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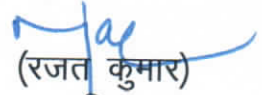
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विषय:- **Submission of SIP Under RAMP Programme Chhattisgarh-reg.**

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विषयांतर्गत राज्य स्तरीय समिति से अनुमोदित CG RAMP SIP रिपोर्ट पर भारत सरकार, एम.एस.एम.ई मंत्रालय, नई दिल्ली की SIPEC कमेटी द्वारा ली गई समीक्षा बैठक दिनांक 9.9.2024 में प्रस्तावित संशोधन अनुसार पुनः SIP रिपोर्ट तैयार कर अग्रिम कार्यवाही हेतु संलग्न प्रेषित है।

संलग्न:- उपरोक्तानुसार।


(रजत कुमार)
सचिव
छत्तीसगढ़ शासन
वाणिज्य एवं उद्योग विभाग

STRATEGIC INVESTMENT PLAN (SIP) OF CHHATTISGARH

Raising and Accelerating MSME Performance (RAMP)



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Contents

Contents	3
Abbreviations	1
Executive Summary	1
Status of MSME Sector in Chhattisgarh	1
Specific Challenges identified for MSMEs in Chhattisgarh	1
Interventions	3
Estimated Budget.....	4
1. Introduction	7
1.1. Approach to Study	7
2. Overview of MSME in Chhattisgarh.....	10
2.1. About Chhattisgarh	10
2.2. MSME Sector in Chhattisgarh.....	12
2.2.1. Udyam Registration – Chhattisgarh vs Rest of India	13
2.2.2. District wise Udyam Registration details	14
2.3. MSME Competitiveness and Determining Factors	14
2.3.1. Geographical Context and Land Availability.....	15
2.3.2. Industrial Infrastructure	16
Energy	16
Water	17
Transportation Network.....	17
Air Connectivity	17
Major Airports.....	18
Swami Vivekananda International Airport, Raipur (RPR).....	18
Bilaspur Airport (PAB)	18
Jagdalpur Airport (JGB)	18
Industrial Hubs.....	18
2.3.3. Skill Development and Entrepreneurship	22
Department of Skill Development, Technical Education and Employment.....	23
Chhattisgarh State Skill Development Authority	24
State Project Livelihood College Society	24
RSETI	25

Pradhan Mantri Kaushal Kendra	26
DDU-GKY	26
Major Initiatives and Schemes for Skill development.....	26
Centre for Skill Development and Informal Education (CSDIE)	27
Central Institute of Petrochemicals Engineering and Technology (CIPET)	27
Central Government Initiatives:	27
Sector wise Skill Demand	30
2.3.4. Access to Finance.....	31
Formal Lending Institutions	31
Banking Financial Institutions.....	31
Alternate Financing Mechanisms	33
Government Programmes.....	38
Prime Minister's Employment Generation Programme (PMEGP)	38
Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE).....	38
Micro and Small Enterprises Cluster Development Programme (MSECDP).....	39
A Scheme for Promoting Innovation, Rural Industry, and Entrepreneurship (ASPIRE).....	41
CHAMPIONS schemes	42
2.3.5. Market Dynamics	45
Sectoral Perspective	45
Export and Global Value Chain Linkages.....	58
Technology	63
2.3.6. Initiatives by State Government	65
State Government Policies.....	66
2.3.7. Ease of Doing Business.....	67
3. Challenges Confronting MSMEs	71
3.1. Sectoral Perspective	71
3.2. Business Environment and Industrial Ecosystem.....	77
3.2.1. Single Window System	77
3.2.2. Grievance Redressal Mechanism.	79
3.2.3. Industrial Infrastructure	80
3.2.3.1. Physical Infrastructure.....	80
3.2.3.2. Energy	81
3.2.4. Labour	82
3.2.5. Raw Material.....	83
3.2.6. Technology	84
3.2.7. Access to Finance.....	84

3.2.8.	Access to Market	85
3.2.9.	Market for Service Provision to MSMEs	86
3.2.10.	Women Owned MSMEs and Gender Gaps.....	87
3.2.11.	Waste generation by Industries.....	88
3.2.12.	Energy consumption by MSMEs	89
3.3.	Key Gaps in MSME Support, Policy Development and Delivery.....	90
3.3.1.	Mapping Institutions and Agencies in the State for MSME Development.	91
3.3.2.	As is Assessment of Portals in the State.....	94
3.3.3.	Monitoring and Evaluation System.....	100
4.	SIP Projects.....	103
4.1.	Comprehensive Entrepreneurship Promotion Initiative (CEPI)	103
4.1.1.	Major issues/challenges of MSME	103
4.1.2.	Key Findings.....	104
4.1.3.	Problem Statement	104
4.1.4.	Proposed interventions with respect to RAMP objectives.....	105
4.1.5.	Proposed project design concept and feasibility & viability of proposal	106
4.1.6.	Approach and methodology for implementation.	106
4.1.7.	Use of ICT/Innovative Technology Towards Project Implementation.....	107
4.1.8.	Timeline for achievement of project deliverables.....	107
4.1.9.	Estimated impact of the intervention in the State.....	107
4.1.10.	Project costing	108
4.1.11.	Plan for strengthening M&E framework pertaining to Project.....	108
4.2.	Support for Capacity Building – Lady Entrepreneurs Augmentation Programme.....	109
4.2.1.	Key Findings and Major issues/challenges of MSME	109
4.2.2.	Problem Statement	110
4.2.3.	Proposed interventions with respect to RAMP objectives.....	110
4.2.4.	Proposed project design concept and feasibility & viability of proposal	110
4.2.5.	Approach and methodology for implementation.	111
4.2.6.	Use of ICT/Innovative Technology Towards Project Implementation.....	114
4.2.7.	Timeline for achievement of project deliverables.....	114
4.2.8.	Estimated impact of the intervention in the State.....	114
4.2.9.	Project costing	115
4.2.10.	Plan for strengthening M&E framework pertaining to Project.....	115
4.3.	Sectoral Interventions – Promoting Green Packaging Industry.....	115
4.3.1.	Major issues/challenges of MSME and Key Findings	115
4.3.2.	Problem Statement	116

4.3.3.	Proposed interventions with respect to RAMP objectives.....	117
4.3.4.	Proposed project design concept and feasibility & viability of proposal	117
4.3.5.	Approach and methodology for implementation.	118
4.3.6.	Use of ICT/Innovative Technology Towards Project Implementation.....	118
4.3.7.	Timeline for achievement of project deliverables.....	118
4.3.8.	Estimated impact of the intervention in the State.....	119
4.3.9.	Project costing.	119
4.3.10.	Plan for strengthening M&E framework pertaining to Project.....	120
4.4.	Sectoral Interventions – Development of MSMEs in Focus sectors in Chhattisgarh ...	120
4.4.1.	Major issues/challenges of MSME	120
4.4.2.	Key Findings.....	121
4.4.3.	Problem Statement	122
4.4.4.	Proposed interventions with respect to RAMP objectives.....	122
4.4.5.	Proposed project design concept and feasibility & viability of proposal	122
4.4.6.	Approach and methodology for implementation.	123
4.4.7.	Timeline for achievement of project deliverables.....	131
4.4.8.	Estimated impact of the intervention in the State.....	131
4.4.9.	Project Costing	132
4.4.10.	Plan for strengthening M&E framework pertaining to Project.....	132
4.5.	Improving Access to Finance	135
4.5.1.	Major issues and Key Findings	135
4.5.2.	Problem Statement	136
4.5.3.	Proposed interventions with respect to RAMP objectives.....	136
4.5.4.	Proposed project design concept and feasibility & viability of proposal	137
4.5.5.	Approach and methodology for implementation.	139
4.5.6.	Use of ICT/Innovative Technology Towards Project Implementation.....	140
4.5.7.	Timeline for achievement of project deliverables.....	140
4.5.8.	Estimated impact of the intervention in the State.....	140
4.5.9.	Project costing	140
4.5.10.	Plan for strengthening M&E framework pertaining to Project.....	141
4.6.	Access to Market	142
4.6.1.	Major issues/challenges and Key Findings.....	142
4.6.2.	Problem Statement	143
4.6.3.	Proposed interventions with respect to RAMP.	143
4.6.4.	Proposed project design concept and feasibility & viability of proposal	145
4.6.5.	Approach and methodology for implementation.	147

4.6.6.	Use of ICT/Innovative Technology Towards Project Implementation.....	148
4.6.7.	Timeline for achievement of project deliverables.....	148
4.6.8.	Estimated impact of the intervention in the State.....	148
4.6.9.	Project costing.	149
4.6.10.	Plan for strengthening M&E framework pertaining to Project.....	150
4.7.	Initiatives for Institutional Strengthening.....	151
4.7.1.	Key Findings and Major issues/challenges.....	151
4.7.2.	Problem Statement	152
4.7.3.	Proposed interventions with respect to RAMP objectives.....	152
4.7.4.	Proposed project design concept and feasibility & viability of proposal	152
4.7.5.	Approach and methodology for implementation.	153
4.7.6.	Use of ICT/Innovative Technology Towards Project Implementation.....	158
4.7.7.	Timeline for achievement of project deliverables.....	158
4.7.8.	Estimated impact of the intervention in the State.....	159
4.7.9.	Project costing	159
4.7.10.	Plan for strengthening M&E framework pertaining to Project.....	160
5.	Total Budget Estimate.....	161
	Annexure.	165
1.	Stakeholder Consultation Summaries	165

List of Table

Table 1 List of Industrial Area under CSIDC	20
Table 2 List of Industrial Area under DIC	20
Table 3 List of Special Industrial Park	21
Table 4 List of proposed Special Industrial Park	21
Table 5 MSME Technology Centre	22
Table 6 List of District Livelihood Colleges in CG	24
Table 7 Progress under PMKVY in CG	28
Table 8 No. of trainings conducted by MSME Technology Centre in last 4 years.	29
Table 9 Number of trainees trained by MSME TC in last 4 years.	30
Table 10 List of Priority Sector for manpower demand in CG	30
Table 11 Banking Group-wise Network in Chhattisgarh as of March 2024.	32
Table 12 Banking Group-wise NPA on MSMEs schemes in Chhattisgarh as of March 2024.	32
Table 13 Current scenario of TReDS in Chhattisgarh.	34
Table 14: List of SMEs listed in NSE Emerge from Chhattisgarh and their market value.	35
Table 15 SAMADHAAN-CG Status	37
Table 16: Achievement of State in implementing the PMEGP scheme in Chhattisgarh.	38
Table 17 Performance of Chhattisgarh in CGTMSE scheme (from 2018-19 to 2022-23)	39
Table 18 Improving industrial infrastructure by leveraging MSE-CDP scheme.	40
Table 19 SFURTI Clusters Commissioned in Chhattisgarh	41
Table 20: Chhattisgarh Steel plants by capacity	57
Table 21 List of products exported from CG and its contribution in India in value and percentage.	58
Table 22: Products identified in districts for export by Department of Commerce and Industries, Chhattisgarh.	59
Table 23 Snapshot of the Single Window System in Chhattisgarh	77
Table 24 Total costing for CEPI for 3 years	108
Table 25 Year wise costing for CEPI in 3 years	108
Table 26 Total estimated Budget for the Project for 3 years (in Rs. Cr.)	115
Table 27 Intervention costing over the three years (Amount in Rs. Cr.)	115
Table 28 Total estimated budget for the project for 3 years (Amount in Rs. Cr.)	119
Table 29 Intervention costing over the three years (Amount in Rs. Cr.)	119
Table 34: Total estimated budget for the project for 3 years (Amount in Rs. Cr.)	132
Table 35: Intervention costing over the three years (Amount in Rs. Cr.)	132
Table 36: Total Costing for the interventions related to Access to Finance.	140
Table 37 Total Costing for the interventions over the three years (Amount in Rs. Cr.)	141
Table 38 Total cost for the interventions related to Access to Market.	149
Table 39 Intervention cost over the three years (Amount in Rs. Cr.)	149
Table 40 Total estimated Budget for Institutional Strengthening Project for 3 years (in Rs. Cr.)	159
Table 41 Intervention costing over the three years (Amount in Rs. Cr.)	159

List of Figures

Figure 1 Approach & Methodology.....	7
Figure 2 Rate of Formalisation: Top Ten States vs State of Chhattisgarh (in percentage)	13
Figure 3 District wise Udyam Registration details of Chhattisgarh.....	14
Figure 4 Website of CSIDC Ltd. to avail land allotment related services.....	15
Figure 5 Major skill development stakeholders in Chhattisgarh.	23
Figure 6 Invoice Discounting procedure.....	34
Figure 7: Honourable Minister of Commerce and Industries, Shri, Lakhan Lal Dewangan, inaugurating the workshop conducted by NSE on “SME IPO- Promising Avenue of Fund Raising for SME's” in July'2024.....	36
Figure 8 ZED Certification Process.....	42
Figure 9 ZED Certifications in CG.....	43
Figure 10 Districts with highest ZED Certification in CG	43
Figure 11 Count of HIs in Chhattisgarh under MSME Innovative Scheme	44
Figure 12 Number of Enterprises under lean scheme from Chhattisgarh (District wise count)	45
Figure 13: Mega Food Park, Dhamtari.....	50
Figure 14: Indus Best Mega Food Park, Raipur.....	51
Figure 15 Update of Food Parks established in the State.	51
Figure 16 Challenges faced related to Technology adoption.....	65
Figure 17 Availability of Physical Infrastructure to MSME	81
Figure 18 Sources of Energy for MSME.....	82
Figure 19 Challenges in availability of workforce to MSME.	82
Figure 20 Challenges faced in procuring raw materials by MSME.....	83
Figure 21 Challenges in adoption and use of technology to MSME.....	84
Figure 22 Challenges in implementing environment friendly and sustainable practices like Use of Solar Power.....	90
Figure 23 Approach and Methodology for implementation of CEPI.....	106
Figure 27 Pillars of Capacity Building.....	156
Figure 28 Methodology for selection and deployment of Resources.....	158

Abbreviations

AA	Assessment Agency
AAI	Airport Authority of India
ACP	Annual Credit Plan
AGF	Annual Guarantee Fee
AIC	Atal Incubation Centre
APEDA	Agricultural and Processed Food Products Export Development Authority
ASPIRE	A Scheme for Promotion of Innovation, Rural Industries, and Entrepreneurship
ATMA	Agricultural Technology Management Agency
B2B	Business to Business
BALCO	Bharat Aluminium Company Limited
BDS	Business Development Service
BDSP	Business Development Service Providers
BFSI	Banking Financial Services and Insurance
BRAP	Business Reform Action Plan
BSE	Bombay Stock Exchange
BSP	Bhilai Steel Plant
CAGR	Compound Annual Growth Rate
CEA	Central Electricity Authority
CECB	Chhattisgarh Environment Conservation Board
CEPI	Comprehensive Entrepreneurship Promotion Initiative
CFC	Common Facility Centres
CFTRI	Central Food Technological Research Institute
CGHDB	Chhattisgarh Handicraft Development Board
CGS	Credit Guarantee System
CGSSD	Credit Guarantee Scheme for Subordinate Debt
CGTMSE	Credit Guarantee Fund Trust for Micro & Small Enterprises
CHAMPIONS	Creation and Harmonious Application of Modern Processes for Increasing the Output and National Strength
CHiPS	Chhattisgarh Infotech Promotion Society
CIBIL	Credit Information Bureau (India) Limited
CIPET	Central Institute of Petrochemical Engineering and Technology

CONCOR	Container Corporation of India Limited
CRGB	Chhattisgarh Rajya Grameen Bank
CSB	Central Silk Board
CSDIE	Centre for Skill Development and Informal Education
CSEB	Chhattisgarh State Electricity Board
CSIDC	Chhattisgarh State Industrial Development Corporation
CSPDCL	Chhattisgarh State Power Distribution Company Limited
CSPGC	Chhattisgarh State Power Generation Company
CSSDA	Chhattisgarh State Skill Development Authority
DBK	Duty Drawback
DDUGKY	Deen Dayal Upadhyay – Grameen Kaushalya Yojana
DFIA	Duty Free Import Authorization
DGFT	Directorate General of Foreign Trade
DICCI	Dalit Indian Chamber of Commerce and Industries
DLIs	Disbursement Linked Indicators
DPIIT	Department for Promotion of Industry and Internal Trade
DPLC	District Project Livelihood College Society
DTIC	District Trade & Industries Centre
ECGC	Export Credit Guarantee Corporation
EDP	Entrepreneurship Development Programme
e-Manec	Electronic Marketing Network of Chhattisgarh
EMC	Electronics Manufacturing Cluster
EoDB	Ease of Doing Business
EPCG	Export Promotion Capital Goods
EPI	Export Preparedness Index
EPIP	Export Promotion Industrial Parks
ESDP	Entrepreneurship Skill Development Programme
ESS	Entrepreneur Support Scheme
FAS	Financial Assistance Scheme
FCI	Fixed Capital Investment
FGD	Focus Group Discussions
FICCI	Federation of Indian Chamber of Commerce and Industries

FPO/C	Farmers Producer Organization/Company
GDP	Gross Domestic Product
GeM	Government e Marketplace
GI	Geographic Indication
GIS	Geographical Information System
GMP	Good Manufacturing Practices
Gol	Government of India
GSDP	Gross State Domestic Product
HDI	Human Development Index
IA	Implementing Agency
ICT	Information and Communication Technology
IDDD	Identify, Design, Diagnose and Deliver
IEC	Information, Education and Communication
IES	Interest Equalization Scheme
IGKV	Indira Gandhi Krishi Vishwavidyalaya
IIDC	Integrated Industrial Development Centre
IIDS	Industrial Infrastructural Development Scheme
IIHT	Indian Institute of Handloom Technology
IILB	India Industrial Land Bank
IIP	Indian Institute of Packaging
IP	Industrial Park
IPDS	Integrated Power Development Scheme
IPFC	Intellectual Property Facilitation Centre
IPO	Initial Public Offering
IPRS	Industrial Parks Rating System
IT/ITeS	Information Technology/ Information Technology enabled Services
ITI	Industrial Training Institutes
JSS	Jan Sikshan Sansthan
KPI	Key Performance Indicators
KVIB	Khadi and Village Industries Board
KVIC	Khadi and Village Industries Commission
KVK	Krishi Vigyan Kendra

LBi	Livelihood Business Incubator
LDP	Livelihood Development Programme
LEAP	Lady Entrepreneurs Augmentation Programme
LSG	Local Self Government
LWE	Left Wing Extremism
M&E	Monitoring and Evaluation
MAI	Market Access Initiative
MES	Modular Employable Skills
MFP	Minor Forest Produce
MMKVY	Mukhya Mantri Kaushal Vikas Yojana
MMYSY	Mukhya Mantri Yuva Swarojgar Yojana
MoMSME	Ministry of Micro, Small and Medium Enterprises
MoRD	Ministry of Rural Development
MoU	Memorandum of Understanding
MSE-CDP	Micro and Small Enterprise Cluster development
MSEFCs	Micro & Small Enterprises Facilitation Councils
MSME DI	MSME Development Institute
MSMED, Act	Micro, Small and Medium Enterprises Development, Act
MSMEs	Micro, Small and Medium Enterprises
MSP	Minimum Support Price
MUDRA	Micro Units Development and Refinance Agency
NAB	National Accreditation Board
NAPS	National Apprenticeship Promotion Scheme
NBFC	Non-Banking Financial Companies
NEIA	National Export Insurance Account
NGO	Non-Governmental Organization
NHDP	National Handloom Development Programme
NIC	National Informatics Centre
NID	National Institute of Design
NIFT	National institute of Fashion Technology
NITI	National Institution for Transforming India
NPA	Non-Performing Assets

NPOP	National Programme for Organic Production
NPS	Non-Priority Sector
NRDC	National Research Development Corporation
NRLM	National Rural Livelihood Mission
NSDC	National Skill Development Corporation
NSE	National Stock Exchange
NSQF	National Skill Qualification Framework
NSS	National Sample Survey
NSTI	National Skill Training Institutes
PIAI	Packaging Industry Association of India
PLF	Plant Load Factor
PMEGP	Prime Minister's Employment Guarantee Program
PMFME	Pradhan Mantri Formalisation of Micro food processing Enterprises
PMGSY	Pradhan Mantri Gram Sadak Yojana
PMKK	Pradhan Mantri Kaushal Kendra
PMKVY	Pradhan Mantri Kaushal Vikas Yojana
PPP	Public Private Partnership
PS	Priority Sector
PSE	Public Sector Enterprise
PSL	Priority Sector Lending
PSU	Public Sector Undertaking
PwD	Person with Disability
QCI	Quality Council of India
R&D	Research and Development
RAMP	Raising and Accelerating MSMSE Performance
RDSDE	Regional Directorate of Skill Development and Entrepreneurship
RFP	Request for Proposal
RoDTEP	Refund of Duties and Taxes on Exported Products
RPL	Recognition of Prior Learning
RRB	Regional Rural Bank
RSETI	Rural Self-Employment Training Institutes
RXIL	Receivables Exchange of India Limited

RXIL	Receivables Exchange of India Limited
SAIL	Steel Authority of India Limited
SAMADHAAN	Software Application for Monitoring And Disposal, Handling of Industrial Disputes/Claims/General Complaints
SDC	Skill Development Centres
SDIS	Skill Development Initiative Scheme
SEC	South Eastern Coalfields
SECI	State Energy and Climate Index
SEEI	State Energy Efficiency Index
SEZ	Special Economic Zones
SFURTI	Scheme of Fund for Regeneration of Traditional Industries
SGST	State Goods and Service Tax
SHG	Self-Help Group
SICDP	Small Industries Cluster Development Programme
SIDBI	Small Industries Development Bank of India
SIP	Strategic Investment Plan
SLBC	State Level Banking Committee
SLEPC	State Level Export Promotion Committee
SME	Small, Micro Enterprises
SP	Special Projects
SPLCS	State Project Livelihood College Society
ST/SC/OBC	Scheduled Tribes/ Scheduled Caste/ Other Backward Class
STT	Short Term Trainings
SWOT	Strengthen, Weakness, Opportunity, Threat
SWS	Single Window System
TBI	Technology Business Incubators
TEE	Towns of Export Excellence
TFEC	Total Final Energy Consumption
TReDS	Trade Receivables electronic Discounting System
TRIFED	Tribal Co-operative Marketing Development Federation of India
UAM	Udyog Aadhar Memorandum
UDAN	Ude Desh ka Aam Naagrik



UR	Udyam Registered
UT	Union Territory
VDP	Vendor Development Programme
VTP	Vocational Training Provider
ZED	Zero Defect Zero Effect

Executive Summary

Status of MSME Sector in Chhattisgarh

The estimated number of MSMEs in Chhattisgarh as per the 73rd Round of National Sample Survey (NSS) is 8.48 lakh MSMEs with 8.45 lakh micro enterprises. As per the survey, the State employs 16.86 lakh people comprising of 4.07 lakh females (24%) and 12.79 males. The State stands 20th in the number of enterprises registered in the Udyam Registration portal. Chhattisgarh has 3,39,388 Udyam registered (UR) MSMEs, comprising of about 96.8% of micro enterprises, 2.9% small enterprises and 0.3% medium enterprises. Raipur, Durg and Bilaspur are the districts with significant number of MSMEs accounting to nearly 42% of the total UR MSMEs in the State. Other districts with major MSME concentration include Raigarh, Janjgir-champa, Rajnandagaon, Korba, Balod bazar, Mahasamund, Surguja and Dhamtari. These 8 districts together account for about 30% of UR MSMEs. The rate of formalisation of enterprises is estimated to be 42% which places 20th among the States in India, ahead of States like Odisha, Karnataka, Kerala and Andhra Pradesh.

Manufacture of food products (about 18%), Fabrication of metal products, except machinery and equipment (9%), manufacture of other non-metallic mineral products (8%), manufacture of furniture (6%), manufacture of chemical products (4%).

Specific Challenges identified for MSMEs in Chhattisgarh

Access to Finance: Finance is crucial for the growth of MSMEs in Chhattisgarh, aiding in infrastructure upgrades, sustainable practices, and market expansion, especially in key sectors like agriculture, manufacturing, and services. The study revealed that 36.1% of MSMEs struggle with collateral issues when accessing loans. Additionally, 31.3% find loan availing process burdensome, 29.2% experience delays in loan sanctions, and 17.9% receive less funding than needed. As a result, 48.5% firms, mostly micro firms, turn to family, friends, and peers to meet immediate credit needs. 21% of surveyed enterprises reported issues related to delayed payments. A significant 89.9% are unaware of invoice discounting and credit facilities. Enterprises also indicated the additional cost associated with availing loans under CGTMSE scheme. These indicate that the MSMEs face challenge in availing affordable financing options to meet their working capital as capital investment requirements that needs to be addressed.

Access to market: In the survey conducted among MSMEs in Chhattisgarh, 22% highlights the lack of export market information. 45.4% of respondents is lacking awareness on potential customers/markets. 38 % has issues regarding the cost of marketing their products. Only 13% of the respondents utilize online platforms due to lack of awareness about existing platforms. 18% has issues with new value addition, packaging, and certification of the products. Significant enterprises emphasized the need for support of expertise on digital marketing. The need to increase the quantum of programmes like VDP and Reverse Buyer Seller meets have been highlighted by many manufacturing firms, particularly engaged in Engineering sector. There has been a strong call from small MSE manufacturers to be provided preference or priority as local suppliers in the public procurements. Discussions with stakeholders of sector like Iron & Steel and Engineering have indicated a need to have a detailed study to explore means to move up the value chain as their existing markets opportunities are getting stagnant.

Enterprises and artisans in handloom and handicrafts sector face challenges in marketing their products in local market as well as markets outside and accessing new markets due to lack of

exposure and branding. Artisans heavily depend on local market or government departments for sale of their products and there is minimal presence of these products in e-market places.

Even though some of the items exported abroad finds its source in Chhattisgarh, the State does not have an export policy. The institutional setup to facilitate exports is also weak. There is no field office of Director General of Foreign Trade (DGFT) in the State. State Level Export Committee and District level committees have been formed. However, the functioning of these Committees is limited. Lack of dedicated export directory restricts the potential collaborations. Chhattisgarh being a landlocked State, the exporters need to depend on ports like Vishakhapatnam for which the transportation cost incurred is high.

Factor conditions:

The Government provides necessary infrastructure growth of the industries in the State. In Chhattisgarh, CSIDC is the executive authority involved in industrial promotion and facilitation. Its functions include land allocation, entering joint ventures managing PPPs and maintenance & upgradation of industrial areas. provides a variety of land parcels across its industrial areas, catering to diverse industrial needs. The Directorate of Industries also manages Industrial areas under its purview. Chhattisgarh has about 44% of forest cover and land available for industrial purposes especially in industrially backward districts like is limited. The enterprises established in some of the industrial areas have highlighted the need to upgrade the existing facilitating infrastructure like road and water availability. Enterprises in some districts like Surguja and Korba have indicated that they faced frequent power disruptions as well as fluctuations in the power provided by CSPDCL. Enterprises are slowly using solar power for power requirement like factory lighting through roof top solar. Enterprises in few districts like Raigarh, Surguja and other remote districts have highlighted issue with availability of transportation facility and connectivity to major markets. Issue related to availability of empty containers for shipping of products was also highlighted. Lack of adequate storage infrastructure is also a bottleneck as per the study.

Several initiatives under both Govt. of India as well as the State were undertaken for skilling the workforce. Establishment of Livelihood colleges through which residential training is imparted by government screened Vocational Training Providers (VTPs) especially to candidates from remote locations has been significant. However, interactions with major industry associations have highlighted a gap in the demand and supply of workforce with required skills. Need for updating the courses offered, capacity building of instructors in the evolving technologies, high rate of attrition of workforce in search of better wages etc. have been mentioned as the reason behind it.

Lack of awareness regarding better technologies was a major issue highlighted by other respondents. The linkage of technical institutions present in the State with the MSMEs are weak owing due to different reasons like inadequate outreach, difficulty in accessing the facility due to connectivity and distance, limited domains in which services are provided, etc. sector has indicated lack of sufficient value addition of such produces within the State and the need for R&D to identify possible value added products from MFPs which are otherwise sold after basic processing like cleaning, sorting and grading. Discussion with stakeholders engaged in Minor Forest Produce For industries in Plastic sector, there is a requirement to invest in technologies for manufacturing products made of bio-degradable plastic considering the changing environment sustainability aspects.

Issues related to raw material availability (low availability of alumina for aluminium product manufacturers from BALCO, Korba), fluctuating raw material cost and quality of raw material available have been highlighted during the study by the enterprises.

Growing requirement for Business Development Service Providers (BDSPs) have been identified who can provide various need-based business facilitation services for the enterprises. Smaller enterprises often find it difficult to maintain inhouse dedicated resources to take care of such functions. Digital marketing, Accounting and tax related areas, quality certification, legal, technology certification, product testing etc. are the domains requiring support.

Chhattisgarh has come out with many industries friendly policies. The industrial policies have been evolving over the years. New requirements based on the changing social economic and political scenario will emerge, which needs to be addressed as well. State Govt. is continuously bringing reforms to ease of doing business in line with the Business Reforms Action Plan (BRAP) initiated in 2014 by Govt. of India. The single window system represents a significant leap forward in simplifying business interactions with the government, by consolidating multiple processes into a single platform. The implementation of the initiatives is in progress, and hence there are issues are present that needs to be addressed.

Social attitudes toward entrepreneurship, coupled with a lack of awareness about government schemes and facilities, discourage individuals, especially in Aspirational districts and those affected by Left Wing Extremism, from launching their own businesses. Hence, a dedicated initiative is required to promote entrepreneurship through sensitisation and handholding.

Promoting Women Entrepreneurship: The participation of women entrepreneurs in the organised MSME sector is only 14%. There are sectors like Food processing, Minor Forest produce, handloom & textiles, and handicrafts. were presence of women workforce and entrepreneurs have a high share in the State. This indicates a need to focus on promoting more women entrepreneurs into the organised sector for better business opportunities.

Interventions

Considering the gaps identified the following SIP projects have been considered:

- ▶ Comprehensive Entrepreneurship Promotion Initiative (CEPI) comprising of district level sensitisation programmes, EDP/ESDP for the candidates identified from the sensitisation programmes, Advanced training programme for select beneficiaries from the EDP/ESDP programme with potential and providing exposure to the beneficiaries.
- ▶ Dedicated programme to promote women entrepreneurship (Lady Entrepreneurs Augmentation Programme) comprising of EDP/ESDP for prospective women entrepreneurs and members of SHGs, Hackathons to identify existing and prospective women entrepreneurs with innovative ideas or projects, Acceleration Programme to facilitate viable projects of women entrepreneurs to be established and facilitating market linkages for women entrepreneurs.
- ▶ Interventions to facilitate development of MSMEs in major focus Sectors in the State. These include conducting comprehensive studies to explore scope for the MSMEs engaged in major sectors for diversification, new product development and moving up the value chain. Training programmes for enhancing the sector specific skills as

well as future skills is proposed to bridge the existing gap. To promote participation of prospective entrepreneurs from aspirational districts, tribal areas of the State as well as industrially developing/ underdeveloped regions Innovation cum Incubation Centres have been proposed.

- ▶ Promoting enterprises in Green packaging sector through sensitisation of enterprises regarding scope of green packaging, exposure visits for prospective enterprises and technology adoption, capacity building & Tie ups with Tech institutions like IIP for green packaging sector development in CG
- ▶ A comprehensive study has been proposed to prepare the roadmap to improve direct export from the enterprises in the State and to develop an export policy. Capacity building of prospective exporters through sensitisation on the procedures, compliances and regulations etc. and the officials of concerned departments in the State government to facilitate the exporters. It is proposed to constitute an Export Facilitation Cell to facilitate the exporters in the State. It is also proposed to develop an export directory for the State to map and create a comprehensive database of existing exporting entities and related stakeholders which shall be periodically updated.
- ▶ Dedicated portal for showcasing GI tagged products and indigenous products of Chhattisgarh has been proposed. Facility for listing and cataloguing of the eligible products by the manufacturers in the State will be provided in addition to the facility for e-commerce along with extensive brand creation of these unique products. This is expected to create better outreach opportunity. Market facilitation programmes are proposed for women led enterprises and SHGs with Govt. departments/ agencies/ Institutions and Industry for improving access to. B2B connect programmes, Reverse Buyer Seller meets and VDPs have been proposed for major sector specific enterprises. Sector specific seminars and conclaves are also planned to be organised in the State to identify opportunities for sector development and market expansion.
- ▶ Initiatives to facilitate access to finance consisting of interventions like Industry bankers connect programmes, workshops for MSEs on Alternate financing methods, on-boarding of SMEs, State PSUs and Corporates on Bill discounting platforms/ schemes, reimbursement of annual guarantee fees of CGTMSE loans, onboarding charges for MSMEs on TReDS platforms and Financial assistance for onboarding of SMEs to the SME exchanges by NSE and BSE.
- ▶ Intervention for Institutional Strengthening - Capacity building training to the officials, establishing district level MSME Facilitation Centres, engaging resources (Industry development executives) at Block levels to facilitate sensitisation, mobilisation, handholding as well as in assisting implementation of various government initiatives including the RAMP programme.

Details of the interventions and the estimated budget is provided in the following section.

Estimated Budget

The total budget estimated for the SIP projects is Rs. 200.13 Cr. including the IEC component considered at 5% of the estimated budget for the interventions. The project wise breakup of the total budget requirement is provided below:

Sl.No.	Interventions	Total Budget (in Rs. Cr.)
A	Capacity Enhancement Programmes	32.76
1	Comprehensive Entrepreneurship Promotion Initiative (CEPI)	
a	District level sensitisation programme for MSMEs	7.16
b	EDP/ESDP for prospective entrepreneurs	3.30
c	Advanced Training	4.95
d	Exposure for selected entrepreneurs	0.96
2	LEAP - Lady Entrepreneurs Augmentation Programme	
a	Entrepreneurship Development Programme for SHGs and prospective women entrepreneurs	6.19
b	Hackathon for identifying and promoting innovative women entrepreneurs	4.29
c	Workshop on market development assistance for women entrepreneurs	2.31
d	Acceleration programme for women led enterprises	3.60
B	Sectoral	51.94
1	Study for scope for development/ diversification/ value added downstream products/ services like Iron & Steel, MFP, Plastic, Tourism, Handicraft & Handlooms	4.10
2	Engaging Sector experts and linkage with Relevant Institutions for sector development	3.78
3	Sector specific training programmes and future skills	14.00
4	Innovation cum Incubation Hub for value added / innovative products from Aspirational districts	20.00
5	Promoting Green Packaging Industry in CG	
a	Sensitisation of enterprises regarding scope of green packaging	0.70
b	Exposure visits for prospective enterprises and technology adoption	1.48
c	Capacity building & Tie-ups with Tech institutions like IIP for green packaging in CG	7.88
C	Access to Market	20.40
1	Enhancing Export from Chhattisgarh	
a	Comprehensive Study and development of Export Policy	1.50
b	Workshops on export procedures, schemes etc. at district level	1.39
c	Export Management Training program for MSMEs and Officials	1.40
d	Development of Export Directory	0.50
e	Export Facilitation Centre	1.12
2	Marketing Support for GI tagged products and indigenous products of Chhattisgarh	
a	Creation of dedicated portal/ marketplace for GI tagged and indigenous products of the State	1.80
b	Strategic Branding for GI tagged and indigenous products of the State	5.00
c	Bootcamps for onboarding of MSMEs onto the created platform	1.50
3	Market Linkage	
a	Support market development for Traditional, SHGs and women enterprises	2.31
b	Organising B2B Connect Programmes, Reverse Buyer Seller Meets and VDPs	0.75
c	Sector specific Seminars/ Conclaves to be organised in Chhattisgarh	0.13
d	Workshops on linkage with BDSPs and Digital marketing/ digital literacy on various marketing platforms	3.00
D	Access to Finance	28.65
1	Workshops for MSEs on Alternate Financing Methods, SME Exchange	2.08
2	Industry and Bankers connect programmes	3.23
3	Onboarding workshops for SMEs, State PSEs and Corporates on TReDS	3.47

Sl.No.	Interventions	Total Budget (in Rs. Cr.)
4	Reimbursement of AGF for MSMEs (CGTMSE loans)	11.77
5	Assistance for onboarding to SME Exchanges	6.60
6	Reimbursement of onboarding charges for MSMEs on TReDS	1.50
E	Institutional Strengthening	56.85
1	Creating MSME Facilitation Centres at district levels and H.O.	19.24
2	Engaging Industry Development Interns (Block level)	10.00
3	Training of MSME facilitation Centre resources	0.86
4	Capacity building of officials - MSME Dept., CSIDC, DICs, Related Departments	2.28
5	Exposure visits for Officials to understand best practices	9.48
6	Strengthening of State portals and IT infrastructure to improve MSME Facilitation and Monitoring	15.00
	Total Excluding IEC	190.60
	IEC @ 5%	9.53
	Total Cost	200.13

1. Introduction

1.1. Approach to Study

The approach to preparation of the SIP focuses on delivering a strategic roadmap to strengthen resilience of MSMEs through targeted development support. The understanding is guided by the requirements set forward by the state in the request for proposal (RFP) document, status of Chhattisgarh with respect to the relevant GoI schemes and key parameters of DLIs/ RAMP project implementation manual and undertaking activities such as as-is assessment, study of existing relevant central/state policies/schemes about MSMEs, its promotion, skill gap analysis, leading practice study etc. The team worked in close coordination with Department of Industries, Chhattisgarh State Industrial Development Corporation (CSIDC), Chhattisgarh Infotech Promotion Society (CHIPS), and other relevant government departments/ agencies in undertaking the study for SIP formulation that will help in developing the long-term roadmap for the state.

The approach to developing the SIP for implementation of RAMP in Chhattisgarh is also based on the understanding of the State's social and economic development landscape, which is derived from the Chhattisgarh State Industrial Policy 2019-24, State's Economic Review, 73rd National Statistical Survey (NSS), reports, and data available on Directorate of Industries, CSIDC website and other relevant departments.

The following schematic diagram shows the overall approach and methodology, based on the understanding of the project objectives, scope of work and prior experience in similar assignments.

Leveraging the IDDD Approach to holistically capture the Ecosystem:

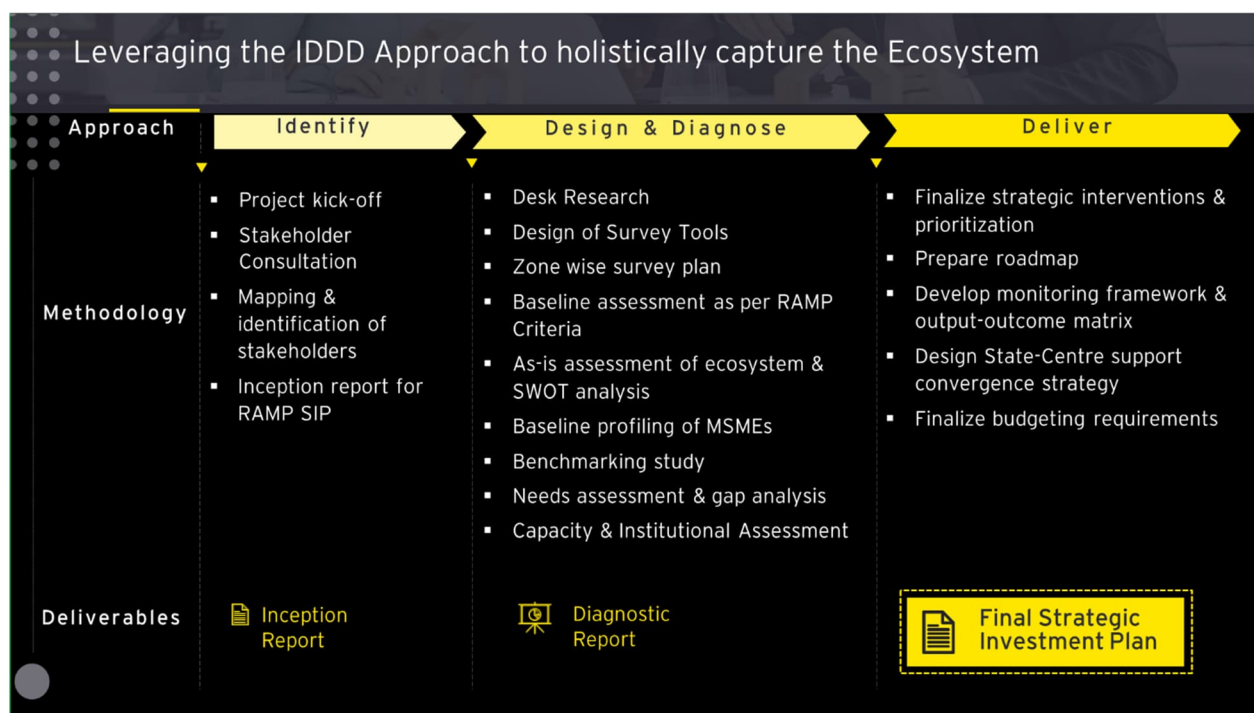


Figure 1 Approach & Methodology

Phase I: Identify

EY is putting forward the methodology and subsequent identification of key priority sectors in the state for finalization. Identification of key stakeholders will be a vital exercise in this phase. The sampling method of MSMEs at district level, in line with the requirements put forward by the state, is also to be finalized in consultation with CSIDC and the department. A questionnaire has also been developed for finalization in consultation with the CSIDC and Industries department.

Phase II: Design and Diagnose

This phase consists of activities to gather the relevant data followed by subsequent analysis and assessment mainly to understand the existing scenario in the State, diagnose the major sectors, understand the key challenges and gaps existing along with potential for further growth. Data collection will include discovering information through focused group discussions, interviews, meetings, field visits/surveys, telephonic conversations, and desktop research for collecting data from primary sources.

The survey design is primarily guided by the MSME landscape in Chhattisgarh and the priorities of the State government for the MSME sector. The stakeholder consultations coupled with desk research is used to develop understanding of the state MSME ecosystem and decide the parameters for developing the survey questionnaire. Accordingly, a matrix is developed comprising different parameters basis which the survey questionnaire and target areas for SIP will also be finalised, in line with the output/outcome framework of RAMP scheme. The beneficiaries of the flagship program by the Government of Chhattisgarh will also be included in the sample for data collection through surveys and FGDs. This will enable us to understand the key factors contributing to the success of the scheme and identify further requirements for their sustainable growth.

Our approach for this will rely of three broad parameters which are:

- ▶ Unstructured inputs (Data/experiences/feedback from stakeholder's interactions/field visits) - The team will interact with MSMEs to understand their current modus operandi and constrains in increasing the production and business.
- ▶ Structured inputs (assessment through questionnaire) – Field surveys across each district basis the survey plan. The process of data collection will be conducted using a Computer Assisted Personal Interview (CAPI) platform for a transparent, accurate and speedy process.
- ▶ Focused Group Discussions (FGDs) with MSMEs and industry associations to understand the requirements of technology/ finance/ network connect.

Benchmarking studies will be undertaken to identify best practices in policies and processes at the national and international levels. We will compare these practices with those followed in Chhattisgarh to assess competitiveness. Through benchmarking against global leading practices, EY will evaluate the sector's competitiveness or MSMEs in a cluster across multiple qualitative and quantitative factors. A detailed diagnostic report will be prepared based on the

findings from this phase of in-depth study. A diagnostic framework will be used to conduct need assessments and gap analyses, guiding the definition of Key Performance Indicators (KPIs) for project monitoring based on best practices. This will involve setting ambitious, yet achievable targets aligned with RAMP implementation.

EY will conduct a comprehensive analysis of survey results after collating data. The analysis will focus on mapping DLIs alongside the challenges faced by MSMEs in reaching their potential. This framework will aid in the development of the SIP document by studying various data points collected to identify and address key challenges. The assessment will cover critical parameters such as accessibility of quality raw materials to MSMEs, innovation, promotion of environmentally friendly practices, enhanced quality, sustainable production techniques, and mapping of DLIs and schemes/policies. Areas of intervention will be identified to enhance quality standards, envision essential capacity-building activities, and identify potential marketing linkages (both forward and backward). The analysis will also explore opportunities to enhance value chains, increase national and international presence, target marketing, branding, and outreach efforts.

Phase III: (Deliver) Strategic Recommendation and SIP Formulation

This phase will involve the development of a strategy and action plan based on the outcomes of the preceding phase. Key activities to be undertaken during this phase include:

- ▶ Identifying interventions
- ▶ Preparation of KPI Milestones and Monitoring & Evaluation Framework
- ▶ Capacity Building & MSME Outreach Plan
- ▶ Draft Action Plan and Funding Requirements

Drawing from feedback received from key stakeholders regarding the draft implementation roadmap and capacity-building & outreach plan, EY will propose strategies to enhance existing interventions and align them under the RAMP umbrella. Additionally, EY will provide strategic recommendations at the legislative/executive level to establish a sustainable ecosystem and foster a conducive long-term business environment for MSMEs in Chhattisgarh.

Considering suggestions and guidance from key stakeholders, a draft SIP will be compiled and submitted to CHiPS for review. Following the submission of the draft proposal, the EY team will engage in discussions to finalize all parameters within the project scope. Subsequently, the EY team will incorporate any received inputs and prepare the final SIP report for submission.

Our detailed and systematic approach provided a deep and layered understanding of Chhattisgarh's MSME sector. It enabled us to develop strategic recommendations and specific interventions that are closely aligned with the distinct business environment of the state.

2. Overview of MSME in Chhattisgarh

2.1. About Chhattisgarh

Chhattisgarh came into being by carving out the state out of Madhya Pradesh on 1st November 2000. Chhattisgarh is a landlocked state in Central India and lies between 17-46" North and 80-15" to 84-20" East. It covers an area of 1, 37,898 Sq. kms bordering six other States – Uttar Pradesh in the North and Jharkhand in the North-East, Odisha in the East, Maharashtra in the Southwest, Telangana in the South, and Madhya Pradesh in the North West. It is the ninth largest state by area, and with a population of roughly 30 million, the seventeenth most populous. It borders seven states – Uttar Pradesh to the north, Madhya Pradesh to the northwest, Maharashtra to the southwest, Jharkhand to the northeast, Odisha to the east, Andhra Pradesh and Telangana to the south.

Chhattisgarh State largely consists of plateaus streaked with high range of Spatulas in the north, the river Mahanadi and its tributaries in the Central plains and the Bastar Plateau in the South. The Pats (Hills) give rise to the main river systems Mahanadi, Hasdeo, Shivnath and Indravati. Intersected by these meandering rivers and dotted with hills and plateaus, the State has a varied natural setting of great beauty.

Chhattisgarh is one of the fastest-developing states in India. Its Gross State Domestic Product (GSDP) is ₹5.09 lakh crore (2023–24 est.) with a per capita GSDP of ₹152,348 (2023–24 est.). A resource-rich state, it has the third largest coal reserves in the country and provides electricity, coal, and steel to the rest of the nation. It also has the third largest forest cover in the country after Madhya Pradesh and Arunachal Pradesh with over 40% of the state covered by forests.

Chhattisgarh comprises 33 districts with large cities such as Raipur, Bilaspur, Bhilai-Durg, Korba, Ambikapur, Rajnandgaon, Raigarh, Jagdalpur, Chirmiri, Dhamtari and Mahasamund.

Economy

Chhattisgarh's nominal gross state domestic product (GSDP) is estimated at ₹5.09 lakh crore in 2023–24, the 17th largest state economy in India. The economy of Chhattisgarh recorded a growth rate of 11.2% in 2023–24¹. Chhattisgarh's success factors in achieving high growth rate are growth in agriculture and industrial production.

Agriculture is counted as the chief economic occupation of the state. According to a government estimate, net sown area of the state is 4.828 million hectares, and the gross sown area is 5.788 million hectares. Horticulture and animal husbandry also engage a major share of the total population of the state. About 80% of the population of the state is rural and the main livelihood of the villagers is agriculture and agriculture-based small industry. However, Services sector contributes the highest (36%) to the GSDP, followed by the manufacturing sector (32%).

Chhattisgarh is one of the few states of India where the power sector is effectively developed. Based on the current production of surplus electric power, the position of the State is comfortable and profitable. The Chhattisgarh State Electricity Board (CSEB) is in a strong position to meet the electricity requirement of the state and is in good financial health. According

¹ Chhattisgarh Budget 2023-24 analysis

to Central Electricity Authority (CEA), Chhattisgarh provides electricity to several other states because of surplus production.

The state has a potential of 61,000 MW of additional thermal power in terms of availability of coal for more than 100 years and more than 2,500 MW hydel capacity. To use this vast potential, substantial additions to the existing generation capacity are already underway.

The steel industry is one of the biggest heavy industries of Chhattisgarh. Bhilai Steel Plant, Bhilai operated by SAIL, with a capacity of 5.4 million tonnes per year, is regarded as a significant growth indicator of the state. More than 100 steel rolling mills, 90 sponge iron plants and ferro-alloy units are in Chhattisgarh. Along with Bhilai, today, Raipur, Bilaspur, Korba and Raigarh have become the steel hub of Chhattisgarh. Today, Raipur has become the centre of the steel sector, the biggest market for steel in India.

The aluminium industry of Chhattisgarh was established by the erstwhile Bharat Aluminium Company (now Vedanta Resources) in Korba, Chhattisgarh, which has a capacity of around 5,700,000 tonnes each year.

Chhattisgarh is rich in minerals. It produces 50% of the country's total cement production. Due to proximity to the western States of Maharashtra and Gujarat it has the highest producing coal mines in India. It has the highest output of coal in the country with second-highest reserves. It is third in iron ore production and first in tin production. Limestone, dolomite and bauxite are abundant. It is the only tin ore-producing state in India. Other commercially extracted minerals include corundum, garnet, quartz, marble, alexandrite and diamonds.

Rowghat iron ore deposits are in the Antagarh Tahsil of Kanker district and contain the largest iron ore deposits after the Bailadila Iron Ore Mine. Rowghat Mines' reserves have been assessed at 731.93 Mn tonnes. Bailadila has reserves assessed at 1.343 Bn tonnes. Iron ore deposits in Rowghat were discovered in 1899 and in 1949 Geological Survey of India investigated the area. Rowghat deposit is 29 km (18 mi) NNW of Narayanpur, and about 140 km (87 mi) from Jagdalpur.

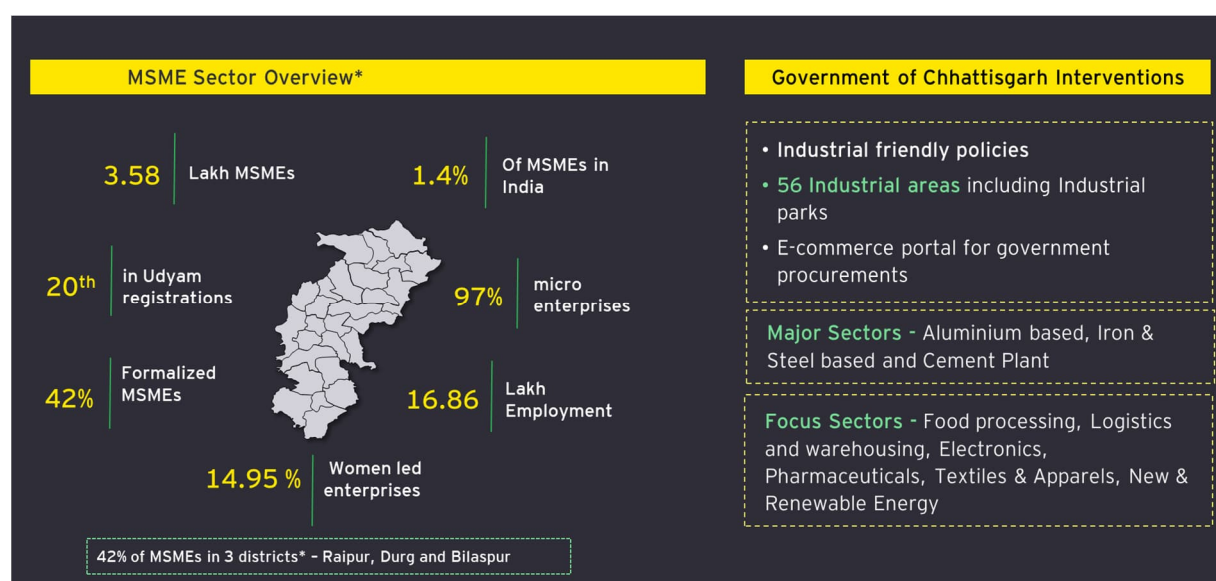
Demography

As of 2018 Chhattisgarh state had a Human Development Index (HDI) value of 0.613 (medium), ranks 31st in Indian states & union territories. The national average is 0.647 according to Global Data lab. There are more than 13 million males and 12.9 million females in Chhattisgarh, which constitutes 2.11% of the country's population. As per the 2011 Census, the sex ratio in the state is one of the most balanced in India with 991 females per 1,000 males, as is the child sex-ratio with 964 females per 1,000 males. Out of the total population of Chhattisgarh, 23.24% live in urban regions. The total population living in urban areas is 5,937,237, of which 3,035,469 are males and the remaining 2,901,768 are females.

Apart from the hilly states of the north-east, Chhattisgarh has one of highest shares of Scheduled Tribe (ST) populations within a state, accounting for about 10 percent of the STs in India. Scheduled Tribes make up 30.62% of the population. The tribals are an important part of the state population and mainly inhabit the dense forests of Bastar and other districts of south Chhattisgarh. The percentage increase in the population of the scheduled list of tribals during the 2001–2011 decade had been at the rate of 18.23%. The Scheduled Caste (SC) population of Chhattisgarh is 2,418,722 as per 2001 census constituting 11.6 percent of the total population (20,833,803). The proportion of Scheduled Castes has increased from 11.6 percent in 2001 to 12.8% in 2011.

2.2. MSME Sector in Chhattisgarh

Chhattisgarh is endowed with sizeable mineral resources base, has a fair presence of industrial and commercial hubs with an added advantage of availability of adequate power supply. The state is presently home to many steel re-rolling mills, mini steel plants, ferro alloy units, steel/cast iron casting units, engineering, and fabrication units apart from large number of Agro-based and food processing, chemical, plastic, construction material, forest produce based units. Manufacturing under traditional handloom/handicraft, khadi & village industries is another important component, strongly anchored to the socio-cultural heritage of the state. Key sectors, which have attracted investment in the State are Steel & Allied, Cement, Power, Aluminium, Mining, IT/ITeS, Defence, Food Processing, Electronics². The State is also giving impetus to bring investments in identified sunrise sectors like Agribusiness and food processing, Automotive, Defence, Electronics, Healthcare, Logistics and warehousing, New & Renewable Energy, Pharmaceuticals and Textiles & Apparels.



The estimated number of MSMEs in Chhattisgarh as per the 73rd Round of National Sample Survey is 8.48 lakh MSMEs with 8.45 lakh micro enterprises. As per the survey, the State employs 16.86 lakh people comprising of 4.07 lakh females (24%) and 12.79 males. The State stands 20th in the number of enterprises registered in the Udyam Registration portal. Chhattisgarh has 3,39,388 Udyam registered (UR) MSMEs, comprising of about 96.8% of micro enterprises, 2.9% small enterprises and 0.3% medium enterprises. Raipur, Durg and Bilaspur are the districts with significant number of MSMEs accounting to nearly 42% of the total UR MSMEs in the State. Other districts with major MSME concentration include Raigarh, Janjgir-champa, Rajnandagaon, Korba, Balod bazar, Mahasamund, Surguja and Dhamtari. These 8 districts together account for about 30% of UR MSMEs. There are 4 functional clusters implemented under the SFURTI scheme. Cluster development initiatives were carried out in Raipur Steel cluster and Bhatapara poha clusters under MSE-CDP scheme. Diagnostic study was conducted in Mahasamund Stone Cutting and Polishing cluster and requirement for a common facility centre was identified.

² https://industries.cg.gov.in/Industrial_Potential.aspx

The working age population i.e. 15-59 years in the State accounts for 60% of the total population of the state. Chhattisgarh became first State in the country to provide skill development as a legal right for its youth. Under Mukhya Mantri Kaushal Vikash Yojana, the State Govt. is running skill development centres with to provide skill-based training to rural youth. At present there are about 18 RSETIs imparting skill training in the State.

The State Government under its Industrial Policy (2019-24) has emphasized ease of doing business, industrial infrastructure, cluster approach, marketing assistance to MSME through e-mane-C, entrepreneurship and skill development, export promotion etc., and is offering several financial and fiscal incentives through subsidy/ exemption/ concessions to eligible industries. Industrially underdeveloped blocks have been identified across the State under this policy to attract investment to these blocks by offering above mentioned concession at enhanced rate.

Manufacture of food products (about 18%), Fabrication of metal products, except machinery and equipment (9%), manufacture of other non-metallic mineral products (8%), manufacture of furniture (6%), manufacture of chemical products (4%).

2.2.1. Udyam Registration – Chhattisgarh vs Rest of India

Based on data from Udyam dashboard, as of May 1, 2024, there are 1.8 Cr Udyam registered MSMEs in India. It translates into approximately 28.12% of total MSMEs in India. The state of Chhattisgarh has nearly 3.58 lakh MSMEs registered on the portal. According to the 73rd round of NSS Report, there are nearly 8.48 lakh identified unincorporated non-agricultural MSMEs in Chhattisgarh, i.e., nearly 42% of the total MSMEs in Chhattisgarh have onboarded on the Udyam portal.

The numbers indicates that the rate of formalisation, via voluntary registration on Udyam portal, is yet pick up pace in the state. Among the 28 states in India, Chhattisgarh ranks 20th with respect to the rate of formalisation. Across states like Maharashtra, Haryana, Goa, and Rajasthan, over 50% of MSMEs in the state have registered on Udyam portal.

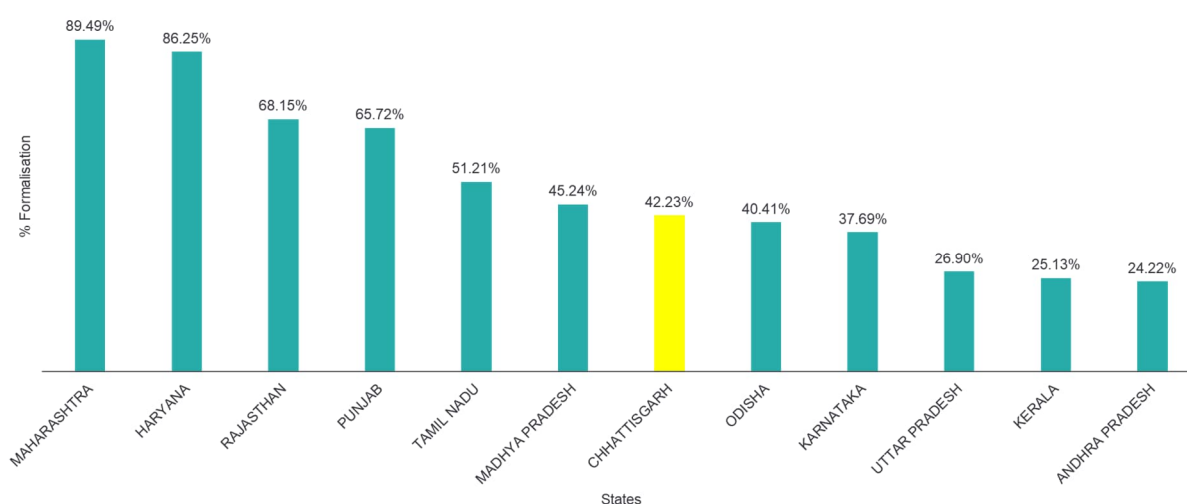


Figure 2 Rate of Formalisation: Top Ten States vs State of Chhattisgarh³ (in percentage)

Source: Udyam Portal, Govt. of India

³ Udyam Portal, Govt. of India and Annual Report 2019 by Min. of MSME

There is scope for improvement in the state with respect to formalisation of MSMEs, i.e., registration on Udyam portal. To encourage and accelerate voluntary registration among MSMEs, it is imperative to understand and address the challenges holding them back, and handhold them through the process as required.

2.2.2. District wise Udyam Registration details



Figure 3 District wise Udyam Registration details of Chhattisgarh.

Raipur stands first in Udyam registration with 74910 (20.78%) registrations of micro, small and medium enterprises followed by Durg with 40117 (11.12%) MSME registrations and Bilaspur with 34575 (9.59%) MSME registration. Approximately 42% of the total registered MSMEs of the state are concentrated in these three major industrial districts namely Raipur, Durg and Bilaspur. The state has an average of ~42% of formalization of MSMEs as compared to National average of 45%.

2.3. MSME Competitiveness and Determining Factors

MSME competitiveness refers to the ability of enterprises to effectively compete in their respective markets and industries. This competitiveness is vital for their long-term sustainability and growth, and it relies on a network of critical components. These components include geographical context, infrastructure, workforce skills, access to finance, market dynamics, technology, and ecological sensitivity among others.

While geographical factors such as availability of land, mineral resources, location from major cities and towns, availability of water play a pivotal role in determining the feasibility of various industries, ranging from agriculture and mining to manufacturing and energy production, infrastructural facilities including transportation networks, utilities, and communication systems, forms the backbone of production and market access. The composition and skill levels of the workforce are equally crucial, a skilled and adaptable labour force can propel production by enhancing productivity and fostering innovation.

Market demand, whether domestic or international, significantly shapes production strategies, steering businesses toward sectors with favourable growth prospects. Access to finance is another crucial factor which facilitates entrepreneurial activities, infrastructure development, while also influencing an enterprise's ability to tackle challenging business environments.

Moreover, technological advancements and innovation drive efficiency, allowing states to harness their resources more effectively. Recognizing and understanding this complex interplay is essential for optimizing production processes and driving economic growth.

2.3.1. Geographical Context and Land Availability

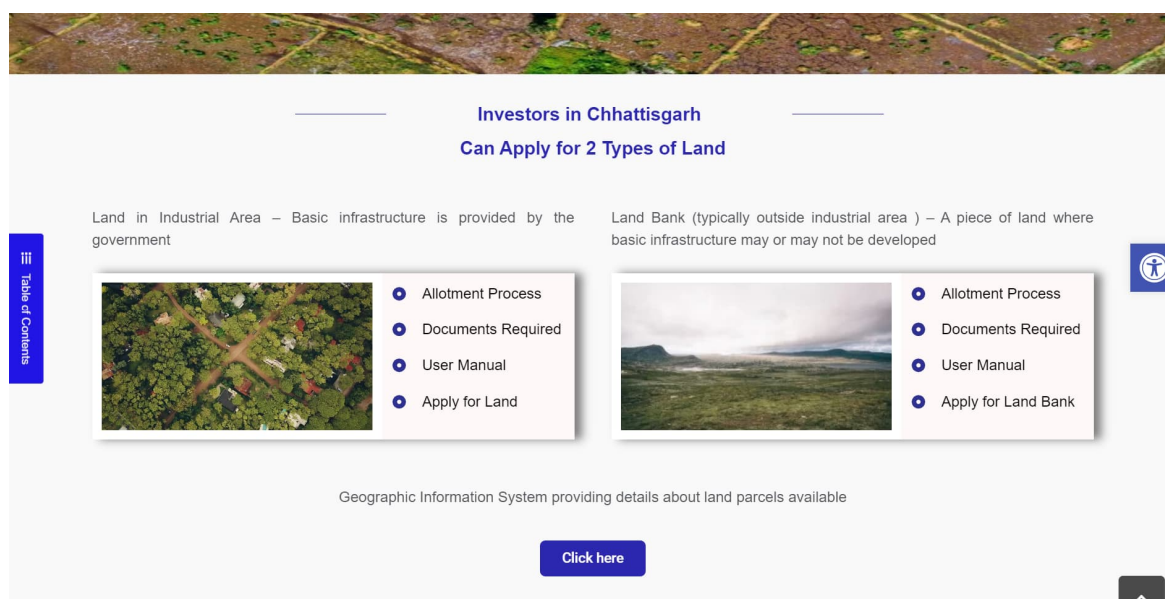
As already mentioned, availability of suitable land is a major factor for development of industry in a region. In Chhattisgarh, CSIDC is the executive authority involved in industrial promotion and facilitation. Its functions include land allocation, entering joint ventures managing PPPs and maintenance & upgradation of industrial areas.

CSIDC provides a variety of land parcels across its industrial areas, catering to diverse industrial needs. The allocation process typically involves online applications, ensuring ease of access and minimizing bureaucratic delays. Applicants are evaluated based on predefined criteria, including the project's viability, investment potential, and employment generation capacity.

To further streamline the process, CSIDC has introduced a Geoportal that offers comprehensive information about available industrial land. The geoportal distinguishes between two types of land available for industrial development: Land in Industrial Area, which come with essential infrastructure and utilities provided by government, and Lank Bank (outside industrial area), which requires initial development. This digital tool enhances transparency and helps investors make informed decisions, thus fostering a conducive environment for industrial expansion.



Figure 4 Website of CSIDC Ltd. to avail land allotment related services.



2.3.2. Industrial Infrastructure

Energy

Chhattisgarh is a hub for power infrastructure in India and is a power surplus state. As of May 2024, the total installed power generation capacity for Chhattisgarh was 25,378.70 MW, which comprised of 2,971.0 MW under the state utilities, 14,727.65 MW under private utilities, and 7680 MW under the Centre. Compared to last 14 years, the total installed power generation capacity has increased 4 times where, the state contribution has increased 0.35 times private contribution has increased 7 times and central contribution has increased 8 times highlighting the energy investment and production potential of Chhattisgarh. With abundance of coal in the state, major energy source remains Thermal Power with 61.57% of the total capacity followed by Solar Power with 16.54% and Wind Power with 12.67%. Hydro, Small hydro, Nuclear and Bio powers contribute to 9.23% production capacity.

Chhattisgarh is the second highest energy intensity state as per State Energy Efficiency Index (SEEI). In 2023, Total Final Energy Consumption (TFEC) for Chhattisgarh is 14.88 MTOE. For Buildings, energy efficiency has diminished by -9% due to non-adoption of energy efficient practices in buildings. In industry sector, energy efficiency score for Chhattisgarh has diminished by -20% due to deficiency in entity to provide technical expertise on energy efficiency and lack of state budget allocation for government authorities for energy efficiency activities. The scalable potential of energy production and diversified energy sources with abundant mineral deposits can help Chhattisgarh to be a leader in Energy Efficiency by tapping into the investment potentials in energy sectors⁴.

⁴ <https://cgclimatechange.com/energy/#>

Water

Chhattisgarh is an agricultural state where more than 80% of the population is dependent on agriculture. Average rainfall in the state is around 1400 mm. and about 90% of the total rainfall is confined in the Monsoon season i.e. 15th June to September. Mahanadi, Sheonath, Indravati, Arpa, Hasdeo, Kelo, Son, Rehar, and Kanhar are some of the main rivers providing a lifeline to the socio-economic development of the state. Most of the rivers in the state have high flow of water for three to four months during monsoon (June to September) during which around 80% of the annual runoff flows. The rainfall has erratic temporal and spatial distribution in the state. In fact, every third year, there is always a threat of drought, which is due to uneven occurrence of rainfall rather than deficient rain.

The existing ground water extraction for all uses in the state is 5.45 bcm⁵ of which 85 % is for irrigation, 13% for domestic and 2% for industrial purposes. Groundwater extraction rate of Chhattisgarh state is 49.58% which is low as compared to the national extraction rate of 63.33% highlighting the potential for water resources which can be utilized for industrial purposes.

Transportation Network

Chhattisgarh is rich in natural resources and is a major producer of various kinds of minerals, notably coal and iron ore, which significantly contribute to the production of steel and electricity in the country. The state has a large forest area (44% of the territory) and a large agricultural base which support the tribal economy and many small-scale industries. The movement of people and goods in Chhattisgarh relies heavily on roads, particularly in rural areas. The total length of road network in the state is 15,672.000 km in 2019, which includes national highways, state highways and district roads. Rail and road network plays the crucial role for the economic activities in the landlocked state.

Chhattisgarh is among the leading states in the country in terms of maintenance and renovation of roads that are constructed under Pradhan Mantri Gram Sadak Yojana (PMGSY). Close to 8193 roads in the state with a length of 40,234 km⁶ have been completed since the scheme was introduced. However, there is huge potential for public transportation system which can play crucial role in effective and fast movement of people and goods which can boost the economic activities of the state.

Air Connectivity

Chhattisgarh, located in central India, is an emerging hub of economic activity. The state has made significant strides in improving its infrastructure, including air connectivity, which plays a crucial role in facilitating economic growth, tourism, and accessibility. The state's air connectivity is anchored by its primary airport, Swami Vivekananda Airport in Raipur, along with other smaller airports and proposed new developments to enhance regional and national connectivity.

⁵ https://www.cgwb.gov.in/old_website/GW-Assessment/GWR-2022-Reports%20State/Chhattisgarh.pdf

⁶ <https://morth.nic.in/sites/default/files/PragatiKiNayiGati/pdf/chhattisgarh.pdf>

Major Airports

Swami Vivekananda International Airport, Raipur (RPR)

Formerly known as Mana Airport, it is the primary airport serving the state of Chhattisgarh. The airport is centrally located at Mana, 15 km (9.3 mi) south of Raipur between the old city and Naya Raipur. It has a modern terminal with domestic and international services, cargo facilities, and amenities for passengers including restaurants, lounges, and duty-free shops. The airport has services connecting to major Indian cities like Delhi, Mumbai, Kolkata, Hyderabad, Bangalore, Chennai, and Pune, among others. Plans are underway to expand its international routes.

Bilaspur Airport (PAB)

Bilaspur Airport is located at the village of Chakarbhatta, 10 km south of Bilaspur. It is owned by the Airports Authority of India (AAI). It is currently being used for general aviation and pilot training. Elevation of the airfield is 276 meters AMSL. Runway 17/35 is 1,535 meters long and 25 meters wide with turning pads at both ends. A 630 meters long taxiway connects the runway to a small helipad cum apron. The runway is too small for commercial aircraft like Boeing 737 and Airbus A320 which required 2,090 m (6,860 ft) take off distance. The airport has services connecting cities like Delhi and Prayagraj. Efforts are being made to enhance its connectivity to other regional hubs.

Jagdalpur Airport (JGB)

Jagdalpur Airport is located near Jagdalpur, in Chhattisgarh. Elevation of the airfield is 1,822 ft / 555 meters AMSL. Runway direction is 06/24 and 1,707 ft (5,600 meters) long with asphalt surface. There are limited terminal facilities. The airport is recently being upgraded to handle regular passenger flights with focus on connecting remote tribal regions with Raipur and Visakhapatnam.

There are couple of proposed airports in Chhattisgarh such as in Ambikapur and Korba where the feasibility studies and planning is underway on development. The state government is coordinating with airlines to operate more regional routes under the UDAN (Ude Desh ka Aam Naagrik) scheme, which aims to make air travel affordable and widespread.

Despite having low air connectivity and commercial viability with existing capacity, Chhattisgarh's air connectivity is evolving, with significant improvements and expansions planned to support its economic and social development. Enhanced air infrastructure can play pivotal role in integrating the state more closely with the national and global economy.

Industrial Hubs

According to the Industrial Parks Rating System (IPRS) 2.0 assessment framework, by DPIIT, seven industrial parks (IP) from Chhattisgarh made it to the Challengers category featuring 90 moderately performing parks. Engineering Park, Heavy Industries Area, Industrial areas in Silpahari and Tifra, Industrial Estate in Bhilai, Industrial Growth Centre in Urla, Integrated Industrial Development Centre (Nayanpur) and Light Industrial Area (Bhilai) were in the Category of Aspirers wherein improvements were required for the purpose of enhancing service delivery and making requisite facilities available to tenants were observed to be relatively high.

Following are the highlights of the performance of the parks nominated from the State according to the Pillars considered for evaluation:

- ▶ EMC (Naya Raipur), Engineering Park (Bhilai), Industrial Growth Centre (Sirgitti), Integrated industrial Development Centre (Birkoni) and Metal Park (Rawabhata) featured in the list of top performing industrial parks in the Category of internal infrastructure pillar from the Central region. EMC (Naya Raipur) also featured in the list of top performing sector specific industrial park in the internal infrastructure category.
- ▶ EMC (Naya Raipur), Engineering Park (Bhilai), Heavy Industries Areas (Bhilai), Industrial Growth Centre (Borai), Industrial Area (Bhilai), Industrial Growth Centre (Siltara), Industrial Growth Centre (Sirgitti) and Integrated industrial Development Centre (Birkoni) featured in the list of top performing industrial parks in the Category of external infrastructure pillar from the Central region based on aggregate performance.
- ▶ EMC (Naya Raipur), Bhanpuri-Rawabhata industrial Area, Engineering Park (Bhilai), Industrial Areas (Tifra), Industrial Growth Centre (Borai), Industrial Estate (Bhilai), Industrial Growth Centre (Siltara), Industrial Growth Centre (Urla), Integrated industrial Development Centre (Birkoni) and Metal Park (Rawabhata) featured in the list of top performing industrial parks in the Category of business support pillar from the Central region based on aggregate performance. The pillar considered availability of information (like plot prices and detailed process for land allotment) and transparency, business facilitation through single window or dedicated helpdesk covering customer relationship management, support to tenants for R&D, patenting, product commercialisation etc.) and creation of enabling infrastructure like CFCs, commercial centres, banking facility etc.

Chhattisgarh has already established GIS based land bank repository and has been linked with IILB. Bhanpuri Rawabhata Industrial Area has tied up with Central Institute of Petrochemical Engineering & Technology (CIPET). Further, multiple parks across the State are collaborating with multiple ITIs, Polytechnics, State skill development societies and industry associations in facilitating skill development.

- ▶ EMC (Naya Raipur), Engineering Park (Bhilai), Industrial Growth Centre (Borai), Heavy Industrial Estate (Bhilai), Industrial Growth Centre (Borai), Industrial Growth Centre (Siltara), Industrial Growth Centre (Urla), Industrial Growth Centre (Sirgitti) and Light Industrial Area (Bhilai) featured in the list of top performing industrial parks in the Central region based on aggregate performance under the environment, safety and sustainability pillar. The pillar considered environment related aspects (requisite environmental clearances, waste management and environment management system), safety that relates to physical and surveillance systems of the park, health infrastructure, health and safety plan for workers, disaster management and safe mobility solutions) and sustainability that relates to requisite quality certifications, maintenance of open/green spaces, periodic energy audits and deployment of renewable energy sources).

Table 1 List of Industrial Area under CSIDC

List of Industrial Areas under CSIDC			
S. No.	District	Industrial Area	Total Area (in Hectares)
1	Raipur	Industrial Area, Urla	395.563
2	Raipur	Industrial Development Centre Siltara	1184.4
3	Bilaspur	Industrial Development Centre, Sirggitti	338.42
4	Durg	Industrial Development Centre, Borai	450.81
5	Bilaspur	Industrial Area Silpahari	244.86
6	Raipur	Industrial Area, Bhanpuri	164.3
7	Durg	Engineering Park, Hathkhoj Bhilai	141.613
8	Raipur	Industrial Area, MetalPark	101.79
9	Rajnandgaon	Mehroom Kala	66.858
10	Bilaspur	Industrial Area Tifra	55.84
11	Mahasamund	Integrated Infrastructure Development Centre, Birkoni	96.42
12	Surajpur	Integrated Infrastructure Development Centre, Nayanpur-Girwarganj	51.237
13	Dhamtari	Food Park Bagaud	68.74
14	Kanker	Integrated Infrastructure Development Centre, Lakhanpuri	53.3
15	Raipur	Industrial Area, Rawabhata	37.18
16	Raipur	Industrial Area, Amaseoni	11.83
17	Gaurella Pendra Marwahi	Anjani, Pendra Road	19.42
18	Kabirdham	Integrated Infrastructure Development Centre, Harnichhapra	20.93
19	Raipur	Industrial Area, Tendua	20.991
20	Dantewada	Integrated Infrastructure Development Centre, Teknar	19.27
21	Janjgir Champa	Integrated Infrastructure Development Centre, Kapan	43.06
22	Raipur	Industrial Area Bartori Tilda	32.32
23	Sarguja	Industrial Area Gangapur Khurd	12.25
24	Nava Raipur	Electronic Manufacturing Cluster	45.75
25	Rajnandgaon	Industrial Area Mahrum Khurd	37.12
26	Baloda Bazaar	Industrial Area Awarethi Bhatapara	8.615
27	Bilaspur	Industrial Area Silpahari	24.96

Table 2 List of Industrial Area under DIC

List of Industrial Area under DIC			
S. No.	District	Industrial Area	Total Area (in Hectares)
1	Durg	Heavy Industrial Area, Bhilai	550.372
2	Durg	Light Industrial Area, Bhilai	289.812
3	Durg	Industrial Institute Bhilai	89.649
4	Jagdalpur	Industrial Area, Kurandi	74.75

List of Industrial Area under DIC			
5	Korba	Industrial Area, Korba	40
6	Durg	Industrial Institute, Durg	21.736
7	Durg	Industrial Area, Bodegaon	8.158
8	Raigarh	Semi-Urban Industrial Institute, Raigarh	9.86
9	Raigarh	Rural Workshop, Pusour	0.942
10	Janjgir-Champa	Industrial Area, Korba Road Champa	8.72
11	Jagdalpur	Industrial Area, Geedam Road	13.658
12	Jagdalpur	Semi-Urban Industrial Institute, Frejarpur	12.76
13	Jagdalpur	Industrial Area, Pandripani	4.876
14	Rajnandgaon	Industrial Institute, Mamta Nagar, Rajnandgaon	7.769
15	Rajnandgaon	Industrial Area, Somani	4.046
16	Rajnandgaon	Industrial Area, Mohara	2.428
17	Rajnandgaon	Industrial Area, Gathula	1.618
18	Rajnandgaon	Rural Workshop, Dongargarh	1.214
19	Sarguja	Semi-Urban Industrial Institute, Ambikapur	9.49
20	Surajpur	Industrial Area, Ajirama	6.07
21	Jashpurnagar	Semi-Urban Industrial Area, Gamhariya	4.047
22	Kondagaon	Industrial Area, Aadkachepta, Kondagaon	2.63
23	Korea	Industrial Area, Chainpur	2.485
24	Korea	Rural Workshop, Baikunthpur	0.111
25	Narayanpur	Rural Workshop, Narayanpur	2.12

Table 3 List of Special Industrial Park

List of Special Industrial Park		
S. No.	District	Industrial Area
1	Raipur	Metal Park
2	Durg	Engineering Park
3	Raipur	Electronic Manufacturing Cluster
4	Dhamtari	Food Park

Table 4 List of proposed Special Industrial Park

List of Proposed Special Industrial Park		
S. No.	District	Industrial Area
1	All district	Food Parks
2	Raipur	Gems & Jewellery Park
3	Raipur	Plastic Park
4	Raipur	Pharmaceutical Park
5	Mahasamund	Textile Park
6	Raipur	Textile Park
7	Janjgir-Champa	Smart Industrial Area
8	Rajnandgaon	Smart Industrial Area
9	Raipur	Artificial Intelligence City

Table 5 MSME Technology Centre

List of MSME Technology Centre		
S. No.	District	Industrial Area
1	Durg	MSME TC Durg
2	Bilaspur	MSME TC Bilaspur (Proposed)

10 existing Industrial areas have been proposed to be upgraded under the MSE-CDP scheme and Common Facility Centres have been proposed in 5 Industrial areas/ Park.

Considering the Best Practices from other states there is scope for improvement in the following areas within the Industrial parks in Chhattisgarh:

- ▶ Dovetailing of Central government schemes like Integrated Power Development scheme (IPDS) to convert overhead electric cables to underground lines.
- ▶ Providing requisite facilities for Sewage/effluent treatment
- ▶ Ensuring uninterrupted and quality power through coordination among park developers and State Power Transmission/ Distribution Company in addition to the availability of alternate source of supply.
- ▶ Developing and leveraging Partnerships with technical institutions for promoting R&D and patenting.
- ▶ Use of captive renewable energy to replace part/full consumption of power by common infrastructure as well as promoting roof top solar system, solar pumping etc.

2.3.3. Skill Development and Entrepreneurship

Chhattisgarh has been amongst the foremost states in the country to give a functional framework to this sector and institute a revolutionary law that placed skilling as a fundamental right for all youth. Along with the urban unemployed, marginalised tribal populations living in remote areas are the department's primary focus, to reduce job-centric migrations and keep the potential workforce well within their local areas through professional skill training and dignified employment.

According to a report in the year 2018, about 804 courses have been identified by the authorities, distributed across 109 categories, including areas like information technology, electronics, retail, textile, fashion design, banking and accounting, medical and nursing, sericulture, masonry, and poultry farming to name a few. Each of these courses have a training period of three to six months.

While all the 804 courses are listed under the Modular Employable Skills (MES) of the centre's Skill Development Initiative Scheme (SDIS), about 221 of these have been upgraded to meet the standards of National Skills Qualifications Framework (NSQF)⁷ recently.

A significant initiative taken for developing skilled workforce in the State has been establishing the Livelihood Colleges. The initiative initially aimed to have one such college in every district where residential training is imparted by government screened Vocational Training Providers

⁷ <https://thebetterindia.com/162256/chhattisgarh-skill-development-youth-news/>

(VTPs). Participation of private institutions are also being encouraged, who work in tandem with the state.

In a period of 11 years since the scheme's rolling out in 2013, a total of 7,66,220 beneficiaries had registered with this programme, of whom 62.5% per cent had received certification in their respective area of skill training and about 34.43 per cent had been placed. What makes this initiative a pioneering effort by Chhattisgarh is how the scheme has managed to penetrate Left-Wing Extremism affected regions and uplift poverty-stricken tribal communities, who otherwise were left with few options other than underpaid manual labour at construction sites.

Some of the major stakeholders associated with skill development in the State are:

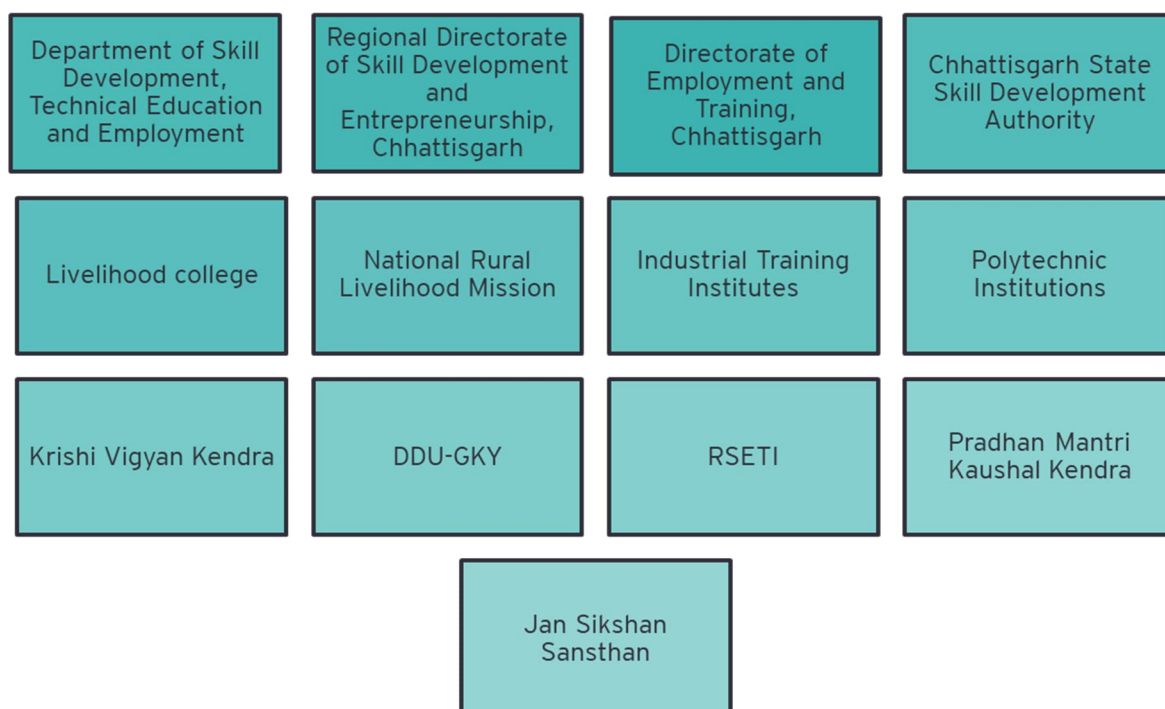


Figure 5 Major skill development stakeholders in Chhattisgarh.

Department of Skill Development, Technical Education and Employment

The Department of Skill Development, Technical Education, and Employment in Chhattisgarh is responsible for formulating policies and coordinating efforts related to vocational training, technical education, and employment services in the state. This department plays a crucial role in equipping the state's youth and workforce with the necessary skills to meet the demands of various industries and sectors, thereby enhancing their employability, and contributing to the state's economic development.

The department oversees a network of Industrial Training Institutes (ITIs), polytechnics, and vocational training centres that offer a range of courses and training programs. It also works closely with the Chhattisgarh State Skill Development Authority (CSSDA) to ensure that skill development initiatives are effectively coordinated and meet the state's workforce requirements.

Chhattisgarh State Skill Development Authority

The Chhattisgarh State Skill Development Authority (CSSDA) is established to streamline and strengthen the skill development initiatives in the state of Chhattisgarh. The CSSDA operates under the aegis of the Department of Skill Development, Technical Education & Employment of the Chhattisgarh government. It works in tandem with central government schemes like the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and the National Skill Development Corporation (NSDC), as well as state-specific initiatives such as Mukhya Mantri Kaushal Vikas Yojana (MMKVY).

The authority's role has been to identify the skill gaps in the state's labour market, develop strategic partnerships with various stakeholders, including industry bodies, educational institutions, and training providers, and oversee the implementation of skill development programs.

State Project Livelihood College Society

In July 2013, the Government of Chhattisgarh took a significant step towards empowering the state's youth by approving the "State Project of Livelihood Colleges." This initiative was designed to offer comprehensive skill development training at no cost to the participants.

The establishment of the State Project Livelihood College Society was a strategic move to ensure that the Livelihood College initiative was built on a solid foundation with a clear focus on employment outcomes. The society's mandate includes fostering strong linkages with employers and integrating private sector partnerships to enhance the quality and relevance of the training provided. The initiative has led to creation of one livelihood college knows as District Project Livelihood College Society in each district, ensuring that high-quality training and infrastructure are accessible to all.

Table 6 List of District Livelihood Colleges in CG

Sl. No.	District	Livelihood College Name
1	Raipur	District Project Livelihood College Society Raipur
2	Baloda Bazar	District Project Livelihood College Society Balodabazar-Bhatapara
3	Dhamtari	District Project Livelihood College Society Dhamtari
4	Surguja	District Project Livelihood College Ambikapur
5	Rajnandgaon	District Project Livelihood College Society Rajnandgaon
6	Raigarh	District Project Livelihood College Raigarh
7	Kondagaon	Jeevika Livelihood College Kondagaon
8	Narayanpur	District Project Livelihood College Society Narayanpur
9	Jashpur	Livelihood College Jashpur
10	Bastar	District Project Livelihood College

Sl. No.	District	Livelihood College Name
11	Korba	District Project Livelihood College Society Korba
12	Bemetara	Zila Pariyojana Livelihood College Society
13	Mungeli	District Project Livelihood College Mungeli
14	Mahasamund	District Project Livelihood College Society Mahasamund
15	Sukma	District Project Livelihood College Sukma
16	Kabirdham	District Project Livelihood College Society Kabirdham
17	Gariyaband	District Project Livelihood College Society Gariaband
18	Janjgir-Champa	District Project Livelihood College Society Janjgir Champa
19	Surajpur	District Project Livelihood College Surajpur
20	Bilaspur	District Project Livelihood College Society Bilaspur
21	Balod	District Project Livelihood College Balod
22	Bijapur	District Project Livelihood College Society Bijapur
23	Kanker	Livelihood College Kanker
24	Gariyaband	Livelihood College Gariaband
25	Balrampur	District Project Livelihood College
26	Kanker	Livelihood College Antagarh
27	Korea	District Project Livelihood College Korea
28	Dantewada	District Project Livelihood College Society Dantewada

RSETI

The Rural Self-Employment Training Institutes in Chhattisgarh are sponsored by various public sector banks and is an initiative by the Ministry of Rural Development (MoRD), Government of India. These institutes offer short-term, residential, and free-of-cost training courses in various trades such as agriculture, animal husbandry, handicrafts, garment making, beauty and wellness, computer applications, and many more. In addition to technical skills, the institutes also impart training in areas such as entrepreneurship, financial literacy, and personal

development. In Chhattisgarh, there are 18 RSETIs established in 18 different districts. Since inception till FY 2024-25, 1,39,611 candidates have been trained in various courses and 99473 (71.83%) have been settled⁸.

Pradhan Mantri Kaushal Kendra

The Pradhan Mantri Kaushal Kendra (PMKK) initiative, spearheaded by the Ministry of Skill Development and Entrepreneurship, is a strategic endeavour to standardize the infrastructure for skill development training across the nation. The initiative is committed to the establishment of state-of-the-art training facilities that can deliver industry-relevant courses with a strong emphasis on employability. The overarching aim of the PMKK program is to elevate the perception of skill training, thereby making it a more aspirational pursuit for individuals. In Chhattisgarh, there are 44 PMKK centres in 24 districts.

DDU-GKY

The Deen Dayal Updhyay Grameen Kaushalya Yojana uniquely focuses on catering to the aspirations of rural youth between the ages of 15 and 35 years. In the state, there are 91 Project Implementing Agencies registered, providing skill trainings under 149 different trades. In FY 2024-25, 65643 candidates have been enrolled under various trades in the state out of which 61980 have been trained and 36752 have been certified. However, the conversion of certified candidates to placed is considerably low with a quantum of only 9429⁹ being placed.

Major Initiatives and Schemes for Skill development

The State has taken many progressive steps to enable the enhancement of capabilities of the future young workforce in the State. Some of them are illustrated below:

- a. The Chhattisgarh government in July 2023 signed an MoU worth Rs 1,188.36 crore with Tata Technologies for transforming 36 Government ITIs into Industry 4.0 Technology Hub. Tata Technologies will offer six new trades and 23 new short-term courses in 36 ITIs through technical training workshops and training arrangements. The trades covered in the one-year programme include advanced tool artisan, industrial robotics and digital manufacturing technician and manufacturing process control and automation. The two-year courses will provide training on advanced CNC machining, Basic Designer and Virtual Verifier (Mechanical) and Mechanic Electric Vehicle trades¹⁰.
- b. Mukhya Mantri Kaushal Vikas Yojana – A skill training initiative for youth of Chhattisgarh where youth between 15 and 35 years of age are provided free of cost skill training in job-oriented courses. The course curriculum under these schemes are also NSQF approved.
- c. Livelihood Development Programme – With the aim to promote entrepreneurship in the state, CSSDA has initiated Livelihood Development Programme (LDP) to provide free skill training to youth in self-employment driven courses. There is a separate course module designed for the courses under this programme.

⁸ <https://dashboard.rural.nic.in/dashboardnew/rseti.aspx>

⁹ <https://kaushalbharat.gov.in/candidateview>

¹⁰ <https://www.tatatechnologies.com/en/media-center/chhattisgarh-signs-mou-with-tata-technologies-to-transform-itis-chhattisgarh-today/>

- d. Established an Apparel Training and Design Centre in Sukma District of Bastar Division which aims to provide skill training to youth in various trades of the apparel industry. It has capacity to accommodate 240 candidates.

Centre for Skill Development and Informal Education (CSDIE)

Chhattisgarh Swami Vivekanand Technical University has established the CSDIE for providing informal education and demand driven training & capacity building in the form of specific skill-based training/certificate programs. The courses offered aim to bridge the gap between the educated youth and job-oriented skills requirement. The training/courses like Auto CAD (2D & 3D), MATLAB, Basics of Bioinformatics, Web Designing, Android Development, Networking, training for masons/welders/reinforcement/mechanics etc. is being provided by the Centre.

Central Institute of Petrochemicals Engineering and Technology (CIPET)

To strengthen the plastic industry and provide them with testing and innovation facilities, CIPET has been established in the State Headquarters Raipur. It also provides skill training to the youth in long term courses such as Diploma and PG Diploma.

Year	Skill Development Training Programme (Placement Linked)	Diploma & Degree Courses
2017-18	2178	0
2018-19	2082	138
2019-20	815	108
2020-21	0	144
2021-22	146	160
2022-23	322	98
2023-24	635	84
Total	6178	732
Grand Total	6910	

Central Government Initiatives:

Pradhan Mantri Kaushal Vikas Yojana – PMKVY is flagship scheme of Ministry of Skill Development and Entrepreneurship, launched in July 2015, with an aim to provide youth with industry relevant skill training to help them secure better livelihoods. There are three components under this scheme which include – Short Term Trainings (STT), Recognition of Prior Learning (RPL), Special Projects (SP). The progress of Chhattisgarh for last 3 consecutive years is shown in the table below:

Table 7 Progress under PMKVY in CG

Scheme	Trained	Assessed	Certified
PMKVY 1.0	37302	36730	26110
PMKVY 2.0	133201	113007	98061
PMKVY 3.0	12575	6391	4614

National Apprenticeship Promotion scheme - National Apprenticeship Promotion Scheme (NAPS), launched in August 2016, is a scheme of Government of India to provide financial support to establishments undertaking the apprenticeship training. The objective of the scheme is to promote apprenticeship training in the country and to provide financial support to establishments to undertake apprenticeship programs. All establishments having workforce (regular and contract employees) of 30 or more are mandated to undertake Apprenticeship Programs in a range from 2.5% -15% of its workforce (including contractual employees) every year.

IN Chhattisgarh, as per the Apprenticeship Performance dashboard of NSDC (24 Jun 2024), 20369 apprentices have been engaged, 13414 apprentices have completed training and 23745 apprentices have been certified from 2892 registered establishments¹¹ since FY 2018-19. Nearly 42% of the candidates belong to the OBC category, 28% from General category followed by 15% from Scheduled tribe category. Private sector has the maximum number of registered establishments (2473) of which 112 are active. Central government has 42 registered establishments out of which only 3 are active, while Central PSUs have 36 registered establishments out of which 14 are active. In comparison State owned registered establishments are only 14 of which none have been reported as active while there are 7 State PSU owned registered establishments of which 4 are active. Retail (28%), Banking Financial Services and Insurance (BFSI) (15.36%), Automotive (13.36%), ITeS (12%) and Construction (7%) are the major sectors engaging apprentices in Optional Trade.

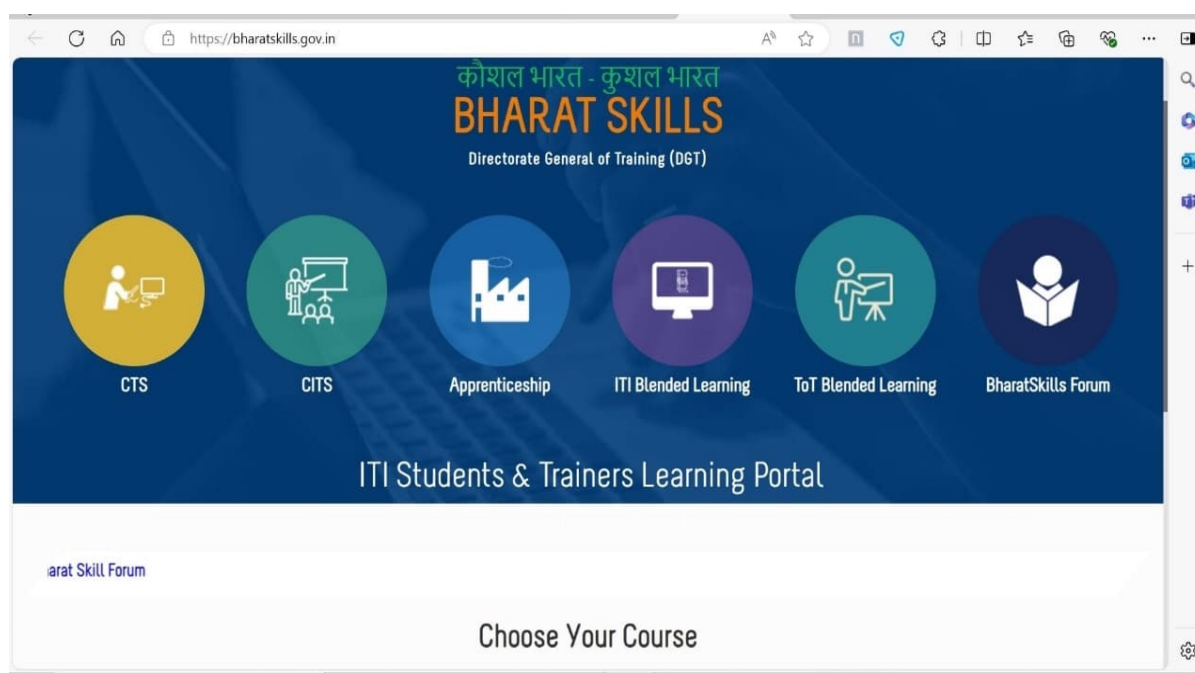
Scheme for creating/ improvement of training infrastructure – skill development in LWE districts, envisages creation of Skill Development infrastructure closer to the people of left-wing extremism (LWE) affected districts. The scheme covers 48 LWE Districts in 10 States. The cost of the scheme is Rs 401.28 crore with duration of implementation up to 21 March 2024¹².

The scheme Interalia, envisages creation of infrastructure for 48 Industrial Training Institutes (ITIs) @ one ITI per district in 48 districts of 10 States and Creation of infrastructure for 68 Skill Development Centers (SDCs) @ 2 SDCs per districts in 34 districts of 9 States. Establishment of SDCs in added 13 districts in the revised scheme has not been taken up. So far, Rs. 298.38 crore (Rs. 227.47 crore as central share) out of total allocation of Rs.399.47 crore has been released to 10 states under the scheme. The scheme covers nine districts in Chhattisgarh namely Dantewada, Bastar, Kanker, Surguja, Rajnandgaon, Bijapur, Narayanpur, Sukma and Kondagaon.

¹¹ [NAPS | Dashboard \(apprenticeshipindia.org\)](https://naps.dashboard.apprenticeshipindia.org)

¹² [Skill Development In 47 Districts Affected by Left Wing Extremism \(LWE\) | Directorate General of Training \(dgt.gov.in\)](https://dgt.gov.in/skill-development-in-47-districts-affected-by-left-wing-extremism-lwe)

Bharat Skills portal - Bharat Skills is an initiative of the Ministry of Skill Development and Entrepreneurship. It is a unified and lightweight Central Repository for skills that provide NSQF curriculum, course material, videos, question banks and mock tests, etc. for students and trainers in Industrial Training Institutes (ITIs) and National Skill Training Institutes (NSTIs). This helps trainers and trainees to have easy access to books in six Indian languages (Hindi, Odiya, Tamil, Marathi, English, and Gujarati), practice papers, and learning videos which enable them to easily learn their topics outside class. All courses under the Craftsmen Training Scheme, with course material, video content, Question Bank, and e-Learning materials are available on Bharat skills.



MSME Technology Centre - Ministry of MSME under Technology Centre System Program, a Technology Centre in Durg district of the State has been established. In this centre, MSMEs are provided facilities for testing and youth are imparted skill training through various short term, medium term, and long-term courses. A similar facility has been proposed in Bilaspur which is under pipeline. The details about number of training batches conducted and trainees trained by MSME TC, Durg is mentioned in table below:

Table 8 No. of trainings conducted by MSME Technology Centre in last 4 years.

No. of Trainings conducted by MSME TC Durg				
Category of Training	2019-20	2020-21	2021-22	2022-23
Long Term Training	4	6	5	4
Medium Term Training	2	3	10	7
Short-Term Training	7	15	18	17
Online/Offline Paid Workshop	2	25	4	12
Total	15	49	37	40

Table 9 Number of trainees trained by MSME TC in last 4 years.

No. of Trainees trained by MSME TC Durg				
Category of Training	2019-20	2020-21	2021-22	2022-23
Long Term Training	0	52	49	22
Medium Term Training	19	8	47	83
Short-Term Training	339	326	338	145
Online/Offline Paid Workshop	218	109	212	893
Total	576	495	646	1143

Sector wise Skill Demand

Agriculture has been the largest incremental demand for manpower generating sector in the state and will continue to be in the coming years. This is followed by manufacturing sector with incremental demand of semi-skilled manpower and lastly service sector. The total incremental demand for manpower is expected to be around 30.44 lakhs. Of the total incremental demand, 51% is expected in the minimally skilled segment with some basic schooling background and 33% is expected in the semi-skilled segment with certificate and diploma holders who are undergoing vocational training and skill development programs. Sectors like agriculture, manufacturing (primary mineral/ metal based), building and construction and mining & quarrying contribute maximum share to this demand followed by service sector like BFSI and Communication.¹³

Table 10 List of Priority Sector for manpower demand in CG

Priority Sectors of the State	
Agriculture	
Mining & Quarrying	
Textile and Garments	
Chemicals and Pharmaceuticals	
Building and Construction	
Food processing	
Handloom & Handicraft	
IT/ITES Services	
Tourism, Hospitality & Travel	
Transportation & packaging	
Trade (Wholesale Retail)	
Real Estate Services	
Communication	
Healthcare Services	
BFSI	
Education/ Skill Development Services	
Manufacturing (Mineral/Metal based)	
Electricity, Gas & Water supply	
Public Administration	
Furniture & Furnishing	
Other Services	
Media & Entertainment	
Informal Sector	

Sector with significant demand of manpower

Sector with least demand

¹³ NSDC District Skill Gap Study

2.3.4. Access to Finance

The RBI report of the Expert Committee on MSMEs estimates an overall credit gap of around Rs. 20-25 lakh crores in India. Providing financial services to MSMEs generally involve greater costs and higher risks compared with serving other types of enterprises. This problem is compounded by so-called “thin file” customers with limited to no-credit histories.

Lack of adequate and timely access to credit is one of the often-cited challenges confronting MSMEs. The credit requirements depend on the enterprises size, sector of operation, customer segment, and stage of development. MSMEs often grapple with fluctuations in cash flow, especially during seasonal variations or economic uncertainties. Access to credit helps them manage working capital requirements and ensure smooth day-to-day operations. From a growth perspective, credit allows MSMEs to invest in critical areas such as infrastructure, technology, machinery, and manpower.

The key stakeholders participating in MSME financing ecosystem may be classified into following three categories:



*Formal Lending
Institutions/ Financing
Institutions*



*Government
Programmes*



*Alternate Financing
Mechanisms*

Formal Lending Institutions

Formal lending institutions include a wide range of financial institutions that provide loans and credit services to enterprises, including MSMEs. These institutions play a vital role in the economy by facilitating access to capital for various purposes. Some key formal lending institutions in the context of MSMEs are:

Banking Financial Institutions

Banking financial institutions play a crucial role in financing entrepreneurial activities. Hence, the regional distribution of banks is of paramount importance in determining access to and availability of credit to MSMEs. Public sector commercial banks have a robust presence in regions in Chhattisgarh. They operate a substantial network of 1,461 branches and provide a strong foundation for banking accessibility and constitute for forming 43 % of the state's total banking network. Following closely behind are private sector commercial banks, accounting for 24.51 % of the total banking network. Additionally, Chhattisgarh Rajya Gramin Bank (CRGB), operating as a Regional Rural Bank (RRB) with 613 branches focus on serving the specific needs of local communities, providing tailored financial solutions. Furthermore, co-operative Banks collectively contribute to the state's banking network with a total of 333 branches.

Table 11 Banking Group-wise Network in Chhattisgarh as of March 2024.¹⁴

Sl. No.	Banking Group	Number of Branches			
		Rural	Semi-urban	Urban	Total
1	Public Sector Commercial Banks	521	415	527	1,461
2	Private Sector Commercial Banks	239	302	309	831
3	Regional Rural Bank	491	79	43	613
4	Co-Operative Banks*	216	61	56	333
5	Small Finance Banks	16	63	74	152
	Total Branches	1,483	920	1,009	3,390

In financial year 2023-24, public sector commercial banks have increased their market presence with new branches at the rate of 1.69% in 2022-23 and 1.32% in 2023-24. However, private sector commercial banks have introduced 14.2% in 2022-23 and 6.78% in 2023-24.

The total advances extended by financial institutions have shown a consistent upward trajectory, increasing from Rs 33,783.51 crore in Mar 2023 to Rs 46,548.34 crore in Mar 2024. Advances to MSMEs have grown by 22% in 2022-23 and 23 % in 2023-24. With decline in NPA of public sector banks and increase in advances shows the credit requirement and potential in Chhattisgarh.

Table 12 Banking Group-wise NPA on MSMEs schemes in Chhattisgarh as of March 2024

Sl. No.	Banking Group	March'22 (Cr.)	March'23 (Cr.)	March'24 (Cr.)
1	Public Sector Commercial Banks	1,851.39	1,826.78	1,789.08
2	Private Sector Commercial Banks	241.38	265.19	291.30
3	Co-Operative Banks*	-	0.39	0.39
4	Regional Rural Bank	34.64	47.98	49.33
5	Small Finance Banks	56.97	45.40	36.95
	TOTAL NPA	2,184.38	2,185.74	2,167.05

Comparing 2023 & 2024, the NPAs has reduced by 2.11% for public sector commercial banks and 22.87% for small finance banks. This highlights the immense potential for micro/small finance banks/institutes which can tailor to the immediate cash flow for the MSME as an affordable finance option.

1.4.4.1.2 Non-banking Financial Companies (NBFCs)

Non-Banking Financial Companies (NBFCs) hold a pivotal position in the landscape of MSME financing, primarily due to their ability to offer a wide array of financial products and services tailored for the diverse needs of these enterprises. NBFCs can craft bespoke lending solutions such as collateral-free short-term working capital, collateral-free long-term working capital, supply chain financing, machinery purchase loans, addressing the unique challenges faced by MSMEs. Their flexibility in lending criteria is another advantage, allowing them to consider

¹⁴ http://slbcchhattisgarh.com/pages/views/banking_network_summary

factors beyond conventional collateral and credit histories, such as cash flow patterns and future growth prospects, thus widening the scope of accessible financing for MSMEs.

NBFCs successfully bridge the geographical gap that often hampers MSMEs' access to formal financing. With a strong presence in Tier 2 and Tier 3 cities, and even remote rural areas, many NBFCs have made it possible for MSMEs across various regions to easily access financial services. NBFCs have also been at the forefront of fintech integration, leveraging digital platforms to streamline the lending process. Online lending products and services have gained popularity, enabling MSMEs to apply for loans quickly and conveniently, often receiving funds within days, a vital feature for enterprises in need of prompt capital infusion. In this context, NBFCs have emerged as key players in facilitating MSME financing and driving economic growth.

Collaboration within the banking sector is vital to creating a more supportive ecosystem for MSMEs, and NBFCs have been at the forefront of driving partnerships. This collaborative approach has NBFCs meet the evolving needs of MSMEs, thereby driving economic growth in the sector. In addition, NBFCs can get access to cost-effective financing from banks, bolstering their lending capacity and helping them to meet the surging demand for MSMEs. For banks, it allows them to leverage the underwriting capabilities and last mile reach of NBFCs helps them fulfil their Priority Sector Lending (PSL) mandates.

These partnerships cultivate a mutually beneficial relationship, fostering increased accessibility, financial inclusivity, and economic growth by fulfilling the financial requirements of the MSME sector. Co-lending partnerships enable the formal lending ecosystem to extend financing support to MSMEs by expanding their reach, reducing risk exposure, and providing affordable credit access.

Healthy balance sheets have enabled NBFCs in India to consistently expand credit, which grew from 8.9 % (y-o-y) in September 2021 to 20.8 % in September 2023 (y-o-y)¹⁵. Asset quality of NBFC-IFCs has improved in the last few years, led by a few stressed asset resolutions/recoveries, sizeable write-offs, and curtailed incremental slippages. NBFC-IFCs have demonstrated a healthy profitability trajectory with the decline in the share of non-performing loans. This approach has already seen a huge surge in uptake, with co-lending loans growing from ₹5,000 crores in FY22 to ₹25,000 crores in FY23¹⁶.

Alternate Financing Mechanisms

Micro, Small, and Medium Enterprises (MSMEs) often have limited resilience due to weak balance sheets and unpredictable revenues. This is especially evident in sectors with low differentiation and lacking intellectual property or strong brand presence. As a result, lending to MSMEs, particularly micro enterprises, is considered high risk. This inherent risk restricts their access to sufficient, affordable, and timely credit, which hampers their cash flow management. Additionally, factors such as delayed payments from buyers, including government entities and other supply chain participants, further exacerbate these challenges.

Trade Receivables Discounting System (TReDS).

¹⁵ <https://rbi.org.in/scripts/PublicationReportDetails.aspx?ID=1253>

¹⁶ <https://www.crisilratings.com/en/home/newsroom/press-releases/2024/04/nbfc-co-lending-aum-closing-in-on-rs-1-lakh-crore-mark.html>

TReDS is an innovative online platform that enables MSMEs to convert their receivables into cash, thereby unlocking working capital. This system has been crucial in alleviating the credit constraints faced by small businesses nationwide. However, active efforts are needed to improve the onboarding process for the TReDS portal in Chhattisgarh.

TReDS is comprised of multiple platforms, each aimed at connecting buyers, sellers, and financiers. The major platforms operating in India include M1Exchange, RXIL, and Invoicemart. These platforms play a crucial role in bridging the gap between MSMEs and access to working capital in Chhattisgarh.

- a. **RXIL (Receivables Exchange of India Ltd):** RXIL was set up by the Small Industries Development Bank of India (SIDBI) & National Stock Exchange of India Limited (NSE) in December 2014
- b. **M1Xchange:** M1Xchange started in 2017 and operated by Mynd Solutions Pvt Limited. M1xchange is the platform which largest value of invoices discounted with a sizeable volume of invoices discounted.
- c. **Invoicemart:** It is promoted by TReDS Ltd. (a joint venture between Axis Bank and mjunction services). Invoicemart has the largest number of invoices discounted but it is evident that the value of invoices discounted is significantly low.

Key participants in TReDS are Micro, Small & Medium Enterprises “MSME” (Suppliers), large Corporates including PSUs and Govt. Departments (Buyers) and Banks/NBFCs (Financiers). The exchanges aims to provide MSMEs sufficient cash flow at competitive rates through an open bid process via multiple financiers.

Table 13 Current scenario of TReDS in Chhattisgarh.

Particulars	RXIL	M1XChange	Invoicemart
No. of buyers registered	52	32	52
No. of PSU registered	Nil	Nil	6
No. of MSME registered	379	325	514
No. of MSME registered (active)	N/A	129	382
No. of Invoices generated (count in last 5 years)	3924	8721	5232
No. of Invoices generated (value in last 5 years)	982.66 Cr	1275.23 Cr	571.47 Cr



Figure 6 Invoice Discounting procedure.

The TReDS platform players do provide competitive onboarding facilities for MSMEs which even run down to free onboarding. There is need for awareness among MSMEs regarding the TReDS platform and the benefits provided. Though TReDS platforms does provide awareness sessions, by collaborating with industry associations, Govt officials, and respective MSME consultancies can help MSMEs to gain financial stability with capable cashflow to meet their running cost and financial needs.

SME Exchange (Small and Medium Enterprise Exchange)

SME Exchange is a separate trading platform that has been created by Stock Exchanges in India. The platform supports listing and trading of companies with small market capitalization. It is designed to facilitate the growth of SMEs by providing them with easier access to equity financing. SMEs can raise funds by issuing shares to the public, which can be used for expansion, debt reduction, or other business needs. Being listed on an exchange enhances the visibility and credibility of SMEs, attracting potential investors and business partners. SME exchanges provide a platform for trading shares, offering liquidity to investors and potentially higher valuations for the companies. Listing on an exchange often encourages better corporate governance practices, which can improve operational efficiency and stakeholder confidence. There are two SME Exchanges currently operating in India such as.

1. **NSE Emerge:** An initiative by the National Stock Exchange (NSE) in India, NSE Emerge is designed to help SMEs access capital markets and gain visibility.
2. **BSE SME:** Launched by the Bombay Stock Exchange (BSE) in India, BSE SME caters to the needs of small and medium enterprises, providing them with a platform to raise funds and grow.



Table 14: List of SMEs listed in NSE Emerge from Chhattisgarh and their market value.

Sl.No.	Company	Industry	Listing Year	Fund Raised(Cr.)	Market Cap (Cr.)
1	Shree Vasu Logistics Limited	Logistics	2018-19	9.2	255
2	Jainam Ferro Alloys Ltd	Ferro Alloys	2021-22	19.61	158
3	KN Agri Resources Limited	Agri	2021-22	49.38	600
4	Arham Technologies Ltd	Electronics	2022-23	9.58	262
5	Chaman Mettalics Ltd.	Metals	2022-23	24.21	171
6	Atmastco Limited	EPC, Defense	2023-24	56.25	794
Total Fund Raised				168.23	2240

Leveraging SME exchanges by SMEs in Chhattisgarh can be a significant step towards achieving growth and sustainability. These platforms provide not only financial support but also

enhanced market presence and governance standards. The state government has signed MoU with BSE in 2021 to provide training and capacity building support to District Industries Centre officials of Government of Chhattisgarh. BSE provides intellectual and manpower support to create awareness about the benefits of listing among SMEs. The National Stock Exchange of India (NSE) and the government of Chhattisgarh have signed an MoU in 2022 to spread awareness amongst MSME's of the state regarding fund raising by IPO mechanism using NSE SME Platform – Emerge.



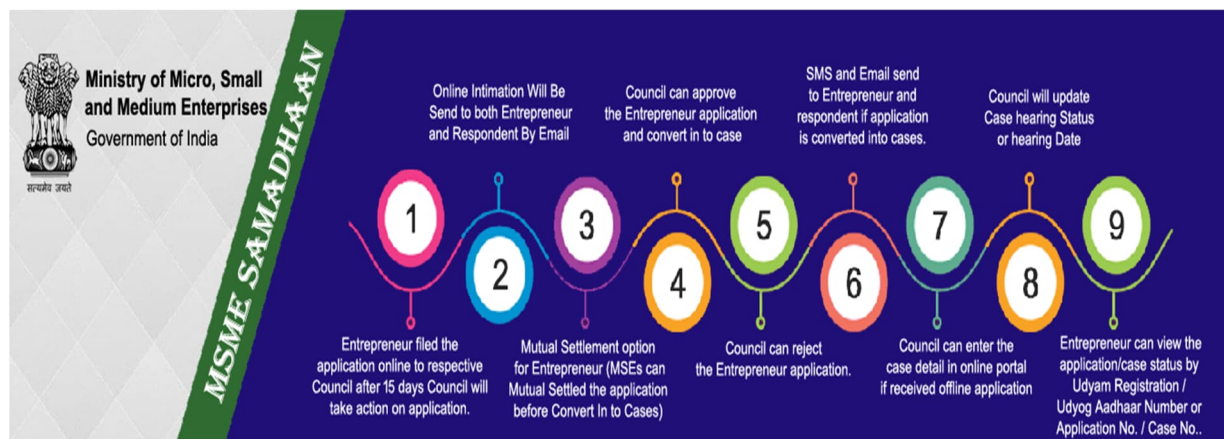
Figure 7: Honourable Minister of Commerce and Industries, Shri, Lakhman Lal Dewangan, inaugurating the workshop conducted by NSE on “SME IPO- Promising Avenue of Fund Raising for SME's” in July'2024.

NSE conducts awareness sessions in each district to educate fellow entrepreneurs on the roadmap to access capital markets and list on the stock exchange. With exchanges doing a lot in terms of creating awareness, the coming years should be interesting for the segment, provided SMEs come to the arena of which stock prices are influenced by fundamentals instead of entities with vested interests.

Payment Disputes

On time payments is critical for any business to survive and ensure on continuity. MSMEs has been struggling to ensure on timely payments. At times there arises cases of disputes and payment gets delayed. The MSME Samadhan portal, is an initiative by the Ministry of MoMSME in India designed to address the critical issue of delayed payments to micro and small enterprises (MSEs). This online grievance redressal system is part of the broader effort to support the growth and sustainability of MSEs, which are a vital component of the Indian economy. The primary objectives of the MSME Samadhan portal are to facilitate timely payment for goods and services within the stipulated time frame as mandated by the MSMED Act, 2006.

To provide transparent and accessible platform for MSEs to lodge complaints regarding delayed payments. To simplify and speed up resolving payment disputes.



Its salient features¹⁷ include:

1. The buyer is liable to pay compound interest with the monthly rests to the supplier on the amount at the three times of the bank rate notified by RBI in case he does not make payment to the supplier for his supplies of goods or services within 45 days of the acceptance of the goods/service rendered. (Section 16 of Act)
2. State Governments to notify (i) Authority for filing Entrepreneur Memorandum (ii) Rules of MSEFC and (iii) Constitution of MSEFC.
3. All States/UTs have notified Authority for Filing Entrepreneur's Memorandum, have Notified rules of MSEFC and all the 37 States/UTs have constituted MSEFCs, as per provisions laid down under MSMED Act 2006.
4. Every reference made to MSEFC shall be decided within a period of ninety days from the date of making such a reference as per provisions laid in the Act.
5. If the Appellant (not being the supplier) wants to file an appeal, no application for setting aside any decree or award by the MSEFC shall be entertained by any court unless the appellant (not being supplier) has deposited with it, the 75% of the award amount. (Section 19 of Act)

Table 15 SAMADHAAN-CG Status

SAMADHAN-Chhattisgarh State Pending Report	
Item	Count/Amount (Cr.)
Applications filed by MSEs	2272
Application Pending	488
Cases Pending	402
Total Pending	890
Amount Payable as per applications Filed	945.71
Amount involved in Pending Applications	179.29
Amount involved in Applications Converted into Case Under various stages of hearing (Rs. Crore)	101.36
Pending Amount (Applications + Cases)	280.65

¹⁷ https://samadhaan.msme.gov.in/MyMsme/MSEFC/MSEFC_Welcome.aspx

Of the total 2272 applications filed by MSMEs in Chhattisgarh, 1382 are resolved. Cases has been lodged against 402 applications. Of the total INR 945.71 crores, INR 665.06 crores has been already paid out through the redressal mechanism and INR 101.36 crores are pending under case. This proves the effectiveness of SAMADHAN System in Chhattisgarh. However, there are concerns being highlighted by MSMEs regarding the authority to enforce the resolution.

Government Programmes

Prime Minister's Employment Generation Programme (PMEGP)

The scheme aims to generate employment opportunities in rural as well as urban areas of the country through setting up of new self-employment ventures/projects/micro enterprises. The scheme also focuses to increase the wage-earning capacity of artisans and contribute to increase in the growth rate of rural and urban employment.

The Scheme is implemented by Khadi and Village Industries Commission (KVIC), as the nodal agency at the National level. At the State level, the Scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks.

The maximum cost of the project/ unit admissible under manufacturing sector is Rs.50 lakh and under business/service sector is Rs.20 Lakh.

Under this scheme, the beneficiary is only required to invest 5-10% of the project cost, while the government provides a subsidy of 15-35 % of the project cost based on various criteria. The remaining funds are provided to the entrepreneur as term loans by the participating banks.

PMEGP provides funds annually to the nodal agency, KVIC for this scheme. KVIC thereafter decides the state level targets which are notified to the SLBCs in each state. The borrowers can either apply on KVIC PMEGP Portal or directly seek bank for loans under PMEGP scheme.

Table 16: Achievement of State in implementing the PMEGP scheme in Chhattisgarh.

Period	Number of Projects	Margin Money (INR Lakh)	Employment
2020-21	2718	6062.77	21744
2021-22	3020	6941.44	24160
2022-23	1772	4995.13	14176

Chhattisgarh stands 19th among the States and UTs in terms of the Margin money provided in the year 2023-24, 18th in terms of the number of projects and employment generated through the PMEGP scheme.

Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

CGTMSE is a trust established by the Government of India, under the Ministry of Micro, Small and Medium Enterprises (MoMSME) and Small Industries Development Bank of India (SIDBI), to provides Guarantees for extending collateral free lending to Micro and Small Enterprises

through banks and financial institutions (including NBFCs). The Scheme covers collateral free credit facility (term loan and/ or working capital) extended by eligible lending institutions to new and existing micro and small enterprises up to Rs. 200 lakh per borrowing unit. The guarantee cover provided under this scheme varies from 75 % to 85 % depending upon the quantum of loan and type of beneficiary. A nominal amount towards an Annual Guarantee Fee for the credit facility sanctioned is charged on the outstanding loan amount.

Table 17 Performance of Chhattisgarh in CGTMSE scheme (from 2018-19 to 2022-23)¹⁸

Period	Number of Cases	Credit Guarantee Extended Amount (in Rs. Cr.)	Number of Claims Settled	Claims Settled Amount (Rs. in Cr.)
2018-19	5252	497.3	455	7.22
2019-20	13920	694.98	428	5.99
2020-21	10662	452.52	258	4.47
2021-22	9609	770.11	532	9.12
2022-23	8233	687.91	480	8.47

Micro and Small Enterprises Cluster Development Programme (MSECDP)

The Small Industries Cluster Development Programme (SICDP) was started in the year 1991 by the Government of India's Ministry of Micro, Small and Medium Enterprises (MSMEs) with the aim of promoting and developing small-scale industries in the country. The program was launched as a centrally sponsored scheme to provide financial and technical assistance to MSMEs located in clusters, with the objective of enhancing their competitiveness and productivity.

In October 2007 the erstwhile SICDP scheme was renamed as MSE-CDP (Micro and Small Enterprises – Cluster Development Programme). The scheme intends to support the sustainability and growth of MSEs by addressing common issues such as improvement of technology, skills, quality, market access, etc., through a cluster approach. The latest revamped MSE-CDP scheme aids with Hard interventions, i.e., setting up of Common Facility Centre (CFCs) with maximum eligible project cost of Rs 15.00 cr with GoI contribution of 70% (90% for special category States and for clusters with more than 50% women/micro/village/ SC/ST units). Infrastructure development in the new/ existing industrial estates/areas in which the maximum eligible project cost is Rs 10.00 cr, with GoI contribution amounting to 60% of project cost (80% for special category States and for clusters with more than 50% women/micro/SC/ST units).

A total of 222 CFCs and 335 Infrastructure Development Projects have been approved across India. Chhattisgarh is yet to leverage the scheme for establishment of CFC. However, the State

¹⁸ <https://dashboard.msme.gov.in/cgtmse.aspx>

has utilised the scheme in developing 8 industrial infrastructure development projects and 1 ongoing project. It is proposed to strengthen 10 existing Industrial areas by upgrading the existing infrastructure and establish Common facility Centres in 5 Industrial areas/ park (List provided in the table below) under the scheme.

Table 18 Improving industrial infrastructure by leveraging MSE-CDP scheme.

Sr.	Name of Industrial Area	District	Proposed Upgradation Work
1	Teknar	Dantewada	Common Facility Center
2	Pharsabahar	Jashpur	Common Facility Center
3	Sukma	Sukma	Common Facility Center
4	Lakhanpuri	Kanker	Common Facility Center
5	Food Park Bagaud	Dhamtari	Common Facility Center
6	Sirgitti	Bilaspur	ETP and upgradation of road, drain & streetlights
7	Bhanpuri	Raipur	ETP and upgradation of road, drain & streetlights
8	Urla	Raipur	ETP and upgradation of road, drain & streetlights
9	Engineering Park Bhilai	Durg	ETP and upgradation of road, drain & streetlights
10	IIDC, Kapan	Janjgir-Champa	Upgradation of road, drain and streetlights
11	Kabirdham	Kabirdham	Upgradation of road, drain and streetlights
12	Borai	Durg	Upgradation of road, drain and streetlights
13	Korba	Korba	Upgradation of road, drain and streetlights
14	Birkoni	Mahasamund	Upgradation of road, drain and streetlights
15	IIDC Bartori	Raipur	Upgradation of road, drain and streetlights

Chhattisgarh ranks 16th in utilising the MSE-CDP scheme. This indicates that the State has potential to leverage the scheme in providing CFCs in clusters present in the State.

SFURTI (Scheme of Fund for Regeneration of Traditional Industries)

During the period from 2015-16 to 2021-22, Rs.106089.56 lakhs have been approved covering 371¹⁹ clusters for assistance to clusters identified under the scheme benefitting 251036 artisans. 103 cluster projects have been inaugurated or commissioned. 4 clusters from Chhattisgarh have been approved of which 3 projects have been commissioned, the details of which are provided in the table below:

Table 19 SFURTI Clusters Commissioned in Chhattisgarh

(Amount in Rs. Lakhs)

Sl. No.	Cluster	Technical Agency	Implementing Agency	No. of Artisans	GOI Grant/ NA share	IA/SPV share
1	Bamboo Craft Cluster	SF Consultant	Shikhar Yuva Manch	903	344.88	30.6
2	Bastar Handicraft Cluster	XIM, Bhubaneswar	TRIWE	600	98.03	14.75
3	Pressed Dry Flower Cluster, Raipur	XIM, Bhubaneswar	Auroarts Society	389	93.15	25

Chhattisgarh is known for its Dokhra arts and Kosa silk. Bamboo crafts and wood crafts are also quite popular with some of these having obtained GI tagging. Considering the heritage of handicrafts and handlooms in the State owing to the large share of SC and ST population, the State has not leveraged the scheme to its full potential.

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

ASPIRE was launched by Govt. of India with an objective to set up a network of technology centres, incubation centres to accelerate entrepreneurship and to promote startups for innovation and entrepreneurship in rural and agriculture-based industry. It also includes the setting up of Technology Business Incubators (TBIs). Two Livelihood incubators (LBI) have been established under the scheme in Chhattisgarh at Raipur and Durg.

¹⁹ Min. of MSME Dashboard

CHAMPIONS schemes

ZED scheme

MSME Sustainable (ZED) Certification is an extensive drive to create awareness amongst MSMEs about Zero Defect Zero Effect (ZED) practices and motivate and incentivize them for ZED Certification while also encouraging them to become MSME Champions.²⁰

The ZED certification envisages promotion of Zero Defect Zero Effect (ZEDs) practices amongst MSMEs to:

- ▶ Encourage and enable MSMEs for manufacturing of quality products using latest technology and tools.
- ▶ Develop an ecosystem for ZED manufacturing in MSMEs.
- ▶ Enhancing competitiveness and enabling exports
- ▶ Promote adoption of ZED practices

There are 3 levels of certification. The process of certification in ZED scheme is provided in following figure.

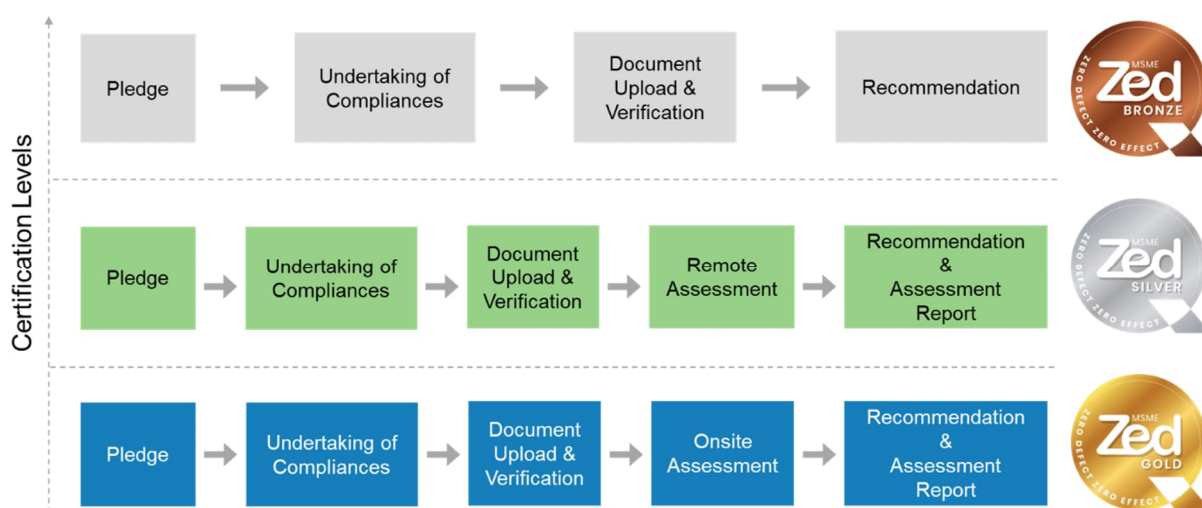


Figure 8 ZED Certification Process

The assessors are associated with an Assessment Agency (AA) that are empanelled with QCI (IA). They conduct assessment (or simply audit). They are not supposed to provide any service to the MSME when they are involved in audit activities. The assigning of audits to an AA is done by the IA; this may be based on the geographical location(s) of the AA (along with their branches) and relatively to cover the spread in terms of no. of audits other AAs are allocated.

There are 1941 MSMEs who have obtained ZED certifications in Chhattisgarh²¹ (as on 1st May 2024). The pace of MSMEs obtaining ZED certifications have picked up pace recently. This can be attributed to the push from the Ministry to drive the CHAMPION schemes, ZED in particular.

²⁰ Guideline Cover.cdr (investindia.gov.in)

²¹ <https://zed.msme.gov.in/zed-certified-msmes>

Quantum of ZED Certifications in CG



Figure 9 ZED Certifications in CG

Top 10 Districts with higher no. of Certifications



Figure 10 Districts with highest ZED Certification in CG

Enterprises engaged in activity of manufacturing of fabricated metal products, except machinery and equipment have the greatest number of ZED certifications in the State (574) followed by Textile manufacturing enterprises (299) in the second position and wearing apparel manufacturers (265) in the third position.

MSME Innovative Scheme

Govt. of India has come up with different schemes and programmes to promote innovation in the country like Startup India, Atal Incubation Mission, ASPIRE and MSME Innovate scheme under umbrella of CHAMPIONS schemes. As per NITI Aayog, there has been a rise in the number of Atal Incubation Centres (AIC) from 13 in 2017 to 69 in 2022. Also, there are 1,17,254 Department for Promotion of Industry and Internal Trade (DPIIT) recognised startups as on 31st

December 2023²². In the period from 2019 to 2023 Chhattisgarh added 1047 DPIIT recognised startups creating an employment of about 9500 persons.

MSME Innovate Scheme has three components namely Incubation, Design and Intellectual Property Rights. The scheme aims to enhance MSME competitiveness and transform them as National and International Champions. The incubation component of the scheme aims to promote and support untapped creativity and to promote adoption of latest technologies in MSMEs that seek the validation of their ideas at the proof-of-concept level. The Incubation component comprises of the following:

- ▶ Recognition of eligible institutions as Host Institute (HI) to act as Business Incubator (BI)
- ▶ Approval of Ideas of Incubates submitted through Host Institute (HI)
- ▶ Assistance for nurturing of Ideas to HI
- ▶ Assistance towards Capital Support to HI for Plant and Machinery

In Chhattisgarh there are 15 Host Institutions which accounts to 2% of the total HIs approved in the country. 93% of the HIs are Higher educational institutions²³.

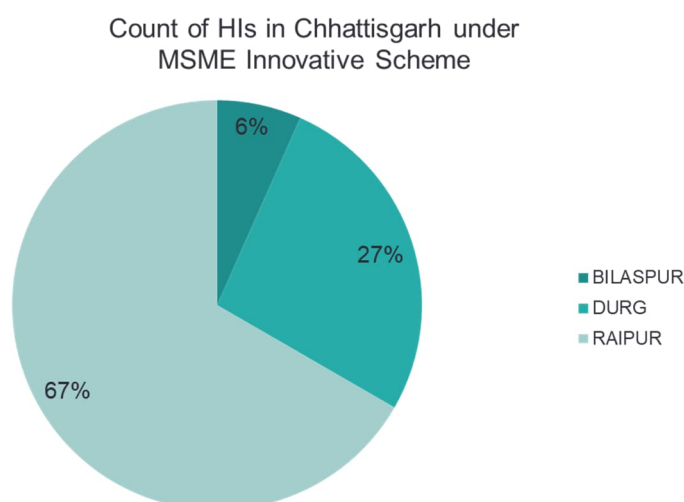


Figure 11 Count of HIs in Chhattisgarh under MSME Innovative Scheme

The objective of the Design component of the Innovative scheme is to bring Indian manufacturing sector and Design expertise/ Design fraternity on to a common platform. It aims to provide expert advice and cost-effective solution on real time design problems for new product development, its continuous improvement and value addition in existing/new products. The IPR component offers legal and intellectual property filing support including patents, trademarks, copyrights, designs, geographical indications (GI) etc. The programme also provides IP advisory, consultation, Patentability Searches, Technology Gap Analyses and IP commercialisation through establishment of Intellectual Property Facilitation Centres (IPFCs) across the country. The component includes activities like establishment of Intellectual Property Facilitation Centres (IPFCs) and reimbursement for registration of Patent, Trademark, Geographical Indications (G.I.), design through IPFCs.

²² Press release by Min. of Commerce & Industries, dated 2 February 2024

²³ [HI List \(msme.gov.in\)](https://msme.gov.in) dated 8 July 2024

LEAN scheme

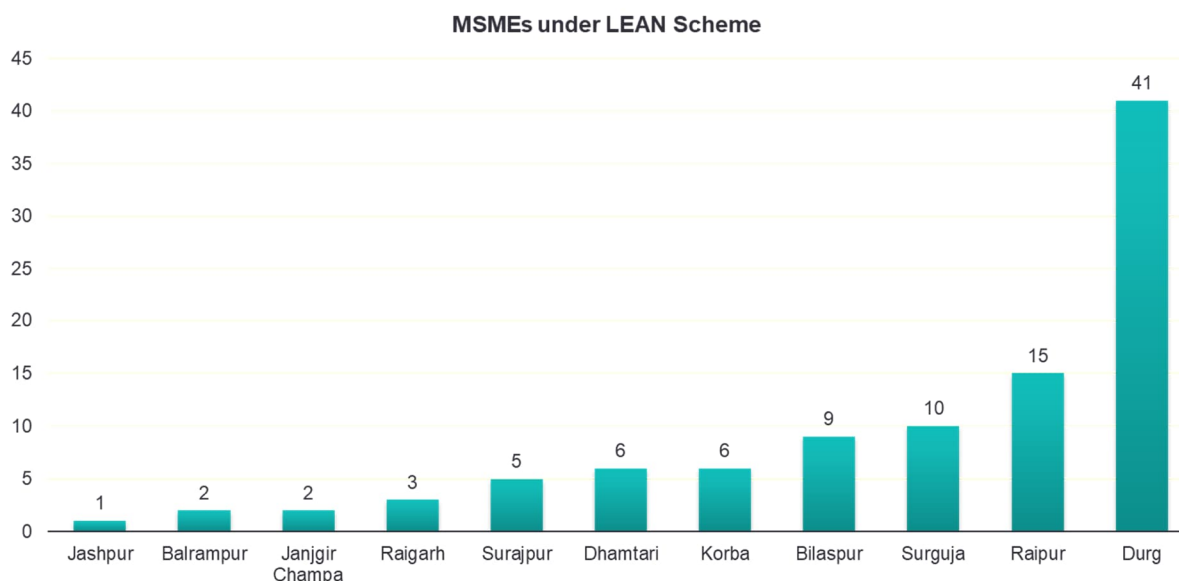


Figure 12 Number of Enterprises under lean scheme from Chhattisgarh (District wise count)

There are 100 enterprises from the State availing the LEAN scheme. Interestingly all these enterprises that are availing the scheme are micro enterprises. Durg leads the districts with enterprises availing the scheme with a share of 41%. 83% of these enterprises have undertaken the Pledge and need to initiate the certification process while 17% have completed basic certification²⁴.

2.3.5. Market Dynamics

Sectoral Perspective

For sectoral analysis, traditional, mature and priority sectors have been discussed with respect to the current MSME ecosystem of Chhattisgarh. In the subsequent sections, certain sectors each from priority, traditional and mature have been identified for identifying sectoral challenges in the State. Subsequent sections provide a summary of these findings.

High Priority Sector

Chhattisgarh Industrial Policy has identified high priority sectors which include 1. Herbal, Medicinal plant and minor forest produce based industries. 2. Automobile, Auto components. 3. Pharmaceutical industry. 4. White goods, electronic and electrical consumer products. 5. Industries based on robotic technology, artificial intelligence technology, information technology and information technology-based service industry. 6. Products covered under Biotechnology and Nanotechnology. 7. Textile industry (Spinning, Weaving, power loom and fabrics & other processes). 8. Product/equipment/spares for the supply to Railway, Space, Defence institutes / departments, telecom, and aviation companies. 9. Industries established in the private sector using foreign technology as joint ventures of foreign company and Indian company. 10. Export industry. 11. Refinery for Biofuel/Ethanol (subject to procurement of excess paddy from MARKFED during Kharif crop & based on cooperative sugar industries). 12. Electric two-wheeler, three-wheeler and four-wheeler vehicles and manufacturing of batteries for them. 13.

²⁴ [Lean MSME](#) dated 8 July 2024

Manufacturing of charging stations equipment for electric vehicles. 14. Aerospace, Aircraft repair (MRO). 15. Processing industries of Flowers, fruits, vegetables, and other horticulture produced in the State. 16. Other such category Industries which may be notified by the State Government from time to time.

For RAMP study, Minor Forest Produce Industry has been identified for sector wise study based on its potential scale of impact it can provide to MSMEs in the State. Some of the recent initiatives in the sector has been summarised.

Minor Forest Produce

Chhattisgarh has abundant minor forest produce like Tendu leaves, Sal seed, Mahua, etc. Medicinal herbs, aromatic plants, flowers, bamboo, lac and honey are other potential money earners for the state. These MFPs are used by rural communities as medicine, food supplements and moreover, the rural communities earn substantial income especially during non-agriculture season through the collection and sale of these produce. Currently, trade in specified MFP is organized and controlled by the Chhattisgarh State Minor Forest Produce (T & D) Co-operative Federation through three tier Co-operative bodies. The unorganized trade of non-specified MFP/Medicinal plants has led to low collection prices to the gatherers and unsustainable harvesting of MFP from forest areas. Moreover, secondary processing and industrial units are mainly located outside the state.

Chhattisgarh Government has declared the state as "Herbal State" with an objective to conserve plant Resource in natural form. Cultivation of medicinal plants in and outside the forest, non-destructive harvesting, promotion of organized trade and promotion of MFP based industries for processing of MFP to generate the additional employment opportunities in the state, improve socio-economic status of rural communities and provide health cover are the main activities taken up by the MFP Federation to achieve the objectives of herbal state.

'Chhattisgarh Herbals' products are being manufactured in production units run by women SHG members across different locations in the State of Chhattisgarh. Many of them are situated in remote corners of the state, but close to the tribal population centres. 'Chhattisgarh Herbals' brand is owned by Chhattisgarh State Minor Forest Produce (Trading & Development) Co-operative Federation Ltd. (CGMFP Federation), Nava Raipur.

As per the Federation, the state set a record with its procurement of MFP under the minimum support price (MSP) programme in 2020 — accounting for nearly 47,000 metric tonnes or 73 per cent of the MFP procured (worth INR 18.63 crores) at MSP by the central government from across the country. Abundance of MFP has made Chhattisgarh the largest contributor to the country's non-timber forest produce pool ever since these products were brought under the central government's MSP regime in 2013-14.

It is estimated that annually 2987558 quintals of MFP are produced in the State, estimating a total value of Rs. 1078.10 crores.

Specified Minor Forest Produce are the one for which the trade monopoly lies with the state government. The collection and sale of Specified Minor Forest Produce is done by C.G.M.F.P. Federation being the only agent of State Government. The Federation sells the collected produce by inviting National level e-Tenders and conducting e-Auctions. The state monopoly has been created to ensure payment of fair price to the rural gatherers of forest produce. Tendu leaves (*Diospyros melanoxylon* roxp) and Gums [Category I - Kullu (*Sterculia urens*) Gum & Category II - Dhawda (*Anogeisus latifolia*), Babool (*Acacia indica*) and Khair (*Acacia catechu*) Gum] are the Specified MFPs in the state.

Non-Specified Minor Forest Produces are those Minor Forest Produces on which the state does not have any monopolistic control. Nevertheless, the state develops these resources through

enabling policy. M.F.P. Federation promotes their in-situ conservation, value addition, processing and marketing of minor forest produce to provide maximum benefits to the local communities and the MFP collectors.

However, CGMFPFED is working for marketing of the products, the processing of MFP at village and cluster level is very limited. Despite government providing Minimum Support Price on selected MFP, middlemen still play an important role in determining the market for collectors of MFP at village level. This is another reason for lesser number of MSMEs being established in this sector due to shortage of raw material supply throughout the year. Middlemen buy the produce and sell it to larger players. Government intervention in tying up with companies like Dabur, Zandu, Himalaya, etc. can prove to be beneficial in tapping the full potential this sector holds. In addition to it, a detailed study about the availability of varied MFPs in state and building capacities of collectors for its processing using GMP can considerably contribute in increasing their income.

Exports	-
Cluster	139 Van Dhan Vikas Kendras set up in the State consisting of 300 beneficiaries each
Products	<ul style="list-style-type: none"> • Primary processed MFPs like Tendu leaves, Harra, Mowha, Sal seeds etc. • Herbal products (Sanjeevani) • Sal seeds, gum • Mouha flower, seed, value added products like laddu, cookies • Harra • Tamarind • Lac (Kusumi, Rangini) etc.
MSME Presence in Value Chain	<ul style="list-style-type: none"> • Raw Material primary processing centres/SHGs • Van Dhan Vikas Kendras • FPC/FPOs like Mahanadi Farmer Producer Company Limited (MFPCL), Kanker • Warehouses and Cold Storages
Stakeholder ecosystem	<ul style="list-style-type: none"> • Sanjeevani (State manufacturing PSU) • Van Dhan Vikas Kendras • CGMFP (Trading & Development) Co-operative Federation Ltd. • TRIFED • Farmer Producer Companies/ Organisations • Forest Department

Priority Sector

According to the Chhattisgarh Industrial Policy, 14 priority sectors have been identified which include: 1. Cycle and product/accessories/spares used for manufacturing of cycle. 2. Plant/machineries/engineering products and their spares. 3. Downstream product based on non-ferrous metal. 4. Downstream product based on Aluminium. 5. Industries based on food processing and agriculture as defined by Government of India (Except Rice mill, Paddy

parboiling and cleaning, Huller mill, Murmura Mill and Rice Bran Solvent Extraction Plant and Refining of edible oil (Independent unit)/refinery). 6. Branded dairy product (Including milk chilling). 7. Manufacturing of Plant & Machinery and equipment required for the generation of power from new and renewable sources. 8. Manufacturing of Machinery and equipment required for generation, transmission, and distribution of electricity. 9. Gems and Jewellery. 10. Medical and laboratory equipment. 11. Sports goods. 12. Production of Liquid fuel/gas/petroleum product from coal. 13. Production of organic manure, organic pesticide, and bone meal. 14. Other such category Industries which may be notified by the State Government from time to time.

Among the industries falling in priority sector, Food Processing Industry, Handloom and Handicraft sector have been identified for studying the potential scale of impact it holds for strengthening the MSMEs in the State under RAMP. Recent initiatives, trends, challenges, and potential along with value chain has been discussed in the sector.

Food Processing Industry

Chhattisgarh, brimming with agricultural potential, is rapidly emerging as a key player in the India's food processing industry. It is recognized as a "sunrise sector" by the government and can be a powerful driver for agricultural development and economic growth.

As on June 17, 2024, for availing the benefits of the PMFME scheme, 2131 applications have been submitted, of which 614 loan applications have been sanctioned, and 505 loans have been disbursed. A total of 493 application shave been submitted for the One district One Product initiative as well. The PMFME scheme support in terms of:

- ▶ Food processing entrepreneurs through credit-linked capital subsidy @35% of the eligible project cost with a maximum ceiling of Rs.10 lakh per unit.
- ▶ Seed capital @ Rs. 40,000/- per SHG member for working capital and purchase of small tools.
- ▶ Credit linked grant of 35% for capital investment to FPOs/ SHGs/ producer cooperatives.
- ▶ Support for marketing & branding to micro-units.
- ▶ Support for common infrastructure and handholding support to SHGs, FPOs and Producer Cooperatives.
- ▶ Providing Capacity building and training support to increase the capabilities of the enterprises and upgradation of skills of workers.

Exports	-
Processed Produce	<ul style="list-style-type: none"> ▶ Pulses ▶ Rice ▶ Bitter Gourd ▶ Mangoes ▶ Guava ▶ Jackfruit ▶ Tomato ▶ Kodo Millet ▶ Herbal Tea ▶ Honey ▶ Ginger ▶ Mahua ▶ Custard Apple ▶ Sugarcane
MSME Presence in Value Chain	<ul style="list-style-type: none"> ▶ Rice Mills ▶ Honey Processing and Bottling Units ▶ Kodo Millet Processing Units
Stakeholder Ecosystem	<ul style="list-style-type: none"> ▶ Department of Agriculture, CG ▶ Chhattisgarh State Minor Forest Produce Co-operative Federation Limited ▶ Chhattisgarh Millet Mission ▶ Agricultural & Processed Food Products Export Development Authority (APEDA) ▶ Indira Gandhi Krishi Vishwavidyalaya (IGKV), Raipur

The CSIDC has been appointed as the State Nodal Agency for implementing the Govt. of India scheme, PMFME in Chhattisgarh, and it has approved 28 One-District-One-Product items.

While the sanction rate of loans under the scheme has a chance for improvement, the disbursement rate of loans has been significantly higher. This showcases effective disbursal process for applications sanctioned. There are exploratory options which can improve the areas taken into consideration while taking into consideration the application processes in the longer run for betterment of the MSMEs.

The State Government of Chhattisgarh has been providing incentives to food processing and Agri-based industries across the state to enhance the income of farmers. The state has set up multiple food parks and a mega food park to give an impetus to the food processing sector's growth. The development of cold chain, primary processing centres & preservation infrastructure in both horticulture and non-horticulture in rural areas has been the priority of the state. The government has set a target of establishing a food park in each development block. All new micro, small, medium, and large food products processing industries to be established in the State will get full exemption from mandi tax imposed on agricultural products for five years from the date of purchase of raw materials from the state mandis, with a maximum limit of INR 2 Crore per year.

The State has completed the infrastructural development of five food parks and the infrastructural development of nine food parks is in progress. Additionally, an Incubation Centre (Agri Business Incubator) has been set up by the Indira Gandhi Krishi Vishwavidyalaya (IGKV), Raipur where a financial assistance of maximum up to Rs. 25 lakhs will be granted to potential startups that have a minimum viable product (MVP) based on innovative

solutions/processes/products/services/business model in agriculture and allied sectors. The amount of Rs. 25 lakhs is the upper limit of the seed fund assistance.

- A) Food Park –Dhamtari District: Spanning on a total of 68.68 hectares of land in Bagaud village of Dhamtari District the food park estimates a project cost of INR 45 crores. So far, the land has been allotted to 40 units, out of which six units has started production and eight units are under construction.



Figure 13: Mega Food Park, Dhamtari

- B) Indus Best Mega Food Park located 40 km from Raipur on the Raipur-Bilaspur Highway, spans 68 acres and offers comprehensive facilities. Inaugurated on 3rd June 2021 by the Hon'ble MoFPI Minister and the Hon'ble Chief Minister of Chhattisgarh, it is strategically situated 60 km from Raipur Airport, 15 km from Tilda Railway Station, and 600 km from Vizag Port. Last year, it produced 7,000 MT of tomato paste, 500 MT of RPC, 700 MT of RCP, and 200 MT of amla pulp, along with IQF products including 1,000 MT of green peas, 200 MT of diced carrots, 200 MT of sweetcorn, and 200 MT of cauliflower. The park features 3,622 meters of internal roads, stormwater drainage, rainwater harvesting, and a water management system capable of meeting a 5.0 MLD demand. Core processing facilities include 3,000 MT of cold storage at -20°C, 4,000 MT of cold storage at 0-10°C, 800 MT of ripening chambers, 12,000 MT of dry warehouses, a 2.5 MT/h IQF line, 10 MT of blast freezers, and a 6 MT/h aseptic pulp and packaging line. Non-core facilities include a 1,940 sqm administrative block with a post office, bank, dispensary, and training center. The park supports MSMEs with 4,047 sqm of standard design factories and 32 plots for food processing units. Primary Processing Centers in Raipur, Bilaspur, and Durg enhance its capabilities with additional storage and processing facilities. Indus Best Mega Food Park is a pivotal hub for food processing in the region, offering state-of-the-art infrastructure and extensive support for various activities.



Figure 14: Indus Best Mega Food Park, Raipur

Land acquired by CSIDC and Progress Update of Food Parks established in the State		
Description	Total Number	Total Areas (in hectares)
Number of villages in 20 districts of State where land have been allocated for Food Park	43	472.045
A Latest approved Food Parks projects by the government	19	186.728
i) Number of completed Food Parks	07	66.848
ii) Number of Food Parks in progress	08	75.078
iii) Number of Food Parks not started	04	44.804
Total	19	186.728
B Number of proposed new Food Parks/ Small Industrial areas in FY 2024-25	08	82.969
C Number of proposed new Food Parks/ Small Industrial areas in coming financial Years	16	202.348
Total sum (A+B+C) = (19+08+16) =	43	472.045

Figure 15 Update of Food Parks established in the State.

Handicraft Sector

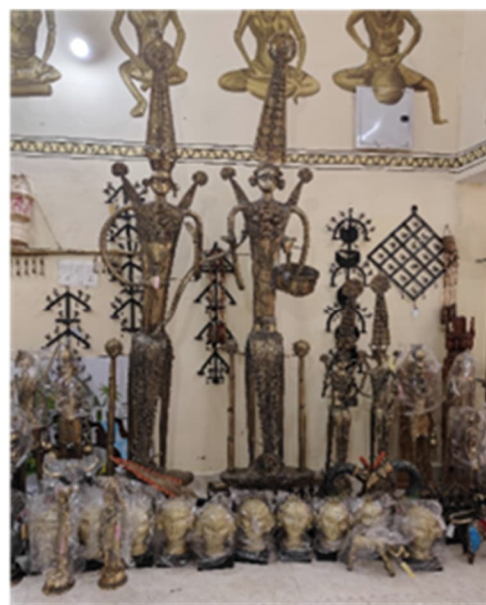
The Indian handicrafts sector employs approximately 3.5 million people and contributes around



Rs. 36,000 Crores in foreign exchange annually. It plays a crucial role in the rural economy, reflecting the country's cultural diversity. However, challenges like low productivity, inadequate wages, and declining interest among the younger generation persist, these challenges exist in Chhattisgarh too.

In Chhattisgarh, there are about 25000 artisans engaged in 15 different crafts. Government initiatives aim to boost productivity and enhance market access for artisans.

Chhattisgarh Handicraft Development Board (CGHDB) functions as the highest governing body for primary handicrafts co-operatives. Currently, Chhattisgarh Handicraft Development Board oversees co-operative societies and operates 15 showrooms within the state. During the financial year 2023-24, the emporiums across state reported a turnover of ₹5.08 crores.



The Chhattisgarh Handicraft Development Board promotes and markets handicraft products to ensure fair compensation for artisans. They operate showrooms in various locations, including Raipur and other major destinations in India. To effectively reach out to the markets, the CGHDB has come up with a series of emporiums by the name of "Shabari" across the state. It aims to uplift indigenous artisans in Chhattisgarh, including carpenters, goldsmiths, blacksmiths, potters, masons, and others in handicrafts. CGHDB also supports artisans

through government welfare schemes, including a dedicated market area for the marketing of handicraft products in Raipur. The Board implements financing and welfare schemes and conducts training programs for artisans.

Exports	-
Products	<ul style="list-style-type: none"> • Bell Metal Crafts • Wood Crafts • Sisal Crafts • Wrought Iron Crafts • Stone Carvings • Terracotta • Godna Art
MSME Presence in Value Chain	<ul style="list-style-type: none"> • Bell Metal Crafts Manufacturing Units • Stone Carvings Cluster • Wood Crafts Manufacturing Units
Stakeholder Ecosystem	<ul style="list-style-type: none"> • Department of Rural Industry • Chhattisgarh Handicraft Development Board • Shabri Emporium • National Rural Livelihood Mission (Bihar) • Khadi and Village Industries Board • Marketing Outlets • Community Based Organizations

Handloom Sector

The sector is mainly concentrated in Janjgir Champa and Jagdalpur District and in some parts of Raigarh, Gariyaband, Korba, Dhamtari, Balod, Rajnandgaon districts. The handloom



products are rooted in specific locales, and some of the major varieties produced are dhotis, furnishing material, bed sheets, shirt, sarees and lungi. Out of these varieties Kosa Silk of Janjgir Champa also possess Geographic Indication (GI) tag.

The handloom sector is one of the major cottage industries in Chhattisgarh, with about 18000 looms in the State and employing around 54000 persons directly and indirectly (as per recorded in official website of CG Handloom Department). According to the Fourth All India Handloom Census 2019-20, Chhattisgarh is among the top 5 states with highest average number of person days of work in weaving activities with 290 days of engagement. The distribution of weavers is uneven with a greater number of males being weavers than number of females involved in weaving. However, reverse is the case with weavers involved in allied activities.

Supporting Ecosystem

Exports	-
Products	<ul style="list-style-type: none"> • Kosa Silk Sarees • Cotton Sarees • Bed sheets. • Towels • Shirts • Dhotis • Furnishing Materials • Furnishing
MSME Presence in Value Chain	<ul style="list-style-type: none"> ▶ Village level Handloom Co-operative Societies ▶ State level Handloom Federation ▶ Handloom Clusters ▶ Private Showrooms ▶ Government Showrooms – Bilasa & Shabari Emporium
Stakeholder Ecosystem	<ul style="list-style-type: none"> ▶ Department of Rural Industry ▶ Chhattisgarh State Handloom Department ▶ Chhattisgarh State Handloom Development and Marketing Cooperative Federation ▶ Chhattisgarh Khadi Gramodyog Board ▶ Handloom Co-operative Societies ▶ Indian Institute of Handloom Technology ▶ Central Silk Board ▶ Chhattisgarh Sericulture Department

Chhattisgarh Khadi Gramodyog Board The aim of KVIB is to promote the khadi and handloom products through its marketing outlets as well as inter district and state expo's.	Chhattisgarh State Handloom Development and Marketing Cooperative Federation Chhattisgarh State Handloom Development and Marketing Cooperative Federation is the apex body of primary handloom weaver's cooperative societies in Chhattisgarh. It has about 284 primary weavers cooperative societies associated with it. Its objectives are Provide resource, technical assistance to the weavers, enable them to develop and improve their methods of manufacture, management, production techniques and marketing of their products.	Chhattisgarh State Handloom Department Chhattisgarh State Handloom Department is incorporated for the welfare and development of traditional weavers in the handloom sector. Its aim is to promote and strengthen the handloom sector in the State.
<u>Indian Institute of Handloom Technology (IIHT)</u> IIHT, Champa was established by Government of India to provide technical support system.		
<u>Central Silk Board</u> Central Silk Board is established with the aim to make continuous efforts in Research and Development and Technology Transfer to handloom sector.		

Chhattisgarh State Handloom Department, Chhattisgarh State Handloom Development and Marketing Cooperative Federation, Chhattisgarh Khadi Gramodyog Board are the major stakeholder institutions involved in the development of the handloom sector in the State. Alongside, there is Indian Institute of Handloom Technology (IIHT, Champa) to provide higher education in the handloom sector and Central Silk Board.

Core Sectors

As mentioned in the Industrial Policy of State, Core sector include 1. Steel Plant. 2. Cement Plant. 3. Thermal Power Plant. 4. Aluminium Plant. A detailed study of Iron/Steel and Engineering sector has been done under RAMP.

Iron, Steel and Engineering

Chhattisgarh is among the richest Indian states in terms of mineral wealth, with 28 varieties of major minerals, including diamonds and ranks second in the country in mineral production. The state holds a major share of coal deposits in India, which has led to the State also being a major power producer and being power surplus. It is the only state in India to have tin ore reserves. About one-fifth of the iron-ore in the country is mined in the state and one of the best-quality, iron-ore deposits in the world is found at the Bailadila mines in the South of Chhattisgarh from where it is exported to Japan and other countries. Rich deposits of bauxite, limestone, dolomite, and corundum are also found in the state, making it the ideal location for low-cost of production of end products such as cement and aluminium. In 2021, the state had contributed 14.4 per cent of national mineral production.

The state is the iron and steel hub of the country. The Bhilai Steel Plant of Steel Authority of India Ltd (SAIL) produces more than 3 million tons of iron and steel per annum. In addition, substantial capacities have been set up by the private sector.

- Chhattisgarh contributes 28 per cent of India's sponge iron production; it has 91 plants in the sector.
- The state ranks third among all the iron-ore producing states in India; and
- In 2008-09, the state produced around 32.9 million tons of iron-ore.
- The state has abundant limestone reserves that support a strong cement sector.
- Chhattisgarh accounts for around 5 per cent of the total limestone reserves in India.
- In 2008-09, the state produced 15.6 million tons of limestone.
- The state has nine major and 12 minor cement units; majority of the cement production units are concentrated in the Raipur area; and
- In 2009-10, total cement production in the state was 8.7 million tons.

Compared to other States, it has relatively better availability of 'modern' factors of production- locally available and abundant raw material, good quality land, adequate and clean water, low-cost labour, surplus power, and proximity to two major ports of the country. However, despite these qualifications the State has been unable to attract the scale of investments that it has potential for, primarily owing to reasons cited earlier- poor physical infrastructure, limited skilled labour, locked resources and LWE.

Major Concentrations:

Raipur

- Rich reserves of minerals, limestone and coal make Raipur district one of the key industrial centres in the State.
- Naya Raipur city is the administrative State capital, and the Government proposes to develop the city into a new world class capital city.
- Raipur has 158 large and mid-scale industries with prominent players such as Monnet Ispat, Jindal, Century Cement, Lafarge, Ambuja Cement, Ultratech Cement

Bilaspur

- The presence of South-Eastern Coalfields Ltd in the region has ensured thriving operations for the ancillary industrial units in the area.
- The Sirgitti Industrial Growth Centre spread over 338 Ha is in this region.
- Bilaspur is also the zonal headquarter of SEC Railway Zone, which is one of the most profitable railway zones in India, contributing about 17% in revenues of the Indian Railways

Korba

- Known as the Power Capital of India, the region has rich reserves of coal and bauxite.
- Connected with Bilaspur and 200 kms from the Raipur airport.
- Major industries present in the region operate in the areas of mining (coal and bauxite), electricity generation and aluminium production.

Durg – Bhilai

- Rich in mineral deposits especially iron ore, limestone, and quartzite.
- Well, connected by road and 50 km away from the Raipur airport.
- Major players located in the region include Bhilai Steel Plant Steel Authority of India (SAIL) and ACC.
- The Borai Industrial Growth Centre spread over 397 Ha is a major industrial region.

Table 20: Chhattisgarh Steel plants by capacity

Key Companies	Total Capacity
Bhilai Steel Plant	6.56 MTPA
Nagarnar Steel Plant	3 MTPA
Jindal Steel & Power	3.6 MTPA (expansion of 6 MTPA by April 2025)
Vandana Global Ltd.	1.8 LTPA
Arcelor Mittal Nippon Steel India Ltd. (Beneficiation Plant)	8 MTPA
HIRA Steels Ltd.	1.2 LTPA
Jayaswal NECO Industries Ltd.	1 MTPA
BALCO	5.7 LTPA (13.9% of India's aluminium production capacity of 41.29 LTPA)
NTPC	7180 MW (Sipat – 2980 MW, Korba – 2600 MW, Raigarh – 1600 MW)

Export

In 2021-22, Chhattisgarh accounted for 0.80% of India's export market. Despite a recent decline over the past two years, resulting in a reduced state share of 0.59% in 2022-23 and 0.46% in 2023-24, there remain significant contributions from key sectors. Notably, the Mining, Engineering, and Manufacturing industries collectively represented 49.24% of Chhattisgarh's total exports for 2023-24, amounting to a substantial 63.85 billion INR. This highlights the state's robust industrial capabilities and potential for future export growth.

Export and Global Value Chain Linkages.

Chhattisgarh is the land of opportunities with high level of potential and prospects. The export potential and opportunities that the State offers are wood carving, iron & steel, terra cotta, bell metal & handloom items which are major attractions in international market. Chhattisgarh Tassar Silk / Kosa has good export potential in European Countries Agriculture products like Rice-presently exported in huge quantities to neighbouring countries, Derivatives and intermediates of rice products, Food Processing Industries, Bio-Diesel. Mineral based products like steel and pig iron, steel castings, forging & equipment, Steel structural, cement, silicomanganese etc. are also largely exported. Endowed with abundant natural resources such as mineral deposits including precious metals, it has immense potential of industrial development. It is also one among the few states that have surplus power generation.

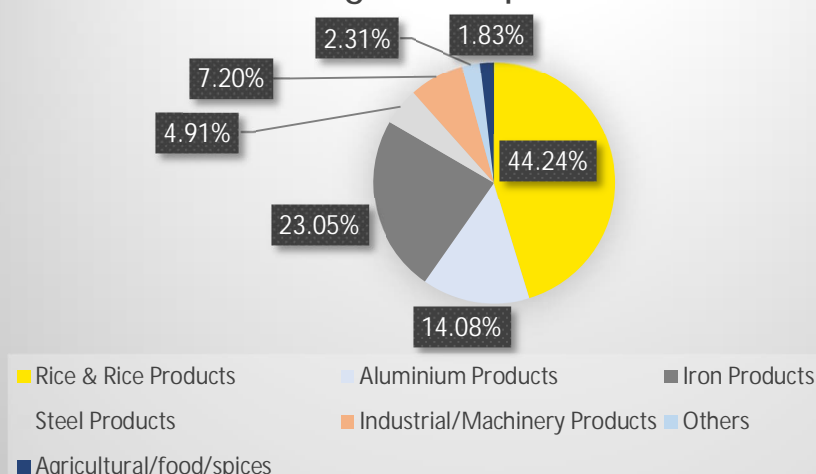
Major export from Chhattisgarh emanates from Bhilai, Raipur, Dhamtari, Korba and Raigarh. The same can be extended to other areas like the LWE districts like Bastar, Sukma and Dantewada. Total merchandise exports from Chhattisgarh stood at INR 9,067 crores in 2019-20, INR 17,199 crores in 2020-21, INR 25241.13 crores in 2021-22. INR12,653 Crores in 2023-24.

Chhattisgarh export contribution to total exports from India stands at 0.59% in 2022-23 and 0.46 in 2023-24 which has declined -22.11% in the past year. The major products which are exported from the states are:

Table 21 List of products exported from CG and its contribution in India in value and percentage.

Products	Amount (INR)
Rice & Rice Products	57,338,104,559.00
Aluminium Products	18,250,009,565.00
Iron Products	29,876,510,858.00
Steel Products	6,362,402,159.00
Industrial/Machinery Products	9,326,134,123.00
Others	2,999,662,344.00
Agricultural/food/spices	2,374,599,399.00
TOTAL	126,527,423,007.00

Chhattisgarh- Export % 2023-24



Source: <https://dashboard.commerce.gov.in/commercedashboard.aspx>

Table 22: Products identified in districts for export by Department of Commerce and Industries, Chhattisgarh.

Sl.No.	District	Identified Products
1	Dhamtari	Forest produce – Chirota Seed, Shellac, Harra, Baheda, Pulses
2	Rajnandgaon	Aqua Feed, Pet Feed, De-oiled cakes, Rice and Poha, Refractory Products
3	Bastar	Tamarind, Rice, Granite stone, Bell-metal
4	Balod	MFP, Horticulture, Handloom
5	Kabirdham	Jaggery
6	Dantewada	Iron Ore, Tamarind based products, Saal seed, Harra
7	Bijapur	Corundum, Tamarind & Mahua based products, Saal, Harra, Baheda
8	Surajpur	Coal, Parboiled Rice, Kodo, Kutki, Litchi, Turmeric
9	Sukuma	Wooden craft -Bastar art, Jwar, Kodo, Kutki
10	Kondagaon	Bell-metal

The interventions and strategies identified in the document to realize the export potential revolve around improvement and development of infrastructure to ensure uninterrupted supply of quality products; financial incentives; marketing support, star rating of export units, Towns of Export Excellence (TEE) in each district; and skill development of officials as well as exporters etc.

Chhattisgarh's Performance on Export Preparedness Index (EPI)²⁵

Chhattisgarh's performance in the Export Preparedness Index (EPI) reflects the potentials to improve. Though being a landlocked state of India, Chhattisgarh is ranked 10 with 39.10 points among landlocked states. As far as the policies are concerned, Chhattisgarh is ranked lowest among the landlocked states at 22 with 81.39 points. The business ecosystem in Chhattisgarh is ranked at 28 with 29.64 points. The export ecosystem in Chhattisgarh is ranked at 27 with an

²⁵ DGFT Data, Govt. of India

export performance ranking of 20 which is much better than most of the states (e.g., Jharkhand) that are way ahead than Chhattisgarh in rest of the metrics. Chhattisgarh has zero ranking in Trade support index which is due to lack of trade supportive infrastructure.

Chhattisgarh has significant potential to boost its export ecosystem by establishing more Agri-export zones, leveraging its dominant agricultural sector. Despite varied performance, the state has recorded positive export growth and an increase in the number of exporters. Timely measures to enhance the business and export ecosystem are essential to strengthen export preparedness and drive further export growth.

Chhattisgarh has a wide range of policy incentives for businesses and ranks fourth in ease of doing business and reforms implementation. This agriculturally developed state is increasingly being recognized with great potential to advance in industrial growth specifically in steel, cement, power, and aluminium.

Export Promotion by Government

Support institutions play a critical role in export promotion by providing a range of services and resources that help businesses navigate the complexities of international trade. Some of the key roles these institutions typically play include:

1. **Information and Research:** Support institutions offer valuable information on foreign markets, including market research, trade statistics, and regulatory requirements. This helps exporters identify potential markets and understand the competitive landscape.
2. **Training and Education:** Provides training programs and educational resources to help businesses acquire the necessary skills for exporting. This includes workshops, seminars, and courses on export procedures, international marketing, and cross-cultural communication.
3. **Trade Facilitation:** Support institutions assist in simplifying export processes. It helps businesses understand and comply with export documentation, customs procedures, and other logistical aspects of international trade.
4. **Financial Assistance:** Financial support services such as grants, loans, and insurance products to mitigate the risks associated with exporting. This can include export credit insurance, financing for overseas investments, and guarantees for bank loans.
5. **Marketing and Promotion:** Support institutions often help businesses in marketing their products and services abroad. This can involve organizing trade missions, participating in international trade fairs, and providing platforms for B2B matchmaking such as
6. **Advocacy and Policy Development:** These institutions represents the interests of exporters in policy discussions and negotiations, working to reduce trade barriers and improve the business environment for exporters.
7. **Networking Opportunities:** They provide platforms for exporters to network with peers, industry experts, and potential buyers. Networking events can lead to new business opportunities and partnerships.
8. **Technical Assistance:** Support institutions offer technical assistance to help businesses meet international standards and certifications required in foreign markets.
9. **Innovation and Technology Transfer:** Facilitate access to new technologies and innovation that can enhance the competitiveness of exporters in the global market.

10. **Legal and Regulatory Guidance:** They provide guidance on the legal and regulatory aspects of exporting, including intellectual property rights, contracts, and dispute resolution.

Some of the support institutions that provide their services in Chhattisgarh are provided below:

Container Corporation of India limited (CONCOR)

CONCOR²⁶ was incorporated in March 1988 under the Companies Act and commenced operations from November 1989 taking over the 7 ICDs from Indian Railways. It is a Navratna Public Sector Undertaking under the Indian Ministry of Railways. CONCOR is a multi-modal logistics support provider that primarily operates in the field of containerized freight transportation. CONCOR operates numerous CFS and ICD facilities across India, offering storage, handling, and transportation services for containerized cargo. Leveraging the Indian Railways network, CONCOR provides cost-effective and efficient rail transportation services for containers. CONCOR offers first-mile and last-mile connectivity through a fleet of trucks and trailers. The value-added service provided by CONCOR includes warehousing, reefer (refrigerated container) services, bonded warehousing, and other logistics solutions to meet diverse customer needs. CONCOR has a wide network of terminals and facilities strategically located to serve major industrial and commercial hubs across India and collaborates with various private sector entities to enhance its service offerings and infrastructure. CONCOR has established its combined terminal operations in Naya Raipur Chhattisgarh which has leveraged the rail and road connectivity in Chhattisgarh to help Industries in transport. Current capacity of CONCOR Dry Port is 20,000 TeU.

Export Credit Guarantee Corporation of India Limited

The ECGC²⁷ Ltd. wholly owned by government of India, was set up in 1957 with the objective of promoting exports from the country by providing credit risk insurance and related services for exports. Over the years it has designed different export credit risk insurance products to suit the requirements of Indian exporters. ECGC is essentially an export promotion organization, seeking to improve the competitiveness of the Indian exports by providing them with credit insurance covers. ECGC Ltd. also administers the National Export Insurance Account (NEIA) Trust which caters to project exports of strategic and national importance. ECGC provides (i) a range of insurance covers to Indian exporters against the risk of non-realization of export proceeds due to commercial or political risks (ii) different types of credit insurance covers to banks and other financial institutions to enable them to extend credit facilities to exporters and (iii) Export Factoring facility for MSME sector which is a package of financial products consisting of working capital financing, credit risk protection, maintenance of sales ledger and collection of export receivables from the buyer located in overseas country. With its operation in Chhattisgarh, ECGC has helped finance the exporters in the state.

The Agricultural and Processed Food Products Export Development Authority (APEDA)

APEDA²⁸ was established by the Government of India under the Agricultural and Processed Food Products Export Development Authority Act passed by the Parliament in December 1985. The Act (2 of 1986) came into effect from 13th February 1986. APEDA is mandated with the responsibility of export promotion and development of scheduled products. APEDA also

²⁶ <https://www.concorindia.co.in/background.asp>

²⁷ <https://main.ecgc.in/>

²⁸ https://apeda.gov.in/apedawebsite/about_apeda/About_apeda.htm

functions as the Secretariat to the National Accreditation Board (NAB) for implementation of accreditation of the Certification Bodies under National Programme for Organic Production (NPOP) for organic exports. APEDA has marked its presence in almost all Agro potential states of India and has been providing services to Agri-export community through its head office, 16 Regional offices. Being an agricultural export state, APEDA helps Chhattisgarh in Agricultural export and promotion.

There are different Govt. of India sponsored programs²⁹ that support export activities such as:

1. **Advance Authorization (AA):** Advance Authorization Scheme (AA) allows duty free import of inputs, which are physically incorporated in export product (making normal allowance for wastage). Fuel, oil, catalyst which is consumed / utilized in the process of production of export product, may also be allowed.
2. **Duty Free Import Authorization (DFIA):** Duty Free Import Authorization (DFIA) allows duty free import of inputs but on Post Export basis only.
3. **Export Promotion Capital Goods (EPCG):** EPCG Scheme is to facilitate import of Capital Goods for producing quality goods and services to enhance India's export competitiveness.
4. **Deemed Exports:** Under Deemed Exports, the supplier shall be eligible for any / all following benefits in respect of manufacture and supply of goods.
 - Advance Authorization / Advance Authorization for annual requirement/DFIA
 - Deemed Export Drawback for BCD.
 - Refund of terminal excise duty for excisable goods.
5. **Status Holder Certificate:** In recognition to the business leaders who have excelled in international trade and have successfully contributed to country's foreign trade, Status Holder Certificates are issued.
6. **Interest Equalization Scheme (IES):** The Government of India has announced the Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit to eligible Exporters.
7. **Market Access Initiative (MAI):** Assistance would be provided for enhancement of exports through accessing new markets or through increasing the share in the existing markets.
8. **Duty Drawback (DBK):** Duty Drawback (DBK) allows rebate of duty on any goods manufactured in India and Exported. DBK excludes Integrated Goods and Service Tax (IGST) and Compensation Cess.
9. **Refund of Duties and Taxes on Exported Products (RoDTEP):** The duties/taxes/levies at the Central, State and local level, borne on an export product, including prior stage cumulative indirect taxes on goods and services in production of exported products and other indirect duties/taxes/levies in respect to distribution of the exported goods is refunded under the scheme.
10. **Export of Apparel/Garments and Made-ups:** The Scheme is applicable for apparel/garments (under Chapter 61 and 62) and Made-ups (under Chapter 63).
11. **Export Development & Promotion of Spices:** support exporters to adopt high technology processing or to upgrade existing level of technologies for high end value addition and to develop capabilities to meet the changing food safety standards in the importing countries. The scheme also caters to promoting the Indian spices exporter by assisting them in promotion of Indian Goods in International Trade Fairs, Seminars, etc. by reimbursing their expenditure on the same.

²⁹ <https://www.dgft.gov.in/CP/>

- 12. Export Promotion - Providing Transit/ Freight Assistance for Coffee Exports:** scheme is to maximize export earnings by enhancing the market share of value-added coffees and high value differentiated coffees in important high value international markets.
- 13. The Financial Assistance Scheme (FAS):** The Financial Assistance Scheme (FAS) is an export promotion scheme run by APEDA. The scheme aims to facilitate the export of Agri-products by aiding exporters.

Adding to the above there are state sponsored programs such as:

1. **State Export Awards:** Recognition and awards for top-performing exporters.
2. **Export Development Fund:** Financial support for export promotion activities such as trade delegations, market studies, and participation in international exhibitions.
3. **Single Window Clearance:** Simplified and expedited approval process for export-related activities.
4. **Skill Development Programs:** Training and development programs to enhance the skills of the workforce involved in export-oriented industries.
5. **Infrastructure Development:** Development of export-oriented infrastructure such as Special Economic Zones (SEZs), Export Promotion Industrial Parks (EPIPs), and logistic hubs.
6. **Transportation Subsidy:** Subsidy for the cost incurred for transportation of goods for Export purpose.

Chhattisgarh government has initiated several steps towards promotion of export in the state. Aligning with government of India export scheme of ODOP, State has constituted district level export promotion committee in 28 districts and State level export promotion committee at state level. District Export Action Plan (DEAP) is being prepared for 10 districts. Indian institute of Foreign Trade (IIFT) has expressed interest to establish an Export Facilitation Centre (EFC) in the State. However, the digitalisation of the Export Facilitation Cells are critical towards building a robust export ecosystem which can provide effortless access to MSMEs in supports related to Exports.

Raipur Vishakhapatnam Economic Corridor (464 kilometres) and Raipur Dhanbad Economic Corridor (87.545 km) are under construction which will also help in boosting export from the state through utilization of MMLP facilities.

However, the state lacks a dedicated established Export policy. A comprehensive and effective export policy should be developed to enhance state's export performance and global trade competitiveness. To streamline and integrate the export efforts of the state through the scope of industrial sector and to improve the export preparedness of the state, establishment of a dedicated Export Facilitation Centre is critical for the state of Chhattisgarh.

Technology

Technology plays a critical role in the growth and competitiveness of Micro, Small, and Medium Enterprises (MSMEs). Some of the major benefits of technology is as given below:

1. **Increased Efficiency:** Technology can significantly improve operational efficiency in MSMEs through automation, better resource management, and streamlined processes.
2. **Market Access:** Digital platforms enable MSMEs to reach a wider audience, both domestically and internationally, without the need for a large marketing budget.

3. **Cost Reduction:** Technology can help reduce costs by optimizing production, reducing waste, and improving supply chain management.
4. **Innovation:** Access to new technologies can foster innovation, allowing MSMEs to develop new products and services, and improve existing ones.
5. **Data-Driven Decisions:** Technology provides access to data analytics, which can help MSMEs make informed decisions about their business, understand customer preferences, and predict market trends.
6. **Customer Engagement:** Social media and other digital communication tools allow MSMEs to engage with customers directly, build brand loyalty, and receive valuable feedback.
7. **Competitiveness:** Technology can level the playing field, allowing MSMEs to compete with larger businesses by improving their quality, efficiency, and agility.
8. **Financial Management:** Fintech solutions offer MSMEs better ways to manage finances, access credit, and handle transactions securely and efficiently.

Some of challenges faced by MSMEs in India in general are as provided below:

1. **Lack of Awareness:** Many MSMEs are not fully aware of the potential benefits of adopting technology or how to effectively integrate it into their operations.
2. **Access to Technology:** The cost of technology can be prohibitive for some MSMEs, and there may be limited access to the latest tools and solutions, especially in rural areas.
3. **Digital Literacy:** There is often a skills gap, with many MSME owners and employees lacking the necessary digital literacy to utilize technology effectively.
4. **Infrastructure:** Inadequate digital infrastructure, such as unreliable internet connectivity and power supply issues, can hinder the adoption of technology.
5. **Financing:** Securing financing for technology upgrades can be challenging for MSMEs, as they may not meet the stringent lending criteria of traditional financial institutions.
6. **Regulatory Hurdles:** Navigating the regulatory environment for technology adoption can be complex and time-consuming for MSMEs.
7. **Maintenance and Support:** MSMEs may struggle with the ongoing maintenance and support required for technology solutions, due to limited in-house expertise.

During the survey, 64% indicated that they did not face any issue with the technology currently deployed by them. However, 60% of the respondents belonged to the micro category engaged in activities do not requiring high end technology. However, lack of awareness regarding better technologies was the major issue highlighted by other respondents. There are no sufficient platforms or avenues through which the information regarding the relevant technology is being disseminated or can be accessed. There are technical institutions like MSME Technology Centre, Durg as well as CIPET, Raipur. However, the linkage of these institutions with the MSMEs are weak owing due to different reasons like inadequate outreach, difficulty in accessing the facility due to connectivity and distance, absence of required technology etc. High procurement cost is another factor inhibiting MSMEs from upgrading their technologies. Limited availability and inadequate support from related technical agencies to handhold in adopting such technologies is also a concern raised by the MSMEs. Some of the institutions like Indira Gandhi

Krishi Vishwavidyalay, Raipur, acquires new technology to be adopted in agriculture implements to improve the agriculture sector. The drawings of these designs are then converted to working prototypes through some of the enterprises engaged in manufacturing of Agri-implements located in districts like Raipur, Durg and Rajnandgaon in the State. There are also a few incubation centres operational in educational institutions like NIT, Sri Sankara College of Technical Education, Rungta College of Engineering, AMITY, IGKV etc. as well as in Private sector which incubates tech-based business ideas. These centres can be leveraged along with other institutions in promoting technology adoption in the MSME sector to facilitate growth and development.

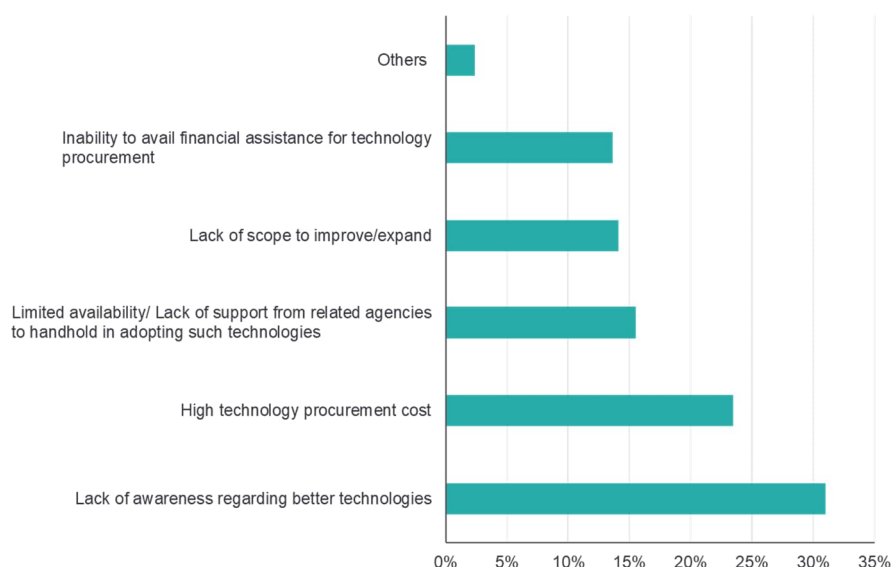


Figure 16 Challenges faced related to Technology adoption.

2.3.6. Initiatives by State Government

Chhattisgarh is blessed with abundant minerals and forest resources and has direct connectivity with seven border sharing States (Uttar Pradesh to the north, Madhya Pradesh to the northwest, Maharashtra to the southwest, Jharkhand to the northeast, Odisha to the east, Andhra Pradesh and Telangana to the south) via. land. This natural endowment has assisted in the development of the State.

The first three Industrial Policies of the State mainly dealt with the investment in the core sector, resulting Chhattisgarh to be one of the most preferred destinations for the investors in these sectors. Even today, Chhattisgarh is among those States that lead in providing uninterrupted quality power supply. The easy availability of skilled workforce at reasonable rates with zero labour unrest is another key attraction for the investors in the country.

Large scale paddy cultivation and availability of Minor Forest produce including medicinal herbs have been taken into consideration to provide special incentives to produce Biofuel/Ethanol using the surplus paddy as well as put special efforts to promote the manufacturing of herbal medicines and forest produce based manufacturing industries. Besides, pharmaceutical industries, industries based on robotics, artificial intelligence, IT & IT-enabled services and Biotechnology are also the priority of the State Government. For this a new special category of industries of “High Priority” has been evolved.

Further, to enhance the capacity of traditional & existing industries, the existing industries have been permitted to get the assistance for substitution/diversification including industries that are producing various products required for growth of Space, Defence, Railways and Atomic Science. Provisions have been made to give every possible support to all such industries keeping local needs in focus. These are among the few of the many initiatives that have been taken by the State government to promote the industry sector in the State including the MSMEs.

To ensure quality and transparency in the Government procurement and encouragement of industries in the State necessary amendments in The Chhattisgarh Store Purchase Rules were made and a digital marketing platform E-MaNe-C (E Marketing Network of Chhattisgarh) has been developed for the purchase of various items by the State Government Departments/ Corporations/ Boards / Commissions / Institutions.

A brief on the State Government policies, the industrial infrastructure being provided and the facilitation of industries through Ease of Doing Business is provided in the following sections.

State Government Policies

Some of the key highlights of the Industrial Policy 2019-24 of the State are as below:

- ▶ Keeping in view the present scenario of industrial development, all development blocks of the State have been classified into the four categories viz, Developed, Developing, Backward & Most Backward blocks.
- ▶ More incentives to the biodiversity-based industries, forest produce based industries, herbal and food processing industries for establishment in the district of abundance itself.
- ▶ For economic & social upliftment of State more incentives have been planned for the weaker sections of the society, SC/ST, women entrepreneurs, third genders, ex-servicemen (including ex- paramilitary forces personnel) and LWE affected people.
- ▶ To cater to the need of the local industries, and to make the educational curriculum more job oriented, coordination for setting up of new ITIs & Polytechnics as per requirements and addition of new curriculum.
- ▶ Develop more industrial infrastructure in rural areas to promote rural industrialization for overall development of rural areas in State.
- ▶ To ensure optimum use of the investment potential in the interest of the State and to provide opportunities, new industrial areas/parks will be developed at the block level.
- ▶ Easing up the process of diversion of land for industrial use by providing absolute authority for land diversion at the district level has been given to the concerned Sub Divisional Officer (Revenue).

The new Industrial Policy for the period from 2024-2029 is in the anvil and is expected to be notified by November 2024. The new industrial policy has focus areas of pharma, Textile, IT/ITeS, EV, AI etc. MSME sector will be given special focus for development which will enable the optimum usage of local raw materials, generating local employment and fulfilling the local needs. There are key proposals for startup promotion and Entrepreneurship development which can boost the future economy of the state.

Industrial Policy 1999-2004	Industrial Policy 2004-2009	Industrial Policy 2009-2014	Industrial Policy 2014-2019	Industrial Policy 2019-2024
<ul style="list-style-type: none"> •Priority to MSMEs: Recognition of MSMEs as crucial for economic development. •Subsidies and Tax Benefits: Provision of various subsidies and tax benefits. •Skill Development: Emphasis on vocational training and skill development. •Infrastructure Support: Development of basic infrastructure for MSME growth. •Marketing and Export Promotion: Support for domestic and international marketing efforts 	<ul style="list-style-type: none"> •Resource-Based Industries: Encouragement to utilize local resources and raw materials. •Incentives for Backward Areas: Special incentives for MSMEs in backward and rural areas. •Subsidies and Grants: Financial support to reduce initial investment burdens. •Skill Development Programs: Extensive skill development for creating a skilled labour pool. •Infrastructure Development: Investment in industrial infrastructure development. 	<ul style="list-style-type: none"> •Cluster Development: Focus on developing MSME clusters for improved productivity •Technical Upgradation: Programs for technical upgradation to compete globally. •Training and Capacity Building: Initiatives for entrepreneur and worker training. •Support Services: Establishment of common facility centres and business incubators •Credit Facilities: Enhanced access to credit through financial institution partnerships. 	<ul style="list-style-type: none"> •Capital Investment Subsidy: Incentives to encourage new MSME establishments and expansions. •Interest Subsidy: Financial relief through interest subsidies on term loans. •Land Allotment: Priority in land allocation within industrial areas and parks. •Skill Development: Focus on developing a skilled workforce for MSMEs. •Marketing Support: Assistance in marketing through fairs, exhibitions, and buyer-seller meets. 	<ul style="list-style-type: none"> •Ease of Doing Business: Simplification of regulatory processes and faster clearances. •Infrastructure Support: Creation of MSME-specific industrial estates and clusters. •Financial Incentives: Enhanced subsidies and tax exemptions. •Innovation and Technology: Support for adopting new technologies and innovative practices. •Export Promotion: Assistance in accessing international markets and promoting exports.

2.3.7. Ease of Doing Business

The Business Reforms Action Plan (BRAP) was initiated in 2014 with the objective of fostering the **Ease of Doing Business** across India. Spearheaded by the Department for Promotion of Industry & Internal Trade (DPIIT), the initiative aims to assess and rank States and Union Territories (UTs) on a sub-national level, promoting healthy competition and encouraging reforms.

Governance Philosophy:

The core philosophy of BRAP is encapsulated in the mantra "Minimum Government, Maximum Governance." This reflects a commitment to reducing bureaucratic red tape while maximizing administrative efficiency.

Service Delivery: Streamline service delivery for efficiency and user-friendliness through online, time-bound procedures to minimize delays and enhance the business experience.

Regulatory Approach: Simplification and predictability are at the heart of BRAP's regulatory reforms to create a business environment where rules are clear, consistent, and easy to comply with

Developments: In 2022, BRAP introduced 357 reforms, all of which were feedback-based. A dynamic and responsive approach to policymaking, ensures that the reforms are grounded in the real-world experiences and needs of businesses.

Current Classification: As of the 2020 assessment for BRAP 2024, Chhattisgarh has been recognized as an Aspirer state. This underscores the state's ongoing efforts to improve its business environment and align with best practices.

The Key mandates implemented under BRAP include:

Information in the Public Domain	•Ensuring that necessary information is accessible to the public
End-to-End Online Processes	•Digital transformation of business processes
Online Dashboards	•Providing real-time updates and transparency
Defined Timelines	•Establishing clear deadlines for various processes

The Key Reform Areas for the BRAP is reflected across the following:

1. Online Single Window System: A unified platform for business processes.	2. Access to Information: Ensuring transparency and availability of necessary information.	3. Labour Regulation Enablers: Streamlining labour-related compliance.
4. Inspection Enablers: Simplifying inspection processes.	5. Utility Permits: Easing the process of obtaining permits for utilities.	6. Contract Enforcement: Strengthening mechanisms for contract enforcement.
7. Paying Taxes: Simplifying tax payment procedures.	8. Land Administration: Improving the efficiency of land-related processes.	9. Construction Permit Enablers: Streamlining the process of obtaining construction permits.
10. State Excise: Reforming state excise regulations.	11. Environment Regulatory Enablers: Enhancing environmental compliance processes.	12. Sectoral Reforms: Targeted reforms in specific sectors.

The Single Window System:

The single window system represents a significant leap forward in simplifying business interactions with the government. By consolidating multiple processes into a single platform, it eliminates redundancy and enhances efficiency.

Efficiency and Transparency:	Cost Savings:	Centralized Platform
<ul style="list-style-type: none"> • Reduces redundant paperwork and provides a clear, standardized process. • Promotes transparency and allows businesses to navigate regulatory requirements with greater ease. 	<ul style="list-style-type: none"> • Minimizing the time and resources required for compliance the system contributes to cost savings for businesses. • Fosters a more business-friendly environment, encouraging investment and economic growth. 	<ul style="list-style-type: none"> • Centralized platform streamlines document management, facilitates inter-agency coordination, and ensures seamless interactions through automated integration.

Chhattisgarh has been able to facilitate Ease of Doing Business largely because of the methodology followed for implementation of the “Business Reform Action Plan” over the years. The Department of Industries held discussions with various Industry associations and related stakeholders including Government departments, understood the pain points in processes, rolled out a Single Window System and brought out policy changes to improve ease of doing business in the State.

Snapshot of SWS System Performance in Chhattisgarh (As of 2023):

16 Departments Onboarded	15 Incentive Modules	1 lakh+ Unit Registrations	100+ Transactional Services
	29k+ Applications Disposed for incentives	5874 Production Certificates issues	

Key Partners: **System Developer:** National Informatics Centre (NIC) and **Nodal Department:** Department of Commerce & Industries

Operations across Chhattisgarh: Launched in 2016, Chhattisgarh's single window system has integrated over 100 services from 16 departments. With more than 100 transactional services available, the system has processed over 29,000 applications for incentives and facilitated 100,908 Udyam Aakanksha unit registrations. With the reforms in action, there has been a significant impact on the ease of doing business in the state. The key reforms include:

Earlier

Information Gap across:

- 3 Applicable Licenses/permissions
- 4 Depts., procedures, fees, docs, time
- 5 Application status

Transaction Gap across:

- 6 Bulky physical application
- 7 Physical document submission
- 8 Manual back-end processing
- 9 Offline Payments (cash/ DD/ challans)
- 10 Multiple visits to departments
- 11 No timestamping

Current Features

- **User Registration; Udyam Aakanksha**
- **Single Sign-On:** Once registered, users can access various services and departments using a single login.
- **Questionnaire & Incentives:** The system provides a questionnaire for businesses to assess their eligibility for incentives. Based on the responses, relevant incentives are suggested.
- **Clearances:** The system streamlines pre-establishment and pre-operational clearances, coordinating with multiple departments like Revenue, Urban, Environment, Labour, etc.
- **SWS Dashboard:** This centralized dashboard allows users to track the status of their applications, view transaction logs, and make online payments.
- **Data Sharing:** The system enables seamless data sharing among relevant departments, eliminating the need for repetitive data submission.
- **Field Offices:** The system connects with field offices at the state, district, and tehsil levels, ensuring efficient communication and processing.

Features and Benefits of the Single Window:

By focusing on simplification, transparency, and efficiency, BRAP aims to create a conducive environment for economic growth and investment.

Service Charter

- The service charter includes a user manual that covers the step-by-step process, relevant notifications, risk classification, standard operating procedures, defined timelines, checklists of required documents, application links, and fee details.

Transaction Services

- Key features of the transactional services include submission of applications, payment of fees, tracking application status, downloading final signed certificates, and third-party verification

Dashboard

- The dashboard provides transparency by tracking total applications, applications approved, average time for approval, median time for approval, minimum and maximum times for approval, and the time limit as per Local Self Government (LSG) guidelines.

3. Challenges Confronting MSMEs

3.1. Sectoral Perspective

Minor Forest Produce: Challenges

During preliminary stakeholder discussions, procurement of raw materials through intermediaries has emerged as one of the foremost challenges in this sector followed by low adoption of Good Manufacturing Practices (GMP).

Issues	Description
Value Chain Inefficiencies	<ul style="list-style-type: none"> A significant quantity of MFPs is lost due to improper collection and storage practices in the state. Fragmented nature of collection and lack of aggregation centres leads to inconsistent quality and lower prices for collectors. Limited processing capacity, technology adoption, and skill shortages within MSMEs restrict value addition. A significant amount of the total MFP collected in the state is unprocessed and sold directly, indicating a significant untapped potential for value addition. This is partly owed to limited processing infrastructure and lack of technical expertise within the sector.
Financial Constraints	<ul style="list-style-type: none"> Only a small fragment of MFP-based MSMEs in Chhattisgarh have access to formal credit. This lack of access to credit limits their ability to invest in processing, technology, and marketing. Prices for major MFPs like tendu leaves and mahua can fluctuate by as much as 30-40% within a season, making it difficult for MSMEs to plan their finances and operations.
Infrastructural Bottlenecks	<ul style="list-style-type: none"> Lack of adequate storage facilities, particularly cold storage for perishable MFPs, leads to significant post-harvest losses, by almost 20-25% in Chhattisgarh. The existing infrastructure fails to effectively monitor and maintain the quality of collected Medicinal and Aromatic Forest Products (MFPs), thereby hindering opportunities for maximizing their value through additional processing and utilization in various industries.
Quality Control	<ul style="list-style-type: none"> While the certification cost for WHO-GMP compliance is approximately Rs. 5000, the actual investment needed to meet these standards is significantly higher, and often unaffordable by all. The testing of raw materials is a critical step in ensuring product quality and safety. However, this practice is predominantly observed among larger firms, while smaller micro-units are not often aware of the quality standards. Additionally, Inadequate number of testing or certifying facilities for MFPs in Chhattisgarh makes it difficult for MSMEs to ensure quality of the products, hindering access to a larger market.

Food Processing Industry: Challenges

The major constraints faced by the sector is as follows:

Issues	Description		
Raw materials	Procurement <ul style="list-style-type: none"> • Fragmented Landholdings: Chhattisgarh's dominant pattern of small, fragmented landholdings makes it difficult for processors to secure copious quantities of raw materials directly from farmers. This necessitates efficient aggregation centers to consolidate produce from multiple sources. • Seasonality of Crops: Many of Chhattisgarh's key agricultural products, such as mangoes and vegetables, have short harvest seasons. This seasonality creates challenges for processors to maintain year-round production and requires effective storage and preservation solutions. 	Production <ul style="list-style-type: none"> • Limited Processing Capacity: Traditional methods, prevalent in many parts of Chhattisgarh, are often ill-equipped to manage large volumes or maintain consistent quality. This limits the potential for value addition and product diversification within the state. • Focus on Staples vs. High-Value Crops: Chhattisgarh's agricultural production might be heavily focused on staple crops like rice and wheat. This can leave a gap in the availability of high-value crops like fruits and vegetables, crucial for certain processed food products. 	Quality <ul style="list-style-type: none"> • Limited Cold Storage Infrastructure: Inadequate cold storage facilities, particularly in rural regions, can lead to spoilage and quality deterioration of perishable raw materials before reaching processing units. This highlights the need for a robust cold chain network within the state. As per the data from Nivesh Bandhu³⁰, as of July 19, 2024, the state has two cold chains established in the district of Raipur and 10 - Central Warehousing Corporation at around five districts. As per Chhattisgarh State Warehousing Corporation³¹, there are total of 1351 Godown in the state as on July 19, 2024. • Limited Access to Skilled Human Resources: The lack of skilled personnel trained in food safety protocols and modern processing

³⁰ <https://www.foodprocessingindia.gov.in/state/chhattisgarh>

³¹ <https://cgswc.cg.gov.in/Default#home>

Issues	Description		
			techniques can hinder quality control within the industry.
Access to Technology	<ul style="list-style-type: none"> • High initial investment, particularly burdensome for small-scale farmers. • Seasonal variations in rainfall due to climate change affecting water management. • Need for specialized skills in implementing food technology. • Inadequate infrastructure, including storage and processing facilities. • Balancing technological advancements with sustainability concerns. • Limited processing capacity and traditional methods 		
Insufficient R&D	<ul style="list-style-type: none"> • Insufficient R&D hampers the development of innovative processes, products, and technologies within the sector. • The sector may face challenges in attracting and retaining skilled researchers and professionals due to the limited R&D ecosystem. • Without R&D focused on local crops and processing challenges, the industry might struggle to utilize Chhattisgarh's unique agricultural strengths to their full potential. 		
Access to Market	<ul style="list-style-type: none"> • Many consumers now seek out artisanal and locally produced food products, valuing quality and authenticity. Balancing scale and production capacity with maintaining artisanal quality can be a challenge. • Many food processing units, especially smaller ones, struggle to reach wider markets due to constraints in distribution networks and lack of market information. • Some businesses in the sector may lack the resources or expertise to effectively market and brand their products, hindering their visibility and appeal in the market. • Access to accurate and timely market information, including consumer trends and preferences, can be limited, making it difficult for businesses to tailor their products to market demands. • Limited online presence and e-commerce capabilities can restrict the sector's ability to tap into the growing trend of online food sales such as onboarding themselves into platforms like Amazon Fresh and Country Delight, etc. • The state can boost its economy by fostering partnership between brands like Dabur, Kellogg's, Himalaya, etc, enabling contract manufacturing to leverage production capabilities. This approach strengthens Chhattisgarh's status as a manufacturing hub, benefiting both MSMEs and large brands through cost-effective production and local expertise. 		

Handicraft: Challenges

Major challenges in the sector are:

Issues	Description		
Raw Materials	Procurement Bell Metal Procurement: Challenge: Purchasing power of small artisans is low which makes it costlier for them to buy raw materials in small quantity. Availability of raw materials is also limited.	Skilled work force Artisan Exodus Challenge: The next generation of artisans are not inclined in continuing the artistry work and hence the art is dying gradually.	Poor Infrastructure Challenge: Districts do not have raw material banks, common facility service centers or institutions providing certifications for quality assurance.
	Availability of Bamboo: Challenge: The cost of bamboo and specific woods used for crafts are high. Also, only certain variety and thickness of Bamboo are used which are costlier.	Dilution of Conventional Designs Challenge: The artform is losing its conventionality because of modern design development and traditional artisans leaving the artistry because of low income.	Complicated certification process Challenge: The educational level of artisans is extremely low and the knowledge and awareness about certification of products is not there among the artisans. Furthermore, complicated certification process makes the task difficult for artisans.
		Skill Gap Challenge: Limited access to formal and advanced training programs for young individuals interested in handicrafts.	Limited Certification Infrastructure Challenge: Lack of accessible certification centers and agencies for artisans
Access to Technology	<ul style="list-style-type: none"> Limited access to modern technology hinders craft production processes in scale Many artisans lack the digital skills needed for effective online marketing of their products. Insufficient training programs for integrating technology into traditional handicraft processes are a significant challenge. 		
Customer Preference	<ul style="list-style-type: none"> Competition from Mass-Produced Goods: Handicrafts face stiff competition from factory-produced items, which are often more readily available and may be priced lower. Need for Diversification: With changing consumer demands, artisans may need to diversify their product range to meet evolving tastes and preferences. The crafts such as bell metal, wrought iron and bamboo products are not usually consumed within the district in which they are produced. Tourists are more attracted by the artworks and prefer to buy. 		

Insufficient R&D	<p>Limited Research Facilities</p> <ul style="list-style-type: none"> • State lacks advanced research centers dedicated to handicrafts, hampering innovation. <p>Lack of Funding</p> <ul style="list-style-type: none"> • Hardly any proportion of funds available for upliftment of handicraft in state in spent for the R&D of any handicraft. <p>Outdated Techniques</p> <ul style="list-style-type: none"> • In districts like Kondagaon, Bastar, Jagdalpur, artisans still rely on traditional methods potentially missing more efficient and sustainable practice.
Access to Market	<ul style="list-style-type: none"> • Artisans face hurdles in reaching broader markets, particularly small artisans lack reach to open market. • Digital Divide and E-commerce Adoption: Artisans struggle with online marketing due to a lack of digital literacy and awareness about various marketing platforms.

Handloom: Challenges

The major constraints faced by the sector is as follows:

Issues	Description
Raw materials	Tassar Silk Cocoon is a wild variety cocoon that is procured in the forest of Bastar and some other regions of the State. There is an uneven supply of Tassar Silk which causes
	The Cocoon supply is controlled by a few big traders who have a monopoly over the supply. They stock and release the cocoons as per favorable pricing conditions.
	Further, under the Government Supply Scheme, however, the yarn is provided free of cost by the State Govt.
Labour	The handloom sector is labor-intensive in nature and qualified personnel play a key role in the production activities. Hence wage for a worker is an important criterion for the attraction and non-attribution of personnel in the sector.
	In Chhattisgarh, a specific caste known as Dewangan are traditionally involved into weaving activities since ages. However, due to low wage rates and continuous use of conventional methods of weaving the next generation of weaver families are detaching from this sector.
	The current wage rate in the sector, which stands at around Rs 300 per day, has however made it difficult for handloom sector units to attract and retain skilled and physically capable personnel. The introduction of mechanization in pre-loom activities such as winding, warping, dyeing, etc. has helped ease this labor constraint to a certain extent.
Access to Markets	Limited scale of production and uncompetitive prices are some of the critical issues confronting the sector.

	<p>Handloom units sell their products in local markets within the district primarily through individual sales depots or through Government Marketing Units such as Shabri Emporium, Tribes India outlet, C-Mart, etc. Apart from that, they supply school uniform material to State Government</p>
	<p>The sector faces stiff competition from power loom sector in the state as well as the neighboring state leading to a decline in its market share among local customer bases.</p>
	<p>E-commerce</p>
	<p>There has been attempts to onboard artists, weavers and their societies on various e-commerce platforms such as Flipkart and Amazon India. As part of its CSR initiative, in 2017 Myntra, one of the e-commerce platforms for fashion brands, in association with Union Textile Ministry sought to bring handloom products online and provide weavers and artisans access to new customers and opportunities. However, the scheme was not able to gather steam.</p>
	<p>Exports</p>
	<p>Some of the units in Janjgir Champa district used to export handloom products directly as well as through merchant exporters. The units identify potential leads usually while attending export fairs and exhibitions. Exports have nonetheless declined over the years.</p>
	<p>MSMEs, even when their products are covered under GI tag, have not thought about exports.</p>
	<p>Initiatives to improve market access</p>
	<p>National Handloom Development Program (NHDP) formulated and implemented by Central Govt between FY22 to FY26 seeks to provide handloom marketing assistance, as well as cluster development program, need based special infrastructure project, concessional credit/weaver MUDRA scheme, etc.</p>
	<p>Government Supply Scheme introduced by Govt of Chhattisgarh and implemented by the Handloom Department; the state seeks to ensure an assured market for handloom products of the units.</p>
	<p>Khadi Village Industries Board through their outlets and inter district and state expos help promote handloom and its products.</p>
	<p>Under the initiative of the Ministry of Textiles, an e-commerce portal called Indiahandmade.com has been developed and launched in FY24 to enable artists and weavers to sell their handloom and handicraft products directly to clients without the need for mediators. The Govt. has waived shipping charges in the initial year to encourage sales of the products.</p>

Product Innovation	Unlike other verticals of textile sector, the value-added products in the sector -the garments are design-driven. Hence, limited product diversification/value addition in the form of ready-made garments and lack of unique and innovative designs form critical challenges in the sector.
	Design plays a vital role in the marketing of handloom products. Considering the requirement of innovative designs for handloom products, various Central Govt institutes such as National Handloom Cluster offers design support to handloom units. However, being designed and implemented as a demand-driven initiative has limited the reach of such support.
Access to Finance	Given the financial conditions in the sector, the banks often perceive loans to handloom units as high-risk making it difficult to access finance. However, there are several schemes being run by CG Handloom Department to provide financial assistance to the weavers.
Technological Requirements	Updating the technology of the looms is of immediate concern.

3.2. Business Environment and Industrial Ecosystem.

3.2.1. Single Window System

Chhattisgarh's Single Window System (SWS) is a state-of-the-art digital platform meticulously designed to streamline the investment journey for businesses. Acting as a centralized interface, SWS facilitates enterprises in seamlessly obtaining requisite clearances, registrations, and incentives from multiple government departments. By integrating these processes into a singular online portal, SWS eradicates the necessity for physical interactions and paperwork, thereby minimizing administrative burdens and expediting project timelines. This innovation substantially enhances the ease of doing business, fostering a more efficient and business-friendly environment in Chhattisgarh.

The Chhattisgarh Single Window System (SWS) is a one-stop shop for various government-to-business (G2B) services. Launched in 2016, it has integrated over 100 services across 16 departments. A snapshot of the Single Window System is shown below:

Table 23 Snapshot of the Single Window System in Chhattisgarh

Sl. No	Particulars	Quantitative Indicator
1.	Departments on-boarded	16
2.	Transactional Services	100+
3.	Incentive Modules	15
4.	Application disposed for incentives	29.505
5.	Udyam Akanksha/Unit Registration	1,00,908
6.	Production Certificate	5,874

By consolidating multiple processes, the platform has been able to eliminate redundancy, and has enhanced efficiency.

Efficiency and Transparency:

- Reduces redundant paperwork and provides a clear, standardized process.
- Promotes transparency and allows businesses to navigate regulatory requirements with greater ease.

Cost Savings:

- Minimizing the time and resources required for compliance the system contributes to cost savings for businesses.
- Fosters a more business-friendly environment, encouraging investment and economic growth.

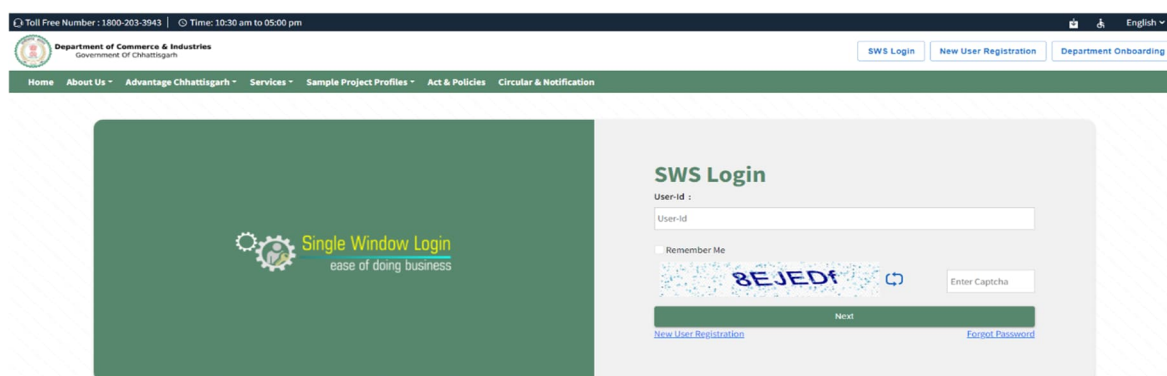
Centralized Platform:

- Centralized platform streamlines document management, facilitates inter-agency coordination, and ensures seamless interactions through automated integration.

Operational architecture of the portal:

- **Single Sign-On:** Once registered, users can access various services and departments using a single login.
- **Questionnaire & Incentives:** The system provides a questionnaire for businesses to assess their eligibility for incentives. Based on the responses, relevant incentives are suggested.
- **Clearances:** The system streamlines pre-establishment and pre-operational clearances, coordinating with multiple departments like Revenue, Urban, Environment, Labour, etc.
- **SWS Dashboard:** This centralized dashboard allows users to track the status of their applications, view transaction logs, and make online payments.
- **Data Sharing:** The system enables seamless data sharing among relevant departments, eliminating the need for repetitive data submission.

Field Offices: The system connects with field offices at the state, district, and tehsil levels, ensuring efficient communication and processing.



Source: <https://industries.cg.gov.in/swscg/login>

Features and benefits of the portal:

Service Charter: The service charter includes a user manual that covers the step-by-step process, relevant notifications, risk classification, standard operating procedures, defined timelines, checklists of required documents, application links, and fee details.

Transaction Services: Key features of the transactional services include submission of applications, payment of fees, tracking application status, downloading final signed certificates, and third-party verification.

Dashboard: The dashboard provides transparency by tracking total applications, applications approved, average time for approval, median time for approval, minimum and maximum times for approval, and the time limit as per Local Self Government (LSG) guidelines.

3.2.2. Grievance Redressal Mechanism.

MSME Grievance Redressal Mechanism - Chhattisgarh

The grievance redressal mechanism serves as a structured platform designed to effectively address conflicts, disputes, and challenges faced by MSMEs. These mechanisms ensure that complaints regarding government policies and initiatives extend beyond merely settling individual issues. They play a crucial role in mitigating challenges for a broad segment of MSMEs, fostering economic growth, promoting entrepreneurship, and supporting the development of new MSMEs. Additionally, they ensure fairness and contribute to building a more inclusive and resilient economy. The government has implemented multiple initiatives to resolve grievances faced by MSMEs, ensuring a streamlined process flow.

Portals

The CHAMPIONS Portal (Creation of Harmonious Application of Modern Processes for Increasing the Output and National Strength) was established by the Ministry of MSME as a dedicated platform for addressing grievances. It efficiently channels complaints and queries to the appropriate branch, bureau, or office heads within the Ministry of MSME.

The screenshot shows the 'Registration Form: register your issues, grievances and problems' on the CHAMPIONS Portal. The form is divided into two main sections: 'Basic Details' and 'Contact Details'.

Basic Details: Includes a dropdown menu for 'Select Types of User'.

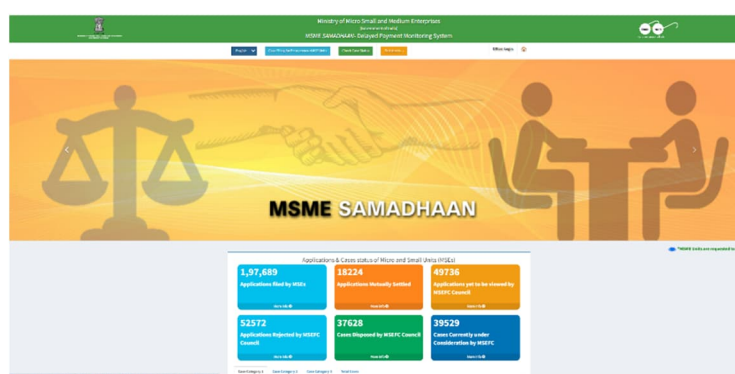
Contact Details: Includes several input fields and dropdown menus:

- Name of the Person with problem/grievance:** A text input field with the placeholder 'Enter Name of the Person'.
- State:** A dropdown menu with the placeholder 'Choose State/UT'.
- Address of the Person with problem/grievance:** A text input field with the placeholder 'Address of the Person'.
- District:** A dropdown menu with the placeholder 'Choose District'.
- Email Id:** A text input field with the placeholder 'Email ID'.
- Pin code:** A text input field with the placeholder 'Enter Pincode'.
- Mobile Number +91:** A text input field with the placeholder 'Mobile No.'.

A green button labeled 'GET OTP on Mobile or Email Id' is located at the bottom right of the 'Contact Details' section.

The portal also provides handholding support and assists MSMEs in navigating various government schemes and policies across key areas such as finance, marketing, technology, raw materials, labour, infrastructure, and capacity building. Currently, the portal disseminates information in eleven regional languages, facilitated by 69 state control rooms across the nation.

The SAMADHAAN Portal was developed by the Ministry of MSME in alignment with the Micro, Small and Medium Enterprise Development Act, 2006. It includes provisions for addressing delayed payments to Micro and Small Enterprises. The Micro and Small Enterprise Facilitation Council in each state is responsible for settling disputes upon receiving references or filings related to delayed payments. Any MSME with a valid Udyam registration is eligible to apply on the portal.



Awareness and Effectiveness

Analysis of surveys conducted across MSMEs in Chhattisgarh revealed that most of them are unaware of the grievance redressal portals. This lack of awareness significantly increases the vulnerability of current MSMEs and impedes the potential growth and development of new MSMEs. Consequently, this awareness gap leads to inefficiencies, financial strain, and missed opportunities for support and development, ultimately undermining the overall economic resilience and inclusivity that these portals aim to promote.

Enhancing awareness and accessibility of these portals is critical to achieving faster redressal of grievances through streamlined processes. However, if MSMEs remain unaware of these essential platforms, the challenges they face will persist, resulting in prolonged disputes, increased financial burden, and a decline in confidence among MSMEs in seeking governmental support. Therefore, it is imperative to implement comprehensive awareness campaigns and ensure that information about these grievance redressal mechanisms is widely disseminated and easily accessible to all MSMEs.

3.2.3. Industrial Infrastructure

3.2.3.1. Physical Infrastructure

The condition of physical infrastructure for Micro, Small, and Medium Enterprises (MSMEs) or industries in Chhattisgarh has seen significant improvement over the past few years. Chhattisgarh, being one of the fastest-growing states in India, has made considerable efforts to enhance its infrastructure to attract more industrial investment and support the growth of MSMEs.

The State has established several industrial areas and parks equipped with essential physical infrastructure. These include facilities like roads, power supply, water supply, and drainage systems. The state government has also been proactive in developing sector-specific parks, such as the Food Park, IT Park, and Engineering Park, which provide tailored infrastructure to meet the specific needs of industries in these sectors.

The enterprises were asked about access to and/or availability of various infrastructure services in the state. The respondents were neutral about the availability and quality of various infrastructural facilities and the responses varied for various facilities. Being a state with ~44% of forest cover, land acquisition and allotment has been always a pain point in districts with high

forest cover such as Kondagaon, Jashpur, Bijapur, Sukma, etc. Obtaining approval for conversion of forest land into commercial or industrial area is a lengthy and time taking process. In survey response, a greater number of the MSMEs have flagged availability of land as a crucial concern. While creation of industrial parks, and industrial estates can and has eased the concerns, it is equally important to ensure better allocation of land and utilisation of land available in the state.

Road connectivity is another concern for the industries. Responses show that >50% the MSMEs are not satisfied with the current road situation. In addition, there is much scope for improvement in provision of facilities and support under cold storage/warehousing, testing laboratories, and effluent treatment mechanism. These services are important in improving efficiency, cost-effectiveness of their operations ensuring standardisation as well as product quality and keeping a check on pollution and environmental sustainability. The challenges faced by MSMEs in disposing of their solid waste also need to be addressed for sustainable business practices as ~75% of the respondents are not satisfied with solid waste management system.

One to one interaction with MSMEs, especially in traditional sector such as handloom and handicraft, highlighted lack of government interventions in providing infrastructure facilities such

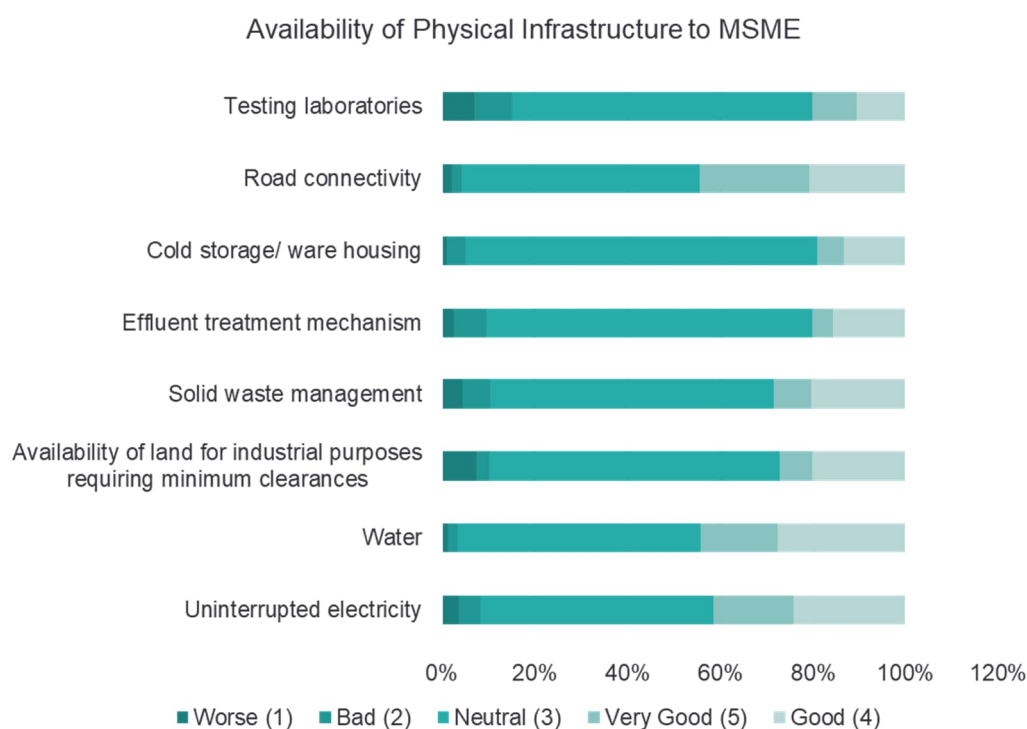


Figure 17 Availability of Physical Infrastructure to MSME

as common facility centres, incubation centre, raw materials bank. Such facilities will help small weavers and artisans in meeting their day-to-day necessities of raw materials and access to machines and technology thus improving their efficiency.

3.2.3.2. Energy

Physical infrastructure plays a crucial role in the competitiveness of MSMEs. Reliable and uninterrupted power supply is critical for MSMEs. Based on survey results it is seen that ~80% of the enterprises depend on metered electricity connection for sourcing electricity. The reasons of low adoption of renewable energy as understood from the inputs from the respondents are

the high upfront costs (initial investment cost) and risk perception involved. Dependence on alternate and/or additional power sources can potentially increase production costs and impact profit margins of the micro enterprises. However, 2.2% still rely on renewable sources of energy to meet their energy needs. Out of all the respondents, 17.5% of MSMEs do not require power for their day-to-day operations.

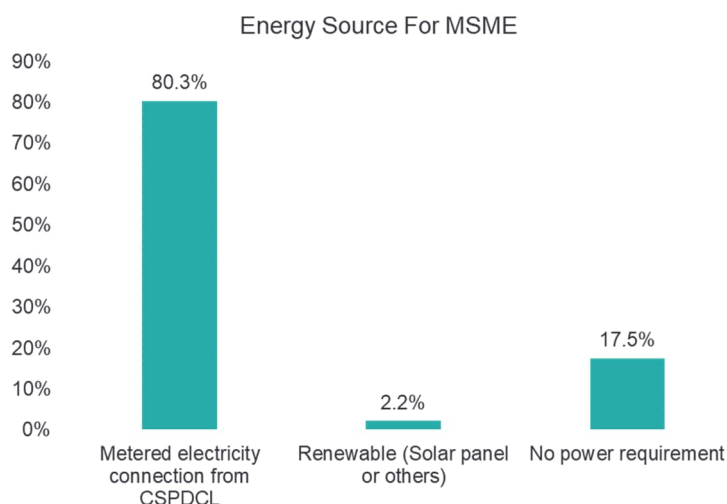


Figure 18 Sources of Energy for MSME

3.2.4. Labour

The adoption of automation has accelerated across the globe including in India. The enterprises are still in the early to middle-stages of transition, making access to and availability of unskilled and skilled personnel an important parameter in deciding enterprise performance.

The survey response depicts that ~85% do not find any issue in availability of manpower. ~12% faces difficulty in finding local skilled manpower, one of the major challenges faced by entrepreneurs. In addition to it, there are not enough skilling platforms available for the skill development of entrepreneurs, if available, the quality of skilling is not up to the market standards. Other major challenges reported by the enterprises with respect to availability of skilled personnel.

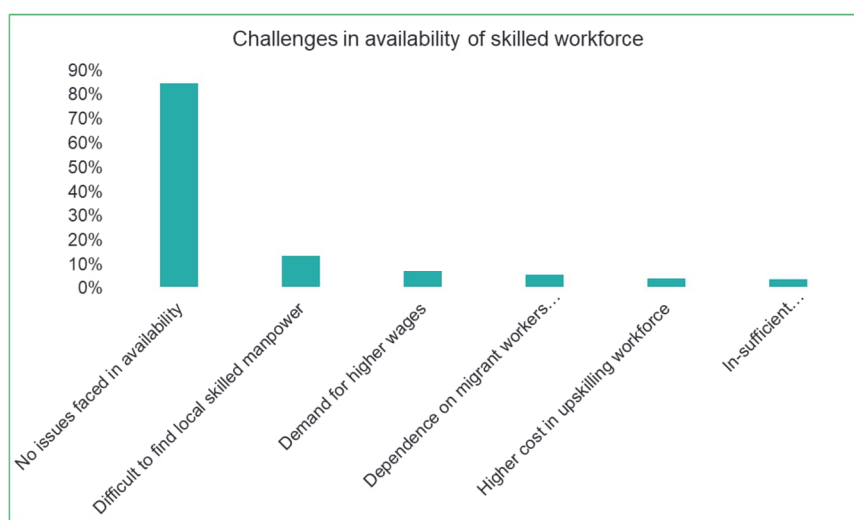


Figure 19 Challenges in availability of workforce to MSME.

3.2.5. Raw Material

Access to adequate quantity and quality raw materials is one of the crucial factors in ensuring responsive and steady supply of products/services. While 81.5% of the enterprises did not encounter any challenges in accessing raw materials, the remaining did. One of the major challenges is issue with availability of sufficient quantity, about 12.2% of the enterprises reported insufficient availability. This could reflect the limited ability of enterprises to tap into broader supplier networks for the raw materials.

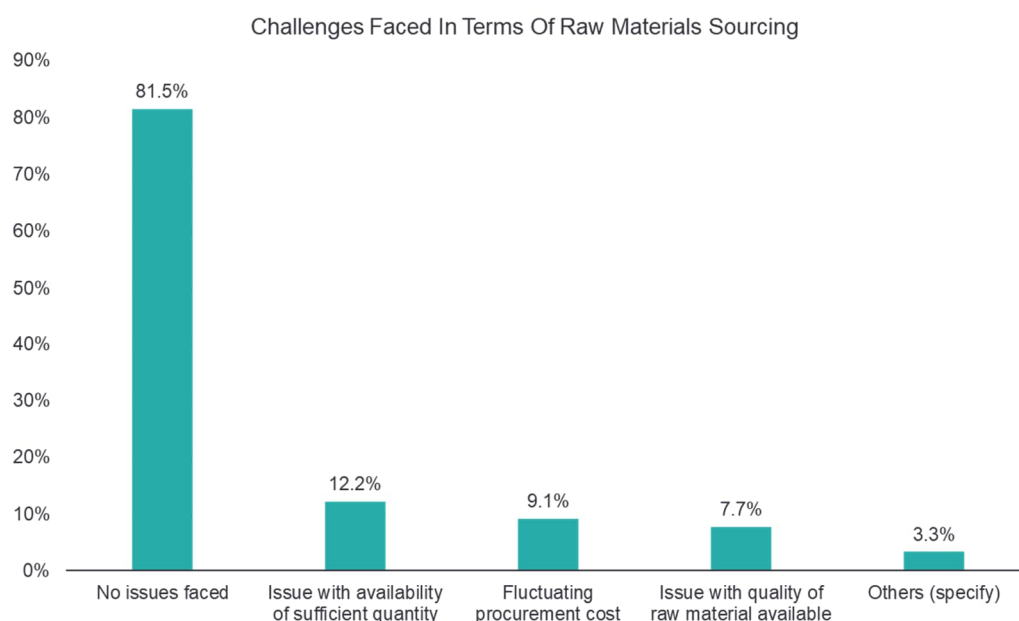


Figure 20 Challenges faced in procuring raw materials by MSME.

Apart from inadequate availability of raw materials, fluctuating procurement cost is another major concern for the MSMEs, about ~9% of the enterprises reported challenges faced due to fluctuating cost of raw materials. MSMEs having lesser purchasing power find it difficult to procure the raw material all at once and continuously changing cost of raw materials impacts the cost of production bringing instability. Quality of raw materials is also one of the challenges faced by MSME and about 7.7% of them reported it during the survey.

Additionally, stakeholder consultation brought into light the challenges traditional sectors are facing with respect to availability of raw materials. One to one interaction with artisans and weavers revealed that availability of raw materials such as bamboo, iron, casting materials, cocoon, etc. is a major challenge. Cost of the raw materials also keep on fluctuating and their low investment capacity makes the problem even more severe to stock the raw materials.

MSMEs involved in processing of MFP said that availability of quality raw materials is an issue for them. Also, MFP are seasonal and perishable products and lack of adequate storage facilities hinders the year-round availability of raw materials.

3.2.6. Technology

For MSMEs to grow and scale-up, it is crucial to improve productivity and maintain quality of products, and technology is the key to both. In this context, MSMEs were probed on the major challenges they confront in adopting technological improvements. Majority of the enterprises encountered one or the other challenge in adopting technological improvements in their production process. As per MSMEs, one of the major challenges is lack of awareness (~25%) about relevant technologies. Even when they become aware of the technologies, the MSMEs are unable to adopt it owing to the cost of adoption of new technologies (~25%) and/or unavailability of financial support to do so (~15%). Hence, there is an immediate need to support MSMEs in adoption of relevant technologies.

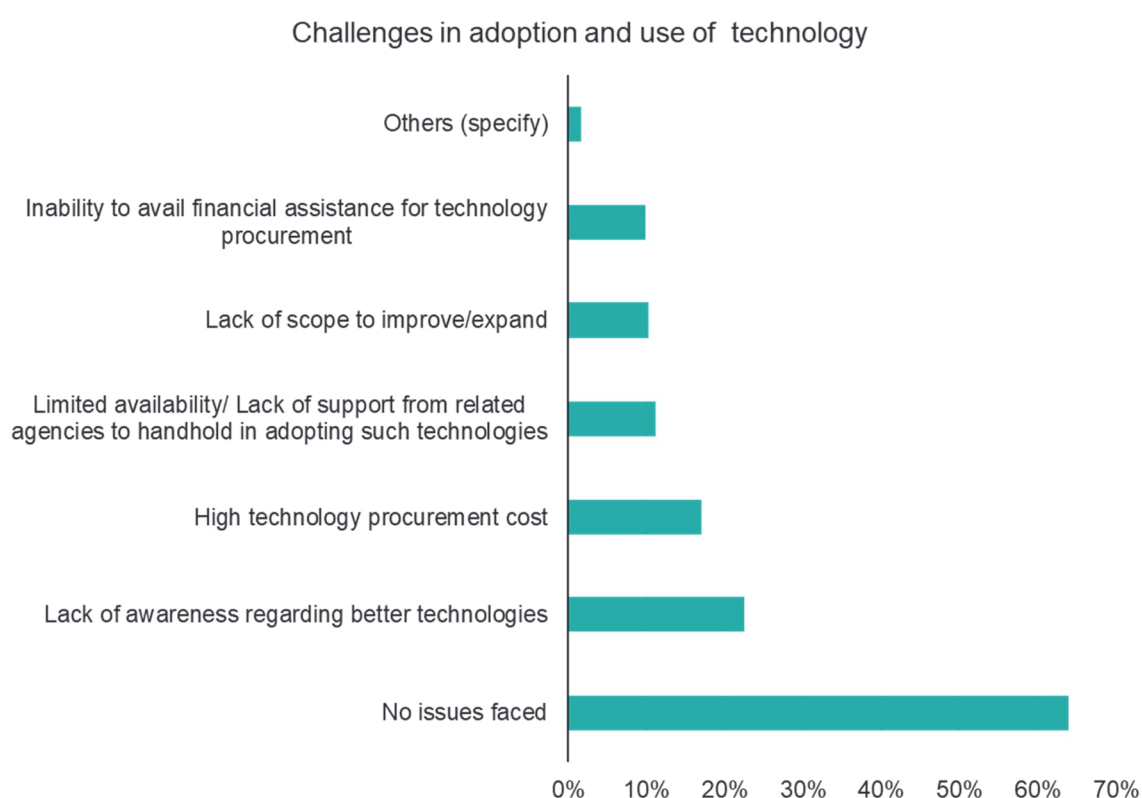


Figure 21 Challenges in adoption and use of technology to MSME.

3.2.7. Access to Finance.

Finance is the key factor that determine the potential of any MSME. It helps MSMEs upgrade their infrastructure, adopt sustainable practices, and expand their market reach. This is particularly important in sectors like agriculture, manufacturing, and services, which form the backbone of the state's economy. In the survey conducted within MSMEs, on loan access, 36.1% of the respondents have issues related to collateral. These are due to banks not accepting the existing collateral which would be less in value compared to loan or due to the poor CIBIL rating. 31.3% have concerns regarding the existing paperwork in availing loans and 29.2% faced issue with delay in loan sanction. 17.9% have the opinion that the loan sanctioned is less than required.

The survey on preference of immediate credit needs shows that 48.5% of the respondents prefer lending from family members, friends, peers. 43.3% suggests commercial banks and

2.9% depends on co-operative banks for credit needs. However, we can see that 16% depend on either private money lenders or NBFCs for immediate need as these providers have less paperwork and faster disbursements.

86.5% of the respondents vouching for the increasing turnover in last 4 years shows the thriving MSME sector in Chhattisgarh. Digital payments exist with 51.1% of the respondents and 2.1% of the respondents utilizing cheque facilities, thus effective tracking and reporting of financial transactions is possible within MSME ecosystem in Chhattisgarh. 57.6% respondents have issues related to transportation cost, credit cost, incentives and relevant taxes. The other factors that impact the financials are cost of upskilling, certification, demand of wage increases, environmental sustainability. 21% have issues related to delayed payments. 89.9% of the respondents are unaware of the existing invoice discounting and credit facilitations which calls out for the effective awareness and handholding sessions with invoice discounting platforms. 87.2% have not provided social security or insurance schemes for their employees due to high cost.

The state calls out for strengthening the credit guarantee scheme and ease of doing business within bank. There is huge potential for credit market in the state and MSMEs prefer faster and smoother disbursement of funds to meet their immediate fund need. There are 43.1% respondents making cash transactions which needs to be converted to digital payment mode to have financial transparency and effective credit facilitation. The need for clarity and understanding on the existing schemes and benefits trumps the financial access needs of the MSMEs. The need for financial literacy and handholding of MSMEs to collaborate with existing financial institutes and consultants can help MSMEs to develop a robust and sustainable financial model which can benefit the state of Chhattisgarh.

3.2.8. Access to Market.

Identification and understanding the market is one of the key factors that determines the scalability and potential of MSMEs. It is important for tapping into the state's diverse economic sectors, including agriculture, manufacturing, and services. It helps in revenue generation, business growth, competitiveness, economic stability, employment generation and innovation. On the survey conducted among MSMEs in Chhattisgarh, 22% highlights the lack of export market information. 45.4% of respondents is lacking awareness on potential customers/markets. 38% have issue of high cost of marketing being incurred their products. Only 13% of the respondents utilize online platforms due to lack of awareness about existing platforms. 18% has issues with new value addition, packaging, and certification of the products. 14% of the respondents calls for the need for adequate opportunity/platforms to showcase the products through trade fairs, exhibitions, vendor development program. For 64.2% of the respondents, 10-25% the sales are carried out through online platforms. 86% have market within the operating district and 41% within Chhattisgarh. Forty-six percent of respondents emphasized the need for support of digital marketing expertise. There has been a strong call from small MSE manufacturers to be provided preference or priority as local suppliers in the public procurements. Chhattisgarh being a landlocked State, the exporters need to depend on ports like Vishakhapatnam for which the transportation cost incurred is high.

The consultation with industry associations, government officials, and MSMEs highlights several key needs for Chhattisgarh's MSMEs. These include:

1. **Market Information:** Providing up-to-date market information to help businesses make informed decisions. Need for export directory was called out by MSMEs.
2. **Strengthening Existing Facilities:** Enhancing the capabilities of facilities like the export promotion council, district-level facilitation centers, and agencies/consultancies and setting up DGFT office for coordination on export promotion.
3. **Awareness of Marketing Facilities:** Increasing awareness of existing marketing resources through B2B connects and digital literacy for digital marketing.
4. **Support through Events:** Offering support via trade fairs, exhibitions, vendor development programs, and efficient certification agencies.
5. **Online marketplace:** Developing a robust digital platform for Chhattisgarh could significantly benefit the state's MSMEs by eliminating intermediaries and providing transparent market and level playing field for MSMEs in the state.

Directorate General of Foreign Trade (DGFT) facilitates and promotes export promotion and implements the foreign trade policies. There is a need for an DGFT office in Chhattisgarh to facilitate and promote export. Chhattisgarh lacks a dedicated export policy for the state. State export policy can help formulate a roadmap for the export-import facilitation and promotion. Lack of dedicated export directory restricts the potential collaborations that can foster the sustainable export ecosystem. These needs coordinated effort in the study of the export ecosystem. The need for Export Facilitation Centers (EFC) can streamline and integrate the export efforts of the state through the scope of industrial sector and to improve the export preparedness of the state. PSUs which are not registered in Chhattisgarh will not show the state of origin as Chhattisgarh which results in missing out on the incentives for iron ore related industries for the state.

3.2.9. Market for Service Provision to MSMEs.

Business development services (BDS) refer to a wide range of non-financial services used by entrepreneurs to help them improve the performance of their businesses, access to markets, and ability to compete. The role of BDS in the development of enterprises is widely recognized throughout the world. MSME requires handholding and mentoring support for various activities.

During the survey, it was observed that the respondents rely on or wish to engage external help through Chartered accountants or other Business Development Service Providers (BDSP)s in areas related to accounting and tax payments, digital marketing, technology adoption, banking, legal matters, preparing business proposals, recruiting workforce and export. Thus, it is evident that a clear demand for the Business Development Services and its providers very much exists in the State which are being currently fulfilled through either local service providers or those outside the States.

Currently there are no dedicated platforms in the State which readily provides information (such as Name of agency, services provided, sectors catered to, location and contact details, their clientele, certifications, etc.) and the availability of BDSPs within or outside the State. Further, there are also no empanelment of BDSPs made and pool of BDSPs created who are then linked with MSMEs seeking assistance, such as in the case of Kerala. During the stakeholder consultations, several MSMEs have highlighted the absence and lack of awareness about required service providers, such as technicians to repair machines, export agencies, quality certification and technology suppliers.

Hence it is important that the existing gap of demand versus supply of BDSPs needs to be studied in detail and necessary intervention in this direction be taken which can facilitate the linkage.

Further, there are several Technical Institutions in the State in relevant domains which either have linkages or can be linked for providing technical support to the MSMEs. An illustrative list of the Technical Institutions present in Chhattisgarh with the respective area of expertise are provided in Table below:

S. No	Technical Institute	Sector of expertise	Services provided
1	MSME Technology Centre, Durg	Engineering Technology	<ul style="list-style-type: none"> ▶ Technical and Business advisory services ▶ Training programmes – Short term, medium term and long term ▶ Manufacturing of Tools (Jigs & Fixtures), Gauges and Precision components
2	CIPET: IPT & CSTS - Raipur	Plastics Engineering & Technology	<ul style="list-style-type: none"> ▶ Capacity building through training ▶ Technical support services ▶ Product testing – Plastic products (BIS Recognised)
3	Software Technology Parks of India, Durg	IT/ ITeS	<ul style="list-style-type: none"> ▶ Ph. D, UG, PG and Diploma courses ▶ Technical and Training services ▶ Testing and evaluation of plastics materials and products
4	Bureau of Indian Standards, Raipur Branch	Standardisation & Quality Management	<ul style="list-style-type: none"> ▶ Conformity Assessment ▶ Training ▶ Consumer Engagement
5	Indian Institute of Handloom Technology, Champa	Handloom	<ul style="list-style-type: none"> ▶ Graduation and Post graduation diploma Courses ▶ Design development
6	Central Silk Board	Handloom	<ul style="list-style-type: none"> ▶ Research ▶ Production infrastructure ▶ Raw Material bank
7	CSIDC - Testing Centre, Durg	Metals/ Engineering/ Civil	<ul style="list-style-type: none"> ▶ Chemical testing ▶ Mechanical ▶ Material testing

3.2.10. Women Owned MSMEs and Gender Gaps.

The Udyam registration data (as on 13.03.2023) indicates that the share of women led enterprises stand at 18% to the total MSMEs registered under Udyam Registration. Government of India has been taking several initiatives to increase the share of women entrepreneurs in the

country's MSME sector. The women-owned enterprises in India have been on a positive trajectory due to these initiatives, although they still face several challenges.

However, the number of women entrepreneurs in the State during the same period indicate that the share (about 14%) is less than the national average. Further, the 73rd NSS indicates that the share of women in employment generated/ engaged in MSME sector for Chhattisgarh was same as the national average of 24%. Some of the areas which needs to be focused to facilitate the women participation in the MSME sector as an entrepreneur are:

Access to Finance: There exists several schemes that focus improving access to finance to women entrepreneurs such as Standup India, Mudra Yojna, Mahila Udyam Nidhi Scheme, Stree Shakti Package for Women Entrepreneurs etc. However, the coverage needs to be improved as well as the quantum of loans provided. The number of CGTMSE guarantee approved for women was 2984 (for 2022-23) compared to national average of 9190, while for the same period the total CGTMSE loan amount approved was Rs. 202.99 Cr. in comparison to national average of Rs. 385 Cr.

Networking and Mentorship: Various platforms and networks have been established to connect women entrepreneurs with mentors, investors, and other entrepreneurs, which has helped in knowledge sharing and business growth at national level. However, stakeholder interactions have indicated that programmes for networking and mentorship needs to be ramped up in the State.

Social Challenge: Despite the progress, women entrepreneurs still face challenges such as gender bias, balancing business and family responsibilities, limited mobility, and access to markets.

Sectoral Presence: Women-owned enterprises are particularly prominent in sectors like fashion, beauty, food and beverage, education, and handicrafts. However, there is a growing presence in technology and other non-traditional sectors as well for which less support is currently available in their perspective.

3.2.11. Waste generation by Industries.

Industrialisation results in the generation of large quantity of wastes, both solid and liquid, in industrial sectors. According to the National Inventory on Generation and Management of Hazardous and Other Wastes (2022-23) report by the Central Pollution Control Board, Chhattisgarh generates 160742 MT of Hazardous Waste (HW) by 540 units and 297067 MT including opening stock while 324402 MT has been managed through recycling, utilization, disposals. This accounts for approximately 1.02% of the total HW generated by industries in the country (15657711 MT). In terms of HW generation, Gujarat tops the list followed by Maharashtra and Rajasthan. Out of the 61,251 MT of generated HW, 4% is classified as utilizable HW, 12% as recyclable HW, and 84% is landfillable HW. Details on Recycling/ Utilization/Co-Processing of Hazardous Waste in Chhattisgarh is as given below:

Sl. No.	Particular	No. of Authorized facilities	Quantity of HW recycled/ Utilised/ Co-processed. (in MTA)
1	Commonly Recyclable Hazardous Waste	38	7766

2	Utilization of Hazardous Waste under Rule 9	71	31297
3	Captive utilization of hazardous and other wastes	225	93248
4	Co-processing in Cement Plants	9	68687

For management of hazardous waste, there are 38 recyclers operating in the state and during 2022-23 about 7,766 MT of HW has been recycled. Apart from recycling, 71 authorized utilizers (as per CPCB SOPs) and 225 captive utilizers are also operating in the state which together utilizing about 1,24,545 MT of HW. Commissioning of common TSDF is under progress in the state of Chhattisgarh. However, there are 2 SLF and 1 incinerator as captive facilities. Due to non-availability of common disposal facility more than 01 Million MT of HW are being stored at the premises of unit. About 68,687 MT of HW has been co-processed by 9 cement plants during 2022-23.

Chhattisgarh is prioritizing eco-friendly policies and sustainable programmes. The Chhattisgarh Environment Conservation Board (CECB) is Constituted under section 4 of The Water (Prevention and Control of Pollution) Act, 1974. CECB is required to carry out the functions as specified in section 17 of Water and Air Acts and to implement certain provisions of Environment (Protection) Act, 1986 & the rules made there under. CECB is responsible for implementation of Water, Air, Cess and Environment Protection Acts/Rules. It is also concerned with the Industrial/Institutional Pollution Prevention Programme. It is also concerned with providing training to NGOs and others, mass awareness programmes and co-ordination of State level activities.

3.2.12. Energy consumption by MSMEs

The MSME sector is known for its high GHG emissions due to extensive use of fossil-based fuels. The Bureau of Energy Efficiency has recognized that MSMEs in specific subsectors such as rice milling, food processing, textiles, pulp and paper, chemicals, pharmaceuticals, rubber, and plastic, as significant energy consumers. To address this issue, MSMEs adopt measures to reduce energy consumption and enhance conservation. These measures encompass both demand-side and supply-side approaches. On the demand side, energy conservation and energy efficiency measures can reduce energy consumption. On the supply side, MSMEs can explore adoption of renewable energy sources, including deployment of solar rooftops to generate clean energy.

To assess the MSMEs and other segments, NITI Aayog introduced the State Energy and Climate Index (SECI). This index evaluates Indian states based on six key parameters, using 27 indicators that include DISCOM's performance, Access, Affordability & Reliability, Clean Energy Initiatives, Energy Efficiency, Environmental Sustainability, and New Initiatives. Among these indicators, the energy saved by industries is perhaps the most important parameter as it shows how prudent the industries, in a state, are in adopting good practices to save energy.

The final SECI score reveals that among larger states, Gujarat, Kerala, Punjab, Haryana, Uttarakhand, and Maharashtra fall under the category of Front-runners. The states such as HP, Karnataka, TN, Assam, Telangana, Andhra Pradesh, UP, WB and Bihar are achievers, and the

remaining states are aspirants. The highest score of 50.1 was achieved by Gujarat, followed by Kerala and Punjab with a score of 49.1 and 48.6 respectively. Chhattisgarh has achieved an overall score of 31.7 highlighting the need to focus on terms of clean energy initiatives, energy efficiency, environmental sustainability, and new initiatives. The state stands at 11th position among the larger states in terms of DISCOM's performance.

Based on stakeholder discussions, the MSMEs, particularly those in power-intensive sectors, had expressed a desire to transition to renewable energy sources like solar energy. However, their ability to do so has been hampered by constraints such as lack of awareness and knowledge on use and benefits of ESG practices/ technology, available formal financing schemes and limited access to technical experts for handholding. Additionally, according to survey findings, significant barriers to the adoption of energy-efficient technologies and practices among MSMEs stem from perception of the cost of inception and longer time to reach break-even point. An overwhelming 62% of surveyed MSMEs cited a lack of awareness as the reason for not implementing environment friendly and sustainable practices like use of solar power.

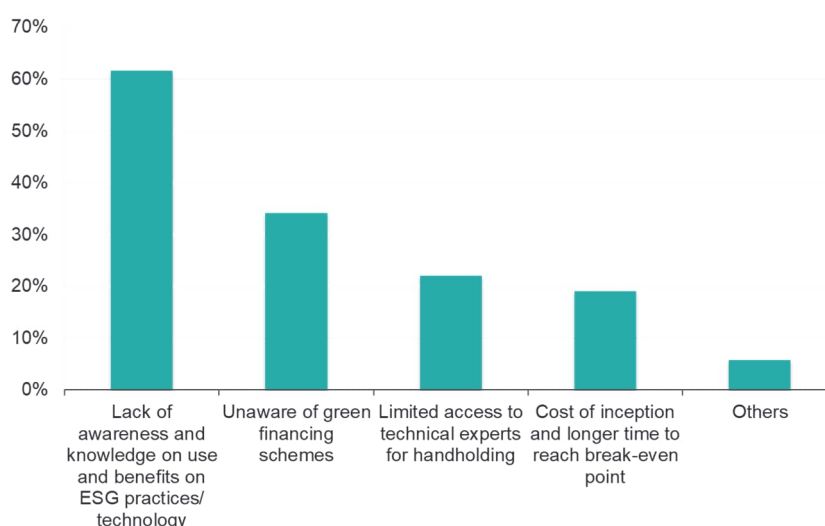


Figure 22 Challenges in implementing environment friendly and sustainable practices like Use of Solar Power

Hence, irrespective of registration status, the MSMEs often prioritize maintaining positive cashflows, profitability as well as sustaining their presence in the market over adoption and assurance of environmentally sustainable practices. This priority is driven by the immediate need to ensure financial stability and survival in competitive markets. However, given the potential impacts of environmental crises on cash strapped MSMEs, especially micro enterprises, there is an urgent need to create awareness and improve adoption of environmentally sustainable measures.

3.3. Key Gaps in MSME Support, Policy Development and Delivery

The Micro, Small, and Medium Enterprises (MSMEs) sector in Chhattisgarh, a crucial driver of employment and regional development, continues to face several significant challenges despite its vital role in the local economy. A detailed examination of the current support mechanisms, policy frameworks, and their implementation reveals critical gaps that impede the sector's growth and competitiveness. These gaps include inadequate support structures, policy

misalignment, and inefficient delivery mechanisms, which collectively hinder the ability of MSMEs to thrive and contribute effectively to the state's economic landscape. Addressing these issues is imperative for fostering a more conducive environment for MSME development and ensuring their sustained contribution to Chhattisgarh's economy.

3.3.1. Mapping Institutions and Agencies in the State for MSME Development.

The effective development of the Micro, Small, and Medium Enterprises (MSMEs) sector in Chhattisgarh relies on a robust network of institutions and agencies dedicated to supporting and promoting these enterprises. Key institutions play vital roles in providing infrastructure, financial assistance, training, and market access, among other essential services. Understanding the functions and contributions of these organizations is crucial for identifying gaps and opportunities in the current MSME support ecosystem. The following are some of the principal institutions involved in MSME development in Chhattisgarh:

Department of Commerce & Industries: The Department of Commerce and Industries is Nodal Department for overall development of industrial sector in the state. It plays developmental & facilitation role to attract industrial investments in the state.

Chhattisgarh State Industrial Development Corporation (CSIDC): A state-owned enterprise focused on developing industrial infrastructure, promoting industrial estates, and facilitating land acquisition for industries.

Chhattisgarh Khadi and Village Industries Board (CGKVIB): Promotes and supports Khadi and village industries, providing financial assistance, training, and marketing support.

District Trade & Industries Centres (DTICs): Located in each district, DICs act as single-window agencies for providing information, guidance, and support to MSMEs.

The primary functions of the Department of Commerce & Industries are mentioned below:

Sl. No	Functions	Supporting Schemes/Activities of the State
1.	Financial Assistance: Offering financial assistance schemes to boost businesses	IC Scheme, MUDRA Scheme, CGTMSE
2.	Entrepreneur Identification & Skill Development	Mukhyamantri Yuva Swarozgar Yojana, Chhattisgarh Mahila Udyam Nidhi Yojana, Skill development programmes through ITIs and RSETIs
3.	Licenses and Clearances	Assists in acquiring licenses and clearances required for operating businesses; Single Window System, Ease of Doing Business initiatives
4.	Infrastructural Support	Industrial Infrastructural Development Scheme (IIDS), Mega Food Park Scheme, Industrial Land Allotment Policy
5.	Market Identification	Assists businesses in finding appropriate marketing avenues. E-commerce Initiatives, Trade Fairs and Exhibitions, Export Promotion Assistance

6.	Dispute Resolution	Micro and Small Enterprises Facilitation Council
7.	Reviving Units	Aids in the rehabilitation of defunct or stressed business units Chhattisgarh Sick Industrial Companies (Special Provisions) Act, 1985, Financial Restructuring Schemes (through banks/financial institutions)

In Chhattisgarh, the District Trade and Industry Centre (DTIC) stands as the cornerstone institution at the district level, dedicated to delivering a comprehensive suite of services and support mechanisms for entrepreneurs aiming to establish and expand Micro, Small, and Medium Enterprises (MSMEs). Presently, 33 DTICs are operational across all districts in the state, ensuring broad coverage and accessibility. DTICs in Chhattisgarh provide a comprehensive range of services to entrepreneurs. These include capacity-building programs, guidance on government schemes, and assistance in preparing project reports and feasibility studies. They facilitate access to credit by linking entrepreneurs with financial institutions and offer support in procuring technology and machinery. Additionally, DTICs help source raw materials, promote industrial cluster development, and organize marketing events such as trade fairs and buyer-seller meet. They also support the formation and growth of industrial cooperatives to encourage collective entrepreneurship.

Organizational Structure:

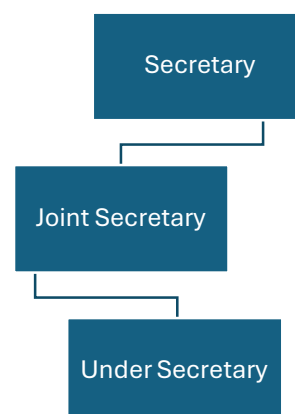
- **General Manager:** Each DTIC is headed by a General Manager, who oversees the overall functioning and coordination of various activities.
- **Functional Officers:** The General Manager is assisted by a team of functional officers responsible for specific areas like credit, project report preparation, industrial promotion, etc.
- **Supporting Staff:** DTICs also have supporting staff to conduct outreach activities and handholding of MSMEs.

Monitoring and Evaluation:

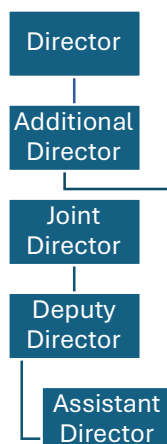
Effective monitoring and evaluation are crucial to ensure the success and sustainability of any initiative. The performance of DTICs is monitored and evaluated by the Directorate of Industries, Chhattisgarh. Regular reviews are conducted to assess the effectiveness of various schemes and programs and to identify areas for improvement. Chhattisgarh's District Trade and Industry Centers (DTICs) are subjected to a rigorous multi-layered review process to ensure their operational effectiveness. Each DTIC conducts regular internal reviews, focusing on progress metrics, fund utilization, and service delivery efficiency. Regional reviews are carried out by Joint/Deputy Directors, who assess the performance of DTICs within their jurisdictions, identify challenges, and provide strategic guidance. At the state level, the Directorate of Industries evaluates the overall impact of DTICs across the state and disseminates best practices. Additionally, external reviews by independent agencies offer unbiased assessments and policy recommendations. Feedback from entrepreneurs and stakeholders is also systematically collected and analysed, ensuring that DTIC services remain responsive and aligned with the evolving needs of the MSME sector.

Organisational Structure:

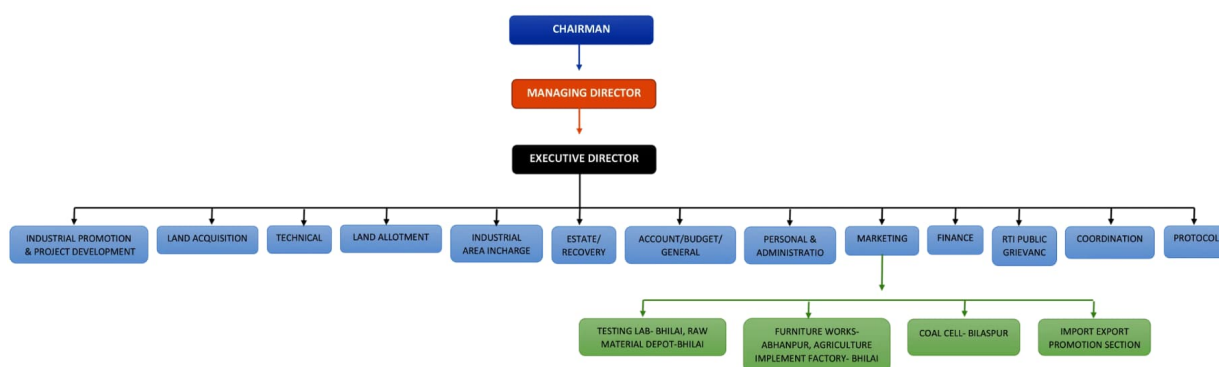
The **Department of Commerce & Industries** in Chhattisgarh follows a hierarchical structure, with the Secretary at the helm, responsible for overall leadership and decision-making. The Joint Secretary serves as the second level of authority, assisting the Secretary and overseeing specific areas or departments. Under Secretaries, forming the third level, are responsible for implementing policies and managing day-to-day operations under the Joint Secretary's guidance.



At the **Directorate of Industries level**, the Director holds the highest position, followed by the Additional Director, who presumably shares some of the Director's responsibilities. Below them is the Joint Director, followed by the Deputy Director, and finally, the Assistant Director.



The **Chhattisgarh State Industrial Development Corporation (CSIDC)** is structured in a hierarchical manner, with the Chairman and Managing Director at the helm. The Executive Director supports the Managing Director in overseeing various departments, including Industrial Promotion & Project Development, Land Acquisition, Technical, Land Allotment, and Industrial Estate/Area In charge. Additional departments like Accounts/Budget/Recovery, Personal & General Administration, Marketing, Finance, RTI/Public Grievance, Coordination, and Protocol ensure smooth functioning and adherence to regulations. CSIDC also operates several specialized units, such as a Testing Lab in Bhilai, a Raw Material Depot in Bhilai, Furniture Works in Abhanpur, an Agriculture Implement Factory in Bhilai, a Coal Cell in Bilaspur, and an Import-Export Promotion Section. This structured hierarchy and diverse range of departments enable CSIDC to effectively fulfil its mandate of promoting industrial development and economic growth in Chhattisgarh.



Source: <https://csidonline.cgstate.gov.in/>

3.3.2. As is Assessment of Portals in the State.

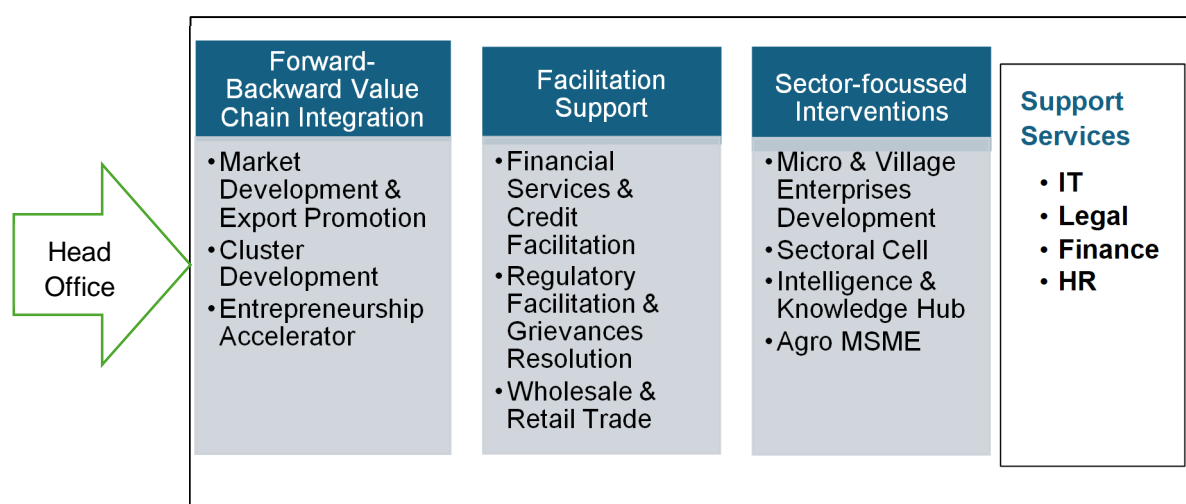
While there are certain portals that enhance the visibility of the MSME sector in Chhattisgarh, there is significant scope for improvement that the state can adopt. The following write-up draws examples from Haryana and Tamil Nadu, illustrating how their portals and websites are aligned with ease of operations and user-friendliness. These states have implemented best practices that streamline processes, provide comprehensive information, and offer robust support systems for MSMEs. By adopting similar strategies, Chhattisgarh can further enhance its digital infrastructure to better support its MSME sector.

The below-mentioned table showcases the current available portals hosted by the Chhattisgarh government for promotion of the MSMEs.

Department	Website Link	Details
Department of Commerce & Industries	https://industries.cg.gov.in/	Provides a collated information on the MSME units registered, major important information as conveyed by the department, market access, investment opportunities,
Chhattisgarh State Industrial Development Corporation Ltd.	https://csidc.in/	Provides information on land allotment, including online services, and contact information, etc.
State Level Bankers Committee, Chhattisgarh	http://slbcchhattisgarh.com/pages/views/msme-nodel-officers	Hosts details of MSME Nodal officers for various banks in Chhattisgarh
Single Window System, Chhattisgarh	https://industries.cg.gov.in/swscg/login	Facilitates online application and processing of various clearances and approvals for setting up industries in Chhattisgarh

The Directorate of Industries and Commerce in Haryana conducted a visioning exercise in 2021. As part of this, the MSME directorate was restructured with a focus on enhancing support for MSMEs through a more streamlined and efficient organizational framework. This restructuring aimed to improve service delivery, foster innovation, and ensure that MSMEs receive the necessary guidance and resources to thrive. By benchmarking against such practices, Chhattisgarh can develop a more robust support system for its MSME sector, fostering growth and enhancing competitiveness in the region.

1. Organisation Structure in Haryana Directorate of MSMEs



The head office oversees three primary areas of focus: Forward-Backward Value Chain Integration, Facilitation Support, and Sector-Focused Interventions. Additionally, the head office receives support services from IT, Legal, HR, and Finance departments to ensure seamless operations.

a) Forward-Backward Value Chain Integration:

- **Market Development & Export Promotion:** Initiatives aimed at expanding market access and promoting MSME products for export.
- **Cluster Development:** Fostering the growth of MSME clusters to enhance collaboration, efficiency, and competitiveness.
- **Entrepreneurship Accelerator:** Programs designed to support and accelerate the growth of new and existing entrepreneurs.

b) Facilitation Support:

- **Financial Services & Credit Facilitation:** Providing MSMEs with access to financial services and facilitating credit opportunities.
- **Regulatory Facilitation & Grievances Resolution:** Assisting MSMEs in navigating regulatory requirements and addressing grievances.
- **Wholesale & Retail Trade:** Supporting MSMEs engaged in wholesale and retail trade activities.

c) Sector-Focused Interventions:

- **Micro & Village Enterprises Development:** Promoting the development of micro and village enterprises.
- **Sectoral Cell:** Dedicated units focusing on specific sectors to provide targeted support.
- **Intelligence & Knowledge Hub:** Serving as a repository of information and expertise to aid MSMEs.

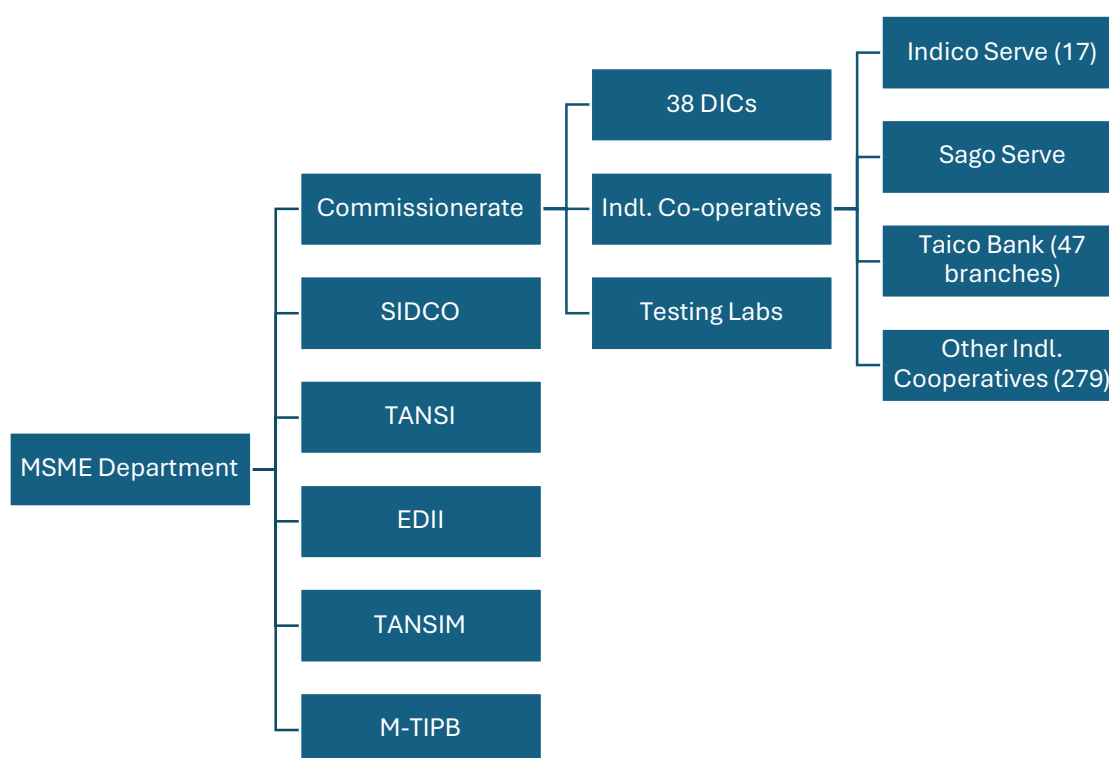
- **Agro MSME:** Specialized support for MSMEs in the agricultural sector.

Support Services: The head office is backed by essential support services from IT, Legal, HR, and Finance departments. These services ensure the efficient functioning of the head office and enable it to provide comprehensive support to MSMEs across the state.

By incorporating these focused areas and support services, the head office can effectively drive the development and growth of MSMEs, ensuring they receive the necessary assistance to thrive in a competitive market.

2. Administrative Setup of MSME Department in Tamil Nadu is provided below:

The organizational chart illustrates the institutional framework for MSME development in Tamil Nadu, India, showcasing the various departments and agencies under the Department of Industries and Commerce that work to foster the growth of this sector.



The central entity is the MSME Department, which oversees and coordinates the efforts of various sub-departments and associated organizations:

- The Commissionerate of Industries and Commerce:** This department is responsible for formulating and implementing policies related to industrial and commercial development in the state.
- The Tamil Nadu Small Industries Development Corporation Limited (SIDCO):** SIDCO focuses on developing industrial infrastructure, promoting industrial areas, and facilitating investment in the state.

- c) **The Tamil Nadu Small Industries Corporation Limited (TANSI):** TANSI provides support services to small-scale industries, such as marketing assistance, raw material procurement, and technology upgrades.
- d) **The Tamil Nadu Entrepreneurship Development and Innovation Institute (EDII-TN):** EDII-TN is a renowned institution for entrepreneurship development and is involved in training and capacity building programs for MSME entrepreneurs.
- e) **Cooperative Sector Institutions:**
 - **Tamil Nadu Industrial Co-operative Bank (TAICO Bank):** Provides financial assistance to MSMEs.
 - **Indcoserve:** Offers consultancy and support services to industrial cooperatives.
 - **Sagoserve:** Focuses on the development of the sago industry in the state.

Additionally, the chart highlights:

- **38 DICs (District Industries Centres):** These centres act as local points of contact for MSMEs, providing information, guidance, and support services at the district level.
- **TANSIM (Tamil Nadu Small Industries Modernisation Association):** Works towards modernizing small industries through technology adoption and process improvement.
- **M-TIPB (Micro, Small, and Medium Enterprises Trade and Investment Promotion Bureau):** Promotes trade and investment opportunities for MSMEs within the state and beyond.
- **Testing Labs:** Provides testing and quality control services for raw materials and industrial products.
- **Other Industrial Cooperatives:** There are 279 other industrial cooperatives in the state, showcasing the importance of the cooperative model in Tamil Nadu's industrial landscape.

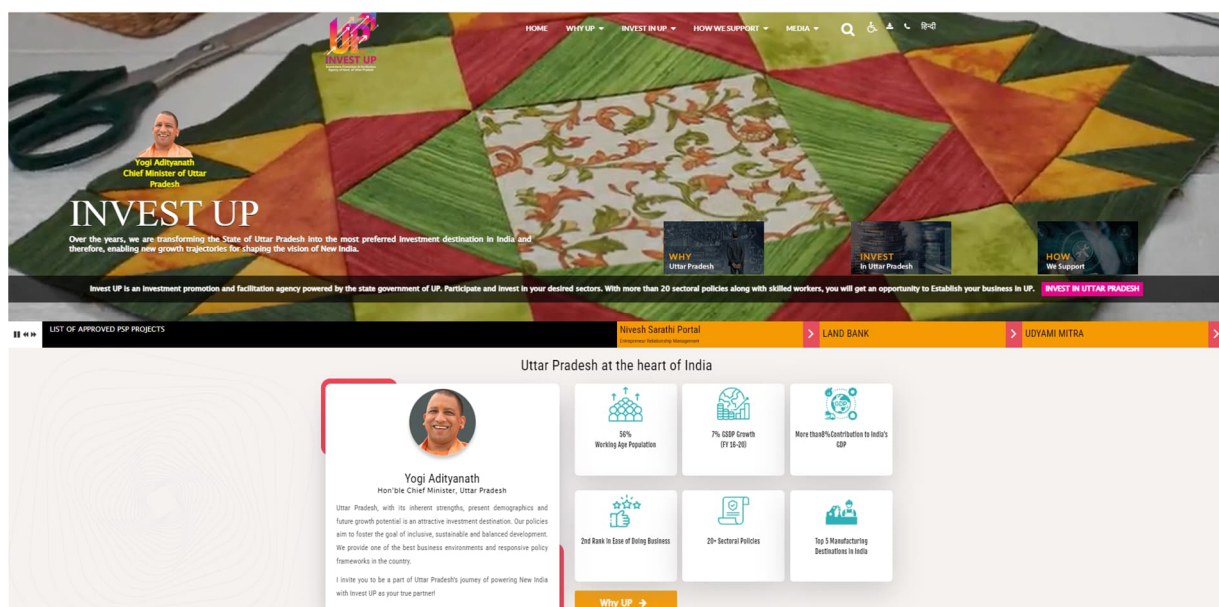
Re-structuring of the MSME departmental operational for Chhattisgarh:

The following best practices could be adopted by the state to enhance MSME support:

- **Value Chain Integration:** Focus on integrating MSMEs into the forward and backward value chains.
- **Facilitation and Support Services:** Provide comprehensive support services, including financial assistance, regulatory facilitation, and grievance resolution.
- **Sector-Focused Interventions:** Identify key sectors and tailor support programs accordingly.
- **Cluster Development:** Identify potential clusters and provide targeted support.
- **Financial Services and Credit Facilitation:** Improve access to finance for MSMEs through dedicated financial institutions or strengthened mechanisms.
- **Skill Development and Entrepreneurship:** Invest in skill development and entrepreneurship programs to enhance workforce capabilities.
- **Administrative Setup:** Adapt a structured administrative setup for efficient service delivery to MSMEs.

3. Drawing Investments to Chhattisgarh

The below mentioned image is drawn from the website designated to investing in Uttar Pradesh.



Source: [Official Website of Invest UP, Government of Uttar Pradesh, India](https://investup.gov.in/)

The portal provides comprehensive insights for individuals or industries looking to invest in Uttar Pradesh. It showcases key information such as the state's economic snapshot, demographics, infrastructure, and business climate, all under the "Why to Invest in UP" section.

Additionally, the portal highlights the support provided by the Uttar Pradesh Government and details various growth-supporting policies, organized by industry. It also includes redirecting links to public-private partnership projects open for investment, key statistics about the state, and other relevant portals and schemes.

By offering this wealth of information, the portal serves as a valuable resource for potential investors, providing them with all the necessary tools and data to make informed investment decisions in Uttar Pradesh.

Course of Action for Chhattisgarh:

Chhattisgarh can refer to the UP-investment portal as a model to create a similarly structured platform that attracts investors and enhances visibility. Here's a suggested structure and content for a Chhattisgarh Investment Portal, drawing inspiration from the UP model:

Chhattisgarh Investment Portal Structure

a) Homepage:

- **Captivating Visuals:** High-quality images and videos showcasing Chhattisgarh's natural beauty, industrial landscapes, cultural heritage, and thriving business environment.
- **Compelling Headline:** A strong, concise statement highlighting Chhattisgarh's investment potential and unique advantages (e.g., "Chhattisgarh: Your Gateway to Growth and Opportunity").

- **Clear Call to Action:** Prominent buttons or links directing visitors to explore key sections of the portal (e.g., "Why Invest in Chhattisgarh," "Industry Opportunities," "Government Support").

b) **Why Invest in Chhattisgarh:**

- **Economic Snapshot:** Key economic indicators (GDP growth, per capita income, sector-wise contributions) highlighting Chhattisgarh's growth trajectory and stability.
- **Demographics:** Information on population size, age distribution, workforce skills, and literacy rates, showcasing a young and vibrant workforce.
- **Infrastructure:** Detailed information on road, rail, air connectivity, power supply, water resources, and industrial infrastructure.
- **Business Climate:** Ease of doing business rankings, simplified regulations, tax incentives, and other government initiatives supporting investment.
- **Unique Advantages:** Highlight Chhattisgarh's specific strengths, such as abundant natural resources (minerals, forests), strategic location, skilled labour, and pro-business policies.

c) **Industry Opportunities:**

- **Sector-Specific Sections:** Detailed information on investment opportunities in key sectors like mining, manufacturing, agriculture, renewable energy, IT, and tourism.
- **Success Stories:** Case studies or testimonials from businesses already thriving in Chhattisgarh.
- **Project Profiles:** A curated list of specific investment projects open for collaboration, including details on project scope, investment requirements, and potential returns.

d) **Government Support:**

- **Policies and Incentives:** Comprehensive information on state-level policies, incentives, subsidies, and tax benefits available to investors across different sectors.
- **Single Window Clearance:** Details on the streamlined single-window clearance system to facilitate quick and hassle-free approvals for investment projects.
- **Investor Facilitation Cell:** Information on dedicated contact points for investors to seek assistance and guidance.

e) **Additional Resources:**

- **Key Statistics:** A regularly updated dashboard with key economic and social statistics about Chhattisgarh.
- **Reports and Publications:** Access to relevant reports, whitepapers, and publications on Chhattisgarh's investment landscape.
- **Links to Other Portals:** Links to relevant government websites, industry associations, and other resources for further information.
- **News and Events:** A section featuring the latest news, upcoming events, and investor summits related to Chhattisgarh's business environment.

Key Considerations for Chhattisgarh:

- **User-Friendly Design:** Ensure the portal is easy to navigate, visually appealing, and optimized for mobile devices.
- **Regular Updates:** Keep the information current and relevant by regularly updating statistics, policies, and project profiles.
- **Multilingual Support:** Consider offering content in multiple languages (Hindi, English, and local dialects) to reach a wider audience.
- **Promotion:** Promote the portal through various channels, including social media, industry events, and targeted campaigns.

By developing a comprehensive and user-friendly investment portal, Chhattisgarh can effectively showcase its strengths, attract investors, and drive economic growth.

3.3.3. Monitoring and Evaluation System.

Currently, most of the initiatives in Chhattisgarh operates their own dedicated MIS dashboard, created and maintained by various governmental tech entities such as Chhattisgarh Infotech Promotion Society (CHiPS), National Informatics Centre (NIC), and other local IT bodies. While this decentralized approach has its merits, such as specialized focus and autonomy, it also creates a fragmented data and decision-making landscape. Some of these dashboards fall directly under the Directorate's jurisdiction, while others are managed by District Trade & Industries Centres (DICs), further diversifying the administrative oversight. These platforms perform critical functions but operate in isolation, adding to the complexity of managing and accessing data. This segmented landscape is dynamic, continuously evolving with the introduction of new schemes and initiatives. Each new addition adds another layer to this intricate, multi-dimensional data environment.

Sl. No	Scheme/Initiative	Developed By	Remarks
1.	E-Mane-C	NIC	E marketing network of Chhattisgarh; Hosts for 51 Departments, data for products, users, and procurement details, daily orders, complaint addressal.
2.	Udyam Akanksha	NIC	Tracks applications received, certificates issued, and registration details for MSMEs in Chhattisgarh.
3.	Single Window System	NIC	Digital platform which promotes simplifying and expediting process of obtaining clearances, approvals as needed with transparency and accountability
4.	CG Haat	NIC	E-commerce platform to promote, and sell handicrafts, and handloom products made by artisans.
5.	E-District	CHIPS	License and permit, certificate issuance tracking

6.	Startup India	NIC	Sector wise, stage-wise, funding declaration, distribution of startups across the state.
7.	Startup Chhattisgarh	NIC	Details of incubators, start-up registration application forms available on the portal. Success stories will promote the startup ecosystem. However, no such details are available on the portal
8.	CG Markfed	NIC	Details of centres, farmers production details, miller, do requests, do issued details, etc.
9.	Choice 2.0	CHIPS	E-District dashboard and report details

Across all 28 districts of Chhattisgarh, each District Industries Centre (DIC) has been equipped with individual login credentials. This empowers DICs to actively update field-level data across multiple service offerings and dashboards, including:

- **Udyam Registration Portal:** Facilitating registration and data updates for Micro, Small, and Medium Enterprises (MSMEs).
- **Single Window System:** Streamlining approvals and clearances for setting up and operating MSMEs.
- **E-Mane-C** (E-Marketing Network of Chhattisgarh): Managing product listings and sales data on this online marketplace.
- **Subsidy Eligibility Dashboard:** Tracking applications and disbursements related to various government subsidy schemes.

This decentralized data entry model strengthens data integrity, security, and operational efficiency across all DICs, making each centre more responsive and agile.

Need for a unified MIS portal.

Chhattisgarh, like many states, faces the challenge of fragmented MIS dashboards across various departments and schemes. Recognizing this, stakeholder meetings were conducted, involving representatives from different relevant bodies, and DICs.

While the creation of a master MIS poses technical challenges, discussions concluded that it is both feasible and strategically essential for Chhattisgarh. A unified platform would:

- **Consolidate Data:** Provide a single source of truth for industrial data, enhancing data accuracy and reliability.
- **Enhance Decision-Making:** Enable data-driven policy formulation and implementation at the state level.
- **Streamline Reporting:** Reduce the burden of manual data aggregation and reporting across different departments.

The following strategies can be adopted for achieving comprehensive version of MIS dashboards:

- **Strategic Alignment:** Align the development of a unified MIS with the strategic goals of Chhattisgarh's industrial policy.
- **Stakeholder Engagement:** Ensure continuous involvement of key stakeholders to address concerns and incorporate feedback.
- **Phased Implementation:** Adopt a phased approach to implementation, starting with critical modules and gradually integrating additional functionalities.

By moving towards a consolidated MIS framework, Chhattisgarh can significantly enhance its data management capabilities, leading to more informed decision-making and efficient policy execution.

4. SIP Projects

Chhattisgarh is determined to enhance its reputation as a destination that is conducive to industrial growth. The State is committed to boosting investment in the Micro, Small, and Medium Enterprises (MSME) sector. To this end, Chhattisgarh is looking to capitalize on the RAMP program to tackle its central themes, thereby achieving progress in key areas such as nurturing entrepreneurship, promoting sector-specific expansion, upgrading skills for future-oriented jobs, ensuring environmentally and socially responsible industrial growth, and developing the necessary infrastructure to support these goals.

Considering the existing scenario and the need identified to develop the MSME sector in the State in coming years State specific interventions are identified as provided below:



District Trade and Industries Centres of respective districts shall be responsible for the implementation of the respective district level interventions. DICs shall leverage the MSME Facilitation Centres, and the Block level resources for identifying, mobilising and coordinating with the prospective beneficiaries during implementation. Support of other concerned departments/ agencies like Dept. of Forest, Dept. of Technical Education, MFP Federation etc. shall be taken for effective coordination during implementation of interventions involving different sectors/ areas falling under them. CSIDC, State Nodal Agency, shall monitor the implementation of the interventions. The overall review of the implementation of the interventions shall be carried out periodically by State Level RAMP programme Committee.

4.1. Comprehensive Entrepreneurship Promotion Initiative (CEPI)

4.1.1. Major issues/challenges of MSME

The economy of Chhattisgarh is heavily reliant on agriculture, as well as mining and metal-based industries. Despite its abundant resources, the state's capacity to utilize these resources efficiently is hindered by Naxalite influence. This is particularly evident in districts affected by Left-Wing Extremism (LWE), where the economy is predominantly agricultural, and the service and manufacturing sectors are underdeveloped. Social attitudes toward entrepreneurship, coupled with a lack of awareness about government schemes and facilities, discourage individuals from launching their own businesses.

A significant challenge facing MSMEs in Chhattisgarh is the lack of awareness regarding government schemes and facilities, which impedes growth and development. There is a

noticeable gap in the effective communication of available schemes and facilities to both aspiring and existing MSME entrepreneurs. Government schemes often fail to reach the neediest or intended beneficiaries due to the absence of targeted outreach programs that focus on specific industries, regions, or demographics.

Moreover, complex government policies, which lack clear guidelines and simplified processes, create obstacles for MSMEs attempting to navigate application procedures and benefit from these schemes. Although digital platforms are increasingly used for disseminating knowledge and streamlining processes, a digital divide prevents MSMEs, especially those in rural and LWE-affected areas, from accessing online resources. This is due to limited digital literacy and concerns regarding the authenticity of online resources.

In addition to it, skill development and capacity building programs of the aspiring and existing entrepreneurs as well as officials is also lacking. There is a shortage of well-equipped training centres and institutions that can provide quality vocational training and skill development. The available training programs often do not meet industry standards, leading to a mismatch between the skills acquired and the skills required by the MSMEs. Many MSME owners and workers are unaware of the training programs available and the benefits of such programs.

4.1.2. Key Findings

The survey findings and one to one interaction with the stakeholders' underscores lack of awareness as the major reason for impeded growth and development of MSMEs. Plethora of government schemes and programs exists to assist the MSMEs, however, the beneficiaries are not aware about it.

There is a demand for targeted awareness campaigns and sensitization programs to cater to the needs of last mile entrepreneur. Generic training programs are not able to address the diverse and specific needs of different sectors within the MSME ecosystem. There is a lack of tailor-made training programs that cater to the unique requirements of various MSMEs.

The analysis of secondary data sourced from established training institutions and schemes like CIPET and CSSDA reveals that the annual number of candidates trained is currently insufficient. The current training efforts are falling short in meeting the demand for skilled professionals. This underscores a pressing need for more frequent and extensive program initiatives, extending their reach to districts and blocks across the region.

Looking into the geographical challenges of state, poor transportation and connectivity hinders the participation of workers in training programs. Training and capacity building programs at remote locations will increase the participation and bring better results.

Another concern emerged while interacting with MSMEs is the lack of exposure to new techniques, technology, and advancements in their respective fields. Assistance in providing the entrepreneurs with opportunities for exposure can help them easily adopt new technologies and perform well.

4.1.3. Problem Statement

The lack of effective entrepreneurship promotion in Chhattisgarh has resulted in limited startup activities, slow economic diversification, and underutilization of the state's human and natural resources. This issue is compounded by several factors, including inadequate access to finance, insufficient support infrastructure, limited awareness and education on entrepreneurship, and a restrictive regulatory environment.

CEPI aims to reach entrepreneurs in every district and equip them with required knowledge and skills required to successfully run an enterprise. By conducting sensitisation programs, Entrepreneurship (Skill) Development Trainings and exposure to the entrepreneurs, this intervention aims to establish 500 additional MSMEs in the state per year.

4.1.4. Proposed interventions with respect to RAMP objectives.

Enterprise promotion, an intervention for capacity building, is conceptualised to empower the state's MSME sector through a multifaceted approach. This comprehensive initiative encompasses district-level sensitization programs, which aim to raise awareness and educate MSME stakeholders about the benefits of entrepreneurship and available support mechanisms. By conducting Entrepreneurship Development Programs (EDP) and Entrepreneurship Skill Development Programs (ESDP), prospective entrepreneurs will be equipped with the essential skills and knowledge needed to launch and sustain successful ventures. Additionally, advanced training modules for existing entrepreneurs will focus on enhancing their capabilities in areas such as digital transformation, innovation management, and quality control, thereby improving their competitiveness. Exposure programs will further complement these efforts by providing selected entrepreneurs with opportunities to observe best practices, adopt new technologies, and explore new market opportunities through national and international visits. Collectively, these sub-interventions aim to foster a robust entrepreneurial ecosystem, driving economic growth and ensuring the sustainable development of Chhattisgarh's MSME sector.

The following activities are proposed under this intervention:

- ▶ **District level sensitisation programmes for MSMEs** – Sensitisation of MSMEs on the available government schemes and programmes for promotion of MSMEs, sources of funds, functions of various departments and compliances and licenses required for various sectors will be provided at district level. This intervention will ensure awareness among the MSME regarding schemes and policies they can benefit from. In addition to it, this will help and guide aspiring entrepreneurs in finding avenues for enterprise development and provide direction to kick start their ideas. District level workshops will be organized in collaboration with Chamber of Commerce, Industry Associations and educational institutions for wider audience reach.
- ▶ **EDP/ESDP for prospective entrepreneurs** – Prospective and aspiring entrepreneurs identified from the sensitisation programmes conducted will be provided Entrepreneurship Development Programmes/ Entrepreneurship Skill Development Programme. The sessions will cover topics such as business planning, financial management, marketing strategies, and legal compliance. The aim of this programme is to enhance the entrepreneurial skills and confidence among prospective entrepreneurs. Also, it will increase number of new business startups in the state.
- ▶ **Advanced Training** – Selected entrepreneurs from the EDP training who need advanced training for technology adoption, technology upgradation, product diversification, scaling, etc. will be provided advanced training. Collaborations will be built with technical institutions and successful enterprises to impart advanced training and handholding support. Training cost will be covered under RAMP and provisions will be made to provide all possible trainings at district level for better participation.
- ▶ **Exposure for selected entrepreneurs** – Providing budding and potential entrepreneurs with exposure to best practices, new technology and market opportunities can effectively help MSMEs grow and develop. The intervention will facilitate participation in business

delegation trips to other states. It will help in enhancing understanding of global business trends and practices among entrepreneurs.

For effective implementation of the above interventions, close co-ordination with the state and district level government bodies will be required.

4.1.5. Proposed project design concept and feasibility & viability of proposal

The intervention “Comprehensive Entrepreneurship Promotion Initiative” is conceptualised to create a vibrant entrepreneurial ecosystem in Chhattisgarh by addressing key challenges and providing targeted support through district-level sensitization programs, EDP/ESDP training, advanced training, and exposure programs. By implementing these sub-interventions, the initiative will enhance the capabilities of MSMEs, foster innovation, and drive economic growth and development in the state.

The district-level sensitization programme is designed to raise awareness about the importance of entrepreneurship and the resources available to support MSMEs. Each of Chhattisgarh's 33 districts will host monthly workshops, aiming to reach ~30,000 entrepreneurs throughout the project's tenure. A step ahead of this sensitization programme would be EDP/ESDPs which will be provided to the prospective entrepreneurs thus identified and selected after the sensitization programme. Like sensitization programme, EDP/ESDP based on the need and demand of entrepreneurs, will be organized at district level once in a year covering ~8000 entrepreneurs during 3 years of the project.

Further, MSME who need training which are above and beyond the traditional trainings provided at district level, will be provided advanced trainings in partnership and collaboration with technical institutions and business entities ensuring high quality content and delivery. Approximately 50% of the MSMEs completed EDP and aspiring to get advanced trainings will be covered. Exposure visit will be organized in various states to learn the best practices and leverage marketing capabilities.

4.1.6. Approach and methodology for implementation.

	District-Level Sensitization Program	Workshops: Monthly in 33 districts Content: Featuring experts and informational materials Focus: Best practices, regulatory compliance, financial management
	EDP/ESDP for Prospective Entrepreneurs	Training: Sessions on business planning, financial management, marketing strategies, and legal compliance Methods: Hands-on training, simulations, case studies
	Advanced Training for Existing Entrepreneurs	Modules: Digital transformation, innovation management, export procedures, quality control Support: Mentorship programs with experienced business leaders
	Exposure Programs for Selected Entrepreneurs	Visits: Successful enterprises, industrial clusters, trade fairs, exhibitions Interactions: Industry leaders, innovators, policymakers

Figure 23 Approach and Methodology for implementation of CEPI.

To oversee and coordinate the implementation of the Comprehensive Enterprise Promotion Initiative (CEPI), district-level committees will be established in each of the 33 districts. These committees will comprise representatives from the Department of Industry, Education, Rural Development, and other relevant departments, alongside local industry leaders and successful entrepreneurs. The primary responsibilities of this committee will include planning and scheduling activities, allocating resources, and monitoring progress to ensure effective implementation.

The initial planning and coordination phase will commence with kick-off meetings where district-level committees will align on goals, roles, and timelines. Following this, a detailed schedule will be developed for the monthly workshops and repository of candidates for Entrepreneurship Development Programs (EDP), Entrepreneurship Skill Development Programs (ESDP), advanced training, and exposure programs.

The district-level sensitization programme will feature monthly workshops in each district, organized with the involvement of local experts, industry leaders, and government officials. To ensure the effectiveness of these workshops, comprehensive workshop materials will be developed, covering best practices, regulatory compliance, and financial management. Outreach and promotion efforts will leverage local media, social media, and community outreach to attract participants, ensuring wide dissemination and engagement within the MSME community.

4.1.7. Use of ICT/Innovative Technology Towards Project Implementation

Imparting virtual trainings and workshops will be done through online platforms and management of database and feedback will utilise tools like google forms and google sheets to share real time data.

4.1.8. Timeline for achievement of project deliverables

Sensitization workshop will be organized on monthly basis in each district from the commencement of program. All the other interventions will be implemented over the period of RAMP project.

4.1.9. Estimated impact of the intervention in the State

- ▶ District level sensitization program aims to sensitize 30690 entrepreneurs over the course of 3 years in all districts of the state. In the first year of program implementation, 231 sensitization programs and $396 \times 2 = 792$ sensitization programs in the next 2 year will be conducted.
- ▶ Through Entrepreneurship Development Programme/ Entrepreneurship Skill Development Programme ~8000 entrepreneurs will be facilitated for successfully setting up and running their enterprises.
- ▶ Advanced trainings will benefit 3960 entrepreneurs to introduce them to new skills and technology to expand and diversify their business.
- ▶ With the Exposure program yearly 200 entrepreneurs will be given opportunity to explore the MSME ecosystem outside of state and adopt the best practices.
- ▶ Apart from these, CEPI aims to establish 500 new enterprises per year.

4.1.10. Project costing

The total estimated budget for the interventions is provided in the table below:

Table 24 Total costing for CEPI for 3 years

SI.No.	Intervention	Total Cost for 3 years (INR Cr.)
1	District level sensitisation/ orientation programme	7.16
2	EDP/ESDP for prospective entrepreneurs	3.30
3	Advanced Training	4.95
4	Exposure for selected entrepreneurs	0.96
TOTAL		16.37

Table 25 Year wise costing for CEPI in 3 years

SI.No.	Intervention	Year 1	Year 2	Year 3
1	District level sensitisation/ orientation programme	1.62	2.77	2.77
2	EDP/ESDP for prospective entrepreneurs	0.83	1.24	1.24
3	Advanced Training	1.65	1.65	1.65
4	Exposure for selected entrepreneurs	0.32	0.32	0.32
TOTAL		4.41	5.98	5.98

It is proposed to organise one district level sensitisation/ orientation workshop per district per month at a cost of Rs.70000 per workshop (total 1023 workshops in 3 years). Around 264 EDP/ESDP shall be conducted for about 7920 candidates at the cost of Rs.125000 per EDP/ESDP. Advanced training shall be provided to about 3960 eligible candidates (participants of EDP/ESDP as well as other selected candidates) at Rs.2500 per day per candidate for 5 days. Total of 600 units will be provided exposure visit (8 batches of 25 units per year at a cost of Rs.398750 per batch which covers to and fro travel, lodging and boarding, food, local conveyance etc.).

4.1.11. Plan for strengthening M&E framework pertaining to Project.

Strengthening the M&E framework for CEPI involves establishing clear objectives and indicators to monitor the number and quality of trainings and workshops being provided at district level, developing a robust data collection system leveraging technology, implementing regular monitoring activities with the help of District and State Level Monitoring Committee, conducting comprehensive evaluations by measuring the output on quarterly basis, and creating feedback and learning loop.

The State Level Monitoring Committee will comprise of:

- Director of Industries and Commerce
- Representative of Finance Department
- Director MSME – DI
- Representative of State Level Bankers Committee
- CEO of CSSDA
- Director Rural Development

The District Level Monitoring Committee will comprise of:

- District Collector
- CEO Zila Panchayat
- Lead District Manager
- Treasury Officer
- General Manager of District Industries Centre
- Assistant Director – Skill

4.2. Support for Capacity Building – Lady Entrepreneurs Augmentation Programme

4.2.1. Key Findings and Major issues/challenges of MSME

The number of women entrepreneurs in the State from 2019 to 2023 indicate that the share of women led enterprises (about 14%) is less than the national average. Further, the 73rd NSS indicates less than one fourth participation of women in employment generated/ engaged in MSME sector for Chhattisgarh which is same as the national average.

Self-Help Groups (SHGs) have been a significant movement in India, aiming to empower women and promote financial inclusion, especially in rural areas. In the context of Chhattisgarh, a state known for its tribal population and forest-based economy, SHGs have played a crucial role in empowering women and providing them with livelihood opportunities. There are nearly 2,60,000 SHGs with women members engaged as part of NRLM programme. There are more SHGs engaged with NABARD and Agriculture Department initiative like ATMA programme.

When it comes to Micro, Small, and Medium Enterprises (MSMEs), women SHGs in Chhattisgarh have increasingly become involved in various entrepreneurial activities that qualify as MSMEs. These activities range from handicrafts, handloom, food processing, and Agro-based industries to small manufacturing units and service-based businesses.

During the field visit for stakeholder consultations, the team has come across prospective women entrepreneurs with potential to grow who have indicated requirement for guidance and handholding. Low awareness on how to establish a business, what are the support available, which are the avenue to approach for support, who all can be the customers, how to connect with the supply chain, who all are the available business support service providers available in their region etc. was one of the major issues identified.

Some of the areas which needs to be focused to facilitate the women participation in the MSME sector as an entrepreneur are:

Access to Finance: There exists several schemes that focus improving access to finance to women entrepreneurs such as Standup India, Mudra Yojna, Mahila Udyam Nidhi Scheme, Stree Shakti Package for Women Entrepreneurs etc. However, the coverage needs to be improved as well as the quantum of loans provided. The number of CGTMSE guarantee approved for women was 2984 (for 2022-23) compared to national average of 9190, while for the same period the total CGTMSE loan amount approved was Rs. 202.99 Cr. in comparison to national average of Rs. 385 Cr.

Networking and Mentorship: Various platforms and networks have been established to connect women entrepreneurs with mentors, investors, and other entrepreneurs, which has helped in knowledge sharing and business growth at national level. However, stakeholder interactions have indicated that programmes for networking and mentorship

needs to be ramped up in the State. Women entrepreneurs from DICCI (Association) indicated that there are less avenues currently to get necessary guidance on improving or expanding their businesses.

Social Challenge: Despite the progress, women entrepreneurs still face challenges such as gender bias, balancing business and family responsibilities, limited mobility, and access to markets.

Sectoral Presence: Women-owned enterprises are particularly prominent in sectors like fashion, beauty, food and beverage, education, and handicrafts. However, there is a growing presence in technology and other non-traditional sectors as well for which less support is currently available in their perspective.

It has also come across certain cases where an enterprise is been registered by a woman entrepreneur but run by male counterparts as they lacked management capability.

4.2.2. Problem Statement

Improving the share of women led enterprises in the MSME sector in the State and empower them through dedicated programme. Promotion of women entrepreneurs with innovative products needs to be focused.

4.2.3. Proposed interventions with respect to RAMP objectives.

The project essentially consists of the following interventions:

- ▶ **Entrepreneurship Development Programme for SHGs and prospective women entrepreneurs:** The EDP/ESDP programme will enable the SHGs with women members as well as women with interest to start an enterprise shall be provided with the required skills and knowledge. They will further be handheld and guided by MSME Facilitation Centres to establish their own enterprise.
- ▶ **Hackathon** for identifying and promoting innovative women entrepreneurs: The programme is to identify innovative products or ideas from women entrepreneurs and promote them.
- ▶ **Acceleration programme:** These programmes will be for women led enterprises whose business idea is in development stage but can be brought to the execution stage if provided with necessary handholding and support services.
- ▶ **Workshop on market development assistance for women entrepreneurs:** These programmes will act as platforms to identify suitable markets, interact with prospective customers for their product/services, develop networks and linkages and preferably convert the business leads to procurement orders.

4.2.4. Proposed project design concept and feasibility & viability of proposal

The concept is to mobilise existing and prospective women engaged in manufacturing and service sectors from both organised and unorganised sectors. There is a large group of SHGs consisting of women members in unorganised sector with potential to grow. With a significant number of women belonging to the tribal population and dependent on forest-based economy, there is scope to empower by facilitating them to engage in value addition activities. Women entrepreneurs engaged in handloom and textiles have an existing and potential market created by Dept. of Education through the scheme for providing school uniforms to students at Govt. run schools. However, possibilities of such linkages needs to be identified and tapped for which necessary assistance is required for the women entrepreneurs.

4.2.5. Approach and methodology for implementation.

The DICs and MSME Facilitation Centres shall be leveraged to sensitise existing and prospective women entrepreneurs at district level. District level EDP/ESDPs will be conducted for the mobilised prospective women entrepreneurs. This programme will be designed to empower women by providing them with the necessary skills, resources, and support to start and grow their own businesses. These programs will aim to address the unique challenges that women entrepreneurs often face, such as limited access to capital, networks, and mentorship, as well as balancing business and family responsibilities. Existing training infrastructure and institutions/ agencies such as Livelihood colleges shall be leveraged for imparting the programme.



In addition, hackathons shall be conducted in major three regions of the State (Bastar, Raipur and Surguja) to promote innovative business ideas or existing businesses among the women entrepreneurs and to handhold them to scale up their business and expand their market. Bootcamps at district level shall be organised for information dissemination and idea collection. Physical bootcamps are essential as part of outreach due to the relatively poor connectivity issues and IT infra especially in locations other than cities like Raipur, Bilaspur and Durg. Necessary mentoring, networking and capacity building shall be provided to enable them to bring their product/ service to the market at much faster pace through acceleration programme under the project. Organisations working for women entrepreneurship like ALEAP, We-Hub, 36 INC and relevant Technical Institutions shall be roped in to provide mentoring sessions and networking.

Hackathon

Organizing a hackathon requires a structured approach and a clear methodology to ensure the event is successful, engaging, and beneficial for all participants. Bootcamps at district level shall be organised in collaboration with Dept. of Technical education and Technical institutions like IIM, Raipur as part of outreach and idea collection from participants. The ideas received from different locations shall be filtered and best business ideas shall be selected for the providing mentorship to convert the idea into refined solutions to be presented during the hackathons. The steps that will be taken for organizing the hackathon program will be as given below:

a. Plan the Event

- Selecting the venue that can accommodate your participants and provide the necessary facilities.
- Date and Duration: Choose a suitable date and decide on the duration of the hackathon.
- Rules and Guidelines: Set clear rules for participation, code of conduct, and judging criteria.
- Budget: Finalising the budget to cover venue, food, prizes, and other expenses.
- Target participants/ candidates and strategy for their mobilisation

b. Constituting the Committees

- Organizing Committee: Form a team with diverse skills, including event management, technical expertise, and marketing.
- Volunteers: Recruit volunteers to help with logistics during the event.

c. Secure Partnerships

- Partners: Partner with educational institutions, tech companies, or community organizations to gain support and meaningful outcomes.

d. Promote the Event

- Marketing Strategy: Develop a marketing strategy to attract participants, mentors, and judges.
- Social Media: Use social media platforms to create buzz and engage with the community.
- Outreach: Conduct outreach to universities, tech communities, and industry professionals.

e. Manage Registrations

- Registration Platform: Set up an online registration platform to manage participant applications.
- Participant Selection: If necessary, select participants based on their skills, experience, or motivation.

f. Prepare Logistics

- Technology: Ensure reliable internet access, power supplies, and any required hardware or software.
- Food and Beverages: Arrange catering for participants throughout the event.
- Accommodation: If participants are traveling from afar, consider arranging accommodation options.

g. Organize Workshops and Mentors

- Workshops: Offer pre-hackathon workshops to help participants prepare or learn new skills.
- Mentors: Invite experienced professionals to provide guidance and support to teams during the hackathon.

h. Execute the Event

- Kick-off: Start the event with an opening ceremony to welcome participants and explain the process.
- Support: Provide ongoing support and ensure the event runs smoothly.
- Check-ins: Have regular check-ins or mini events to maintain energy and engagement.

i. Judging and Awards

- Judging Panel: Assemble a panel of judges with expertise relevant to the hackathon's theme.
- Evaluation: The presented projects shall be based on predefined criteria.

- Awards Ceremony: Hosting an awards ceremony to recognize and reward the winning project ideas.

Post-Hackathon

- Feedback: Collect feedback from participants, sponsors, and stakeholders to assess the event's success and areas for improvement.
- Follow-up: Share the results, media coverage, and any follow-up stories about projects that continue after the hackathon.
- Community Building: Encourage ongoing collaboration and community building among participants.

Documentation and Reporting

- Document: Keep a record of the event, including photos, videos, and project submissions.
- Report: Create a post-event report to summarize the outcomes and learnings for future events.

Acceleration programme

Proposed Acceleration programmes will be used to facilitate women led enterprises with innovative projects to transform the ideas into successful ventures. Organizing the acceleration program involves several key steps and considerations to ensure its success. The approach and methodology that will be adopted is provided as given below:

Define Objectives and Scope:

- Determine the goals of the acceleration program.
- Identify the target audience (e.g., startups, scale-ups, entrepreneurs).
- Decide on the industries or sectors to focus on.

Program Design:

- Develop a curriculum that includes workshops, mentorship sessions, and networking opportunities.
- Decide on the duration of the program and the structure of events.
- Establish criteria for selecting participants.

Stakeholder Engagement:

- Engage with potential mentors, investors, industry experts, and corporate partners.
- Build a team to manage the program, including program managers, coordinators, and support staff.

Outreach and Selection:

- Launch a marketing campaign to attract applicants.
- Create an application process that is clear and accessible.
- Form a selection committee to review applications and interview candidates.

Program Execution:

- Kick off the program with an orientation session for participants.
- Conduct regular check-ins and progress assessments.
- Provide resources and support to participants, including office space, funding opportunities, and access to technology.

Mentorship and Networking:

- Pair participants with mentors who have relevant experience and expertise.
- Organize networking events to connect participants with potential customers, partners, and investors.

Monitoring and Evaluation:

- Track the progress of participants and the program's impact.
- Collect feedback from participants, mentors, and stakeholders to improve future iterations of the program.

Graduation:

- Announcement of the graduation of the Cohorts.

Post-Program Support:

- Offer continued support to graduates, such as follow-up mentorship and access to resources.
- Create network to foster ongoing collaboration and support.

4.2.6. Use of ICT/Innovative Technology Towards Project Implementation

Dedicated web portals shall be used for inviting applications from interested candidates. All relevant announcements shall be made through the online medium. Social media and digital platforms shall be leveraged in promotion and outreach related to the programme.

4.2.7. Timeline for achievement of project deliverables

All the interventions shall be carried out for three years.

4.2.8. Estimated impact of the intervention in the State

EDP/ESDP is estimated to provide capacity building to nearly 30000 women across the State in a period of 3 years. Hackathons are proposed to be organised in three years to identify innovative ideas/ products from existing and prospective women entrepreneurs. The selected innovative projects shall be recognised through awards and shall be given opportunity to undergo incubation programmes. Viable projects among them shall also be provided support through the Acceleration programmes proposed to be organised. These interventions will lead to identification and promotion of innovative ideas and products from women led enterprises/ entrepreneurs in the State which can further be scaled up. Programmes to facilitate market linkage will ensure identification of markets through which better market linkages shall be supported. These interventions are expected to boost the women participation in MSME sector in the State.

4.2.9. Project costing

The total estimated budget for the interventions is as provided in the table below:

Table 26 Total estimated Budget for the Project for 3 years (in Rs. Cr.)

Sl.No.	Intervention	Total Cost for 3 years (INR Cr.)
1	EDP/ESDP for SHGs and prospective women entrepreneurs	6.19
2	Hackathon for identifying and promoting innovative women entrepreneurs	4.29
3	Workshop on market development assistance for women entrepreneurs	2.31
4	Acceleration programme for women led enterprises	3.60
TOTAL		16.39

Table 27 Intervention costing over the three years (Amount in Rs. Cr.)

Sl.No.	Intervention	Year 1	Year 2	Year 3
1	EDP/ESDP for SHGs and prospective women entrepreneurs	0.69	2.75	2.75
2	Hackathon for identifying and promoting innovative women entrepreneurs	1.43	1.43	1.43
3	Workshop on market development assistance for women entrepreneurs	0.46	0.92	0.92
4	Acceleration programme for women led enterprises	1.20	1.20	1.20
TOTAL		3.78	6.30	6.30

495 EDP/ESDP to be organised at Rs.125000 per EDP/ESDP for about 14850 women candidates. Total 9 hackathons are planned at a total cost of Rs.4.29 Cr. This will include the district level bootcamps to be organised for idea collection (total of 99 bootcamps at Rs.70000 per bootcamp) and main events of hackathons (Total 9, at 3 per year @Rs.40 lakhs per hackathon comprising of launch events, mentoring sessions, grand finales, prize money, preincubation program for winners etc.). 330 market development assistance programmes are planned @Rs.70000 per programme estimated to benefit around 9900 women entrepreneurs. Total of 6 Acceleration programs have been proposed at a budget of Rs.60 lakhs per program.

4.2.10. Plan for strengthening M&E framework pertaining to Project.

The implementation of the interventions shall be reviewed periodically as per the Monitoring framework which will be developed along with the KPIs. Review at Directorate level shall happen every month. DICs shall be responsible for the ground level implementation of the interventions with support of the MSME facilitation Centres and the Block level Industry Development Executives to be engaged. CGMs/GMs of the respective DICs shall monitor regular progress on ground regarding the planning and implementation of the interventions as per the framework.

4.3. Sectoral Interventions – Promoting Green Packaging Industry

4.3.1. Major issues/challenges of MSME and Key Findings

There is an increasing trend in packaging consumption in India, rising from 4.3 kilograms per person per annum (pppa) to 8.6 kg pppa, as per Indian Institute of Packaging (IIP). As a result, the adoption of more intelligent and sustainable packaging solutions is major area of concern.

According to a report from CII, the implementation of sustainable packaging techniques can result in a potential 30% reduction in packaging expenses for Indian companies. Additionally, a survey uncovered that 75% of consumers in India are inclined to pay a premium for products featuring sustainable packaging, while 71% feel that businesses bear a responsibility to employ eco-friendly packaging materials.

Chhattisgarh, like many other regions, is facing environmental challenges such as pollution and waste management. Sustainable packaging can help reduce the environmental impact by using materials that are biodegradable, recyclable, or made from renewable resources. This reduces the amount of waste that ends up in landfills and minimizes the carbon footprint of packaging. Governments are increasingly implementing regulations to promote environmental sustainability. Sustainable packaging practices can help businesses meet these regulatory requirements.

Further, there is a growing awareness among consumers about the environmental impact of packaging. Many consumers prefer to purchase products from companies that demonstrate a commitment to sustainability. By adopting sustainable packaging, industries can cater to this consumer preference and potentially increase their market share. Sustainable packaging can lead to cost savings in the long run. For example, using lighter-weight materials can reduce shipping costs, and designing packaging for reusability or recyclability can minimize waste disposal fees. Additionally, efficient packaging design can reduce material usage and costs. Sustainable packaging often involves using less material or sourcing materials more responsibly. This can help conserve natural resources and reduce the depletion of raw materials, which is crucial for the long-term sustainability of industries.

There are more than 2300 Udyam Registered MSMEs engaged in the manufacturing of Rubber and Plastic products and 2233 enterprises are engaged in manufacturing of the paper and paper products in the State. The enterprises which are members of the Chhattisgarh Plastic Manufacturers association, nearly 250 of them, are engaged mostly in the manufacture of non-woven plastic bags and packaging materials. Interactions with the Plastic manufacturers have indicated that new entrepreneurs getting into manufacturing of same products is resulting in lower market share. Further, only a few of the existing manufacture products made from bio-degradable plastic. With more focus on environmental sustainability and increasing market demand for packaging materials it is suitable time to diversify to green packaging materials and products.

4.3.2. Problem Statement

Government of India has greater focus on Environment sustainability and Climate change, and different Ministries like Ministry of Consumer Affairs has recently unveiled its intentions to establish standards for sustainable packaging in alignment with the vision. This initiative will facilitate in curbing the excessive waste generated by the food and beverage industry while encouraging the use of environmentally friendly packaging materials. India has also become the first Asian nation to establish a plastics pact, introducing an innovative initiative that brings together leading businesses at the national level to commit to creating a circular plastics system. Chhattisgarh like other states needs to align with the vision and promote sustainable/ green packaging in the State.

Chhattisgarh has presence of enterprises especially MSMEs that are engaged in manufacture of packaging materials and plastic materials like non-woven carry bags. The Government regulations on use of Single use plastic is also a challenge that needs to be addressed by the enterprises. However, these can be viewed as a great opportunity for such manufacturing

enterprises in the State to enable Chhattisgarh in aligning with the Vision as well as leverage the prospective market that is being created to develop the green packaging industry in the State.

4.3.3. Proposed interventions with respect to RAMP objectives.

The promotion of green packaging industry in the State requires following interventions:

- ▶ Sensitisation of enterprises regarding scope of green packaging
- ▶ Exposure visits for prospective enterprises and technology adoption
- ▶ Capacity building & Tie ups with Tech institutions like IIP for green packaging sector development in CG

4.3.4. Proposed project design concept and feasibility & viability of proposal

Government of India recognised the potential of this sector and released a slew of policies like the single use plastic ban policy, profit linked tax incentive for food packaging, adoption of National Packaging Initiative, to further incentivise innovation in this sector. Overall, sustainable packaging is a key aspect of sustainable development for industries across the country. It aligns with global trends towards environmental sustainability and can provide numerous benefits, including compliance with regulations, customer satisfaction, cost savings, and improved image.

The India Plastics Pact has set specific targets to be accomplished by 2030, which encompass the following objectives:

1. Identifying a list of unnecessary or problematic plastic packaging and items and implementing measures for their resolution through redesign and innovation.
2. Ensuring that 100 percent of plastic packaging becomes reusable or recyclable.
3. Achieving a 50 percent recycling rate for plastic packaging.
4. Attaining an average of 25 percent recycled content across all plastic packaging.

Packaging remains a vital sector in India's economy, maintaining its position as one of the highest growth industries in the country. Recent data from the Packaging Industry Association of India (PIAI) suggests a steady growth rate of 20% to 23% per annum, solidifying its status as the fifth largest sector in India's economy. Industries like Food processing, Pharmaceutical, Personal and home care, Beverages and Industrial products are the major consumers of packaging.

As per the Invest India Report, The India Packaging Market is expected to reach \$ 204.81 Bn by 2025, registering a CAGR of 26.7% during the period of 2020-2025. Also, the Indian green packaging market is expected to witness a robust growth rate (CAGR) of 7.24 percent during 2023-2028. sustainable packaging has gone beyond being just an option especially in the food and beverage industry. Government regulations, changing consumer preferences, and shifting market norms continue to necessitate companies adopting sustainable packaging techniques to reduce their environmental footprint. The packaging segment with the fastest growth include laminates and flexible packaging, particularly PET and weaved sacks.

The export of packaging materials from India registered a CAGR of 9.9% to USD 1,119 million in 2021-22 from USD 844 million in 2018-19. US remains the major export destination for the packaging industry, followed by the UK, the UAE, Netherlands, and Germany. This indicated that India is emerging as a key exporter of packaging materials in the global market.

Further, there are approximately 22300 enterprises engaged in the food manufacturing in the State.

4.3.5. Approach and methodology for implementation.

Experts will conduct a detailed study to prepare a detailed roadmap for the development of the sector. The first step will thus be the As-Is assessment of the existing enterprises, factor conditions, existing and future potential markets, existing competitions, evolving trend in the green packing technology and adoption, level of infrastructure and investment required. A need assessment and Gap Analysis will be carried out basis the Benchmarking to be done. This will enable in the development of the “To Be State” and necessary interventions to be made.

Promotion and outreach activities will be carried out through sensitisation workshops to sensitise the existing enterprises engaged in manufacturing of plastic products as well as paper products (nearly 5000) over a period of 3 years. The dedicated sessions shall also be utilised to create awareness among the existing and prospective entrepreneurs.

600 firms who are interested and have potential to undertake diversification or expansion into green packaging domain shall be identified and provided exposure to technology, processes, required infrastructure, possible linkages with technical institutions and other relevant best practices. This exposure will be provided through visits to relevant technology providers, existing manufacturers of green packaging materials, users of green packaging and technical institutions.

Schemes like CGTMSE, PMEGP, MMYSY, etc. shall be leveraged in meeting the financial needs of the entrepreneurs to setup or diversify into green packaging sector.

Technical Institutions like Indian Institute of Packaging, CIPET, CFTRI, etc. shall be roped in to provide necessary technology as well as capacity building of the enterprises. About 5000 enterprises need to be identified (existing as well as potential)

A feasibility study needs to be carried out related to the establishment of the CoE in consultation with technical institutions like IIP, CIPET, Foundation for Innovative Packaging and Sustainability etc. The report shall detail out the scope of CoE in the State, facilities and physical infrastructure required, governance structure, operating model, activities to be undertaken by the CoE, the necessary standard operating procedures and systems to be in place, revenue model, monitoring and evaluation mechanism to be developed, approved detailed technical drawings, BoQs and the detailed budget requirements.

4.3.6. Use of ICT/Innovative Technology Towards Project Implementation

The progress of the project shall be monitored using the dashboard that will be created. Further, social media campaigns and other online outreach activities shall be leveraged to create awareness among the enterprises.

4.3.7. Timeline for achievement of project deliverables

- ▶ Dedicated sessions regarding scope of green packaging will be carried out for 3 years covering all the districts to facilitate maximum coverage.
- ▶ Exposure visits for prospective enterprises and technology adoption to be undertaken in all 3 years of project implementation.

- ▶ Capacity building & Tie-ups programmes with Tech institutions like IIP for green packaging sector development will be carried out in 3 years which will cater to both existing as well as new relevant enterprises.

4.3.8. Estimated impact of the intervention in the State

- ▶ Dedicated sessions for enterprises regarding scope of green packaging sector which will be carried out for 3 years covering all the districts to facilitate maximum coverage through about 100 workshops. About 4500 enterprises are estimated to be benefitted through the sessions which will encourage entrepreneurs to take up diversification into green packaging related products and services.
- ▶ Exposure visits for prospective enterprises and technology adoption to be undertaken in all 3 years of project implementation. These visits will be to green packaging product/material manufacturers and service providers which will give them insights into the technology and other requirements to enter the domain. About 600 interested and capable enterprises shall be facilitated in the period of 3 years.
- ▶ Capacity building & Tie-ups programmes with Tech institutions like IIP for green packaging sector development will be carried out in 3 years which will cater to both existing as well as new relevant enterprises.

4.3.9. Project costing.

The total estimated budget for the interventions is as provided in the table below:

Table 28 Total estimated budget for the project for 3 years (Amount in Rs. Cr.)

Sl.No.	Intervention	Total Cost for 3 years
1	Sensitisation of enterprises regarding scope of green packaging	0.70
2	Exposure visits for prospective enterprises and technology adoption	1.48
3	Capacity building & Tie-ups with Tech institutions like IIP for green packaging sector development in CG	7.88
TOTAL		10.06

Table 29 Intervention costing over the three years (Amount in Rs. Cr.)

Sl.No.	Intervention	Year 1	Year 2	Year 3
1	Sensitisation of enterprises regarding scope of green packaging	0.14	0.28	0.28
2	Exposure visits for prospective enterprises and technology adoption	0.49	0.49	0.49
3	Capacity building & Tie-ups with Tech institutions like IIP for green packaging sector development in CG	0.88	3.50	3.50
TOTAL		1.51	4.27	4.27

100 sensitisation workshops to be organised at Rs.70000 per workshop. A batch size of 25 enterprises per batch has been considered for the exposure visit with an estimated 12 batches per year will be provided exposure visit. Expenditure related to travel cost @Rs.6050 per head (to and fro), local conveyance of Rs.27500, food @Rs.850 per day per head,

boarding @Rs.2500 per day per head and other miscellaneous charges. Capacity building & Tie-ups of 4500 units have been proposed @Rs.2500 per head per day for 7 days.

4.3.10. Plan for strengthening M&E framework pertaining to Project.

Directorate of Industries shall periodically review the intervention. DICs shall be responsible for planning, execution and ensuring the timely implementation of the interventions. To ensure timely and smooth execution, annual programme calendar shall be prepared along with monitoring framework and KPIs. Resources deployed at the field level shall be responsible for mobilisation of enterprises.

4.4. Sectoral Interventions – Development of MSMEs in Focus sectors in Chhattisgarh

4.4.1. Major issues/challenges of MSME

Raw Material Availability: Through interactions with industry stakeholders, it was observed that the availability and consistency of raw materials remain a critical challenge across sectors. For instance, participants from the Iron & Steel industry highlighted difficulties in securing high-quality iron ore and coal at competitive prices. Similarly, representatives from the plastic industry reported struggles with the fluctuating availability and prices of petrochemical products, which are essential raw materials. In the handicrafts and handlooms sector, artisans expressed difficulties in procuring high-quality threads, dyes, and other materials due to supply chain disruptions.

Value Chain Inefficiencies: Industry feedback indicated that value chain inefficiencies are prevalent across all MSME sectors. Stakeholders from the Iron & Steel sector pointed out inefficiencies arising from outdated technology and processes, leading to higher production costs and lower quality products. In discussions with the plastics industry, limited recycling and processing facilities were identified as key issues, resulting in wastage and suboptimal use of resources. Artisans in the handicrafts and handlooms sector often work in isolation without adequate support for marketing and distribution, leading to fragmented supply chains and limited market reach.

Financial Constraints: Access to finance emerged as a major hurdle for MSMEs during our interactions. Participants highlighted that limited access to formal credit restricts their ability to invest in new technology, infrastructure, and market expansion. Only a small percentage of MSMEs in Chhattisgarh have access to formal financial institutions, which hampers their growth and competitiveness. The Iron & Steel and plastics industries require substantial capital investment, which is often beyond the reach of small enterprises. Artisans in the handicrafts and handlooms sector typically rely on informal lending sources with high-interest rates, further exacerbating their financial woes.

Infrastructural Bottlenecks: Discussions with industry representatives underscored that inadequate infrastructure is a significant barrier to MSME growth. The Iron & Steel industry faces issues with outdated manufacturing facilities and a lack of modern machinery. For the plastics industry, insufficient recycling, and waste management infrastructure hinder sustainable practices. In the handicrafts and handlooms sector, the absence of centralized production facilities and modern equipment limits production capacity and product quality. Additionally, across all sectors, inadequate transportation and logistics infrastructure impedes the efficient movement of goods, increasing costs and reducing market accessibility.

Quality Control: Ensuring consistent product quality was frequently mentioned as a significant challenge in our engagements. In the Iron & Steel sector, maintaining high-quality standards is critical but often compromised due to outdated technology and processes. For the plastics industry, quality control is hindered by the limited availability of advanced testing and certification facilities. In the handicrafts and handlooms sector, maintaining the quality of handmade products is difficult due to variations in raw materials and manual production processes. Smaller MSMEs often lack the resources and knowledge to meet international quality standards, limiting their ability to compete in global markets.

Marketing & Distribution: Feedback from MSME owners and artisans revealed that they often lack the resources and expertise to effectively market their products and reach a wider audience, both domestically and internationally. Chhattisgarh's handicrafts and handlooms have great potential, but better marketing and distribution channels are needed to realize their full value.

Skill Gaps: While the government has various schemes to enhance skill development, our interactions revealed a lack of awareness and enrolment among MSME workers. This gap in skills is reflected in many employees not possessing the necessary expertise to operate technical equipment, which is crucial for improving productivity and maintaining competitiveness. Consequently, there is a pressing need for more effective dissemination of information about these schemes and better enrolment processes. The current requirements in market skills are not being met with the human resources in operation, highlighting the need for workers to enrol in available courses facilitated by the government.

Market Saturation: Market saturation has also emerged as a significant challenge. Many sectors, particularly handicrafts and handlooms, are facing intense competition both locally and nationally. This saturation limits the market share and growth opportunities for MSMEs, making it difficult for them to expand and thrive. Additionally, limited market access and competition from larger firms exacerbate this issue, underscoring the need for strategic market positioning and diversification efforts.

Lack of Modern Technology and Market Intelligence: The adoption of modern technology and access to market intelligence were identified as crucial for the growth and competitiveness of MSMEs. However, many MSMEs in Chhattisgarh lag in adopting advanced technologies due to high costs and lack of awareness. This results in lower productivity, higher production costs, and an inability to compete with larger firms.

4.4.2. Key Findings

Chhattisgarh's MSME sector shows significant potential for growth and diversification, bolstered by its rich cultural heritage, diverse natural resources, and robust industrial base. Key opportunities lie in enhancing value addition and expanding markets across sectors like iron and steel, Minor Forest Produce (MFPs), plastics, tourism, handicrafts, and handlooms.

The state's cultural assets, such as Kosa silk, Dhokra art, and bamboo craft, offer niche market opportunities, particularly with products like GI-tagged Tussar silk and Dhokra art. Leveraging these traditional crafts can attract global consumers interested in authentic and sustainable products.

Chhattisgarh's abundant Minor Forest Produce, managed largely by tribal communities, present untapped potential. Improving sustainable harvesting practices and processing techniques, along with establishing Van Dhan Vikas Kendra at the village level, can significantly increase their market value.

The iron and steel industry, pivotal to the state's economy, benefits from substantial iron ore and coal reserves. Despite its contributions to revenue, employment, and infrastructure,

challenges like raw material inconsistency, regulatory constraints, and inadequate infrastructure need addressing. Adopting advanced technologies and enhancing infrastructure are crucial for improving efficiency and sustainability.

Facilitating financial inclusion through formal credit access and leveraging digital platforms for market expansion can empower MSMEs, particularly in rural areas, to invest in technology and infrastructure upgrades.

Institutional support from District Industries Centres (DICs) is essential for enhancing MSME capabilities through targeted training in quality control, packaging, branding, and market linkages under schemes like Van Dhan Yojana and RAMP.

Technological innovation, particularly in iron and steel and plastic industries, can drive efficiency and sustainability. Integrating modern designs with traditional handicraft techniques can tap into contemporary markets, while eco-friendly practices can enhance productivity and appeal to environmentally conscious consumers.

Emphasizing sustainability in marketing strategies for textiles and handicrafts can expand market reach and profitability, aligning with global demand for ethically produced goods.

By addressing these aspects, Chhattisgarh can capitalize on its resources and cultural heritage to foster sustainable economic growth, creating opportunities that benefit livelihoods statewide.

4.4.3. Problem Statement

The challenges confronting micro and small enterprises (MSEs) in Chhattisgarh's key sectors—Iron & Steel, Minor Forest Produce (MFPs), Plastic, Handicrafts, and Handlooms—underscore critical barriers to their sustainable growth and competitiveness. These enterprises face significant hurdles such as outdated technologies, skill deficiencies, inadequate infrastructure, regulatory complexities, limited market access, sustainability concerns, and a dearth of innovation support. Addressing these multifaceted challenges is imperative to unleash the full economic potential of the state's tribal and aspirational districts. By strategically tackling these issues, MSEs can be empowered to thrive amidst dynamic market conditions, fostering robust and sustainable economic development across Chhattisgarh.

4.4.4. Proposed interventions with respect to RAMP objectives.

The Integrated Diversification, Skill Enhancement, and Innovation Program for MSMEs in Chhattisgarh requires following interventions:

- Study for scope for development/ diversification/ value added downstream products/ services like Iron & Steel, MFP, Plastic, Tourism, Handicraft & Handlooms
- Engaging Sector experts and linkage with Relevant institutions for sector development
- Sector specific training programmes and future skills
- Innovation cum Incubation Hub for value added / innovative products from Aspirational districts

4.4.5. Proposed project design concept and feasibility & viability of proposal

The proposed intervention seeks to enhance diversification and value addition in sectors crucial to Chhattisgarh's economic landscape — Iron & Steel, Minor Forest Produce (MFPs), Plastic, Tourism, Handicrafts, and Handlooms — particularly in tribal and aspirational districts. This initiative is substantiated by compelling data and strategic insights:

Project Design Concept:

Chhattisgarh's abundant natural resources and cultural heritage provide a fertile ground for fostering innovation and value addition. The state boasts vast reserves of iron ore (estimated at 1.39 billion tonnes) and coal, as per the Indian Bureau of Mines, underpinning a robust Iron & Steel industry that contributes significantly to the state's GSDP (20.2% in 2022-23, as per the Economic Survey of Chhattisgarh).

The state's diverse forest cover, encompassing 44% of its total geographical area, houses a treasure trove of MFPs. With over 200 species of medicinal plants identified, there is immense potential for developing high-value herbal and medicinal products, aligning with the growing global demand for natural remedies. The Plastic sector, currently generating an estimated 195 tonnes of plastic waste daily in Raipur alone (as per a CPCB report), presents a dual opportunity for value addition and environmental sustainability. By promoting recycling and upcycling initiatives, this intervention can significantly contribute to waste reduction and resource conservation goals.

Chhattisgarh's rich tradition of Handicrafts and Handlooms, deeply rooted in tribal culture, offers immense potential for creating distinctive, high-value products that resonate with both domestic and international markets. The state's unique artistic expressions, showcased in products like Bastar Iron Craft and Dhokra Art, can be leveraged to drive economic growth and preserve cultural heritage.

Feasibility & Viability Assessment:

The feasibility of this initiative is firmly established through comprehensive sector-specific analyses. A survey of MSEs in these sectors revealed significant gaps in skill levels, with 68% of workers lacking formal training. Moreover, a mere 12% of MSEs have adopted modern technologies, hindering their ability to innovate and produce value-added products. The market research conducted indicates a substantial untapped demand for high-quality, value-added products from these sectors, both domestically and internationally.

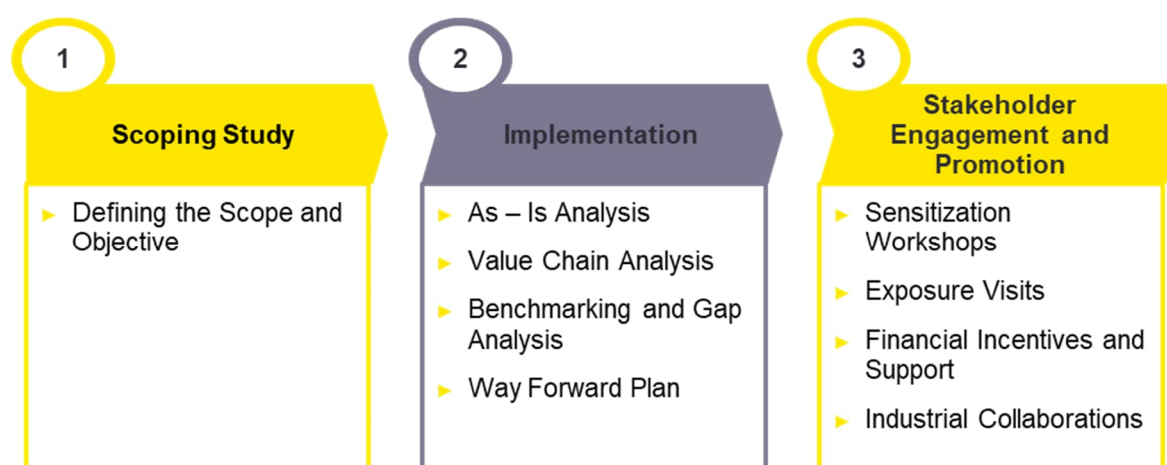
The viability of this project is further reinforced by its alignment with both regional development priorities and sectoral growth potentials. By empowering MSEs through skill development, technology adoption, and market linkages, the project is projected to have a significant impact on productivity, quality standards, and market competitiveness. This, in turn, will lead to increased employment opportunities, higher incomes for local communities (estimated at a 20% increase), and improved resilience of enterprises against market fluctuations.

In conclusion, this data-driven project is poised to catalyse transformative change in Chhattisgarh's MSE landscape. By harnessing local strengths, addressing identified gaps, and fostering innovation, this initiative is expected to drive sustainable economic growth, improve livelihoods, and enhance the overall socio-economic development of tribal and aspirational districts in Chhattisgarh.

4.4.6. Approach and methodology for implementation.

- A. Study for scope for development/ diversification/ value added downstream products/ services like Iron & Steel, MFP, Plastic, Tourism, Handicraft & Handlooms**

During the diagnostic study, interactions with stakeholders from sectors such as Iron & Steel, Engineering, Minor Forest Produce, Tourism, Handicrafts, Handlooms, and Plastic revealed the need to facilitate enterprises in moving up the value chain. The enterprises engaged in manufacturing of downstream products like steel wire were facing decrease in demand due to increased supply in the market. Similarly, products from handicraft and handloom sector were not able to compete with readymade garments and textiles sector due to lack of innovative designs. Hence, it is important that a detailed study be carried out to understand the scope for further value addition of the products in these sectors and in moving up the value chain to explore additional markets which they were unable to cater earlier. The study can also develop a roadmap for these industries for moving up the value chain through new product development, product diversification, new design development etc.



Scoping Study:

Defining the Scope and Objectives:

- Assessing the current landscape of each sector in the target districts across Chhattisgarh
- Identify untapped opportunities for value addition and diversification.
- Understand market demand and potential for these value-added products.
- Develop a strategic roadmap for promoting diversification across these sectors.

Implementation:**As – Is Analysis:**

- **Enterprise Survey:** Conduct a comprehensive survey of existing enterprises in each sector. Data is to be captured on:
 - Production capacity and processes
 - Range of products
 - Adoption of Technology for innovation
 - Skill levels across workers
 - Waste generation.
 - Challenges and constraints
- **Resource Assessment:** Analyse the availability and quality of raw materials relevant to each sector.
- **Market Research:** Conduct a market research study in the following way and analyse the findings:
 - Analyse domestic and international market trends for value-added products in each sector
 - Identify potential customers and competitors.
 - Assess consumer preferences and willingness to pay for value-added products.

Value Chain Analysis:

- Map the existing value chains in each sector, identifying points for introducing value-added products or processes.
- Analyse the economic, environmental, and social impacts of different value-added options.

Benchmarking and Gap Analysis

- Compare the region/state's current capabilities in each sector with leading regions/countries.
- Identify specific areas where improvements are needed (technology, skills, infrastructure, market access) to enable successful diversification.

Way Forward Plan:

- Creating a clear vision for the future of each sector, including specific value-added product targets.
- Design strategic interventions to address the identified gaps and move towards the desired achievable pathway via technology transfer, skill development initiatives, infrastructure development, etc.

Stakeholder Engagement & Promotion:

Sensitisation Workshops: Conduct workshops and seminars for existing enterprises, entrepreneurs, and relevant government agencies to raise awareness about the potential for value addition.

Exposure Visits: Organise visits to successful value-added production facilities and relevant institutions.

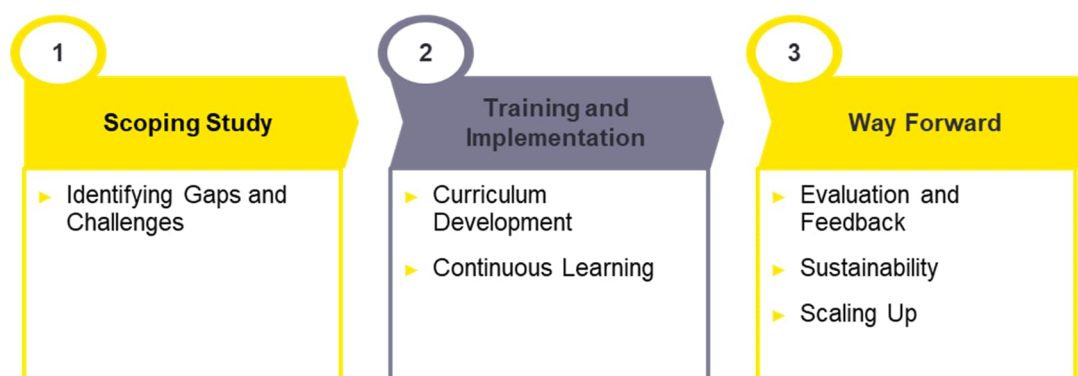
Financial Incentives & Support: Leverage existing government schemes and explore additional financial incentives to encourage diversification of products.

Industrial Collaborations: Through stakeholder engagement consult on probable saturation of markets and diversify the product range so that it can cater to multiple needs across geographies, and markets.

B. Sector specific training programmes and future skills

During the diagnostic study, interactions with stakeholders across sectors such as Iron & Steel, Engineering, Minor Forest Produce (MFP), Handicrafts, Handlooms, Tourism and Plastic underscored the critical need for Micro and Small Enterprises (MSEs) to navigate the evolving demand landscape while ensuring their workforce is equipped with skills that meet contemporary industry needs. MSEs confront a market where traditional products face stagnating demand, underscoring the imperative to innovate and diversify to remain competitive amidst dynamic market shifts.

To empower MSEs and fortify their market resilience, targeted sector-specific training programs are essential. These initiatives will strategically enhance MSE employees' capabilities in advanced manufacturing techniques, innovative design methodologies, market intelligence, effective business management strategies, and sector-specific insights. By addressing these strategic skill gaps, MSEs can not only differentiate their offerings but also capitalize on emerging opportunities, positioning themselves as agile contenders in a competitive marketplace.



Scoping Study:**Identifying Gaps and Challenges**

- Conduct surveys and interviews with MSE owners, managers, and employees to understand the specific skills gaps and challenges they face in their sector.
- Organise focus group discussions with industry experts, trade associations, and other stakeholders to gather insights into emerging trends, technologies, and best practices in the sector.
- Analyse industry reports, labour market data, and competitor analysis to identify broader skill gaps and emerging needs.
- Develop a comprehensive skill map outlining the essential skills and knowledge required for different roles within the sector.

Training & Implementation:**Curriculum Development**

- **Tailored Programmes:** Design training programs specifically tailored to address the identified skill gaps and challenges within the sector. In the current scenario, a major gap has been observed in the skillsets of the trained candidates and the required skills at the industries. While the industries are fully equipped with modern machinery, the candidates currently lack capacity to operate the same.
- **Modular Approach:** Break down training into smaller, manageable modules for easier learning and implementation.
- **Blended Learning:** Incorporate a mix of classroom instruction, online courses, on-the-job training, simulations, and mentoring to cater to different learning styles.
- **Certification:** Consider offering certification upon successful completion of the training to validate skills and enhance employability.
- **Qualified Trainers:** Trainers with relevant industry experience and expertise in the specific sectors can ensure appropriate quality of training.
- **Interactive and Engaging:** Utilise engaging teaching methods like case studies, group activities, role-plays, and real-world projects to enhance learning.
- **Accessibility:** Make training accessible to all employees, considering factors like language, location, and work schedules.

Continuous Learning

- **Refresher Courses:** Offer periodic refresher courses to reinforce learning and keep skills up to date.
- **Mentoring and Coaching:** Provide opportunities for employees to learn from experienced mentors and coaches within the sector.
- **Learning Communities:** Create platforms for employees to share knowledge, collaborate, and learn from each other.
- **Employee Exchange:** In collaboration across multiple organisations in the same sector, employees can visit multiple units to learn from the best practices followed at each of the units.

Way Forward:**Evaluation and Feedback:**

- **Training Evaluation:** Regularly assess the effectiveness of the training programs through surveys, interviews, and performance reviews.
- **Feedback Loop:** Use feedback to continuously improve the training content, delivery, and evaluation methods.

Sustainability:

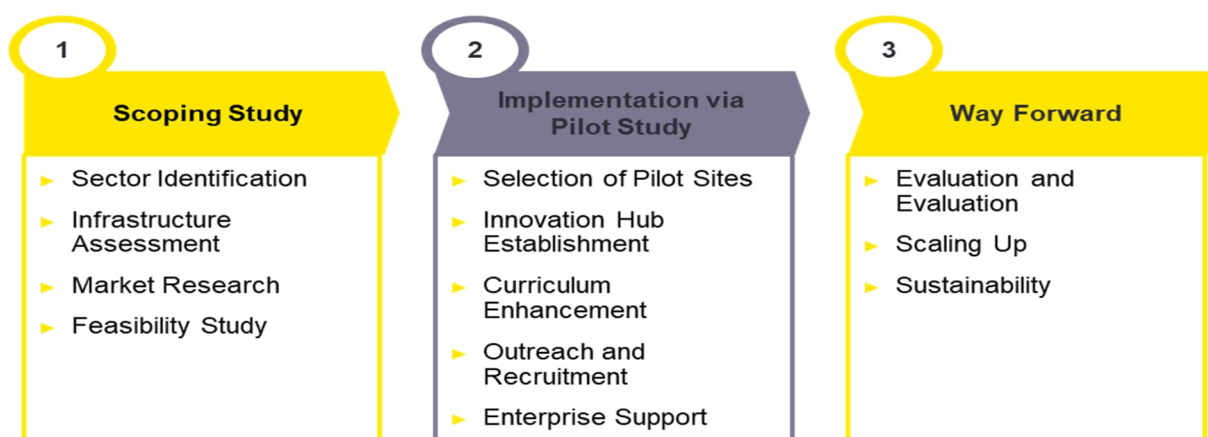
- **Long-Term Plan:** Develop a long-term training strategy that aligns with the evolving needs of the sector and the MSE.
- **Resource Allocation:** Allocate sufficient resources (budget, time, staff) to support ongoing training initiatives.

Scaling Up:

- **Expand Reach:** Gradually expand the reach of the training programs to cover more MSEs and employees within the sector.
- **Partnerships:** Collaborate with government agencies, industry associations, and educational institutions to scale up training efforts.

C. Innovation cum Incubation Hub for value added / innovative products from Aspirational districts

The diagnostic study findings indicate a significant opportunity to enhance economic growth in tribal and aspirational districts by facilitating value chain ascension for local enterprises. Current production in key sectors faces challenges due to market saturation and a lack of product innovation. Establishing an Innovation Hub can address this by providing comprehensive support, including sector analysis, design assistance, market linkages, skill development, and technology transfer. This strategic investment would empower local producers, fostering product diversification and enhancing competitiveness, ultimately driving socioeconomic development in these regions.



Scoping Study:**Sector Identification:**

- **Analyse regional data:** Conduct a thorough review of socio-economic indicators, resource availability, and existing industries in tribal and aspirational districts such as Jagdalpur, Kanker, Ambikapur, Rajnandgaon, Dantewada, Kondagaon and Mahasamund
- **Stakeholder consultation:** Engage with local communities, government officials, industry experts, and NGOs to identify sectors with high potential for value-added and innovative products. (e.g., agriculture, handicrafts, textiles, forest produce, etc.)

Infrastructure Assessment:

- Evaluate existing infrastructure in ITIs and technical institutions within or near the identified districts.
- Assess available resources: workshops, labs, equipment, faculty expertise, potential for collaboration with local industries.

Market Research:

- Identify potential market demand for value-added products from each sector.
- Analyse existing value chains and potential bottlenecks.
- Assess competition and identify potential niche markets.

Feasibility Study:

- Determine the financial viability of establishing innovation hubs.
- Outline potential funding sources (government grants, private investment, CSR funds).

Implementation**Selection of Sites:**

- Choose ITIs or technical institutions based on scoping study findings and infrastructure availability.
- Ensure representation of different sectors and geographical diversity.

Innovation Hub Establishment:

- Designate dedicated space within the institutions for innovation activities.
- Equip spaces with necessary tools, equipment, and technology for prototyping and product development.
- Recruit and train personnel (faculty, mentors, business experts) to manage and support the incubation centre.

Curriculum Enhancement:

- Incorporate entrepreneurship and innovation modules into existing curricula.
- Focus on practical, hands-on learning and problem-solving skills.

Outreach and Recruitment:

- Reach out to potential entrepreneurs in the local community, especially those from tribal and aspirational districts.
- Create awareness about the incubation centre and its services.
- Establish a transparent and competitive selection process for incubates.

Enterprise Support:

- Provide mentorship, training, and networking opportunities for participants.
- Offer access to resources such as market research, prototyping facilities, and legal/financial advice.
- Facilitate connections with potential investors, buyers, and industry partners.

Way Forward**Monitoring and Evaluation:**

- Track the progress of participating enterprises and the overall impact of the intervention.
- Collect data on job creation, revenue generation, and product development.
- Regularly assess and refine the innovation model based on feedback and results.

Scaling Up:

- This can further be scaled up to other institutions and regions.
- The model can be scaled up through a hub and spoke model, with one of the largest and fully equipped centres being established as the hub, while the remaining centres are set up as spokes, dependent primarily on the hub centre for moving forward. The model can be scaled up through a hub and spoke model, with one of the largest and fully equipped centres being established as the hub at the aspirational districts such as Jagdalpur, Kanker, Ambikapur, Rajnandgaon, Dantewada, Kondagaon, Mahasamund, while the remaining centres are set up as spokes, dependent primarily on the hub centres for moving forward.

Sustainability:

- Explore revenue-generating models for the innovation hub (e.g., service fees, equity participation).
- Foster a culture of innovation and entrepreneurship within the institutions to ensure long-term sustainability.

For the above interventions engaging sector experts to provide strategic guidance and support in developing a comprehensive roadmap for key focus sectors in the state is imperative for achieving targeted growth objectives. The selection criteria for these industry experts for strategic roadmap preparation should ideally possess a deep understanding of the relevant

sector, industry experience and a proven track record in policy making. They will provide strong analytical perspective to assess market dynamics, technological trends, and competitive landscape, identifying growth opportunities and potential risks. The experts will extend support in formulating actionable plans and translating complex insights into a clear and concise roadmap which remains relevant and adaptable in a dynamic business environment.

4.4.7. Timeline for achievement of project deliverables

The Study for scope for diversification/ value added downstream products like Iron & Steel, MFP, Plastic, Tourism, Handicraft & Handlooms will be taken up for 1 year. While Sector specific training programmes for MSE employees can operate for 3 years. Additionally, Innovation Hub for enterprises related to identified sectors for value added / innovative products from Tribal/ Aspirational districts will be implemented over a period of 3 years.

4.4.8. Estimated impact of the intervention in the State

- Over a 1-year period, dedicated workshops and seminars will be held across all districts of Chhattisgarh, targeting enterprises with potential for value addition. These sessions will highlight opportunities for innovation and diversification within the Iron & Steel, Minor Forest Produce (MFP), Plastic, Handicrafts, and Handloom sectors. It is estimated that over 1,500 enterprises will benefit from these informative sessions, empowering them to explore new product lines, expand into niche markets, and enhance their competitiveness.
- Over a three-year period, dedicated training workshops and skill development programs will be conducted across Chhattisgarh, specifically tailored to the needs of Micro and Small Enterprises (MSEs) in key sectors. These sectors include Iron & Steel, Minor Forest Produce (MFP), Plastic, Tourism, Handicrafts, and Handlooms. It is estimated that over 5,000 MSE employees will benefit from these targeted training initiatives, empowering them with the future skills and knowledge to enhance productivity, product quality, and competitiveness in their respective industries.
- Over a three-year period, dedicated innovation cum incubation hubs will be established across Chhattisgarh's tribal and aspirational districts such as Jagdalpur, Kanker, Ambikapur, Rajnandgaon, Dantewada, Kondagaon and Mahasamund focusing on key sectors like Iron & Steel, Minor Forest Produce (MFP), Plastic, Tourism, Handicrafts, and Handlooms. These hubs will serve as catalysts for innovation, providing resources, mentorship, and market access to over 1,000 local entrepreneurs. By fostering the development of value-added and innovative products, these hubs are projected to generate over 500 new jobs, increase annual revenue by 15%, and improve the overall standard of living within these communities.

4.4.9. Project Costing

The total estimated budget for the interventions is as provided in the table below:

Table 30: Total estimated budget for the project for 3 years (Amount in Rs. Cr.)

Sl.No.	Intervention	Total Cost for 3 years (in Cr.)
1	Study for scope for development/ diversification/ value added downstream products/ services like Iron & Steel, MFP, Plastic, Tourism, Handicraft & Handlooms	4.10
2	Engaging Sector experts and linkage with Relevant Institutions for sector development	3.78
3	Sector specific training programmes and future skills	14.00
4	Innovation cum Incubation Hub for value added / innovative products from Aspirational districts	20.00
TOTAL		41.88

Table 31: Intervention costing over the three years (Amount in Rs. Cr.)

Sl.No.	Intervention	Year 1	Year 2	Year 3
1	Study for scope for development/ diversification/ value added downstream products/ services like Iron & Steel, MFP, Plastic, Tourism, Handicraft & Handlooms	4.10	-	-
2	Engaging Sector experts and linkage with Relevant Institutions for sector development	0.76	1.51	1.51
3	Sector specific training programmes and future skills	1.40	5.60	7.00
3	Innovation cum Incubation Hub for value added / innovative products from Tribal and Aspirational districts	8.50	5.75	5.75
TOTAL		14.76	12.86	14.26

The study for preparing roadmap for the focus sectors (at least 6) will be carried out through consultants to be engaged at an estimated cost of Rs.4.10. Sector experts/institutional tie ups for providing experts at rate of Rs.210000 per month for 180 manmonths to be engaged to assist the government in the development of the focus sectors and developing suitable schemes/initiatives other than proposed through RAMP. 8000 MSMEs/workforce to be trained in sector specific and identified specialised skills including future skills @Rs.2500 per head per day for 7 days. 5 Incubation/Innovation centres @Rs. 4 Cr. per centre. This will cover the cost of programs, human resources, programs to be organised etc.

4.4.10. Plan for strengthening M&E framework pertaining to Project.

I. Guiding Principles

- **Relevance:** M&E activities should be aligned with project objectives and directly address the key questions about the effectiveness of interventions.
- **Participatory:** Involve stakeholders (MSEs, trainees, hub participants, community members) in the design and implementation of M&E to ensure their perspectives are captured.
- **Utilization-Focused:** Ensure that M&E findings are used for continuous improvement, decision-making, and adaptive management of the projects.

- **Transparency and Accountability:** Make M&E data and findings accessible to stakeholders and the public, promoting transparency and accountability.

II. Monitoring Plan

- **Inputs:** Track the resources invested in each project (e.g., funds, personnel, training materials, equipment).
- **Activities:** Monitor the implementation of activities according to the project plans (e.g., number of training sessions held, workshops conducted, enterprises supported by innovation hubs).
- **Outputs:** Measure the immediate results of project activities (e.g., number of trainees, number of new product prototypes developed, number of enterprises receiving support).

III. Evaluation Plan

- **Outcomes:** Assess the medium-term effects of the projects on individuals, enterprises, and communities (e.g., improved skills and knowledge of trainees, increased productivity of MSEs, creation of new jobs, increased sales of value-added products).
- **Impact:** Evaluate the long-term, broader impact of the projects on the economy and society of the targeted districts (e.g., increased income levels, improved living standards, reduced poverty).

IV. Data Collection and Analysis Methods

- **Quantitative Data:** Surveys, questionnaires, pre- and post-training assessments, sales data, production data, employment records.
- **Qualitative Data:** Interviews, focus group discussions, case studies, observation, document review.
- **Data Analysis:** Statistical analysis, thematic analysis, comparison of pre- and post-intervention data, benchmarking against similar projects.

V. Indicators

- **Sector-Specific Training Programs:**
 - Number of trainees
 - Trainee satisfaction
 - Change in knowledge and skills.
 - Application of skills in the workplace
 - Impact on enterprise productivity and performance
- **Innovation Hubs:**
 - Number of enterprises supported.
 - Number of new products developed.
 - Number of jobs created.
 - Increase in sales and revenue.
 - Overall economic impact in the district

VI. Reporting and Dissemination

- **Regular Reports:** Prepare periodic progress reports (monthly, quarterly, annually) summarizing key findings and recommendations.

- **Final Evaluation Report:** Conduct a comprehensive final evaluation at the end of the project period to assess overall impact and provide recommendations for future interventions.
- **Knowledge Sharing:** Disseminate findings through workshops, conferences, publications, and online platforms to inform stakeholders and the wider community.

VII. M&E Capacity Building

- **Training:** Provide training to project staff and stakeholders on M&E principles, methods, and tools.
- **Technical Assistance:** Engage external M&E experts to support the design and implementation of the M&E framework.
- **Institutionalization:** Embed M&E practices into the organizational culture and systems of the implementing agencies.

VIII. Engaging Sector experts

- To ensure continuous improvement and sustainability, the roadmap should incorporate periodic review from sector experts of the findings based on evolving market dynamics and stakeholder feedback.

4.5. Improving Access to Finance

4.5.1. Major issues and Key Findings

Access to finance is a significant barrier to the growth of MSMEs. Entrepreneurs often struggle to secure credit due to complex collateral requirements, insufficient knowledge of procedures, delays in fund disbursement, and a lack of standardized project appraisal system for loans. Additionally, many MSMEs are unaware of the various financial products and benefits available to them. This lack of understanding of the bank's financing framework and criteria exacerbates their challenges.

From the supply side, financial institutions face issues such as incomplete and inaccurate documentation, borrowers' inability to repay loans, failure to meet regulatory compliance, poor credit history, unstable business operations, unclear business plans, lack of market potential knowledge, and misuse of loan funds.

The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), established by the Government of India and SIDBI in August 2000, aims to provide collateral-free credit to Micro and Small Enterprises (MSEs). The scheme currently offers a guaranteed cover of 75% to 85% for credit up to Rs. 500 lakhs. Despite this, the scheme's performance in the state lags other states. To overcome the credit guarantee challenges, states like Tamil Nadu, Bihar, Assam, and Manipur have increased the guaranteed coverage by contributing additional state funds to the scheme.

Category (Including Trading activity)	Maximum extent of Guarantee Coverage where credit facility is		
	Up to ₹ 5 lakh	Above ₹ 5 lakh & up to ₹ 50 lakh	Above ₹ 50 lakh & up to ₹ 500 lakh
Micro enterprises	85%	75%	75%
Women entrepreneurs / SC/ST entrepreneurs / Person with Disability (PwD)/ MSE promoted by Agniveers /MSEs situated in Aspirational District / ZED certified MSEs	85%		
All other category of borrowers	75%		

Stakeholder consultation with banks revealed the challenges that banks face to process MSME bank loans. Discussions highlighted that these challenges are spanning across administrative, financial, and banks policy. The lack of clarity and awareness on the existing credit guarantee scheme is impacting the beneficiaries. Banks find the 75% to 85% loan guarantee insufficient, and vulnerable considering the raising fraudulent cases where no substantiate legal proceeding are taken against defaulters except for credit score impact. The complexity in processing the bank guarantee scales from documentation to legal formalities which is time consuming and

hectic. As per banks, MSMEs in Chhattisgarh is lacking financial literacy and planning which lands the MSMEs in debt trap and thus increasing NPA for the bank.

Consultations with industry association and MSMEs brought to light the underlying issue with effective enforcement of CGTMSE scheme. Lack of awareness and clarity were the major concern along with dependency on third party/consultancies further complicates the financial awareness for the MSMEs. The information is only available with the third party/consultants which are either partial or incomplete. There is significant lack of awareness on the existing schemes and benefits with in MSMEs in Chhattisgarh such as TReDS, SME Exchange and alternate finance options. The charges for finance procurement such as fees and charges are also an area of concern. The issue on delayed payments/payment disputes is an area of concern among MSMEs as there is less awareness on the existing SAMADHAN portal. There was high demand from MSMEs to strengthen the district officials and equip the centers with latest technology. The need for financial literacy workshops was the need for MSMEs in the state.

Micro finance, faster disbursement of loans with lesser documentation and digitalization of payments are the major preference for MSMEs in the state for which banks and NBFCs are catering to MSME needs. There has been sufficient decrease in NPA for small finance banks and PSCBs which is due to efficient micro credit by these financial institutions.

4.5.2. Problem Statement

MSMEs are unable to fulfil their financial needs due to ambiguity and concerns regarding CGTMSE and lack of awareness on the existing financial resources available to them. The documentation and legal formalities are areas of concern for MSMEs when the need for finance is immediate. The financial literacy of MSMEs on the existing schemes, necessary requirements/documentation, eligibility, and alternate financing option, and payment dispute resolution constitutes the problem statement to improve access to finance.

In the survey conducted within MSMEs, on loan access, 36.1% of the respondents have issues related to collateral. 31.3% have concerns regarding the existing paperwork in availing loans and 29.2% faced issue with delay in loan sanction. 17.9% have the opinion that the loan sanctioned is less than required. 21% have issues related to delayed payments. 89.9% of the respondents are unaware of the existing invoice discounting and credit facilitations which calls out for the effective awareness and handholding sessions with invoice discounting platforms. Only 406 MSMEs (average) from the State are registered in the 3 TReDS platforms of which only about half the number are active. Only about 45 buyers on an average are registered in these platforms from Chhattisgarh. Number of PSUs registered from State is also very low. Onboarding fee for TReDS platform considered as additional cost by MSMEs.

4.5.3. Proposed interventions with respect to RAMP objectives.

The project proposed aims to address the key challenges faced by MSMEs in Chhattisgarh towards accessing the financial needs. The project is designed with a multi-branched approach to tackle the issues at various levels. Here are the details:

1. **Industry and Bankers connect programs:** Industry and Bankers connect programs will be organized to enhance the relationship between MSMEs and financial institutions.

The program will feature general awareness sessions where bankers will explain the different products and services available for MSMEs, the procedures involved, and the key criteria for loan approval. Additionally, there will be one-on-one interaction sessions for MSMEs experiencing difficulties in obtaining loans, providing them the opportunity to discuss their issues directly with representatives from the banks.

2. **Workshops for MSEs on Alternate Financing Methods, SME Exchange:** Workshops will be conducted with MSMEs and respective financial institutions to create awareness and handholding on alternate financing methods, SME Exchange and SAMADHAAN portal. This helps MSMEs to explore further finance options and understand on the benefits and requirements related to the same.
3. **Onboarding workshops for SMEs, State PSUs and Corporates on TReDS:** Awareness workshops will be conducted for both MSMEs, State PSUs, corporates on TReDS. The awareness Programme is likely to improve the usage of the TReDS platform by the MSMEs and PSUs.
4. **Reimbursement of AGF for MSMEs (CGTMSE loans):** The annual guaranteed fee/premium that is passed on to the MSME for availing the collateral fee will be subsidized. The fee/premium for loans shall be paid to the banks on behalf of the eligible MSME thereby reducing their financial burden and cost of lending.
5. **Reimbursement of onboarding charges for MSMEs on TReDS:** The onboarding cost incurred by the MSMEs will be reimbursed to encourage more MSMEs to be linked with the TReDS platform. The on-boarding assistance will be provided up to a maximum limit of Rs.5000 per MSME.

4.5.4. Proposed project design concept and feasibility & viability of proposal

The project design concept involves organizing workshops where bankers will explain the various products and services available for MSMEs. Industry experts will conduct sessions on procedures, provide guidance on alternative financing methods, and cover topics such as the SME Exchange, the ODR portal, invoice discounting platforms, and the reimbursement of annual fees and onboarding charges for MSMEs. The proposed project aims to address the primary challenges faced by MSMEs in Chhattisgarh in securing credit.

By sensitizing MSMEs on the regulatory requirements, existing schemes and alternatives along with financial support on charges, the proposal leverages the existing resources and capabilities of financial institutions. The viability of the proposal lies in its potential to significantly improve access to finance for MSMEs in Chhattisgarh. By addressing the key challenges identified, the proposal can help MSMEs overcome barriers to credit, supporting their growth and contributing to the overall socio-economic development of the state. The proposed interventions are designed to be adaptable and scalable, ensuring their effectiveness as the MSME landscape evolves.

The proposed project aims to address the primary challenges faced by MSMEs in Chhattisgarh in securing credit. It employs a multi-pronged strategy to tackle these issues at various levels. Here are the details:

1. **Industry and Bankers connect programs:** There are areas where MSMEs are unaware of the necessary procedures and requirements of the banks while approaching for loans. The program will be one-on-one interaction sessions for MSMEs experiencing difficulties in obtaining loans, providing them the opportunity to discuss their issues directly with representatives from the banks.
2. **Workshops for MSEs on Alternate Financing Methods, SME Exchange:** Finding alternate financing options and capital investment opportunities are areas where MSMEs struggles. Workshops will be conducted with MSMEs, and respective financial institutions helps MSMEs to explore further finance options and understand on the benefits and requirements related to the same.
3. **Onboarding workshops for SMEs, State PSUs and Corporates on TReDS:** Invoice discounting is an area of scope for MSMEs to resolve their immediate fund requirements. The awareness Programme is likely to improve the usage of the TReDS platform by the MSMEs and PSUs.
4. **Reimbursement of AGF for MSMEs (CGTMSE loans):** MSMEs faced issues with charges incurred on availing credit under CGTMSE scheme. The fee/premium for loans shall be paid to the banks on behalf of the eligible MSME thereby reducing their financial burden and cost of lending.
5. **Reimbursement of onboarding charges for MSMEs on TReDS:** MSMEs utilizing invoice discounting platform would have to bear the onboarding charges to TReDS platforms. The onboarding cost incurred by the MSMEs will be reimbursed to encourage more MSMEs to be linked with the TReDS platform to meet their immediate cash needs.
6. **Assistance for onboarding to SME Exchanges:** MSMEs in Chhattisgarh have huge scope for listing in NSE and BSE SME markets. The cost incurred for onboarding will be subsidised. This is expected to attract more MSMEs to get listed in the exchange market and get relevant fund needs catered.

The feasibility of these interventions is based on their practical approach to addressing the challenges faced by MSMEs in Chhattisgarh. By sensitizing MSMEs on the regulatory requirements, existing schemes and alternatives along with financial support on charges, the proposal leverages the existing resources and capabilities of financial institutions and CSIDC. This ensures that the implementation of the proposed interventions is feasible within the current framework.

The viability of the proposal lies in its potential to significantly improve access to finance for MSMEs in Chhattisgarh. By addressing the key challenges identified, the proposal can help MSMEs overcome barriers to credit, supporting their growth and contributing to the overall socio-economic development of the state. The proposed interventions are designed to be adaptable and scalable, ensuring their effectiveness as the MSME landscape evolves. Additionally, regular monitoring and evaluation will ensure that the interventions remain effective and continue to deliver positive outcomes.

4.5.5. Approach and methodology for implementation.

To address the numerous challenges faced by MSMEs in Chhattisgarh in obtaining the credit, both banks, financial institutions and the Directorate of Industries can implement several high-impact interventions.

Relevant Banks and financial institutions shall be identified, MoUs shall be made for co-operation to facilitate access to finance through RAMP interventions such as organising the workshops, connect programmes and onboarding workshops. Existing capacity of the institutions and state universities will be leveraged for the purpose of workshops.

Respective Industry associations, both at State level and regional level, shall be roped in to ensure better reach of the programme to the MSMEs. Detailed criteria and SOPs shall be developed for the enterprises for availing the reimbursement of AGF, onboarding costs to TReDS platform and SME Exchanges. Reimbursement of onboarding cost can help MSMEs to utilise the existing facility and will help the financing institutes to ensure on providing prompt service to MSMEs in financing their business. This helps in developing the financing ecosystem in the state which can help the MSMEs in the state in the future period.

These combined efforts can substantially alleviate the credit gap facing MSMEs in Chhattisgarh.

Sl. No	Issue	Recommended Actions	
		Banks/Financial Institutions	State Bodies (CSIDC/Dept. of Industries)
1	Ambiguity on process and schemes.	Conduct financial literacy sessions/workshops for MSMEs and District officers.	
2	Un-aware of alternate opportunities	Conduct specialized sessions on products and options for finance.	Act as enabler to the sessions conducted with efficient monitoring and assessments.
3	Issues regarding Charges and Fees	Understand the potential of MSMEs and provide necessary financial concessions/subsidies for charges and fees.	
4	Business sustainability challenges	Provide consultative services on diversification and market penetration.	Conduct Business Health Checks to assess and guide on business plans.

Implementing the project requires collaborated efforts from banks, financial institutions, and the state bodies. The methodology includes the following steps:

- ▶ **Stakeholder Engagement:** Engage with all stakeholders including banks, Institutes of key importance, the Directorate of Industries, CSIDC, Industry Associations and MSMEs to ensure their buy in and active participation in the project.
- ▶ **Workshops and Sessions:** Conduct workshops and awareness sessions with banks/ key financial institutes and MSMEs. These seminars will be designed to be interactive and practical, enabling MSMEs to understand and apply the knowledge gained.

- ▶ **Regular ‘Business Health Checks’ and Market Assessments:** Conduct regular ‘Business Health Checks’ and market assessments to monitor the progress of MSMEs and identify any potential issues early on.
- ▶ **Monitoring and Evaluation:** Implement a robust monitoring and evaluation system to track the progress of the project and measure its impact. This will involve regular reporting and data analysis.

To increase traction and encourage more MSMEs and Buyers to onboard onto TReDS, the exchanges are taking proactive steps. They are collecting feedback from buyers and reaching out to suppliers to understand their concerns and motivate them to get onboarded. They are also willing to conduct awareness sessions with PSUs and MSME bodies to educate them about the benefits of the TReDS platform and guide them through the onboarding process along with necessary discount benefits for onboarding.

4.5.6. Use of ICT/Innovative Technology Towards Project Implementation

ICT can be used to provide real time updates on regulatory changes, offer online consultative services, conduct virtual Business Health Checks, and facilitate access to financial market research databases.

4.5.7. Timeline for achievement of project deliverables

The interventions will be carried out over the period of three years starting from 2024-25.

4.5.8. Estimated impact of the intervention in the State

The estimated impact of the project includes improved access to finance for MSMEs in Chhattisgarh, increased stability and growth of MSMEs, and enhanced socio-economic development in Chhattisgarh. The outputs for the proposed interventions over the three-year period is as provided below:

- ▶ 23100 MSMEs sensitised industry and bankers connect program for financial/digital literacy, preparation of bankable project reports and procedure for availing loans including documentation.
- ▶ Providing support to 24750 MSMEs to be onboarded onto the TReDS platforms and also avail finance through other alternate financing like Venture Capital etc.
- ▶ Minimum 40% participants to be women/SC/ST entrepreneurs.
- ▶ Improved uptake of CGTMSE scheme and reduction in rejection rate of loan application
- ▶ Improved onboarding of State PSUs and MSMEs with improved transactions through TReDS platform
- ▶ 3000 units will be provided onboarding assistance on TReDS.
- ▶ SME Exchange onboarding assistance for about 20 SMEs.

4.5.9. Project costing

The total estimated budget for the interventions is as provided in the table below:

Table 32: Total Costing for the interventions related to Access to Finance

Sl.No.	Intervention	Total Cost (INR Cr.)
1	Workshops for MSEs on Alternate Financing Methods, SME Exchange	2.08
2	Industry and Bankers connect programs	3.23

3	Onboarding workshops for SMEs, State PSEs and Corporates on TReDS	3.47
4	Reimbursement of AGF for MSMEs (CGTMSE loans)	11.77
5	Assistance for onboarding to SME Exchanges	6.60
6	Reimbursement of onboarding charges for MSMEs on TReDS	1.50
TOTAL		28.65

Table 33 Total Costing for the interventions over the three years (Amount in Rs. Cr.)

Sl.No.	Intervention	Year 1	Year 2	Year 3
1	Workshops for MSEs on Alternate Financing Methods, SME Exchange	0.69	0.69	0.69
2	Industry and Bankers connect programs	0.69	1.27	1.27
3	Onboarding workshops for SMEs, State PSEs and Corporates on TReDS	0.69	1.39	1.39
4	Reimbursement of AGF for MSMEs (CGTMSE loans)	3.92	3.92	3.92
5	Assistance for onboarding to SME Exchanges	0.60	3.00	3.00
6	Reimbursement of onboarding charges for MSMEs on TReDS	0.50	0.50	0.50
TOTAL		7.09	10.77	10.77

Total of 297 workshops for MSEs on alternate financing methods and SME Exchange in 3 years at Rs.70,000 per workshop is proposed. 462 Industry and bankers connect programs across all districts at Rs.70,000 per program is also planned. 495 onboarding workshops for SMEs, State PSEs and Corporates on TReDS platform at Rs.70,000 per workshop. 31,818 cases of CGTMSE loans upto 10 lacks reimbursed for annual guarantee fee (AGF) @0.37%. 22 SMEs assisted with onboarding charges to SME Exchange upto 30 lakhs per unit. 3,000 MSMEs to be reimbursed with onboarding charges upto Rs.5,000 per MSME for TReDS.

4.5.10. Plan for strengthening M&E framework pertaining to Project.

The plan for strengthening M&E framework pertaining to the project will consist of the following:

Step 1: Develop M&E Plan: Develop a detailed M&E plan that outlines what will be monitored and evaluated, the methods to be used, and the timeline for M&E activities.

Step 2: Identify Key Performance Indicators (KPIs): Identify KPIs for each intervention that accurately measure their effectiveness. These could include number of MSMEs attending educational seminars, number of MSMEs receiving real time regulatory updates, improvements in credit history, etc.

Step 3: Regular Data Collection: Implement regular data collection processes to track progress against KPIs. This could involve surveys, interviews, or review of administrative data.

Step 4: Data Analysis: Analyse the collected data to assess the progress and effectiveness of interventions. This should be done on a regular basis (e.g., quarterly) to allow for timely adjustments if needed.

Step 5: Reporting: Prepare regular M&E reports that provide updates on progress and insights from data analysis. These reports should be shared with all stakeholders to ensure transparency and accountability.

Step 6: Review and Adjust: Use the insights from M&E activities to review and adjust interventions as needed. This ensures that the project remains responsive to changing needs and circumstances.

Step 7: Capacity Building: Invest in capacity building for M&E. This could involve training for staff on M&E methods and tools or hiring of additional M&E expertise if needed.

4.6. Access to Market

4.6.1. Major issues/challenges and Key Findings.

MSME sector depends on the market to which they cater to. It is of at most importance that each MSMEs are provided with ample market exposure to help develop a scalable MSME ecosystem and to maintain a level playing field for MSMEs in the state. It helps in revenue generation, business growth, competitiveness, economic stability, employment generation and innovation.

Consultation with key stakeholders and MSMEs revealed the persisting issues from Chhattisgarh such as:

1. Export market information: There is no real-time repository/directory available for MSMEs to understand the export markets and the need for these markets.
2. Potential markets: There is no information available on the potential markets, MSMEs can scale up to, and the demand from market that can help MSMEs to diversify their product portfolio.
3. Cost of Marketing: Cost of marketing is high as MSMEs depend on third party consultants to market their product or would have to employ an additional resource which is not cost effective wrt. to the sales and existing market conditions.
4. Lack of marketing platforms: There is lack of trade fair, exhibitions, vendor development programs in the state MSMEs are not able to utilize these platforms due to effectively market their products and services.
5. Lack of effective Export policy: There is no dedicated export policy available in the state that promotes, budgets and guides the export promotional activities.
6. Support from Government agencies: There is need for existing government agencies to be upskilled so that effective utilization of existing schemes is possible.
7. Support for GI tagged and Indigenous products: There is less marketing assistance and interventions from government to support indigenous products of State. MSMEs face challenges in marketing their products in local market and accessing new markets due to lack of exposure and branding. At present, state government supply is the only major market where artisans cater to. Exhibitions held within and across states is another market where handloom products are sold. Artisans heavily depend on local market or government departments for sale of their products and there is minimal presence of these products in e-market places.
8. Lack of digital literacy: MSMEs lack digital literacy on marketing platforms and online markets/marketing potentials. Also, the artisans lack awareness about the usage and potential of digital market platforms to effectively promote their products restricting online sales.
9. Lack of Market connect: MSMEs and state agencies lack an effective connect mechanism like B2B connect, buyer seller meet, especially with MFP/SHG that can act as support mechanism for Anchor units and PSUs.
10. Transportation cost: The transportation cost by MSMEs is higher due to the landlocked geological condition of Chhattisgarh.

11. Export Facilitation Centre: There is no dedicated export facilitation centre which can cater to facilitation of export promotional activities. Digitalization of EFCs are at most needed to facilitate interested enterprises in export.

4.6.2. Problem Statement

Access to market, which is key to MSMEs in Chhattisgarh faces issues related to market and marketing of the products. The problem statement on the access to market on enhancing export from Chhattisgarh revolves around the need for export policy, bridging the knowledge gap on the export procedures and schemes and timely support to the enterprises. The surveys and stakeholder consultations revealed the need for capacity building MSMEs and officials on the export mechanisms and schemes beneficial to the state of Chhattisgarh. The need for an effective export facilitation cell has been an urge from the MSMEs of the state. MSMEs in the state is dependent on middlemen for export which impacts their revenue. Chhattisgarh is ranked lowest among the landlocked states at 22 with 81.39 points on Export Policy ranking and 28th on Business Ecosystem ranking. An Export directory can help MSMEs to expand the scope of business through further collaboration with key exporters in the state.

Stakeholders needed handholding in promoting indigenous products within the MSME ecosystem and further expand the scope of GI tagged products from the state. Need for a dedicated portal for the produces from the state and limited awareness on the necessary market platforms/opportunities are key issues within the state.

There are insufficient market linkage opportunities available for MSMEs due to limited platforms like VDPs and reverse Buyer Seller meets connecting authentic buyers and sellers organised in the State. 86% of the MSMEs surveyed had their market in local area within the same district. Only 16% is utilizing Digital platforms for sales through online platform.

4.6.3. Proposed interventions with respect to RAMP.

Access to market as per research needs targeted interventions. The interventions are classified into three heads:

4.6.3.1. Enhancing Export from Chhattisgarh

- a. **Comprehensive Study and development of Export policy:** Dedicated state export policy will be built by conducting comprehensive study on the existing export ecosystem and relevant policy inclusions need for export promotion from Chhattisgarh. The policy will build the roadmap for economic growth of the state and thereby MSMEs.
- b. **Workshop on export procedures, schemes etc. at district level:** Workshops will be conducted with MSMEs at district levels to create awareness and handholding on export procedures, meeting export regulations, export credit, schemes and benefits. This helps MSMEs to explore further export options and understand on the benefits and requirements related to the same.
- c. **Export Management Training program for MSMEs and Officials:** Export Management Training program will be conducted for MSMEs and Officials to upskill the MSMEs in optimizing export potentials and manage the same. This can help build an expert and standardized export ecosystem. The training will also educate and aid

participants in adopting traceability systems and meeting export regulations in evolving international markets.

- d. **Development of district level Export Directory:** District level export directory will be built by consolidating the exporters and officials for future reference for MSMEs and to understand the current export scenario. The directory will contain details on organisation, institutes and associations that facilitates Export along with necessary legal and country specific information.
- e. **Export Facilitation Cell:** The Export Facilitation Cell (EFC) will be aimed at providing comprehensive information on global trade opportunities, regulations, and market trends, the EFC equips businesses with the knowledge necessary for successful exports which enhances the export capabilities of MSMEs, helping them to navigate complex procedures and compliance requirements. The EFCs will host a centralized facility with state-of-the-art digitalisation to facilitate digital connectivity for MSMEs across the state. EFCs will also hold sensitisation programmes in collaboration with organisations like DGFT and FIEO for the interested MSMEs.

4.6.3.2. Marketing Support for GI tagged products and indigenous products of Chhattisgarh.

- a. **Creation of dedicated portal/ marketplace for GI tagged and indigenous products of the State:** Dedicated Online Marketplace for state of Chhattisgarh will be built which would involve listing of MSMEs, GI tagged products, and indigenous products of the state.
- b. **Strategic Branding:** Creating a brand for all the GI tagged and indigenous products of the State will help uplift MSMEs by enhancing visibility and growth in national and international market. This unified brand identity will showcase the state's rich cultural heritage, serving as a catalyst for economic sustainability.
- c. **Bootcamps for onboarding of MSMEs onto the created platform:** The bootcamps are designed as intensive training sessions aimed at equipping MSMEs with the necessary skills and knowledge to effectively utilize the online marketplace.

4.6.3.3. Market Linkage

- a. **Support market development for Traditional, SHGs and women enterprises:** Vendor development programs will be organised to facilitate interaction between the identified Anchor Units/ PSUs and MSMEs from relevant sectors.
- b. **Organising B2B Connect Programmes, Reverse Buyer Seller Meets and VDPs:** B2B connect programs, reverse buyer seller meets and VDPs will be conducted to ensure on MSME linkage to market factors.
- c. **Sector specific Seminars/ Conclaves to be organised in Chhattisgarh:** Sector specific Seminars/ Conclaves will be organised to understand the scenarios with respect to each sector and to identify the way forward from industry experts.
- d. **Workshops on Digital marketing/ digital literacy on various marketing platforms and linkage with BDSPs:** Workshops will be conducted on digital

marketing for digital literacy by experts to enhance the awareness on available digital platforms for marketing the MSME products and services.

4.6.4. Proposed project design concept and feasibility & viability of proposal

MSMEs struggle with finding appropriate products, buyers, and market, specifically beyond the local geography. They lack the necessary compliances and support to export products, or attend buyer seller meets, which present market linkage opportunities. The project will support all these aspects of market linkage and facilitate access to market in various ways including Exports, marketing support, product identification and promotions, access to e-commerce etc., and will promote business beyond local boundaries. To provide coverage for micro and small units from every part of the state, adequate number of district level workshops will also be planned. Marketing agencies will be hired to promote the schemes of both Centre and State using both online and offline marketing and promotion methods. Market linkage and marketing remains one of the major challenges for MSMEs.

The proposed project aims to address the primary challenges faced by MSMEs in Chhattisgarh in access to market and improve the scope of business through various diversification and growth opportunities. It employs a multi-pronged strategy to tackle these issues at various levels. Here are the details:

- 1. Enhancing Export from Chhattisgarh:** Dedicated Export policy help in understanding market diversification, competitive advantage, local Industries and support mechanisms, factors in trade balance improvement, innovation and quality, infrastructure development, investment opportunity, cultural and economic resilience.

Awareness workshop at district level helps MSMEs to explore further export options and understand on the benefits and requirements related to the same. The program will be one-on-one interaction sessions for MSMEs experiencing difficulties in marketing, providing them the opportunity to discuss their issues directly with marketing agencies and government agencies.

Export management program for MSMEs and Government agencies will be sessions conducted to target upskilling and sectoral development of MSMEs who exports and intend to export. The program covers various aspects of exporting, from planning and strategy to execution and compliance. The program will equip MSMEs and Government officials with a clear framework on risk management, through developing effective strategies and leveraging opportunities in global markets. The program helps MSMEs to ensure adherence to regulatory requirements, reducing the risk of legal issues and penalties. It also streamlines export processes, leading to cost savings and faster time-to-market opportunities for MSMEs in Chhattisgarh.

Export Directory/repository will be built by consolidating all the exporters in the state of Chhattisgarh. The directory will have information about products, scale of export, market information, export potential/demand, market scope, relevant support institutions and schemes. The repository shall be updated periodically through a review mechanism.

Export promotion cell/Export Facilitation Centers (EFC) will be established with digitalised facility with an aim to provide requisite mentoring and handholding support to MSEs in exporting their products and services. This will provide support to MSMEs including latest technology in communication to equip MSMEs with the knowledge necessary for successful exports which enhances the export capabilities of MSMEs. This includes one central physical facility with facilities such as shared resources, personalised/tailored support, enhanced accessibility, increased business flexibility and analytics. In addition to the central physical facility, additional virtual EFC support facilities shall be developed at district level. MSMEs from remote districts can avail the facilities of EFCs virtually without the need for travel.

2. **Marketing Support for GI tagged products and indigenous products of Chhattisgarh:** Dedicated Online Marketplace for state of Chhattisgarh will be built which would act as one stop reference and marketplace for all manufacturers including MSMEs, Women/ST/SC SHGs, Co Operative societies, service sectors, etc from the state that can utilize the marketplace. The marketplace would have option to list, sell and purchase the products.

The intervention will also involve branding of those products under unified umbrella. Branding will be done by an agency who will carry out the activities related to the intervention. Key sub-interventions include physical and virtual branding by showcasing products in various platforms, implementing QR codes to ensure authenticity and track products, and creating a cohesive narrative through logo design and promotional materials.

Bootcamps are designed to effectively utilize the online marketplace. A specific number of experts, equipped with relevant tools like laptops and internet dongles, will visit the handloom/handicraft cluster. Interested MSMEs will be assisted in onboarding onto the relevant e-commerce websites. In addition to it, Capacity building through digital literacy training will empower MSMEs to effectively engage with the e-marketplace, ensuring quality standards are met and broad consumer access is achieved

3. **Market linkage:** The connect programs will involve general awareness sessions where the Anchor units will sensitise the participating MSMEs on the categories of products they look to procure through public procurement, what are the standards, quality parameters and other related criteria that the vendors will have to fulfil and what are the ways in which the MSMEs can participate in the procurement process. There will also be a session where interested MSMEs will be given an opportunity to interact one-on-one with the participating Anchor units/PSUs.

B2B Connect Programmes, Reverse Buyer Seller Meets and VDPs will help MSMEs in understanding market demand, scope of diversification, new product development option and help buyers and sellers from other districts and state to link with potentials in Chhattisgarh MSMEs.

Sector specific seminars will involve industry specialists/experts and associations that can discuss on the current need and trend in the industry and help understand and prioritize key issues with respective institutions and govt departments to address the same.

Workshops on digital literacy and digital marketing helps MSMEs to connect with consultants and marketing agencies to further expand their marketing scope and to find newer markets and market demand.

The viability of the proposal lies in its potential to significantly improve access to market for MSMEs in Chhattisgarh. By addressing the key challenges identified, the proposal can help MSMEs overcome barriers to market, supporting their growth and contributing to the overall socio-economic development of the state. The proposed interventions are designed to be adaptable and scalable, ensuring their effectiveness as the MSME landscape evolves. Additionally, regular monitoring and evaluation will ensure that the interventions remain effective and continue to deliver positive outcomes.

4.6.5. Approach and methodology for implementation.

To address the numerous challenges faced by MSMEs in Chhattisgarh in access to market, government can implement several high-impact interventions in collaboration with various institutions, industry experts, Industry association, Marketing agencies.

Building a comprehensive export policy for Chhattisgarh requires a strategic approach that leverages the state's unique strengths, addresses its challenges, and aligns with national export goals. This requires Preliminary Analysis through situational analysis and stakeholder consultation. Defining Vision and Objectives, Development of Policy framework, Implementation Plan, Capacity building Marketing, monitoring and evaluation techniques, Legal framework, and sustainability Inclusiveness. Collaboration with third party service providers, Industry associations and key officials is required for inclusive survey into the export policy building.

Implementing the project requires collaborated efforts from MSMEs, marketing experts and the state/Central bodies. Industry experts, Export promotion agencies such as DGFT, FIEO, APEDA etc will collaborate to provide workshops and specific trainings focused on export procedures. The existing infrastructure of the universities can be leveraged for conducting workshops. Respective DIC along with EFC will facilitate on gathering the MSMEs and key officials along with Industry Experts to conduct workshop effectively.

Key state officials and MSMEs who needs/are interested in export management program will be identified by DIC/EFC and will be enrolled into Export Management Training Program. The program will utilize the existing facilities by universities and institutions of excellence to conduct the program. Institutions of repute in Export management will be identified and collaborated to provide expert management training. The program will ensure on training and capacity building of key officials for institutional effectiveness.

Preparing an export directory for Chhattisgarh involves creating a comprehensive and user-friendly resource that lists businesses and products with export potential through data collection, directory designing, directory development phase, validation and quality check, launch and promotion to regular maintenance of the directory. The data collection would be conducted by third party vendors or state universities which would be qualified. The data collected would include Industry association, key exporters, export promotion agencies, legal procedures, and all other data relevant to export facilitation in the state.

Export facilitation Center will be formulated in the state capital ie. Raipur with state-of-the-art digital facility. Resources will be trained and equipped to facilitate export related assistance to MSMEs in the state. The EFC in Raipur will serve as the hub and facilitate virtual support to MSMEs in other districts in the state of Chhattisgarh. EFCs will be enhanced with latest

communication tools and necessary trainings to identify key industry trends. EFC will regular updates the export directory. Respective District centers will be equipped with digital infrastructure to facilitate virtual connect with central EFC of the state.

A dedicated portal will be built through CHIPs/NIC to cater to the need with detailed listing of products from MSMEs/SHGs/women led concerns from the state of Chhattisgarh. Portal will facilitate the purchase of indigenous products of state of Chhattisgarh. The portal will have collaboration with logistics partners, payment partners and MSMEs to ensure effective online sales. This is expected to help customers with virtually access to the products in Chhattisgarh from anywhere in India/World.

Bootcamps on online portal will cater to the technical need for MSMEs to onboard to the digital portal created. Bootcamps will ensure listing of products, linkage with payment and logistics partners. Existing capacity and facility of universities will be leveraged along with collaboration with respective industry experts to facilitate the bootcamps.

Special support for market development of traditional, SHGs and Women enterprises will be ensured through district level workshops. Respective SHGs, Women and Traditional enterprises will be identified by DICs and specialized workshops will be provided. Respective institution of repute will be collaborated to facilitate the workshops.

Marketing agencies will be hired to promote the schemes of both Centre and State using both online and offline marketing and promotion methods through B2B connect programmes and sector specific seminars/conclaves. This provides a common platform for MSMEs to connect with peers and potential buyers/vendors to further enhance the scope of market.

Market linkage and marketing challenges will be tackled through workshops to link BDSPs and Digital Marketing experts to provide digital literacy sessions to MSMEs on various marketing opportunities for their products. Digital marketing experts will be invited to workshops so that MSMEs are facilitated with live demos and experts that helps in expanding market presence.

4.6.6. Use of ICT/Innovative Technology Towards Project Implementation

ICT can be used to provide real time updates on regulatory changes, offer online consultative services, conduct virtual Business Health Checks, and facilitate access to market research databases. The usage of technology and survey tools can enable effective consolidation of stakeholder intakes.

4.6.7. Timeline for achievement of project deliverables

The interventions will be carried out over the period of three years starting from 2024-25.

4.6.8. Estimated impact of the intervention in the State.

The estimated impact of the project includes improved access to market for MSMEs in Chhattisgarh, increased stability and growth of MSMEs, and enhanced socio-economic development in Chhattisgarh. The outputs for the proposed interventions over the three-year period are as provided below:

- ▶ 21450 MSMEs to have digital literacy and awareness on alternate marketing platforms.
- ▶ Dedicated online portal for Chhattisgarh indigenous products including GI tagged products.
- ▶ 16500 MSMEs sensitised through connect program for market linkages.
- ▶ 8250 MSMEs to get awareness on export procedures and related schemes.
- ▶ 10700 MSMEs to get trained/onboarded to Online Marketplace.
- ▶ Dedicated export policy for state of Chhattisgarh.

- ▶ 8448 subject matter expert creation by EMT program.
- ▶ 15 B2B/buyer seller meets/VDPs.
- ▶ 10 Sector specific seminars/Conclaves.

4.6.9. Project costing.

The total estimated budget for the interventions is as provided in the table below:

Table 34 Total cost for the interventions related to Access to Market.

S. No.	Intervention	Total Cost (INR Cr.)
1	Enhancing Export from Chhattisgarh	
a	Comprehensive Study and development of Export Policy	1.50
b	Workshops on export procedures, schemes etc. at district level	1.39
c	Export Management Training program for MSMEs and Officials	1.40
d	Development of Export Directory	0.50
e	Export Facilitation Centre	1.12
2	Marketing Support for GI tagged products and indigenous products of Chhattisgarh	
a	Creation of dedicated portal/ marketplace for GI tagged and indigenous products of the State	1.80
b	Strategic Branding of GI Tagged and Indigenous products of State	5.00
c	Bootcamps for onboarding of MSMEs onto the created platform	1.50
3	Market Linkage	
a	Support market development for Traditional, SHGs and women enterprises	2.31
b	Organising B2B Connect Programmes, Reverse Buyer Seller Meets and VDPs	0.75
c	Sector specific Seminars/ Conclaves to be organised in Chhattisgarh	0.13
d	Workshops on linkage with BDSPs and Digital marketing/ digital literacy on various marketing platforms	3.00
TOTAL		20.40

Table 35 Intervention cost over the three years (Amount in Rs. Cr.)

Sl.No.	Intervention	Year 1	Year 2	Year 3
1	Enhancing Export from Chhattisgarh			
a	Comprehensive Study and development of Export Policy	0.75	0.75	
b	Workshops on export procedures, schemes etc. at district level	0.46	0.46	0.46
c	Export Management Training program for MSMEs and Officials	0.29	0.52	0.59
d	Development of Export Directory	0.50		
e	Export Facilitation Centre	0.20	0.40	0.40
2	Marketing Support for GI tagged products and indigenous products of Chhattisgarh			
a	Creation of dedicated portal/ marketplace for GI tagged and indigenous products of the State	1.50	0.15	0.15

b	Strategic Branding for GI tagged and indigenous products of the State	1.00	2.00	2.00
c	Bootcamps for onboarding of MSMEs onto the created platform	0.11	0.69	0.69
3	Market Linkage			
a	Support market development for Traditional, SHGs and women enterprises	0.46	0.92	0.92
b	Organising B2B Connect Programmes, Reverse Buyer Seller Meets and VDPs	0.15	0.30	0.30
c	Sector specific Seminars/ Conclaves to be organised in Chhattisgarh	0.03	0.05	0.05
d	Workshops on linkage with BDSPs and Digital marketing/ digital literacy on various marketing platforms	0.69	1.16	1.16
TOTAL		6.15	7.41	6.72

The interventions proposed have comprehensive study and development of Export policy. In this regard 38 district and state level consultation workshops costing Rs.70,000 will be held and 5 expert resources for 6 months at Rs.2,20,000 per month shall be engaged. Along with the same, respective travelling, logistics, Misc costs add up to Rs. 0.57 Cr. 198 Workshops on export procedures, schemes etc. at district level shall be organised at Rs.70000 per workshop. 165 Export management Training program for MSMEs will be conducted at Rs.70000 per program. Export management training program for about 198 officials will be carried out at Rs.4000 per head per day for 3 days. The Export Facilitation Centre to be established will have an EFC coordinator (@Rs.220000 per month) and 2 support resources at Rs. 35000 per month for 2.5 years. The cost of EFC will also include other costs like induction training of resources, developing collaterals etc.

Dedicated portal for GI tagged and indigenous products of the state will be developed in Rs.1.5 Cr and consecutive 2 years will incur Rs. 0.15 Cr as portal maintenance charges. For strategic branding of the GI tagged and indigenous products of the State, an agency will be hired who will be responsible for the extensive branding of products. A lumpsum amount of Rs. 5 Cr has been proposed which will include activities like: Understanding the market and consumer preference, Brand identity creation, Storytelling and Content Strategy, QR coding of products, Training & Capacity building of MSMEs and artisans. An agency shall be hired to facilitate the branding related activities. 214 bootcamps across 3 years at Rs.70,000 per bootcamp shall be organised for assisting enterprises to get onboarded to the created portal and other e-commerce platforms.

330 programs aimed at supporting market development for traditional, SHGs and Women enterprises at Rs.70,000 per program across all 33 districts. 15 B2B Connect Programmes, Reverse Buyer Seller Meets and VDPs across 3 years at Rs. 5,00,000 per program. 10 Sector specific Seminars/ Conclaves across 3 years at Rs.1.25 lacs per program. 429 workshops on linkage with BDSPs and Digital marketing/ digital literacy on various marketing platforms across 3 years at Rs. 70,000 per workshop.

4.6.10. Plan for strengthening M&E framework pertaining to Project.

The plan for strengthening M&E framework pertaining to the project will consist of the following:

Step 1: Develop M&E Plan: Develop a detailed M&E plan that outlines what will be monitored and evaluated, the methods to be used, and the timeline for M&E activities.

Step 2: Identify Key Performance Indicators (KPIs): Identify KPIs for each intervention that accurately measure their effectiveness. These could include number of MSMEs attending educational seminars, number of MSMEs receiving real time regulatory updates, improvements in export market etc.

Step 3: Regular Data Collection: Implement regular data collection processes to track progress against KPIs. This could involve surveys, interviews, or review of administrative data.

Step 4: Data Analysis: Analyse the collected data to assess the progress and effectiveness of interventions. This should be done on a regular basis (e.g., quarterly) to allow for timely adjustments if needed.

Step 5: Reporting: Prepare regular M&E reports that provide updates on progress and insights from data analysis. These reports should be shared with all stakeholders to ensure transparency and accountability.

Step 6: Review and Adjust: Use the insights from M&E activities to review and adjust interventions as needed. This ensures that the project remains responsive to changing needs and circumstances.

Step 7: Capacity Building: Invest in capacity building for M&E. This could involve training for staff on M&E methods and tools or hiring of additional M&E expertise if needed.

Field level officers will be responsible to coordinate with the respective Industry associations in identifying and mobilising the MSMEs. DIC will periodically oversee the execution of these initiatives. DIC will also be coordinating with the Marketing agency for developing content for awareness workshops, formulating content strategies and materials for public relations and outreach, arranging activities, and finalizing both venue and participants.

4.7. Initiatives for Institutional Strengthening

4.7.1. Key Findings and Major issues/challenges

Over the period, DICs have not been able to perform to their full potential owing to constraints in technical expertise, infrastructure and institutional functioning. Thus, they have limited themselves largely to perform regulatory functions and implement GoI programs (mainly PMEGP), state schemes like Mukhya Mantri Yuva Swarajgar Yojna and implementation of Industrial policy related to disbursement of subsidies, facilitation of land etc. Facilitation of critical business development services like establishment of forward and backward linkages, access to credit, support for technical upgradation and technology adoption, support for adherence to upcoming code of compliances, waste management etc. has been limited. The need to build the capacity of the officials in the management front has also been identified.

The survey in Chhattisgarh indicates that 84% of the respondents have expressed the requirement for establishing/ Strengthening of district level MSME Facilitation Desks/ Centers to handhold the entrepreneurs and provide necessary information/ guidance.

46% of them also indicated the need for availability of relevant information in a single platform on potential sectors, loans & subsidies, available infra, commercialized technologies, database of service providers etc.

30% of the respondents have expressed that facilitation connect and establish linkage with approved technical consultants or experts in different areas like marketing, taxation, technology, legal etc.

The analysis of web portals of different departments and Single window system with that of other major industrialized States highlights the scope for further upgradation required to facilitate adequate information dissemination as well as provision of online services. 90% of the respondents were not utilizing or visiting the relevant websites. Currently, the services being offered by different departments are not yet completely online.

4.7.2. Problem Statement

DIC play a crucial role in ensuring facilitating the industries and in effective implementation of different schemes and policies. The officials are currently unaware about many schemes by Govt. of India for MSMEs other than the ones they are currently involved in. Improvement in specific sectoral knowledge both theoretical as well as practical and keeping up to date with advancements and emerging trends in these field/areas is crucial to ensuring that the officers are abreast with the developments in the industry to effectively add value to their work responsibilities.

4.7.3. Proposed interventions with respect to RAMP objectives.

Capacity building training for officers: Training programs will be conducted for the officers of the Directorate of Industries, CSIDC and other related departments including field level officials to equip them to implement the RAMP program.

Establishing MSME Facilitation Centers: The intervention will include establishing facilitation centers comprising of human resources and necessary infrastructure at district levels and at Directorate that will enable in providing information and guidance to the enterprises approaching them. The resources will be provided training on relevant domains to equip them to carry out their functions effectively and to meet the objectives of the MSME Facilitation Centers.

Engaging Industry Development Executives (Block level): The intervention proposed will enable face to face interaction of the enterprises with the facilitators at grass root level. This will also pave way for more effective formalization of enterprises, dissemination of information and improve the resolution of issues at ground level at a much faster pace. These resources will be engaged on a pilot basis at Block level.

Exposure visits for Officials: The exposure visits to other States like UP, Haryana to understand the best practices.

Strengthening Digital Infrastructure: Strengthening of State portals, SWS and digital infrastructure to improve MSME Facilitation and Monitoring

4.7.4. Proposed project design concept and feasibility & viability of proposal

As a district touchpoint for the MSMEs, the DICs are suitably positioned to facilitate MSMEs by serving as a single window for facilitation, handholding of new and existing MSMEs at the district level and to derive the benefit of different government scheme for state. Capacity building activities for strengthening of related government officials will facilitate in this aspect. However, the existing scenario does not always provide scope for the officers to provide one to one issue

resolution or knowledge transfer. Hence, establishment of dedicated MSME Facilitation Centers will enable this gap to be addressed. The grassroots connect with entrepreneurs will be further enhanced at Block level through dedicated resources to be deployed considering the extent of area to be covered, which cannot be serviced by the facilitation center at one location alone.

Success of initiatives like the one lakh MSME program taken by Govt. of Kerala may be taken as references for promoting MSMEs in the State. Kerala was able to establish more than one lakh MSMEs in a period of one year through this initiative. Resources on contract were deployed at Local Self Government Institution level for identifying, mobilizing and handholding of prospective entrepreneurs. A survey conducted also indicated that according to the newly established MSMEs, the resources played a key role in sensitizing, mobilizing and facilitating in successful establishment of their enterprises. Hence the provision of MSME Facilitation through dedicated centers at DICs as well as deployment of resources at Block level will be

4.7.5. Approach and methodology for implementation.

Strengthening capacity for development and delivery of MSME Support Programme faces challenges at 3 levels.

- ▶ At the individual level: wherein Government officials do not get opportunity to invest time in their learning and developing their competencies. This includes grassroots officials who are the citizen-facing division of the Department. Need assessment for the capacity building to be imparted to officials are not regularly carried out. Lack of awareness regarding some of the major GoI schemes like RAMP, CHAMPION scheme etc. makes it difficult for them to provide proper guidance to the MSMEs and ensure its proper implementation.
- ▶ At the organizational level: wherein systems and processes have scope for more efficiency. The existing processes and related MIS modules will be examined and areas for improvement will be identified. Procedural delays and issues faced by entrepreneurs with the Single Window System have been highlighted during stakeholder interactions. There are still instances of applications being received offline. Similarly, policy related aspects have also been highlighted which require necessary attention. DICs are also currently not equipped well to provide necessary handholding support to the MSMEs.
- ▶ The officials are unaware about the best practices being implemented in other states. The exposure to technical advancements happening in the Industry sector is limited.

The three pillars of Individual, Organization and Institutional serve as the guiding principle while formulating the capacity need analysis. Individual capacity building refers to building attitude, skills and knowledge at individual level, organization building capacity of collective and shared aspects of an organization such as organization structure, processes, infrastructure, external partnerships and technological capabilities. Institutional refers to policy level interventions that affect Department including Directorates, District Industries Centers and other line departments.

Individual needs and organizational needs will be identified basis the feedback received from individuals including divisional heads and key staffs within the department through feedback forms and one-to-one interactions.

The annual training calendar will be developed based on the need analysis thus conducted. Achievable targets and monitoring mechanism through relevant KPIs will be established to

ensure compliance. Mandatory learning hours per official in relevant areas will be determined and assigned based on the role and responsibilities. Top level monitoring at Secretary level and Director level will be established to ensure compliance.

Following factors will be considered while planning capacity building of officials:

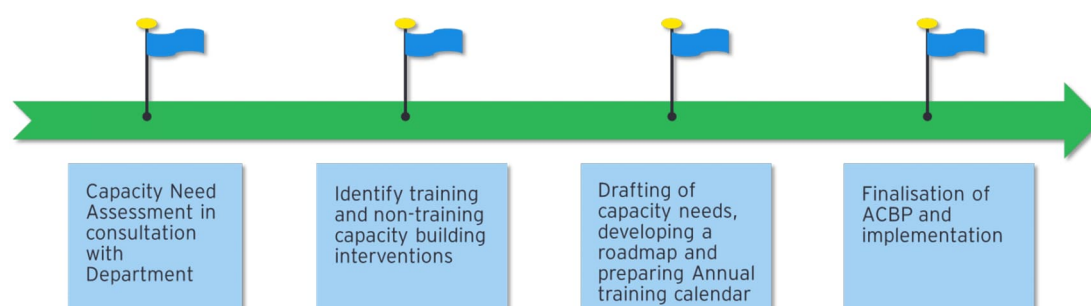
- ▶ Self-paced learning to be encouraged, some of the standard domain modules could be digitized.
- ▶ User feedback around usefulness of trainings in day-to-day work to be evaluated periodically.
- ▶ International exposure is a major motivator.
- ▶ Key milestone trainings could be planned at designated locations.
- ▶ Rewarding officers who have fulfilled mandated hours.

A list of relevant courses based on analysis of Management Development Program offered by IIM A, B and C that will be considered is summarized below.

Sl. No.	Training Institute	Programme
1.	IIM, Calcutta	Leadership and Team Building
2.	IIM, Bangalore	Organizational Excellence Through Leadership
3.	IIM, Calcutta	Interpersonal Effectiveness and Leadership Excellence
4.	IIM, Ahmedabad	Transformational Leadership
5.	IIM, Bangalore	Design Thinking
6.	IIM, Ahmedabad	Fintech: Business Models, Marketing, Strategy and Tactics
7.	IIM, Calcutta	Managerial Leadership and Team Effectiveness
8.	IIM, Ahmedabad	Administrative Leadership and Good Governance
9.	IIM, Calcutta	Lean Operations
10.	IIM, Calcutta	Communication and Presentation Skills
11.	IIM, Bangalore	Strategic Perspectives on the Design of Public Private Partnerships (PPPs)
12.	IIM, Bangalore	Creating High Performance Organisations
13.	IIM, Ahmedabad	Project Management
14.	IIM, Bangalore	Challenges of Managing Inclusive Finance in India
15.	IIM, Bangalore	Organizational Excellence Through Leadership
16.	IIM, Ahmedabad	Advanced Human Resource Management
17.	IIM, Calcutta	Leadership and Team Building
18.	IIM, Calcutta	Supply Chain Management

Sl. No.	Training Institute	Programme
19.	IIM, Ahmedabad	PPP Frameworks: Innovative and Technologically advanced Infrastructure Development
20.	IIM, Calcutta	Interpersonal Effectiveness and Leadership Excellence
21.	IIM, Ahmedabad	Interpersonal Effectiveness and Team Building
22.	IIM, Bangalore	Organizational Excellence Through Leadership
23.	IIM, Calcutta	Communication and Presentation Skills
24.	IIM, Calcutta	Managerial Leadership and Conflict Resolution

One of the key requirements for effective implementation of the RAMP program is the Institutional strengthening of the department. This calls for the creation of an Annual Capacity Building Plan (ACBP) for the Department. Through the ACBP exercise, it is intended to expand the public sector capacity building by going beyond training. Thus, while the ACBP exercise identifies Department specific training interventions to build individual capacity, it also looks at organizational interventions. The ACBP is expected to detail all the interventions required to develop and enhance the competencies of individual officials as well as the collective capacity of the Department. The steps in creating such a plan have been summarized in the figure below.



The three pillars of the ACBP framework serve as the guiding principle while formulating the capacity need analysis. The ACBP approach builds the plan across these three pillars namely individual, organizational, and institutional. The approach towards identifying individual needs would involve receiving feedback over a self-declaration assessment form while organizational and institutional level gap areas will be collated based on combination of feedback received through individual forms and one-on-one discussions with various section heads and key staff within the department.

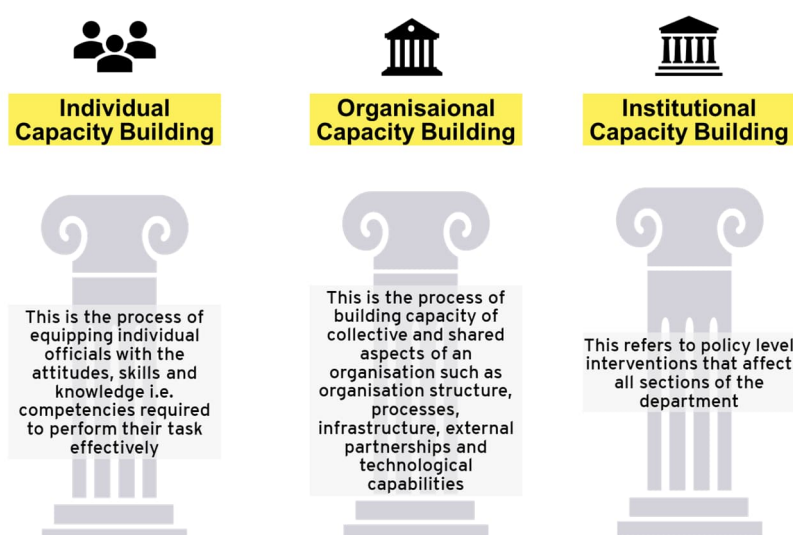


Figure 24 Pillars of Capacity Building

Pillar 1: At the Individual Level

Competencies form the basis of individual capacity building. A competency is defined as the combination of attitudes, knowledge, and skills that enable an individual to perform a job or task effectively. Capacity building at the individual level refers to the process of equipping individual government officials with the competencies required to effectively perform their assigned roles. Capacity Constituents at the individual level:

- ▶ **Behavioural competencies:** These are a set of benchmarked behaviours displayed (or observed/ felt) by individuals across a range of roles. For example, empathy and leadership
- ▶ **Domain competencies:** These competencies enable individuals to effectively perform roles within a specialized discipline or field. Domain competencies are generally applicable to the core work of the Department. For example, providing technical guidance to MSMEs.
- ▶ **Functional competencies:** These competencies help cater to the operational requirements such as administration, procurement, financial management, and so on. Functional competencies are applicable across a wide range of departments of the Government. For example, budgeting, project management, and data analysis.

Pillar 2: At the Organizational Level

This refers to the process of building the capacity of collective and shared aspects of the organization such as existing processes, digital and physical infrastructure and technological capabilities that enable the organization to achieve its goals. Capacity at the organizational level is assessed based on the collective aspects of a ministry or department. Some examples of these aspects include:

- ▶ **Technology and Data:** This dimension deals with the technology solutions employed by the Department to improve its functioning. Examples include software that enables shorter turnaround time on repetitive tasks and digital tools that increase efficiency or enable faster resolution of pain points.

- ▶ **Systems and Processes:** This dimension includes all the established systems and processes to carry out its day-to-day functions. Examples include monitoring mechanism for schemes, standard operating procedures, etc.
- ▶ **Resources and Assets:** This includes the resources and assets such as hard and soft infrastructure for day-to-day functioning. For example: the physical premises, digital infrastructure like computers, video conferencing systems etc.
- ▶ **Partnerships and Relationships:** This dimension includes all external partnerships that is part of such as those with other departments, global organisations and citizen groups.
- ▶ **Personnel Management:** This includes all the functions associated with managing human resources of such as performance appraisals, training and development, performance management, succession planning etc.

Pillar 3: At the Institutional Level

Institutional capacity building refers to changes made in the norms, policies and regulations that guide the functioning of individuals and organizations. In the context of the government, institutional capacity building refers to policy level interventions that affect all departments of the government.

At Individual level the capacity building is being proposed to be provided through the following:

▶ Capacity building training

The capacity building training will be based on the curriculum developed based on the need assessment study conducted. It will consist of a mix of both classroom sessions along with exposure visits or field visits to understand the practical sides of things and understand the best practices. Officials from Directorate, CSIDC and officers from DICs will be provided customized management level training. Field level officers will be provided classroom as well as practical training including field visit.

▶ Exposure to best practices:

Exposure is a major motivator. Training programs which provide knowledge around governance and implementation of MSME enabling models across other states or countries will be considered. Exposure visits will also be conducted to practically understand the best practices adopted in different states.

The establishment of MSME Facilitation Centers and Industry Development Interns will enable effective facilitation of MSMEs at ground level. The process of selection and deployment of resources is provided in the figure below:

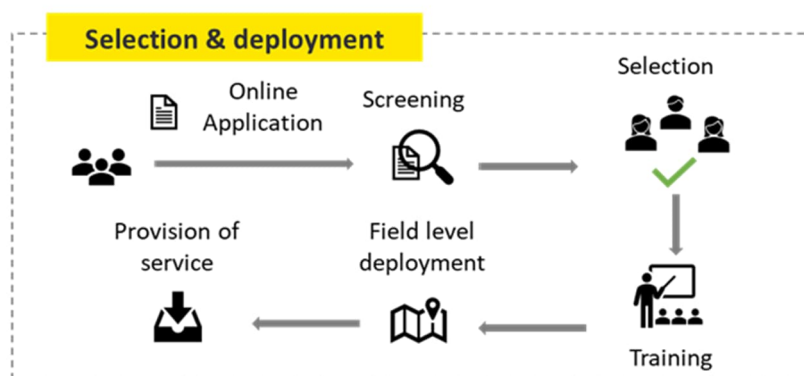


Figure 25 Methodology for selection and deployment of Resources.

Induction training and Orientation for the selected resources on the functioning of the departments and DICs, knowledge enhancement sessions on MSME sector, existing government schemes, relevant procedures, expectation from them and their KPIs etc. shall be provided to the selected resources. This will enable them to start efficiently performing their roles and responsibilities.

MSME Facilitation Centers shall be planned in districts at locations that can be easily accessed, preferably in the respective DICs. The resources for the MSME Facilitation Centre shall be engaged after rigorous selection process from among applications received. Collaterals like brochures on Govt. schemes, sample project profiles, sector profiles etc. shall be prepared.

To upgrading digital infrastructure which will also include the facility for monitoring of the RAMP implementation, suitable technical agencies/ experts shall be engaged. As-Is assessment, Benchmarking, need assessment and gap analysis will be carried out to. Based on the identified gaps and the desired future state, the existing website and portals will be upgraded and integrated accordingly. Necessary infrastructure, including laptops, desktops, printers, projectors, display screen, VC studio and software packages, will be provided to support these improvements.

4.7.6. Use of ICT/Innovative Technology Towards Project Implementation

The portal that will be developed as part of the monitoring and evaluation of the RAMP programme will be leveraged to monitor the progress of the implementation and the outcomes. The existing single window system and other portals shall be upgraded to facilitate more traffic to these sites.

4.7.7. Timeline for achievement of project deliverables

Capacity building training for officers: The programme for capacity building officers will be carried out for three years covering both technical, management as well as soft skill domains.

Induction and Orientation for the Industry Development Executives shall be carried out during the year of induction. Training will also be provided to the resources deployed as part of the MSME Facilitation Centre along with refresher as well as advanced training. These training will be provided for 3 years.

Strengthening of digital Infrastructure and upgrading the digital platforms & systems: The programme is estimated to be carried out in three years of implementation of RAMP.

4.7.8. Estimated impact of the intervention in the State

A total of 316 officers shall be trained for three years. 34 MSME Facilitation centres will be established in the State through which the enterprises will be facilitated at district level as well as at Directorate level. In addition, resources proposed to be engaged at Block level (146) will further facilitate regular one to one connect with the prospective and existing entrepreneurs and support them. These interventions will improve the connect with the entrepreneurs at grassroot level. Dissemination of information, sensitisation of entrepreneurs and mobilisation of participants for programmes through better outreach will be possible through this intervention. Grassroot level deployment of resources will also facilitate faster identification of issues faced by the entrepreneurs and resolution of the issues. The digital infrastructure in the State for facilitating MSMEs shall be strengthened. This will provide for addition source of information for entrepreneurs without the physical visit to concerned offices as well as provision of enhanced services.

4.7.9. Project costing

The total estimated budget for the interventions is as provided in the table below:

Table 36 Total estimated Budget for Institutional Strengthening Project for 3 years (in Rs. Cr.)

Sl.No.	Intervention	Total Cost for 3 years (INR Cr.)
1	Creating MSME Facilitation Centres at district levels and H.O.	19.24
2	Engaging Industry Development Interns	10.00
3	Training of MSME facilitation Centre resources	0.86
4	Capacity building of officials - MSME Dept., CSIDC, DICs	2.28
5	Exposure visits for Officials to understand best practices	9.48
6	Strengthening of State portals, SWS and digital infrastructure to improve MSME Facilitation and Monitoring	15.00
TOTAL		56.86

Table 37 Intervention costing over the three years (Amount in Rs. Cr.)

Sl.No.	Intervention	Year 1	Year 2	Year 3
1	Creating MSME Facilitation Centres at district levels and H.O.	7.02	5.60	6.61
2	Engaging Industry Development Interns	3.87	6.13	0.00
3	Training of MSME facilitation Centre resources	0.29	0.29	0.29
4	Capacity building of officials - MSME Dept., CSIDC, DICs	0.76	0.76	0.76
5	Exposure visits for Officials to understand best practices	3.16	3.16	3.16
6	Strengthening of State portals, SWS and digital infrastructure to improve MSME Facilitation and Monitoring	3.00	8.00	4.00
TOTAL		18.10	23.94	14.82

It is proposed to establish 34 MSME Facilitation Centres, requiring approximately 102 resources, with an estimated cost of Rs. 25,000 per resource per month, factoring in an annual increment of 12%. A 7-day advance orientation training is planned for the Facilitation Centre resources, at Rs. 4,000 per resource per day. Additionally, the engagement of 146 interns is proposed, with a monthly stipend of ₹35,000 per intern, along with a 5-day induction training at

Rs. 4,000 per resource per day. Furthermore, bi-annual capacity building is planned for 316 officials from the MSME Department, CSIDC, DICs, and other departments, with 3-day sessions at Rs. 4,000 per resource per day. International and domestic exposure visits for these 316 officials are also proposed, aimed at understanding best practices, with an allocation of Rs. 1,00,000 per head annually. The total cost is prosed at 15 crore for 3 years, which includes cost of IT Hardware upgradation (Laptops for 146 interns and hardware for DTICs like Desktops, Stylus Pen Enabled Display Screen, Stylus Pen along with CPU having 11th Gen configuration, SSD - 1TB, RAM - 8GB and above, Windows - 10, MS office - 2019, Multifunctional Printers, Software, etc) and strengthening of State portals (which includes need assessment, System Architecture, Development, Testing, Data Integration, Data Analytics, Training, Implementing Security Protocols, maintenance and Enhancements, Pilot Testing, Deployment, Etc.).

4.7.10. Plan for strengthening M&E framework pertaining to Project.

The State RAMP Programme Committee shall be responsible for the overall monitoring and guidance of the project. The MSME Facilitation centres shall be monitored and guided by the respective CGM/GM of respective DICs on a weekly basis. The Directorate of Industries shall be reviewing the functioning of the MSME Facilitation centres monthly. The Industry Development Executives responsible for field level identification of prospective entrepreneurs and provision of facilitation at ground level shall be reporting daily to the Managers of the DICs of the district to which they are assigned.

Reporting framework and MIS sharing formats shall be developed and incorporated in the online platform to be developed for monitoring and evaluation. All the concerned key stakeholders will be having access to the MIS enabling them to have updated status of implementation. KPIs shall be determined for the resources deployed at the start of every year.

5. Total Budget Estimate

The total budget requirement for the interventions is Rs. 200.13 crores including IEC cost considered at 5% of the estimated budget for the interventions.

The project wise breakup of the total budget and year wise requirement is as follows:

Estimated Total Budget (in Rs. Cr.)					
Sl.No.	Interventions	Total Amount for 3 years	Year 1	Year 2	Year 3
A	Capacity Enhancement Programmes	32.76			
1	Comprehensive Entrepreneurship Promotion Initiative (CEPI)				
a	District level sensitisation programme for MSMEs	7.16	1.62	2.77	2.77
b	EDP/ESDP for prospective entrepreneurs	3.30	0.83	1.24	1.24
c	Advanced Training	4.95	1.65	1.65	1.65
d	Exposure for selected entrepreneurs	0.96	0.32	0.32	0.32
2	LEAP - Lady Entrepreneurs Augmentation Programme				
a	Entrepreneurship Development Programme for SHGs and prospective women entrepreneurs	6.19	0.69	2.75	2.75
b	Hackathon for identifying and promoting innovative women entrepreneurs	4.29	1.43	1.43	1.43
c	Workshop on market development assistance for women entrepreneurs	2.31	0.46	0.92	0.92
d	Acceleration programme for women led enterprises	3.60	1.20	1.20	1.20
B	Sectoral	51.94			
1	Study for scope for development/ diversification/ value added downstream products/ services like Iron & Steel, MFP, Plastic, Tourism, Handicraft & Handlooms	4.10	4.10	-	-
2	Engaging Sector experts and linkage with Relevant Institutions for sector development	3.78	0.76	1.51	1.51
3	Sector specific training programmes and future skills	14.00	1.40	5.60	7.00
4	Innovation cum Incubation Hub for value added / innovative products from Aspirational districts	20.00	8.50	5.75	5.75
5	Promoting Green Packaging Industry in CG				
a	Sensitisation of enterprises regarding scope of green packaging	0.70	0.14	0.28	0.28
b	Exposure visits for prospective enterprises and technology adoption	1.48	0.49	0.49	0.49
c	Capacity building & Tie-ups with Tech institutions like IIP for green packaging sector development in CG	7.88	0.88	3.50	3.50

Estimated Total Budget (in Rs. Cr.)					
Sl.No.	Interventions	Total Amount for 3 years	Year 1	Year 2	Year 3
C	Access to Market	20.40			
1	Enhancing Export from Chhattisgarh				
a	Comprehensive Study and development of Export Policy	1.50	0.75	0.75	-
b	Workshops on export procedures, schemes etc. at district level	1.39	0.46	0.46	0.46
c	Export Management Training program for MSMEs and Officials	1.40	0.29	0.52	0.59
d	Development of Export Directory	0.50	0.50	-	-
e	Export Facilitation Centre	1.12	0.20	0.40	0.40
2	Marketing Support for GI tagged products and indigenous products of Chhattisgarh				
a	Creation of dedicated portal/ marketplace for GI tagged and indigenous products of the State	1.80	1.50	0.15	0.15
b	Strategic Branding for GI tagged and indigenous products of the State	5.00	1.00	2.00	2.00
c	Bootcamps for onboarding of MSMEs onto the created platform	1.50	0.11	0.69	0.69
3	Market Linkage				
a	Support market development for Traditional, SHGs and women enterprises	2.31	0.46	0.92	0.92
b	Organising B2B Connect Programmes, Reverse Buyer Seller Meets and VDPs	0.75	0.15	0.30	0.30
c	Sector specific Seminars/ Conclaves to be organised in Chhattisgarh	0.13	0.03	0.05	0.05
d	Workshops on Digital marketing/ digital literacy on various marketing platforms and linkage with BDSPs	3.00	0.69	1.16	1.16
D	Access to Finance	28.65			
1	Workshops for MSEs on Alternate Financing Methods, SME Exchange	2.08	0.69	0.69	0.69
2	Industry and Bankers connect programmes	3.23	0.69	1.27	1.27
3	Onboarding workshops for SMEs, State PSEs and Corporates on TReDS	3.47	0.69	1.39	1.39
4	Reimbursement of AGF for MSMEs (CGTMSE loans)	11.77	3.92	3.92	3.92
5	Assistance for onboarding to SME Exchanges	6.60	0.60	3.00	3.00
6	Reimbursement of onboarding charges for MSMEs on TReDS	1.50	0.50	0.50	0.50
E	Institutional Strengthening	56.85			
1	Creating MSME Facilitation Centres at district levels and H.O.	19.24	7.03	5.60	6.62
2	Engaging Industry Development Interns (Block level)	10.00	3.87	6.13	0.00
3	Training of MSME facilitation Centre resources	0.86	0.29	0.29	0.29

Estimated Total Budget (in Rs. Cr.)					
Sl.No.	Interventions	Total Amount for 3 years	Year 1	Year 2	Year 3
4	Capacity building of officials - MSME Dept., CSIDC, DICs, Related Departments	2.28	0.76	0.76	0.76
5	Exposure visits for Officials to understand best practices	9.48	3.16	3.16	3.16
6	Strengthening of State portals and IT infrastructure to improve MSME Facilitation and Monitoring	15.00	3.00	8.00	4.00
	Total Excluding IEC	190.60			
	IEC @ 5%	9.53			
	Total Estimated Budget	200.13			

Annexure.

1. Stakeholder Consultation Summaries

a. State Project Livelihood College Society

- ▶ The prevailing demand and supply gap in skilled workforce post skill training was highlighted, underscoring a lack of engagement from potential employers.
- ▶ The need for improved convergence among line departments and enhanced utilization of online platforms for displaying authentic databases about employers, needed skill sets, and available skilled candidates was discussed.
- ▶ Discussion ensued on fostering collaboration with third parties or businesses to set up training centres to bridge the demand-supply gap, citing Mahindra's recent establishment of a training centre in Raipur.
- ▶ It was proposed to leverage a single window portal to ease efficient connections between employers and employees.
- ▶ Concerns were raised regarding industries' tendencies to lay off employees after a year and offer only entry-level salaries, contributing to elevated turnover rates.
- ▶ The issue of low wage rates in Chhattisgarh and the need for more stringent actions against employers offering extremely low wages were acknowledged.
- ▶ The uncooperative stance of major industries such as Mining and Steel in Chhattisgarh regarding sharing demands for skilled labour or taking part in skill training initiatives was noted.
- ▶ Participants highlighted the absence of timelines in policies as a bottleneck affecting the pace of processes.
- ▶ Emphasis was placed on the importance of validating Skill Training Certificates for job placements and granting weightage to skilled candidates.
- ▶ The proposal for setting up a Centre of Excellence in Naya Raipur by CSSDA was thoroughly discussed.

b. MSME- Development and Facilitation Office

- ▶ The officials emphasized three thrust areas for MSME development: standardization & packaging, export, and the contribution of ST/SC women in MSMEs.
- ▶ It was noted that Chhattisgarh has significant potential in the food processing sector, particularly among MSMEs run by SHG women, who require training on packaging and standardization of products. The need for developing Standard Operating Procedures (SOPs) for unique products manufactured in Chhattisgarh to facilitate exports was highlighted.
- ▶ The establishment of the DGFT office in Chhattisgarh was suggested to support MSMEs in exporting products.
- ▶ Government subsidies for MSMEs to adopt Green Technology were suggested by the officers.

- ▶ The need for management of e-waste in the MSME sector was discussed, emphasizing the requirement for government-approved units in Chhattisgarh.
- ▶ It was noted that a limited number of MSMEs are involved in exports, often relying on middlemen, leading to gaps in the export database.
- ▶ Suggestions were made for the establishment of a marketing platform exclusively for Chhattisgarh products and raising awareness about the Export Credit Guarantee Corporation (ECGC) to serve as a repository for export-related contacts for MSMEs.

c. National Skill Development Corporation

- ▶ A demand-supply gap in the manufacturing sector, particularly in LWE districts, was highlighted citing a study by Rubber SSC saying shortages in Machine Handling skills in the Urla Industrial Area.
- ▶ NSDC has signed an MoU (Memorandum of Understanding) with Coal India Limited to set up Multi-Skill Development Institutes aimed at training candidates in affected areas.
- ▶ NSDC International facilitates the placement of skilled candidates abroad through programs like TPIP, providing opportunities for higher wages without third-party intervention.
- ▶ Emphasis was placed on the necessity for capacity building among existing management employees to bolster administration.
- ▶ Concerns were raised regarding the lack of active involvement from top-level management, resulting in oversight of activities and necessitating repeated follow-ups.
- ▶ Industries' reluctance to participate in skill training and apprenticeship programs was noted, driven by a desire to reduce visibility on government portals and avoid mandatory compliance requirements.
- ▶ Major challenges in the skilling ecosystem implementation in Chhattisgarh include indifference from higher-level officials in program implementation and a shortage of efficient management personnel.
- ▶ Addressing the tendency of candidates to migrate from their hometowns was identified as a significant challenge hindering skill development effort in Chhattisgarh.

d. Urla Industrial Association

- ▶ 70-75% of industries are involved in steel manufacturing, rolling, and related sectors. The remaining 30% include various industries such as those producing ferrous and non-ferrous products, textiles, and plastic manufacturing.
- ▶ The limitation in further growth potential in the steel industry within Chhattisgarh was highlighted. The prospect of establishing solar power plants was suggested to increase profitability through reduced electricity costs.
- ▶ The need for the development of a Steel Cluster was discussed. This Cluster would work collaboratively to explore and establish backward and forward linkages.
- ▶ Drawing from the success of the MSME Technology Centre in Durg, it was suggested that a similar facility (Tool room) should be established in Raipur to benefit local industries.
- ▶ The meeting identified the Aluminium Industry, Textile, and Solar Panels manufacturing as emerging sectors with future growth potential in Raipur.

- ▶ The importance of promoting cottage and local industries was emphasized, with Dennex, a textile manufacturing unit from Dantewada, presented as an example.
- ▶ The members stressed the need for skill assessment by Skilling Institutes in collaboration with industries and their associations to address the demand and supply gap. Industries and associations have expressed continuous interest in workshops at the MSME Technology Centre in Durg, to better understand the trainings and facilities offered, facilitating recruitment of trained candidates.
- ▶ The need for ITI to upgrade its labs and equipment was discussed, to ensure that candidates are equipped with skills that meet current industry standards.
- ▶ A need for Vendor Development Programs (VDP) tailored to Chhattisgarh's resources and existing industrial capabilities was put forward. Railways and NTPC were mentioned as potential initiators of VDP.
- ▶ Chhattisgarh's rich cultural heritage in art and crafts, particularly from regions like Jagdalpur, Dantewada, and Kondagaon, requires promotion through enhanced financing and marketing support.
- ▶ The success of Rural Industrial Parks in promoting cottage industries was recognized, and revamping of such initiatives was encouraged.
- ▶ It was emphasized that strict timelines should be enforced at each stage of compliance, approval, or action in policy implementation.
- ▶ Learnings from the industrial policy of states like Maharashtra, which provides subsidies for industries adopting green technologies, were recommended for adoption in Chhattisgarh.

e. Dalit Indian Chamber of Commerce and Industry

- ▶ It was highlighted that banks do not offer collateral-free loans under the CGTMSE scheme and charge interest on the entire amount.
- ▶ The ST entrepreneurs were facing challenge related to availing loans as lands owned by Scheduled Tribes are not considered as assets for collateral guarantee.
- ▶ The need for capacity building and awareness among the ST/SC community regarding government schemes and facilities was emphasized.
- ▶ Suggestions were made for collaboration between DTIC and Industry Associations to provide hands-on training for skill development and capacity building of ST/SC entrepreneurs, with institutions like DICCI and Industry Associations offering support.
- ▶ The establishment of an industrial area dedicated to women, where industries and services would be managed by women, was suggested.
- ▶ Members of DICCI proposed that the government hire a team of consultants to provide handholding support to MSMEs from ideation to implementation to enhance their competitiveness.
- ▶ The committee demanded the establishment of DGFT and APEDA offices in Chhattisgarh.
- ▶ It was suggested that an annual calendar for training and awareness programs be prepared in advance to ensure that target beneficiaries are well informed and can benefit from the programs.

f. Chhattisgarh Chamber of Commerce and Industry

- ▶ Emphasis was placed on the need to improve existing infrastructure and make testing and certification facilities more affordable to streamline the statutory compliance procedure for MSME products' licensing.
- ▶ MSMEs were noted to require awareness and assistance in preparing products to meet global standards, as Indian Standards may not always be conducive to export to all foreign markets.
- ▶ Concerns were raised regarding the specifications of products on the GeM platform, which often disadvantage MSMEs, limiting their participation in competitions.
- ▶ It was highlighted that Raipur hosts industries in steel, aluminium, copper, and rice sectors, underscoring the importance of district-wise mapping of industries to strengthen market linkages and identify skilled manpower demands.
- ▶ Challenges were discussed regarding the export of MSME products, particularly due to the non-acceptance of products conforming to Indian Standards by some countries, indicating a gap in creating globally acceptable standards.
- ▶ Representatives suggested the simplification of labour laws, citing difficulties in paying minimum wages to unskilled labour due to low retention rates, with comparisons drawn to states with lower minimum wages.
- ▶ There was a call for the development of a platform facilitating buyer-seller connections, with proposals to derive authentic database sources from GST, DTIC, and Income Tax departments.
- ▶ The need to reduce access barriers to loans and interest rates for MSMEs, particularly for women-owned enterprises, was emphasized.
- ▶ Support for MSMEs through government subsidies for setting up solar plants was proposed to encourage sustainability efforts.
- ▶ Concerns were raised about the lack of price preference for MSMEs on the GeM portal, potentially impacting their competitiveness.
- ▶ Participants highlighted the challenge of abrupt discontinuation of government schemes, advocating for schemes to run for at least ten years to ensure stability and continuity.

g. Tifra Industrial Area Association, Bilaspur

- ▶ The members expressed appreciation for payment platforms such as TReDS, emphasizing their potential to address delayed payment issues.
- ▶ It was suggested that the government should focus on Micro and Small Enterprises (MSEs) and take initiatives to develop industrial areas for these enterprises, ensuring basic amenities like land, water, electricity, and statutory compliance.
- ▶ Examples like Seepat and Tifra in Bilaspur were cited as developed industrial areas, but concerns were raised about inadequate infrastructure, particularly water supply, in some industrial areas.
- ▶ Mr. Kedia, president, mentioned the proposed Food Parks in Bilaspur, highlighting the inaccessibility of such facilities to MSMEs due to coordination issues among departments.
- ▶ The need for a dedicated institution or cell to support budding entrepreneurs was emphasized, providing guidance on machines, resources, market linkage, certifications, etc. Additionally, the suggestion of developing an online platform for MSME guidance was proposed.
- ▶ Concerns were raised about the inefficiency of the Single Window portal, with suggestions to strengthen it by adding timelines for each step for both applicants and officers providing permissions.

- ▶ It was noted that awareness regarding various schemes and facilities is lacking among entrepreneurs in Chhattisgarh.
- ▶ Suggestions were made to strengthen infrastructure facilities such as cold storage, warehouses, and market linkages to boost MSMEs.
- ▶ Bilaspur's prominence as a supplier of plastic footwear in neighboring states was cited as an example, emphasizing the importance of producing products that can be consumed and marketed locally, with quality determined by customer satisfaction.
- ▶ The gap in marketing MSME products, most of which are marketed outside Chhattisgarh, was highlighted as an area requiring attention.

h. Chhattisgarh Plastic Manufacturers Association

The meeting with the Chhattisgarh Plastic Manufacturers Association aimed to delve into the intricate dynamics of virgin and recycled plastic manufacturing in Chhattisgarh. The discussion encompassed various topics, from market competition and product classification to workforce challenges and awareness of government schemes.

- ▶ **Industry Size:** The industry includes approximately 170-180 virgin plastic processors and only 2 recyclable plastic processing units, indicating a significant opportunity for growth in the recycling sector.
- ▶ **Product Classification:** Products are categorized into volume-centric (e.g., tanks, pipes, furniture) and non-volume-centric (e.g., packaging), each facing distinct market challenges. Tailored strategies are required to address the unique competitive dynamics of these product segments.
- ▶ **Workforce Challenges:** Attracting and retaining a skilled workforce presents a challenge, particularly in comparison to other industries such as plywood. Implementing targeted recruitment and retention strategies will help mitigate these issues and enhance workforce stability.
- ▶ **Awareness of Financial Schemes:** There is a notable gap in awareness about financial facilitation schemes and other MSME-related programs, including technology advancements and skilling initiatives. Increasing awareness and accessibility to these schemes will empower businesses to leverage available resources for growth.
- ▶ **Product diversification:** With increasing consumer awareness, government's focus on sustainable manufacturing and ESG, the requirement to switch to green product manufacturing/ biodegradable plastic is increasing. Hence, the plastic and plastic product manufacturers will be forced to diversify into biodegradable plastic products and use of green materials.

The engagement with the Chhattisgarh Plastic Manufacturers Association revealed a complex web of challenges and opportunities. The industry, while sizable, is fragmented in terms of product types and faces varied competition based on the nature of the products. Workforce attraction and retention are significant challenges, and there is a critical need to raise awareness about financial facilitation schemes to help alleviate these issues. To create a more enabling environment, targeted policies that address these variances are essential, along with educational initiatives to increase awareness of existing financial schemes. These measures will collectively enhance the industry's competitiveness and growth potential in Chhattisgarh.

B. Questionnaire - MSME Survey for RAMP CG

Details of the enterprise

1.	Name of Enterprise	
2.	Location (District/Block)	
3.	Name of Entrepreneur	
4.	Udyam Registration no. (if available)	
5.	Email ID	
6.	Phone number	
7.	Whether owned by woman entrepreneur?	Yes/ No
8.	Category	<input type="radio"/> SC <input type="radio"/> ST <input type="radio"/> OBC <input type="radio"/> General
9.	Ownership Type	<input type="radio"/> Proprietorship <input type="radio"/> Partnership <input type="radio"/> Pvt. Ltd. <input type="radio"/> One Person Company <input type="radio"/> Any other (Please specify) _____
10.	Primary Activity	<input type="radio"/> Manufacturing <input type="radio"/> Service <input type="radio"/> Trading
11.	Years of operation (multiple choice)	<input type="radio"/> Less than 5 years <input type="radio"/> 5-10 years <input type="radio"/> 10-15 years <input type="radio"/> More than 15 years <input type="radio"/> Taken over/ family business
12.	Category of enterprise (Micro – Investment <1 Crore and Turnover<5 Crore Small – Investment <5 Crore and Turnover<50 Crore	<input type="radio"/> Micro (1) <input type="radio"/> Small (2) <input type="radio"/> Medium (3)

	Medium – Investment <10 Crore and Turnover<250 Crore)		
13.	Sector to which the enterprise belongs	<ul style="list-style-type: none"> ○ Agri based activities and machinery. ○ Automotive & Auto Components ○ Chemicals ○ Construction ○ Food Processing ○ IT& ITeS ○ Logistics (Transport, Warehousing, Courier) ○ Machinery & Equipment ○ Metals & Fabricated Metals ○ Non-Metallic Mineral Products ○ Paper & Paper Allied Products ○ Pharmaceuticals ○ Medical Devices ○ Printing ○ Rubber & Plastic Products ○ Textile ○ Tourism & Hospitality ○ Wood & Allied Products including Furniture. ○ Others, please specify_____ 	
14.	Major Products/ Service provided		
15.	Number of employees:	Male	Female
	a. Permanent	a)	a)
	b. On Contract	b)	b)
16.	What is the trend of the Annual Turnover over the last 4 years	<ul style="list-style-type: none"> ○ Increasing ○ Neither increasing nor decreasing ○ Declining 	
17.	Select the official documents possessed by your enterprise (more than one option can be chosen)	<ul style="list-style-type: none"> ○ GST registration ○ Business PAN 	

		<ul style="list-style-type: none"> ○ PAN (In case of proprietor or partner of partnership firm) ○ Udyog Aadhar Memorandum (UAM) / EM-II ○ Current Account Statement ○ Udyam Registration (UR) ○ Corporate Identification Number (CIN) ○ ITR for any of the last 3 FY ○ Audited Financial Statements for any of the last 3 FY. ○ DPIIT recognition certificate for Start-up ○ Others
18.	How do you fulfil your energy requirements?	<ul style="list-style-type: none"> ○ Metered electricity connection from CSPDCL ○ Renewable (Solar panel or others) ○ Generator ○ No power requirement
19.	Which is the most prevalent mode of making and receiving payments?	<ul style="list-style-type: none"> ○ Cash ○ By Cheque ○ Digital (UPI/NEFT/IMPS/RTGS) ○ Others (specify)
20.	Is your enterprise part of any recognized Association/ cluster/FPO/ CBO? (select all relevant options)	<ul style="list-style-type: none"> ○ Membership in Industry Association (mention name of Association(s)) ○ Part of Cluster (Mention name) ○ Part of Farmers Producer Organization (FPO) ○ Member of Self-Help Groups/ Federation ○ Part of Co-operative Society (mention name) ○ Not part of any

21.	Has your enterprise obtained any certification	<ul style="list-style-type: none"> ○ No certification obtained. ○ ISO (specify)_____ ○ HACCP ○ ZED ○ BEE Star rating ○ BIS ISI Product certification ○ BIS Hallmark ○ AGMARK ○ Handloom Mark ○ FSSAI ○ Others (specify) _____
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Market Access and Sales Related

22.	Select the Primary/ target market of the enterprise	<ul style="list-style-type: none"> ○ Local area within district of the enterprise ○ In other districts of the State ○ Other States ○ Exports to other countries (5) Specify countries _____
23.	How much of your sales is carried out through online platforms?	<ul style="list-style-type: none"> ○ Not using online platforms ○ <10% ○ >=10% and up to 25% ○ > 25% and up to 50% ○ >50% and up to 75% ○ >75% and up to 100
24.	Is the enterprise utilizing digital/social media/ecommerce for reaching out to customers? (WhatsApp, Instagram, Facebook, Own Website, IndiaMart, Flipkart, Amazon, ONDC, GeM)	<ul style="list-style-type: none"> ○ Yes ○ No
25.	Pick major challenges faced in marketing/ sales	<ul style="list-style-type: none"> ○ Difficulty in promotion of products due to excessive cost

	of your products/ services (multiple)	<ul style="list-style-type: none"> ○ Less awareness about potential customers ○ Lack of proper awareness regarding ecommerce platforms, digital marketing etc. ○ Lesser opportunity/platforms to showcase the products through trade fairs, exhibitions, Vendor development program etc. ○ Requirement of quality control standards and certifications to get order. ○ Low customer base due to inadequate value addition, new product development, inadequate packaging etc. ○ Face the issue of delayed payments ○ Others (specify) _____
26.	What are issues faced by the enterprise related to export (if applicable)?	<ul style="list-style-type: none"> ○ Excessive cost of credit. ○ Lack of Export Market Information (place/requirements/competition) ○ Infrastructure (Access to Transport/logistics/ Airport/Sea Port/Railways) ○ Risk factors (Loss of Goods, Cash realization, Legal complications) ○ Duties/Indirect tax related issues ○ Incentives related issues ○ Lack of nearby Port/ Port congestion ○ Transportation cost. ○ Other, specify
27.	Challenges in obtaining quality certification / product certifications (like ISO, BIS ISI, etc.) (if applicable)	<ul style="list-style-type: none"> ○ Lengthy process ○ High Cost ○ Difficulty in meeting criteria ○ Not aware about certification ○ Unable to connect with relevant agency/consultants to assist in obtaining the certification. ○ Others, _____ specify

Finance Related

28.	What is your first preference to avail credit to address immediate credit needs and liquidity problems	<ul style="list-style-type: none"> ○ Lending from family members, friends, peers ○ Informal credit market (private money lenders) ○ Cooperative Bank (mention name) _____ ○ Commercial Bank (mention name) _____ ○ SIDBI/ NABARD ○ Non-Banking Financial Companies
29.	What are the challenges you face in accessing bank loans	<ul style="list-style-type: none"> ○ Requirement for collateral ○ Loan amount sanctioned is less than required. ○ Interest rate offered is too high. ○ Too much paperwork ○ Time taken to sanction loan is high. ○ No challenge in accessing bank loan. ○ Others (specify) _____

Operation and Business Support Related

29	Any challenges faced in terms of raw materials sourcing	<ul style="list-style-type: none"> ○ No issues faced. ○ Issue with availability of sufficient quantity. ○ Increasing cost of raw material including procurement cost ○ Issue with quality of raw material available. ○ Others (specify) _____
30	Any challenges in availability of skilled workforce?	<ul style="list-style-type: none"> ○ No issues faced in availability. ○ Difficult to find local skilled manpower. ○ Dependence on migrant workers with lesser skill levels ○ Demand for higher wages. ○ Higher cost in upskilling workforce ○ In sufficient platforms available for skill development of workforce ○ Others (specify) _____
31	Does the current central and state skill development	<ul style="list-style-type: none"> ○ Yes ○ No

	programs provide you with specific skills for your industry?	<ul style="list-style-type: none"> ○ If no, what is missing 																					
32	Rate on a scale of 5 the state of availability / access to infrastructure facilities (0 being Not available, 1 being Worse and 5 being very good)	<table border="1"> <tr> <td>Uninterrupted electricity</td><td></td></tr> <tr> <td>Water</td><td></td></tr> <tr> <td>Availability of land for industrial purposes requiring minimum clearances</td><td></td></tr> <tr> <td>Solid waste management</td><td></td></tr> <tr> <td>Effluent treatment mechanism</td><td></td></tr> <tr> <td>Cold storage/ ware housing</td><td></td></tr> <tr> <td>Road connectivity</td><td></td></tr> <tr> <td>Testing laboratories</td><td></td></tr> <tr> <td>Any Other (specify)</td><td></td></tr> <tr> <td></td><td></td></tr> </table>	Uninterrupted electricity		Water		Availability of land for industrial purposes requiring minimum clearances		Solid waste management		Effluent treatment mechanism		Cold storage/ ware housing		Road connectivity		Testing laboratories		Any Other (specify)				
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33	Any challenges in adoption and use of better technology for improving productivity and quality of product/ service?	<ul style="list-style-type: none"> ○ No issues faced. ○ Lack of awareness regarding better technologies ○ Limited availability/ Lack of support from related agencies to handhold in adopting such technologies. ○ High technology procurement cost ○ Inability to avail financial assistance for technology procurement. ○ Others (specify) _____ 																					
34	Which are the key services for which you are currently engaging/ wish to engage professional help?	<ul style="list-style-type: none"> ○ Accounting related/ Tax payment & return filing. ○ Loan application processing. ○ Business proposal / DPR preparation ○ Digital Marketing ○ Export related. ○ Technology Upgradation 																					

		<ul style="list-style-type: none"> Legal Others (specify) _____ 																								
35	What are the challenges that you face in implementing environment friendly and sustainable practices?	<ul style="list-style-type: none"> Lack of awareness and knowledge on use and benefits on ESG practices/ technology Limited access to technical experts for handholding Lack of capital and awareness on green financing instruments Others (specify) _____ 																								
36	Select top 3 areas of information which is considered most important by you	<ul style="list-style-type: none"> _____ Emerging Technologies in your sector and complete information related to cost, resources, training and ways to adopt it (1) _____ Government Schemes (Central and state) relevant to you (2) _____ Regulatory and taxation requirements _____ Information about existing and potential markets _____ Business Proposal preparation _____ Trademark/IPR related (6) _____ Others, please specify (7) 																								
37	Which portal/facilities among the following have you availed?	<table border="1"> <thead> <tr> <th></th> <th>Aware (1)</th> <th>Utilized (2)</th> <th>Not aware (3)</th> </tr> </thead> <tbody> <tr> <td>psbloanin59minutes (4)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Rxil, Invoicemart, M1Xchange (TReDS)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>GeM</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ONDC</td> <td></td> <td></td> <td></td> </tr> <tr> <td>SAMADHAN</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Aware (1)	Utilized (2)	Not aware (3)	psbloanin59minutes (4)				Rxil, Invoicemart, M1Xchange (TReDS)				GeM				ONDC				SAMADHAN			
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Q 38 What are the major challenges faced while availing any Govt. of India scheme like PMEGP, ZED, LEAN, ESDP?

Q 39 Does the enterprise provide any social security or any work insurance to its employees?

- Yes
- No

Q 40. Which initiatives will help in establishing MSMEs easily?

- Establishing/ Strengthening of district level MSME Facilitation Desks to handhold the entrepreneurs
- Availability of information in a single platform on potential sectors, loans & subsidies, available infra, commercialized technologies, database of service providers etc.
- MSME clinics, Orientation programs, Loan melas
- Access to approved technical consultants in different areas like marketing, taxation, legal etc. for consultations
- Others (please specify) _____

