

Gujarat Strategic Investment Plan (SIP) under RAMP Programme

Submitted to:

**Ministry of Micro, Small and Medium Enterprises
(MoMSME), Government of India**

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List of abbreviations

Abbreviation	Description
ACC	Advanced Carbon Composite
ACP	Annual Credit Plan
ADB	Asian Development Bank
AI	Artificial intelligence
API	Active Pharmaceutical Ingredient
ASI	Annual Survey of Industries
ASPIRE	A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship
ATIRA	Ahmedabad Textile Industry's Research Association
BIS	Bureau of Indian Standards
CAGR	Compound annual growth rate
CCI	Commissioner of Cottage and Rural Industries
CAPEX	Capital expenditures
CDP	Cluster development program
CED	Center for Entrepreneurship Development
CEO	Chief Executive Officer
CETP	Common Effluent Treatment Plant
CFC	Common Facility Center
CGCRI	Central Glass & Ceramic Research Institute
CGTMSE	Credit Guarantee Fund Trust for Micro and Small Enterprises
CLCSS	Credit Linked Capital Subsidy Scheme
CoE	Center of Excellence
CPDS	Chemical Promotion and Development Scheme
CSSM	Centrally Sponsored State Managed
CVD	Chemical Vapor Deposition
DGCIS	Directorate General of Commercial Intelligence and Statistics
DGFT	Directorate General of Foreign Trade
DIC	District Industries Center
DPIIT	Department for Promotion of Industry and Internal Trade
DPR	Detailed Project Report
EDII	Entrepreneurship Development Institute of India
EDP	Entrepreneurship Development Program
EPF	Employees Provident Fund
EPI	Export Preparedness Index
ESDM	Electronics System Design and Manufacturing
ESDP	Entrepreneurship and Skill Development Program
ESM	Environmental and social management
ETP	Enhanced Surveillance Measure
FDI	Foreign direct investment

Abbreviation	Description
GEDA	Gujarat Energy Development Agency
GCA	Gujarat Chemical Association
GCCI	Gujarat Chamber of Commerce and Industries
GCPC	Gujarat Cleaner Production Center
GCVT	Gujarat Council of Vocational Training
GDCR	General Development Control Regulation
GDP	Gross domestic product
GETCO	Gujarat Energy Transmission Corporation Limited
GI	Geographical Indication
GIDC	Gujarat Industrial Development Corporation
GIFT	Gujarat International Financial Tech City
GIIC	Gujarat Industrial Investment Corporation Limited
GIRDA	Gujarat Industrial Research and Development Agency
GLPC	Gujarat Livelihood Promotion Company
GPCB	Gujarat Pollution Control Board
GR	Government Resolution
GSDM	Gujarat Skill Development Mission
GSDP	Gross State Domestic Product
GSECL	Gujarat State Electricity Corporation Limited
GSFC	Gujarat State Financial Corporation
GSHHDC	Gujarat State Handloom & Handicrafts Development Corporation Ltd.
GST	Goods and Service Tax
GVC	Global Value Chain
HRD	Human Resources Development
HSN	Harmonized System of Nomenclature
iACE	International Automobile Centre of Excellence
IAS	Indian Administrative Service
iCreate	International Centre for Entrepreneurship and Technology
ID	Infrastructure Development
IEAC	Industrial Energy Assessment Cell
IFP	Investor Facilitation Portal
IFSC	Indian Financial System Code
IIT	Indian Institutes of Technology
INR	Indian Rupee
iNDEXTb	Industrial Extension Bureau
IPR	Intellectual Property Rights
ITES	Information Technology Enabled Services
ITI	Industrial Training Institute
KISEM	Kotak IIT Madras Save Energy Mission
KVIC	Khadi and Village Industries Commission
LNG	Liquefied Natural Gas

Abbreviation	Description
MANTRA	Man Made Textile Research Association
MBKVY	Mukhyamantri Bhavishyalakshi Kaushalya Vikas Yojana
MSE	Medium Small Enterprises
MSECDP	Micro & Small Enterprises - Cluster Development Programme
MSEFC	Micro and Small Enterprise Facilitation Council
MSME	Micro Small Medium Enterprises
MSME DFO	MSME Development & Facilitation Office
MSW	Municipal solid waste
MUDRA	Micro Units Development and Refinance Agency
MW	Megawatt
NABARD	National Bank for Agriculture and Rural Development
NASSCOM	National Association of Software and Services Companies
NCVT	National Council for Vocational Training
NEP	National Policy on Electronics
NIRYAT	National Import-Export Record for Yearly Analysis of Trade
NITI	National Institution for Transforming India
NPA	Non-Performing Asset
NRLM	National Rural Livelihood Mission
NSDC	National Skill Development Corporation
NSS	National Sample Survey
ODOP	One District One Product
PAN	Permanent Account Number
PCPIR	Petroleum, Chemicals & Petrochemicals Investment Region
PIB	Press Information Bureau
PLI	Production Linked Incentive Scheme
PMEGP	Prime Minister's Employment Generation Programme
PMKVY	Pradhan Mantri Kaushal Vikas Yojana
PMMY	Pradhan Mantri MUDRA Yojana
PMS	Procurement and Marketing Support
PPP	Public Procurement Policy
PSL	Priority Sector Lending
QCI	Quality Council of India
QMS	Quality Management Standards
QTT	Quality Technology Tool
RAMP	Raising and Accelerating MSMEs Performance
RBI	Reserve Bank of India
REACH	Registration, Evaluation, Authorization, and Restriction of Chemicals
RECP	Resource efficient and cleaner production
RXIL	Receivables Exchange of India Limited
SEWWA	Savli East Waghodiya West Industries Association
SFURTI	Scheme of Fund for Regeneration of Traditional Industries

Abbreviation	Description
SGCCI	Southern Gujarat Chamber of Commerce & Industry
SGP	Second Generation Programs
SIDBI	Small Industries Development Bank of India
SLBC	State-Level Bankers Committee
SME	Small medium Enterprises
SSIP	Student Start-up and Innovation Policy
STPI	Software Technology Park of India
UAE	United Arab Emirates
UAM	Udyam Adhaar Memorandum
UK	United Kingdom
USA	United States of America
USD	United States Dollar
VAT	Value Added Tax
VBY	Vajpayee Bankable Yojana
VCCI	Vadodara Chamber of Commerce of Industries
ZED	Zero Defect Zero Effect

A close-up, artistic photograph of several interlocking gears. The gears are made of a translucent material, with some appearing in shades of blue and others in white. The focus is sharp on the teeth of the gears in the foreground, while the background is softly blurred, creating a sense of depth and mechanical complexity.

Executive Summary

Executive Summary

In response to the World Bank's Raising and Accelerating MSME Performance (RAMP) programme, the Gujarat government has formulated this Strategic Investment Plan (SIP). The SIP report draws insights from a comprehensive diagnostic study and multi-stakeholder consultations to propose a strategy to address the specific needs and challenges faced by Micro, Small and Medium Enterprises (MSMEs) in Gujarat. It aims to transform the state's MSME landscape, fostering robust and sustainable growth.

Aligning with RAMP's key objectives of institutional support, market access expansion, credit facilitation, governance reforms, and greening practices, the SIP charts a clear roadmap for MSME development. It leverages extensive data analysis from primary surveys and stakeholder recommendations to propose targeted interventions across critical areas, addressing thematic, regional, and sectoral challenges.

This SIP signifies the Gujarat government's commitment to nurture a thriving MSME ecosystem by recognizing its pivotal role in driving economic prosperity and job creation. By implementing this strategic plan, Gujarat aspires to empower its MSMEs for sustained success, propelling the state's economic engine to new heights.

Background:

India's Micro, Small, and Medium Enterprises (MSMEs) are the bedrock of the nation's economic prowess, generating 30% of GDP and employing over 11 crore workforce. Within this vibrant ecosystem, Gujarat emerges as a shining star, showcasing a deep-rooted legacy of enterprises, a thriving present, and a future brimming with potential.

Gujarat's competitive edge lies in a potent blend of historical wisdom and future-focused vision. Centuries of trade and commerce have instilled in the state an innate understanding of market dynamics and nurtured a resilient entrepreneurial spirit. This legacy finds contemporary expression in a robust MSME landscape exceeding 33.16 lakh operational units¹. Leading sectors like chemicals, pharmaceuticals, and textiles bear testament to Gujarat's significant contribution to national exports.

Further bolstering this dynamism is a supportive policy environment. Streamlined processes, single-window clearances, and initiatives like "Raising and Accelerating MSMEs Performance" (RAMP) foster ease of doing business and attract investments. World-class infrastructure adds another layer of advantage. Gujarat boasts a network of 20 operational Special Economic Zones and a leading port network, facilitating seamless logistics and trade. The state's commitment to skill development ensures a readily available pool of talented personnel across diverse industries.

Looking ahead, Gujarat's strategic priorities are meticulously crafted to propel its MSME sector to even greater heights. Attracting large original equipment manufacturers (OEMs) to create robust supplier ecosystems and empower MSMEs is a key focus. Strengthening industrial clusters by providing shared resources, expertise, and market access is another crucial aspect. Recognizing the importance of innovation, Gujarat actively encourages research and development initiatives, incentivizing MSMEs to embrace technological advancements and enhance competitiveness. Sustainability remains a non-negotiable priority, with the state promoting environmentally conscious practices across industries, empowering MSMEs to adopt sustainable production and resource management models.

¹ According to the NSS 73rd round 2015-16, [NSS_KI_73_2.34.pdf \(mospi.gov.in\)](https://mospi.gov.in/NSS_KI_73_2.34.pdf)

These factors culminate in a compelling investment landscape for MSMEs and larger players alike. Leveraging existing expertise in established sectors like manufacturing while exploring opportunities in emerging fields like electric vehicles and renewable energy presents immense potential. Capitalizing on the state's world-class port network and focus on developing efficient logistics infrastructure is another promising avenue. Finally, contributing to Gujarat's vision of becoming a hub for knowledge-based industries like IT, biotechnology, and financial services offers significant growth opportunities.

Gujarat's Growth Roadmap: Strategies for achieving a USD 500 Billion GSDP by 2026-27

The Government of Gujarat envisions a transformative journey to significantly contribute to India's ambitious goal of a USD 5 trillion economy by 2026-27². A high-level committee was formed in 2022 by former Finance Secretary Dr. Adhia to create this blueprint and suggest sectoral and sub-sectoral strategies. The State aims to surpass the national average growth rate and achieve a Gross State Domestic Product (GSDP) of USD 500 billion (a 14.5% growth rate in nominal terms). This blueprint identifies key sectors for focused growth, including automobiles, apparel, electronics, pharmaceuticals, and textiles. Emphasizing strategic interventions, the Government plans to attract investments, ensure prompt project execution, and boost further growth in potential sectors like agriculture, healthcare, education, and energy.

Recognizing the crucial role of entrepreneurship, the government plans to implement enabling policies and market support initiatives tailored to both manufacturing and services industries. To align with the Vision blueprint for 2030 and current State' policies and Aatmanirbhar Bharat, MSME clusters need to be strengthened, linkages with large OEMs to improve and adoption of digital technologies and robust infrastructure needs to be scaled. The State has a special focus on smart, inclusive, and green practices, as outlined in the forward-looking vision document which aims to act as a multiplier effect, propelling Gujarat towards a prosperous and sustainable future. The MSMEs sectors as per Udyam data Sep 2023, has 14.4 lakh registered units and 84 lakh workforce.

The Government of India (GoI) has launched the Raising and Accelerating MSME Performance (RAMP) program, a World Bank-supported initiative, to bolster the MSME sector's resilience and accelerate its post-pandemic recovery. This programme aligns perfectly with Gujarat's vision for its vibrant MSME ecosystem, focusing on:

Improved market access and credit: Connecting Gujarat's MSMEs with wider markets and ensuring easier access to financial resources.

- Strengthened institutions and governance: Building robust frameworks at both national and state levels to support effective MSME development.
- Enhanced collaboration and partnerships: Fostering closer ties between the Centre and State, leading to better coordination and resource allocation.
- Addressing delayed payments: Implementing measures to tackle the issue of delayed payments, a major challenge faced by MSMEs.
- Promoting greening and gender inclusion: Encouraging sustainable practices and empowering women entrepreneurs within the MSME sector.

Gujarat's Strategic Investment Plan (SIP): To leverage the RAMP programme effectively, Government of Gujarat has prepared a comprehensive SIP outlining interventions for a four-year period (FY 2023-24 to FY 26-27). This plan addresses not only traditional challenges but also builds capacity to respond to emerging ones.

² [Strategy for Government of Gujarat to enable India to become a USD 5 trillion economy](#), task force committee report chaired by former finance secretary, May 2022

Key Pillars of the SIP:

- **Strengthening coordination and institutions:** Establishing strong frameworks at both state and national levels to ensure efficient implementation of MSME initiatives.
- **Building and integrating technology platforms:** Leveraging technology to enhance service delivery, market access, and information sharing for MSMEs.
- **Boosting firm capabilities and market access:** Providing targeted support to improve skills, technology adoption, and market linkages for Gujarat's MSMEs.
- **Facilitating access to credit and reducing financial constraints:** Implementing measures to improve access to finance, including enhancing guarantee products and promoting alternative financing solutions.
- **Promoting greening and gender inclusion and diversity:** Encouraging sustainable practices and empowering women entrepreneurs through targeted interventions.

This SIP, divided into nine chapters that serves as a blueprint for Gujarat's MSME transformation. It will guide the state towards achieving its vision of a thriving and resilient MSME sector, driving economic growth and generating employment opportunities.

MSME Landscape in Gujarat

Gujarat exhibits a commendable formalization rate with 43% of MSMEs transitioning to formal structures when comparing Udyam data with NSS 2015-16. Initiatives like the Udyam portal have played a pivotal role, with over 14 lakh firms registered as of September 2023. While the top five districts house 64% of MSMEs, emphasis on balanced development across all districts is crucial for sustained growth. As for the sectoral composition, between manufacturing, services, and trading, manufacturing is leading at 36% of Udyam registrations. Women-led MSMEs are notably concentrated in textile, agro & food processing, and chemicals sectors.

The State has a presence of 186 MSME clusters in GIDC and non-GIDC areas promoting specialization and propelling the state's industrial landscape. There are multiple central and state schemes, including MSE CDP, Mini Cluster Policy, Assistance to Industrial Infrastructure Policy, SFURTI, and ODOP which support cluster development, infrastructure upgradation, traditional industries, and export promotion. The State leads as the country's top exporter, contributing 34% to India's total exports. Some of the key commodities are petroleum, diamonds, and gems are exported to over 109 countries, underscoring the state's international trade prowess.

As per the Industrial policy 2020, 14 thrust sectors have been identified for industrial promotion which are segregated in two categories.

- a) **Nine core sectors** - These include electrical machinery and equipment, industrial machinery, and equipment, auto and auto components, ceramics, technical textiles, agro and food processing, pharmaceuticals and medical devices, gems and jewelry and chemicals.
- b) **Five sunrise sectors** - These sectors that have significant potential for technological advancement. These include electrical vehicles and their components, green energy projects, waste management projects, industry 4.0 manufacturing and 100% export-oriented units, irrespective of sector.

Approach:

The diagnostic study employs a robust mixed methodology, blending quantitative data from 20+ sources, 2000 MSMEs' survey data across 7 districts with 65% of MSME concentration and qualitative insights from 30 stakeholder consultations. An analysis encompassing thematic and sectoral dimensions ensures a nuanced understanding of challenges faced by MSMEs.

Stakeholder mapping identifies key players, facilitating a comprehensive view of the Gujarat MSME ecosystem.

Survey Analysis

A primary survey analysis was conducted to provide insights into the landscape of MSMEs in Gujarat. The samples were collected from seven major districts such as Ahmedabad, Rajkot, Surat, Vadodara, Kutch as top 5 states with highest concentration of MSMEs. Whereas Dahod and Narmada were included in the survey, as they are designated as aspirational districts to capture regional specific variation influencing MSMEs for better understanding of the State.

Around 9.36 lakh MSMEs from these 7 districts constitute 65% of total MSMEs registered on Udyam portal. A sample size for this study was 2000, with proportional distribution of samples for Micro, Small, and medium enterprises. For the study purpose, sample size for small and medium was increased for a better coverage across districts and sectors. An additional 46 survey was conducted to capture insights of enterprises without Udyam registration.

Type of Enterprises	Total no. of MSMEs	Micro	Small	Medium
Total formal MSMEs for Gujarat Udyam (As on 30 th Sept. 2023)	14,40,682	13,67,554	66,282	6,846
		94.92%	4.60%	0.48%
MSMEs in 7 Sample District Surveyed	9,35,563	8,86,650	44,401	4,512
		94.77%	4.75%	0.48%
Sample size for primary survey	2,046	1,590	274	182
		77.7%	13.4%	8.9%
Sample Districts	65%	Ahmedabad, Rajkot, Surat, Vadodara, Kutch, Dahod*, Narmada*		
Assumptions	Increased sample size of small and medium groups for better coverage to get insights across districts and sectors			

Table 1 MSMEs distribution in 7 districts

For sectoral understanding, the samples were further studied mapping them with Thrust sectors. These sectors were aligned with the Gujarat Industrial Policy 2020 as a basis. In addition, they were mapped with NIC code captured in Udyam data to understand presence of formal MSME across various sectors. This includes, Industrial Machinery & Equipment, Auto & Auto Components, Electric Machinery & IT, Textiles, Agro & Food, Wood & Allied Products (including Furniture), Cements & Ceramics, Gems & Jewellery, Pharmaceutical & Medical Devices, Green Technologies, Metals & Mines, Services, Waste Management, Printing, Telecommunication, Logistics (encompassing Transport, Warehousing, and Courier services), Tourism & Hospitality, and Others.

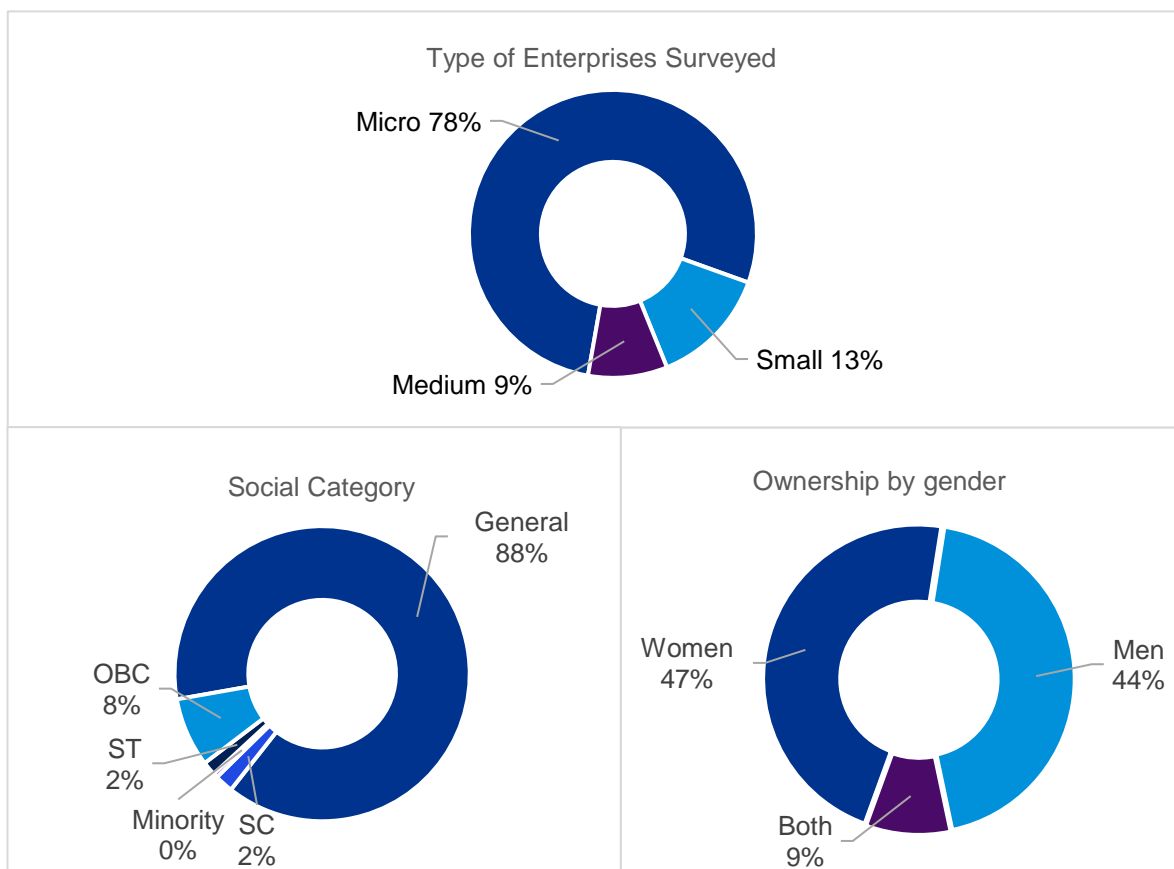


Figure 1 Sample Distribution by Enterprise, Social Category, Gender

Analysis of the survey encompassing a total of 2046 enterprises, a distinct distribution pattern emerges across micro, small, and medium categories. 78% of the enterprises fall within the micro segment, emphasizing its prevalence. The small enterprise category constitutes 13%, while the medium enterprises contribute to 9% to the overall sample.

In the demographic characteristics, a substantial 88% of the surveyed enterprises belong to the general category, depicting significant participation of this demographic in the MSME sector. Followed by OBC-owned enterprises constituting 7.5%, followed by SC&ST owned enterprises constituting 3.5% and Minority-owned enterprises constitute 0.4%, while OBC-owned entities contribute 7.5%, and SC&ST-owned enterprises comprise 3.5%.

Examining ownership patterns, responses were received from 2007 out of 2046 enterprises. Among these, women emerge as significant contributors, owning 47% of the enterprises. Men own 44% of the enterprises, and a noteworthy 9% are jointly owned by both genders.

Access to Market:

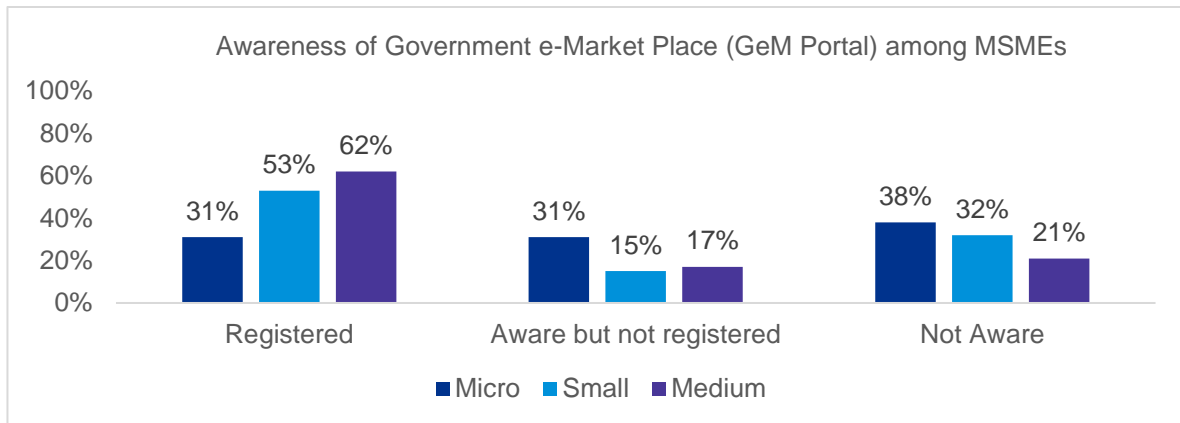


Figure 2 Awareness of Government e-Market Place (GeM Portal) among MSMEs

Among the surveyed MSMEs, GeM portal registration was observed in only 31% of micro enterprises, 53% of small and 62% of medium enterprises. Interestingly, approximately one-third of the total MSMEs surveyed were unaware of the GeM portal, and among those who were aware, a significant portion had not yet completed the registration process.

Access to Credit:

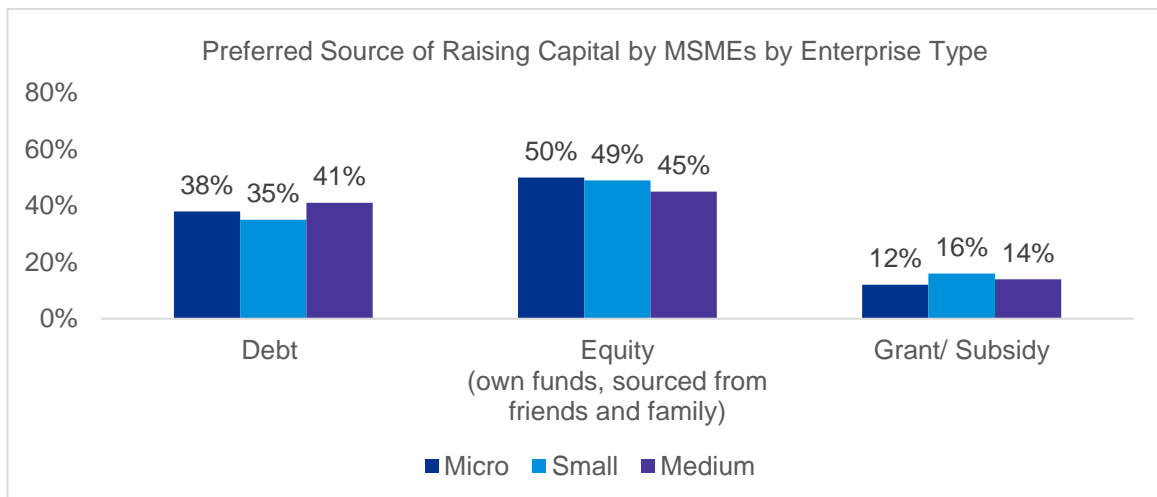


Figure 3 Preferred Source of Raising Capital by MSMEs by Enterprise Type

From the analysis of the 2046 surveyed MSMEs, a distinct financial pattern emerges. Approximately 50% of these enterprises primarily depend on internal funds or capital sourced from friends and family. Whereas, around 41% resort to external sources such as loans from banks or Non-Banking Financial Companies (NBFCs). Grants and subsidies contribute to 12-16% of the capital for MSMEs across all enterprise categories.

This data shows a significance of self-funding and personal networks as key financial pillars for a substantial portion of MSMEs. Simultaneously, the reliance on external debt capital from formal financial institutions is notable. The consistent presence of grants and subsidies depicts diverse sources of funding within this sector.

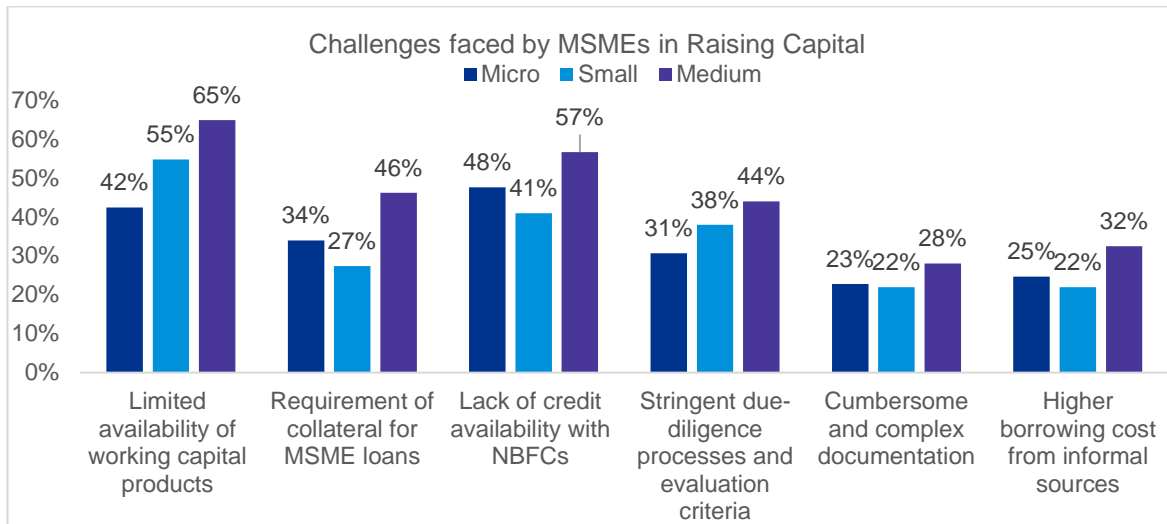


Figure 4 Challenges faced by MSMEs in Raising Capital

The survey results unveil a nuanced landscape of challenges faced by MSMEs in raising capital, demonstrating variations based on enterprise size. For MSMEs, working capital emerges as a primary challenge, followed by issues related to the availability of credit from Non-Banking Financial Companies (NBFCs) and cumbersome documentation processes, along with compliance-related concerns.

Delayed payments:

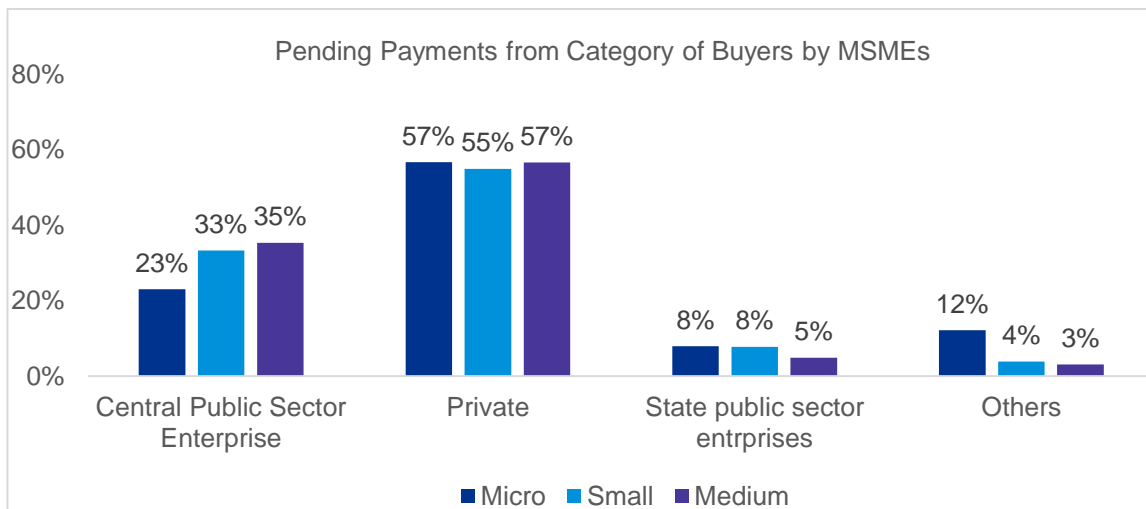


Figure 5 Pending Payments from Category of Buyers by MSMEs

The analysis of delayed payments faced by MSMEs reveals a prevalent issue within the sector. More than half of the surveyed MSMEs report having pending payments, indicating a widespread challenge in receiving timely payments for their products or services.

Further examination of the data highlights the sources of these delays, with 55% of the overall pending payments attributed to private companies. Additionally, around 33% of the pending payments originate from Central Public Sector Undertakings (PSUs). This breakdown underscores that delayed payments are not only a pervasive concern across the MSME sector but are particularly prominent in transactions involving private entities and Central PSUs.

Addressing the issue of delayed payments, especially from private companies and central PSUs, becomes crucial for the financial health and sustainability of MSMEs. It emphasizes the need for

streamlined payment processes, improved credit terms, and effective mechanisms to ensure prompt settlements, contributing to the overall well-being of the MSME ecosystem.

Access to Technology:

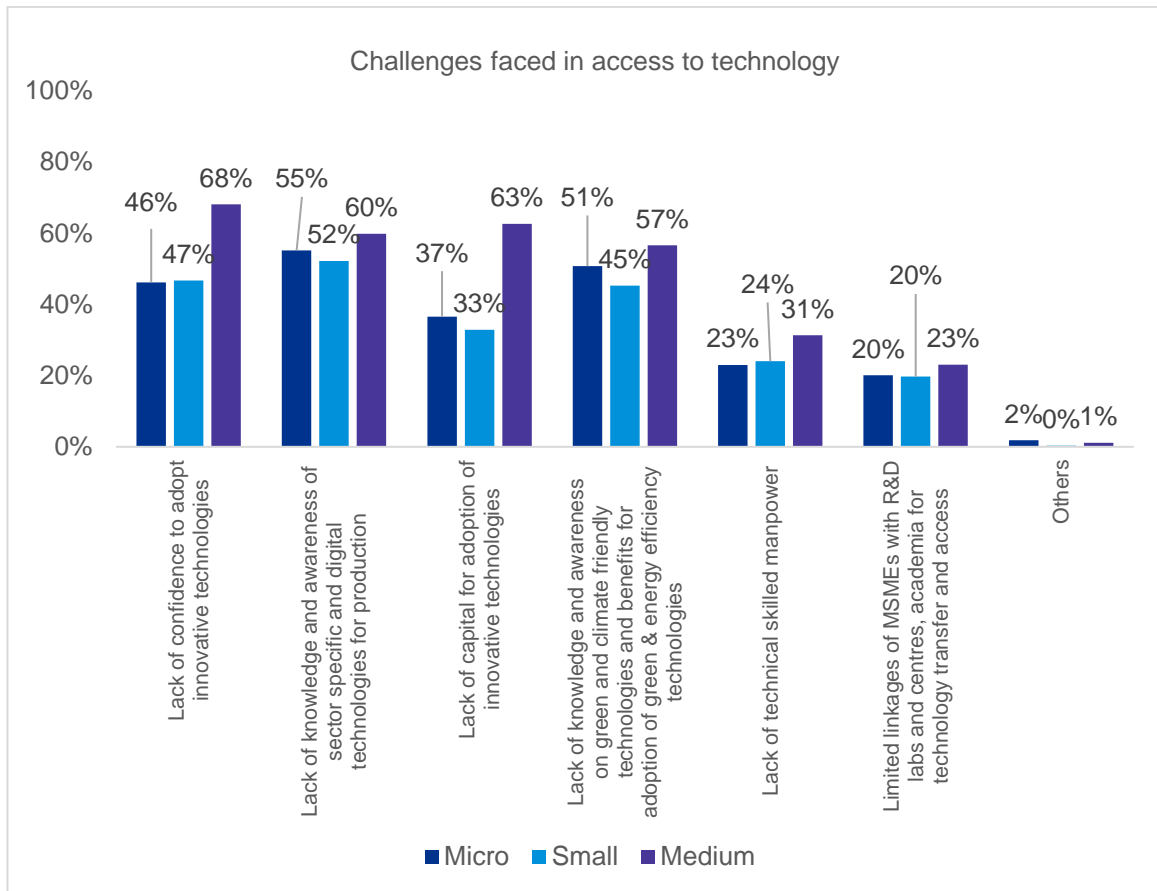


Figure 6 Challenges faced in access to technology

The analysis of access to technology for MSMEs highlights significant challenges that cut across enterprise types. The lack of capital emerges as the most predominant challenge for MSMEs, hindering their ability to adopt innovative technologies. This financial constraint is a major barrier for MSMEs across the board.

Small and medium enterprises, in particular, face additional challenges. The lack of technical skilled manpower is identified as a significant hurdle, emphasizing the importance of a skilled workforce in harnessing and implementing advanced technologies. Furthermore, poor linkage of MSMEs with Research and Development (R&D) labs and academia is noted as a challenge, indicating a need for stronger collaborations and knowledge exchange between MSMEs and research institutions.

Access to Infrastructure:

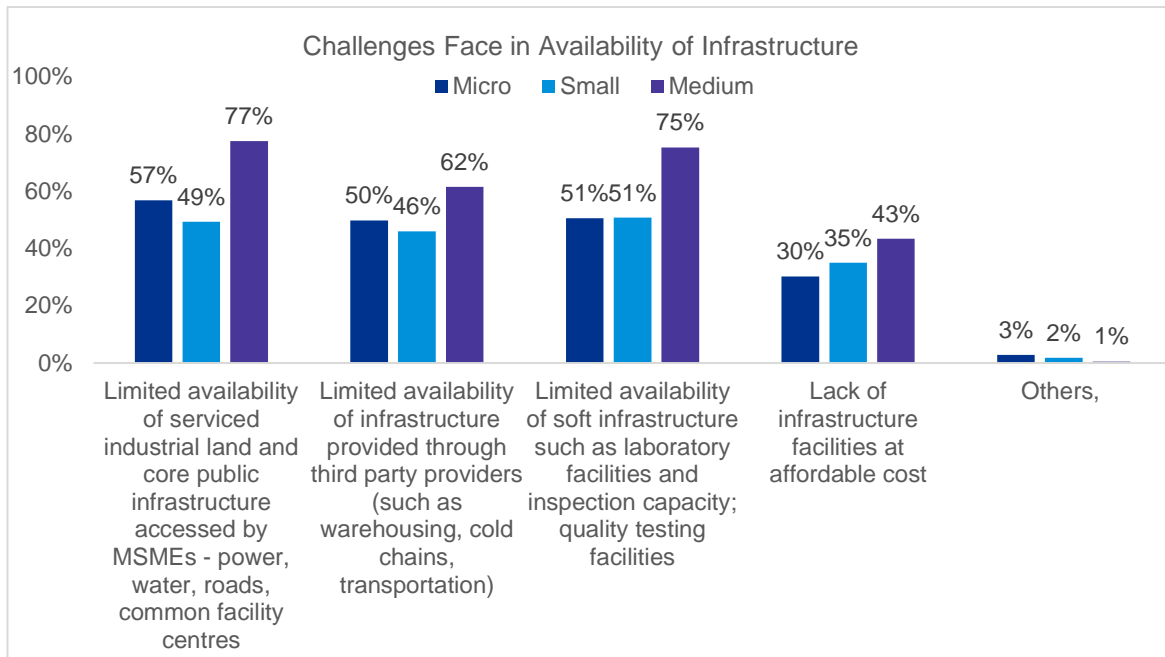


Figure 7 Challenges Face in Availability of Infrastructure

Limited availability of serviced industrial land: 57% of micro enterprises, 49% of small enterprises, and 77% of medium enterprises cite this as a major obstacle. This suggests a shortage of land that is ready for industrial use with basic infrastructure like power, water, and roads.

Limited availability of infrastructure provided through third-party providers is also a major constraint: 50% of micro enterprises, 46% of small enterprises, and 62% of medium enterprises face challenges in accessing infrastructure like warehousing, cold chains, and transportation through third-party providers. This indicates gaps in the availability of these essential services.

Lack of laboratory facilities and quality testing facilities is also a concern: 51% of micro enterprises, 51% of small enterprises, and 75% of medium enterprises face challenges in accessing these facilities. This highlights the need for better support for quality control and testing, which is essential for competitiveness.

Access to Skilled Manpower:

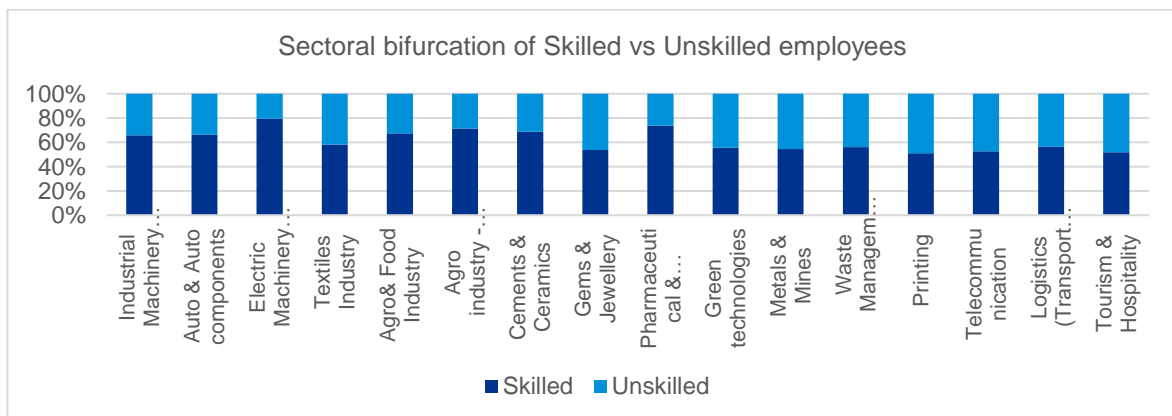


Figure 8 Sectoral bifurcation of Skilled vs Unskilled employees

Industrial Machinery, Auto & Auto Components, Electric Machinery & IT, and Pharmaceutical & Medical Devices demonstrate the highest concentrations of skilled employees, often exceeding 80%. This underscores the critical role of technical expertise in these fields. Agro & Food Industry, Agro Industry - Wood & Furniture, Tourism & Hospitality, and Waste Management exhibit the highest proportions of unskilled workers, with percentages ranging from 40% to over 60%. These sectors require more formal training.

Greening of MSMEs:

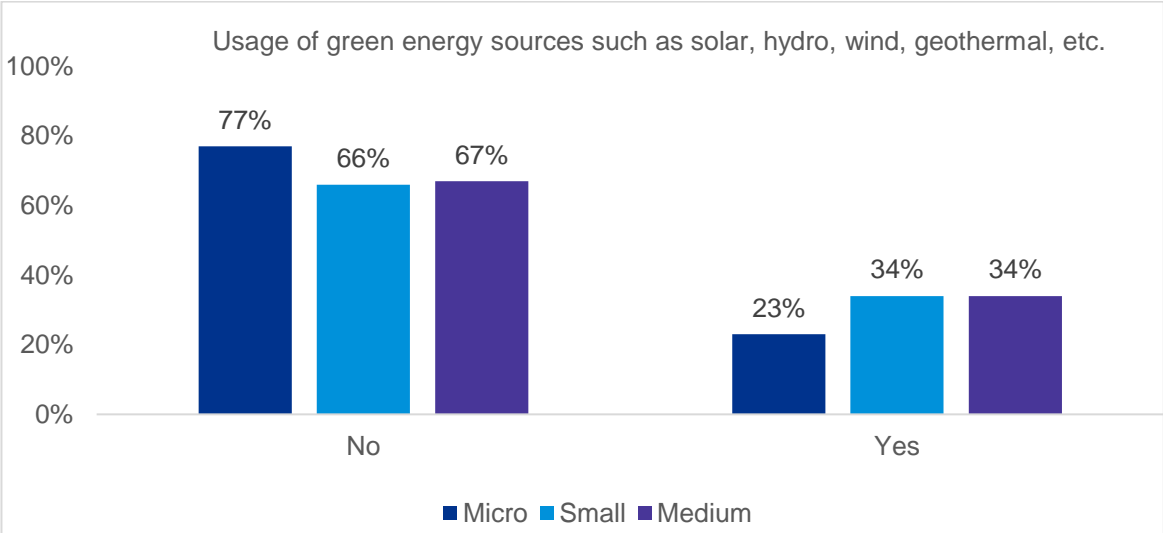


Figure 9 Usage of green energy sources such as solar, hydro, wind, geothermal, etc.

Maximum small and medium 54% enterprises report using green energy sources followed by micro enterprises, while 77% of micro enterprise are not aware of them, followed by small and medium enterprise. This suggests a significant adoption of green energy among micro enterprises.

Resource Consumption:

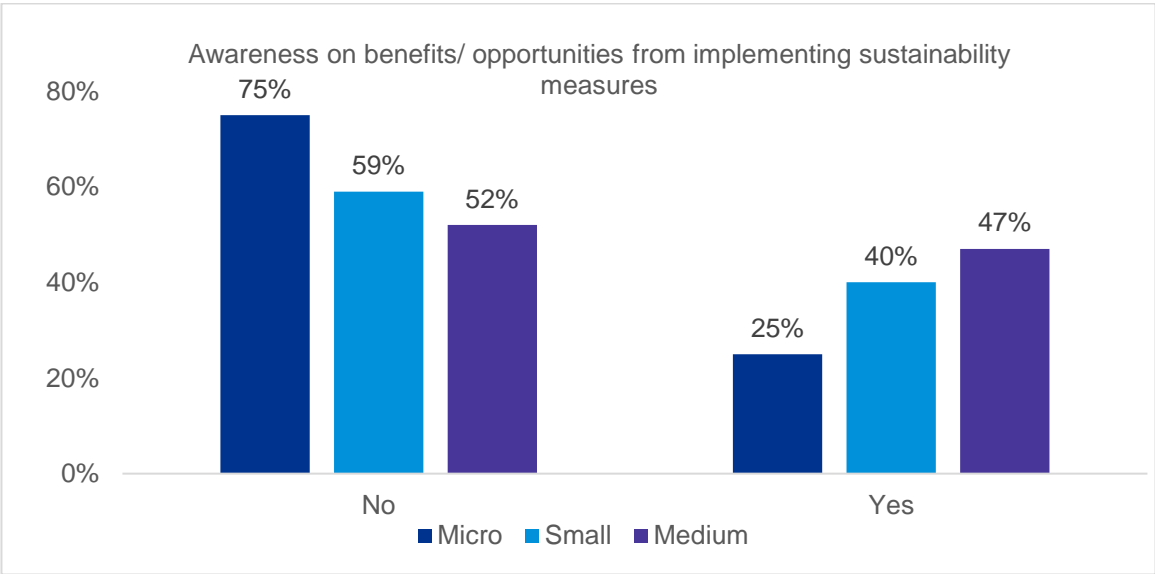


Figure 10 Awareness on benefits/ opportunities from implementing sustainability measures

Micro businesses have the highest percentage of respondents who are not aware of the benefits and opportunities of implementing sustainability measures (75%). This suggests a need for greater

awareness and information dissemination targeting this segment. Medium enterprises have the highest percentage of respondents who are aware of the benefits but are not implementing sustainability measures. This indicates potential barriers to adoption, such as cost, complexity, or lack of resources, that need to be addressed. Medium businesses have the highest percentage of respondents who are already implementing sustainability measures (47%). This signifies a positive trend in adoption among this segment, but there's still room for improvement.

Regulatory constraints:

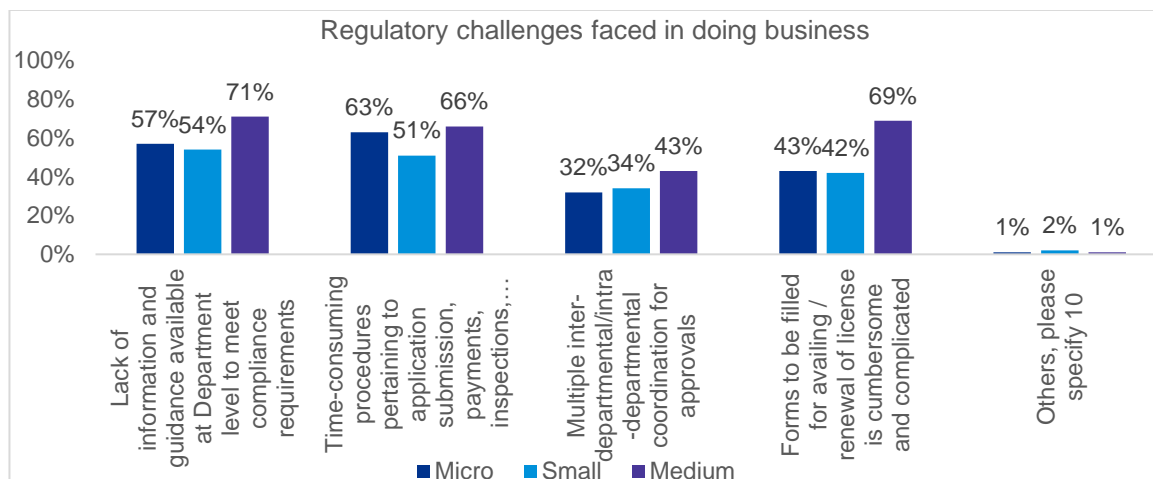


Figure 11 Regulatory challenges faced in doing business

Regulatory challenges are prevalent across business sizes: Micro, small, and medium enterprises all face significant regulatory hurdles. Lack of information and guidance is the most common challenge: 57% to 71% of businesses across all sizes cite this as a major obstacle, indicating a need for clearer and more accessible information from regulatory bodies. Time-consuming procedures are another major barrier: 51% to 66% of businesses struggle with lengthy application processes, payments, inspections, and approval processes, highlighting inefficiencies in the regulatory system. Multiple coordination requirements further complicate matters: 32% to 43% of businesses must navigate multiple departments or agencies for approvals, adding to the administrative burden. Complex forms add to the difficulty: 42% to 69% of businesses find forms for licenses and renewals to be cumbersome and difficult to understand, suggesting a need for simplification. Other challenges exist as well: While less common, 1% to 2% of businesses reported additional regulatory challenges that were not specified in the graph.

Analysis and findings: (Stakeholder consultations and literature review)

S No	Challenges in Thematic areas
1	Access to market <ul style="list-style-type: none"> • Micro, Small and Medium Enterprises (MSMEs) encounter difficulties in connecting with potential customers due to lack of visibility and restricted marketing avenues. • MSMEs, find it challenging to promote their products extensively, given the associated costs that contribute to making their products less competitive. Additionally, their limited production capacity prevents them from serving a broader consumer base, often confining their sales to the local domestic market despite possessing potential that extends beyond geographical boundaries. • MSMEs often lack of access to current market information, including consumer preferences, market trends, and demand patterns. This limitation impedes their ability to customize their products or services effectively to meet market requirements. • MSMEs encounter obstacles in engaging in global trade due to lack of knowledge about export procedures, limited access to export financing, and insufficient infrastructure to aid export logistics.
2	Access to Technology <ul style="list-style-type: none"> • MSMEs face difficulty in keeping pace with technology advancement like energy-efficient and cleaner production technologies. This hinders their innovation potential and indirectly impacts their competitiveness. • Inadequate reach or awareness of relevant policies and schemes promoting technological upgrades among entrepreneurs. • MSMEs lack a structured approach towards digital technology adoption and corresponding skills upgradation. This hinders their ability to leverage disruptive technologies to tap global market through advance manufacturing globally. • lack of knowledge and awareness of sector specific technologies for production and awareness on digitization i.e., adoption of digital technologies and use of digital platforms • There is absence of collaborative platforms unlike in developed countries, hindering knowledge sharing and pre-competitive cooperation in Industry 4.0.
3	Access to Credit <ul style="list-style-type: none"> • Under the CGTMSE scheme, banks lack monitoring and target system, and the process for sanctioning CGTMSE loans is intricate, with banks needing to assume 25% of the risk on behalf of the entrepreneur. • Low Approval sanction ratio – The ratio of loans sanctioned by the banks are drastically lower than targets prescribed by the Commissioner of Cottage and Rural Industries Department. • Under Emergency Credit Line Guarantee Scheme, in the fiscal year 2022-23, a noteworthy credit guarantee amounting to INR 24,021crores was disbursed. However, despite this substantial release, the observed count of sanctioned loans

S No	Challenges in Thematic areas
	<p>remains relatively low. There exists a potential for a higher number of loans to be approved, indicating an opportunity for increased loan sanctioning.</p> <ul style="list-style-type: none"> Despite offering a clear solution to persistent challenges of payment delays and working capital limitation for MSMEs, TReDS portal struggle to gain traction due to reluctance of buyers especially State PSUs to actively utilize platform for transactions. Existing procurement processes within PSUs, often involve intricate approval chains and vendor onboarding procedures which create inertia in adopting new platforms like TReDS. MSMEs also grapple with the issue of maintaining a steady flow of working capital, posing a significant challenge to the smooth operation of their businesses.
4	<p>Access to infrastructure</p> <ul style="list-style-type: none"> Limited availability of affordable land for setting up industrial units in GIDC poses a challenge for MSMEs. The cost of land is prohibitive, particularly in industrial zones, impacting the feasibility of expansion or new ventures. Fluctuating energy costs and occasional power shortages are impacting the operational costs of MSMEs. The reliability of the power supply is crucial for continuous production, and any disruptions can lead to increased expenses. Engaging in research and development activities often requires substantial financial investments, which is a significant burden for small and medium enterprises with limited capital. Limited availability of state-of-the-art infrastructure and specialized testing facilities in certain regions of Gujarat impedes MSMEs' ability to conduct effective R&D and testing. The shortage of researchers with expertise in specific industries or technologies can hinder MSMEs from fully leveraging R&D and testing capabilities.
5	<p>Delayed Payments</p> <ul style="list-style-type: none"> The MSME SAMADHAAN Portal facilitates online case registration for applicants. However, users encounter frequent difficulties during the application process. Presently, a single MSEFC council at the Gandhinagar head office manages all district-related inquiries, proving insufficient to address the needs of the entire state, resulting in case resolution delays. Limited awareness among Micro, Small & Medium Enterprises (MSEs) regarding the MSEFC Council's functions and duties, the implementation of a facilitation helpdesk is crucial to bridge this gap. Long turnaround time for resolution of cases filed on MSME SAMADHAAN portal and through MSEFC.
6	<p>Access to skilled manpower</p> <ul style="list-style-type: none"> MSMEs struggle to attract and retain skilled workers due to their limited budgets for competitive salaries and often poor working conditions. Despite renowned craftsmanship in Gems and Jewelry sector in Gujarat, the sector fails to attract young talent due to strenuous working environment, poor wages and lack of growth. This threatens traditional practices that may lead to gradual loss of traditional practices inherited through generation. MSMEs require broader exposure to diverse products and design knowledge to

S No	Challenges in Thematic areas
	<p>remain competitive.</p> <ul style="list-style-type: none"> • There is lack of convergence of different skill development schemes and initiatives to effectively reach target beneficiaries. The departments lack coordination amongst themselves to create impact. • Lead bank managers and bankers need capacity building to understand the various needs of the MSMEs, development policies and schemes, enhancing their ability to connect MSMEs needs with available resources. • As part of detailed cluster study, many regional associations have expressed to establish cluster level CFCs to operate industry demand led skilling. • Despite imparting training to students in various programs at ITI and CED, the department faces challenges in retaining students for job placements and monitoring the placement history of students who have secured employment after applying for jobs. • Schemes related to skill development designed are sufficient and well-structured to cater to the needs of the existing as well as the upcoming trends, however there is a strong gap between supply and demand. It can be understood from the fact that the willingness of the youth or candidates for skill development training is lacking.
7	<p>Greening of MSMEs</p> <ul style="list-style-type: none"> • There is a lack of awareness regarding green financing options. • Customized financial products tailored for green financing are not widely available. • Financial institutions lack adequate incentives to provide these types of financing. • There is dearth of business development service providers to assist MSMEs in their green initiatives
8	<p>Access to Service Providers</p> <ul style="list-style-type: none"> • Lack of information and awareness in the market on the availability of technical and business service provisions • Absence of data on emissions, and lack of mandates or restrictions in place for controlling emissions from MSMEs

Snapshot of Proposed Intervention

Based on the Disbursement Linked Indicators of the RAMP program and the findings of a detailed diagnostic study of Gujarat's MSMEs, the following table proposes a range of interventions tailored to address the state's specific needs and challenges.

Project 1: Mapping MSME clusters with PM Gati shakti portal		
DLI mapping	Critical projects to develop competitiveness of MSMEs.	
Approach and Activities	<p>The proposed intervention will be conducted by an implementing agency hired by MSME Commissionerate through RFP process. The implementing agency will work closely with the MSME Commissionerate, GIDC and BiSAG team</p> <ol style="list-style-type: none"> Cluster mapping of 186 clusters: Create a geo-tagged MSME cluster map using Udyam data and GIS survey data to understand cluster ecosystem. PM Gati Shakti integration: Align the MSME cluster map with PM Gati shakti infrastructure plans, identifying gaps and opportunities to improve last mile connectivity and access to basic infrastructure catering to cluster needs. Create a Cluster Competitiveness Index: Develop a data-driven cluster competitiveness index that assesses factors like proximity to raw material sources, access to markets, treatment of waste and effluents, connectivity/ access infrastructure etc to identify high performing and struggling clusters. 	
Expected impact	<ul style="list-style-type: none"> Enhanced Data-Driven Decision-Making: Comprehensive mapping and competitiveness index will provide accurate insights for targeted policy interventions, infrastructure development, and resource allocation. Improved Cluster Competitiveness: Focused interventions based on cluster strengths, weaknesses, and infrastructure needs will boost cluster linkages, innovation, market access, and overall competitiveness. Strengthened Infrastructure Connectivity: Integration with PM Gati Shakti will ensure infrastructure development aligns with cluster needs, fostering better connectivity, reducing logistics costs, and enhancing access to forward and backward linkages. Export competitiveness enhancement: the cluster competitiveness index will reveal the traits of the exporting clusters while analysing the success parameters which could be further analysed for potential export clusters to follow. Targeted policy support towards addressing the gaps will help accelerate exports from the state. Accelerated MSME Growth and Development: Targeted interventions will result in improving last mile connectivity, tap opportunities and design programs/ projects for cluster support at different growth stages. Enhanced Coordination and Collaboration: Improved data sharing and visibility among government departments will promote synergy and efficient resource utilization. 	
Proposed Budget (INR in crore)	Total - Support under RAMP	7.81
	Contribution from State Government	-
	Grand Total	7.81

Project 2: Strengthening capacities of DICs and promoting MSME development across sectors						
DLI mapping	Critical projects to develop competitiveness of MSMEs. DLI 3: Enhancing effectiveness of MSME CHAMPIONS Scheme (ZED, LEAN, IPR, Design, Digital and Incubation)					
Approach and Activities	<p>This project will have MSME facilitation desk with 2 people at each DICs. The overall project will be led by a project lead at Gandhinagar reporting to the MSME Commissionerate.</p> <p>The DIC strengthening will have following components</p> <ol style="list-style-type: none">1. MSME facilitation desk to support MSMEs and support MSMEs outreach activities2. BDS mobilisation drive for empanelment3. Develop State MSME portal providing various services such as information on various schemes, BDS repository, different training programmes, integration with national and state portal, language selection, live chatbot feature.4. Capacity building for DICs and industry associations5. Grievance redressals for MSMEs both in-person, telephonic and online					
Expected impact	Description	Year 1	Year 2	Year 3	Year 4	Total
	MSMEs availing Central and State schemes/incentives online	30,000	40,000	50,000	60,000	1,80,000
	MSMEs targeted for ZED/quality certificates under Champion schemes	4950	5940	7128	8554	26,572
	Request for BDS filed	1000	2000	3000	4000	10,000
Proposed Budget (INR in crore)	Total - Support under RAMP			67.05		
	Contribution from State Government			7.84		
	Grand Total			74.89		
Project 3: Setting up of State Export promotion cell and Strengthening Export Competitiveness of MSMEs						
DLI mapping	Critical projects to develop competitiveness of MSMEs.					
Approach and Activities	<p>A State export Promotion cell with the MSME Commissionerate department/ Industries and Mines department will be setup to bridge the gap between MSMEs and export promotion councils, Industry associations, export advisors.</p> <ol style="list-style-type: none">1. Export guides for 10 thrust sectors with export potential2. Digital Cataloguing to support 10,000 MSMEs3. 2 major international conference on standards and compliances across 4 years4. 2 major reverse Buyer-Seller meets					

	5. Have a virtual State export promotion portal for buyers-sellers matchmaking. This portal will be integrated with the State MSME portal.					
Expected impact	Description	Year 1	Year 2	Year 3	Year 4	Total
	No. of MSMEs exporting	4000	6000	8000	10,000	28,000
	No. of MSMEs supported for digital cataloguing	5000	3000	1500	500	10,000
	No. of MSMEs availing improved product quality and compliance	3000	4000	5000	6000	18,000
	No. of MSMEs benefitting from B2B connections and partnerships with potential buyers and investors	10	15	20	25	70
Proposed Budget (INR in crore)	Total - Support under RAMP		32.19			
	Contribution from State Government		3.24			
	Grand Total		35.43			
Project 4: Scaling up Industry 4.0 transformation in Gujarat's manufacturing sector.						
DLI mapping	DLI 3: Enhancing effectiveness of Technology Upgradation Scheme (CLCS-TUS) Critical projects to develop competitiveness of MSMEs.					
Approach and Activities	The implementing agency will conduct an on-site diagnostic study of MSMEs, demonstrations of use cases and tool to measure maturity and readiness of MSMEs to adopt I4.0 technologies. Through diagnostic studies, the problem statements for Industry 4.0 adoption will be categorised as: a) MSMEs, with clear solutions to their problem statement will be connected to technology BDS providers (start-ups) and b) MSMEs, where problem statements do not have readily available solutions, a grand challenge will be hosted wherein, start-ups will provide solutions to MSMEs. Moreover, skill training will be conducted of personnel on industry 4.0 and other sunrise sectors like Semiconductor, Electronics, Renewable Energy, AI, IoT, Blockchain & Green Hydrogen. An 'open repository' of 1000 use cases will production-ready blueprints to MSMEs shall be created Sectoral focus: 1.Manufacturing SMEs (heavy engineering, medical devices, agro-food processing, furnishing products, plastic, Textiles,) 2.Pharmaceuticals, APIs and Life sciences 3.Other Sectors identified from time to time.					
Expected impact	Description	Year 1	Year 2	Year 3	Year 4	Total
	Number of awareness events conducted	8	8	8	8	32
	Number of MSMEs outreached	1000	2000	3000	4000	10,000

	Number of MSMEs adopting industry 4.0 technologies	100	200	300	400	1000
	Number of trainees under skilling program	100	200	300	400	1000
Proposed Budget (INR in crore)	Total - Support under RAMP			52.34		
	Contribution from State Government			-		
	Grand Total			52.34		
Project 5: Channelling finance for greening of MSMEs through Gujarat Green MSME Development scheme						
DLI mapping	DLI 5: Enhancing Effectiveness of CGTMSE and 'Greening and Gender' delivery Critical projects to develop competitiveness of MSMEs					
Approach and Activities	<p>MSME Commissionerate will roll out a scheme to encourage MSMEs to avail green financing for technology upgradation for energy efficiency or sustainable practices. capacity building programs will be conducted for bankers and other support institutions under this scheme.</p> <p>Phase 1: Green Tech accreditation portal for empanelling certifying agencies: Platform will be developed, to create interface between banks, certifying agencies for green technologies and MSMEs. Key modules will be knowledge repository of green technologies, information on financing products and mechanisms, best practices on GHG reduction.</p> <p>Phase 2: Financial assistance to cover certification cost for different green technologies: The scheme will comprehensively cover certification costs for MSMEs undergoing technology upgradation audits to enhance their energy efficiency and sustainable practices</p> <p>Phase 3: Conducting a benchmarking study for green technology and green financing across sectors: Comprehensive study will be conducted to analyze available green technologies across sectors and financial assistance mechanisms</p> <p>Phase 4: Capacity building of banking officials: Conduct biannual capacity building trainings of banking officials, financiers, government officials, industry associations and MSMEs</p>					
Expected impact	Description	Year 1	Year 2	Year 3	Year 4	Total
	Number of MSMEs availed financial assistance	3000	3499	3999	4500	15000
	Number of banking officials trained	30	40	50	60	180
Proposed Budget (INR in crore)	Total - Support under RAMP			24.74		
	Contribution from State Government			-		
	Grand Total			24.74		

Project 6: Short term management training Program for 50 Industry associations and Special Purpose Vehicles (SPVs) in Gujarat						
DLI mapping	Critical projects to develop competitiveness of MSMEs.					
Approach and Activities	<p>MSME Commissionerate will onboard the implementing agency. Organizations like Entrepreneurship Development Institute of India (EDII)/ any other suitable agency.</p> <p>1 Strengthening of associations/SPVs through technology infrastructure: Government of Gujarat will provide one-time financial assistance to upgrade cluster associations/ SPVs' IT infrastructure. Technology support will enhance the digital capabilities of these entities.</p> <p>2 Development of ERP Software Design and implementation: Association Resource Planning (ARP) software will be developed to streamline and optimize the operational processes of SPVs and regional cluster associations. Initial two years i.e year 2 and year 3, the ERP software will be offered free of charge and year 4 onwards will be on partial payment</p> <p>3 Training & Mentoring support: One personnel of 50 industry associations/ SPVs will undergo a short management training course. Experienced and professional group of mentors will be aligned to offer 12 one-on-one sessions of handholding support post training to each of the associations</p>					
Expected impact	Description	Year 1	Year 2	Year 3	Year 4	Total
	Capacity building of SPVs/ industry association personnel	50				50
	SPVs/ industry associations adopting digital solutions	5	10	11	14	40
Proposed Budget (INR in crore)	Total - Support under RAMP		7.96			
	Contribution from State Government		-			
	Grand Total		7.96			
Project 7: Micro incubation project for micro and small enterprises						
DLI mapping	<p>DLI 3: Enhancing effectiveness of MSME CHAMPIONS Scheme (ZED, LEAN, IPR, Design, Digital and Incubation)</p> <p>DLI 5: Enhancing Effectiveness of CGTMSE and 'Greening and Gender' delivery</p> <p>Critical projects to develop competitiveness of MSMEs</p>					
Approach and Activities	<p>The MSME Commissionerate will onboard Entrepreneurship Development Institute of India (EDII). The proposed project will support nano and micro entrepreneurs from 7 districts in formalization, capacity building for 18-24 months, handholding support in creating access to credit, market and providing networking and collaborations. Tier 2 districts: Valsad, Bhavnagar, Jamnagar, Bharuch, Anand, Banas Katha, Kutch and aspirational districts – Dahod and Narmada.</p>					
Expected impact	<ul style="list-style-type: none">14,000 micro entrepreneurs to be benefitted over the 4 years of RAMP project – 2000 per district tentatively. Special focus to be provided to support differently abled entrepreneurs over 4 years of the programme.Customization of Hastkala Setu Portal for tracking end to end lifecycle of microenterprises.					

	<ul style="list-style-type: none">80% microenterprises to be linked with institutional sources of credit.10 trademarks to be registered in each district.10 GI tagged products will be registered from year 2 onwards. ODOP products will be promoted.Additional employment to be generated by adding at least one employee to each micro-enterprise.At least 30% of the enterprises to be onboarded on e-commerce platforms and atleast 20% start transacting.Approximately 30% increase in revenue of targeted micro-enterprises						
Proposed Budget (INR in crore)	Total - Support under RAMP			48.13			
	Contribution from State Government			-			
	Grand Total			48.13			
Project 8: Women Acceleration program							
DLI mapping	DLI 5: Enhancing Effectiveness of CGTMSE and 'Greening and Gender' delivery.						
Approach and Activities	<p>The proposed intervention will be implemented by IIM Ahmedabad/ startup incubators/ industry associations through a tender process by MSME Commissionerate</p> <p>1. Awareness and outreach drive across 33 districts: Drive at 5-6 locations yearly with DIC, Industry associations, cluster associations or DIC to capture diverse needs and design supportive program from various sectors.</p> <p>2. Acceleration programme for 6 months with hybrid model (onsite and virtual) sessions with personalised mentoring</p> <p>3. Business pitch events: Support will be provided to women entrepreneurs in refining business ideas and pitch sessions. The participants will present their ideas of accomplishments to a panel of invited guests.</p>						
Expected impact	S No	Description	Year 1	Year 2	Year 3	Year 4	Total
	1	Number of women entrepreneurs trained	500	500	500	500	2000
	2	Number of women enterprises formalized	150	250	250	350	1000
	3	Number of women entrepreneurs availed CGTMSE or formal credit	60	70	80	90	300
	4	Average increase in the turnover of the business post training	10%	15%	20%	25%	
	5	Number of women entrepreneurs onboarded on GeM and other e-commerce marketplaces as ONDC, Amazon etc	15	30	60	90	195
Proposed Budget (INR in crore)	Total - Support under RAMP			12.80			
	Contribution from State Government			-			
	Grand Total			12.80			

Project 9: Capacity building of Homestay entrepreneurs to boost tourism potential in Gujarat							
DLI mapping	DLI 5: Enhancing Effectiveness of CGTMSE and 'Greening and Gender' delivery Critical projects to develop competitiveness of MSMEs						
Approach and Activities	<p>The implementing agency will be the Tourism Department/ MSME Department. A downstream implementing agency will be identified through RFP process.</p> <p>Comprehensive capacity building programme for homestay owners in Gujarat with focus on training, resource access, standardisation and promotion</p> <p>Phase 1: Capacity building of registered homestays</p> <ul style="list-style-type: none"> • Baseline survey for identifying skill gaps • Capacity Building by providing trainings in soft skills, digital marketing, etc. • Digital Promotion on Google, social media and web portal • Linkages with Tourism Stakeholders • Awareness on Government schemes and financial institutions for leverage • Promotional Aid and Outreach Support through website, design brochures, etc. <p>Phase 2: Homestay Entrepreneurship Training program and Promotion of new Homestays</p> <ul style="list-style-type: none"> • Baseline survey for identifying eligible homestays • Mobilization and Screening through collaboration with Govt. agencies and departments • Capacity Building through training such as hospitality management, economic management, etc. • Assessment & Registration with concerned department • Promotion, Outreach and Linkages with Tourism Stakeholder's 						
Expected impact	S No	Description	Year 1	Year 2	Year 3	Year 4	Total
	1	Widespread Entrepreneurship training for registered and new homestay owners for establishing homestay enterprises leading to sustainable income generation	300	600	900	1200	3000
	2	Registration of new Homestays for the state		300	600	900	1800
	3	Average increase in the turnover of the home stay owners	15%	20%	25%	30%	
	4	Employment generation besides productive engagement of the family members involved in the enterprises.	600	1200	1800	2400	6000
Proposed Budget (INR in crore)	Total - Support under RAMP			15.20			
	Contribution from State Government			-			
	Grand Total			15.20			

Project 10: Access to credit through CGTMSE							
DLI mapping	DLI 5: Enhancing Effectiveness of CGTMSE and 'Greening and Gender' delivery						
Approach and Activities	Proposed collaboration of Gujarat Government and CGTMSE aims to extend additional guarantee of coverage for MSMEs, particularly fostering formal lending to new and first time borrower, especially, women, SC/ST in underserved districts to boost MSME Confidence in approaching formal credit and encouraging loans.						
Expected impact	S No	Description	Year 1	Year 2	Year 3	Year 4	Total
	1	Number of MSMEs accessing credit under CGTMSE	8000	6000	4000	2000	20,000
	2	Number of women accessing credit under CGTMSE	150	200	250	300	900
	3	Number of MSMEs accessing credit under CGTMSE for RECP/Greening investments	150	200	250	300	900
	4	Considering average loan size of 50 lakh, approximately 20,000 MSE borrowers can benefit over 4 years.					
	5	With 3 employees per unit, approximately 60,000 employment opportunities can be created.					
Proposed Budget (INR in crore)	Total - Support under RAMP		100				
	Contribution from State Government		100				
	Grand Total		200				

Table 2 Snapshot of Proposed Intervention

Snapshot of SIP Summary

The below table presents the consolidated budget for the interventions elucidated in the section above

S No	Main Interventions Under SIP (including MOMSME and State schemes – including convergence of schemes)	Total Budgetary Outlay	State/ Private sector contribution	Gap financing required through RAMP Program
		(Rs in crores)		
1	Mapping MSME clusters with PM Gati shakti portal	7.81		7.81
2	Strengthening capacities of DICs and promoting MSME development across sectors	74.89	7.84	67.05
3	Setting up of State Export promotion cell and Strengthening MSMEs in Export Competitiveness	35.43	3.24	32.19
4	Scaling up Industry 4.0 transformation in Gujarat's manufacturing sector	52.34		52.34
5	Channeling finance for greening of MSMEs through Gujarat Green MSME Development scheme	24.74		24.74
6	Short Term Management Training for SPV professionals, SPV governance and Industry associations in Gujarat	7.96		7.96
7	Micro incubation project for micro and small enterprises	48.13		48.13
8	Women Acceleration program	12.8		12.8
9	Tourism cluster - capacity building of homestay owners	15.20		15.20
10	Access to credit through CGTMSE	200	100	100
11	SPIU budget	13.37		13.37
12	Communication and Outreach	6.30		6.30
13	Impact evaluation	0.31		0.31
14	Exposure visits GIDC- for industrial parks/ CFCs to TN DIC reps for business facilitation centers at Tamil Nadu/ Maharashtra Women led MSMEs/startups visits to Kudambashree visit in Kerala SPV training exposure visit to Karnataka	1.00		1.00
	Sub Total	500.28	111.08	389.20
	State Admin Cost (2.5% cost of intervention which totals to INR 389.20 Crore)	9.73		9.73
	Grand Total RAMP Finance	510.01	111.08	398.93

Table 3 Snapshot of SIP Summary

SIP Evaluation Criteria

S. No.	Criteria for SIP Evaluation	Max Score	SIP reference	Justification
A.	Quantitative Evaluation Criteria	80		
	a) Number of MSMEs registered on UDYAM portal in proportion to total MSMEs as per the 73rd Round of National Sample Survey (NSS)	15	Chapter 3 – Overview of the MSME sector, Section 3.1.1. – MSME composition and growth over time	In the 73rd round of NSS in 2015-16, Gujarat had 33.16 lakhs MSMEs. However, as of September 2023, 14.4 lakhs MSMEs were registered on the Udyam Portal. This significant increase implies that 43.43% of MSMEs have transitioned to formalization compared to the NSS figures. This conversion rate is notably one of the highest in the country, reflecting Gujarat's effectiveness in encouraging informal MSMEs to become formal enterprises. The State ranks 4th for percentage of MSMEs registered on Udyam portal.
	b) Position of State in the latest EoDB Rankings	15	Chapter 4, Section 4.1.1. – Business Environment	Currently the State is placed in the Top Achievers Category.
	c) Proportion of latest State Budget allocated to MSME	5	Chapter 4, Section 4.1.3. – Access to Credit	On an average the state of Gujarat allocating close to 30% to 35% of the total budget allocated for industries to the MSME sector. For the year 2022-23 this amounts to a budgetary outlay of INR 4560.80 crores out of which INR 1,370.5 crores allocated for MSMEs.
	d) Contribution of MSMEs to State GDP	5		
	e) Percentage of MSMEs as per the 73rd Round of National Sample Survey on boarded on TReDS	5	Chapter 4, Section 4.1.3.5.	5,376 units are registered on TReDS upto Oct'23. As a percentage of the total MSMEs (33.16 lakh) as per the 73rd round of NSS 2015-16, it is 0.16%
	f) Percentage of State Public Sector Enterprises onboarded on TReDS	5	Chapter 4, Section 4.1.3.5.	Out of 85 State PSUs, 15 PSUs have been onboarded on TReDS which is 17.64% of total state PSUs as of Dec 2023
	g) Persons employed in MSMEs which are registered on Udyam Portal of the Ministry (2021-22) (percentage of employees in	5	Chapter 3, Section 3.1.5. – Employment in the MSME	As per udyam registration data, persons employed in MSMEs in Gujarat as on Sept 2023 is 84.62 lakh. As per NSS 73rd round, the number is 61.16 lakh. No. of persons employed in MSMEs as

S. No.	Criteria for SIP Evaluation	Max Score	SIP reference	Justification
	MSMEs as per the 73rd Round of National Sample Survey (NSS))		sector and growth over time	per udyam is 138.35% as compared to NSS.
	h) Contribution of MSMEs to total tax revenue of the State	5	Not available	Data for MSMEs is not captured separately.
	i) Percentage of women-led enterprises to total MSMEs on Udyam registration	5	Chapter 3, Section 3.1.2.	Gujarat stands 5th in percentage of women-led enterprises vis-à-vis the total MSMEs on Udyam.
	j) Citizen Charter for DICs is notified in the State	5	Chapter 3, section 3.5	The Industries Commissionerate Office, on 10/02/2021, issued a resolution under the Right of Citizens to Public Services Act, 2013. This resolution aims to delineate the roles and responsibilities of all offices associated with Industries, including District Industries Centers (DICs). Also DICs have been made nodal body to improve EODB. Sankalan Meetings with all govt departments are being conducted at district level every month. Moreover, in July 2023 All DICs has conducted an exercise to understand challenges faced by MSMEs, and District Action Plans were prepared and shared with relevant departments in chairmanship of District Collectors to resolve this at earliest.
	k) Percentage of cases resolved with respect to total cases registered in MSEFCs	5	Chapter 4, section 4.1.4.	15,870 cases have been registered till Dec 2023, out of it 6,577 cases have been disposed. Gujarat has current disposal rate of 41.5%
	l) Growth in the total volume of digital payments done (Y-o-Y basis)	5	Chapter4, section 4.1.3.6.	In Gujarat, data indicates a surge in the no. of digital transactions from 54 crores to 87 crores between FY 2018-19 and FY 2022-23, a 61% increase. Data obtained from eTaal of MoEIT.

S. No.	Criteria for SIP Evaluation	Max Score	SIP reference	Justification
B	Qualitative Evaluation Criteria	90		
	a) Identification of gaps in access to Finance, Market and Technology MSME Sector of the State/UT	20	Chapter 3, Section 3.1.2. Chapter 4, Section 4.1.2. 4.1.3. 4.1.4. 4.1.5. 4.1.7. 4.1.8. and Chapter 5.	The SIP captures in detail the challenges/ gaps across all the thematic areas of the RAMP Program as listed below. Interventions/ projects have been proposed to address the identified gaps. 1. Social Inclusion- Gender gaps 2. Access to infrastructure 3. Access to credit 4. Delayed payments 5. Access to markets 6. Access to Technology 7. Access to Skilled Manpower 8. Policies, procedures, and compliance constraints
	b) State/UT Policy on MSMEs Vision/Roadmap for improvement in business environment for MSMEs in the State with requisite interventions and availability of Outcome – Output Framework for the schemes supported by the RAMP Programme: (Specific Schemes- TReDS, MSME Champions Scheme, CGTMSE etc.)	50	Chapter 3, Section 3.4 and Chapter 6	The State Industrial policy framework for Gujarat has a special focus on MSMEs and introduced 'Aatmanirbhar Gujarat Scheme for Assistance to MSMEs' under which incentives are being offered across business cycle of MSMEs. In line with the initiatives being undertaken by the State to improve the business environment for MSMEs in the State, various programs/ projects have been proposed under RAMP. These programs/ projects are outcome oriented and are proposed to meet short term, medium term and long-term objectives.
	Short Term (0 - 1) years		Chapter 5, section 5.5, section 5.6, section 5.8 and section 5.9	Project 5- Channeling finance for greening of MSMEs Project 6 - Short Term Management Training for SPV professionals, SPV governance and Industry associations in Gujarat Project 8- Women Acceleration program Project 9 – Tourism cluster – capacity building of homestay entrepreneurs

S. No.	Criteria for SIP Evaluation	Max Score	SIP reference	Justification
	Medium Term (2 – 3) years		Chapter 5, section 5.4, section 5.7, section 5.11	Project 4 - Scaling up Industry 4.0 transformation in Gujarat's manufacturing sector Project 7- Micro incubation project for entrepreneurship Project 11- Access to credit through CGTMSE
	Long Term (4th year onwards)		Chapter 5, section 5.1, section 5.2, section 5.3	Project 1- Mapping MSME clusters with PM Gati shakti portal Project 2- Strengthening capacities of DICs and promoting MSME development across sectors. Project 3- Setting up of State Export promotion cell and Strengthening MSMEs in Export Competitiveness
	c) Extent of Participation in various Central MSME schemes	10	Chapter 4, Section 4.1.2.2. 4.1.3.3. 4.1.3.4. 4.1.4. 4.1.3.5. Chapter 3, section 3.1.1. Chapter 4, section 4.1.6.	Participation in most of the central MSME schemes like PMEGP, CGTMSE, MUDRA, MSEFC/ Samadhaan, TREDs, UDYAM Registration, etc. has been good to satisfactory, the offtake of certain schemes like ZED as on December'23 end Gujarat is leading in ZED certification drive. while exposure to LEAN has been limited. The Government has taken up various initiatives to increase the participation in various central schemes.
	d) Details of activities carried out by Development Centres & District Industries Centres/Sub District Industries Centres in the State and strategy to strengthen its eco-system	10	Chapter 3, Section 3.5. Chapter 5, section 5.1. 5.2.	Gujarat Govt. has published Citizen Charter under Right of Citizens to Public Services Act, 2013. And set procedural timelines against its functions to improve the service delivery. Also, Govt has introduced many schemes to help MSMEs throughout their business lifecycle.
C	Distinguishing Factor	30		
	Distinguishing Factor identified specific to the State that could be achieved based on evaluation of identified interventions and related funding	30	Chapter 5, section 5.1, section 5.3, section 5.4, section 5.5, section 5.6, section 5.7, section 5.8,	Project 1- Proposal for mapping MSME clusters with PM Gati shakti portal Project 3- Proposal for setting up of State Export promotion cell and Strengthening MSMEs in Export Competitiveness Project 4 - Scaling up Industry 4.0

S. No.	Criteria for SIP Evaluation	Max Score	SIP reference	Justification
			section 5.9	transformation in Gujarat's manufacturing sector. Project 5 - Channeling finance for greening of MSMEs through Gujarat Green MSME Development scheme Project 6- Short Term Management Training for SPV and Industry association professionals on efficient management, governance etc. Project 7- Micro incubation project for entrepreneurship with special focus for supporting differently abled entrepreneurs. Project 8 – Women acceleration program for 6 months Project 9- Tourism – Capacity building of Homestay
	TOTAL	200		

Table 4 Evaluation Criteria

A full-page background image showing a worker in a white hard hat and blue long-sleeved shirt, seen from the side, holding a walkie-talkie to his mouth. He is standing in a large industrial facility with massive, polished metal gears. The scene is brightly lit, with strong highlights and shadows on the metallic surfaces.

Introduction

1. Introduction

India's Micro, Small, and Medium Enterprises (MSME) sector comprises over 6.33³ crore units (as per NSS 73rd round, 2015-16), serves as a crucial pillar in the nation's economic framework, significantly drives employment, innovation, and industrial growth. After primary (agriculture) sector, the MSME sector in India is the major job-creation sector and which has a multiplier effect both on economic growth and plays a pivotal role for driving industrial transformation in upskilling the workforce. **The sector generates 30% of India's GDP⁴ and create approximately 11.10 crore jobs in the country⁵.**

While MSMEs nationwide contribute significantly, Gujarat is one of the top five states in India (Maharashtra, Gujarat, Tamil Nadu, Karnataka and Uttar Pradesh) contributing to 47% of the nominal GDP of the country⁶. Rooted in a rich historical legacy in trade and commerce that dates back over 5000 years to the port of Lothal in the Indus Valley Civilization, present day Gujarat offers a contemporary and investor-friendly landscape.

Alongside its historical legacy and modern industrial prowess, the state's competitive edge is solidified by the track record of its successful MSMEs. Gujarat is key player in India's ambitious GDP target of USD 5 trillion and **home to around 33.16 lakh operational MSME units⁷**. The state leads in the sectors of chemicals, petrochemicals, dairy, pharmaceuticals, cement, ceramics, gems and jewellery, textiles, and engineering etc.

'In 2021-22, Gujarat contributed the largest share (over 30%) of India's total merchandise exports, valued at USD 127 billion. Its export value doubled compared to pre-pandemic levels⁸. Surat excels in textiles, gems and jewellery, Bharuch in chemicals, and Ahmedabad in chemicals, drugs and pharmaceuticals. The districts of Valsad and Kachchh specialize in exporting insecticides and agricultural products, while Vadodara is exporting pharmaceutical products and textiles⁹. The state's dedication to economic growth is evident in its policies and various performance rankings¹⁰, attracting both domestic and international investments. Gujarat leads in production in key sectors¹¹ and holds top position for number of Industrial Entrepreneurs Memorandums (IEM) field and actual investments reported in 2019. The State accounts for with a remarkable 37% of FDI inflow in 2020-21 (Refer Annexure 1). The State remains an active destination for setting up businesses due to ease of doing business and favourable sectoral policies. The state actively promotes its MSME sector, by attracting large OEM players, strengthening cluster initiatives, and creating a supportive policy environment for its investors. Initiatives such as single-window clearances and the waiver of regulatory requirements under MSME Act 2019 for the initial three years further enhance the ease of doing business and instil confidence within potential investors.

Currently with 20 operational, 12 in-principle Special Economic Zones (SEZs) and 5 SEZs with formal approvals and 239 industrial estates, the Government's initiatives align with market

³ NSS 73rd Round, 2015-16

⁴ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1744032>

⁵ According to the NSS 73rd round 2015-16

⁶ State Domestic Product report 2021-22, Directorate of Economics and Statistics

⁷ According to the NSS 73rd round 2015-16, [NSS KI 73 2.34.pdf \(mospi.gov.in\)](#)

⁸ Export preparedness Index report 2022, page 68.

⁹ https://www.niti.gov.in/sites/default/files/2023-07/Export-Preparedness-Index-2022_0.pdf

¹⁰ Top achiever in the EoDB survey in 2020; consistent position in the top percentile for state wise FDI inflows in India; Gujarat leads with eight districts among the top 25 export districts in India

¹¹ In terms of production as per ASI 2019-20, Gujarat leads as top 2 states in pharmaceuticals, chemicals, textiles, machinery and equipment, food products and rubber and plastic products.

demands, reflecting the state's forward-looking approach. **Under Logistics Ease Across Different States (LEADS) index ranking 2023, the state secures the top spot for infrastructure, leading in cargo operations among all Indian ports.** The state handles 40% of the nation's cargo¹² with 1 major port and 48 non-major ports dispersed across South Gujarat, Saurashtra, and the Kutch region.

As the global economy undergoes transformation, Gujarat's MSMEs positions itself as a key player in the evolving national landscape. Its strategic location, robust infrastructure, skilled manpower and favourable policies aligns seamlessly with the post-pandemic recovery phase, making it an opportune time for strategic investments. State policies such as Aatmanirbhar Gujarat 2022, aimed to aid the post pandemic recovery of MSMEs as well as strengthen/recalibrate the overall MSME support architecture in the state through "Raising and Accelerating MSMEs Performance" (RAMP) scheme.

1.1 Raising and Accelerating MSMEs Performance (RAMP): A Catalyst for Thriving MSME Ecosystem

To support the recovery of Micro, Small, and Medium Enterprises (MSMEs) ecosystem, the Ministry of MSME with the support of the World Bank has launched the "Raising and Accelerating MSMEs Performance" (RAMP) scheme. RAMP predominantly focuses on two result areas. (i) Strengthening Institutions and Governance of the MSME Programme (ii) Support to market access, firm capabilities, and access to finance. The underlying objectives of the RAMP program are dually hinged on the need to strengthen institutions as well as provide access to markets, thereby enhancing the performance of MSMEs.

This **Strategic Investment Plan (SIP)** report is a **diagnostic assessment and roadmap for the performance of Gujarat's MSMEs** across various parameters such as the delivery of state assistance, current gaps in the MSMEs support ecosystem, as well as needs and challenges of entrepreneurs operating within this sphere. It also includes a proposed action plan in the form of interventions targeted at addressing the key challenges identified while giving the necessary thrust to the state's initiative to support MSMEs. This SIP will serve as a futuristic document for the state's MSME sector and help in attaining the India's Vision of Vikshit Bharat @2027 and state's vision of a 'Aatmanirbhar Gujarat to Aatmanirbhar Bharat'.

¹² Gujarat handles 40% of cargo in the Country, CMO Gujarat

1.2 Approach and Study Methodology

The overarching objective of this SIP was to conduct a diagnostic exercise to gather evidence-based data on the as-is situation of the MSME sector in Gujarat. This includes the understanding the state support architecture, stakeholder ecosystem, the scheme/policies uptake, ground level insights of day-to-day difficulties faced by entrepreneurs and more. Alongside understanding the current situation, the emergent solutions were systematically identified and conceptualized into workable interventions in line with the basic tenets of the RAMP scheme.

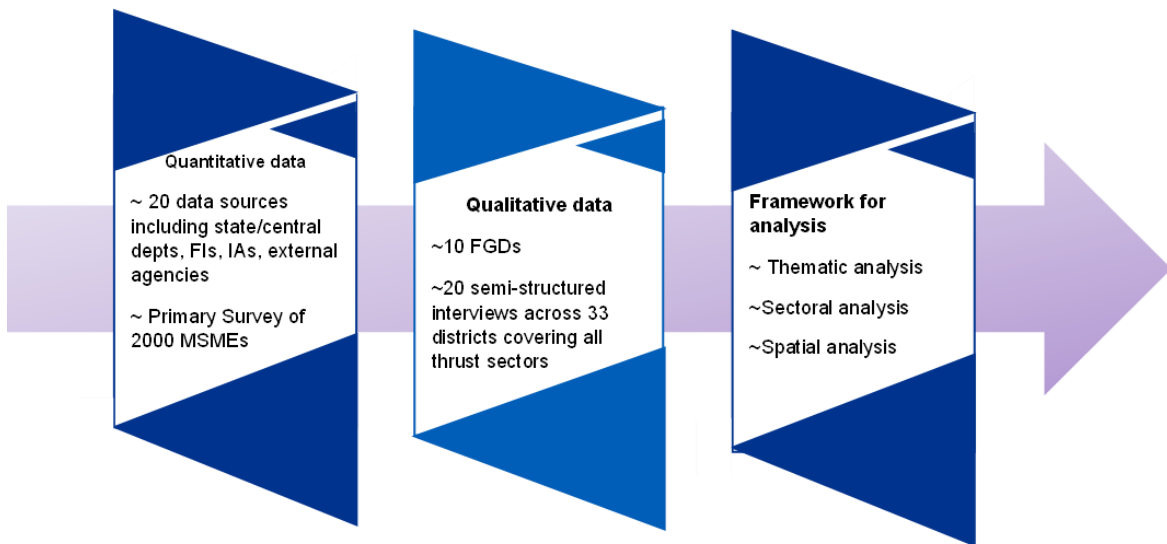


Figure 12 Approach & Methodology Framework

This study adopted a **mixed methodology**, whereby the process of data collection and analysis consisted of both **desks based as well as in person engagements**. The **quantitative data comprised of over 20 data sources** including published reports of various government departments, scheme dashboards, real time data from departments as well as performance statistics from external organizations. Primary Survey of ~2000 MSMEs was undertaken to understand the real time issues on ground. Likewise, qualitative data comprised of over **30 stakeholder consultations - 20 semi structured interviews and 10 FGDs** (further details elaborated below).

The data thus gathered was analyzed using a **comprehensive tripartite approach** that helped comprehend the insights from multiple competing perspectives. Essentially, the process of data analysis consisted of 3 synchronous standpoints.

1. **Thematic analysis** – The raw data gathered was analyzed based on a set of 13 pre-defined themes were arrived by using the key tenets/performance indicators of RAMP.
2. **Sectoral analysis** – A list of key sectors where conjointly ascertained from (a) the thrust sectors listed in the State's Industrial Policy 2020 and Aatmanirbhar Gujarat Scheme 2022 and (b) the key focus sectors identified under the 'Strategy for Government of Gujarat to enable India to become a USD 5 trillion economy'.
3. **Spatial (Geographical) analysis** – Mapping of MSME clusters across 186 locations and different sectors has been mentioned in section 3.1.4 and Annexure 2.

This holistic approach ensured an all-round understanding of the challenges and gaps faced by MSMEs in Gujarat, regardless of the sector, operations, geographic presence, etc.

1.3 Stakeholder mapping

As first steps in the process of data collection, a stakeholder mapping was conducted to identify the governance hierarchy, state support architecture and the overall mechanism of interaction and dependencies between the various players within the MSME space in Gujarat. The following figure elucidates the ecosystem and the various parties involved.

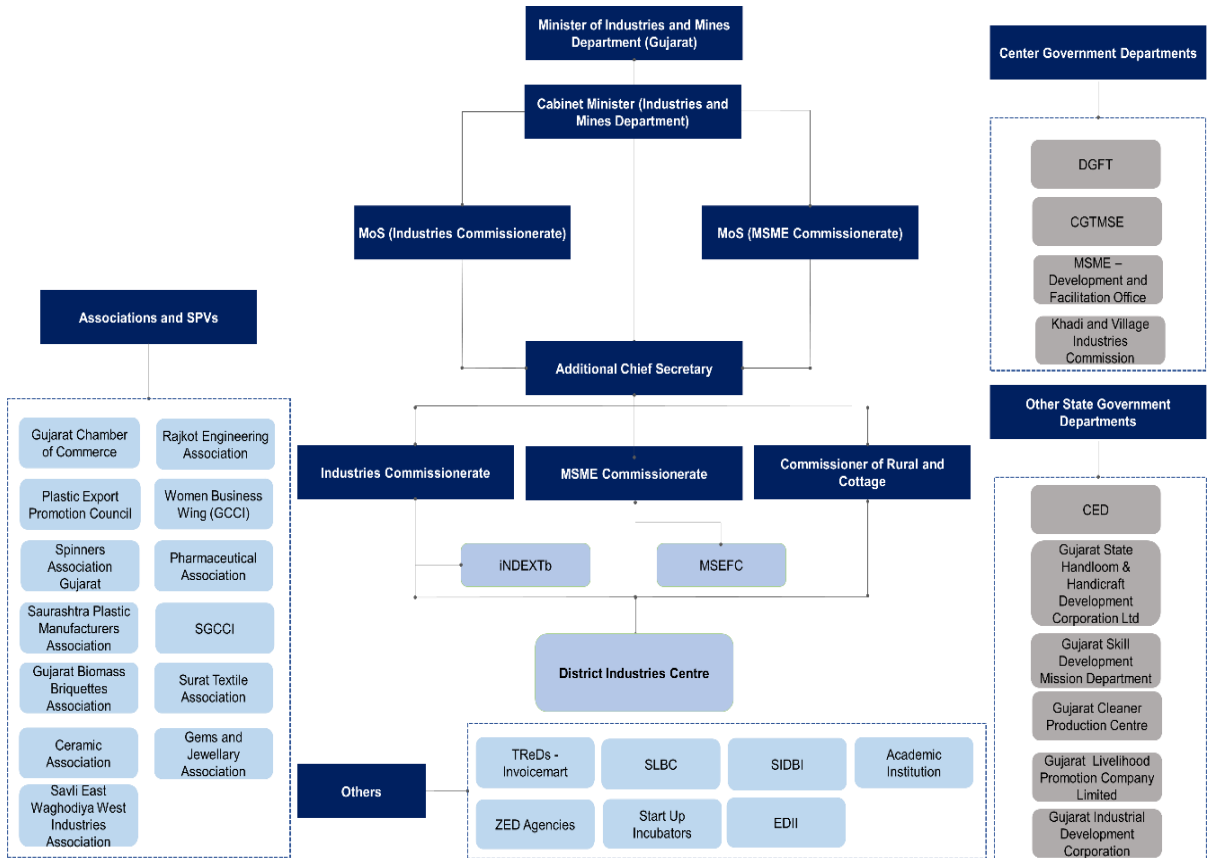


Figure 13 Stakeholder map of the Gujarat MSME ecosystem

Above figure enumerates the different stakeholder groups that were identified and elucidates their respective roles in the MSME ecosystem.

S No	Stakeholders Groups	Role
Central Department		
1	Directorate General of Foreign Trade	<ul style="list-style-type: none"> The Directorate General of Foreign Trade (DGFT) functions as the agency of the Ministry of Commerce and Industry within the Government of India, tasked with administering laws pertaining to foreign trade.
2	CGTMSE	<ul style="list-style-type: none"> CGTMSE serves as a supportive entity by offering guarantees, facilitating access to credit, and ultimately contributing to the establishment of viable micro and small enterprises.
3	MSME – Development and	<ul style="list-style-type: none"> The MSME-DFO, it's a body under the Government of India, is responsible for devising and overseeing policies

S No	Stakeholders Groups	Role
	Facilitation Office	and initiatives aimed at fostering the growth and advancement of Micro, Small, and Medium Enterprises (MSMEs).
4	Khadi and Village Industries Commission (KVIC)	<ul style="list-style-type: none"> KVIC is a statutory body tasked with planning, promoting, organizing, and executing programs to foster the development of Khadi and other village industries in rural areas.
State Departments		
5	Industries Commissionerate	<ul style="list-style-type: none"> The Industrial Commissionerate (IC) office actively serves as a catalyst in the progression of industrial development, instigating positive changes and reforms within industrial sector.
6	MSME Commissionerate	<ul style="list-style-type: none"> MSME Commissionerate nurtures entrepreneurial ecosystem through support, guidance and incentives for thriving MSME sector in Gujarat
7	Industrial Extension Bureau (iNDEXTb)	<ul style="list-style-type: none"> iNDEXTb, under the Government of Gujarat, serves as a comprehensive single point for investors seeking information on investment opportunities, incentives, and necessary approvals, providing a streamlined one-stop solution.
8	Commissioner of Cottage and Rural Industries	<ul style="list-style-type: none"> The Cottage and Rural Industries department, overseen by the Government's Industries and Mines department, implements various schemes—such as Manav Kalyan Yojana, Gram Udhog Vikas Kendra, and Shri Vajpayee Bankable Yojana—through its subordinate offices.
9	Gujarat Industrial Development Corporation (GIDC)	<ul style="list-style-type: none"> GIDC has been established for the systematic development and management of industries within industrial areas and estates in the state.
10	District Industries Centre	<ul style="list-style-type: none"> DICs, established in each district, are tasked with the implementation of small, medium, micro, cottage, and village industries' schemes.
11	Gujarat Skill Development Mission Department	<ul style="list-style-type: none"> GSDM acts as the apex body responsible for monitoring, coordinating, and converging efforts related to Skill Development & Entrepreneurship activities, ultimately leading to increased employment.
12	Micro and Small Enterprise Facilitation Council (MSEFC)	<ul style="list-style-type: none"> Micro and Small Enterprise Facilitation Council (MSEFC) is apex body for settlement of disputes arising from references or filings related to delayed payments.
13	Centre for Entrepreneurship Development (CED)	<ul style="list-style-type: none"> CED aims to foster entrepreneurship in both urban and rural areas of the state, empowering individuals to establish their enterprises.
14	Gujarat State Handloom & Handicraft Development Corporation Ltd, (GSHHDC)	<ul style="list-style-type: none"> The Gujarat State Handloom & Handicrafts Development Corporation Ltd. (GSHHDC), an undertaking of the Government of Gujarat, is dedicated to identifying, reviving, and developing handicrafts and handloom products.

S No	Stakeholders Groups	Role
15	Gujarat Cleaner Production Centre (GCPC)	<ul style="list-style-type: none"> The Gujarat Cleaner Production Centre (GCPC) actively promotes Cleaner Production (CP)/Clean Technology (CT) through various activities, including orientation programs, CP Assessment projects, CP Demonstration projects, and CP Dissemination programs.
16	Gujarat Livelihood Promotion Company Limited	<ul style="list-style-type: none"> The Gujarat Livelihood Promotion Company (GLPC) functions as the implementation agency for the National Rural Livelihood Mission (NRLM).
Financial Institutions		
17	State Level Bankers' Committee (SLBC)	<ul style="list-style-type: none"> SLBC plays a crucial role in facilitating the effective implementation of development programs aimed at alleviating poverty, providing employment, offering banking facilities in urban and rural areas, including MSMEs and delivering training and financial literacy.
18	Small Industries Development Bank of India (SIDBI)	<ul style="list-style-type: none"> The Small Industries Development Bank of India (SIDBI) acts as the Principal Financial Institution for the Promotion, Financing, and Development of the Micro, Small, and Medium Enterprise (MSME) sector, as well as for coordinating the functions of institutions engaged in similar activities. SIDBI has its regional office in Ahmedabad
Industry associations		
19	<p>Industrial Associations</p> <ol style="list-style-type: none"> Gujarat Chamber of Commerce and Industries (GCCI) The Southern Gujarat Chamber of Commerce and Industry (SGCCI) Businesswomen Committee (GCCCI) Pharmaceutical Industries Association Vadodara Chamber of Commerce and Industries (VCCI) Savli East Waghodiya West Industries Association (SEWWA) Gujarat Biomass Briquettes Association Morbi Ceramic Association Plastic Export Promotion Council Rajkot Engineering Association Gems and Jewellery Association 	<p>Industrial associations are playing a crucial role in representing the interests of various sectors and supporting the growth of the MSME sector. These associations, both sector-specific and sector-agnostic, contribute significantly to the development of MSMEs.</p> <ul style="list-style-type: none"> a) Gujarat Chamber of Commerce and Industries (GCCI): GCCI is a prominent industry association representing the business community in Gujarat. It serves as a platform for networking, advocacy, and providing essential support to MSMEs in the region. b) The Southern Gujarat Chamber of Commerce and Industry (SGCCI): Focused on the Southern Gujarat region, SGCCI plays a vital role in fostering economic development. It supports MSMEs through various initiatives, including skill development programs and policy advocacy. c) Businesswomen Committee (GCCCI): This committee within GCCI specifically addresses the needs and concerns of women entrepreneurs. It promotes gender inclusivity and provides a platform for businesswomen to network and access resources. d) Pharmaceutical Industries Association: This association focuses on the pharmaceutical sector, advocating for the interests of companies involved in drug manufacturing. It plays a crucial role in policy discussions and facilitates collaboration within the

S No	Stakeholders Groups	Role
	Plastic Association i) Hardware and Kitchenware Association j) Spinners Association Gujarat	industry. <ul style="list-style-type: none"> f) VCCI: Empowers MSMEs through advocacy, resources, and connections, fuelling the city's industrial growth. f) Savli East Waghodiya West Industries Association: This region-specific association contributes to the growth of industries in Savli and Waghodiya. It aids MSMEs by providing a collective voice, fostering collaboration, and addressing common challenges. g) Gujarat Biomass Briquettes Association: This sector-specific association is dedicated to promoting biomass briquettes. It plays a vital role in creating awareness, advocating for favourable policies, and supporting the sustainable development of the industry. h) Morbi Ceramic Association: Focused on the ceramic industry in Morbi, this association supports MSMEs by addressing industry-specific challenges, providing a platform for knowledge exchange, and representing the sector's interests. i) Plastic Export Promotion Council: This council focuses on promoting the export of plastic products. It works towards creating opportunities for MSMEs in the plastic industry to expand their reach globally. j) Rajkot Engineering Association: Dedicated to the engineering sector in Rajkot, this association facilitates collaboration, knowledge-sharing, and skill development. It acts as a catalyst for the growth of MSMEs in the engineering domain.
Start-up Incubators/ Centre of excellence		
20	iCreate (International Centre for Entrepreneurship and Technology)	<ul style="list-style-type: none"> iCreate is an institution established with the vision of developing an efficient methodology for selecting tech innovators and assisting them in transforming into successful entrepreneurs.
21	National Association of Software and Service Companies (NASSCOM), COE	<ul style="list-style-type: none"> The Centre of Excellence (CoE) aims to position India as a global Industry 4.0 Hub by redefining enterprise-entrepreneur engagement. NASSCOM CoE runs multiple programs and initiatives to develop an ecosystem for AI and IoT in state.
22	Industrial Energy Assessment Cell (IEAC), India Institute of Technology, Gandhinagar	<ul style="list-style-type: none"> IEAC (under KISEM) conducts energy audits and detailed assessments to enhance energy use by identifying newer technologies for MSMEs.
23	International Automobile Centre of Excellence (iACE)	<ul style="list-style-type: none"> The iACE functions as the apex body for skill development in the automotive sector, utilizing modern technology and systems.

S No	Stakeholders Groups	Role
Other Stakeholders		
24	Invoicemart, M1xchange and RXIL	<ul style="list-style-type: none"> Invoicemart, M1xchange and RXIL operates as a Trade Receivables Discounting System (TReDS) platform, established to address credit challenges and delayed payment issues faced by Micro, Small, and Medium Enterprises (MSMEs).
25	Entrepreneurship Development Institute of India (EDII)	<ul style="list-style-type: none"> EDII serves as the apex body overseeing the activities of various agencies involved in entrepreneurial development programs.
26	Consulting Agencies for ZED Implementation.	<ul style="list-style-type: none"> Consulting Agencies deployed by QCI provide essential support to MSMEs in registering for ZED certification and raise awareness among them about the ZED scheme.

Table 5 Different stakeholder groups in Gujarat with their respective roles

1.4 Data Collection

As mentioned above, the data for this study was gathered using multiple sources. The quantitative data consisted of reports and publications such as annual surveys, departmental data and scheme performances gathered from an array of sources in the state and the central ministries. This comprises of various state publications/reports/ online databases of external organizations that were sourced.

1.4.1 Quantitative data collection

a. Primary Data:

To formulate a robust Strategic Investment Plan (SIP) for Gujarat's Micro, Small, and Medium Enterprises (MSMEs), a comprehensive primary survey was carried out through Entrepreneurship Development Institute of India (EDII). The survey was conducted across 2000 MSMEs across the top 5 districts (i.e., Ahmedabad, Surat, Vadodara, Rajkot, Dahod) and 2 aspirational districts (i.e., Narmada, Kutch) with approximately 65% of MSME concentration covering the top 5 sectors in each district. The survey insights were captured using a mobile app through a Computer Assisted Personal Interviewing (CAPI) tool.

Type of Enterprises	Total no. of MSMEs	Micro	Small	Medium
Sample size for primary survey	2000	1555	270	175
		77.75%	13.5%	8.5%

Table 6 Primary Survey Sample distribution

Study parameters such as access to Market, access to credit, delayed payments, greening of MSMEs, Women MSMEs, Access to Technology, access to Infrastructure, access to skilled manpower, access to service providers, regulatory constraints were studied as part of the evaluation, the same have been captured in the figure below. The survey questionnaire was

designed to capture insights to align with the objectives of RAMP program and design effective SIP. For reference, the survey questionnaire is provided in Annexure 2.

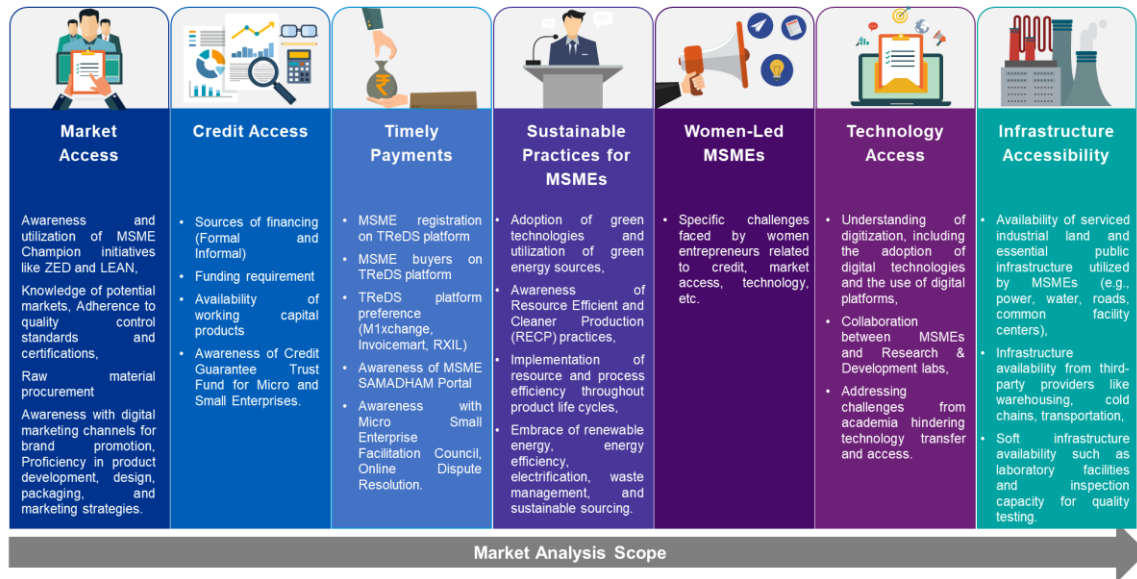


Figure 14 Parameters covered under Primary Survey

1. **Targeted questionnaire:** Identify sector-specific and geographic challenges impeding MSMEs growth. This includes robust analysis of constraints faced by enterprise size, type, women-led enterprises, ensuring their unique struggles are not overlooked.

Key constraints impacting MSME growth, including access to crucial inputs, cutting-edge technology, readily available credit, expansive markets, and adherence to product standards were mapped.

2. **Broader understanding:** Insights about critical gaps in existing policies hindering effective MSME support. Insights were aimed at informing targeted interventions by both the Central and State governments.

Challenges: Regulatory hurdles, operational costs, infrastructure quality, testing facilities, management skills, energy efficiency, waste reduction, and the specific challenges faced by women owned MSMEs.

b. Secondary data: Literature review and department wise data

S No.	Information/ Publication	Source/ Department	Data Parameter
1	Udyam Database	Ministry of MSMEs	<ul style="list-style-type: none"> No. of MSMEs YoY Growth Trend Employment & Range Enterprise Type/ Major Activity Composition Investment & Turnover Gender Composition Social Category Sectoral Analysis
2	73rd Round NSS from MSME Annual Report	Ministry of MSME	Formalisation of MSMEs

S No	Information/ Publication	Source/ Department	Data Parameter
3	Exports data	Niryat Web Portal	<ul style="list-style-type: none"> YoY Exports Trend Commodity wise Exports Country wise Export Trend
4	Details of Geographical Indications	Geographical Indications Registry, DPIIT	List of GI tagged products in Gujarat
5	MSE CDP	MSME Commissionerate, GoG	List of clusters under MSECDP
6	Mini Cluster	MSME Commissionerate, GoG	List of mini clusters
7	SFURTI	MSME Dashboard, Ministry of MSMEs	List of clusters under SFURTI
8	State Budget for MSMEs	Industries Commissionerate, GoG	YoY Trend for Budget Allocation to MSMEs
9	Minutes of 178th Meeting of SLBC of Gujarat	SLBC, Gujarat	<ul style="list-style-type: none"> Annual Credit Plan for MSMEs for FY 2022-23 NPA for FY 2022-23 Priority Sector Lending for FY 2022-23
10	Industrial Land Bank	GIDC	Details of Industrial Clusters and dedicated MSME clusters in Gujarat
11	Logistics Infrastructure	Vibrant Gujarat Web Portal	Length of Highways in Gujarat
12	Energy Infrastructure	GETCO, GSECL	Capacity of Energy Infrastructure
13	R&D/ Testing Labs facilities	Industries Commissionerate, GoG	List of R&D Facilities Across Sectors
14	Performance of PMEGP	Press Information Bureau	<ul style="list-style-type: none"> YoY Trend of Assistance Disbursed Employment generated under PMEGP Ranking in India
15	Performance of MUDRA	PMMY Web Portal	<ul style="list-style-type: none"> YoY Trend of Loan Disbursed under MUDRA Ranking in India for FY 2022-23
16	Performance of CGTMSE	CGTMSE	<ul style="list-style-type: none"> YoY Trend of Loan Disbursed under CGTMSE Ranking in India for FY 2022-23
17	Performance of ZED	QCI	List of Registration and Certification under ZED for FY 2022-23
18	Performance of LEAN	MSME DFO	List of Registration and Certification under LEAN for FY 2022-23
19	Performance of TReDS	Invoicemart, RXIL, M1XCHANGE	No of Buyers, Sellers and Financers listed on TReDS Portals
20	Data on digital Payments	eTaal, MoEIT	YoY Trend of Digital Transactions for FY 2022-23
21	Citizen Charter	Industries Commissionerate, GoG	Citizen Charter notified for DICs

Table 7 Quantitative data taken from various state/ central departments and stakeholder organizations

1.4.2 Qualitative data collection

Similarly, the qualitative data was collected through 10 FGDs and 20 semi-structured interviews with various stakeholder groups like government departments, industry associations, regional/ product clusters, financial institutions, academic organizations, incubation centers, center of excellence, financial institutions, trade bodies and more. Table below provides a summary of the meetings and the insights gathered.

S No	Date	Stakeholder's Group	Name of Person, Designation	Key Highlights of the Meeting
Central Departments				
1	10 th Oct. 2023	Directorate General of Foreign Trade	Mr. Ashwin Golapkar, Additional Director	<ul style="list-style-type: none"> It was indicated that there is a lack of awareness amongst MSMEs regarding trade policies, international markets and quality standards. There is a need for Export related CFCs for Testing & Certification in state. The growth in exports of fish and fish products, milk and milk products, horticulture crops was observed. There is huge potential of growth and demand in exports of fisheries, dairy products and horticulture crops in other countries.
2	4 th Oct. 2023	CGTMSE	Mr. Dhiraj Kumar, Deputy General Manager	<ul style="list-style-type: none"> In comparison to the last financial year there is 24% rise in number of loans sanctioned and 70% of increase in credit amount. There is a need to launch awareness campaigns to educate MSMEs about the schemes and its benefits. There is a need to simplify and streamline the online application and documentation processes to make it more accessible for MSMEs.
State Departments				
3	12 th Sept. 2023	Commissioner of Cottage and Rural Industries	Mr. Kamal S. Tailor, Joint Director (Textiles)	<ul style="list-style-type: none"> Low approval sanction ratio – The ratio of loans sanctioned by the banks are much lower than the targets provided by the Commissioner of Cottage and Rural Industries Department Banks cite reasons for rejection of applications under VBY (Vajpayee Bankable Yojana) simply as “not viable”

S No	Date	Stakeholder s Group	Name of Person, Designation	Key Highlights of the Meeting
				<p>with no further details.</p> <ul style="list-style-type: none"> The newly launched Vishwakarma scheme aims to provide specific skill-sets and enterprise development support to the artisan. There is a need for linkages with the banks and capacity building of artisans for development of a business plan. The Commissionerate facilitates ODOP promotion at district level. The district wise mapping of ODOP products has been completed however Product wise marketing plan or export potential needs to be prepared and finalized. There is absence of detailed action plan for ODOP initiative.
4	12 th Sept. 2023	Gujarat Skill Development Mission Department	Mrs. Shilpa Parmar, Assistant Director & Mr. Wajid Shafiq, PMC	<ul style="list-style-type: none"> There is a need of integration of various departments web portals and institutions related to skilling. Despite imparting training to students in various programs at ITIs and CED, the department faces challenges in retaining students for job placements. The placement history of students who have secured employment after applying for jobs needs to be monitored. There is a need to facilitate the outreach of policies and schemes to augment awareness among entrepreneurs.
5	18 th Sept. 2023	Micro and Small Enterprise Facilitation Council (MSEFC)	M/s. Aayushi Jain, Legal Expert	<ul style="list-style-type: none"> MSME SAMADHAAN Portal is used to register a case online, but applicants face lot of issues while applying for the cases on online portal. Currently only one MSEFC council is handling all the queries at head office in Gandhinagar for all district related queries. So, grievance redressal system needs to be developed to answer basic level queries to applicants. Guidelines developed have lot of ambiguity with no source to seek

S No	Date	Stakeholder s Group	Name of Person, Designation	Key Highlights of the Meeting
				<p>clarifications.</p> <ul style="list-style-type: none"> For awareness about MSEFC Council and their roles and responsibilities, facilitation helpdesk is required to undertake awareness.
6	20 th Sept. 2023	District Industries Centre	Mr. R.D. Barhatt, Joint Commissioner of Industries	<ul style="list-style-type: none"> There is a need for basic infrastructure facilities to establish MSME units such as plug-play facility, land , plots & sheds and connecting infrastructure which requires focus. The process of application of CGTMSE scheme needs to be online where applicant can track the status. Aatmanirbhar Gujarat Scheme 2022 and guidelines should be available in local language with clarity in application procedure along with terms and conditions Awareness programs needs to be organized with enterprise/ associations at district level. Schemes and policies needs to be popularised via various mediums: newspaper, radio, standees and brochures availability at ULBs/ civic bodies, and on social media platform. Udyam registration certifications should be made mandatory during registration of GST/PAN card.
7	11 th Oct. 2023	Gujarat State Handloom & Handicraft Development Corporation Ltd, (GSHHDC)	Mr. Lalit Narayan Singh Sandhu, (IAS) Managing Director	<ul style="list-style-type: none"> Introduction of new technology and machines has led to the loss of traditional skills and craftsmanship which creates the risk of unemployment as well as risk to the cultural traditions and heritage of the place and sector. Handloom and Handicrafts products produced by the artisans lack product quality. There is need to develop a platform where training to these artisans can be provided. To boost sales in other countries the Department has signed MoU with various e-commerce portals like- Flipkart, Snapdeal, Amazon. .
8	10 th Nov.	Gujarat Cleaner	Dr. Bharat Jain, Member	<ul style="list-style-type: none"> Lack of awareness among industries to

S No	Date	Stakeholder s Group	Name of Person, Designation	Key Highlights of the Meeting
	2023	Production Centre	Secretary	<p>adopt Cleaner Production, Clean Technology, and Environmental Management Practices.</p> <ul style="list-style-type: none"> Department provides key services such as Resource Efficiency and Cleaner Production (RECP) Assessment, Awareness and Training, and Environmental Advisory Services as a preventive measure to industries. There is a need to promote collaborations to reduce waste generation and carbon emission.
Business development service providers				
9	14 th Sept. 2023	Invoice Mart	Ms. Riddhi Gupta, Head Strategy and New Initiatives	<ul style="list-style-type: none"> Currently, a total of 134 buyers have been onboarded, however not all are active, primarily due to the constraints of limited timeframe within the credit period. Since this is a nascent initiative, the awareness level is low amongst MSMEs. There should be awareness via brochures, presentations, and instructional notes in the Gujarati language to ensure effective communication.
10	15 th Sept. 2023	Gujarat Livelihood Promotion Company Limited (GLPC)	Mr. Dharmesh Vaghela, General Manager	<ul style="list-style-type: none"> There is a critical need to establish a new scheme specifically tailored to support rural women in launching their businesses. Key incentives include subsidized loans, skill enhancement programs, marketing support, and need based training. To achieve skill enhancement and economic upliftment, specialized support in food processing for rural women, featuring credit support, toolkit incentives, marketing assistance, and structured training is required. There is a need for proper linkage between GLPC – Rural and Cottage – MSME Commissionerate. This will complete the growth cycle for a rural entrepreneur.

S No	Date	Stakeholder s Group	Name of Person, Designation	Key Highlights of the Meeting
11	15 th Sept. 2023	Entrepreneur ship Development Institute of India (EDII)	Mr. Vijay Patel, Project Manager	<ul style="list-style-type: none"> EDII has been working along with the department in cluster development projects, it was observed that there is a need of technical expertise for identifying potential clusters in the state and supporting DPR preparation. Capacity Building of SPVs is a critical issue and their monitoring and handholding also requires proper attention. A detailed study is required for identifying potential clusters – product wise or geography wise, and to prepare cluster wise action plan.
12	18 th Sept. 2023	Centre for Entrepreneur ship Development (CED)	Mr. Kiamuddin, Manager	<ul style="list-style-type: none"> Adequate State-designed schemes are present for training but face a significant gap between the skilled workforce supply and market demand due to inadequate willingness to participate from the youth or candidates. Bridging the supply-demand gap necessitates sustained efforts through continuous handholding and motivation to encourage candidate enrolment including long-term workforce participation. Despite the presence of multiple departments and agencies working on skilling initiatives, a critical coordination gap exists, emphasizing the need for collaboration to optimize the impact of these efforts.
13	6 th Oct. 2023	Zero Defect Zero Effect Agency	Mr. Japan Trivedi, Mr. Krishnamurthy Balasubramanian , Mr. Shashank Sharma & Mr. Abdul Rahim, Consultants	<ul style="list-style-type: none"> To increase ZED registration, there is a need to strengthen DICs as well as incentivize the empanelled agencies. ZED certification includes bronze, silver, and gold levels, continuous handholding support remains essential to facilitate the progression of MSMEs towards higher certification levels. There is a lack of awareness among MSMEs regarding the ZED scheme and its potential advantages during the registration drive.

S No	Date	Stakeholder s Group	Name of Person, Designation	Key Highlights of the Meeting
Financial Institutions				
14	10 th Oct. 2023	State Level Bankers' Committee (SLBC)	Mr. Vijay Patel, Chief Manager, SLBC, Bank of Baroda	<ul style="list-style-type: none"> Under the CGTMSE scheme, the banks cant monitor the process, and the process for sanctioning CGTMSE loans is intricate, with banks needing to assume 25% of the risk on behalf of the entrepreneur. NABARD formulates a "Potential Credit Plan" for each state, which serves as the benchmark or reference target utilized by the State Level Bankers' Committee (SLBC) for the disbursement of loans to MSMEs. Capacity-building training is important for Lead Bank Managers to enhance their comprehension of the vision and policies introduced by various departments.
15	19 th Oct. 2023	Small Industries Development Bank of India (SIDBI)	Ms. Anisha Pal, Executive	<ul style="list-style-type: none"> It is observed that MSMEs are hesitant to invest in green financing projects due to a lack of access to funds. Provision of soft infrastructure for the skilling and upskilling and hard infrastructure common facilities such as lab testing centres must be made available for MSMEs.
Industry associations				
16	27 th Sept. 2023	Gujarat Chamber of Commerce and Industries (GCCI)	1.Mr. Chirag Sanghvi, Director 2.Mr. Nimish Sanghvi, Director 3.Mr. Ashwin Patel, President and 6 more members	<ul style="list-style-type: none"> For delayed payment, there is limited awareness amongst MSMEs regarding facilities provided by MSEFC council and procedure to apply on Samadhaan Portal. It is observed that there are procedural delays, in solving the number of cases due to which micro enterprises are not able to take benefit of the available facility. Banks within the CGTMSE loans program discourage entrepreneurs from participating in the scheme and seek mortgages in return. Online portal needs to be implemented in order to track rate of rejection and reason for rejection of application.

S No	Date	Stakeholder s Group	Name of Person, Designation	Key Highlights of the Meeting
				<ul style="list-style-type: none"> It is observed that there is very less awareness regarding schemes like ZED and LEAN among entrepreneurs as there are no apparent financial benefits associated. Capacity building of entrepreneurs is required in order to have holistic idea of schemes and policies. Under EoDB initiatives, policies and schemes need to be translated in local language for better understanding of schemes.
17	4 th Oct. 2023	Surat Textile Association	Mr. Ashish Gujarati, Mr. Paulik Desai & Mr. Amit Shah, members	<ul style="list-style-type: none"> Relaxation of time for application of BIS certificate in Yarn Manufacturing is required. Requirement of advance technology machines to compete with Chinese imported machinery Banks within the CGTMSE loan program discourage MSMEs to apply under the scheme. The establishment of a dedicated Research and Development (R&D) centre for textiles is essential to enhance competitiveness in the global market. Units use high-speed weaving and knitting machines which necessitate skilled labour, and worker hostels.
18	10 th Oct. 2023	Businesswomen Committee, GCCI	Ms. Kajal Patel, Ms. Binjan Sheth, members	<ul style="list-style-type: none"> Requirement of awareness programs to educate Women Entrepreneurs about the schemes and their benefits provided at the State and Centre level. There is a need to work on the gender biasness regarding the development of Women as entrepreneurs. There is also a need to start a program for women who have left the work and again wish to get trained to start their own enterprises.
19	7 th Oct. 2023	Pharmaceutical Industries Association, Savli East Waghodiya	Mr. Bharatbhai Desai, Mr. Mukeshbhai	<ul style="list-style-type: none"> The Pharmaceutical sector faces Inverted Duty Structure as tax on raw material is higher than taxes levied on finished goods.

S No	Date	Stakeholder s Group	Name of Person, Designation	Key Highlights of the Meeting
		West Industries Association	Patel, Mr. Ghanshyambhai Kheni, Mr. Kaushal Gupta, members	<ul style="list-style-type: none"> Industries encounter delay in payments, particularly impacting medium-scale units in the pharmaceutical sector, preventing their participation in the MSME SAMADHAAN scheme. Many MSMEs aspire to migrate to TReDS portals to mitigate payment delays and sustain working capital. However, buyers, including PSUs, remain non-boarder on TReDS. Even when some buyers are enlisted, they refrain from transactions through the portal, which poses challenge for MSMEs. Small pharmaceutical units find it difficult to participate in international exhibitions and get access to global supply chains. The prohibitive costs associated with such exhibitions, however, constrain MSMEs from fully capitalizing on potential markets.
20	8 th Nov. 2023	Gujarat Biomass Briquettes Association	Mr. Jignesh Patel, Mr. Girdhar, Mr. Tejdipsinh, Mr. Unang, Mr. Kevin Rameshwar, members	<ul style="list-style-type: none"> HSN code issued for biomass briquettes and pellets is under saw dust which pose a significant constraint and prohibits their export. Alleged discrepancy in GST rate (5% to 18%), no official notification or clarification provided by GST department. Only 1% briquettes are used in power plants and 99% coal is imported for fuelling boilers. Need for formulation of structured policy to enhance higher utilization of these products to replace coal.
21	13 th Oct. 2023	Ceramic Association - Morbi	Mr. Mukeshbhai Kundariya, Managing Director, President of Morbi Ceramic Association	<ul style="list-style-type: none"> Units are burdened with a 5% VAT and a 14% excise duty for the supply of Gujarat gas, instead of GST, thereby increasing raw material costs by 5%. The NGT's mandate to use natural gas rather than a gasifier has resulted in a 9-10% increase in overall use of gas To address overproduction and to remain competitive in the market, finished products are extended on open

S No	Date	Stakeholder s Group	Name of Person, Designation	Key Highlights of the Meeting
				<p>credit terms to exporters.</p> <ul style="list-style-type: none"> The absence of testing laboratories, research and development facilities, and a common exhibition centre for international buyers hinders the export of ceramic goods, necessitating ceramic units to conduct tile testing at Ahmedabad's CGCRI (Central Glass & Ceramic Research Institute)
22	31st Oct. 2023	Plastic Export Promotion Council	Mr. Naman Marjadi, Executive	<ul style="list-style-type: none"> MSME often have limitation of producing quality products that meets the requirement of exports. Export related awareness sessions can empower MSMEs about export opportunities and to diversify and promote products to international market. Proposal for an online State Portal where buyers can access information on various products and vendors. It should provide information beyond providing contact details. There is a need to get access to live logistic rates for various world shipping companies on such Export Portal which will provide transparency and save MSMEs time by providing competitive rates.
23	12 th Oct. 2023 and 27 th Nov. 2023	Rajkot Engineering Association, Gems and Jewellery Association, Plastic Association, Kitchenware	<p>Mr. Jagdishbhai Zinzuwadia,</p> <p>Mr. Paragbhai Sanghvi.</p> <p>Mr. Narendra Pachani, President</p>	<ul style="list-style-type: none"> Engineering industry imports raw material from China. Industry units must pay high custom duty on raw material. Custom officials highlight under-invoicing by MSMEs as reason for charging higher duty. Delay is observed in GST rebate while exporting goods. Online portals should be implemented for transparent handling of processes. In case the GST is not paid by buyer, all the sellers in channel receive notification. Online portal to verify authenticity of payment of GST required. In the plastic industry, implementation of Extended Producer Responsibility (EPR) results in increased monthly

S No	Date	Stakeholder s Group	Name of Person, Designation	Key Highlights of the Meeting
				expenses for micro and small units.
24	10th Nov. 2023	Spinners Association Gujarat	Mr. Nitin Sudai, Mr. Sunny Patel, Mr. Tejas, Mr. Vaun, members	<ul style="list-style-type: none"> Difficulty in getting GST certification claim reimbursement due to procedural delay. Lack of technical training centers for labourers in spinning industry.
25	8th Nov. 2023	The Southern Gujarat Chamber of Commerce and Industry (SGCCI)	Mr. Paulik Desai	<ul style="list-style-type: none"> Renewable energy projects setup under open access mechanism for captive consumption should be made eligible under Aatmanirbhar Gujarat Scheme 2022 for MSMEs to claim Interest subsidy. Under Mission 84 – a project envisaged by SGCCI with ASSOCHAM, a need for a single online platform for exporters will be designed wherein 84 Chamber of Commerce and MSMEs will be on-boarded to accelerate Indian economy.
Start-up Incubators/ Centre of Excellence				
26	25 th Sept. 2023	iCreate (International Centre for Entrepreneur ship and Technology)	Mr. Avinash Punekar, CEO	<ul style="list-style-type: none"> There is a requirement for a Digital Framework, which should focus on initiatives and measures designed to enable these small businesses to leverage digital technologies effectively. The focus of which should be, Digital Infrastructure, Digital Literacy, Data Security and Privacy, Government Policies and Regulations and Monitoring and Evaluations.
27	28 th Sept. 2023	National Association of Software and Service Companies (NASSCOM)	Mr. Amit Saluja, Senior Director and Head of Manufacturing Vertical & Mr. Himanshu Parmar, Industry Engagement - MSME	<ul style="list-style-type: none"> A comprehensive roadmap is required to achieve a successful digital adoption of over 1000+ enterprises. To enhance digital adoption, the implementation of incentivized digital assessments is essential.

S No	Date	Stakeholder s Group	Name of Person, Designation	Key Highlights of the Meeting
28	6 th Oct. 2023	Industrial Energy Assessment Cell (IEAC), India Institute of Technology, Gandhinagar	Mr. Rahul Patel, Mr. Md Faizan & Mr. P.Sagar Lohiya	<ul style="list-style-type: none"> There is a need for a comprehensive awareness drive aimed at promoting energy audits in all districts. The establishment of regional offices is essential to facilitate walkthrough audits, enhancing the efficiency of energy assessments. Incentivizing energy assessments is required to encourage and promote proactive participation in the process.
29	9 th Nov. 2023	International Automobile Centre of Excellence (iACE)	Mr. Manish Kumar, Manager	<ul style="list-style-type: none"> There is a pressing need for comprehensive industry-level training, development, and research initiatives within the Indian automobile ecosystem. To ensure knowledge and technological relevance in industrial learning, collaboration between industry and academia with prominent Indian and foreign partners is required.
30	29 th Nov. 2023	Vadodara Chamber of Commerce and Industries, Savli GIDC Industrial Association, Nandesari Industries Association, Dabhoi GIDC Industries Association, Sardar Estate Industries Association	Mr. M.D. Patel, VCCI President, Mr. Himanshu Patel, Secretary VCCI, Mr. Babubhai Patel, NIA President, Mr. Kamlesh Patel, NIA Secretary, Mr. J.K. Sharma, Savli GIDC President, Mr. Sandeep Shah, Dabhoi GIDC President	<ul style="list-style-type: none"> The government should establish a mechanism within the MSME SAMADHAAN portal to facilitate the provision of default amounts to MSMEs on filing of a case. Defaulting parties, upon resolution, should remit the default amount to government department. Banks are not extending loans under CGTMSE scheme. CFCs should be built to serve as a venue for industrial meetings, exhibitions of products and seminars. Under Public Procurement Policy for MSMEs, 10% security deposit needs to be waived off to maintain profit margin.

Table 8 Summary of the stakeholder meetings and the insights gathered

1.5 Survey analysis

A primary survey was conducted to get insights into the landscape of MSMEs in Gujarat. The samples were collected from seven major districts - Ahmedabad, Rajkot, Surat, Vadodara, Kutch as top 5 districts with highest concentration of MSMEs, whereas Dahod and Narmada were

included in the survey, as they are designated as aspirational districts to capture regional specific variation influencing MSMEs.

Around 9.36 lakh MSMEs from these 7 districts constitute 65% of total MSMEs registered on Udyam portal. Sample size for this study was 2000, with proportional distribution of samples for Micro, Small, and medium enterprises. For the study purpose, sample size for small and medium was increased for a better coverage across districts and sectors. An additional 46 enterprises were surveyed to capture insights of enterprises without Udyam registration.

Type of Enterprises	Total no. of MSMEs	Micro	Small	Medium
Total formal MSMEs for Gujarat Udyam (As on 30 th Sept. 2023)	14,40,682	13,67,554	66,282	6,846
		94.92%	4.60%	0.48%
MSMEs in 7 Sample District Surveyed	9,35,563	8,86,650	44,401	4,512
		94.77%	4.75%	0.48%
Sample size for primary survey	2,046	1,590	274	182
		77.7%	13.4%	8.9%
Sample Districts	65%	Ahmedabad, Rajkot, Surat, Vadodara, Kutch, Dahod*, Narmada*		
Assumptions	Increased sample size of small and medium groups for better coverage to get insights across districts and sectors			

Table 9 MSMEs distribution in 7 districts

Sectoral coverage

Sectors	Number of enterprise activity
Manufacturing	
Industrial Machinery & Equipment	406
Auto & Auto components	259
Electric Machinery & IT	528
Textiles Industry	525
Agro & Food Industry	224
Agro industry - Wood & Allied Products including Furniture	137
Cements & Ceramics	168
Gems & Jewellery	161
Pharmaceutical & Medical Devices	116
Green technologies	39
Metals & Mines	54
Services	
Waste Management	42
Printing	165
Telecommunication	58
Logistics (Transport, Warehousing, Courier)	70
Tourism & Hospitality	30
Others	199

Table 10 Sectoral Coverage

For sectoral understanding, the samples were further studied mapping them with Thrust sectors. These sectors were aligned with the Gujarat Industrial Policy 2020 as a basis. In addition, they were mapped with NIC code captured in Udyam data to understand presence of formal MSME across various sectors. This includes, Industrial Machinery & Equipment, Auto & Auto Components, Electric Machinery & IT, Textiles, Agro & Food, Wood & Allied Products (including Furniture), Cements & Ceramics, Gems & Jewellery, Pharmaceutical & Medical Devices, Green Technologies, Metals & Mines, Services, Waste Management, Printing, Telecommunication, Logistics (encompassing Transport, Warehousing, and Courier services), Tourism & Hospitality, and Others. The survey aimed to provide an inclusive portrayal of the MSME landscape in the region. By including such a broad range of sectors, from manufacturing and technology to services and tourism, the survey sought to capture the nuanced dynamics and economic contributions of MSMEs in these districts, thereby offering a comprehensive understanding of the diverse industrial activities prevalent in the surveyed areas.

Upon analysing the data gathered from the sample of 2,046 entities across the seven districts of Gujarat, a notable trend emerges. Micro enterprises predominate, constituting approximately 78% of the total samples. Textiles Industry stands out as the highest-performing sector among MSMEs in the region. Following closely, the Electric Machinery & IT industry, Industrial Machinery & Equipment Industry, Auto & Auto Components industry, and Agro & Food Industry emerges as highly concentrated in the MSME sector.

a. Evaluation of MSMEs across sectors

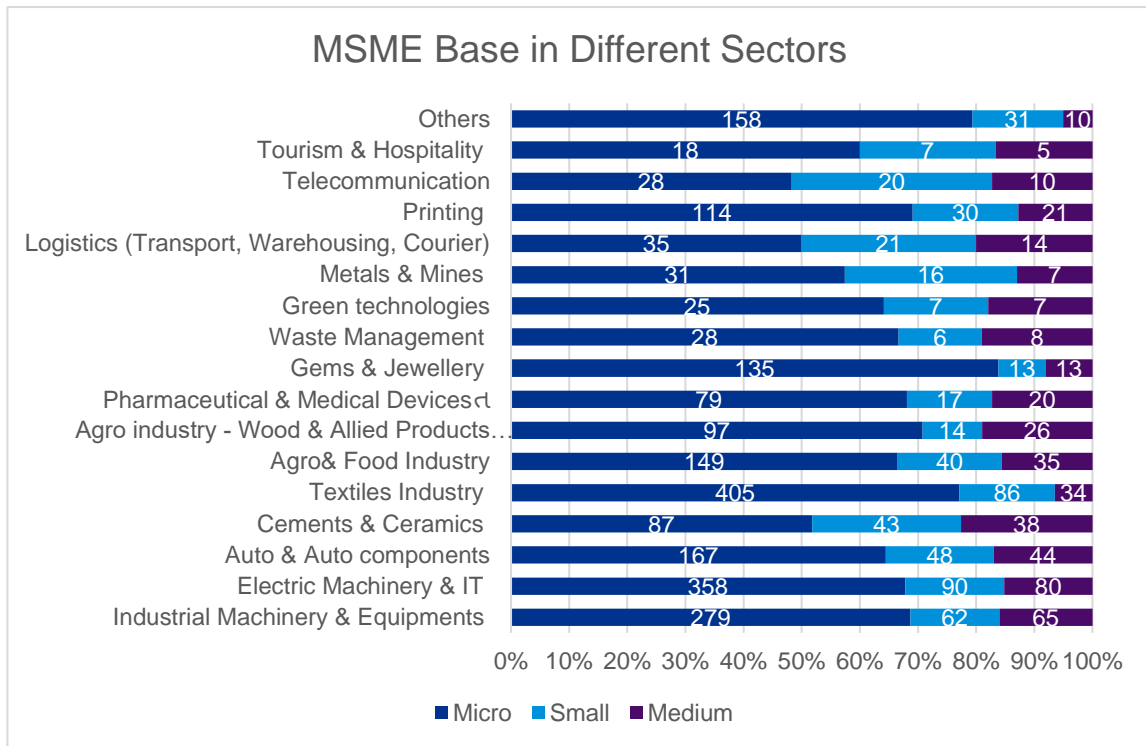


Figure 15 MSME base in different sectors

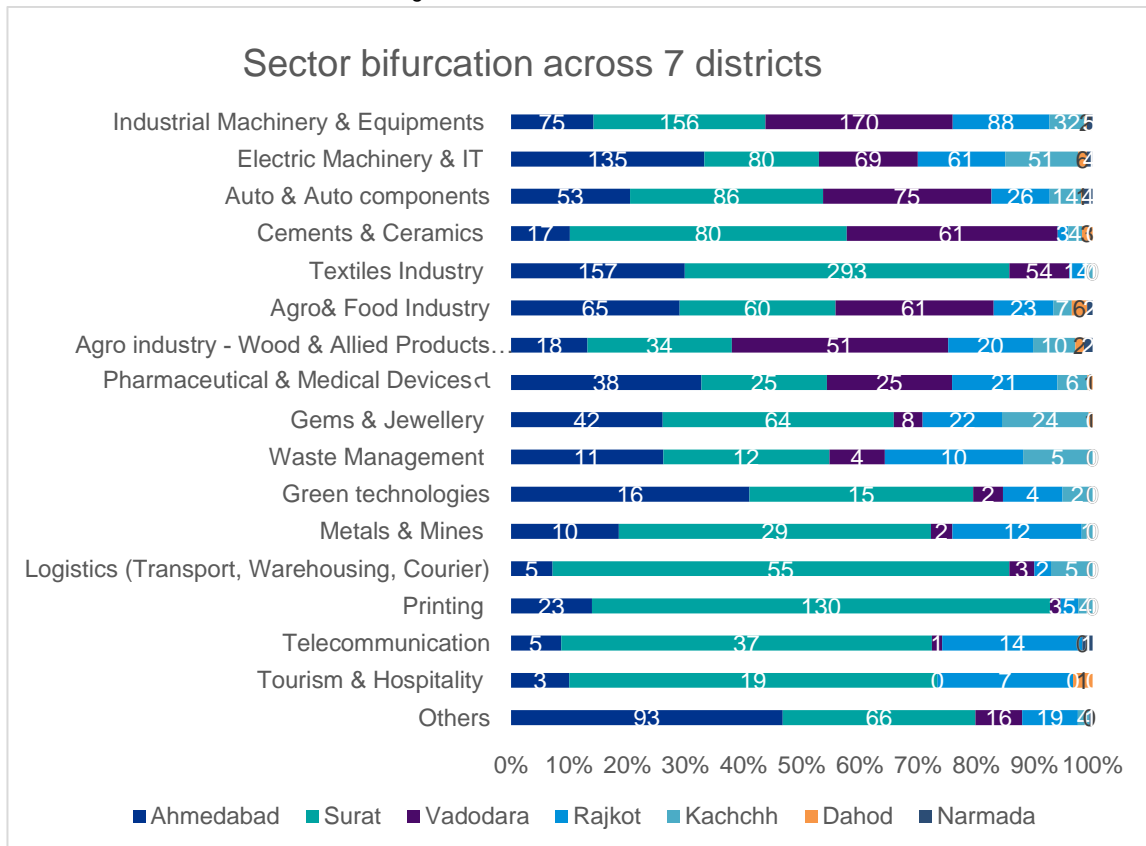


Figure 16 Sectors bifurcation in mentioned 7 districts.

The above data was further analysed across the seven districts and sectors of Gujarat. While acknowledging the unequal distribution of samples, the sectoral proportions within the surveyed

districts provide noteworthy insights. **Surat emerges as a hub for the Textile, Logistics, Printing, and Telecommunication sectors, exhibiting a high level of performance in these industries. Also, Ahmedabad stands out as the top-performing district in the Electric Machinery & IT sector, demonstrating its dominance across various sectors.**

Furthermore, **Rajkot showcases exceptional performance in specific sectors, particularly in Industrial Machinery & Equipment, Auto Component manufacturing, and the Agro Industry – Wood and Allied Products.**

1.5.1 Key Analysis of Survey

Profile of Enterprises covered:

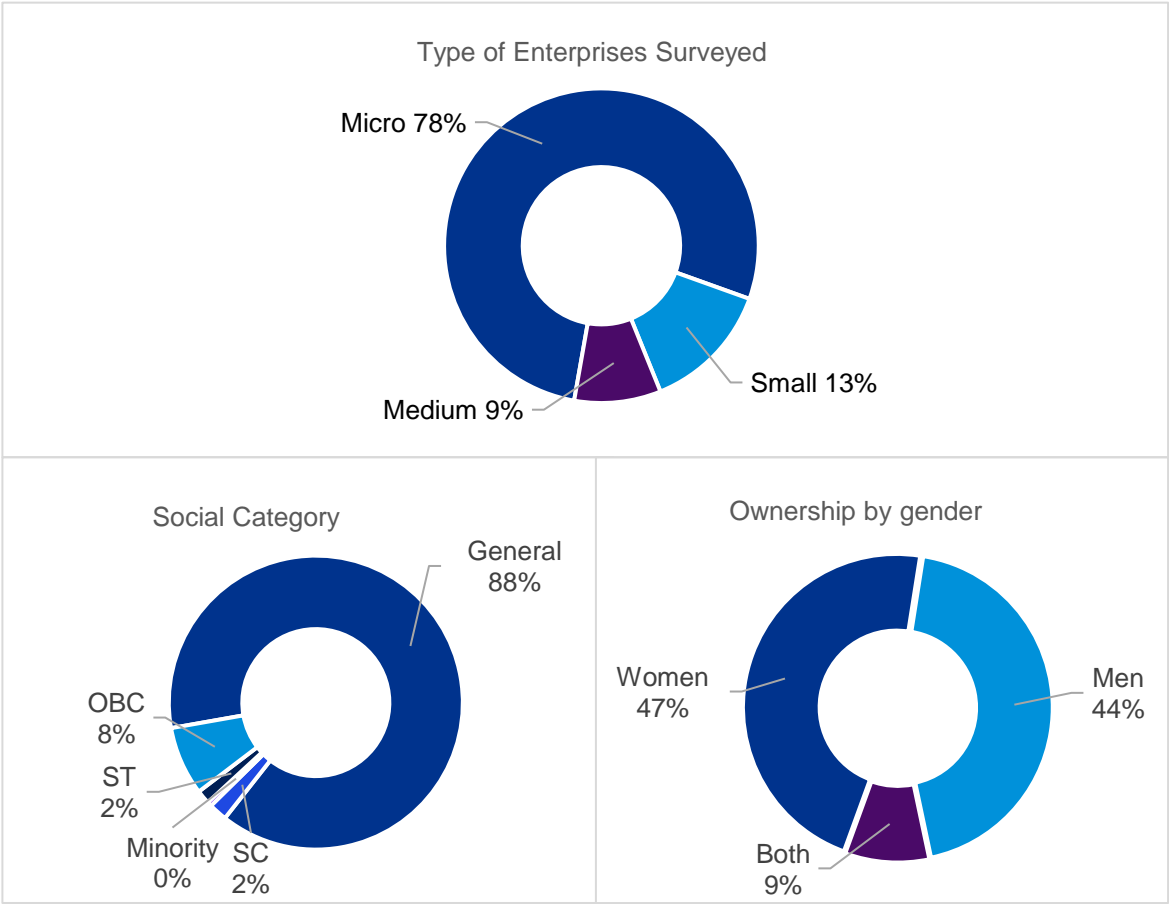


Figure 17 Sample Distribution by Enterprise, Social Category, Gender

Analysis of the survey encompassing a total of 2046 enterprises, a distinct distribution pattern emerges across micro, small, and medium categories. 78% of the enterprises fall within the micro segment, emphasizing its prevalence. The small enterprise category constitutes 13%, while the medium enterprises contribute to 9% to the overall sample.

In the demographic characteristics, a substantial 88% of the surveyed enterprises belong to the general category, depicting significant participation of this demographic in the MSME sector, followed by OBC-owned enterprises constituting 7.5%, followed by SC&ST owned enterprises constituting 3.5% and Minority-owned enterprises constitute 0.4%, while OBC-owned entities contribute 7.5%, and SC&ST-owned enterprises comprise 3.5%.

Examining ownership patterns, responses were received from 2007 out of 2046 enterprises. Among these, women emerge as significant contributors, owning 47% of the enterprises. Men own 44% of the enterprises, and 9% are jointly owned by both genders.

Characteristics of enterprises surveyed.

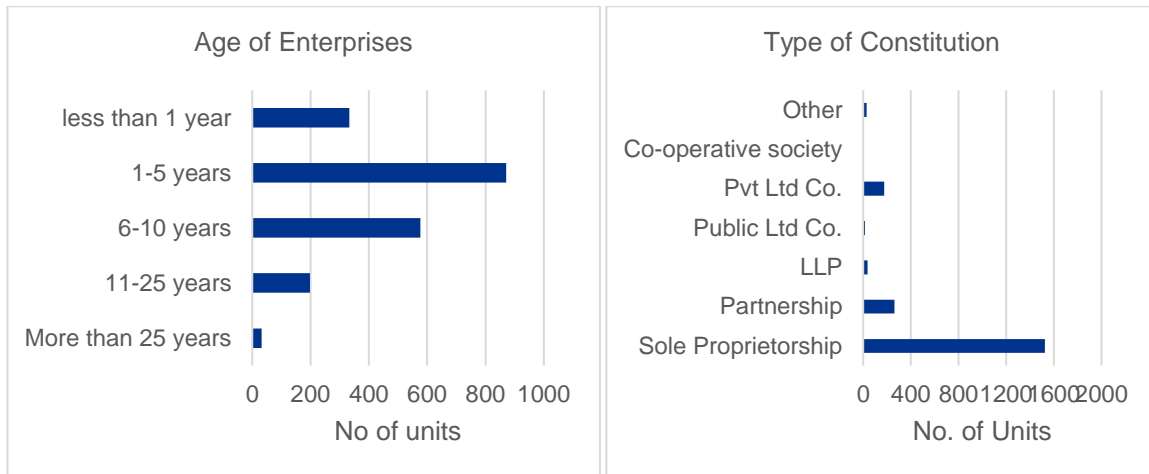


Figure 18 Age of enterprises and type of constitution of enterprises

Analysing the age distribution of the surveyed enterprises from the sample of 2046, the above graph provides insights into the temporal dynamics of the MSME sector. A substantial 16% (333) of enterprises have recently come into operation, operating for less than a year. This indicates an influx of new businesses into the sector.

The majority of the surveyed enterprises have been in operation for relatively short to medium durations. Specifically, 43% (871) enterprises have been operational for 1-5 years, while 28% (577) enterprises have a history of 6-10 years. This indicates a significant proportion of enterprises in the early to mid-stages of their business lifecycle.

Additionally, there are enterprises with a more established presence, with 10% (198) having operated for 11-25 years, signifying a more mature stage in their development. A smaller but notable segment of the surveyed businesses, 2% (32) enterprises boast a business history of more than 25 years, highlighting their longevity and sustained resilience in the market.

Examining the nature of the MSME sector based on the legal structures of the surveyed enterprises (out of 2046), a significant majority of enterprises, approximately 75% (1526), are registered as sole proprietorships. This depicts a prevalent trend where individual entrepreneurs own and manage their businesses independently. Around 13% of the surveyed enterprises (262) operate as partnership firms, reflecting a notable presence of businesses structured around collaborative efforts. A relatively smaller but discernible proportion, approximately 2% (36), have opted for the LLP structure, highlighting a choice for a legal entity that combines elements of both partnership and corporate structures. About 1% (16) of the enterprises have adopted the public limited company structure, indicating a presence of businesses with shares traded on the stock exchange. Private limited companies constitute around 9% (177) of the surveyed entities, demonstrating a considerable share of businesses operating with a restricted number of shareholders. A single enterprise (less than 1%) is structured as a cooperative, reflecting a cooperative form of ownership and operation.

a. Awareness on central government schemes

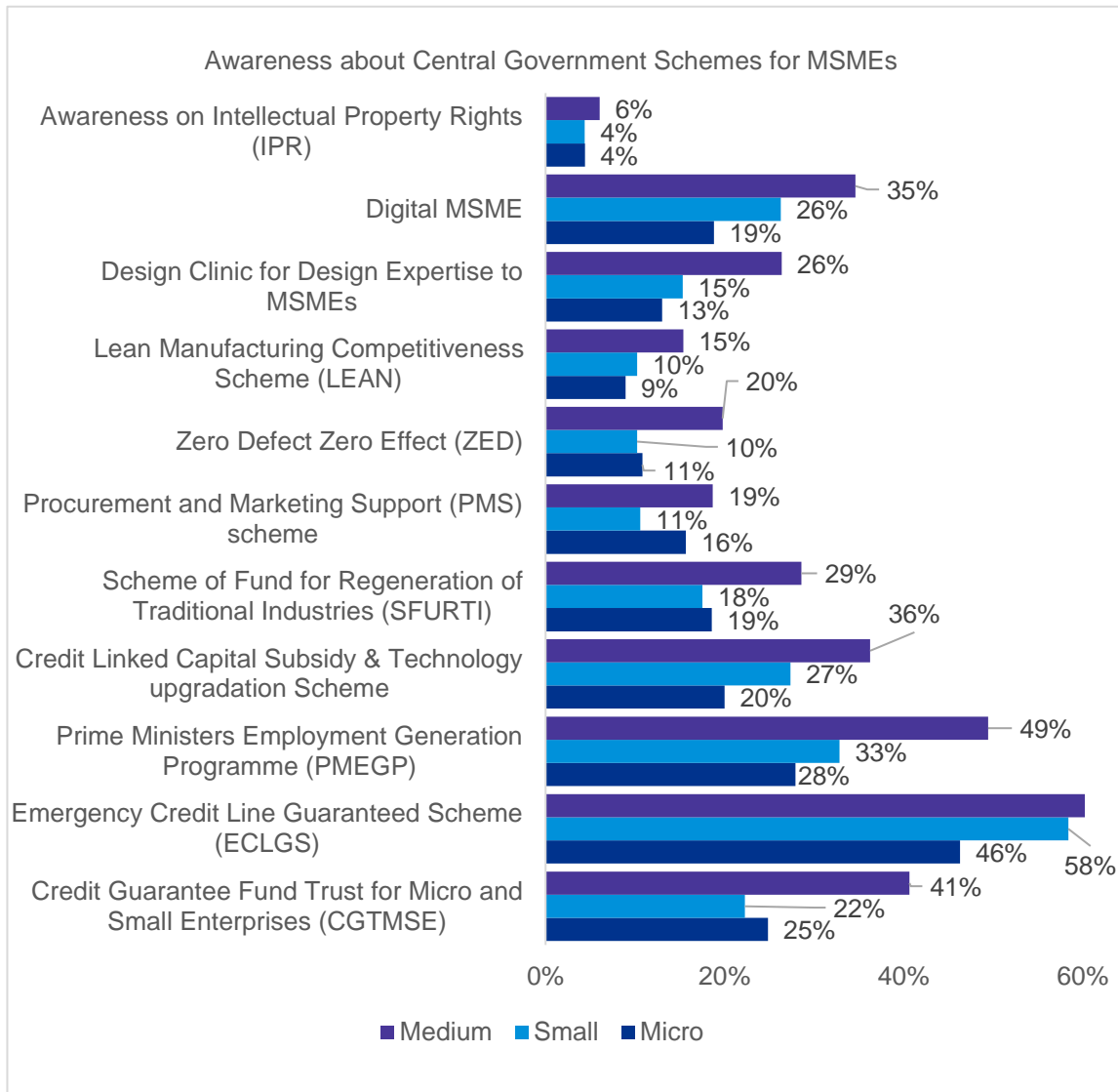


Figure 19 Awareness about Central Government Schemes for MSMEs

Analysing the graph depicting awareness levels about Central Government Schemes for MSMEs, it is apparent that schemes such as CGTMSE, ECLGS, and PMEGP exhibit comparatively higher awareness among respondents. In contrast, the schemes such as Credit linked Capital Subsidy for Technology Upgradation, SFURTI, PMS, ZED, LEAN, Digital MSME, and IPR appear to have lower awareness levels ranging from 4% to 29%.

The graph suggests that there is a need for more effective strategies to raise awareness about schemes with lower awareness levels. This is important because these schemes provide valuable financial and technical support to MSMEs, which will help them to stay competitive. There is also a need for more targeted marketing and outreach efforts to reach MSMEs to provide better understanding of the schemes to improve their offtake.

b. Challenges faced in doing business.

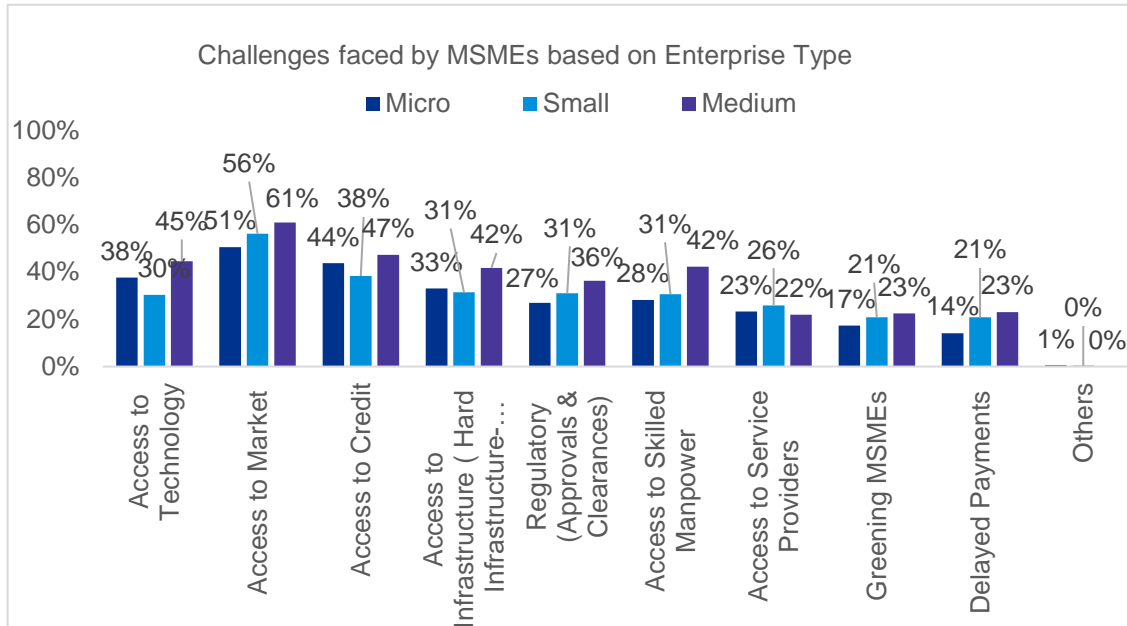


Figure 20 Challenges faced in doing business by enterprise type

Overall, the graph reveals that **access to market, credit, and technology are the most significant obstacles for MSMEs across all categories**. While these top three challenges are common across all MSME categories, the graph further shows additional hurdles faced by specific enterprise types. For instance, micro enterprises are disproportionately affected by inadequate infrastructure. Regulatory approvals also are more impactful for micro and small enterprises, with 33% and 27% facing them respectively, compared to 21% of medium enterprises.

1.5.2 Access to Markets

a. Markets preferred by MSMEs

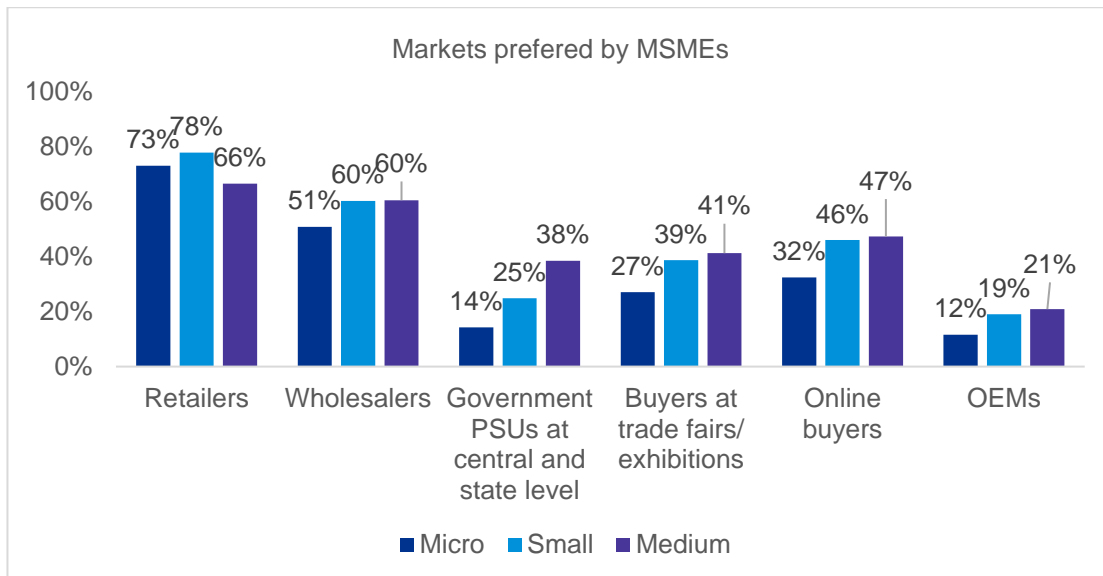


Figure 21 Markets preferred by MSMEs

The chart shows that MSMEs primarily engage in direct sales through retailers and wholesalers. Online avenues like marketplaces and trade fairs are slowly emerging. Interestingly, Medium enterprises exhibit a more diversified approach, actively pursuing various avenues for market access. This pattern emphasizes the critical need to improve MSMEs linkages across diverse markets, including Government e-Marketplace (GeM), the Open Network for Digital Commerce (ONDC), and participation in exhibitions. Strengthening these connections is vital to unlocking new opportunities and expanding market reach for MSMEs, fostering a more resilient and dynamic business ecosystem.

b. Means of product promotion

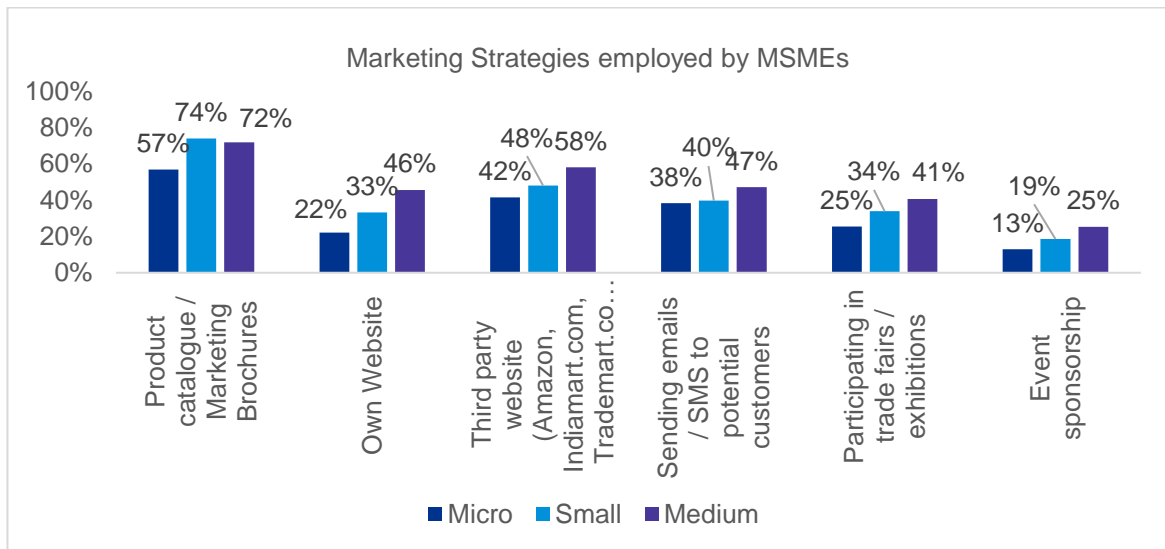


Figure 22 Means of product promotion

The graph highlights varying strategies adopted by different enterprise sizes. On the other hand, Micro enterprises appear to rely on traditional methods like product catalogues, third-party websites, along with email campaigns, for boosting their product promotion. This might be due to their limited resources and budgets compared to larger business. Small enterprises, on the other hand, shows a balanced approach incorporating both traditional and digital channels. They prioritize product catalogues/brochures, participation in trade fairs, and exhibitions, suggesting a focus on both physical and online brand presence. Medium enterprises, as expected, demonstrate the most diverse approach using a wider range of channels both online and offline domains. This flexibility allows them to cater to diverse customer preferences and reach a broader audience.

c. Presence on e-market places

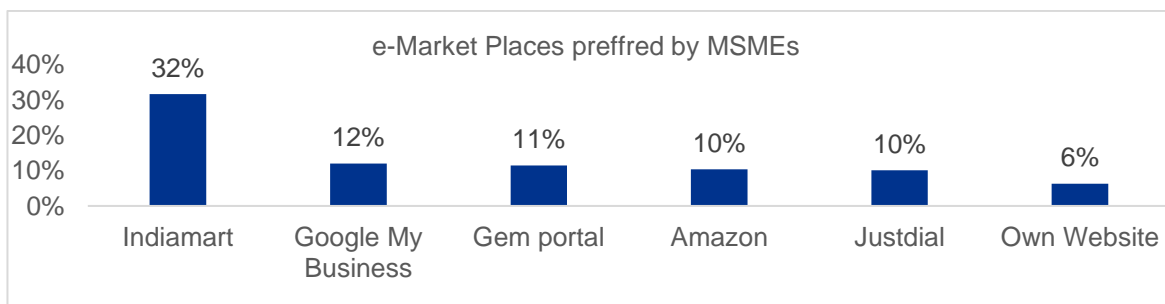


Figure 23 e-Market Places preferred by MSMEs

This data suggests that while online marketplaces are gaining traction among MSMEs, there is still a significant portion that relies on traditional channels. Indiamart emerges as the foremost e-

market platform, with 32% of MSMEs registered on it. Following closely, Google My Business holds a 12% share which caters to a wider audience through its local search listings, making it attractive for MSMEs looking to reach local customers.

The presence of B2C platforms like Amazon, Justdial and the GeM portal indicates that some MSMEs are venturing into online retail. However, the relatively low percentages compared to B2B platforms suggests that e-commerce is still in its early stages for MSMEs in Gujarat. Also, 6% of MSMEs maintain their presence through their own websites. The above graph reveals that there is a need for further education and support to encourage more MSMEs to adopt online marketing strategies.

d. Export Engagements

A significant majority of respondents i.e. 83% of MSMEs are engaged in exporting their products. Among these exporters, a substantial 59% choose to export directly, showcasing a preference for a hands-on approach to international trade. This might be due to factors like wanting greater control over the export process, building closer relationships with foreign buyers or potentially fetching higher margins.

Furthermore, 33% of the respondents adopt a dual strategy, utilizing both direct export channels and intermediaries, emphasizing a diversified approach to reaching global markets. Only 8% of MSMEs rely solely on third-party channels for exporting their products.

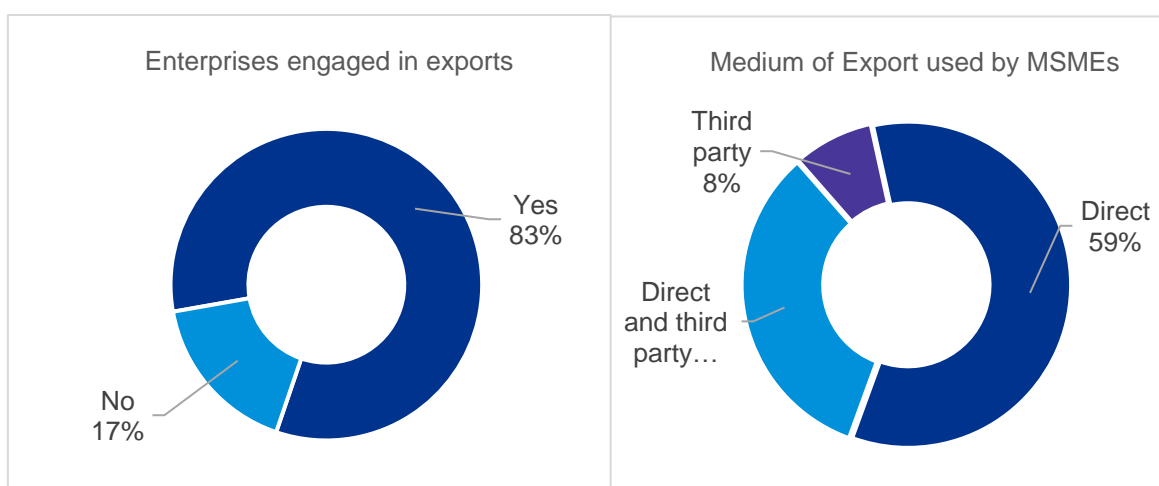


Figure 24 Enterprises engaged in exports

e. Registration on the Government e-Market Place (GeM Portal)

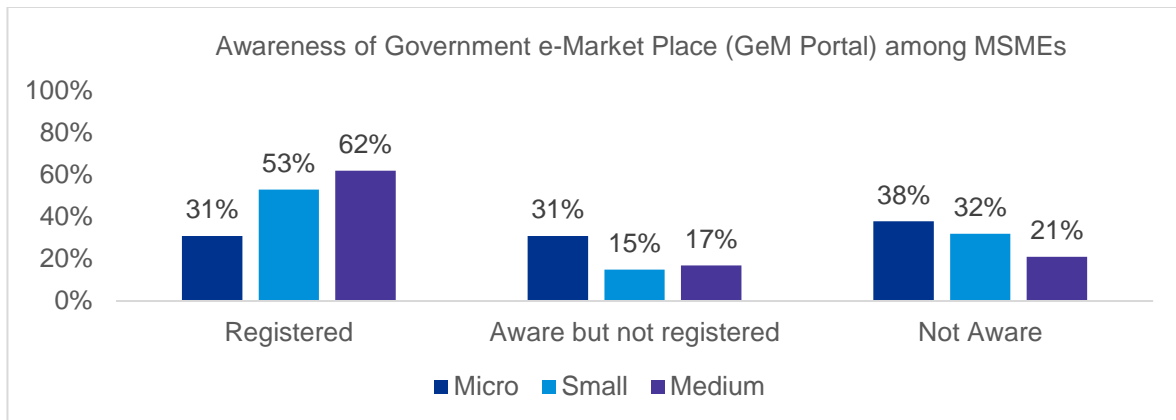


Figure 25 Awareness on GeM portal

Among the surveyed MSMEs, GeM portal registration was observed in only 31% of micro enterprises, 53% of small and 62% of medium enterprises. Interestingly, approximately one-third of the total MSMEs surveyed were unaware of the GeM portal, and among those who were aware, a significant portion had not yet completed the registration process.

f. Registration on Open Network Digital for Commerce (ONDC)

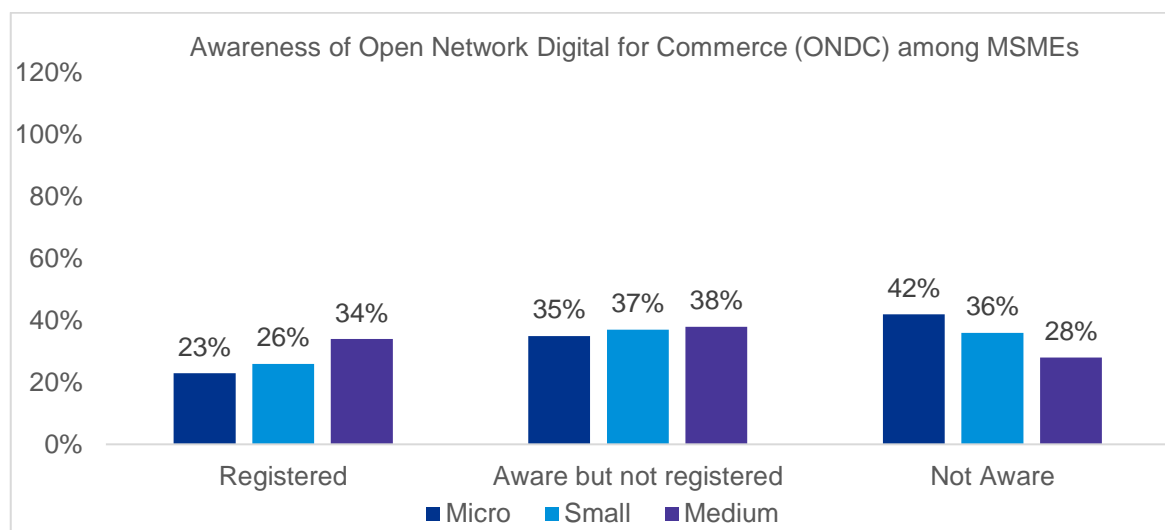


Figure 26 MSMEs registered on ONDC.

Awareness and registration on the Open Network Digital for Commerce (ONDC) reveals interesting trends among surveyed enterprises. A higher percentage of medium-sized businesses, at 34%, are registered on ONDC compared to 24% of micro and 26% of small enterprises. 42% of micro units and 36% of small units, were found to be unaware of ONDC, indicating a notable lack of awareness within these categories.

Additionally, around one-third of enterprises were aware of the ONDC platform but chose not to register. This trend indicates that while awareness exists, other factors may influence the decision not to register. There is a need for targeted awareness campaigns, especially among micro and small enterprises, to promote registration on ONDC. Understanding the reasons behind the choice of non-registration among the aware segment could provide more insights into optimizing the platform's value proposition for a wider range of enterprises within the MSME sector.

g. Empaneled with Original Equipment Manufacturers (OEMs)

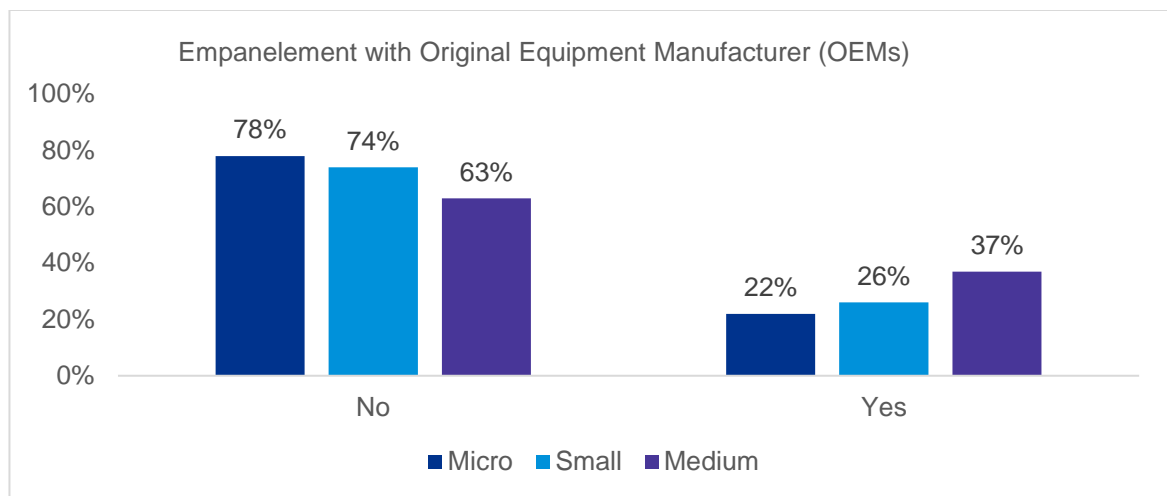


Figure 27 MSMEs empaneled with OEMs.

In general, the percentage of MSMEs empaneled with Original Equipment Manufacturers (OEMs) appears to correlate positively with enterprise size. Specifically, 22% of micro enterprises, 26% of small enterprises, and 37% of medium enterprises are currently empaneled with OEMs. Surprisingly, over one-third of the total MSMEs not empaneled with OEMs.

h. Adoption of quality certifications

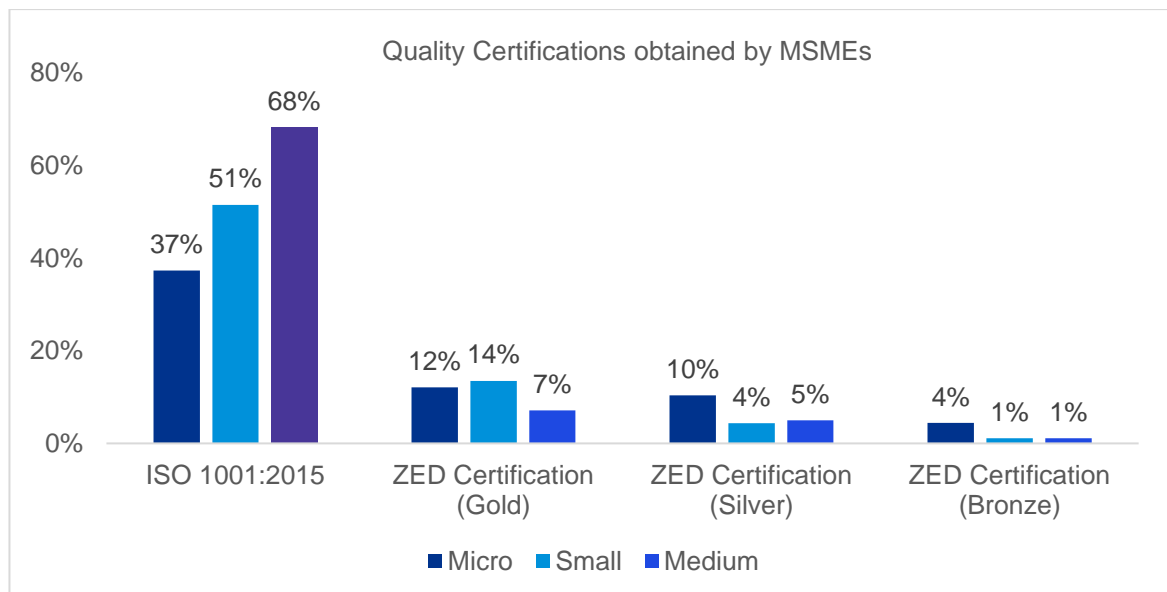


Figure 28 Adoption of quality certifications

37% of micro enterprises, 51% of small enterprises and 68% medium enterprises are ISO certified. However, **the adoption of ZED certification is very minimal across all MSMEs.**

i. Usage of Business Development Services/Service Providers

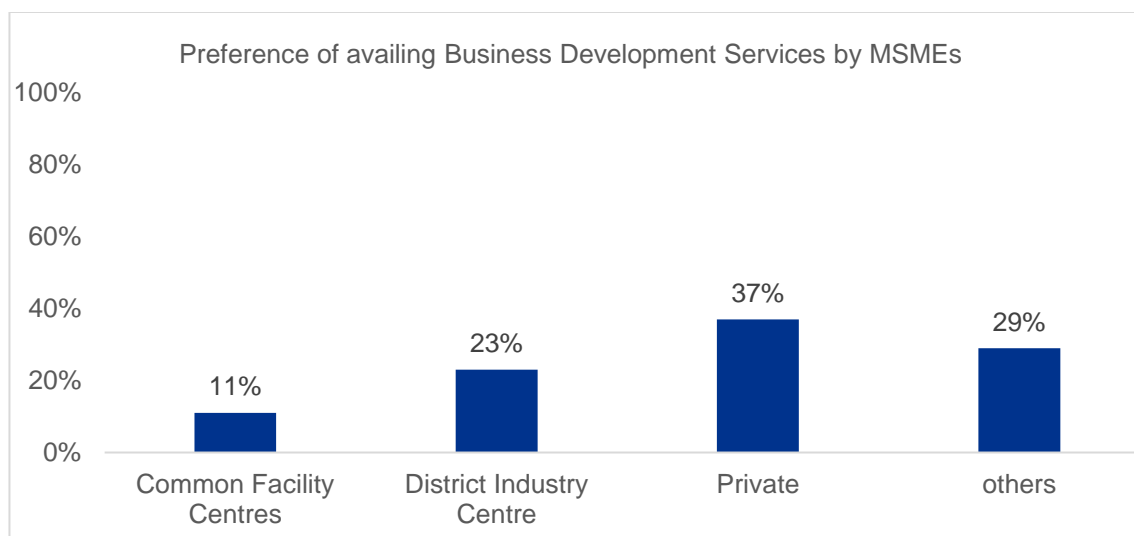


Figure 29 Usage of business development services

The data suggests that a sizeable portion of MSMEs, around 37%, have actively sought business development services from private sector service providers. A relatively lower percentage, only 23%, has utilized the services offered at District Industry Centers (DICs). Furthermore, a minimal 11% of enterprises appear to have availed the facilities provided by common facility centers established within industrial areas or under government-sponsored schemes. This indicates a **potential gap in the utilization of services provided by DICs and common facility centers**, which requires immediate attention **to increase awareness or improve accessibility for MSMEs**.

j. Experience of availing Business Development Services

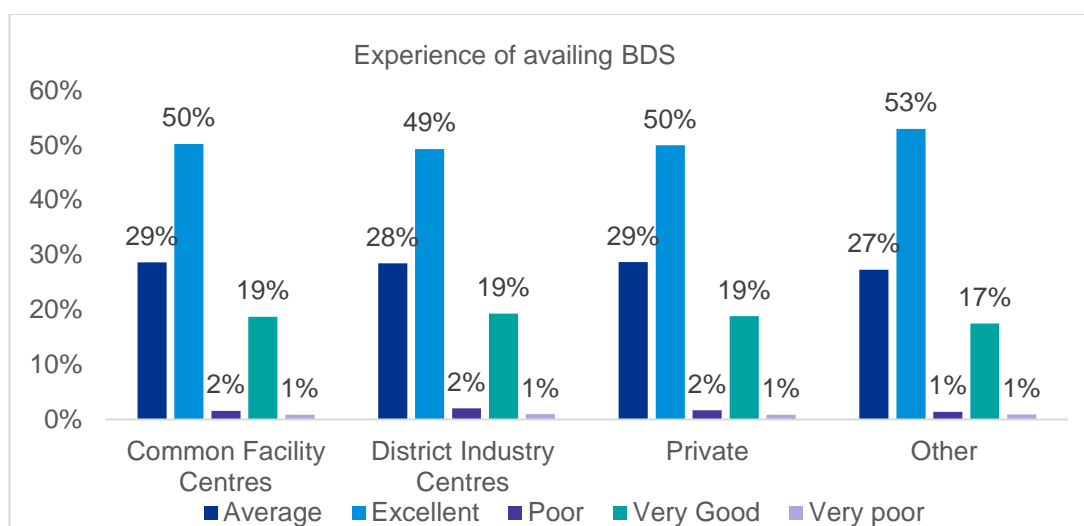


Figure 30 Experience of availing Business Development Services

Around fifty percent of the surveyed MSMEs have expressed satisfaction, noted an excellent experience while availed business development services from District Industry Centers (DICs), Common Facility Centers (CFCs), as well as private service providers.

k. Marketing support under state govt. scheme/ policy

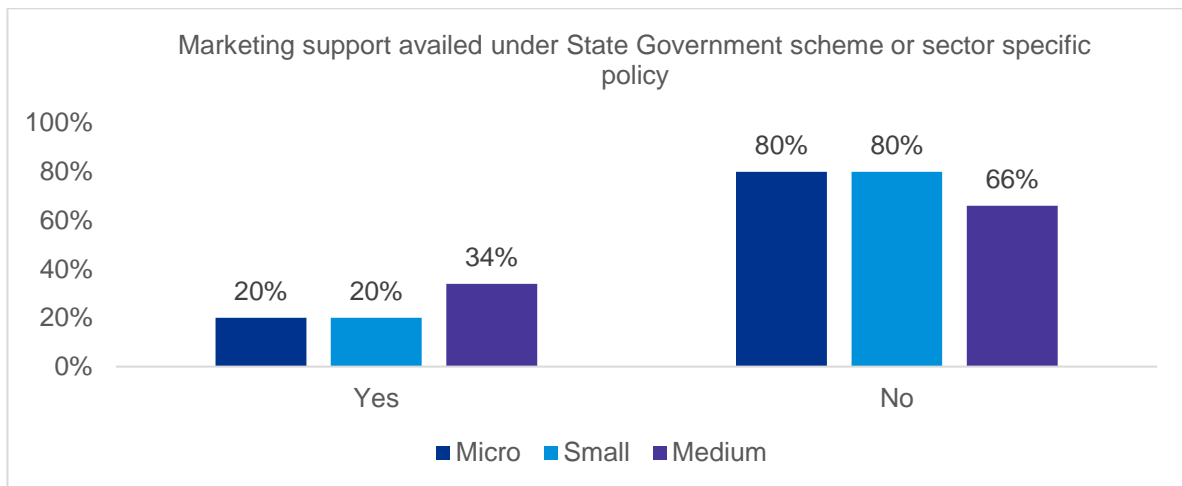


Figure 31 Marketing support under State Government Schemes/Policies

A majority of MSMEs have not availed any marketing support under any state government scheme or policy. Only 34% of medium units and 20% of small and medium units have availed some form of state market assistance which highlights need for awareness campaigns.

l. Challenges faced by MSMEs in accessing markets.

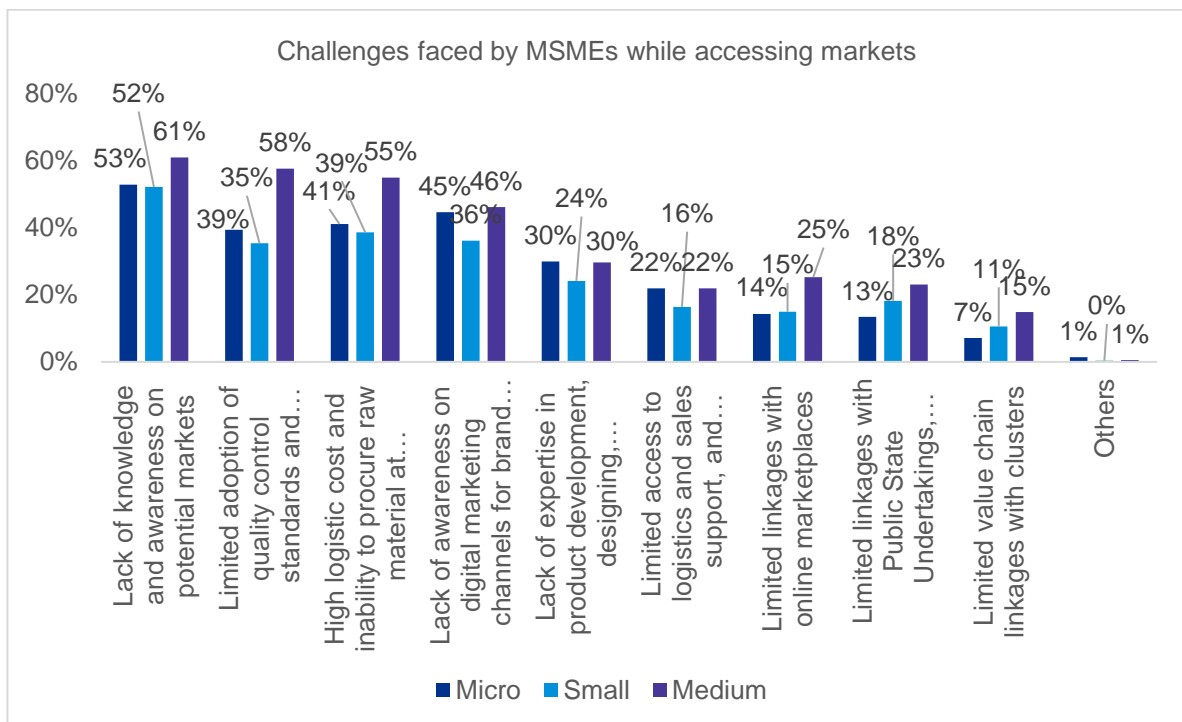


Figure 32 Challenges faced by MSMEs while accessing markets

Micro and small enterprises faced challenges across all categories in digital marketing channels and potential market awareness. While medium enterprises in favor of growth, have issue in finding potential market, quality standard certifications, logistics cost, proper digital awareness. Micro and small is still addressing in gathering new clients.

1.5.3 Access to Credit

a. Preferred source of raising capital

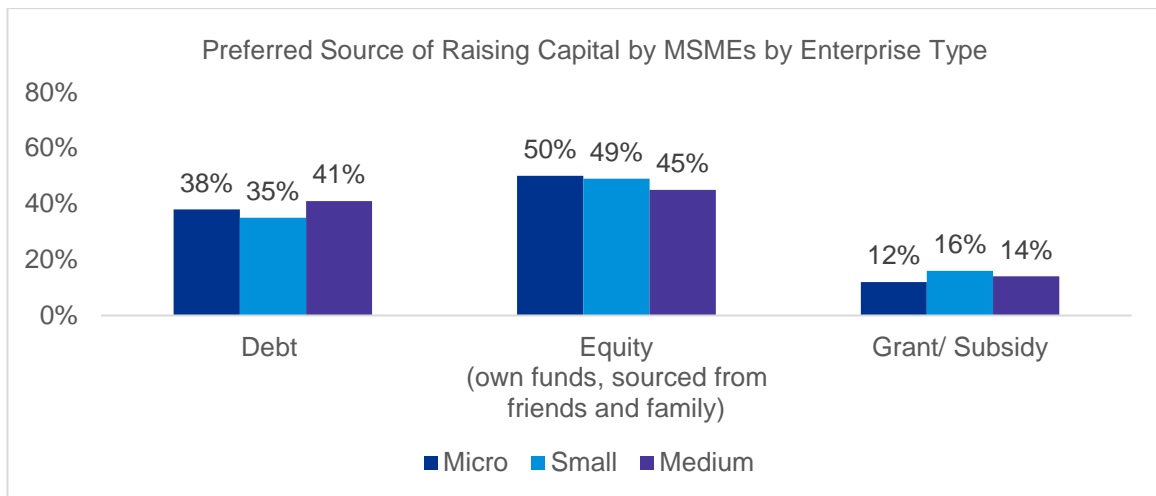


Figure 33 Preferred Source of Raising Capital by MSMEs by Enterprise Type

From the analysis of the 2046 surveyed MSMEs, a distinct financial pattern emerges. Approximately 50% of these enterprises primarily depend on internal funds or capital sourced from friends and family. Whereas, around 41% resort to external sources such as loans from banks or Non-Banking Financial Companies (NBFCs). Grants and subsidies contribute to 12-16% of the capital for MSMEs across all enterprise categories.

This data shows a significance of **self-funding and personal networks as key financial pillars for a substantial portion of MSMEs**. Simultaneously, the reliance on external debt capital from formal financial institutions is notable. The consistent presence of grants and subsidies depicts diverse sources of funding within this sector.

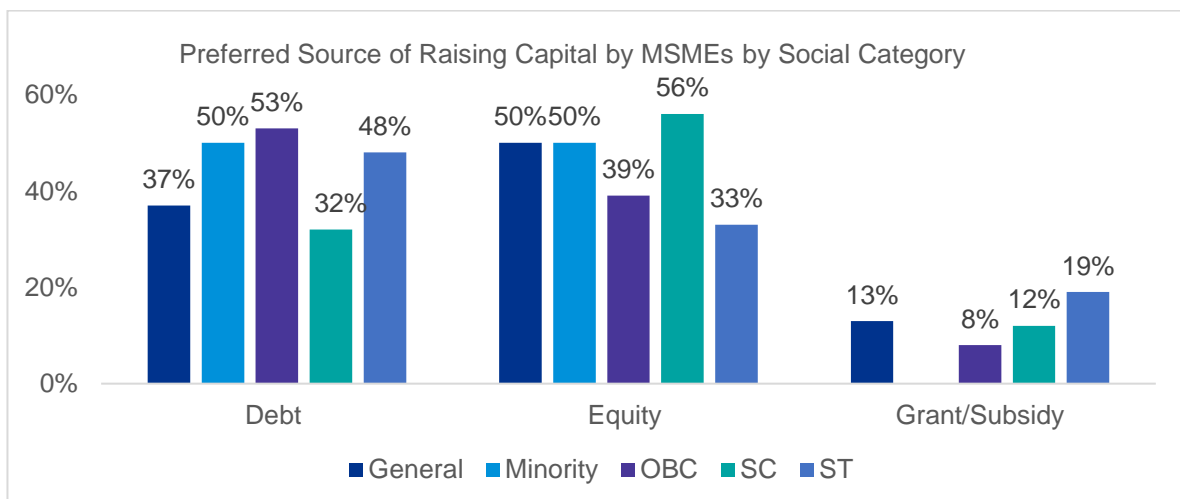


Figure 34 Source of raising capital by social category

A social category layering to the earlier analysis shows a nuanced understanding of financial landscape. General and OBC categories exhibit a preference for own funds and funds from friends and family, for raising capital. The SC and ST social categories exhibit a greater inclination towards seeking state support for financing their businesses, particularly in the form of grants or

subsidies. This suggests a reliance on government-backed initiatives among these social categories, emphasizing the potential impact of state-sponsored financial assistance in supporting MSMEs within the SC and ST communities.

District wise access to credit availed.

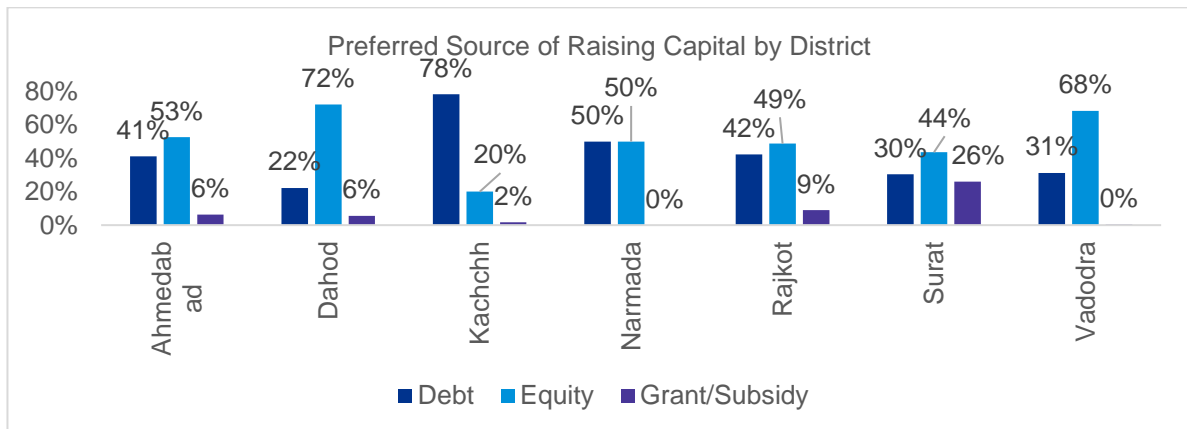


Figure 35 Preferred source of raising capital by District

Analysing the financial preferences of MSMEs across different districts, distinct patterns emerge. **Dahod, Vadodara, and Ahmedabad** show a pronounced inclination towards equity sources—**relying on own funds or borrowing from family and friends—for their business financial needs**. In contrast, **Kachchh and Narmada** exhibit a higher reliance on debt financing.

Surat and Rajkot districts' MSMEs, on the other hand, display a distinct trend by being more inclined towards **obtaining benefits from state grants and subsidies compared to other districts**. This suggests that there is **awareness and utilization of state-sponsored financial support mechanisms among MSMEs in Surat and Rajkot**, emphasizing the regional variations in financial strategies adopted by businesses.

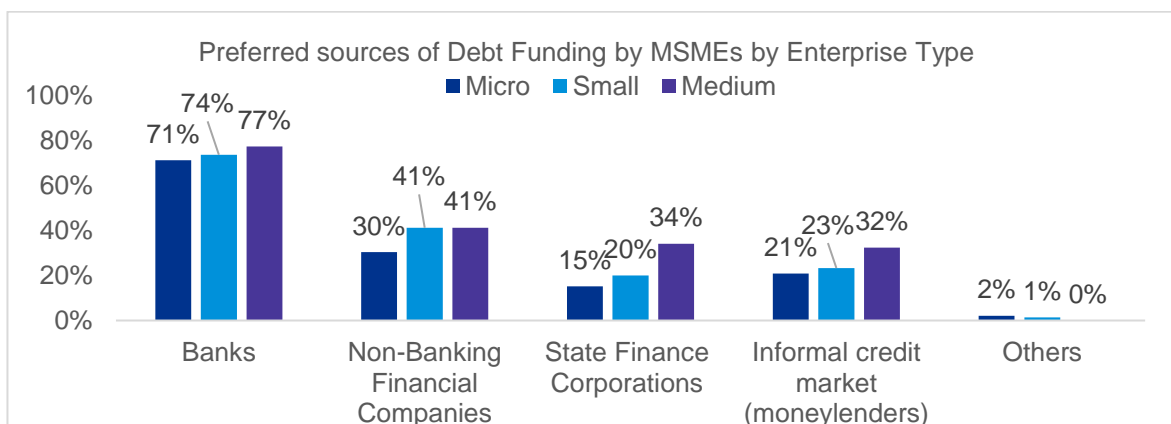


Figure 36 Preferred sources of Debt Funding by MSMEs by Enterprise Type

Analyzing the sources of debt funding within different enterprise sizes, a distinctive pattern emerges. Medium and small enterprises predominantly rely on formal lending institutions for raising debt, with 41% of these enterprises depending on Non-Banking Financial Companies (NBFCs). Banks contribute significantly to debt funding across all size categories, with 71% of micro enterprises, 74% of small enterprises, and 77% of medium enterprises availing credit from banks.

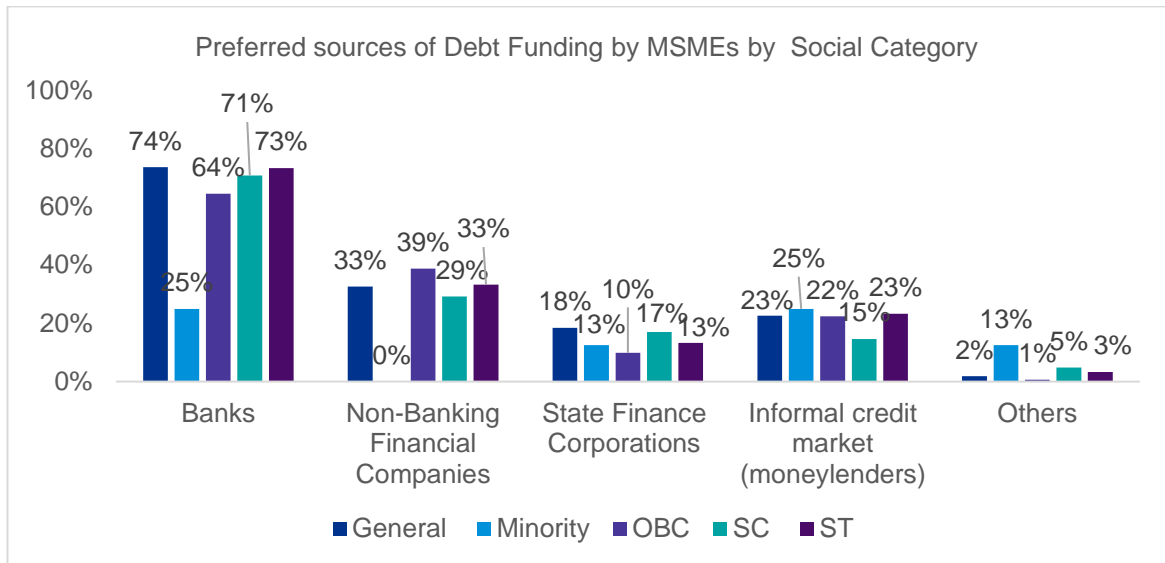


Figure 37 Preferred sources of Debt Funding by MSMEs by Social Category

Examining the sources of debt funding by social category yields similar results, indicating a consistent reliance on formal lending institutions across different groups.

Despite the prevalence of formal credit, a noteworthy 20-25% of enterprises still depend on informal financing. This suggests a potential for increased utilization of formal credit sources, emphasizing the need for initiatives to further encourage and facilitate access to formal credit for a larger segment of MSMEs.

b. Availing incentives and concessions under the State policy or any other sector specific policy

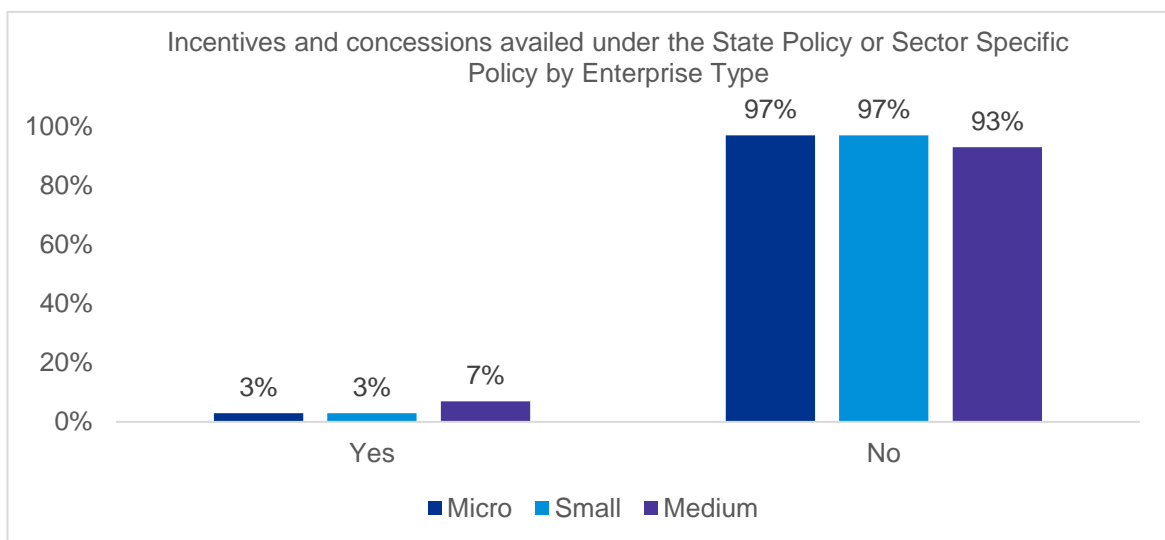


Figure 38 Incentives and concessions availed under the State Policy by enterprise type

The analysis reveals that a relatively modest percentage, approximately 3-7%, of MSMEs have availed concessions and incentives provided by State Policy. **This suggests a potential area for increased awareness and utilization of state-level benefits among MSMEs.** Further exploration into the reasons behind this relatively low participation could uncover opportunities for enhancing the effectiveness of state policies and improving accessibility for a larger segment of MSMEs. **Increased awareness campaigns and streamlined processes may contribute to a more extensive utilization of the concessions and incentives offered by state policies,** fostering greater support for the MSME sector.

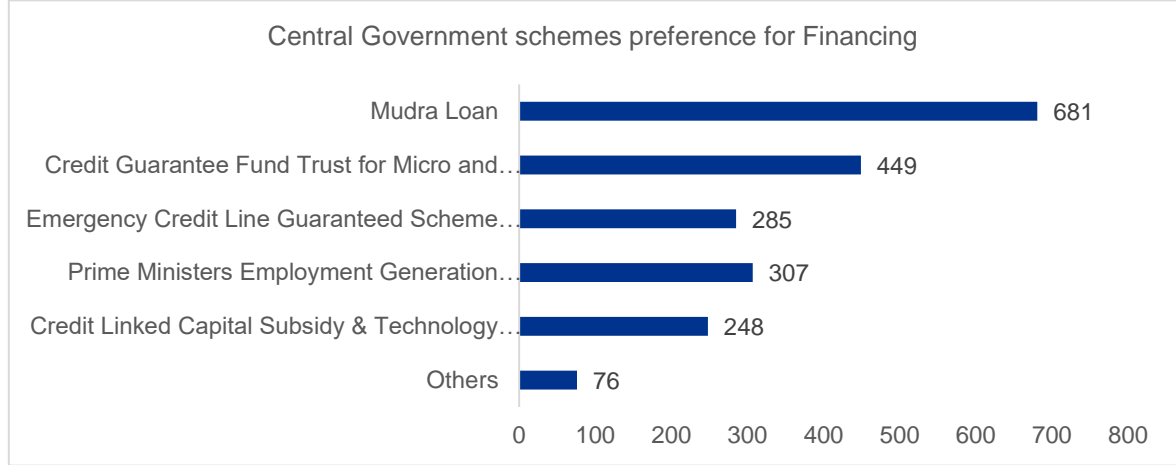


Figure 39 Central Government schemes preference for Financing

The analysis indicates a positive trend, where a majority of the surveyed MSMEs have availed benefits from financing through central schemes. Notably, MUDRA, CGTMSE, and PMEGP emerge as the key central schemes that have been widely utilized by MSMEs. This suggests a significant awareness and participation among MSMEs in accessing financial support and incentives provided by these central government initiatives. The widespread adoption of these schemes shows their effectiveness and relevance in addressing the financial needs of MSMEs.

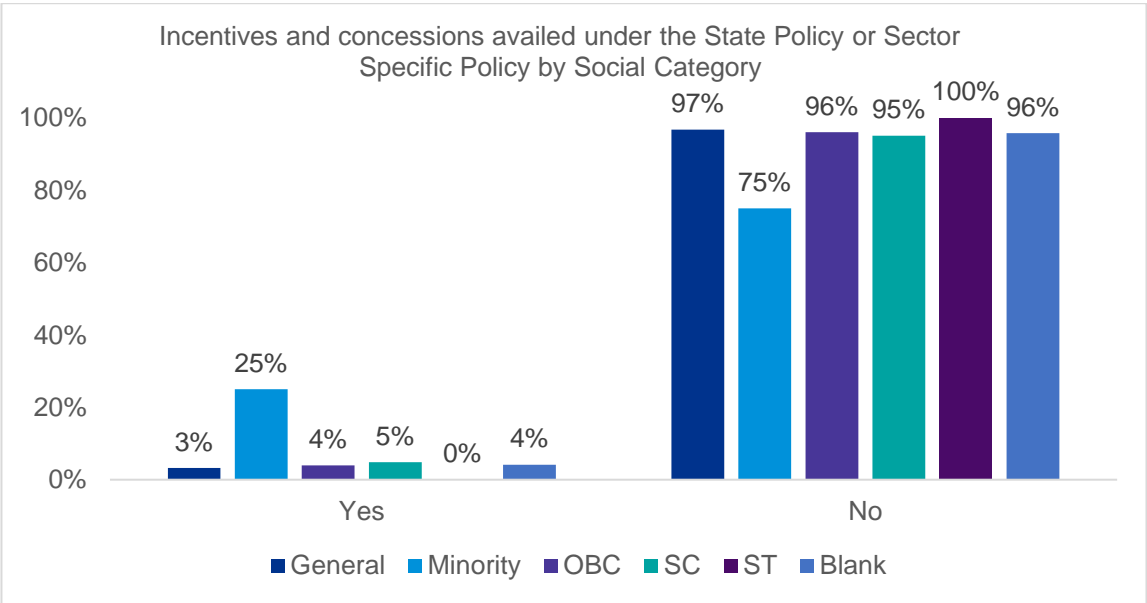


Figure 40 Incentives and concessions availed under the State Policy by Social Category

The analysis of state government policy incentives availed by different social categories reveals an interesting trend. It appears that minority social categories have taken greater advantage of these

schemes compared to other categories. This could indicate targeted efforts or effectiveness in reaching and benefiting minority communities through state government policies.

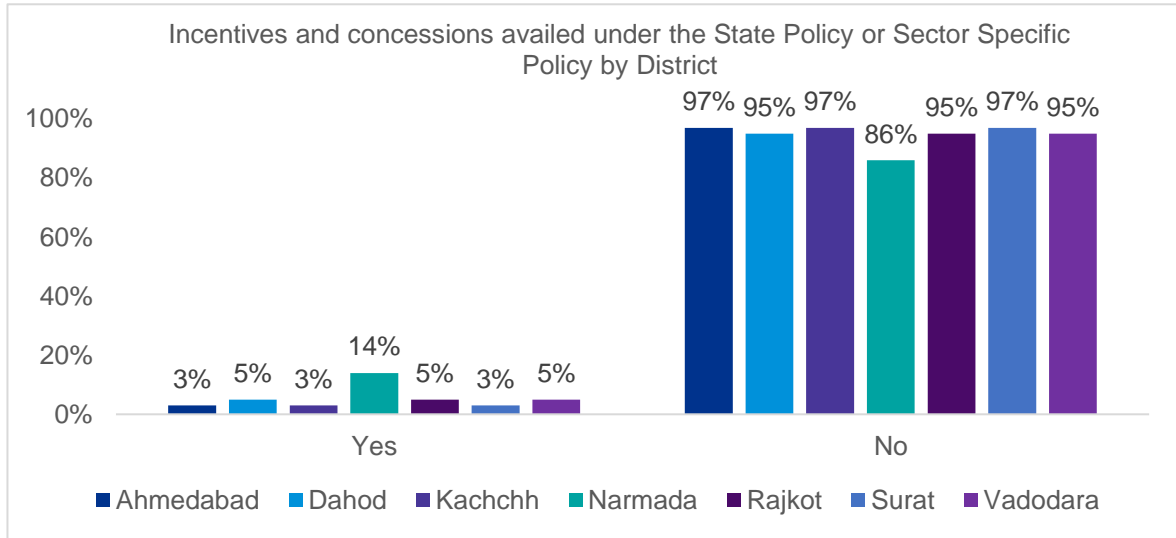


Figure 41 Incentives and concessions availed under the State Policy by District

The inclination of Narmada district towards availing state scheme benefits may be attributed to its categorization as an aspirational district. Aspirational districts often receive special attention due to targeted interventions from the government to uplift socio-economic indicators and foster development. The increased utilization of state schemes in Narmada could be a result of concerted efforts to address specific challenges and promote economic growth in alignment with the aspirational district initiative.

c. Challenges faced in raising capital

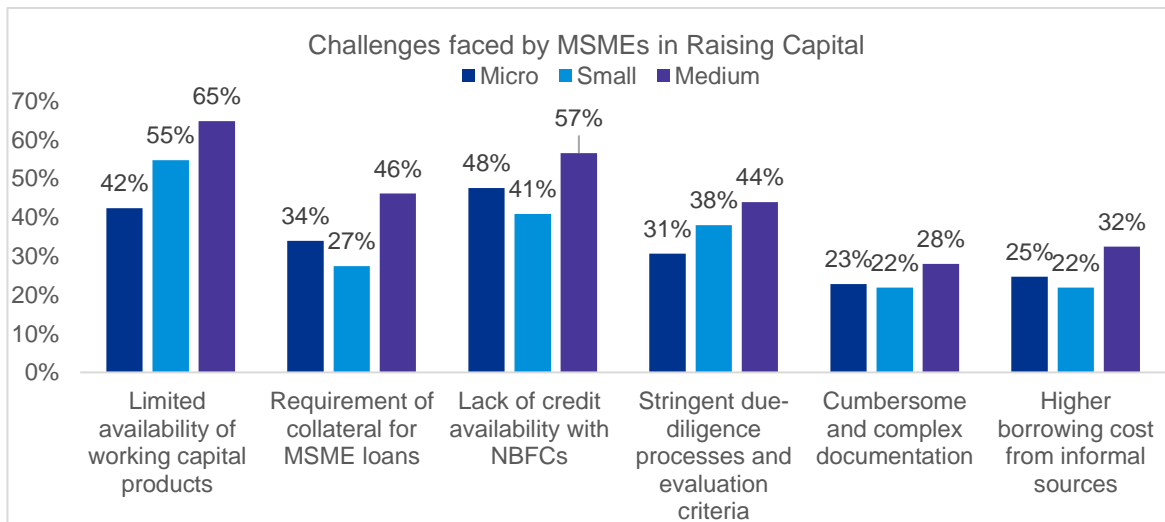


Figure 42 Challenges faced by MSMEs in raising capital

The survey results unveil a nuanced landscape of challenges faced by MSMEs in raising capital, demonstrating variations based on enterprise size. For MSMEs, working capital emerges as a primary challenge, followed by issues related to the availability of credit from Non-Banking

Financial Companies (NBFCs) and cumbersome documentation processes, along with compliance-related concerns.

As the size of operations increases, these challenges persist, but additional concerns come to the forefront. Larger enterprises also grapple with issues related to lending, particularly the requirement for collateral and higher borrowing costs. Interestingly, this aspect appears to be a universal challenge affecting firms across different sizes.

This analysis highlights the multifaceted nature of capital-related challenges for MSMEs, emphasizing the **need for tailored strategies and interventions to address the specific concerns faced by enterprises of varying sizes within the sector.**

1.5.4 Delayed payments

a. Incidence of pending payments

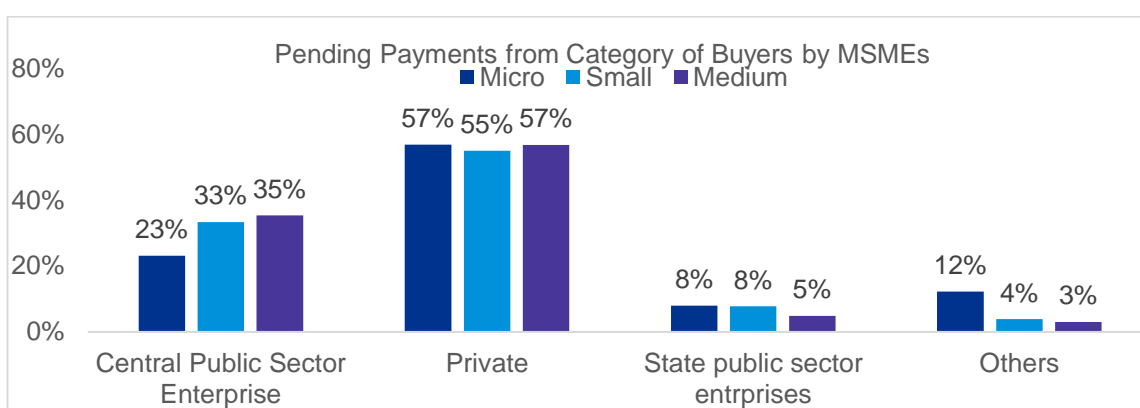


Figure 43 Incidence of Pending payments by categories of buyers

The analysis of **delayed payments faced by MSMEs** reveals a **prevalent issue within the sector**. More than **half of the surveyed MSMEs** report having **pending payments**, indicating a widespread challenge in receiving timely payments for their products or services.

Further examination of the data highlights the sources of these delays, with **55% of the overall pending payments attributed to private companies**. Additionally, around **33% of the pending payments originate from Central Public Sector Undertakings (PSUs)**. This breakdown underscores that delayed payments are not only a pervasive concern across the MSME sector but are particularly prominent in transactions involving private entities and Central PSUs.

Addressing the issue of delayed payments, especially from private companies and central PSUs, becomes **crucial for the financial health and sustainability of MSMEs**. It emphasizes the **need for streamlined payment processes, improved credit terms, and effective mechanisms to ensure prompt settlements, contributing to the overall well-being of the MSME ecosystem.**

b. Challenges faced with regards to delayed payments

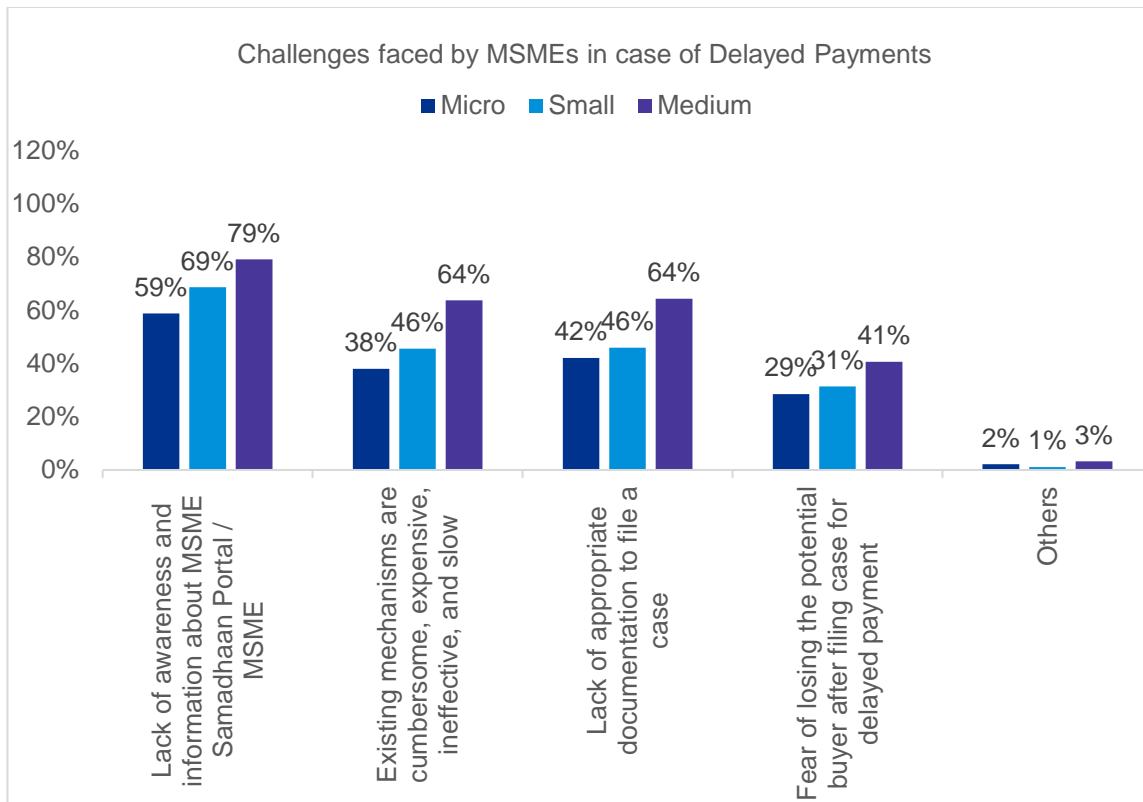


Figure 44 Challenges faced by MSMEs in case of delayed payments

The analysis shows reasons to challenges faced by MSMEs for delayed payments. This reveals several key factors such as lack of awareness about institutional mechanisms for resolving delayed payments, including the online resolution available under the MSME Samadhaan Portal, emerging as a significant hurdle. This points to the importance of **increasing awareness and education among MSMEs about existing platforms and mechanisms for addressing delayed payments**.

Furthermore, slow resolution is identified as significant challenges suggesting that the current processes for **resolving delayed payments may be perceived as hindrances, necessitating potential reforms or improvements to make them more efficient and cost-effective**.

Additionally, the fear of losing potential buyers is highlighted as a top challenge faced by MSMEs in the context of delayed payments. This fear underscores the economic vulnerability that **delayed payments can pose to MSMEs, potentially affecting their relationships with key buyers** and impacting their overall business sustainability.

Addressing these challenges would require a multi-faceted approach, including **educational initiatives to increase awareness, improvements to the efficiency of resolution mechanisms, and strategies to mitigate the fear of losing potential buyers due to payment delays**.

c. Awareness about the Trade Receivables electronic Discounting System (TReDS) platform

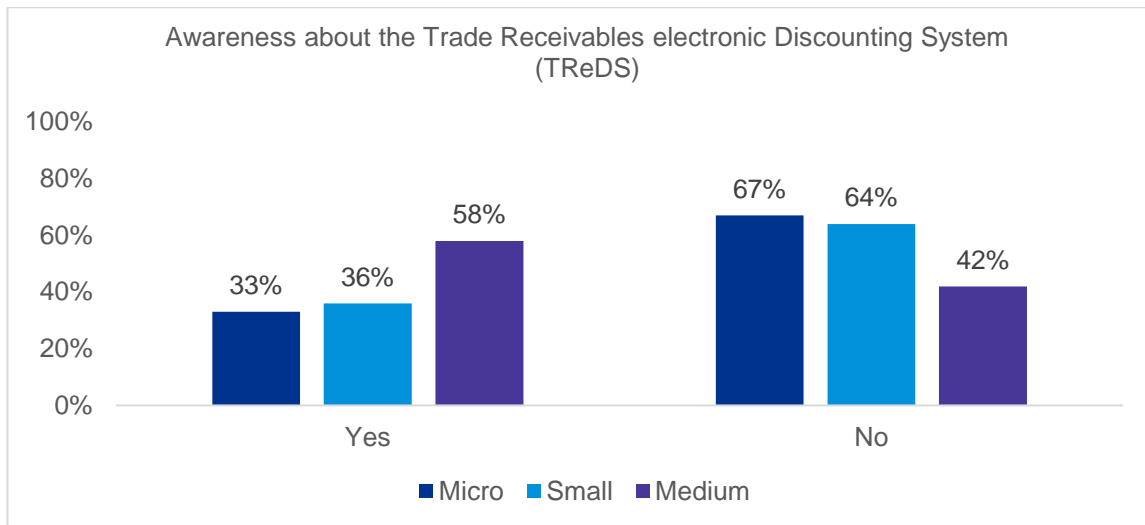


Figure 45 Awareness of TReDS Platform

The analysis of awareness regarding the TReDS (Trade Receivables Discounting System) platform, aimed at mitigating issues of delayed payments, reveals a notable disparity among different enterprise sizes. Medium enterprises demonstrate a higher level of awareness about the TReDS platform, suggesting a more informed understanding of this financial mechanism. On the contrary, micro and small enterprises exhibit a lower level of awareness about the TReDS platform.

This discrepancy in awareness levels among different enterprise sizes could be attributed to various factors, including varying degrees of access to information, communication channels, and perhaps the specific financial needs and challenges faced by each category of enterprises. **Addressing this awareness gap is essential to ensuring that all MSMEs, regardless of size, can leverage the benefits of the TReDS platform to address and mitigate delayed payment issues effectively.** Initiatives focused on education, outreach, and targeted communication could contribute to closing this awareness gap and fostering more widespread adoption of the TReDS platform across the MSME sector.

d. Awareness about Samadhaan Portal

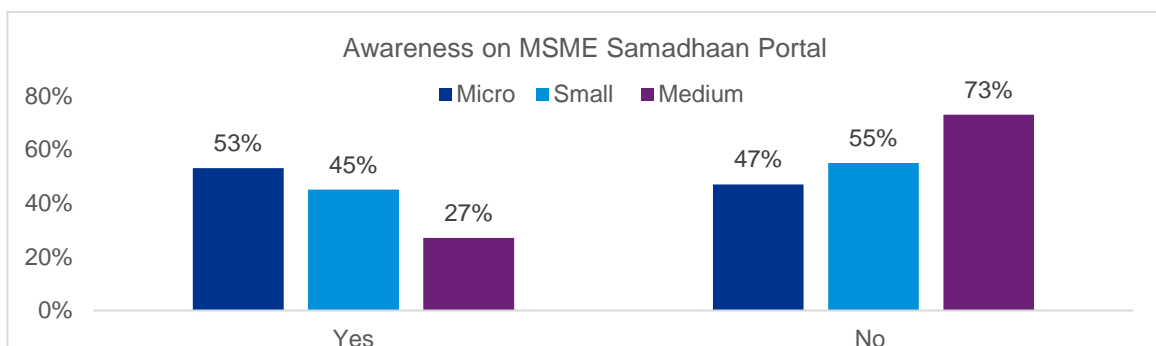


Figure 46 Awareness on the Samadhaan Portal

The analysis of awareness about the MSME Samadhaan Portal indicates a notable gap among MSMEs, with only half of the surveyed enterprises being aware of the scheme. This suggests that

a significant portion of MSMEs may not be informed about the existence and functionalities of the MSME Samadhaan Portal.

Improving awareness about the MSME Samadhaan Portal is crucial to **ensure that MSMEs can leverage the platform effectively for the resolution of delayed payment issues**. Awareness campaigns, outreach programs, and targeted communication strategies could be instrumental in bringing this gap and enhancing the knowledge among MSMEs about the available support mechanisms for addressing delayed payments through the MSME Samadhaan Portal.

e. Usage of the Samadhaan Portal

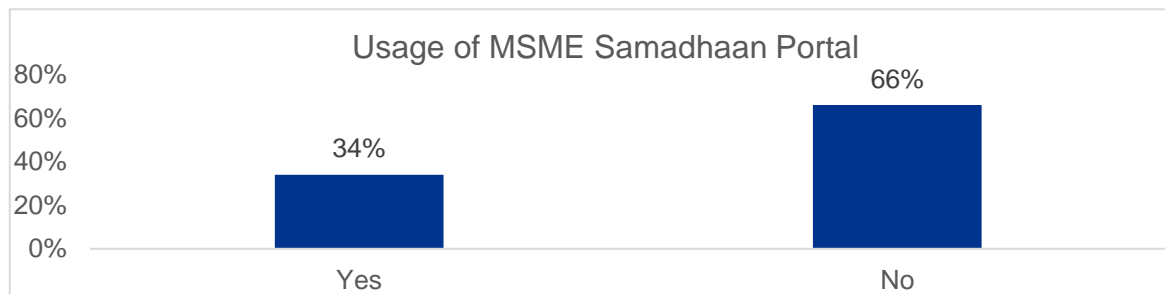


Figure 47 Usage of MSME Samadhaan Portal by MSMEs

Out of the limited number of MSME enterprises familiar with the Samadhaan portal, merely 34% have submitted applications to address delayed payment issues. This shows the prevailing lack of awareness among MSMEs regarding the government-established resolution mechanism tailored for their benefit.

1.5.5 Access to Technology

a. Availing credit/ financial assistance under the Credit Linked Capital Subsidy & Technology Upgradation Scheme

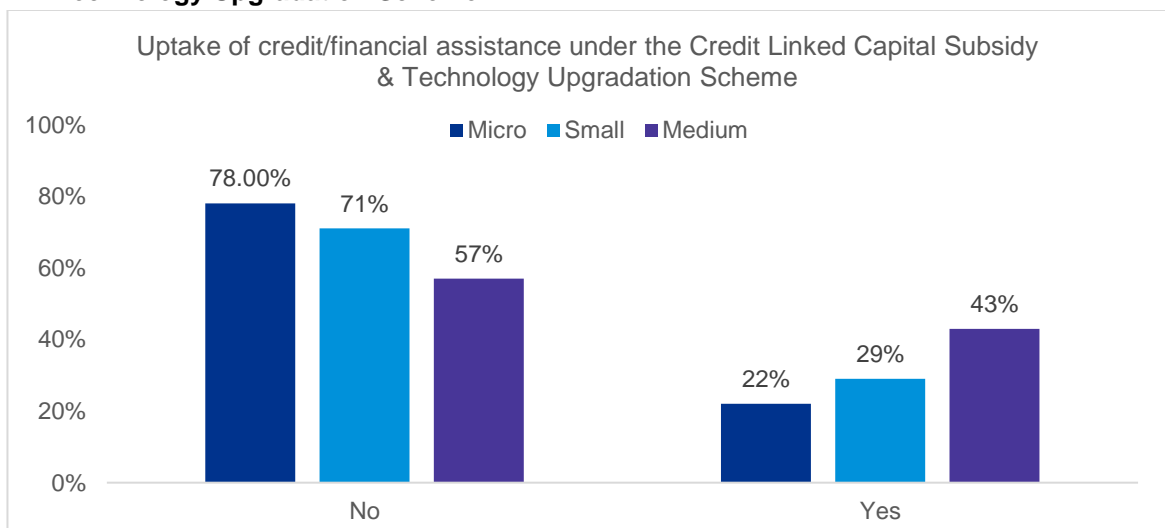


Figure 48 Availing financial assistance under CLCSS Scheme

The analysis of the Credit Linked Capital Subsidy & Technology Upgradation Scheme (CLCSS) reveals distinct patterns among different categories of MSMEs. Only a modest percentage, with 22% of micro enterprises and 29% of small enterprises, have availed credit or financial assistance

under the CLCSS scheme. A noteworthy **78% of micro enterprises are unaware of the existence of such a scheme, indicating a lack of awareness among this category.**

Interestingly, while awareness levels of the CLCSS scheme are high among medium-sized firms, the uptake of the scheme does not align with this awareness. This suggests that factors beyond awareness, such as eligibility criteria, application processes, or perceived benefits, may be influencing the **decision-making process of medium-sized enterprises regarding the utilization of the CLCSS scheme.**

To enhance the impact of the CLCSS scheme, targeted efforts could be directed toward increasing awareness among micro enterprises and addressing potential barriers that may be hindering **medium-sized enterprises from availing the benefits of the scheme** despite their awareness.

b. Type of technology in use (for manufacturing units)

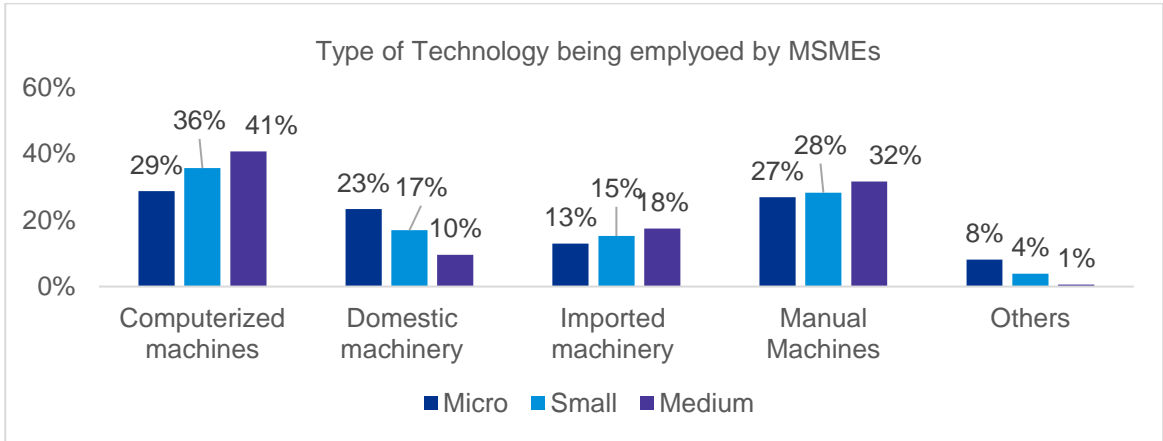


Figure 49 Technologies employed by MSMEs

The machinery used in plants, such as computerized machines, domestic machinery, and imported machinery, reveals a notable variation based on the type of enterprise. Micro, small, and medium enterprises exhibit distinct preferences in the types of machinery employed. Predominantly, these enterprises rely on a combination of computerized and manual machines for their operational processes.

This suggests that while computerized technology plays a significant role in enhancing efficiency and precision, there is still reliance on manual machinery across these categories of enterprises. The nuanced approach to machinery usage aligns with the diverse needs, capacities, and operational scales of micro, small, and medium enterprises within the broader MSME sector. Further exploration into the specific functions and capabilities of these machinery types can provide insights into the operational dynamics and technological landscape of different MSMEs.

c. Awareness of Industry 4.0 technologies

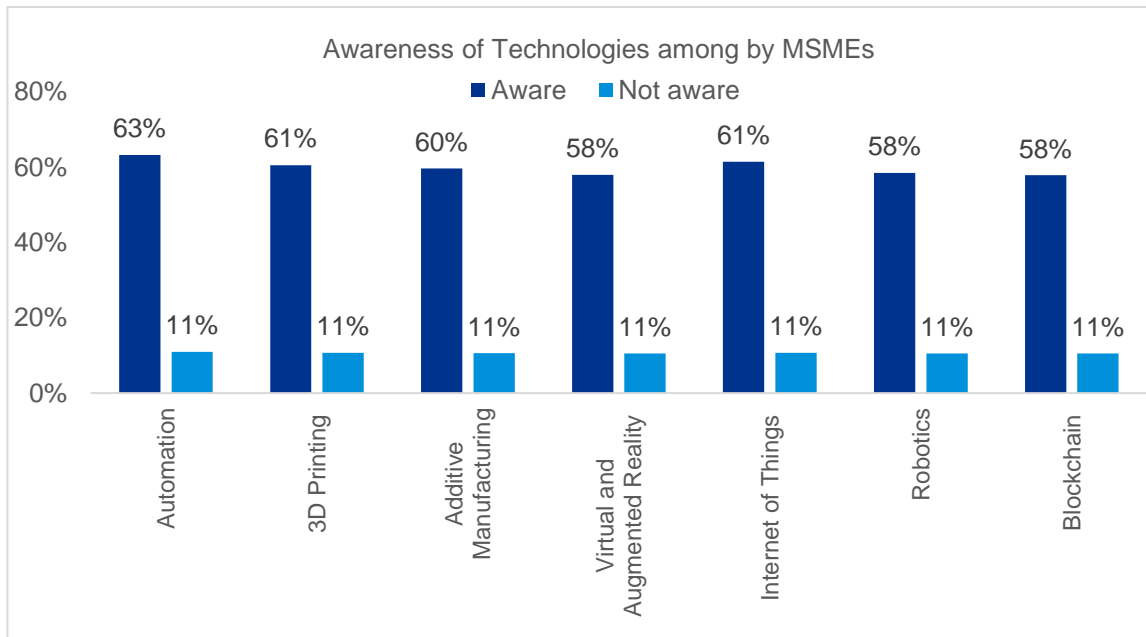


Figure 50 Awareness of Technologies among by MSMEs

The analysis of awareness regarding Industry 4.0 technologies, including automation, 3D printing, additive manufacturing, virtual and augmented reality, IoT, robotics, and blockchains, reveals a paradox within the MSME sector. While there is a high level of overall awareness of Industry 4.0 technologies among MSMEs, their actual utilization remains negligible. Several factors contribute to this discrepancy, including limited accessibility to advanced technologies, the relatively high capital costs associated with their implementation, and challenges in identifying suitable use cases within the production cycles of MSMEs.

This indicates that **although MSMEs are cognizant of the transformative potential of Industry 4.0 technologies, practical barriers hinder their widespread adoption**. Overcoming these challenges would **require targeted efforts to enhance accessibility, reduce implementation costs, and facilitate the integration of these technologies into the specific operational contexts of MSMEs**. Bridging this gap between awareness and adoption is crucial for **unlocking the full benefits of Industry 4.0** for MSMEs and contributing to their overall growth and competitiveness in the evolving industrial landscape.

d. Challenges faced in access to technology

The analysis of access to technology for MSMEs [as indicated in chart below] highlights significant challenges that cut across enterprise types. The lack of capital emerges as the most predominant challenge for MSMEs, hindering their ability to adopt innovative technologies. This financial constraint is a major barrier for MSMEs across the board.

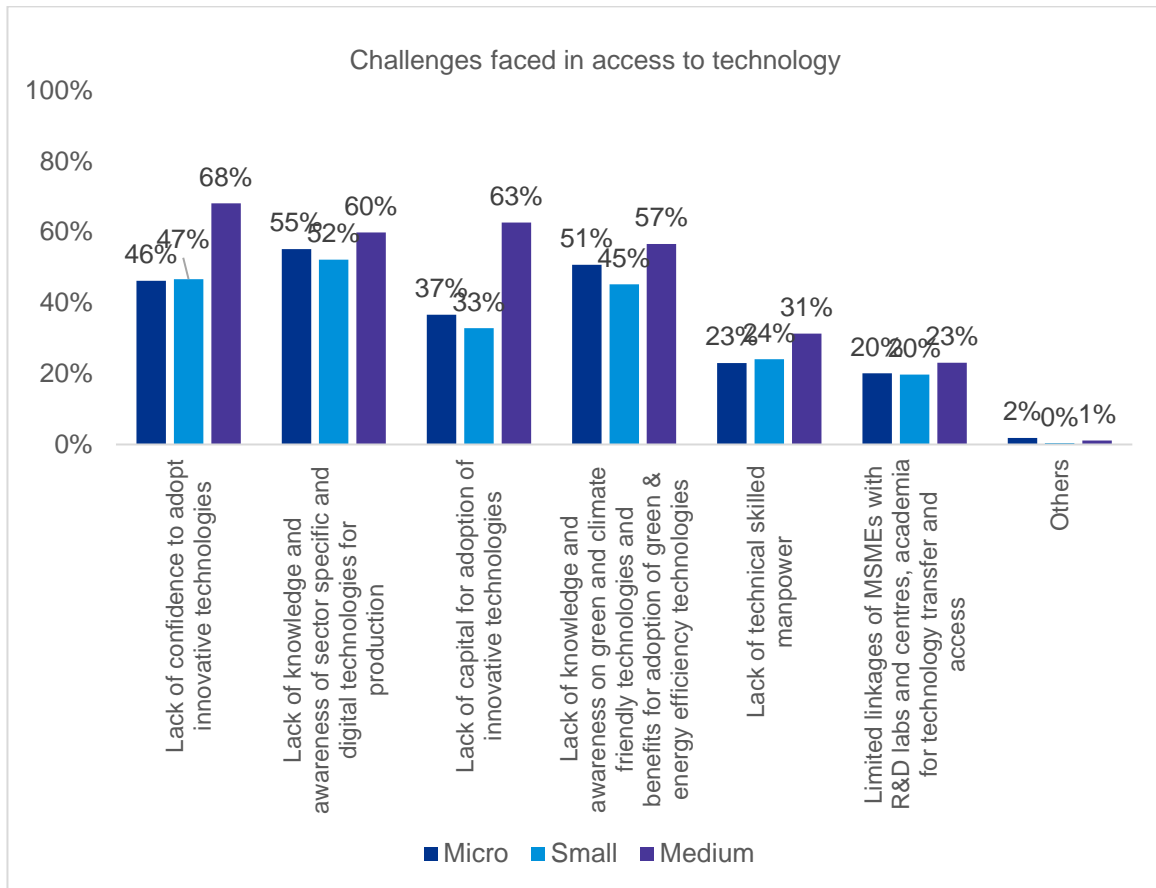


Figure 51 Challenges faced in access to technology

Small and medium enterprises, in particular, face additional challenges. **The lack of technical skilled manpower is identified as a significant hurdle**, emphasizing the importance of a skilled workforce in harnessing and **implementing advanced technologies**. Furthermore, **poor linkage of MSMEs with Research and Development (R&D) labs and academia is noted as a challenge**, indicating a need for stronger collaborations and knowledge exchange between MSMEs and research institutions. Lack of awareness persists as a common challenge for both small and medium enterprises, emphasizing the need for targeted initiatives to enhance awareness about available technologies and support mechanisms.

Addressing these challenges would require a multi-faceted approach, including financial support mechanisms, skill development programs, and initiatives to improve linkages between MSMEs and research entities. Such interventions can contribute to enhancing access to technology and fostering innovation within the MSME sector.

1.5.6 Access to Infrastructure

a. Land/plot where MSMEs are located

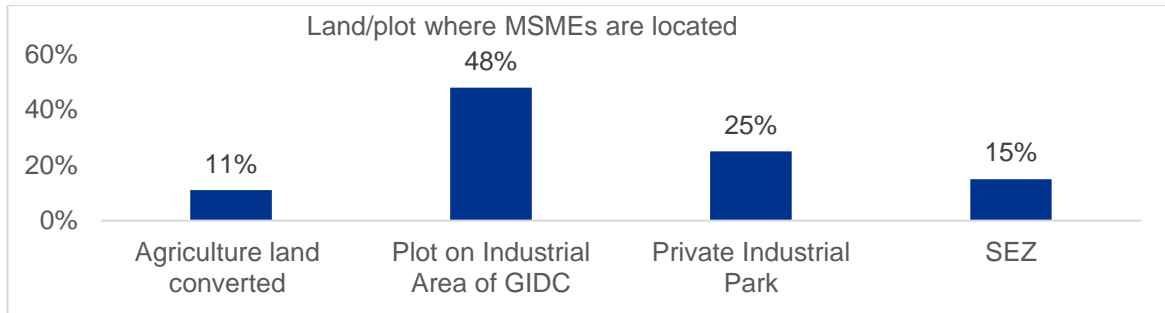


Figure 52 Land location of majorities of MSMEs

Agricultural land is the most common location for MSMEs: 11% of MSMEs are located on agricultural land that has been converted for industrial use. Plots on industrial areas of GIDC are also common: 48% of MSMEs are located on plots within designated industrial areas developed by the Gujarat Industrial Development Corporation (GIDC). This indicates that the infrastructure and facilities provided by GIDC are attractive to MSMEs. Private Industrial Parks are less common but still significant: 25% of MSMEs are in private industrial parks, suggesting that these parks offer certain advantages for businesses. Special Economic Zones (SEZs) are the least common location: Only 15% of MSMEs are in SEZs. This could be due to the specific requirements or restrictions associated with operating within SEZs.

b. Challenges faced by MSME while accessing infrastructure

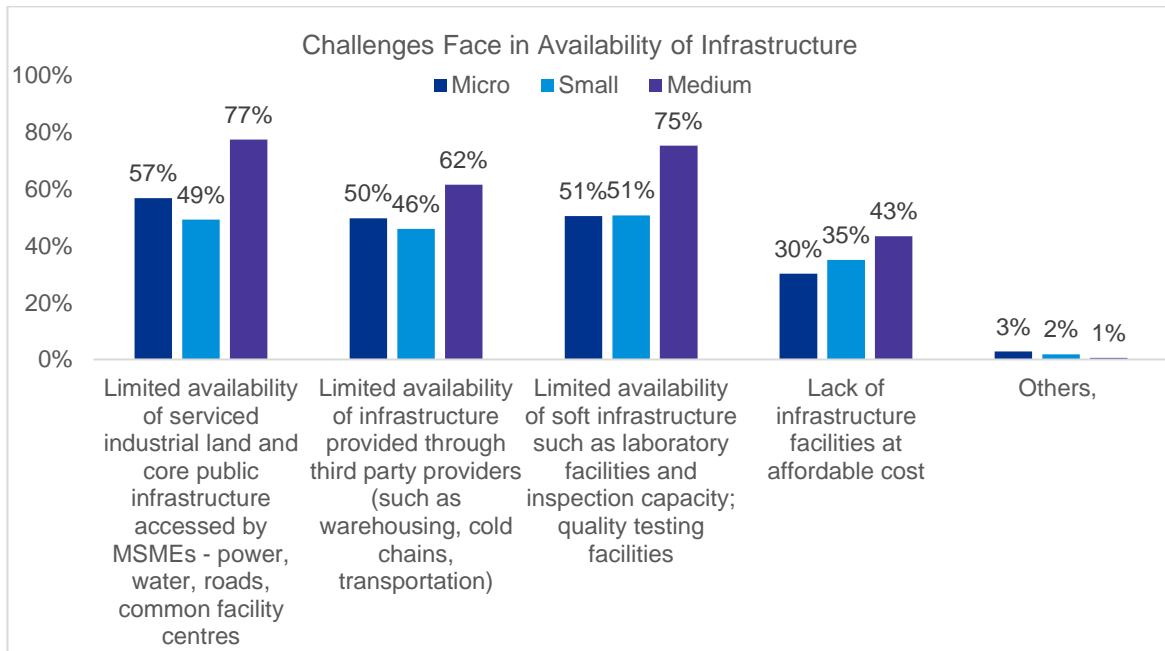


Figure 53 Challenges faced by MSMEs in availability of infrastructure.

Limited availability of serviced industrial land: 57% of micro enterprises, 49% of small enterprises, and 77% of medium enterprises cite this as a major obstacle. This suggests a shortage of land that is ready for industrial use with basic infrastructure like power, water, and roads.

Limited availability of infrastructure provided through third-party providers is also a major constraint: 50% of micro enterprises, 46% of small enterprises, and 62% of medium enterprises face challenges in accessing infrastructure like warehousing, cold chains, and transportation through third-party providers. This indicates gaps in the availability of these essential services.

Lack of laboratory facilities and quality testing facilities is also a concern: 51% of micro enterprises, 51% of small enterprises, and 75% of medium enterprises face challenges in accessing these facilities. This highlights the need for better support for quality control and testing, which is essential for competitiveness.

1.5.7 Regulatory constraints

a. Awareness of Udyam Assist platform.

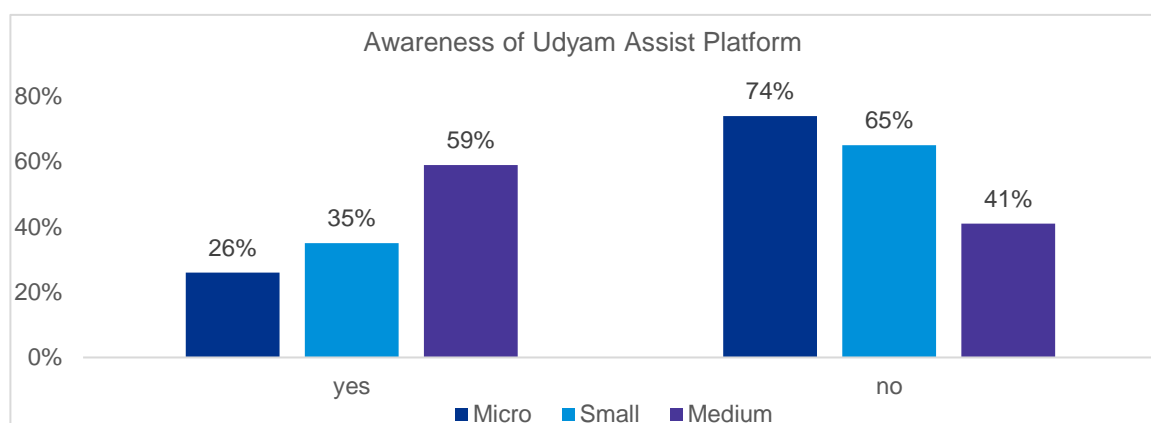


Figure 54 Awareness of Udyam Assist Platform

Awareness of the Udyam Assist platform is high among medium enterprise, with 59% having heard about it followed by small and micro enterprises. Micro businesses have the highest level of unawareness (74%), followed by small businesses (65%) and medium businesses (41%). Even among those who are aware, a considerable proportion (24-38%) are not actively using the platform.

b. Awareness on filing the application for various departmental approvals/clearances through the single window mechanism – Investor Facilitation Portal (IFP)

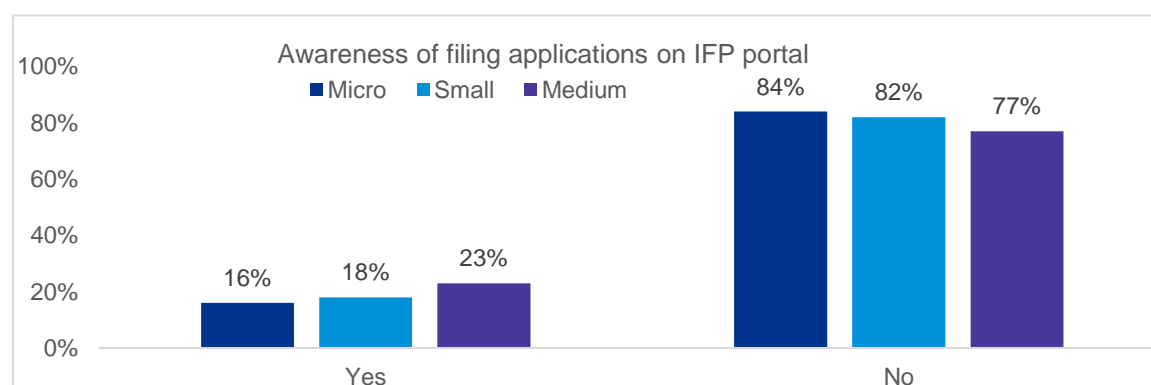


Figure 55 Awareness of filing applications on IFP portal

Overall, 16% to 23% of MSMEs are aware of the IFP portal. This means that the majority of MSMEs are not aware of the portal and its potential benefits. Medium-sized enterprise have the highest awareness of the IFP portal, at 23%. This is followed by small enterprise at 18% and medium enterprise 16%. This suggests that medium enterprise may be more aware of government programs and resources than micro and small enterprise. There is a significant gap in awareness between medium-sized enterprise and micro and small enterprise. This gap could be due to a number of factors, such as access to information, resources etc.

c. Experience on Single Window Clearance Mechanism, Investor Facilitation portal, in the state

On a 5-point scale; where 5 = Strongly agree; 4=agree; 3= satisfactory; 2= disagree & 1 = strongly disagree.

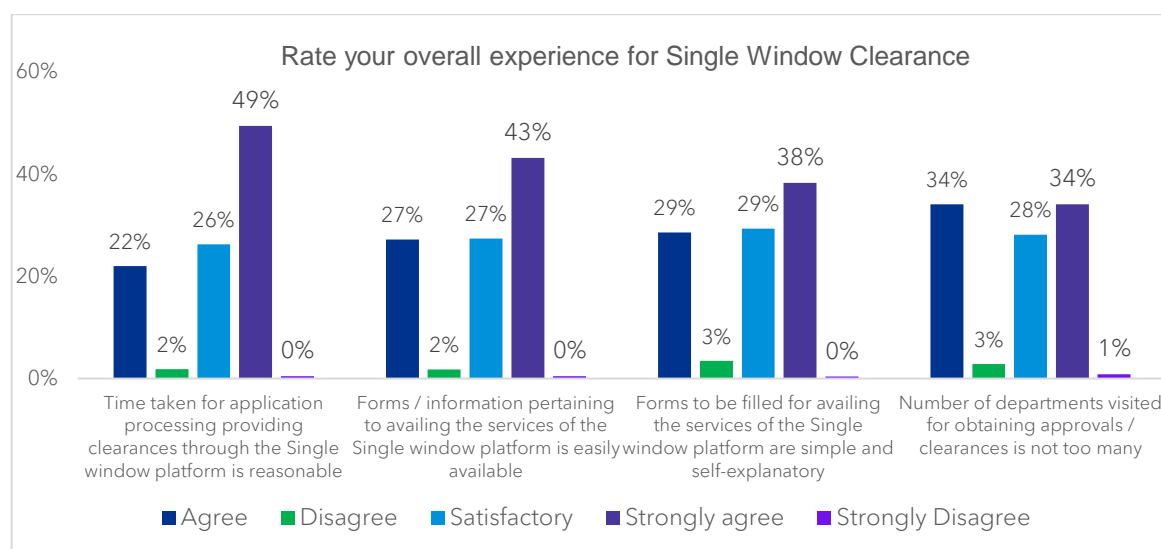


Figure 56 Rate your overall experience for Single Window Clearance

Overall experience with Single Window Clearance is positive: 49% of respondents rated their overall experience as satisfactory, while 43% agreed that it was positive. This suggests that most users find the Single Window Clearance system to be helpful and efficient. Timely application processing is a key strength: 49% of respondents agreed that the time taken for application processing through the Single Window platform is reasonable. This indicates that the system is effectively streamlining the clearance process and reducing delays. Forms and information are accessible and easy to understand: 43% of respondents found the forms and information pertaining to availing services to be easily available. 38% found the forms to be filled simple and self-explanatory. This suggests that the system is user-friendly and provides clear guidance to users. Department visits and multiple interactions are minimized: 34% agreed that the number of departments visited for obtaining approvals/clearances is not too many. The overall positive feedback from users suggests that the Single Window system is achieving its goal of simplifying and expediting the clearance process for businesses. To further enhance the effectiveness of the system, efforts should be focused on further simplifying forms and information and improving coordination between departments and agencies.

d. Regulatory challenges faced in doing business.

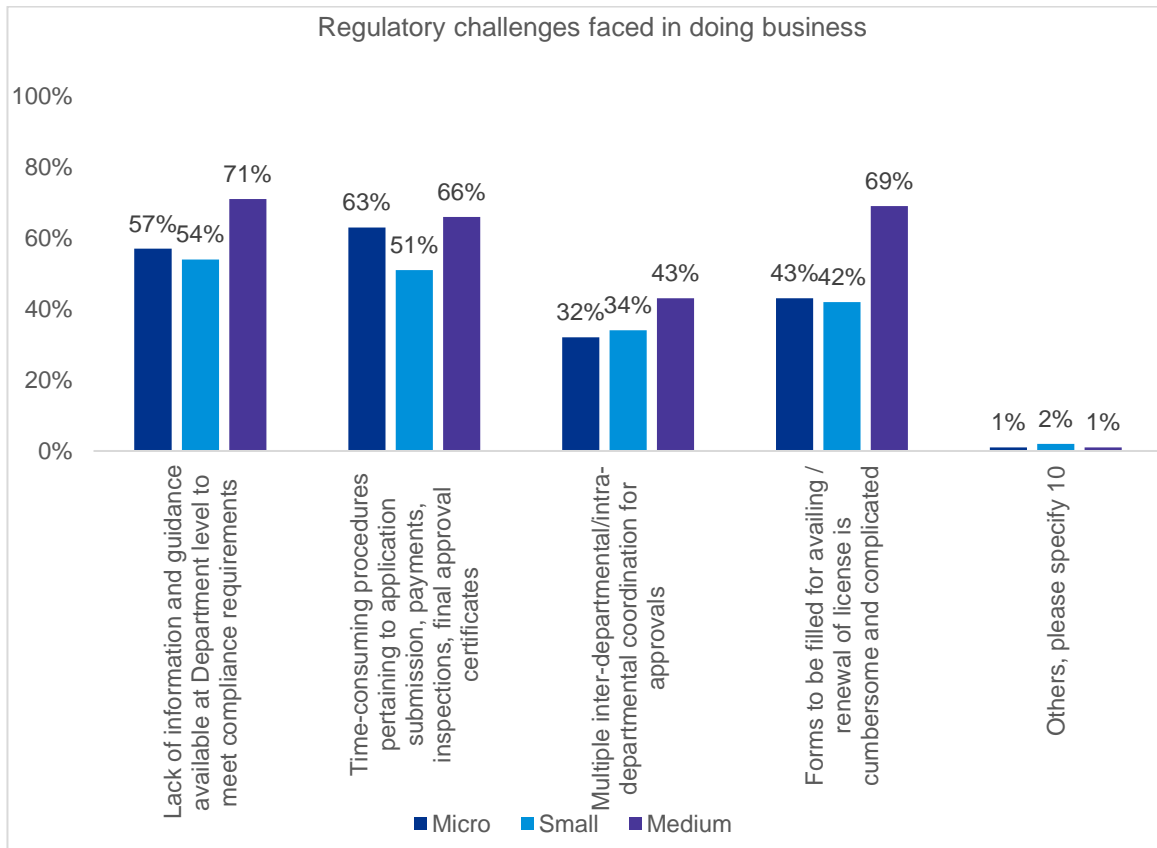


Figure 57 Regulatory challenges faced in doing business.

Regulatory challenges are prevalent across business sizes: Micro, small, and medium enterprises all face significant regulatory hurdles. Lack of information and guidance is the most common challenge: 57% to 71% of businesses across all sizes cite this as a major obstacle, indicating a need for clearer and more accessible information from regulatory bodies. Time-consuming procedures are another major barrier: 51% to 66% of businesses struggle with lengthy application processes, payments, inspections, and approval processes, highlighting inefficiencies in the regulatory system. Multiple coordination requirements further complicate matters: 32% to 43% of businesses must navigate multiple departments or agencies for approvals, adding to the administrative burden. Complex forms add to the difficulty: 42% to 69% of businesses find forms for licenses and renewals to be cumbersome and difficult to understand, suggesting a need for simplification. Other challenges exist as well: While less common, 1% to 2% of businesses reported additional regulatory challenges that were not specified in the graph.

e. Overall experience on MSME Facilitation Desk.

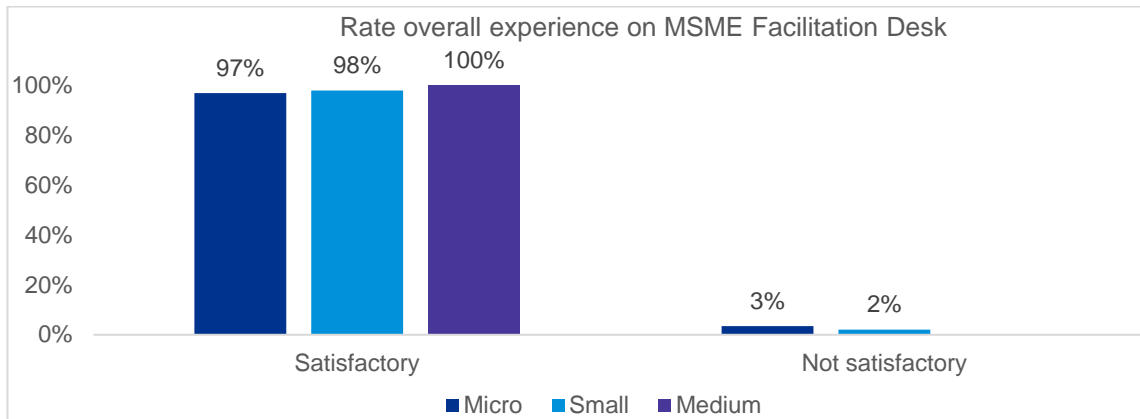


Figure 58 Rate overall experience on MSME Facilitation Desk

High levels of satisfaction with MSME Facilitation Desk, overall 98% of micro, small, and medium enterprises (MSMEs) rated their experience with the Facilitation Desk as satisfactory. Only 2% of micro enterprises and 3% of small enterprises reported being not satisfied with the Facilitation Desk. No medium enterprises reported dissatisfaction. The high levels of satisfaction suggest that the Facilitation Desk is effectively providing the services and support that MSMEs need.

1.5.8 Access to Skilled Manpower

a. Awareness on the digital job portal MSME SAMPARK

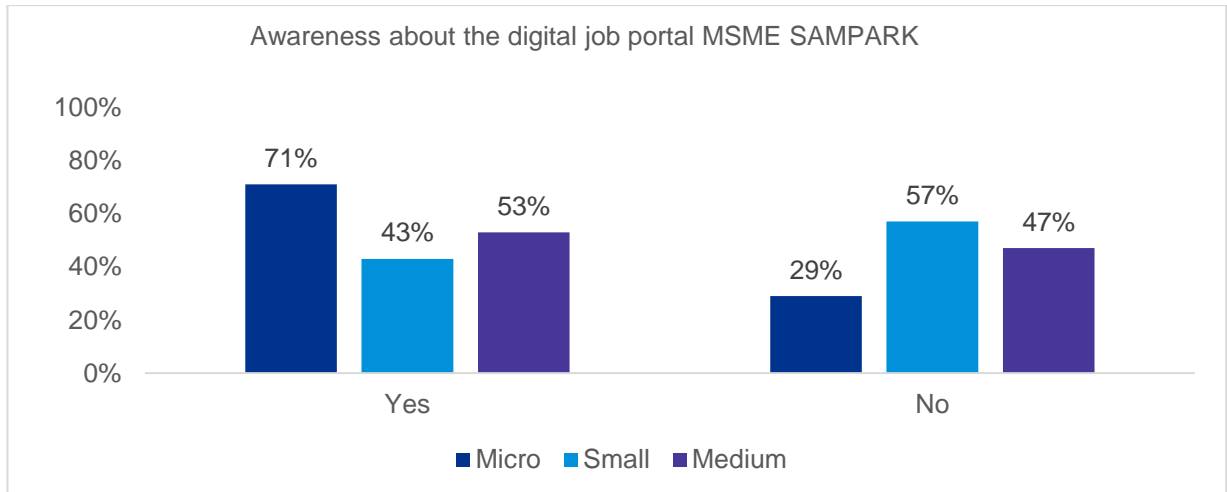


Figure 59 Awareness on MSME SAMPARK

More than half of the respondents were found to be aware of the online placement portal MSME SAMPARK for MSME Technology Centre Trainees. Out of the 2000 MSMEs surveyed, **57% of small industries are not aware of MSME Sampark**. On the positive side, **71% of micro enterprises and 53% of medium enterprises** are aware of the portal. This necessitates concentrated efforts to promote awareness among the micro units in the state. There seems to be a negligible difference in awareness levels in terms of the social category of MSME owners. The same holds true for gender. Overall, the awareness on MSME Sampark needs improvement.

b. Skilled and unskilled workers

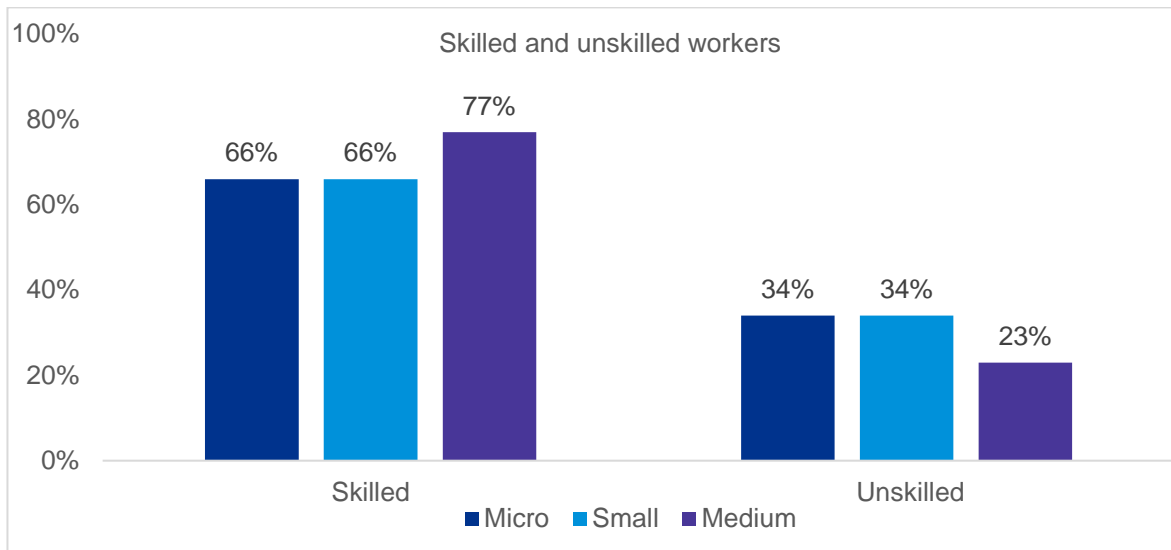


Figure 60 Skilled and unskilled labours in MSMEs

The percentage of skilled workers hired in MSMEs in Gujarat is 77%, while the percentage of unskilled workers is 23%. This suggests that a significant majority of MSMEs in Gujarat require skilled workers. The percentage of skilled workers hired in micro, small, and medium MSMEs is relatively similar, at 66%, 66%, and 77%, respectively. This indicates that the need for skilled workers is not limited to larger MSMEs. The percentage of unskilled workers hired in micro MSMEs (34%) is slightly higher than that in small MSMEs (34%) and medium MSMEs (23%). This could be due to a number of factors, such as the types of industries that micro MSMEs typically operate in or the lower costs associated with hiring unskilled workers.

c. Top 7 districts distribution cut and sectoral cut

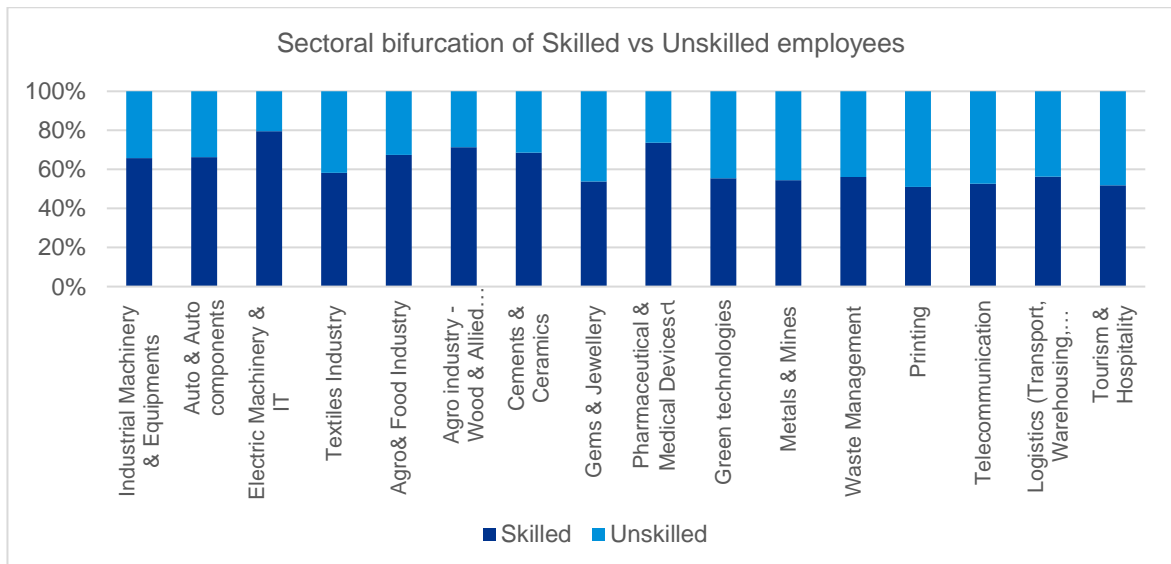


Figure 61 Sectoral bifurcation of skilled and unskilled employees

Industrial Machinery, Auto & Auto Components, Electric Machinery & IT, and Pharmaceutical & Medical Devices demonstrate the highest concentrations of skilled employees, often exceeding 80%. This underscores the critical role of technical expertise in these fields. Agro & Food Industry, Agro Industry - Wood & Furniture, Tourism & Hospitality, and Waste Management exhibit the

highest proportions of unskilled workers, with percentages ranging from 40% to over 60%. These sectors require more formal training.

d. Tie up with institutions to source workers or conduct on the job training

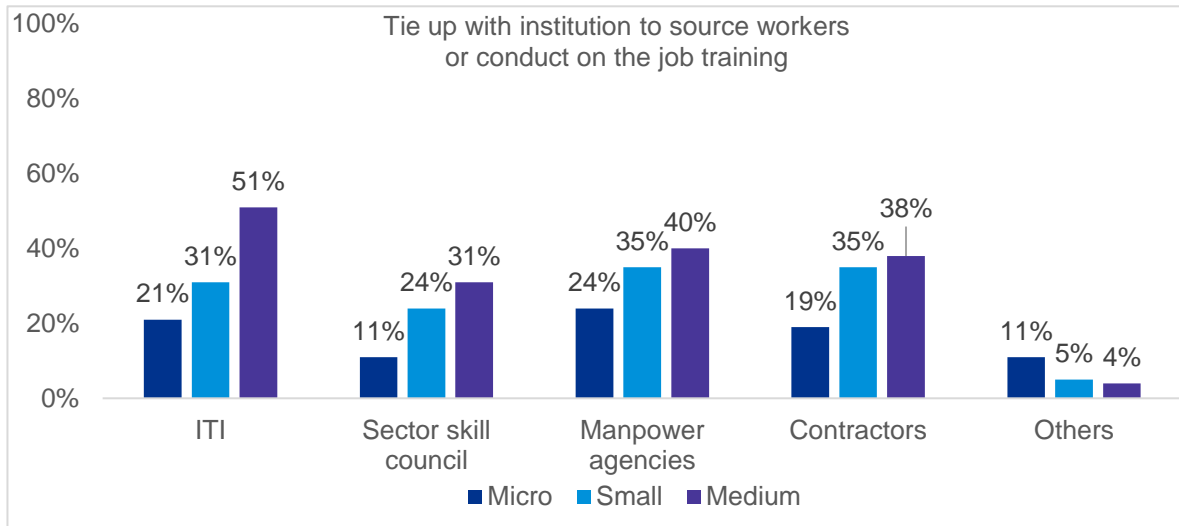


Figure 62 Tie up with institution to source workers

A majority of businesses (51%), partner with institutions to source workers or provide on-the-job training. This suggests a significant reliance on external partnerships for workforce development. Industrial Training Institutes (ITIs) are the most common type of institution partnered with, at 31%. This highlights the importance of ITIs in providing skilled workers for various industries. Sector Skill Councils are also frequently partnered with (31%), indicating a focus on industry-specific skills development. Manpower agencies (24%) and contractors (21%) play a role in sourcing workers, though to a lesser extent than ITIs and Sector Skill Councils. The percentage of businesses partnering with institutions varies by business size i.e. micro businesses are most likely to partner with ITIs (40%), small businesses are more likely to partner with Sector Skill Councils (35%) and manpower agencies (24%), medium businesses have a more balanced approach, partnering with ITIs (38%), Sector Skill Councils (35%), and manpower agencies (24%) at similar rates.

1.5.9 Greening of MSMEs

a. Availing credit/ financial assistance under the central scheme/sector specific policies for adopting sustainable practices

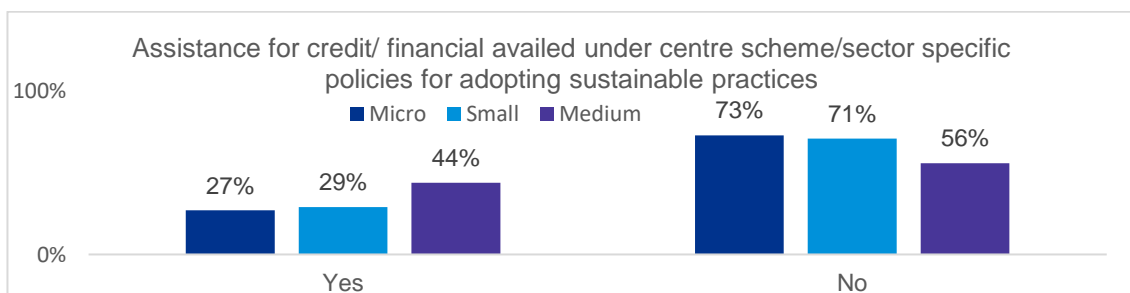


Figure 63 Assistance availed under central policies for adopting sustainable practices

73% of micro have not availed assistance for credit under center schemes or sector-specific policies for adopting sustainable practices followed by small and medium enterprises. This suggests a significant uptake of financial support for sustainability initiatives among MSMEs.

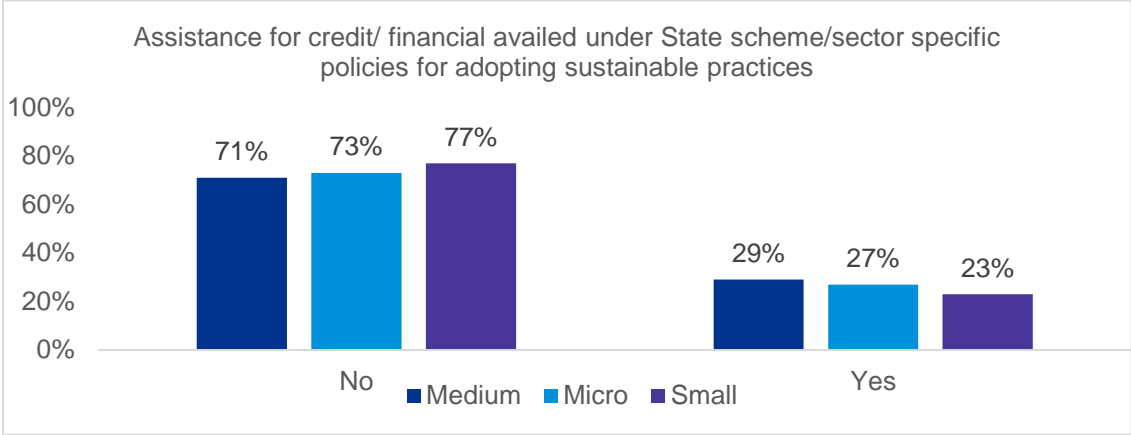


Figure 64 Assistance availed under state policies for adopting sustainable practices

A majority of medium enterprise (77%) have not availed credit or financial assistance under state schemes or sector-specific policies to adopt sustainable practices followed by micro and small enterprise. This indicates a negative trend towards sustainability adoption, driven by financial incentives.

b. Usage of green energy sources such as solar, wind, etc.

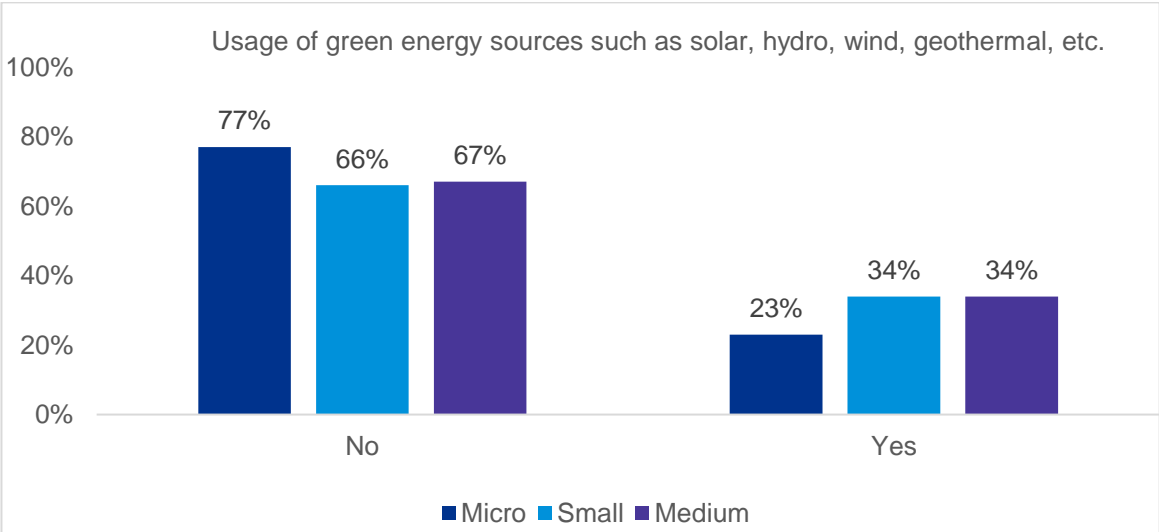


Figure 65 Usage of green energy sources such as solar, hydro, wind, geothermal, etc.

Maximum small and medium i.e 54% enterprise report using green energy sources followed by micro enterprises, while 77% of micro enterprises are not aware of them, followed by small and medium enterprises. This suggests a significant adoption of green energy among micro enterprises.

c. Resource Consumption

i. Measuring the quantity of resources like water, electricity, dry and wet waste, emissions, etc. consumed/emitted by MSMEs

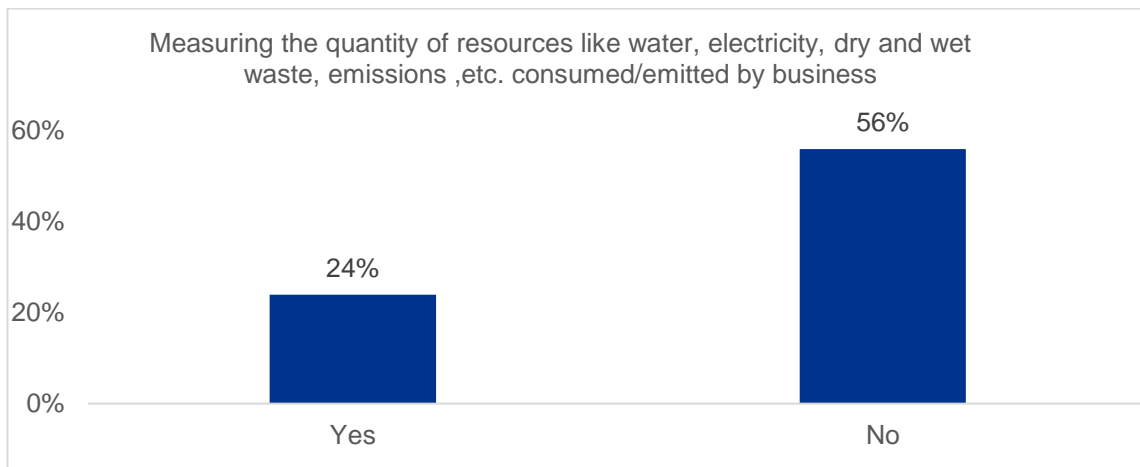


Figure 66 MSMEs measuring quantity of resource consumed / emit

Less than half (56%) of businesses surveyed do not measure the quantity of resources they consume or emit. This suggests a significant gap in resource awareness and tracking practices. This highlights a need for education and awareness-raising initiatives. Only 24% of businesses actively measure their resource usage. This indicates a potential for improvement in resource management practices.

ii. Awareness about the benefits/opportunities from implementing sustainability measures.

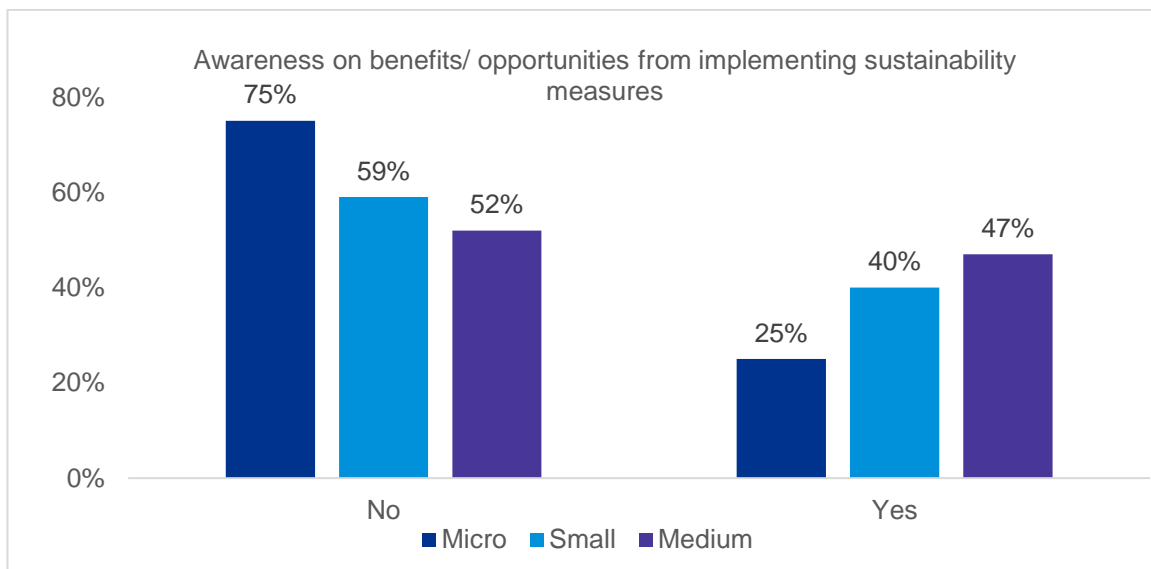


Figure 67 Awareness on benefits/ opportunities from implementing sustainability measures.

Micro businesses have the highest percentage of respondents who are not aware of the benefits and opportunities of implementing sustainability measures (75%). This suggests a need for greater awareness campaigns and information dissemination targeting this segment. Medium enterprise has the highest percentage of respondents who are aware of the benefits but are not implementing sustainability measures. This indicates potential barriers to adoption, such as cost, complexity, or

lack of resources, that need to be addressed. Medium businesses have the highest percentage of respondents who are already implementing sustainability measures (47%). This signifies a positive trend in adoption among this segment, but there's still room for improvement.

d. Priorities for adopting sustainable practices.

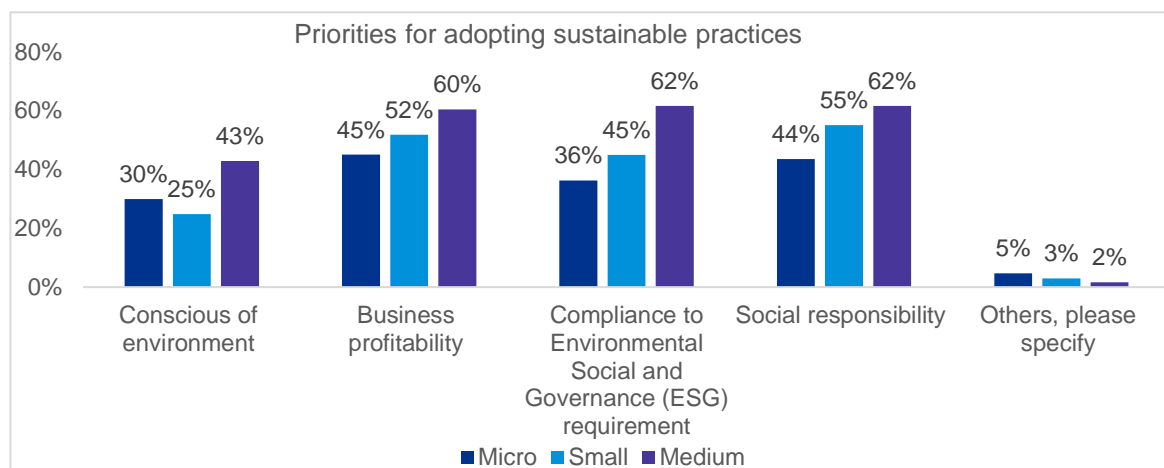


Figure 68 Priorities for adopting Sustainable Practices by MSMEs

Medium businesses cite a greater challenge in balancing sustainability with business profitability, compared to micro and small enterprise. Medium businesses report a slightly higher challenge in complying with ESG (Environmental, Social, and Governance) requirements.

e. Awareness regarding green finance instruments with financial institutions, NBFCs, Fin tech companies, etc.

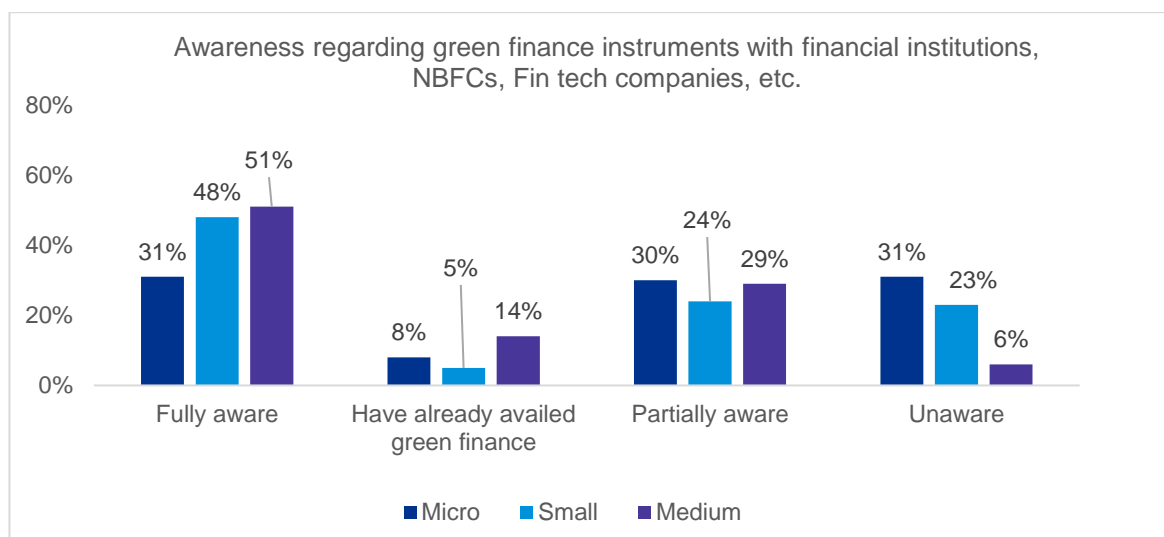


Figure 69 Awareness regarding green finance instruments with financial institutions

Overall awareness of green finance instruments is relatively high among medium enterprise, with an average of 65%. This indicates a promising level of interest and potential demand for such instruments. Medium enterprise businesses have the highest level of full awareness (51%), followed by small enterprise (48%) and micro enterprise (31%). This suggests that medium and small businesses may be more receptive to green finance initiatives. However, there's still a significant proportion of businesses that are only partially aware (24-29%) or completely unaware

(6-31%) of green finance options. This highlights the need for further awareness-raising and education campaigns. The percentage of businesses that have already availed green finance is relatively low (5-14%), indicating a gap between awareness and actual adoption. Addressing barriers to adoption is crucial to increase uptake.

f. Challenges faced in implementing sustainable practices.

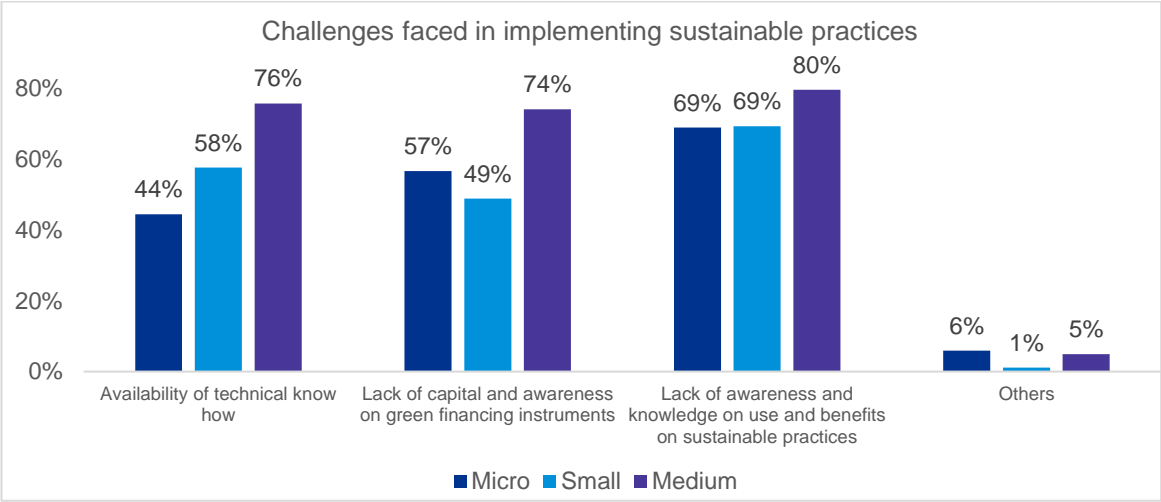


Figure 70 Challenges faced in implementing sustainability practice

Medium enterprises lack awareness & knowledge, lack of capital & awareness on green financing instruments followed by small and micro enterprises contributing factors that limit the use of sustainable practices, apart from medium enterprises for whom the availability of technical know-how wasn't a challenge.

The image shows a vast industrial facility, likely a manufacturing plant for heavy machinery or vehicles. The foreground and middle ground are filled with rows of complex mechanical components, possibly chassis or engine parts, arranged on the floor. The ceiling is exceptionally high, featuring a series of long, parallel skylights that allow natural light to filter into the space, creating a rhythmic pattern of light and shadow. The structural elements of the building, including steel beams and supports, are visible throughout the scene. In the center, a red and white striped barrel stands out against the dark floor. The overall atmosphere is one of a busy, large-scale industrial environment.

MSME Landscape in Gujarat

2. MSME Landscape in Gujarat

2.1 Overview of the MSME Sector

The state of Gujarat is renowned for its entrepreneurial spirit and business friendly environment. Besides being the 4th largest state in the nation (in quantum of MSMEs), the state's MSMEs provide livelihood opportunities to a vast majority of the state's workforce both skilled and unskilled, thereby contributing towards economic prosperity and the creation of a more equitable society. As of September 2023, the 14.4 lakh registered MSMEs employ around 84.62 lakh employees. Furthermore, the state's MSMEs are major contributors to key sectors such as engineering, chemicals, plastics, food processing, ceramics, and pharmaceuticals that comprise about 17% of the nation's overall exports. All in all, it is tenable to conclude that MSMEs in Gujarat are the backbone of the State's industrial development. This chapter provides a detailed glimpse of the various parameters that indicate the present status/performance of Gujarat's MSMEs.

2.1.1 MSME composition and growth over time

In the 73rd round of NSS in 2015-16, Gujarat had 33.16 lakhs MSMEs. However, as of September 2023, only 14.4 lakhs MSMEs were registered on the Udyam Portal. A comparison with the NSS figures reveals that only 43.43% of MSMEs have transitioned to formalization. Although this conversion rate is notably one of the highest in the country and reasonable above average formalization rate of India at 30.89%, reflecting Gujarat's effectiveness in encouraging informal MSMEs enterprises to become formal enterprises. More needs to be done to the remaining informal MSMEs to incorporate them into the purview of the state.

State	Estimated No. of MSMEs (No. in Lakhs) Annual Report 22-23 (As per 73rd Round NSS)	No. of MSMEs Registered (No. in Lakhs) Udyam Data as on 30 th Sept. 2023	Quantum of Formalization Compared to 73rd Round of NSS
India	633.88	195.81	30.89%
Maharashtra	47.78	34.32	71.83%
Rajasthan	26.87	14.37	53.48%
Gujarat	33.16	14.4	43.43%
Tamil Nādu	49.48	19.98	40.38%
Madhya Pradesh	26.74	9.18	34.33%
Karnataka	38.34	11.05	28.82%
Bihar	34.46	8.01	23.24%
Andhra Pradesh	33.87	6.96	20.55%
Uttar Pradesh	89.99	18.4	20.45%
West Bengal	88.67	7.63	8.60%
Other State/UTs	164.52	51.51	31.31%

Table 11 Formalization of MSMEs Compared to 73rd round of NSS¹³

¹³ taken from Udyam Portal as on 30th Sept 2023

Out of the total MSMEs in the state, 94.92% fall under the micro category, 4.60% under small and 0.48% enterprises in the medium category¹⁴. The following table depicts the geographical distribution of MSMEs across the 33 districts of the state.

	District	Total Enterprises	Micro	Small	Medium
	Gujarat	14,40,682	1,367,554	66,282	6,846
1	Ahmedabad	3,13,860	2,96,363	15,664	1,833
2	Surat	2,95,177	2,78,744	15,225	1,208
3	Rajkot	1,43,749	1,36,967	6,125	657
4	Vadodara	1,13,696	1,09,255	3,990	451
5	Kachchh	55,623	52,228	3,054	341
6	Valsad	44,068	41,671	2,181	216
7	Bhavnagar	39,894	38,158	1,525	211
8	Jamnagar	35,102	33,254	1,683	165
9	Bharuch	33,861	31,909	1,799	153
10	Anand	32,654	31,762	834	58
11	Banas Kantha	32,071	30,735	1,254	82
12	Gandhinagar	31,321	29,770	1,402	149
13	Mahesana	28,966	26,720	1,954	292
14	Morbi	27,793	24,653	2,644	496
15	Junagadh	24,661	23,673	927	61
16	Kheda	21,700	21,097	560	43
17	Surendranagar	19,964	19,219	697	48
18	Navsari	19,512	18,933	546	33
19	Sabarkantha	17,294	16,577	644	73
20	Amreli	13,833	13,272	489	72
21	Panchmahal	12,703	12,281	387	35
22	Gir Somnath	12,177	11,676	491	10
23	Patan	12,113	11,645	437	31
24	Dahod	10,256	9,958	277	21
25	Porbandar	9,342	8,996	328	18
26	Devbhoomi Dwarka	7,748	7,476	261	11
27	Aravalli	7,610	7,351	249	10
28	Botad	5,738	5,458	238	42
29	Tapi	5,062	4,884	169	9
30	Chhotaudepur	4,758	4,655	91	12
31	Mahisagar	4,251	4,171	77	3
32	Narmada	3,202	3,135	66	1
33	Dang	923	908	14	1

Table 12 District wise total MSMEs in Gujarat by enterprise type¹⁵

From the enterprises registered on Udyam, it becomes evident that **64% are situated in the top 5 districts of Gujarat namely Ahmedabad, Surat, Rajkot, Vadodara and Kachchh**. This

¹⁴ As of UDYAM, September 2023

¹⁵ As of UDYAM, September 2023

concentration extends to employment as well, with these districts collectively contributing to 63.48% of the state's total workforce. Moreover, they serve as focal points for MSME investments, attracting the highest capital inflow in this sector. They are also responsible for a significant portion of the total turnover generated in the MSME sector, accounting for 67% of the state's economic activity. This data underscores the pivotal role played by the top 5 districts in shaping Gujarat's MSME landscape, employment, and economic development.

	Registered on Udyam	%	Employment	%	Investment (in INR crores)	%
Gujarat	14,40,682		84,62,569		1,24,406.71	
Top 5 districts	9,22,105	64%	53,72,341	63%	77,808.1	63%
Ahmedabad	3,13,860	22%	18,47,501	22%	27,159.66	22%
Surat	2,95,177	20%	17,33,621	20%	23,660.49	19%
Rajkot	1,43,749	10%	7,29,541	9%	11,523.58	9%
Vadodara	1,13,696	8%	7,26,161	9%	9372.42	8%
Kachchh	55,623	4%	3,35,517	4%	6091.93	5%

Table 13 Contribution of Top 5 Districts in MSME Sector of Gujarat

As of September 30th, 2023, out of the 14.4 lakhs MSMEs registered on the Udyam Portal, **36% operate in the manufacturing sector**, demonstrating a substantial presence in production. The **services sector contributes significantly as well, with 34.76% of Udyam registrations**. Meanwhile, **the trading sector constitutes 29.17% of the enterprises registered on Udyam**.

	No. on Udyam	%	Employment	%	Investment (in INR Cr)	%
Gujarat	14,40,682	100%	84,62,569	100%	1,24,406.72	100%
Manufacturing	5,19,542	36%	38,42,952	45%	89,371.78	72%
Micro	4,74,931		27,04,467		16,108.05	
Small	39,906		7,38,000		39,356.04	
Medium	4705		4,00,485		33,907.7	
Services	5,00,830	35%	29,66,156	35%	25,720.19	21%
Micro	4,85,632		23,82,241		8810.64	
Small	13,920		4,62,559		10,976.25	
Medium	1278		1,21,356		5933.3	
Trading	4,20,310	29%	16,53,461	20%	9314.74	7%
Micro	4,06,991		15,21,657		5509.55	
Small	12,456		1,07,646		2647.94	
Medium	863		24,158		1157.26	

Table 14 Sector wise bifurcation of MSMEs in Gujarat

Since the introduction of the Udyam portal on July 1, 2020, a clear trend of migration from existing Udyog Aadhar Memorandum (UAM) to the Udyam Portal has emerged. This transition is reflected in the annual registration figures, indicating consistent growth.

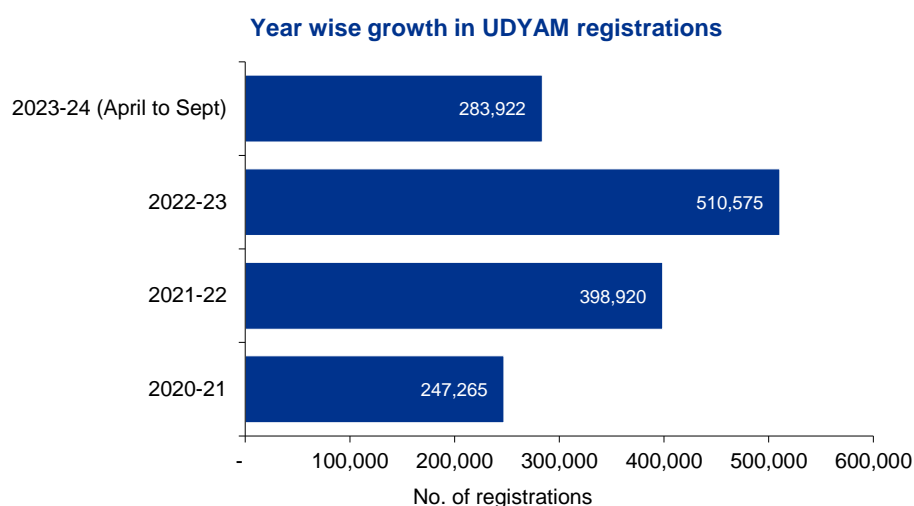


Figure 71 YoY growth in Udyam registrations in Gujarat

In FY 2020-21, there were 2,47,265 Udyam registrations, which increased by 3,98,920 in FY 2021-22, marking a 161% growth in registrations. In FY 2022-23, the registrations further rose by 5,10,575 new registrations – a 128% increase: demonstrating a continuing upward trajectory. In the current year 2023-24, an additional 2,83,922 registrations were recorded until the month of September. Collectively, these figures present a substantial total of 14,40,682 Udyam registrations in Gujarat as of September 30, 2023. This data underscores the state's proactive approach in formalizing MSMEs through the Udyam portal, resulting in steady growth in registrations over the years. When read in conjuncture with the changes in employment levels, it is tenable that the two indicators show a positive correlation.

2.1.2 Number and share of women headed MSMEs

Gujarat is home to about 5.9% of India's women led MSMEs. This renders the state in the 5th place in the country with Maharashtra, Tamil Nadu, Uttar Pradesh, and Karnataka in the top 4 places¹⁶.

	As per Udyam portal (as on Sept 2023)	As per NSS 73 rd round
Women led MSMEs in Gujarat	2,18,975	8,26,640
Proportion of women led MSMEs in Gujarat	15.20%	25.81%

Table 15 No. of women led MSMEs in Gujarat - Udyam 2023 vs NSS 73rd round

Out of Gujarat's MSMEs, **15.20% of enterprises are owned by females**, a figure that stands out as one of the highest compared to other states. However, as opposed to the 2,18,975 women led MSMEs as per Udyam, the NSS 73rd round has recorded 8,26,640 women led MSMEs in Gujarat. This statistic underscores the significant progress in women's participation in entrepreneurship and reflects the need to further MSME registrations.

¹⁶ pib.gov.in/PressReleaseSelfFramePage.aspx?PRID=1909928

District Name	Total No. of MSMEs	Female Headed MSMEs	% Of Female Headed MSMEs
Gujarat	14,40,682	2,18,975	15.20%
Dang	923	189	20.48%
Surat	2,95,177	58,667	19.88%
Vadodara	1,13,696	22,448	19.74%
Navsari	19,512	3,685	18.89%
Valsad	44,068	7,384	16.76%
Ahmedabad	3,13,860	51,046	16.26%
Gandhinagar	31,321	4,844	15.47%
Anand	32,654	4,854	14.86%
Bharuch	33,861	5,002	14.77%
Dahod	10,256	1,483	14.46%
Panchmahal	12,703	1,823	14.35%
Narmada	3,202	449	14.02%
Chhotaudepur	4,758	619	13.01%
Tapi	5,062	655	12.94%
Rajkot	1,43,749	17,553	12.21%
Bhavnagar	39,894	4,832	12.11%
Kachchh	55,623	6,705	12.05%
Porbandar	9,342	1,107	11.85%
Mehsana	28,966	3,382	11.68%
Kheda	21,700	2,511	11.57%
Sabra kantha	17,294	1,989	11.50%
Jamnagar	35,102	3,899	11.11%
Junagadh	24,661	2,711	10.99%
Amreli	13,833	1,476	10.67%
Arvalli	7,610	777	10.21%
Patan	12,113	1,159	9.57%
Mahi Sagar	4,251	402	9.46%
Gir Somnath	12,177	1,059	8.70%
Devbhoomi Dwarka	7,748	644	8.31%
Surendra Nagar	19,964	1,573	7.88%
Botad	5,738	384	6.69%
Banas kantha	32,071	2,014	6.28%
Morbi	27,793	1,650	5.94%

Table 16 District wise proportion of women headed MSMEs in Gujarat¹⁷

Moreover, while the concentration of female headed MSMEs is prominent in the top 5 districts of Gujarat suggesting a positive correlation between economic development and female entrepreneurship, it is worth highlighting that the composition of women led MSMEs is consistent

¹⁷ Udyam as of Sept 2023

with the state average in almost 80% of the districts. **This indicates an overall balanced distribution of women led MSMEs across Gujarat.**

Sector wise, following figure shows that most women led MSMEs are concentrated in the textile sector, agro & food processing, chemicals, and other sectors.

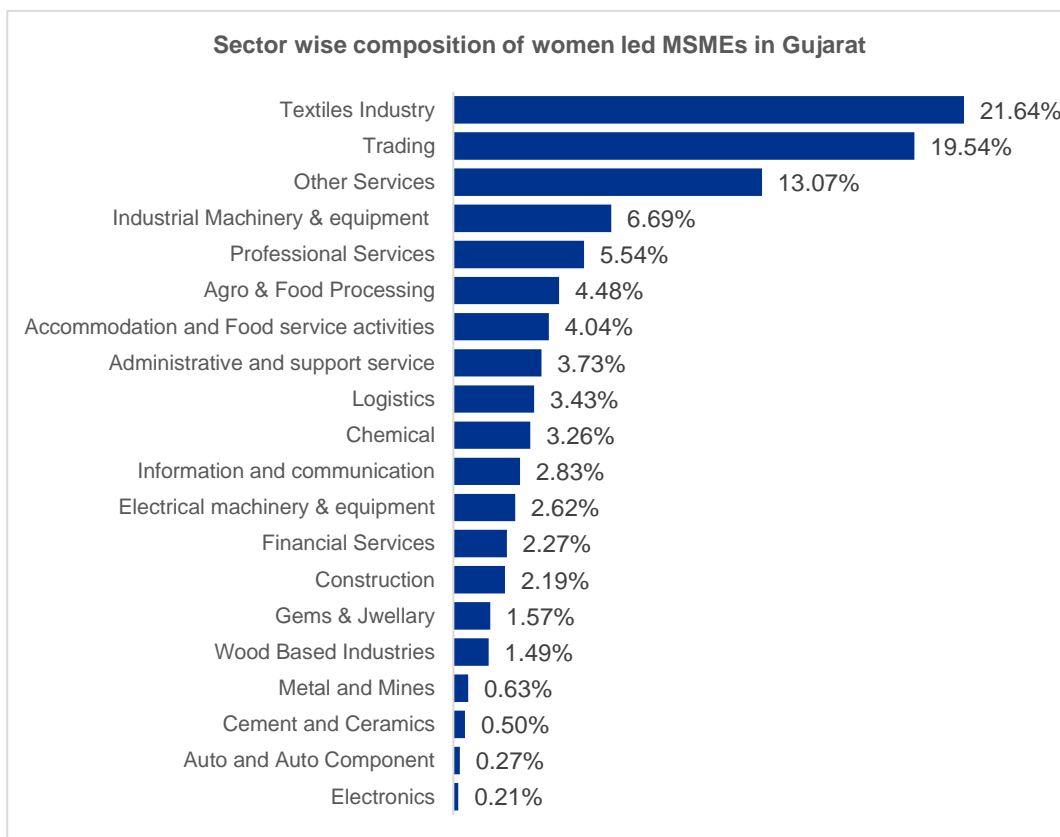


Figure 72 Sector wise composition of women led MSMEs in Gujarat

Sector	No. of MSMEs	Proportion of MSMEs in the State	No. of Women Headed MSMEs	Proportion of Women Entrepreneurs
Trading	2,84,341	19.74%	42,785	15.05%
Manufacturing				
Textiles Industry	1,66,087	11.53%	47,395	28.54%
Industrial Machinery & equipment	1,14,882	7.97%	14,656	12.76%
Agro & Food Processing	69,260	4.81%	9,818	14.18%
Chemical	50,599	3.51%	7,145	14.12%
Electrical machinery & equipment	46,359	3.22%	5,730	12.36%
Wood Based Industries	32,176	2.23%	3,268	10.16%
Gems & Jewelry	31,318	2.17%	3,433	10.96%
Metal and Mines	14,652	1.02%	1,373	9.37%

Sector	No. of MSMEs	Proportion of MSMEs in the State	No. of Women Headed MSMEs	Proportion of Women Entrepreneurs
Cement and Ceramics	12,453	0.86%	1,085	8.71%
Auto and Auto Component	6,781	0.47%	597	8.80%
Electronics	4,263	0.30%	466	10.93%
Services				
Logistics	1,48,408	10.30%	7,502	5.05%
Professional Services	72,656	5.04%	12,129	16.69%
Accommodation and Food service activities	63,064	4.38%	8,852	14.04%
Administrative and support service	61,737	4.29%	8,163	13.22%
Information and communication	45,109	3.13%	6,196	13.74%
Construction	63,982	4.44%	4,790	7.49%
Financial Services	24,077	1.67%	4,963	20.61%
Other Services ¹⁸	1,28,478	8.92%	28,629	22.28%
	14,40,682		2,18,975	

Table 17 Comparison of total MSMEs to women led MSMEs in each sector

The above table highlights an interesting case, that although 61.54% of MSMEs in the state operate in the services sector and 10.15% in industrial machinery and equipment, the distribution of women led MSMEs doesn't follow this trend. This indicates that women led MSMEs continue to be concentrated sectors like textiles that have been perceived as women friendly. These warrants concerted efforts to promote their diversification into other high productivity sector.

2.1.3 Sectoral composition of MSMEs in Gujarat

The below table summarizes the various MSME sectors in Gujarat along with their composition, volume of investments, net turnover, and the geographical distribution. As per the sectoral contribution below, it is evident that the services sector is the most dominant sector comprising of 62% of the total MSMEs. This is followed by the textiles industry with 12% MSMEs and Industrial machinery and equipment at 10%.

¹⁸ Other Services includes health care, education, entertainment, social services, waste management, repairing of personal goods etc.

S No	Industry Name	No. of MSMEs	% Of Total	Investment (in INR crores)	Net Turnover (in INR crores)	Sector wise Top 5 Districts
A	Manufacturing	5,48,830	38.10%	87,616.836	10,84,100.60	
1	Textiles Industry	1,66,087	11.53%	19,856.08	2,55,498.68	Rajkot, Ahmedabad, Surat, Vadodara, Jamnagar
2	Industrial Machinery & equipment	1,14,882	7.97%	16,472.96	2,42,508.74	Surat, Ahmedabad, Rajkot, Vadodara, Bhavnagar
3	Agro & Food Processing	69,260	4.81%	6,411.09	1,52,759.42	Ahmedabad, Rajkot, Surat, Vadodara, Valsad
4	Chemical	50,599	3.51%	18,277.78	1,68,515.04	Ahmedabad, Rajkot, Surat, Vadodara, Bharuch
5	Electrical machinery & equipment	46,359	3.22%	6,366.89	75,540.29	Ahmedabad, Surat, Rajkot, Vadodara, Banas Kantha
6	Wood Based Industries	32,176	2.23%	4,568.07	47,045.41	Ahmedabad, Rajkot, Surat, Vadodara, Valsad
7	Gems & Jewellery	31,318	2.17%	1,547.42	66,496.00	Surat, Rajkot, Ahmedabad, Bhavnagar, Vadodara
8	Metal and Mines	14,652	1.02%	2,289.38	20,331.75	Morbi, Ahmedabad, Rajkot, Surat, Vadodara
9	Cement and Ceramics	12,453	0.86%	10,452.55	43,531.17	Kachchh, Surat, Ahmedabad, Surendranagar, Morbi
10	Auto and Auto Component	6,781	0.47%	1,004.65	7,569.38	Rajkot, Ahmedabad, Surat, Kachchh, Vadodara
11	Electronics	4,263	0.30%	369.96	4,304.72	Ahmedabad,

S No	Industry Name	No. of MSMEs	% Of Total	Investment (in INR crores)	Net Turnover (in INR crores)	Sector wise Top 5 Districts
						Surat, Rajkot, Vadodara, Banas Kantha
B	Services	60,7511	42.17%	30,324.54	36,0019.19	
1	Logistics	1,48,408	10.30%	11,068.61	1,00,717.51	Ahmedabad, Surat, Rajkot, Vadodara, Kachchh
2	Professional Services	72,656	5.04%	2,798.86	43,817.94	
3	Accommodation and Food service activities	63,064	4.38%	1,900.91	27,463.57	
4	Administrative and support service	61,737	4.29%	3,136.16	48,414.55	
5	Information and communication	45,109	3.13%	1,522.36	21,689.36	
6	Construction	63,982	4.44%	4905.53	64,897.44	
7	Financial Services	24,077	1.67%	412.82	9,057.72	
8	Other Services	12,8478	8.92%	4,579.28	43,961.11	
C	Trading	2,84,341	19.74%	6,465.34	3,76,296.51	Ahmedabad, Surat, Vadodara, Rajkot, Kachchh
	Total	14,40,682		1,24,406.72	18,20,416.3	

Table 18 Sector wise contribution of MSMEs in Gujarat as of Sept 2023 taken from Udyam portal

2.1.4 MSME Clusters

In a recent study undertaken by the MSME Commissionerate, a comprehensive analysis yielded **the existence of 186 industrial MSME clusters and industrial areas dispersed across all 33 districts of Gujarat**. Table below provides a snapshot of their geographical distribution¹⁹. These clusters exhibit a diverse range of activities, encompassing both sector-specific industrial zones as well as mixed industries within the same geographical areas. Out of the 186 clusters, **118 clusters fall under the purview of Gujarat Industrial Development Corporation (GIDC)**, the nodal agency in the state responsible for the development of industrial infrastructure. The remaining 68 clusters are managed by private entities.

The sector-specific clusters demonstrate a strategic allocation of industrial activities, catering to various domains crucial to Gujarat's economic landscape. Furthermore, it also allows for the concentration of expertise and resources within specific sectors, thereby fostering specialization and excellence. These specialized clusters include **engineering, textile and garments, chemical, pharmaceutical, ceramic, agro & food processing, and diamond processing**. On the other hand, the co-existence of mixed industries in the same geographical area promotes synergy, resource sharing, and the potential for cross-industry collaborations. It not only enhances

¹⁹ For more details on clusters refer to Annexure 1

the overall industrial landscape but also contributes to the resilience and adaptability of the state's MSME sector. Following table provides a snapshot of the clusters in each district along with the respective major products.

	District	Cluster Names	Major Products	No. of Clusters
1	Aravalli	Dhansura, Modasa, Bayad, Shinavad, Vadagam	Agro Processing, Engineering, Crusher Machine Cluster Cold Storage, Fabrication, Detergent Powder, Quarry	7
2	Ahmedabad	Naroda, Vatva, Bavla, Sanand, Kathvada, Odhav, Narol, Baherampura, Danilimda, Shahwadi, Bapunagar, Chandola, Nikol, Vasana, Paldi, Khokhra	Engineering, Chemical, Plastic, Textile, Garment & Apparel, Food Processing, Ceramic, Utensils, Embroidery, Diamond, Lubricating Oil, Electronics, Matani Pachedi	11
3	Anand	V.U. Nagar, Anand Audhyogik Vasahat, Khambhat, Borsad, Vasad, Sokhada, Petlad	Engineering, Fabrication, Chemical, Sawmills & Furniture, Rice Mill, Dal & Pulses, Akik Stone	7
4	Amreli	Amreli, Savarkundla	Weighing Scale, Oil Mills	1
5	Banaskantha	Palanpur, Deesa, Tharad, Ambaji, Boru, Chhapi, Danta, Kumbhariya Koteswar	Agro, Marble & Granite, Diamond, Quarry, Automobile, Cold Storage, Embroidery, Chundadi	9
6	Bharuch	Dahej, Ankleshwar, Jagadiya, Gandhar	Pharmaceuticals, Chemical, Dyes and Pigments, Industrial Machinery, Salt	6
7	Bhavnagar	Bhavnagar, Mahuva	Diamond, Plastic, Steel rolling, Food Processing	2
8	Botad	Botad, Dhasa	Cotton Ginning & Spinning, Diamond	2
9	Chhota Udepur	Chhota Udepur, Kwant-Panvad, Pavi-Jetpur, Sankheda	Dolomite, Diamond, Cotton Ginning, Sankheda Furniture	4
10	Dahod*	Dahod	Agro Processing	1
11	Dang	Saputara	Hospitality	1
12	Devbhumi Dwarka	Dwarka, Khambhaliya, Bhanvad, Shivrajpur, Arambhada, Okhamandal, Bhatiya	Agro Processing, Ice, Hospitality, Minerals	6
13	Gandhinagar	Chhatral, Dehgam, Gezia, Mansa, Zank, Gandhinagar Sector - 28	Engineering, Pharmaceuticals, Plastic, Textile, Chemical, Wood, Electronics, Agro Processing, Foundry	9
14	Gir Somnath	Prabhas Patan, Satnam Industrial Park, Gir Somnath	Ice Factories, Frozen Sea Food (Storage & Processing)	3
15	Jamnagar	Jamnagar, Jamnagar (GIDC Phase 1, 2, 3), Dhrol, Hapa	Brass Part, Electroplating, Engineering, Agro-based, Bandhani	7
16	Junagadh	Junagadh, Keshod	Plastic Products, Food Processing	3
17	Kheda	Nadiad, Kanajari, Kamla, Limbasi	Engineering, Pharmaceutical, Sawmill, Plywood, Cement	5

	District	Cluster Names	Major Products	No. of Clusters
			Articles, Rice Mill	
18	Kutch	Bhuj, Mandvi, Gandhidham, Lakhpatri, Mithi Rohar	Bentonite, Timber, Salt, Embroidery, China Clay	6
19	Mahisagar	Balasinor	Mineral	1
20	Mehsana	Mehsana, Unja, Visnagar, Vijapur, Satlasani, Kadi, Gojariya	Engineering, Chemical, Plastic Packaging, Metal Furniture, Agro Machinery, Metal Casting, Diamond	7
21	Morbi	Morbi, Dhuva-Matel-Sartanpar, Ghutu-Lalpar-Lakhdhipur-Pipali-Rangpar-Bela, Jajasar-Maliya-Haripar, Lilapar, Tankara	Ceramics, Salt, Clock, Paper Mills, Polypack	5
22	Narmada*	Rajpipla	Pharmaceuticals - Ayurveda	2
23	Navsari	Navsari	Engineering, Food Processing, Diamond	3
24	Panchmahal	Godhara, Halol, Kalol, Maswad	Engineering, Plastic, Auto Components, Chemical	4
25	Patan	Sidhpur, Santalpur, Moti Batiyavad	Psyllium Husk, Patola, Engineering, Salt	4
26	Porbandar	Zavar, Vanana, Adityana	Sea Food, Chalk	5
27	Rajkot	Metoda, Lodhika, Khirasara, Aji, Shapar-Veraval, Lathoda, Padavala, Piplana, Dhoraji, Soni Bazar, Gondal, Jetpur	Engineering, Bearing, Forging, Auto Component, Submersible Pump, Electric Cables, Textile, Irrigation Pipes, Plastic, Gems & Jewellery, Agro Processing.	16
28	Sabarkantha	Himatnagar, Talod, Barol, Idar, Isarvada, Kankrot, Savgad	Pharmaceutical, Plastic, Alloy, Corrugated Sheets, Coir Crafts, Cold Storage, Granite, Wooden Toys, Agro Processing	8
29	Surat	Kamrej, Kim, Sachin, Ichhapur, Katargam, Varachha, Hathoda, Gothan, Mangrol, Karanj, Mandvi, Pipodara, Saniya Hemad, Tantithaiya Jolva, Velanja, Surat City	Engineering, Textile, Diamond (Cutting & Polishing), Food Processing, Gems & Jewellery, Zari, Zardoshi	20
30	Surendranagar	Wadhwan, Thaan, Jintan Udyog Nagar	Fastener, Bearing, Auto Components, Engineering Works & Ceramic	2
31	Tapi	Vyara	Food Processing, Quarry	2
32	Vadodara	Makarpura, Nandesari, Gorwa, Por Ramangamdi, Ranoli, Savli, Waghodiya, Dabhoi, Karelbaug, Padra, Poicha-Raniya-Mokshi, Sardar Estate	Engineering, Pharmaceutical, Chemical, Electrical Equipment, Chemical, Agro Processing, Printing & Packaging, Jewellery	14
33	Valsad	Vapi, Valsad	Chemical, Paper Mills, Wood	3
Total Clusters				186
*Aspirational districts				

Table 19 District wise number of MSME clusters obtained from MSME Commissionerate

Spatial representation of clusters and funding agency

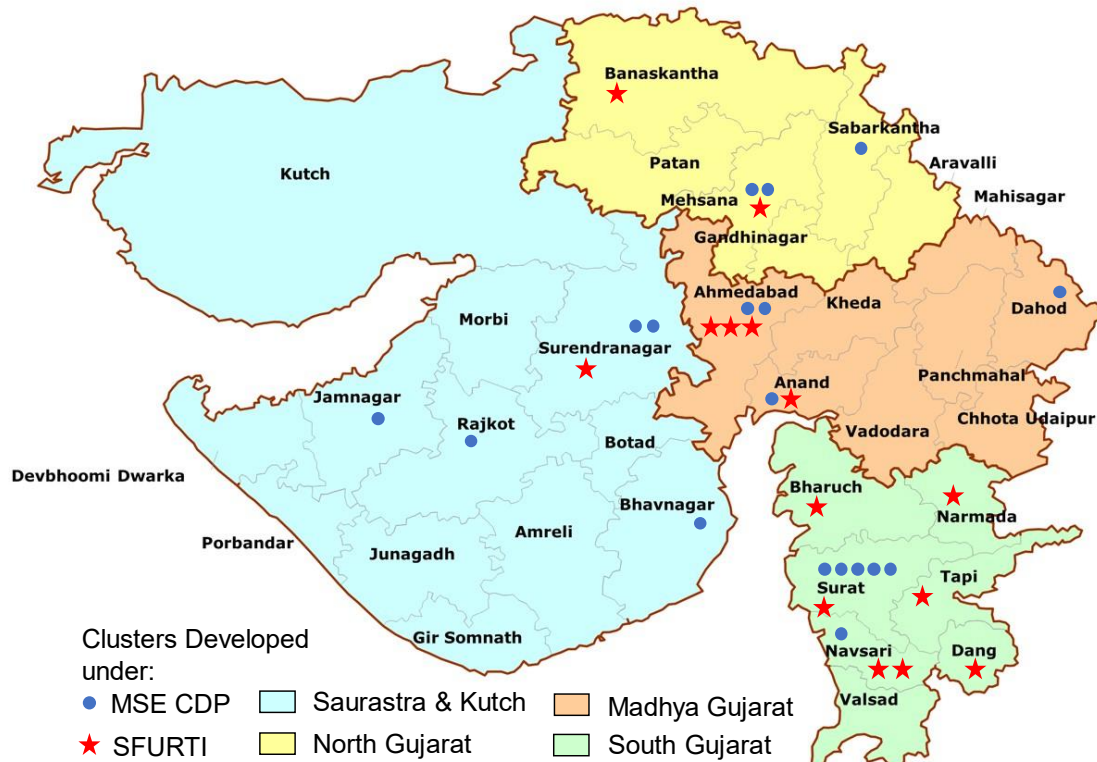


Figure 73 Spatial representation of clusters in Gujarat along with the funding scheme

2.1.4.1 MSE CDP

The MSE CDP scheme focuses on the development of micro and small enterprises by promoting the formation of clusters within the State. **In Gujarat, 17 Common Facility Centers (CFCs) and 2 Infrastructure Development (ID) projects** has been approved thus far under this scheme.

STATE/ UT	Common Facility Centres (CFCs)			Infrastructure Development (ID) Projects			Grand Total (CFC+ID)
	Approved CFCs	In Progress	Completed	Approved ID Centres	In Progress	Completed	
Gujarat	17	15	2	2	0	2	19

Table 20 No. of projects approved in Gujarat under MSE CDP scheme²⁰

The below table provides a cluster level summary of the activities undertaken under the MSE CDP scheme in Gujarat.

²⁰ [MSME Dashboard](#)

	Name of Cluster	Activity at CFC	Status	IA	Amount Sanctioned (In lakhs)
1	Textile cluster, Dahod	Fabric works likes designs,	Approved	CED	330.60
2	Plastic Product Cluster, Surendranagar	Plastic works	Approved	CED	427.43
3	Lab Grown Diamond Cluster, Surat	Diamonds works likes cutting, polishing etc.	Approved	CED	1981.7
4	Engineering Cluster, Surat	Tunning, turn mill, milling, testing	Approved	EDII	1361.83
5	Surat Diamond Cutting & Polishing, Cluster	Polishing & Cutting diamonds	Approved	CED	1505
6	Diamond cutting & polishing Cluster, Ahmedabad	Polishing & Cutting diamonds	Approved	EDII	492.9
7	Packaging Cluster, kadi, Mehsana	Quality corrugated boxes by	Approved	EDII	937.6
8	Engineering Cluster, Mehsana	Tunning, turn mill, milling, testing	Approved	CED	1192.59
9	Lab Grown Diamond Cluster, Bhavnagar	CVD rough diamonds	Approved	EDII	1957.87
10	Lab Grown Diamond Cluster, Navsari	CVD rough diamonds	Approved	EDII	1991.13
11	Agro Food Processing Cluster, Surendranagar	Cleaning, Sorting, Packaging, Storing, Advance Lab facility	Approved	EDII	1356.43
12	Food Processing Cluster, Surat	Dehydrated food process	Approved	EDII	1685.11
13	Metal Fabrication Cluster (Aluminium/Steel), Surat	Metal fabrication powder coating, metal anodizing, wood grain sublimation	Approved	EDII	1667.68
14	Stone Cluster, Khambhat, Anand	Bowls in different textures, designs, and sizes	Under Process	EDII	570
15	Imitation Jewellery Cluster, Ahmedabad	Bangles with laser cutting CVC engraving	Under Process	EDII	513.57
16	Food Processing Cluster, Sabarkantha	Khakhra papad works	Under Process	EDII	442.94
17	Common Effluent Treatment Plant	Wastewater treatment	Under Process		503.55
Total					18,917.93

Table 21 Summary of clusters under the MSE CDP scheme²¹

In line with the MSE CDP scheme, Gujarat has implemented its **Mini Cluster Policy**, providing additional support to small clusters. The benefit of this scheme is like that of MSE CDP, facilitating the development of Common Facility Centers (CFCs) within smaller industrial clusters. This dual approach ensures comprehensive coverage, across scales within the MSME sector. In the last three years, four clusters were approved under this policy and a **budget of INR 4 crores has been earmarked for the current financial year 2023-24.**

²¹ MSME – D Branch, MSME Commissionerate

Furthermore, Gujarat has embraced the **Assistance to Industrial Infrastructure Policy**, creating a conducive environment for the new development or upgrading of industrial infrastructure. This policy encourages industrial clusters to undertake projects similar to the Infrastructure Development (ID) projects sanctioned under the MSECDP. By promoting the enhancement of industrial infrastructure, Gujarat aimed to bolster the overall competitiveness and sustainability of its MSMEs.

2.1.4.2 SFURTI

The **Scheme of Fund for Regeneration of Traditional Industries (SFURTI)** which is an initiative by the Ministry of MSMEs aims at promoting and supporting traditional industries. Through fostering a collaborative and supportive environment among artisans, capacity building among artisans to improve the quality of traditional products, helping artisans access better working conditions and modern facilities, and connecting artisans to a broader consumer base and increasing their market reach.

In Gujarat, SFURTI has seen the **formation of 14 clusters**, serving as hubs for traditional industries (11 completed and 3 under implementation)²². These clusters have played a pivotal role in **uplifting 6,544 artisans across the state**. The scheme has directly benefitted a significant number of artisans, providing them with a platform to showcase their skills and traditional craftsmanship. **The total project cost in Gujarat under SFURTI amounts to around 33.7 crores**, reflecting a substantial financial commitment towards the development of traditional industries in the state. Table below provides a detailed overview of each of the cluster.

FY	District	Name of Cluster	Sector	No. Of Artisans	Total Project Cost (INR in Lakh)	Total GOI Assistance (INR in Lakh)
FUNCTIONAL CLUSTERS						
2023-2024	Mahsana	Kalakruti Garment Apparel Cluster	Textile	309	141.37	130.15
2022-2023	Ahmedabad	Bagodara Embroidery and Applique Cluster	Textile	500	259.75	239.11
2022-2023	Anand	Tarapur Coir Cluster	Coir	500	267.84	247.48
2021-2022	Narmada	Tilakwada Bamboo Craft Cluster	Bamboo	415	231.51	213.14
2021-2022	Ahmedabad	Weaving, Printing and Jewellery Cluster	Textile	874	527	481.8
2020-2021	Surendranagar	Embroidery & Stitching Cluster Gujarat	Textile	600	263.97	243.02

²² sfurti.msme.gov.in/SFURTI/Reports/DPR.aspx

FY	District	Name of Cluster	Sector	No. Of Artisans	Total Project Cost (INR in Lakh)	Total GOI Assistance (INR in Lakh)
2020-2021	Navsari	Patch Work and Embroidery Cluster	Textile	455	255.21	234.92
2020-2021	Bharuch	Sujani (Quilt) Cluster	Textile	418	268.67	247.35
2020-2021	Tapi	Tapi Bamboo Cluster	Bamboo	512	225.8	207.9
2018-2019	Banas Kantha	Banaskantha Cluster	Coir	500	190.62	149.99
2018-2019	Surat	Blacksmith & Agri Tools Cluster	Handicraft	498	142.32	118.57
UNDER IMPLEMENTATION						
2021-2022	Ahmedabad	Imperial Agarbatti Processing	Handicraft	461	246.33	226.78
2019-2020	Dang	Dang Bamboo Cluster	Bamboo	252	133.19	122.62
2019-2020	Navsari	Cane & Bamboo Cluster Gujarat	Bamboo	250	154.28	144.13

Table 22 Approved Clusters under SFURTI until Sept 2023 taken from MSME dashboard

2.1.4.3 One District One Product

With the potential/diverse identity of each district in our nation to make them export hubs and help small producers access overseas market in mind, **the Ministry of Food Processing Industries in 2018, introduced the ODOP program**. This program identifies and promotes the export of at least one unique product from each district in the country. Below is the list of export worthy products that have been identified in each of the 33 districts in Gujarat.

S No.	District	Product
1	Ahmedabad	Garment & Apparel, Gamthi Block print/ Saudagiri Block Print, Terracotta Mata ni Pachedi
2	Amreli	Ground nut/ Peanut, Beadwork
3	Anand	Agate Stone, Milk based Products
4	Aravalli	Agro Processing
5	Banaskantha	Soof Embroidery/Applique, Granite and Marble Block, Food Processing/Milk Preparations
6	Bharuch	Sujani (Handloom), Chemicals (Chemicals, Agro Chemicals, Pesticide, Pharmaceutical, API)
7	Bhavnagar	Beadwork, Dehydrated Vegetables (Onion), Peanut butter
8	Botad	Groundnuts, Ginning
9	Chhota Udaipur	Furniture Products, Sankheda furniture, Pithora Painting
10	Dahod	Kharif Maiz (Agro), Ravi Maiz (Agro), Soyabean, Corn Products
11	Dang	Nagali Products, Strawberry & Strawberry Products
12	Devbhoomi Dwarka	Marine & Fisheries Salt, Khambhaliya Shawl

S No.	District	Product
13	Gandhinagar	Woodwork/ Block Making, IT & Financial Services
14	Gir Somnath	Marine & Fisheries Industry, Kesar Mango
15	Himatnagar/ Sabarkantha	Ceramic Tiles, Potato (Cold storage), Terracotta
16	Jamnagar	Bandhani, Petrochemical, Brass Parts
17	Junagadh	Ground nut/peanut, Beadwork, Mango
18	Kheda (Nadiad)	Agro Products, Mathia
19	Kutch	Bhujodi Shawl weaving, Hand Embroidery, Ajrakh, Leather Work, Green Dates, Handicraft, Salt
20	Mahisagar	Food Processing Papaya
21	Mehsana	Dairy/Milk products, Agri Products, Cumin, Castor
22	Morbi	Ceramic Tiles & Sanitary Ware, Pottery
23	Narmada	Banana, Bamboo Products, Sugarcane value added products
24	Navsari	Warli, Mango
25	Panchmahal	Plastic Product, Agro (turmeric)
26	Patan	Double Ikat Patan, Cumin, Isabgul, Patola
27	Porbandar	Marine
28	Rajkot	Engineering Goods/Machine products Single Ikat weaving
29	Surat	Gems and Jewellery, Zari and Zardozi, Sadeli
30	Surendranagar	Single Ikat weaving, Ifangaliya Shawl, Spinning and Cotton Yarn
31	Tapi	Rice based products, Bamboo Products, Peanuts, Fruits, Lady Finger
32	Vadodara	Pharmaceuticals, Engineering Goods
33	Valsad	Chemical Products, Prawns, Mango

Table 23 List of ODOP products from Gujarat

2.1.5 Employment in the MSME sector and growth over time

In Gujarat as of September 2023, the 14.40 lakh MSMEs registered on Udyam, provide **employment to about 84.63 lakh people**, indicating an average of about six employees per MSME. **78.09% of the total number are employed in micro industries, 15.45% in small enterprises and 6.45% in medium enterprises.**

Type of MSME	Micro	Small	Medium	Total
Number of MSMEs	13,67,554	66,282	6,846	14,40,682
Employment	66,08,365	13,08,205	5,45,999	84,62,569

Table 24 Employment level in MSMEs as of September 2023 taken from Udyam Portal

Therein, the applicant MSME provides the number of workers employed, including gender-wise details on a self-declaration basis. According to this, the average employment in micro enterprises comes to 4.83 persons/unit, in small enterprises to 19.74 persons/unit and in medium enterprises to 79.75 persons/unit.

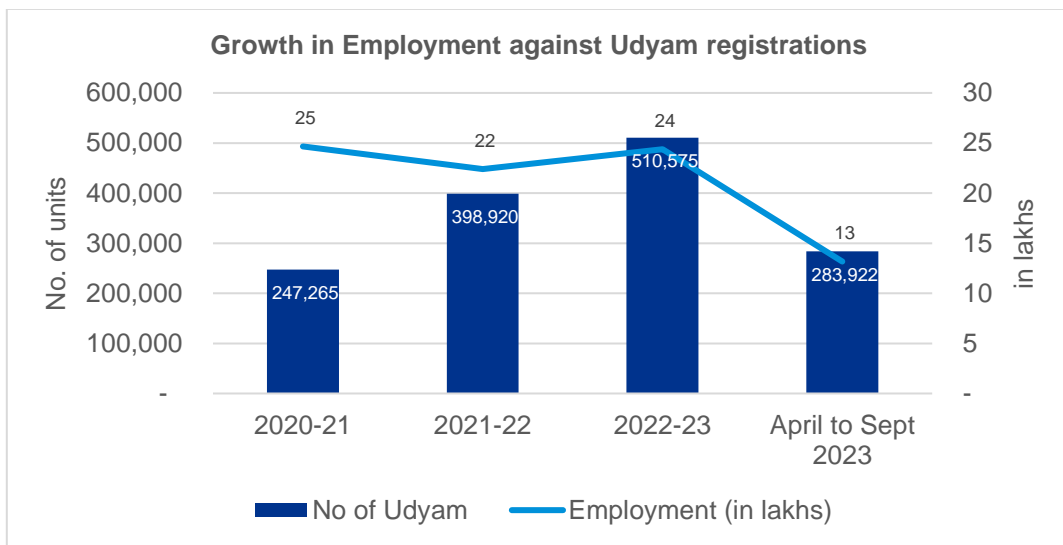


Figure 74 Year wise growth in employment vis a vis Udyam registration

Above figure provides a breakup of the employment pattern sector wise. Thereby, **45.41% of the MSME workforce are employed in the manufacturing sector, 35.05% in the services sector and 19.54% in the trading sector.**

In terms of priority sectors, **over 85% of the MSME workforce is employed in 4 sectors** namely, Services, Textile, Industrial machinery and equipment and agro & food processing.

Industry Name	No. of MSMEs	Proportion of MSMEs in the State	Employment	Proportion of Employment in the State
Textiles Industry	1,66,087	11.53%	10,82,750	12.79%
Trading	2,84,341	19.74%	10,10,118	11.94%
Industrial Machinery & equipment	1,14,882	7.97%	7,92,891	9.37%
Administrative and support service	61,737	4.29%	6,69,224	7.91%

Industry Name	No. of MSMEs	Proportion of MSMEs in the State	Employment	Proportion of Employment in the State
Other Services	1,28,478	8.92%	6,65,257	7.86%
Logistics	1,48,408	10.30%	6,11,847	7.23%
Construction	63,982	4.44%	5,07,546	6.00%
Chemical	50,599	3.51%	4,76,701	5.63%
Agro & Food Processing	69,260	4.81%	4,24,894	5.02%
Professional Services	72,656	5.04%	3,86,951	4.57%
Accommodation and Food service activities	63,064	4.38%	3,65,319	4.32%
Electrical machinery & equipment	46,359	3.22%	3,31,079	3.91%
Information and communication	45,109	3.13%	2,85,210	3.37%
Gems & Jewellery	31,318	2.17%	2,34,692	2.77%
Wood Based Industries	32,176	2.23%	2,03,626	2.41%
Cement and Ceramics	12,453	0.86%	1,42,558	1.68%
Financial Services	24,077	1.67%	1,06,148	1.25%
Metal and Mines	14,652	1.02%	98,921	1.17%
Auto and Auto Component	6,781	0.47%	45,050	0.53%
Electronics	4,263	0.30%	21,787	0.26%
Grand Total	14,40,682		84,62,569	

Table 25 Priority sector wise employment in Gujarat taken from Udyam as on Sept 2023

2.2 Size distribution of enterprises in terms of employees

Size distribution of employees per MSME unit is crucial as it reflects economic diversity of MSME units. Table below suggests number of units with different employment range.

Number of employees	Total Number of units	Share (%)
1	1,26,256	29.11
2-5	2,40,920	55.54
6-9	35,799	8.25
10-19	21,097	4.86
20-49	7,651	1.76
50-99	1,309	0.30
100-499	642	0.15
>500	105	0.02

Table 26 Size wise distribution of MSMEs based on no. of employees for the year 2023 take from Udyam

For the year 2023, Table above shows that **over 84% MSMEs have 5 or less employees**. In fact, Figure below indicates that this trend has remained constant in the last 4 year. Furthermore, **there is a consistent increase in the number of firms in this size segment as opposed to the total firms with 20 and more employees** which seems to be relatively constant. This data reinstates the crucial role played by micro enterprises in providing employment in the state.

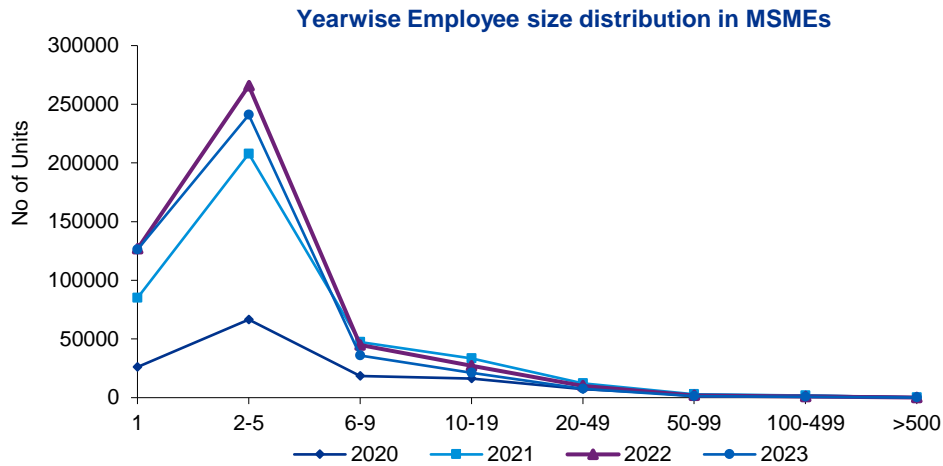


Figure 75 Year wise employee size distribution in MSMEs taken from the Udyam portal

2.3 Exports and GVC Linkages

Gujarat has a thriving export ecosystem and contributes a sizable share of the country's exports. According to the **NITI Aayog's Export Preparedness Index (EPI) 2022, Gujarat ranked 4th in the coastal category**. Similarly, as per the **"Logistics Ease Across Different States (LEADS)" an annual survey** undertaken by the logistics division of DPIIT, Ministry of Commerce & Industries to assess and suggest various improvements in logistics sector of the country, **Gujarat was categorized an 'achiever'** in the year 2022.

The volume of exports from Gujarat for the period 2022-23 stands at 146.5 billion USD. This constitutes 34% of the overall exports in India for the year.

Exports from Gujarat vs India (USD in Mn)					
States	2018-19	2019-20	2020-21	2021-22	2022-23
India	44,634.03	26,948.37	291,808.46	417,809.21	447,460
Gujarat	17,603.05	7,355.29	60,586.90	124,412.13	146,485.25
% Of India	40.40%	23.81%	21.72%	30.09%	34%

Table 27 Exports performance of Gujarat vs India for the period 2018-2023 taken from NIRYAT, GoI

This is a **17% increase from the previous year's volumes**. A close look at the export performance of the state in the last 5 years starting 2018 yields a roughly positive trend (except for 2019-20 which saw an overall dip in exports throughout the nation). There has been a **steady increase in both the export volumes year on year as well as Gujarat's export contribution to India**.

A comparison of the export performance of different states shows that **Gujarat ranks 1st in the nation**, followed by Maharashtra, Tamil Nadu, and Karnataka. In fact, the state has managed to retain its top position in the nation for over 5 consecutive years. The below table depicts the export performance of the top 10 states in India in comparison to Gujarat.

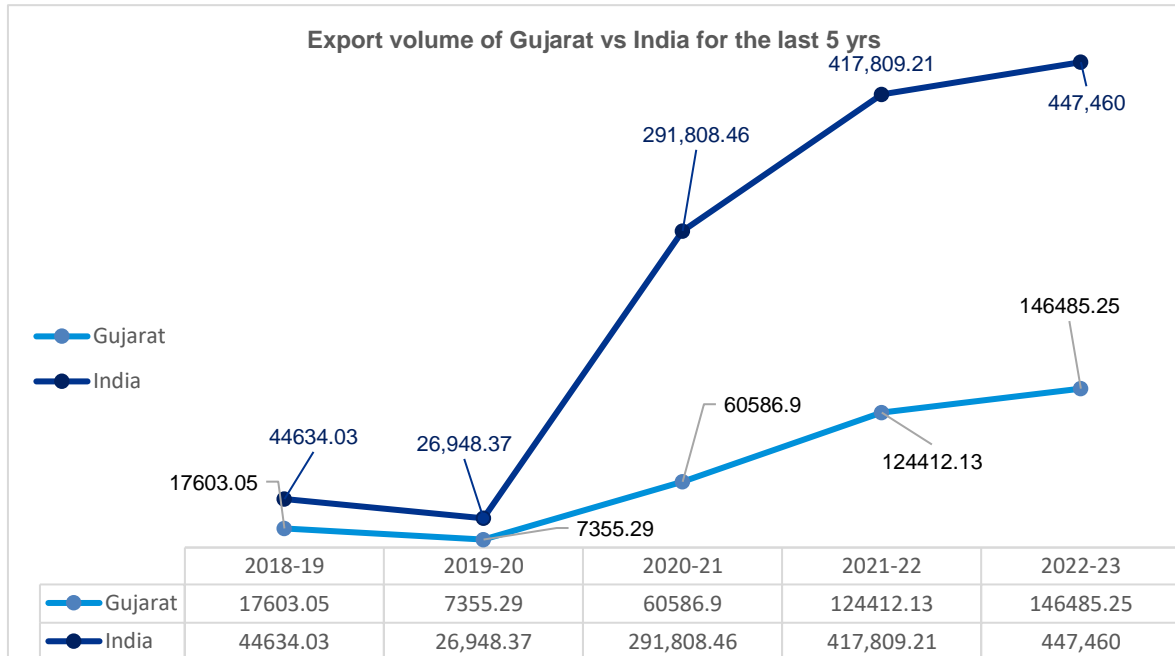


Figure 76 Export performance trend of Gujarat vs India for the period 2018-2023

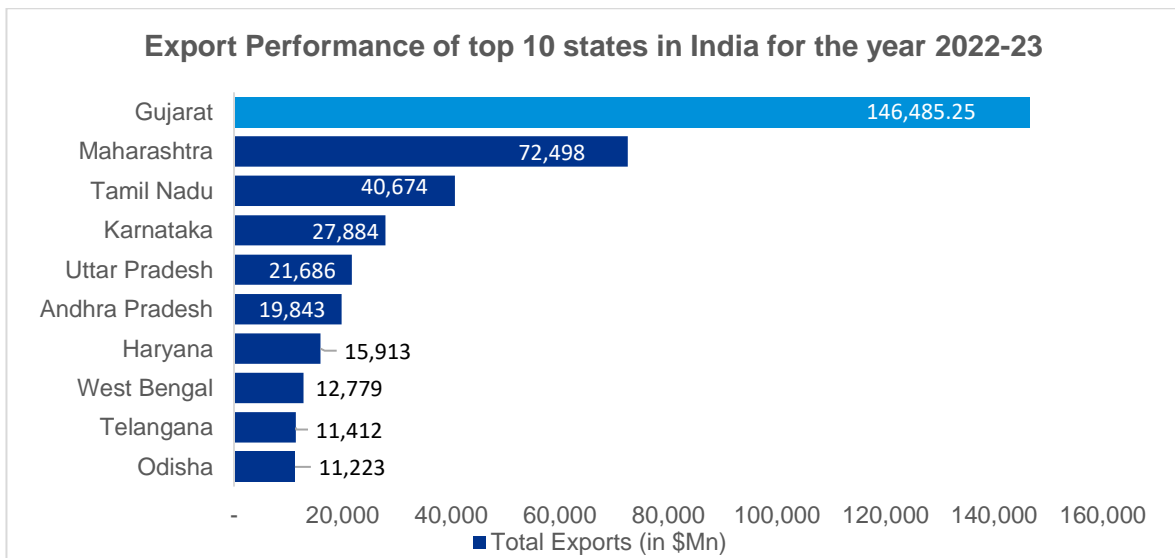


Figure 77 Export performance of 10 ten states in India for FY 2022-23²³

Gujarat exports a variety of products to various parts of the world, with top products comprising of petroleum which is supplied to nearly 109 countries²⁴. The state is also a leading supplier of diamonds and gems. According to the EPI 2022, Gujarat was found to be a positive outlier in the

²³ taken from NIRYAT, GoI

²⁴ Export Preparedness Index 2022

nation in terms of geographical reach of exports. This means that high value products from Gujarat are being exported to various nations across the globe as opposed to targeted nations. For instance, petroleum products for which the state is a leading exporter has been sent to over 105+ countries.

The below table summarizes top commodities that constitute about 95% of the total exports from Gujarat and their volumes between the period April 2023 – August 2023.

Commodity group	USD million
Petroleum Products	23,610.52
Engineering Goods	5,821.02
Organic and Inorganic Chemicals	5,379.11
Gems And Jewellery	4,049.51
Others	2,614.26
Drugs And Pharmaceuticals	2,226.59
Cotton Yarn/Fabs/Madeups, Handloom Products Etc.	1,404.83
Ceramic Products and Glassware	1,330.11
Plastic And Linoleum	1,269.78
Electronic Goods	1,191.68
Rice	658.63
Man-Made Yarn/Fabs/Madeups, etc.	523.46

Table 28 Top commodities exported from Gujarat in USD million taken from DGCIS

The below figure depicts the top destination countries for goods exported from Gujarat in the year 2022-23.

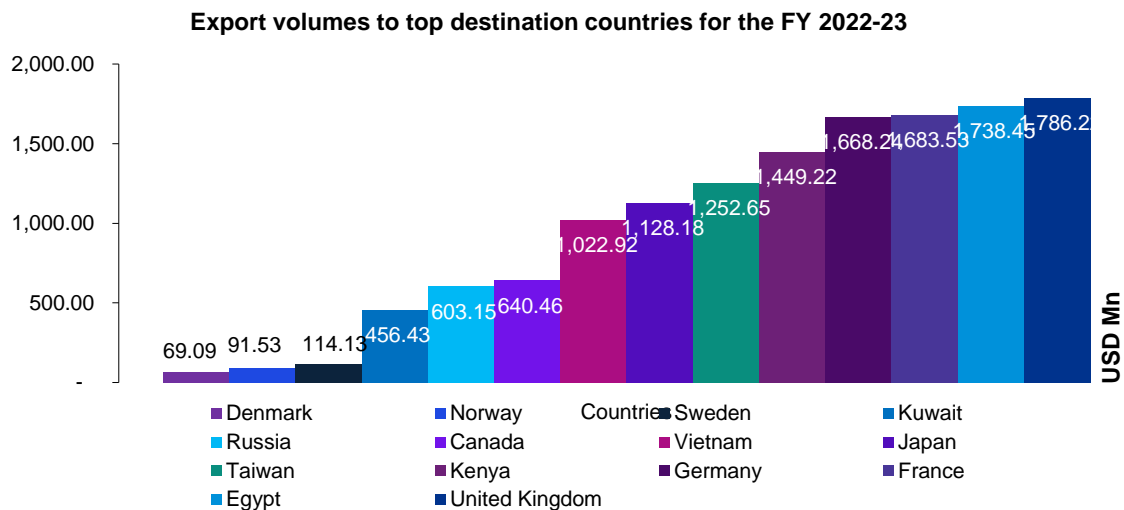


Figure 78 Top destination countries for exports from Gujarat with volumes in USD million²⁵

The below chart depicts the increase in export volumes in the last 5 years to the top destination countries receiving Gujarat's exports.

²⁵ taken from DGCIS

Country	Exports in 2018-19 (USD Mn)	Exports in 2022-23 (USD Mn)	% Increase
Netherland	3,896.8	11,031.2	183
UAE	4,893.6	10,917.9	123
Israel	1,655.9	6,489.18	292
Singapore	3,955.9	4,823.72	22
Saudi Arabia	1,290.1	3,964.2	207
Australia	768.6	3,596.29	368
South Africa	710.6	3,410.56	380
Oman	595.0	2,576.93	333
Tanzania	788.6	2,573.84	226
Korea RP	1,055.4	2,383.69	126
UK	1,126.0	1,786.22	59
Egypt	997.9	1,738.45	74
France	1,080.5	1,683.53	56
Germany	1,359.8	1,668.24	23

Table 29 Change in export volumes to top destination countries in last 5 years prepared from DGCIS

In strategizing Gujarat's roadmap towards realizing India's vision of a USD 5 trillion economy, the trade competitiveness of each sector (in manufacturing) was analyzed. This resulted in identifying the top target nations for each sector based on favorable/ competitive/non-favorable tariff structures. Below is a snapshot of the analysis.

	Sector	Top 5 target markets	Competing nations
1	Automobile	USA, Germany, France, China, UK, Belgium	Germany, Japan, USA
2	Auto components	USA, Germany, China, Mexico, Spain, Canada, France	Germany, Japan, USA
3	Electronics - Telephonic sets	USA, Hong Kong, China, Germany, Japan	China, Taipei, USA
4	Apparels	USA, Germany, Japan, UK, France, Spain	China, Bangladesh, Vietnam
5	Electrical Machinery	China, USA, Germany, Japan, Singapore	China, USA, South Korea
6	Basic Metal (Iron and steel)	USA, Germany, China, Italy, France	Germany, Japan, USA
7	Pharma - Medicament for therapy and disease prevention	USA, Germany, Belgium, Switzerland, China	Germany, Switzerland, USA
8	Pharma - Blood, antisera, vaccines, toxins, and cultures	USA, Germany, Belgium, Switzerland, China	NA

Table 30 Country wise trade competitiveness assessment for focus sectors in Gujarat²⁶

²⁶ taken from Strategy for Government of Gujarat to enable India to become a USD 5 trillion economy

2.4 Robust Policy Environment for MSMEs

The following table summarizes the various schemes offered by the central government for the benefit of MSMEs:

S.No.	Scheme	Description
1	Prime Minister's Employment Generation Program (PMEGP)	This scheme facilitates self-employment opportunities for MSMEs entrepreneurs by offering financial assistance in the form of subsidies and loans to individuals, SHGs, institutions for setting up of micro-enterprises.
2	Credit Linked Capital Subsidy for Technology Upgradation Schemes (CLCSS)	Provides capital subsidy of 15% for technology upgradation and modernization of MSMEs in specific and approved 51 sub-sector/ products.
3	Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)	Facilitates the provision of collateral free loans to MSMEs by providing credit guarantee.
4	MSME Champion Scheme (Creation and Harmonious Application of Modern Processes for Increasing the Output and National Strength)	This scheme aims to modernize MSMEs' manufacturing processes, reduce wastages, encourage innovativeness, sharpen business competitiveness, and facilitate widespread reach and excellence. The MSME Champions portal, is a platform created to ensure a speedy, convenient, and effective redressal of MSMEs grievances.
5	2% Interest Subvention Scheme	This scheme provides a 2% interest subvention on new loans or incremental loans to GST registered MSME units. Besides enabling an increase in productivity, it incentivises MSMEs to onboard GST platform for formalization and cost-effective credit.
6	Rs 20,000 Crore Subordinate Debt for stressed MSMEs	A scheme announced under Aatmanirbhar Bharat, it offers financial assistance to distressed MSMEs in the form of loans to help overcome financial difficulties and revitalize their operations.
7	Rs 50,000 Crore Equity infusion for MSMEs through Fund of Funds	Rs 50,000 Crore Fund of Funds (FoF) aims to achieve Rs 50,000 crores equity infusion in small businesses, by setting up and leveraging a INR 10,000 crore funds. By providing funding to viable and growing MSMEs, they will be enabled to expand both their size and capacity.
8	Entrepreneurship and Skill Development Program (ESDP)	It is an entrepreneurship scheme that nurtures the talent of youth by enlightening them on several aspects of industrial or commercial activity that are required for setting up MSEs. The program aims to motivate individuals from diverse backgrounds of the society to explore self-employment opportunities by promoting new enterprises, enhancing existing capacities of MSMEs, and fostering entrepreneurial culture in the country through training, support, and incubation initiatives.
9	Technology Centres (Tool Rooms & Technology Development Centres)	This scheme is a component of the Infrastructure Development & Capacity Building scheme that focuses on the integrated development of MSMEs by providing quality

S.No.	Scheme	Description
		Tool, Industry ready manpower, consultancy in tooling and related areas and processes & products development.
10	Micro and Small Enterprises Cluster Development program (MSE-CDP)	This scheme aims at bolstering the competitiveness and productivity of Micro & Small Enterprises through the establishment and development of MSME cluster. It aids cluster development by providing support for infrastructure development, capacity building, technology upgradation, market linkages and other cluster specific interventions.
11	A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE)	Another scheme aimed to address the issue of unemployment, The objective of ASPIRE is to teach the entrepreneurs the skill to set up a business and become job provides. Other focus points include the creation of market linkages and financial support at various junctures of the entrepreneurial life cycle.
12	Scheme of Fund for Regeneration of Traditional Industries (SFURTI)	The Scheme promotes cluster-based development of traditional industries by supporting infrastructure, skill development of artisans, capacity development and market promotion. It empowers artisans, enhances competitiveness, preserves traditional skills, and contributes economic growth.
13	Procurement and Marketing Support (PMS) Scheme	Enhance MSME's awareness and education on marketing topics, promote new market access initiatives and increase awareness about trade fairs, digital advertisements, GST, GeM portal and public procurement policies.
14	Public Procurement Policy (PPP) for MSMEs Order, 2012	The policy mandates 25% annual procurement from MSEs by Central Ministries/Dept/ CPSEs including 4% from MSEs owned by SC/ST and 3% MSEs owned by Women enterprises.
15	Government e-Marketplace	GeM is an online platform for efficient public procurement in India. It provides MSMEs with access to over 43,000 registered buyers across the nation and ensures accountability in public procurement.

Table 31 Central government schemes for MSMEs in India

2.5 State Policies and Schemes for MSMEs

Considering the pivotal role of the MSME sector in the State economy, the Government of Gujarat has actively focused on offering comprehensive support schemes and interventions at both state and district levels. These initiatives aim to attract significant investment into the sector, fostering the overall development of the economy and empowering individual MSMEs. The Government has consistently strived to strengthen and promote the MSME sector, with the overarching goals of achieving inclusive industrial growth and boosting employment generation. To maintain the momentum of growth and encourage holistic development of MSMEs, the Government has implemented a multitude of interventions. These initiatives encompass various sector-specific and target-specific incentives and concessions designed to nurture and support the MSME sector.

In the past five financial years alone, the Government of Gujarat has provided more than ₹10,000 crore of assistance to approximately 1.38 lakh MSMEs under the Industrial Policy 2015 and 2020²⁷. This robust support has effectively attracted investments exceeding ₹50,000 crore²⁸. Some of the key interventions implemented by the State Government are listed below:

2.5.1 Gujarat MSME Facilitation of Establishment and Operation Act, 2019

Gujarat MSME Facilitation of Establishment and Operation Act, 2019 provides certain exemption from approvals and inspections during the initial operationalization of new enterprises to create an enabling environment for entrepreneurial initiatives. These include.

1. Enterprises will be exempted from approvals and clearances for three years under state laws.
2. For a period of three years from the date of its issuance and after the expiry of the said period of three years, the enterprise shall have to obtain required approvals. An additional 6-months grace period is given to the unit to obtain the approvals.
3. Any agricultural land on which a person wishes to start an enterprise shall be deemed to be a non-agricultural land will be exempted from inspection for three years.

2.5.2 Aatmanirbhar Gujarat Scheme for Assistance to MSMEs (2022-27)

The Scheme envisages to attract investments, provide subsidy for adoption of new technologies and which will further add to job creation in the priority sectors. The policy focus on utilizing Gujarat's industrial infrastructure, creating an investment enabling environment, and providing equitable opportunities for the people of the State. The policy aims to specifically target industrially backward districts, and Tier-2 & Tier-3 cities to ensure inclusive development in the State.

In order to enable Gujarat's MSMEs to be globally competitive, boost value addition and also encourage youth to pursue their entrepreneurial ambitions, MSMEs shall be eligible for following benefits as per the Aatmanirbhar Gujarat Scheme for assistance to MSMEs:

²⁷ Source: MSME Commissionerate

²⁸ Source: MSME Commissionerate

Category of Taluka	Capital Investment Subsidy to Micro enterprises	Interest Subsidy to MSMEs (Manufacturing & Service)	Net SGST Reimbursement to MSMEs
Category 1 Sinor, Desar	25% of term loan amount upto INR 35 lakhs	@7% of eligible term loan, max. upto INR 35 lakhs per annum for 7 Years	100% of net SGST for 10 Years upto 7.5% of eFCI p.a.
Category 2 Dabhoi	20% of term loan amount upto INR 30 lakhs	@6% of eligible term loan, max. upto INR 30 lakhs per annum for 6 Years	90% of net SGST for 10 Years upto 6.5% of eFCI p.a.
Category 3 Vadodara, Padra, Savli, Karjan, Waghodiya	10% of term loan amount upto INR 10 lakhs	@5% of eligible term loan, max. upto INR 25 lakhs per annum for 5 Years	80% of net SGST for 10 Years upto 5% of eFCI p.a.







	Assistance of Quality Certification	<ul style="list-style-type: none"> 50% of fee for BIS/ISI/WHO/GMP/Hall mark Certification 50% of Testing equipment and machinery upto INR 10 Lakhs
	Assistance of ERP	<ul style="list-style-type: none"> 65% of the capital cost for installing Enterprise Resource Planning (ERP) System, Max. upto INR 1 Lakh
	Financial Support to MSMEs in ZED Certification	<ul style="list-style-type: none"> 50% of all the charges after deducting the assistance received from GoI for ZED Certification upto INR 50,000
	Assistance in Implementation of ICT	<ul style="list-style-type: none"> 65% of the Capital Expenditure related to ICT facilities upto INR 5 Lakhs
	Assistance for Technology Acquisition	<ul style="list-style-type: none"> 65% of the cost payable upto INR 50 lakhs for appropriate technology acquisition, including royalty payment for 2 years
	Assistance for Patent Registration	<ul style="list-style-type: none"> 75% of cost incurred for any number of patent application upto INR 25 lakhs

Figure 79 Assistance to MSMEs under Aatmanirbhar Gujarat Scheme 2022

- 1% additional interest subsidy to differently abled entrepreneur, Women entrepreneur and registered startup in manufacturing sector.
- 1% additional interest subsidy to young entrepreneur below age of 35 years on the date of sanction of term loan.
- In any case, eligible enterprise shall have to bear minimum 2% interest levied on term loan by Bank/Financial institution.
- An existing enterprise which installs new solar power plant or any other renewable power plant for captive consumption in the premises will be eligible for interest subsidy in accordance with the location of the Enterprise.

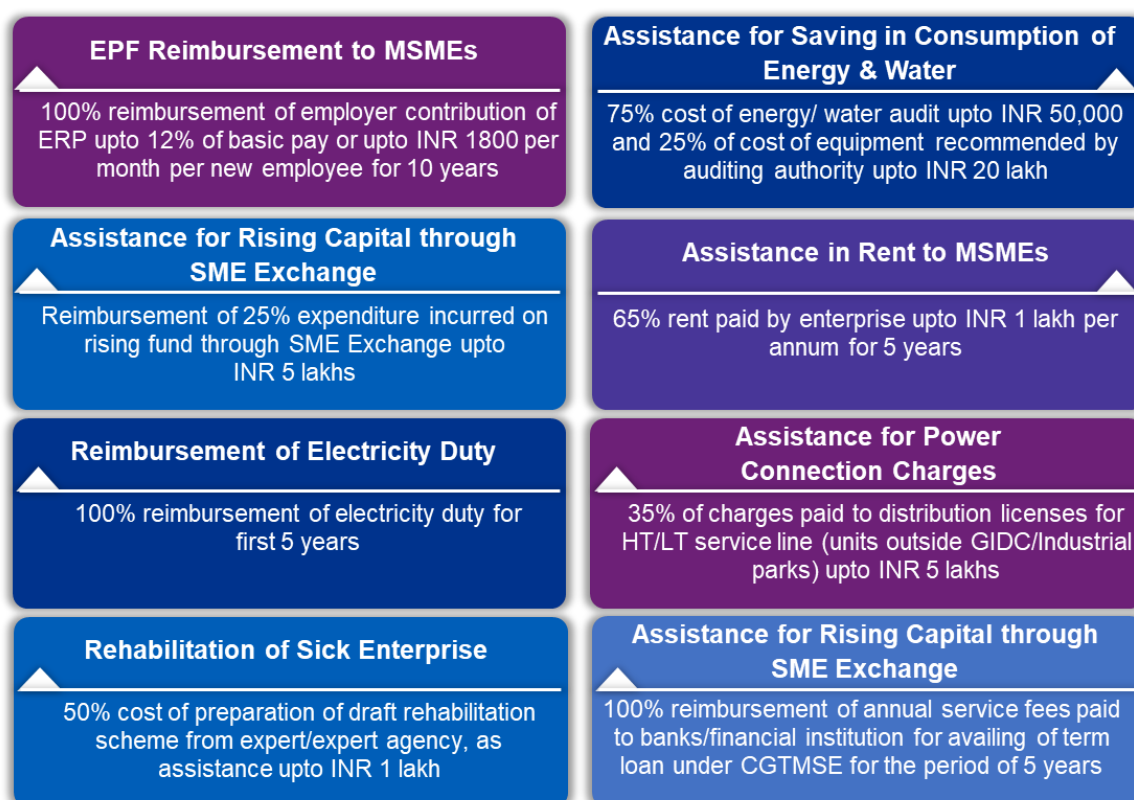


Figure 80 Assistance to MSMEs under Aatmanirbhar Gujarat Scheme 2022

2.5.3 Market Development Assistance

Assistance is available to MSME manufacturing sector for participation in national and international exhibition



Figure 81 Assistant to MSMEs under Market Development Assistant Scheme

2.5.4 Mini Cluster Scheme

The Mini Cluster Scheme offers a comprehensive framework for collaborative growth, technological advancement, and financial support, paving the way for a thriving MSME ecosystem in Gujarat. The scheme is one of the examples of state's synergic approach with central level scheme of MSE-CDP for overall upliftment of MSME ecosystem in the state. The following is some of the salient features of the scheme:

a. Objective of Collaborative Growth:

- SPVs (Special Purpose Vehicles): Minimum 10 MSEs from similar sectors join forces, leveraging shared resources and expertise.
- Common Facilities Center: Access to branding, marketing, warehouse, testing lab, and tool room reduces individual costs and boosts efficiency.
- Technology & Innovation.
- Technology upgradation & R&D: Supports adoption of advanced technologies and fostering innovation within the cluster.
- Environment protection: Encourages collective efforts for sustainable development through shared environmental facilities.

b. Financial Assistance:

- 80% of project cost up to INR 4 crores for MSEs: Reduces financial burden and enables project execution.
- Increased support for SC/ST and women entrepreneurs: Promotes inclusive growth and empowers marginalized groups.
- DPR preparation grant: INR 2.5 lakh for creating a detailed project plan.
- Soft Interventions.
- Workshops & training: Provides knowledge and skills to strengthen cluster operations.
- 90% assistance up to 10 lakhs for soft interventions: Ensures holistic development beyond just infrastructure.

c. Overall Benefits:

- Improved productivity and competitiveness of MSMEs.
- Reduced costs and resource utilization.
- Enhanced innovation and technological adoption.
- Sustainable development and environmental responsibility.
- Empowerment of SC/ST and women entrepreneurs.

2.5.5 Assistance for Start Ups-Innovation

Gujarat's Startup and Innovation Policy is a comprehensive initiative aimed at nurturing and empowering startups and innovation across the state. It provides a multi-pronged approach to support entrepreneurs at various stages, from ideation to growth.

Eligibility: Recognized startups, nodal institutes, and mentors can participate in the program. The policy focuses on novel ideas and technologies, encompassing radical and incremental innovations leading to new products, processes, or services.

The policy offers a range of financial and non-financial incentives to startups under the following categories.

a. Financial:

- Sustenance allowance: INR 20,000/month for one year, with an additional INR 5,000/month for female co-founder.
- Seed support: Up to INR 30 lakh for promising startups, with an additional INR 10 lakh for those with significant social impact.
- Pre-Series A funding support: Assistance in securing funding from Gujarat Venture Finance Limited (GVFL).
- Interest subsidy: An additional 1% interest subsidy on loans.
- Participation in acceleration programs: Up to INR 3 lakh for participation in approved programs.
- Skill development assistance: Up to INR 1 lakh for skill development initiatives.

b. Non-financial:

- Free access to Universities/ Laboratories/ Libraries: Facilitating access to knowledge and resources.

c. Support for Nodal Institutes: The policy recognizes the crucial role of nodal institutes in supporting startups. They receive financial assistance for:

- Mentoring support upto INR 1 lakh - INR 5 lakh per institute.
- Organizing promotional events: Up to 75% of the cost will be borne under this scheme, with 90% of cost for events hosted by women entrepreneurs.
- Financial support for conducting acceleration programs.

Impact: This comprehensive policy aims to create a vibrant startup ecosystem in Gujarat by:

- Providing financial resources: Seed funding, interest subsidies, and access to funding opportunities.
- Nurturing talent: Skill development assistance and access to knowledge resources.
- Building infrastructure: Supporting nodal institutes and creating a network of support.
- Promoting innovation: Encouraging radical and incremental innovations with social impact.

The Gujarat Startup and Innovation Policy is a significant step towards fostering a thriving entrepreneurial environment in the state. By providing support at every stage, the policy has the potential to transform Gujarat into a hub for innovation and economic growth.

2.5.6 Assistance to GIDC for development of Multi Storeyed Sheds for MSEs

Micro and Small Enterprises (MSEs) contribute significantly to employment generation, innovation, low capital investment and inclusive growth of the economy. Due to limited resources and available market, most of the MSEs are located in urban areas. Due to massive development in urban areas, there is a sharp increase in the cost of land and building construction in the country. MSEs having very limited financial resources, find difficulties to start their units in developed industrial areas. To resolve this issue Multi-storeyed Sheds for MSEs through GIDCs scheme have been introduced. Where GIDC will be given assistance up to 55% of the cost, and GIDC will pass on the benefit to MSEs with plug and play infrastructure.

2.5.7 Assistance to MSEs for Shed developed by Private Developer

Gujarat's Shed Development by Private Developer policy offers a financial boost to set up micro, small and medium enterprises (MSEs) by incentivizing private developer. Here's how it works:

Generous Assistance: Developers receive up to 55% of the total project cost, covering land at Jantri rate, building and infrastructure costs at Schedule of Rates (SOR), and even technical consultancy and TPQA charges. This assistance, capped at INR 5 crore, significantly reduces the financial burden of setting up mini estates.

Phased Disbursement: To ensure genuine development and benefit to MSEs, the assistance is disbursed in stages. 30% is released upon successful sale of an individual shed, while the remaining 25% comes after the allocated MSE commences production. This incentivizes developers to find buyers and ensures the developed sheds are used.

Benefit Pass-through: The policy mandates that developers pass on the financial benefit to the MSEs at the time of shed allotment. This ensures the intended beneficiaries receive their rightful share of the assistance, promoting affordability and facilitating their entrepreneurial journey.

Targeted Size and Area: The policy focuses on smaller sheds, with sizes ranging from 50 to 100 sq. m., catering to the needs of fledgling and growing businesses. Additionally, the project area is capped at 2 hectares, preventing large-scale developments, and ensuring wider accessibility for smaller developers and MSEs.

Overall, Gujarat's Shed Development by Private Developer policy provides a win-win situation. It encourages private investment in creating ready-made workspaces for MSEs, while offering financial assistance that makes starting and running a business more feasible. This policy has the potential to boost industrial growth and create new employment opportunities in the state.

2.5.8 Awards to MSMEs

The Gujarat Government's MSME Awards scheme shines a spotlight on the achievements and contributions of Micro, Small and Medium Enterprises across the state. This comprehensive program celebrates excellence in three key areas: growth, innovation, and social impact.

For established MSMEs, three awards of INR 2 lakh each, a trophy, and an appreciation letter are presented in each category, recognizing outstanding performance in production & profit growth, quality & environment initiatives, and technological advancements for new products or processes.

Aspiring entrepreneurs are also championed with "Best Entrepreneur Awards", offering INR 2 lakh, a trophy, and recognition in three categories: Women Entrepreneur, Young Entrepreneur (first-generation and under 35), and SC/ST Entrepreneur. This encourages diverse participation and fosters a more inclusive entrepreneurial ecosystem.

Finally, the "Commercially Successful Best MSME Startup Award" celebrates the spirit of innovation and risk-taking in the startup landscape. This INR 2 lakh award, along with a trophy and recognition, empowers promising young ventures to scale up and contribute to Gujarat's economic growth.

The MSME Awards scheme is a valuable initiative by the Gujarat Government, not only for providing financial rewards but also for motivating MSMEs to strive for excellence, adopt sustainable practices, and contribute to the state's industrial development. It fosters a culture of innovation and recognition, paving the way for a vibrant and competitive MSME landscape in Gujarat.

2.5.9 Scheme for Assistance to Strengthen Specific Sectors in the Textile Value Chain, 2019

Gujarat, a powerhouse in the Indian textile industry, has implemented a comprehensive policy designed to bolster its position and fuel further growth. This policy offers a bouquet of incentives for Micro, Small and Medium Enterprises (MSMEs) and Large Enterprises alike, focusing on key areas like cost reduction, technological advancement, and sustainable practices. Gujarat's Textile Policy aims to:

- Attract new investments and encourage expansion within the industry.
 - Promote technological advancements and modernization.
 - Enhance competitiveness and generate employment opportunities.
 - Encourage sustainable practices and environmental responsibility.
- **Financial Incentives:**
 - Interest Subsidy: MSMEs and Large Enterprises employing various levels of workforce receive substantial interest subsidies on loans, ranging from 4% to 6%.
 - Reduced Power Tariffs: Weaving activities benefit from significantly lower power tariffs compared to other industries, while other eligible activities also enjoy a competitive rate.
 - Energy & Water Conservation Support: The policy encourages sustainable practices by providing financial assistance for energy and water conservation measures, as well as environmental compliance initiatives.
 - **Boosting Technology and Infrastructure:**
 - Technology Acquisition & Upgradation: The policy incentivizes investments in technology upgrades, offering up to 50% of the cost with a maximum limit.
 - Textile Park Development: Support is provided for establishing Textile Parks, with 25% of the capital expenditure covered for essential infrastructure.

This policy, coupled with Gujarat's strong textile infrastructure and skilled workforce, makes it a prime destination for domestic and international players seeking to tap into the thriving Indian textile market.

2.5.10 Vajpayee Bankable Yojana

The Vajpayee Bankable Yojana empowers aspiring entrepreneurs across Gujarat, enabling them to turn their ideas into thriving businesses. By providing financial backing and recognizing diverse needs, it fosters a vibrant entrepreneurial ecosystem that contributes to the state's economic growth and development.

This initiative provides loans of up to INR 8 lakhs, with varying assistance levels tailored to specific needs and circumstances. This flagship scheme is run by Commissioner of Cottage and Rural Industries in association with DICs.

The scheme caters to both general and reserved categories (SC/ST/Women/Differently Abled), with higher loan amounts allocated in rural areas to address regional disparities. Additionally, manufacturing ventures receive the highest allowance (INR 1.25 lakh), acknowledging their potential for job creation and economic impact. Service and trading sectors also benefit, with differentiated urban and rural allocations to ensure equitable access.

Notable features of the scheme include:

- Flexibility: Loan amounts cater to diverse business needs, from micro-enterprises to established ventures.
- Targeted support: Higher assistance for reserved categories and rural areas fosters inclusive growth.
- Sector-specific focus: Manufacturing receives prioritized support for its economic significance.

2.5.11 Gujarat IT & ITeS Policy

Gujarat's IT & ITeS Policy aims to propel the state as a major hub for technology and innovation. It offers a comprehensive package of incentives tailored to different types of IT/ITeS units, fostering growth at every stage. This policy is being run by Directorate of ICT & eGovernance, Department of Science and Technology.

a. Financial Support:

- Capex & Opex Support: The policy provides direct financial aid for capital and operational expenses, with varying amounts based on project size (Category I & II). This significantly reduces the upfront investment burden for IT companies upto 25% of project cost.. MSMEs qualified for Category I.
- Special Incentives: Additional incentives like employment generation incentive upto 60,000 per employment generation, interest subsidy up to 7%, 100% EPF contribution support, and electricity duty reimbursement for five years further sweeten the deal for IT/ITeS units, making Gujarat a more attractive investment destination.

b. Infrastructure and Ecosystem Development:

- IT Cities & Townships: The policy encourages the development of dedicated IT hubs with infrastructure support like rental assistance, further attracting MSMEs and other companies and creating a vibrant IT ecosystem.
- Cloud Ecosystem & Data Centers: Specific incentives like reduced power tariffs for cloud providers and data centers make Gujarat a cost-effective location for these critical infrastructure components.
- Skill Enhancement: The policy recognizes the importance of skilled workforce and supports initiatives in this area, ensuring a readily available talent pool for IT companies.

c. Innovation and R&D:

- R&D Support: The policy actively encourages research and development in the IT sector by offering substantial financial assistance for R&D projects, fostering a culture of innovation within the industry.

Overall, Gujarat's IT & ITeS Policy offers a compelling package of financial support, infrastructure development, and innovation encouragement. This multi-pronged approach is designed to attract leading IT companies, create high-skilled jobs, and position Gujarat as a leader in India's technology landscape.

The Industries Commissionerate Office, on 10/02/2021, issued a resolution (refer to Annexure 3 for the GR) under the Right of Citizens to Public Services Act, 2013. **This resolution aims to delineate the roles and responsibilities of all offices associated with Industries, including District Industries Centers (DICs).** Citizen Charters were introduced, outlining citizens' rights, service timelines and officers for addressing complaints regarding service delays. Services and timelines were displayed on notice boards. As an endeavor to make it more user friendly, the resolution is currently undergoing revision, and expect to receive updated version.

[illegible]

Figure 82 Citizens Charter at DIC, Vadodara

A background image showing a laser cutting process in an industrial setting. A laser head is positioned above a metal sheet, creating a bright, intense light as it cuts. Numerous sparks are flying upwards from the cut, creating a dynamic and energetic scene. The metal sheet has several pre-cut holes and patterns. The overall color palette is dominated by the bright orange and yellow of the sparks and the cool blue and grey of the industrial machinery.

Challenges to MSME growth

3. Challenges to MSME growth

The following section delves into the key constraints hindering the MSME growth, identified through a multi-pronged approach involving stakeholder consultations and engagement with relevant government departments. These challenges have been broadly classified as thematic challenges which are sector agnostic in nature and sectoral challenges related to specific industries group. More than 30 stakeholder consultations were held with combination of 10+ focus groups and 20+ semi-structured interviews with diverse stakeholders, which includes Central and State Departments, MSMEs (with a focus on women- led enterprises), industry associations, regional/district associations, financial institutions, educational and skill development providers, startup incubator and business service provider.

3.1 Thematic Challenges

This section presents a clear picture of the current ecosystem of MSMEs in the state and challenges affecting MSMEs growth in the State under 8 areas – business environment, factor conditions, access to credit, delayed payments to MSMEs, access to market, performance of Champion schemes, technology and skill gaps as given below.

3.1.1 Business environment

Gujarat has consistently pioneered the development of an ecosystem designed to strike a balance between supporting business activities and ensuring a conducive environment for growth. Over the years, the state has showcased best practices in business operations through the state's rapid development in industrial infrastructure.

State/Union Territory	2015	2016	2017	2019	2021
	Rank	Rank	Rank	Rank	Top Achiever
Gujarat	1	3	5	10	

Table 32 Gujarat rankings in Ease of Doing Business²⁹

In the **2021 Ease of Doing Business assessment**, Gujarat secured the **'Top Achiever' status**, a testament to its unwavering commitment to business facilitation. The state's impressive track record in previous years too is noteworthy. In 2015, Gujarat clinched the top position with a score of 71.14, followed by a third rank in 2016 with an impressive score of 98.21. In 2017, it secured the fifth spot with a score of 97.99%, and in 2019 it held the tenth positions, with scores of 97.77. Gujarat's consistent high rankings reflect its sustained efforts in creating a business-friendly environment.

A distinctive achievement for Gujarat is being one of only two states to achieve 100% compliance in implementing 301 reforms. These reforms span across 15 business regulatory areas, including access to information, a single-window system, and effective administration of labor and land. This exceptional compliance underscores the state's commitment to comprehensive and impactful business reforms.

Key initiatives under the Ease of Doing Business framework in Gujarat includes the **Gujarat Single Window Clearance Act of 2017**, the **Investor Facilitation Portal (IFP)** which streamlines labor compliances, construction permits, expedite processes for electricity and water connections, get environment clearances with an online incentive application system. These initiatives have led to simplified registration processes and payment of state taxes.

²⁹ Handbook of Statistics on Indian States

Moreover, to create **hassle-free environment for establishment of new MSME**, an act was introduced in October 2019 called **Gujarat MSME Facilitation of Establishment and Operation Act, 2019**. This act provides certain exemption from approvals and inspections during the initial operationalization of new enterprises to create an enabling environment for entrepreneurial initiatives. These include

1. Enterprises will be exempted from approvals and clearances for three years under state laws.
2. For a period of three years from the date of its issuance and after the expiry of the said period of three years, the enterprise shall have to obtain required approvals. An additional 6-month grace period is given to the unit to obtain the approvals.
3. Any agricultural land on which a person wishes to start an enterprise shall be deemed to be a non-agricultural land will be exempted from inspection for three years.

Challenges:

1. The state has IFP a single window portal in place, but many a times investors find it difficult to navigate on the portal to find relevant departments and its approval application process. There is a need to establish customer support center to guide the investor
2. State has introduced MSME (Facilitation & Establishment) Act, 2019 which exempts MSMEs to take approvals from the state govt dept. for 3 years But MSMEs in some sectors still have to obtain major approvals like CTE from GPCB, other approval from central govt. in order to establish.
3. The lack of basic infrastructure, such as plug-and-play sheds, land availability, and proper connecting roads, is a major hurdle for MSMEs in setting up and operating their businesses.
4. DICs play an important role in supporting MSMEs, but they often lack the manpower and resources to provide adequate assistance. There is a need for dedicated staff to help with tasks such as preparing project proposals, assist in awareness of subsidies and its application.
5. The handloom and handicrafts sector faces challenges in promoting cultural heritage and preserving traditional skills. There is a need for better collaboration between government agencies, NGOs, and private organizations, as well as providing financial support to artisans and organizations working in this sector.
6. Proposed Udyog Sahay Kendras are a promising concept for providing support to MSMEs, their implementation is still a challenge. There is a need for dedicated staff and resources to handle queries, provide guidance, and raise awareness about available schemes and programs
7. The Gujarat Cleaner Production Centre provides valuable services to industries, such as resource efficiency assessments, awareness training, and environmental advisory services. However, there is a need to do more awareness and encourage MSMEs to adopt cleaner production practices.
8. There is a need to strengthen the “District Level Skill Plan” and ensure that skill development programs are aligned with the needs of the MSME sector.
9. Due to the multiple web portals across various skilling-related departments and institutions, entrepreneurs face challenge in gaining a comprehensive overview of available skill development programs and schemes.

3.1.2 Factor Conditions

3.1.2.1 Land

The Gujarat Industrial Development Corporation (GIDC) is a nodal agency in fostering industrial development and economic advancement within the state. Since its inception in 1962, GIDC has functioned as an agency entrusted with the responsibility of planning, promoting, and facilitating industrial growth in the region. Notably, **GIDC has acquired a substantial landmass, totaling 41,899 hectares, and has successfully developed 239 estates, allocating 70,125 plots in the state.**³⁰

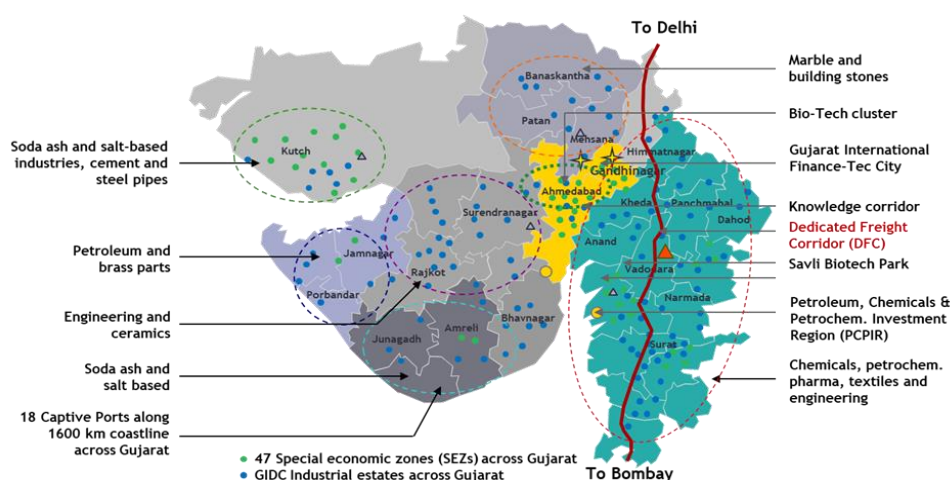


Figure 83 Spatial distribution of resources in Gujarat taken from GIDC Website

GIDC's approach to develop sectoral clusters help attract anchor industries followed by MSMEs across different regions of Gujarat. Also GIDC has implemented several initiatives aimed at supporting Micro, Small, and Medium Enterprises (MSMEs). These include the establishment of Women Parks at four different locations, namely Halol, Sanand-II, Juned (Saykha), and Miyawadi. Additionally, MSME Parks have been set up at ten locations, including

- Sanand-II
- Halol
- Juned-Saykha
- Miyawadi
- Kalavad
- Shinawada
- Charup
- Dhrol
- Indranaj
- Vagosan

Furthermore, **GIDC has introduced 1,394 multi-level sheds with plug and play facility across various GIDC estates, with each shed comprising 16 units of 100 square meters and 12 units of 50 square meter**

3.1.2.2 Labor

As mentioned earlier, in **Gujarat the registered 14.40 lakh MSMEs employ over 84.63 lakh people** in the state. However, this includes only the 43.3% of the total MSMEs that are registered.

³⁰ Source: GIDC, Data as on Sept. 2023

Based on the data captured by the 73rd round of NSS in 2015-16, it is tenable to conclude that the Gujarat's MSMEs employ more than twice this figure. The per capita income³¹ of an individual in Gujarat stands at INR 2,50,100 deeming it one of the prosperous states in the nation. The state government is committed to assisting citizens into the realm of productive employment.

Shree Vajpayee Bankable Yojana (VBY) was introduced by the state government to encourage unemployed persons to start their own enterprises. Thereby, the state provides loans at subsidized rates to commence activities in the industries, service & business sector. In the year 2021-22, 10,678.55 Lakh rupees was disbursed on this account³². Further, **PMEGP, the Prime Minister's Employment Generation Program (PMEGP)** by the Ministry of MSMEs is a credit-linked subsidy scheme that aims to generate employment opportunities by promoting micro-enterprises in the non-farm sector. As of Feb 2022-23, Gujarat recorded assistance provided to 3060 projects with a margin money disbursed of INR 241.48 crores. This resulted in generating 24,480 new employments.

Period	Number of projects assisted	Margin Money subsidy disbursed (INR crores)	Estimated Employment Generated
2017-18	1876	128.83	15,008
2018-19	3500	254.43	28,000
2019-20	3983	287.40	31,864
2020-21	2854	206.37	22,832
2021-22	4143	287.04	33,144
2022-23	3060	241.48	24,480

Table 33 Year wise performance of PMEGP in Gujarat from 2017 to 2023 taken from PIB

In the last six years in Gujarat, PMEGP has shown significant growth. The state has witnessed the creation of over 1,55,328 employment opportunities, with the number of projects increasing from 1,876 to more than 4,000. The margin money subsidy has also risen from 129 crores to 241 crores during this period. **Overall, there has been a 63% increase in projects, 87.4% increase in margin money disbursed and a 63% increase in employment created since 2017.**

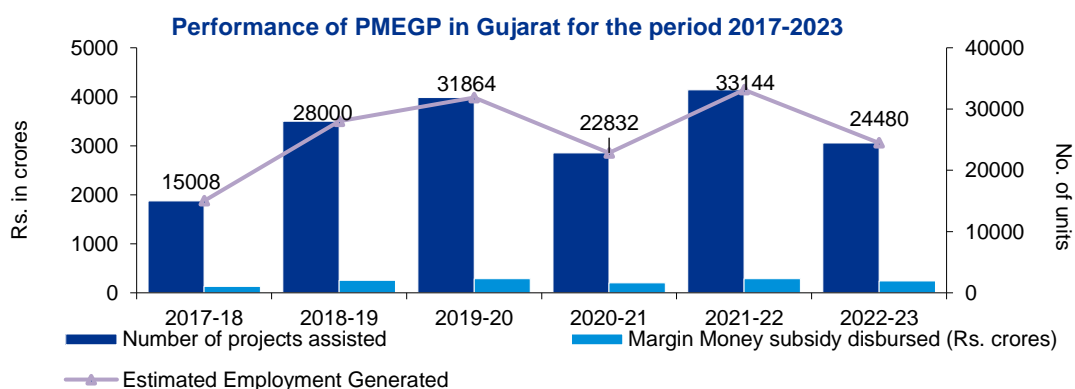


Figure 84 YoY performance of PMEGP in Gujarat from 2017 to 2023 taken from PIB

³¹ pib.gov.in/PressReleaseSelfframePage.aspx?PRID=1942055

³² (Gujarat, VBY Performance Report, 2022)

Finally, an interstate comparison of PMEGP performance across India shows that **Gujarat ranks 2nd in the nation for the total margin money disbursed in 2023-24**, indicating the success of the program as well as the pro-entrepreneurial environment in the state. Figure below provides details of the same.

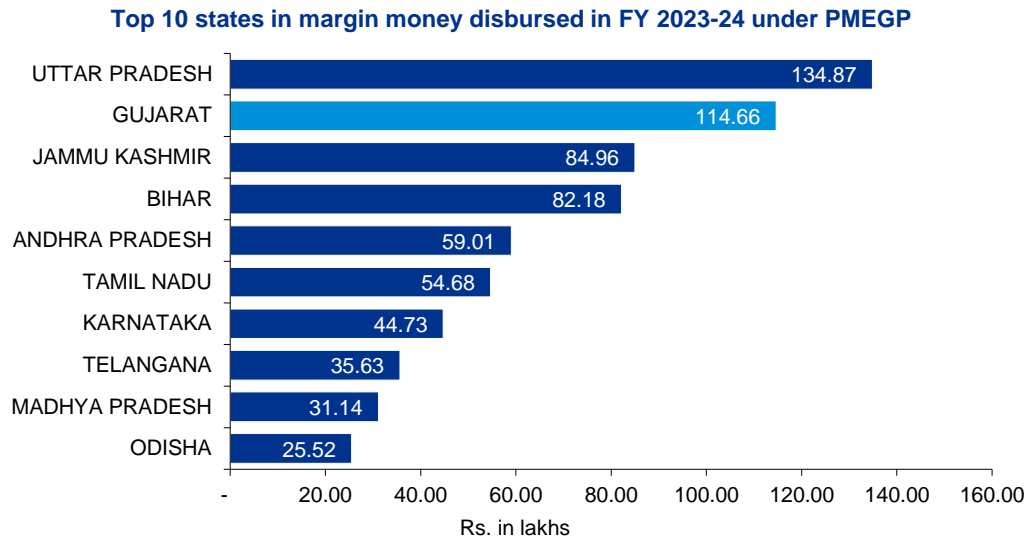


Figure 85 Interstate comparison of margin money disbursed under PMEGP³³

Apart from VBY and PMEGP schemes, the government of Gujarat is also supporting traditional skills through the '**Datto Pant Thengdi Karigar Vyaj Sahay Yojana**' under which special artisan cards issued to the craftsmen of Gujarat. **Dattopant Thengadi Artisan Interest Subsidy Scheme** provides low-cost credit for machinery or working capital to the registered artisans. Likewise, the Government of Gujarat through its Aatmanirbhar Gujarat Scheme 2022, provides pools of assistance in terms of capital subsidy, interest subsidy, subsidy for power connections, SGST reimbursement, rent assistance, assistance for technology acquisition etc. to create a construct an ecosystem of ease and assistance for entrepreneurial endeavor. The government's provision of EPF reimbursements to MSMEs is another effort towards promoting the employment generation in MSMEs. With the objective of creating a skilled workforce, the Government of Gujarat introduced the Mukhya-Mantri Apprenticeship scheme in 2018, wherein unemployed youth are given apprenticeship positions in private firms along with a stipend.

3.1.2.3 Logistics and Transport Infrastructure

Gujarat stands out as one of India's most industrialized states, playing a pivotal role in the manufacturing sector. That the state has actively promoted the development of transport and logistics services, is evident in the formulation of the '**Gujarat Integrated Logistics and Logistics Park Policy 2021.**' **Notably, Gujarat has consistently secured top rankings in Logistics Ease Across Different States (LEADS) for three consecutive years**, emphasizing its commitment to enhancing the overall logistics ecosystem. Recognizing the significance of the logistics sector, Gujarat has granted it industry status, offering special incentives and provisions.

Gujarat boasts an extensive and traffic-intensive **highway network, totaling 17,000 km of state highways and 6,000 km of national highways as of 2020-21**. The state's national highway network has reaped benefits from projects like the Golden Quadrilateral and the National Highway Development Program. Gujarat's share in the Golden Quadrilateral is significant at 18%, and the new Mumbai-Delhi expressway will traverse 30% of its length through key industrial zones like

³³ taken from MSME Dashboard, MoMSME Website on 30th September 2023

Dahod, Godhra, Vadodara, and Surat. The state's emphasis on road safety is evident, reporting a relatively lower rate of 6.8 accidents per 10,000 vehicles compared to neighboring states.

Gujarat's rail network spans 5,300 km, with a track km per capita of 4.3, surpassing that of Rajasthan and Maharashtra. In 2020, the state moved approximately 91 million metric tons of freight, constituting 0.7 times the total rail freight movement in Maharashtra. The Dedicated Freight Corridor (DFC) supplements Gujarat's freight carrying capacity, connecting key nodes such as Dholera SIR, PCPIR SIR, Mandal Becharaji SIR, Ankleshwar Industrial area, Mehsana Industrial area, and the Surat-Hazira industrial hub. While most ports have rail connectivity, ports handling bulk cargo like Magdalla, Navlakhi, and Okha need some improvements.

The state of Gujarat houses **11 operational airports, including 2 international and 9 regional airports**³⁴. Plans for developing 11 more airports and 4 water aerodromes³⁵ across the state are in the pipeline. Ahmedabad and Surat have witnessed significant growth in passenger and freight traffic, with Surat emerging as a hub for air freight movement, particularly in e-commerce and agricultural exports. However, air freight operations are predominantly centered around Ahmedabad, as smaller airports face challenges in attracting traffic due to pricing competition with rail and road alternatives.

With **a coastline stretching approximately 1600 kilometers, Gujarat holds the position of India's leading maritime state.** The Gujarat Maritime Board oversees 48 non-major ports, with private ports handling bulk, breakbulk, liquid, and container cargo, alongside the major port of Kandla. Gujarat commands a substantial share, around 65%, of the cargo handled by non-major ports in India, showcasing its robust connectivity with a vast hinterland spanning Northern, Western, Central, and parts of Southern India. Private sector investments in these ports have been instrumental in bolstering the overall infrastructure.

3.1.2.4 Energy

Gujarat has consistently demonstrated excellence in delivering high-quality power supply, earning A+ ratings for all its distribution utilities in the 9th Annual Integrated Rating for State Power Distribution Utilities by the Power Finance Corporation (July 2021). The state maintains a commendable track record of profitable operations, robust cash collections, and substantial subsidy support from the government, mainly directed towards agricultural consumers, ensuring affordability for other consumer categories. With a focus on sustainability and proactive measures, **Gujarat achieved the top rank in the State Energy & Climate Index released by NITI Aayog in April 2022.**

As of **November 30, 2022, the total installed capacity in Gujarat stands at 41,274 MW, reflecting an increase from 40,137 MW on March 31, 2022.** In the year 2021-22, the state generated a total of 129,327 MUs of electricity, with contributions from Gujarat State Electricity Corporation Limited (GSECL), the private sector (including State IPPs), and the central sector. As of November 30, 2022, the total generation is 94,130 MUs. Consumption of electricity in the state during the year 2021-22 was 106,349 MUs, increasing the per capita consumption to 2,283 units from 2,143 units in the previous year 2020-21.

Pioneering the adoption of clean energy, Gujarat implemented its solar policy in 2008, initiating a shift towards renewable energy. It was the first to introduce a solar wind hybrid policy in 2018, and

³⁴ 11 operational airports in Gujarat include Ahmedabad domestic and international, Surat, Vadodara Rajkot, Kandla Jamnagar, Porbandar, Bhavnagar, Bhuj, Keshod

³⁵ 11 planned airports in Gujarat include Dwarka, Morbi, Ankleshwar, Ambaji, Dahej and Rajpipla (Source: GUJSAIL.website)

the state currently leads in rooftop solar capacity, ranks 3rd in ground-mounted solar capacity, and secures the 2nd position in wind capacity. The growth strategy revolves around three pillars: ensuring reliable power supply to support growth engines, promoting sustainability, and maintaining the affordability of power supply.

In the Gujarat State Domestic Product (GSDP), the electricity, gas, water supply, and other utilities fall under the secondary sector, contributing INR 54,071³⁶ Crore to the GSDP in FY21-22. To support growth across various sectors, the contribution of these utilities to **the GSDP needs to grow at a Compound Annual Growth Rate (CAGR) of 11.7% to achieve INR 1 lakh crore by FY27, surpassing the historical CAGR of 8.6%.**

The Solar Rooftop Yojana (Surya-Gujarat) launched in August 2019 has seen an installed capacity of 550.19 MW and provided connections to 137,914 consumers by 2021-22, incurring an expenditure of INR 935.31 crore.

3.1.2.5 R&D/Testing facilities

Gujarat houses numerous research & development/testing institutes that are specialized in various fields like industrial manufacturing, agro & food, environment, thermal, textile, calibration, polymers, plastics, pharmaceuticals and more. There are a **total of 404 testing labs in Gujarat out of which 24 facilities are owned by the GoG. The remaining 380 labs are privately owned**³⁷.

Challenges:

1. Limited availability of affordable land for setting up industrial units in GIDC poses a challenge for MSMEs. The cost of land is prohibitive, particularly in industrial zones, impacting the feasibility of expansion or new ventures.
2. Fluctuating energy costs and occasional power shortages are impacting the operational costs of MSMEs. The reliability of the power supply is crucial for continuous production, and any disruptions can lead to increased expenses.
3. Engaging in research and development activities often requires substantial financial investments, which is a significant burden for small and medium enterprises with limited capital.
4. Limited availability of state-of-the-art infrastructure and specialized testing facilities in certain regions of Gujarat can impede MSMEs' ability to conduct effective R&D and testing.
5. The shortage of researchers with expertise in specific industries or technologies can hinder MSMEs from fully leveraging R&D and testing capabilities.
6. MSMEs also face challenges in establishing effective collaborations with research institutions, universities, and larger enterprises, limiting their access to shared resources and expertise.
7. Adhering to regulatory requirements and quality standards for R&D and testing are complex and costly for MSMEs, especially those lacking dedicated compliance teams. Even if MSMEs successfully conduct R&D and testing, they are facing challenges in commercializing their innovations and gaining market access due to barriers in marketing and distribution.

³⁶ State Domestic Product, Gujarat State 2021-22 at current price

³⁷ [Gujarat R&D labs list.pdf](#)

8. There is a shortage of manpower at the District Industries Centre (DIC) level, which leads to delays in processing loan applications. There is also a need for capacity building and handholding of MSMEs to help them prepare proposals, apply for subsidy, basic knowledge of bank procedures and subsidies levied.
9. Handicraft sector is facing competition from larger businesses majorly in developing the quality of handicraft products and marketing and branding of products. The introduction of machines has led to the loss of Traditional Skills and Craftmanship, which creates the risk of Unemployment as well as risk to the cultural traditions and heritage of the Sector.
10. The effective capacity building of Special Purpose Vehicles (SPVs) is of critical importance. Additionally, robust monitoring and ongoing support are equally essential for their success.
11. Limited awareness persists within diverse industries regarding the adoption of Cleaner Production, Clean Technology, and Environmental Management Practices.
12. The declining water tables have led to frequent interruptions in water supply during summers for MSME units. This, in turn, diminishes operating hours, adversely impacting the profitability of these units.

3.1.3 Access to Credit

On an average the state of Gujarat allocating close to **30% to 35% of the total budget allocated for industries to the MSME sector**. or the year 2022-23 this amounts to a budgetary outlay of **INR 4560.80 crores out of which INR 1,370.5 crores allocated for MSMEs**. Following figure obtained from the state MSME Commissionerate presents the trend for budgetary allocations made to the MSME sector in Gujarat and the expenditure thereof in the last 5 year. It indicates a mild decline in yearly allocation to MSMEs since the year 2020.

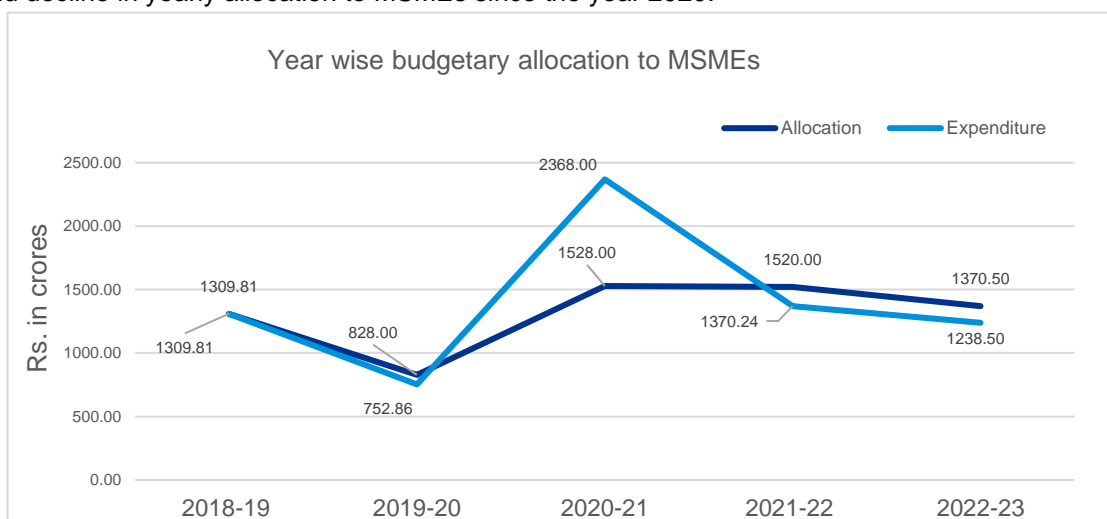


Figure 86 Year wise budgetary allocation to MSMEs in Gujarat

3.1.3.1 Annual Credit Plan for MSME sector

The annual credit plan for the MSME sector in Gujarat for the FY 2023-24 is set at INR 106,371 crores to be lent to 520,576 units³⁸. As of the 2nd quarter ending September 2023, banks have achieved 89.54% of this amount.

³⁸ For bank wise summary of ACP targets and achievements refer to Annexure 2

	No. of units		Amount (in INR crore)	
	Target under ACP 2023-24 for the bank	Achievement as on 30.09.2023	Target under ACP 2023-24 for the bank	Achievement as on 30.09.2023
Total ACP	5,20,576	2,07,404	1,06,371	95,241
% Achievement	39.84%		89.54%	

Table 34 ACP for MSME sector in Gujarat for the period 2023-24³⁹

Above table shows the year wise trend in the annual credit plan for the MSME sector in Gujarat. Since 2018 there has been a steady increase in the ACP for MSMEs with an overall growth of 275% in the target amount and 365% increase in the amount disbursed.

Period	Target		Disbursement		% Achievement	
	No. of accounts	Amount (INR crores)	No. of accounts	Amount (INR crores)	% No. of accounts	% Amount
2017-18	4,71,222	28,253	3,83,841	40,283	81.46	142.58
2018-19	10,81,663	39,080	6,10,631	71,918	56.45	184.03
2019-20	8,87,497	57,323	7,84,374	93,848	88.38	163.72
2020-21	7,61,164	79,201	7,36,673	96,325	96.78	121.62
2021-22	9,70,815	94,366	3,97,183	1,28,724	40.91	136.41
2022-23	10,72,667	1,06,084	5,09,144	1,87,149	47.47	176.42

Table 35 Year wise ACP for MSME sector in Gujarat taken from SLBC Gujarat - Agenda notes

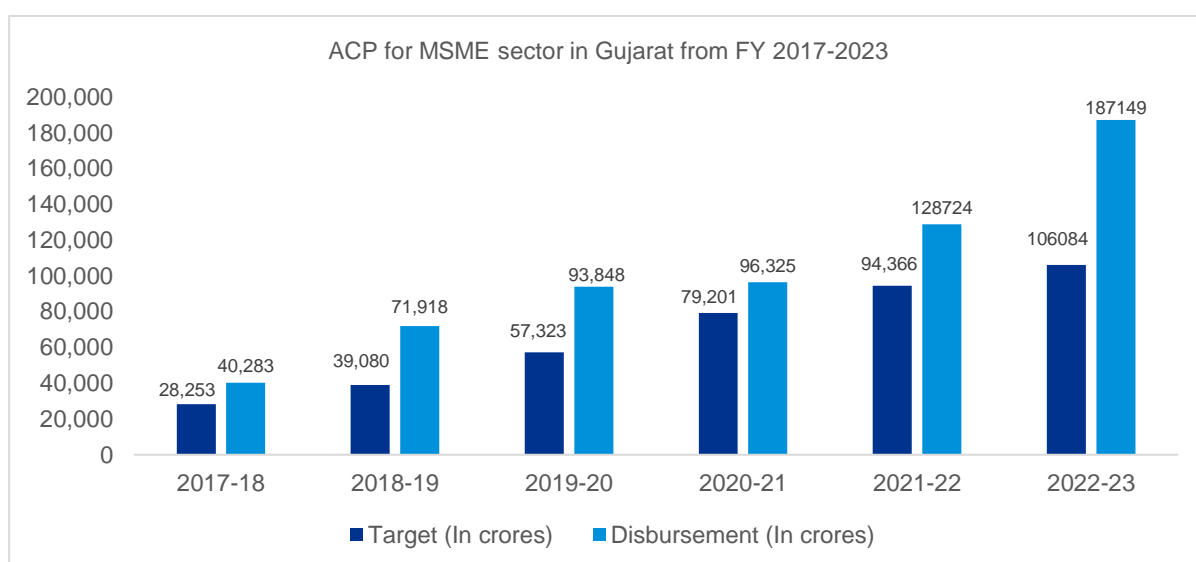


Figure 87 Year wise trend of ACP for MSME sector in Gujarat taken from SLBC Gujarat - Agenda notes

³⁹ Agenda for 68th Meeting of the Empowered Committee on MSMEs for quarter ended September 2023

Similarly, one can see a steady decrease in the **proportion of NPA to outstanding** in the last 5 year In the **last FY 2022-23 this figure stands at 3.95%**, a considerable reduction from the previous financial year. Table below highlights year wise data for the period March 2018 to March 2023.

Period ending	Amount Outstanding	Gross NPA	% NPA to Outstanding
	(In crores)	(In crores)	
2017-18	94,871	6,726	7.09
2018-19	1,27,174	8,222	6.47
2019-20	1,29,032	10,481	8.12
2020-21	1,35,159	10,905	8.07
2021-22	1,82,389	9,326	5.11
2022-23	2,13,397	8,432	3.95

Table 36 Proportion of NPA to Outstanding debt since 2018 taken from SLBC Gujarat - Agenda notes

3.1.3.2 Achievement of Priority Sector Lending

Within the priority sector lending framework, banks are required to meet a sub-target of lending 7.5% to micro enterprises. According to the below data, for the first 2 quarters of the FY 2023-24, banks have achieved their PSL targets.

Bank Category	PSL Target- Achieved	PSL Target- Achieved	All banks have achieved the PSL target of 7.5% for the State of Gujarat
	(June 2023)	(September 2023)	
1. Public Bank	71.02%	67.66%	
2. Private Bank	38.75%	35.25%	

Table 37 PSL target performance for the FY 2023-24⁴⁰

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

The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme has played a pivotal role in Gujarat's MSME sector, witnessing substantial growth. Notably, **in FY 2022-23, a substantial credit guarantee of 8209 crores was approved for 43,336 MSMEs.**

Year	No. of guarantees	Amt in INR Crores
2020-21	40,397	2960
2021-22	34,929	4836
2022-23	43,336	8209

Table 38 YoY performance of CGTMSE in Gujarat from 2020-2023 taken from CGTMSE, India

This accounts for 7.83% of the total amount extended towards credit guarantees in the country for the period. Over the last three financial years, the credit guarantee extended to MSMEs in the state has seen an impressive 177% increase.

⁴⁰ Agenda for 68th Meeting of the Empowered Committee on MSMEs for quarter ended September 2023

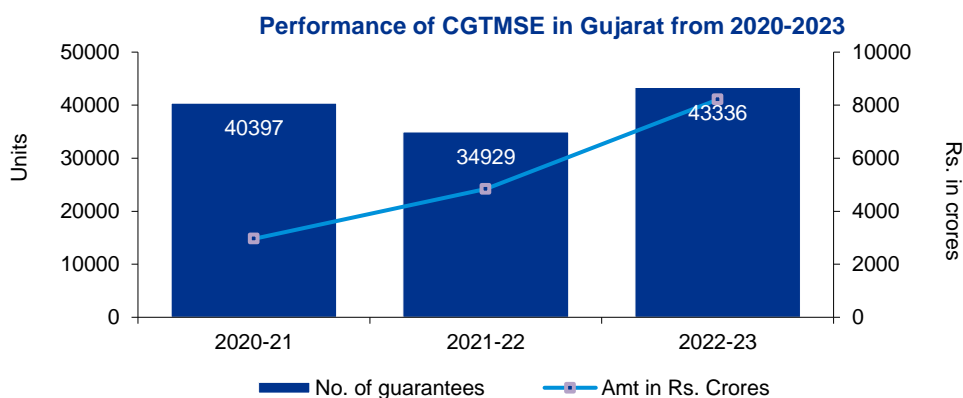


Figure 88 Performance of CGTMSE in Gujarat from 2020-2023 taken from CGTMSE, India

Gujarat's stands the 3rd highest state in India for total credit guarantees extended to MSMEs in FY 2022-23. This further underscores the scheme's effectiveness in facilitating financial support and promoting the growth of the MSME sector in the state.

Top 10 states by no. of accounts covered under CGTMSE for FY 2022-23

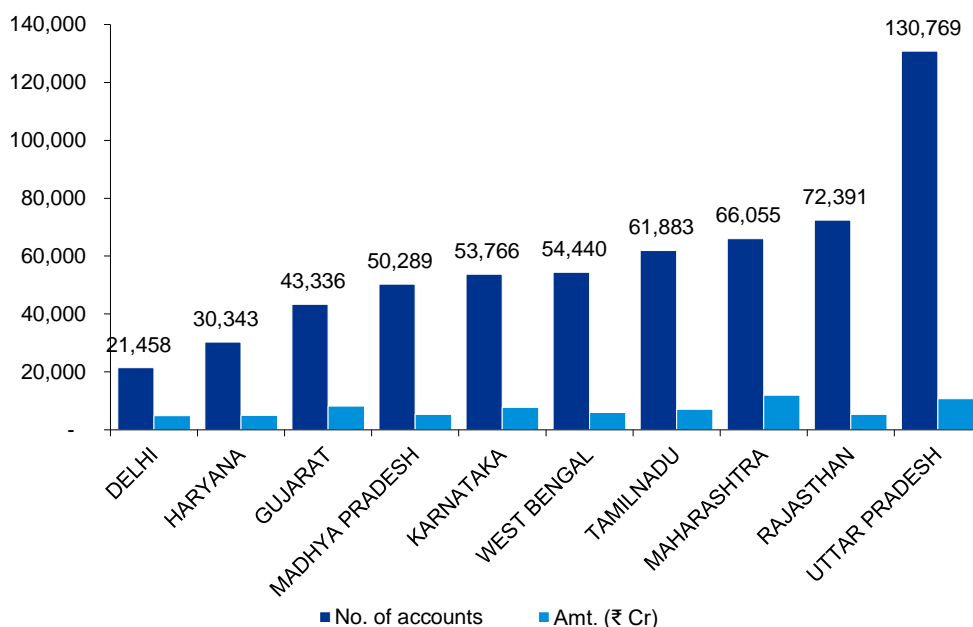


Table 39 Interstate comparison of CGTMSE performance for FY 2022-23

The scheme's inclusive nature is evident in its support for specific demographics, including 12,000 women-headed MSMEs with a guarantee worth 400 crore, 4,000 SC-headed MSME units with a guarantee of 200 crore, and 3,000 ST-headed MSME units with a guarantee worth 150 crore.

Year	No. of guarantees			Amt in INR Crores		
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
Women	4058	3977	6636	341.06	530.58	1041.82
SC	677	686	1589	30.24	45.91	117.86
ST	328	474	753	6.16	15.59	29.75

Table 40 Credit Guarantees Extended to Women, SC, ST in last 3 FY

3.1.3.4 MUDRA scheme

The MUDRA (Micro Units Development and Refinance Agency) loan scheme in India is aimed at providing financial support to micro and small enterprises. It comprises of 3 categories:

- Shishu: For loans up to 50,000 INR.
- Kishore: For loans ranging from 50,001 to 5 lakhs INR.
- Tarun: For loans between 5 lakhs and 10 lakhs INR.

For the FY 2022-23, a total of 17.84 lakh loan accounts have been established under MUDRA in Gujarat. This eventuated in a loan sanction amount of 17,668 crores. The amount disbursed stands at 17,507 crores⁴¹.

Year	Shishu		Kishore		Tarun		Total	
	1	2	1	2	1	2	1	2
2022-23	11,01,028	3,766	6,11,223	7,433	72,186	6,467	17,84,437	17,668
2021-22	11,92,620	3,682	3,52,426	4,703	45,914	3,766	15,90,960	12,152
2020-21	11,14,077	3,380	2,65,308	4,482	51,571	3,716	14,30,956	11,579
2019-20	14,06,788	3,967	6,15,529	5,285	74,076	4,494	20,96,393	13,746
2018-19	13,06,008	3,834	3,09,687	4,861	2,10,512	4,520	18,26,207	13,216
1	No. of accounts			2	Sanction amount (INR in crores)			

Table 41 YoY performance of MUDRA scheme in Gujarat from 2018-2023⁴²

Above table shows the YoY trend in MUDRA performance for the period 2018 to 2023. Therein, we see only a moderate performance of the state across the 5-year period, with a stark fall in the FY 2020-21 (which may be attributed to the pandemic). However, since then **there seems to be a consistent increase in the sanctioned amount under the scheme.**

YoY Performance of MUDRA scheme in Gujarat from 2018 to 2023

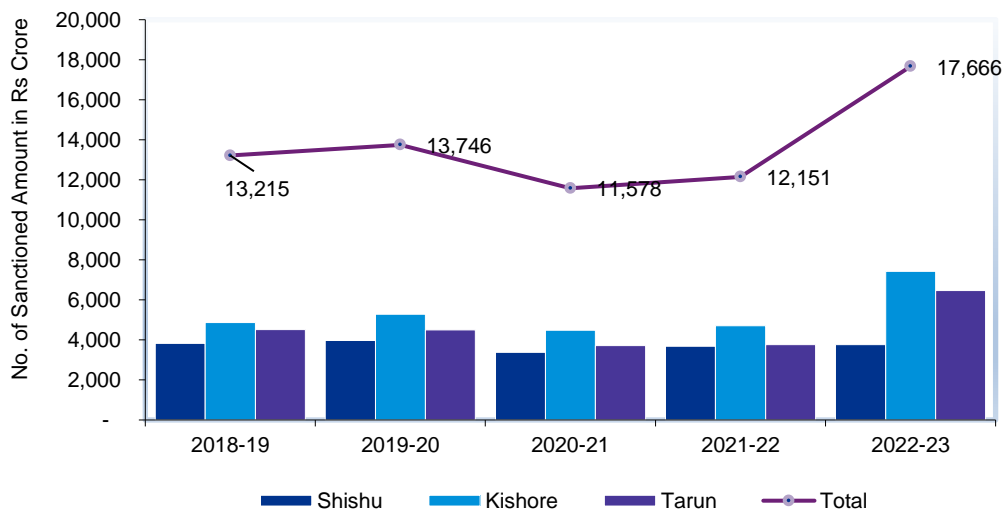


Figure 89 YoY Performance of MUDRA scheme in Gujarat for period 2018-2023⁴³

⁴¹ PMMY State wise Performance Report FY 2022-23

⁴² PMMY State wise Performance Report FY 2022-23

An interstate comparison reveals that **Gujarat ranks 10th in the total amount sanctioned under MUDRA among Indian states**. As the state continues to harness this potential, it could aid in the establishment of more successful micro- businesses thereby bolstering economic activity. Figure below depicts the performance of the MUDRA scheme in the top 10 states in India.

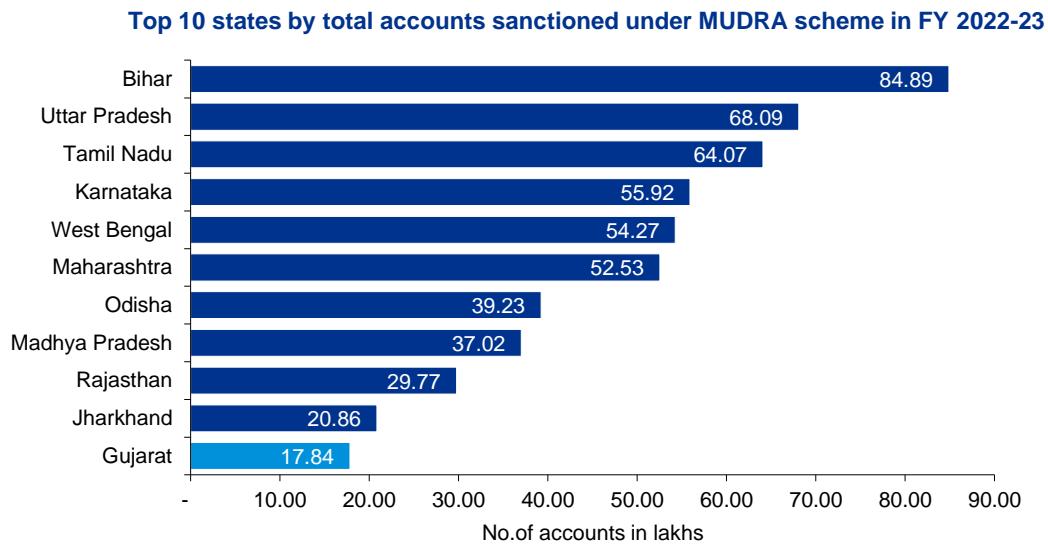


Figure 90 Interstate comparison of total accounts sanctioned under MUDRA scheme in FY 2022-23⁴⁴

3.1.3.5 Receivables financing through TReDS

TReDS is an electronic platform that was designed to facilitate the efficient financing or discounting of trade receivables for MSMEs by engaging multiple financiers. It operates as a digital post-shipment financing solution, enabling MSMEs to auction receivables from diverse sources such as large corporations, government departments, and PSUs. The platform expedites receivables processing, ensuring disbursement within 48 hours of the buyer's acceptance of bills, exemplifying the transformative impact of digitization on empowering MSMEs.

For the FY 2022-23, Gujarat has a total of 65 buyers, 1673 sellers and 40 financiers onboarded onto the TReDS platform with a total volume of INR 5,289.83 Crore financed.

	Number of Buyers	Number of Sellers	Number of Financers
M1xchange	15	793	29
InvoiceMart	20	423	11
RXIL	30	457	0
Total	65	1673	40

Table 42 TReDS activity in Gujarat for the year 2022-23

⁴³ PMMY State wise Performance Report FY 2022-23

⁴⁴ taken from PMMY State wise Performance Report FY 2022-23

Year	No. of MSME sellers registered	No. of buyers registered (corporates/other buyers including Govt. Depts./PSUs)	No. of financiers registered (Banks, NBFCs and other FIs)	No. Factoring Units (FUs) financed
India				
2022-23	30,835	1,970	78	5,48,397
2021-22	20,922	1,286	58	2,07,977
2020-21	17,285	1,139	54	1,59,381
2019-20	7,370	1,307	48	92,537
2018-19	3,369	511	45	49,334
Total	79,781	6,213	283	1,057,626
Gujarat				
2022-23	1673	65	40	29,552
2021-22	1158	57	26	16,829
2020-21	1357	49	20	14,308
2019-20	776	94	33	11,760
2018-19	412	44	25	9,447
Total	5,376	309	144	81,896

Table 43 YoY trend in TReDS activity for the period 2018-2023

A 5-year trend of TReDS participation in Gujarat starting from 2018 yields an overall steadily rising curve. However, a considerable shortage in new financier registrations during this period, warrants further analysis. Among the **85 State Public Sector Undertakings (PSUs)⁴⁵**, **15 PSUs, constituting 17.64%** of the total, have been successfully onboarded on TReDS. Additionally, the state **government is currently in the process of signing Memoranda of Understanding (MoUs) with all three TReDS portals** to enhance and increase these numbers.

3.1.3.6 Growth in digital payments

Digital payments streamline financial transactions for industries, enhancing their efficiency and security. **In Gujarat, data indicates a surge in the no. of digital transactions from 54 crores to 87 crores between FY 2018-19 and FY 2022-23, a 61% increase**, reflecting a growing reliance on this technology.

An interstate comparison in the total no. of digital transactions in FY 2022-23 reveals that **the state of Gujarat holds the 4th rank in the nation**. Among others, this underscores the state's significant adoption of digital payment methods.

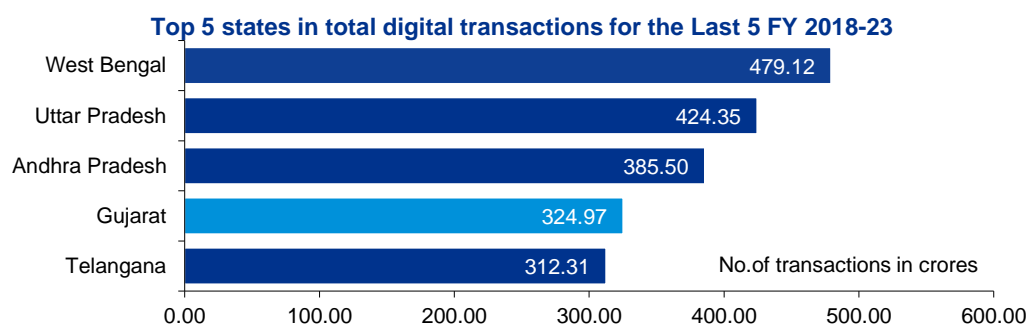


Figure 91 Top 5 states by volume of digital transactions for last 5 FY 2018-23⁴⁶

⁴⁵ [PSU-List-02-11-2020.pdf \(gujarat.gov.in\)](#)

⁴⁶ taken from Electronic Transaction Aggregation & Analysis Layer by MoEIT

For a detailed elaboration of snapshot of access to finance has been provided in the table in Annexure 3.

Challenges

1. Under the CGTMSE scheme, banks lack a monitoring and target system, and the process for sanctioning CGTMSE loans is intricate, with banks needing to assume 25% of the risk on behalf of the entrepreneur.
2. Low Approval sanction ratio – The ratio of loans sanctioned by the banks are drastically lower than targets prescribed by the Commissioner of Cottage and Rural Industries Department.
3. Under Emergency Credit Line Guarantee Scheme, in the fiscal year 2022-23, a noteworthy credit guarantee amounting to INR 24,021crores was disbursed. However, despite this substantial release, the observed count of sanctioned loans remains relatively low. There exists a potential for a higher number of loans to be approved, indicating an opportunity for increased loan sanctioning.
4. Despite offering a clear solution to persistent challenges of payment delays and working capital limitation for MSMEs, TReDS portal struggle to gain traction due to reluctance of buyers especially PSUs to actively utilize platform for transactions. PSUs might perceive limited direct benefits for themselves by participating on TReDS, while facing additional administrative tasks of incurring a penalty incase of delay.
5. MSMEs also grapple with the issue of maintaining a steady flow of working capital, posing a significant challenge to the smooth operation of their businesses.

3.1.4 Delayed Payments to MSMEs

MSME SAMADHAAN - Delayed Payment Monitoring System is an online portal created to streamline the settlement of grievances on delayed payments to MSMEs by MSME Facilitation Councils (MSEFCs). In addition to MSEFC Gandhinagar, **Gujarat has proposed** Five new regional councils (**Ahmedabad, Vadodara, Surat, Rajkot, and Bhavnagar**) have been established having pecuniary jurisdiction over the claims with principal amount less than INR 50,00,000/- MSEFC Gandhinagar has started an exercise to transfer files having the principal claim amount of less than INR 50,00,000/- to respective regions. And appointed teams to relevant regions.

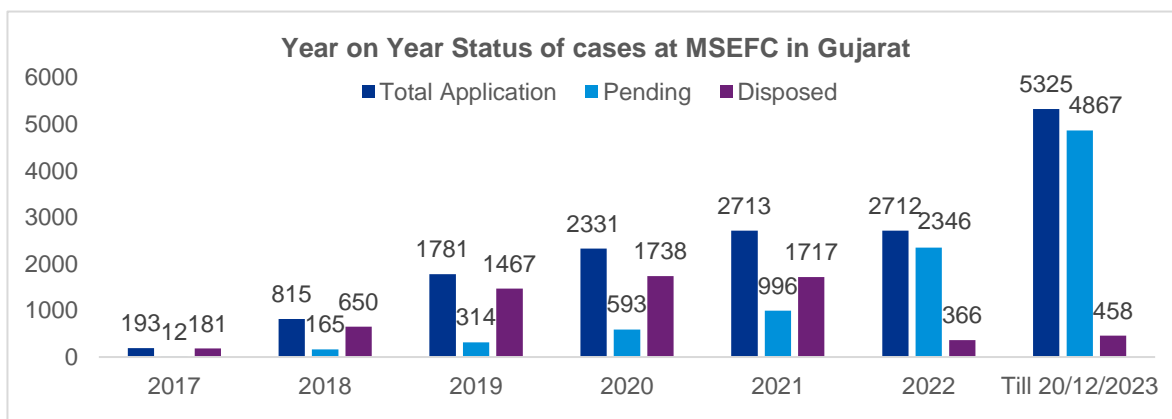


Figure 92 YoY status of MSEFC Cases in Gujarat

No. of Cases Filed	Total No of Cases Disposed	Total No of Cases Pending	% Pending cases
15,870	6,577	9,293	58.5%

Table 44 Details on delayed payments cases in Gujarat until Dec 2023⁴⁷

As of December 2023, the table and chart depict a significant surge in the number of cases to 15,870, attributed to heightened awareness of the MSME Samadhaan Scheme in recent years. Gujarat currently has a disposal rate of 41.5%, with 58.5% of cases still pending. The introduction of five new regional councils is anticipated to lead to a substantial reduction in pending cases, as mentioned earlier.

Challenges

1. The MSME SAMADHAAN Portal facilitates online case registration for applicants. However, users encounter frequent difficulties during the application process. Presently, a single MSEFC council at the Gandhinagar head office manages all district-related inquiries, proving insufficient to address the needs of the entire state, resulting in case resolution delays.
2. Limited awareness among Micro, Small & Medium Enterprises (MSEs) regarding the MSEFC Council's functions and duties, the implementation of a facilitation helpdesk is crucial to bridge this gap.
3. Long turnaround time for resolution of a case filed on MSME SAMADHAAN portal and through MSEFC.

3.1.5 Access to market

a. Government e-Marketplace (GeM)

GeM is an online platform that was launched in August 2016, to simplify public procurement in India. It enables central and state governments, central & state Public Sector Undertakings (PSU's), autonomous institutions and local bodies in procuring goods and services online, in a transparent and efficient manner. Amongst others, MSMEs have benefitted from this initiative through the principles of inclusivity and access. With the absence of middlemen and minimal marketing expenses, GeM gives access to over 43,000 registered buyers from across the country.

In Gujarat, as of **Oct 2023**, **INR 7,790 crore orders** have been placed on this portal amounting to a cumulative **procurement value of INR 23,386 crores**. The portal has a total of 4,78,773 registered sellers. Table below provides a categorical breakup of the sellers. Similarly, the portal consists of **5,431 primary buyers and 12,926 secondary buyers registered**.

Gujarat **ranked 1st position** with procurement worth **INR 697 Cr. from Women Entrepreneurs** on GEM in 'Kreta-Vikreta Gaurav Samman Samaroh 2023'.

Seller Type	Number of registered sellers as of Oct 2023
MSEs	77,705
SC/ST	2,748
Women enterprises	11,735
Start-ups	1,817

Table 45 Breakup of registered sellers on GeM portal as of Oct 2023 taken from GeM

⁴⁷ MSEFC Gandhinagar

b. GI Tags

Geographical Indication (GI) is a sign used on products that have a specific geographical origin and possess qualities, reputation, or characteristics that are essentially attributable to that place of origin. It indicates a link between the product and its geographical origin, conveying certain qualities or characteristics intrinsic to that location. Such products generally have large export potential and are sort after worldwide for their distinctiveness and authenticity. Although majority of these goods category related to handicraft products, but through authenticity check, these cottage industry (equivalent to micro industries) gets an opportunity to wider access to market and also fetch potential of growth to MSME segment.

In Gujarat, there are 14 products that have been accorded the GI tag, spanning Agriculture and Handicraft categories. These products are recognized for their local, unique, and traditional attributes. While currently focused on agriculture and handicrafts, there is potential to expand GI registrations to other categories like food products and manufacturing in Gujarat.

No.	Year of Registration	Geographical Indication	GI Number	Goods Category
1	2008-09	Sankheda Furniture	100	Handicraft
2	2008-09	Agates of Cambay	101	Handicraft
3	2009-10	Tangaliya Shawl	127	Handicraft
4	2010-11	Surat Zari Craft	171	Handicraft
5	2011-12	Gir Kesar Mango	185	Agricultural
6	2011-12	Bhalia Wheat	192	Agricultural
7	2011-12	Kachchh Shawls	174	Handicraft
8	2013-14	Patan Patola	232	Handicraft
9	2013-14	Warli Painting	239	Handicraft
10	2014-15	Sankheda Furniture (Logo)	507	Handicraft
11	2014-15	Kutch Embroidery (Logo)	509	Handicraft
12	2014-15	Agates of Cambay (Logo)	508	Handicraft
13	2016-17	Jamnagari Bandhani	221	Handicraft
14	2018-19	Rajkot Patola	380	Handicraft
15	2018-19	Pethapur Printing Blocks	585	Handicraft
16	2021-22	Pithora	644	Handicraft
17	2022-23	Mata ni Pachhedi	694	Handicraft

Table 46 List of products with GI tags in Gujarat taken from GI Tag Registry

In the handicrafts sector, the **Hastkala Setu Yojana** implemented by the **Entrepreneurship Development Institute of India (EDII)** is an initiative of the **Government of Gujarat** through the **Commissioner of Cottage and Rural industry**⁴⁸. This initiative aims to empower artisans/budding entrepreneurs in the various districts of Gujarat through assistance in design and development, value chain integration, market creation, etc. This integrated model provides entrepreneurs with opportunities for their livelihood as well as sustainable development.

Challenges:

- 1 Small and Medium Enterprises (MSMEs) encounter difficulties in connecting with potential customers due to a lack of visibility and restricted marketing avenues.
- 2 MSMEs find it challenging to promote their products extensively, given the associated costs that contribute to making their products less competitive. Additionally, their limited production capacity prevents them from serving a broader consumer base, often confining their sales to the local domestic market despite possessing quality that extends beyond geographical boundaries.
- 3 MSMEs may be hindered by a lack of access to current market information, including consumer preferences, market trends, and demand patterns. This limitation impedes their ability to customize their products or services effectively to meet market requirements.
- 4 MSMEs encounter obstacles in engaging in global trade due to a lack of knowledge about export procedures, limited access to export financing, and insufficient infrastructure for export logistics.

3.1.6 Performance of Champions Schemes

i. ZED

The ZED Certification, initiated by the Ministry of MSMEs, aims to promote Zero Defect Zero Effect (ZED) practices among MSMEs. The goal is to encourage and empower MSMEs to manufacture high-quality products using cutting-edge technology and tools, consistently upgrading their processes to achieve excellence in both quality and productivity while minimizing environmental impact. The program also seeks to foster a ZED manufacturing ecosystem in MSMEs, enhancing competitiveness and facilitating exports. ZED Certification comprises three levels: Bronze, Silver, and Gold. Each of these levels are assessed based on well-defined parameters such as quality, safety, production, cleanliness, energy, and environmental impact.

State/UT	Registration	ZED Certifications			
		Bronze	Silver	Gold	Total
Gujarat	30894	6705	25	28	6758
Bihar	19333	9467	34	30	9531
Karnataka	16531	10071	11	21	10103
Haryana	10551	7976	83	64	8123
Tamil Nadu	9995	5616	22	36	5674

⁴⁸ [Hastkala Setu \(gujarat.gov.in\)](http://HastkalaSetu.gujarat.gov.in)

State/UT	Registration	ZED Certifications			
		Bronze	Silver	Gold	Total
Punjab	9745	5234	22	19	5275
Uttar Pradesh	9357	5776	16	13	5805
Maharashtra	9201	4269	29	35	4333
Madhya Pradesh	6087	4283	0	3	4286
Rajasthan	5368	3264	8	6	3278

Table 47 Offtake of ZED in top 10 states in India taken from ZED Web Portal (as on 22.12.2023)

Gujarat leads the nation with 30,894 ZED registrations, surpassing other states. However, the state ranks 4th in total ZED certifications, with 6,758 certifications. This underscores the pressing need to shift from registrations to certifications, emphasizing the importance of translating initial interest into tangible achievements in manufacturing excellence and environmental responsibility.

ii. LEAN

MSME LEAN, introduced by the Ministry of MSMEs, aims to boost productivity, efficiency, and competitiveness among MSMEs by reducing wastage in processes, optimizing inventory management, space utilization, and minimizing energy consumption. The LEAN Certification program is structured into three levels: Basic, Intermediate, and Advanced, with evaluation criteria covering quality, safety, production, cleanliness, energy, environment, and more.

In Gujarat, as of October 2023 - 273 MSMEs have committed to obtaining LEAN Certification under this program. The below table shows the no. of MSMEs that have acquired the basic, intermediate, and advanced certifications.

Registered	Basic	Intermediate	Advanced
273	116	0	0

Table 48 Performance of LEAN in Gujarat as of Oct 2023 taken from QCI & NPC

Moreover, **Gujarat stands 7th in the nation in the adoption of the LEAN** scheme, showcasing a significant commitment to enhancing operational efficiency and embracing streamlined processes within the state's MSME sector. Around 20 units headed by women have also taken benefit under the LEAN scheme.

iii. MSME Innovative (Design, Incubation & IPR) offtake by MSMEs

MSME Innovative (Design, Incubation & IPR) scheme is introduced as catalyst for the growth and development of MSMEs by providing a comprehensive framework for fostering innovation. This initiative is designed to support MSMEs in three crucial areas: design enhancement, business incubation, and Intellectual Property Rights (IPR) protection.

No. of MSMEs benefitted under			Amount Disbursed under (in INR Lakhs)		
Design	Incubation	IPR	Design	Incubation	IPR
-	6	98	-	47.07	8.21

Table 49 MSME Innovative scheme Offtake in Gujarat

MSMEs have successfully incubated their concepts, transforming them into thriving ventures with expert guidance and infrastructure. 98 MSMEs have secured their valuable inventions and ideas through facilitated IPR registration and financial assistance.

Challenges:

1. MSMEs encounter difficulties in accessing information, adhering to export certification compliance procedures, handling documentation, and obtaining suitable testing facilities when navigating the complex regulatory frameworks of various countries during the export process.
2. There is lack of coordination between large-scale industries and PSUs with MSMEs to produce high quality outputs.
3. Lack of market intelligence & market analysis, leads to low tapping of niche markets, also lack of network / connects with micro markets of respective geographies hinders MSMEs expansion into targeted markets.
4. MSMEs lack effective marketing strategies, target audience identification and customer base management due to inability to attract talent with entrepreneurial, managerial and marketing skill sets.
5. There is a constant pressure of reduced prices faced by the MSMEs exporting outside India to compete with Chinese & other competing country manufacturers. Different associations such as pharmaceuticals, chemical industries, spinners association of Gujarat, gems and jewelry have expressed their concerns regarding high input cost factors like power cost and double taxation, which affects the competitiveness of Indian manufacturers.
6. MSMEs face limited understanding of brand creation, quality certification, patent registration and trademark protection.

3.1.7 Technology

Technology plays a monumental role in increasing the profitability of MSMEs by improving their operational and management efficiency. Latest tech inventions such as AI, IoT and other digital tools have immense potential in the MSME workspace, and the government offers many schemes designed to harness this potential. The Credit Linked Capital Subsidy Scheme (CLCSS), Quality Management Standards (QMS) & Quality Technology Tool (QTT) are a few initiatives of the GoI that promote the adoption of state-of-the-art technology, by subsidizing capital costs. For **the FY 2020-21, 6240 MSME units in Gujarat were covered under the CLCSS, benefitting from a total 464.62 crores in subsidies⁴⁹.**

At the state level, similar initiatives that promote technological upgradation find place under the 'Aatmanirbhar Gujarat' policy.

a. Assistance in Implementation of Information and Communication Technology (ICT)

A subsidy of 65% to a maximum limit of INR 5 lakhs is available for equipment required for use of ICT as a media of communication such as hardware, networking and hardware for accessing cloud computing.

b. Assistance for Technology Acquisition

A subsidy of 65% to a maximum limit of INR 50 lakhs is available for the acquisition of appropriate technology from recognized institutions for its product/process.

Furthermore, Gujarat has established institutions such as **NASSCOM** and **iCreate** that provide crucial technological support to MSMEs. The NASSCOM Centre of Excellence, with a primary objective of driving the adoption of digital technologies in the manufacturing sector, has forged connections with **over 35+ industry partners, 700+ startups, enrolled 65+ startups, and**

⁴⁹ [MSME Dashboard](#)

executed 15+ use case proofs of concept till date. Similarly, **iCreate (International Centre for Entrepreneurship and Technology)** - recognized as India's premier startup incubator is setup in a unique public-private partnership model and works to nurture technological innovations through entrepreneurship. Thus far, iCreate has supported **574 startups, filed 50+ patents, generated 1314 employment opportunities and successfully concluded 1322 events**⁵⁰.

Above all, the government of Gujarat has embraced technology as an intrinsic component of its regulatory framework for streamlining departmental operations using e-Governance portals. For instance, **the Investor Facilitation Portal, operating as a single-window clearance system, involves 18 departments in the approval, rejection, and query resolution for approximately 209 types of applications** submitted by MSMEs.

Challenges:

1. MSMEs face difficulty in keeping pace with technology advancement like in energy-efficient and cleaner production technologies. This hinders their innovation potential and indirectly impacts their competitiveness.
2. Inadequate reach or awareness of relevant policies and schemes promoting technological upgrades among entrepreneurs.
3. MSMEs lack a structured approach towards digital technology adoption and corresponding skills upgradation. This hinders their ability to leverage disruptive technologies to tap global market through advance manufacturing globally.
4. There is absence of collaborative platforms unlike in developed countries, hindering knowledge sharing and pre-competitive cooperation in Industry 4.0

3.1.8 Skill Gaps

Institutes such as the **Center for Entrepreneurship Development (CED), Entrepreneurship Development Institute of India (EDII), and Gujarat Skill Development Mission (GSDM), etc.** play pivotal roles in supporting the entrepreneurial ecosystem in Gujarat by offering diverse training programs including post-training hand-holding support for aspiring entrepreneurs.

These training initiatives encompass a spectrum of modules including,

- a) Entrepreneurship Development Programme (EDP)
- b) Specialized training for rural women
- c) A counseling model designed to foster self-employment among differently abled individuals (Divyangjan)
- d) Entrepreneurship Awareness Workshops
- e) Human Resources Development & Achievement Motivation Programs (HRD)
- f) Second Generation Programs (SGP)
- g) Faculty Development Programs.

Within Gujarat, there exist **a total of 288 Government-type Industrial Training Institutes (ITIs), 111 Grant-Aid ITIs, and 197 Self-Financed ITIs**⁵¹. These institutes collectively **offer 132 trades** accredited by the Gujarat Council of Vocational Training (GCVT) and the National Council for Vocational Training (NCVT). These ITIs have **successfully trained 128,222 students across various trades.**

⁵⁰ [Best Technology Business Incubator in India | iCreate](#)

⁵¹ [About Us | Gujarat Skill Development Mission](#)

In collaboration with the German agency GIZ, the Industrial Training Institutes (ITIs) in Gujarat is poised to establish Institutes of Training of Trainers (iToTs) and Centers of Excellence (CoEs)⁵², to benefit vocational students and the industrial landscape in Gujarat. Herein, cutting-edge technology training courses catering to trainers, trainees, and industry personnel will be made available.

The Gujarat Apex Training Institute (GATI) is tasked with upgrading 4 CoEs and 8 iToTs. These CoEs will offer industry-driven courses and training sessions for industry trainers and new entrants, focusing on automotive technology, electrical and energy management, advanced manufacturing, electronics, and information and communication technology.

Table below provides more details on the various schemes provided under the Gujarat Skill Development Mission (GSDM) and the beneficiary numbers thus far.

Scheme	Training Centres	Candidates Enrolled	Candidates Trained	Candidates Certified
PMKVY -Short term training	20	3654	3517	2784
PMKVY 3.0-CSSM	23	13200	13200	9706
MBKVY – Private TP	13	870	690	558
MBKVY – ITI and KSU	115	11069	11069	8502
Project Sankalp	30	3026	1686	1562
Saksham	10	3300	1347	987

Table 50 Scheme wise candidates enrolled, trained, and certified take from GSDM department

The state also has a conducive policy environment that promotes entrepreneurship such as the ‘Scheme for Assistance for Startups/Innovation,’ effective from 07/08/2020 and slated to operate for a duration of five years until 30.08.2025. That Gujarat is renowned for its pervasive entrepreneurial mindset, is evident in its position in the national startup ecosystem.

No. of Start Ups Recognised by Start-up India	Total		Female	
	No. of beneficiaries (in INR Cr.)	Amount Disbursed (in INR Cr.)	No. of beneficiaries	Amount disbursed (in INR Cr.)
9101	384	59.12	26	5.67

Table 51 Startups Registered and Performance of State Startup Policy

As per the above table total startups recognized by Startup India in Gujarat are approximately 9101 in comparison to India i.e., 1,15,691 as on 30th November 2023. **Gujarat** has been recognized as the “**Best performer State**” for the third consecutive time in the **States' Startup Ranking 2021**.

The table below presents a comprehensive mapping of core skills, allied skill and skill gaps associated with various thrust sectors in Gujarat.⁵³ This table provides a broad requirement of skill development initiatives and workforce upskilling.

⁵² [Establishing Centres of Excellence and Institutes of Training of Trainers under the Gujarat Apex Training Institute \(GATI\) - giz.de](https://giz.de)

⁵³ District wise skill gap study for the State of Gujarat (2012-17, 2017-22) by NSDC, cluster study in 2022

Thrust Sectors	Core skills	Allied skills	Key skill gaps
Manufacturing			
Automobile	Motor Mechanic, Diesel Mechanic, Fitter, Welder, Fabricators, Shop floor technical workers	Electrician, Wireman, Maintenance(Mechanical, Electrical, mechatronics, automobile electronics)	Specialized welders in Arc welding who can work in extreme conditions on advanced fabrication equipment, Painting, Body Building (spot welding), Sheet Metal Work, Machining & Casting.
Textile & Apparel	Ring frame operator, weaver, processing operator (CDR, Stenter), Bar-coding machine operator	Electrician, Wireman, Fitter	The industry has high attrition rates in operator roles (semiskilled) owing to extreme working conditions
Food processing	Agronomist, Chemist, Chilling center operator, Dairy operator,	Packers and loaders, operators, checkers and supervision	Communication skill, inability to operate advanced machinery, lack of experience in manufacturing process
Electrical machinery	Electronics, PPO, Electrical, Instrumentation	Fitter	PPO trade is a key deficit in all industries involving plastic processing, Electronics and Instrumentation
Electronics	Knowledge about the latest technology and industry trend, experience in VLSI and embedded domain	Knowledge of quality certifications	Lack of understanding of latest technologies, Insufficient exposure to practical training, lack of knowledge of system integration
Pharmaceuticals	Process Operator, Packaging Operator, Process Technicians, Lab QC Technicians	Electrician, Instrumentation	Bioinstrumentation
Gems and Metals	Bagger and Flueter, Casting machine operator, Filer and assembler, Assayer & hall marker	Designer-CAD, Designer- Hand sketch, Enameling Goldsmith, CAD-CAM operator	Insufficient compute knowledge, lack of formal training for operators, lack of hand-on experience from other training institutes
Chemicals	Mechanical, Electrical skills	Instrumentation, boiler attendant, AOCP, lab attendants	MSc/ BSc Chemists, Automation with understanding of PLC systems
Services			
Port Based Logistics	Electrical Technician(Distribution, Cabling, Instrumentation, Maintenance, Automation, PLC, HMI Equipment's), Mechanical Technician(Lubrication, Hydraulic Systems, Pneumatic Systems, Gear Systems), Crane Operators, Conveyor Belt Operators, Earthmoving Equipment Operator, Locomotive Engine Operator, LMB Driver, HMB Driver, Machine Operators(MVU, Baking, Stacker Reclaimer)	Skilled Fireman, Radio Officer, Under water divers, minimally skilled Marine Crew, Project Management Workforce (Surveyor, Draftsman Civil, Construction Workers, Auto CAD Engineers)	Marine Engineers, Instrumentation, Advanced Equipment Technicians, Crane& Machine Operators, Radio Officer , Skilled Fireman

Thrust Sectors	Core skills	Allied skills	Key skill gaps
Ship Building	Hull Construction (Heavy metal fabrication with latest technology), QC, Painting, Piping, Electricals/ Electronics, A/C and Refrigerator (pertaining to marine industry), Riggers	Basic computer knowledge, Accounting, Store Management	Firefighting, Safety systems knowledge
Thermal Power - Energy	Mechanical, Electrical, Instrumentation & Control, Master Chemists, Civil Engineers	Fitter, Electrician ITI trades	Instrumentation, Chemists
Pipe Industry	Welder, Fitter, Electrician, Wireman, Machinist	PPO, CNC Operators, Gas Cutter, Turner	ID & OD Welding, CNC Machinist, Crane Operators, PPO, Gas Cutter trades
Wind Farm Equipment - Energy	Fitter, Welder, Plastic Polymer Operator (PPO)	Electrician, Wireman	PPO, Advanced Welding(TIG, MIG) trade candidates are not available in the district
Construction	Electricians, carpenters, bar-benders, welders and masons	Minimally skilled workers	Machine operators
Salt Production	Earth moving equipment operators, tractor drivers	Minimally skilled workers	Chemists
Banking & Financial Services	Knowledge on core banking/mobile/internet platforms	Sales & Marketing	Insurance underwriting, claims management
Transportation	Heavy vehicle drivers, logistics management	Administrative, computer data management	Scheduling and logistics planning
Healthcare	MBBS Doctors, MD/MS specialists, Physician Assistants/Compounders, Radiologists, Dialysis technician, Respiratory technician and OT Assistants & Perfusionist.	Lab technicians, pharmacists	Physiotherapists, Biomedical Instrumentation technicians
Organized Retail	Shop floor executives/supervisors, computer operator	Transportation & logistics staff	Store management, stock planning
Education	School teachers, higher education faculty	Knowledge on advanced teaching tools	Technical education trainers

Table 52 Skill gaps associated with various thrust sectors in Gujarat.

Challenges:

1. MSMEs struggle to attract and retain skilled workers due to their limited budgets for competitive salaries and often poor working conditions.
2. Despite renowned craftsmanship in Gems and Jewelry sector in Gujarat, the sector fails to attract young talent due to strenuous working environment, poor wages and lack of growth. This threatens traditional practices that may lead to gradual loss of traditional practices inherited through generation.
3. MSMEs require broader exposure to diverse products and design knowledge to remain competitive.

4. There is lack of convergence of different skill building schemes and initiatives to effectively reach target beneficiaries and also departments lack coordination among themselves to create impact.
5. Lead bank managers and bankers need capacity building to understand the various skill development policies and schemes, enhancing their ability to connect MSMEs needs with available resources.
6. As part of detailed cluster study, many regional associations have expressed to establish cluster level CFCs to operate industry demand led skilling.
7. Despite imparting training to students in various programs at ITI and CED, the department faces challenges in retaining students for job placements and monitoring the placement history of students who have secured employment after applying for jobs.
8. Schemes related to skill development designed are sufficient and well-structured to cater to the needs of the existing as well as the upcoming trends, however there is a strong gap between supply and demand. It can be understood from the fact that the willingness of the youth or candidates for skill development training are not enough.

3.2 Sectoral Challenges

This section analyzes the constraints identified by stakeholders during our diagnostic study, which are faced by Gujarat's MSMEs operating in both the manufacturing and service sectors. These constraints are then categorized into 10 specific thrust sectors within manufacturing and 3 major service sectors for further understanding.

3.2.1 Manufacturing Sector

The secondary sector which comprises of manufacturing, utility services and construction is the principal economic driver of the economy of Gujarat. Therein, the manufacturing sector holds the largest share of contribution, reinstating its pertinence in the state's overall growth trajectory. In the year 2021-22, the manufacturing sector contributed to 37.7% of the state GSDP⁵⁴. Except for the pandemic period, overall, we see an increasing trend in the sector's contribution to the state's economy as seen below.

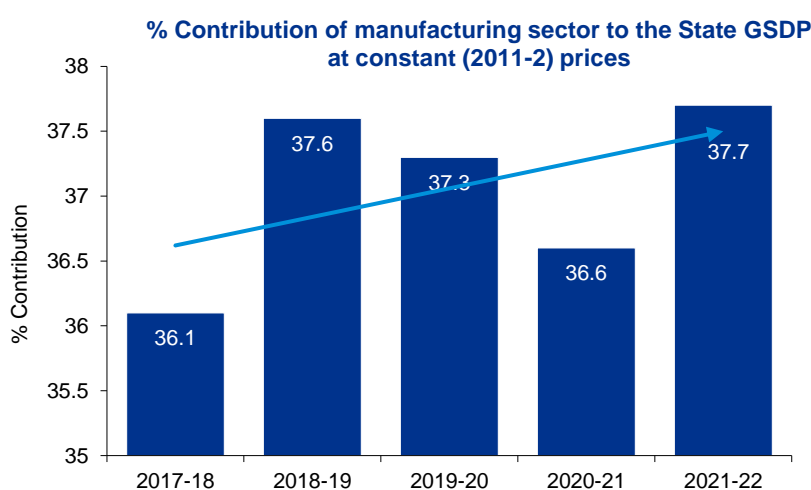


Figure 93 Year wise contribution of the manufacturing sector to State GSDP

⁵⁴ State GSDP report 2021-22

There are **5,48,830 registered MSMEs in the manufacturing sector** in Gujarat as of the latest Udyam data. Among them, a majority belong to 2 subsectors - 30% belong to the textile industry and 27% the industrial machinery & equipment sector. This is followed by the agro & food processing and chemicals. The below figure provides distribution of MSMEs within each sub sector.

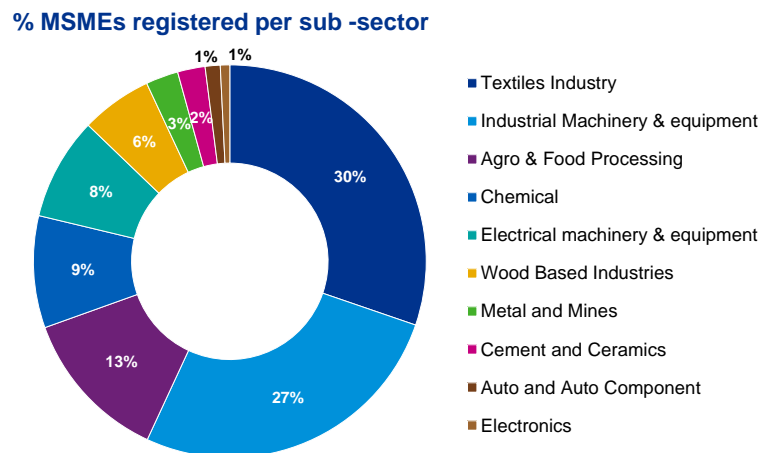


Figure 94 Year wise contribution of the manufacturing sector to State GSDP

The sections below elaborate on each of these sectoral scenarios of state and challenges raised by MSMEs across Gujarat.

3.2.1.1 Agro and Food Processing

The Agro and Food processing industry is typically categorized into two distinct processes. Primary processes involve the handling of raw agricultural produce at the farm level, while secondary processing involves the manufacturing of new and modified products at the factory level. While this sector in Gujarat is experiencing rapid growth, there remains significant untapped potential within the state. With over 70,000 agro and food processing units in operation, contributing 4.81% to the total MSME registration and employing over 5 lakh people, Gujarat is a major player in the sector. The state's primary agricultural commodities include groundnuts, cotton, spices, rice, fruits, vegetables, and cereals.

Recognizing the importance of this sector, the state has identified it as one of the thrust industries and is dedicated to accelerating its development. The Agro and Food processing industries in Gujarat have access to various government schemes and initiatives, providing entrepreneurs with ample opportunities to establish new food and beverage processing units. Initiatives like the Mukhya Mantri Crop Storage Yojana have been launched to establish small go downs on farms, aiming to reduce post-harvest losses. In the year 2020-21, an assistance of INR 29.21 crore was provided for the creation of 12,571 crop storage structures. Other incentives include:

- Income Tax – 100 % Tax Exemption for first 5 Years of Operation for New units in the business of processing, preservation and packaging of fruits and vegetables.
- Service Tax – Exemption of service tax for storage, handling, and transportation of processed food.
- Customs Duty Benefits to projects of cold storage and handling system for processed food.
- FDI & Credit Availability – 100% FDI allowed under automatic route. Soft loan is extended of up to 95% of project cost.

The Gujarat Industrial Development Corporation (GIDC) has developed several food parks with modern infrastructure with efficient supply chain management from farm gate to retail outlet. Food Park projects in Gujarat are:

- The Gujarat Agro Mega Food Park Pvt. Ltd., (project SPV) in Surat district is operational⁵⁵
- Fanidhar Mega Food Park located in Mehsana is still under development⁵⁶
- Hamraz Food Products Pvt Ltd, in Savli Vadodara district is operational⁵⁷

Under MSE-CDP, Common Facilitation Centre (CFC) of Agro and processing cluster in Surendranagar has been approved with facilities such as Cleaning, Sorting, Packaging, Storing, Advance Lab facility. A total of 2558 cold chain projects have been approved out of which 20 projects are completed and 5 projects are ongoing.

Export oriented agro and food processing includes:

Export market for processed foods is steadily growing in Gujarat. It mainly exports to USA, Europe, UAE, Australia, Japan, China, Canada, Brazil, Thailand, Germany, and a few other countries⁵⁹. Food products processed with special focus towards the export markets include:

- Rice
- Cereals
- Oil seeds
- Fruits and vegetables

Commodity	2019-20	2020-21	2021-22	2022-23	2023-24	Grand Total
Rice		8829.27	1456.52	1759.22	741.44	13146.76
Spices		3983.97	672.91	751.75	480.77	5889.4
Fruits And Vegetables	27.37	2612.76	456.82	632.3	368.89	4110.95
Oil Seeds	300.5	1235.71	680.54	878.69	415.67	3825.77
Cereal Preparations and Misc. Processed Item	28.75	1859.93	382.51	428.69	226.32	2992.61
Tea		756.21	26.68	29.83	20.38	847.36
Coffee		720.61	0.78	0.91	1.08	726.97
Cashew	2.13	420.36	1.4	0.95	0.55	427.6
Other Cereals		705.38	25.63	34.77	17.03	789.76
Oil Meals	1.27	1584.99	159.36	392.64	218.83	2515.78

Table 53 Top Commodities exported in last five years

The strength of this sector is derived from its proximity to international markets such as the Gulf and the Middle East through sea routes, as well as being a leading producer of milk, fruits, vegetables, and marine products. Nevertheless, numerous issues and challenges confront Micro, Small, and Medium Enterprises (MSMEs) operating within this sector.

⁵⁵ [Mega Food Park | Ministry of Food Processing Industries | GOI \(mofpi.gov.in\)](https://megafoodpark.gov.in/)

⁵⁶ [Mega Food Park | Ministry of Food Processing Industries | GOI \(mofpi.gov.in\)](https://megafoodpark.gov.in/)

⁵⁷ gujarat.ncog.gov.in/index.php/admin/queryBuilder

⁵⁸ [consolidated approved cold chain projects as on 06-10-2023 0.pdf \(mofpi.gov.in\)](https://consolidatedapprovedcoldchainprojectsasof061020230.pdf)

⁵⁹ dashboard.commerce.gov.in/commercedashboard.aspx

Challenges

The absence of a comprehensive national food processing policy has resulted in a notable inconsistency between Central and State policies, creating challenges for the food industry. This lack of alignment contributes to uncertainties and difficulties in planning and execution for stakeholders within the sector.

1. Land acquisition processes are impeded by the necessity for the conversion of land use, requiring non-agricultural use permission. This bureaucratic hurdle leads to delays, hindering the timely development of food processing infrastructure and projects.
2. Lengthy procedures for government clearance further compound the challenges faced by the food industry. Cumbersome administrative processes slow down the implementation of projects and hinder the overall growth and efficiency of the sector.
3. The Gujarat Pollution Control Board (GPCB) should redefine product categories, particularly in the case of cattle feed and oil mills, to streamline regulations and facilitate industry compliance.
4. In specific sectors like seafood and groundnut processing, there is a notable requirement for skilled labor to operate machines. The development of training programs and initiatives to address this skill gap is crucial for the growth of these industries.
5. Price fluctuations in the raw materials of agro products pose a constant challenge for the food processing industry. Developing strategies to manage and mitigate these fluctuations is essential for ensuring stability and sustainability in the sector.

3.2.1.2 Textile & Apparel

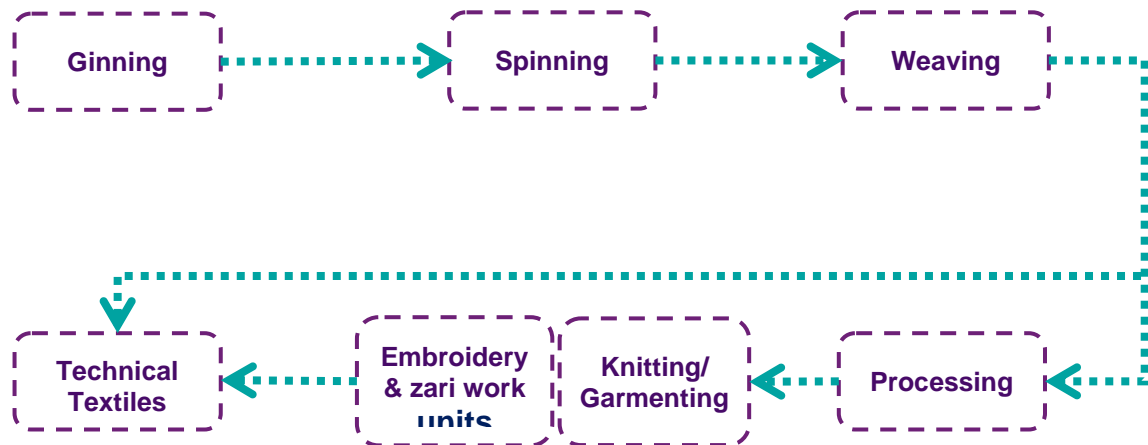
The textile industry in Gujarat, India, holds a substantial position in the state's economy and plays a pivotal role in the national textile sector. The market scale of Gujarat's textile industry is projected at approximately INR 1,00,000 crore⁶⁰ (approximately USD 13.5 billion) and is expected to grow at a CAGR of around 10–12%⁶¹ in the foreseeable future. This upward trajectory is underpinned by various factors, such as supportive government policies, the ready availability of raw materials, a substantial reservoir of skilled labor, and a growing demand for textiles, both on the domestic and international fronts.

Several key policies, including the Textile Policy 2012, Manufacturing Policy 2013, Industrial Policy 2015, Start-up Scheme 2015, and Garment and Apparel Policy 2017, as well as the Strengthen Specific Sectors in the Textile Value Chain 2019, have been instrumental in fortifying the manufacturing sector. These initiatives are strategically aimed at fostering growth, providing impetus to the textile industry, and enhancing its overall contribution to the economic landscape.

⁶⁰ [Textile industry in Gujarat — 2023 perspective | by Veer Mehta | Medium](#)

⁶¹ [Textile industry in Gujarat — 2023 perspective | by Veer Mehta | Medium](#)

Textile Value Chain



Key International Players

Ahlstrom, Hygienics
Corporation, TenCate
Geosynthetics

Key National Players

Vimal (Reliance Industries), Arvind mills,
Welspun, Raymond, Mafatlal, Digjam, Alok
industries, Garden silk mills, Aditya Birla Group

Figure 95 Textile Value Chain

Gujarat, under the ambit of the Textile Policy 2012, has sanctioned 18⁶² textile parks, accompanied by Centers of Excellence (CoE) for textile research, specifically ATIRA and MANTRA in Ahmedabad and Surat. In addition, there are 12 private textile parks sanctioned, with a majority situated in the Surat and Kheda districts. Noteworthy is the recent Memorandum of Understanding (MoU) between the State and Central Government for the development of PM MITRA Park on 1141 acres in Vansi Borsi, Navsari, poised to significantly augment the textile led economic contribution.

One of the pivotal strengths of Gujarat's textile industry lies in the state's robust infrastructure, boasting well-developed ports, airports, and highways. This infrastructure not only ensures the seamless operation of the industry but also facilitates the efficient transportation of materials. Gujarat stands out as one of India's primary cotton-producing states, ensuring a copious supply of raw materials for the textile sector. The state's large pool of skilled labor, encompassing proficient weavers and artisans, further contributes substantially to industry growth.

Another distinct advantage for Gujarat's textile industry is the extensive support extended by the government. The Government of Gujarat has implemented a spectrum of policies and initiatives aimed at fostering the growth of the textile industry, encompassing tax incentives and subsidies. Moreover, the establishment of textile parks and clusters, such as the Surat Textile Park and the Ahmedabad Textile Industry's Research Association, underscores the government's commitment to supporting industry growth by providing essential facilities like power, water, and infrastructure.

⁶² [Textile_parks_05022019.pdf \(gujarat.gov.in\)](#)

Challenges:

Despite these advantages, the textile industry in Gujarat faces several challenges as well.

1. **High Cost of Power and Water:** One of the primary hurdles confronting the textile industry in Gujarat is the substantial expense associated with power and water. This elevated cost amplifies the overall production expenditure, placing considerable strain on the industry's profit margins.
2. **Intense Regional Competition:** The industry contends with formidable competition from other textile-producing regions within India, notably Tamil Nadu and Maharashtra. Indian cotton, priced higher for international markets, has experienced a notable reduction, reaching approximately per candy. Consequently, Gujarati textile manufacturers find it challenging to compete with counterparts in Bangladesh, China, and Vietnam, compounded by elevated cotton prices amid subdued demand.
3. **Technological Modernization Imperative:** A crucial challenge the industry faces is the imperative to modernize and upgrade its technological infrastructure. Staying abreast of evolving market demands is paramount to maintaining competitiveness in the dynamic textile sector.
4. **Establishment of Common Effluent Treatment Plant (CETP):** There is a pressing need to establish a Common Effluent Treatment Plant (CETP). This necessitates meticulous preparation of a detailed proposal, encompassing an assessment of the effluent quantity generated for treatment. Subsequently, the industry is mandated to submit a comprehensive feasibility report, inclusive of cost estimates, to endorse the establishment of the CETP.
5. **Requirement for a Shared Advanced Product Development and Material Lab Testing Facility:** Another critical necessity is the establishment of a shared advanced product development and material lab testing facility. The collaborative nature of this requirement underscores the industry's commitment to technological advancement and innovation.

In conclusion, the textile industry in Gujarat, India is poised for continued growth in the coming years, driven by factors such as rising demand, favorable government policies, and increasing investments in the sector. However, the industry will also need to overcome challenges such as high production costs, intense competition, and the need to modernize and upgrade technology in order to sustain its growth and competitiveness.

3.2.1.3 Chemical and Petrochemical

In Gujarat, the chemicals and petrochemicals sector stand out as one of the most rapidly expanding industries, holding a prime position in the production of chemical and related goods across India. With a staggering 50,000 operational chemical units, Gujarat spearheads the nation's chemical industry.

The state's robust infrastructure for industrial growth includes notable features such as the world's largest grassroots oil refinery in Jamnagar, 4 refining complexes accounting for 40% of India's total refining capacity (exceeding 100 million⁶³ Metric Tons Per annum), 3 LNG regasification terminals with an upcoming Floating Storage and Regasification Unit, and the country's inaugural operational Petroleum, Chemicals & Petrochemicals Investment Region (PCPIR) located in Gujarat.

Gujarat plays a pivotal role in the production of fertilizers, pharmaceuticals, dyes, and pigments, establishing itself as a significant manufacturing hub. To foster the growth of the chemical industry, the Gujarat government has introduced various initiatives, including the PCPIR Policy 2020-35 and the Chemical Promotion and Development Scheme (CPDS). Notably, the PCPIR in Dahej, Gujarat

⁶³ [Chemicals & Petrochemicals growth & opportunities | Invest Gujarat - iNDEXTb](#)

has attracted more investments compared to other cities, with companies like ONGC, GACL, OPAL, BASF, and LANXESS establishing facilities.

The majority of industrial clusters are concentrated in various regions such as Ahmedabad, Banaskantha, Bharuch, Devbhumi Dwarka, Gandhinagar, Mahisagar, Panchmahal, Tapi, Vadodara, and Valsad. While chemical manufacturing in India is predominantly centered in Maharashtra and Gujarat, Gujarat stands out in terms of exports, with organic chemicals from the state reaching a substantial USD 4,450.81million⁶⁴ in FY22.

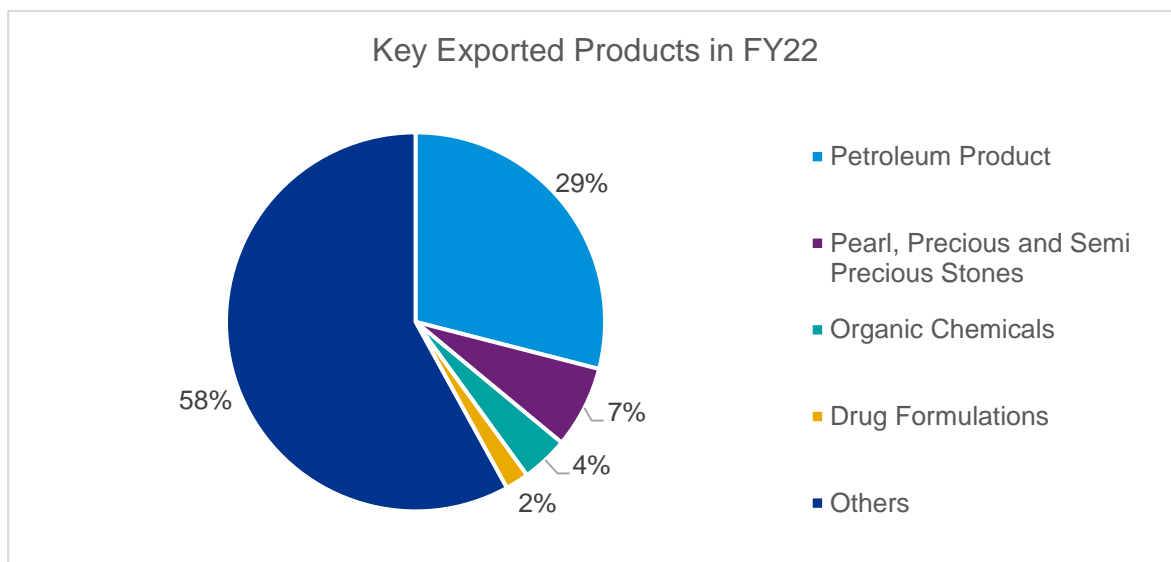


Figure 96 Chemical and Petrochemical Exports from Gujarat

Challenges

- The chemical MSMEs in Gujarat have experienced a significant 50% reduction in production, primarily attributed to the substantial surge in raw material prices. This sector, dominated by MSMEs with a few major players, heavily relies on critical raw materials like sodium nitrate, aniline oil, sulphuric anhydride, and urea, all of which have witnessed a considerable price escalation. Association members highlighted that not only has production declined due to various factors, but nearly 60% of MSME units are now facing financial distress.
- The units in Gujarat faced delays in exports due to the necessity for a dedicated individual to obtain a REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) certificate, a requirement for exporting to European countries.
- The supply of water to industries falls short of the demand from the chemical and petrochemical sectors, posing a challenge to their operational needs.
- There is a shortage of essential raw materials such as urea, ONT (Ortho Nitro Toluene), and phenolics, further hindering the production capabilities of chemical units.
- Excessive import duties on raw materials, coupled with local suppliers charging elevated prices, have added to the financial burden on the chemical industry in Gujarat.
- The absence of a separate common Effluent Treatment Plant (ETP) tailored for the dyes and pigments cluster poses challenges. Higher levels of Biological Oxygen Demand (BOD) and Chemical Oxygen Demand (COD) in these units lead to increased costs for MSMEs, as they require individualized treatment solutions.

⁶⁴ [IBEF Presentation](#)

3.2.1.4 Pharmaceutical and Medical devices

Gujarat reigns supreme as a powerhouse in India's Pharmaceutical and Medical Device Manufacturing sector. Its vast production capacity exceeds 9,000 pharmaceutical manufacturing units, contributing a staggering 40% of India's total pharmaceutical turnover and a remarkable 22% of its exports. This translates to a robust ecosystem dedicated to producing life-saving drugs and devices, making Gujarat a vital center within the national healthcare landscape.

Gujarat's export prowess is undeniable, with a turnover exceeding 5241.76 \$ million (in FY 2022-23). This remarkable achievement is driven by the state's strategic location, coupled with world-class ports and logistics networks, allowing for seamless connection with global markets. Additionally, efficient infrastructure, a skilled workforce, and supportive government policies have fostered a thriving export ecosystem, solidifying Gujarat's position as a leading exporter in the pharmaceutical and medical device arena. State has also taken initiative by launching bulk drug park to facilitate smoother production of drugs.

Enterprise type	No. of firms in Gujarat	Employment
Micro	7,415	49,177
Small	1,170	32,884
Medium	166	25,735
Total	8,751	1,07,796

Table 54 Udyams registered under Pharmaceutical and Medical devices sector in Gujarat

Beyond its impressive production and export figures, Gujarat's dominance lies in its vibrant MSME ecosystem. Over 8,751 MSMEs, encompassing a diverse mix of micro, small, and medium enterprises, form the backbone of the sector. These dynamic units provide employment opportunities for over 1,07,796 individuals. Sector has investment of INR 4133.92 Cr. with turnover around INR 28857.35 Cr. demonstrating their significant contribution to the state's economy. Ahmedabad, Rajkot, Surat, Vadodara, and Bharuch emerge as the leading districts boasting the highest concentration of MSMEs, showcasing their pivotal role within the state's pharmaceutical and medical device landscape.

However, maintaining this leading position requires constant adaptation and innovation. Complex and evolving regulatory environments necessitate compliance and agility. Intense competition from international players demands continuous development of cost-reduction strategies and cutting-edge solutions to retain competitiveness in the global market. Additionally, bridging the gap between the demand for skilled professionals and the current workforce is crucial for future growth. Investing in skill development programs will ensure the sector has the necessary talent to thrive in the face of evolving technologies and automation, which will be essential for maintaining competitiveness in the global market.

By proactively addressing these challenges and capitalizing on emerging opportunities, Gujarat is poised to further solidify its status as a powerhouse in the Pharmaceutical and Medical Device Manufacturing sector, ensuring its continued contribution to the national economy and the well-being of individuals worldwide.

Challenges

1. The sector faces challenges in adopting advanced technologies to minimize waste and pollution. Limited financial capacity within MSMEs acts as a barrier to implementing technological solutions that could enhance efficiency and environmental sustainability.
2. Many MSMEs lack the capacity to understand environmental impacts and adopt effective waste management practices. This hinders their ability to embrace cleaner production methods and reduce pollution. Financial constraints further limit their ability to invest in technological solutions for waste treatment.
3. MSMEs involved in pharmaceutical and medical devices manufacturing struggle with the complexities of export requirements. Lack of knowledge regarding the necessary

certifications for the receiving country poses a challenge. Additionally, financial limitations hinder their ability to conduct extensive tests required for export compliance.

4. Pharmaceutical sector face Inverted Duty Structure as tax on raw material is higher than taxes levied on finished goods.
5. MSMEs in this sector encounter difficulties in receiving timely payments from buyers, impacting their working capital. Even if the buyer has not settled payment, suppliers often have to file GST against the raised invoice using their own funds, leading to working capital constraints.
6. Industries encounter delays in payments, particularly impacting medium-scale units in the pharmaceutical sector, preventing their participation in the MSME SAMADHAAN scheme.
7. Many MSMEs aspire to migrate to TReDS portals to mitigate payment delays and sustain working capital. However, buyers, including PSUs, remain nonboarder on TReDS. Even when some buyers are enlisted, they refrain from transactions through the portal, which poses challenge for MSMEs.
8. Small pharmaceutical units find it difficult to participate to in international exhibitions to access global supply chains. The prohibitive costs associated with such exhibitions, however, constrain MSMEs from fully capitalizing on potential markets.
9. A significant challenge faced by pharmaceutical and medical devices manufacturing MSMEs in Gujarat is obtaining credit from banks without collateral. The reluctance of banks to provide loans without collateral can impede the growth and expansion of these businesses.

3.2.1.5 Engineering (Industrial Machinery and Equipment)

Gujarat's engineering sector is a vibrant and dynamic force, standing tall as a leader in India and a key player on the global stage. Its impressive capabilities include comprehensive range of engineering units, spanning across light and heavy engineering domains. This includes steel rolling, instrumentation, casting, moulding, bearing manufacturing, foundries, forging facilities, pipe and tube production, pump manufacturing, industrial machinery fabrication, brass parts production, and a diverse range of fabricated products.

Gujarat contributes a significant 13% of India's total engineering exports with 13,815 \$Mn (in FY 22-23), demonstrating its vital role in driving the nation's foreign trade and economic growth. This export prowess is driven by the state's high-quality production, competitive pricing, and strategic location. Gujarat consistently ranks as the top recipient of foreign direct investments (FDI) in the engineering sector. This signifies the state's attractiveness to international investors who recognize its potential for growth, stable business environment, and supportive government policies.

Enterprise type	No. of firms in Gujarat	Employment
Micro	1,34,743	7,10,954
Small	10,081	1,97,744
Medium	1,376	1,18,885
Total	1,46,200	10,27,583

Table 55 Udyams registred in Engineering (Industrial Machinery and Equipment) sector in Gujarat

The engineering sector in Gujarat thrives on the robust presence of Micro, Small and Medium Enterprises (MSMEs). With 1,46,200 MSME units, of which 1,34,743 are micro, 10,081 are small, and 1,376 are medium, the sector provides direct employment to over 10 lakh individuals, highlighting its crucial role in creating jobs and supporting livelihoods. This makes it a key driver of economic development and social welfare in the state. The sector has received investments exceeding INR 18,020 crores and has witnessed an impressive turnover exceeding INR 3,09,004 crores. 18,089 MSME units in the engineering sector owned by women entrepreneurs. This inclusivity fosters wider participation and diversifies the sector's leadership.

Most of the engineering MSME units are located in the key industrial districts of Surat, Ahmedabad, Rajkot, Vadodara, and Bhavnagar. This concentration facilitates collaboration, resource sharing, and efficient infrastructure utilization.

Gujarat boasts a strong network of engineering institutes and Industrial Training Institutes (ITIs) that provide skilled manpower to fuel the sector's growth. This ensures a readily available talent pool to meet the evolving needs of the industry.

Challenges

1. The Engineering (Industrial machinery, and equipment) sector in Gujarat finds it challenging to upgrade technology for faster, energy-efficient, and cleaner production. This could hinder competitiveness and innovation demand of within the industry.
2. Finding and retaining skilled manpower is a persistent challenge, especially for MSMEs. The low paying capacity of the sector makes it difficult to attract and keep trained personnel, impacting overall productivity and efficiency.
3. Some areas face infrastructure-related challenges, affecting the movement of products. Issues such as electricity fluctuations disrupt production cycles, causing delays and potential damage to equipment.
4. Obtaining credit without collateral remains a major issue for micro and small units in the sector. Banks' reluctance to provide loans without collateral can impede the growth and expansion of these businesses.
5. MSMEs in this sector struggle with receiving timely payments from buyers, impacting their working capital. Even if the buyer has not settled payment, suppliers often have to file GST against the raised invoice using their own funds, leading to working capital constraints.
6. The sector, being part of global supply chains, is susceptible to disruptions caused by geopolitical tensions, economic uncertainties, or other unforeseen events. This can impact the timely availability of raw materials and components which leads to impact on production cycle.
7. Implementing sustainable and eco-friendly practices poses a challenge. Balancing the need for production efficiency with environmental considerations requires investments in cleaner technologies, which may be challenging for some MSMEs in the sector.
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3.2.1.6 Auto and Auto Component

Gujarat is a crucial contributor to India's booming Auto and Auto Component Manufacturing sector. Its position as a leader is bolstered by several factors, including supportive Government of India initiatives, such as the Automotive Mission Plan 2016-26, National Electric Mobility Mission Plan 2020, and National Automotive Testing R&D Infrastructure Project. These initiatives nurture innovation, attract investments, and promote the development of cutting-edge technologies. The "Make in India" initiative further bolsters the sector's growth by incentivizing local production and attracting global players.

Gujarat boasts a prominent auto hub like Sanand, Vadodara, Halol, Rajkot, and Mandal which has strong presence of leading Original Equipment Manufacturers (OEMs) like Maruti Suzuki, Tata Motors, Hero, Honda, Ford, MG Motors, Maxxis, MRF, Apollo Tyres, CEAT, SKF, and many others. This diverse range of manufacturers signifies the state's established ecosystem and robust production capabilities. Additionally, the state's strategic location and efficient infrastructure provide a conducive environment for further growth in the sector.

Gujarat prioritizes skill development to meet the growing demand for skilled professionals in the automotive sector. The International Automobile Centre of Excellence (iACE) is a testament to this commitment, providing world-class training and equipping individuals with the necessary expertise to thrive in the industry.

Enterprise type	No. of firms in Gujarat	Employment
Micro	6,419	33,639
Small	331	7,815
Medium	31	3,596
Total	6,781	45,050

Table 56 Udyams registered in Auto and Auto Component sector in Gujarat

Much of the sector's strength lies in its vibrant MSME ecosystem. Gujarat hosts 6,781 MSMEs, including 6,419 micro, 331 small, and 31 medium enterprises, actively contributing to the sector's growth. These MSMEs employ over 45,050 individuals and play a significant role in creating jobs and boosting the state's economy. Notably, women-led firms make up 597 of these MSMEs, showcasing the sector's inclusivity. These agile and adaptable businesses play a crucial role in supplying critical components to major OEMs. Their innovative spirit and focus on quality have allowed them to compete effectively in the global market, contributing significantly to the state's export earnings.

Despite its remarkable achievements, the Auto and Auto Component sector faces certain challenges. The evolving global market, intense competition, and technological advancements necessitate continuous innovation, adaptability, and cost reduction strategies. Skilled workforce shortages remain a concern, highlighting the need for continued investment in skill development programs. Embracing green technologies and electric mobility will be crucial for the sector to remain competitive in the future.

Challenges

1. The major challenge is obtaining credit from banks without collateral, particularly for micro and small units. Banks' reluctance to provide loans without collateral can hinder the growth of these businesses and limit their access to necessary funds.
2. MSMEs in the automobile and auto components sector face challenges in receiving timely payments from buyers. This delay affects their working capital, due to compelling GST payment from MSME's own account despite dues are yet to be settled by buyers.
3. With the increasing demand for electric vehicles, MSMEs in Gujarat's automobile sector need to undergo significant upgrades in infrastructure, research and development, and skill development. Adapting to the evolving electric vehicle market requires substantial investments and technological advancements.
4. The sector is subject to various regulatory requirements, which can pose challenges for businesses, especially smaller ones with limited resources. Staying compliant with safety, emission, and other regulations adds an extra layer of complexity and cost.
5. The automobile industry is highly dependent on global supply chains. Disruptions, such as those caused by geopolitical tensions or events like the COVID-19 pandemic, can impact the timely availability of critical components, affecting production schedules and overall operational efficiency.

3.2.1.7 Metals and Mines

Gujarat's metal and mines sector serves as the backbone of the state's economic landscape, boasting a 27% share in the total mineral production of India. This remarkable contribution is driven by a wealth of natural resources, including limestone (22% of national production), lignite (40%), and bauxite (42%), making Gujarat a vital player in the national mining industry. The state is also a leading producer of metals such as aluminum and zinc, with its aluminum production alone accounting for 40% of the national output.

Enterprise type	No. of firms in Gujarat	Employment
Micro	13,539	84,634
Small	1,046	11,937
Medium	67	2,350
Total	14,652	98,921

Table 57 Udyam registered in Metal and Mines sector in Gujarat

But the story of Gujarat's metal and mines sector doesn't end with large-scale mining. Micro, Small and Medium Enterprises (MSMEs) play a crucial role in adding value, generating employment, and driving overall economic growth. Over 14,652 MSMEs operate in this sector, contributing significantly to processing, fabrication, and supply chain support. This vibrant MSME ecosystem employs over 98,000 individuals, highlighting its crucial role in job creation and economic development. contributing to over INR 18,020 crores of investments and a turnover exceeding INR 3,09,004 crore.

Furthermore, Gujarat is committed to sustainable mining practices, implementing eco-friendly technologies and adopting responsible extraction methods to minimize environmental impact. This commitment ensures the long-term sustainability of the sector and safeguards the environment for future generations.

Challenges

1. One of the primary challenges in the metal and mine sector in Gujarat is training employees to meet stringent environment, health, and safety standards. Ensuring a workforce that adheres to these standards is crucial for sustainable and responsible mining practices.
2. Meeting and complying with evolving environmental and safety standards pose a continuous challenge. This includes staying updated with regulations and implementing practices that minimize the sector's impact on the environment and ensure the safety of workers.
3. Many mineral processing units struggle to procure raw materials at affordable rates from mining lease holders who often have a monopoly. MSMEs in the sector have advocated for measures such as reservations for small units and the allowance of pocket mining to ensure a more equitable and stable supply of raw materials.
4. Higher royalty rates and a complex compliance mechanism create challenges, particularly for small units. The financial burden of these rates, combined with intricate compliance procedures, can be particularly challenging for MSMEs in the metal and mine sector.
5. The sector is highly susceptible to market fluctuations, and volatile rates can significantly impact the profitability of MSMEs. Adapting to these fluctuations while maintaining operational stability poses a continual challenge for businesses in the metal and mine industry.

3.2.1.8 Gems & Jewelry

Gujarat is said to be the world's largest diamond processing industry. Holding **an 80% share in India's diamond exports**, the gems and jewelry sector has rightly been inferred as one of the 9 thrust sectors that is expected to drive the projected growth trajectory of the state. It has a 72% share in the world's share of processed diamonds⁶⁵. **For the FY 2022-23, Gujarat exported a total of 13,815.90 million USD worth of gems and jewelry**. This amounts to 9.43% of the state's total exports in FY 2022-23 and **36.39%**⁶⁶ **of the total gems and jewelry exported by India during the period**. Besides exports, India being a primary demand cluster for gold, is the world's second largest consumer of jewelry products. This guarantees a large domestic market too.

Much of the jewelry sector in Gujarat comprises of small artisans and craftsmen. It is home to **31,318 MSMEs - 29,222 micro, 1769 small and 327 medium enterprises** that are involved in this trade. This sector provides **employment to 2,34,692 people**. Out of the total MSMEs, **3433 firms are women led**.

Enterprise type	No. of firms in Gujarat	Employment
Micro	29,222	153402
Small	1769	42521
Medium	327	38769
Total	31,318	2,34,692

Table 58 Udyam registered in gems and jewelry sector in Gujarat

Although MSMEs across the state are involved in the making of gems and jewelry, **Surat, Rajkot, Ahmedabad, Bhavnagar, Vadodara are the top 5 districts** in terms of the presence of MSMEs. Moreover, Surat accounts for 65% of India's diamond trade rightly earning the name 'The diamond city of India'.

With the objective to make Surat an international diamond manufacturing and trading hub, **the GoG in the year 2015 initiated the establishment of the Diamond Research and Mercantile (DREAM) City**. This **681-hectare state-of-art smart city** situated in the southern part of Surat, will promote diamond and other mercantile activities⁶⁷. Similarly, as part of the Union Budget 2023, the central government announced an R&D grant of grant of INR 242 Crore over a period of 5 years to IIT Madras⁶⁸ to undertake research on Lab Grown Diamonds (LGDs)- an area over which India currently has no technical know-how.

Gems and Jewelry Value chain

The value chain of gems and jewelry consists of 3 stages – (a) Mining, processing, and trading (b) Manufacturing (c) Retailing. The figure below depicts the value chain of this sector and the various participants and activities thereof at each stage. Herein, MSMEs are mostly concentrated in the manufacturing and retail space, competing for the lion's share, against the few large established firms. This includes manufacturing firms, retailers, local and independent shops, regional players and multi product retailers. Figure below depicts the value chain of this sector and the various participants and activities thereof at each stage. Herein, MSMEs are mostly concentrated in the manufacturing and retail space, competing for the lion's share against the few large established firms.

⁶⁵ Vibrant Gujarat/Sectors

⁶⁶ [NIRYAT](#)

⁶⁷ [Genesis - DREAM City Ltd. \(dreamcitysurat.in\)](#)

⁶⁸ [Press Information Bureau \(pib.gov.in\)](#)

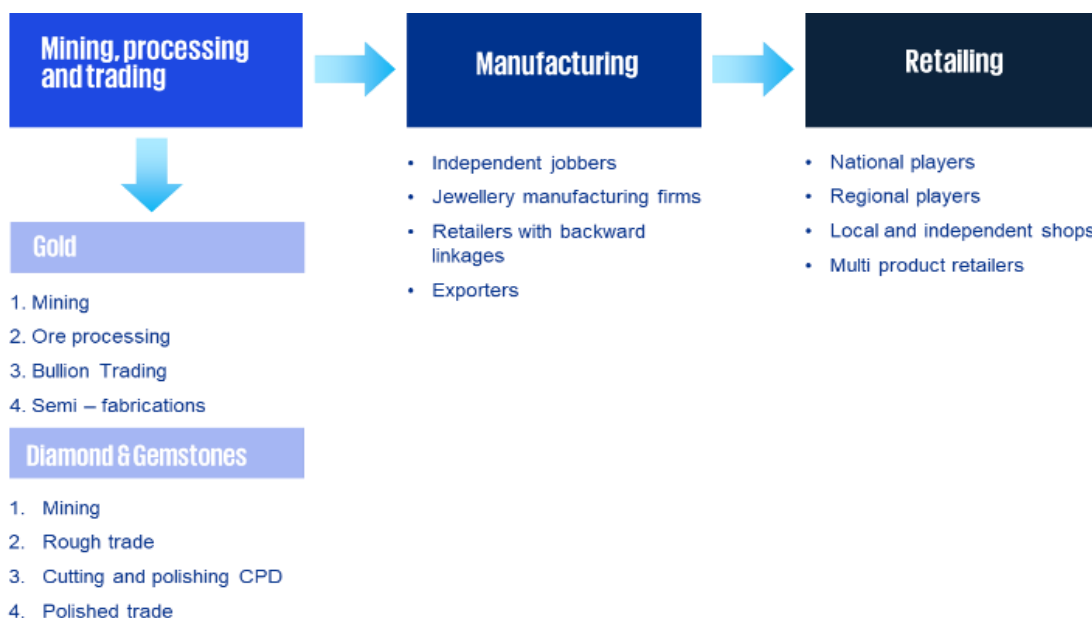


Figure 97 Value chain of gold, diamond and gemstones taken from NSDC 2013-17;2017-22)

The strength of this sector lies in the traditional gold consumption patterns of the domestic market where ornaments and the yellow metal play an inevitable role in weddings. Globally, India is skilled in diamond polishing flaunting a highly skilled workforce. However, many challenges grapple the MSMEs in the sector.

Challenges

1. Jewelers find it **cumbersome to avail Gold Metal Loans (GMLs)** from banks, stating a 90% rejection rate of applications. Also, more awareness needs to be spread on the credit schemes available for MSMEs in the sector.
2. The gems and jewelry sector are characterized small entrepreneurial ventures that are highly fragmented and unorganized. Naturally, their **processes and systems are outdated thereby resulting in low production efficiency**.
3. One of the key reasons for India's global pertinence in the processing and manufacturing phases is said to be the superior quality design and intricate workmanship. However, in the recent days, this sector is not considered lucrative by the youth for reasons such as poor safety conditions at the workplace, poor remuneration and the strenuous working environment. This coupled with the dwindling away of traditional jewelry practices, there is a **gradual decrease in the inherited skill base of the workforce in this sector**.
4. Additionally, in a skill gap analysis conducted by the state of Gujarat and National Skill Development Corporation (NSDC), the **lack of formal training** was identified, indicating the need to invest in focused skilling initiatives⁶⁹. Data gathered during cluster visits too suggest that there is a mismatch between the demand and supply of manpower. Further MSMEs requested the **introduction of more ITIs and courses on diamond processing** in the existing ones.
5. Interactions at the cluster level revealed the **lack of Common Facility Centers (CFCs)** in certain areas as well the need to **upgrade existing CFCs with latest technology**. At a larger level, a **national-level testing and research laboratory** to certify diamonds is required since currently diamonds are being sent abroad for this purpose.

⁶⁹ Taken from Vibrant Gujarat, p.94

6. MSMEs find the process of documentation for exports as well as the statutory compliance requirements with the customs inconvenient and expensive.
7. MSMEs also reported the need for certain **civil infrastructure facilities such as uninterrupted power supply and connectivity through train stop** at Navsari to facilitate the working routine schedule of the 3500 diamond workers that travel to Surat on a regular basis.

3.2.1.9 Wood and Furniture

Furniture forms an essential part of the consumer markets in India and with the rising income levels, the increasing consumeristic patterns is expanding the scope of this business sector. The policy environment too is ripe with opportunities. The increase in import duty on furniture from 20% to 25% in 2020⁷⁰ was a promising move towards bolstering domestic markets however artisans fear that this may have led to the increase in domestic rates of timber. The recent announcement made at COP28 for increased use of timber in constructions as a decarbonization tool too, is sure to have a bearing on the global timber prices.

Much like other artisanal sectors, the wood industry in Gujarat has thousands of small enterprises. **There are 45,109 MSMEs in Gujarat accounting for 3.13% of the state's MSMEs.** The net turnover of this industry was **INR 21,689.36 crores with an investment of INR 1,522.36 crores.** This sector currently provides **employment to 2,03,626 persons**, 70% of whom are said to be migrants. These MSMEs are predominantly concentrated in the districts of **Ahmedabad, Surat, Vadodara, Rajkot, Kachchh.** **India's largest timber cluster Kandla is situated in the Kachchh district**, and 70% of India's timber requirement is imported at the Deendayal Port Trust and the Mundra Port in the district. Moreover, the plywood industry and sawmills in Kandla supply processed wood to wholesalers across India making it the epicenter for timber processing.

Enterprise type	No. of firms in Gujarat	Employment
Micro	30392	161976
Small	1585	28754
Medium	199	12896
Total	32,176	2,03,626

Table 59 Udyam registered in Wood and Furniture sector in Gujarat

Below figure depicts the most common value chain in the wood furniture industry. This process ideally consists of 5 stages from the procurement of wood from the forestry to the final point of sale. Herein, we see MSMEs situated predominantly in sawmills and furniture manufacturer. While some MSMEs are involved in domestic and foreign trade, very few have made it to the retail phase.

⁷⁰ [Budget 2020: Govt hikes customs duty on toys, furniture, footwear products - Budget 2024 News | The Financial Express](#)

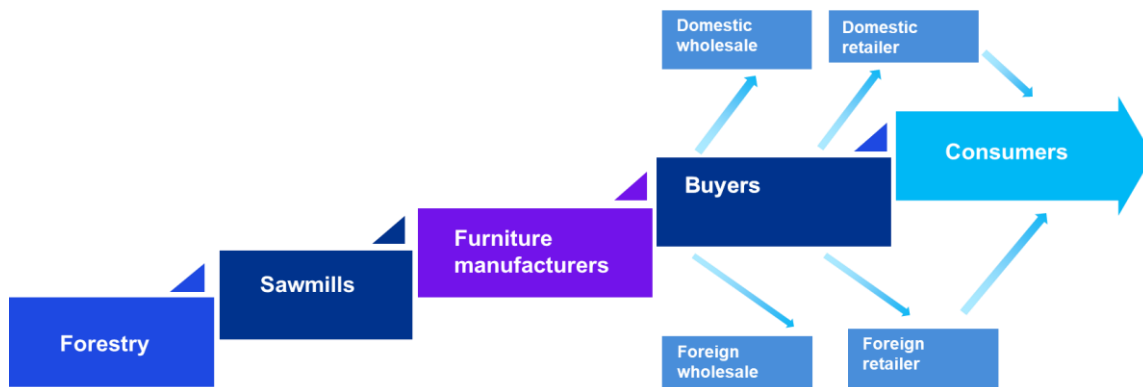


Figure 98 Value chain of wood furniture sector⁷¹

Challenges

1. Much of the wood and furniture **sector is highly unorganized and still dependent on handmade techniques**. The lack of modernization renders MSMEs disadvantaged and curbs their export potential.
2. Concerted efforts are required to encourage/ support MSMEs in **the adoption of innovative technologies that ensure productivity, precision, and product quality**. This will help MSMEs stay competitive and abreast with the evolving market.
3. Both modernization and innovation will have to go hand in hand **with integrated and cluster-based infrastructure development** to make it more accessible for the last mile MSME.
4. MSMEs in clusters requested for **more woodwork courses to be incorporated at ITIs**. Moreover, global trade requires skills beyond craftsmanship and indigenous capacities; courses that cater to skills throughout the supply chain should be designed for a more comprehensive skill base.

3.2.1.10 Electronics

The Electronics System Design and Manufacturing (ESDM) sector is the world's fastest growing industry. It is given high priority by the Indian state because it forms an integral component of both the flagship programs - "Make in India" and "Digital India" of the government. The ESDM industry consists of seven main segments namely, consumer electronics, industrial electronics, communications and broadcasting electronics, strategic electronics, computer hardware, electronic components, and LED products. However, India's competitiveness in the global markets has been demonstrated across four major segments – mobile phones, consumer electronics, IT hardware and electronic components.

While presently the larger share of our domestic consumption of electronics is met by imports, it is estimated that by 2025, Indian export of electronics could reach USD 180 billion in the presence of an enabling environment. The National Policy on Electronics (NEP) 2019 was indeed introduced to enable this vision and achieve the target of \$400 billion electronic production by the year 2025. In fact, **the export of electronic goods has increased from INR 81,822 crore in the FY 2020-21 to INR 1,09,797 crore, marking an annual growth rate of 34%**⁷².

Rightly so, the government of Gujarat has earmarked this sector as a 'winner', among the 9 focus sectors in Gujarat. As of September 2023, there are **6781 MSMEs in Gujarat that are engaged in the electronics industry accounting for 0.47% of the state's MSMEs**. With an investment of **INR 1,004.65 crores**, this industry has a net turnover of **INR 7,569.38 crores**. This sector

⁷¹ created from 'The Global Wood Furniture Value Chain: What Prospects for Upgrading by Developing Countries'

⁷² Annual Report 2022-23, Ministry of Electronics & Information Technology, Government of India

provides employment to 21,787 persons. These MSMEs are predominantly concentrated in the districts of **Rajkot, Ahmedabad, Surat, Kachchh, Vadodara**.

Enterprise type	No. of firms in Gujarat	Employment
Micro	4055	16300
Small	193	4265
Medium	15	1222
Total	4263	21,787

Table 60 Udyams registered in Electronics sector in Gujarat

Below figure depicts value chain for electronics in the global market, consisting of 5 stages namely inputs, components, subassemblies, final products, and sales channels. MSMEs involved in this sector are generally found in the manufacture of components and subassemblies.

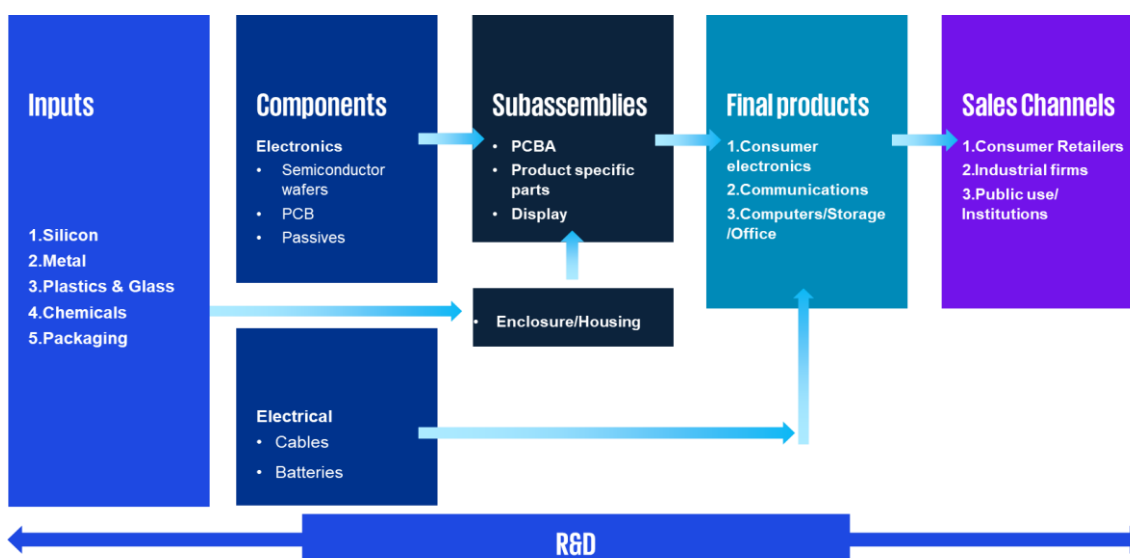


Figure 99 Value chain of wood furniture sector⁷³

Challenges

1. Inadequate testing facilities and the absence of industrial standards for implementation, has led to the presence of low-quality grey market goods that are subpar global brands.
2. There is less emphasis on clean & environment friendly technology, especially recycling. There is also a need to regulate waste disposal while developing of Common Effluent Treatment Plants (CETP)
3. With rising cost of infrastructure and manpower, MSMEs are in the need for better access to credit. MSMEs lacks in tapping an opportunity in e-waste management due to lack of awareness and policy frameworks.

⁷³ created from 'Korea in Global Value Chains: Pathways for Industrial Transformation'

3.2.2 Services

The share of the tertiary sector of Gujarat is 5% to the national sector, encompassing trade, repair services and hotels & restaurants, transport, storage, communication & Services related to broadcasting, financial services, real estate, ownership of dwelling & professional services, public administration. In the fiscal year 2021-22, the services sector accounted for 35% of the state's Gross State Domestic Product (GSDP). With the exception of the pandemic period, there is a discernible upward trend in the sector's contribution to the state's economy, as illustrated below.

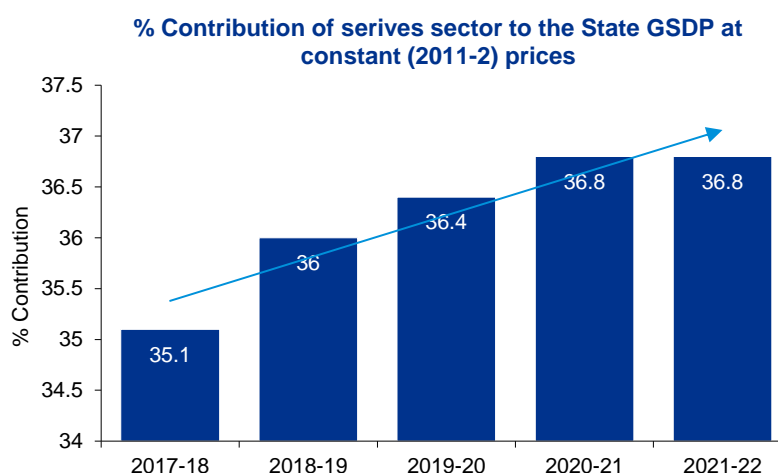


Figure 100 Year wise contribution of the services sector to state GSDP for State GSDP report 2021-22

3.2.2.1 IT/ITES

In the period between 2017-18 and 2020-2021, the IT-ITeS sector exports in Gujarat demonstrated a noteworthy annual growth rate of 14%⁷⁴. However, at the national level, Gujarat's contribution to software exports, as reported in the STPI annual report⁷⁵, stood at a mere 0.74% of the total national software exports in the fiscal year 2018-19⁷⁶. Similarly, Gujarat's IT exports constituted only 0.62% of the state's total exports during the same period. In stark contrast, Karnataka, holding the first rank, boasted IT-ITeS sector exports approximately 57⁷⁷ times higher than Gujarat. Other states surpassing Gujarat in this regard included Maharashtra, Telangana, Tamil Nadu, Haryana, Uttar Pradesh, West Bengal, and Kerala. For the fiscal year 20-21, Gujarat reported a total IT-ITeS sector export value of INR 3,976⁷⁸ crores, underscoring the significant potential for Gujarat to enhance its share in the IT-ITeS exports domain.

The IT-ITeS sector in Gujarat stands poised for substantial growth, particularly following the unveiling of the state's IT-ITeS policy for the period 2022-27. This policy is designed to offer compelling financial incentives and support to organizations operating in the sector. Its primary objective is to attract increased investments and the establishment of IT offices by leading companies in Gujarat. Further details regarding the specifics of this policy will be expounded upon in the subsequent section.

In order to point the primary challenges contributing to Gujarat's limited presence in the IT sector, a comprehensive comparison was conducted. This involved evaluating the location decision

⁷⁴ STPI Annual Reports, Software Technology Parks of India, Available at <https://stpi.in/en/stpi-annual-reports>

⁷⁵ STPI Annual Reports, Software Technology Parks of India, Available at <https://stpi.in/en/stpi-annual-reports>

⁷⁶ IT/ITeS Policy 2022-2027, Department of Science and Technology, Gujarat, 2022, Available at <https://gil.gujarat.gov.in/Media/DocumentUpload/IT%20POLICY-Final-2022.pdf>

⁷⁷ STPI Annual Reports, Software Technology Parks of India, Available at <https://stpi.in/en/stpi-annual-reports>

⁷⁸ About STPI Gandhinagar, Available at <https://gandhinagar.stpi.in/en/about-stpi-gandhinagar>

criteria for IT and ITeS companies across the states of Karnataka, Telangana, Maharashtra, and Gujarat. The analysis revealed several critical gaps that must be addressed to attract IT companies to Gujarat.

Challenges:

1. There exists a disparity between the skills demanded by the IT industry and the skills possessed by the youth in the state. The India Skills report indicates that Gujarat ranks 8th in terms of talent employability, resulting in a shortage of a workforce ready for the industry.
2. While Gujarat performs well in the ease of living index, with Ahmedabad, Surat, and Vadodara ranking 3rd, 5th, and 8th, improvements are needed in other aspects of social infrastructure.
3. The overseas migration trend affects the ready / continued availability of skilled youth affecting the sectoral demand.
4. The diversified startups working in niche solutions leads to pulling of resources including skilled manpower.

In order for Gujarat to establish itself as a preferred destination for IT companies and achieve the targeted export milestone of INR 25,000 crore outlined in the IT/ITeS policy for the period 2022-2027, it is imperative to address the identified gaps. This necessitates strategic policy interventions and a significant boost in private investment to effectively overcome the challenges faced by the state's IT sector.

3.2.2.2 Real estate & Professional services

Gujarat currently exhibits organized real estate activities primarily centered around Ahmedabad, Gandhinagar, Surat, and Rajkot. Although these developments are in their early stages, they have gained momentum following the announcement of sectoral policies including sectoral the new IT/ITeS policy (2022–2027). It's crucial to recognize the untapped potential within Gujarat's real estate sector, particularly given that two of India's top 10 growing cities, Rajkot and Surat, are located in the state.

The state, renowned as India's largest manufacturing hub, has witnessed a robust annual growth of 15.9 percent in GSVA in manufacturing from FY 2012 to FY 20, reaching INR 5.11 lakh crore, as reported by the RBI. Now, Gujarat aims to strategically position itself in the service sector, recognizing its pivotal role as a key driver for the uptake of commercial office spaces. This strategic shift is expected to catalyze demand for various allied real estate asset classes. To achieve this transformation, a renewed focus on sectors such as IT/ITeS, Banking, and financial services is recommended, as they are identified as key economic drivers that stimulate real estate demand. Simultaneously, comprehensive planning and policy initiatives are deemed essential to provide incentives for the real estate sector, aligning with the current needs and priorities in Gujarat.

Challenges:

The growth of the IT sector faces significant challenges, with two prominent issues standing out:

1. **Absence of Land Monetization Strategy Evaluation:** One major obstacle is the lack of an assessment of a land monetization strategy, particularly for government-owned land parcels that are currently underutilized and transit-oriented land parcels. The absence of a systematic evaluation hinders the potential for unlocking value from these lands, which could otherwise be utilized for the expansion of the IT/service sector. Developing a strategic approach to evaluate and monetize such land could be instrumental in fostering the growth of the IT industry.

- 2 Lack of Incentives for ESG Compliant Buildings Developed by Government: Another key challenge is the absence of incentives for government developers who invest in and construct buildings that comply with Environmental, Social, and Governance (ESG) standards. Incentivizing the development of ESG-compliant structures is crucial for promoting sustainable practices within the IT sector. Such incentives would not only encourage environment friendly construction but also contribute to the overall growth of the industry by aligning with global sustainability goals. Addressing this lack of incentives is imperative for fostering a more environmentally conscious and sustainable IT sector.
- 3 The constant rise of key raw materials like cement, steel and labour has also impacted this sector's affordability across geographies.
- 4 There is observant need of migrating population and with increased urbanization of newer urban conglomerates, there is a competition amongst the real estate players, which leads to cost implication and affordability challenges.

The progress of real estate development in any city is intricately linked to a multitude of factors, each playing a pivotal role in shaping the urban landscape. Crucial determinants include employment growth, GDP fluctuations, infrastructure advancements, and population expansion. These factors will collectively influence the dynamics of key real estate classes, with various economic triggers propelling growth in each sector.

3.2.2.3 Transport & Logistics services

Compared to neighboring states, Gujarat has been considered to be the states with excellent transport & logistic infrastructure. The state has achieved excellent progress in building road, rail, port and air connectivity, not only to urban centers, but also till rural areas. This offers excellent support system for the MSMEs to operate in any part of the state.

Gujarat has taken a pioneering step in advancing its logistics infrastructure by introducing the 'Gujarat Integrated Logistics and Logistics Park Policy 2021,' establishing itself as one of the first Indian states to do so. This strategic move reflects the state's commitment to enhancing the overall logistics ecosystem. Remarkably, Gujarat has achieved top rankings in Logistics Ease Across Different States (LEADS) for the third consecutive year in 2021, underscoring its leadership in fostering a conducive logistics environment.

A significant milestone for the state is the recognition of the logistics sector with industry status, making Gujarat one of the early adopters of this approach. This designation comes with special incentives and provisions tailored to benefit stakeholders within the logistics domain. Such proactive measures showcase Gujarat's dedication to creating an attractive and supportive environment for the logistics industry.

Gujarat's influence on the logistics landscape is further evident in its dominance, accounting for approximately 65% of the cargo handled by non-major ports in India. In comparison, Maharashtra follows with around 13%. The state's advantageous position is attributed to its exceptional connectivity, reaching across a vast hinterland spanning Northern, Western, Central, and parts of Southern India. This extensive connectivity enhances Gujarat's appeal as a logistical hub, facilitating the efficient movement of goods and solidifying its position as a key player in the country's logistics sector.

Challenges:

1. The escalating manufacturing and consumption economy in Gujarat foreseeably lead to increased port traffic. However, the road infrastructure connecting ports becomes a bottleneck for cargo movement as industries access port terminals. The current 2-lane highway approaching the port is capacity-constrained, impeding efficient cargo flow. Additionally, the congestion in city traffic delays cargo transaction times during evacuation.
2. Despite a consistent rise in freight volume transported by rail in the state, the existing rail lines, especially those connecting ports and key industrial areas (Okha-Kalanus, Viramgam-Mehsana, Rajkot-Veraval), operate at optimal capacity. Doubling the current rail capacity is required to meet the growing demands of freight transportation.
3. A notable challenge lies in the insufficient connectivity between industrial areas and the Dedicated Freight Corridor (DFC) line. To enhance the effectiveness of connectivity between major industrial zones and the DFC, feeder lines are essential. Establishing feeder lines to connect major industrial areas with the DFC line is crucial for seamless freight transportation.
4. Addressing the requirement for port-led industrial cluster development is essential to bolster the EXIM trade ecosystem and augment port throughput. Currently, domestic carriers have to seek MRO (Maintenance, Repair, and Overhaul) services from Singapore and Europe. By focusing on developing port-led industrial clusters, the Government of Gujarat can create an environment conducive to the EXIM trade, reducing costs significantly. This approach would also streamline the importation and stocking of MRO components, potentially mitigating import duties when stored in bonded warehouses.

Snapshot of Sector specific constraints

For a detailed elaboration of sector-specific constraints, please refer to the table provided in **Annexure 4**.



Key gaps in MSME support



Commissionerate, often the architect of policies like Aatmanirbhar Gujarat, is responsible for designing and processing industrial policies that create a conducive environment for the development of MSMEs. These policies are essential for fostering entrepreneurship, job creation, and economic development at the grassroots level.

On the other hand, DICs serve as essential nodes in the implementation process, acting as local interfaces for MSMEs. Their existing capacity is centered around managing outreach programs, disseminating information, and facilitating access to schemes initiated under initiatives like Aatmanirbhar Gujarat. While they play a crucial role in program delivery, their scope is somewhat limited when it comes to providing comprehensive support across the entire business cycle of MSMEs.

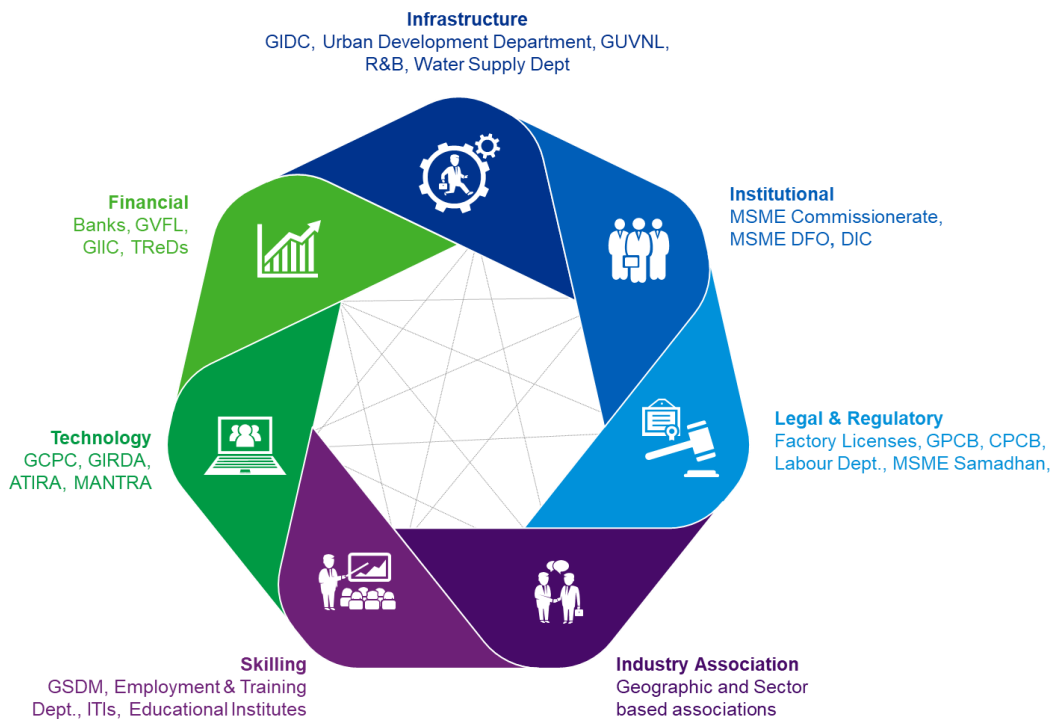


Figure 102 Mapping the landscape of institutions according to different themes

One of the major challenges faced by both the MSME Commissionerate and DICs is the limited scope in assisting MSMEs with critical aspects such as infrastructure improvement, access to finance for operational or capital expenditure needs, market access, technology upgradation, legal, regulatory approvals and addressing skill gaps. These challenges stem from statutory and technical capacity constraints, including differences in educational backgrounds and an overall understanding of the MSME ecosystem.

A significant hurdle faced by DICs is the shortage of resources. Despite the sanctioning of 189 posts, only 82 have been filled, indicating a substantial gap in the workforce. This shortage places a heavy workload on the available resources and hinders their ability to work proactively for the development of MSMEs. As a result, addressing these capacity and resource challenges becomes imperative for the effective functioning of the MSME Commissionerate and DICs in driving the growth and sustainability of MSMEs in the region.

Moreover, in certain instances, there is an identified gap in the technical know-how within DICs, which limits their effectiveness in providing comprehensive support to MSMEs. Recognizing the evolving needs of the sector, it becomes imperative to address this limitation by enhancing the technical capabilities of DICs. This involves targeted training programs, skill development initiatives, and the infusion of modern technological expertise within these centers.

To bridge the awareness gap, a concentrated effort is required to disseminate information about the role and offerings of these institutes. This could involve strategic outreach campaigns, workshops, and collaborative initiatives with industry associations to ensure that MSMEs are well-informed about the avenues for support available through these channels.

4.3 Coordination Mechanism

The coordination challenges faced by the MSME Commissionerate and DICs in Gujarat underscore the imperative for improved integration and collaborative efforts in developing the state's MSME ecosystem. Currently, there exists a significant gap in collective action between the MSME Commissionerate, other line departments, central and state institutes, and agencies. To address this, there is a pressing need to establish a robust MSME framework that involves key stakeholders. This framework should be designed to nurture and promote the MSME ecosystem in the state, offering insights and strategies to strengthen MSME support. Key focus areas include leveraging government schemes for optimal investment, facilitating credit flow to MSMEs, enhancing competitiveness, promoting MSMEs through a cluster-based approach, providing marketing support, fostering entrepreneurship, and implementing frameworks for innovation.

The existing coordination mechanism between the MSME Commissionerate and other entities has been evaluated based on critical parameters such as policy alignment, interdepartmental collaboration, information sharing, capacity building, and stakeholder engagement.

- a. **Policy Alignment:** A conducive policy environment is essential for the growth and thriving of MSMEs. Despite the enactment of the MSME (Facilitation of Establishment and Operation) Act, 2019, in Gujarat, which exempts MSMEs from approvals for three years, challenges persist due to a lack of interdepartmental coordination. In particular, there is insufficient information flow between departments about the act and intent registration, leading to difficulties for MSMEs and highlighting the clear need for enhanced coordination.
- b. **Information Sharing:** To effectively develop MSMEs, all departments must work in sync, sharing data timely and regularly to facilitate better-informed decision-making.
- c. **Interdepartmental Collaboration:** A notable lack of coordination among state agencies and departments supporting MSMEs hampers their growth, arising from differing goals, reluctance to share resources, and limited communication. Ad hoc information exchange practices further impede progress.
- d. **Capacity Building:** The resources deployed in these departments lack the necessary capacity and understanding of the MSME ecosystem as well as keeping up with evolving sectoral challenges, hindering effective coordination with other line departments.
- e. **Stakeholder Engagement:** While all departments engage in regular stakeholder consultations, there is a capacity deficit in obtaining valuable inputs and incorporating them into programs. This highlights the need for enhanced capacity-building efforts to ensure meaningful stakeholder engagement and collaboration across the board. Addressing these challenges will be pivotal in creating a more cohesive and supportive environment for the development of the MSME sector in Gujarat.

4.4 Monitoring & Evaluation (M&E) systems

The Government of Gujarat has initiated M&E practices for its line departments and programs supporting MSMEs. However, the current M&E framework faces several limitations, hindering its effectiveness and impacting program performance. Key gap and challenges are:

- a. **Limited Data Availability:** Access to accurate and comprehensive data, particularly at the DIC level, is limited. This makes it difficult to effectively monitor and evaluate program

performance, identify sector trends and challenges, and make informed decisions. Incomplete or outdated data further hinders this process.

- b. **Inconsistent Data Collection:** A lack of standardized data collection methods and a unified MIS system across districts and departments leads to inconsistencies in data reporting. This inconsistency makes it challenging to analyze and evaluate MSME data at the district level and compare performance across different regions. For example, currently there are multiple portal for each scheme, officers find it difficult to navigate through multiple portals. Even there are old and new portals bureaucrats has to have access to both new and old portal making it difficult to compile and analyze data. Some schemes like Aatmanirbhar Gujarat Scheme for Assistance to MSMEs, Market Development Assistance (MDA) are offline, and other old schemes are being processed online, despite having single portal (IFP) online and offline both systems are in practice which needs to be eliminated.
- c. **Lack of Standardized Framework:** Currently, there is a lack of a well-defined and standardized institutional framework dedicated to M&E, especially at the DIC level. This weakens coordination and collaboration among stakeholders responsible for monitoring and evaluation activities, resulting in inefficiencies and inconsistencies.
- d. **Limited Manpower Resources:** As mentioned earlier availability of skilled human resources, particularly with expertise in M&E, is limited, particularly at the DIC level. This lack of technical expertise hampers effective M&E practices and hinders the capacity to analyze data and draw meaningful insights.
- e. **Limited Real-Time Monitoring:** M&E activities are often conducted on an ad-hoc basis, relying on periodic assessments and surveys from all districts. This approach fails to capture real-time data crucial for timely decision-making and responding to emerging challenges or opportunities.
- f. **Inadequate Evaluation of Policy and Programs:** Limited evaluation of government programs targeting MSMEs makes it challenging to assess their impact and effectiveness on the ground. This hinders evidence-based decision-making and the ability to make necessary improvements to existing programs and policies.
- g. **Insufficient Feedback Mechanisms:** Inefficient communication channels, complex processes, delayed responses, and limited options for collaboration at the DIC level create hurdles for stakeholders to provide feedback and engage in constructive dialogue. This lack of feedback hinders program improvement and responsiveness to stakeholder needs. Even while processing the claims, raised queries often goes unnoticed due to lack of information system. There is a demand to notify the applicants over WhatsApp or messages for earliest disposal of queries.

4.5 Government Portals for MSMEs

The Government of Gujarat has taken commendable steps towards streamlining investor facilitation through the IFP single window portal. However, the current system remains hampered by its limited integration with various departments and the absence of a dedicated MSME platform. This lack of targeted support creates significant challenges for entrepreneurs in accessing critical information, networking with peers, and securing financial services. Consequently, the overall productivity, efficiency, and collaboration within the MSME ecosystem are compromised.

- a. **Incomplete Integration:** One major challenge lies in the incomplete integration of the IFP portal with all line departments. This results in a cumbersome process for entrepreneurs, who must navigate offline procedures, individual department timelines, and delayed approvals. Additionally, the portal currently lacks investor-centric features, such as real-time application tracking and department user dashboards, which further hinder effective communication and transparency.

- b. **Delay in Integration of MSME focused Schemes:** Currently, the MSME Commissionerate processes its Aatmanirbhar Gujarat Scheme for Assistance to MSMEs through offline mode due to lack of integration with IFP even after over a year of launching of the scheme. Other schemes and old industrial policy is well integrated with IFP portal. The exclusion of the Aatmanirbhar Gujarat Scheme for Assistance to MSMEs from the online platform is another significant limitation. This scheme, designed to support entrepreneurs, remains offline, highlighting the need for a dedicated MSME platform that offers comprehensive access to all relevant government initiatives.
- c. **Information Inaccessibility:** A major barrier for MSMEs is the lack of a single source for accessing essential information. Currently, entrepreneurs must navigate a complex landscape of separate websites and portals to gather crucial details on government schemes, financial institutions, market trends, business support services, and regulatory guidelines. This fragmented information ecosystem creates significant hurdles for MSMEs seeking to grow and thrive.
- d. **National Portal Disconnect:** The absence of a dedicated MSME portal further limits awareness and utilization of national-level MSME support programs. This disconnect restricts access to valuable resources and opportunities available at the national level, hindering the overall growth and development of MSMEs in Gujarat.

4.6 Existing interventions: State MSME support schemes and policies

Recognizing the significant role played by the MSME sector in the State's economy, the Government of Gujarat has undertaken initiatives to provide substantial support schemes at both state and regional levels. The primary objective is to attract considerable investment into the sector, fostering overall economic development and the prosperity of individual MSMEs. The government is committed to enhancing and championing the MSME sector, striving for comprehensive industrial growth and the promotion of employment opportunities. In order to sustain the growth momentum and facilitate the holistic development of MSMEs, the government has implemented numerous interventions. These initiatives encompass a range of sector-specific and target-specific incentives and concessions, demonstrating the government's dedication to encouraging and bolstering the MSME sector. Some of the interventions implemented by the State Government has been discussed in Chapter 3.5.



Proposed interventions under SIP

5. Proposed interventions under SIP

The SIP proposes a progressive vision for MSME development: **To empower MSMEs in Gujarat to become globally competitive leveraging technology, innovation and sustainable practices to contribute significantly to Aatmanirbhar Bharat.** The SIP aligns with the vision of the Hon'ble CM of Gujarat to become a \$1 Trillion economy by 2030 and aims to strengthen the MSMEs to be able to contribute towards this ambitious target effectively and majorly.

Addressing the needs identified during the diagnostic study of the MSME sector and validated by stakeholders, the Strategic Investment Plan for MSMEs outlines proposed projects across strategic key areas:

- a. **Formalization and promotion of MSMEs:** Fostering growth and recognition of MSMEs within the state.
- b. **Entrepreneurship and skill development:** Equipping aspiring and existing entrepreneurs with necessary skills and knowledge.
- c. **Market access:** Expanding market reach and opportunities for MSMEs.
- d. **Receivables management and delayed payment reduction:** Improving cash flow and reducing financial strain.
- e. **MSME competitiveness:** Enhancing the overall competitiveness of MSMEs in the market.
- f. **Credit support:** Facilitating access to adequate and affordable financing for MSMEs.
- g. **Strengthening monitoring, evaluation, and implementation support:** Ensuring effective program execution and monitoring.

Each segment encompasses specific projects tailored to address identified gaps and align with the RAMP program's dual objectives:

- **Strengthening institutions and governance:** Building a robust support system for MSMEs.
- **Enhancing market access, firm capabilities, and access to finance:** Empowering MSMEs for sustainable growth.

The project design also aligns with the program's (DLIs) to ensure effectiveness:

- a. Implementing national MSME reform agenda: Streamlining policies and regulations for improved ease of doing business.
- b. Boosting Centre-state collaboration: Fostering effective cooperation between national and state agencies for MSME development.
- c. Strengthening the MSME champion scheme: Enhancing the impact and reach of the program.
- d. Developing a robust receivables financing market: Providing MSMEs with reliable access to working capital.
- e. Improving the effectiveness of CGTMSE and 'Greening and Gender' initiatives: Enhancing loan accessibility and promoting sustainable practices.
- f. Minimizing delayed payments: Addressing a major financial challenge faced by MSMEs.

A snapshot followed by details of the proposed projects/interventions, including their key features, applicability, implementation strategy, and expected impact over four years, is provided in the sections below.

DLI Mapping	Proposed Project	Broad Objective
Critical projects to develop competitiveness of MSMEs.	<p>Project 1- Proposal for mapping MSME clusters with PM Gati shakti portal</p> <p>Project 2- Strengthening capacities of DICs and promoting MSME development across sectors.</p> <p>Project 3- Proposal for setting up of State Export promotion cell and Strengthening MSMEs in Export Competitiveness</p> <p>Project 4- Scaling up Industry 4.0 transformation in Gujarat's manufacturing sector.</p> <p>Project 6- Short Term Management Training for SPV and Industry association professionals on professionals on efficient management, governance etc</p> <p>Project 7- Micro incubation project for entrepreneurship</p> <p>Project 9 – Tourism cluster – Capacity building of Homestay entrepreneurs</p>	<p>Formalization of MSME clusters mapped with existing infrastructure.</p> <p>Market access</p> <p>MSME innovation and enhancing competitiveness.</p> <p>Entrepreneurship and skill development</p>
DLI 3: Enhancing effectiveness of MSME CHAMPIONS Scheme (ZED, LEAN, IPR, Design, Digital and Incubation)	<p>Project 2- Strengthening capacities of DICs and promoting MSME development across sectors</p> <p>Project 4- Scaling up Industry 4.0 transformation in Gujarat's manufacturing sector.</p> <p>Project 7- Micro incubation project for entrepreneurship</p>	Strengthening existing capacities of institutions
DLI 5: Enhancing Effectiveness of CGTMSE and 'Greening and Gender' delivery.	<p>Project 10- Access to credit through CGTMSE</p> <p>Project 5- Channeling finance for greening of MSMEs.</p> <p>Project 8- Women Acceleration program</p> <p>Project 7- Micro incubation project for entrepreneurship</p> <p>Project 9 – Tourism cluster – Capacity building of Homestay entrepreneurs</p>	<p>Credit support</p> <p>Promoting green financing</p>

Table 61 DLI Mapping

5.1 Project 1 - Proposal for mapping MSME clusters with PM Gati shakti portal

a. Understanding the Problem Statement:

Gujarat's crucial MSME sector drives significant economic growth contributing to the State's GDP and workforce. A critical need for targeted policy support remains unaddressed, hampered by lack of comprehensive data on MSME clusters. The current MSME cluster information available with the policymakers and government officials, fails to capture the full picture overlooking both natural clusters thriving outside industrial estates and those nurtured within. This data blind spot hinders a thorough understanding of the cluster ecosystem leaving individual MSMEs vulnerable to externalities such as logistical disconnect, lack of resources etc.

Further, the absence of integration between MSME clusters and PM Gati Shakti, India's ambitious infrastructure convergence initiative results in poor planning. This can lead to failure in meeting the evolving needs of these clusters. Crucial elements like testing labs, banks, warehousing facilities, connectivity to road, rail and port remain inadequately addressed and can hamper production and distribution channels which are imperative for cluster growth.

b. Proposed project design concept:

To bridge the data gap, it is proposed that a geo tagged cluster map is developed for 186 clusters leveraging Udyam data, GIS mapping, creation of a platform in collaboration between GIDC, MSME Commissionerate and DICs. This map will be based on the pilot study of Chatral cluster in Gandhinagar and its integration with PM Gati shakti portal. A similar cluster analysis across Gujarat for all sectors will be conducted that will go beyond location study to understand cluster size, industry composition, employment, and infrastructure availability.

c. Objectivities

- **Cluster mapping:** Create a geo-tagged MSME cluster map using Udyam data and survey data to understand cluster ecosystem.
- **PM Gati Shakti integration:** Align the MSME cluster map with PM Gati shakti infrastructure plans, identifying gaps and opportunities to improve last mile connectivity and access to basic infrastructure catering to cluster needs.
- **Cluster Competitiveness Index:** Develop a data-driven cluster competitiveness index that assesses factors like proximity to raw material sources, access to markets, treatment of waste and effluents, connectivity/ access infrastructure etc to identify high performing and struggling clusters.
- **Targeted Policy interventions:** Design targeted policy interventions based on cluster competitiveness index and specific needs identified through data analysis. These interventions can focus on developing use cases for market access support, analyze cluster-logistics requirements, technology adoption initiatives etc.

d. Approach and methodology for Execution:

The proposed intervention will be anchored by the MSME Commissionerate with GIDC and DST/ BISAG-N. The data will be hosted on State's portal housed with MSME Commissionerate with API integration rights with PM Gati shakti portal.

A professional and experienced agency will be onboarded by the MSME Commissionerate through tender process for this exercise to undertake a comprehensive spatial mapping of MSME clusters to align with PM Gati Shakti portal to develop cluster competitiveness index. The list of activities will include.

1. Leveraging Udyam data with GIS data to map cluster information on characteristics such as size, sector, enterprise type etc.
2. Create a framework for Cluster Competitiveness Index scoring model to identify high performing potential clusters and struggling clusters. This Cluster Competitiveness scoring will capture attributes of access to market, access to raw material, access to banks, CFCs, presence of ITIs etc. The development of the model will be based on thorough understanding of data sets captured from cluster pilot study, available data captured on both Udyam portal, PM Gati shakti and existing cluster information with the Department, stakeholder consultations and literature review.
3. Create an SOP for GIS mapping team for data collection and visualization.
4. Create SOP for interactive visual dashboard integrating GPS coordinates, mapping of different infrastructural facilities, cluster competitiveness scoring and integrating seamlessly with different portal.
5. Identify visual maps and data analysis to identify stronger linkages between MSME clusters for different sectors, enterprise type in the value chain and Gati shakti infrastructure to identify proximity of raw materials, banks, common facilities centers, warehousing facility with cold chain infrastructure, market connectivity and nearest road, port and rail connectivity. This information should be in a manner that can be used by policy makers for better planning of targeted interventions.

i. Team composition

S No	Team composition	Role	Justification	Per month cost in INR	Per year cost in INR Crore	Estimated Total cost for 4 years in INR crore
1	Project lead	Oversee project execution, coordinates team, ensures completion	48 man-months @ INR 15 lakh per year	1,25,000	0.15	0.60
2	Data analysts	The person will manage data collection, integration, mapping and analysts	48 man-month per year @ INR 10 lakh per year	90,000	0.11	0.43
3	Policy expert	-	This expertise will be provided by SPIU team	-	-	-
4	Economist	The person will develop a competitiveness index based on secondary research and MSME cluster mapping exercise with PM Gati shakti portal. They will be engaged for 1 year	12 man-months per year @ INR 40 lakh per year.	4,00,000	0.48	0.24
	Total			6,15,000	0.50	1.27

Table 62 Team Composition

ii. Survey team and GIS cluster mapping

A survey team will conduct spatial mapping of 185 cluster concentrations in GIDC and non-GIDC industrial areas (excluding Chatral where the pilot study has already been conducted). The mapping will be conducted through a mobile app. The mobile app will link MSMEs with Udyam data and capture cluster information. The data captured will be validated by the respective departments for clusters within GIDC and other representative bodies for clusters outside GIDC area through the existing online process. Once the MSME cluster map layer is validated by the MSME Commissionerate, this layer will be integrated with PM Gati shakti to provide useful information for policymakers.

S No	Activity description	Role	Justification	Per month cost in INR	Per year cost in INR crore	Estimated Total cost for 4 years in INR crore
1	GIS Specialist	GIS software proficiency, creates and maintain geo tagged cluster map	48 man-months @ INR 15 lakh per year	1,25,000	0.15	0.60
2	Field surveyors	Conducting on field GIS mapping of MSME cluster boundary	4-person x 48 man-months @ INR 24 lakh per year	50,000 x 4 = 2,00,000	0.24	0.96
Total				3,25,000	0.39	1.26

Table 63 Survey Team

iii. Visual Dashboard:

S No	Activity description	Justification	Estimated Total cost for 4 years in INR crore
1	Visual Dashboard	Integrating survey data, GIS mapping, PM Gati shakti, creating dashboard, credit score mapping	2.00

Table 64 Costing of Visual Dashboard

Below is the mapping of Chatral clusters with MSMEs enterprises marked in boundaries (micro, small, medium and large industries) with existing infrastructure such as skill development sector, health center, fire station and major district road in the industrial area. Similar spatial maps will be created for other clusters.

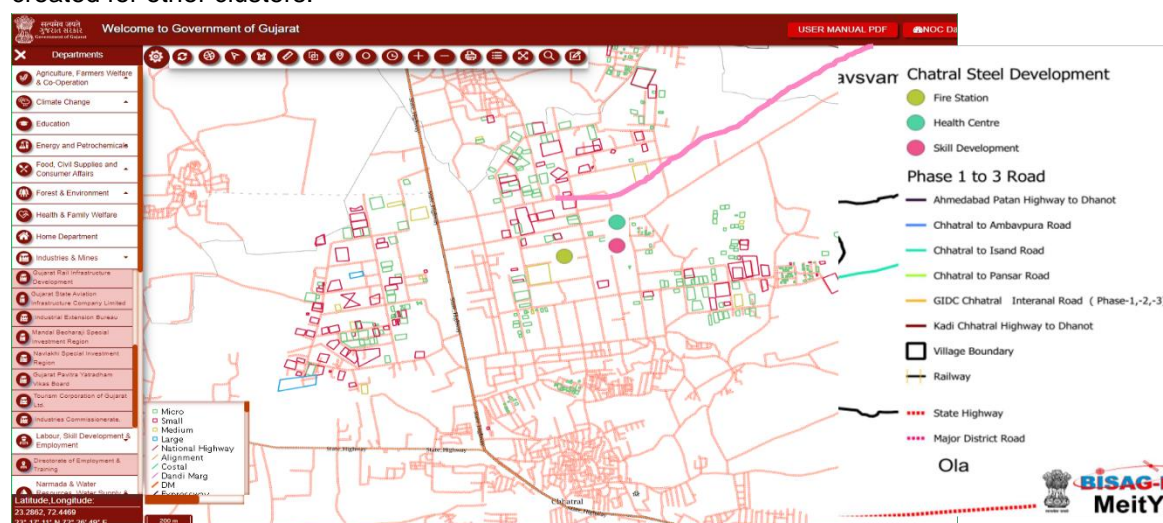


Figure 103 PM Gatishakti Dashboard

e. Timelines for achievement of project deliverable

Activities	Description	Year 1		Year 2		Year 3		Year 4	
		H1	H2	H3	H4	H5	H6	H7	H8
Phase 1: Pilot Phase									
Onboarding of third-party team	Creating a project charter								
Data Collation and Preparation	Udyam data, Gati Shakti data and GPS integration and sharing plan of spatial mapping & survey								
Cluster competitiveness Index scoring model with visual dashboard	Interactive visual dashboard of MSME cluster aligned with PM Gati shakti portal, cluster competitiveness scoring model								
On ground spatial mapping of MSME clusters	Identify and map MSME clusters across different sectors and type of activity								
Develop policy use cases for implementation of improving ecosystem of high performing and struggling MSME clusters	Based on Cluster competitiveness index identify priority infrastructure needs, develop sectoral policy infrastructure solutions for MSMEs, test the use cases for scaling up MSME clusters potential								
Phase 2: Scaling Up									
Data Expansion and refinement	Expand data coverage to additional clusters and sectors, refine GPS tracking and data quality								
Dashboard visualization	Develop interactive dashboards and geo-spatial analysis tools, analyze bottlenecks, and identify optimization opportunities across sectors								
Use cases of interventions based on maturity of clusters within similar activity type of cluster across region	Implement prioritized infrastructure projects across regions for similar activity								

Table 65 Timelines for achievement of project deliverable

H – half year

f. Project cost

S. No	Budget Component	Project Cost (INR in Crore)				
		Year 1	Year 2	Year 3	Year 4	Total
1	Project team	0.74	0.85	0.93	1.03	3.55
2	Survey team and report analysis	0.39	0.45	0.52	0.59	1.95
3	Logistics cost	0.08	0.08	0.08	0.08	0.32
4	Technology platform for visual interactive dashboard	1.8	0.07	0.07	0.07	2.00
	Total budget outlay	3.01	1.44	1.60	1.77	7.81
	State's contribution	-				
	Gap funding by RAMP	7.81				

Table 66 Project Cost for proposed intervention 1

g. Expected impact

- Enhanced Data-Driven Decision-Making: Comprehensive mapping and competitiveness index will provide accurate insights for targeted policy interventions, infrastructure development, and resource allocation.
- Improved Cluster Competitiveness: Focused interventions based on cluster strengths, weaknesses, and infrastructure needs will boost cluster linkages, innovation, market access, and overall competitiveness.
- Strengthened Infrastructure Connectivity: Integration with PM Gati Shakti will ensure infrastructure development aligns with cluster needs, fostering better connectivity, reducing logistics costs, and enhancing access to forward and backward linkages.
- Export competitiveness enhancement: the cluster competitiveness index will reveal the traits of the exporting clusters while analysing the success parameters which could be further analysed for potential export clusters to follow. Targeted policy support towards addressing the gaps will help accelerate exports from the state.
- Accelerated MSME Growth and Development: Targeted interventions will result in improving last mile connectivity, tap opportunities and design programs/ projects for cluster support at different growth stages.
- Enhanced Coordination and Collaboration: Improved data sharing and visibility among government departments will promote synergy and efficient resource utilization.

h. KPI indicators

- Number of clusters mapped.
- Cluster Competitiveness Index and scoring of all the mapped clusters
- Inter cluster comparison and policy recommendations for laggard clusters
- Data usability by departments for informed decision-making

5.2 Project 2 - Strengthening capacities of DICs and promoting MSME development across sectors.

a. Understanding the Problem Statement:

The District Industries Centers (DICs) play a vital role in supporting Micro, Small, and Medium Enterprises (MSMEs) at the district level. The DIC officers often juggle with additional duties beyond their primary mandate, manage increasing workloads with limited staff and lack technical expertise to effectively support entrepreneurs. These obstacles ranging from lack of staff training to the lack of technological support in the form of monitoring portals to keep track of incentives deployment and services prevent DIC's effectiveness to support MSMEs.

b. Proposed project design concept:

To address the above challenges, it is proposed to strengthen DICs in providing facilitation to MSMEs through building their technical and managerial capacities and enhancing their outreach, linkages and network. The following approach is envisaged:

- Leverage the efficiencies of the private sector by appointing professional service providers as MSME promotion agency (MPA) and operationalize MPAs in all 33 districts in the first two years.
- Increase MSME awareness and offtake of State and central schemes through targeted campaigns and handholding support.
- Create a District level ease of doing business scoring to keep track of faster turnaround time of application process based on the Investment Facilitation Portal (IFP).
- Establish a dedicated virtual MSME portal to cater to the needs of industries.
- Establish synergies with Svavalamban Connect Kendras of SIDBI and EDCs of MoMSME to enhance outreach and ensuing convergence of resources.

c. Approach and methodology for Execution:

Appoint independent MSME facilitation desk across 33 districts reporting to the respective GM-DICs. This agency will be onboarded by the MSME Commissionerate through competitive bidding process to have dedicated staff to cater to local MSME needs.

i. Role of MSME facilitation desk

a. Promoting Investment and Enterprise Development:

- Identify and showcase diverse investment opportunities beyond large-scale industries.
- Facilitate investor interactions and one-stop-shop services for approvals and permits.
- Streamline business setup and expansion processes.
- Offer post-investment support and handholding.

b. Supporting MSMEs:

- Through the MSME facilitation desks, be a single point of contact for availing understanding on government schemes, subsidies, and financial assistance.
- The MPA and the facilitation desks will focus specifically on promotion of CHAMPION schemes (ZED/ LEAN/ INNOVATIVE/ DIGITAL etc), Aatmanirbhar Gujarat scheme for assistance to MSMEs 2020, TReDS awareness and onboarding, CGTMSE, green financing schemes etc.
- Organize awareness campaigns and workshops on relevant policies, opportunities, credit facilitation, market access, technologies, and best practices.
- Facilitate access to skill development programs and trainings aligned with sectoral needs.

- Promote networking and collaboration through clusters, incubators, and mentorship programs.
- Provide market research and export facilitation services.

Infrastructure and Ecosystem Development:

- Collaborate with GIDC and other suitable agencies for adequate industrial infrastructure and land for use by MSMEs for new set up, expansion, setting up sector specific infrastructure and common facilities.
- Advocate for improved transportation, logistics, and communication networks.
- Foster innovation and technology adoption through support and incubation centers.
- Promote sustainable practices and responsible business conduct among MSMEs.

Data Management and Performance Monitoring:

- Maintain a comprehensive database of district-level MSME activity, investment opportunities, and resources.
- Maintain a registry of BDS providers.
- Track progress towards objectives like job creation, MSME growth, and investment attraction.
- Regularly analyze data and conduct performance evaluations for improvement and adaptation.
- Share best practices and insights with other MPAs and stakeholders.

Additional Activities:

- Organize industry-specific events, trade fairs, and exhibitions.
- Promote entrepreneurship and incubation among startups and youth.
- Provide legal and business advisory services to MSMEs.
- Conduct research and analysis on district specific MSME trends and challenges for policy decisions.

Team composition of MSME facilitation desk

S No	Team composition	Justification	Per month cost in INR	Per year cost in INR Crore	Estimated Total cost for 4 years in INR crore
1	Project lead	48 man-months @ INR 25 lakh per year	2,10,000	0.25	1.01
2	Consultants (qualified personnel who will assist with online applications, clearances, registration etc)	2 people x INR 9.6 lakh per person per year x 33 districts i.e., INR 634 lakh per year	26,40,000	6.34	25.34
3	IT/MIS person	48 man-months @ INR 9.6 lakh per year	80,000	0.96	0.38
	Total		29,30,000	6.68	26.74

Table 67 Team composition of MSME facilitation desk

The main PMU team at Gandhinagar MSME facilitation desk team will be reporting to the SPIU /MSME Commissionerate for successful implementation of this project.

Designing a Standard Operating Procedure (SOP):

The SOP designed by the team will be approved by the Department of MSME Commissionerate for the following:

- Designing guidelines and evaluation criteria for empanelment of Business Development Service Providers (BDSPs).
- Strategy for MSMEs outreach, vendor mobilization and advertisements.
- Program manual for capacity building of DICs on the central and State Government schemes and policies
- Guidelines for creation of an online MSME platform and integrating it with the State's single window platform – Investment facilitation portal (IFP).
- Guidelines and evaluation criteria for hiring a technology development firm responsible for creating an online platform.
- Guidelines and strategies to onboard MSMEs to the program
- Identification of Nodal officers, guidelines, and timelines for approval of service request raised by MSMEs. The guidelines shall include the criteria for approval/ rejection of service raised by MSMEs.
- Assessment framework for evaluation of services delivered by BDSPs to MSEs
- Framework for monitoring and evaluation of the progress of the project
- Grievances redressal mechanisms (pertaining to services availed and delivered under this initiative) with timelines.

ii. MSME outreach activities and Advertisements

DICs with assistance from the MSME facilitation desk shall conduct outreach activities in specific locations throughout the State. These activities will focus on engaging MSMEs, industry associations and other pertinent stakeholders with the aim of sensitizing them about the initiatives.

The MSME Commissionerate shall carry out extensive advertising campaigns across various media platforms, include print dailies, news channels and social media. Additionally, poster distribution through DICs and billboard campaigns shall be launched at designated location to reach the target audience.

S No	Activity	Details	Frequency	Total number of workshops or events in a year	Per year cost in INR crore	Estimated Total cost for 4 years in INR crore
1	One day awareness workshop on Champion schemes and other Centre State schemes	DIC officials, industry associations, FIs, TReDS, ZED certification/other product certifiers, cluster associations	2 workshops per year per district (33 districts)	66	0.46	1.85
2	One day export facilitation workshop	DICs, DGFT, District Export Hub members, EPCs, Industry/cluster association	1 workshop per year per district (33 districts)	33	0.23	0.92
3	Branding promotion & Collateral	Advertisements collaterals (campaigns, branding and PR)	Per year	Coverage 33 districts	1.65	6.6
Total					2.34	9.37

Table 68 MSME outreach activities and Advertisements

Estimated cost of one workshop is INR 70,000 and cost of branding promotion & collateral is INR 5 lakh per district.

iii. BDS mobilization drive for empanelment:

At targeted locations, the DICs, with support from the Department of MSME Commissionerate/ SPIU/ PMU, to organize mobilization drives to engage service providers and sensitize them about the initiative. Sensitization efforts will be carried out to ensure that the service providers have clear understanding of the initiative. The mobilization drive will be conducted in the first year of the project implementation.

Empanelment of BDSPs and maintaining a registry of BDS providers:

- An advertisement will be floated by the MSME department inviting relevant BDSPs to submit their proposals for empanelment. The advertisements shall be placed with media dailies, departmental websites and government approved tender platforms.
- The BDSPs will submit their proposals to the Department.
- The PMU/SPIU will shortlist the BDSPs and place the shortlisted list with the MSME Directorate for approval. The PMU will undertake bid process support for shortlisting the BDSPs (as per evaluation criteria of the SOPs).
- After receiving approval, successful applicants shall be empaneled by the Department and their services shall be made available to MSMEs through a notification by the department of MSME Commissionerate. The empaneled pool of BDS providers may include:
 - Technology consultants (IT & communication, mechanical, electrical, civil and other engineering consultants)
 - Market intelligence providers
 - Financial advisors
 - Accounting & taxation consultants
 - ISO consultants
 - Energy, environment, and safety auditors
 - Legal advisors
 - Transportation and Logistics service providers
 - Testing service providers
 - Skilling service providers
 - Consultants supporting implementation of ZED, LEAN and other quality certifications.
 - Insurance providers
 - Service providers in packaging, supply chain and several other service providers

(This is not a comprehensive list of the targeted service providers)

The list of empaneled BDSPs shall be revisited by the MSME Department from time-to-time and the empanelment drive shall be repeated as per requirement.

S No	Activity description	Details	Frequency	Total number of events in a year	Per year cost in INR crore	Estimated Total cost for 4 years in INR crore
1	BDS mobilization drive, empanelment and Digital directory of BDS providers	DIC officials, industry associations and other key stakeholders	Per year	Coverage 33 districts	1.65	6.60
Total					1.65	6.60

Table 69 BDS Mobilization drive

Estimated Cost of empaneling BDS providers and maintaining digital registry is INR 5 lakh per district.

iv. Hiring of a Technology Development Firm

- A technology development firm shall be hired by the MSME Department to create an online MSME platform, which shall be integrated with the IFP Portal, for enabling MSMEs to engage with the empaneled BDS providers.
- The tech firm shall develop the architecture, design the platform, prepare the content for the portal, test the features/functionalities developed on the platform and launch it.
- There shall be an annual maintenance contract with the developer of the online platform from the second year onwards till the end of fourth year of the project.

Developing a Dedicated Integrated State MSME Portal

The proposed State MSME portal for Gujarat shall comprise of key modules aimed at enhancing the support and growth of Micro, small and medium enterprises (MSMEs).

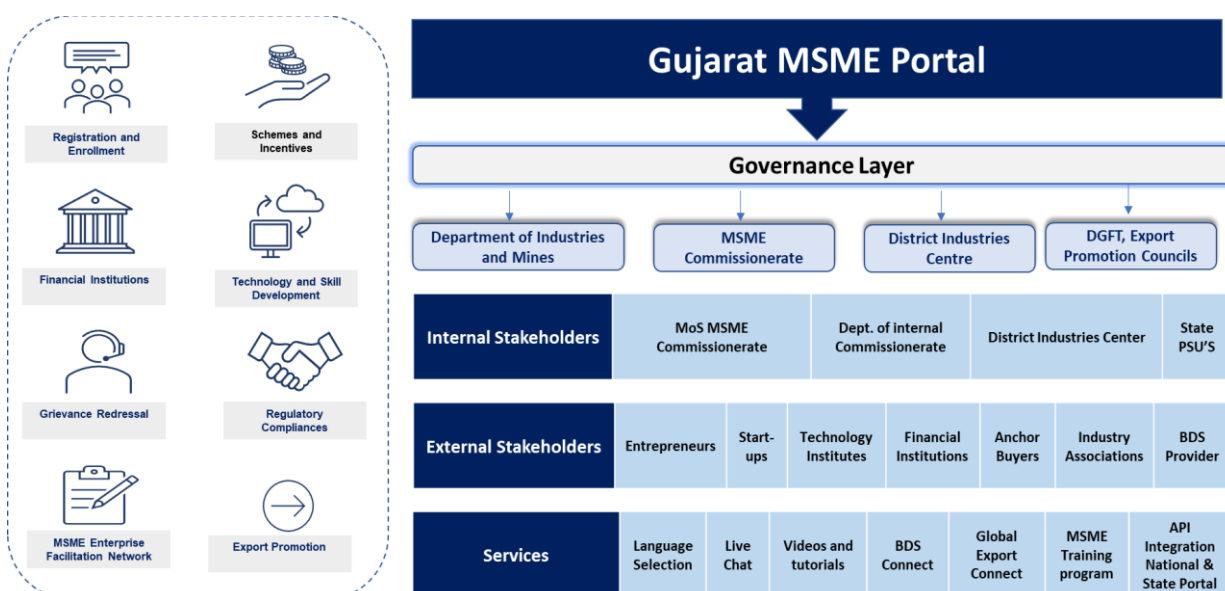


Figure 104 Governance Framework for MSME Portal

The highlighted modules include:

- Registration and Enrollment:** Create a unique ID for each MSME, integrate with national Udyam portal and other line department portals, simplify registration process, and capture basic information.
- Schemes and Incentives:** Provide comprehensive information on various central and state schemes, eligibility criteria, and application procedures.
- Financial Institutions:** Bridge the gap between MSMEs and lenders, offer information on available financial products, loans, and schemes from apex institutions like NABARD and SIDBI, and state institutions like KSFC and KSWDC.
- Technology and Skill Development:** Facilitate access to seminars, workshops, training programs, and resources on technological advancements and skill development.
- Grievance Redressal:** Establish a centralized platform for submitting and tracking grievances related to financial support, regulatory compliance, public procurement, etc., with a focus on resolving issues within 1-15 business days.

- f. **Regulatory Compliances:** Provide guidance and resources on regulatory requirements, including tax filings, licenses, permits, and various norms, to simplify compliance for MSMEs.
- g. **MSME Enterprise Facilitation Network:** Establish a network across 33 districts to support MSMEs throughout the business lifecycle, from pre-investment to post-implementation. This network will include:
 - o **MSME Facilitation Desks:** At district level, staffed with qualified personnel to assist with online applications, clearances, registration, etc.
 - o **Ask Industry Desks:** At industrial associations, manned by young professionals to provide awareness on available services and assistance with applications.
- h. **Procurement:** Maximize MSME participation in government procurements through access to centralized information and seamless integration with platforms like GeM and e-procurement websites.
- i. **Product Quality and Certifications:** Provide information on research and development facilities, incubation centers, product testing centers, and certifications like ZED, LEAN, ISI, ISO, FSSAI, etc., to help MSMEs improve product quality.
- j. **Marketing and Outreach Events:** Facilitate networking and collaboration among MSMEs through dedicated platforms, connect them with e-commerce platforms like ONDC, Amazon, etc., and provide information on domestic and international trade fairs and exhibitions.
- k. **Market Service Providers:** Offer a range of services such as awareness, marketing, and mentorship support to MSMEs through partnerships with established organizations and incubators.
- l. **Vendor Supplier Linkages:** Create a district-level digital directory to connect anchor units with MSMEs based on sector-specific needs, improving visibility and networking opportunities for MSMEs.
- m. **State MSME Dashboard:** To monitor the MSME ecosystem, track key indicators, evaluate policy effectiveness, and inform decision-making.

S No	Activity description	Justification	Estimated Total cost for 4 years in INR crore
1	Onboarding of tech firm for developing and testing the platform	Create a dedicated State MSME platform	4

Table 70 Onboarding of tech firm and developing testing platform

v. **Notification to all Line Departments**

The MSME Department shall notify all the Line Departments, dealing with MSEs, about the initiative.

vi. **Capacity Building for DICs and Industry associations**

- The PMU in collaboration with Industrial experts shall conduct capacity-building programs for DIC officials and Industry Associations to generate awareness regarding applicable schemes that can be availed by MSMEs.

S No	Activity description	Details	Frequency in a year	Total number of events in a year	Per year cost in INR crore	Estimated Total cost for 4 years in INR crore
1	One day workshop	DIC officials	Twice	State level – twice in a year for DIC officials across 33 districts	0.10	0.40
2	One day workshop	Industry associations	Twice	Events to be conducted at each district, twice in a year	0.46	1.85
Total					3.07	12.26

Table 71 Capacity Building for DICs and Industry associations

Estimated cost of one day workshop for DIC officers across 33 districts at State level is INR 5 lakh and estimated cost of one day workshop for industry association at district level is INR 70,000

vii. Grievance Redressal

- The online platform shall provide option for lodging grievances by aggrieved MSMEs and the BDSPs (related to the services provided by the empaneled BDS providers)
- An expert panel shall be created by the MSME Department for reviewing and addressing the grievances.
- The PMU shall compile the grievances received and present them to the panel as per timelines and guidelines mentioned in the SOP. The PMU shall provide MIS support to DICs.

d. Timelines for achievement of project deliverable

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Hiring of MSME promotion agency								
SOP designing								
MSME Awareness and outreach								
Activating and operationalizing MSME facilitation desk								
BDS empanelment and collating registry								
Onboarding of technology firm for developing MSME portal develop								
MSME portal development								
Integration with State portal and communication to all line department								
Post service feedback								
Capacity building of DICs								

Table 72 Timelines for achievement of project deliverable

H – half year

e. Project cost

S. No	Budget Component	Project Cost (INR in Crore)				
		Year 1	Year 2	Year 3	Year 4	Total
1	Project team (PMU in Gandhinagar 3 resources – 1 Project lead and 2 consultants) and (2 Consultants across 32 districts)	6.68	7.69	8.84	10.17	33.38
2	Awareness and outreach programs on Central and State schemes	0.46	0.46	0.46	0.46	1.84
3	One day export facilitation workshop	0.23	0.23	0.23	0.23	0.92
4	Advertisement collaterals (PR,	3.3	3.3	3.3	3.3	13.2

S. No	Budget Component	Project Cost (INR in Crore)				
		Year 1	Year 2	Year 3	Year 4	Total
	campaigns, and ads)					
5	BDS mobilization and Digital directory of BDS providers	1.65	3.3	3.3	3.3	11.55
6	MSME portal development	3.1	0.27	0.27	0.27	3.91
7	Capacity building workshop for DIC	0.10	0.10	0.10	0.10	0.40
8	Capacity building workshop for industry association	0.46	0.46	0.46	0.46	1.85
9	Rental space*	1.96	1.96	1.96	1.96	7.84
	Sub total	17.95	17.77	18.92	20.25	74.89
	Total budget outlay	74.89				
	States contribution*	7.84				
	Gap funding by RAMP	67.05				

Table 73 Project Cost for proposed intervention 2

f. Expected impact.

Description	Year 1	Year 2	Year 3	Year 4	Total
MSMEs availing Central and State schemes/ incentives online	30,000	40,000	50,000	60,000	1,80,000
MSMEs targeted for ZED/ quality certificates under Champion schemes	4950	5940	7128	8554	26,572
BDS request filled	1000	2000	3000	4000	10,000

Table 74 Expected Impact

g. KPI indicators

- Number of MSMEs registered and accessing services through the platform.
- Year on year increase in the number of subsidies and other government schemes availed by MSMEs.
- Year on year increase in the number of subsidies and other government schemes availed by women led MSMEs, SC & ST.
- Year on year increase in the number of ZED/ LEAN schemes and quality certificates availed by MSMEs, women led MSMEs, SC & ST.
- Year on year increase in the number of empaneled BDS providers
- Number of grievances addressed.

5.3 Project 3 - Proposal for setting up of State Export promotion cell and Strengthening Export Competitiveness of MSMEs

a. Understanding the Problem Statement:

India aims to boost its global trade export, targeting a rise to 3% by 2027 and a significant growth to 10% by 2047 from the current 2.1%⁷⁹. Gujarat presents a unique opportunity in India's export ambitions. The current volume of exports from Gujarat for the period 2022-23 stands at 146.5 billion USD, constituting 34% of the overall exports in India⁸⁰. MSMEs often face hurdles tapping into international markets due to limited awareness of export policies, complex documentation requirements, uncertainty regarding target markets, challenges in finding reliable buyers, hidden logistics and tariff costs with concerns about fluctuating foreign exchange conversion rate.

This involves interacting with diverse stakeholders, acquiring necessary certifications, navigating digital platforms for export registration, and more. The dearth of knowledge about these processes hinders entrepreneurs interested in exports from independently participating in such activities. Moreover, MSMEs possessing export potential frequently remain oblivious to this prospect. Another impediment is the MSMEs' challenge in targeting suitable markets and customers for their products. Both emerging and established MSMEs involved in exports face hurdles in expanding their global footprint due to insufficient information to identify markets for their products.

b. Proposed project concept:

- Training of MSMEs on export standards/compliances applicable in potential markets.
- Equip MSMEs with the knowledge and skills needed to navigate export procedures and comply with international standards.
- Facilitate connections between Gujarat's MSMEs and international buyers, leading to increased export orders and revenue generation. Gujarat MSMEs shall be capacitated to enter Global Value Chains and expand their horizons.
- Create synergies between the efforts of export promotion agencies.

c. Approach and methodology for Execution:

It is proposed to roll out an export promotion cell with the MSME Commissionerate department/ Industries and Mines department. The State export promotion cell will be the State nodal agency that will work with the DGFT, 39 sectoral Export promotion councils and District Export Promotion Committee (DEPC) for undertaking activities to boost exports from the state and handhold potential MSMEs in their efforts to export.

a. Project Governance and roll out:

- Steering Committee: The committee will be comprised of senior representatives from government, industry associations, export promotion councils/ bodies and academia (7-10 members)
 - Chairperson: Industries commissioner, Government of Gujarat
 - Industry representation: Industry association members or key industrialist from key export sectors
 - Academic experts: Professors or researchers from IIM Ahmedabad or other academia with expertise in international trade
 - Export Promotion agencies: Representatives from national and regional export promotion agencies.

⁷⁹ (IBEF 2022), [India aims for 10% share in global exports by 2047 | IBEF](#)

⁸⁰ NIRYAT portal, DGFT GoI

- District Export Promotion Committee (DEPC).

- **Composition of Export Cell:**

Team composition for the State Export Promotion Cell for planning, implementing, coordinating activities with District Export hubs, and monitoring the various activities aimed at boosting Gujarat's export growth.

A	Team composition	Number of people	Role
1	Export compliance expert	1	Assist MSMEs with specific export challenges, offer guidance on market entry strategies and connect them with relevant resources such as certification bodies, logistics provider and trade association.
2	Legal expert	1	The expert will support entrepreneurs in navigating legal aspects of international trade, offering guidance on financing, customs, contracts and resolving any disputes that may arise.
3	Market researcher	1	Analyze trade data and market trends, identify export opportunities and feed valuable insights to provide insights for portal content and MSME support
4	Export promotion and market linkages expert with OEMs and GVC linkage	1	Respond to enquiries from buyers and sellers, facilitate business matchmaking, build relationships with OEMs and large companies to explore potential market linkages

Table 75 Role of team composition of Export Cell

S No	Team composition	Justification	Per month cost in INR	Per year cost in INR Crore	Estimated Total cost for 4 years in INR crore
1	Export Compliance	48 man-months @ Rs 36 lakh per year	3,00,000	0.36	1.44
2	Legal expert	48 man-months @ Rs 36 lakh per year	3,00,000	0.36	1.44
3	Market researcher	48 man-months @ Rs 24 lakh per year	2,00,000	0.24	0.96
4	Export promotion and market linkages expert	48 man-months @ Rs 30 lakh per year	2,50,000	0.3	1.2
Total			10,50,000	1.26	5.04

Table 76 Costing of team composition of Export Cell

b. Market Development assistance program:

i. International conference on standards and compliances

Empowering Gujarat's MSMEs to enter global markets requires understanding of export standards and compliances. Two international conferences on standards and compliances are proposed during the project period, where MSME representatives from different sectors, industry experts,

and government officials will convene to gain insights. To maximize the impact of the event, invitations will be extended to globally renowned experts and international agencies specializing in global standards and regulatory frameworks. Government agencies, industry associations, global accreditation bodies and compliance experts will be present for exchange of knowledge. The event will empower MSMEs with necessary information for implementing quality control measures and obtaining necessary certifications.

ii. Reverse Buyer-Seller meets.

This initiative shall connect Gujarat's MSMEs with prospective buyers from key global markets by facilitating targeted B2B matchmaking. GVC linkages will be the main objective of these meets. Pre-arranged meetings will be organized between buyers and sellers via the Export platform in the State MSME portal. Pre-arranged meetings will help aligning sellers with buyer's product compatibility and global market demand for meaningful discussions. The reverse buyer-seller meet will serve as a catalyst for building lasting business relationships and negotiating export deals, enabling MSMEs to showcase their products and strategically expand their international presence. Also, special emphasis will be given to MSMEs competing in niche market instead of competing in saturated markets.

Handholding support to MSMEs	Description
Pre-conference workshops	<p>Introductory sessions on export procedures, standards awareness, and market research to prepare participants for the main event. This will be provided through Industry association and DICs.</p> <p>Support will be provided to the potential MSMEs to design and curate their product catalogues for promotion and outreach to buyers.</p>
Conference	<p>Plenary sessions: Featuring keynote speakers from international accreditation bodies and industry leaders, addressing overall trends and challenges in global standards and compliance.</p> <p>Panel discussions: Bringing together a diverse group of experts to discuss specific compliance requirements, best practices, and case studies relevant to different industries.</p> <p>Breakout sessions: Offering deeper dives into specific standards, certification processes, and market access strategies for targeted product categories.</p> <p>B2B meetings: Facilitating interaction between MSMEs and potential buyers, investors, and service providers who can support their export compliance journey.</p> <p>Exhibition booths: Showcasing ODOP products, certification services, and technologies relevant to MSMEs with special focus to women/ SC/ST entrepreneurs and niche sectors</p>
Post-conference	Facilitate connections between MSMEs and relevant resources, provide access to recordings and presentations, and offer ongoing support through mentorship programs or online communities.

Table 77 Handholding support to MSMEs

S No	Activity description	Details	Total number of events in 4 years	Per event cost in INR crore	Estimated Total cost for 4 years in INR crore
1	One day international conference on standard and compliances	Government departments, MSMEs, Industry/ cluster association, DGFT, Export promotion councils (EPCs), District export promotion hubs (DEPH), global accreditation bodies and compliance experts	2	0.55	1.1
2	Reverse buyer sellers meet		2	1.5	3
3	PR, Outreach, and campaign		4	0.1	0.4
	Total			2.15	4.5

Table 78 Activities for Reverse Buyer-Seller meets

Estimated cost of one day international conference with 500 pax, stay and logistics – INR 55 lakh and estimated cost of one reverse buyer sellers meet with at least 3000 pax – INR 1.5 Crore

iii. Export guides

The MSME Commissionerate in partnership with the District Industries Centre and Industrial Area Association, Cluster Association, will have country wise sectoral information on compliances and procedures to export different products. Moreover, it will have information on different quality certifications, testing laboratories, BDS providers, information on logistics providers etc. It will provide updated information on export regulations and policies. The development cost for one sectoral export guide is projected at INR 10 lakh.

S No	Activity description	Details	Estimated Total cost for 4 years in INR crore
1	Export guides	Top 10 sectors	1.00
	Total		1.00

Table 79 Export guides

iv. Digital Cataloguing support to MSMEs

Cataloguing support for 10,000 MSMEs will involve creation and optimization of product catalogs to enhance their market visibility and accessibility. Through this initiative, MSMEs will receive assistance in presenting their products in a structured and appealing manner, making it easier for potential buyers to discover and understand their offerings. This service includes organizing product information, high-quality imagery, and relevant details, contributing to an effective online and offline presence. MSMEs can use these catalogues for ONDC platforms, e-commerce websites, ensuring their products are effectively showcased facilitating better engagement with customers and potential business partners.

S No	Activity description	Details	Unit cost of catalogue creation in INR	Cost per year in INR crore	Estimated Total cost for 4 years in INR crore
1	Digital Cataloguing support	Support 10,000 MSMEs across 33 districts	5,000	5	20
	Total			5	20

Table 80 Digital Cataloguing support to MSMEs

v. Global export connect portal for product listing by MSMEs.

The Global export connect portal will be integrated with the State MSME portal. This portal can offer valuable support features to sellers and buyers throughout the shipment journey, enhancing efficiency and visibility. The cost of this integrated portal is reflected as a combined development cost in Project 2 - Strengthening capacities of DICs and promoting MSME development across sectors as the hiring technical agency and implementing agency will be the same.

Awareness and Expertise	Product Listing and Discovery	Export Documentation Support	Product Testing Information	Export Cost Estimation
Financial Support	Locate logistical Service provider	Reconciliation Support	Customer care and Query Resolution	
Virtual Pavilion	a. Organize promotional events and exhibitions once a year			
	b. Reverse B2B meetings/B2G meetings and international delegation visits			

Table 81 Global Export Connect Portal Framework

a. Marketing and Branding:

- **Develop a "Gujarat Export" brand identity:** Create a strong and consistent brand identity to promote Gujarat's unique export offerings and build trust internationally.
- **Participate in international trade shows and conferences:** Showcase Gujarat's export potential at key international trade events to reach a wider audience.
- **Develop targeted marketing campaigns:** Implement targeted digital marketing campaigns in key markets to promote specific products and sectors such as promotion of ODOP products.
- **Public relations and media outreach:** Build positive media relations and generate international awareness about Gujarat's export capabilities.

b. Partnership Development:

- **Partner with industry associations and chambers of commerce:** Collaborate with industry stakeholders to organize and promote export-related events and conferences.
- **Develop strategic partnerships with international trade bodies:** Partner with international trade organizations to facilitate market access and exchange of knowledge.
- **Establish an export awards program:** Recognize and reward successful exporters to encourage and inspire others.

c. Customer care and query resolution:

The platform will provide user friendly chatbot AI, available in regional languages. To seek assistance, users simply access the chat feature and type their queries in English and preferred languages. The AI, equipped with natural language processing will understand and analyse the queries. It then provides instant and accurate responses, guiding buyers/sellers through issue resolution steps or connect them with relevant support customer care for quick and efficient experience.

d. Timelines for achievement of project deliverable

Activities	Description	Year 1		Year 2		Year 3		Year 4	
		H1	H2	H3	H4	H5	H6	H7	H8
State export promotion cell	Onboarding of team and conduct sectoral research								
Market development assistance	Host international conference, organize reverse buyer-sellers meet, MSME handholding in digital catalogue								
Handholding of MSMEs	Pilot programs, trade missions, buyer-seller meeting, export documentation assistance								
Marketing and Branding	Marketing materials development, branding strategy implementation, initial campaign launch								
Deepening partnerships	Foster collaboration with industry associations								

Table 82 Timelines for achievement of project deliverable

H – half year

e. Project cost

S. No	Budget Component	Project Cost (INR in Crore)				
		Year 1	Year 2	Year 3	Year 4	Total
1	State Export promotion cell – 4 members	1.26	1.45	1.67	1.92	6.29
2	Market Development Assistance	0.65	1.60	0.65	1.60	4.50
3	Repository of export guides	0.80	0.10	0.10		1.00
4	Cataloguing support for 10,000 MSMEs across 33 districts.	10.00	6.00	3.00	1.00	20.00
5	E-library - subscription to international magazines and publications	0.10	0.10	0.10	0.10	0.40
6	Cost of space for venue*	0.81	0.81	0.81	0.81	3.24
7	Global export connect portal for product listing by MSMEs (Cost of developing this module will be developed as a part of State MSME portal reflected in Project 2)	-	-	-	-	-
	Sub total	13.62	10.06	6.33	5.43	35.43
	Total budget outlay	35.43				
	States contribution*	3.24				
	Gap funding by RAMP	32.19				

Table 83 Project Cost for proposed intervention 3

h. Expected impact

Description	Year 1	Year 2	Year 3	Year 4	Total
No. of MSMEs exporting	4000	6000	8000	10,000	28,000
No. of MSMEs supported for digital cataloguing	5000	3000	1500	500	10,000
No. of MSMEs availing improved product quality and compliance	3000	4000	5000	6000	18,000
No. of MSMEs benefitting from B2B connections and partnerships with potential buyers and investors	10	15	20	25	70

Table 84 Expected Impact

i. KPI indicators

- Number of new exports markets entered by participating MSMEs.
- Year on year participation of MSMEs in reverse buyer-sellers meets.
- Year on year participation of international buyers in B2B meets.
- Year on year percentage of MSMEs obtaining relevant export certifications.
- Number of MSMEs availing digital catalogue facilities.

5.4 Project 4 - Scaling up Industry 4.0 transformation in Gujarat's manufacturing sector.

a. Understanding the Problem Statement:

In the wake of COVID-19 pandemic, MSMEs faced unprecedented challenges related to business continuity, compliance readiness and disaster resilience. The need for a robust digital infrastructure, including elements like digital twin technology has become paramount for MSMEs to pivot at the time of disaster. MSMEs grapple with ensuring compliance with evolving regulations while maintaining their operations. In India, while adoption of these technologies is happening, large-scale penetration is not visible. The Government of Gujarat acknowledges the importance of Industry 4.0 for Aatmanirbharta and global value chain participation. The State of Gujarat has provided conducive environment in partnership with different departments and technology startup incubators to support startups and MSMEs in this area. These initiatives are in line with the State's industrial policy, national initiatives like SAMARTH (Smart Advanced Manufacturing and Rapid Transformation Hubs) Udyog 4.0 under the Ministry of Heavy Industries and Public Enterprises and Center for Fourth Industrial Revolution, 2018, to develop policy frameworks for emerging technologies.

A comprehensive industry 4.0 initiatives will empower MSMEs sectors (e.g., heavy industries, manufacturing, automotive, electronics, food processing, chemical, healthcare and others) with cutting-edge technologies to enhance efficiency and competitiveness. Industry 4.0, the fourth industrial revolution will offer a strategic opportunity for them to address these issues and drive sustainable growth.

b. Proposed project concept:

- Implement industry 4.0 technologies to enhance manufacturing processes and productivity specifically for MSMEs.
- Improve product quality and reduce defects through real-time monitoring and control.
- Enhance supply chain management and logistics through the use of IoT and data analytics.
- Enable MSMEs to adapt to changing customer demands and markets swiftly.
- Co-create solutions working with enterprises and startups.

c. Approach and methodology for Execution:

The State of Gujarat has a Center of Excellence for IoT & AI based in Gandhinagar which is led jointly by Ministry of Electronics and Information Technology, Department of Science and Technology and Government of Gujarat. It is the largest existing innovation platform for enabling IoT revolution using emerging technologies. To increase the adoption of Industry 4.0 initiative to MSMEs, the MSME Commissionerate will empanel suitable implementing agency such as iCreate/ NASSCOM/ Center of Innovation Incubation & Entrepreneurship (CIIE) Ahmedabad to implement the program.

Sector focus:

1. Manufacturing SMEs (heavy engineering, medical devices, agro-food processing, furnishing products, plastic, Textiles)
2. Pharmaceuticals, APIs, and Life sciences
3. Other Sectors identified from time to time.

The implementing agency will support MSMEs for industry 4.0 adoption using a two-pronged approach: a) MSMEs with clear solutions to their problem statement and b) MSMEs where problem statements are identified by the implementing agency through an in-person diagnostic

assessment at the site, and solutions are then identified through market linkages. Around 1000 MSMEs across 10 sectors will be identified and assessed based on their maturity (technology adoption, operational efficiency, financial stability etc.) and readiness (availability of skilled workforce, openness to technological advancement) indicator to adopt industry 4.0.

Phase 1 - Raising awareness: In the initial phase, the implementing agencies will conduct a series of roadshows across regions-wise clusters in Gujarat. Minimum 8 events will be planned in a year. These roadshows will serve as a platform for sensitizing MSMEs to the benefits of Industry 4.0 technologies. The events will showcase success stories utilizing digital technologies, share experts' knowledge and facilitate networking and one-to-one interactions between MSMEs and startups. Based on the experience of initial event, more districts will be covered in subsequent years to target reaching out to **10,000 MSMEs** over the course of 4 years.

S No	Activity description	Details	Total number of workshops or events in a year	Cost per year in INR crore	Total cost for 4 years in INR crore
1	One day awareness workshop	DIC officials, industry associations, cluster associations, MSMEs	8	0.06	0.22

Table 85 One day awareness workshop

Phase 2 – Diagnostic assessment and Problem Statement Consolidation

1000 MSMEs will be provided consulting and handholding support for adoption of Industry 4.0 technologies. The implementing agency will gather industry-specific challenges directly from MSMEs, focusing on their unique needs based on a diagnostic study which will be an in-person visit to the site location, data analysis through the readiness tool and stakeholder consultations. The digital transformation of MSMEs will vary on a case-to-case basis depending on the degree of automation required by each in various value chains. The SMEs will pick and choose technologies that can provide crucial business insights to deliver maximum return on Investment based on consultation.

To help MSMEs in deciding the right kind of solutions, the implementing agency will help MSMEs to pick and choose solutions by providing guidance through.

- A list of use cases of Industry 4.0 technologies linked to specific nodes in the value chain. This tool will act as a guide for MSMEs to choose from different use case scenarios across their value chain of the sector.
- A tool to gauge the industrial 4.0 maturity and readiness: The model will help enterprises, in formulating a comprehensive and sustainable digital transformation roadmap. The roadmap will include strategies for effective data capture and aggregation from external and internal sources, and finally for data intelligence to create valuable business insights.

Post diagnostic assessment, recommendations will be categorized as provided.

- For readily available solutions,** MSMEs will receive comprehensive support. This will include diagnostic assessment through use case demonstrations, physical assessments, connecting with relevant service providers and technology adoption handholding of MSMEs.

For challenges lacking immediate solutions, exciting grand challenges will be launched. MSMEs will be actively guided through the implementation of these cutting-edge technologies.

Indicative use case category	Priority level (Out of 5) ⁸¹
Smart energy solutions	4
Vision AI based quality inspection on shop floor	5
Inventory management, supply chain & digitization of data using RFID/ 4G/ Wi-Fi devices	4
Remote collaboration and training using AR/VR technologies, 360-degree plant view	2
Smart asset monitoring & predictive maintenance of high value assets (IOT gateways, AI/ML based data modeling)	5
Overall equipment effectiveness (IoT data)	4
Shopfloor digitization -eLogbook for real time data acquisition	5
Worker's safety and productivity	4
IoT based quality inspection of perishable good in warehouses	5
Spectrometric inspection of agri-food products	5

Table 86 Indicative use case category

S No	Activity description	Total cost for 4 years in INR crore
1	Cost of consultation by agency, INR 5 lakh per MSME	50 (1000 MSMEs)
2	Virtual dashboard for MSMEs on adoption of industry 4.0	0.40
3	Development of MSME assessment tool for industrial 4.0 maturity and readiness	0.10
	Total	50.50

Table 87 Activities under diagnostic study

Phase 3: Integration with Tech solutions

After a thorough assessment, the implementing agency will pair suitable startups/solutions with respective MSMEs.

- For problem statements with readily available solution, the implementing agency will connect relevant startups to visit MSME facilities based on the diagnostic assessment conducted by the agency. Startups will finalize commercials for pilot deployment. The implementing agency will focus on its core responsibilities, overseeing and facilitating the smooth execution of the pilot, without involvement in commercial matters.
- For challenges lacking immediate solutions, startups will be invited to participate in MSME Industry 4.0 grand challenges. Based on the solutions developed by startup, MSMEs and startups will discuss further the commercialization. The agency will support in end-to-end handholding support for novel innovative tech solutions.

S No	Activity description	Details	Total number of workshops or events in a year	Cost per year in INR crore	Total cost for 4 years in INR crore
1	MSME Industry 4.0 challenge	DIC officials, industry associations, cluster associations, MSMEs	2 events attracting at least 500 MSMEs each	0.20	0.80

Table 88 MSME Industry 4.0

⁸¹ 1 being the lowest and 5 being the highest priority level

Phase 4 - Skill training: The program will enable learning model factory demonstrations, assessment and roadmap workshops, and implementation advisory for Industry 4.0 with strong linkages to post-graduate/graduate students with academia. Also, training of workforce will be provided in the sunrise sector - **Semiconductor, Electronics, Renewable Energy, AI, IoT, Blockchain, Green Hydrogen**. This programme will be in partnership with ITI and vocational training institute. This will be done through initiatives such as awareness workshops and the 90-day training and mentorship programs. The implementing agency will provide standard implementation advisories for small and medium enterprises involved in foundry, forging, plastic molding, quality management and process operation monitoring. In addition, develop a 'Digital Tool Kit' for the SMEs with different sectors.

S No	Activity description	Cost of one workshop in INR	Cost per year in INR crore	Total cost for 4 years in INR crore
1	Short term technical skill training of industry personnel	10,00,000	0.10	0.40

Table 89 Short term technical skill training of industry personnel

Phase 5: Use case repository

The implementing agency will create an 'open repository' of 1000 product/components based on MSME requirements. This repository, sourced from startups, academic institutions, and research entities, will provide production-ready blueprints to MSMEs, reducing the need for heavy investments in R&D and new product development. This repository will be made available through the MSME portal.

S No	Activity description	Cost per year in INR crore	Total cost for 4 years in INR crore
1	Use case repository of 1000 use cases across sectors	0.10	0.40

Table 90 Use case repository of 1000 use cases across sectors

d. Timelines for achievement of project deliverable

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
MoU Signing before commencing road shows								
Conducting roadshows covering at least 8 districts per year								
Diagnostic assessment using use cases and tool to identify MSME readiness to industry 4.0 solutions								
Connecting MSMEs with technology service providers for readily available solution								
For challenges without immediate solutions, organize and launch MSME Industry 4.0 challenge to connect MSMEs and Startups								
Skilling of MSME manpower on new technology								
Creating a design repository 1000 use cases across different sectors								

Table 91 Timelines for achievement of project deliverable

H – half year

e. Project cost

S. No	Budget Component	Project Cost (INR in Crore)				
		Year 1	Year 2	Year 3	Year 4	Total
1	Cost of consultation by agency	12.50	12.50	12.50	12.50	50.00
2	Roadshows for MSME awareness	0.06	0.06	0.06	0.06	0.24
3	Virtual dashboard	0.40	-	-	-	0.40
4	Development of MSME assessment tool for industrial 4.0 maturity and readiness	0.10	-	-	-	0.10
5	MSME industry 4.0 challenge	0.20	0.20	0.20	0.20	0.80
6	Capacity building workshops for MSME	0.10	0.10	0.10	0.10	0.40
7	Use case repository of 1000 use cases across sectors	0.10	0.10	0.10	0.10	0.40
	Sub total	13.46	12.96	12.96	12.96	52.34
	Total budget outlay	52.34				
	States contribution	-				
	Gap funding by RAMP	52.34				

Table 92 Project Cost for proposed intervention 4

f. Expected impact:

Description	Impact in numbers				
	Year 1	Year 2	Year 3	Year 4	Total
Number of awareness events conducted	8	8	8	8	32
Number of MSMEs outreached	1000	2000	3000	4000	10,000
Number of MSMEs adopting industry 4.0 technologies	100	200	300	400	1000
Number of trainees under skilling program	100	200	300	400	1000

Table 93 Expected Impact

g. KPI indicators

- Number of MSMEs attending roadshows
- Number of industry specific problem statements collected.
- Engagement with different MSME sectors
- Number of relevant and quality startup proposals submitted.
- Number of successful technology solutions initiated.

5.5 Project 5 - Channeling finance for greening of MSMEs through Gujarat Green MSME Development scheme

a. Understanding the Problem Statement:

In the area of green financing for MSMEs, several bottlenecks hinder the seamless integration of sustainable practices into the production processes. One significant challenge lies in the limited awareness and understanding among MSMEs, banking officials and government officials regarding green financing options. Lack of knowledge about available schemes, coupled with apprehensions about the complexities involved, discourages MSMEs from actively seeking and adopting eco-friendly financial mechanisms. Additionally, financial institutions often face difficulties in accurately assessing environmental impact of MSME projects, understanding longevity and disposal of green assets in case of recovering losses, leading to hesitancy in providing green finance. This gap in understanding and assessment creates a substantial barrier to adoption of green financing by MSMEs.

To overcome these challenges and effectively align green financing with SDG goals, a multifaceted approach is imperative. In this regard, Ministry of MSME has launched a new scheme called Green MSME Development scheme to provide financial assistance to MSMEs adopting sustainable technologies and renewable energy sources. The allocation for the scheme is set at INR 490 Crore. Simultaneously, financial institutions need to establish dedicated green financing products ensuring that the products are well promoted and easily accessible. SIDBI has already designed specific products to finance green technology initiatives of the MSMEs.

b. Proposed project concept:

The project's objective includes rolling out an online platform to onboard banks offering green financing products and certifying agencies for green technologies and providing access of this ecosystem to MSMEs. Additionally, the portal will serve as a knowledge repository for sector wise green technologies already identified by several institutions such as BEE, SIDBI and other financial and technical institutions. The project aims to provide financial assistance to MSMEs for certification. Further, capacity building programs will be conducted for bankers and other support institutions under this scheme.

c. Approach and methodology for Execution:

The MSME Commissionerate will roll out a scheme to encourage MSMEs to avail green financing for technology upgradation for energy efficiency or sustainable practices.

Phase I: Green Tech accreditation portal for empaneling certifying agencies:

A State level platform will be developed, to create interface between banks, certifying agencies for green technologies and MSMEs. **Key modules within the portal will include the following: knowledge repository of green technologies, information on financing products and mechanisms, best practices on GHG reduction etc.**

Certification of green technologies along with stating their impact on reducing carbon footprints and emissions etc. will be transparent and robust standards aligned with international best practices will be adopted by the certifying agencies.

A set of national/ international experienced and professional agencies will be empaneled and onboarded on to the platform (LEED India, carbon clean India, BEE, SGS India, TUV India Pvt Ltd etc). The agencies will have to qualify the criteria put forth by the MSME Commissionerate for shortlisting such agencies based on their technical expertise, prior experience, capacity etc. There

will be an open advertisement in the beginning and the received proposals will be evaluated by a committee set up for the purpose. Subsequent additions to the list would be done on need basis. The pilot launch will involve selecting a representative group of banks, agencies refining the platform on pilot feedback and optimal functionality based on user experiences before full scale implementation.

S No	Activity description	Justification	Cost per year in INR crore	Estimated Total cost for 4 years in INR crore
1	Onboarding a tech firm for developing and testing the platform	Create a dedicated MSME green financing platform	One time development cost and subsequent years maintenance cost	0.20
2	Advertisement for empanelment of certifying agencies and other promotional measures to spread awareness among bankers/ other stakeholders	There has to be widespread dissemination of the portal to have larger participation of service providers	0.5	2
Total				2.2

Table 94 Activity description

Phase II: Financial assistance to MSMEs for different green technologies

The Gujarat Green Development Scheme will comprehensively cover certification costs for MSMEs undergoing technology upgradation audits to enhance their energy efficiency and sustainable practices. Under this scheme, certification expenses will be subsidized based on different slabs.

S No	Cost of technology upgradation/machinery/ project in INR	Certification cost
1	Upto 10 lakh	Rs 5000
2	10 lakh -50 lakh	Rs 10,000
3	50 lakhs to 2 Crore	Rs 20,000
4	More than 2 Crore	Rs 25,000

Table 95 Cost of technology upgradation/machinery/ project

Target numbers of MSMEs					
	Year 1	Year 2	Year 3	Year 4	Total
Upto 10 lakh	600	700	800	900	3000
10 lakh -50 lakh	1200	1400	1600	1800	6000
50 lakhs to 2 Crore	800	933	1066	1200	4000
More than 2 Crore	400	466	533	600	2000
Total	3000	3499	3999	4500	15000

Table 96 Target numbers of MSMEs

S No	Activity description	Year 1	Year 2	Year 3	Year 4	Estimated Total cost for 4 years in INR crore
1	Financial assistance to MSMEs for certification cost for Technology audits	4.10	4.78	5.46	6.15	20.5

Table 97 Activities description different green technologies

Estimated cost of financial assistance = Target number for MSMEs for Y1 (ex: Upto 10 lakh – 600 MSMEs) x Certification cost INR 5000 which is INR 30 lakh. Similarly, all costs have been calculated for Year 1 to get total INR 4.10 Crore

Phase III: Conducting a benchmarking study for green technology and green financing across sectors.

A comprehensive study will be conducted to analyze available green technologies across sectors and financial assistance mechanisms. The aim is to identify best practices, assess the effectiveness of existing green initiatives and pinpoint areas for improvement. The study will navigate across industries, explore diverse sustainable practices and existing financial support structure to foster green transitions.

S No	Activity description	Justification	Estimated Total cost for 4 years in INR crore
1	Benchmarking study for green technology and access to green financing support to MSMEs	One time	0.15

Table 98 Benchmarking study for green technology and access to green financing support to MSMEs

Phase IV: Capacity building of banking officials:

Conduct biannual capacity building trainings of banking officials, financiers, government officials, industry associations and MSMEs. The MSME Commissionerate/ SPIU/ DICs will work in partnership with industry associations to build local capacity through training programs. This would involve developing of training modules, conduct hands-on workshop and technical support.

S No	Activity description	Details	Total number of events in a year	Per event cost in INR crore	Estimated Total cost for 4 years in INR crore
1	One day capacity building workshop	Financial institutions, DICs and Industry/ cluster association	2	0.21	0.84
2	PR, Outreach, and campaigns targeting MSMEs	Tie ups with industry associations for promotion, generating awareness through their directories/ portals, participating in events	1	0.25	1
Total				0.46	1.84

Table 99 Capacity building of banking officials

d. Timelines for achievement of project deliverable

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
SOP guideline preparation by SPIU team								
Hiring a tech firm for portal development								
Onboarding banks, certifying agencies and other service providers such as technology suppliers								
Financial assistance covered for MSMEs in technology audits								
Conducting a benchmarking study of green technologies and synergies with climate finance								
Capacity building & outreach								

Table 100 Timelines for achievement of project deliverable

H – half year

e. Project cost and impact

S. No	Budget Component	Project Cost (INR in Crore)				
		Year 1	Year 2	Year 3	Year 4	Total
1	Onboarding of tech firm for portal development	0.2	0.02	0.02	0.02	0.26
2	Onboarding of certifying agencies through empanelment process	0.5	0.5	0.5	0.5	2
3	Financial assistance to MSMEs for certification cost for Technology audits	4.10	4.78	5.46	6.15	20.50
4	Benchmarking study for green technology and access to green financing support to MSMEs	0.15	-	-	-	0.15
5	One day capacity building workshop with banking officials, promotion, and outreach events	0.21	0.21	0.21	0.21	0.84
6	PR, Outreach, and campaigns targeting MSMEs	0.25	0.25	0.25	0.25	1
	Total budget outlay	5.41	5.76	6.44	7.13	24.74
	States contribution	-				
	Gap funding by RAMP	24.74				

Table 101 Project cost for proposed intervention 5

f. Expected impact:

Description	Impact in numbers				
	Year 1	Year 2	Year 3	Year 4	Total
Number of MSMEs availed financial assistance	3000	3499	3999	4500	15000
Number of banking officials trained	30	40	50	60	180

Table 102 Expected Impact

g. KPI indicators

- Number of accredited agencies onboarded on portal
- Number of financial institutions onboarded on portal
- Year on year increase in the volume of green finance disbursed to MSMEs
- Number of MSMEs availed services online through the portal

5.6 Project 6 - Short term management training Program for Associations (SHG, Trust, Cluster) and Industry associations in Gujarat

a. Understanding the Problem Statement:

The Special Purpose Vehicle (SPV) model has emerged as a key instrument for implementing various government projects and schemes. However, SPV professionals, governance structures, and industry associations often lack adequate training in effectively managing, overseeing, and collaborating within this framework. This leads to challenges in project implementation, efficiency, and transparency, ultimately impacting project outcomes and stakeholder satisfaction.

b. Proposed project concept:

This project proposes an integrated approach to capacitate the associations by focusing on strengthening their processes, infrastructure and their personnel. The intervention will be targeted and focused with the following key objectives:

- Strengthen the capacities of SPVs and regional district/ cluster associations through targeted short-term training programs for their personnel.
- Provide technology support, to empower SPVs/associations to strengthen their digital capabilities.
- Create a customized Enterprise Resource Planning (ERP) software to streamline and optimize the operational processes of industry associations and SPVs.
- Provide mentoring support with mentors from well-established national/state industry associations.

c. Approach and methodology for Execution:

This intervention will focus on capacity building of 50 MSME associations out of 312 existing cluster associations. Those association who has been operational for 3 years will be qualified to participate in this programme. Any deviation from this criterion will have to be approved by MSME Commissionerate. The MSME Commissionerate will onboard a suitable implementing agency through a tendering process. Organizations like Entrepreneurship Development Institute of India (EDII) or any other institution having experience of working extensively with industry associations or collectives of MSMEs can be onboarded for this initiative. The approach and methodology will encompass a three-fold strategy.

a. Strengthening of SPVs through technology infrastructure

One personnel of SPV or cluster association will be selected to undergo a short management training course at EDII/ other implementing agency with adequate infrastructure and technical capacity. Technology support/ ICT infrastructure will aim to enhance the digital capabilities of these entities as part of digital literacy program. To address this, the government will provide one-time financial assistance to upgrade cluster associations/ SPVs IT infrastructure

S No	Activity description	SPVs/ industry associations	Cost per Association in INR	Estimated Total cost for 4 years in INR crore
1	One-time financial assistance to association/ SPV for technology upgradation- acquisition of a desktop/ laptop/ networking infra	50	100,000	0.50

Table 103 Activity description for strengthening of SPVs

Training program and mentoring support for associations A dedicated team from the implementing agency will oversee project implementation including curriculum development, partnerships, and participant outreach. The team will consist of group of faculty and mentors who will serve as experts to deliver modules, conduct workshops, and provide mentorship support. At least one personnel from the 50 selected associations will attend the training programme, roughly of 20 days duration spread over two phases over an year.

Customized training programs will be curated specifically to the needs and challenges faced by associations during their operations. Moreover, after the program, mentors from established national associations/ federations or chambers will mentor these personnel for a period of 1year post completion of training. these mentoring sessions will be one on one sessions with association personnel, leadership, office bearers or key members holding major portfolios. They will provide support to associations in tackling practical challenges. The training program will cover areas such as:

- **Association Management Essentials:** Foundational topics such as Governance structures, membership management, strategic planning, and effective communication.
- **Digital Transformation:** Explore the integration of digital technologies for streamlined operations and enhanced member engagement. Topics covered will be technology adoption, digital marketing, data management, and online collaboration tools.
- **Financial Management:** Understand financial principles and best practices relevant to industry associations. Topics covered are budgeting, financial reporting, grant management, and fundraising/ revenue generation and enhancement strategies.
- **Marketing Skills:** The module shall aim to empower associations to amplify their outreach, engage stakeholders more effectively, and drive sustained growth within their industries.
- **Productivity and efficiency improvement:** This will include time management strategies, collaborative workflow optimization techniques, and innovative approaches to boost productivity. This module will aim to empower associations to operate more efficiently, maximize resources, and achieve sustained success in their respective industries.
- **Legal Compliance for association:** Understand legal and compliance aspects specific to non-profit organizations, ensuring adherence to regulations. Topics covered will be Legal structures, compliance requirements, risk mitigation, and governance.
- **Membership Engagement and Retention:** Strategies to attract, engage, and retain members, member recruitment, engagement programs, and leveraging technology for member communication.
- **Effective knowledge management and Communication Strategies:** Develop communication skills for conveying the mission, goals, and activities of associations. Public relations, social media management, content creation, and crisis communication shall be covered. This shall also cover techniques as database management, mass mailers, event management, effective documentation, knowledge creation and dissemination, feedback mechanisms. Association personnel will get overview of different sources of knowledge such as schemes, others stakeholder institutions and their specialisations, networking/ linkages/ partnership management etc.
- **Sustainability and Environmental Practices:** This module shall be designed to empower associations with the knowledge and tools needed to integrate environmentally responsible practices into the operations of their members. Participants will explore sustainable business models, renewable energy strategies, and eco-friendly initiatives, fostering a commitment to environmental stewardship. This program aims to position associations as champions of sustainability, driving positive change within their industries while contributing to a greener and more responsible business environment.

Sr No	Activity description	Nature of the course	SPVs/ industry associations	Cost of training one association personnel in INR	Estimated Total cost for 4 years in INR crore
1	Capacity building of SPVs and industry association personnel	2 training programmes to be conducted in the first year. Each program will be of 20 days duration spread over two phases. Every program batch will cover 25 association representatives	50	2,00,000	1.00

Table 104 Activity under Capacity building of SPVs

b. Development of ERP Software Design and implementation

A specialized Enterprise Resource Planning (ERP) software will be developed to streamline and optimize the operational processes of SPVs and regional cluster associations. This software will serve as a comprehensive solution for managing various aspects of association activities.

The major aspects proposed to be covered are as follows:

- Database management- of members/ other stakeholders/ service providers
- Knowledge repository- record of meetings, circulars, events, government orders
- Mass mailing & communication- between the association and the members, invites for events
- Generation of newsletters/ mailers based on relevant news and other published material
- Platform for collaboration and knowledge/ information exchange
- Knowledge repository of schemes/ guidelines and other informative material such as studies/ guides etc

During the initial two years, the ERP software will be offered free of charge. This approach aims to encourage widespread adoption among SPVs and regional cluster associations, minimizing financial barriers and facilitating a smooth transition to digital management systems.

The ERP software will be designed with features that cater to the unique functionalities and requirements of associations. These features may include modules for collaborative project management, resource allocation, communication, and other tools tailored to the specific needs of these entities. Implementing agency will get the software developed, suited to the needs of the associations.

S No	Activity description	Frequency	Cost of ERP software in INR	Estimated Total cost for 4 years in INR crore
1	Development of ERP software for SPVs	One time cost	30,00,000	0.30
2	Subscription fee – 100% subsidized for Y2 and Y3 and 50% to be subsidized for Y4		2,20,00,000	5.46
Total				6.30

Table 105 Activity under Development of ERP

The ERP shall be handed over from Y2 of the project. The total subscription for 50 SPVs for Year 2 and Year 3 is 2.22 Crore which will be charged as per actuals by technical agency and Year 4 on partial payment basis the limit would be INR 1.02 Crore. This includes the cost of basic subscription and 50 instances of customized subscription for 50 associations which will be fully subsidized for Year 2, Year 3 and partially funded for year 4.

c. Post training – Mentoring support to SPVs

Experienced and professional group of mentors will be aligned with 50 industry associations offering 12 one-on-one sessions of handholding support to from second year onwards. These will be drawn from national level industrial bodies having experience in managing successful associations. Each mentor will be compensated to an extent of INR 10,000 per session. The mentors will guide the senior leadership and association personnel on practical aspects of vision building, running and managing an association, conflict resolution, governance etc

S No	Activity description	Nature of the course	Number of sessions	Cost of one mentoring session in INR	Estimated cost of total sessions for 4 years in INR crore
1	Mentoring support	12 one-on-one mentoring sessions to be provided to 50 associations post training programmes from second year onwards.	600	10,000	0.60

Table 106 Mentoring Support

Estimated cost of per mentor support for one session is INR 10,000. Mentoring sessions will happen every month from year 2 onwards.

d. Timelines for achievement of project deliverable

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Awareness and need assessment of curriculum design								
Hiring a tech firm for ERP development								
Conducting short term training for SPVs and cluster associations								
Post training mentoring support to SPVs for handholding support								

Table 107 Timelines for achievement

H – half year

e. Project cost

S. No	Budget Component	Project Cost (INR in Crore)				
		Year 1	Year 2	Year 3	Year 4	Total
1	One-time financial assistance to SPV for technology upgradation	0.40				0.4
2	Training program for association personnel	1				1
3	Development of ERP Software Design and implementation. This will also include free subscription for year 2 and year 3 to increase digital adoption by SPVs and association	0.30	2.22	2.22	1.02	5.76
4	Mentoring support		0.2	0.2	0.2	0.6
5	Monitoring and documentation	0.05	0.05	0.05	0.05	0.2
	Total budget outlay	1.75	2.47	2.47	1.27	7.96
	States contribution	-				
	Gap funding by RAMP	7.96				

Table 108 Project Cost for proposed intervention 6

f. Expected impact:

Description	Impact in numbers				
	Year 1	Year 2	Year 3	Year 4	Total
Capacity building of SPVs/ industry association personnel	50				50
SPVs/ industry associations adopting digital solutions	5	10	11	14	40

Table 109 Expected Impact

g. KPI indicators

- Pre and post training assessments to measure the increase in knowledge and skills
- % of SPV/ cluster association members completing their program
- Industry associations opting for full subscription of software at the end of 3 yrs
- Number of mentors engaged, and number of sessions delivered

5.7 Project 7 - Micro incubation project for formalization of MSEs

a. Understanding the Problem Statement:

Informal sector plays a crucial role in any economy, providing employment to a large portion of workforce. However, transitioning of non-formal to formal sectors or nano to micro enterprise or micro to small enterprises comes with a set of unique challenges. Supporting transitioning either to formal sector or scale brings numerous benefits such as access to finance, improved working conditions etc. However, not every entrepreneur may be able to tackle challenges effectively and would need customised hand holding support to build the capacity of the enterprise, become equipped to avail the benefits of the ecosystem and become networked and connected. Drawing inspiration from the success of Hastkala Setu Yojana, this project seeks to scale up the proof of concept to provide incubation support for enterprises looking for support in transitioning.

Hastkala Sethu – Case Study
Hastkala Setu Yojna is the flagship program of the Government of Gujarat and Entrepreneurship Development Institute of India is the knowledge partner for the yojna. The project aims to strengthen the cottage industries and rural entrepreneurship ecosystem in Gujarat by overcoming its challenges. This yojna enables the integration of different sectors into the rural economy, entrepreneurial development and long-term enterprise sustenance mechanisms. From Sep 2020 to till date, 33600+ beneficiaries have been sensitized, 14100+ budding entrepreneurs have been trained for entrepreneurship via 490+ entrepreneurship development training programs, 6000+ entrepreneurs are trained via 225+ skill specific domain training, 5200+ entrepreneurs linked with different existing government schemes for credit, raw material, equipment etc. About INR 50 lakh is the amount of sales generated by the entrepreneurs by different type of market linkages (B2B, B2C, exhibitions) and 1950+ entrepreneurs are linked with the social security scheme (e Shram card)

Table 110 Hastkala Setu - Case Study

b. Proposed project concept:

The project aims to foster the sustainable growth of MSEs in Gujarat by focusing on the following objectives:

- **Technology Commercialization:** Leverage innovations for entrepreneurs to enhance competitiveness and open new growth avenues.
- **Market Expansion:** Increase market reach through export initiatives, strategic marketing, and innovative distribution channels especially e-commerce.
- **Capacity Building:** Strengthen enterprise capacity through training programs in areas like innovation, technology adoption, and human resource management.
- **Regulatory Compliance:** Assist entrepreneurs in navigating regulatory/ compliance requirements by providing guidance and streamlining processes.
- **Sustainability Practices:** Promote the adoption of sustainable business practices, including environmentally friendly processes and ethical conduct.
- **Inclusion and diversity:** Support differently abled entrepreneurs through incubation programme.

c. Approach and methodology for Execution:

The proposed project will cover 7 districts across Gujarat. These tier-2 districts – Valsad, Bhavnagar, Jamnagar, Bharuch, Anand, Banas Katha, Kutch and aspirational districts - Dahod and Narmada. The MSME Commissionerate will onboard Entrepreneurship Development Institute of India (EDII) as proposed implementing agency and knowledge partner will be onboarded on nomination basis.

A team will be composed of 4 people in each district and 7 people team at State level overseeing the entire incubation program will be deployed.

- **Team composition**

Part A -PMU					
Sr. No.	Team	No. of Positions per district	Per month cost in INR	Per year cost in INR Crore	Estimated Total cost for 4 years in INR crore
1	State Programme Implementation Lead	1	1,00,000	0.12	0.48
2	Training & Capacity Building Expert	1	80,000	0.10	0.38
3	Market Expert	1	80,000	0.10	0.38
4	Credit Linkage expert	1	80,000	0.10	0.38
5	IT/ MIS expert	1	80,000	0.10	0.38
	Sub Total		320,000	0.50	2.02
Part B- District level team					
Sr. No.	Team	No. of Positions per district	Per month cost in INR	Per year cost in INR Crore	Estimated Total cost for 4 years in INR crore
1	District Lead	7	60,000	0.50	2.02
2	Training & Capacity Building Expert	7	60,000	0.50	2.02
3	Market assistance - associate	7	60,000	0.50	2.02
4	Credit Linkage associate	7	60,000	0.50	2.02
	Sub total		240,000	2.02	8.06
	Total (A + B)		560,000	2.52	10.08

Table 111 Team Composition

Team Activities:

i. Need Assessment and Segmentation

The implementing agency will conduct field research and surveys to identify specific needs and barriers faced by different informal sector segments, nano entrepreneurs, and micro entrepreneurs. A skill gap analysis will be conducted with interested beneficiaries to assess skills and knowledge required for formalisation and entrepreneurship. This will help in tailoring training programs accordingly.

ii. Incubation support

A growth strategy for each enterprise will be outlined to identify their short term and long-term objectives. Based on the need assessment, training of 2000 entrepreneurs in each district will be undertaken. **There will be special focus on supporting differently abled entrepreneurs to promote inclusion.** Each enterprise will be incubated for a **period of 18-24 months.**

Phase 1 – Capacity building

Bootcamps and immersive training workshops will be provided to enhance the skills of enterprise owners. Focus will be on areas like business management, credit linkages, technology usage, and market strategy.

- **Business formalization guidance:** Provide comprehensive support in navigating legal and regulatory requirements for registration, licensing, and taxation. The implementing agency will partner with government agencies and legal experts.
- **Business planning, leadership training and entrepreneurship guidance:** Provide practical understanding to entrepreneurs through basics of business planning, designing sessions with industry experts and sharing case studies.
- **Financial literacy, financial planning and access to finance:** Equip participants with financial management skills and connect them with microfinance institutions, angel investors, or crowdfunding platforms through pitching competitions to showcase their products.
- **Access to market and branding:** Help participants develop effective marketing strategies, branding, and digital presence to reach new customers and build market credibility.
- **Technology adoption and digital upskilling:** Train participants on relevant technologies to improve operational efficiency, access online markets, and manage finances digitally.
- **Provide affordable and flexible workspace:** Explore shared workspaces, co-working facilities, or virtual office solutions to address workspace needs of informal entrepreneurs.
- The implementing agency will ensure that entrepreneurs will be provided space for incubation infrastructure and workspace across 7 districts in partnership with the DICs and startup incubators so that rental can be minimised or be provided for free.
- **Access to essential resources:** The incubation space needs to be equipped with necessary tools, equipment, and technology resources to support participants' businesses.

Phase 2- Handholding support post training

- **Credit linkages:** The implementing agency will facilitate credit linkages to diverse funding sources, including grants, loans, and venture capital. This will be done through partnerships with financial institutions to provide tailored financial products for MSMEs industry needs.
- **Market Expansion:** Based on the need assessment study, market trends and consumer needs will be captured. Marketing and branding assistance will be provided to entrepreneurs to enhance the visibility of their products and services.
- **Infrastructure Improvement:** The implementing agency will collaborate with DICs and other departments to address infrastructure gaps affecting entrepreneurs. Public-private partnerships for the development of essential infrastructure will also be explored.
- **Regulatory Advisory:** Entrepreneurs will be supported with guidance in navigating regulatory requirements required for formalisation or scaling from nano to micro enterprises or micro to small enterprises. Easy to read, pocket friendly collaterals of schemes will be provided to increase the knowledge of enterprises.
- **Technology Adoption:** Schemes will be leveraged to incentivize Micro entrepreneurs for adoption of relevant technologies. The implementing agency will also provide linkages with tech firms to implement cost-effective solutions.

Phase 3- Networking and collaborations

The implementing agency will create a platform that will be integrated with the MSME portal to conduct training and encourage designing live projects with first batch of participants to introduce case studies, practical projects to improve problem solving of entrepreneurs.

- **Connect participants with experienced mentors:** Participants will be matched with successful entrepreneurs or professionals from the formal sector who can provide guidance, support, and networking opportunities.
- **Facilitate peer learning groups:** Create platforms for participants to share experiences, best practices, and challenges, fostering a supportive network and promoting collaboration.

S No	Incubation support activity description	No. of Districts	Number of programs each year	Total cost per annum in INR crore	Estimated Total cost for 4 years in INR crore
1	Capacity building workshops	7	112 (16 workshops per district)	0.78 (Cost of each workshop is INR 70,000)	3.14
2	Awareness programs	7	1400 (200 each district)	4.20 (Cost of each program is INR 30,000)	16.80
3	Handholding cost - Technology commercialization, creating live projects, network connect events, pitching events.	7	28 events (4 event per district)	0.5	2
4	Marketing linkages (B2B, B2C, exhibitions/ buyer seller meet, participation in national and branding support	7	Various promotional activities, digital/physical	0.4	1.75
5	IPR and Technology Commercialization and Licensing	7	70	2.8	11.2
6	ODOP and GI linkages from Year 2 onwards	-	10 registration per year from Y2 onwards, each registration cost is INR 3 lakh	0.3	3
7	Tech firm to develop a portal and API integration with MSME portal and other portals				0.20
Total				10.33	38.07

Table 112 Incubation support activity description

d. Timelines for achievement of project deliverable

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Onboarding of team								
Activating districts to conduct need assessment and segmentation of entrepreneurs								
Awareness and outreach								
Designing training curriculum								
Training of entrepreneurs								
Handholding support – access to finance, access to market, technology adoption and regulatory advisory								
Networking & pitching events								

Table 113 Timelines for achievement of project deliverable

H – half year

e. Project cost

S. No	Budget Component	Project Cost (INR in Crore)				
		Year 1	Year 2	Year 3	Year 4	Total
1	PMU and manpower cost at district level	2.52	2.52	2.52	2.52	10.08
2	Incubation support (Need assessment, awareness, capacity building training, post training handholding support, networking and pitching events)	8.68	8.98	8.98	8.98	35.62
3	Technology platform development and API integration with MSME portal	0.14	0.02	0.02	0.02	0.2
4	Cost of rental and travel	0.48	0.48	0.48	0.48	1.92
5	Training workshop cost and office setup (one time)	0.31	0	0	0	0.31
	Sub total	12.13	12	12	12	48.13
	Total budget outlay	48.13				
	States contribution					
	Gap funding by RAMP	48.13				

Table 114 Project Cost for proposed intervention 7

f. Expected impact.

The proposed project will aim to achieve the following outcomes, across 7 districts.

- 14,000 micro entrepreneurs to be benefitted over the 4 years of RAMP project – 2000 per district tentatively. Special focus to be provided to support differently abled entrepreneurs over 4 years of the programme.
- Customization of Hastkala Setu Portal for tracking end to end lifecycle of microenterprises.
- 80% microenterprises to be linked with institutional sources of credit.
- 10 trademarks to be registered in each district.
- 10 GI tagged products will be registered from year 2 onwards. ODOP products will be promoted.
- Additional employment to be generated by adding at least one employee to each micro-enterprise.
- At least 30% of the enterprises to be onboarded on e-commerce platforms and atleast 20% start transacting.
- Approximately 30% increase in revenue of targeted micro-enterprises

g. KPI indicators

- Number of nano enterprises or micro enterprises formalized.
- % increase of enterprises scaled from nano to micro, micro enterprises to small enterprises
- % increase of women/ SC/ST enterprises formalized
- Number of micro entrepreneurs incubated year on year across districts.
- Number of Women/SC/ST micro entrepreneurs incubated year on year across districts.
- Number of entrepreneurs receive financial support – grants, venture capital/investor funding/ CGTMSE.
- Number of entrepreneurs availing Government schemes
- Number of entrepreneurs onboarded on e-commerce platforms.
- Number of trademarks registered by enterprises.

5.8 Project 8 - Women Acceleration program

a. Understanding the Problem Statement:

One of the key priorities of the Government of Gujarat is to establish a flourishing ecosystem for women entrepreneurs. Gujarat is home to about 5.9% of India's women led MSMEs. As per Udyam data, about 15.20% of enterprises (2.19 lakh MSMEs) are owned by females, a figure that stands out as one of the highest compared to other states. Encouraging a greater number of women led MSMEs is crucial for promoting gender equality and recognizing women workforce as active contributors to the State's overall development. Moreover, women led MSMEs have potential to drive inclusive growth catering to the needs of women consumers and women workforce. Fostering a supportive ecosystem for women entrepreneurs and encouraging participation in non-conventional sectors in MSMEs/ Startups can serve as an inspiration for aspiring women leaders to overcome societal barriers.

b. Proposed project concept:

State aims to harness the untapped potential of a thriving women entrepreneurial ecosystem in the State, particularly supporting existing women entrepreneurs to scale their businesses to get the right network support and financial support through curated programs that serves the need of an entrepreneur. Implementing agency will be curating a six-month acceleration program for supporting and scaling women-owned micro and small businesses by partnering with IIM Ahmedabad/ startup incubators/ industry associations who have considerable experience in running these programs by extending support through grant-in-aid fund, or similar lines as Government of India's Women Entrepreneurship Platform program by NITI aayog.

The proposed intervention will focus on aspiring and emerging women entrepreneurs across diverse industries with a focus on early-stage entrepreneurs and business owners. **This dedicated acceleration program will aim to accelerate 2000 existing women in micro and small businesses (20 cohorts per year, total – 80 cohorts over 4 years) that are at growth and scale up stage and will focus on the business growth, capacity building, mentorship, networking, and collaboration.**

c. Approach and methodology for Execution:

The proposed intervention will be implemented by IIM Ahmedabad/ startup incubators/ industry associations through a tender process by MSME Commissionerate.

• Awareness and outreach drive

The implementing agency will create awareness and outreach of the women acceleration programs across 5-6 locations per year. The implementing agency will reach out to DICs, industry associations or cluster associations or District collectorate office for outreach purposes. Through awareness and outreach, the agency will capture the diverse needs to design supportive programs across sectors such as (Textiles and apparels, Industrial machinery, and equipment, agro and food processing sector, Hospitality, Gems & jewelry, Auto and auto components and Chemicals).

S No	Activity description	Cost of awareness and outreach for one location in INR	Cost per year in INR crore	Estimated Total cost for 4 years in INR crore
1	Awareness & campaigns across 33 districts	1,00,000	0.05	0.20

Table 115 Awareness and Campaigns across 33 districts

- **Women acceleration program**

The program will consist of 2 cohort per year for the identified districts, with each cohort accommodating 25 women entrepreneurs. The cost per cohort is estimated to be INR 30 lakh. The funding for the program will be provide comprehensive assistance to the participating micro and small enterprises. The acceleration program will be initially carried out on a pilot basis in Ahmedabad and Gandhinagar. Depending on the success of the program, further programs will be done to cover other districts of Gujarat. The program will run for a duration of 6 months. Further, this will be a hybrid model (onsite and virtual) with a special focus on personalized mentoring, The beneficiaries will be spread across different sectors (Textiles and apparels, Industrial machinery and equipment, agro and food processing sector, Hospitality, Gems & jewelry, Auto and auto components and Chemicals). The details of the acceleration program are given below:

S No.	Name of the program	Number of cohorts per year	Number of women enterprises	Cost per year INR in crore	Location
1	Acceleration program for women owned micro and small enterprises	2	50	0.60	Ahmedabad
2		2	50	0.60	Surat
3		2	50	0.60	Vadodara
4		2	50	0.60	Rajkot
5		2	50	0.60	Bhavnagar
6		2	50	0.60	Navsari
7		2	50	0.60	Valsad
8		2	50	0.60	Anand
9		2	50	0.60	Gandhinagar
10		2	50	0.60	Other districts
	Total	20	500	3.00	

Table 116 Acceleration program for women owned micro and small enterprises

The details of the acceleration program for women owned micro and small enterprises is mentioned below:

- Mentorship:** Provide one-to-many and one-to-one mentorship sessions in general aspects of business development and in technical aspects on how to address certain compliance factors. The topics covered will be a) keep employees motivated, efficient and productive b) growth path for company c) innovation in business model d) making strategic partnerships e) marketing strategies f) supply chain and sales chain development g) brand positioning and target group and h) packaging of product for commercialisation.
- Research and development facilities:** Instrumentation facility for research would be provided.
- Trainings:** Training programs to include the following: a) go to market strategy- sales and pricing b) basic accounting financial statements for stakeholders and c) governance and management-organisation structure d) structuring business plan e) negotiation skills, customer relations, self-evaluation.
- Funding:** Investor connect would be organised for the MSMEs to scale their business to the next level.
- Workshops:** would be conducted across topics such as challenges & strategic management in women entrepreneurship, regulatory compliances including GST, design thinking and

product development, funding schemes and support available to women entrepreneurs in India, networking, branding, market, and customer analysis etc.

- f. **Networking:** Networking events would be organised for women entrepreneurs.
- g. **Marketing:** Entrepreneurs showcase day would be organised.
- h. **Product Improvement:** connect the women entrepreneurs with technical mentors and packaging experts for product improvement.

Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
<ul style="list-style-type: none"> Immersion Ice breaking and kick-off. Master class on regulatory requirements 	<ul style="list-style-type: none"> Program Launch One on one mentoring on scheme, initiative, leadership and talent management etc. Business modeling 	<ul style="list-style-type: none"> Market analysis class Consumers connect. Progress review 	<ul style="list-style-type: none"> Master classes on Go to market, IP, Supply chain management. Clinical validation & research Mentoring on Product market fit 	<ul style="list-style-type: none"> Branding Marketing Investment readiness, fundraising ecosystem for women entrepreneurs 	<ul style="list-style-type: none"> Networking Event Industry/ Investor connects MSME showcase day

Table 117 Month-on-Month activity

• Business pitch event

Entrepreneurs will connect with potential investors. Support will be provided to Women entrepreneurs for refining business idea and pitch sessions. The participants will present their ideas or accomplishments to a panel of invited guests.

S No	Activity description	Coverage	Cost of event at one location in INR	Cost per year INR in crore	Estimated Total cost for 4 years in INR crore
1	Business Pitch Event	10 locations per year	2,00,000	0.10	0.40
	Total			0.10	0.40

Table 118 Business pitch event

d. Timelines for achievement of project deliverable

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Program design and development								
Marketing outreach								
Participant selection								
Program launch and training of cohorts								
Networking events								
Graduation and alumni network								

Table 119 Timelines for achievement of project deliverable

H – half year

e. Project cost

S. No	Budget Component	Project Cost (INR in Crore)				
		Year 1	Year 2	Year 3	Year 4	Total
1	Awareness outreach and campaigns	0.05	0.05	0.05	0.05	0.2
2	Acceleration program for women owned micro and small enterprises	3	3	3	3	12
3	Event management	0.1	0.1	0.1	0.1	0.4
	Sub total	3.15	3.15	3.15	3.15	12.6
	Contingency fund	0.2				0.2
	Total budget outlay	12.80				
	States contribution	-				
	Gap funding by RAMP	12.80				

Table 120 Project Cost for proposed intervention 8

f. Expected impact.

S No	Description	Year 1	Year 2	Year 3	Year 4	Total
1	Number of women entrepreneurs trained	500	500	500	500	2000
2	Number of women enterprises formalized	150	250	250	350	1000
3	Number of women entrepreneurs availed CGTMSE or formal credit	60	70	80	90	300
4	Average increase in the turnover of the business post training	10%	15%	20%	25%	
5	Number of women entrepreneurs onboarded on GeM and other e-commerce marketplaces as ONDC, Amazon etc	15	30	60	90	195

Table 121 Expected Impact

g. KPI indicators

- Number of women led enterprises formalized with Udyam registration.
- Year on year increase in women entrepreneurs availing CGTMSE and financial support
- Year on year increase in women entrepreneurs onboarded on GeM portal.
- Percentage increase in turnover of businesses owned by women entrepreneurs post accelerator programme.

5.9 Project 9 - Capacity building of Homestay entrepreneurs to boost tourism potential in Gujarat

a. Understanding the Problem Statement:

Gujarat, a state in western India, is renowned for its vibrant culture, rich history, and stunning natural beauty. Tourism is a vital sector for the state's economy, and homestays have emerged as a popular form of accommodation, offering tourists a unique and authentic experience. However, the homestay industry in Gujarat faces several challenges that hinder its growth and sustainability.

- **Lack of awareness and training:** Many homestay owners lack awareness of best practices in hospitality, marketing, and financial management. This can lead to subpar experiences for tourists and limit the profitability of homestays.
- **Limited access to resources:** Homestay owners often have limited access to financial resources, technology, and marketing channels. This makes it difficult for them to compete with established hotels and resorts.
- **Inconsistent quality standards:** There is a lack of standardized quality standards for homestays in Gujarat. This can lead to uneven experiences for tourists and damage the industry's reputation.
- **Seasonality:** Tourism in Gujarat is highly seasonal, with peak season during the winter months. This can lead to periods of low occupancy and income for homestay owners.

b. Proposed project concept:

To address these challenges, there is a need for a comprehensive capacity-building program for homestay owners in Gujarat. This program will focus on:

- **Training:** Providing training on topics such as hospitality management, marketing, financial management, customer service, and food safety.
- **Resource access:** Connecting homestay owners with financial resources, technology tools, and marketing channels.
- **Standardization:** Developing and implementing quality standards for homestays in Gujarat.
- **Promotion:** Promoting homestays as a viable and attractive accommodation option for tourists visiting Gujarat.

c. Approach and methodology for Execution:

The project will be implemented jointly by the Gujarat Tourism Department and the MSME Commissionerate. Under the existing policy for registration of homestay establishment (2020), the



Figure 105 Homestay in Gujarat

Department of Tourism by State of Gujarat, will support in registration fee of homestay owner establishment, while the MSME Commissionerate will support the tourism cluster through capacity building for homestay owners under the RAMP scheme. An implementing agency will be identified through RFP process. Currently, there are 258 registered homestay establishments in the National Integrated Database of Hospitality Industry registered with the Government of Tourism and 92 registered in the State portal. These homestay owners are presently concentrated in Kutch and Gir Somnath. There is a huge scope of capacity building of existing and new homestay owners in the tourism sector to offer better customer experience and promote direct and indirect employment.

a. Team composition

A	Team composition	Number of people	Role
1	Project Lead	1	Planning, designing and proactively monitoring progress, setting timelines defining programme governance arrangements and reviewing progress
2	Project Associates	2	Implementation and execution of the project, tracking of daily activities documentation and monitoring tasks, communication with stakeholders.
3	MIS Coordinator	1	Maintain project-related data, develop systems and norms for data collection
4	Trainers (Hospitality, IT, Communication, and content creation	4	Create training programmes, prepare learning materials, assist beneficiaries in gaining varied skills, impart practical and theoretical training, develop Training Need Analysis (TNA) and Training needs Identification (TNI)
5	Mobilisers	4	Mobilize and identify the beneficiaries, Liaison with local administration, and organize the counselling and screening sessions at the local levels

Table 122 Team Composition

S No	Team composition	Justification	Per month cost in INR	Per year cost in INR Crore	Estimated Total cost for 4 years in INR crore
1	Project lead	48 man-months @ INR 28.8 lakh per year	2,40,000	0.29	1.15
2	Project Associate- 2 persons	96 man-months @ INR 19.2 lakh per year	1,60,000	0.19	0.77
3	MIS Coordinator	48 man-months @ INR 9.6 lakh per year	80,000	0.96	0.38
4	Trainers (Hospitality, IT, Communication, and content creation) – 4 persons	1152 man-months @ INR 24 lakh per year	2,00,000	0.24	0.96
5	Mobilisers – 4 persons	1152 man-months @ INR 19.2 lakh per year	1,60,000	0.19	0.77
	Total		4,90,000	1.01	4.03

Table 123 Team Costing

Phase 1: Capacity Building and Promotion of Registered Homestays

- Baseline survey for identifying the skill Gap analyses of the existing homestay to understand the skill and infrastructure variation as per tourism industry standards
- Capacity building of the Homestays (training shall include sessions on soft skills, communication, IT skills and digital marketing and fiscal management of the enterprise.
- Digital promotion of the homestays (Listing of homestays on Web Portal, google and other social media Pages, E-Profiling of homestays and creation of a digital catalogue)
- Backward and forward linkages for the homestays with other tourism stakeholders (Collaboration with local and national tour agencies, Transports, tourism agencies, Department of Tourism and Handicraft, Local artisans and craftsmen, framers waste management and environmental experts
- Linkage with government schemes and financial institutions (develop Linkages with Government schemes and local banks for loan schemes to ensure availability of funds for asset formation and working capital)
- Providing promotional aid and outreach support (, creating professional websites, designing brochures, flyers, and business cards, hosting open house events where potential guests can tour their property and meet the hosts, encouraging them to engage in social responsibility initiatives such as supporting the local community, implementing eco-friendly practices and create uniform signages

Phase 2: Homestay Entrepreneurship Training programme and Promotion of new Homestays

- Baseline survey for identifying eligible homestays with the requested infrastructure as per industry standards
- Mobilization, screening, and Interest inventory of the identified homestays (Homestays shall be mobilized through a rigorous process, Support from Government agencies particularly the Tourism Department and Local administration and Panchayats will be availed to identify the right candidates for starting a homestay with required infrastructure. before the commencement of the training, the candidates will be thoroughly counselled and will undergo an interest inventory test to identify the deserving candidates
- Capacity building of Homestays (The training shall include sessions on the basic concept and functioning of homestays, Basic hospitality management, soft skills, IT skills, digital marketing, and economic management of the enterprise
- Assessment of the trained candidates (evaluating the learnings through an offline or online assessment by the Tourism and Hospitality Sector Skill Council under their Homestay host job role)
- Registration of homestays with Department of tourism (Support for registration of homestay firms, Assistance acquiring the documents for registration, liaising with the authorities to facilitate the process and ensure that each trained candidate receives the registration from the department
- Promotion and Outreach (Digital promotion of the homestays Listing of homestays on Web Portals, google and other social media Pages, E-Profiling of homestays and creation of digital catalogues)
- Backward and forward linkages for the homestays with other tourism stakeholders (Collaboration with local and national tour agencies, Transports, tourism agencies, Department of Tourism and Handicraft, Local artisans and craftsmen, framers waste management and environmental experts
- Providing promotional aid and outreach support (, creating professional websites, designing brochures, flyers, and business cards, hosting open house events where potential guests can tour their property and meet the hosts, encouraging them to engage in social responsibility initiatives such as supporting the local community, implementing eco-friendly practices and create uniform signages.

d. Timelines for achievement of project deliverable

Activities	Description	Year 1		Year 2		Year 3		Year 4	
		H1	H2	H3	H4	H5	H6	H7	H8
Baseline survey, Mobilization, Interest inventory, screening, and counselling	Mobilization of existing and new homestays by the implementing agency and other stakeholders (Dept of Tourism, Local administration)								
	Identification of the prerequisites for homestays, selection, and counselling of the beneficiaries								
Training and Assessment	A month-long classroom and practical training sessions for identified beneficiaries,								
	Learning evaluation and assessment by the implementing agency								
Registration with Department of Tourism	Collection and submission of the requisite documents for registration of- homestays with the Department of Tourism								
Promotion and outreach support	Digital promotion of the homestays								
	Backwards forward linkages with the other tourism stakeholders								
	Creation of E-profiles and digital catalogues								
Baseline survey, Mobilization, Interest inventory, screening, and counselling									

Table 124 Timelines for achievement of project deliverable

H – half year

e. Project cost

S. No	Budget Component	Project Cost (INR in Crore)				
		Year 1	Year 2	Year 3	Year 4	Total
1	Team	1.01	1.16	1.33	1.53	5.03
2	Surveys and Mobilization	0.01	0.04	0.06	0.08	0.19
3	Training (content development, stationery, Printing and Admin Cost	0.17	0.5	0.83	1.16	2.64
4	Refreshment and rent	0.18	0.54	0.9	1.26	2.88
5	Assessment and certification	0.03	0.1	0.17	0.23	0.53
6	Promotional and outreach support	0.18	0.55	0.92	1.28	2.93
7	Monitoring & evaluation	0.25	0.25	0.25	0.25	1
	Sub total	1.83	3.14	4.46	5.79	15.2
	Total budget outlay	15.20				
	States contribution	-				
	Gap funding by RAMP	15.20				

Table 125 Project Cost for proposed intervention 9

f. Expected impact.

Description	Year 1	Year 2	Year 3	Year 4	Total
Widespread Entrepreneurship training for registered and new homestay owners for establishing homestay enterprises leading to sustainable income generation	300	600	900	1200	3000
Registration of new Homestays for the state		300	600	900	1800
Average increase in the turnover of the home stay owners	15%	20%	25%	30%	
Employment generation besides productive engagement of the family members involved in the enterprises.	600	1200	1800	2400	6000

Table 126 Expected Impact

g. KPI indicators

- Year on year increase in the homestay owner registration on the State portal across major tourist destinations
- Average year on year increase in the turnover of the homestay owners
- Increase in indirect employment around tourism cluster.

5.10 Project 10 - Access to credit through CGTMSE

a. Understanding the Problem Statement:

The State of Gujarat faces a credit access challenge as per SLBC data for Sep 2023, reveals 24 districts with CD ratios below the average. This barrier in credit availability creates a huge challenge for new enterprises, first-time borrowers, women/SC/ST entrepreneurs. Under the conventional CGTMSE framework, approximately 75% to 85% of loans are covered, leaving lending institutions apprehensive about the remaining 25% due to perceived low salvage value of security. The lenders concern largely revolve around absence of realizable security. This further exacerbates the challenge of providing access to adequate credit to underserved sectors and target beneficiaries.

b. Proposed project concept:

The proposed intervention involves collaboration of Gujarat Government and CGTMSE to extend additional guarantee coverage for MSMEs, especially to increase the formal lending to new and first-time borrowers especially women/SC/ST in underserved districts of the state. It also seeks to encourage lending institutions to provide CGTMSE loans with minimum risk in the districts where investment and formal credit offtake is low.

- Enhance the availability of CGTMSE to MSMEs in underserved districts.
- Encourage MSMEs to approach formal sources of credit with confidence especially women/SC/ST.
- Encourage loaning for green technologies and environment friendly projects/ expansion.

c. Approach and methodology for Execution:

The Government of Gujarat in partnership with CGTMSE trust will create a CGTMSE corpus of INR 200 Crore. The proposed intervention will be to increase the coverage of CGTMSE specifically targeting underserved districts where the accessibility to formal credit sources is limited especially to women/SC/ST and first-time borrowers with no credit history. In the proposed intervention, 75% to 85% coverage for a loan ticket size of Rs 50 lakh will be from CGTMSE, and an additional 20% to 10% coverage will be covered through CGTMSE corpus resulting in 95% credit guarantee coverage. This extra coverage will come from CGTMSE corpus fund which will have State contribution to ensure full loan coverage to MSMEs that do not meet the CGS-I criteria. This will encourage MSMEs to access formal credit sources with reasonable interest rates and foster confidence in lending institutions to provide loans without apprehension of defaults. The corpus will be created by the State Government and placed with CGTMSE under agreed terms, which is to provide 90% guarantee to MSMEs in the underserved districts of the state.

Details	Amount in Crore
State Portfolio created out of collaboration with CGTMSE	200
Expected NPA in portfolio of INR 200 Cr (10%)	20
CGTMSE portion of loss (75%) of the Guarantee	15
State Govt. fund portion of loss (20%) of Guarantee	5
Average loan size for an MSME	0.50

Table 127 Contribution details for CGTMSE

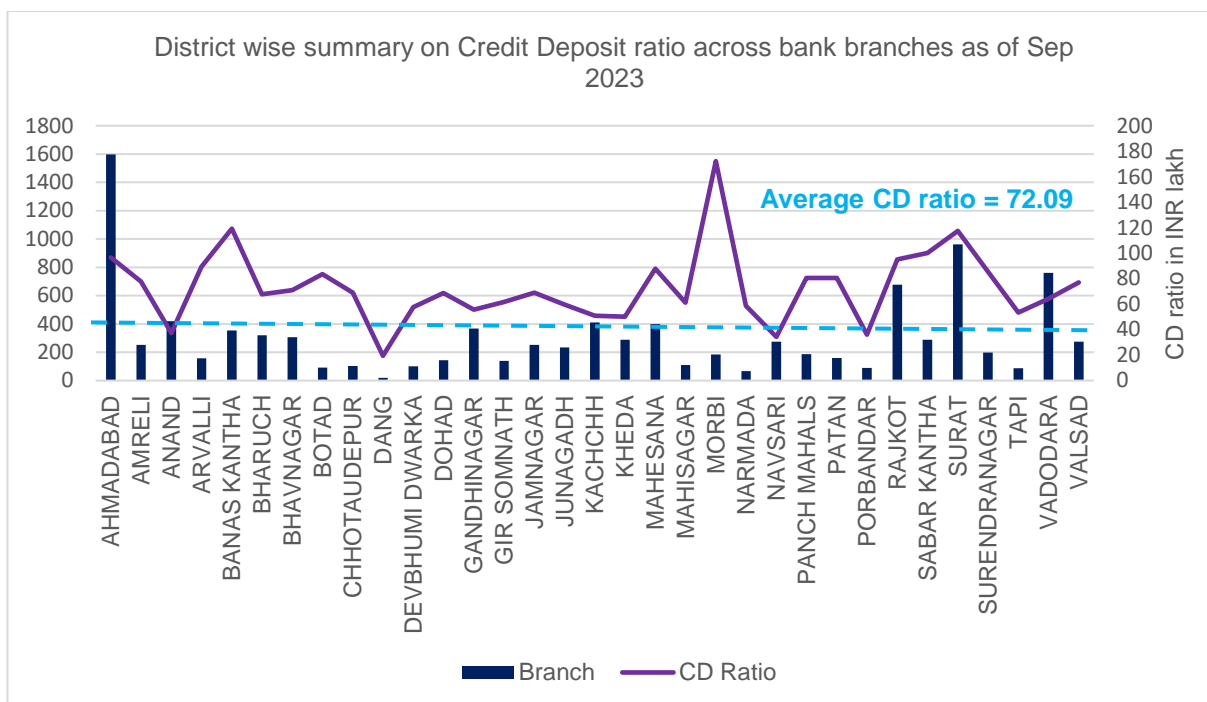


Figure 106 District wise summary on Credit Deposit ratio across bank branches

d. Project cost

S. No	Budget Component	Project Cost (INR in Crore)				
		Year 1	Year 2	Year 3	Year 4	Total
1	Credit guarantee top-up for MSMEs	80	60	40	20	200
Total budget outlay		200				
States contribution		100				
Gap funding by RAMP		100				

Table 128 Project Cost for proposed intervention 10

e. Expected impact.

S No	Description	Year 1	Year 2	Year 3	Year 4	Total
1	Number of MSMEs accessing credit under CGTMSE	8000	6000	4000	2000	20,000
2	Number of women accessing credit under CGTMSE	150	200	250	300	900
3	Number of MSMEs accessing credit under CGTMSE for RECP/Greening investments	150	200	250	300	900

Table 129 Expected Impact

- Considering average loan size of 50 lakh, approximately 20,000 MSE borrowers can benefit over 4 years.
- With 3 employees per unit, approximately 60,000 employment opportunities can be created.

f. KPI indicators

- Year on year increase in loan applications and approvals from first time borrowers, SC/ST and women
- Number of banks and financial institutions participating in the program.
- Default rates and loan repayment performance of beneficiaries.

Governance Framework



6. Governance Framework

The RAMP program manual defines the well laid down Institutional oversight arrangements to while implementation of this initiative. Under the ambit of National MSME council and RAMP program committee (RPC) at MoMSME, GoI, the following state level Governance framework has been designed.

6.1 The State level RAMP Framework

Gujarat's RAMP program proposes a well-defined governance structure designed for meticulous implementation and effective oversight. At the helm is the State RAMP Program Committee (SRPC), led by the Principal Secretary/ Additional Chief Secretary, Industries and Mines Department. This committee shall serve as the central nervous system at state level, coordinating interdepartmental efforts, reviewing program performance, and ensuring alignment with the approved State Investment Plan (SIP).

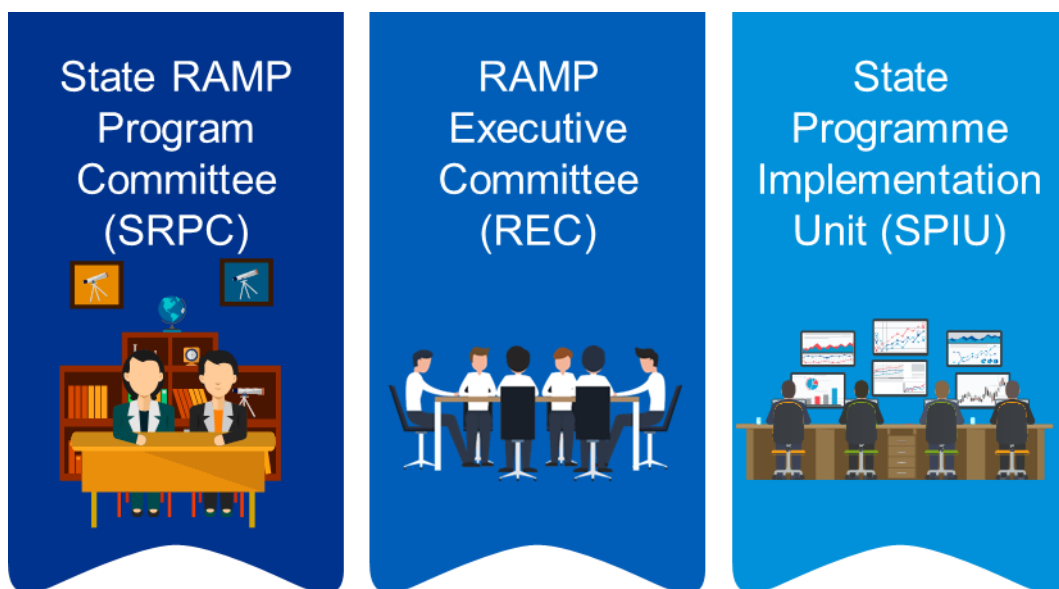


Figure 107 The State level RAMP Framework

6.1.1 State RAMP Programme Committee (SRPC)

The following is the key composition of the notified SRPC at state level:

1. Principal Secretary/ Additional Chief Secretary, Industries and Mines Department (Chairman)
2. Principal Secretary/ Additional Chief Secretary, Finance Department
3. Principal Secretary/ Additional Chief Secretary, Urban Development and Urban Housing
4. Commissioner and Secretary, Commissionerate of Rural Development
5. MSME Commissioner – Member Secretary
6. Industries Commissioner
7. Member Secretary, Gujarat Pollution Control Board
8. Managing Director, Gujarat Informatics Ltd.
9. Convener, State Level Banking Committee

Core members, as mentioned above bring diverse expertise to successfully monitor the implementation of the planned interventions. Additionally, representatives from departments directly involved in specific interventions shall join the committee as required, fostering ownership and responsiveness. This dynamic composition RAMP adapts to evolving needs and leverages the strengths of various stakeholders.

Functions of SRPC:

- Coordinate with the MoMSME on RAMP Implementation.
- To oversee the Strategic Investment Plan (SIP) preparation process.
- Approval of Strategic Investment Plan (SIP) to be submitted to RAMP Programme Committee for consideration.
- Review the performance of RAMP in the State periodically.
- Ensure interdepartmental/ministerial coordination for SIP preparation and implementation.
- Monitoring of fund releases & utilization and audits.
- The Committee shall also be responsible for overall implementation of the SIP
- To oversee the functioning of the State Programme Implementation Unit (SPIU) and review the performance of SPIU from time to time.
- Approval of work plan and budget, Annual Procurement Plans, and fund releases for SIP implementation.

SRPC's duties shall go beyond mere review. They will actively approve work plans and budgets, meticulously monitor fund utilization and audits, and champion convergence with other beneficial schemes. This proactive approach shall guarantee efficient resource allocation, timely interventions, and maximized impact.

6.1.2 RAMP Executive Committee (REC)

Recognizing the critical role of on-ground execution, the State proposes setting up of Executive Committee, chaired by the MSME Commissioner, to oversee the day-to-day activities of the SPIU, reviewing financial progress reports, and setting up of quarterly targets. Also REC will appoint a dedicated State Program Implementation Unit (SPIU) staffed by a professional and experienced agency with deep MSME sector understanding. SPIU shall act as the SRPC's/EC's supporting arm, providing vital support across all stages of SIP implementation.

Executive Committee:

The following shall constitute the executive committee:

1. MSME Commissioner (Chairman)
2. Additional Industries Commissioner
3. Managing Director, Gujarat Livelihood Promotion Company (GLPC)
4. Managing Director, Gujarat Urban Livelihood Mission (GULM)
5. Managing Director, Gujarat Agro Industries Corporation
6. Joint Managing Director, Gujarat Industrial Development Corporation (GIDC)
7. Member Secretary, Gujarat Pollution Control Board
8. Joint Commissioner of Industries, MSME Commissionerate (Member Secretary)
9. Joint Director, MSME DI, Ahmedabad
10. DGM/Representative, State Level Bankers Committee (SLBC)
11. General Manager, DIC, Ahmedabad

Functions of Executive Committee:

- To monitor the day-to-day activities of the State Programme Implementation Unit (SPIU).
- To monitor the existing interventions for MSMEs - current schemes and Programmes and their outreach.
- Review Financial Progress Reports.
- To set quarterly targets and review the performance of SPIU in implementing those targets.
- To set milestones for SPIU / DICs.

- Monthly review of the work of SPIU in terms of achieving milestones as set by SPIU.
- To submit a quarterly report to SRPC.

6.1.3 State Programme Implementation Unit (SPIU)

The RAMP implementation and monitoring plan is a carefully crafted blueprint designed to foster efficient program execution, ensure accountability, and maximize impact for Gujarat's MSMEs. It's a testament to the state's unwavering commitment to nurturing a thriving entrepreneurial ecosystem.

The success of RAMP hinges not just on structure but also on the spirit of collaboration, proactive problem-solving, and a shared commitment to MSME success. The governance framework, with its emphasis on inclusivity, transparency, and support, serves as a solid foundation for propelling RAMP towards achieving its ambitious goals. In order to achieve the desired objective, a state programme implementation unit (SPIU) shall be set up under the Executive committee for effective implementation of SIP.

Roles and Responsibilities of SPIU:

- **Strategic Guidance:** SPIU will assist in navigating program intricacies, ensuring consistent alignment with RAMP's objectives and guidelines.
- **Intervention Support:** Each RAMP intervention has its own implementing agency. SPIU shall act as a bridge, facilitating smooth collaboration, coordinating progress reports, and consolidating achievements for SRPC review.
- **Maintaining Synergy:** RAMP thrives on synergy with existing central and state schemes. SPIU shall identify strategic convergence opportunities, unlocking additional benefits for MSMEs.
- **Ecosystem Strengthening:** Recognizing the importance of a robust support system, SPIU shall work to empower existing government departments and service providers catering to MSMEs, enhancing their capacity to deliver impactful services.
- **Compliance Champion:** SPIU will ensure that RAMP adheres to all reporting requirements set by the Government of India and the World Bank, maintaining transparency and accountability.
- **Data-Driven Decisions:** Real-time data is RAMP's lifeblood. SPIU shall manage the program's MIS system and portal, facilitating seamless information flow, progress tracking, and data-driven decision-making.
- **Knowledge Catalyst:** SPIU will foster a culture of knowledge sharing, ensuring best practices and lessons learnt from across interventions are disseminated and replicated, maximizing program impact.

The SPIU will be hosted by MSME Commissionerate under Executive Committee. SPIU will closely work with Executive Committee and nodal officer for RAMP. SPIU will be furnishing periodic reports to SRPC/ Executive Committee on the progress of the program. A tentative structure of the 9 member SPIU along with roles/ responsibilities as drawn from RAMP manual are highlighted below:

No	Position	Responsibility
1	SPIU Lead	<ul style="list-style-type: none"> • Lead the establishment and operation of the PIU, ensuring it meets program objectives and triggers. • Regularly report on the program's overall performance to relevant stakeholders. • Ensure timely communication and compliance with financial and procurement procedures.

No	Position	Responsibility
		<ul style="list-style-type: none"> • Build strong relationships with district agencies and key stakeholders, facilitating information flow and feedback. • Facilitate the effective implementation of the State Investment Plan (SIP). • Convene meetings of state-level committees, presenting issues for decision during program execution. • Support the department in achieving convergence with various RAMP-identified schemes.
2	Monitoring & Evaluation (M&E) Specialist	<ul style="list-style-type: none"> • Provide professional M&E and data analysis support for the RAMP program in the state. • Develop and maintain a state-level MIS system aligned with the national system, generating regular reports on physical & financial progress. • Participate in regular program monitoring and evaluation at the state level. • Analyze and report on input, output, outcome, and impact of various interventions and their compliance. • Prepare and submit all internal and external RAMP reports.
3	Enterprise development expert	<ul style="list-style-type: none"> • Monitor the performance of Business Development Service (BDS) providers in delivering last-mile services to units. • Support the capacity building of Entrepreneurship Development Centers. • Liaise with implementing agencies and facilitate smooth execution of interventions. • Provide domain expertise in reviewing and revising Strategic Investment Plans. • Enhance the reach and performance of Market Access Schemes under RAMP.
4	IT Specialist	<ul style="list-style-type: none"> • Offering technical assistance for the seamless integration of diverse portals and connecting them with central platforms. • Developing a comprehensive roadmap for technology interventions. • Defining and specifying the requirements for all IT needs, providing essential support for project delivery. • Assisting in the procurement of IT services and infrastructure. • Overseeing data capture, transition management, and operations to ensure the smooth functioning of the IT system. • Collaborating with the State to establish a linkage between the MSME SAMADHAAN Portal and Online Dispute Resolution (ODR) platforms, facilitating expedited dispute resolution.
5	Financial Management Specialist	<ul style="list-style-type: none"> • Provide technical support on financial matters, liaising with implementing agencies on fund flow, monitoring expenditure, and obtaining necessary reports. • Prepare annual financial statements, liaise with auditors, ensure audit compliance, and develop partnerships with financial institutions. • Track delayed payments, monitor NBFC and MSME registration on TReDS, follow CGTMSE gender and greening products for

No	Position	Responsibility
		<p>MSMEs, and submit financial reports to the National Program Management Unit (NPMU).</p> <ul style="list-style-type: none"> • Prepare and submit all internal and external RAMP reports related to finance.
6	Procurement Specialist	<ul style="list-style-type: none"> • Assisting the State and other program implementation agencies in the procurement of goods, works, and services in alignment with the approved procurement plan, adhering to the World Bank Procurement Regulations. • Providing operational guidance to the State on concepts, policies, and procedures for international and local procurement, aligning with World Bank guidelines. • Collaborating with domain experts to gather client needs and prepare bid documents, including Expressions of Interest (EOI), Request for Proposals (RFPs), etc. • Maintaining records and documentation related to procurement for audit/review by the World Bank. • Handling any procurement-related complaints in accordance with the agreed-upon procedure for the program. • Ensuring timely upload of all disclosure requirements related to procurement on the program website, including the publication of contract award notices. • Offering support for all procurement-related activities under the program.
7	Communication Specialist	<ul style="list-style-type: none"> • Developing a comprehensive marketing and promotion strategy to broaden the reach of RAMP, encompassing initiatives like workshops, seminars, awareness programs, etc. • Establishing and overseeing social media tools, including the program's website and social media handles. • Generating content and facilitating design for diverse Information, Education, and Communication (IEC) materials to be utilized within the program. • Serving as a knowledge center for various government schemes and available benefits.
8	2 Support consultants	<ul style="list-style-type: none"> • Assist program experts and senior team members in carrying out assignments efficiently. • Manage documentation, MIS responsibilities, meeting mobilization & coordination, and data collation.

Table 130 Roles and Responsibilities of SPIU Team

6.2 Budget for SPIU Team

S No	Project Cost (In Rs Cr.)							
	Designation	Indicative man months	Monthly Rate (in Lakhs)	Y1	Y2	Y3	Y4	Total cost for 4 years under RAMP
1	SPIU Lead	48	3.5	0.42	0.46	0.51	0.56	1.95
2	MIS Specialist	48	2.75	0.33	0.36	0.40	0.44	1.53
3	Enterprise Development Expert	48	3.5	0.42	0.46	0.51	0.56	1.95
4	IT Specialist	48	1.75	0.21	0.23	0.25	0.28	0.97
5	Financial Management Specialist	48	3.5	0.42	0.46	0.51	0.56	1.95
6	Procurement Specialist	48	2.75	0.33	0.36	0.40	0.44	1.53
7	Communication Specialist	48	2.75	0.33	0.36	0.40	0.44	1.53
8	Consultants -2	48	3.5	0.42	0.46	0.51	0.56	1.95
	Sub total			2.88	3.17	3.48	3.83	13.37
	Total Budget under RAMP							13.37

Table 131 Budget for SPIU Team

Note: Assumed 10% YoY increment

Outreach and Partnership



7. Outreach and Partnership

The success of interventions proposed under RAMP relies heavily on effective outreach. To achieve this, collaborative endeavours are essential, involving partnerships with government organizations, industry associations, financial institutions, anchor buyers, and other stakeholders. Utilizing diverse communication channels such as digital platforms, print & press media, focused events and social media is crucial to ensure widespread awareness and adoption of various programs under the RAMP initiative. The goal is to increase the number of MSMEs benefiting from competitiveness programs. Notably, there is a specific focus on addressing the needs of underserved groups, including women, individuals from Scheduled Castes and Scheduled Tribes (SC/ST), businesses in remote areas, and those in targeted sectors.

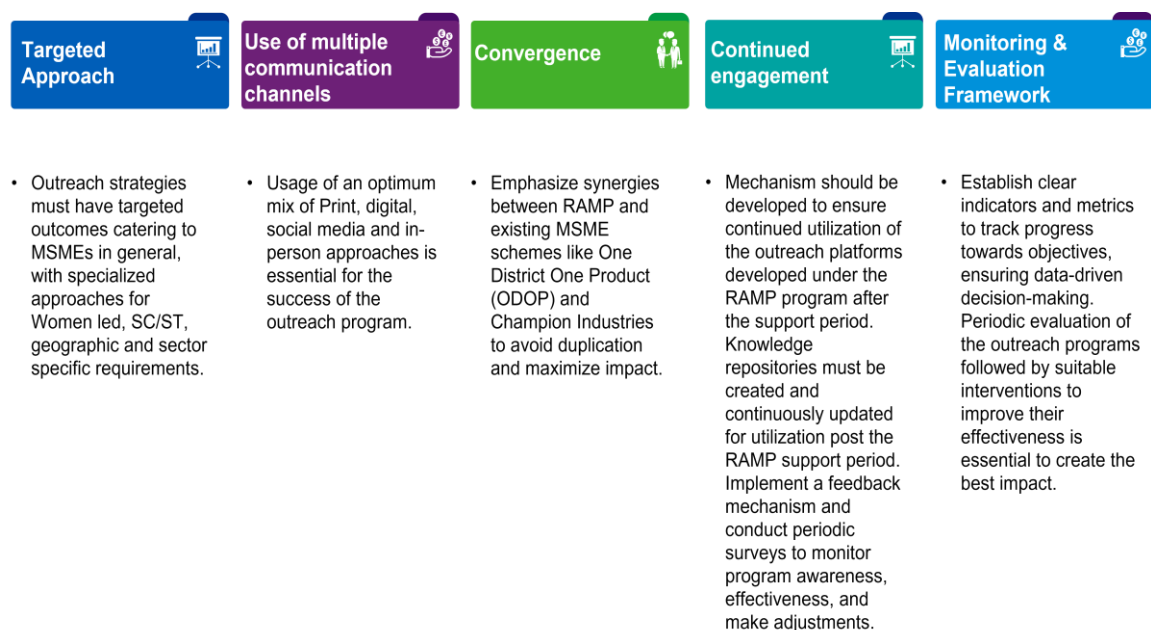


Figure 108 Outreach and Partnership Framework

7.1 Key Outputs

The SPIU team will conduct program level outreach activities. Some of the key steps are as follows

7.1.1 Outreach Initiatives

A summary of proposed outreach and partnership development initiatives with industry associations, anchor firms, and financial institutions is listed below.

- Launch Workshop:** A high-impact workshop showcasing the program's vision, goals, and key initiatives planned as part of launch is proposed to create reasonable visibility of the RAMP programme. This will be followed by Mid-Term Conference (After 2 years), highlighting progress made, showcase successful partnerships, and thereby attracting newer stakeholder participation. Also, to continue the overall momentum created during programme duration, it is proposed to plan a state event at the end of the program to present key outcomes, share best practices, and proposed collaborations to ensure continuity of the interventions.
- Partnerships with Industrial Associations, Anchor Buyers and Financial Institutions :** Partnerships with industry associations, Anchor Buyers and Financial Institutions and other key stakeholders shall be the core focus, which will help to reach a wider audience of MSMEs and have higher rate of penetration to promote the competitiveness of programmes.

- **Use of Multiple Channels:** Regular press releases about program, any milestones or successful partnerships achieved, showcasing impactful case studies, information about upcoming events, highlighting beneficiary achievements, etc. to be planned on regular intervals. Partnerships with local newspapers, radio stations, and regional TV channels and information dissemination through popular social media platforms shall be adopted. These platforms will serve as dynamic tools for broadcasting regular updates, sharing success stories, and conducting interactive Q&A sessions.
- **Annual Reports:** Annual reports capturing program effectiveness, partnership, benefits, economic impact on MSMEs, qualitative and quantitative data analysis, etc. shall be undertaken.
- **MSME Success Stories:** Real-life testimonials from businesses boosted by program can convince others to join and reap similar benefits. The case studies relating to women or SC/ST led MSMEs, will further motivate through such exercise. Documenting these cases shall be an integral and ongoing activity under the programme
- **Entrepreneurial Journeys:** Sharing personal experiences of challenges faced by MSMEs identifying with their journey will also motivate young and growing entrepreneurs.

7.1.2 Engaging third party agencies

It is vital to have a primary agency under proposed SPIU to guide the overall outreach strategy and implementation plan. This will also help economize the cost of implementation and avoid any procedural delays. The proposed pool of agencies / vendors may be updated periodically as per the guidance of state RAMP committee. The engaging party shall undertake tasks such as identifying the target audience, devising a brand building strategy, showcasing partnerships, conducting awareness campaigns and sensitization campaigns, and disseminating information to MSMEs.

7.2 Communication Budget

While the cost of specific outreach and awareness programmes are being estimated under the cost of interventions, the tentative costs with respect to the communication activities have been provided as under:

Activities	Frequency in 4 years	Cost of one unit INR In crore	Total budget INR In crore
State-wide RAMP workshops (launch, mid-term and conclusion)	3	0.1	0.3
Multi-channel promotion cost – brochures, posters, standees, banners, hoarding at public places, business magazines, newspapers, success stories			4
Digital landscape for promotion and awareness – TV Channels, radio, public electronic devices, and social media platforms			2
Total Budget under RAMP			6.3

Table 132 Proposed budget for communication and outreach



Strengthening capacity for
development and delivery of MSME
support program in State

8. Strengthening capacity for development and delivery of MSME support program in State

8.1 Strengthening state portals and integration with National portal

At the state level, the State MSME portal integrated with IFP portal serves as the foundation for monitoring and evaluating MSMEs. Insufficient collaboration between line departments and the portal team leads to delays in uploading MSME schemes. Additionally, the lack of local language translations for scheme guidelines and government resolutions further hinders access and information dissemination. These factors impede the government's ability to offer effective support to MSMEs, ranging from facilitating access to finance to assisting with branding and marketing.

A consolidated portal will aggregate information about MSMEs from diverse databases within the Government of India and the Government of Gujarat. Templates for reviewing interventions will be developed in line with RAMP guidelines based on discussions between the Government of India and the Government of Gujarat. This approach will ensure that data fields collected are standardized and validated across all involved parties.

The integration of central and state portals within the government represents a crucial step in establishing a seamless and efficient digital ecosystem for MSMEs. By aligning their respective online platforms, governments can improve service delivery, foster connectivity, and streamline administrative processes. This integration will enable the exchange of information, data, and resources, allowing enterprises to access a wide array of government services through a unified portal.

The department will also ensure that enterprises can avail various services through the National unified portal developed by the Ministry of MSME, Government of India. Services such as scheme applications and special benefits for ZED and LEAN certification will be integrated into the unified portal using Application Programming Interfaces (APIs). To address interoperability issues, the department plans to adopt a common data standard across its architecture, facilitating communication between various modules and services. The digital tracking of progress on all RAMP interventions, particularly the CHAMPIONS scheme, will be possible. However, as previously mentioned, this necessitates integration with the Government of India's online platforms.

8.2 Strengthening M&E framework for MSME support

At the state level, specifically the MSME Commissionerate will oversee the evaluation of diverse interventions outlined in the SIP. This evaluation will be conducted at four main levels.

- The State RAMP Program Committee (SRPC).
- The State Execution Committee (SEC),
- the SPIU team and
- RAMP implementing agency(ies),

The review process, depicted in the following diagram, provides a general overview of the reviewer entities and their frequency of review. While the specific data under review may differ among interventions, this framework provides a comprehensive understanding of the review structure.

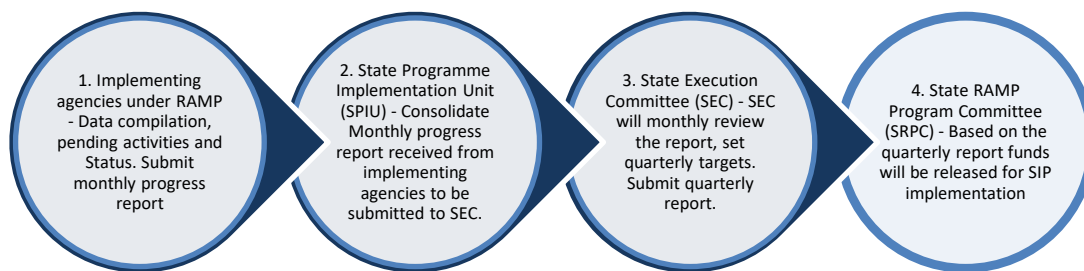


Figure 109 Review process for Monitoring & evaluation of RAMP program

The MSME Commissionerate will actively monitor progress through the following mechanisms:

- **Progress Assessment:** Monthly review meetings, facilitated by the SRPC, will involve a thorough review of progress made by various agencies. These sessions will provide insights and suggestions for necessary adjustments or changes to achieve the desired results, emphasizing the link between outputs and outcomes. The review will cover both past month and as cumulative progress till date.
- **Final Review & Reporting:** Given the time-bound nature of the RAMP scheme, an annual impact evaluation study will be conducted to assess various aspects. This includes reviewing progress, evaluating linkages with national and state goals, analyzing outcomes achieved, assessing the impact created, detailing actions undertaken, examining program sustainability, and identifying challenges faced. The findings of this assessment will be comprehensively reported.

8.3 Environmental and social management (ESM) for MSME support

The MSME Commissionerate will build a robust screening, evaluation, and monitoring mechanism for environmental and social management (ESM) of MSMEs, based on thorough due diligence of the ecosystem. The interventions included within the State strategy for RAMP are:

- **Development of an ESM Guideline:** SPIU team will guide MSMEs in creating customized ESM guideline outlining their commitments, objectives, and measurable targets for managing environmental and social impacts. These guidelines will be aligned with the State industrial policy 2020.
- **Capacity Building of Government Staff:** A dedicate program has been planned to equip district-level officials with knowledge and skills to handle environment and social risk procedures. This includes building awareness of environmental regulations, compliance requirements and recognizing the importance of ESM for MSMEs.
- **Outreach and assistance to MSMEs:** In collaboration with District Industries Centre (DICs) and Industry Associations, the MSME Commissionerate will partner with Gujarat Cleaner Production Centre (GCPC) to conduct district and cluster level workshops. These workshops will sensitize MSMEs to ESM practices like cleaner production methods (reducing waste and improve energy efficiency. Additionally, the aim of the awareness will be to highlight the benefits of compliances such as risk reduction and enhance competitiveness.

- **Regular monitoring and reporting:** MSMEs will be trained to track their environmental and social performance and report progress regularly. These sustainability reports will foster transparency and trust with stakeholders.

8.4 Strengthening coordination on MSME agenda in the State

Stronger coordination among government departments, agencies, the private sector, and implementation partners is essential for creating a conducive environment for MSMEs to flourish and contribute to sustainable economic development. To strengthen the MSME ecosystem, a collaborative and well-coordinated approach among different actors is crucial. A robust coordination mechanism enables the alignment of policies and regulations, targeted allocation of MSME support programs to different state agencies and institutions, and leveraging private sector expertise, resources, and market reach. Streamlining communication and information sharing, ultimately creates a more supportive environment for MSMEs. The proposed key activities to reinforce coordination among internal and external stakeholders for enhancing MSME productivity are:

- **Collaboration among stakeholders:** The MSME Commissionerate will actively foster collaboration among diverse stakeholders, including government entities, industry associations, financial institutions, and academia. This collaborative effort will promote the exchange of information, resources, and expertise, leading to the development of a more comprehensive and effective MSME ecosystem.
- **Policy coordination:** Coordination among government agencies responsible for MSME development is critical to ensure policy consistency and avoid duplication of efforts. This involves establishing public-private partnerships, increase participation and ownership by industry bodies and sectoral/regional bodies, while forging partnerships and linkages.
- **Convergence of state schemes in line with central policy:** In line with RAMP interventions, the Department is focused on aligning state-level schemes and policy incentives with Central Government schemes to maximize benefits for MSMEs. The SPIU team for RAMP scheme implementation will be tasked with conducting awareness campaigns and capacity-building initiatives for all stakeholders, including government agencies, industry associations, and MSMEs.

8.5 Capacity building

Capacity building stands as a fundamental element in any development program or scheme essential in arming key stakeholders with the requisite knowledge, skills, and resources to effectively execute the MSME agenda and coordinate mechanisms for the scheme's success. As per the framework of SIP under RAMP, the MSME Commissionerate has sanctioned a blueprint of interventions aimed at addressing significant challenges faced by MSMEs in the state. To fortify the capacity of key government and support agencies in implementing the MSME support program as outlined in the SIP and for MSME grievance redressal:

- **Conducting needs assessment:** The department is dedicated to designing a capacity-building program that involves understanding the existing knowledge and skills gaps among key players, including District Industries Centers (DICs), MSEFC, industry associations, and MSME entrepreneurs, to enhance MSME growth.
- **Detailed capacity building plan:** Based on the needs assessment report, a detailed capacity-building plan will be formulated. This plan will encompass training programs, workshops, seminars covering topics: ZED, LEAN, GeM, TReDS, CGTMSE, MSME SAMADHAAN, etc. It will specify the timeline, required resources, and anticipated outcomes for each training intervention.

- **Empowering through Skills Development:** Capacity building efforts will also concentrate on strengthening collaboration to ensure that all key players are aligned and working towards a common goal. This collaborative approach enhances the effectiveness of the MSME support program and promotes effective coordination among stakeholders.



Consolidated Budget

9. Consolidated Budget

9.1 Snapshot of SIP Summary

S No	Main Interventions Under SIP (including MOMSME and State schemes – including convergence of schemes)	Total Budgetary Outlay	State/ Private sector contribution	Gap financing required through RAMP Program
		(INR in crores)		
1	Mapping MSME clusters with PM Gati shakti portal	7.81		7.81
2	Strengthening capacities of DICs and promoting MSME development across sectors	74.89	7.84	67.05
3	Setting up of State Export promotion cell and Strengthening MSMEs in Export Competitiveness	35.43	3.24	32.19
4	Scaling up Industry 4.0 transformation in Gujarat's manufacturing sector	52.34		52.34
5	Channeling finance for greening of MSMEs through Gujarat Green MSME Development scheme	24.74		24.74
6	Capacity building of 50 Industry associations/ SPVs in Gujarat	7.96		7.96
7	Micro incubation project for micro and small enterprises	48.13		48.13
8	Women Acceleration program	12.8		12.8
9	Capacity building of homestay owners to boost tourism potential	15.20		15.20
11	Access to credit through CGTMSE	200	100	100
12	SPIU budget	13.37		13.37
13	Communication and Outreach	6.3		6.3
14	Impact evaluation	0.31		0.31
15	Exposure visits GIDC- for industrial parks/ CFCs to TN DIC reps for business facilitation centers at Tamil Nadu/ Maharashtra Women led MSMEs/startups visits to Kudambashree visit in Kerala SPV training exposure visit to Karnataka	1.00		1.00
	Sub Total	500.28	111.08	389.20
	State Admin Cost (2.5% cost of intervention which totals to INR 389.20 Crore)	9.73		9.73
	Grand Total RAMP Finance	510.01	111.08	398.93

Table 133 Snapshot on SIP Summary

9.2 Year on year budget for RAMP budget

S No	Main Interventions Under SIP [including MOMSME and State schemes – including convergence of schemes	Year 1	Year 2	Year 3	Year 4	Total cost for 4 years under RAMP in (INR) crore
1	Mapping MSME clusters with PM Gati shakti portal	3.01	1.44	1.60	1.77	7.81
2	Strengthening capacities of DICs and promoting MSME development across sectors	15.99	15.81	16.96	18.29	67.05
3	Setting up of State Export promotion cell and Strengthening MSMEs in Export Competitiveness	12.81	9.25	5.52	4.62	32.19
4	Scaling up Industry 4.0 transformation in Gujarat's manufacturing sector	13.46	12.96	12.96	12.96	52.34
5	Channeling finance for greening of MSMEs through Gujarat Green MSME Development scheme	5.41	5.76	6.44	7.13	24.74
6	Short Term Management Training for SPV professionals, SPV governance and Industry associations in Gujarat	1.75	2.47	2.47	1.27	7.96
7	Micro incubation project for micro and small enterprises	12.13	12	12	12	48.13
8	Women Acceleration program	3.20	3.20	3.20	3.20	12.80
9	Tourism – capacity building of homestays	1.83	3.14	4.46	5.79	15.20
10	Access to credit through CGTMSE	40.00	30.00	20.00	10.00	100.00
11	SPIU budget	2.88	3.17	3.48	3.83	13.37
12	Communication and Outreach	1.58	1.58	1.58	1.58	6.30
13	Impact evaluation	0.07	0.07	0.07	0.10	0.31
14	Exposure visits GIDC- for industrial parks/ CFCs to TN DIC reps for business facilitation centers at Tamil Nadu/ Maharashtra Women led MSMEs/startups visits to Kudambashree visit in Kerala SPV training exposure visit to Karnataka	0.25	0.25	0.25	0.25	1.00
	Sub total	114.36	101.10	90.99	82.78	389.20
	Admin cost (2.5% cost of intervention which totals to INR 389.20 Crore)	2.86	2.53	2.27	2.07	9.73
	Grand Total	117.22	103.62	93.26	84.85	398.93

Table 134 Year on year budget for RAMP budget

9.3 Summary of Critical Actions to be supported Under SIP (Year 1-Year 4 of implementation period of SIP)

Sl. No	Critical Actions [List]	Description	Target Outputs and Outcomes			
1	Mapping MSME clusters with PM Gati shakti portal	<ul style="list-style-type: none">• Enhanced Data-Driven Decision-Making: Comprehensive mapping and competitiveness index will provide accurate insights for targeted policy interventions, infrastructure development, and resource allocation.• Improved Cluster Competitiveness: Focused interventions based on cluster strengths, weaknesses, and infrastructure needs will boost cluster linkages, innovation, market access, and overall competitiveness.• Strengthened Infrastructure Connectivity: Integration with PM Gati Shakti will ensure infrastructure development aligns with cluster needs, fostering better connectivity, reducing logistics costs, and enhancing access to forward and backward linkages.• Export competitiveness enhancement: the cluster competitiveness index will reveal the traits of the exporting clusters while analysing the success parameters which could be further analysed for potential export clusters to follow. Targeted policy support towards addressing the gaps will help accelerate exports from the state.• Accelerated MSME Growth and Development: Targeted interventions will result in improving last mile connectivity, tap opportunities and design programs/ projects for cluster support at different growth stages.• Enhanced Coordination and Collaboration: Improved data sharing and visibility among government departments will promote synergy and efficient resource utilization				
			Year 1	Year 2	Year 3	Year 4
2	Strengthening capacities of DICs and promoting MSME development across sectors	MSMEs availing Central and State schemes/incentives online	30,000	40,000	50,000	60,000
		MSMEs targeted for ZED/quality certificates under Champion schemes	4950	5940	7128	8554
		BDS request filled	1000	2000	3000	4000
			Year 1	Year 2	Year 3	Year 4
3	Setting up of State Export promotion cell and Strengthening MSMEs in Export Competitiveness	No. of MSMEs exporting	4000	6000	8000	10,000
		No. of MSMEs supported for digital cataloguing	5000	3000	1500	500
		No. of MSMEs availing improved product quality and compliance	3000	4000	5000	6000
		No. of MSMEs benefitting from B2B connections and partnerships with potential buyers and investors	10	15	20	25
			Year 1	Year 2	Year 3	Year 4
4	Scaling up Industry 4.0 transformation in	Number of awareness events conducted	8	8	8	8

Sl. No	Critical Actions [List]	Description	Target Outputs and Outcomes			
	Gujarat's manufacturing sector	Number of MSMEs outreached	1000	2000	3000	4000
		Number of MSMEs adopting industry 4.0 technologies	100	200	300	400
		Number of trainees under skilling program	100	200	300	400
			Year 1	Year 2	Year 3	Year 4
5	Channeling finance for greening of MSMEs through Gujarat Green MSME Development scheme	Number of MSMEs availed financial assistance	3000	3499	3999	4500
		Number of banking officials trained	30	40	50	60
			Year 1	Year 2	Year 3	Year 4
6	Short Term Management Training for SPV professionals, SPV governance and Industry associations in Gujarat	Capacity building of industry association personnel	50			
		SPVs/ industry associations adopting digital solutions	5	10	11	14
			Year 1	Year 2	Year 3	Year 4
7	Micro incubation project for micro and small enterprises	<ul style="list-style-type: none">The proposed project will aim to achieve the following outcomes, across 7 districts.14,000 micro entrepreneurs to be benefitted over the 4 years of RAMP project – 2000 per district tentatively. Special focus to be provided to support differently abled entrepreneurs over 4 years of the programme.Customization of Hastkala Setu Portal for tracking end to end lifecycle of microenterprises.80% microenterprises to be linked with institutional sources of credit.10 trademarks to be registered in each district.10 GI tagged products will be registered from year 2 onwards. ODOP products will be promoted.Additional employment to be generated by adding atleast one employee to each micro-enterprise.Approximately 30% increase in revenue of targeted micro-enterprises				
			Year 1	Year 2	Year 3	Year 4
8	Women Acceleration program	Number of women entrepreneurs trained	150	250	250	350
		Number of women enterprises formalized	150	250	250	350
		Number of women entrepreneurs availed CGTMSE or formal credit	60	70	80	90
		Average increase in the turnover of the business of women entrepreneurs post training	10%	15%	20%	25%
		Number of women entrepreneurs	15	30	60	90

Sl. No	Critical Actions [List]	Description	Target Outputs and Outcomes			
		onboarded on GeM and other e-commerce marketplaces as ONDC, Amazon etc				
			Year 1	Year 2	Year 3	Year 4
9	Tourism – Capacity building of Homestay	Widespread Entrepreneurship training for registered and new homestay owners for establishing homestay enterprises leading to sustainable income generation	300	600	900	1200
		Registration of new Homestays for the state	-	300	600	900
		Average increase in the turnover of the home stay owners	15%	20%	25%	30%
		Employment generation besides productive engagement of the family members involved in the enterprises.	600	1200	1800	2400
			Year 1	Year 2	Year 3	Year 4
10	Access to credit through CGTMSE	Number of MSMEs accessing credit under CGTMSE	8000	6000	4000	2000
		Number of women accessing credit under CGTMSE	150	200	250	300
		Number of MSMEs accessing credit under CGTMSE for RECP/Greening investments	150	200	250	300

Table 135 Summary of Critical Actions to be supported Under SIP



Annexures

Annexures

Annexure 1: Gujarat's share of FDI inflow with respect to India (YoY)

FDI in INR Crores in last 6 years				
USD MILLION (INR Crore)				
Year	India	Gujarat	Gujarat's % share	Gujarat's rank
2016-17	43,478 (291,696)	3,366 (22,610)	8%	3 rd
2017-18	44,857 (288,889)	2,091 (13,457)	5%	5 th
2018-19	44,366 (309,867)	1,802 (12,618)	4%	5 th
2019-20	49,977 (353,558)	6,052 (42,976)	12%	4 th
2020-21	59,636 (442,569)	21,890 (162,830)	37%	1 st
2021-22	58,773 (437,188)	2,706 (20,169)	5%	6 th
2022-23 (April to Dec 2022)	36,746 (2,91,073)	4,141 (32,349)	11%	4 th
Total	337,833 (2,414,840)	42,048 (307,009)	12.5%	-

Source: FDI Factsheet 3rd quarter 2022-23.xlsx (dpiit.gov.in)

Annexure 2: District wise MSME Clusters across Gujarat

District	Major Products	Area Cluster	GIDC/Non GIDC	No. of Clusters
Aravalli	Fabrication, Detergent powder	Shinavad	GIDC	7
	Agro Processing cluster	Modasa	GIDC	
	Engineering, Crusher Machine Cluster	Dhansura	Non GIDC	
	Quarry	Dhansura, bayad	Non GIDC	
	Cold Storage Cluster	Dhansura, Vadagam	Non GIDC	
	Agro Processing cluster	Modasa, Dhansura, Bayad	Non GIDC	
	Agro Processing cluster	Modasa	Non GIDC	
Ahmedabad	Engineering, Chemical, Plastic, Textile, Food, Ceramic	Naroda	GIDC	11
	Engineering, Chemical, Plastic	Vatva	GIDC	
	Engineering, Foundry, utensils, Chemical, Plastic	Odhav	GIDC	
	Textile processor cluster	Baherampura, Danilimbd, Shahwadi	Non GIDC	
	Embroidery & Diamond	Bapunagar, Nikol	Non GIDC	
	Agro	Bavla, Sanand	Non GIDC	
	Lubricating Oil Manufacturing	Danilimbda, Chandola, Narol	Non GIDC	
	Garment & Apparel	Khokhra	Non GIDC	
	Electronics	Paldi, Odhav, Kathvada	Non GIDC	
	Mata ni Pachedi	Vasna	Non GIDC	
	Engineering, Foundry, utensils, Chemical, Plastic	Odhav	Non GIDC	
Anand	Sawmill	Borsad	GIDC	7
	Rice Mill	Khambhat	GIDC	
	Engineering	V.U.Nagar	GIDC	

District	Major Products	Area Cluster	GIDC/Non GIDC	No. of Clusters
	Akik stone	Khambhat - Akik Stone	Non GIDC	
	Wood furniture & Fabrication	Anand Audhyogik Vasahat	Non GIDC	
	Chemical	Sokhda	Non GIDC	
	Dal & Pulse	Vasad	Non GIDC	
Amreli	Weighing Scale, Oil Mill	Savar Kundla/ Amreli, all talukas	Non GIDC	1
Banaskantha	Chundadi made cluster	Ambaji	GIDC	9
	Quarry cluster	Boru	Non GIDC	
	Automobile cluster	Chhapi	Non GIDC	
	Quarry cluster	Danta	Non GIDC	
	Agro based cold storage cluster	Deesa	Non GIDC	
	Marble & Article cluster	Kumbhariya Koteshwar	Non GIDC	
	Diamond cluster	Palanpur	Non GIDC	
	Marble & Granite cluster	Palanpur National Highway	Non GIDC	
	Handmade embroidery cluster	Tharad	Non GIDC	
Bharuch	Pharmaceuticals and Chemical	Ankleshwar	GIDC	6
	Chemical and Chemical Product	Jaghadiya	GIDC	
	Dyes and Pigments	Ankleshwar	GIDC	
	Extraction of Salt	Gandhar	Non GIDC	
	Machine and Equipment	Ankleshwar	Non GIDC	
	Pharmaceuticals and Chemical	Dahej	Non GIDC	
Bhavnagar	Diamond, Plastic, Steel rolling and induction furnace	Bhavnagar/ Sihor	GIDC	2
	Diamond, Plastic, Steel rolling and induction furnace	Bhavnagar/ Sihor	Non GIDC	
Botad	Cotton ginning & Spinning, Diamond, Ginning	Botad & Dhasa/ Dhasa	GIDC	2
	Cotton ginning & Spinning,	Botad & Dhasa/	Non GIDC	

District	Major Products	Area Cluster	GIDC/Non GIDC	No. of Clusters
	Diamond, Ginning	Dhasa		
Chhota Udepur	Dolomite	Chhota Udepur - Mineral	Non GIDC	4
	Diamond	Kwant- Panvad	Non GIDC	
	Cotton ginning	Pavi Jetpur	GIDC	
	Sankheda Furniture	Sankheda	Non GIDC	
Dahod	Agro based	Dahod	GIDC	1
Dang	Hotels	Saputara	Non GIDC	1
Devbhumi Dwarka	Agro based (Mini Oil and Sortex Plant)	Khambhaliya and Bhanvad	GIDC	6
	Ice Factory	Shivrajpur, Arambhada and Okhamandal	GIDC	
	Hotels	Dwarka	Non GIDC	
	Mineral - based	Khambhaliya	Non GIDC	
	Mineral - based	Khambhaliya and Bhatiya	Non GIDC	
	Ice Factory	Shivrajpur, Arambhada and Okhamandal	Non GIDC	
Gandhinagar	Engineering, Pharmaceuticals, Plastic, Textile, Chemical	Chhatral	GIDC	9
	Wood based Industries	Dehgam	GIDC	
	Electronics	Gezia - Sector 25	GIDC	
	Seeds and Agro Processing	Mansa	GIDC	
	Engineering	Sector 28	GIDC	
	Engineering, Pharmaceuticals, Plastic, Textile, Chemical	Chhatral	Non GIDC	
	Wood based Industries	Dehgam	Non GIDC	
	Seeds and Agro Processing	Mansa	Non GIDC	

District	Major Products	Area Cluster	GIDC/Non GIDC	No. of Clusters
	Foundry and Engineering Cluster	Zank	Non GIDC	
Gir Somnath	Ice Block	Prabhas Patan & Satnam Industrial Area	GIDC	3
	Frozen sea food	Prabhas Patan Gir Somnath	GIDC	
	Ice Block	Prabhas Patan & Satnam Industrial Area	Non GIDC	
Jamnagar	Brass Part, Electroplating	Phase 1	GIDC	7
	Brass Part	Phase 2	GIDC	
	Brass Part	Phase 3	GIDC	
	Engineering	Dhrol	Non GIDC	
	Engineering and Agro based	Hapa Industrial Area	Non GIDC	
	Bandhani	Jamnagar	Non GIDC	
	Brass Part	Phase 2 and 3	Non GIDC	
Junagadh	Plastic Products	Junagadh City	GIDC	3
	Food, Plastic Products	Keshod	Non GIDC	
	Food Products	Junagadh City	Non GIDC	
Kheda	Engg. & Pharmaceutical	Nadiad	GIDC	5
	Sawmill	Kamla	Non GIDC	
	Cement	Kanjari	Non GIDC	
	Rice Mill	Limbasi	Non GIDC	
	Plywood	Nadiad - Plywood	Non GIDC	
Kutch	Timber	Mithi Rohar	GIDC	6
	Bentonite	Mandvi	GIDC	
	Bentonite	Lakhpat	Non GIDC	
	Salt	Gandhidham	Non GIDC	
	Handmade Embroidery	Mandvi	Non GIDC	

District	Major Products	Area Cluster	GIDC/Non GIDC	No. of Clusters
	China clay	Bhuj	Non GIDC	
Mahisagar	Mineral	Balasinor	GIDC	1
Mehsana	Engineering Chemical	Gojariya	GIDC	7
	Plastic Packaging	Kadi	GIDC	
	Engineering Goods	Mehsana	GIDC	
	Metal furniture	Satlasanj	Non GIDC	
	Agro based Machinery	Unjha	Non GIDC	
	Metallic casting- re rolling	Vijapur	Non GIDC	
	Diamond	Visnagar	Non GIDC	
Morbi	Ceramic	Dhuva-Matel- Sartanpar, Ghutu- Lalpar- Lakhdirpur- Pipali-Rangpar- Bela	Non GIDC	5
	Salt works	Jajasar-Maliya- Haripar	Non GIDC	
	Clock Manufacturing	Lati Plot and Sanala area	Non GIDC	
	Paper Mill	Lilapar	GIDC	
	Poly pack	Tankara	Non GIDC	
Narmada	Pharmaceuticals - Ayurveda	Rajpipla	GIDC	2
	Pharmaceuticals - Ayurveda	Rajpipla City	Non GIDC	
Navsari	Engineering	Navsari	GIDC	3
	Food Processing	Navsari	GIDC	
	Diamond and cutting	Navsari City	Non GIDC	
Panch mahal	Plastic & Engg.	Godhara	GIDC	4
	Engg. & Chemical	Kalol	GIDC	

District	Major Products	Area Cluster	GIDC/Non GIDC	No. of Clusters
	Engg. & Auto component	Maswad	GIDC	
	Plastic Products	Halol	GIDC	
Patan	Engineering cluster	Siddhpur GIDC	GIDC	4
	Patola	Moti batiyavad	Non GIDC	
	Salt	Santalpur	Non GIDC	
	Psyllium Husk	Siddhpur unjha belt	Non GIDC	
Porbandar	Seafood	Zavar – non-GIDC area	GIDC	5
	Seafood	Vanana GIDC and in Zavar – non-GIDC area	GIDC	
	Chalk	Adityana	Non GIDC	
	Seafood	Zavar – non-GIDC area	Non GIDC	
	Seafood	Vanana GIDC and in Zavar – non-GIDC area	Non GIDC	
Rajkot	Bearing, forging, auto components	Khirasara	GIDC	16
	Bearing, forging, auto components	Khirasara (Lodhika)	GIDC	
	Bearing, forging, auto components	Lodhika	GIDC	
	Bearing, forging, auto components	Metoda	GIDC	
	Bearing, forging, auto components	Metoda(Lodhika)	GIDC	
	Submersible Pump	Aji	GIDC	
	Submersible Pump, Electric Cables, Agri-based Pipes	Aji, Shapar-Verval, Lothda - Padavala- Piplana	GIDC	
	Submersible Pump, Electric Cables, Agri-based Pipes	Aji	Non GIDC	
	Plastic	Dhoraji	Non GIDC	
	Gems and Jewellery	Soni Bazaar	Non GIDC	
	Agro Based products	Gondal	Non GIDC	
	Textile	Jetpur	Non GIDC	

District	Major Products	Area Cluster	GIDC/Non GIDC	No. of Clusters
	Engineering, CI Casting, Plastic	Lothda-Padavla - Piplana	Non GIDC	
	Engineering and Auto Components	Shapar Veraval	Non GIDC	
	Engineering and Auto Components	Shapar Veraval, Iodhika,	Non GIDC	
	Submersible Pump, Electric Cables, Agri-based Pipes	Aji, Shapar-Verval, Lothda - Padavala- Piplana	Non GIDC	
Sabarkantha	Pharma cluster	Himatnagar	GIDC	8
	Plastic cluster	Talod	GIDC	
	Alloy cluster	Barol	Non GIDC	
	Corrugated cluster	Himatnagar	Non GIDC	
	Alloy cluster, Coir Handicraft, Cold Storage, Granite, Wooden Toys	Idar	Non GIDC	
	Granite cluster	Isarvada road	Non GIDC	
	Agro cluster	Kankrot	Non GIDC	
	Pulses cluster	Savgadh	Non GIDC	
Surat	Engineering	Ichapor	GIDC	20
	Textile	Ichapor	GIDC	
	Diamond and cutting	Varachcha	Non GIDC	
	Food	Mangrol	Non GIDC	
	Gem and Jewellery	Katargam	Non GIDC	
	Textile	Varachcha	Non GIDC	
	Textile	Gothan	Non GIDC	
	Textile	Hathoda	Non GIDC	
	Textile	Karaj	Non GIDC	
	Textile	Katargam	Non GIDC	
	Textile	Kim Pipodara	Non GIDC	
	Textile	Kamrej	Non GIDC	
	Textile	Mandvi Karanj	Non GIDC	

District	Major Products	Area Cluster	GIDC/Non GIDC	No. of Clusters
	Textile	Mangrol	Non GIDC	
	Textile	Pipodara Kim	Non GIDC	
	Textile	Saniya Hemad	Non GIDC	
	Textile	Tantithaiya Jolva	Non GIDC	
	Textile	Sachin	GIDC	
	Textile	Velanja	Non GIDC	
	Zari and Zardozi	Surat City	Non GIDC	
Surendranagar	Fastener, Bearing, Auto Components, Engineering Works & Ceramic	Wadhwan/Thaan/ Jintan Udyog Nagar	GIDC	2
	Fastener, Bearing, Auto Components, Engineering Works & Ceramic	Wadhwan/Thaan/ Jintan Udyog Nagar	Non GIDC	
Tapi	Food Processing	Vyara	Non GIDC	2
	Quarry	Vyara	Non GIDC	
Vadodara	Sawmill, Chemical, Agro	Dabhoi	GIDC	14
	Engineering	Makarpura	GIDC	
	Chemical	Nandesari	GIDC	
	Engineering	Por Ramangamdi	GIDC	
	Engineering	Ranoli	GIDC	
	Engineering	Savli	GIDC	
	Engineering, Electrical Equipment's	Waghodiya	GIDC	
	Engineering	BIDC Gorwa	Non GIDC	
	Printing & Packaging	Karelibaug	Non GIDC	
	Chemical	Padra	Non GIDC	
	Chemical, Engineering	Poicha, Rania, Mokshi	Non GIDC	
	Engineering	Sardar Estate	Non GIDC	
	Chemical, Electrical Equipment Engineering	Savli East Waghodiya West	Non GIDC	

District	Major Products	Area Cluster	GIDC/Non GIDC	No. of Clusters
	Jewellery	Vadodara Jewellers	Non GIDC	
Valsad	Chemical and Chemical Product	Vapi	GIDC	3
	Paper Mills	Vapi	Non GIDC	
	Wood Industries	Valsad	Non GIDC	
Total Clusters				186

Source: MSME Commissionerate and KPMG Cluster analysis study

Annexure 3: Bank wise ACP targets for 2023-24 and achievement

Name of the Bank	No. of units		Amount (in ₹ crore)		% Achievement	
	Target for MSME Sector under ACP 2023-24 for the bank	Achievement as on 30.09.2023	Target for MSME Sector under ACP 2023-24 for the bank	Achievement as on 30.09.2023	Unit wise	Amount wise
Axis Bank	30984	14772	8331	19126.77	47.68%	229.59%
Bank of Baroda	124642	69949	20991	6703	56.12%	31.93%
Bank of India	38721	26445	6798	3813.5	68.30%	56.10%
Central Bank of India	26493	5889	4973	623.66	22.23%	12.54%
HDFC Bank	58297	33826	14728	38904.96	58.02%	264.16%
ICICI Bank	48132	16826	11582	8819.77	34.96%	76.15%
Punjab National Bank	28546	11403	6783	2457.11	39.95%	36.22%
State Bank of India	118698	11947	24426	13074	10.07%	53.52%
Union Bank of India	46063	16347	7759	1718.05	35.49%	22.14%
Grand Total	520576	207404	106371	95240.82	39.84%	89.54%

Annexure 4: Resolution on the Citizens Charter passed on 10/02/2021, by the Industries Commissionerate Office, Gujarat in accordance with the Right of Citizens to Public Services Act, 2013

c/93

ગુજરાત (જાહેર સેવાઓ અંગેનો
નાગરિકોનો અધિકાર) અધિનિયમ-
૨૦૧૩ના અમલ કરવા બાબત
ક્રમાંક:ઉક/મકમ/૧/RCPS/૨૨૫૬૧૭/
૧૬૬૬૫૬૯
ઉદ્યોગ કમિશનરશ્રીની કચેરી,
ઉદ્યોગ ભવન, બ્લોક નં.૧-૨,
૫ મો માળ, ગાંધીનગર.
તા.૧૦/૦૨/૨૧

10 FEB 2021

વંચાણે લીધા:-

- (૧) સામાન્ય વહીવટ વિભાગના તા.૨૬/૨/૨૦૧૩ના જાહેરનામા ક્રમાંક:જીએસ/સી/એનએપી/૧૦૨૦૧૩/૮૧૭/એઆરટી/ડી-૧
 - (૨) ઉદ્યોગ અને ખાણ વિભાગના તા.૧૯/૩/૨૦૧૬ના જાહેરનામા ક્રમાંક:જીયુ/૨૦૧૬/૩૮/એમઆઇએસ/૧૦૨૦૧૬/૩૮૫/૬૧
 - (૩) અત્રેના તા.૩૧/૦૩/૨૦૧૬ના કા.આ. ક્રમાંક:ઉક/મકમ/૧/RCPS/૧૧૭૩૩૮૩
 - (૪) ઉદ્યોગ અને ખાણ વિભાગના તા.૧૮/૧૦/૨૦૧૭ના જાહેરનામા ક્રમાંક:જીયુ/૨૦૧૬/૩૮/એમઆઇએસ/૧૦૨૦૧૬/૩૮૫/૬૧
 - (૫) અત્રેના તા.૧૫/૬/૧૯ના કા.આ. ક્રમાંક:ઉક/મકમ/૧/RCPS/૨૨૫૬૧૭/૧૫૪૫૫૧૬
- કાર્યાલય આદેશ:-**

આમુખ-૧માં દર્શાવેલ જાહેરનામાથી ગુજરાત (જાહેર સેવાઓ અંગેનો નાગરિકોનો અધિકાર) અધિનિયમ-૨૦૧૩નો અમલ કરવા માટે રાજ્ય સરકારે નિયમો જાહેર કરેલ છે. સદરજુ નિયમો-૨૦૧૩ના પ્રકરણ-૨ની કલમ-૩ મુજબ આ અધિનિયમની જોગવાઈઓને આધિન રહીને, દરેક વ્યક્તિગત નાગરિકને સમયબદ્ધ સેવાઓ મેળવવાનો અને તે અંગેની તેની ફરિયાદના નિવારણનો અધિકાર રહે છે. જે અન્વયે ઉદ્યોગ અને ખાણ વિભાગના તા.૧૯/૩/૧૬ તથા તા.૧૮/૧૦/૧૭ના જાહેરનામા અન્વયે અત્રેના તા.૩૧/૩/૨૦૧૬ તથા તા.૧૫/૬/૧૯ના કાર્યાલય આદેશ વિગતવાર આદેશ કરવામાં આવેલ છે.

અત્રેના ઉક્ત આદેશ પછી બદલી/બદલી/નિવૃત્તિ વગેરેના કારણે મુકરર અધિકારી, ફરિયાદ નિવારણ અધિકારી, મુકરર સત્તાધિકારીમાં ફેરફાર થયેલ છે. જેથી આ સાથેના બિડાણ કરેલ પત્રક-"અ" અને પત્રક-"બ"માં સેવા પૂરી પાડનાર સક્ષમ અધિકારી, ફરિયાદ નિવારણ અધિકારી તથા નિર્દિષ્ટ સત્તાધિકારીના હોદ્દા, સરનામું, ફોન નંબર, ફેક્સ નંબર અને ઈ-મેઇલ એડ્રેસ મુજબ ગુજરાત (જાહેર સેવાઓ અંગેનો નાગરિકોનો અધિકાર)

અધિનિયમ-૨૦૧૩નો ચુસ્તપણે અમલ કરવા આથી જાહેર કરવામાં આવે છે.

નોંધ:- પત્રક-અ અને પત્રક-બમાં જણાવેલ સક્ષમ અધિકારી, ફરિયાદ નિવારણ અધિકારી અને નિર્દિષ્ટ સત્તાધિકારીઓની બદલી કે ગેરહાજરીના થયા પ્રસંગે કામગીરી સંભાળતા અધિકારીનું નામ ધ્યાને લેવાનું રહેશે. અત્રેના તા.૩૧/૩/૧૬ તથા તા.૧૫/૬/૧૯ના આદેશની અન્ય વિગતો યથાવત રહે છે.

સંયુક્ત ઉદ્યોગ કમિશનર (મહેકમ)

(ફાઇલ પરની નોંધ પરની અ.ઉ.ક.શ્રી (સ.ખ.)ની મંજૂરીથી)

બિડાણ:- ઉપર મુજબ

૦૬/૨/૨૧
૦૫/૦૨

પ્રતિ,

શ્રી.....

નકલ સવિનય રવાના જાણ તેમજ જરૂરી કાર્યવાહી સારું:-

(૧) અધિક મુખ્ય સચિવશ્રીના રહસ્ય સચિવશ્રી, ઉદ્યોગ અને ખાણ વિભાગ, સચિવાલય, ગાંધીનગર.

(૨) નાયબ સચિવશ્રી (સેવા), ઉદ્યોગ અને ખાણ વિભાગ, સચિવાલય, ગાંધીનગર.

(૩) ઉદ્યોગ કમિશનરશ્રીના રહસ્ય સચિવશ્રી, વડી કચેરી, ગાંધીનગર.

(૪) કમિશનરશ્રી, એમએસએમઇના અંગત મદદનીશશ્રી, વડી કચેરી, ગાંધીનગર.

(૫) અધિક ઉદ્યોગ કમિશનરશ્રી (સ.ખ./વિકાસ/વિસ્તરણ)ના અંગત મદદનીશશ્રી, વડી કચેરી, ગાંધીનગર.

(૬) તાંત્રિક સલાહકારશ્રી (રસાયણ), વડી કચેરી, ગાંધીનગર.

(૭) સંયુક્ત તાંત્રિક સલાહકારશ્રી (પી.આઇ.), વડી કચેરી, ગાંધીનગર.

(૮) સંયુક્ત ઉદ્યોગ કમિશનરશ્રી (મહેકમ/વહીવટ/ઇન્ફ્રા/એમએસએમઇ-વિકાસ/લાજ પ્રોત્સાહન/સોલ્ડ-ટેક્ટાઇલ/આઇ એમ.), વડી કચેરી, ગાંધીનગર.

(૯) સંયુક્ત નિયામકશ્રી (હિસાબ), હિસાબી શાખા, વડી કચેરી, ગાંધીનગર.

(૧૦) નાયબ ઉદ્યોગ કમિશનરશ્રી (સ.ખ./સંકલન/એમએસએમઇ-પ્રોત્સાહન), વડી કચેરી, ગાંધીનગર.

(૧૧) નાયબ નિયામકશ્રી (આંકડા), આંકડા શાખા, વડી કચેરી, ગાંધીનગર.

(૧૨) જનરલ મેનેજરશ્રી, જિલ્લા ઉદ્યોગ કેન્દ્ર,

(૧૩) ઉપ સચિવશ્રી (જ), ઉદ્યોગ અને ખાણ વિભાગ, સચિવાલય, ગાંધીનગર.

(૧૪) મહેકમ શાખાનું ટેબલ નં.....

(૧૫) પસંદગીની ફાઇલ.

Annexure 5: Snapshot of Access to Finance

Industry/Sector	Major Method of Finance (Banks, Lenders, investors, FIs etc.)	Existing Central/State Schemes being availed		Industry Associations
		Central Schemes	State Schemes	
Agro and Food Processing	Funding obtained through borrowing from financial entities like Govt banks, lenders, Investors, and financial institutions. Personal investment Loans without interest acquired from acquaintances, friends and family members.	PM Formalization of Micro Food processing enterprise scheme (PM FME scheme)	Agriculture and Processed Foods Export Promotion Scheme of APEDA For The 15th Finance Commission Cycle (2021-22 To 2025-26).	Oil mills association
		Pradhan Mantri Kisan Sampada Yojana (PM KSY) Scheme	Horticultural aid schemes	Amreli jilla agro input association
		Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)	Agriculture Support Scheme	Vasad dal utpadak mandal
		National Agriculture Insurance Scheme		All India vegetable dehydrated manufacturer development association
		Farmers Accident Insurance Scheme		Himmatnagar dal utpadan mandal
				Ambica Agro & oil industries
				Matar GIDC industries association
Textile and Apparel		Pilot Phase to set up Incubation Centers in Apparel Manufacturing	Scheme for Assistance to Strengthen Specific Sectors in the Textile Value Chain	The Gujarat garment manufacturers association
		Handicrafts Schemes		Ahmedabad textile mills association
		Technology Upgradation Fund Scheme		Ahmedabad textile processors association.

Industry/Sector	Major Method of Finance (Banks,	Existing Central/State Schemes being availed		Industry Associations
		Power loom Sector Schemes		Ahmedabad textile processors association.
		Jute Sector Schemes		Ahmedabad power loom owners association,
				Rajula ginning association
				Shree Botad cotton merchant and ginning pressing association
				Dhasa cotton ginning and pressing association
				Una taluka, ginning and pressing factory association
				Manavadar taluka ginning and factory association
				Vijapur ginning & pressing association
				Pandesara weaver's co-op society ltd
				The Surat art silk cloth manufacturers association
				South Gujarat textile processors association
Chemical and Petrochemical		Chemical promotion development scheme	PCPIR Policy 2020-2035	The Gujarat dyestuff manufacturing association
		Centre of Excellence	Aatmanirbhar Gujarat scheme for assistance to MSMEs	Gujarat chemical association
		Petrochemicals Research and Innovation Commendation		Agrochemicals manufacturers association of India (amai),
		Plastic Park Scheme		Gujarat Sabu utpadak maha mandal Ltd.
				The Gujarat dyestuff manufacturing, association
Pharmaceutical and Medical devices		Scheme for Human Resource Development in Medical Device Sector	Biotechnology (BT) Policy 2022-27	Indian drug manufacturers' association
		Assistance to Medical Device		Sabarkantha drugs manufactures

Industry/Sector	Major Method of Finance (Banks,	Existing Central/State Schemes being availed		Industry Associations
		Clusters for Common Facilities (AMD-CF)		association
		Scheme for Promotion of Research and Innovation in Pharma MedTech Sector (PRIP)		
		Scheme for Strengthening of Pharmaceuticals Industry (SPI)		
		Production Linked Incentive (PLI) scheme for Pharmaceuticals		
		Production Linked Incentive (PLI) Scheme for Promotion of Domestic Manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates and Active Pharmaceutical Ingredients (APIs) in the Country.		
		Production Linked Incentive (PLI) Scheme for Promoting Domestic Manufacturing of Medical Devices.		
		Scheme for Promotion of Bulk Drug Parks.		
		Scheme for Promotion of Medical Device Parks.		

Industry/Sector	Major Method of Finance (Banks,	Existing Central/State Schemes being availed		Industry Associations
		Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP)		
		Scheme of Consumer Awareness, Publicity and Price Monitoring (CAPPM)		
		Assistance to Pharmaceutical Industry for Common Facilities		
		Pharmaceutical Promotion and Development Scheme (PPDS)		
Engineering (Industrial Machinery and Equipment)		Enhancement of Competitiveness in the Indian capital goods sector for assistance to common technology development and services infrastructure Pradhan Mantri Kisan Sampada Yojana (PM KSY) Scheme	Aatmanirbhar Gujarat scheme for assistance to MSMEs	Ahmedabad Engineering association
		National Capital Goods Policy-2016		GIDC engineering complex association
		National Manufacturing Policy-2011		Rajkot engineering Association
				Machine tools manufactures association
				Aji GIDC industries association
Cement and Ceramics		N.A.	N.A.	Bodeli cement pipe manufacturers association
				Shree Kachchh China clay association
				Sabarkantha district

Industry/Sector	Major Method of Finance (Banks,	Existing Central/State Schemes being availed		Industry Associations
				ceramics industries association
				Morbi ceramics association
				Sanitary wares manufacturing association
				Wankaner ceramic association
				Panchal ceramic association Vikas trust
Auto and Auto Components		Production-Linked Incentive (PLI) Scheme in the Automobile and Auto Components sectors	Aatmanirbhar Gujarat scheme for assistance to MSMEs	N.A.
		FAME India Phase II scheme		
		National Capital Goods Policy 2016		
Metal and Mines		Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY)	N.A.	Kutch mines & minerals association.
				Palanpur marble & granite foundation
				Chhotaudepur mineral merchant association
				Devbhumi dwarka district mineral processors association
				Porbandar adityana chalk mines owner's & manufacturing association
				Aravalli-kheda district black trap quarry association
				Ambaji marble quarry & factory association
				Quarry industries association
Gems and Jewelry		Gold Monetization Scheme	N.A.	Ahmedabad diamond association
		BIS Hallmarking Scheme		Amreli district diamond association
				Bhavnagar district diamond association

Industry/Sector	Major Method of Finance (Banks,	Existing Central/State Schemes being availed		Industry Associations
				Shree botad jilla diamond association
				Kashtbhanjan diamond association
				Banaskantha jilla diamond factory honors association
				Junagadh diamond association
				The Navsari diamond merchant association
				The gems & jewelry export pro council
Wood and Furniture		N.A.	N.A.	N.A.
Electronics		Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS)	Gujarat Electronics Policy 2022-28	Gandhinagar electronics zone industries association (GEZIA)
		Modified Electronics Manufacturing Clusters Scheme (EMC 2.0)		
		National Electronic Policy-2019		
IT/ITES		MeitY Digital India Internship Scheme 2023	Gujarat IT / ITeS Policy (2022 – 27)	N.A.
		Digital India Internship Scheme for NIC (Summer 2023)		
		NGO Grant Online Application System for R&D scheme		
		BPO promotion Schemes		
		Electronic Hardware Schemes		
Real estate & Professional		N.A.	N.A.	N.A.

Industry/Sector	Major Method of Finance (Banks,	Existing Central/State Schemes being availed		Industry Associations
services				
Transport & Logistics services		National logistics policy	Gujarat Integrated Logistics and Logistics Park Policy 2021	Mahuva cold storage association
				Porbandar jilla cold storage association

Annexure 6: Snapshot of sector specific constraints

Industry/Sector	Major Method of Finance (Banks, Lenders, investors, FIs etc.)	Existing Central/State Schemes being availed		Industry Associations
		Central Schemes	State Schemes	
Agro and Food Processing	Funding obtained through borrowing from financial entities like Govt banks, lenders, Investors, and financial institutions. Personal investment Loans without interest acquired from acquaintances, friends and family members.	PM Formalization of Micro Food processing enterprise scheme (PM FME scheme)	Agriculture and Processed Foods Export Promotion Scheme of APEDA For The 15th Finance Commission Cycle (2021-22 To 2025-26).	Oil mills association
		Pradhan Mantri Kisan Sampada Yojana (PM KSY) Scheme	Horticultural aid schemes	Amreli jilla agro input association
		Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)	Agriculture Support Scheme	Vasad dal utpadak mandal
		National Agriculture Insurance Scheme		All India vegetable dehydrated manufacturer development association
		Farmers Accident Insurance Scheme		Himmatnagar dal utpadan mandal
				Ambica Agro & oil industries
		Matar GIDC industries association		
Textile and Apparel		Pilot Phase to set up Incubation Centers in Apparel Manufacturing	Scheme for Assistance to Strengthen Specific Sectors in the Textile Value Chain	The Gujarat garment manufacturers association
		Handicrafts Schemes		Ahmedabad textile mills association
		Technology Upgradation Fund		Ahmedabad textile processors

Industry/Sector	Major Method of Finance (Banks, Lenders, investors, FIs etc.)	Existing Central/State Schemes being availed		Industry Associations
		Central Schemes	State Schemes	
		Scheme		association.
		Power loom Sector Schemes		Ahmedabad textile processors association.
		Jute Sector Schemes		Ahmedabad power loom owners association,
				Rajula ginning association
				Shree botad cotton merchant and ginning pressing association
				Dhasa cotton ginning and pressing association
				Una taluka, ginning and pressing factory association
				Manavadar taluka ginning and factory association
				Vijapur ginning & pressing association
				Pandesara weaver's co-op society ltd
				The Surat art silk cloth manufacturers association
				South Gujarat textile processors association
Chemical and Petrochemical	Chemical promotion development	PCPIR Policy 2020-2035	The Gujarat dyestuff manufacturing	

Industry/Sector	Major Method of Finance (Banks, Lenders, investors, FIs etc.)	Existing Central/State Schemes being availed		Industry Associations
		Central Schemes	State Schemes	
		scheme		association
		Centre of Excellence	Aatmanirbhar Gujarat scheme for assistance to MSMEs	Gujarat chemical association
		Petrochemicals Research and Innovation Commendation		Agrochemicals manufacturers association of India (amai),
		Plastic Park Scheme		Gujarat sabu utpadak maha mandal ltd.
				The Gujarat dyestuff manufacturing, association
Pharmaceutical and Medical devices		Scheme for Human Resource Development in Medical Device Sector	Biotechnology (BT) Policy 2022-27	Indian drug manufacturers' association
		Assistance to Medical Device Clusters for Common Facilities (AMD-CF)		Sabarkantha drugs manufactures association
		Scheme for Promotion of Research and Innovation in Pharma MedTech Sector (PRIP)		
		Scheme for Strengthening of Pharmaceuticals Industry (SPI)		
		Production Linked Incentive (PLI) scheme for Pharmaceuticals		
	Production Linked Incentive (PLI) Scheme for Promotion of Domestic Manufacturing of			

Industry/Sector	Major Method of Finance (Banks, Lenders, investors, FIs etc.)	Existing Central/State Schemes being availed		Industry Associations
		Central Schemes	State Schemes	
		critical Key Starting Materials (KSMs)/ Drug Intermediates and Active Pharmaceutical Ingredients (APIs) in the Country.		
		Production Linked Incentive (PLI) Scheme for Promoting Domestic Manufacturing of Medical Devices.		
		Scheme for Promotion of Bulk Drug Parks.		
		Scheme for Promotion of Medical Device Parks.		
		Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP)		
		Scheme of Consumer Awareness, Publicity and Price Monitoring (CAPPMP)		
		Assistance to Pharmaceutical Industry for Common Facilities		
		Pharmaceutical Promotion and Development Scheme (PPDS)		
		Enhancement of Competitiveness in the Indian capital goods sector for assistance to		
Engineering (Industrial Machinery and Equipment)			Aatmanirbhar Gujarat scheme for assistance to MSMEs	Ahmedabad Engineering association

Industry/Sector	Major Method of Finance (Banks, Lenders, investors, FIs etc.)	Existing Central/State Schemes being availed		Industry Associations
		Central Schemes	State Schemes	
		common technology development and services infrastructure Pradhan Mantri Kisan Sampada Yojana (PM KSY) Scheme		
		National Capital Goods Policy-2016		GIDC engineering complex association
		National Manufacturing Policy-2011		Rajkot engineering Association
				Machine tools manufactures association
				Aji GIDC industries association
Cement and Ceramics		N.A.	N.A.	Bodeli cement pipe manufacturers association
				Shree Kachchh China clay association
				Sabarkantha district ceramics industries association
				Morbi ceramics association
				Sanitary wares manufacturing association
				Wankaner ceramic association
				Panchal ceramic association Vikas trust

Industry/Sector	Major Method of Finance (Banks, Lenders, investors, FIs etc.)	Existing Central/State Schemes being availed		Industry Associations
		Central Schemes	State Schemes	
Auto and Auto Components		Production-Linked Incentive (PLI) Scheme in the Automobile and Auto Components sectors	Aatmanirbhar Gujarat scheme for assistance to MSMEs	N.A.
		FAME India Phase II scheme		
		National Capital Goods Policy 2016		
Metal and Mines		Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY)	N.A.	Kutch mines & minerals association.
				Palanpur marble & granite foundation
				Chhotaudepur mineral merchant association
				Devbhumi dwarka district mineral processors association
				Porbandar adityana chalk mines owner’s & manufacturing association
				Aravalli-kheda district black trap quarry association
				Ambaji marble quarry & factory association
	Quarry industries association			
Gems and Jewellery	Gold Monetization Scheme	N.A.	Ahmedabad diamond association	
	BIS Hallmarking		Amreli district diamond	

Industry/Sector	Major Method of Finance (Banks, Lenders, investors, FIs etc.)	Existing Central/State Schemes being availed		Industry Associations
		Central Schemes	State Schemes	
		Scheme		association
				Bhavnagar district diamond association
				Shree botad jilla diamond association
				Kashtbhanjan diamond association
				Banaskantha jilla diamond factory honors association
				Junagadh diamond association
				The Navsari diamond merchant association
				The gems & jewelry export pro council
Wood and Furniture		N.A.	N.A.	N.A.
Electronics		Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS)	Gujarat Electronics Policy 2022-28	Gandhinagar electronics zone industries association (GEZIA)
		Modified Electronics Manufacturing Clusters Scheme (EMC 2.0)		
		National Electronic Policy-2019		
IT/ITES		MeitY Digital India Internship Scheme 2023	Gujarat IT / ITeS Policy (2022 – 27)	N.A.

Industry/Sector	Major Method of Finance (Banks, Lenders, investors, FIs etc.)	Existing Central/State Schemes being availed		Industry Associations
		Central Schemes	State Schemes	
		Digital India Internship Scheme for NIC (Summer 2023)		
		NGO Grant Online Application System for R&D scheme		
		BPO promotion Schemes		
		Electronic Hardware Schemes		
Real estate & Professional services		N.A.	N.A.	N.A.
Transport & Logistics services		National logistics policy	Gujarat Integrated Logistics and Logistics Park Policy 2021	Mahuva cold storage association
				Porbandar jilla cold storage association

Number of MSMEs baselines vs expected yearly targets						
Details	Baseline	Year 1	Year 2	Year 3	Year 4	Total
ZED - Gold	21	25	30	35	40	130
% of women MSMEs benefitting		10	12	14	16	52
ZED Silver	28	30	40	50	60	180
% of women MSMEs benefitting		10	12	14	16	52
ZED - Bronze	1916	350	450	550	650	2000
% of women MSMEs benefitting	-	100	200	300	400	1000
LEAN	14,462	3000	3500	4000	4500	15000
% of women MSMEs benefitting	-	200	250	300	350	1100
Incubation	-	30	40	50	60	180
IPR	-	10	15	20	25	70
GI	14 products	2	3	4	5	14
Design	-	10	15	20	25	70



**MSME Commissioner and
Member Secretary, State RAMP Programme Committee**

MSME Commissionerate,
Block No. 1, 4th Floor, Udyog Bhavan,
Gandhinagar 382 010.
Gujarat. INDIA
Phone: 079 23252524 / 23258373
e-Mail: comm-msme@gujarat.gov.in
Website: msmec.gujarat.gov.in