Government of Odisha
MSME Department
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File No.: MSME-MS&I-MSME2-0018-2022 *3950* / MSME, Date *31.05.2023*

From

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To

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Sub: Submission of Strategic Investment Plan (SIP) from Government of Odisha.

Sir,

    Kindly refer the above captioned subject. Please find enclosed herewith the soft copy of the Strategic Investment Plan (SIP) under the Raising & Accelerating MSME Performance [RAMP] Programme.

    Ten hard copies are being sent through post.

Yours faithfully

31.05.23

Special Secretary to Govt. & State Nodal Officer (RAMP)

Micro, Small & Medium Enterprise Department

Government of Odisha

Raising & Accelerating MSME Performance (RAMP) -Transforming MSMEs in the State of Odisha

Department of MSME, Government of Odisha

5/31/23

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CHAPTER 1: OVERVIEW OF THE MSME SECTOR IN ODISHA

Micro, Small, and Medium Enterprises (MSMEs) are extremely important to the economy of any country and play a crucial role in its development. The MSME sector has emerged as a highly vital and dynamic sector of the Indian economy. MSMEs have contributed more than 45% of the country's overall exports in 2021-'22[1] and provides employment opportunities to more than 11 crore people[2] (73rd Round of National Sample Survey (NSS)).

Odisha is one of the fastest-growing economies in the country. The Gross Domestic Product of the State grew at a rate of 10.1% in 2021-22, which is higher than the national GDP growth rate of 8.8%[3]. Cumulative FDI inflows in the State amounted to USD 159.76 million (INR 1,204.22 crore) between October 2019 and March 2023[4].

MSMEs in Odisha have made significant contributions to the State's industrial growth. The MSME sector has been growing at a Compounded Annual Growth Rate (CAGR) of 8.15% between 2018-19 and 2021-22[5]. In 2021-22, more than 3% of the country's MSMEs were based in Odisha[6]. The growth of MSMEs in the State is supported by critical enablers such as a highly skilled and talented workforce, an enabling institutional and policy environment, a favourable business climate, infrastructure development, a strong upstream industrial ecology, natural resources and mineral reserves, Make-in-Odisha conclaves, and various facilitation measures for ease of doing business. Odisha is also home to some leading public sector enterprises and private companies, offering significant opportunities for the establishment of ancillary and downstream MSMEs. The State Government has set up several sector specific industrial parks such as, Paradeep Plastic Park, Anugul aluminium park, Khurda food park, Deras Sea-food park and also 14 MSME parks are under construction[7]. This infrastructure will help catalyze the growth of local Micro, Small and Medium entrepreneurs.

The MSME Department of the Government of Odisha notified the MSME Development Policy, Export Policy, and Food Processing Policy in November 2022 to support and assist the growth of the micro, small, and medium enterprises of the State.

Due to its outstanding contributions to the promotion and development of the MSME sector, the Micro, Small, and Medium Enterprises (MSME) Department of the Government of Odisha has been awarded the first prize in the "National MSME Award 2022 for States/UTs".

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[1] Contribution of MSMEs and Cottage Industry to GDP
[2] MSME Annual Report 2022-23 by Ministry of MSME, Government of India
[3] Odisha Economic Survey, 2021-22
[4] FDI Statistics DPIIT
[5] Odisha Economic Survey
[6] MSME Annual Report 2022-23 by Ministry of MSME, Government of India
[7] Government of Odisha Budget 2023-24

1.1 Number of MSMEs and growth in numbers over time

73rd Round of National Sample Survey: Odisha has 19.84 lakhs MSMEs as per the 73rd round of the National Sample Survey, of which 19.80 lakhs are micro units and 0.04 lakhs are small units[8]. Odisha is ranked 13th nationally in numbers of total MSMEs in the State.

UDYAM registration: Odisha has three lakhs thirty-five thousand six hundred and twenty-three (3,35,623) UDYAM registered units (as on 21st April, 2023). This comprised 3,26,047 micro, 8,977 small, and 599 medium enterprises. The State ranked third (3rd) in UDYAM registrations among the eastern India States.

Number of MSMEs registered on UDYAM portal in proportion to total MSMEs as per the 73rd Round of National Sample Survey: 3,35,623:19,84,000, that is, 0.17 or 17%.

Odisha Economic Survey: As per Odisha Economic Survey, by end of March 2022, a cumulative total number of 5,35,913 MSMEs have been established in Odisha[9]. Numbers of MSMEs established in the State observed a CAGR[10] of 8.15% between 2018-19 and 2021-22. The following table provides an overview of the annual growth of the numbers of MSMEs established in the State:

Cumulative total numbers of MSMEs[11]	2018-19[12]	2019-20[13]	2020-21[14]	2021-22[15]
	3,91,701	4,49,352	4,93,625	5,35,913
Annual growth rate (%)	-	14.72	9.85	8.57

Table 1: Numbers of MSMEs set up in Odisha vis-à-vis annual growth rate

1.2 Number and share of women headed MSMEs

73rd Round of National Sample Survey: As per the 73rd round of the National Sample Survey (NSS) Odisha has 2,95,460 MSMEs led by women, constituting 2.38% share in the total numbers of women led MSMEs in the country (1,23,90,523)[16]. Odisha is the 13th ranked State nationally in numbers of women led MSMEs. It has a higher number of women led MSMEs compared to States like Bihar, Chhattisgarh, Punjab, Delhi, the North-eastern States and many other States and Union Territories of India[17].

Odisha has a female-to-male owner ratio of 0.19, which is higher than States such as Madhya Pradesh, Rajasthan, Uttar Pradesh, Punjab, Bihar, Haryana, and Delhi[18].

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[8] MSME Annual Report 2022-23 by Ministry of MSME, Government of India
[9] Odisha Economic Survey 2021-22
[10] Compound Annual Growth Rate
[11] Altogether employment generated in MSME sector since the beginning days
[12] Odisha Economic Survey 2019-20
[13] Odisha Economic Survey 2020-21
[14] Odisha Economic Survey 2021-22
[15] Odisha Economic Survey 2022-23
[16] MSME Annual Report 2022-23 by Ministry of MSME, Government of India
[17] MSME Annual Report 2022-23 by Ministry of MSME, Government of India
[18] MSME Annual Report 2022-23 by Ministry of MSME, Government of India

UDYAM registration: Odisha has 64,099 women led UDYAM registered MSMEs (micro: 62,976, small:1,086 and medium: 37), comprising 2.28% share in numbers of UDYAM registered women led MSMEs in the country as on 17th March 2023[19].

Percentage of women led MSMEs: Out of the 19.84 lakhs MSMEs, 2,95,460 MSMEs are led by women in Odisha (~15%) as per the NSS 73rd Round.

1.3 Size Distribution of Enterprises

The following table provides an overview of the numbers and share of MSME units in Odisha as per the defined employee-size categories[20]:

Numbers of employees	Total numbers of units	Share (%)
1	5	0.2%
2-5	319	9.7%
6-9	909	27.7%
10-19	1239	37.7%
20-49	600	18.3%
50-99	100	3.0%
100-499	40	1.2%
>500	3	0.1%

Table 2: Numbers of MSMEs as per employee size

1.4 Employment in MSME sector; growth over time

Odisha Economic Survey: Till March 2022, altogether 19,34,893 persons were employed in the MSME sector in Odisha[21]. Employment in the MSME sector observed a CAGR[22] of 6.05% between 2018-19 and 2021-22. The following table provides an overview of the growth of employment generation by MSMEs in the State:

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[19] [MSMEs registered on UDYAM portal](#)
[20] Data source: Directorate of Industries under MSME Department, Government of Odisha
[21] Odisha Economic Survey 2022-23
[22] Compound Annual Growth Rate

Cumulative total employment generation by MSMEs[23]	2018-19[24]	2019-20[25]	2020-21[26]	2021-22[27]
	15,29,463	16,92,298	18,11,316	19,34,893
Annual growth rate (%)	-	10.65	7.03	6.82

Table 3: Employment generation by MSMEs in Odisha

1.5 Export and GVC Linkages

The Directorate of Export Promotion and Marketing (DEPM), under the MSME Department, Odisha is mandated to promote the export of goods and to provide marketing assistance to MSMEs of the State.

Odisha aims to be in the league of top-five exporting States in the country and achieve an export target of INR 3.5 lakh crore by 2026-27[28]. The merchandise export turnover of Odisha reached INR 1,27,197.7 crore in 2021-22 from INR 75,718.3 crore in 2020-21[29], registering a 68% annual growth, despite the impact of Covid-19 global pandemic.

The exports from the State have increased more than 6 times, growing at a CAGR of 31.1% between in 2015-16 (INR 19,082.10 crore)[30] and 2021-22 (INR 1,27,197.7). Odisha is currently the 7th largest exporting State of India (2021-'22)[31].

As per the Export Preparedness Index (EPI- 2021) report released by NITI Aayog, Odisha ranks 13 in the overall ranking of the States (with an overall score of 42.04 out of 100). The State is among the four coastal States which scored a perfect 100 in export promotion policy. Odisha has been rated as the most cost-competitive State in terms of cost of setting up and running a business.

Exports from the MSME sector in Odisha have increased at a CAGR of 10.9% between 2016-17 and 2020-21. In 2020-21, the value of exports from the MSME sector in Odisha increased to INR 1,022.8 crore from INR 609.54 crore. The following table provides an overview of the contribution of MSMEs to the total export of goods and services from Odisha:

Year	Cumulative value of Exports from Odisha (in INR Cr)	Value of MSME Exports from Odisha (in INR Cr)	Contribution (%) of MSME export to total export in the State
2020-21	80,419.33	1,022.844	1.27
2019-20	51,742.32	665.569	1.29
2018-19	48,119.60	630.337	1.30

[23] Altogether employment generated in MSME sector since the beginning days
[24] Odisha Economic Survey 2019-20
[25] Odisha Economic Survey 2020-21
[26] Odisha Economic Survey 2021-22
[27] Odisha Economic Survey 2022-23
[28] Odisha Export Policy 2022
[29] Odisha Economic Survey 2022-23
[30] Odisha Export Policy, 2022
[31] Odisha Export Policy, 2022

Year	Cumulative value of Exports from Odisha (in INR Cr)	Value of MSME Exports from Odisha (in INR Cr)	Contribution (%) of MSME export to total export in the State
2017-18	52,677.09	758.501	1.44
2016-17	40,872.19	609.542	1.49

Table 4: Export contribution of MSMEs in Odisha

Metallurgical, minerals, engineering/chemical allied, marine and software products are the major contributors to the State's export turnover. The share of exports from the State in all India exports has grown from 2.2% in 2016-17 to 4% in 2021-22[32]. Odisha has become the 7th largest exporting State of India in 2021-22[33].

In 2021-22, Odisha has exported to 143 countries. The major exportable items from Odisha include products like metallurgical, engineering, chemical, and mineral items. Moreover agriculture, handicraft, textile, pharmaceuticals and electronics & software are also some of the important export products where there is a significant rise in the destination countries.

The following table provides an overview of the numbers of countries to which Odisha is exporting[34]:

Category	Number of countries to which Odisha exported	
	2015-16	2021-22
Metallurgical	40	97
Engineering & Chemical	79	119
Minerals	5	42
Agriculture and Forest	4	26
Marine	39	37
Handloom	13	9
Handicraft	7	25
Textile	2	28
Pharmaceutical	3	42
Electronics and Software/ Others	6	52

Table 5: Number of exporting countries

The following table provides a detailed overview of the sector-wise targeted countries for export of goods and services from Odisha. Some of the products already have strong presence in several European countries, the USA and the UAE[35]:

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[32] Odisha Economic Survey 2022-23
[33] Odisha Export Policy 2022
[34] Odisha Export Policy, 2022
[35] Directorate of Export Promotion and Marketing (DEPM) and Odisha Export Policy, 2022

Export Sectors	Markets
Metal & Mineral	China, Iran, Poland, Turkey, USA, Romania, Germany, Mexico, Ukraine, Saudi Arabia, UAE, South Africa, Bangladesh, Egypt, Bulgaria, Thailand
Marine	Bahamas, Bahrain, Belgium, Bhutan, Canada, China, Denmark, Dominic Rep, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Korea, Kuwait, Latvia, Lebanon, Malaysia, Maldives, Mauritius, Vietnam, Nepal, Netherland, Oman, Portugal, Qatar, Russia, Ukraine, Spain, Sweden, Taiwan, UAE, UK, USA
Chemical	UAE, Egypt, China
Agriculture & Forest Products	Vietnam, Bangladesh, UAE, Malaysia, Benin, South Africa, Sri Lanka, Botswana, Iraq, Cameroon, Ivory Coast, Djibouti, Ghana, Guinea, Senegal, Singapore, Somalia
Handloom	USA, UK, Japan, France, Australia, Canada, Italy, New Zealand, Germany
Handicraft	USA, UAE, Thailand, Taiwan, Germany, Costa Rica, China, Brazil, Australia
IT & ITeS	Germany, UK, USA, Australia, Canada, Estonia, Singapore, Israel, Turks and Caicos Islands, Qatar, Sweden, Ireland

Table 6: Export Sectors and Markets

1.6 Sector/Industry wise information

Altogether 5,35,913 MSMEs have been established by end of March 2022, with an investment of INR 25,655.90 crore which created job opportunities for 19,34,893 persons.

Repairing and services constituted more than 63% share of all MSMEs set up in the State in 2021-22, generating more than 51% of the total employment opportunities created through MSME units. The following table provides a detailed overview of the sector-wise MSMEs set up in Odisha, investment and employment generated in each sector[36]:

Category	Number of units set up	Investment (in crore)	Employment (persons)
Repairing and Services	3,39,159 (63.3%)	16,884.05 (65.8%)	9,92,355 (51.3%)
Food and allied	48,109 (9.0%)	2,561.24 (10.0%)	2,21,095 (11.4%)
Misc. manufacturing	51,160 (9.5%)	1,825.79 (7.1%)	1,67,240 (8.6%)
Engineering and metal based	19,987 (3.7%)	1,436.29 (5.6%)	1,25,855 (6.5%)
Textiles	23,611 (4.4%)	559.32 (2.2%)	96,274 (5.0%)

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[36] Source: Odisha Economic Survey

Category	Number of units set up	Investment (in crore)	Employment (persons)
Forest and wood based	25,507 (4.8%)	387.24 (1.5%)	90,649 (4.7%)
Glass and ceramics	12,170 (2.3%)	843.84 (3.3%)	1,54,340 (8.0%)
Chemical and allied	4,998 (0.9%)	383.48 (1.5%)	31846 (1.6%)
Paper and paper products	5,146 (1.0%)	247.60 (1.0%)	24,814 (1.3%)
Electrical and electronics	2,873 (0.5%)	167.86 (0.7%)	13,121 (0.7%)
Rubber and plastics	2,370 (0.4%)	339.51 (1.3%)	13,742 (0.7%)
Livestock and leather	823 (0.2%)	19.68 (0.1%)	3,562 (0.2%)
Total	**5,35,913 (100%)**	**25,655.90 (100%)**	**19,34,893 (100%)**

Table 7: Sector wise information of numbers of MSMEs set up

1.7 MSME Clusters

Odisha has undertaken several initiatives for the development of clusters in the State.

Micro and Small Enterprises Cluster Development Programme (MSE-CDP): Under the MSE-CDP, Government of India program, currently there are 54 clusters in Odisha[37]. The MSME DFO (Micro, Small and Medium Enterprises-Development and Facilitation Office) is responsible for developing clusters in all districts of Odisha. The selection of cluster locations is based on parameters such as demand and availability of products in the surrounding areas for newly developing clusters and the upgradation of existing clusters.

Scheme of Fund for Regeneration of Traditional Industries (SFURTI): The Ministry of MSME, Government of India, has declared the Institute of Entrepreneurship Development (IED), Odisha as the Nodal Agency for implementing 30 different cluster projects under the SFURTI scheme since the financial year 2016-17.

For the SFURTI cluster projects, a three-tier system is adopted for smooth implementation. It includes the Implementing Agency, Technical Agency, and Implementing Agency with Special Purpose Vehicle (SPV) at the field level. Out of the 30 projects, two were functional during the financial year 2020-21. Another 10 cluster projects became functional during 2021-22. In Financial Year 2022-23, it was targeted that another addition 12 cluster projects will be made operational.

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[37] Source: Directorate of Industries, MSME Department, Government of Odisha

Many more clusters have been identified in the aspirational districts for development. These districts include Bolangir, Dhenkanal, Gajapati, Kalahandi, Kandhamal, Koraput, Malkangiri, Nabarangpur, Nuapada, and Rayagada.

The following table provides an overview of the district-wise clusters of Odisha[38]:

District	Name of the Cluster
Angul	Engineering Cluster, Fly Ash Cluster at Talmul
Balasore	Plastic & Polymer based, NTFP Cluster., Seafood, Rice Mill
Baragarh	Rice Milling Cluster
Bhadrak	Rice Milling Cluster
Bhubaneswar	Engineering & Tools, Brass & Bell Metal, Plastic & Polymer based, Stabilizer, UPS & Inverter, Auto service, Pahala Rasogolla
Boudh	Rice Mill Cluster
Cuttack	Pharmaceutical at Cuttack & Bhubaneswar, Engineering & tools, Readymade garments Gobindpur, Spices, Readymade garments
Deogarh	NTFP Cluster (Leaf Cup & Plate mfg.)
Ganjam	Kewda processing unit, Cashew processing, Granite processing, Rice Milling, Ayurvedic cluster
Jagatsinghpur	Dry Fish Cluster
Jharsuguda	Engineering
Kalinganagar	Groundnut processing, Rice milling cluster
Keonjhar	Engineering cluster
Mayurbhanj	NTFP Cluster (Leaf Cup & Plate mfg.), Engineering & fabrication Cluster,
Nayagarh	Brass & Bell Metal products at Khandapada
Phulbani	Spice (Turmeric) Processing
Puri	Cashew Processing Cluster, Pipili Applique Cluster, Coir cluster
Rourkela	General Engineering
Sambalpur	Fly Ash Cluster
Clusters in aspirational districts	

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[38] Source: Directorate of Industries, MSME Department, Government of Odisha

District	Name of the Cluster
Bolangir	Rice Mill Cluster
Dhenkanal	Powerloom, Fly Ash Bricks Manufacturing, Readymade garments (Baulapur), Engineering, Brass & Bell metal in Indipur
Gajapati	Cashew processing
Kalahandi	Rice Milling Cluster
Koraput	Cashew processing, Engineering, Rice milling cluster
Nabarangpur	Rice milling cluster
Nuapada	Rice milling cluster
Rayagada	Rice mill cluster, Engineering cluster

Table 8: List of Clusters

The following table provides an overview of the completed cluster projects, ongoing cluster projects, and projects accorded in-principle approval by Government of India[39]:

Sl. No.	Name of the Cluster	Contribution (in INR lakhs)			
		Government of India	Government of Odisha	Special Purpose Vehicle	Total project cost
Completed cluster projects					
1	Rice Mill Cluster, Baragarh (approved on 29.03.2007)	185.45	41.08	316.46	552.99
2	Cashew Cluster at Rambha, Ganjam (approved on 03.05.2013)	500.00	145.52	82.08	727.60
3	Pharmaceutical Cluster at Cuttack-Bhubaneswar (approved on 19.10.2016)	197.70	60.00	35.00	292.70
Ongoing cluster projects					
1	Rice milling cluster at Balasore (approved on	1,048.62	299.61	149.80	1,498.03

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[39] MSME Department, Government of Odisha

Sl. No.	Name of the Cluster	Contribution (in INR lakhs)			
		Government of India	Government of Odisha	Special Purpose Vehicle	Total project cost
	15.09.2020)				
2	Engineering Cluster at Cuttack (approved on 04.01.2022)	1,800.00	719.00	531.24	3,050.24
Cluster projects accorded in-principle approval by Government of India					
1	Dry Fish Cluster at Paradeep	615.02	219.18	113.12	947.32

Table 9: Different types of Clusters in Odisha

1.8 Access to Credit for MSMEs, formal financial institutions in Odisha

The advances to MSMEs have grown at a CAGR of 17% from INR 13,795 crore in 2011-12 to INR 49,971 crores in 2021-22[40].

As per the 168th State Level Bankers' Committee (SLBC) Odisha meeting held on 27th September 2022, the annual target for 2022-23 for lending to MSMEs was set at INR 59,499.5 crore and the achievement as on 30th June 2022 was INR 14,815.4 crore which was 25% [41].
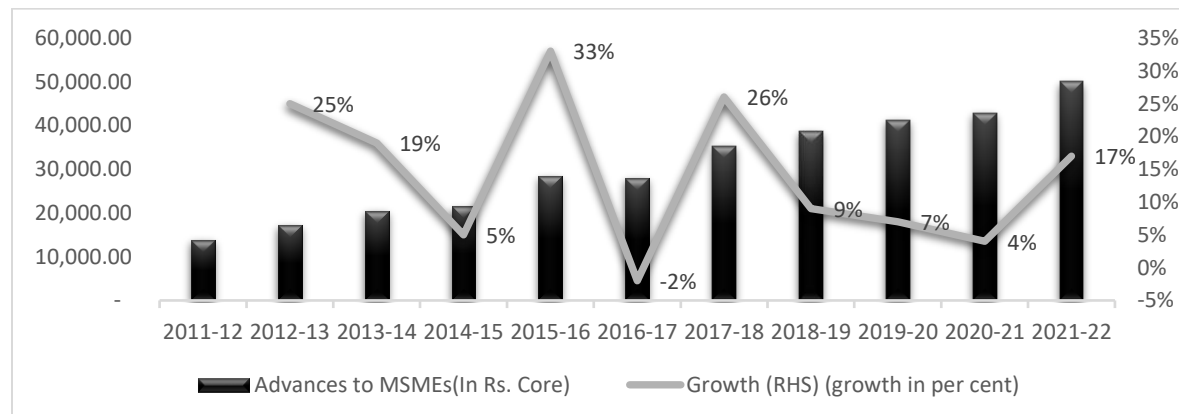
Figure 1: Advances to MSMEs by banks in Odisha

1.9 State Budget allocated to MSME sector

The total Annual State Budget for this current financial year (2023-'24) is INR 2,30,000 crore[42]. In the current budget (2023-'24) the Government of Odisha allocated **INR 648 crore** for the MSME sector.

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[40] Odisha Economic Survey 2022-23

[41] Odisha Economic Survey 2022-23

Additionally, under the Annual State Budget (2023-'24) an outlay of **INR 20 crore** has been proposed as Funds for Start-Up Odisha, **INR 45 crore** as subsidies under Food Processing and MSME Policy, **INR 15 crore** as incentive under IPR for financial assistance to MSME Sectors, **INR 80 crore** for Promotion of MSME sectors, and **INR 42 crore** for Promotion of Khadi & Village Industries.

In the Budget (2023-'24) a new scheme was announced, namely the "Chief Minister's Post-Covid revival package for MSMEs – Interest subvention on working capital loan" whereby interest on working capital loan availed from banks where the cash credit (pre-shipment/packaging credit in case of export) limit up to INR 10 lakh shall be fully reimbursed by the State Government for the financial year 2023-24. Where cash credit limit (pre-shipment/packaging credit in case of export) is above INR 10 lakh and up to INR 3 crore reimbursement to the extent of 25% for the financial year 2023-24 has been committed. The total expenditure planned under this component is **INR 200 crore**.

The total Annual State Budget for the last financial year (2022-'23) was INR 2,00,000 crore[43]. In the last financial year (2022-'23) the Government of Odisha allocated INR 623 crore[44] in its Annual Budget for MSMEs, which included:

- Promotion of MSME sector: INR 165 crore
- Financial assistance to MSME sector: INR 160 crore
- Promotion of Khadi & Village Industries: INR 73 crore

1.10 Position of Odisha in latest EoDB Rankings

Based on implementation of the Business Reforms Action Plan (BRAP) for the year 2020, Odisha was named under the **"Achievers"** category by the Department for Promotion of Industry and International Trade (DPIIT).

Odisha ranked 29th in the country as per the EoDB ranking published by the DPIIT in 2019.

Odisha improved its Ease of Doing Business (EoDB) rank by significantly moving from the previous 29th place to one among the **"Achiever"** States in the country by implementing over 90% of the reforms suggested by the DPIIT. As per the BRAP 2020 assessment report, Odisha has been categorized amongst the six **"Achiever"** States along with industrially developed Maharashtra and Uttar Pradesh with a score of more than 80% in the user-feedback methodology.

1.11 Cases resolved with respect to total cases registered in MSEFC

In Odisha 1,013 applications have been filed by MSMEs (as on 30.05.2023), of which 27 applications have been disposed by MSEFC Council. The MSEFC Council has taken action on 509 applications[45]. Action taken by MSEFC Council refers to: Applications Rejected by MSEFC Council + Mutually Settled Applications + Applications Converted into Case by MSEFC Council Under various stages of hearing.

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[42] Data source: MSME Department, Government of Odisha and Highlights of Annual Budget Estimates for 2023-24
[43] Data source: MSME Department, Government of Odisha and Highlights of Annual Budget Estimates for 2023-24
[44] Government of Odisha Budget 2022-23
[45] MSME SAMADHAAN- Delayed Payment Monitoring System (accessed on 30.05.2023 at 7:30 am)

As on date (30.05.2023), actions are pending on 477 applications in Odisha[46]. MSEFC Council action pending refers to: Applications ready for Consideration by MSEFC Council + Applications to be made actionable by Council. Cases are pending on 326 applications, that is, total pending (Action pending on application by MSEFC Council + cases pending) is 803[47]. The following is a breakup of the applications on which actions are pending:

Particular	Pending 0 to 15 days	Pending 16 to 30 days	Pending 31 to 60 days	Pending 61 to 90 days	Pending 91 to 180 days	Pending 181 to 365 days	Pending more than 1 year
Odisha	13	16	16	14	38	65	315
Total pending cases	477						
India	2,410	2,936	3,244	1,922	3,380	5,573	16,254
Total pending cases	35,719						

Table 10: Breakup of MSEFC Council actions pending on applications

The following section will provide an overview of the cases filed with MSE-FC, Samadhaan Portal and their current status:

- Cases filed in last 2 years (till 06-04-2023):

  o Offline (due to Covid situation): 0
  o Cases filed on Samadhaan Portal: 174
  o Cases filed at MSEFC: 125

Key Insights & Findings:

- The number of awarded and mutually settled cases has decreased gradually from 2014 to 2022 which indicates more cases are pending implying that cases are taking more time for resolution. Some cases are even taking more than 90 days for resolution.
- Some of the MSEs are reluctant to file cases due to fear of losing larger businesses.
- Lack of Awareness by the MSEs: At signification portion of MSEs are unaware of the processes of filing their application (both on the Samadhaan portal and offline to the MSEFCs), they are also not fully aware of all the required documents which they need to submit and this results in delays and rejections of their application.
- Analytics of the cases filed to MSEFCs in the last 2 years:

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[46] MSME SAMADHAAN- Delayed Payment Monitoring System (accessed on 30.05.2023 at 7:30 am)
[47] MSME SAMADHAAN- Delayed Payment Monitoring System

YoY Growth in pending cases	Year								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
	0	-100% (1 ->0)	~400% (0 ->4)	-75% (4 ->1)	200% (1 ->3)	966.97% (3 ->32)	-28.12% (32 ->23)	273.91% (23 ->86)	-5.8% (86 ->71)

Table 11: Growth in pending cases

% of cases resolved by conciliation	Year								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
	5.40	8.00	3.44	2.08	2.32	0	0	0	0

Table 12: Cases resolved via Conciliation (in %)

% of cases resolved by conciliation	Year								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
	72.97	68.00	84.21	77.08	62.79	40.69	14.70	3.19	2.73

Table 13: Cases resolved via Arbitration (in %)

% of cases resolved by conciliation	Year								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
	8.10	12.00	34.48	25.00	30.23	11.62	2.94	4.25	35.61

Table 14: Cases levied on Government Institutions (in %)

% of cases resolved by conciliation	Year								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
	13.51	4.00	10.34	14.58	4.65	4.65	5.88	3.19	10.95

Table 15: Cases levied on PSUs (in %)

Some additional information on cases registered and resolved via different mechanisms are highlighted in Annexure 1.

1.12 Share of MSMEs in State GDP and growth over time

In India, the share of MSME Gross Value Added in all India Gross Domestic Products have been[48]:

- 30.50% in 2018-19
- 30.50% in 2019-20 and
- 26.83% in 2020-21

Given that, Odisha's MSMEs have been performing quite well and has been contributing to the State Exchequer, it can be assumed that the share of MSMEs in Odisha's GSDP will be also close to the national averages.

1.13 Enterprises and Public Sector Enterprises onboarded onboarded on TReDS

Invoicemart, M1xchange, KredX etc are a few of the popular TReDS platforms in India. In Odisha, on Invoicemart TReDS[49] platform there are 27 buyers (comprising large industries, CPUs, SPSUs and others) and 680 sellers (MSMEs). India has 1,376 buyers, 23,380 sellers and 57 financiers on the Invoicemart platform.

1.14 Growth in Digital Payments (y-o-y basis)

Odisha experienced a CAGR of 24.6% in the total numbers of digital payments done between FY 2017-'18 and 2021-'22. From 1,500 million transactions in 2017-'18, Odisha experienced a steady and stable growth of digital transactions, reaching to 4,500 million transactions in 2021-'22[50]. The following table depicts the Y-o-Y growth of digital transactions in Odisha:
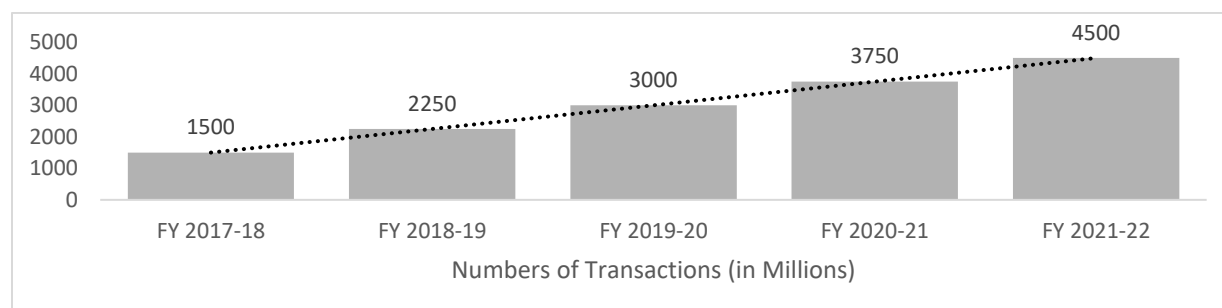
Figure 2: Growth in digital transactions in Odisha

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[48] Contribution of MSMEs and Cottage Industry to GDP
[49] Invoicemart is a TReDS platform promoted by A.TReDS Ltd. (a joint venture between Axis Bank and mjunction services), which received the license for the platform on June 29, 2017, and started operations on July 5, 2017
[50] Digipay Dashboard

1.15 Factors that determine production

i. Land:

10% of the land for large projects in Odisha, subject to an upper limit of 300 Acres, is earmarked (by the concerned large industries) for setting up of Ancillary and Downstream Industrial Parks[51]. Land for ancillary & downstream MSMEs in industrial estates / MSME parks shall be allotted on priority basis.

In respect of transfer of land/ shed by Government, Odisha Industrial Infrastructure Development Corporation (IDCO) and Private EState Developers to new enterprises and existing enterprises acquiring fresh land for Expansion/ Modernization/ Diversification (E/M/D), exemption of stamp duty shall be applicable as follows[52]:

- Enterprises with investment in Plant and Machinery (P&M) up to INR 10 crores: 100% of applicable stamp duty
- Enterprises with investment in P&M above INR 10 crores and up to INR 50 crores: 75% of applicable stamp duty
- Stamp duty will be exempted for units required to be transferred to a new owner/ management under the provisions of the State Financial Corporation (SFC) Act 1951 or under Scrutinization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act 2002 or by the orders of NCLT under the IBC[53]

The Government of Odisha is also encouraging the opening of MSME dedicated bank-branches in industrial eStates / industrial hubs / MSME Parks. Government land (that is, IDCO land) for such branches, if required, will be provided at concessional industrial rate.

ii. Energy:

Odisha has been meeting its energy requirement for the last few years now. The Energy Requirement of the State was 38,339 MU and the production of energy was 38,332 MU in April 2021 - March 2022[54]. In terms of meeting energy requirement, Odisha is better placed than States such as Punjab, Rajasthan, Uttar Pradesh, Gujarat, Chhattisgarh, Madhya Pradesh, Maharashtra, Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, Bihar, Jharkhand and West Bengal[55].

The anticipated energy demand in Odisha during 2023-'24 will be 42,885 MU which is 22.3% of the total demand in the eastern region of the country[56]. The total installed power generation capacity of Odisha is

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[51] Odisha MSME Development Policy 2022

[52] Odisha MSME Development Policy 2022

[53] Odisha MSME Policy 2022

[54] Annual Report, 2021-22 by CEA

[55] Annual Report, 2021-22 by CEA

[56] Load Generation Balance Report 2022-23, published by CEA

7,786.63 MW which is 22.6% of the total power generation capacity of the eastern region of the country (as on 30.04.23)[57].

Odisha has a huge potential for developing renewable energy projects. As on 30th April, 2023, Odisha has 633.56 MW installed capacity of Renewable Power, which is higher than neighbouring States like Jharkhand and Bihar. Odisha has total Solar Power potential 458.71 MW.

The following table depicts the energy consumption of Small and Medium Industries in Odisha[58]:

Energy Consumption for FY 2020-21 (MU) of Small and Medium Industries in Odisha				
DISCOM	Small Industry		Medium Industry	
	No. of Consumers	Consumption (MU)	No. of Consumers	Consumption (MU)
TPCODL[59]	7,813	43.42	924	33.42
TPNODL[60]	-	-	-	-
TPWODL[61]	3,774	18.47	1,354	58.13
TPSODL[62]	2,470	11.012	704	24.063
All Odisha	14057	72.902	2982	115.613

Table 16: Energy consumption of Small and Medium Industries in Odisha

The Government of Odisha is also supporting the growth of MSMEs in the State through the following initiatives:

- New enterprises investing up to INR 50 crores in Plant & Machinery will be reimbursed 75% of energy audit costs by approved agencies, up to INR 5 lakhs[63]
- MSMEs will also be exempted from paying the electricity duty for up to 750 KVA contract demand for 5 years from the commencement of production[64].
- Electricity connections up to 150 KVA will be made available within seven days (where Right of Way of not present) and within fifteen days (where Right of Way is present) from the date of submission of the application for getting new power connection[65].
- Seasonal units such as food processing, sugar, salt and cotton ginning & pressing unit shall be allowed for temporary surrender of a part of their contract demand as per norms of OERC[66].

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[57] Installed Capacity Report: April, 2023, published by CEA
[58] OERC Annual Report 2020-21
[59] TPCODL: Tata Power Central Odisha Distribution Limited
[60] TPNODL: Tata Power Northern Odisha Distribution Limited
[61] TPWODL: Tata Power Western Odisha Distribution Limited
[62] TPSODL: Tata Power Southern Odisha Distribution Limited
[63] Odisha MSME Development Policy 2022
[64] Odisha MSME Development Policy 2022
[65] Ease of Doing Business in Odisha (http://surl.li/hltnw)
[66] MSME Activity Report, 2021-22, MSME Department, Government of Odisha

- Low Tension (LT) electricity connection is provided to industries within 15 days and High Tension (HT) within 30 days from the date of submission of the application[67].
- Any industry having Captive Generating Plant (CGP) wishing to avail power from DISCOMs above 80% of load factor shall be allowed to draw power @ Rs.3.50/kVAh for incremental units above 80% load factor[68]. No overdrawn penalty shall be levied on them. Any industry with CGP without CD (Cross Drainage) availing emergency power can only get this benefit for incremental units above emergency drawl. For this purpose, the industry shall enter into a tripartite agreement with DISCOMs and GRIDCO[69].

iii. Labour

By end of March 2022, a cumulative total number of 5,35,913 MSMEs have been established in Odisha with job opportunities created for 19,34,893 persons[70].

Odisha has shown improvement in terms of per capita income growth between 2011-'12 to 2022-'23 with a CAGR of 10.9% compared to India's 9.4%[71]. Additionally, the State has also made significant progress in reducing the gap in per capita income, going from a 32% gap in 2015-16 to a 12% gap in 2022-23 (AE)[72].

Under the Prime Minister's Employment Generation Programme (PMEGP)[73] opportunities for job creation of more than twenty-eight thousand persons have been projected between 2019-20 and 2021-22. The PMEGP is getting implemented in Odisha since 2008-'09 by three agencies, the District Industries Centre (DIC), Odisha Khadi & Village Industries Board (OK&VIB), and Khadi and Village Industries Commission (KVIC). The following table provides an overview of the numbers of units created (targeted and achieved) and projected employment generation under the scheme[74]:

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[67] Ease of Doing Business in Odisha (http://surl.li/hltnw)
[68] OERC Annual Report 2020-21
[69] OERC Report 2020-21
[70] Odisha Economic Survey 2022-23
[71] Odisha Economic Survey 2022-23
[72] Odisha Economic Survey 2022-23
[73] Scheme for providing financial assistance to set up new enterprises under PMEGP
[74] Activity Report 2021-'22 by Department of MSME, Govt. of Odisha (http://surl.li/hltpo)

Year	Target		Achievement		
	Units	Margin Money (subsidy)	Units	Margin Money (subsidy)	Projected employment
2019-20	3,487	10,787.09	2,709	7,799.72	21,672
2020-21	2,578	7,959.94	3,168	8,743.64	25,344
2021-22	3,351	10,303.95	3,569	9,682.94	28,552
Total	9,416	29,050.98	9,446	26,226.3	75,568

Table 17: No. of units created, subsidy disbursed and projected employment creation under PMEGP[75]

The Government of Odisha is working to address unemployment and poverty by promoting small-scale industries and local artisans. Following are a few initiatives by the State Government:

- Swarozgar Credit Card aims at providing timely and instant credit - as working capital and block capital for self-employment and income generating activities targeting small artisans, handloom weavers, fishermen, self-employed persons, rickshaw owners and other micro entrepreneurs. During 2020-21, 446 Swarozgar Credit Card holders have been financed with INR 2.45 crore[76].
- The Odisha Bamboo Development Agency (OBDA) in Odisha undertook activities in 2020-21 to promote bamboo cultivation, including establishing nurseries, raising plantations on farmers' land, organizing trainings and workshops, forming clusters, identifying FPOs, and engaging a third party for evaluation.
- The Odisha Apparel and Technical Textiles Policy 2022 promotes employment generation through skill development by encouraging investors to set up garment manufacturing units and providing employment incentives.
- The State has an Incubation Centre, an Apparel Training Design Centre with five satellite centres, and the National Institute of Fashion Technology, Bhubaneswar, to provide skill development courses, fashion education, and research/training opportunities to create employment opportunities for youth/artisans.

The MSME Development Policy 2022 has a provision of subsidizing employment costs. The policy aims to support the employment of unskilled, semi-skilled, skilled, and highly skilled workers who are domicile of the State and on the unit's payroll. The Policy highlights that:

- Units that undertake Expansion/Modernization/Diversification (E/M/D) with investments in Plant & Machinery (P&M) up to INR 10 crores will receive 75% reimbursement (for male workers) and 100% reimbursement (for female workers) of employers' contribution paid towards ESI and EPF for a period of 5 years.
- Units undertaking E/M/D with investments in P&M of more than INR 10 crores and up to INR 50 crores will receive 75% reimbursement (for male workers) and 100% reimbursement (for female workers) of employers' contribution paid towards ESI and EPF for a period of 3 years.

[75] Source: Activity Report 2021-22, MSME Department, Government of Odisha
[76] Odisha Economic Survey 2021-22

iv. Water

Special provision in the Orissa Irrigation (Amendment) Rules, 2010 allows industries to set up in irrigated command areas under certain circumstances, which can be helpful for businesses. The Orissa Irrigation (Amendment) Rules, 2010, empowers the Directorate of Water Resources to allocate water to industrial, commercial, and other establishments.

The Orissa Irrigation Rules, 1961 (amended from time to time) govern the water tariff in Orissa for industrial, commercial, and other establishments. The DoWR is the nodal authority to grant licenses for water drawal from government sources for industrial, commercial, and other establishments. The process involves submitting an application in a prescribed format along with a processing fee and a security deposit. The process is done completely on-line making it more seamless.

Industries are allowed to draw water from public sources, both surface and ground water, for a certain period during the period of construction on the basis of the recommendations of District Level Evaluation Committee. For allocation of operational water, the concerned unit shall apply to Department of Water Resources (DoWR) indicating quantity and allocation period along with recommendations of IPICOL/appropriate authority for consideration. The initial allocation of water is for a period of 3 years for MSMEs, from the date of approval from the DoWR. In case, the concerned industry needs the allocation of water to be revalidated or modified the request for the same shall be submitted to DoWR before 3 months of expiry of the agreement[77].

To encourage ease of doing business and to strengthen faster decision making, the application approval/rejection time period at the level of Engineer-in-Chief, Water Resources is 15 days[78]. The Secretary of the Department of Water Resources can allocate up to 0.5 cusec of water for temporary construction and permanent operational purposes[79]. Delegation of power to the concerned Executive Engineers for the allocation of water to small water-consuming units facilitates quick allocation and execution of agreements for water to industrial, commercial, and other units, which can be beneficial for businesses.

Commitment charges are prescribed for industries that are not able to consume the full quantity of operational water, which can encourage industries to utilize the allocated water efficiently. If the monthly water consumption is less than the monthly contracted volume, a commitment charge of 5% of the wheeling charge will be applied to the unused water. The commitment charge is calculated as the allocated quantity (contract volume) minus the quantity of water consumed. The maximum commitment charge is 75% of the monthly contract volume. This charge is in addition to the fixed charge and wheeling charge.

The State Government also incentivizes recycle and reuse of water, after treatment to specified standards.

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[77] Dept. of Water Resources Notification: No. 13233 WR, dated 04/06/2016 (http://surl.li/hltsn)
[78] The Orissa Irrigation (Amendment) Rules, 2010
[79] The Orissa Irrigation (Amendment) Rules, 2010

v. Technology

The MSME Development Policy 2022 encourages MSMEs to undertake interventions to enhance their competitiveness with respect to quality, productivity, reduction in cost, etc. by upgradation of technology and adoption of new technology for quality enhancement and environment friendly production.

Directorate of Industries in association with MSME Development and Facilitation Office (MSME-DFO), Government of India shall increase awareness of schemes of Government of India for incentivizing adoption of cutting-edge technology by MSMEs such as CLCSS (Credit Linked Capital Subsidy Scheme), QMS (Quality Management Standards), QTT (Quality Technology Tools). The progress under such schemes shall be closely monitored by Director of Industries, Odisha.

The MSME Development Policy 2022 provides a provision of reimbursing 50% of the amount spent on purchase of technology by MSMEs from the National Research Development Corporation (NRDC) or other Government research centres, up to a maximum limit of INR 20 Lakh. Special focus will be on technologies which could help the units become cleaner and/ or energy-efficient and/or IT enabled.

The State Government under the MSME Development Policy 2022 also provides a subsidy of 80% to MSMEs on the balance cost that is, over and above the financial support provided by Government of India on the expenses incurred by the MSME for obtaining Sustainable ZED certification.

Odisha has several premier technical and educational institutions. The State is leveraging this to achieve the vision of the Government of Odisha to achieve 5,000 start-ups by 2025.

Odisha has a comprehensive IT policy, Odisha IT Policy 2022, that aims to promote the growth of the IT sector in the State, attract investment, and create a conducive environment for IT-enabled services and electronics manufacturing industries. The government provides attractive incentives for eligible IT units in Odisha. These include a capital subsidy of up to 30% of fixed capital investment in buildings and infrastructure, capped at INR 3 crores. Additionally, eligible units can benefit from 100% reimbursement of SGST (State Goods and Services Tax) for up to 5 years in Bhubaneswar Development Authority (BDA) areas, and up to 7 years in Non-BDA areas exempting IT units from electricity duty, electrical inspection fee for 5 years, and providing reimbursement of electricity tariff at 30% for 3 years.

The government is actively promoting green practices in the IT sector by introducing incentives. As part of their future plans, they are planning to offer a 25% reimbursement on cleaner and greener production measures, with a limit of Rs. 30 lakhs per unit. These initiatives aim to encourage the adoption of environmentally friendly technologies and practices within the IT industry, showcasing the government's commitment to sustainable development and fostering a greener future.

Government of Odisha is encouraging technology and innovation to be implemented in the fields such as healthcare, agri-services, mining, hydel power, and wind energy solutions which can be a tremendous opportunity for new businesses.

The State Government is also developing MSMEs parks in every district to provide necessary infrastructure and technology support to MSMEs. To boost innovation and strengthen the MSMEs the

Government is facilitating the Industry-Academia collaborations for skill development, product / process development, R&D and innovations.

Some of the key enablers for the growth and development of MSMEs also include:

- Go Swift (Single Window portal): One-stop investor facilitation portal for ease of doing business
- Integrated Mines & Minerals Management System (i3MS): IT based e-governance initiative by Department of Steel & Mines, Government of Odisha. i3MS is an IT based mineral administration software-based system of the Government of Odisha where all associated Government Departments / Agencies will have a single access to information pertaining to mining in Odisha

vi. Entrepreneurship

Presence of world-class educational institutes like Indian Institute of Technology (IIT), National Institute of Science Education and Research (NISER), Odisha University of Technology & Research (OUTR), Indian Institute of Information Technology (IIIT), Central Institute of Petrochemicals Engineering & Technology (CIPET), Xavier Institute of Management (XIM) in Bhubaneswar, Indian Institute of Management (IIM), Sambalpur, Indian Institute of Science, Education & Research (IISER) in Berhampur, National Institute of Technology in Rourkela and many others provides a talented and innovative pool of young entrepreneurs.

Bhubaneswar is a great destination to initiate Start-ups and MSMEs, with lower cash reserves. The State-supported world-class incubation center, O-Hub, is located in the Special Economic Zone, Patia, Bhubaneswar and offers 1,50,000 sq. ft area with State-of-the-art facility, plug-n-play infrastructure to support start-up activities within the State. O-Hub has successfully onboarded 28 startups, extension have been given to 9 startups and 19 startups have graduated from the incubation centre as on date (30.05.2023). With 190 occupied seats and a spacious 35,000 sq. ft usage area, it provides the best-in-class services for entrepreneurs and their teams. O-Hub is a thriving ecosystem fostering innovation and empowering startups in Odisha. O-Hub offers subsidized rates for startups and innovators. The cost per seat is INR 5,000, which gets reduced to INR 2,500 after availing the State Government subsidy. For women, SC/ST/PH/transgender-led startups, the cost is INR 5,000, which gets reduced to INR 2,000 after subsidy. Office suites/cabins are available for INR 60 per sq. ft, gets reduced to INR 30 after availing subsidy. For women-led startups or those led by SC/ST/PH/transgender individuals, the rate is INR 60 per sq. ft, which gets reduced to INR 20 after availing subsidy. O-Hub supports entrepreneurship and promotes inclusivity in Odisha's startup ecosystem.

The Institute of Entrepreneurship Development (IED), Bhubaneswar conducts two weeks Entrepreneurship Development Programmes (EDPs) at district level in close coordination with District Industries Centre (DICs) to bring awareness among the unemployed and educated youth to pursue their career as Entrepreneurship. 6,000 potential youth are trained all over the State in one year. All the trainees are given basic knowledge which are required to initiate any entrepreneurial activity for self-employment. One Livelihood Business Incubation (LBI) Centre on Food Processing sector has been set up in IED to provide practical training on different food items. Hand-holding support is also given for trial production of their processed products. A Five-Year Integrated MBA (IMBA) programme is being

imparted in the Institute with recognition from Higher Education Department and affiliation from Utkal University since last five years. At present, a total of 138 students are pursuing their studies.

The Odisha government has decided to include entrepreneurship as a part of the school curriculum to reach out to young minds and motivate them to be an entrepreneur[80].

The Nano-Unicorn Entrepreneurship Programme, Odisha organised by the Odisha Skill Development Authority aims to encourage entrepreneurship at the grass-roots level by providing mentoring, training and capital funding to skilled youth who could be prospective entrepreneurs. This programme provides training and funding up to INR 1 lakh to selected candidates. Skill trained youth who are the domiciles of Odisha can apply for the program. Under this programme, 189 young entrepreneurs have been identified and trained in entrepreneurship development, among whom loan assistance has been given to 145 (128 male and 17 female) young entrepreneurs and INR 145,00,000 refundable risk capital has been given during 2021-22. As on 2021-22, 482 (400 male and 82 female) entrepreneurs have been cumulatively supported under the programme.

vii. R&D/Testing Facilities

The Directorate of Export, Promotion and Marketing (DEPM), under the aegis of the MSME Department, Government of Odisha is currently in the process of upgrading 6 Testing Facilities/Centers in Angul, Balasore, Bolangir, Berhampur, Rourkela and Cuttack in Odisha with an aim to strengthen the Centers to meet the emerging demands. The 6 Testing Centers under the DEPM assist the MSMEs established in the Odisha by ensuring seamless access to raw materials and finished products to testing facilities.

a. Bolangir:

The Testing laboratory, Bolangir is functioning in the Industrial Estate, Bolangir, in two industrial sheds of IDCO on rental basis. It has been established to provide testing facilities to the MSMEs located in and around Bolangir. The main objective of the Laboratory is to make the MSMEs quality conscious and to produce quality products by utilizing its testing facilities right from procurement if raw material to production of finished product. This laboratory conducts tests of raw materials and finished products in accordance with the specifications prescribed by National and International standards institutions like BIS, ASTM etc. Besides imparting testing facilities to MSMEs this laboratory also provides testing facilities to State and Central Government Departments and Public Sector Undertakings such as, Power Grid Corporation, Rural works, R&B and other private customers. This Laboratory collects Government revenue in shape of testing fees by providing its testing facilities.

b. Berhampur:

Presently, this laboratory has four testing sections:

- Physical section: Civil materials used for the purpose of construction like steel bars, cement aggregates, sand, concrete cubes etc. are mainly tested in this section as per the relevant Indian Standard Specifications. Also, raw materials like steel plates, bars, pipes, other steel materials used in the manufacturing of rate contract items like steel shelving cabinet, dual desk, metal table are being tested to assess the quality of the items manufactured by the MSMEs registered under DEPM.

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[80]Odisha Entrepreneurship Curriculum

- Chemical section: Chemical items like Bleaching powder, Alum (Ferric/Non-Ferric), Quick Lime, Water for agricultural use and the raw materials for Civil Construction like steel bars, cement, water etc. are mainly tested in this section as per the relevant Indian Standards & Specifications.
- Drugs section: Presently the drugs section is functioning bearing the License No. 829/ Dt. 15.09.2015 of the Drugs Controller, Directorate of Drugs Control, Odisha, Bhubaneshwar for the following Drugs & Cosmetics items.
  - Disinfectant Fluid (Black & White)
  - Surgical Dressing
  - Handloom Cotton Bandage, Non-sterilized
  - Handloom Cotton Gauge, Non-sterilized
  - Handloom cotton cloth for plaster of Paris Bandage
  - Hair Oils- ISS-7123-1993
  - Hair Cream – ISS- 7679-1978

Users of this laboratory include:

- Indian Railways (East Coast Division, Khurdha)
- State Govt. organizations like P.H.D, R&B, RD, PWD etc.
- CPWD, Berhampur
- OPTCL
- Military Engineering Services (MES), Golabandh, Gopalpur. MSEs as and when they visit for testing their own products.

c. Rourkela:

The laboratory was established mainly to provide testing facilities to the ancillary and downstream industries of Rourkela steel plant and MSMEs of western zone of Odisha. As this belt is full of ores and minerals, this laboratory has facilities for testing ores, minerals and other metallurgical products. Besides MSMEs the testing facilities of the laboratory is being utilized by Govt. organizations like NALCO, MCL, OSHB, OWSSB, IOL etc. In addition to the above testing facilities of this laboratory are regularly utilized by private organizations like ORIND, IDL, L&T, OCL, Contractors, consultants and exporters. This laboratory undertakes testing of raw materials & finished products of MSMEs for manufacture of quality products.

Presently this laboratory has testing facilities for the following areas of testing:
- Physical
- Chemical &Paints
- NDT & metallurgical
- Civil
- Electrical

Following are the current field of activities in the laboratory:

- To provide testing services to small, medium & heavy industries and exporters in testing their raw materials, components & finished products.

- To provide testing services to Govt. Depts., Public Sector undertakings, Hockey Ground Projects, Public & Private firms to test their stores before & after procurement to ascertain the quality.
- To promote quality of the products manufactured at SSI sector, which ultimately help them in obtaining ISI mark for their products.
- To promote standardization & provide necessary information regarding material specification & specification of end products.
- To provide quality assurance to the purchaser by way of testing samples drawn by Dept./ Institute, agencies during the third-party inspection of items before delivery
- To promote the total quality Management concept among small scale industries

d. Cuttack:

This laboratory has multi-disciplinary testing sections such as: Paper section, Drugs & Pharmaceuticals, Cement Section, Paints section etc.

The objectives of the testing laboratories include:

- Adequate testing facilities to meet the requirements of the stakeholders including Start-ups, Research and Development centres, industries PAN India with a major focus on the vicinity Odisha.
- To upgrade these facilities to meet the upcoming market demand.
- To develop the system in line with international standards like ISO/IEC 17025:2017 'General Requirements for the Competence of Testing and Calibration Laboratories' and obtain accreditation from National Accreditation Board for Testing and Calibration Laboratories (NABL).
- To identify the regulatory requirements related to testing and obtain recognitions from FSSAI, BIS, APEDA, EIC, FDA etc. (as relevant and applicable), as per the scope and the market being catered to[81].

The following table provides an overview of the various tests done in the above mentioned 6 Testing Facilities of the State:

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[81] DEPM Report and consultation with DEPM officials

Group	Sub-group	Tests	Partial/Full
Angul			
Building, Infrastructure & Construction Materials	Coarse Aggregate	Particle size, impact value, crushing value, abrasion value, water absorption, 10% fine value, specific gravity, bulk density, soundness, deliterious material, moisture content, flakiness index, elongation index	Partial
	Fine Aggregate	Particle size, silt content, water absorption, specific gravity, bulk density, soundness, deleterious material, moisture content	Full
	Bituminous Mix/ Bituminous Macadam/ Dense Bituminous Macadam	Bitumin content, particle size, impact value, crushing value, abrasion value, water absorption, 10% fine value, specific gravity, bulk density, soundness, deleterious material, moisture content, flakiness index, elongation index	Full
	Paver Blocks	Water absorption, compressive strength, dimension	Partial
	Burnt clay building bricks	Water absorption, compressive strength, dimension, efflorescence, drying shrinkage	Full
	Pulverized Fuel Ash Lime Bricks		Partial
	Ordinary Portland Cement 43S, 53S Grades	Initial setting time, final setting time, compressive strength, soundness	Partial
	Portland Pozzolana Cement (Fly Ash Based)		
	Portland Pozzolana Cement (Calcined Clay Based)		
	Portland Slag Cement		
	Ordinary Portland Cement 33, 43, 53, Grades		
Mechanical Properties of Metals	Ferrous materials, alloys & products	Tensile strength, yield stress, elongation, bend test, rebind test, mass, hardness	Full

Group	Sub-group	Tests	Partial/Full
	Welds & welded test specimens	Tensile strength, bend test	Partial
Soil- Basic	Liquid Limit / Plastic Limit	Liquid Limit, Plastic Limit, OMC, MDD	Partial
Building Material	Aggregates	Soundess, deleterious material	Partial
	Sand	Soundess, deleterious material	Partial
	Bitumen	solubility, penetration, ductility, flash point & fire point	Partial
Metals & Alloys	Carbon Steel (low carbon, medium carbon & high carbon steel)	Carbon, Sulphur, phosphorous, manganese, silicon, nickel, Chromium	Full
	Stainless steel		
Balasore			
Building, Infrastructure & Construction Materials	Coarse Aggregate	Sieve analysis, crushing/impact value, water absorption, soundness, specific gravity	Partial
	Fine Aggregate	Sieve analysis, crushing/impact value, water absorption, soundness, specific gravity	Partial
	Bricks, Paver Blocks, Pavement Shapes	Compressive strength, water absorption, dimension, efflorescence	Partial
	Burnt Clay Building Bricks	Compressive strength, water absorption, dimension, efflorescence	Partial
	Cement, Cementitious Materials & Cement Additives	Consistency, setting time, soundness, finesse, compressive strength	Partial
	Ordinary Portland Cement 33, 43, 53, Grades	Consistency, setting time, soundness, finesse, compressive strength	Partial
	Portland Pozzolana Cement (Calcined Clay Based)	Consistency, setting time, soundness, finesse, compressive strength	Partial

Group	Sub-group	Tests	Partial/Full
	Portland Slag Cement	Consistency, setting time, soundness, finesse, compressive strength	Partial
	Medium Density Fiber Board	Dimension / mass, water absorption	Partial
	Particle Board Pre-Laminated Medium Density Fiber Board	Dimension / mass, water absorption	Partial
	Plywood for General Purpose	Dimension / mass, water absorption	Partial
	Reinforcement Steel and FRP & Structural Steel	Mass per meter, tensile strength, yield stress, elongation, area, bend, rebind	Partial
Mechanical Properties of Metals	Other Non-Ferrous metals, alloys & products	Mass per meter, tensile strength, yield stress, elongation, area, bend, rebind	Partial
	Ferrous materials, alloys & products	Mass per meter, tensile strength, yield stress, elongation, area, bend, rebind	Partial
Berhampur			
Building, Infrastructure & Construction Materials	Course Aggregate	Crushing Value Sieve Analysis Impact value	Partial
	Fine Aggregate	Crushing Value Sieve Analysis	Partial
	Concrete Paving Block	Compressive Strength	Partial
	Solid Concrete Block	Compressive Strength	Partial
	Burnt clay building bricks	Compressive Strength	Partial
	Fly Ash Brick	Compressive strength	Partial

Group	Sub-group	Tests	Partial/Full
	Ordinary Portland Cement 33,43,53	Compressive strength Initial Setting Time Final setting Time Soundness Consistency	Partial
	Portland Pozzolana Cement	Compressive strength Initial Setting Time Final setting Time Soundness Consistency	Partial
	Portland Slag Cement	Compressive strength Initial Setting Time Final setting Time Soundness Consistency	Partial
Mechanical Properties of Metals	Reinforcement steel and FRP & Structural Steel	Tensile Strength Bend test Rebind test Weight per Meter Elongation Yield strength	Partial
Cosmetics & Essential Oils	Hair Crème	PH Thermal Stability Total fatty substance content Water content Test for rancidity	Partial
	Hair Oil	Description Acid value	Partial
Industrial & Fine Chemicals	Bleaching Powder	Chlorine content	Partial
	Quick lime	Lime content	Partial
	Alumina Ferric/Non-ferric	PH value & Alumina content	Partial

Group	Sub-group	Tests	Partial/Full
Textile	Handloom- Cotton gauge, Absorbent cotton (non sterilized)	Count of Yarn Mass Length, width Absorbency PH value Scouring loss Freedom from optical whitener	Full
Water	Water for construction purpose	Acidity Alkaline Suspended matter Inorganic Solid Organic solids PH Sulphate Chloride	Partial
Bolangir			
Building, Infrastructure & Construction Materials	Coarse Aggregate	Sieve Analysis Water absorption Crushing value	Partial
	Fine Aggregate	Sieve Analysis	Partial
	Bricks, Paver Block	Dimension Compressive strength Water absorption	Partial
	Burnt Clay Building Bricks	Dimension Compressive strength Water absorption	Partial
	Pulverized Fuel Ash lime bricks	Dimension Compressive strength Water absorption	Partial
	Ordinary Portland Cement 33,43,53	Consistency Initial setting time Final setting time Soundness Compressive strength	Partial

Group	Sub-group	Tests	Partial/Full
	Portland Pozzolana Cement (Fly ash brick)	Consistency Initial setting time Final setting time Soundness Compressive strength	Partial
	Portland Slag Cement	Consistency Initial setting time Final setting time Soundness Compressive strength	Partial
	Reinforcement steel	Weight per meter Tensile strength Yield strength Elongation percentage Bend test	Partial
Mechanical Properties of Metals	Welds & welded test specimen	Tensile strength	Partial
Building Material	Aggregates	Specific gravity Moisture Content Organic impurities	Partial
	Bricks & pre-casted blocks	Specific gravity Moisture Content Organic impurities	Partial
	Cement	Specific gravity Moisture Content Organic impurities	Partial
Water	Construction Water	Acidity Alkaline Suspended matter Inorganic Solid Organic solids PH Sulphate Chloride	Partial
Cuttack			
Building, Infrastructure & Construction Materials	Coarse Aggregate	Sieve analysis, water absorption	Partial

Group	Sub-group	Tests	Partial/Full
	Fine Aggregate	Sieve analysis, bulking	Partial
	Bricks, Paver Blocks, Pavement Shapes	Compression test, water absorption	Partial
	Burnt Clay Building Bricks	compression test	Partial
	Ordinary Portland Cement 33, 43, 53, Grades	initial final setting time, finesse, soundness, compression	Partial
	Ordinary Portland Cement 43S, 53S Grades	initial final setting time, finesse, soundness, compression	Partial
	Portland Pozzolana Cement (Fly Ash Based)	initial final setting time, finesse, soundness, compression	Partial
	Portland Pozzolana Cement (Calcined Clay Based)	initial final setting time, finesse, soundness, compression	Partial
	Portland Slag Cement	initial final setting time, finesse, soundness, compression	Partial
	Composite Cement	initial final setting time, finesse, soundness, compression	Partial
	Doors & windows, Shuttering, Frames & Formworks	Dimension	Partial
	Reinforcement Steel	tensile, elongation, bend, rebind	Full
Leather and Leather Products	Finished leather	Tensile	Partial
	Footwears	Dimension	Partial
	Leather products	Ph, chloride, sulphate	Partial
	Semi-finished leather	Ph, chloride, sulphate	Partial
Mechanical Properties of Metals	Ferrous materials, alloys & products	Carbon, Sulphur, phosphorous, manganese, silicon, chromium, nickel	Full
	Other Non-Ferrous metals, alloys & products	Carbon, Sulphur, phosphorous, manganese, silicon, chromium, nickel	Full
1.8.8 Paper & Paper products	Paper IS1848	GSM, PH, Tensile strength, Cobb, Brightness and opacity, smoothness, double fold, wax	Full

Group	Sub-group	Tests	Partial/Full
		pick, tear index	
	Paper IS4658	GSM, PH, Brightness, wax pick, Cobb	Partial
	Paper IS 6956	GSM, tensile, brightness, cobb, wax pick, double fold, PH , burst	Partial
	Paper Board	dimension test	Partial
Textile Materials	Handloom textiles	Wool, cotton %, Terri cotton	Partial
	Fabrics (Woven and Non-Woven)		Partial
	Medical Textiles	PH, observance, GSM, foreign matter, moisture content, scouring, loss	Full
	Wool & its products	wool %	Partial
	Yarns	cotton %, Terri cotton	Partial
Building Material	Aggregates	deleterious material	Full
	Cement	loss on ignition, insoluble %, silica, magnesia	Full
	Lime	lime content	Partial
	Sand	deleterious material	Full
Inks, dyes & pigments	Others - Indelible Inks	PH, bleaching test, drying time	Full
Metallic coatings & treatment solutions	Metallic coatings	mass of zinc coating, uniformity	Full
Metals & Alloys	Alloy steel	Carbon, Sulphur, phosphorous, manganese, silicon, chromium, nickel	Full
	Aluminum& its alloys		Full
	Carbon Steel (low carbon, medium carbon & high carbon steel)		Full
	Stainless steel		FULL
Paints & Surface Coating	Paints & enamels	Drying time, salt spray corrosion, mass, scratch	FULL

Group	Sub-group	Tests	Partial/Full
	Others - Red oxide, anticorrosive bituminous black paint, yellow oxide, aluminum paint, etch primer	hardness, volatile matter	FULL
Paper and Pulp	Paper	Ph test	Partial
	Paper board	Moisture content	Partial
Textile	Fiber & filaments		FULL
	Finished fabric	scouring loss	Partial
	Terry Fabrics & its products		Partial
	Yarns & chords		Partial
Water	Construction Water	Ph test	Partial
Drugs & Pharmaceuticals	Capsules	Assay, Related substance, general tests	Full
	Oral Liquids	Microbiology tests, related substance, assay	Partial
	Oral Powders	Assay, leak test	Full
	Tablets	Assay, Related substance, uniformity of content, dissolution, general tests	Full
Industrial & Fine Chemicals	Inorganic Chemicals - bleaching powder, aluminoferric, aluminum sulphate, polyalumnium fluoride	chlorine content, alumina content, Ph, moisture content, heavy metals	Full
Animal Food & Feeds	Animal Nutrition Supplements	Heavy metals analysis	Full
	Rourkela		
Building, Infrastructure & Construction Materials	Coarse Aggregate	Sieve Analysis Crusing Value Water Absorption Abrasion value Impact value Flakiness Elongation	Partial

Group	Sub-group	Tests	Partial/Full
	Fine Aggregate	Sieve analysis Grading Moisture content Silt content Bulking of sand	Partial
	Bricks, Paver Block, Pavement Shapes	Dimension Compressive strength Water absorption Effloresce	Partial
	Concrete Paver block	Compressive strength	Partial
	Burnt Clay Building Bricks	Compressive strength Dimension Compressive strength Water absorption Effloresce	Partial
	Pulverized Fuel Ash Lime Brick	Dimension Compressive strength Water absorption Effloresce	Partial
	Ordinary Portland Cement 33,43,53	Consistency Initial setting time Final setting time soundness Compressive strength	Partial
	Portland Pozzolana Cement (Fly ash brick)	Consistency Initial setting time Final setting time soundness Compressive strength	Partial
	Portland Slag cement	Consistency Initial setting time Final setting time soundness Compressive strength	Partial

Group	Sub-group	Tests	Partial/Full
	reinforcement shell	Weight per meter Tensile Yield Elongation Bend	Partial
Mechanical Properties of Metals	ferrous material alloy & product	Tensile Yield Elongation Bend	Partial
	weld and welded test specimen	Tensile Strength	Partial
Soil- Basic	Water content	Maximum Dry Density Optimum Moisture content Liquid Limit Plastic Limit	Partial
	Liquid limit & plastic limit	Maximum Dry Density Optimum Moisture content Liquid Limit Plastic Limit	Partial
Building Material	Aggregates	deleterious material	Full
	Cement	loss on ignition, insoluble %, silica, magnesia	Full
	Lime	lime content	Partial
	Sand	deleterious material	Full
Industrial & Fine Chemicals	Inorganic chemicals	Bleaching powder Alumino Ferric Aluminum sulphate Poly aluminum chloride	Fully
Metallic coatings & treatment solutions	Metallic coatings	Mass of zinc coating & uniformity of zinc coating	Fully

Group	Sub-group	Tests	Partial/Full
Metals & Alloys	Carbon Steel (low, medium, high)	Carbon Manganese Silicon Phosphorous Sulphur Chromium Nickel	Fully
Ores & Minerals	Iron Ores	Total Iron Silica Alumina	Full
	Lime Stone & dolomite	Calcium Oxide Silica Magnesium oxide	Partial
Solid Fuels	Coal	Moisture Volatile Metal Ash Fixed carbon	Partial
Textile	Fabric yarn & chords	Wool content Terri cotton	Partial
	Fiber & filaments	Wool content Terri cotton	Partial
Water	Construction Water	PH Inorganic & organic Suspended matter Alkalinity Acidity Chloride	Full

Table 18: Testing Facilities in Odisha

1.16 Participation in various Central MSME schemes

The following Central MSME Schemes were availed by various MSMEs across the State[82]:

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[82] All data received from MSME Department, Government of Odisha

i. PMEGP

The following table provides an overview of the numbers of units created (targeted and achieved) and projected employment generation under the PMEGP scheme:

Year	Target		Achievement		
	Units	Margin Money (subsidy)	Units	Margin Money (subsidy)	Projected employment
2019-20	3,487	10,787.09	2,709	7,799.72	21,672
2020-21	2,578	7,959.94	3,168	8,743.64	25,344
2021-22	3,351	10,303.95	3,569	9,682.94	28,552
Total	9,416	29,050.98	9,446	26,226.30	75,568

Table 19: PMEGP target vs achievement

ii. MSE-CDP

The following table details out the number of Common Facility Centers (CFCs) and Infrastructure Development Projects in the State under the MSE-CDP:

State	Common Facility Centers (CFCs)			Infrastructure Development Projects			Grand Total
	Approved	Ongoing	Completed	Approved	Ongoing	Completed	
Odisha	7	4	3	9	6	3	16

Table 20: MSE-CDP cluster overview

iii. SFURTI

The following table details out the current status of Cluster Development in the State under the aegis of SFURTI:

Sl. No.	FY	Number of Clusters	Total Number of Artisans	Total Fund Disbursed (In INR Lakhs)
1	2020-2021		18,020	8,976.34
2	2021-2022	70	47,016	2,1015.4

Table 21: Cluster Development in State under SFURTI

iv. PMFME

The following table gives an overview of the loans sanctioned and disbursed in the state under the PMFME scheme:

FY	Individual Category				Group category			
	Sanctioned	Sanctioned Amount (in Crore)	Disbursed	Disbursed Amount (in Crore)	Sanctioned	Sanctioned Amount (in Crore)	Disbursed	Disbursed Amount (in Crore)
20-21	0	0	0	0	0	0	0	0
21-22	134	7.08	55	2.16	14	1.02	1	0.25
22-23	534	34.16	406	21.15	86	7.95	49	4
Total	668	41.24	461	23.31	100	8.97	50	4.25

Table 22: PMFME Achievements

v. Zero Defect Zero Effect (ZED)

The following table enlist the total number of MSMEs who have registered and got certifications in the FY 2022-'23 under the ZED scheme from Odisha:

FY	Number of MSMEs registered for ZED scheme	Number of MSMEs which got ZED Certified		
		Bronze Category	Sliver Category	Gold Category
2022-2023	757	66	2	1
		69		

Table 23: Registered and Certified MSMEs under ZED scheme

vi. CGTMSE

The following table enlist the coverage of CGTMSE in Odisha:

At the end of the period	Proposals covered during the period	
	No. of Accounts	Amount (INR Crore)
FY 2020-21	28,288	1,133.70
FY 2021-22	25,788	1,801.05
FY 2022-23	34,081	3,044.90

Table 24: CGTMSE coverage in Odisha

1.17 Citizen Charter for DICs

The Odisha Right to Public Services Act (ORTPSA), 2012 in Odisha is an exemplary initiative by the State Government to check corruption in public service delivery. The law enables the citizens to demand public services as a right and also includes a provision for penal action against officials failing to provide the services within the stipulated time.

The idea is to generate a demand for services, and to provide citizens with a platform for getting their grievances redressed in a time bound manner. The ORTPSA is a Citizen Charter for the MSME Department, the Directorate of Industries, Directorate of Export, Promotion and Marketing, and the District Industries Centres (DICs).

The Odisha Right to Public Services Act, 2012 has been notified in the Odisha Gazette on 1st November, 2012 and Odisha Right to Public Services Rules, 2012 has been notified in Odisha Gazette on 7th

December, 2012. As per Odisha Right to Public Service Act, **411 services** have been included in 31 Departments. "The Odisha Right to Public Services Act, 2012" is being functional from date: 02.01.2013 to provide all the notified services to the citizens within the stipulated time. For effective monitoring of all Public Services, a web based Central Monitoring System has been implemented in all Designed Offices. Now applicants while applying for notified public service are getting computerized acknowledgement.

CHAPTER 2: MAIN CHALLENGES TO MSME GROWTH

The following section will highlight the key constraints and challenges limiting MSME growth in the State.

To identify the challenges and constraints, several rounds of consultations (interviews and focused group discussions) with MSMEs including women led MSMEs, industry associations, large scale industries, anchor buyers, banks, financial institutions, relevant educational and skilling institutions, quality certification agencies, logistics providers, e-commerce players, retail chains, export promotion agencies, technical & business service providers and ecosystem enablers and several other relevant players in the MSME ecosystem were conducted. In addition, consultations were conducted with relevant line Departments, such as the Industries Department, Finance Department, Skill Development and Technical Education Department, Handlooms, Textiles & Handicrafts Department, Directorate of Economics and Statistics, Electronics & Information Technology Department, Energy Department, Labour & Employees' State Insurance Department and others. Several key literatures on MSMEs were also studied.

2.1 Business Environment

This section highlights the main challenges related to business environment which covers ease of starting and running a business, regulatory constraints, process gaps and costs, compliance costs etc.

- There is the duplicity of information submission to different Ministries, which creates a burden on businesses due to avoidable redundant steps in the current system.
- The current reforms and schemes run by the Government do not target specific sectors, reducing the overall uptake of some high-potential sectors.
- Further due to long gestation period of different projects pose a challenge to the growth of the MSMEs.
- The tax system is complex, with multiple taxes and levies at the central, State, and local levels.
- The compliance burden is high, with a complex regulatory environment and inconsistent interpretation of laws, which creates a lack of transparency and trained professionals.
- Further, there is a lack of understanding and awareness about different acts, rules & guidelines, notifications etc. for different incentives provided under policies.
- There is a lack of information on possible CSR projects in the State which leads to overlaps with the activities being carried out by other Corporations operating in the State
- There is no guideline available for the projects which are important from a socio-economic development perspective
- Several regulatory issues have been identified over time, including problems like tax compliance and changes to labor laws which have ended up costing the MSME sector dearly. As a result, it has become very difficult for MSMEs to comply with these regulations and register for tax compliance, which has resulted in many operating on low capital or even shutting down shops
- Most MSMEs encounter regulatory issues in their early phases because of an overabundance of rules and regulations. Most of the MSMEs report facing issues with getting an MSME loan, contract enforcement, or dealing with building permits

- Despite the government's efforts to make business loans more freely accessible and encourage entrepreneurship, most MSMEs find difficulty in getting financing and also applying for an MSME loan. Regulatory flaws that cause delays in obtaining permits
- Many advantageous schemes have been designed for the MSMEs but most of them are unaware of the advantages which they can avail by MSME registration
- Absence of a performance management system with specific KPIs for individual positions
- Centralized decision making about budgeting and planning of activities results in high service delivery time and there is lack of proactive efforts from MSMEs units to leverage different support schemes
- Limited networking with "developed service providers" eco-system supporting MSMEs and absence of standard practices for selection/ empanelment of external agencies and monitoring of their performance
- Limited interaction with central & State govt officials: Lack of regular/ periodic interaction/ coordination with stakeholders such as Industry associations, cluster development agencies, State institutions like DICs, etc. to enhance the level of awareness about schemes and services of DIs among target beneficiaries and identify the needs of the MSMEs

2.2 Factor Conditions

Some of the major factors that affect the growth and sustainability of MSMEs in India are Land, Energy, Labour, Market size, technology etc. This section highlights the major issues related to factor conditions for the MSME ecosystem in Odisha.

- Firstly, inadequate infrastructure such as roads, electricity, and water supply, hinders business operations.
- Secondly, obtaining electricity, water, and other requirements is a long and hectic process that requires several mandatory documents.
- Thirdly, labour laws are complex and often rigid, making it difficult for businesses to hire and fire employees or to make changes to their employment terms and conditions.
- Fourthly, the protection of intellectual property rights (IPRs) is perceived as inadequate, with a lack of effective enforcement mechanisms. This creates an environment of uncertainty for businesses and discourages them from investing in research and development.
- Currently the Mother Industries / Large Industries do not give any assistance in improving the overall output and quality of the MSMEs' products. Larger enterprises and public sector organisations must assist MSMEs in developing production procedures to ensure high-quality output.
- Currently, the OEMs are not permitted to register on the GeM portal, due to which their market size is considerably reduced.
- The total GeM procedure is long, making it difficult for MSMEs with limited ability and resources to join the platform. Those MSMEs that have already joined the platform face challenges such as a lack of customisation choices for listing their items, which limits their product portfolio on the site.
- There is a scarcity of ICD facilities, liners, and containers in the State's ports. The State can meet the demands of PSUs that export minerals, but MSMEs are not prioritised.

- Lack of e-commerce understanding has limited MSME players' ability to produce significant revenue via e-commerce platforms.

2.3 Infrastructure

This section highlights the key gaps in core public infrastructure accessed by MSMEs in Odisha which include water, roads, industrial land, energy, infrastructure provided through third-party providers (such as warehousing) and soft infrastructure such as laboratory facilities, quality testing etc.

- Infrastructure facilities such as public transportation, warehousing, Common Facilities Centre, uninterrupted power supply etc. are either nonexistent or inadequate in many MSME units
- Unavailability of land/high cost of land in the current site of operation, makes it difficult to buy additional land for expansion
- Limited access to infrastructure facilities such as power, water and roads increases operational costs for MSMEs and makes their dealings uncompetitive. Inadequate access to support infrastructure discourages these industrial units from adopting new technologies wherever available. In addition, poor infrastructure forces small and medium businesses to operate in selected geographical areas, by increasing the demand for natural resources in that region
- With inadequate infrastructure, their production capacity is very low while the production cost is very high
- Insufficient Rail Connectivity /Dedicated Corridor for Cargo Movement
- Lack of pre and post-harvest infrastructure in Blocks
- There is lack of real-time updated GIS-tagged information portals providing investment opportunities across all the industrial locations in a transparent manner to all classes of investors.
- Timely Approvals & Land Allocation - Identifying the suitable land options and handover of actual physical possession of the land is the stage where maximum delays are recorded, or projects are dropped by the investors
- There are very few Industrial parks/eStates with ready-to-operate infrastructure in a plug-and-play model. Gaps in maintenance and upgradation of the existing facilities.
- Lack of an effective mechanism to facilitate and support the conducting of district-level meetings in a regular manner to clear proposals and resolve industry grievances is one of the major issues.

2.4 Credit

This section provides the major issues faced by MSMEs in accessing credit for their enterprises, based on identification and assessment of financing gaps for MSMEs, this section also specially covers the issues faced by women led MSMEs. The constraints highlighted here cover both the supply and demand side issues.

- Bank-specific gaps in credit supply: Banks face several issues in lending to MSMEs including
  - High customer onboarding costs, limited access to creditworthy customers, and lower lending priority compared to larger infrastructure projects.
  - In addition, a majority of MSMEs without adequate assets get excluded from accessing formal credit, as they cannot provide standardized documentation for

asset-based underwriting, which is a traditional underwriting technique used by banks.

- NBFCs and Fintech specific gaps in credit supply: NBFCs and Fintech face limited access to capital, high cost of capital, high sectoral NPAs, and limited capability to onboard "New to Credit" MSMEs.
- Credit Demand Challenges:
  - Inadequate collateral for property: MSMEs are unable to take loans without collateral of property, as they cannot convey the viability of their business plans to financiers.
  - Repayment structure: Repayment is structured as equal monthly instalments (EMI), even though many micro-enterprises prefer to repay in daily or weekly instalments.
  - Low formalization among MSMEs: The prevalence of low formalization among MSMEs leads to inadequate documentation, about ~50% of micro-enterprise loan applications get rejected due to a lack of basic KYC
  - Insufficient financial cushion: After the lockdown, 75% of India's MSMEs had cash reserves for less than a month, while a vast majority dipped into meagre personal savings.
  - Fragmented insurance market: The insurance market is fragmented, with insurance agents and companies having different goals and policies. The procedures for an insurance claim are rigid, policies are unaffordable for smaller firms, and coverage is inadequate.
- The SIDBI and SLBC[83] report highlighted the following:
  - Delay in Credit disbursement: Out of the total sanctioned amount of INR 918,498,000, a total of INR 808,056,147 has been disbursed, indicating that approximately 88% of the sanctioned loans have been distributed to borrowers.
- Few Schemes are widely used to access credit and disbursement efficiency: The highest sanctioned loan amounts are found under the following schemes
  - ARISE, 4E-FIN, and DCS account for around 62% of the total sanctioned amount. The highest disbursed loan amounts are found under the same schemes, accounting for approximately 49% of the total disbursed amount.
- Credit Supply growth has not been meeting Credit Demand Growth: Credit demand in Odisha increased from INR 30,457.99 crores in 2020-21 to INR 59,449.52 crores in 2022-23, indicating business expansion
- However, credit supply grew slower than demand, as MSME credit demand in Odisha increased from INR 30,457.99 crores in 2020-21 to INR 59,449.52 crores in 2022-23, indicating business expansion. The rate of increase in Credit demand is more than 90% in the last 3 years, whereas the increase in credit supply was from INR 38,891.38 crores in 2020-21 to INR 45,940.57 crores in 2022-23, this indicates that there was just an increase of over ~18% in the supply of credit as per the SLBC data.

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[83] Details of 170th SLBC Meeting

- PSUs and private companies frequently adapt and tailor-make bid papers for a few selected MSMEs, imposing significant limitations on new entrants. Bill discounting is not available to MSMEs until 12 months of information is not available, hence the new units are not eligible.
- Getting a timely loan at a reasonable rate of interest is a challenge for many MSME units. This has reduced the chances of rapid expansion. The covid 19 pandemic has also a negative impact on MSMEs
- Depend on private money lenders to procure raw materials which cuts down on their margin due to erratic rate of interests
- Inadequate credit infrastructure (credit reporting systems, secured transactions and collateral registries, and insolvency regimes) which can lead to greater SME access to finance
- Lack of Adequate Collateral and Restrictive Application Processes
- Access to adequate and timely credit at a reasonable cost is the most critical key constraint to this sector
- Unavailability of credit from organized sector for agriculture sector due to lack of financial institutes/ branches in rural areas
- MSMEs face difficult in raise money from either banks or the capital markets as compared to large firms
- Trust Concerns: Banks are reluctant to provide MSME loans because they believe MSMEs lack repayment capabilities
- A rigorous collateral requirement also makes it problematic for some businesses to access an MSME loan. SMEs unit may not have the collateral or assets necessary to receive a loan from a bank
- MSME units are typically less creditworthy than their large counterparts. As they have no assets to surrender as collateral, lenders cannot analyze or know whether they can repay their loans
- Lack of financial literacy leading to improper account keeping and little understanding of government schemes, limiting their ability to get better financing terms

2.5 Delayed Payments to MSMEs

The issue of delayed payments to MSMEs is a major concern, which adversely affects the growth of these small businesses. This section covers the assessment of Online Dispute Resolution (ODR) in the State.

- Growth of outstanding payments by buyers with registered MSMEs is a result of a mismatch between their own working capital cycles with those of the MSMEs, clubbed with limited digitization among MSMEs.
- Delayed payments are expected to eventually result in higher costs of goods and services supplied to buyers. The inefficacy of TReDS offers an MSME-led option in addressing delayed payments. However, MSMEs are reluctant to initiate legal action under the MSMED Act, 2006, fearing the loss of customers.
- Moreover, the lack of capability and awareness of invoice compliance norms amongst MSMEs and the low efficiency of problem-solving through the SAMADHAAN portal is pending to be processed by MSEFCs.

- The inefficient functioning of the MSEFCs in terms of resolution of the disputes adds to the overall issues of the MSMEs, further, cases of arbitration can cause a lot of financial distress to small-scale entrepreneurs.

Annexure 1 highlights the Current Assessment of MSEFCs in Odisha.

2.6 Target Markets and Product Standards

This section provides the major issues which the MSMEs are facing which prevents enhanced access to markets including information access, export related insights, GIs and IPRs as well challenges faced by MSMEs in identifying target markets and complying with product standards.

- MSMEs lack resource allocation to get market exposure, and there is a scarcity of market intelligence accessible through industry groups.
- Furthermore, MSMEs have an inadequate understanding of brand creation, Quality Certification, Patent Registration, and Trademark.
- There is a lack of coordination between large-scale Industries and PSUs with MSME to produce high-quality outputs
- The overall time and cost involved in exporting from Odisha remain high owing to slow vessel turnaround and lack of logistic infrastructure
- Further, due to a lack of knowledge about different government policies and programs that facilitate export, the uptake of export-related activities in Odisha remains low.
- In their procurement procedure, OSIC mentions branded things to be bought rather than the standards necessary, making it impossible for MSMEs to offer their own products.
- The following are the primary hurdles that MSMEs confront in terms of market expansion:
  - A lack of easily available market intelligence from industry organisations. MSMEs are ignorant of certain entities, such as the WTC, that may give information on global export markets. Even while agencies such as WTC are based in Bhubaneswar, their scope is mostly confined to MSME units in Bhubaneswar and Cuttack.
  - Inadequate knowledge about brand creation.
  - Inadequate knowledge of quality certification, patent registration, and trademark protection.
  - The time required to export from Odisha owing to the slow turnaround of vessels.
  - In Odisha, there are no ports or containerised vessels to facilitate food processing export (just food processing).
- Lack of market analysis and target audience identification skills
- Lack of networks that can contribute to a lack of information, know-how, and experience in domestic and international markets
- Increased market competition and concentration from large multinational enterprises caused by globalization and economic integration
- Micro, Small & Medium Enterprises do not have any strategic tools /market development available with large industries. In the present competitive age, Marketing is one of the weakest areas wherein MSMEs units are facing challenges.
- MSME growth remains a hurdle due to the absence of entrepreneurial, managerial and marketing skills. Boosting sales and acquiring new customers requires the right marketing strategy. Most of the

MSMEs face challenges related to ineffective marketing strategies, lack of market analysis and identifying target customers. Knowledge about market trends, consumer preferences and advanced technology has hundred the development of this sector

- SMEs do not have the resources to conduct extensive market research before expanding it to new markets, unsteady following opportunities and growing only marginally
- Pressure to reduce prices due to competetion from Chinese manufacturers
- No standard estimation of the operating cycle, no regular customer base and a lack of proper product positioning
- Difficult to approve projected demand due to a lack of industry-related data

2.7 Technology Gap

The technology gap is a major issue faced by MSMEs in their digital transformation journey. The section looks at the lack of technology related to business functions, access to climate friendly technology and adoption of digital platforms for access to enhanced areas of market.

- Lack of access to specialized partners who can help MSMEs to stay tuned with the latest digital framework.
- Furthermore, the dependency on non-standardized components and the absence of a standardized framework that can guide the MSMEs through their digital journey make it difficult for MSMEs to choose the best available components or easily switch between vendors, creating a dependency on specific providers and technologies.
- The challenges of data and security management along with the lack of standardization among digital transformation components add complexity, making it difficult for businesses to effectively safeguard their data and systems against threats.
- ROI uncertainty - Difficulty in estimating the potential return on investment due to variations in benefits across industries and plants.
- Lack of understanding of customization of digital strategies and tools
- Lack of necessary processes and data infrastructure to fully leverage digital transformation technologies.
- Asymmetric Power, Platform Dominance: The issue of asymmetric power and platform dominance is a major concern for MSMEs operating in the e-commerce space. MSMEs may feel "locked in" to e-commerce platforms, requiring fundamental changes to their business practices to accommodate platform rules. Platform rules and policies, data ownership and control, and vendor lock-in are major contributing factors.
- Moreover, persistent digital divide and infrastructure-related issues, language barriers, and inadequate access to digital technologies further exacerbate the situation.
- Due to large consulting costs charged by suppliers, it is difficult to acquire access to experts/consultants for technological upgrades.
- The following are the main obstacles to adopting/implementing new technologies:
  - Low return on investment, since it raises upfront costs, the entrepreneurs are not able to perform the cost-benefit analysis
  - Inability to identify the appropriate technology due to a lack of experience

- o Due to a scarcity of empanelled service providers, MSMEs must rely only on Industry Associations to discover service providers.
- o A lack of configurable technical solutions, which makes merging with current systems difficult.
- Lack of awareness amongst MSMEs on policies and schemes of the Central and State Governments facilitating access to technology
- Unable to gain access to experts/consultants for technology upgradation due to high consultation fee levied by the providers
- The key challenges faced in adopting/implementing new technologies:
  - o Lack of expertise to identify the required technology
  - o Poor return on investment as it adds to the production cost and the MSMEs have to reduce their margin to remain competitive in the market
  - o Lack of empaneled service providers leads to MSMEs to depend solely on Industry Associations for identifying the service providers
  - o Lack of availability of customizable technological solutions which becomes a problem of integrating with existing systems
- Technological advancements have been rampant, and most industries have undergone some level of transformation to stay competitive. Although, because of a lack of experience, awareness, and access to technology consultants many firms are missing out on the latest technology advancements in their industry
- Because of lack of experience and awareness many MSMEs are missing out on the latest technology advancement in their Industry
- Technology solutions are often designed for large enterprises and are difficult to scale down for SMEs. small firms remain less digitized than medium-size firms and medium-size firms less than large firms
- Lack of exposure of MSMEs to latest technologies across various sectors impacts ability to provide requisite hand-holding support

2.8 The linkages of MSMEs with R&D labs and centres, academia and factors that constrain technology transfer and access

This section focuses on the linkages between micro, small and medium enterprises (MSMEs) and research and development (R&D) labs and centers, academia, and factors that constrain technology transfer and access. It also examines the need to strengthen MSME capabilities and their adoption of Resource Efficient and Cleaner Production (RECP) practices.

The MSME sector faces several challenges in accessing technology and R&D.

- The lack of proper research and development in respect of innovative methods of production and service rendering is a major issue.
- Access to financing is a challenge for MSMEs as a lack of funding can lead to the incapability of buying technology and investing in innovative activities. The central government's policy on Science, Technology, and Innovation (STI) is also not conducive to the MSME sector. The thrust of the institutions is very much on high-end technical and technological research, which may be of use to multinational and public sector enterprises but does not find consonance with the demands of the MSME sector, especially the unorganized sector.

- Low collaboration within as well as among government departments, universities, and MSME entities is another obstacle. The research labs usually focus on producing patents and high-end technical innovations, which the MSME sector is usually incapable of buying or sourcing.
- Lastly, the lack of proper skills and skilled employees is a barrier to innovation for MSMEs.
- NABL Labs are not well-equipped since they occasionally have to transmit samples to other labs outside the State, which slows the product's certification procedure. This problem was unique to the food processing business.
- Lack of collaboration between MSMEs and educational/research institutes leads to gap in the overall learning of the entrepreneurs with regards to technology and innovation related subjects.
- The limited availability of shared testing laboratories and research facilities is also seen as a barrier to innovation. Therefore, it is imperative for the government and industry to facilitate the development of more shared research and testing laboratories, especially in key manufacturing clusters
- Inability to compete against larger firms in terms of R&D expenditure and innovation (product, process, and organization)

2.9 Strengthening of firm capabilities and adoption of Resource efficient and cleaner production (RECP) practices by MSME

This section aims to identify gaps in management related capacity of MSMEs in the State, covering aspects such as optimal management of inventory, setting and monitoring of production targets, systematic tracking of performance using KPIs, regular bookkeeping and compliance related work.

- The adoption of RECP practices is essential for MSMEs to achieve sustainable growth. However, entrepreneurs are not always aware of the long-term benefits of RECP.
- There is also a lack of research and knowledge base as R&D is not oriented towards producing resource-efficient solutions and the development of resource-efficient products and services.
- Furthermore, technological upgrades are required for cleaner production, which is not always viable for MSMEs due to a lack of funding. The cost of acquiring expensive technology can also increase transaction costs for many MSMEs, as they often have small-scale operations.
- Lack of capacity building and customized training is also a major hurdle. New machinery will require larger space and skilled employees, which are not readily available to the MSME sector.
- Further there is lack of entrepreneurial zeal, capacity, and know-how within the firms, which hinders their scope to scale up their enterprise.
- For micro and small business units, geographical isolation is the major competitive disadvantage, where due to lack of prime location, they miss out on major locations of revenue, further due to location issues, there is rise in logistics cost, which ultimately reduces the overall profitability for the entrepreneurs in the State.
- Lack of know-how on Quality Certification, Patent Registration and TradeMark, reduces the brand building of the enterprises in the State. Since these certificates authenticate the quality of the product, these are extremely important for brand building and creating trust in the customer base of the enterprises.
- Mother Industries / Large industries do not provide any hand holding support in order to improve the overall output and quality of the products produced by the MSMEs.

2.10 The market for Service Provision to MSMEs

This section maps the issues related to support ecosystem of MSMEs including technical service providers and business service providers, exposure to new markets, establishing value chain linkages with other clusters, development of e-marketplace etc.

- MSMEs face a range of challenges in managing their supply chain and distribution, including disruptions caused by natural and human factors, transportation issues, economic pressures, product and buyer-related challenges, and the need to adopt digital technologies and professional management practices to overcome these obstacles.
- Limited access to e-commerce platforms: The current policy framework can discourage MSMEs from adopting emerging market platforms like e-commerce, which can limit their growth potential.
- Pro-consumer e-commerce policies: The current e-commerce policies tend to favour consumers and impose a disproportionately high compliance burden on MSMEs.
- Digital infrastructure and awareness: While digital infrastructure is expanding in the State, there is still a lack of awareness and skill gaps among MSMEs.
- Resistance to change: MSMEs may not be fully prepared to switch from offline to online selling models, and they may compare the new model with the traditional offline selling approach.
- NABL Labs are under-equipped since they frequently have to transmit samples to other labs outside of the State, which slows the product's certification procedure. (This was a problem unique to the food processing business.)
- Non-availability of a platform for MSMEs to interact with large institutional players and for marketing of their products & services
- MSME units are not aware of various international exhibitions and trade fairs. Participation in such events will expose MSMEs to international practices and enhance their business processes. These events will also help them provide a platform to MSMEs where they meet, discuss, and conclude agreements on technical and business collaborations. Attending those events will help to enhance their marketing avenues by way of capturing new markets and expanding existing markets
- Lack of networks that can contribute to a lack of information, know-how, and experience in domestic and international markets
- Increased market competition and concentration from large multinational enterprises caused by globalization and economic integration
- Limited availability of local service providers: MSMEs in Odisha struggle to find enough agencies for a specific service, often having to compromise with less qualified or less experienced providers.
- Lack of a centralized platform: No common portal exists for MSMEs and service providers to connect, making it difficult for them to find each other.
- Inadequate awareness of available services: MSMEs might not know about the full range of service providers that exist, leading to the underutilization of potentially helpful resources.
- Difficulty in assessing service quality: Without a centralized platform, MSMEs face challenges in comparing the quality and reliability of different service providers.
- Geographic barriers: Some service providers might be concentrated in certain areas, making it difficult for MSMEs in remote locations to access their services.
- Time-consuming search process: MSMEs have to spend considerable time and effort to find suitable service providers, taking away from their core business activities.

- High cost of services: Limited options can result in higher prices for services, putting financial pressure on MSMEs.
- Lack of standardized pricing: The absence of a common platform makes it difficult for MSMEs to compare prices and negotiate better deals with service providers.
- Inefficient communication and coordination: MSMEs and service providers may face communication gaps, leading to misunderstandings and delays in service delivery.
- Unreliable or outdated information: Without a centralized platform, information about service providers may not be updated regularly, causing MSMEs to rely on outdated or inaccurate information.
- Difficulty in availing government subsidies: The absence of a common portal makes it challenging for MSMEs to access and utilize government subsidies that involve third-party service providers, potentially causing them to miss out on valuable financial support.

A list of essential services that MSMEs deal with is listed in the following table:

Category	Subcategory
Business Strategy and Consulting	Business Consulting and Strategy
	Market Research and Analytics
Intellectual Property Rights (IPR) Management	Patent filing and management
	Copyright and design registration
	Trademark registration and protection
Legal, Registration, and Financial Services	Taxation and Financial Services
	Registration and Legal Services
	Risk Management and Insurance Services
IT Services	
Digitization	
E-commerce Solutions	
Human Resources and Training	Human Resources and Training
	Health and Safety Consultancy
	Event Management and Promotions
Marketing, Branding	Advertising and Public Relations
	Branding and Marketing
Quality Assurance, Certification, and Compliance	Quality and Certification Services
	Food Safety and Quality Management
	Food Testing Laboratories
Operations	Logistics
	Warehousing and Storage Facilities
	Cold Storage and Warehousing
	Export and Import Consultancy
Manufacturing, Engineering, and Infrastructure	Manufacturing Equipment and Machinery Suppliers
	Automation and Industrial Control Systems
	Engineering and Design Services
	Maintenance, Repair, and Operations (MRO) Services
	Infrastructure and Real EState

Category	Subcategory
Food Industry-specific Services and Support	Food Processing Equipment and Machinery Suppliers
	Food Industry Consultants
	Ingredient Suppliers and Distributors
	Food Research and Development Institutes
	Food Industry Associations and Organizations
Research and Development	Research and Development
	Industrial Clusters and Associations
Environmental and Energy Services	Energy and Environmental Services
	Waste Management and Recycling Services
	Energy Efficiency and Environmental Services
Packaging Solutions	Packaging Solutions
	Food Packaging Solutions

Table 25: List of essential services MSMEs deal with

- **Go Swift and AIM portal challenge**

  - Lack of awareness about the process handling
  - Unavailability of the single platform for the login into the portal
  - Inappropriate integration between MSME and GO Swift for incentives
  - Unavailability of the proper mechanism to track the application in another portal

- **Metal & Metallurgical Industry**

  - Unavailability of trained operators for operating new and specialized equipment
  - Growing competition within the country as well as cheap imports from China
  - Major challenge is to handle the after-sale support system effectively as the number of customers have increased in rural and remote areas
  - Lack of availability of funds to MSME players for modernization and expansion of equipment facilities
  - Due to delays in project execution and lack of special incentives or schemes to finance import of hi-tech equipment
  - There is no assurance for getting hot metal only 50 KT hot metal is available in some downstream park
  - In Odisha, the social infrastructure in and around industrial zones and parks is not adequate which is a basic hygiene factor to attract talented resources from other States
  - Due to higher freight cost, Movement of raw material and finished product is an issue in the State
  - Absence of a conducive business ecosystem (e.g., better road infra, lower and competitive road freights, etc.) around many Anchors units
  - Lack of specific incentives like 'Purchase Preference Policy' for procurement of Pipes & Tubes within Odisha
  - Lack of dedicated container terminal and upstream logistic infra like Inland Container Depot/ Multi-modal logistics hub

- Ecosystem for product is missing in Odisha because of which its leading to increased costs whereas nearby States like Chhattisgarh have availability of scrap which is usually used to make low-cost products items.
- Ecosystem for relevant trainings and development is currently absence for high value added cast & forged products (Auto, Aerospace & defense)
- Limited awareness regarding stainless steel applications resulting in lower demand of Stainless-Steel products
- Lack of a suitable trader ecosystem/ marketplace for MSMEs raises apprehensions for MSMEs to invest into the relevant product lines
- Limited availability of skilled labor, with higher labor charges than comparable States
- While Odisha is a leader in production of Chrome and reserves of Manganese, assurance of raw material is critical for developing a conducive ecosystem for ancillaries
- Lack of a proactive B2B connect platform to map requirements of end user industries to suppliers is missing

2.11 Gender gaps

This section highlights the barriers faced by women led MSMEs in accessing technical services, credit, insights related to markets etc. in the State of Odisha.

- Participation of women entrepreneurs in the MSME sector remains low, with women holding just over 20% of all micro, small, and medium enterprises in India, compared to over 80% for men[84].
- Considerable growth in women-owned proprietary companies without premises has highlighted the operational restrictions and vulnerabilities that women entrepreneurs face due to the lack of a stable location to operate their businesses, which can lead to the informalization of this sector.
- Lack of awareness about the need for corporations or organizations that wish to partner with these enterprises to focus on sectors where women are currently engaged.
- Due to a lack of agency to pursue their careers, women may be confined to domestic unpaid labour, which can impede their development.
- Access to finance for women led MSMEs: 14% of India's MSMEs led by women entrepreneurs have an annual finance demand of ~INR 2 Lakh Cr. [85]However, they face multiple challenges in accessing finance, including low financial literacy, inadequate industry understanding, and limited awareness of financial products and services.
- The Demand-side constraints are as follows[86]
    - Limited Financial Awareness and Understanding of Financial Products or Services, with only 17% of female entrepreneurs being aware of the financial schemes unrolled by the Government or financial institutions,
    - Lack of Adequate Collateral and Restrictive Application Processes, and
    - Lack of Confidence or Hesitation to Approach Financial Institutions.
- Currently, there are numerous Supply-side constraints as shown below

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[84] http://surl.li/hlvvo
[85] http://surl.li/hlvvo
[86] http://surl.li/hlvvo

- o High-Risk Profile in the Absence of Collateral Security Deters Most Financial Institutions,
  - o Lack of Tailored Products or Schemes to Suit the Needs of Women Entrepreneurs,
  - o Lack of Family Support Cultural Obligations, and
  - o Lack of Networking and Required Entrepreneurial Skills.
- Women's enterprises are generally more in need of capacity support than their male counterparts. Access to finance alone is unlikely to increase the number of women's micro, small, and medium-sized enterprises (MSMEs) and improve their productivity
- Different support is needed at different stages of the business cycle. Business development services (BDS), financial literacy, advisory services on administrative matters or legal disputes, mentoring, networking, information and communication technology and infrastructure support and exposure to digitalization processes are some examples
- Lack of access to BDS (Business development Services) remains one of the major constraints confronted by Women MSMEs. While major contributions of businesses in the services sector are owned by women, only a very less percentage of women participate in BDS training courses for businesses in the service sector.
- Women MSMEs are most likely to be lagging in access to knowledge of official business process (lack of knowledge laws, how much tax to pay, and the business procedure)
- Lack of knowledge of laws and legal procedures that affects their business operation
- lack of knowledge of laws, handling registration, licensing, and other formal procedures and also have limited legal literacy in handling commercial disputes such as nonpayment by customers and other breaches of contracts
- Lack of devoted time to enterprise development and the need for family support, due to women's dual roles to manage households (particularly childcare) and business
- Lack of networking and organizing, resulting in difficulties in voicing their needs to policy makers and business associations
- Lack of access to vital information related to finance, registration and legal requirements, business development, and market trends and technology inhibits the overall the overall growth of the women led MSMEs.
- Informal (cultural) and formal (legal) discrimination and legal discrimination in inheritance and ownership of properties is one of the major issues faced by women entrepreneurs.
- Apart from credit facilities, women led MSMEs require support in accessing market intelligence

2.12 Skills

This section provides the assessment of the skills gaps both cross cutting as well as sector specific, covering the major sectors of Odisha.

- Informal workers: MSMEs relying on underpaid informal workers lacking technical skills face disadvantages compared to their global counterparts. This constraint limits their growth potential by engaging in tasks requiring minimal expertise.
- Limited access to training and development programs: MSMEs in Odisha face challenges in terms of accessing training and development programs, which are essential for upskilling their workforce.
- There is a lack of quality vocational training institutes, making it difficult for these businesses to provide their employees with the necessary skills to perform their jobs effectively.
- There is absence of skill development training in school - level education in the State.

- Skill development issues: These include inadequate training dimensions, deficiency of entrepreneurship skills, lack of industry interface, labor unwillingness
- The current skill development centers in the State have limited geographical coverage, hence reducing the overall efficacy.
- MSMEs in Odisha face a challenge in terms of skill development due to the small wage gap between skilled and unskilled workers. This can discourage unskilled laborer's from upskilling themselves, leading to a shortage of skilled workers for MSMEs.
- This is evident from the fact that the participation rate in the training centers set up by the Government of Odisha is extremely poor.
- This results in the migration of skilled labors from the State of Odisha to better-paying States like Tamil Nadu, Maharashtra, Telangana etc.
- Lack of digital skills and soft skills are some major issues in skilling aspects in the State currently.
- Most MSMEs lacks technical expertise due to their reliance on low wage informal workers who do not possess the necessary education or training to contribute significantly to production
- Lack of proper incentivization structure for DIs to upgrade their skills and knowledge, which in turn reduces their efficacy at work, ultimately reducing the benefits received by the MSMEs.
- Limited availability and utilization of ICT infrastructure and competencies for knowledge sharing, information dissemination and service delivery

2.13 Environmental, labour management, and occupational health and safety compliance standards

This section provides the assessment of implementation framework for compliance with existing State and national environmental, labor and occupational health and safety regulations, by the MSMEs in the State of Odisha and the major challenges faced by the entrepreneurs in this aspect.

- Less Awareness and Information regarding Authorization under Hazardous and Other Wastes: One of the major challenges is the lack of awareness and information regarding the authorization process for hazardous and other wastes. Many MSMEs are not aware of the regulations and compliance requirements, leading to non-compliance and environmental degradation.
- Complex Regulatory Environment: The regulatory environment in Odisha can be complex, with multiple regulations and compliance requirements that businesses need to adhere to. Obtaining permits and approvals related to pollution control and waste management can be a cumbersome process.
- Lack of Transparency: Another concern is the lack of transparency in the regulatory process, with some businesses reporting difficulties in obtaining information and documentation related to compliance requirements. This lack of transparency creates uncertainty and makes it challenging for MSMEs to plan and invest in compliance measures.
- Delay in Obtaining Permits and Approvals: Obtaining permits and approvals related to pollution control and waste management can be a time-consuming process, with delays often caused by the need to obtain approvals from multiple agencies. These delays can cause significant financial losses for MSMEs.
- Inconsistent Interpretation of Laws: There can be variations in the interpretation of laws and regulations across different States and regions in India, which can make compliance challenging for businesses operating in multiple locations. MSMEs must navigate through these variations and

ensure compliance with the relevant laws and regulations. Lack of skilled labour hampers most of the units when it comes to producing their products, buying raw materials on time, or even gaining access to innovative technologies and expertise
- Limited support is availed from external specialist agencies / entities in terms of i) capacity development of labour, ii) supporting MSMEs with specific skill-sets which may not be available in-house with the units

2.14 Other key issues faced by MSMEs

Some other key issues which are hampering the overall growth of the MSMEs in the State of Odisha are highlighted in this section.

- Lack of Direct Access to Raw Materials: MSMEs face challenges in accessing raw materials directly from the mother industry. This is due to a lack of demand aggregation by downstream parties, making it more profitable for mother industries to sell outside the State.
- Higher Freight Expenses: Buying raw materials from other States becomes more expensive, leading to higher freight expenses for MSMEs. Subsidies on freight costs could be beneficial in reducing these expenses.
- Inconsistent Raw Material Prices: Downstream enterprises located outside the downstream parks must pay a higher price for raw materials than those located within the park, leading to inconsistency in raw material prices.
- Multiple Compliances: MSMEs face difficulties in conducting business due to the requirement of multiple statutory licenses, such as 18-19 licenses necessary for food processing.
- Key Obstacles Hindering the Expansion of Odisha's MSME Vendors:
    - o Failure to Deliver on Time: One of the significant obstacles faced by MSMEs is their inability to deliver on time. This issue negatively impacts their reputation and growth potential.
    - o Inability to Manage Large Orders: MSMEs face challenges in managing large orders due to their limited resources and capacity.
    - o Lack of Final Processing Units and Value-Addition Equipment: Odisha's metal sector lacks final processing units and value-addition equipment, hindering the growth of MSMEs in this sector.
    - o Poorly Organized MSMEs: MSMEs are poorly organized and lack effective clusters or associations. These clusters and associations can provide significant value addition to guarantee MSMEs' growth.
    - o Issues Related to Grievance: MSMEs face grievances related to quality control, pricing, timeliness, supply chain, and delivery method (logistics) while serving major industries. These grievances need to be addressed to ensure the sustainable growth of MSMEs in Odisha. The major issues with their description and underlying reasons are presented below.
- Low demands for end products within State because of developed ecosystems in neighboring State
- High production cost due to high electricity and water charges as compared to neighboring States
- Lack of State-of-the-art common facilities for food processing industries with plug and-play facilities for MSMEs
- Lack of formal sources of capital raising, not aware about relevant schemes and benefits provided by the government

- Assess measures to promote women's access to business incubator facilities through information campaigns, assistance to prepare business proposals, and women-targeted business incubator programs
- Assess Government of Odisha's initiatives to build women's demand-side capacity to approach financial institutions (FIs). Examine women's participation and key takeaways from the financial literacy programs for MSMEs designed and implemented by the Central/State Government
- Multiple compliances make doing business a cumbersome process for MSMEs
- Lack of awareness amongst MSMEs on policies and schemes of the Central and State Governments facilitating access to credit, market, and technology.
- There are a lot of schemes, especially Champions schemes, announced by the central govt but the biggest problem is around the lack of awareness about the benefits of the scheme and the high cost involved in compliance. So, there is a need to create awareness amongst MSMEs about these schemes and create motivation by incentivizing them for obtaining the certifications.
- A survey related to the count of Grievances either closed or active has been done where the sample size was 564 MSMEs and grievances have been given to MSMEs related to various issues like land, electricity and power, infrastructure and others.
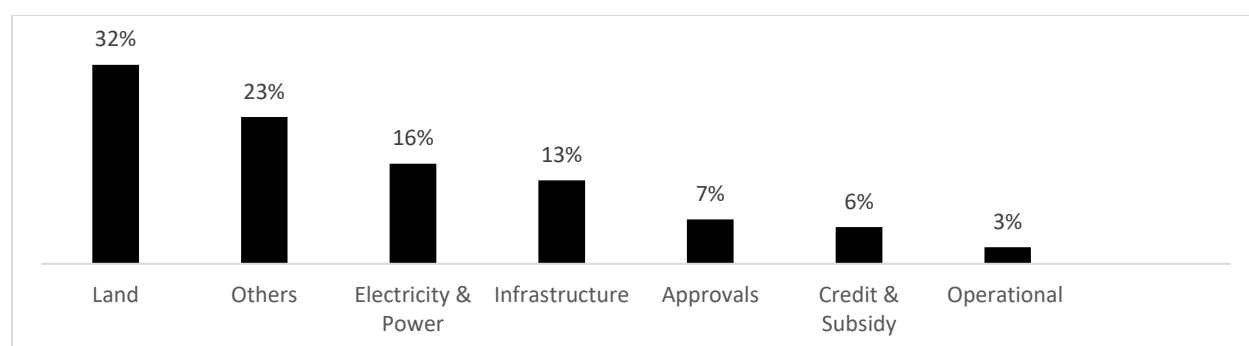
Figure 3: MSME grievances by types

Issue Type	Description	Underlying Reason
Land	Land allotment pending, land possession pending, land expansion, change of land kissam, land demarcation are major issues	IDCO land allotment and possession process
Others	General issues relating to change of information in applications, maintenance issue, GO SWIFT documentation errors & correction and GO SWIFT payment status issue.	ICT related
Electricity & Power	Grievances relating to Electric connection, Power tripping & power cuts	Infrastructural development
Infrastructure	Grievances relating to Approach Road, drainage issue, waste management, water availability and road connectivity	Infrastructural development
Approvals	Approvals for PCB, Safety license, water extraction, labor license etc.	Approval processes

Credit & Subsidy	Industries not being able to avail loans, increase cc limits, disbursal of loans and subsidy amounts are major grievances	Lack of MSME focused credit disbursal banks

Table 26: Different types of MSME grievances

CHAPTER 3. KEY GAPS IN MSME SUPPORT, POLICY DEVELOPMENT & DELIVERY

3.1 Institution Mapping

The following table lists the various departments, institutions, and agencies in the State for MSME development:

Sl. No.	Departments/ Institutions/ Agencies
1	Department of Industries
2	Directorate of Factories & Boilers
3	Odisha State Pollution Control Board (OSPCB)
4	Commercial Tax Organization
5	Department of Agriculture and Farmer's Empowerment
6	Department of Energy
7	Department of Energy (Central Eastern Electricity Supply Company of Odisha)
8	Department of Energy (Central Electricity Supply Utility of Odisha)
9	Department of Energy (North Eastern Electricity Supply Company of Odisha)
10	Department of Energy (Western Electricity Supply Company of Odisha)
11	Department of Excise
12	Department of Housing and Urban Development (Bhubaneswar Development Authority)
13	Department of Housing and Urban Development (Brahmapur Development Authority)
14	Department of Housing and Urban Development (Cuttack Development Authority)
15	Department of Housing and Urban Development (Kalinga Nagar Development Authority)
16	Department of Housing and Urban Development (Paradeep Development Authority)
17	Department of Housing and Urban Development (Puri Konark Development Authority)
18	Department of Housing and Urban Development (Rourkela Development Authority)
19	Department of Water Resources
20	Directorate General of Fire Services, Home Guards and Civil Defence
21	Directorate of Export Promotion & Marketing (DEPM)
22	Directorate of Industries (DI)
23	Directorate of Labour
24	Directorate of Labour
25	Electronics & Information Technology (E&IT) Department
26	Finance Department
27	Food Supplies and Consumer Welfare (FS&CW) Department
28	Forest and Environment Department

Sl. No.	Departments/ Institutions/ Agencies
29	Health and Family Welfare (H&FW) Department
30	Home Department
31	Housing and Urban Development Department (H&UD)
32	IDOC
33	Industries Department
34	Institute of Entrepreneurship Development (IED
35	IPICOL
36	Labour & ESI Department
37	Odisha Cooperative Coir Corporation Limited (OCCC Ltd)
38	Odisha Khadi & Village Industries Board (OKVIB)
39	Odisha Rajya Talgur Samabaya Sangha Ltd. (ORTSS Ltd)
40	Odisha Regional Transport Office
41	Odisha Small Industries Corporation (OSIC)
42	Odisha State Financial Corporation (OSFC)
43	OSAME
44	Revenue & Disaster Management (R&DM) Department
45	Rural Development
46	Works Department
47	GST Department
48	MSME Department
49	Directorate of industries
50	Directorate of Export Promotion & Marketing
51	Odisha small industries corporation ltd
52	Odisha Rajya Talgur Samabaya sangha
53	Odisha khadi & Village Industries Board
54	Gramodyog Sales depot board
55	Startup Odisha
56	Institute of entrepreneurship development
57	Industrial Promotion and Investment Corporation
58	Odisha Industrial Infrastructure Development Corporation
59	Industrial Training Institutes
60	Skill development centres
61	District Industries Centres
62	Regional Industries Centres
63	Odisha Cooperative Coir Corporation Limited

Sl. No.	Departments/ Institutions/ Agencies
64	Odisha State financial corporation
65	FABLAB Bhubaneshwar
66	Office of Development Commissioner
67	National Small Industries Corporation Limited (NSIC)
68	Central Tool Room & Training Centre, (CTTC), Bhubaneswar
69	Odisha Startup Hub (O-Hub)
70	230 MSME Banks
71	Odisha Investment and Export promotion Office
72	Directorate Of Export, Promotion & Marketing

Table 27: Various Departments, Institutions, and Agencies in the State (linked to MSME development)

The following table lists down the incubators covered under Startup Odisha:

Sl. No.	Departments/ Institutions/ Agencies	Function	Sector
1	Foundation For Technology And Business Incubation	Sectoral Incubators	Clean & Green Technology
2	KIIT Technology Business Incubator	Sectoral Incubators	Biotechnology & Medtech
3	Software Technology Parks Of India	Sectoral Incubators	IT & ITES
4	IIT Bhubaneswar Research And Entrepreneurship Park	Sectoral Incubators	AR/VR & Deeptech
5	Gram Tarang Employability Training Services	Sectoral Incubators	Automotive and Manufacturing
6	Xavier Council Of Innovations	Sectoral Incubators	Skill Development
7	Institute Of Hotel Management Catering Technology And Applied Nutrition	Sectoral Incubators	Hospitality
8	SSU Innovation Private Limited	Sectoral Incubators	Food Processing
9	Srusti Academy Development Foundation	Sectoral Incubators	E-commerce & IT Management
10	CIIC (Innovation And Incubation Centre), Bhubaneswar	Sectoral Incubators	Skill Development
11	Incuvations Foundation	Sectoral Incubators	Manufacturing & Warehousing
12	Perfectus Technology Solutions Private Limited (Ihubinc)	Sectoral Incubators	Sector Agnostic

Sl. No.	Departments/ Institutions/ Agencies	Function	Sector
13	IMI Incubation Foundation	Sectoral Incubators	Business Intelligence
14	VSSUT-Association For Incubation In Science And Technology(VSSUT-Assist)	Sectoral Incubators	Space tech, ICT & Agriculture
15	AIC-Nalanda Institute Of Technology Foundation	Sectoral Incubators	Sector Agnostic
16	School For Advanced Research In Polymers	Sectoral Incubators	Petrochemicals & Nano Technology
17	AIC-CV Raman College Of Engineering Foundation	Sectoral Incubators	Ed-Tech
18	Intec	Sectoral Incubators	Minerals, Materials, Energy, Environment, Societal & Waste Management
19	NRRI-ABI	Sectoral Incubators	Agri-tech
20	ACIC GIET University Foundation	Sectoral Incubators	Agriculture, Biotechnology, Food Processing, Renewable Energy, Smart Construction
21	Switchtech Incubator Foundation	Sectoral Incubators	Product Development
22	DBT- IIS Bioincubator	Sectoral Incubators	Biotechnology & Life Science
23	Krishi Kalinga Innovation Council	Sectoral Incubators	Agri-Tech and Allied
24	Centre For Innovation And Incubation	Sectoral Incubators	Agri-tech
25	Soa-Centre For Innovation And Incubation	Sectoral Incubators	Sector Agnostic
26	O-Hub	Sectoral Incubators	Sector Agnostic
27	AIC- STPI Next (Electropreneur Park Bbsr)	Sectoral Incubators	Electronics and ESDM
28	KIIT Technology Business Incubation Center Incubator	Incubator Supported	Others
29	Foundation For Technology and Business Incubation	Incubator Supported	Green technology
30	Software Technology Parks of India	Incubator Supported	IT services

Sl. No.	Departments/ Institutions/ Agencies	Function	Sector
31	IIT Bhubaneswar Research and Entrepreneurship Park	Incubator Supported	Education
32	Xavier Council of Innovations	Incubator Supported	Education
33	Gram Tarang Employability Training Services	Incubator Supported	Automotive
34	Institute of Hotel Management Catering Technology and Applied Nutrition	Incubator Supported	Others
35	Ssuinnovation Private Limited	Incubator Supported	Agriculture
36	Srusti Academy Development Foundation	Incubator Supported	IT services
37	CTTC (Innovation And Incubation Centre),Bhubaneswar	Incubator Supported	Education
38	Incuvations Foundation	Incubator Supported	Internet of Things (IoT)
39	Perfectus Technology Solutions Private Limited (Ihubinc)	Incubator Supported	Others
40	IMI Incubation Foundation	Incubator Supported	Analytics
41	VSSUT-Association For Incubation In Science And Technology (VSSUT-Assist)	Incubator Supported	Others
42	AIC-Nalanda Institute Of Technology Foundation	Incubator Supported	Others
43	AIC - CV Raman College of Engineering Foundation	Incubator Supported	Education
44	School For Advanced Research in Polymers (SARP) – LARPM	Incubator Supported	Others
45	DBT- IIS Bioincubator	Incubator Supported	Biotechnology
46	Intec	Incubator Supported	Others
47	Switchtech Incubator Foundation	Incubator Supported	IT services
48	NRRI-ABI	Incubator Supported	Agriculture
49	ACIC GIET University Foundation	Incubator Supported	Others

Sl. No.	Departments/ Institutions/ Agencies	Function	Sector
50	Krishi Kalinga Innovation Council	Incubator Supported	Agriculture
51	Centre For Innovation and Incubation	Incubator Supported	Agriculture
52	Electropreneur Park Bhubaneswar	Incubator Supported	Technology Hardware
53	SOA Centre For Innovation and Incubation	Incubator Supported	Others

Table 28: Incubation Centers in Odisha

Challenges in the overall institutional functioning of these Institutions include

- Low coordination within various officials of Directorate of Industries at the ground level
- Low inter departmental synergy.
- No linkages between Start-up Odisha and DIC
- No linkages between DEPM programmes and DICs.
- No consolidated list of departments available to increase entrepreneurs' awareness for processes.

3.2 Existing Capacity

The following are the major objectives of the Training Need Assessment of Key Personnel at the MSME Department at the Directorate of Industries (DI) Level, Regional Industries Centres (RICs) and District Industries Centres (DICs).

- To study the roles and responsibilities of personnel at various levels in order to understand their respective roles in MSME policy formulation, dissemination, promotion and administration of various schemes in the State of Odisha.
- To identify the leadership, managerial, technical and administrative competencies required for promoting entrepreneurship in the State of Odisha through
  o Active collaboration with Central Government Ministries, Departments and Corporations such as the Ministry of Micro, Small & Medium Enterprises, Department of Industrial Policy & Promotion, National Small Industries Corporation, and others.
  o Active partnership with State Government Organizations such as Industrial Promotion & Investment Corporation of Orissa Ltd. (IPICOL), Odisha State Financial Corporation (OSFC), Odisha Small Industries Corporation, Directorate of Export Promotion and Marketing and others
  o Active collaboration with Industry Associations, Non -Governmental Organizations, and other Civil Society Organizations such as the Confederation of Indian Industry, Indian Chamber of Commerce, Odisha Industries Federation, Odisha Industries Association, Orissa Small Scale Industries Association, Orissa Young Entrepreneurs Association, and others.
- To identify the gap between current and the desired levels of the above competencies (leadership, managerial, technical and administrative) required for promoting entrepreneurship in the State of Odisha.

- To prepare a strategic roadmap for MSME personnel competency development and competency deployment with appropriate strategic interventions for implementing the same with short-term, medium-term and long-term goals and milestones.

Most successful entrepreneurs want to grow their businesses, but they face challenges of Sourcing raw materials, modernizing production with advanced technology and procuring them, Hiring and retaining skilled employees, Raising capital to invest, Managing working capital, Managing cash flow, Packaging and Pricing, Building Brands, Building distribution network to scale, Going beyond the local market, and Identifying new business opportunities to increase the scope. Also, most of the entrepreneurs lack exposure and expressed the desire to visit business clusters to learn about new technologies and potential new opportunities. Besides, many of them are seeking help to understand opportunities in import substitution and export potential.

However, the officials mostly depend on Google for solving the problems of entrepreneurs (e.g., Technology Adoption).

Creating a culture of learning and motivating the employees to learn is missing among RIC/DIC personnel.

RIC / DIC personnel perform four distinct roles. They are:

i. Entrepreneurship Promotion
ii. Entrepreneurship Support
iii. Management
iv. Administration

The Training Needs assessment has established the need for capacity building for effective Entrepreneurship Support (for successful entrepreneurs as well as struggling entrepreneurs) and Management to perform their roles effectively.
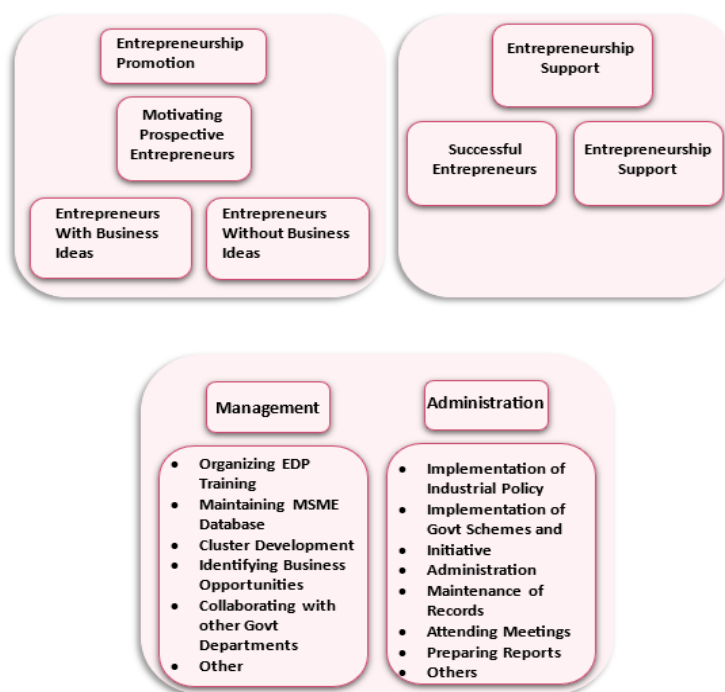
Figure 4: Role of key personnel at RIC/DIC

Currently, the IPOs are suggesting what business is good for the entrepreneur, and the entrepreneur is not aware of why the business is good for him. When the entrepreneur is meeting the banker, he/she is not able to articulate why he/she wants to pursue this business. This is resulting in the rejection of the projects. The IPOs should be able to identify the skill requirements to be an entrepreneur and should be able to identify the right product and services for the entrepreneur. However, there is no potential product and services identified for the IPOs to refer to

The IPOs are not able to motivate them to take up entrepreneurship.

RIC feels there is a significant asymmetry of information and there is not much coordination among various government departments that interface with the creation of business enterprises and the development of MSME.

Figure 5: Identification of training needs for RIC/DIC personnel

3.3 Coordination mechanism

The following table highlights the list of various of Committees to support MSME development and address the issues:

Sl. No.	Meeting	Description
1	District level facilitation committee (DLFC)	First meeting for project evaluation at district level
2	District level single window clearance authority (DLSWCA)	Final proposal approval meeting at district level
3	District level Industry care committee (DLIC)	Grievance redressal committee at district level
4	IDCO Land meeting	Pending land cases addressed
5	District level bankers committee (DLBC)	Consultative and coordination body of all financial institutions operating in district for access of credit
6	District level committee (DLC)	Approval for Agriculture project

Sl. No.	Meeting	Description
7	Pradhan Mantri Formalisation of Micro Food Processing Enterprise scheme meeting (PMFME)	PMFME project evaluation meeting at district level
8	State level inter institutional committee (SLIC)	Grievance redressal committee at State level
9	Empowered Committee (EC)	Apex body at State level responsible for administration of National Mission on food Processing (NMFP)
10	State level single window clearance authority (SLSWCA)	Three tier single window clearance window mechanism to facilitate implementation of industrial projects
11	State Pollution Control Board (SPCB)	Responsible for implementation legislation relating to prevention & control of pollution
12	State Level Bankers Committee Odisha (SLBC)	Consultative and coordination body of all financial institutions operating in State for access of credit
13	Odisha State Financial Corporation	Committee established to provide loans to MSME
14	Odisha Electricity Regulatory Commission	Address fundamental underlying issues of poor performance of electricity board & restructuring power sector
15	Plant Level Advisory Committee (PLAC)	Supports MSME to make procurement process simpler
16	Plant Level Consultation Committee (PLCC)	Support MSMEs through large & mega private sector industries
17	Vendor Development Programme	Support local entrepreneurs through Government e-Marketplace (GEMs)

Table 29: List of various of Committees to support MSME development

The major challenges faced by these committees in terms of coordination mechanism are

- The DIC has an informal awareness of the district's potential.
- No periodically scheduled timeline in place for holding meetings resulting in delays.
- No standardised agenda for meetings i.e., agenda varies from district to district.
- Low coordination from the bank to fund the entrepreneur in their business.
- IPOs promote entrepreneurship at educational institutions, blocks, and gram panchayats. Effort required to mobilise MSMEs at block level and gram panchayat level is high, therefore strong interdepartmental coordination is crucial for last mile delivery of proposed interventions.

- IPOs currently spend most of their time in building relationships with bank managers because they would like to have higher approval rates for their entrepreneurs and thereby increase success rates on various schemes. This leads to reprioritisation of other activities.

3.4 Monitoring & Evaluating Systems

This section provides the assessment of existing M&E for State government initiatives. The following lists down the major issues faced in the M&E of various initiatives in the State for the facilitation of the MSMEs in the State.

- There is no dedicated M&E system currently present in the State.
- Inducing a standardised system throughout the State.
- Designing sector and investment size sensitive evaluating parameters.

3.5 Portals - G2B services to MSMEs, All State portals accessed by MSMEs

There is total 12 portals dedicated for MSMEs services by the Government of Odisha. These portals are listed below:

Sl. No.	Portal	Link	Description
1	MSME Odisha	https://msme.odisha.gov.in/	Consolidated website on MSME schemes & services
2	GO SWIFT	https://investodisha.gov.in/	Online Single Window portal
3	GO SMILE	https://cicg.investodisha.org/	Inspection of Licensed Enterprises (GO SMILE) portal
4	GO ACE	https://investodisha.gov.in/	The goal of GO-ACE, is to make available actionable data instantly on the go.
5	GO PLUS	https://gis.investodisha.gov.in/	GIS based industrial land use and infrastructure information system
6	GO iPASS	https://gis.investodisha.gov.in/	Provides hassle-free post allotment services for industrial units
7	GO CARE	https://csr.odisha.gov.in/login.aspx	One-stop shop for all CSR related activities
8	E ABKAR, ODISHA	https://Stateexcise.odisha.gov.in/	e-Abkari was adopted by the Odisha Excise Department to provide the best practices to the stakeholders.

Sl. No.	Portal	Link	Description
9	PAReSHRAM	https://pareshram-labour.odisha.gov.in/	Platform for employers to register their establishments and to facilitate the registration of workers in the State of Odisha.
10	I3MS Portal	https://i3ms.odishaminerals.gov.in/	Portal is responsible for the management, monitoring, and regulation of the mining sector in the State of Odisha
11	e-MSME Seva	https://odishamsme.nic.in/	One-stop solution for all the needs of Micro, Small, and Medium Enterprises (MSMEs) in the State
12	Bhulekh & Odisha IGR Portal	https://www.igrodisha.gov.in/	Portal is the website of Revenue & DM Department, Odisha to check the Khata, Plot and Tenant details of Land Parcels present within the State.

Table 30: List of portals for rendering G2B services in Odisha

The following table provides a list of approvals available on National single window system & Sate single window system:

Departments	Certification/ Approvals/ Licenses	Can be applied on NSWS[87]	Can be applied on State Single window Clearance portal[88]
Commercial Tax Organization	Registration for Professional Tax	No	Yes
Department of Agriculture and Farmer's Empowerment	Application for registration of Insecticide	No	No
	Certificate of provisional registration of Insecticides	No	No
	District level seed Dealer	No	No
	License for manufacturing of Fertilise	No	No
	License for manufacturing of insecticides	No	No

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[87] National Single Window System-Odisha
[88] Invest Odisha-Department Clearance

Departments	Certification/ Approvals/ Licenses	Can be applied on NSWS[87]	Can be applied on State Single window Clearance portal[88]
	License to Stock and Use of Insecticides Commercial Pest Control Operations	No	No
	License to stock / sell / exhibit for sale or distribution of insecticide	No	No
	License under FSSAI	No	No
	Permission to sell Non Standard Fertilizer	No	No
	Permission to sell Non Standard Fertilizer	No	No
	Registration for Selling of All permissible fertiliser in Odisha for Wholesale Dealer, Retail Dealer, Pool Handling Agency, Importer	No	No
	Registration under FSSAI	No	No
	State Seed Dealer cum Source	No	No
Department of Energy	Certification of Electrical Installation by Chief Electrical Inspector	Yes	Yes
	New Power Connection Application	Yes	Yes
	Temporary power connection	No	No
Department of Energy (Central Eastern Electricity Supply Company of Odisha)	Certification of Electrical Installation	Yes	No
Department of Energy (Central Electricity Supply Utility of Odisha)	Approval of DG Sets	Yes	No
Department of Energy (Central Electricity Supply Utility of Odisha)	Certification of Completion Electrical Installation above 250KVA	Yes	No
Department of Energy (Central Electricity Supply Utility of Odisha)	Certification of Completion Electrical Installation up to 250KVA	Yes	No

Departments	Certification/ Approvals/ Licenses	Can be applied on NSWS[87]	Can be applied on State Single window Clearance portal[88]
Department of Energy (Central Electricity Supply Utility of Odisha)	Certification of Electrical Installation	Yes	No
Department of Energy (Central Electricity Supply Utility of Odisha)	Drawing of Electrical Installation above 250KVA	Yes	No
Department of Energy (Central Electricity Supply Utility of Odisha)	Drawing of Electrical Installation up to 250KVA	Yes	No
Department of Energy (North Eastern Electricity Supply Company of Odisha)	Certification of Electrical Installation	Yes	No
Department of Energy (Western Electricity Supply Company of Odisha)	Certification of Electrical Installation	Yes	No
Department of Excise	Import and Export permit of India-made foreign liquor (IMFL)	Yes	Yes
	License under State Excise for local sale, Import and export permit of Spirit and Indian-made foreign liquor (IMFL)	Yes	No
	Registration under State Excise for Label/Brand Registration	Yes	Yes
	License under State Excise for local sale, Import and export permit of Spirit and Indian-made foreign liquor (IMFL)	No	Yes
Department of Housing and Urban Development (Bhubaneswar	Building Occupancy Certificate	Yes	No

Departments	Certification/ Approvals/ Licenses	Can be applied on NSWS[87]	Can be applied on State Single window Clearance portal[88]
Development Authority)			
Department of Housing and Urban Development (Rourkela Development Authority)	Building Occupancy Certificate	Yes	No
Department of Housing and Urban Development (Brahmapur Development Authority)	Building Occupancy Certificate	No	No
Department of Housing and Urban Development (Cuttack Development Authority)	Building Occupancy Certificate	No	No
Department of Housing and Urban Development (Kalinga Nagar Development Authority)	Building Occupancy Certificate	No	No
Department of Housing and Urban Development (Paradeep Development Authority)	Building Occupancy Certificate	No	No
Department of Housing and Urban Development (Puri Konark Development Authority)	Building Occupancy Certificate	No	No
Department of Industries	Obtaining Sewage connection	Yes	No
	Obtaining water connection	Yes	Yes
	Road Cutting Permission	Yes	No

Departments	Certification/ Approvals/ Licenses	Can be applied on NSWS[87]	Can be applied on State Single window Clearance portal[88]
	Land for setting up corporate office in Odisha	No	No
Department of Water Resources	Permission to draw Water	Yes	No
	Temporary Water connection for construction - Surface or ground water	Yes	No
	Water connection for Operations - Surface or ground water	Yes	No
	Application for Sinking well	No	No
	Registration of Well	No	No
	Transportation of Ground Water	No	No
	Permission to draw Water	No	Yes
Directorate General of Fire Services, Home Guards and Civil Defence	No Objection Certificate from Directorate of Fire	Yes	No
Directorate of Factories & Boilers	Registration, grant of license under The Factories Act, 1948	Yes	No
	Approval of Plan and Permission to Construct or Take into use any Building as a Factory under the Factories Act, 1948	No	No
	License under The Boilers Act, 1923	No	No
	Approval of extension plan of factory under the Factories Act, 1948	No	Yes
	Approval of Plan and Permission to Construct or Take into use any Building as a Factory under the Factories Act, 1948	No	Yes

Departments	Certification/ Approvals/ Licenses	Can be applied on NSWS[87]	Can be applied on State Single window Clearance portal[88]
	License under The Boilers Act, 1923	No	Yes
	Registration, grant of license under The Factories Act, 1948	No	Yes
	Renewal of License under The Boilers Act, 1923	No	Yes
	Renewal of license under The Factories Act, 1948	No	Yes
Directorate of Labour	Registration of Establishment employing migrant workmen under the Inter-State Migrant Workmen (RE&CS) Act,1979	Yes	No
	Registration of Principal Employer's establishment under the Contract Labour (Regulation and Abolition) Act, 1970	Yes	No
	Registration of Establishment under The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996	No	Yes
	Trade Licence and Shop Establishment	No	Yes
	Application for grant of License for contractors under provision of the Contract Labour (Regulation and Abolition) Act, 1970	No	Yes
	Application for Registration of establishment under the Orissa Shops and Commercial Establishments Act, 1956	No	Yes
	Application for Renewal of license under provision of the Contract Labour (Regulation and Abolition) Act, 1970	No	Yes

Departments	Certification/ Approvals/ Licenses	Can be applied on NSWS[87]	Can be applied on State Single window Clearance portal[88]
	Registration of Establishment employing migrant workmen under the Inter-State Migrant Workmen (RE&CS) Act,1979	No	Yes
	Registration of Principal Employer's establishment under the Contract Labour (Regulation and Abolition) Act, 1970	No	Yes
Electronics & Information Technology (E&IT) Department	Mobile Tower Application	Yes	Yes
Finance Department	Registration for Professional Tax	Yes	No
Food Supplies and Consumer Welfare (FS&CW) Department	License as manufacturer of Weights and Measures under The Legal Metrology Act, 2009	Yes	Yes
Forest and Environment Department	Authorization under Hazardous Waste (Management and Handling) Rules, 1989	Yes	No
	Authorization under the E-Waste Management Rules, 2016	Yes	No
	Consent to Establish under Air Act, 1981	Yes	No
	Consent to Establish under Water Act, 1974	Yes	Yes
	Consent to Operate under Air Act, 1981	Yes	Yes
	Consent to Operate under Water Act, 1974	Yes	Yes
	In-Lieu Transit Permit	Yes	Yes

Departments	Certification/ Approvals/ Licenses	Can be applied on NSWS[87]	Can be applied on State Single window Clearance portal[88]
	NOC for Tree Felling and Tree Transit Permit	Yes	Yes
	Registration under Plastic Waste Management rules	Yes	No
Health and Family Welfare (H&FW) Department	Granting & renewal of Drug Manufacturing License	Yes	No
	Retail Drug License (Pharmacy) and renewal thereof	Yes	No
	Wholesale drug license and renewal thereof	Yes	Yes
	Licence to sell, stock or exhibit or offer for sale, or distribute Homoeopathic Medicines	No	No
	Granting & renewal of Drug Manufacturing License	No	Yes
	Retail Drug License (Pharmacy) and renewal thereof	No	Yes
Home Department	Approvals for setting up hostel	Yes	Yes
	Cinematograph license/license for screening of films	Yes	Yes
	License for sale of crackeINR (Permanent)	Yes	No
	License for sale of crackeINR (Temporary)	Yes	No
	Movie Shooting Permissions	Yes	Yes
	NOC for Fire Department (prior to commencement of construction activities)	Yes	No
	NOC required for setting up of explosives manufacturing, storage, sale, transport	Yes	No

Departments	Certification/ Approvals/ Licenses	Can be applied on NSWS[87]	Can be applied on State Single window Clearance portal[88]
	NOC required for setting up of petroleum, diesel & naphtha storage, sale, transport	Yes	Yes
	License for sale of crackers (Permanent)	No	Yes
	License for sale of crackers (Temporary)	No	Yes
	Fire Safety Certificate	No	Yes
	Fire Safety Recommendation	No	Yes
	NOC required for setting up of explosives manufacturing, storage, sale, transport	No	Yes
Housing and Urban Development Department (H&UD)	Building plan approval	Yes	Yes
	Trade License	Yes	No
	Completion certificate	No	No
	Construction permit	No	No
	Road Cutting Permission	No	No
	Application for Trade License	No	Yes
Industries Department	Allotment of land from the State Industrial development Corporation	Yes	No
Labour & ESI Department	Application for Enrollment/Renewal as a Boiler Manufacturer/ Erector/ Repairer	Yes	Yes
	Application for Registration of establishment under the Orissa Shops and Commercial Establishments Act, 1956	Yes	No
	Application for grant of License for contractor & Renewal of License	Yes	No

Departments	Certification/ Approvals/ Licenses	Can be applied on NSWS[87]	Can be applied on State Single window Clearance portal[88]
	Application for grant of License for contractor & Renewal of License under provision of the Contract Labour (Regulation and Abolition) Act, 1970	Yes	No
	Building Drawing approval	Yes	No
	Enrolment of Certificates of Boiler Operation Engineer, Boiler Attendants and Welder issued by other States	Yes	No
	Enrolment for Boiler Erector	Yes	No
	Factory registration and grant of license	Yes	No
	License under The Boiler Act, 1923 & its renewal	Yes	No
	License under The Boiler Act, 1923 & its renewal	Yes	No
	Registration Application under the Contract Labour Act	Yes	No
	Registration of Establishment employing migrant workmen	Yes	No
	Registration of Establishment under The Building and Other Construction Worker	Yes	No
	Registration of Principal Employer's establishment And Licences By The Contractor	Yes	No
	Registration, grant & renewal of license under The Factories Act, 1948	Yes	No
	Industrial Employment Standing Order Act, 1946	No	No

Departments	Certification/ Approvals/ Licenses	Can be applied on NSWS[87]	Can be applied on State Single window Clearance portal[88]
	Registration under The Beedi and Cigar Worker Act, 1966	No	No
	Registration/Renewal of Registration of Establishment Under the Motor Transport Worker Act	No	No
	Steam pipeline drawing approval	No	No
	Welder certificate	No	No
	certified standing order under Industrial Employment Standing Order Act, 1946	No	No
Odisha Regional Transport Office	Application for Grant of Registration Certificate for Registered Vehicle Scrapping Facility	Yes	No
	Application for Grant of Preliminary Registration Certificate for Automated Testing Station (ATS)	No	No
Odisha State Pollution Control Board (OSPCB)	Consent to Establish under Water Act, 1974 and Air Act, 1981	Yes	Yes
	Consent to Operate under Water Act, 1974 and Air Act, 1981	Yes	No
	Authorization under Bio-Medical Waste Management (Management and Handling) Rules, 2016	No	Yes
	Authorization under Construction and Demolition Waste Management (Management and Handling) Rules, 2016	No	Yes

Departments	Certification/ Approvals/ Licenses	Can be applied on NSWS[87]	Can be applied on State Single window Clearance portal[88]
	Authorization under Hazardous Waste (Management and Handling) Rules, 1989	No	Yes
	Authorization under Solid Waste Management (processing, recycling, treatment and disposal of solid waste) Rules, 2016	No	Yes
	Consent to Establish under Air Act, 1981	No	Yes
	Consent to Operate under Water Act, 1974 and Air Act, 1981	No	Yes
	Registration for dealers under The Batteries (Management & Handling) Rules, 2001	No	Yes
	Registration/ Renewal under Plastic Waste (Management and Handling) Rules, 2011	No	Yes
	Registration/ Renewal under The E-waste (Management and Handling) Rules, 2011	No	Yes
Revenue & Disaster Management (R&DM) Department	Application for Change of Land Use	Yes	Yes
	Conversion of land use	Yes	No
	Registration of Societies under The Societies Registration Act, 1860 and The Society Registration (Odisha Amendment) Act,1969	Yes	No
	Conversion of land use under Master Plan	No	No
	Land with Clear title/NA Status	No	No
	Registration of Partnership firms	No	Yes

Departments	Certification/ Approvals/ Licenses	Can be applied on NSWS[87]	Can be applied on State Single window Clearance portal[88]
	Registration of Societies under The Societies Registration Act, 1860 and The Society Registration (Odisha Amendment) Act,1969	No	Yes
Rural Development	Rural Development Road Cutting Permission	Yes	No
Works Department	Works Development Road Cutting Permission	Yes	No
	Permission for Road Cutting	No	Yes

Table 31: List of approvals required

Challenges pertaining to the current G2B services provided through these portals are listed below

- No single approval system available for all the approvals
- Multiple documentation for multiple portal/ approvals
- Approvals are not properly integrated
- Portal servers are down for long times
- No option to save progress on the portal, if data is lost, investor have to fill all the details again
- Gap between departments while designing portals for inter departmental integration
- No pre-filled approval renewable forms available

3.6 Existing Interventions: State MSME support schemes and policies

The following section lists several relevant Policies of the Government of Odisha and the sector-wise related incentives:

i. Odisha MSME Development Policy 2022

Sl. No.	Incentive Name	Incentives in Odisha MSME Development Policy-2022
1	Land Conversion Charges Exemption	a) Enterprises with investment in Plant & Machinery up to INR 10 crores: 100% exemption up to 5 acres b) Enterprises with investment in Plant & Machinery INR 10 crores to INR 50 crores: 75% exemption up to 25 acres
2	Stamp Duty Exemption	a) Enterprises with investment in Plant & Machinery up to INR 10 crores: 100% of applicable stamp duty b) Enterprises with investment in Plant & Machinery INR 10 crores to INR 50 crores: 75% of applicable stamp duty
3	Exemption on electricity Duty	New enterprises with investment in Plant & Machinery up to INR 50 crores shall be exempted from payment of electricity duty up to a contract demand of 750 KVA for 5 years from the date of commencement of production
4	Incentive for Fixed Capital Investment	New and existing enterprises undertaking Expansion/ Modernization/ Diversification (E/M/D) with investment in Plant & Machinery up to INR 10 crores shall be eligible for CIS in the following manner: a) 25% of capital investment made in Plant & Machinery with a maximum limit of INR 2 crores only. b) Units owned by SC, ST, persons with disabilities, women & technical (Degree/Diploma) entrepreneur: 30% of investment made in Plant & Machinery with a maximum limit INR 2.50 crores only c) Additional CIS @5% of capital investment made in Plant & Machinery, subject to an upper limit of INR 20 lakhs over and above the limits as specified above at (a) and (b) for the following enterprises: i. Set up in Industrially Backward Districts. ii. Set up in designated IDCO Industrial EStates or Industrial Areas along Biju Express Highway Corridor. iii. Enterprise of Automobile & Auto Components,

Sl. No.	Incentive Name	Incentives in Odisha MSME Development Policy-2022
		Plastics & Polymers, Steel & Stainless Steel, Defence Equipment, Aluminium, Pharmaceuticals, Medical Equipment and Apparel & Textile sector.
		d) Additional CIS @5% of capital investment made in technical civil works and Plant & Machinery for non-polluting measures, subject to an upper limit of INR 25 lakhs over and above the limits as specified above in sl. no. (a) and (b) for investment in non-polluting measures such as:
		• Wastewater treatment
		• Waste recycling
		• Green Energy Equipment manufacturing
		• Green Buildings
		• Use of rooftop renewable source of power Installing Continuous Emission Monitoring System (CEMS) for red category industries Effluent Treatment Plants
		• Adopting rainwater harvesting / rainwater recharging
		• Any other environment management practices/ projects approved by the MSME Department
		e) New and existing Anchor enterprises undertaking E/M/D shall be eligible for CIS @30% of investment made in Plant & Machinery subject to a maximum limit of INR 4 Crores.
		f) New enterprises with investment in Plant & Machinery up to INR 50 crores engaged in manufacturing of E-Vehicle components and charging infrastructure shall be eligible for CIS @ 30% of the investment made in Plant & Machinery subject to a maximum limit of INR 3 Crores.
		i. Investment in Plant & Machinery till the date of Commencement of Production.
		ii. For the enterprises set up by SC, ST, persons with disabilities, Women, Technical degrees or Diploma holders, their stake in shareholding shall be 51% or more individually or jointly on the date of commencement of production.
5	State Goods and Services Tax (SGST) reimbursement	a) New and existing enterprises undertaking Expansion/ Modernization/ Diversification (E/M/D) with investment in Plant & Machinery up to INR 50 crores shall be eligible for reimbursement of 75% of net SGST paid in cash for a period of 3 years from the date of commencement of production limited to 100% of cost of P&M

Sl. No.	Incentive Name	Incentives in Odisha MSME Development Policy-2022
		b) new pioneer enterprises with investment in Plant & Machinery up to INR 50 crores shall be eligible for reimbursement of 100% of net SGST paid in cash for a period of 5 years from the date of commencement of production limited to 200% of cost of P&M
6	Interest Subsidy	New enterprises with investment in plant and machinery up to INR 50 crores shall be eligible for reimbursement of 50% of interest paid on term loan availed from public financial institutions/banks for a period of 5 years from the date of commencement of production, subject to a total maximum limit of INR 1 crore
7	Subsidy for MSME Sustainable Certification Zero Defect Zero Effect (ZED)	a) New and existing MSMEs will be provided an additional subsidy of 80% on the balance cost i.e., over and above the financial support provided by the Government of India on the expenses incurred by the MSME for obtaining MSME sustainable ZED certification. b) In order to encourage the new and existing MSMEs, a one-time reimbursement will be provided to the applicant MSME, towards the expenses incurred on the acquisition of plant & machinery/testing equipment in the following manner: • @50% of expenses incurred on the acquisition of Plant & Machinery/testing equipment subject to an upper limit of INR 2.00 lakhs to achieve "ZED Bronze" from "No Rating" • @50% of expenses incurred on the acquisition of Plant & Machinery/testing equipment subject to an upper limit of INR 3.00 lakhs to achieve "ZED Silver" from "ZED Bronze or lower rating" • @50% of expenses incurred on the acquisition of Plant & Machinery/testing equipment subject to an upper limit of INR 5.00 lakhs to achieve "ZED Gold" from "ZED Silver or lower rating"
8	Employment Cost Subsidy	a)75% reimbursement (in case of male workers) and 100% reimbursement (in case of female workers) of employers' contribution paid towards ESI and EPF for a period of 5 years for new and existing units undertaking E/M/D, with investment in Plant & Machinery up to INR 10 crores, which

Sl. No.	Incentive Name	Incentives in Odisha MSME Development Policy-2022
		employ unskilled, semi-skilled, skilled and highly skilled workers who are domicile of the State and are on the payroll of the unit. b) 75% reimbursement (in case of male workers) and 100% reimbursement (in case of female workers) of employers' contribution paid towards ESI and EPF for a period of 3 years for new and existing units undertaking E/M/D, with investment in Plant & Machinery of more than INR 10 crores and up to INR 50 crores, which employ unskilled, semi-skilled, skilled and highly skilled workers who are domicile of the State and are on the payroll of the unit
9	Quality Certification	New and existing enterprises undertaking Expansion/ Modernization/ Diversification (E/M/D) with investment in Plant & Machinery up to INR 50 crores will be provided with assistance for obtaining quality certifications from nationally and internationally recognized institutions and its renewal for next consecutive 2 years, i.e., for a total period of 3 years @100% of the quality certification charges up to a total maximum limit of 5 lakhs.
10	Technology Purchase Subsidy	a) The State Government shall reimburse 50% of the amount spent on the purchase of technology from the National Research Development Corporation (NRDC) or other Government research centers, up to a maximum limit of INR 20 Lakh. b) Special focus will be on technologies that could help the units become cleaner and/ or energy-efficient and/or IT-enabled.
11	Assistance for raising Capital through SME Exchange	New Enterprises with investment in Plant & Machinery above INR 1 crore and up to INR 50 crores shall be entitled for a one-time grant of 20% of expenditure incurred for raising of capital through SME Exchange subject to a maximum of INR 10 lakh after the successful raising of equity as per the scheme approved by SME Exchange.
12	Reimbursement of Audit Cost for Water Conservation	One-time reimbursement of 75% of water audit cost by approved agencies limiting to INR 1 lakh shall be provided to new enterprises, with investment in Plant & Machinery up to INR 50 crores, undertaking water conservation measures
13	Reimbursement of Audit Cost for Energy Conservation	One-time reimbursement of 75% of energy audit cost by approved agencies limited to INR 5 lakhs shall be provided to new enterprises, with

Sl. No.	Incentive Name	Incentives in Odisha MSME Development Policy-2022
		investment in Plant & Machinery up to INR 50 crores, undertaking energy conservation measures
14	Trademark Assistance	New and existing enterprises undertaking E/M/D, with investment in Plant & Machinery up to INR 50 crores, shall be entitled for reimbursement of 100% of expenditure incurred in obtaining Trademark subject to a maximum limit of INR 3 lakhs.

Table 32: List of incentives under MSME Development Policy 2022

ii. Odisha Apparel and Technical Textile Policy 2022

Sl. No.	Incentive Name	Incentive for Odisha Apparel and Technical Textile Policy 2022
1	Capital Investment subsidy	40% capital investment subsidy on actual investment made in Plant & Machinery (excluding the cost of land and building) up to maximum of INR 50 Crores, disbursed over a period of 5 years from the date of commencement of commercial production.
2	Employment cost subsidy	New Industrial Unit shall be eligible for receiving an incentive of INR 6000 per female worker per month and INR 5000 per male worker per month on actual employment by the Unit, for a period of five years (60 months) from the date of commencement of commercial production.
3	Market development assistance	Reimbursement of 50% of the actual cost incurred for participating in domestic and international exhibitions/trade events as given below. Companies can avail it for 2 times for each category during the policy period: a) For Domestic level events - capped at INR 3 lakhs per unit. b) For International events - capped at INR 6 lakhs/unit.
4	Environment-Friendly infrastructure incentives, Power Tariff Reimbursement State Goods and Service Tax Reimbursement, R&D Subsidy, Concessional Land and Stamp Duty Exemptions will be provided as per Industrial Policy Resolution (IPR) 2022	

Table 33: Incentives under Odisha Apparel and Technical Textile Policy 2022

iii. Odisha Export Policy 2022

Sl. No.	Incentive Name	Scheme	Eligibility	Details
1	Export Development Assistance	International Exhibitions/ Trade fairs taking place in India and abroad	a. MSME exporters registered with the concerned DIC/ Merchant exporters having annual turnover of less than INR 5 crore b. MSME exporters with valid IEC numbers, UAM registration, and/ or Exporters/ Merchants Exporters c. Having a Valid Passport	a. The State Govt shall select the product-specific International Trade Fairs/exhibitions for participation based on the inputs received by DGFT and export promotion councils. b. The stall rent for the selected exporters will be borne by the State Government. c. Selected exporters sponsored for participation in the trade fair shall be provided travel expenses in respect of not more than one person for a firm subject to 50% of the to
2	Export Development Assistance	Support to delegations from the State of Odisha to other countries	The delegation comprising of representatives from the State Govt and private sector, visiting other countries for trade-related consultations with a similar delegation abroad will be supported by this scheme when such a visit is facilitated/ planned in consultation with Indian diplomatic missions to explore new markets	The delegate shall be provided travel expenses in respect of not more than one person for a firm subject to 50% of the total air fare in the economy class limited to INR 50,000
3	Reimbursement of RCMC Fees / Charges	Reimbursement of the Registration-Cum-Membership Certificate (RCMC) charges/ fee paid by the first-time	1. Updated EIC code not more than 02 years old. 2. RCMC fee receipt (with GST invoice) 3. RCMC (Attested copy) 4. Company & Product Profile (Max 03 Products)	

Sl. No.	Incentive Name	Scheme	Eligibility	Details
		exporter to relevant Export Promotion councils up to INR 40,000		
4	Reimbursement of cost of Organic & Quality Certification	One-time reimbursement shall be available for obtaining organic certification, and quality certification @50% of the total outlay subject to a ceiling of INR 10 lakh.		
5	Reimbursement of cost in obtaining Organic Certification	One-time reimbursement of 50% of the cost incurred in obtaining quality certification for manufacturing processes or any other certification for export (compulsory markings such as Conformity European (CE), China Compulsory Certificates (CCC), etc.), issued by any Government agency or any agency authorized by Central or Govt of Odisha, subject to a ceiling of INR 50,000		
6	Reimbursement of cost of testing certification	Reimbursement for obtaining testing certification @ 50% of the total cost subject to a ceiling of INR 10,000 per export shipment		
7	Reimbursement of the cost of country specific Certification	Reimbursement of the cost incurred by an exporter for the first 3 years towards country specific Certification & Quality Standards for a new product/value-added product, exported to a virgin market @ 50% of the cost incurred towards certification subject to a ceiling of Rs 10,000 per export shipment		

Table 33: Incentives under Odisha Export Policy 2022

iv. Odisha Food Processing Policy 2022

Sl. No.	Incentive Name	Incentives under Odisha Food Processing Policy, 2022
1	Incentives under Odisha Food Processing Policy, 2022	a) 30% up to INR 3.5 crore made in Plant & Machinery for General Food Processing Enterprise b) 35% up to INR 4 crore made in Plant & Machinery for enterprises owned by SC, ST, persons with disabilities, women, technical entrepreneurs (degree/diploma in food technology, B.Sc. Agriculture, BSc Horticulture, B.Sc. Veterinary Science or similar qualification in food processing sector) c) Additional CIS 5% up to INR 50 lakh made in Plant & Machinery over and above the limits specified in 1 and 2 mentioned above for enterprise set up in Industrially backward districts and in designated IDCO industrial eStates, industrial areas, designated Aqua parks or along Biju Expressway Highway corridor d) 30% up to INR 5 crore in Plant & Machinery for anchor

Sl. No.	Incentive Name	Incentives under Odisha Food Processing Policy, 2022
		unit e) Additional CIS 25% up to INR 25 lakh of the cost of setting-up Captive solar power plant, over and above the limits specified in 1, 2 and 3 mentioned above for enterprises with Captive solar power plant
2	Assistance for Reefer Vehicles	Credit linked back ended subsidy @ 35% of the cost of standalone new reefer vehicles/ mobile pre-cooling vans up to a maximum of INR 25 lakh shall be provided for carrying & transporting both Horticulture & non-Horticultural produce.
3	Assistance for setting up Mega Food Park / Sea Food Park/ State Food Park	Financial assistance up to 20% of the project cost (excluding cost of land) as approved by Competent Authority subject to limit of INR 15 crore will be provided to Special Purpose Vehicle (SPV) promoting Mega Food Park / Sea Food Park /State Food Park. The subsidy can also be provided in the form of equity participation through IDCO / OSIC subject to approval of the competent Government Authority or Committee. These parks should have been approved under the Mega Food Park Scheme (MFPS) scheme of Govt. of India or as 'State Food Park' by Government of Odisha. The overall limit of such assistance from all sources shall not exceed 75% of the Project Cost (excluding cost of land).
4	Assistance for Human Resource Development (HRD)	a) Assistance for creation of infrastructure facilities for running Degree/Diploma/Certificate courses in Food Processing Technology One-time capital grant @ 50% of the cost up to INR 1 crore will be provided to recognized University/Institution in the State for creation of infrastructure facilities for running a recognized Degree/ Diploma Course in Food Processing Technology. The assistance will be limited for pilot projects, laboratory equipment, technical/ academic books/ journals, facilities of testing food items. b) Assistance for conducting Entrepreneurship Skill Development Programme (ESDP) Financial assistance up to INR 3 lakh/ESDP (of 25 to 30 trainees) will be provided to Government ITIs/ Government Polytechnics/ IEDO/ OUAT/ Industries Associations for conducting a 30 days Certificate Programme on Food Processing, with prior-approval of MSME Department. Note: Not more than 20% of the funds allocated in a year can be spent on components under Human Resources Development
5	Promotional Activities	a) Organizing Seminar/ Workshops: Assistance up to a ceiling of INR 2 Lakh per event organized by ITIs/ IEDO/ OUAT/ APICOL/ DEP&M/ IIP/ Industries Associations with prior-approval of MSME Department.

Sl. No.	Incentive Name	Incentives under Odisha Food Processing Policy, 2022
		b) Support to Exhibitions/ Fairs: Quantum of assistance shall be provided with prior-approval of MSME Department. c) Domestic Study Tour/ Exposure Visit: Assistance @50% of expenditure for a maximum of 2 batches (10 - 25 persons per batch) pa with a financial ceiling of INR 2 Lakh per batch shall be provided with approval of MSME Department. d) Conducting Studies/ Surveys/ Feasibility Report: Assistance up to 50% of the cost, up to INR 4 Lakh shall be provided with prior-approval of the MSME Department. When the Govt./ Govt. Organizations commissions the study/ survey, there will be no financial ceiling. Note: Not more than 70% of the funds allocated in a year can be spent on components under Promotional Activities.

Table 34: Incentives under Odisha Food Processing Policy 2022

v. Odisha IT Policy 2022

Sl. No.	Incentive Name	Incentives as per Odisha IT Policy, 2022
1	Incentive for Fixed capital investment	a) Capital subsidy of 30% of fixed capital investment in buildings and infrastructure, excluding the cost of land up to INR 3 crore shall be accorded to eligible IT units. b) The subsidy is only applicable for one-time purchase of computers, networking and related hardware & software
2	SGST	a) 100% reimbursement of SGST as per actual paid for a period of 5 years limited to 100% of the fixed capital investment, in Bhubaneswar Development Authority areas b) 100% reimbursement of SGST as per actual paid for 7 years limited to 100% of the fixed capital investment, in Non-Bhubaneswar Development Authority areas
3	Exemption on electricity duty	a) IT units shall be exempted from electricity duty, Electrical Inspection Fee for 5 years. b) Energy Audit: Reimbursement would be provided @75% of cost of Energy Audit subject to a cap of INR 1.5 lakhs
4	Power Subsidy	The IT Units shall be eligible for Industrial Tariff. There will be reimbursement of electricity tariff @ 30 % for 3 years capped at INR 35 lakhs per unit.
5	Employment based Incentive	a) 100% reimbursement of the expenditure incurred towards contribution for Employees State Insurance (ESI) and Employees Provident Fund (EPF) of employees of IT units who are domicile of Odisha up to INR 5 crores pa for 3 years.

Sl. No.	Incentive Name	Incentives as per Odisha IT Policy, 2022
		b) For investment in the Non-BDA area, reimbursement would be up to INR 7 crore per annum/unit for 3 years.
6	Recruitment & Skilling	a) Recruitment Assistance: Recruitment Assistance shall be provided @ INR 10,000 per newly recruited employee at the executive level who are domiciles of Odisha with a maximum limit of INR 10 lakh per unit for a period of 3 years. Additional INR 1000 per women, SC/ST, and Physically Disabled employees. b) Human Capital Investment Subsidy: 50% reimbursement of training fees for obtaining industry-recognized skill certifications (in Emerging technologies, Project Management program, Six Sigma, ITIL, and Security Certifications such as CEIH, CISM, and CISA or equivalent, etc.) limited to INR 10,000 per employee and subject to overall ceiling of INR 20 lakh/unit for 5 years. c) Building a skilled resource base in the State I. Units getting any assistance under this Policy will be required to take interns in the period it gets such assistance. It can get reimbursement of 50% of the stipend II. paid for each intern. However, the reimbursement is for maximum 20 number of interns. III. Eligible Units can get reimbursement of 100% of the stipend paid for each intern if such interns are selected through SDTE/OSDA limited to a maximum of 20 interns. The duration of such internship for which reimbursement would be made is maximum of 6 months. Skill Upgradation: Reimbursement of up to INR 1.5 Lakhs for travel and stay of international guest faculty from reputed foreign Universities/Institutes for maximum of 5 guests in a year per Government College/University for conducting training sessions, skill upgradation programs, etc. for faculty on advanced courses related to Information Technology
7	Marketing Incentive	Reimbursement as per norms indicated below for participating in designated State / national / international exhibitions and approved trade delegations. These incentives are available to recognized Industry Associations also. a) For National level events – 50% reimbursement of expenses capped at INR 3 Lakhs b) For events outside India – 50% reimbursement of expenses capped at INR 6 Lakhs c) For Associations/Industry bodies – Capped at INR 10 Lakhs with minimum 5 IT Units participation limited to

Sl. No.	Incentive Name	Incentives as per Odisha IT Policy, 2022
		international events. This can be availed 3 times by an Industry Association during the policy period
8	Stamp duty exemption	Reimbursement as per norms indicated below for participating in designated State / national / international exhibitions and approved trade delegations. These incentives are available to recognized Industry Associations also. a) For National level events – 50% reimbursement of expenses capped at INR 3 Lakhs b) For events outside India – 50% reimbursement of expenses capped at INR 6 Lakhs c) For Associations/Industry bodies – Capped at INR 10 Lakhs with minimum 5 IT Units participation limited to international events. This can be availed 3 times by an Industry Association during the policy period
9	Interest Subsidy	a) Eligible IT units will be entitled to get interest subsidy @5% per annum on term loans availed from recognized financial institutions and banks, subject to a maximum of INR 10 crore per year for 5 years from the date of commencement of commercial operation. b) The Government shall encourage women, SC/ST & Disabled entrepreneurs by providing them additional interest subsidy of 1% per annum over and above the instant incentive
10	Reimbursement for Internet connectivity	Reimbursement @ 50% of Internet bandwidth charges per annum subject to a maximum of INR 5 lakhs per annum for a period of 2 years from the date of first billing.
11	Incentives for filing patents	a) For domestic patent, 75% reimbursement of the cost incurred is capped at INR 2 lakh per domestic patent and limited to INR 10 lakh per unit during the Policy period. b) For international patents, the amounts are INR 5 lakh and INR 25 lakh respectively
12	Incentives for certification	a) 75% of the expenses incurred for obtaining quality and security certifications (CMM / CMMi / PCMM / COPC and e-SCM certification, ISO 9001, or an Equivalent / Higher Certification) limited to a maximum of INR 15 lakh will be reimbursed. b) This incentive may be extended to other certifications based on the recommendations of the policy implementation authority
13	Research & Development Incentive	a) Reimbursement of 50% of R&D expenses (including manpower cost), limited to INR 1 crore per annum on the successful development of a software product/ successful completion of any R&D activity.

Sl. No.	Incentive Name	Incentives as per Odisha IT Policy, 2022
		b) Above R&D incentive will be contingent on certification by a Committee to be set up for this purpose by the Electronics and IT department comprising of Industry experts, academicians, Scientists etc. c) Applicable only for R&D projects driven by domestic IT entities (Not applicable to Indian subsidiaries of Foreign entities) in the field of emerging technologies, new area of interest.
14	Lease Rentals	a) Eligible IT units hiring buildings on rent for operating their centers employing above 40 employees for its main economic activity (core operations)will be entitled to a subsidy of 75% of the actual rent paid or INR 20 per sq. ft. per month whichever is lower b) The overall limit of this subsidy shall be limited to INR 12 lakhs per annum. The reimbursement of the carpet area occupied by the unit is limited to 50 Sq. ft. per employee. c) An additional 25% lease rental limited to 5 lakhs per annum during the policy period will be provided to women, SC/ST and disabled Entrepreneurs.
15	Incubation Rentals	a) IT units with up to 40 employees will get a subsidy on the rental of Incubation Space (without O & M) for a maximum of 3 years as follows on reimbursement basis on fulfilment of minimum new employment in the core area. b) A rental reimbursement @ INR 20/sq. ft. per month or 75% of the actual rent paid, whichever is less, will be available for incubation space taken on lease or rent basis in notified private IT tower/Space at the scale of 30 sq. ft. carpet area per employee. c) The below Subsidy will be applicable in all Government owned facilities as well as designated IT Parks & Incubation Centers approved by Government. d) Reimbursement up to INR 1000/seat per month for Co-working space in notified private IT Park/IT Space will also be available and 1400/- per seat per month in all Government owned facilities as well as designated IT Parks & Incubation Centers approved by Government.

Table 35: Incentives under Odisha IT Policy 2022

vi. Odisha Renewable Policy 2022

The following incentives are applicable for Renewable Energy projects in the State:

- Exemption of 50 paisa per unit on Electricity Duty shall be provided to captive / open access consumers on consumption of energy from RE projects set up inside the State during the policy period. Such ED exemption shall be available for consumption of energy from the project for a period of 15 years from the date of commissioning of the project. In case a project is commissioned before 30.3.2026, the exemption shall be extended for 5 more years, i.e., 20 years in total.
- Energy Storage Projects based on any technology shall be exempted from payment of Electricity Duty on input energy at the rate of 50 paisa per unit for a period of 15 years from the date of COD, provided such energy is sourced from RE projects in Odisha.
- 50% exemption of Cross-Subsidy Surcharge shall be provided to open access consumers, on consumption of energy from RE projects commissioned in the State during the Policy period for 15 years. The OERC shall issue necessary orders in this regard.
- Exemption of 20 paisa per unit on STU charges shall be provided to captive / open access consumers on consumption of energy from RE projects commissioned in the State during the Policy period for 15 years. In case a project is commissioned before 31.03.2026, the exemption shall be extended for 5 more years, i.e., 20 years in total. The OERC shall issue necessary orders in this regard.
- 25% exemption of wheeling charges shall be provided to captive / open access consumers on consumption of energy from RE projects commissioned in the State during the Policy period for 15 years. The OERC shall issue necessary orders in this regard.
- Stamp duty on purchase/lease of land, land conversion charges and registration charges shall not be applicable for RE projects. The Revenue and Disaster Management Department shall issue necessary notifications in this regard.
- Project developer is permitted to connect the RE project with State Transmission Utility (STU), subject to the evacuation feasibility. Grant of connectivity approval from OPTCL will be provided preferably within 15 days from the date of receipt of requisite documents for registration.
- No clearance from State Pollution Control Board, Odisha would be required for RE projects except for Hydro, PSH, biomass and waste to energy projects.

Land:

- Government land earmarked for industry under the "Land Bank" scheme of IDCO and other Government land, wherever available, shall be allotted for the RE projects on priority at the rates specified in the IPR.
- However, projects with an operational life of 25-30 years shall also be allotted Government land on lease basis at an annual lease rent of 2% of the prevailing IPR rate. The duration of lease shall coincide with the duration of PPA/life of the project and some additional time allotted for development, construction and decommissioning of the project as applicable i.e., for a duration of 30-35 years

vii. Other Key Initiatives and Scheme undertaken in 2021-22

The seafood export industry is in a transition phase, and the demand for ready-to-eat/ready-to-cook products and shelf-stable products has increased in recent years. The export of value-added products has further enhanced the unit value realization for our Marine products. MPEDA has been assisting the seafood

sector through the Schemes implemented under "Processing infrastructure and Value Addition". The aim of this scheme is to transform Odisha into a hub for reprocessing and value addition. The Govt of Odisha in collaboration with MPEDA, envisages achieving this vision by equipping the industry with State-of-the-art technology to promote value addition and focusing on skill development of the workforce to improve the adherence to international quality standards. MPEDA has proposed to focus on shrimp and prawn cultivation in the State of Odisha.

- Brackish Water Aquaculture, Marine Fisheries, Intensive Aquaculture, and Inland Fisheries *(INR 137 crore)*: To give necessary support and visibility
- Machha Chasa Pain Nua Pokhari Khola Yojana *(INR 70 crore)*: To create additional water bodies for intensive aquaculture in the inland sector through excavation of new tanks/ ponds in the State and to ensure income generation and employment creation through promotion of freshwater aquaculture
- Blue Revolution *(INR 161 crore)*: The Blue Revolution refers to the significant growth and intensification of global aquaculture production -domestication and farming of fish, shellfish, and aquatic plants
- Odisha Millet Mission*(INR 106 crore)*: To bring millets back to its fields and food plates by encouraging farmers to grow the crops that traditionally formed a substantial part of the diet and crop system in tribal areas

Fig 7: Odisha Millet Mission

a. Handloom:

Various Central & State sponsored schemes implemented to provide sustainable livelihood and promote the socio-economic development of the weavers are listed below:

- National Handloom Development Program (NHDP): This scheme will follow need-based approach for integrated and holistic development of handlooms and welfare of handloom weavers
- Handloom Weavers' Comprehensive Welfare Scheme (HWCWS): help the weavers to avail social security benefits
- Weavers Mudra Scheme: It will provide financial assistance to handloom weavers involved in weaving activity through weaver's credit card or term loan
- Yarn Supply Scheme: It will provide under-privileged handloom weavers with subsidized yarn and help them compete with the mill and power loom sectors

Weavers/ allied workers are facilitated with backup light (Inverter) and related facilities to overcome problems due to low voltage / low light or failure of electricity under the scheme Mukhyamantri Bayan Jyoti Yojana. Working capital loan with interest subvention was introduced as a means of livelihood support to weavers to improve the socio-economic status through enhanced income through the scheme BALIA (Bunakar Assistance for Livelihood and Income Augmentation)

b. Other MSME Schemes:

- PM Formalization of Micro Food Processing Enterprises Scheme
- Prime Minister Employment Generation Program
- Emergency Credit Linked Guarantee scheme
- Credit Linked Scheme
- Technology Upgradation Scheme

The major challenges faced under these MSME centric schemes which hampers the overall uptake are as follows:

- Multi point system for subsidy approval.
- Delay in disbursal of subsidies.
- Ground level awareness regarding State & nation level schemes is low.

CHAPTER 4: PROPOSED INTERVENTIONS IN ODISHA UNDER THE STRATEGIC INVESTMENT PLAN

The MSME Department, Government of Odisha is proposing the following interventions to address the challenges as mentioned in Chapter 2:

1. *Business Development Service Providers (BDSPs) to support MSEs in Odisha*
2. *Restructuring of Entrepreneurship Development Program (EDP)*
3. *MSE Vendor Development Program*
4. *Accelerating MSME Adoption of ONDC Program*
5. *Alternative Finance Platform*
6. *Enabling bill discounting in Public Procurement in Odisha*
7. *Strengthening MSEFC by Providing Dedicated Personnel and Legal Support*
8. *Support for Geographical Indicator (GI) Tagging*
9. *Exclusive e-Commerce Platform for Odisha Enterprises.*

Based on the identified interventions and their alignment with the state initiatives and central government schemes, here are the distinguishing factors specific to the state of Odisha that can be achieved:

1. **Strengthened MSME Ecosystem:** The implementation of interventions such as Business Development Service Providers (BDSPs), Restructuring Entrepreneurship Development Programme (EDP), and MSE Vendor Development Program will contribute to strengthening the MSME ecosystem in Odisha. By providing access to high-quality business development services, empowering aspiring entrepreneurs with necessary skills, and facilitating partnerships with established entities, the state can foster a conducive environment for MSME growth and sustainability.

2. **Simplified Business Setup:** Improving the ease of starting a business through digitization of pre-establishment approvals will streamline the process and reduce bureaucratic hurdles. This will attract more individuals to start businesses in Odisha, promoting entrepreneurship and economic development.

3. **Digital Transformation:** Accelerating MSME adoption of the Open Network for Digital Commerce (ONDC) program and establishing an exclusive e-commerce portal for Odisha-specific enterprises will drive digital transformation. This will enable MSMEs to access digital sales channels, credit facilities, logistics support, and reach a wider market, boosting their competitiveness and contributing to economic growth.

4. **Access to Finance:** The establishment of an alternative finance platform and enabling bill discounting in public procurement will enhance access to finance for MSMEs in Odisha. By connecting MSMEs with various alternative finance institutions and allowing them to unlock working capital through bill discounting, the state can address the financial needs of these enterprises and promote their growth.

5. **Legal Support and Dispute Resolution:** Providing legal support to MSMEs, strengthening the MSME Facilitation Council, and enhancing online dispute resolution through the Samadhaan portal will create a conducive legal environment for MSMEs. This will facilitate quicker resolution of disputes, incentivize prompt payments, and ensure a culture of timely payments, improving the overall functioning of MSMEs in the state.

6. **Geographical Indication Protection and Export Promotion**: Streamlining the Geographical Indicator (GI) tagging process and monitoring the expiry and renewal of GI tag registrations will protect and promote local products. This will preserve their authenticity, market value, and contribute to the economic development of specific regions in Odisha.

These distinguishing factors, when achieved through the implementation of the identified interventions and related funding, will support the growth, competitiveness, and sustainability of MSMEs in Odisha, fostering economic development and creating employment opportunities in the state.

4.1 INTERVENTION 1: BUSINESS DEVELOPMENT SERVICE PROVIDERS (BDSP) TO SUPPORT MICRO AND SMALL ENTREPRENEURS (MSE) IN ODISHA

Alignment with RAMP – *This intervention aims enhance firm capabilities, access to markets, and integrating technology platforms*

a. Understanding the problem Statement

The major issues MSMs face include lack of access to market intelligence, skilled resources, affordable logistics providers, testing laboratory facilities, affordable and reliable quality certification agencies, lack of understanding of optimal management of inventory, setting and monitoring production targets, systematic tracking of performance based on KPIs, regular bookkeeping, managing accounts and tax related compliances. Further, the entrepreneurs occasionally face the need for technical services which can help them understand the needed improvement in their current business processes covering ERP software, assessment of energy efficiency practices and investments, adoption of lean practices to reduce waste of raw materials, implementation of Zero Effect Zero Defect mechanism, and improve efficiency and safety measures. In order to address the issue of MSEs getting access to affordable, reliable and quality service providers under the same platform, the Government of Odisha has come up with the BDSP intervention.

b. Objective(s)

The primary objective of the initiative is to facilitate MSEs in accessing services from high-quality business development service providers. The MSME Department will provide financial support to assist these units in enhancing their competitiveness

c. Project Design Concept, Feasibility, and Viability

Establish a network of high-quality BDSPs to provide comprehensive support and guidance to MSEs in Odisha. The MSME Department will financially support these BDSPs, enabling them to offer services such as business planning, market research, skill development, and access to technology.

Feasibility: The project is feasible as it builds upon the existing infrastructure and expertise of the MSME Department and leverages the capabilities of external BDSPs. The financial support from the State budget and RAMP ensures the availability of resources for MSMEs.

Viability: This project enhances the competitiveness of MSEs, leading to their growth and success. By facilitating access to specialized business development services, MSEs can improve their operations, expand their customer base, and contribute to the economic development of Odisha.

d. Proposed Approach and Methodology

- **Project Management Unit (PMU) Hiring:** The MSME Department shall hire a PMU for successful implementation of the project
- **Designing a Standard Operating Procedure (SoP):** The PMU shall design a SoP and get it approved by the MSME Department for the following:
  - Guidelines and evaluation criteria for empanelment of BDSPs
  - Strategy for MSME outreach, vendor mobilization and advertisement
  - Program manual for capacity building of DICs on the central and State government schemes and policies
  - Guidelines for creation of an online platform (dedicated for BDSP related activities) and integrating it with an existing portal (Go Swift/AIM)
  - Guidelines and evaluation criteria for hiring a technology development firm responsible for creating the online platform
  - Guidelines and strategies to onboard MSEs to the program
  - Identification of Nodal officer(s), guidelines and timelines for approval of service requests raised by MSEs. The guidelines shall include the criteria for approval/rejection of service requests raised by MSEs
  - Assessment framework for evaluation of services delivered by BDSPs to MSEs
  - Guidelines for release of payment by the MSME Department after service delivery
  - Framework for monitoring and evaluation of the progress of the project
  - Grievance redressal mechanism (pertaining to services availed and delivered under this initiative) with timelines
- **Vendor Mobilization Drive**
  - At targeted locations, the DICs, with support from the PMU, shall 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 a clear understanding of the initiative
  - The mobilization drive shall commence in the first year of the project implementation
- **MSME Outreach Activities and Advertisements**
  - Since the first year of project implementation, the DICs with assistance from the PMU, shall conduct outreach activities in specific locations throughout the State. These activities will focus on engaging MSEs, Industry Associations, and other pertinent stakeholders, with the aim of sensitizing them about the initiative
  - The MSME Department shall carry out extensive advertising campaigns across various media platforms, including print dailies, news channels, and social media. Additionally, poster distribution (through District Investment Promotion Agencies) and billboard campaigns shall be launched at designated locations to reach the target audience
- **Empanelment of BDSPs**
  - An advertisement will be floated by the MSME Department inviting relevant BDSPs to submit their proposals for empanelment. The advertisement shall be placed with media dailies, Departmental website, and government approved tender platforms

- ○ The BDSPs will submit their proposals to the Department
- ○ The PMU shall shortlist the BDSPs and place the shortlisted list with the MSME Department for approval. The PMU shall also provide suitable reasons for shortlisting the BDSPs (as per evaluation criteria mentioned in the SoP)
- ○ After receiving approval, successful applicants shall be empaneled by the Department, and their services made available to MSMEs through a notification by the MSME Department. 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 (for the 1st 3 years)

- **Hiring of a Technology Development Firm**
    - ○ A technology development firm shall be hired by the MSME Department to create an online platform, which shall be integrated with the Go-Swift/AIM 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 Online Platform**
    - ○ The technology development firm shall develop the online portal. BDSPs, MSEs and officials from the MSME Department can login to the portal using their id and password
    - ○ The online platform shall enable MSEs to engage with the BDSPs, view their profiles, interact with them and raise a request to receive service from the list of empaneled BDSP. The request raised by the MSE shall consist of a scope of work for the BDSPs.
    - ○ Based on computerized random allocation a BDSP shall be allocated to the MSE for availing service
    - ○ The BDSP shall raise the invoice in the platform and the Department shall pay 80% of the invoiced amount directly to the empaneled BDSP, after the MSE makes the 20% payment to the BDSP. The MSME Department shall conduct random inspections to ensure authenticity

- ○ The online platform shall also have provisions for hosting a dashboard, lodging grievances against the service providers and beneficiaries and networking
  - ○ The online platform shall also consist of a knowledge catalogue or a Frequently Asked Questions (FAQ) section
  - ○ The platform shall also enable MSMEs to rate the BDSPs and vice-versa
  - ○ The MSEs shall also have an option to list their product catalogs
- **Notification to all Line Departments**
  - ○ The MSME Department shall notify all the Line Departments, dealing with MSEs, about the initiative
- **Post Service Delivery Feedback Collection and Release of Payment by MSME Department**
  - ○ After delivery of the service, the PMU shall collect feedback from the beneficiaries and the service providers
  - ○ The feedback shall be presented to the nodal officer from the Department, who shall accordingly release the payment (as per the guidelines in the SoP)
- **Capacity Building for DICs**
  - ○ The PMU in collaboration MSME DFO shall conduct capacity-building programs for DIC officials and Industry Associations to generate awareness regarding applicable schemes that can be availed by MSMEs
- **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 and address those
  - ○ The PMU shall compile the grievances received and present them to the panel as per timelines and guidelines mentioned in the SoP. The expert panel shall address the grievances
- **Scheme convergence**
  - ○ MSMEs in need of ZED or other quality certificate services and requiring support for process upgradation can be connected with empaneled and relevant BDSPs

e. Key Outputs

- SoP creation, Creation of the online platform, empanelment of BDSPs, onboarding of MSEs, outreach workshops

f. Key Milestones

- **Year 1:** Creation of platform; empanelment of BDSPs; Developing the SoP
- **Year 2:** Target of making the service available to 500 MSEs (of which target for ZED certification: 70[89]; other certificates: 10),
- **Year 3:** Target of making the service available to 700 MSEs (of which target for ZED certification: 80[90]; other certificates: 15),

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[89] 55 micro - bronze; 12 small - bronze; 1 micro - silver; 1 small - silver; 1 small - gold

- **Year 4:** Target of making the service available to 900 MSEs (of which target for ZED certification: 90[91]; other certificates: 25)

g. Evaluation Parameters

- Y-o-Y increase in number of MSEs who availed the services
- Y-o-Y increase in number of women-led MSEs who availed the services
- Y-o-Y increase in number of SC/ST enterprises who availed the services
- Y-o-Y increase in number of MSEs who got ZED and Quality certificates
- YoY increase in number of empaneled service providers
- Number of repeat request for services

h. Timeline Chart

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
PMU Hiring	▓							
SoP Designing	▓							
Vendor Mobilization drive		▓	▓	▓	▓	▓		
MSME Outreach Activities		▓	▓	▓	▓	▓	▓	
Empanelment of BDSPs		▓		▓		▓		
Hiring of a technology development firm	▓							
Developing online platform		▓						
Notification to all Line Departments		▓						
Post service delivery feedback collection		▓	▓	▓	▓	▓	▓	▓
Capacity Building			▓	▓	▓	▓	▓	

Table 36: Timeline of intervention 1

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[90] 60 micro - bronze; 15 small - bronze; 2 micro - silver; 2 small - silver; 1 small - gold
[91] 65 micro - bronze; 17 small - bronze; 3 micro - silver; 3 small - silver; 2 small - gold

i. Budget

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
PMU Expenditure[92]	1	1.15	1.33	1.53	**5.01**
Vendor Mobilization Drive[93]	0.16	0.40	0.56	-	**1.12**
MSME outreach activities and advertisement[94] (incl. campaigns, branding and PR)	2.10	2.90	3.70	4.50	**13.20**
Scheme related capacity building and awareness for DIC and Industry Associations[95]	0.20	0.20	0.15	0.15	**0.70**
Hiring and retaining Tech firm for developing and testing the platform[96]	1.50	1.50	1.50	1.50	**6.00**
Financial support for service delivery cost (@INR 80,000 per MSE)[97]	-	4.00	5.6	7.2	**16.80**
Support from schemes					
ZED Certification (Support by Central Government)[98]	-	0.062	0.074	0.090	**0.226**

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[92] Cost: INR 2.5 lakhs per man month; 3 persons; escalation @ 15% per year

[93] Based on the cost estimates prepared by MSME Department for the financial year 2022-23 (Cost: INR 8,000 per head*20 persons per workshop*10 workshops in Y1; 25 workshops in Y2; 35 workshops in Y3)

[94] Based on the cost estimates prepared by MSME Department for the financial year 2022-23 (MSME Outreach activities: INR 8,000 per head *100 persons per workshop*20 workshops in Y1; 30 workshops in Y2; 40 in Y3 and 50 in Y4

Advertisement cost: earmarked 50 lakhs - @INR 60k quarter page ad; providing ad atleast 4 times in a year in at least 10 newspapers (86 total newspapers in Odisha) + Electronics media ad: 16 lakhs + social media campaign: 10 lakhs)

[95] As per existing rate of the MSME Department (Cost: INR 5,000 per head*20 persons per workshop*20 workshops in Y1 and Y2; 15 workshops in Y3 and Y4)

[96] Based on the inputs received from IPICOL on the existing retainership agreement with NIC for developing and managing the State single window portal.

[97] 80% support to the cost of delivery; Targets: Y2: 500 MSE; Y3: 700 MSE; Y4: 900 MSE

[98] ZED targets: Y2: 70 MSEs; Y3: 80 MSEs; Y4: 90 MSEs (calculated based on certification costs for MSEs to avail Bronze, Silver and Gold Certificates

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
ZED Certification (Support by State Government)	-	0.018	0.021	0.025	**0.064**
Other Quality certifications (Policy support by State Government) (Average @5 lakhs per MSE)[99]	-	0.50	0.75	1.25	**2.50**
Contingency Fund	2				**2.00**
Total Budget	**47.62**				
Contribution from State Government (@25% of the total budget: including policy and scheme supports)	**11.91**				
Support from Central Government under national schemes	**0.23**				
Support sought under RAMP from Central Government	**35.48**				

Table 37: Budget for intervention 1

j. State Departments to be involved for successful implementation:

- MSME Department
- Industries Department
- Electronics & IT Department
- Handlooms, Textiles & Handicrafts Department
- Skill Development & Technical Education Department
- Steel & Mines Department
- Agriculture & Farmers' Empowerment Department
- Rural Development Department

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[99] Quality certification targets: Y2: 10; Y3: 15; Y4: 25 Cost covered under MSMED Policy, 2022: INR 5 lakhs per certification

4.2 INTERVENTION 2 - ENTREPRENEURSHIP DEVELOPMENT PROGRAMME (EDP) & CAPACITY BUILDING OF OFFICIALS OF LINE DEPARTMENTS FOR PRE-ESTABLISHMENT APPROVALS

Alignment with RAMP - *This intervention aims to enhance the firm capabilities and access to markets*

a. Understanding the Problem Statement

By promoting economic growth, enabling consumers to access goods and services, and improving the quality of life, entrepreneurship enhances the quality of life for everyone. Many entrepreneurs also make a positive impact on their communities and improve their well-being by catering to underserved areas and developing environmentally friendly products.

To be successful, an entrepreneur must respond appropriately to the market and have a strong understanding of business needs. The importance of skills cannot be overStated, as they are required for a variety of purposes. An EDP is much more than a training program, it is a complete process for transforming an individual into an entrepreneur. Additionally, the program helps individuals learn how to start a business and sustain it.

The purpose behind devising an aspirational EDP program is to help youths/aspiring entrepreneurs in strengthening their entrepreneurial motive and acquiring skills and abilities required to play their entrepreneurship role effectively.

Need for an effective Entrepreneurship Development Program

- Increase in income
- Reduces migration
- Self-development
- Improving living standards
- Employment generation
- Sustainability in business

b. Key Objectives

- To restructure the existing Entrepreneurship Development Programme (EDP) in collaboration with ILO and strengthen the capacity of IED.
- To enable the capacity building of Government Officials of various line departments for timely processing of pre-establishment approvals.

c. Proposed Project Design concept, Feasibility & Viability

- **Proposed Project Design Concept:** To boost the entrepreneurial ecosystem, the State Government has partnered with International Labour Organization (ILO) to co-create an EDP program to aid aspiring entrepreneurs of the State. This includes updating the EDP curriculum, providing training resources, and enhancing the faculty's skills to deliver impactful entrepreneurship education. Furthermore, the program envisages helping entrepreneurs in gaining the right skills required for

starting a new business and how they can sustain it. The proposed program will be modeled after the SIYB program

- **Feasibility:** The collaboration with ILO brings global expertise and best practices in entrepreneurship development, ensuring the program's effectiveness. The existing infrastructure of IED can be upgraded to align with the new curriculum and training requirements. Currently the SIYB program is being implemented in more than 45 countries worldwide. The SIYB program will be implemented at district level in coordination with respective DICs.
- **Viability:** By enhancing the capacity of IED and improving the EDP, the project aims to foster a culture of entrepreneurship and innovation in Odisha. It equips aspiring entrepreneurs with the necessary knowledge and skills to start and sustain successful businesses, contributing to job creation and economic growth. ILO will conduct TOTs for faculties/trainers available at IED to bring in their capacity to take up training delivery at the district level. The program will leverage available public infra (Educational Institutions, RSETIs, Community Institutions, etc.) for EDP programs delivery at the district level.

d. Proposed Approach & Methodology

ILO in collaboration and its endeavor to strengthen the capacity of IED in imparting quality EDP training has proposed restructuring to increase its effectiveness by conducting the following activities:

- **Strengthening Existing Curriculum**

The curriculum proposed by ILO is designed to respond to the progressive stages of business development as listed below:
  - Generate Your Business Idea (GYB)
  - Start Your Business Idea (SYB)
  - Improve Your Business (IYB)
  - Expand Your Business (EYB)

The following steps are proposed under the curriculum of GYB and SYB Training of Potential Entrepreneurial Candidates
  - **Step 1:** Identification of the right candidates: Identification of entrepreneurial candidates by IED against a set of criteria (a list of 40-50).
  - **Step 2:** Training Needs Assessment (TNA): SIYB Trainers conduct Training Needs Assessment by interviewing the candidates and shortlisting 25-30 candidates as a batch for training.
  - **Step 3:** Training of Entrepreneurs (TOE) and certification: SIYB trainers will conduct classroom training of short-listed candidates to introduce and facilitate GYB and SYB training modules. Training will include role plays, mock business plan development, stimulated business games etc.
  - **Step 4:** Mentoring and Coaching: Coaching/guidance on market needs assessment, finalization of the business plan, access to finance, and other subsidies. Special counseling for women on addressing socio-cultural-economic barriers.
  - **Step 5:** Start of Business and registration: Time commitment and hand-holding support by IED to help beneficiaries in the registration processes

  - **Step 6:** Connecting to Incubators: Summits will be facilitated to connect entrepreneurs with local incubators or Atal Incubation Centers for financial assistance, mentorship, co-working space etc.

- **SIYB Regular Delivery Model**

ILO certifies SIYB trainers and master trainers, they are required to meet minimum requirements set by ILO to retain their certification. SIYB trainers are trained on three levels as listed below:
  - Master trainer developers train SIYB master trainers and provide them with certificates.
  - Master trainers train consultants associated with local institutions or independent SIYB trainers and provide them with certificates.
  - SIYB trainers train clients and beneficiaries such as MSEs and startups.

- **ILO strategy for promoting women's entrepreneurship development**

In line with the ILO's gender policy, the approach to Women Entrepreneurship Development (WED) seeks to redress existing gender imbalances in enterprise development through strategies and activities aimed specifically at women, while simultaneously working with constituents to ensure that all small enterprise initiatives address gender in their formulation and roll-out. IED in collaboration with ILO will work in four main areas:
  - Development of a knowledge base on women entrepreneurs
  - Onboarding of local women entrepreneurs as mentors
  - Compilation & documentation of women specific subsidy schemes/grants
  - Compilation of support services for women entrepreneurs and their service providers ff
  - Advocacy
  - Developing internal and external partnerships.

- **ILO SCORE4Climate Optimizing Performance through Resource Efficiency and Circularity**

SCORE4Climate is a training module from the ILO Sustaining Competitive and Responsible Enterprises (SCORE) programme that improves productivity and working conditions in small and medium enterprises (SMEs) through practical classroom training and in-factory consulting. The module supports SMEs in starting their path toward a circular economy. It presents key concepts, good practices and practical tools to help SMEs identify opportunities and generate innovative solutions to improve resource efficiency, clean production and circularity.

Examples of sustainable practices**:** Biodegradable Packing, Water Conservation, Elimination of paper usage, Recycling Programs, Use of renewable energy, Employee Awareness.

As part of the collaboration with IED, the focus will be on training existing and upcoming entrepreneurs in the concepts of sustainability to promote green business models across the State.

- **Restructuring EDP Delivery - The following steps will be taken by IED officials to ensure the revamped curriculum is rolled out effectively:**
  - Conduct Statewide campaigns to promote enrolment.
  - Mobilize the stakeholder network, train and supervise master trainers, and finalize and inspect district/block-level training facilities (classrooms, accessibility, connectivity, stationery, IT hardware, and so on).
  - Identifying target audience: Inviting applications to ensure the programme meets demand, classifying participants based on maturity levels, and running programmes according to a pre-determined calendar. Defining the program's target audience, taking into account factors such as demographics, education, experience, and business goals. Preference should be given to aspiring entrepreneurs/motivated youths from the disadvantaged sections of the community.
  - Collaboration with higher education institutions which have dedicated entrepreneurship or IPR facilitation cells to mobilize potential candidates for the EDP program.

o Identification of NGOs/Foundations who are working in the areas of MSME & Entrepreneurship who can be onboarded as mobilization agencies for the EDP program.
o Collaborate with stakeholders: Engage stakeholders such as government agencies, large industries, business incubators, and industry associations to support the program's success. Seek their input and collaborate with them to create a more effective and sustainable program.
o Attempt should also be made to onboard a number of Incubators organizations who can take up potential ideas/projects post training of youths/entrepreneurs.
o Mobilize district-level stakeholder networks, such as DLBC representatives, DICs, and other large industries willing to support grassroots entrepreneurial development initiatives.
o Formulation of detailed case studies of already established enterprises as reference for participating entrepreneurs. The case studies can be drafted in coordination with DI.
o Entrepreneurs will benefit from the refresher module available in the knowledge directory of the go swift portal. Entrepreneurs can also refer to the B-plans/Case studies of various products/services available in the knowledge directory while devising their business plans.
o Investigate the possibility of allowing expressions of interest to sign up for EDP on all possible Odisha government websites/user platforms such as GOSWIFT, etc.

- **Conduct Monitoring & Evaluation Activities**
  o Evaluate program impact: The training program's progress will be tracked in real-time by the Web-based MIS. IED will create an MIS dashboard for this purpose. Candidates will be identified through applications and registration on an EDP online portal. IED will ensure that the data/details of each activity/program, including those of participants, are recorded for post-training follow-up, handholding support, and, later, performance audit. The platform could also host a feature to record post-training feedback.
  o Success parameters for effective implementation of the EDP program at the ground level include deployment of experienced Master Trainers who will be conducting TOTs, formulation of robust training curriculum taking into consideration the prevailing market trends, proper delivery of course content at training centers in hybrid mode, formulation of concrete B-Plan & vetting the same with SMEs, proper handholding support post training etc.

- **Capacity building of officials of line departments to ensure timely processing of pre-establishment approvals:**
  o The Department of MSME, with the support of Directorate of Industries (DI,Cuttack) shall organize capacity-building sessions with the staff of line Departments. The officials will be trained on the actual process of obtaining pre-establishment approvals, including the application procedures, timelines, and decision-making criteria.
  o Customized Training: The training will be tailor-made for different stakeholders involved in the pre-establishment approval process, such as the involvement of officials from the MSME Department, Labour Department, Environmental Department, Commercial Tax Department, Energy Department, and other line Departments.

- **Scheme convergence: This intervention will also allow MSEs to avail the following national schemes:**
  o Loan for up-gradation of Prime Minister Employment Generation Program (PMEGP)
  o Assistance under Prime Minister Micro Food Processing Enterprise (PMFME)
  o Assistance under Pradhan Mantri Mudra Yojana

e. Key Outputs

Guidelines and SoPs for trainers, on segregation of beneficiaries, explore potential collaboration with other national level institutes, awareness creation, training programmes, workshops, SoP for processing of pre-establishment approvals, training programs for Government officials of line Departments.

f. Key Milestones

- o **Year 1:** Conduct 60 EDPs across the State and Conducting 10 Capacity Building workshops for Government officials
- o **Year 2:** Conduct 90 EDPs across the State and Conducting 10 Capacity Building workshops for Government officials
- o **Year 3:** Conduct 120 EDPs across the State and Conducting 10 Capacity Building workshops for Government officials
- o **Year 4:** Conduct 150 EDPs across the State and Conducting 10 Capacity Building workshops for Government officials

Each EDP will consist of 30 beneficiaries.

g. Evaluation parameters

- o Total number of EDP programs executed (District-wise)
- o Frequency of EDP programs (District-wise)
- o EDP programs participant list (Male & Female) (District-wise)
- o Number of Business Plans formulated (District-wise)
- o Number of Enterprise registrations (District-wise)
- o Number of credit linkages/financial loan disbursements (District-wise)
- o Amount of subsidies disbursed/Number of financial assistance scheme linked (District-wise)
- o Number of people employed by enterprises (District-wise)
- o Increase in monthly/quarterly/half-yearly/annual revenue of enterprises
- o Y-o-Y increase in number of women led enterprises registered (District-wise)
- o Number of ideas/projects taken up by major incubators (District-wise)
- o Number of enterprises taking up sustainable measures/practices (District-wise)

h. Timeline Chart

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Conduct EDP								
Venue for training, accommodation, travel, F&B								

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Outreach activities and advertisement								
Training and Capacity Building workshops for Training of Trainers (ToT)								
Onboarding of stakeholders[100] to support the program's success								
Conducting Capacity Building for Government Officials of line Department								

Table 38: Timeline for Intervention 2

i. Budget

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
Administrative Expenditure IED @ Administrative Cost (Venue and Operations) INR 4 Lakh/EDP	1	1.40	2	2	6.4

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[100] Stakeholders such as Government agencies, business incubators, and industry associations

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
Capacity Building workshops for officials of line Departments @ INR 5,000 per official. (INR 12.5 Lakh for 25 officials) for 10 days' training session	1.25	1.25	1.25	1.25	5
Printing course modules @ INR 1 lakh per program	0.25	0.35	0.50	0.50	1.6
Outreach campaign, Branding and PR @INR 2 lakhs/EDP	1.0	1.2	1.5	1.5	5.2
Faculty Cost @ INR 1 Lakh/EDP	0.25	0.35	0.50	0.50	1.6
IED Website revamp	0.10				0.10
Schemes related to subsidy/incentives					
PMEGP (Central Govt Scheme) @ INR 2 lakh/unit for 30% conversion per session i.e. 12 units per EDP	3.7	5.2	7.5	7.5	23.9
PMFME (Central Govt Scheme) @ INR 2.5 lakh/unit i.e 2 units per EDP	0.31	0.43	0.62	0.62	1.98
Contingency Fund	2				
Total Budget	**47.78**				
Contribution from State Government	**11.94**				
Support from Central Government under national schemes	**25.88**				

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
Support sought under RAMP from Central Government	**9.96**				

Table 39: Budget for Intervention 2

j. State Departments to be involved for successful implementation:

- o Micro, Small and Medium Enterprise Department
- o Industries Department
- o Skill and Technical Education Department

4.3 INTERVENTION 3: MSE VENDOR DEVELOPMENT PROGRAM

Alignment with RAMP - This Intervention aims to enhance the access to Market for the MSMEs in the State of Odisha

a. Understanding of the Problem Statement

The Vendor Development Program in Odisha has been implemented by all major large industries and PSUs to develop the MSME eco-system withing the State. Despite the programs the vendors have not been able to cater to the needs of the anchor buyers and there is a gap in products and services offered. Hence, under this intervention the vendor development process aims to establish long-term, mutually beneficial relationships with vendors that can meet the company's demands in a cost-effective and reliable manner.

Effective vendor development is crucial to the success of any business because it ensures that the firm has the resources it needs to function efficiently and effectively while also avoiding risk and maximizing value.

Need for an effective Vendor Development Program

- Knowing Suppliers Beforehand
- Supplier Capability Assessment
- Evaluating Supplier Risk
- Improving Supplier Quality Performance
- Improving Communication with Suppliers
- Educating Suppliers through Training and Technology Demonstration Centers
- Developing New Product with Suppliers
- Improving Supplier Process Visibility
- Keeping Suppliers Motivated

b. Objective(s)

- The Vendor Development Program is aimed at connecting the MSMEs with anchor buyers such as large private sector industries, PSUs and Govt Departments.
- The aim of this program is to support and assist the MSMEs so that they are able to cater to the needs of the anchor buyers.

c. Proposed Project Design concept, Feasibility & Viability

- **Project Design Concept**: The program is focused towards establishing a Vendor Development Program to connect MSMEs with anchor buyers, including large private sector industries, PSUs, and government departments. The objective is to facilitate matchmaking events, supplier development programs, and provide support for capacity building, quality improvement, and market access.
- **Feasibility**: For collaboration with anchor buyers and relevant industry associations to identify MSMEs with potential and aligning their procurement needs with MSME capabilities ensures

feasibility. The program can leverage existing networks and platforms for matchmaking and knowledge sharing.

- **Viability**: The Vendor Development Program enhances market opportunities for MSMEs by connecting them with established buyers. This boosts their sales, fosters business linkages, and promotes the growth of the MSE sector, contributing to job creation and economic development.

d. Proposed Approach & Methodology

- **Onboarding of Project Management Unit (PMU):** A PMU will be onboarded under the RAMP scheme for implementing the proposed project
- **Identification of pilot group of buyers and sellers**
  - o The PMU will identify a pilot group of five anchor buyers from the metal sector based on their mid-term and long-term goals in onboarding potential vendors from within the State
  - o The PMU shall also identify a pilot group of potential vendors(sellers) in consultation with DICs, procurement wings of other Govt Departments, DEPM, and MSME DFO. The identification shall be based on the appetite of the MSMEs to fulfil the existing demand of the selected buyers and categorize them into product-based vendors/service-based vendors. To ensure responses from maximum MSMEs is generated the PMU shall also undertake social media campaigns and advertisements in leading dailies, and TV channels.
- **Need assessment**
  - o The PMU shall identify the demand of the anchor buyers pertaining to vendors
  - o The PMU will engage with the pilot group of sellers to identify the impediments faced by them in supplying to the anchor buyers.
- **Designing training calendar:** After identification of the gaps, the PMU shall connect with relevant trainers/advisors and design a training calendar for the potential buyers
- **Technology Demonstration Centre (TDC):** The TDC will be leveraged by anchor buyers to provide hands-on training, offer R&D facilities, demonstrate advanced technologies in a factory set-up, provide guidance in product design and offer to upskill and reskilling opportunities to metal sector downstream and ancillary MSMEs
- **Training/Workshop with MSMEs in collaboration with Industry Associations**
  - o The MSME Department in collaboration with Industry Associations shall organize workshops for potential buyers. The workshops, based on the requirements of the pilot buyers, shall focus on quality control, technology upgradation, processes improvement, production plan, skill enhancement, resource planning, financial management and managing inventory & delivery schedules and other required areas.
  - o After conducting the training sessions, the expert advisors shall support the MSMEs in implementation of the same in the factories.
- **Buyer Seller Meetings:** The PMU shall organize buyer-seller meetings between the anchor buyers and the identified potential vendors (after requisite training is provided)
- **Scheme-related capacity building and awareness for DIC and Industry Associations:** The PMU will also conduct a capacity-building program for DIC officials and Industry Associations to generate awareness regarding applicable schemes that can be availed by MSMEs.

- Periodic Review and improvement plan: At this stage, the PMU will connect virtually with the potential sellers to assess the improvements and the challenges faced. This will help to identify areas that require improvement.
- **Scheme convergence:** The PMU will also guide MSMEs in the process of availing the national schemes listed below:
  - Marketing Assistance and Technology Up-gradation in MSMEs Under National Manufacturing Competitiveness Programme
  - Procurement and Marketing Support (PMS)

e. Key Outputs

- Guidelines and SoPs to elaborate on the cost-sharing model, training programmes, and workshops.

f. Key Milestones

- **Year 1:** Identifying the pilot group
- **Year 2:** 15 focused training for potential vendors with 25 participants/training from which 10 MSMEs are to be onboarded as suppliers with anchor buyers (2% conversion)
- **Year 3:** 20 focused training for potential vendors with 25 participants/training from which 30 MSMEs to be onboarded as suppliers with anchor buyers (5% conversion)
- **Year 4:** 25 focused training with 25 participants/training from which 50 MSMEs to be onboarded as suppliers with anchor buyers (7% conversion)

g. Evaluation parameters

- Increase in number of MSMEs registering for and participating in the program
- Y-o-Y increase in number of women-led MSEs registering for and participating in the program
- Increase in the number of vendors supplying anchor buyers
- Increase in ancillarisation of focus industry sectors
- Improvement in the manufacturing process/ number of quality certifications of MSMEs

h. Timeline Chart

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
PMU Hiring	▓							
Identification of pilot group of buyers	▓	▓						
Identification of pilot group of sellers		▓	▓	▓	▓			
Need assessment		▓	▓	▓	▓	▓		

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Designing of training calendar			▓		▓		▓	
Organizing training workshops			▓	▓	▓	▓	▓	▓
Buyer-Seller Meeting				▓		▓		▓
Scheme related capacity building and awareness of DIC and IA			▓		▓		▓	
Periodic review and improvement plan				▓		▓		▓

Table 40: Timeline Chart for Intervention 3

i. Budget

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
Hiring PMU[101]	1	1.15	1.33	1.53	**5.01**
Outreach activities [102]	0.50	0.50	0.50	0.50	**2**
Focused training for mobilizing MSME suppliers in collaboration with Industry Associations [103]	-	0.75	1	1.75	**3.5**

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[101] Cost: INR 2.5 lakhs per man month; 3 persons; escalation @ 15% per year

[102] Advertisement cost: earmarked 50 lakhs - @INR 60k quarter page ad; providing ad atleast 4 times in a year in at least 10 newspapers (86 total newspapers in Odisha) + Electronics media ad: 16 lakhs + social media campaign: 10 lakhs)

[103] Training program will cost INR 2000 per MSME for a one -day program, based on the EDP sessions conducted by IED in the Financial Year 2022-23,

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
		(in INR Crore)			
Scheme related capacity building for DIC and Industry Associations [104]	0.50	0.50	0.375	0.375	**1.75**
Schemes related subsidy/Incentives					
PMS Scheme (Vendor Development and Capacity Building) (Central Govt Scheme) @ INR 15 lakhs /unit[105]	-	0.45	0.60	0.60	**1.65**
Technology Upgradation under National Competitiveness Program (Central Govt) @INR 10 lakhs/unit[106]	-	0.30	0.40	0.40	**1.1**
Quality Certification (State Govt Scheme) @ INR 5 lakhs for 5 units[107]	-	0.25	0.25	0.25	**0.75**
Technology Purchase Subsidy (State Govt) @ INR 20 lakhs/unit[108]	-	0.4	0.4	0.4	**1.2**
Technology Upgradation provision for MSME units not eligible under any scheme @ INR 20 lakhs/unit[109]		1	2	4.2	**7.2**
Contingency Fund	2				**2**

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[104] Capacity Building will cost INR 5000 per government official for a one -day program, based on the programs conducted by MSME Department in collaboration Xavier Institute of Management, Bhubaneswar in the Financial Year 2022-23

[105] As per Guideline for Procurement and Marketing Support Scheme 2019

[106] As per Scheme for Marketing Assistance and Technology Upgradation for MSMEs under NCMP 2019

[107] As per Guidelines for MSMED Policy 2022

[108] As per Guidelines for MSMED Policy 2022

[109] For ineligible enterprises, the incentives provided is in line with MSMED Policy 2022

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
Total Budget	**26.16**				
Contribution from State Government	**6.54**				
Support from Central Government under national schemes	**11.9**				
Support sought under RAMP from Central Government	**7.72**				

Table 41: Budget for Intervention 3

j. State Departments to be involved for successful implementation

- Micro, Small and Medium Enterprise Department
- Industries Department
- Skill and Technical Education Department
- Public Enterprise Department

4.4 INTERVENTION 4: ACCELERATING MSME ADOPTION OF ONDC PROGRAMME

Alignment with RAMP - This Intervention aims to enhance the access to Market for the MSMEs in the State of Odisha

a. Understanding of the Problem Statement

To embrace digital transformation, Odisha is implementing the Accelerating MSME Adoption of ONDC Programme. This comprehensive initiative seeks to revolutionize the way MSMEs conduct business by promoting open networks and facilitating the sale of goods and services through digital channels. Through this program, MSMEs gain access to digital and e-commerce platforms, credit facilities, and logistics support, enabling them to expand their market reach and drive economic growth.

b. Proposed Project Design concept, Feasibility & Viability

- **Project Design Concept**: Promote the adoption of Open Network for Digital Commerce (ONDC) among MSMEs in Odisha. Provide training and capacity building programs for both government officials and MSMEs to enhance their digital business skills. Facilitate access to digital and e-commerce channels, credit, and logistics support.
- **Feasibility:** Collaboration with relevant stakeholders, including government agencies, industry associations, and technology providers, ensures the feasibility of the project. Leveraging existing infrastructure and expertise in digital commerce simplifies implementation.
- **Viability:** The project enables MSMEs to leverage digital technologies and expand their market reach. By embracing e-commerce and enhancing their online presence, MSMEs can access new customers, increase sales, and drive economic growth in Odisha.

c. Objective(s)

- The Accelerating MSME Adoption of ONDC Programme seeks to transform the way MSMEs conduct business in the State by promoting open networks that facilitate sale of goods and services through digital channels
- The program aims to provide MSMEs with access to digital and e-commerce channels, credit, and logistics support, thereby expanding their market avenues and driving economic growth
- To further support MSMEs, capacity building programs will be conducted for both Government Officials and MSMEs. These programs will enhance their competitiveness in conducting business online, empowering them to succeed in today's digital marketplace

d. Proposed Approach & Methodology

- **On-boarding Project Management Unit (PMU):** The first step involves onboarding a PMU who will be responsible for conducting ONDC awareness workshops across the State in collaboration with the central ONDC team. The PMU will also be responsible for Identification of Potential MSMEs, conducting needs assessments study and also organizing capacity building programs for both government officials and MSMEs

- Identification of Potential MSMEs for the ONDC Programme: The PMU in collaboration with DICs will identify the potential MSME participants for upcoming awareness programs and workshops. These MSMEs will be identified based on multiple parameters such as uniqueness of their product or service, scalability, brand building and other relevant aspects
- Further, the PMU will conduct ONDC awareness programs and workshops across the State in collaboration with the ONDC Central team. The PMU can also take financial assistance from central government schemes such as the Procurement and Marketing Support Scheme to conduct virtual and offline workshops, thus increasing the coverage of central MSME Schemes in the State. These workshops will help MSMEs to connect with national seller platforms and facilitate onboarding to these platforms
- Need Assessment Study: The PMU will conduct a need assessment study among MSMEs interested in joining ONDC Network. This study will identify specific requirements related to digital commerce, such as support for becoming digital native, assistance with onboarding onto digital platforms, digital marketing and e-cataloging
- Training Programs for MSMEs: Training programs will be conducted for the MSMEs based on their requirements identified from the needs assessment study. These programs will educate the MSMEs in areas such as e-commerce, digital marketing, packaging and product cataloging
- Capacity Building Program for Government Officials: The PMU will collaborate with national and State educational and training institutes to conduct capacity building programs for government officials in the State. These programs will focus on digital platforms, technology and marketing to equip officials with the skills needed to provide institutional support for MSMEs, including grievance redressal and handholding services
- Onboarding MSMEs to Seller platform: To facilitate the onboarding of MSMEs onto the seller platform, the PMU will provide support by connecting them with empaneled BDS providers who will assist with developing product catalogs, determining pricing, creating packaging, and handling other necessary aspects. All these services will be offered at subsidized prices to the MSMEs
- Potential Partnerships and Collaboration: Further, to ensure the sustainability of the program, it is important to develop partnerships and collaborations with relevant stakeholders. PMU in collaboration with ONDC will identify suitable partners for other ONDC services such as credit, logistics and prospective technology partners

e. Key Outputs

- Need Assessment Study report
- Awareness programs and Workshops for MSMEs.
- Capacity building programs for Government Officials
- Training programs related to digital marketing and commerce for MSMEs.

f. Evaluation parameters

- Number of MSMEs onboarded on the ONDC Network
- Number of Awareness Programs and Workshops
- Number of Capacity building programs for Government Officials
- Number of Training programs for MSMEs

g. Key Milestones

- **Year 1:**
  - 24 Awareness programs (targeting 50 MSMEs per programme)
  - 4 Capacity Building programs for Government Officials (2 Districts participation per workshop, targeting 5 officials per district)
  - 10 Capacity Building programs for MSME Training programme (50 MSMEs per program)
  - Onboarding 480 MSMEs by end of Year 1 (@40% conversion from awareness program)
- **Year 2:**
  - 24 Awareness programs (targeting 50 MSMEs per programme)
  - 4 Capacity Building programs for Government Officials (2 Districts participation per workshop, targeting 5 officials per district)
  - 10 Capacity Building programs for MSME Training programme (50 MSMEs per program)
  - Onboarding 960 MSMEs by end of Year 2 (@40% conversion from awareness program)
- **Year 3:**
  - 24 Awareness programs (targeting 50 MSMEs per programme)
  - 4 Capacity Building programs for Government Officials (2 Districts participation per workshop, targeting 5 officials per district)
  - 10 Capacity Building programs for MSME Training programme (50 MSMEs per program)
  - Onboarding 1,440 MSMEs by end of Year 3 (@40% conversion from awareness program)
- **Year 4:**
  - 24 Awareness programs (targeting 50 MSMEs per programme),
  - 4 Capacity Building programs for Government Officials (2 Districts participation per workshop, targeting 5 officials per district)
  - 10 Capacity Building programs for MSME Training programme (50 MSMEs per program)
  - Onboarding 1,920 MSMEs by end of Year 4 (@40% conversion from awareness program)

h. Timeline Chart

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
PMU Hiring	▓							
Need Assessment Study	▓							
Awareness Programs		▓	▓	▓	▓	▓	▓	▓
Capacity Building Programs		▓	▓	▓	▓			
Marketing Workshops		▓	▓	▓	▓	▓	▓	▓
Onboarding MSMEs		▓	▓	▓	▓	▓	▓	▓

Table 42: Timeline for Intervention 4

i. Budget

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
Hiring PMU (Three Member Team @2.5 lakh per month)[110]	1	1.15	1.33	1.53	**5.01**
Awareness Programs (24 programs per year with 4 lakhs per event)[111]*	1	1.25	1.25	1.5	**5**
ONDC related Subscription Fee (Rs 5000 per entity)[112]	.48	.96	1.44	1.92	**4.8**
Capacity Building Programs (INR 50,000 per workshop)[113]	.02	.02	.02	.02	**.08**
Training Programs for MSMEs (INR 1 lakh per training program)[114]	.1	.1	.1	.1	**0.4**
Contingency Fund	**2**				
Total	**17.29**				
Contribution from State Government	**4.32**				
RAMP Budget	**12.9**				

Table 43: Budget for Intervention 4

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[110] Cost: INR 2.5 lakhs per man month; 3 persons; escalation @ 15% per year

[111] Based on the cost estimates prepared by MSME Department for the financial year 2022-23

[112] Based on Amazon Seller Fees at 10% of sales volume in related Sectors retrieved on 26-04-2023 and considering average sales volume of INR 10 Lakh per year.

[113] Capacity Building will cost INR 5000 per government official for a one -day program, based on the programs conducted by MSME Department in collaboration Xavier Institute of Management, Bhubaneswar in the Financial Year 2022-23

[114] Training program will cost INR 2000 per MSME for a one -day program, based on the EDP sessions conducted by IED in the Financial Year 2022-23

*Applicability of Procurement and Marketing Support (PMS) Schemes to be evaluated

j. State Departments to be involved for successful implementation

- MSME Department
- Industries Department
- Handlooms, Textiles & Handicrafts Department
- Electronics & Information Technology Department

4.5 INTERVENTION 5: ALTERNATIVE FINANCE PLATFORM

Alignment with RAMP - *This Intervention aims to enhance the access to Credit for the MSMEs with increase of technology adoption across the business ecosystem of the State of Odisha.*

a. Understanding of the Problem Statement

An Alternative Finance Platform will be established, catering specifically to the financial needs of micro, small, and medium enterprises (MSMEs) in Odisha. This platform will provide a user-friendly interface that allows MSMEs to access credit from a range of alternative finance institutions, including NBFCs, small finance banks, and fintech companies. MSMEs can easily apply for loans, track their application status, and receive regular updates on the progress of their funding requests, thereby improving their financial access and liquidity.

b. Proposed Project Design concept, Feasibility & Viability

- **Project Design Concept**: Develop an online platform specifically designed to cater to the financial needs of MSMEs in Odisha. The platform connects MSMEs with alternative finance institutions, such as NBFCs, small finance banks, and FinTech, providing easy access to credit. Offer user-friendly interfaces for loan applications, application tracking, and regular notifications.
- **Feasibility:** With advancements in technology and digital banking infrastructure, creating an online finance platform is feasible. Collaborating with financial institutions to integrate their services and ensure data security is essential for successful implementation.
- **Viability**: The Alternative Finance Platform addresses the financing challenges faced by MSMEs. By providing convenient access to credit, MSMEs can fund their operations, invest in growth, and thrive in a competitive market, thereby contributing to the economic development of Odisha.

c. Objective(s)

- The Alternative Finance Platform is an all-encompassing online platform specifically designed to cater to the financial needs of micro, small, and medium enterprises (MSMEs) in India. This one-stop solution enables MSMEs to easily access credit from a range of alternative finance institutions, including NBFCs, small finance banks and FinTech. The portal offers a user-friendly web interface, making it easy for MSMEs to apply for loans, track their application status, and receive regular notifications about the progress of their application process from anywhere and at any time.
- Furthermore, the portal also has a provision for conventional lending institutions including banks and Non-Banking Financial Companies (NBFCs), to disclose the particulars of the MSMEs they have declined financing to on the alternative finance platform, with the MSMEs consent. The shared information will be in an anonymous format and will enable alternative finance providers to facilitate credit access for the MSMEs.
- This initiative aims to address information asymmetry in lending markets by expanding access to credit for borrowers and promoting competition, thus reducing the borrowing cost of MSMEs.

d. Proposed Approach & Methodology

- **Hiring a Project Management Unit (PMU):** The first step would be to hire an implementation agency responsible for the overall execution of the program. The agency would be responsible for developing a data collection framework, identifying key stakeholders, and creating a timeline for the initiative.
- **Needs Assessment:** Conducting a needs assessment to understand the challenges MSMEs face in accessing credit and also issues faced by Banks while lending to small scale enterprises. The assessment would involve engaging with various stakeholders, including MSMEs, lending institutions, and alternative finance providers.
- **Benchmarking Study:** After a need assessment study based on the requirements of the MSMEs, PMU will also conduct a benchmarking study of similar initiatives such as the SAFAL portal by the Agricultural Department and the UK Mandatory Bank Referral system. Insights from the benchmarking study will be utilized for the development of the platform.
- **Hiring a Technology Partner:** The next step would be to identify and hire a technology partner who can develop and maintain the digital platform. The partner would be responsible for creating a user-friendly platform that would facilitate storage and sharing of MSME credit related data.
- **Data Collection Framework:** PMU will be responsible for the creation of a Data Collection framework for the collection of information from the MSMEs for the preliminary credit assessment data to be shared with lending partners. Based on detailed discussions with the lending partners such as banks, NBFCs, and Fintech this framework will be developed.
- **Rules and Regulations for Data Sharing:** The PMU will be responsible for the creation of rules and regulations for data sharing on the platform. These regulations would need to ensure that the shared information is in an encrypted format and that MSMEs provide their consent before their details are disclosed
- **Capacity Building Programs for Government Officials:** The PMU will collaborate with national and State educational and training institutes to conduct capacity building programs for government officials in the State. These programs will focus on alternative lending, date collection framework and data privacy to equip officials with the skills needed to provide institutional support for MSMEs, including grievance redressal and handholding services. The trained government officials will be also responsible for the collection of rejection loan application details from the banks and upload on the platform
- **Onboarding Lending Partners:** Once the platform is ready, the PMU will facilitate the onboarding of banks, NBFCs and other lending institutions onto the platform. The onboarding process would involve creating awareness about the program and the benefits of participating in it
- **Awareness Campaigns and Workshop:** IA shall also conduct awareness campaigns and workshops to educate the MSME's about the Credit portal and how it solves the issues related to access to credit. These programs can be conducted in collaboration with industrial associations and lending institutions
- **Monitoring and Evaluation:** Finally, the program would need to establish a monitoring and evaluation framework to assess the impact of the program on MSMEs and lending institutions. This would involve tracking the number of MSMEs that have accessed credit through the alternative finance platform and measuring the reduction in information asymmetry in lending markets

e. Key Outputs

- Digital Platform to facilitate alternative finance
- Need Assessment Report
- Redefined framework for the credit assessment data collection from MSME's
- Capacity Building Program for the Government Officials
- Awareness Programs and Workshops for the MSMEs

f. Evaluation parameters

- Number of Banks Onboarded on the Platform
- Number of NBFCs Onboarded on the Platform
- Number of Alternate Lenders Onboarded on the Platform
- Number of new loan applications
- Number of approved loans applications

g. Key Milestones

- **Year 1:**

  - Number of new loan applications[115] - 100
  - Number of Sanctioned Loan Applications[116] - 30
  - Number of Loan Applications Sanctioned under CGTMSE Scheme[117] - 1
  - Number of Alternative Finance Players onboarded - 5
- **Year 2:**

  - Number of new loan applications - 150
  - Number of Sanctioned Loan Applications - 45
  - Number of Loan Applications Sanctioned under CGTMSE Scheme - 1
  - Number of Alternative Finance Players onboarded - 10
- **Year 3:**

  - Number of new loan applications - 250
  - Number of Sanctioned Loan Applications - 75
  - Number of Loan Applications Sanctioned under CGTMSE Scheme - 2
  - Number of Alternative Finance Players onboarded - 10
- **Year 4:**

  - Number of new loan applications - 400
  - Number of Sanctioned Loan Applications - 120
  - Number of Loan Applications Sanctioned under CGTMSE Scheme - 4
  - Number of Alternative Finance Players onboarded - 10

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[115] Based on 2.5% of the new loan applications under PMEGP Scheme for two financial years, 2020-21 and 2021-22
[116] Based on the sanction rate of 30% as per National PMEGP statistics for 2021-22
[117] Based on CGTMSE sanction rate of 3.7% of the total loan applications. In the financial year 2021-22, 25,788 sanctioned loan accounts were covered under CGTMSE out of a total 6,80,00 sanctioned loan accounts.

h. Timeline Chart

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
PMU Hiring	■							
Need Assessment Study	■							
Benchmarking Study	■							
Data Collection Framework	■							
Development of Platform	■							
Capacity Building Programs		■	■	■	■	■	■	■
Awareness Programs		■	■	■	■	■	■	■

Table 44: Timeline for Intervention 5

i. Budget

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
PMU (Three Member Team @2.5 lakh per month for Year 1, and Two Member Team @2.5 lakh per month for Year 2 and Year 3)[118]	1	0.76	0.88	1.02	**3.6**
Technology Platform[119]	1.5	1.5	1.5	1.5	**6.00**
Capacity Building for Government Officials[120]	0.02	0.02	0.02	0.02	**0.08**
Awareness programs (12 program per year, 4 lakhs per program)[121]	0.48	0.48	0.48	0.48	**1.92**

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[118] Cost: INR 2.5 lakhs per man month; Year 1: 3 persons, Year 2 and 3: 2 persons; escalation @ 15% per year

[119] Based on the inputs received from IPICOL on the existing retainership agreement with NIC for developing and managing the State single window portal

[120] Capacity Building will cost INR 5000 per government official for a one -day program, based on the programs conducted by MSME Department in collaboration Xavier Institute of Management, Bhubaneswar in the Financial Year 2022-23.

[121] Based on the cost estimates prepared by MSME Department for the financial year 2022-23

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
Contingency Fund (Considering the Scalability Aspect)	**5.00**				
Total	**16.66**				
Contribution from State Government (@25% of the total budget: including policy and scheme supports)	**4.16**				
Support sought under RAMP from Central Government	**12.50**				

Table 45: Budget for Intervention 5

j. State Departments to be involved for successful implementation

- Industries Department
- MSME Department
- Agriculture Department

4.6 INTERVENTION 6: ENABLING BILL DISCOUNTING IN PUBLIC PROCUREMENT IN ODISHA

Alignment with RAMP - *This Intervention aims to enhance the receivable financing market and uptake of bill discounting amongst the MSMEs of the State, using the TReDS Platform.*

a. Understanding of the Problem Statement

To address the working capital requirements of MSMEs supplying goods to government departments, Odisha is enabling bill discounting in public procurement. Through competitive bidding of their invoices on the Trade Receivables Discounting System (TReDS), MSMEs can unlock their working capital and ensure timely payments, enhancing their cash flow and operational efficiency.

b. Proposed Project Design concept, Feasibility & Viability

- **Project Design Concept**: Introduce bill discounting options for MSMEs supplying goods to various government departments. Enable competitive bidding of invoices on Trade Receivables Discounting System (TReDS) platforms by financial service providers. Simplify the bill discounting process for government orders fulfilled by MSMEs.
- **Feasibility**: Collaborating with TReDS platforms, financial service providers, and government procurement departments ensures the feasibility of the project. Streamlining the processes and ensuring transparent bidding procedures are key considerations.
- **Viability:** Enabling bill discounting provides MSMEs with improved cash flow and working capital, unlocking their potential for growth. The project supports MSMEs in fulfilling government orders, increases their participation in public procurement, and promotes financial inclusion.

c. Objective(s)

- The intervention aims to provide the option of Bill discounting to MSMEs, which supply goods to different Government Departments. This will help MSMEs to unlock their working capital requirement through competitive bidding of their invoices on TReDS by financial service providers
- Enabling Bill discounting for government orders fulfilled by MSMEs through standard procurement procedures
- Increase in number of MSMEs on the TReDS platform
- Address working capital challenges exacerbated due to delayed payments

d. Proposed Approach & Methodology

- The measure intends to simplify the overall approval process for raising working capital and provide data insights to the policy and decision makers. There will be Yearly targets in place for the procurement through bill discounting, which will allow the government to increase the uptake of bill discounting amongst government departments and MSMEs
- Sensitization of relevant stakeholders

- Conceptual design of the underlying process, capabilities and systems through a task force which will create an interfacing - API integration between the current TReDS platforms and the IFMIS system of Government of Odisha. The MSMEs can apply for discounting their invoices, moreover, the government departments can digitally take action on such applications - through IFMIS. This will help in increasing the reach of the TReDS platforms
- Stakeholder validation of concept through consultations
- Facilitate policy level changes where needed to endorse bill discounting in public procurement, mandatory contribution to State targets for bill discounting
- Introduce initiatives to incentivize Bill discounting and reverse factoring (for example – Interest subvention, refund of service charges, etc.) through existing / new policy initiatives
- The necessary Legislative, executive and budgetary approvals needed for implementation of this concept to be obtained
- Review and assess State procurement plan to rationalize the target and identify line departments and SoE for pilot phase
- Diagnostic study of existing systems / platforms of the departments to design the framework of integration with TReDS platform, identify capacity building needs and resource augmentation where needed
- Enable integration of relevant platforms / applications
- Guidelines and SoPs for TReDS enabled procurement
- Implement pilot, Monitor and evaluate success rate, revision of guidelines and SoPs where needed
- Capacity building programmes for relevant stakeholders
- Stakeholder awareness programmes
- Roll out proposed programme in select departments

e. Key Outputs

- Concept note, Policy recommendations, Cabinet proposal, Guidelines and SoPs, sustainability plan, training programmes, workshops

f. Key Milestones

- **Year 1:** Completion of Concept testing
- **Year 2:** Target of Procurement with Bill discounting worth of Rs. 25 Crore
- **Year 3:** Target of Procurement with Bill discounting worth of Rs. 50 Crore

g. Evaluation parameters

Legislative approvals and policy changes, Performance against target, Number of MSMEs who have availed bill discounting feature for the first time, Number of women MSMEs accessing bill discounting in public procurement

h. Timeline Chart

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Creation of functional and system requirements for integration	▓							
Implementation of the integration - make necessary API integration between IFMIS and TReDS		▓						
Project Management Unit support	▓	▓	▓	▓	▓	▓	▓	▓
Awareness outreach and campaigns	▓	▓	▓	▓	▓	▓	▓	▓
Capacity building programmes		▓	▓	▓	▓	▓	▓	▓

Table 46: Timeline for Intervention 6

i. Budget

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
Technical Service provider[122]	1.5	1.5	1.5	1.5	**6**
Cost of Project Management Unit[123]	1	1.15	1.33	1.53	**5.01**
Awareness outreach and campaigns[124]	0.48	0.48	0.48	0.48	**1.92**
Cost of Capacity building of	0.02	0.02	0.02	0.02	**0.08**

[122] Based on the inputs received from IPICOL on the existing retainership agreement with NIC for developing and managing the State single window portal

[123] Cost: INR 2.5 lakhs per man month; 3 persons; escalation @ 15% per year

[124] 12 events per year and 4 lakhs per event. Based on the cost estimates prepared by MSME Department for the financial year 2022-23

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
Government Employees[125]					
Contingency Fund	2				**2**
Total Budget	**15**				
Contribution from State Government	**3.75**				
Support sought under RAMP from Central Government	**11.25**				

Table 47: Budget for Intervention 6

j. State Departments and other Government agencies to be involved for successful implementation

- MSME Department
- Industries Department
- Ministry of Finance, Government of India
- Procuring section of all line Departments
- TReDS
- RBI
- PSUs

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[125] 4 events per quarter at INR 50,000 per event. 10 participants for one event. Capacity Building will cost INR 5000 per government official for a one -day program, based on the programs conducted by MSME Department in collaboration Xavier Institute of Management, Bhubaneswar in the Financial Year 2022-23.

4.7 INTERVENTION 7: PROVIDING LEGAL SUPPORT TO MSMES WITH SUPPORT OF MSEFC, THROUGH LAWYERS EMPANELED AND FINANCED BY THE MSME DEPARTMENT, GOVERNMENT OF ODISHA

Alignment with RAMP - This Intervention aims to enhance the dispute resolution cases for MSMEs by strengthening MSEFC and increasing Online Dispute Resolution transparency.

a. Understanding of the Problem Statement

Recognizing the importance of legal support, the State will provide assistance to MSMEs through empaneled and financed lawyers, strengthening the overall functioning of the MSME Facilitation Council (MSEFC). Additionally, the encouragement of mediation for dispute resolution, the improvement of online dispute resolution (ODR) through a State-specific portal, and the capacity building of lawyers and judges handling appeals from the MSEFC will ensure prompt and efficient resolution of disputes, promoting a favorable business environment.

b. Proposed Project Design concept, Feasibility & Viability

- **Project Design Concept**: Strengthen the functioning of the Micro and Small Enterprises Facilitation Council (MSEFC) by providing administrative staff and promoting mediation for dispute resolution. Offer legal support to MSMEs through empaneled and financed lawyers. Enhance online dispute resolution (ODR) through a State-specific portal.
- **Feasibility**: Strengthening MSEFC through administrative support and collaboration with legal professionals is feasible. Developing an ODR portal specific to Odisha can leverage existing technological infrastructure.
- **Viability**: By providing legal support and facilitating dispute resolution, the project enhances the business environment for MSMEs. Timely resolution of disputes, access to legal expertise, and the promotion of prompt payments contribute to the growth and sustainability of MSMEs in Odisha.

c. Objective(s)

- Strengthening the overall functioning of the MSEFC by providing necessary administrative staff.
- Encourage Mediation of disputes for quicker resolution
- Facilitate the MSMEs in proper dispute resolution by providing them with legal support through lawyers empaneled and financed by the Government
- Facilitate and improve ODR through State specific portal for Odisha on Samadhaan portal
- Improve data collection and analysis to inform policy decisions and further strengthening of the MSEFC
- Foster a culture of prompt payment by incentivizing prompt payments and penalizing delayed payments
- Capacity building of Layers and Judges that hear appeals from the MSEFC

d. Proposed Approach & Methodology

● **Institutionalize a task force for developing a Standard Operating Procedure** (SOP) for the provision of legal support to MSMEs. The SOP should outline the steps involved in identifying eligible MSMEs, selecting lawyers, and providing legal support. The SOP can be prepared by a task force composed of legal experts, representatives from the Industry Associations, Policy Makers and other Subject Matter Experts

● **Creation of Job Descriptions** and hiring of administrative staff

● **Create criteria for empanelment of lawyers** and rules and regulations for shortlisting the cases to be supported by the empaneled set of lawyers

● **Empanel lawyers** with expertise in handling MSME disputes through a transparent process to be defined by the task force

● **Strengthen the dispute resolution capabilities** of the MSEFC by mandating timelines for resolving disputes.

● To **improve Online Dispute Resolution (ODR) through Samadhaan portal**, it is recommended to the government of India to improve the current features of Samadhaan portal, but incorporating State specific modules, which can facilitate online dispute resolution, with features of dashboards and data analytics, the portal can help increase the instances of dispute resolution through the Samdhaan portal.

● To **improve data collection and analysis**, the administrative staff will be required to update the data in Samadhaan portal along with the day-to-day operations.

● To **foster a culture of prompt payment**, impose penalties on buyers who delay payments to MSMEs, such as interest or late fees. The government can also provide incentives for prompt payment, such as tax credits or other benefits. Additionally, the government can create a public database of companies with a history of delayed payments, which can help MSMEs make informed decisions about which companies to do business with.

● **Provide necessary hardware and software infrastructure** at the MSEFCs to enable the councils to conduct virtual hearings from the DICs/MSEFCs.

● **Tie ups with judicial training institutions** to conduct trading of judges that hear appeals from the MSME payment disputes on the framework of the MSMED act, 2006 and arbitration awards and settlements guarantee.

● **Development of customized conciliation and arbitration training** by internationally or locally accredited trainers for improvement in overall service delivery.

● **Conduct awareness drives and outreach** to increase referrals to the Samadhaan portal and MSEFC. Further, for scalability, yearly targets and KPIs should be used baseline to scale the level of reach through these awareness drives, needed to increase the uptake of MSEFC and Samadhaan portal for dispute resolution.

● **Set up a monitoring and evaluation framework** to track the progress and impact of the legal support provided to MSMEs. The framework should include regular reporting and evaluation of the outcomes of the intervention.

● **Establish partnerships** with industry associations and other stakeholders to support the implementation of the intervention.

e. Key Outputs

- Guidelines and SOPs for selection of MSMEs, Rules for empanelment of Lawyers, Policy recommendations to strengthen MSEFC, awareness programmes, workshops

f. Evaluation parameters

- Legislative approvals and policy changes
- Performance against target
- Number of MSMEs who have availed the support of MSEFC and/or Samdadhaan portal for the first time.
- Number of disputes resolved, Increase in the number and percentage of cases with some form of resolution (mediation, arbitration etc.) out of all the filled cases with the MSEFC
- Increased awareness about MSEFC and Samadhaan portal amongst the MSME in the State

g. Key Milestones

- **Year 1:** Hiring of administrative staffs and empanelment of lawyers
- **Year 2:** Facilitating the opening of 3 more MSEFC and empanelment of Lawyers and hiring of administrative staff for new councils
- **Year 3:** Year on Year Increase in the number of resolved cases by 50%.

h. Timeline Chart

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Creation of Job description and criteria for Empanelment of lawyers	▓							
Hiring of administrative staffs and empanelment of lawyers		▓						
PMU support	▓	▓	▓	▓	▓	▓	▓	▓
Creation of online curriculum for capacity building of all personnel of MSEFC			▓	▓				
Capacity building of Arbitrators and lawyers		▓	▓	▓	▓	▓	▓	▓

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Hiring of Technical agency for Conceptual design of the State module on the Samadhaan portal			▓	▓	▓	▓		

Table 48: Timeline for Intervention 7

i. Budget

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
Cost of Hiring Administrative Staffs (2 Per MSEFC - Responsible for operational work and data entry in Samadhaan Portal)	0.25	0.5	0.5	0.75	**2**
Cost of empaneled Lawyers for Arbitration and Mediation	0.75	1	1.25	1.5	**4.5**
Project Management Unit[126]	1	1.15	1.33	1.53	**5.01**
Awareness programs[127]	0.48	0.48	0.48	0.48	**1.92**
Capacity building[128]	0.02	0.02	0.02	0.02	**0.08**
Contingency Fund	1				**1**

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[126] Cost: INR 2.5 lakhs per man month; 3 persons; escalation @ 15% per year

[127] 12 events per year and 4 lakhs per event.Based on the cost estimates prepared by MSME Department for the financial year 2022-23

[128] 4 events per quarter at INR 50,000 per event. 10 participants for one event. Capacity Building will cost INR 5000 per government official for a one -day program, based on the programs conducted by MSME Department in collaboration Xavier Institute of Management, Bhubaneswar in the Financial Year 2022-23.

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
Total Budget	**14.51**				
Contribution from State Government	**3.63**				
Support sought under RAMP from Central Government	**10.88**				

Table 49: Budget for Intervention 7

j. State Departments to be involved for successful implementation and other key stakeholders

- MSME Department
- Industries department
- Lawyers
- Industry Associations

4.8 INTERVENTION 8: STREAMLINING GEOGRAPHICAL INDICATOR (GI) TAG

Alignment with RAMP: To promote the export potential of selected products through establishing their uniqueness in terms of geographical availability

a. Understanding of the Problem Statement

Consumers will have assurance of authenticity and quality of products with GI Tags. The State will benefit from increased trade and tourism. By doing so, Geographical Indication Tag products are prevented from being used unauthorizedly by others. In addition to preventing malpractice, it prevents inferior products from being sold on the market.

b. Objective(s)

- To guide the applicants about the GI tagging process
- To identify potential products and keep track of the expiry and renewal of registration of the GI tags

c. Proposed Project Design Concept, Feasibility & Viability

Project Design Concept: Guide applicants through the GI tagging process, identify potential products, and track the expiry and renewal of GI registrations. Develop a comprehensive system or database to manage GI tags effectively.
Feasibility: Building a system for guiding applicants and tracking GI registrations is feasible, leveraging technology and collaboration with relevant departments and organizations responsible for GI tagging.
Viability: The project ensures the protection and promotion of Odisha's unique products and heritage. Streamlining the GI tagging process helps MSMEs leverage geographical indications, establish market differentiation, and protect their intellectual property rights, leading to economic benefits and cultural preservation.

d. Proposed Approach & Methodology

- **Hiring a Project Management Unit (PMU):** A PMU will be onboarded under the RAMP Scheme to implement the GI Tagging of potential products across the State.
- **Current State assessment:** The PMU will conduct a current State assessment of the existing GI tagging process to understand the gaps. The study would also include a review of the regulatory framework, including laws, rules, and procedures related to obtaining GI tags. The PMU will create a list of challenges faced by any producer groups, associations or any organization applying for the GI tag.
- **Creating a SoP:** The PMU will create a SoP for the following activities:
    - Guidelines for filing of GI tag application:
        - The PMU will develop a set guideline for the process of filing the application as to how the geographical indication serves to designate the goods as originating from the concerned territory in respect of specific quality, reputation or other characteristics.

- ○ Composition of task Force within the Department for assessment, inter-departmental coordination and handholding support of GI tag application.
- **Creating Task Force within the Department:** The PMU will assist the Department of MSME in the creation of a task force within the Department for the sustainability of the initiative post the RAMP period.
- **Capacity Building of Task Force:** The PMU will conduct capacity-building training for the Task Force in accordance with the guidelines of the SoP and with support from National/State level experts.
- **Advertisement and PR:** The MSME Department shall undertake extensive advertising campaigns through media houses (print diaries, and news channels) social media campaigns, at target locations about the initiative.
- **Identification of pilot products:** The PMU in consultation with Industry Associations, District Collectors, DICs, District Investment Promotion Agencies (DIPA) and other relevant stakeholders and through secondary research will identify pilot districts and products with the potential to be GI tagged. The PMU will assess the following parameters:
  - ○ Product History
  - ○ Geographical uniqueness
  - ○ Year-round availability of the product
  - ○ Market survey to assess the demand for the identified products

  The above assessment will be critical for identification and establishing the uniqueness of the identified products. Establishing uniqueness of a product is a key parameter for a product to get GI tagged.
- **Collaboration with Intellectual Property Facilitation Centre (IPFC):** The PMU will identify existing IPFCs across the State to partner and conduct a detailed assessment of the identified products such as geographical uniqueness of the product, supportive documentations/literature to establish the uniqueness of the identified product, quality standard certification of the product, consistency of the product, impact analysis study to assess the benefits for the producer group etc.
- **Support for filing of GI tag:** After conducting the survey of the identified product and approval of the task force, the PMU in collaboration with the IPFC will support the producer group to file the GI tag application as per DPIIT guidelines.
- **Consultation with beneficiaries of GI-tagged products:** The PMU will conduct stakeholder consultations with beneficiaries of existing GI-tagged products to understand if there is a requirement for renewal of the registration. The details of which will be mapped to the web-based MIS.
- **Creation of web-based MIS for GI tagged products:** The PMU will create a web-based MIS of the GI tagged products to monitor the validity of the GI registrations and automatically intimate the registering agency to initiate renewal prior to expiry.
- **Identification for service support:** The PMU will conduct stakeholder consultations with exiting beneficiaries as well as potential beneficiaries of GI-tagged products to identify the scope of the requirement for services support basis which they can be connected with Business Development Services Providers to improve their operations/delivery.
- **Yearly target for GI Tagging of identified products:** Based on the SoP and advisory of the Task Force, the PMU shall support the filing of GI tags for identified products as a year-wise target set by the Department.

e. Key Outputs

- SoP, Market Survey reports for identified products for GI tagging, pot product report, web-based MIS.

f. Key Milestones

- **Year 1:** Creation of Task Force within the Department, Creating of SoP and web-based MIS
- **Year 2:** Filing of 5 identified products for GI tag.
- **Year 3:** Filing of 7 identified products for GI tag.
- **Year 4:** Filing of 10 identified products for GI tag.

g. Evaluation Parameters

- Year-on-Year Increase in the number of GI-tagged products in the State
- Timely renewal of existing GI-tagged products in the State

h. Timeline Chart

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Hiring PMU	▓							
Current State Assessment	▓	▓						
SoP for filing of GI Tag		▓						
Installation of Task Force		▓						
Capacity Building of Task Force		▓	▓		▓		▓	
Identification of pilot districts & Consultation with beneficiaries			▓		▓		▓	
Collaboration with IPFC			▓	▓	▓	▓	▓	▓
Identification for services support			▓	▓	▓	▓	▓	▓

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Filing of GI Tags as per target								

Table 50: Timeline for Intervention 8

i. Budget

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
PMU Cost (3-member team @ 2.5 lakh per month) (15% hike/year)	1	1.15	1.33	1.53	**5.01**
Capacity Building of Task Force[129]	0.50	0.50	0.375	0.375	**1.75**
Advertisement, PR [130]	0.50	0.50	0.50	0.50	**2**
Travel and accommodation for primary consultations [131]	0.06	0.06	0.06	0.06	**2.4**
Creation of web-based MIS (database) [132]	0.10	-	-	-	**0.10**
Filing of GI tag [133]	-	0.15	0.21	0.30	**0.66**
Total Budget	**11.92**				

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[129] As shared by Dept of MSME@ INR 5000 per official. (INR 12.5 Lakh for 25 officials) for 10 day training session

[130] As shared by Dept of MSME@ earmarked 50 lakhs - @INR 60k quarter page ad; providing ad atleast 4 times in a year in at least 10 newspapers (86 total newspapers in Odisha) + Electronics media ad: 16 lakhs + social media campaign: 10 lakhs)

[131] As shared by Dept of MSME (@ INR 1000 for food /head, INR 3000 for Accomodation (sharing), INR 4000 for travel (sharing)) for 10 days consultation

[132] As per data shared by IPICOL for creation of MIS

[133] As per price quoted by CTTC (IPFC) @ INR 3 lakh for each GI tag filing.

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
Contribution from State Government (@25% of the total budget: including policy and scheme supports)	2.98				
Support sought under RAMP from Central Government	8.94				

Table 51: Budget for Intervention 8

j. State Departments to be involved for successful implementation

- MSME Department
- Industries Department
- Agriculture & Farmers' Empowerment Department
- Handlooms, Textiles & Handicrafts Department
- Public Enterprises Department
- Skill Development & Technical Education Department
- Mission Shakti Department

4.9 INTERVENTION 9: EXCLUSIVE E-COMMERCE PORTAL FOR ODISHA SPECIFIC PRODUCTS

Alignment with RAMP – *This intervention aims to build and integrate technology platforms and to enhance firm capabilities and access to new markets*

a. Problem Statement

This e-commerce platform will echo the heartbeat of Odisha – it's art, craft & other regional products. In addition to retaining deep-rooted elements of the State's heritage, these products will incorporate contemporary design elements to meet the needs and preferences of today's consumers. When anyone shops from us, they will not only hold an authentic piece of Odisha in their hands but also make the lives of our handloom weavers, craftswomen, traditional artisans, and regional producers a little better. This helps sustain the traditional art, crafts & products of the State by creating viable livelihood opportunities for their skilled, enterprising practitioners.

b. Objective(s)

- Facilitate the growth and development of Micro, Small, and Medium Enterprises (MSMEs) in Odisha by providing them with a platform to market and sell their products online.
- Promote authentic Odisha-produced goods to a wider audience, both within and outside the State, by leveraging GI tags and partnerships with quality certifying authorities.
- Enhance the accessibility and convenience for consumers to purchase genuine Odisha products through a user-friendly e-commerce portal.
- Boost the digital economy of Odisha by leveraging technology to drive business growth and create employment opportunities.
- Strengthen the State's economy by increasing revenue generation and reducing economic disparities to guide the applicants about the GI tagging process
- To identify potential products and keep track of the expiry and renewal of registration of the GI tags

c. Project design concept, Feasibility, and Viability

The proposed project design concept is feasible and viable due to the following factors:
- **Technological Feasibility:** With advancements in e-commerce platforms and established technology partners, developing a robust and secure e-commerce portal is feasible.
- **MSME Participation:** Odisha has a vibrant MSME sector, which can benefit from an e-commerce platform to expand their market reach and boost sales.
- **Market Demand:** The increasing popularity of online shopping and the growing preference for authentic and locally produced products create a favorable market environment for an Odisha-specific e-commerce portal.
- **Stakeholder Collaboration:** Involving multiple government departments ensures adequate support, expertise, and resources for successful implementation.
- **Revenue Generation:** The e-commerce portal has the potential to generate revenue through commissions or fees from transactions, leading to self-sustainability in the long run.

- **Employment Opportunities:** By facilitating the growth of MSMEs and expanding their market access, the project can contribute to job creation and economic development in Odisha.

d. Proposed Approach & Methodology

- **Hiring a Project Management Unit** which will be responsible for the overall execution of the program. The agency should be responsible for providing support in onboarding an experienced technology partner responsible for the development of the portal, strategizing the onboarding process of MSMEs, creating a process for quality assurance and authentication, and providing knowledge transfer for marketing and promotion of the Odisha specific goods on the platform.
- Next step will be to **onboard an experienced technology partner**, with the support of the PMU. This experienced technology partner will be responsible to design, develop, and deploy a secure and scalable e-commerce platform tailored to the needs of MSMEs in Odisha. The portal should provide features such as product listings (cataloging services), online transactions, inventory management, online tracking system for goods, and customer support including grievance management.
- **Onboarding and capacity building:** Conduct awareness programs and workshops to educate MSMEs about the benefits of online selling and provide them with training on various aspects of e-commerce, including product photography, catalog management, pricing strategies, and logistics.
- **Quality assurance and authentication:** The PMU will be responsible for preparing a stringent quality assurance process to ensure that products listed on the portal meet the prescribed standards of authenticity, craftsmanship, and sustainability. The PMU will help the nodal agency to establish partnerships with relevant certifying bodies and organizations to verify the genuineness of Odisha-produced goods.
- **Marketing and promotion:** The PMU will devise a comprehensive marketing strategy to raise awareness about the e-commerce portal among consumers, both within and outside Odisha. Through awareness generation and outreach the PMU will support in raising the awareness amongst the MSMEs on how to utilize various digital marketing channels, social media platforms, and collaborations with influencers to showcase the unique products available on the portal.
- The PMU will be responsible for supporting the governing authority to **provide seamless logistics and delivery by developing partnerships** with reliable logistics service providers to ensure smooth order fulfillment and timely delivery of products. The envisioned portal will also have an efficient tracking system to provide transparency to both sellers and buyers throughout the delivery process.
- The PMU will also make a **dispute resolution process** with proper roles and responsibilities divided amongst the relevant parties. The portal will have grievance redressal modules for the customers to lodge complaints and resolve any queries.

e. Key Outputs

- Fully functional e-commerce portal with user-friendly interfaces for both sellers and buyers.
- Increased online visibility and market access for MSMEs in Odisha.
- Diversified product offerings on the e-commerce portal, showcasing the rich cultural heritage and craftsmanship of Odisha.

- Improved customer experience through secure transactions, reliable product quality, and efficient after-sales support.
- Growth in online sales and revenue for MSMEs, leading to employment generation and economic development.

f. Key Milestones

- **Year 1:**
  - o Project initiation, PMU Hiring and stakeholder engagement.
  - o Selection of technology partner and commencement of portal development.
- **Year 2:**
  - o MSME awareness programs and capacity building initiatives.
  - o Launch of the e-commerce portal with an initial set of MSMEs and products.
- **Year 3:**
  - o Continuous monitoring, evaluation, and optimization of portal performance.
  - o Scaling up the portal to accommodate a larger number of MSMEs and product categories.

g. Evaluation Parameters

- Number of MSMEs onboarded and active on the e-commerce portal.
- Increase in online sales and revenue of MSMEs.
- Customer satisfaction and ratings on the e-commerce portal.
- Number of unique visitors and repeat customers on the portal.
- Growth in the overall value of products sold through the portal.
- Impact on the employment rate within the MSME sector

h. Timeline Chart

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Project initiation, PMU Hiring and stakeholder engagement	▓							
Selection of technology partner and commencement of portal development		▓	▓					
Launch of the e-commerce portal with an initial set of MSMEs and products				▓				

Activities	Year 1		Year 2		Year 3		Year 4	
	H1	H2	H3	H4	H5	H6	H7	H8
Continuous monitoring, evaluation, and optimization of portal performance					▓	▓	▓	▓
Scaling up the Portal						▓	▓	▓
Capacity Building Programs		▓	▓	▓	▓	▓	▓	▓
Awareness Programs		▓	▓	▓	▓	▓	▓	▓

Table 52: Timeline of Intervention 9

i. Budget

Cost Heads	Year 1	Year 2	Year 3	Year 4	Total
	(in INR Crore)				
PMU (Three Member Team @2.5 lakh per month for Year 1, Year 2 and Year 3)	1	1.15	1.3	1.5	**5**
Technology Platform	1.5	1.5	1.5	1.5	**6.00**
Capacity Building for Government Officials	.02	.02	.02	.02	**0.08**
Awareness programs (12 program per year, 4 lakh per program)	.48	.48	.48	.48	**1.92**
Contingency Fund (Considering the Scalability Aspect)	**5.00**				
Total	**18**				
Contribution from State Government (@25% of the total budget: including policy and scheme supports)	**4.5**				
Support sought under RAMP from Central Government	**13.5**				

Table 53: Budget for Intervention 9

j. State Departments to be involved for successful implementation

- MSME Department
- Industries Department
- Department of IT & Electronics

4.10 MAPPING OF INTERVENTIONS UNDER RAMP AND THE CURRENT STATE INITIATIVES OF ODISHA

Here is a mapping of the interventions to the respective initiatives and their categorization in terms of short term, medium term, and long-term implementation:

1. **Business Development Service Providers (BDSPs):**
   - *State initiative to be utilized: Odisha MSME Development Policy 2022*
   - *Central Government Scheme: PM Formalization of Micro Food Processing Enterprises Scheme, Technology Upgradation Scheme,*
   - *Implementation: Short term (0-1 year)*
2. **Restructuring Entrepreneurship Development Programme (EDP):**
   - *State initiative to be utilized: Odisha MSME Development Policy 2022*
   - *Central Government Scheme: Prime Minister Employment Generation Program*
   - *Implementation: Medium term (2 -3 years)*
3. **MSE Vendor Development Program:**
   - *State initiative to be utilized: Odisha MSME Development Policy 2022*
   - *Implementation: Medium term (2-3 years)*
4. **Accelerating MSME Adoption of ONDC Programme:**
   - *State initiative to be utilized: Odisha MSME Development Policy 2022*
   - *Central Government Scheme: Technology Upgradation Scheme*
   - *Implementation: Medium term (2-3 years)*
5. **Alternative Finance Platform:**
   - *State initiative to be utilized: Odisha MSME Development Policy 2022*
   - *Central Government Scheme: Emergency Credit Linked Guarantee Scheme*
   - *Implementation: Medium term (2-3 years)*
6. **Enabling Bill Discounting in Public Procurement:**
   - *State initiative to be utilized: Odisha MSME Development Policy 2022*
   - *Central Government Scheme: Credit Linked Scheme*
   - *Implementation: Medium term (2-3 years)*
7. **Providing Legal Support to MSMEs:**
   - *Policy: Odisha MSME Development Policy 2022*
   - *Central Government MSEFC and MSME Development Act, 2006*
   - *Implementation: Short term (0-1 year)*
8. **Streamlining Geographical Indicator (GI) Tags:**
   - *Policy: Odisha Export Policy 2022*
   - *Implementation: Medium Term (2 - 3 years)*
9. **E-commerce platform for MSME:**

- *Policy: Odisha IT Policy 2022*
- *Central Government Scheme: Technology Upgradation Scheme*
- *Implementation: Medium term (2 - 3 years)*

The categorization of short term, medium term, and long-term implementation is based on a current understanding of the time required for planning, execution, and impact assessment of the respective interventions. The specific timeline for each intervention's implementation may vary based on various implementation factors.

4.11 SPIU BUDGET BREAKUP

The following table highlights the cost breakup of the State Programme Implementation Unit (SPIU):

Sl. No.	Designation	Indicative Man Months	Rates (INR)	Total (INR)
1	State Lead Project Manager	60	385,875	23,152,500
2	Financial & Banking Manager	60	385,875	23,152,500
3	Enterprise Development Manager	60	385,875	23,152,500
4	MIS Specialist	60	330,750	19,845,000
5	M&E Manager	60	330,750	19,845,000
6	Procurement Specialist	60	330,750	19,845,000
7	Financial Management Specialist	60	330,750	19,845,000
8	Environmental Specialist	36	330,750	11,907,000
9	Social Specialist	36	330,750	11,907,000
TOTAL				**172,651,500**

Table 54: SPIU Budget breakup

4.12 BUDGET BREAKUP OF PROPOSED INTERVENTIONS AND SPIU

The following table provides a budget breakup[134] of the proposed interventions (4.1 to 4.9) and the cost of the State Programme Implementation Unit:

Sl. No.	Name of the Intervention	Total Budget (INR Crore)	Proposed sources of fund (INR Crore)		
			Contribution from State Government @ 25% of the total budget: including policy and scheme supports	Support sought from Central Government under National schemes	RAMP Budget
1	Business Development Service Providers (BDSPs) to support Micro and Small Entrepreneurs (MSEs) in Odisha	47.62	11.91	0.23	35.48
2	Entrepreneurship Development Programme (EDP) & Capacity Building of officials of line departments for pre-establishment approvals	47.78	11.94	25.88	9.96
3	MSE Vendor Development Program	26.16	6.54	3.5	16.12
4	Accelerating MSME Adoption of ONDC Programme	17.29	4.3225		12.9675
5	Alternative Finance Platform	16.66	4.16		12.5
6	Enabling bill discounting in Public Procurement in Odisha	15	3.75		11.25
7	Providing legal support to MSMEs with support of MSEFC, through lawyers empaneled and financed by the MSME Department, Government of Odisha	14.51	3.63		10.88
8	Streamlining Geographical Indicator (GI) tag	11.92	2.98		8.94
9	Exclusive e-commerce portal for Odisha specific products	18	4.5		13.5

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[134] Detailed budget breakup of each intervention provided in sections 4.1 to 4.9

Sl. No.	Name of the Intervention	Total Budget (INR Crore)	Proposed sources of fund (INR Crore)		
			Contribution from State Government @ 25% of the total budget: including policy and scheme supports	Support sought from Central Government under National schemes	RAMP Budget
	State Programme Implementation Unit Cost	17.26	4.315		12.945
	Total Budget	232.21	58.0475	29.61	144.5425

Table 55: Budget breakup of 9 interventions and SPIU

CHAPTER 5: OUTREACH AND PARTNERSHIPS

5.1 Key Considerations

- There is a need to periodically gauge the interest and commitment from the target stakeholders for the programme over the entire duration, which will help identify actions that can help sustain momentum and participation from these stakeholders, which would otherwise have a negative impact in terms of achieving the necessary results and objectives envisaged for the programme.
- Given the number 5.1 of planned interventions and the stringent timelines, there is a need to ensure timely review and approval of the programme outputs which would require engagement with the key officials responsible for providing these approvals. This is critical for the implementation progress of the programme, which will help move from the design of various interventions to the implementation phase.
- Building partnerships through collaboration on reforms implementation is one of the strategic objectives of the programme. To achieve this, effective stakeholder engagement is critical to foster a constructive collaboration between these agencies. This requires a clearly defined strategy to build and sustain interest in such collaborations which will have to be supported by State RAMP programme committee.
- Effective stakeholder engagement is also crucial to mitigate several of the identified risks that the programme may face during the implementation phase, where identifying and engaging with the right stakeholders is critical to navigate and mitigate these risks, particularly with respect to counterpart support and engagement, approval of deliverables, and other risks.
- Given that there are several ongoing Central and State Government endorsed and supported MSME ecosystem development initiatives there is also a need for effective stakeholder engagement to ensure that no conflicting or overlapping activities are undertaken

5.2 Outreach lifecycle

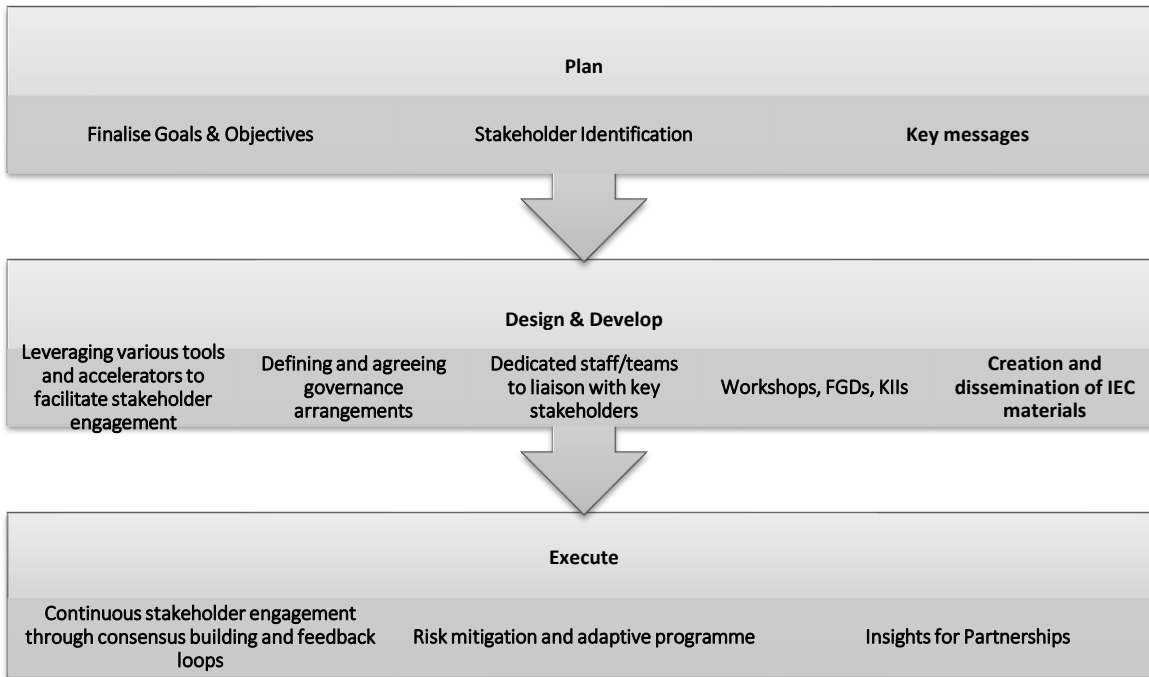The following figure depicts the outreach lifecycle:

Figure 8: Outreach Lifecycle

5.3 Stakeholder engagement and Programme Governance

The scale and size of the project warrants multi-level stakeholder engagement and governance as listed below:
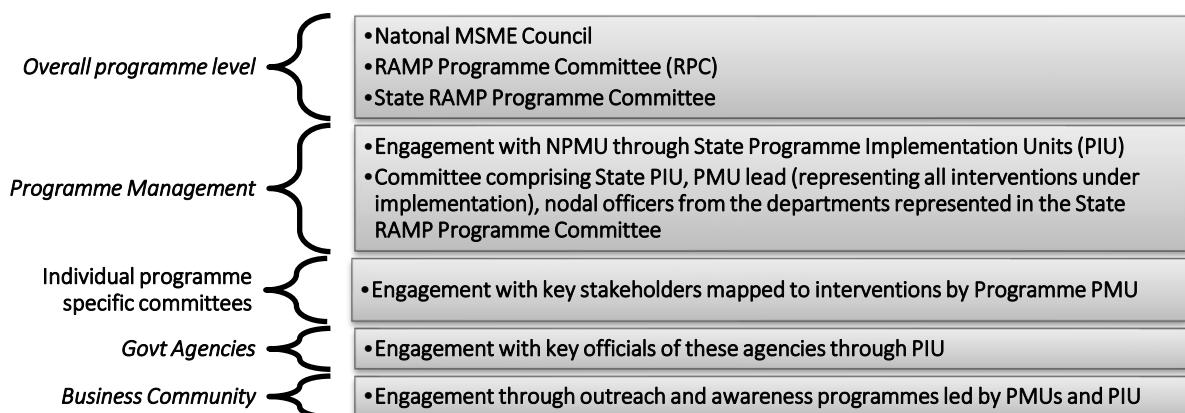

Figure 9: Stakeholder engagement and Programme Governance

5.4 Programme outreach strategy

A multipronged approach focused on the following objectives:

- Establish a comprehensive, well-organized communication plan for the project members and other stakeholders
- Define online and offline modes of communication to create awareness
- Utilize suitable modes of communication to communicate changes, initiatives, progress, etc.
- Conduct scheme (ZED, LEAN, Procurement & Marketing Scheme, CGTMSE, specific awareness programmes and capacity building programmes
- Platform specific awareness and capacity building (SAMADHAN, TREDs, ONDC, Alternate Finance platform (proposed to be developed in Odisha under the RAMP programme)
- Focused group discussions in collaboration with Anchor buyers and Industry Associations for Vendor development programme
- Outreach campaigns to identify and onboard technical and business service providers
- Outreach campaigns at District level in collaboration with Industry Associations, RIC and DIC to identify and mobilize MSMEs for all programmes proposed under RAMP

5.5 Outreach strategy: Key Principles

The following figure depicts the various principles of outreach strategy

Figure 10: Outreach Strategy

5.6 Key Partnerships targeted during the Implementation phase

- Partnerships with Financial institutions, NBFCs and Alternate financial service providers
- Partnerships with Anchor buyers (Large Industries, Central and State PSEs)
- Partnerships with Industrial Associations, Government Departments and agencies to identify and mobilize MSMEs with a special focus on women-led / women owned enterprises
- Partnerships facilitated between Industry Associations, Government Agencies and Service providers to ensure sustainability of interventions

CHAPTER 6: STRENGTHENING CAPACITY FOR DEVELOPMENT AND DELIVERY OF MSME SUPPORT PROGRAM IN THE STATE

6.1 Strengthening State Portals and Integration with National Portal

Strengthening State portals for MSMEs and integrating them with the National portal is a critical step towards creating a robust ecosystem for the growth and development of micro, small, and medium enterprises (MSMEs) in Odisha.

To strengthen the State portals for MSMEs, here are some key steps that will be taken

- Digitizing of services: The Department of MSME is constantly trying to identify more G2B services which can be digitized for the ease of access to information for the beneficiaries. Currently, there are SWS portals like GoSwift and AIM functional within the State which are serving the purpose of online registrations for over 34 G2B services.
- Integrating the State portals with the national portal: This can be achieved by accessing National Schemes: The integration will also enable MSMEs in Odisha to access national schemes and programs, which can provide additional support for their growth and development.
- Streamlining the Registration Process: The State is currently taking measures to align the State SWS portals with the National SWS platform for ease of integration. The State is currently mapping the intermediary processes to simplify the registration process for MSMEs in a bid to encourage more businesses to register with the portal. This will be achieved by creating a user-friendly interface and providing step-by-step guidance, and registration toolkits on how to complete the registration process.
- Providing Business Support Services: The State is offering a range of business support services such as access to finance, marketing support, and technical assistance that can help MSMEs to grow and thrive. These services are being provided by partnering with local business organizations, industry associations, and financial institutions. The proposal for a Business Development Service Portal is also being taken into consideration.
- Creation of a Knowledge Hub: MSMEs require access to relevant information, research, and data to make informed business decisions. The State is considering the Creation of a knowledge hub within the portal that provides access to relevant information such as entrepreneurs' toolkits, and registration toolkits that can be a valuable resource for MSMEs.
- Developing a Feedback Mechanism: A feedback mechanism within the portal will be created to enable MSMEs to provide feedback on their experience with the portal. This feedback can be used to improve the portal's functionality and service delivery.

6.2 Strengthening M&E Framework for MSME Support

Monitoring and Evaluation (M&E) framework for MSME support is designed to provide valuable information on the progress, impact, and sustainability of the program, and help make necessary

adjustments to ensure its success. The following steps are proposed to strengthen the M&E framework for MSME support in Odisha:

- Setting clear goals and indicators: The first step in creating a strong M&E framework for MSME support was to set clear goals and indicators. This involved identifying the program objectives to achieve, the specific outcomes, and key performance indicators that will be measured to determine success.

- Establishment of a baseline: Before the implementation of each intervention, a baseline will be established for the key indicators. This will be a benchmark against which progress can be measured throughout the program's implementation. Baseline data will be used to assess the effectiveness of the program and identify areas that need improvement.

- Appropriate data collection methods: Using appropriate data collection methods that are suited to the program's goals and indicators. This will include surveys, interviews, focus groups, and case studies. Measures will be taken to ensure that data collection methods are reliable and valid, and that the data collected is accurate and complete.

- Developing a robust monitoring plan: Developing a monitoring plan that will outline the specific activities that will be undertaken to monitor the program's progress. This will include who will be responsible for each activity, the frequency of monitoring, and the tools and methods that will be used.

- Conducting regular evaluations: Conducting regular evaluations of the program's performance to assess its impact and sustainability. Evaluations will be conducted at different stages of the program's implementation and can involve different stakeholders, including program beneficiaries, program staff, and external evaluators.

- Transparency and accountability: To ensure transparency and accountability in the M&E process information will be shared on the program's progress with all stakeholders, and necessary adjustments will be made to the program's design and implementation.

- Interdepartmental Coordination in a phased manner: The Department of MSME will be the Nodal Agency for the implementation of the Program. The Department will be responsible for Interdepartmental Coordination under the RAMP State level committee.

6.3 Environmental and Social Management (ESM) for MSME support

The Department of MSME will be conducting an assessment to determine the implementation of Environmental and Social Management measures in the MSME ecosystem:

- Developing an ESM Guideline: Based on the assessment, the Department of MSME will handhold the MSMEs to develop an ESM guideline that outlines their commitments, objectives, and targets for managing environmental and social impacts. The guidelines will be communicated to all employees, suppliers, and stakeholders.

- Training Employees: As per the guidelines, Government officials will be trained on ESM practices, including waste reduction, energy efficiency, and responsible resource use. This will be done through workshops, training sessions, and regular communication. The officials will

further be responsible for generating awareness on ESM for MSME units to implement best practices.

- ○ Implementing Waste Management Practices: MSMEs will be made aware of implementing waste management practices such as segregation, recycling, and safe disposal of hazardous waste. They can partner with local authorities or third-party service providers to ensure proper waste management.
- ○ Adopting Energy Efficiency Measures: MSMEs will be encouraged to adopt energy-efficient measures such as the use of renewable energy, optimizing lighting, and HVAC systems. This can help reduce energy consumption and save costs.
- ○ Monitoring and Reporting: MSMEs will be trained to monitor their environmental and social performance regularly and report on their progress. This will be done through sustainability reports, which can help build transparency and trust with stakeholders.
- ● Engaging with Local Communities: MSMEs will be encouraged to engage with local communities and stakeholders to understand their concerns and interests. This will help build positive relationships and reduce the risk of negative impacts.

6.4 Strengthening Coordination on MSME Agenda in the State

Micro, Small, and Medium Enterprises (MSMEs) are critical for the economic growth of Odisha, as well as for job creation, income generation, and poverty reduction. However, these businesses face numerous challenges such as lack of access to finance, inadequate infrastructure, and limited market linkages. Therefore, strengthening coordination on the MSME agenda in Odisha is crucial to address these challenges and promote the growth and development of the sector. Here are some ways in which coordination on the MSME agenda can be strengthened in Odisha:

- ● Collaboration among stakeholders: The RAMP Committee at the State level will promote collaboration among various stakeholders, including the government, industry associations, financial institutions, and academia. This collaboration will facilitate the sharing 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 coherence and avoid duplication of efforts. A well-coordinated policy framework can help create an enabling environment for MSMEs to thrive.
- ● Convergence of State Schemes in line with Central Policy: As part of the interventions under RAMP, the Department has been focused on aligning the State-level schemes and policy incentives in line with the Central Government schemes to ensure maximum benefits for the MSMEs. The State Project Implementation Unit (SPIU) for the implementation of the RAMP scheme in the State will be responsible for carrying out awareness campaigns and capacity-building initiatives for all stakeholders including Govt Agencies, Industry Associations and MSMEs.

6.5 Capacity Building of Key players to deliver on the MSME agenda, including coordination mechanisms

Capacity building is an essential component of any development program or scheme, including the RAMP scheme in Odisha. It is critical to equip key players with the necessary knowledge, skills, and resources to effectively deliver on the MSME agenda and coordinate mechanisms to ensure the success of the scheme. As part of the SIP under RAMP, the Department of MSME has approved the blueprint of 9 interventions to address the major challenges faced by MSMEs in the State. To enhance capacity of key Government and other support agencies to implement MSME support Program as reflected in the SIP and on MSME grievance redressal. Here are some possible steps that can be taken for capacity building.

- Conducting Gaps Assessment: The Department has engaged Xavier Institute of Management, Bhubaneswar (XIMB) to conduct a gaps assessment to understand the current available human resources and identify vacancies across the administration. The Department of MSME is committed to filling the identified vacancies to ensure smooth functioning.

- Procurement of Contractual Management Staff and other Technical Staff: The Department of MSME is currently engaging Management Staff and Technical Staff in a Project Management Unit (PMU) setup to ensure that each functionary has access to expert level advice regarding various programs and schemes. There are currently 3 consulting firms engaged with Department of MSME to offer technical assistance regarding various projects. The Department has also engaged Implementing Agencies and other Institutions to ensure that on field implementability of each project.

- Conducting Needs Assessment: The Department is focused towards designing a capacity building program, to understand the current knowledge and skills gaps among the key players, including government officials, industry associations, and MSME entrepreneurs. The Department of MSME has engaged with XIMB to conduct a Training Needs Assessment to identify the specific areas where capacity building is required.

- Developing a capacity building plan: Based on the needs assessment report of XIMB, a detailed capacity building plan will be developed. The plan will include training programs, workshops, seminars, and mentoring opportunities for the key players. The plan will also specify the timeline, resources required, and expected outcomes of each training intervention.

- Establishment of coordination mechanisms: Capacity building will also focus on strengthening coordination mechanisms to ensure that all key players are aligned and working towards a common goal.

- Implementation and Monitoring of Environmental and Social Management Strategy: The Department of MSME, Odisha has approved interventions to promote Resource Efficiency and Circular Production (RECP) and green investments in the MSME sector. The Department has taken measures to ensure procedures and clearances required for environmental protection are well defined and existing legislation are targeted to mitigate possible adverse impacts on natural habitats, archaeological sites and cultural resources. The existing MoMSME due diligence

mechanisms will be further strengthened by introducing a strategy to "Strengthen Environmental and Social Management".

ANNEXURE 1

Current Assessment of MSEFCs in Odisha

There are 2 MSEFCs present in Odisha

- MSEFC, Directorate of Industries, Cuttack
- MSEFC, Rourkela

Major buyers and PSUs on whom cases have been levied by MSEs

- Indian Oil Corporation Limited (IOCL)
- Mecon Steel
- Odisha Construction Corporation Limited (OCCL)
- National Buildings Construction Corporation Limited (NBCCL)
- Reliance Retail Limited
- Jindal Steel
- BSNL
- Maithan Steel
- Odisha Power Generation Corporation (OPGC)
- State Civil Supply Corporation Limited (SCSC)

The Facilitation Council oversees the conciliation and arbitration process, The Council consists of 5 members

- Director of Industries (Chairman)
- Additional Director of Industries (MSEFC Secretary)
- Managing Director, Odisha Small Industries Corporation (OSIC) (Member)
- General Manager, State Level Bankers Committee (SLBC) (Member)
- President, Orissa Small Scale Industries Association (OSSIA) (Member)

The Council may consist of additional staff such as supporting officers, and clerical staff.

If there is a discrepancy in the number of cases filed on the Samadhaan portal and to the MSEFCs. This is because the MSEFCs have specific eligibility criteria for cases to be heard by them. For example, cases that fall under the purview of other authorities such as consumer courts or civil courts may not be eligible for consideration by the MSEFCs. Hence, even if a case is filed on the Samadhaan Portal, it may not be referred to the MSEFCs if it does not meet their eligibility criteria. The Samadhaan Portal encourages parties to first try and resolve their disputes through mediation, before filing a case with the MSEFCs. Hence, some of the cases filed on the portal may be resolved through mediation, without needing the matter to be referred to the MSEFCs.

Process of filing the cases

- Online: Through the Samadhaan portal: Filing a case through the Samadhaan Portal involves creating an account, providing details about your enterprise and the complaint, uploading relevant documents such as invoices, contracts, or correspondence related to the complaint, and submitting the complaint for review
- Offline: The offline process to file a case with the MSEFC involves identifying the appropriate MSEFC that has jurisdiction over the MSMEs in that location, preparing the

application as per the prescribed format, submitting it with other relevant documents such as invoices, attending the hearing (by the MSEFCs), and working towards a resolution.

- Cases filed in last 2 years (till 06-04-2023) via
    - Offline - 0 (due to Covid)
    - Cases filed on Samadhaan Portal- 174
    - Cases filed at MSEFC-125
- Documents needed to file a dispute case
    - Form 1
    - Udyam registration certificate
    - Claim petition document
    - Interest rate sheet
    - Supplier purchase order
    - Agreement copy
- Conciliation
    - Only MSEFCs facilitate the conciliation process. There is no Third-Party Institution providing conciliation
    - Mediators: Lawyers and Legal Practitioners
    - No capacity-building initiatives for mediators because the Government has limited control over it
    - People involved- Lawyers appointed by both parties. The Facilitation Council
    - Average cost per case under conciliation – Varies from case to case as MSEFCs do not overlook the payment settlements of the lawyers and the parties so the cost differs from case to case
    - Average time span for a case to get settled (90 days is the official settlement period)- Cases get resolved in similar time frame in Odisha
    - Cases addressed by Conciliation in the last 2 years:

Year	Applications filed on Samadhaan Portal	Applications rejected by the portal	Applications resolved through mutual settlements by the portal	Applications that are ready to be filed to MSEFCs	Applications filed to MSEFC (Cases filed)	Cases resolved via conciliation through MSEFC
2021	152	6	37	109	94	0
2022	172	1	40	131	73	0

Table: Cases resolved via Conciliation

- Arbitration
    - The average number of people involved in an arbitration case is approximately 10 (including the lawyers)
    - Average cost per case under conciliation – Varies from case to case as MSEFCs do not overlook the payment settlements of the lawyers and the parties so the cost differs from case to case.

- The average time span for a case to get settled (90 days is the official settlement period)- is 120-150 days (On an average 4-5 hearings per case and 1 hearing per month).
- If any concerned parties are unhappy with the arbitration results, they can move to upper courts such as District Court, or High Court to plead their case.

Status of Cases filed to MSEFC in the past 10 years:

Information of MSE Facilitation Council (MSEFC) as on 06.04.2023

S.l No.		No.of Filed dispute cases	Award	Mutually settled	Rejected	Withdrawn	dropped	Dismissed	Total Cases disposed off	Stay in High Court	Pending cases	No s of dispute cases in Govt	PSU
1	2014	37	27	02	01	04	02	-	36	-	01	3	5
2	2015	25	17	02	-	05	01	-	25	-	-	3	1
3	2016	29	16	01	01	03	-	04	25	-	04	10	3
4	2017	48	37	01	01	05	-	03	47	-	01	12	7
5	2018	43	27	01	-	06	-	05	39	01	03	13	2
6	2019	86	35	-	-	06	13	-	54	01	32	10	4(Large Scale Industry-6nos)
7	2020	34	05	-	-	05	-	-	10	01	23	1	2
8	2021	94	03	-	-	01	01	-	05	03	86	4	3(Large Scale of Industry-1nos)
9	2022	73	02	-	-	-		-	-	-	71	26	8
10	2023	07	-	-	-	-	-	-	-	-	07	-	1
		476	169	07	03	35	17	12	241	06	228	82	37

Table: Status of Cases filed with MSEFC

- **Description of Column Headers**
  - Filed during the Year: The number of cases that are filed to the respective MSEFCs in a year.
  - Awarded: These are the cases that are given a resolution via arbitration. These are the cases that have failed to get resolved by the conciliation process and then the Council follows the arbitration process and thereafter gives judgment on the case following the arbitration process.
  - Mutually settled: These are the cases that are resolved via conciliation.
  - Rejected: These are the cases that are rejected by the MSEFC primarily because of a lack of supporting documents, cooperation from the parties, fraud cases, and some similar cases.
  - Withdrawn: These are the cases which are withdrawn/ taken back from the MSEFC. The primary reason is an internal settlement between both parties. In this case the parties must give in writing their consent to withdraw the case.
  - Dropped: These are some of the cases where after repeated notice from the concerned authorities, both/one of the parties fail to provide the necessary requirements within

the given time frame. After repeated delays and failures in responding to the notices, the MSEFC may decide to drop the case.

- o Dismissed: These are cases similar to rejected where due to lack of supporting documents or if any other requirement is not met then the case can be dismissed by the MSEFC.
- o Closed- Cases that are entirely settled come under this category.
- o Total disposed of- It is the total number of cases that are disposed of in a year that do not go to the High Court or District Courts for further action
- o Stay in High Court- These are the cases that are unable to be settled by the MSEFCs and both/one of the parties then challenges the case in upper courts.
- o Total Pending Cases- These are the cases on which no final resolution has been done yet in that year.
- Most of the cases passed by the MSEFCs are in favour of the MSEs
- The approximate percentage of cases depositing 75% of the award money at the Court is not able to be determined as once the case is awarded, the MSEFC does not have any involvement thereafter