we call Bharat. Quiet in its words and loud in its actions, asking for little while it carries almost everything. What it builds is made in India, for Bharat, and for the world.

So read it however you like, front to back, or open it to any page. Either way, we hope you close it seeing what was always there: quietly enormous, all around us.

Foreword



Kuchipudi Madhukar Babu
Joint Director — MSME
Office of the Department of Industries
Government of Telangana

India's economic story is often narrated through its largest achievements — record growth rates, rising exports, expanding infrastructure, and globally recognised corporations. Yet beneath these visible milestones lies another story, one that is equally important but far less frequently told.

It is the story of millions of enterprises operating from industrial clusters, market streets, village workshops, and factory floors across the country. It is the story of entrepreneurs who create opportunity where none existed before, of workers whose skills sustain industries, and of communities whose aspirations are reflected in the enterprises they build. **That story is the story of India's Micro, Small and Medium Enterprises.**

The significance of the MSME sector extends far beyond statistics. It provides livelihoods to millions, contributes substantially to national output, drives exports, and serves as an engine of inclusive growth. Yet for a sector of such scale, public understanding often remains limited — we see its products every day, benefit from its services, and depend upon its resilience, but rarely pause to appreciate the magnitude of its contribution.

Quietly Enormous addresses this gap in a thoughtful and refreshing manner. Through carefully selected statistics and compelling narratives, it reveals the extraordinary size, reach, and human significance of a sector that powers a substantial share of India's employment, production, and exports. Behind every enterprise is a person, a family, and a community — and this book never lets the reader forget that.

From traditional craft clusters and manufacturing hubs to emerging districts of enterprise, the book also highlights how India's diversity is reflected in its economic landscape. It examines the realities of finance, credit, and resilience that small businesses navigate every day. And it looks ahead — to digital technologies, formalisation, sustainability, and global value chains that are already transforming the way enterprises operate.

What makes this book particularly valuable is its ability to combine rigour with accessibility. Drawing upon verified data from credible public institutions, it transforms statistics into stories and facts into understanding. It invites readers not merely to learn about the MSME sector, but to see it differently.
I hope this book inspires policymakers, industry leaders, students, researchers, entrepreneurs, and citizens alike to recognise the extraordinary contribution of India's MSMEs.

Their story is one of enterprise, resilience, innovation, and determination — and it is, in many ways, the story of India's past, present, and future.

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CHAPTER ONE

Scale & Shape

How Big Is This Thing, Really?

#1

If MSME workers of India formed a country, which country would it be?

38.77 Crores

people employed across India's MSME sector — as of June 2026

India's MSME sector employs **38.77 crore** people as of June 2026 — **more than the entire population of the United States**.

If these workers formed a nation, it would be the **third most populous country** on Earth, after India itself and China. The number is so large it barely feels real until you stand at the gate of a cluster in Tiruppur, *the Knitwear capital of India,* at 7am and watch ten thousand workers arrive on foot, by bicycle, by autorickshaw. Then it clicks....

SOURCE : Performance Smartboard, Ministry of MSME

#2

What fraction of India's GDP comes from small businesses?

31.1%

of India's GDP comes from MSMEs -
31 paise of every rupee in this country.

One-third of everything India makes, packs, or ships today comes from a small business down an ordinary street.

The MSME sector contributes **31.1%** to GDP and **35.4%** of manufacturing output. The figure dipped during COVID-19 — as every sector did — but rebounded sharply by 2023, faster than most. That recovery was not driven by a bailout or a stimulus package. It was driven by 8 crore+ enterprises that simply reopened, recalibrated, and got back to work.

MSMEs don't just participate in the economy. ***They are the economy's floor.*** And floors, when they are built well, hold.

SOURCE : Economic Survey Report of 2025-26

#3

How much of what India sells to the world comes from here?

48.58%

of total Indian exports in FY 2025–26

Nearly half of what India sends to the world was made by businesses the world has *never heard of*.

Walk down any aisle of a European supermarket, pick up almost any product labelled "*Made in India*", and there is a near-even chance it passed through MSME hands. MSMEs accounted for 48.58% of all Indian exports in FY25-26.

Yet this fact is largely absent from mainstream economic journalism, business school syllabi, and even national pride narratives.

SOURCE : Economic Survey Report of 2025-26

#4

99% of MSMEs are classified as "micro". What does that actually mean?

99.31%

are micro enterprises — annual turnover under ₹ 5 crore

Nearly every business in India starts in this category. ***One room. One machine. One person*** deciding that what they know how to make is worth making. The micro classification is not a ceiling — it is a launchpad.

Every small enterprise was once micro. Every medium enterprise was once small. They began exactly where the **99.31%** are standing right now, and they grew one order, one worker, one season at a time.

India's MSME pyramid is wide at the base not because ambition is scarce, but because *beginnings are plentiful*. That base is not the floor of the sector. It is its engine.

SOURCE : Performance Smartboard, Ministry of MSME

#5

How many MSMEs have been registered in Udyam since 2020?

8.70 Crores

registered enterprises — the world's largest small business database

Before Udyam, India's MSME data was a patchwork of estimates. Since **July 2020**, the Udyam portal has created, for the first time, a single formalised database of small businesses.

As of June 2026, there are **8.70** crore MSME registrations — comprising **5.01** crore on Udyam and ~**3.69** crore on the Udyam Assist Platform (UAP) for informal micro-enterprises.

India now knows, by name and address, ***more small businesses than any country on Earth.*** For the first time, the country can map the sector that has quietly powered it for decades.

SOURCE : Performance Smartboard, Ministry of MSME

#6

How does India's MSME ecosystem rank globally?

2nd Largest

MSME ecosystem globally — behind only China

India actually has **more** registered MSMEs than China. Yet by economic weight, credit infrastructure, and financial depth, China's ecosystem ranks first. The difference is in what surrounds these MSMEs. In China, banks are **mandated by law** to lend to small businesses, protected by credit guarantee systems and powered by fintech-based data scoring.

IIn India, strong policy intent — Mudra, ECLGS, TReDS, GeM — is steadily closing that gap. It is transforming access to capital, compliance, and markets for millions of small businesses.

India has built the world's most populous small business ecosystem. ***It is now building the infrastructure worthy of it.***

SOURCE : IFC MSME Finance Gap Report 2025

#7

How fast is India's MSME sector formalising?

+2.14 Crore

new MSME registrations in less than twelve months — July 2025 to June 2026

In July 2025, India's Udyam and Udyam Assist platforms had 6.56 crore registered enterprises. By June 2026, that number had crossed 8.7 crore — an addition of ***over 2 crore businesses in less than a year.***

That is roughly over **60,000** new registrations ***every single day.*** These are not all businesses being born overnight. Many of them had existed for years — in lanes, in homes, in markets — without a formal identity.

What changed is that they ***decided to be counted***. And being counted *changes everything*: access to Mudra loans, GeM tenders, and schemes that were always meant for them but could never find them.

SOURCE : Performance Smartboard, Ministry of MSME

#8

Manufacturing or services — which side of MSME is bigger?

Neither.

42.89% of all registered MSMEs are TRADERS
Services: 36.22% · Manufacturing: 20.89%

Ask most people what an MSME looks like and they will describe a factory or a forge. *The data tells a different story.* By enterprise count, the **single largest** MSME category in India is ***trading*** — the kirana store, the hardware counter, the cloth merchant.

Nearly **43** in every 100 registered MSMEs are **traders**. **Services** — the accountant, the logistics operator, the software studio — account for another **36**. **Manufacturing**, despite its cultural dominance in the MSME imagination, accounts for **one in five**.

While the sector split may surprise you, what should not surprise you is this: forge, ledger, or shop front, *these are the businesses that quietly power every ordinary day in India.*

SOURCE : Performance Smartboard, Ministry of MSME

#9

How big would the Indian MSME sector be if it were a single economy?

₹ 108 Lakh Cr

estimated MSME sector annual output

India's MSME sector generates an estimated **₹107.72 lakh crore** in annual output — derived from its 31.1% share of India's nominal GDP of ₹ 346.36 lakh crore for FY 2025-26.

That output, in dollar terms, is approximately **$1.28 trillion** — roughly the size of the entire economy of Mexico, Indonesia, or Turkey. Behind that number are not multinationals, not conglomerates, not sovereign wealth funds.

Behind that number are 8.7 crore registered enterprises — *8.7 crore acts of ambition, distributed across every district, every lane, every morning in India.*

SOURCE : MoSPI Provisional Estimates for FY 2025-26

#10

Which Indian state has the most MSMEs?

Maharashtra

1.12 crore MSMEs — largest state by Udyam registrations

Maharashtra leads India's Udyam registrations with **1.12 crore** enterprises, followed by **Uttar Pradesh** (**99.3 lakh**), **Tamil Nadu** (**67.9 lakh**), **West Bengal** (**58.9 lakh**), and **Karnataka** (**55.2 lakh**).

Together, these five states account for nearly **45%** of all registered MSMEs. That concentration reflects established industrial clusters, dense populations, and mature financial infrastructure built over decades.

But the remaining **55% is distributed across 31 other states and union territories** — from Assam to Andhra Pradesh, from Punjab to Puducherry — each building its own MSME ecosystem at its own pace, in its own way. *The next MSME growth story is already being written. Just not where you'd expect it.*

SOURCE : Performance Smartboard, Ministry of MSME

#11

What share of India's formal employment is in MSMEs?

63%

of all employed Indians work in an MSME

India's registered MSMEs employ **38.77** crore people. India's total employed workforce, as counted by the PLFS 2025, stands at **61.6** crore. That means **63 out of every 100** working Indians — nearly two in three — earn their livelihood within a micro, small, or medium enterprise.

That number deserves a moment.
It means the sector that is routinely described as 'small' is, by the only measure that matters to most families, enormous.

38.77 crore people went to work today in an MSME. *Most of them did not know they were part of a statistic. The statistic did not need them to know.*

SOURCE : PLFS 2025 Annual Report

#12

What do MSMEs that have grown beyond micro actually look like?

0.69%

of India's MSMEs are small or medium enterprises

5,38,789 small enterprises. **41,601** medium enterprises. Each one a business that exports, employs, manufactures, or serves at a scale that commands attention in any room it enters.

The smallest slice of the sector. The loudest voice in India's export story. Together, small and medium enterprises drive nearly **40% of all MSME exports** — a contribution that towers over their share of the count.

Bengaluru leads in **small** enterprise registrations. **Mumbai leads** in **medium** enterprises, with 1,969 in a single district. In April 2025, the **government doubled the turnover thresholds** for both categories — a signal that India wants more of them, and wants the ones that exist to keep growing without looking over their shoulder.

SOURCE : Performance Smartboard, Ministry of MSME

#13

How does MSME employment compare to one of India's largest employer - Indian Railways?

310×

the scale of MSME employment vs Indian Railways

Indian Railways employs **12.5 lakh people.** It runs the **fourth largest** railway network in the world, moves **30 million passengers** a day, and is the largest civilian employer in India. Most people cannot imagine anything bigger.

India's MSME sector employs 38.77 crore. That is 310 Indian Railways. Not 310 employees more. ***Three hundred and ten entire Indian Railways.***

The comparison is not made to diminish Indian Railways. It is one of the greatest institutions of independent India. It is made to give the MSME employment number a shape the mind can actually hold. *Because 38.77 crore, on its own, is too large to feel. But 310 Indian Railways — that lands.*

SOURCE : Indian Railways Annual Report

#14

How much has the value of what India's MSMEs export grown?

₹ 12.39 Lakh Cr

MSME export value in FY2024-25

In FY2020-21, India's registered MSMEs exported goods worth **₹3.95 lakh crore**. By FY2024-25, that figure had crossed **₹12.39 lakh crore** — ***more than three times in four years.*** And the trajectory has not slowed. In just the first six months of FY2025-26, exports had already crossed **₹9.52 lakh crore.**

This growth happened through demonetisation, GST disruption, a global pandemic, and rising interest rates. It happened not because conditions were ideal but because MSMEs found a buyer somewhere in the world and kept finding more. *Each one navigated an unfamiliar customs form, an unknown buyer, an untested market.*

Today, MSMEs account for **48.58%** of everything India exports. Nearly half of India's global trade footprint belongs to businesses most of the world has never heard of.

SOURCE : PIB Press Release FY21, FY25 / Ministry of MSME Annual Report 2025-26

#15

Which Indian district has the most Udyam registered MSMEs?

Pune

10.87 lakh Udyam-registered MSMEs

Most people would guess Mumbai — India's financial capital, home to Dalal Street and Dharavi. But by Udyam registration count, **Pune leads** with **10.87 lakh** registered enterprises. **Mumbai,** split across two districts, totals **9.32 lakhs** combined. Thane follows at **7.35 lakhs**. **Bengaluru** comes fourth at **6.64 lakhs** followed by **Ahmedabad** at **6.04 lakhs.**

What makes Pune's lead meaningful is its **diversity**. Auto ancillaries in **Pimpri-Chinchwad**. IT services in **Hinjewadi**. Food processing in the surrounding districts. Education services across the city. Pune's MSME ecosystem is not one cluster — it is dozens of them, running simultaneously, across the city. *The city that gave India Bajaj and Kirloskar now gives it more registered small businesses than any other district in the country.*

SOURCE : Open Government Data Platform, India

CHAPTER TWO

People & Power

Who Actually Works Here?

#16

How many women owned MSMEs in India?

38.3%

of registered MSMEs are owned by women

More than 3.3 crore registered MSMEs in India are **owned by women**. That is not a statistic about empowerment programmes or government schemes. It is a statistic about enterprise — about crores of women who identified a skill, a gap, a product, or a service, and built something around it. This is one of the largest concentrations of women's entrepreneurship anywhere in the world.

The figure covers women across every state, every sector, every size — from a micro tailoring unit in rural Bihar to a medium-scale pharmaceutical manufacturer in Himachal Pradesh. Tailoring and textiles remain the most common first business for women entrepreneurs. But the spread today runs far wider — food processing, beauty services, logistics, retail, education, and technology.

SOURCE : Performance Smartboard, Ministry of MSME

#17

Which sector employs the most women in India's MSME universe?

Textile

45 million direct workers
And nearly 65% of them are women.

India's textile and apparel sector employs over **45 million** people directly — **the second largest** employment generator in the country after agriculture. MSMEs account for nearly **80% of India's total textile capacity**. The sector spans handlooms in Varanasi, powerlooms in Bhiwandi, knitwear units in Tiruppur, and handicraft clusters across every state. And across all of it, women are the majority.

72% of India's **35.22 lakh** handloom workers are women. In India's handicrafts sector, **20 lakh** of the **32 lakh** artisans mobilised under the government's Pahchan initiative are women — **62%**. In Tiruppur, India's largest knitwear export cluster, **65% of the 6 lakh** direct workers are women from rural districts who built careers and livelihoods in a city that runs almost entirely on MSMEs.

SOURCE : PIB Ministry of Textiles Year End Review

#18

How much has SC/ST public procurement from MSMEs grown?

78× Growth

In ten years. Through the MSME Sambandh portal.

In FY 2015-16, public procurement from SC/ST enterprises under the MSME-Sambandh scheme stood at **₹50 crores**. By FY 2025-26, that figure had reached **₹3,939 crores** — a ***78-fold increase in ten years.***

Behind that number are **Dalit & Adivasi entrepreneurs** who built businesses, registered on Udyam, and won govt. contracts — many of them the *first in their families* to do either. The Sambandh portal exists specifically to connect SC/ST enterprises with public procurement opportunities that were previously inaccessible in practice, even when they were available in policy.

₹3,939 crore *of government business in a single year went to enterprises from communities that have historically faced the steepest barriers to formal economic participation.*

SOURCE : FY 2015-16 and FY 2025-26 procurement figures - MSME Sambandh Portal

#19

How do most MSME owners find their customers?

70%

of India's MSMEs still rely on traditional marketing — word of mouth, relationships, and reputation

The most common marketing strategy in India's small business sector has no budget line. It is called trust. **Seven in ten** MSME owners in India find their customers through word of mouth, trusted relationships, community, and the slow accumulation of reputation. **No Google Ads. No Instagram page. No performance marketing dashboard**. Just the quality of what they make or do, passed from one customer to the next.

This is not a story about being left behind. The MSME owner who has run a shop for 15 years without a single paid advertisement has something that no marketing budget can buy — **a customer who came back, & brought someone with them.** The 30% who have adopted digital tools are growing faster & reaching further, showing what the next chapter looks like.

SOURCE : SIDBI Understanding Indian MSME Sector Report, May 2025.

#20

Who actually runs India's small businesses day to day?

86.5%

of India's unincorporated enterprises are run solely by their working owner

In **86.5%** of India's **unincorporated enterprises** — *the vast majority of the MSME universe* — there is no separation between the owner and the worker. The same person who decided to start the business is also the person cutting, stitching, welding, cooking, accounting, delivering, and selling. Every day. There is no manager to delegate to when something goes wrong. There is just a person and what they have built.

One person, one enterprise, one set of hands doing every job the business requires. It has one name on the door and the same name on the payroll. Management theory has no adequate category for this person. Economics calls them an Own Account Enterprise. India has 4.97 crore of them registered on Udyam alone — and crores more still unregistered, still working, still building.

SOURCE : Annual Survey of Unincorporated Sector Enterprises 2024

#21

What does the social profile of India's MSME founders actually look like?

45%+

of Udyam-registered MSMEs are owned by OBC entrepreneurs

When India counts its registered MSMEs by social category, a clear picture emerges. **OBC entrepreneurs** account for the largest share of Udyam registrations — over **45%.**

Enterprise in India is not the exclusive preserve of any one community, class, or background. The Udyam database — the most comprehensive mapping of Indian small business ever attempted — *shows a sector that reflects the country's social diversity more honestly than almost any other economic institution.* The kirana store, the workshop, the tailoring unit, the repair shop — these have always been instruments of mobility for communities that found other doors harder to open. *For many of these founders, it is the first time the formal economy acknowledged they were there.*

SOURCE : DC(MSME) Udyam Registration Publication, 2022

#22

How many MSME workers now have formal social protection?

64%

of India's workforce covered under social security in 2025.
Up from 36% in 2015.

For most of independent India's history, the workers who built its economy had **no formal safety net. ESIC only covered establishments with 10 or more employees. EPFO only applied to firms with 20 or more.** In a country where 99.31% of MSMEs are micro enterprises, this left the vast majority of the sector's 38.77 crore workers **without provident fund, health insurance, or pension.**

On November 21, **2025**, the **Four Labour Codes came into effect. ESIC coverage was extended** pan-India, removing the notified area requirement. All MSME workers are now covered under the Code on Social Security. Gig and platform workers — many of whom work in or alongside MSMEs — entered the formal social security framework for the first time. Social security coverage grew from **36%** of India's workforce in **2015** to **64%** in **2025**. *The floor is rising. The workers who built India before the safety net existed are now inside it.*

SOURCE : Year End Review 2025, Ministry of Labour & Employment, Government of India

#23

Which state has the most women-led MSMEs in India?

Maharashtra

25.35 lakh women-led MSME registrations

Since the Udyam portal launched in July 2020, **Maharashtra** has registered **25.35 lakh** women-led MSMEs. **West Bengal** follows with **24.86 lakh**, **Uttar Pradesh** with **19.68 lakh**, **Tamil Nadu** with **19.26 lakh,** and **Karnataka** with **16.56 lakh.** Together, these five states account for over 2.2 crore women-led MSME registrations.

What connects them is not geography — they span the west coast, the south, and the east — but a mix of urban density, established **microfinance** infrastructure, and decades of **Self Help Group** activity that gave women the economic scaffolding to formalise what they had already been building informally. **Maharashtra's SHG movement, Bengal's cooperative tradition, Tamil Nadu's women's industrial clusters** — *each created the conditions for women's enterprise before the Udyam portal existed to count it.*

SOURCE : Ministry of MSME, Lok Sabha Written Reply, December, 2024

#24

The mason who built your wall. The cobbler who fixed your shoes. Does India know their name?

30 Lakh+

artisans registered under PM Vishwakarma — across 18 traditional trades

For generations, India's traditional craftspeople built, stitched, forged, carved, and repaired the country — **without a certificate, without a registration number.** The mason who built your wall. The cobbler who resoled your shoes. The blacksmith, the goldsmith, the boat builder, the toy maker. *Trades practised for years. Never once formally counted.*

In Sept 2023, **PM Vishwakarma** changed that. This scheme set out to find these artisans by name, recognise them with a certificate, train them in modern skills, and give them access to collateral-free credit at 5% interest. By **Dec 2025, 30 lakh** artisans across 18 trades had registered. **23.09 lakh** had been trained. **4.7 lakh** loans worth **₹41,188 crore** had been approved. The most registered trade across the country is Raajmistri — the mason. *The person who builds India's walls finally has, at last, a card that says so.*

SOURCE : Ministry of MSME, PM Vishwakarma Scheme Progress Report, December 2025

#25

How many differently-abled entrepreneurs — and what is India doing next for them?

1.25 Lakh+

divyang-owned MSMEs registered on Udyam

As of **March 2022**, over **1.25 lakh MSMEs** registered on Udyam were **owned by divyang** entrepreneurs. 96% are micro enterprises, built by people navigating barriers that most of us never face. *What it confirms is that enterprise is not stopped by disability.* ***It is made in spite of every additional obstacle disability places in the path.***

In the **Union Budget 2026-27**, India announced the **Divyang Kaushal Yojana** — a dedicated skill development programme for persons with disabilities, offering industry-relevant training in IT, AVGC, hospitality, and services. The policy signal is deliberate and significant: **a shift from welfare to workforce.** From subsidy to skill. The 1.25 lakh who built businesses without any of this infrastructure are the proof that the demand was always there. The policy has simply caught up.

SOURCE : DC(MSME) Udyam Registration Publication, June 2022 · Union Budget 2026-27, Ministry of Finance

CHAPTER THREE

The Geography

Where Does India Really Do Business?

#26

What percentage of global polished diamonds come from one Indian city?

90%

of the world's polished diamonds are cut and polished in India - in SURAT

Surat processes nearly **90%** of the world's polished diamonds — *not through industrial automation, but through 9 lakh pairs of human hands working in 15,000 cutting units across one mid-sized Indian city.* The skill is learned entirely through apprenticeship, passed from a master cutter to a trainee over years — by hand, by eye, by feel. No university teaches it. The workers from **Amreli** and **Bhavnagar** districts of **rural Gujarat** migrated to Surat a generation ago and built a craft economy that now sits at the centre of global gem supply chains.

Every year, **billions of dollars of rough stone** arrive in Surat from Botswana, Russia, and Canada. They leave as polished diamonds destined for jewellers in New York, Tokyo, and Dubai. The margin between rough and polished — the value that Surat adds — is created entirely by skill. *Skill that lives in the hands of workers from villages that most of the world has never heard of.*

SOURCE : GJEPC Indian Minerals Yearbook

#27

What does Tiruppur make for the global fashion industry?

₹44,747 Crore

Tiruppur knitwear exports in FY2024-25 — 68.65% of India's total knitwear exports

Tiruppur is a mid-sized city in Tamil Nadu with a population of half a million. It is also the ***knitwear capital of the world***. In FY2024-25, Tiruppur exported **₹44,747** crore worth of knitwear — accounting for nearly **69%** of all of India's knitwear exports. The buyer list reads like a roll call of global retail: **Nike, Adidas, H&M, Zara, Primark, Walmart, GAP, Tesco, Decathlon, Ralph Lauren**. They all source from here.

The industry employs **6 lakh** direct workers — **65%** of whom are women from rural districts of Tamil Nadu who migrated to Tiruppur and built livelihoods in its factories. The city is **carbon-negative, recycles 13 crore litres of water daily**, and **generates nearly five times the green energy it needs** — supplying the surplus back to the grid. *Tiruppur did not just build a textile cluster. It built a sustainable industrial ecosystem in a small Tamil Nadu city that the world's biggest fashion brands cannot afford to ignore.*

SOURCE : Tiruppur Exporters Association (TEA), Annual Data FY2024-25

#28

How many districts have an ODOP product champion?

750+

each with an ODOP product champion — 1,200+ products mapped across India

The **One District One Product** initiative has mapped what every district in India makes — **750+** of them, with **1,200+** identified products spanning agriculture, handicrafts, textiles, food processing, and manufacturing. From *the brass of Moradabad to the saffron of Pampore, from the toys of Kondapalli to the silk of Sualkuchi and many more* — India's productive geography turns out to be astonishingly diverse, hyperlocal, and largely invisible to the national economy until now.

ODOP products **are listed on GeM,** promoted at international trade fairs, & integrated with the Districts as Export Hubs initiative. **29 Unity Malls** have been approved across **27 states** to give these products a permanent retail home. Projects worth **₹6,000 crore** have been sanctioned under the **ODOP Margin Money scheme**. The ambition is clear: *what India's districts have always made should be what India's exports carry forward.*

SOURCE : data.gov.in · PIB ODOP Progress Report, January 2026

#29

Which MSME cluster is one of India's oldest surgical instrument hubs?

Jalandhar, Punjab

India's surgical instruments cluster — a craft carried across a border in 1947

Before 1947, the world's finest surgical instruments came from **Sialkot** — **a city in what is now Pakistan** — where generations of craftspeople had built an unmatched tradition of precision metalwork.

When Partition drew a border through Punjab, thousands of those craftspeople crossed it. They carried nothing except what was in their hands and their memory. **The instruments they made in Sialkot, they made again in Jalandhar.**

Today, Jalandhar's surgical instrument cluster supplies **hospitals across India** and exports to markets in A**frica, Southeast Asia, and the Middle East.** The craft is still learned the way it always was — through apprenticeship, through watching, through making. *The cluster is a living record of what survives displacement: not property, not buildings, not equipment — but skill.*

SOURCE : DC(MSME) Cluster Development Programme, Ministry of MSME

#30

Which city is shockingly one of India's major pharmaceutical hubs?

Baddi, Himachal Pradesh

600+ pharmaceutical manufacturing units, generating ₹60,000 crore annually

Baddi sits in the **foothills of the Himalayas**, in Himachal Pradesh's Solan district — a small industrial town that most Indians outside the pharmaceutical supply chain have never heard of. And yet, the Baddi-Barotiwala-Nalagarh cluster hosts over **600 pharmaceutical manufacturing units,** generates over **₹60,000 crore annually,** and produces medicines that reach every corner of the country and export to over 50 nations. **Sun Pharma, Cipla, Dr. Reddy's, Torrent, Biocon** — the biggest names in Indian generics all have manufacturing facilities here.

The cluster grew almost entirely because of **tax incentives** introduced in the early **2000s** to **attract industry to hill states.** What began as a policy instrument became an industrial ecosystem. *Today the medicines in your cabinet may well have been manufactured in a clean room 400 to 500 metres above sea level*, in a town you've probably never visited.

SOURCE : Pharmexcil, Department of Pharmaceuticals, Government of India

#31

What is the largest MSME cluster in India by employment?

6 Lakh+

direct workers in Tiruppur's knitwear cluster

Tiruppur employs **over 6 lakh** people **directly** in knitwear manufacturing — and another **2 lakh indirectly** through ancillary services, logistics, and supply chain support. That is **8 lakh livelihood**s concentrated in a single mid-sized Tamil Nadu city. **65%** of the direct workforce are semi-literate **women** from rural districts who migrated to Tiruppur and built careers, households, and economic independence within its factory ecosystem.

What makes Tiruppur remarkable is not just its scale but its **self-sufficiency**. It has its own power infrastructure, export logistics systems, worker welfare programmes, and an exporters' association that negotiates directly with global brands on pricing, lead times, and compliance standards. *Tiruppur is not a cluster in the conventional sense. It is a complete industrial economy built entirely on small and medium enterprises,* ***operating at a scale that most countries cannot match in a single sector.***

SOURCE : Tiruppur Exporters Association (TEA), Annual Data FY2024-25

#32

How many people across India keep the handloom tradition alive?

35.22 Lakh

handloom households across India — 72% women

35.22 lakh households are engaged in handloom weaving across India — **72% of them women,** working at looms in homes, courtyards, and small clusters in villages and towns most of the country has never visited. **India produces 95% of the world's handwoven fabric**. *The Banarasi saree, the Kanjeevaram, the Jamdani, the Paithani* — each is not just a textile but a geography, a community, a skill system passed from one generation to the next.

The sector is now connecting its ancient craft to modern markets. **Over 1.80 lakh** weavers have been **onboarded onto GeM** — selling directly to government departments, cutting out middlemen. More than **2,400 sellers** have listed over **11,400 products** on **indiahandmade.com**, the Ministry of Textiles' zero-commission e-commerce platform. **104 handloom products** have received **Geographical Indication tags** — **legal protection** for the weaves that give each region its identity. *The looms are the same. The reach is entirely new.*

SOURCE : 4th All India Handloom Census 2019-20, Ministry of Textiles

#33

Which Indian city makes your Diwali crackers, your safety matches, and your office diary?

Sivakasi

90% of India's firecrackers come from one city. Also: 70% of India's safety matches. 30% of all diaries printed in India.

Sivakasi, in Tamil Nadu, earned the nickname "**Kutty Japan**" meaning “Little Japan” for the sheer concentration of industries packed into one small, dry, improbable city. It produces **90% of India's firecrackers, 70% of its safety matches**, and **30% of all diaries** manufactured in the country. **The printing industry grew as a direct consequence of the fireworks industry** — labels for crackers required printing, and the printing expanded into calendars, lottery tickets, school notebooks, and office diaries. **One city, three completely unrelated industries, all interlinked by the logic of accumulated skill and shared infrastructure.**

The fireworks industry alone employs over **2.5 lakh** workers directly. The combined turnover of Sivakasi's firecrackers, matches, and printing industries is estimated at over **₹6,000** crore annually.

SOURCE : Sivakasi Fireworks & Printing Industry Association data 2025

#34

What does a landlocked Haryana town have to do with your IKEA blanket?

60%

of India's recycled textile waste is processed in one city — Panipat

Every year, bales of discarded clothing from Europe, America, and Canada arrive at Kandla port and travel inland to Panipat — a city most famous for three medieval battles. Here, **6,400 MSMEs** sort, shred, spin, and weave that waste into blankets, carpets, yarn, and upholstery. Panipat processes nearly **4,000 tonnes of textile waste every day**, handling **60% of India's total recycled textile volume**. The cluster generates **₹29,000 crore** in exports annually and employs **4.5 lakh workers**.

Investigative reporting has traced Panipat's recycled output to showrooms like **IKEA & Walmart**. That is Panipat's quiet, unglamorous, essential contribution to the global circular economy.

SOURCE : SWITCH-Asia / SIDBI Cluster Diagnostic Study 2026

#35

Which city has been exporting handcrafted brassware to the world since the Mughal era?

Moradabad

40%+ of India's handicraft metalware exports

Moradabad was founded in **1625** under **Mughal Emperor Shah Jahan's** reign. From almost the beginning, it attracted skilled metalworkers from Banaras, Lucknow, Agra, and Kashmir — artisans who brought **Persian, Turkish, and Egyptian** techniques and f**used them with Indian craftsmanship.** Back then brassware from Moradabad was already being **exported to Iran, Turkey, and the Middle East**.

Today, Moradabad accounts for more than **40% of India's total handicraft metalware exports.** Over **25,000** craft units and **600 registered export houses** operate here, supplying to **80+ countries.** The craft received a **GI tag in 2013-14**.

The city earned its name — Peetal Nagri, the Brass City — not from a government designation but from four centuries of doing one thing exceptionally well.

SOURCE : EPCH District NIC, Moradabad



CHAPTER FOUR

Money, Credit & Survival

The Financial Life of a Small Business



#36

How many Mudra loans have been disbursed since 2015?

57 Crore+

Mudra loans sanctioned since 2015 — worth ₹40.07 lakh crore total

Over 57.79 crore Mudra loans worth ₹40.07 lakh crore have been sanctioned since April 2015 — confirmed on the scheme's 11th anniversary in April 2026.

68% of all Mudra loans went to **women entrepreneurs**. **50%** of borrowers belong to **SC, ST, or OBC** categories. The average loan size has grown from **₹38,000 in FY16** to **₹1.02 lakh** in **FY25** — reflecting not just more lending, but deeper, larger lending to people who had never held a formal credit facility before.

In the Union Budget **2024**, the Mudra loan limit was raised to **₹20 lakh for Tarun-Plus** borrowers — those who had already repaid a previous loan and were ready to grow further. The message was clear: the scheme was not just about first loans. It was about what came next. *India's most powerful anti-poverty programme looked like a small business loan. Because that's what it was.*

SOURCE : Ministry of Finance / PIB, PM Mudra Yojana 11th Anniversary, April 2026

#37

How large is the formal credit relationship between Banks/NBFCs and MSMEs?

₹67.5 lakh crore

formal MSME credit outstanding, December 2025

India's formal credit to MSMEs has crossed **₹67.5 lakh** crore — a figure that has grown at a compounded annual rate of **17% since 2020.** That pace is not an accident. It reflects a decade of policy decisions: guarantee schemes, digital credit rails, and lenders learning to read businesses that once had no credit history.

The sector that once survived on informal moneylenders and family loans now anchors one of the fastest-growing commercial credit portfolios in Asia. And the quality of that credit is improving too — delinquency rates have fallen to a five-year low, a sign that growth and discipline are moving together.
Every rupee of formal credit is a business that no longer has to beg.

SOURCE : TransUnion CIBIL–SIDBI MSME Pulse, December 2025

#38

How did the government respond to help MSMEs survive COVID-19?

₹3.68 lakh crore

sanctioned under the Emergency Credit Line Guarantee Scheme, 2020–22

The **Emergency Credit Line Guarantee Scheme (ECLGS)** sanctioned **₹3.68 lakh crore** of collateral-free, government-guaranteed credit to MSMEs across four tranches from **2020 to 2022.**

For a sector where most businesses had no collateral to offer and revenues had fallen to near zero, this was not a routine lending programme — ***it was a lifeline delivered at speed***. Banks and NBFCs extended credit **with the government bearing the guarantee,** removing the single biggest barrier that had always kept MSMEs out of formal credit in a crisis.

The scheme is now closed, but its impact — millions of businesses that survived to pay taxes, employ workers, and repay loans — is structural.

SOURCE : NCGTC Final ECLGS Report; Ministry of Finance

#39

What is the new collateral for MSME credit in India?

Digital Footprint, not land

GST returns, UPI transaction records, and bank statements are replacing bricks and mortar as the basis for lending

For decades, the single greatest barrier between an MSME and a bank loan was not the business's health — it was the **absence of land or property to pledge**. A thriving trader with years of steady sales could be turned away simply because she had no collateral to offer. **That equation is now changing**. NBFCs, fintech lenders, and co-lending platforms are using GST filing history, UPI transaction records, and bank statement data to assess creditworthiness — **replacing the mortgage deed with a digital footprint.**

Government's **Unified Lending Interface,** built on the same open-architecture principles as UPI, is designed to make this data available to any lender, anywhere, with the borrower's consent. MSME credit now accounts for **23%** of all NBFC lending — up from just **16% in FY2019** — *a shift driven not by relaxed standards, but by better information.*

SOURCE : CRISIL Intelligence / HDBFS Industry Report FY2025; RBI Unified Lending Interface framework

#40

How much does the Government of India buy from MSMEs annually?

₹2.36 lakh crore

orders received by MSMEs on GeM in FY26 — nearly half of all government procurement on the platform

When the Government e-Marketplace launched in 2016, it set out to do something radical: make the Indian state a customer that any small business could sell to. A decade later, the numbers show it is working.

In FY26, the total value of government procurement through GeM crossed **₹5 lakh crore** — and MSMEs captured **₹2.36 lakh crore** of that, *nearly half the entire platform's business*. MSMEs now make up **73%** of active sellers on GeM, and the platform has **deliberately lowered entry barriers** so that a seller with as little as ₹5 lakh in annual turnover can register, bid, and win government contracts. The government is legally mandated to procure ***at least 25%*** of its purchases from MSMEs — but on GeM, that figure has been surpassed comfortably, ***with micro and small enterprises alone crossing 45%*** of GeM business in FY26.

SOURCE : GeM Annual Report FY2025–26

#41

How many MSME owners have accessed formal credit?

14% to 20%

share of micro and small enterprises with formal bank credit

At least **80 out of every 100 MSME** owners still run their businesses on family savings, rotating credit from friends, advances from buyers, and loans from informal moneylenders who charge rates no bank would dare print.

The formalisation of Indian enterprise is well underway, 8.7 crore registrations on Udyam tell that story clearly. T*he formalisation of Indian enterprise finance is still catching up* — with an estimated **credit gap of ₹30 lakh crore still unmet as of 2025**. The infrastructure is being built — guarantee schemes, digital lending rails, account aggregators — but for most MSME owners, the branch office is still a place where the answer is no.

Four out of five MSME owners still built their business without formal finance. That is the gap — and closing it is the work.

SOURCE : SIDBI MSME Report, May 2025

#42

What is TReDS and what is it doing to MSME working capital?

₹2.33 lakh crore

value of invoices financed through TReDS in FY25

For decades, the most common form of slow torture for an MSME was the **unpaid invoice**. You delivered the goods, completed the work, raised the bill — ***and then waited. Thirty days. Sixty days. Sometimes ninety.*** While you waited, your workers needed wages, your suppliers needed payment. **TReDS** was built to **end that wait**. On this RBI-regulated platform, MSMEs upload approved invoices, banks and ***NBFCs compete to finance them, and cash arrives within 24 to 48 hours — no collateral, no chasing the buyer.***

In **FY25, ₹2.33 lakh crore** worth of invoices moved through TReDS; **RXIL** alone discounted over **88.5 lakh invoices** since inception, supporting **44,000 MSMEs across 1,600 postal codes**. And the pipeline is growing: from **March 2025**, every company with a turnover **above ₹250 crore** *must register on TReDS* — bringing thousands of large buyers onto the platform *whether they like it or not.*

SOURCE : RXIL data FY2024–25 | RBI TReDS framework

#43

How much collateral-free credit has the government guaranteed for MSMEs?

₹10.5 lakh crore

guaranteed under CGTMSE since inception in 2000.

For most of its history, the Indian banking system had one answer for an MSME without property to pledge: ***NO.***

The most powerful word in MSME finance is not "loan." It is "***guarantee***." **CGTMSE** — the Credit Guarantee Fund Trust for Micro and Small Enterprises — was set up in **2000** to change that single word. It works simply: when a bank lends to an MSME without collateral, **CGTMSE covers up to 75–85% of the default risk**, giving the lender a reason to say yes. Over 25 years, that guarantee has been extended to the tune of **₹10.5 lakh crore** — making CGTMSE *one of the largest credit guarantee operations in Asia*. From April 2025, the maximum loan covered has been doubled from ₹5 crore to ₹10 crore per borrower — widening the door further.

SOURCE : PIB; CGTMSE Annual Data; Ministry of MSME

#44

How many MSMEs carry any form of business insurance?

Less than 18%

of India's MSMEs have property, liability, or business interruption coverage

If a fire started tonight, more than 4 in every 5 workshops in India would bear the loss alone.

As per IRDAI data from 2022-23 — the most recent MSME-specific insurance figures available, **less than 18%** of India's MSMEs carry any form of property, liability, or business interruption insurance. The **remaining 82%** have no financial buffer between a bad event and a closed shutter.

This is not about affordability alone. Insurance products designed for small businesses have historically been **complex, paper-heavy, and poorly distributed** in the markets where MSMEs operate. The **IRDAI's "Insurance for All by 2047**" mission and the **Sabka Bima Sabki Raksha Act 2025** which enables 100% FDI in insurance are beginning to change the infrastructure. **PM Vishwakarma** provides ₹2 lakh insurance cover to registered artisans. **Bima Sugam**, launched September 2025, creates a one-stop digital insurance marketplace. The direction is right. The gap remains large.

SOURCE : IRDAI Annual Report 2022-23

#45

Banks say MSMEs are risky borrowers. What does the data say?

1.79%

MSME delinquency rate — a 5-year low as of March 2025

Delinquency rate measures the percentage of loans where the borrower has not made a payment for 90 days or more past the due date. For India's MSME sector, that number stood at **1.79% in March 2025** — the *lowest in five years*, and less than half the pre-pandemic level of **3.9% recorded in March 2020.** This improvement came even as the overall MSME commercial credit portfolio grew **13%** year-on-year — meaning more credit was flowing, and more of it was being repaid on time.

The narrative that small businesses are **risky borrowers** has always been more assumption than data. A **1.79%** delinquency rate — in a sector that employs 63% of India's workforce and operates largely without collateral — is not the profile of a sector that cannot be trusted with credit. It is the profile of a sector that has been underserved by credit, not undeserving of it.

SOURCE : TransUnion CIBIL — SIDBI MSME Pulse Report, May 2025

CHAPTER FIVE

The Future is Already Here

Digital, Green & Global

#46

How many MSMEs have fully shifted to digital payments?

90%

of India's MSMEs now accept digital payments — as of 2025

In 2018, the majority of India's small businesses ran entirely on cash. By **2025**, **90%** of surveyed MSMEs accept digital payments — a transformation compressed into **seven years**. *The kirana store, the repair shop, the street-side food stall — all have a QR code on the counter.*

This happened **without a government mandate** or a corporate rollout. It happened because the product was free, instant, and worked on any smartphone. UPI — launched in 2016 — removed every barrier that had kept small businesses out of digital finance: no card machine, no merchant account, no monthly fee. A QR code printed on paper was enough. ***The speed of adoption among India's small businesses is one of the fastest technology transitions in the history of any economy.***

SOURCE : SIDBI MSME Progress Report, May 2025

#47

How many MSMEs now sell their products online?

1.5 Crore+

small sellers on Meesho alone — plus millions across Amazon, Flipkart and ONDC

India's e-commerce platforms have become the largest market access programme the MSME sector has ever seen. Meesho alone supports over **1.5 crore** small sellers, selling unbranded and handmade products to buyers across India and beyond. Flipkart's seller base crossed **1.4 million**. **ONDC** — the government's open network for digital commerce — has onboarded sellers across **630+** cities, specifically designed to give small businesses a platform-neutral way to reach buyers without paying marketplace commissions.

What these platforms collectively did was solve a problem that had constrained Indian MSMEs for generations — **market access.** A craft producer in Khurja could make beautiful pottery but had no way to find a buyer in Mumbai or Singapore. *The internet removed that constraint. The smartphone made it accessible. ONDC made it open.*

SOURCE : Meesho platform data 2025 · ONDC / IBEF E-commerce Report, December 2025

#48

How many new MSME exporters emerged in the last 5 years?

1.2 Lakh+

new MSME exporters between FY2021 and FY2025

In **FY2020-21, 52,849 registered MSMEs** were active exporters. **By FY2024-25,** that number had reached **1,73,350** — meaning over **1.2 lakh** businesses started selling to the world for the **first time** in four years. Each one filed their first IEC application, navigated their first customs declaration, found their first international buyer.

Some sell through Amazon Global Selling or Etsy. Some use trade aggregators and freight forwarders. Some found a buyer at an export fair and never looked back. **What they have in common is a discovery** — that the world is a significantly larger market than the district they were born in. That a buyer in Germany or Dubai or Detroit wants exactly what they make. ***That distance, for a product that is good enough, is no longer the barrier it was.***

SOURCE : Ministry of MSME, PIB Press Release, December 2024

#49

What happens when 8.7 crore small businesses discover AI?

65%

of MSMEs currently lack awareness of available AI tools

A 2024 NASSCOM-Meta study found that **65%** are unaware of the AI tools available to them. Not unwilling — unaware. Among those that are already tech-enabled, **94% recognise AI's potential to drive growth and 87% are confident it can enhance productivity.** The gap is not about attitude. It is about access, awareness, and affordability.

India is now building the infrastructure to close that gap at scale. The government committed **₹10,300 crore to the IndiaAI Mission** — covering AI compute, datasets, skill development, and startup support.

The MSME owner in Patna using AI to draft a government tender, the food processor in Pune using AI for demand forecasting — they are not outliers. They are the early signal of what 8.7 crore enterprises could look like in ten years.

SOURCE : NASSCOM-Meta MSME Digital Study, 2024 · PIB Cabinet Approval, IndiaAI Mission, March 2024

#50

How are Indian MSMEs benefiting from the global shift away from China?

1.2 Lakh+

new MSME exporters between FY2021 and FY2025 — from 52,849 to 1,73,350

The geopolitical realignment of global supply chains has created the largest structural opportunity for Indian MSMEs in a generation. The **China+1 sourcing strategy** adopted by manufacturers in the US, Europe, and Japan to reduce single-country dependence — is actively redirecting procurement to India.

Automotive ancillaries in Pune, pharmaceutical APIs in Baddi, electronics components in Noida, precision engineering in Coimbatore — ***all are receiving orders that five years ago went elsewhere.***

MSME exporters grew from **52,849 in FY21** to **1,73,350** in **FY25** — a **threefold increase** in **four years**. Export value more than **tripled** from **₹3.95 lakh crore to ₹12.39 lakh crore** in the same period. *This is not organic growth alone. It is structural repositioning.*

SOURCE : Ministry of MSME, PIB Press Release, December 2024

#51

What are Indian MSMEs doing in the electronics and semiconductor space?

85%

of India's PCB demand is still met by imports — but that is changing

India assembles the world's **second-largest number of smartphones**. It manufactures **defence electronics**, **industrial automation** systems, and **EV components**. Every single one of them runs on a **Printed Circuit Board**. And **85%** of those PCBs still come from **China, Taiwan, or Hong Kong.**

Only about **500** MSMEs currently manufacture PCBs in India. That number is about to change. In **April 2025,** the government approved the Electronics Component Manufacturing Scheme with an outlay of **₹22,919 crore** — targeting PCBs, capacitors, connectors, Li-ion cells, and display modules. The scheme promises **₹59,000 crore in investment and ₹4.56 lakh crore in production over six years**. The semiconductor ambition that India announces in headline policy is beginning to be built, component by component.

SOURCE : MeitY, Electronics Component Manufacturing Scheme, April 2025

#52

How many MSMEs are participating in India's defence manufacturing?

Over 16,000

MSMEs in India's defence supply chains — components, subsystems, electronics, and services

India's defence sector has undergone a quiet revolution — annual production crossed **₹1.50 lakh crore in FY25**, a **90%** increase since FY 2019–20. Over 16,000 MSMEs now supply components, subsystems, electronics, and services to Defence PSUs and private OEMs. The rifle part, the uniform fabric, the drone component — all may have passed through a small business before reaching the armed forces.

Policy has deliberately opened the door: Positive Indigenisation Lists **mandate domestic sourcing for hundreds of defence items,** the **iDEX** programme has brought **676 startups and MSMEs** into the defence innovation ecosystem since 2018, and two Defence Industrial Corridors have unlocked **₹66,423 crore** in potential opportunities for smaller manufacturers.

SOURCE : SIDM (Society of Indian Defence Manufacturers); PIB / Ministry of Defence, November 2025

#53

What if every MSME in India hired just one more person?

8.7 crore jobs

the potential employment impact of one additional hire per registered MSME

If every one of India's 8.7 crore registered MSMEs hired a single additional worker, the country would **add 8.7 crore jobs** — **more people than the entire population of Germany, which is the most populous country in the European Union**. No new policy architecture, no new credit scheme, no new infrastructure. Just one more person per enterprise.

The arithmetic is simple; the conditions that make it possible are not. An MSME hires one more person when it has enough orders to justify the wage, enough credit to fund the working capital, and enough confidence that the demand will last. Each of those conditions is a policy lever — and India is pulling all three simultaneously through formalisation, digital credit, and market linkage programmes. *The question is not whether it is possible. The question is how fast.*

SOURCE : Udyam Registration Portal, June 2026

#54

How many MSMEs have committed to zero-defect, zero-environmental-effect manufacturing?

2.83 lakh

MSMEs certified under the ZED scheme as of March 2025 — up from 3,160 just two years earlier

Zero Defect. Zero Effect. The phrase sounds like a slogan until you look at what it actually requires — *a structured assessment of quality systems, energy use, waste generation, and environmental impact, followed by a Bronze, Silver, or Gold certification* ***that a business has earned, not purchased.***

India's **ZED Certification** Scheme was relaunched in **April 2022** with a clear intent: to move small manufacturers toward global standards of quality and sustainability, without waiting for a regulation to force them. In its first year, **3,160 MSMEs were certified**. By **FY24**, that number reached **1,76,317** in a single year — a **55-fold jump**. By **March 2025**, the cumulative total stood at **2.83 lakh**. **Gujarat** leads with **56,850** certifications, followed by **Karnataka** and **Uttar Pradesh**. India's small manufacturers are not waiting to be told to go green.

SOURCE : Ministry of MSME / PIB data, March 2025

#55

What does it actually feel like to be an MSME in India today?

No Statistic

Only heartfelt answers from different parts of the country!



घर से शुरू किया था। आज तीन लोगों को रोज़ी देता हूँ।
I started from home. Today I give three families their livelihood.



माझ्या हातांनी बनवलेला माल पॅरिसला गेला. स्वप्न खरे झाले.
My handmade item went to Paris. Dreams do come true.



छोटो व्यापार,
बड़ो सम्मान.
Small business, great dignity.



દુકાન નાની છે, પણ ગ્રાહકોને
પ્રેમથી ખવડાવું છું.
The shop is small, but I feed my customers with love.



आमची धंदा, आमची ओळख, आमचो अभिमान.
Our business, our identity, our pride.



எனது மூலதனம் சிறியது; எனது கனவு பெரியது.
My capital is small. My dream is large.

#55

What does it actually feel like to be an MSME in India today?

No Statistic

Only heartfelt answers from different parts of the country!



ಚಿನ್ನ ವ್ಯಾಪಾರಂ ಅಂಟೆ ಚಿನ್ನ ವ್ಯಕ್ತಿ ಅನಿ ಅರ್ಥಂ ಕಾದು.
Small business does not mean a small person.



ನಮ್ಮ ಹಳ್ಳಿಗೆ ಒಂದು ಹೆಸರು ಬರಲಿದೆ. ನಮ್ಮ ಕೈಗಳಿಂದ.
Our village will have a name. Through our hands.



ഞാൻ നിർമ്മിച്ചത് ഞാൻ തന്നെയാണ് പ്രവർത്തിപ്പിക്കുന്നത്. ഇതാണ് സ്വാതന്ത്ര്യം.
What I built, I run myself. This is freedom.



ਲੋਕ ਪੁੱਛਦੇ ਨੇ ਕਿ ਮੈਂ ਔਰਤ ਹੋ ਕੇ ਐਹੋ ਜਿਹਾ ਕਾਰੋਬਾਰ ਕਿਵੇਂ ਚਲਾਉਂਦੀ ਆਂ। ਮੈਂ ਉਹਨਾਂ ਨੂੰ ਦਿਖਾਉਂਦੀ ਹਾਂ।
People ask me how I, a woman, run a business like this. I show them how.



এই কাজ আমার বাবা করতেন। আমি করছি। আমার ছেলে করবে।
My father did this work. I do it. My son will too.

Acknowledgement

A book built on data is only as good as the data it can find!
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To every MSME owner, worker, artisan, weaver, cutter, polisher, potter, and founder whose work is reflected in these pages — this book is for you. ***You did not need us to tell your story. We simply wanted to make sure it was told.***

About IRIS MSME

IRIS MSME is the MSME-focused initiative of **IRIS Data Solutions**, a wholly-owned subsidiary of **IRIS RegTech Solutions — a RegTech company listed on BSE and NSE,** headquartered in Mumbai, with a presence across **55 countries**. For over **two decades**, IRIS has built technology for financial compliance, reporting, and intelligence — empowering **30+ regulators and 6,000+ enterprises worldwide** with data, transparency, and rigour.

IRIS MSME brings that same commitment and rigour to India's 8.7 crore small businesses through **MoUs with the state governments of Telangana, Karnataka, and Goa,** and through its FREE mobile app **IRIS Peridot.**

IRIS Peridot is a free app *— trusted by lakhs of MSMEs* across India. One app that brings together *collateral-free business loans, government scheme matchmaking, vendor compliance, GST scan, e-invoice verification, digital invoicing, business health reports, and MSME TV with access to expert webinars and more.*

IRIS Peridot is available to download on Play Store & App Store. You can also scan the QR code below to download it.

IRIS Peridot

Let's Connect

We wrote this book because we believe India's MSME sector is one of the greatest untold stories in the world — and that the people building it deserve a stage worthy of their work.

But this book is just the beginning.

If this book sparked a thought, corrected a misconception, or made you see India's small businesses differently — we'd love to hear from you.

If you work in the MSME ecosystem — as a policymaker, researcher, banker, institution, or industry body — and want to collaborate on making a difference, let's talk.

If you are an MSME owner with a story that deserves to be told — please reach out. Your story may be featured on our page - Humans of MSMEs.

This is not the end of the conversation. It is the start of one.

Write to us:
hello@irismsme.com

38.77 crore workers. 31.1% of GDP. 48.58% of exports. 8.7 crore enterprises.

India's MSME sector is one of the largest economic ecosystems on earth. It is also one of the least understood, least celebrated, and least written about.

Quietly Enormous changes that — one statistic, one story, one entry at a time. A book for anyone who wants to understand what India is really built on.

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