

Role of MSMEs in Achieving Self-Reliant India: A Study of the NCR Region

Shobhit¹ and Dr. Anil Raipuria²

Ph.D Scholar, Department of Commerce¹

Professor, Department of Commerce²

M.J.P. Rohilkhand University Bareilly Uttar Pradesh India

shobhit.sharma.sharmas@gmail.com

anilraipuriajsh@gmail.com

Abstract: *The Atmanirbhar Bharat (Self-Reliant India) project is built on Micro, Small, and Medium-Sized Enterprises (MSMEs), which are very important for the Indian economy to grow. This study concentrates on the National Capital Region (NCR) of India, evaluating the role of MSMEs in fostering self-sustaining economic growth. The NCR region is one of the most urbanised and industrialised places in the world. Many MSMEs in this area are involved in manufacturing, services, and commerce. The study's goal is to look at how MSMEs in the NCR region help with job creation, local production, innovation, and inclusive development. It also looks at how government policies like the Atmanirbhar Bharat Abhiyan, credit-linked plans, digitalisation projects, and skill-development programmes affect the growth and long-term success of Abstract. The Atmanirbhar Bharat (Self-Reliant India) project is built on Micro, Small, and Medium-Sized Enterprises (MSMEs), which are very important for the Indian economy to grow. This study concentrates on the National Capital Region (NCR) of India, evaluating the role of MSMEs in fostering self-sustaining economic growth. The NCR region is one of the most urbanised and industrialised places in the world. Many MSMEs in this area are involved in manufacturing, services, and commerce.*

Keywords: MSMEs, Self-Reliant India, Atmanirbhar Bharat, NCR Region, Economic Development

I. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are an important part of the Indian economy and are widely seen as engines of growth, job creation, and development that includes everyone. MSMEs play a big role in India's industrial output, exports, and job creation, especially for people who are not very skilled or not skilled at all. MSMEs are important for strengthening domestic supply chains and encouraging balanced regional development because they can quickly adjust to changes in the market and use localised production systems.

The Indian government started the Self-Reliant India (Atmanirbhar Bharat) programme to make the country more competitive on the world stage by making more things in India, relying less on imports, and making things better. In this light, MSMEs are key to reaching the goals of self-reliance because they encourage local manufacturing, entrepreneurship, innovation, and economic participation at the grassroots level. The sector helps big businesses by providing support services, and it helps the national economy stay strong during times of economic trouble.

The National Capital Region (NCR), which includes Delhi and nearby districts in Haryana, Uttar Pradesh, and Rajasthan, is one of India's most economically active areas. The NCR is home to a wide variety of MSMEs in fields like manufacturing, services, trade, and technology. These businesses benefit from being close to big markets, having good infrastructure, skilled workers, and government support. This makes the area a great place to look at how MSMEs can help with self-reliant growth.

This study examines the role of MSMEs in the NCR region in achieving Atmanirbhar Bharat by promoting employment, bolstering domestic production, stimulating innovation, and enhancing economic sustainability. The study

aims to elucidate the effectiveness of MSMEs as catalysts for a self-reliant India by analysing sectoral contributions, challenges, and policy interventions, while also proposing strategies to augment their role in national development.

1.1 What is Self-Reliant India (Atmanirbhar Bharat)?

The idea of "Self-Reliant India" (Atmanirbhar Bharat) is a complete plan for India's economy and development that aims to make the country self-sufficient, strong, and competitive on the world stage. The goal of the initiative is not to promote isolationism, but to strengthen domestic capabilities while also connecting with global value chains. Atmanirbhar Bharat is all about making things locally, coming up with new ideas, starting businesses, and using domestic resources in the best way possible.

The Atmanirbhar Bharat Abhiyan, which started in 2020, stressed the need to cut down on India's reliance on imports and improve its manufacturing and service skills. There are five main pillars that make up the vision: the economy, infrastructure, technology-driven systems, a lively population, and demand. The goal of these pillars is to create a strong economic framework that encourages businesses in the country, especially MSMEs, to grow and come up with new ideas.

To be self-reliant, you need to give local businesses more power through policy changes, money, skill development, and new technology. It pushes the idea of "Vocal for Local," which means that people should buy goods and services made by people from their own country. Atmanirbhar Bharat's goal is to make Indian goods competitive in international markets by improving the quality and efficiency of production.

MSMEs are the main part of this project because they offer flexibility, jobs, and new ideas at the local level. Strengthening MSMEs leads to growth that includes everyone, a balance between regions, and development that lasts. Atmanirbhar Bharat is a comprehensive strategy that combines economic growth with social empowerment, making India a strong and self-sufficient economy on the world stage.

1.2 A brief look at MSMEs in India

According to the new MSME classification, Micro, Small, and Medium Enterprises (MSMEs) in India are defined by how much they invest in plant and machinery or equipment and how much money they make each year. The MSME sector includes a wide range of businesses that make things, provide services, trade, and do other related things. This makes it one of the most diverse and dynamic parts of the economy.

MSMEs are very important to India's economic growth because they make a big difference in GDP, industrial production, and exports. The sector is one of the biggest employers after farming, giving millions of people in cities and towns jobs. MSMEs also help people start their own businesses by encouraging self-employment and small-scale industrialisation, especially among women and young people.

MSMEs are strong because they can adapt, don't need a lot of money to start up, and can work in both traditional and modern sectors. They help big businesses by providing goods and services that are in between, which makes industrial value chains stronger. MSMEs also help regional development by moving businesses to less developed areas and making the economy more equal across the region.

To help MSMEs grow and stay in business, the Indian government has put in place a number of policy measures and programmes, such as credit guarantee programmes, digital MSME initiatives, skill development schemes, and reforms to make doing business easier. MSMEs are very important, but they have problems with getting money, using new technology, building infrastructure, and getting into markets. These problems need targeted policy changes to keep the businesses growing.

1.3 Importance of MSMEs in the NCR Region

- Big factors that create jobs in cities and suburbs
- Help businesses that make things and provide services in your area
- Work as support units for big businesses and multinational corporations
- Encourage new businesses and ideas

- Make regional supply chains and logistics networks stronger
- Help with production and trade activities that are focused on exports
- Enhance regional economic growth and industrial diversification

1.4 Objectives of the Study

- To examine the role of MSMEs in achieving Self-Reliant India
- To analyze the contribution of MSMEs to employment and economic growth in the NCR region
- To study government initiatives supporting MSMEs under Atmanirbhar Bharat
- To identify challenges faced by MSMEs in the NCR region
- To suggest policy measures for strengthening MSMEs

1.5 Scope and Limitations of the Study

Scope

- The study focuses on MSMEs operating in the NCR region
- Emphasis on the role of MSMEs in promoting self-reliance and economic sustainability
- Covers manufacturing and service-sector MSMEs

Limitations

- The study is limited to a selected sample of MSMEs
- Findings may not be generalized to all regions of India
- Dependence on the availability and reliability of primary and secondary data
- Time and resource constraints may limit the depth of analysis

II. A LOOK AT MSMEs IN THE NCR REGION

The National Capital Region (NCR) is one of the most economically active and industrially developed areas in India. The NCR has become a major hub for Micro, Small, and Medium Enterprises (MSMEs) because of its good location, developed infrastructure, access to skilled workers, and closeness to big consumer markets. These businesses work in a lot of different areas, such as manufacturing, services, trade, and technology. They are very important for the growth of the economy in the area.

2.1 Distribution by sector

There are MSMEs in the NCR region that work in many different fields. A large number of them work in manufacturing, making things like textiles, clothes, food, electronics, car parts, and light engineering goods. There are also a lot of MSMEs in the service sector, such as those that offer IT services, logistics, hospitality, repair services, education, and healthcare support services. Trading MSMEs also buy and sell goods in bulk and at retail, which helps connect markets and make distribution more efficient. This variety of sectors makes the NCR region's economy stronger.

2.2 MSMEs Creating Jobs

MSMEs in the NCR area are a big part of creating jobs. They give skilled, semi-skilled, and unskilled workers jobs, especially migrants and people who live in cities and are poor. MSMEs create more jobs per unit of capital investment than large industries because they require a lot of work. The sector is very important for lowering unemployment and helping people make a living, especially for young and female business owners.

2.3 Impact on GDP and Exports

Manufacturing and service delivery by MSMEs in the NCR region make a big difference to the region's GDP. Export-oriented MSMEs work in textiles, handicrafts, engineering goods, and IT-enabled services, all of which help India

make money from exports. Their involvement in global value chains makes India's economy more competitive and helps it grow on its own.

III. ROLE OF MSMEs IN ACHIEVING SELF-RELIANT INDIA

MSMEs are a big part of the Atmanirbhar Bharat vision because they encourage entrepreneurship, domestic production, and economic decentralisation.

3.1 Encouraging local production and innovation

MSMEs support local manufacturing by using local skills and resources. They encourage new ideas by making new products, making things more cheaply, and meeting the needs of local markets. This helps the "Vocal for Local" campaign and makes us less reliant on imports.

3.2 Making jobs and growth available to everyone

MSMEs help the economy grow in a way that includes everyone by creating a lot of jobs. They help people from different social groups and areas make money, which helps reduce poverty and promote balanced development.

3.3 MSMEs and the Strength of the Supply Chain

MSMEs serve as supplementary entities to large industries and fortify domestic supply chains. Their flexibility and ability to adapt help keep production going during economic disruptions, which makes the economy more resilient.

3.4 Going digital and using new technology

As more people use digital technology, MSMEs are adding e-commerce, digital payments, and cloud-based solutions to their businesses. Upgrading technology makes MSMEs more competitive by increasing productivity, transparency, and access to markets.

IV. GOVERNMENT PROGRAMMES THAT HELP SMALL AND MEDIUM-SIZED BUSINESSES

The Government of India knows how important MSMEs are and has started a number of programmes to help them grow and stay in business.

4.1 Atmanirbhar Bharat Abhiyan

The Atmanirbhar Bharat Abhiyan gives MSMEs policy changes, cash flow support, and structural changes to make them stronger. It is mostly about making more things in the country and making the country more competitive on the world stage.

4.2 Plans for Credit and Financial Help

The Credit Guarantee Fund, the Emergency Credit Line Guarantee Scheme (ECLGS), and MUDRA loans are all examples of programmes that make it easier for MSMEs to get loans. These programmes make it easier to get credit and help businesses grow.

4.3 Digital MSME and Skill Development Programmes

Skill India, Digital MSME, and Entrepreneurship Development Programmes are some of the programmes that help MSME owners and workers improve their managerial, technical, and digital skills. These projects help with modernisation and long-term growth.

V. REVIEW OF LITERATURE

Pooja Devi and Dr. Rakesh Singh (2025) examined the role of MSMEs in promoting sustainable economic growth in India. Their study showed that MSMEs are very important for creating jobs, boosting exports, and growing the

economy. The authors stressed that policy support and easy access to money are two important things that will help MSMEs grow and make the economy self-sufficient in the long run.

Prerna Pandey and Amar Kumar Chaudhary (2024) looked into how MSMEs affect India's GDP, exports, and jobs. Their research showed that government programmes like PMEGP, Credit Guarantee Schemes, and digital MSME programmes have helped MSMEs do better and compete better, which is important for making Atmanirbhar Bharat a reality.

Hemanta Nath (2024) examined the contribution of MSMEs to inclusive growth and regional development. The research found that MSMEs play a big role in narrowing the gap between regions by encouraging industrialisation in rural and semi-urban areas. The author emphasised that MSMEs are vital for equitable economic development and national autonomy.

Amit Kumar Saini and Dr. Ajeet Kumar Maurya (2024) examined the effects of the Goods and Services Tax (GST) on MSMEs in India. Their research showed that GST made things more open and formal, but MSMEs had trouble following the rules and paying for them at first. Even with these problems, the sector is still a big part of industrial output and jobs.

Komal Kukar and Mukund Chandrakant Mehta (2025) examined the function of MSMEs in job creation and alleviating poverty. Their research revealed that MSMEs constitute the second-largest source of employment following agriculture and are essential for rural industrialisation and export expansion, thereby advancing the objective of self-sustaining economic development.

Nilam Kumari (2023) looked into how MSMEs can help make development more inclusive and lower income inequality. The research emphasised that MSMEs foster entrepreneurship among women and youth while bolstering local economies through decentralised industrial expansion.

Dr. H. M. Naveen (2024) looked into how MSMEs have grown in different parts of India. The study found that more MSME registrations and changes to policies have helped the economy become more stable and industries grow, which is a step towards India becoming self-sufficient.

VI. RESEARCH METHODOLOGY

The current study is both descriptive and analytical. It seeks to analyse the contribution of Micro, Small, and Medium Enterprises (MSMEs) to the objective of a Self-Reliant India, particularly in the NCR region. The study concentrates on comprehending employment creation, local manufacturing, governmental assistance, and the obstacles encountered by MSMEs.

6.1 Research Design

A descriptive research design has been utilised to examine the current conditions and perceptions of MSME owners concerning self-reliance and economic contribution. The design facilitates the systematic collection, analysis, and interpretation of data.

6.2 Size of the Sample and Method of Sampling

The study utilises a sample of 100 MSME units chosen from various locations within the NCR region, including Delhi, Noida, Gurugram, Ghaziabad, and Faridabad.

Because of time and access issues, a convenience sampling method was used.

6.3 Data Collection Method

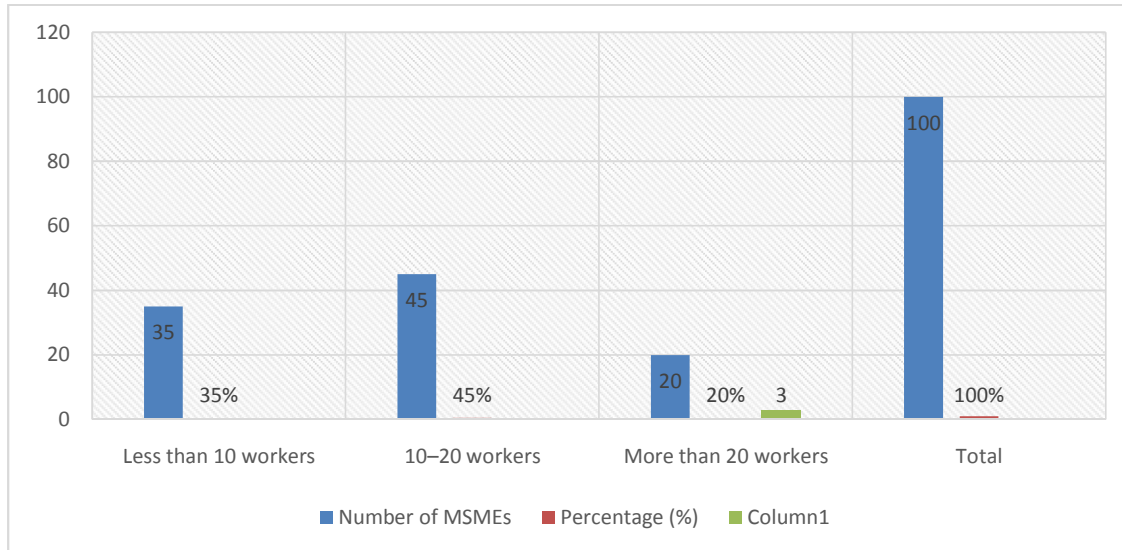
Primary Data: Gathered via structured questionnaires distributed to MSME proprietors and administrators.

Secondary Data: This data comes from reports from the government, publications from the MSME Ministry, reports from the RBI, research journals, and policy documents that have to do with Atmanirbhar Bharat.

VII. DATA ANALYSIS

Table 1: Contribution of MSMEs to Employment Generation

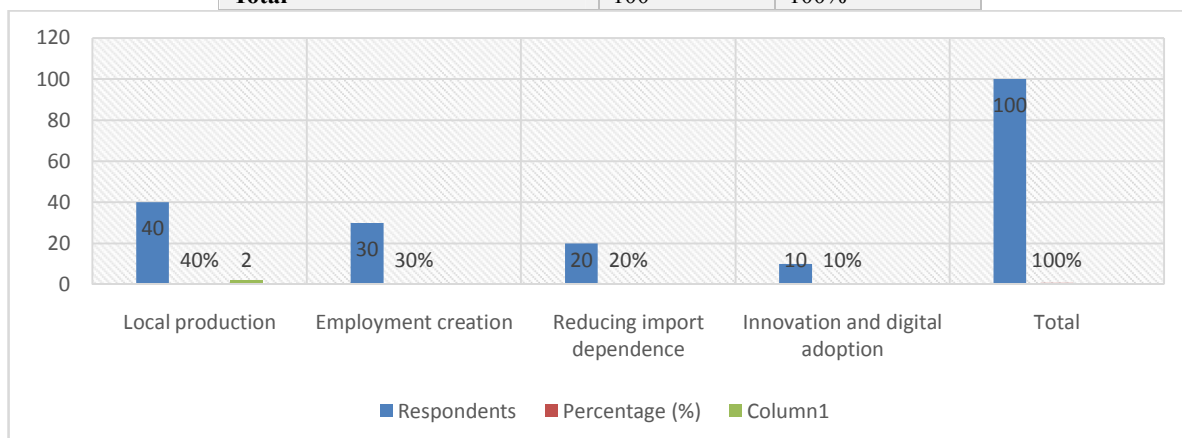
Employment Size	Number of MSMEs	Percentage (%)
Less than 10 workers	35	35%
10–20 workers	45	45%
More than 20 workers	20	20%
Total	100	100%



Interpretation: The table shows that 45% of MSMEs have between 10 and 20 employees, and 35% have fewer than 10 employees. This shows that MSMEs are a big part of creating jobs in the NCR region and helping the economy grow in a way that benefits everyone.

Table 2: How MSMEs Help India Become Self-Reliant

Area of Contribution	Respondents	Percentage (%)
Local production	40	40%
Employment creation	30	30%
Reducing import dependence	20	20%
Innovation and digital adoption	10	10%
Total	100	100%



Interpretation: The table shows that 40% of those who answered think that MSMEs mainly promote local production, and 30% think that they mainly create jobs. This shows how important MSMEs are for reaching the goals of Atmanirbhar Bharat.

VIII. DISCUSSION

The study's results make it clear how important MSMEs are to reaching the goal of a Self-Reliant India, especially in the NCR region. The data shows that MSMEs are a big part of creating jobs, especially for people who aren't very skilled or aren't skilled at all. MSMEs help reduce the pressure to migrate and encourage balanced regional development by creating jobs in the area.

The study also shows that MSMEs play a big role in making local production and supply chains stronger. A significant number of respondents underscored that MSMEs diminish reliance on imports through domestic production. This is in line with the main goal of Atmanirbhar Bharat, which is to promote "Vocal for Local" and make things in India.

MSMEs make a lot of good contributions, but they also have a lot of problems, like not being able to get loans easily, having to pay a lot of money to comply with regulations, having problems with infrastructure, and not having the right technology. A lot of MSME owners said it was hard for them to use new technologies because they didn't have enough money or skilled workers. Even though government programmes have helped, awareness and access are still limited.

The NCR region has benefits like access to markets, good infrastructure, and skilled workers. However, it also has problems like high operational costs and fierce competition. The discussion shows that MSMEs can help people become more self-sufficient if policies are put into place correctly and local problems are solved.

Overall, MSMEs are not just businesses; they are also tools for social and regional growth. Making MSMEs stronger will make India's economy more stable and competitive on the world stage.

IX. CONCLUSION

The study finds that MSMEs are very important for making India self-sufficient, especially in the NCR region. MSMEs play a big role in creating jobs, making things locally, coming up with new ideas, and keeping the economy stable. The results show that MSMEs help growth that includes everyone by giving people jobs and encouraging them to start their own businesses.

MSMEs help promote local production, which reduces the need for imports and makes domestic supply chains stronger. This directly helps Atmanirbhar Bharat reach its goals. Because of its good infrastructure and easy access to markets, the NCR area is a good place for MSMEs to grow.

But MSMEs still have problems with money, technology, following the rules, and competing in the market. To ensure long-term growth, these problems must be dealt with through specific policy measures.

The study stresses that making MSMEs stronger is important for long-term self-sufficiency and economic resilience. MSMEs can help India become a competitive economy on the world stage if they get the right help.

X. SUGGESTION

- Make it easier for MSMEs to get low-interest loans.
- Make people more aware of government programmes
- Encourage the use of technology and digitalisation
- Offer training and skill-building programmes
- Make rules and compliance easier to follow.
- Improve infrastructure support in industrial clusters

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