Strategic Investment Plan for the UT of Puducherry under RAMP Programme

September 2024

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List of Abbreviations

Abbreviations	Full Form
ACP	Annual Credit Plan
BSE	Bombay Stock Exchange
CAGR	Compound Annual Growth Rate
CCT	Cargo Container Terminal
CD	Credit Deposit
CFC	Common Facility Centre
CGTMSE	Credit Guarantee Fund Trust for Micro and Small Enterprises
CHAMPION	Creation and Harmonious Application of Modern Processes for Increasing the Output and National Strength
CSS	Centrally Sponsored Schemes
CapEx	Capital Expenditure
DBT	Direct Benefit Transfer
DDU-GKY	Deen Dayal Upadhyaya Grameen Kaushalya Yojana
DIC	District Industries Centre
DRDA	District Rural Development Agency
ECBP	Entrepreneurship and Capacity Building Programme
EDP	Entrepreneurship Development Programme
EODB	Ease of Doing Business
EPI	Export Preparedness Index
FPO	Farmer Producer Organizations
GOI	Government of India
GSDP	Gross State Domestic Product
GSVA	Gross State Value Added
GeM	Government e-Marketplace
HT	High Tension
IATA	International Air Transport Association

Abbreviations	Full Form
ICAO	International Civil Aviation Organization
ICD	Integrated Cluster Development
ICT	Information and Communication Technology
IPO	Initial Public Offering
IT/ITES	Information Technology/Information Technology Enabled Services
ITI	Industrial Training Institute
ITP	Institutional Trading Platform
KPPL	Karaikal Port Private Limited
KVIB	Khadi and Village Industries Board
KVIC	Khadi and Village Industries Commission
LEAN	Lean Manufacturing Competitiveness Scheme
LT	Low Tension
M&E	Monitoring and Evaluation
MCRRP	MSME Competitiveness Programme - Post-COVID Resilience and Recovery Programme
MSE	Micro and Small Enterprises
MSE-CDP	Micro and Small Enterprises Cluster Development Programme
MSEFC	Micro and Small Enterprises Facilitation Council
MSME	Micro, Small and Medium Enterprises
MSMED	Micro, Small and Medium Enterprises Development
MU	Million Units
MW	Megawatt
MoMSME	Ministry of Micro, Small and Medium Enterprises
MoRD	Ministry of Rural Development
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non-Banking Financial Companies
NCVT	National Council for Vocational Training

Abbreviations	Full Form
NEET	National Eligibility cum Entrance Test
NEFT	National Electronic Funds Transfer
NIC	National Industrial Classification
NITI	National Institution for Transforming India
NSDC	National Skill Development Corporation
NSDP	Net State Domestic Product
OBC	Other Backward Class
ONDC	Open Network for Digital Commerce
OpEx	Operational Expenditure
PAJANCOA	Pandit Jawaharlal Nehru College of Agriculture
PIPDIC	Pondicherry Industrial Promotion Development and Investment Corporation
PLF	Plant Load Factor
PMEGP	Prime Minister's Employment Generation Programme
PMKVY	Pradhan Mantri Kaushal Vikas Yojana
PMPC	Prime Minister's Employment Generation Programme
PPO	Project Management Professional
PPP	Public-Private Partnership
PSDS	Public Sector Data Security
QCI	Quality Council of India
RAMP	Raising and Accelerating MSME Performance
RBI	Reserve Bank of India
REAP	Renewable Energy Agency Puducherry
Rs. Cr.	Rupees Crore
SC	Scheduled Caste
SCVT	State Council for Vocational Training
SFURTI	Scheme of Fund for Regeneration of Traditional Industries
SI-DCP	Scheme for Implementation of Development Commissioner for Handlooms

Abbreviations	Full Form
SIDBI	Small Industries Development Bank of India
SLBC	State Level Bankers' Committee
ST	Scheduled Tribe
SWS	Single Window System
TReDS	Trade Receivables Discounting System
UPI	Unified Payments Interface
USD	United States Dollar
UT	Union Territory
VCRC	Vector Control Research Centre
ZED	Zero Defect Zero Effect

Executive Summary

The Government of India (GoI) has undertaken multitude of initiatives to help transform MSMEs. In a similar direction, the Ministry of MSME (MoMSME) has launched the MSME Competitiveness Programme - Post-COVID Resilience and Recovery Programme (MCRRP), supported by the World Bank's Raising and Accelerating MSME Performance (RAMP) program, to assist MSMEs and solve their problems. RAMP aims to foster institutional support, expand market access, raise financing availability, bolster institutions and governance, and encourage environmentally friendly behaviour. One of the important components of RAMP identifies participating states to develop a comprehensive Strategic Investment Plan (SIP), which will serve as the blueprint for MSME transformation in State.

Approach and Methodology

The required MSME development strategy has been prepared based on the approach and methodology proposed in the execution plan comprising of four phases: Identify, Diagnose, Design and Deliver. The approach taken is characterized by its comprehensive, multifaceted, and systematic nature. This approach integrates secondary research and initial stakeholder consultations, creating a strong and reliable foundation for the study. It enables the team to gather pertinent information and establish a clear direction for subsequent activities. Here are the steps undertaken as part of the strategy for summarizing the research in the preparation of the SIP, based on empirical evidence, case studies, and use cases:

▶ **Comprehensive Information Gathering:** The process commences with a comprehensive information-gathering phase. The team conducts an extensive review of existing literature, reports, and data sources related to the subject matter. This serves as the backbone of the research, providing a solid grounding in the relevant context and insights.

▶ **Surveys:** The process commenced with a comprehensive information-gathering phase. Surveys were carried out of enterprises using survey questionnaire.

▶ **Visits to Industrial Estates/Areas:** The team visited the Industrial estates, interacted with the units established in the estate and with the Industrial area association members. This provided the team with first-hand information of the existing scenario about Common Facility Centres (CFCs) and existing linkages among the stakeholders in addition to the challenges faced by them.

▶ **Sectors:** The major sectors in the state, inclusive of the traditional, mature as well as sunrise sectors have been studied.

▶ **Initial Stakeholder Consultations:** In addition to secondary research, the team engaged in preliminary consultations with key stakeholders. These consultations allowed for the collection of first-hand insights, perspectives, and priorities from individuals and entities directly involved or impacted by the subject of the SIP. The stakeholder consultations involved:

   ▶ Industry Associations – Mettupalyam Industries Association, Pondicherry Industries Association, Puducherry Wooden Furniture Manufacturers Consortium, All Plastic Manufacturers and Traders Association, Laghu Udyog Bharti, Puducherry Chamber of Industries, Sedurapet Industries Association, Kattukuppam Industrial Estate

   ▶ TReDS Platforms – M1xchange, Invoicemart and RXIL

   ▶ FIs – Banks like Indian bank, SBI, Union Bank and Central bank of India

   ▶ Govt. Departments/ organisations –. Puducherry Tourism Development Corporation, The Lead Bank- Indian Bank, SIDBI, Puducherry MSME Technology Center, MSME-DI, Puducherry Skill Development Society, Pollution Board

- Empirical Evidence Integration: The study relies on empirical evidence gathered through systematic data collection and analysis. This empirical foundation ensures that the SIP is grounded in real-world observations and can effectively address practical challenges.

- Use Cases: Use cases are examined to understand how specific solutions or approaches have been applied in practical scenarios. This approach aids in identifying adaptable models and strategies that can be incorporated into the SIP.

- Diagnostic Study Analysis
    a. Survey Analysis
    b. FGD Analysis
    c. One to one Stakeholder Meeting Analysis

- Recommendations and Action Steps: The final step involves formulating recommendations and action steps that flow logically from the research and strategic direction. These recommendations serve as a roadmap for implementing the SIP effectively.

Snapshot of Major Interventions proposed.

1. BRAND BUILDING/VENDOR DEVELOPMENT PROGRAMMES/BUYER SELLER MEETS

PROBLEM STATEMENT

MSMEs in Puducherry are struggling to expand and attract a wider customer base due to limited interaction with larger companies, hindering their exposure to new trends and growth opportunities. High costs and logistical challenges deter them from participating in events that could connect them with potential buyers and markets. Sectors like food, marine, electronics, plastics, pharma, tourism, renewable energy, automotive, food processing, crafts, and tech particularly need partnerships with major players for innovation and increased sales, but face barriers to joining relevant programs. These MSMEs often lack experience in marketing and negotiating, further limiting their ability to present their offerings effectively. Additionally, many stick to local sales, missing out on national or international markets, which is a significant loss for those with broader appeal, such as in tourism or specialized manufacturing. Facilitating easier access to development programs and support is crucial for these MSMEs to grow and tap into new customer segments.

PROPOSED INTERVENTIONS

- **Project 1:** Develop a "Make in Puducherry" Brand: The project seeks to build a distinctive brand for Puducherry, highlighting its local industries and products to improve its image and draw investments. The effort will center on crafting a cohesive brand that represents the UT's strengths and offerings.

- **Project 2:** The project proposes a diagnostic study to evaluate the current state of the Vendor Development Program across Puducherry's key sectors. The study aims to assess the uneven growth in these areas, identify potential for MSME expansion, and uncover gaps needing strategic support. This crucial analysis will inform the creation of tailored vendor programs to boost MSME competitiveness and foster sustainable economic progress in Puducherry, leveraging local expertise and data for impactful vendor ecosystem enhancements.

- **Project 3:** This project involves initiating Vendor Development Programs (VDP) and Reverse Buyer Seller Meetings (RBSM) to connect Puducherry's MSMEs with major buyers, including large

OUTCOME

A total of INR 5 Cr. would be spent on the "Make in Puducherry" Brand concept. With INR 50 Lakhs on brand building and logo design, INR 1.75 Cr. On collaboration with brand ambassadors, INR 1.75 Cr. On digital marketing campaigns, and the rest INR 1 Cr. On promotion, packaging, product labelling. The clinical study on vendor development programs in Puducherry, coupled with six VDP/RBSM events across four districts, is poised to make a notable difference. The study will impact around

corporations and government entities. The goal is to host events that showcase MSME capabilities and open up new sales opportunities. Leveraging existing networks and potential government support in Puducherry, this project is feasible and promises to help MSMEs expand, benefiting the local economy and employment landscape. The industries include Food & Marine Products, Electronic Manufacturing, Plastics, Pharma, Fisheries and Tourism.

1500 MSMEs by offering a clear view of the vendor landscape and pinpointing areas for enhancement. Additionally, the VDP/RBSM programs are set to provide around 1000 MSMEs with direct access to prospective buyers and partners, greatly boosting their market presence and chances for business expansion.

2. ENABLING E-COMMERCE

PROBLEM STATEMENT

In Puducherry, MSMEs struggle with multiple obstacles that hinder their e-commerce engagement. Predominantly selling locally, they grapple with product selection and marketing for online sales, particularly for international customers. High shipping costs deter expansion beyond local markets, making their products less competitive despite quality. Additionally, MSMEs are reluctant to incur expenses by attending major sales events or meetings outside their region. They also lack access to large buyers and have limited knowledge or usage of online platforms like ONDC and GeM. Furthermore, complexities in establishing secure online payments and navigating payment gateways pose challenges to their e-commerce adoption.

PROPOSED INTERVENTIONS

This initiative aims to boost e-commerce proficiency among Puducherry's small businesses through workshops and bootcamps. Participants will learn to navigate top e-commerce sites like Amazon and Flipkart, enhance their digital marketing skills, and improve online customer engagement. The project includes assistance in adapting product catalogues to meet platform-specific standards, helping businesses to extend their market reach nationally and internationally. Tailored to Puducherry's business environment, this program is set to elevate local MSMEs' online presence, fostering growth and competitiveness in the digital marketplace and contributing to the region's sustainable economic development.

OUTCOME

The project aims to impact MSMEs by enhancing their e-commerce capabilities through workshops and bootcamps, with a target to assist 500 MSMEs each year (INR 20,000 per MSME).
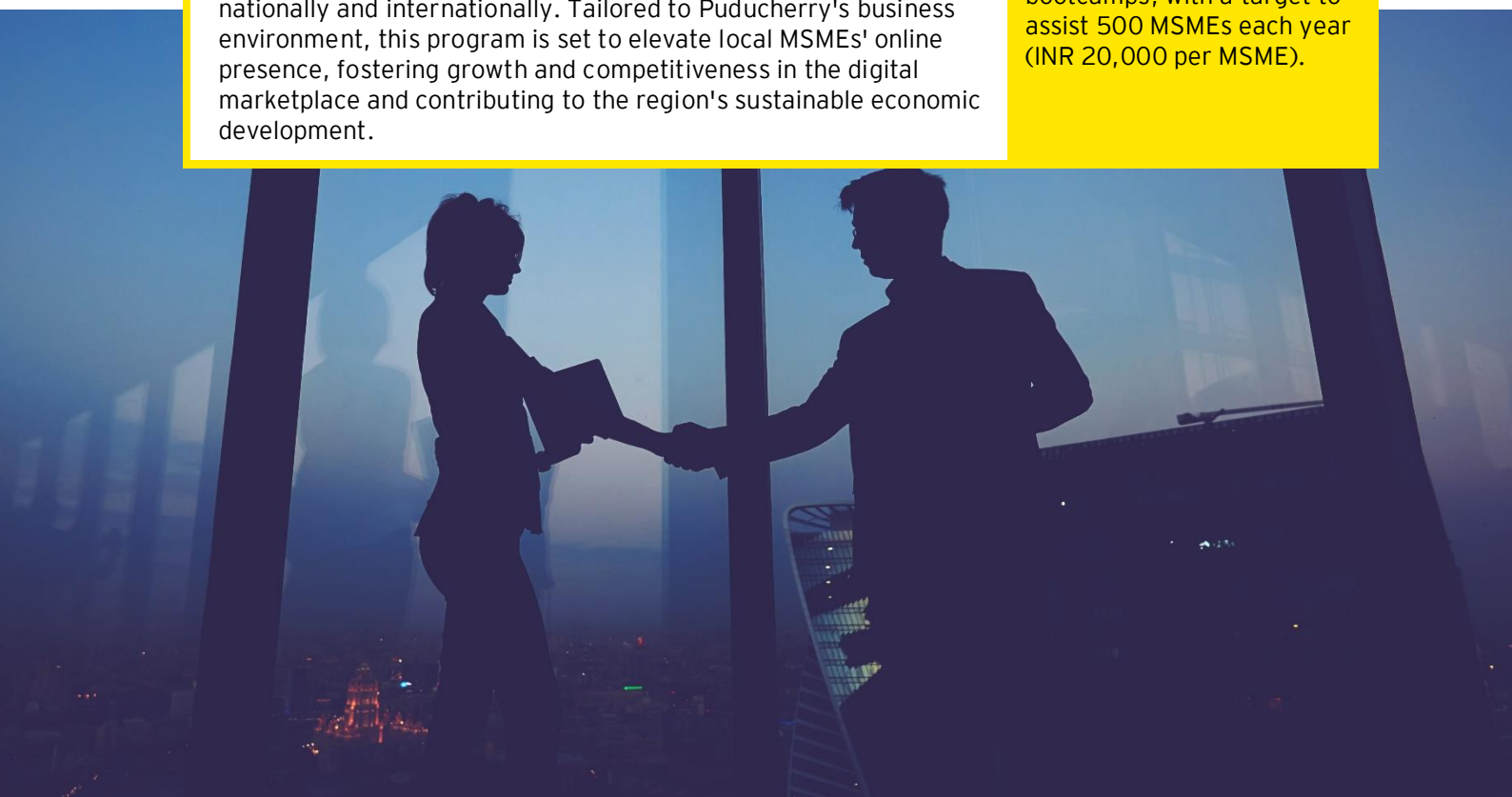
3. SCALING UP OF MICRO AND SMALL ENTERPRISES

PROBLEM STATEMENT

In Puducherry, 97% of registered businesses are micro enterprises, with few transitioning to small or medium size, indicating they're not fully leveraging economies of scale, technology, or capital investment. Scaling up is essential to lower per-unit costs and enhance competitiveness by offering better prices and products to customers.

PROPOSED INTERVENTIONS

To boost the MSME sector's contribution to the UT's GDP and promote entrepreneurship, it's crucial to scale up existing enterprises. The goal is to transform at least 50 micro and small enterprises in the UT into Champion enterprises. This will involve selecting promising businesses through a screening process, conducting need assessments, and creating detailed project reports (DPR) for scaling interventions. Technical experts will be enlisted to assist these MSMEs in overcoming scaling challenges, and financial linkages will be facilitated, preferably through the CGTMSE scheme.

Key scaling activities include:

▸ Sensitization workshops to inform enterprises about the project and mobilize interest, especially in sectors like Food Processing, Pharmaceuticals, Plastics, and Textiles, with an aim of 40 participants per workshop and 10 workshops across the UT.

▸ Preparation of 50 DPRs by state-approved experts, incorporating market analysis and sectoral insights.

▸ Empanelment of technical experts across various domains to provide quarterly consultations to MSMEs, with a need assessment conducted annually.

▸ The project portal will list empaneled experts, and MSME clinics will offer one-on-one consultations to support the implementation of scaling projects.

OUTCOME

The plan is to assist 50 selected micro and small enterprises in Puducherry to grow into small and medium-sized businesses respectively within 3years. Based on UDYAM data the MSMEs that are on the threshold from micro to small and small to medium will be invited to participate in these workshops. This growth is projected to lead to increased employment, stronger ties with technical institutions for R&D and technology, more quality certifications like ZED, and greater participation in CHAMPION schemes.

Upon investing INR 5 crore to nurture 50 MSMEs and ~10% of them evolve, that would result in a minimum revenue of over INR 500 crore, leading to a substantial return on investment.

4. EXPOSURE FOR MSMEs

PROBLEM STATEMENT

Most MSMEs are confined to local sales and are disconnected from online markets, lacking the means to identify and promote products for export or wider distribution. High transportation and freight costs make their quality products less competitive in other states. Additionally, MSMEs often skip trade fairs and meetings outside their region, seeing them as expenses rather than chances for business growth.

PROPOSED INTERVENTIONS

To broaden the horizons of local MSMEs and government officials, a plan to organize exposure visits to out-of-state expos is proposed for 100 MSMEs and 20 government representatives. The objective

OUTCOME

About 120 MSMEs shall be impacted and gain exposure through exposure visits and

is to grant these participants direct experience with the broader marketplace, opening doors to new opportunities and allowing them to observe and learn from the best practices on display at these national or international expos. These visits are intended to inspire innovation, foster networking, and potentially lead to collaborations that could enhance the competitiveness and operational strategies of Puducherry's MSMEs.

machinery fair participation. MSMEs are expected to embrace new and advanced technologies more readily.

5. ONBOARDING INCENTIVE FOR TREDS

PROBLEM STATEMENT

MSMEs in Puducherry face numerous hurdles in obtaining credit, including inadequate documentation, inconsistent cash flows, regulatory non-compliance, unstable business models, unclear business plans, limited market knowledge, and improper use of loans. Additionally, the onboarding fees for the Trade Receivables Discounting System (TReDS) are prohibitive, deterring budget conscious MSMEs from investing in this platform that could otherwise aid their growth and financial management.

PROPOSED INTERVENTIONS

To alleviate the financial barriers that Puducherry's MSMEs face with the Trade Receivables Discounting System (TReDS) platform, an incentive program could be introduced under the RAMP Scheme. This initiative would incentivise the onboarding costs for MSMEs, making TReDS more accessible and encouraging its adoption. By absorbing these initial charges, the intervention aims to help MSMEs leverage TReDS for improved cash flow and financial management, supporting their sustainable growth.
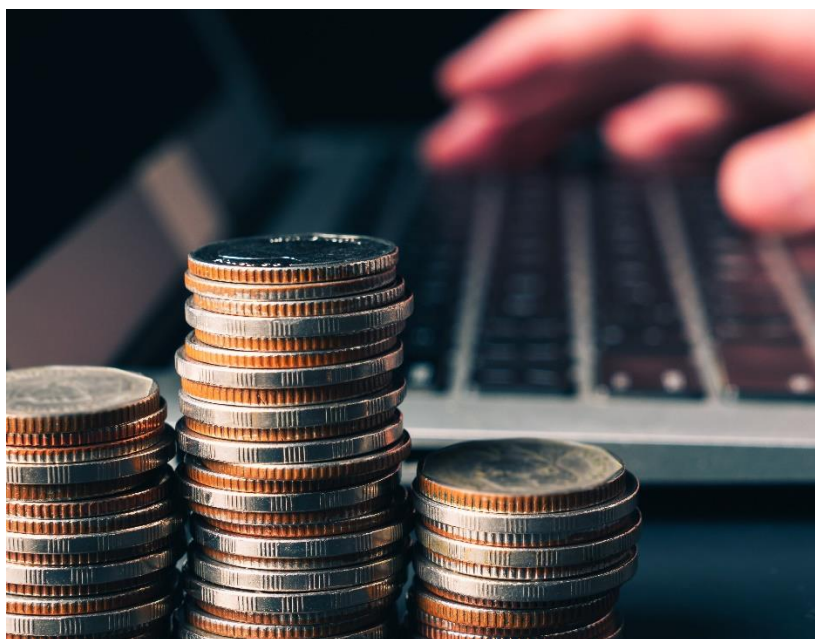
OUTCOME

The proposed project in Puducherry, offering a Rs. 5000 reimbursements for MSMEs' TReDS onboarding costs, is poised to make a significant impact:

▶ It removes the financial hurdle of onboarding fees, encouraging more MSMEs to use TReDS.

▶ The subsidy is expected to increase TReDS adoption, enhancing cash flow management and financial stability for MSMEs.

▶ Greater TReDS usage will improve MSMEs' access to formal credit sources.

With an estimated 1200 MSMEs benefiting over 3 years, this initiative could substantially boost the MSME sector's growth and financial practices in Puducherry.

6. TRAINING WORKSHOPS ON CGTMSE

PROBLEM STATEMENT

Loan applications are often rejected due to various issues like missing or incorrect documents, unstable income and poor business plans. It is important for entrepreneurs to understand the loan criteria. The main challenge is to improve finance access of MSMEs in Puducherry by addressing these issues highlighted during discussions with stakeholders.

PROPOSED INTERVENTIONS

Training Workshops on CGTMSE for capacity building of MSMES (focus will also be given on virtual sessions): The RAMP project proposes training workshops on CGTMSE to enhance MSME capacity, incorporating both in-person and virtual sessions for wider access. These capacity-building efforts aim to educate MSMEs on available financial schemes, equipping them with the necessary knowledge and skills to successfully navigate financial support systems and make informed decisions regarding their funding needs.

Note: These workshops will be a part on the composite workshops highlighted in Intervention titled 'Awareness Creation Workshops'

OUTCOME

Capacity Building Workshops on CGTMSE aim to educate 500 MSMEs about credit guarantee schemes, improving their ability to secure financial aid. The project is set to broadly benefit MSMEs by increasing their financial access, sustainability, and market competitiveness.

7. STRENGTHENING OF INDUSTRY GUIDANCE BUREAU

PROBLEM STATEMENT

The industrial sector in Puducherry faces high documentation costs, a lack of consolidated information, and an outdated industrial policy. To address these issues, a program to subsidize documentation costs, the development of a centralized information portal, and a comprehensive review and update of the industrial policy are proposed. Conducting a needs analysis will further identify specific gaps and guide the development of targeted interventions to support MSMEs.

PROPOSED INTERVENTIONS

- ▶ **Project 1:** The program aims to alleviate financial burdens by covering various application and documentation costs for 1,000 eligible MSMEs. Under this initiative, MSMEs will receive financial support up to a ceiling of INR 20,000 over three years to cover expenses related to obtaining licenses, permits, certifications, and other necessary documentation.

- ▶ **Project 2:** A comprehensive update exercise will be conducted through intensive interactions with MSMEs to gather critical information about the immediate landscape of MSMEs in the Union Territory, including emerging trends, challenges, and opportunities.

OUTCOME

For project 1: 1000 MSMEs would be impacted with a per unit cost of 20,000, leading to a total budget of INR 2.00Cr. Project 2 would cost INR 50 Lakhs.

8. CAPACITY BUILDING OF MSMES

PROBLEM STATEMENT

The plastic industry is hindered by a skills shortage among machine operators, particularly in tool design and tooling, resulting in reduced efficiency and quality. Existing training falls short of addressing modern technology and sustainability needs. A collaborative effort with Industrial Training Institutes (ITIs) is essential to develop a skill enhancement program that updates operator skills to current industry requirements.

PROPOSED INTERVENTIONS

The plastic industry is focused on improving the technical expertise of machine operators to match the rapid technological progress in manufacturing. Upgrading skills in tool design and tooling is crucial for enhancing production efficiency and quality. Aligning workforce capabilities with new industry standards is vital for staying competitive. Additionally, the industry is promoting ongoing learning and development to keep the workforce adaptable and knowledgeable in the face of emerging challenges and opportunities. The discussion with CII and 2 Focused FGDs for the plastic industry have emphasised on the need for this project.

To do so, an advanced curriculum for machine operators in collaboration with industry experts and ITIs, focusing on tool design and tooling shall be developed. Practical training using ITI facilities shall be conducted and a certification system shall be implemented to endorse the participants' newly acquired skills.

OUTCOME

About 150 MSMEs belonging to the plastic industry shall be benefitted by this project, The unit cost would be INR 10,000, amounting to a total INR 30 lakhs for three years.

9. CAPACITY BUILDING FOR GOVERNMENT PARTNERS

PROBLEM STATEMENT

The MSME and industrial sectors in Puducherry face significant challenges in cultivating a competitive environment, hindering their growth and development. The sectors are crucial for the UT's economic development, but they struggle with inadequate training and capacity-building initiatives for government officials, leading to inefficiencies and bottlenecks in the delivery of public services and governance functions.

PROPOSED INTERVENTIONS

The project aims to boost competitiveness in the MSME and industrial sectors at district and block levels by training and building the capacity of government officials. It will focus on:

▶ **Specialized Training:** Offer targeted training to improve government officials' skills, knowledge, and attitudes in entrepreneurship, market analysis, and technical expertise.

▶ **Interdepartmental Synergy:** Encourage cooperation among government entities to share information and resources.

▶ **Utilizing Existing Assets:** Repurpose underused assets like industrial spaces and tool rooms to aid MSME and industrial growth.

OUTCOME

Over a span of three years, an annual budget of 25 lakh rupees is designated for the skill enhancement of government officials. Stakeholder consultations revealed a necessity for improved skills at the district and headquarters levels. As a result, it is recommended to extend handholding support to 25 officers to bolster their capabilities throughout this period.

- ▶ **Enhancing Skills:** Train entrepreneurs and workers in technology and innovation to increase their market edge.

- ▶ **Information Hub:** Create a central repository for essential information on regulations, market trends, and business opportunities.

10. MSME FACILITATION CENTRE

PROBLEM STATEMENT

Puducherry's MSMEs are crucial to its economy but need more government support to thrive. They face challenges such as land availability, limited knowledge of government programs, insufficient market and technical support, inadequate entrepreneurship training, financial constraints, and a lack of business services. To overcome these obstacles and strengthen MSMEs, a dedicated MSME Development and Facilitation Cell is essential to offer guidance, foster comprehensive growth, and provide streamlined services, enhancing the MSME sector in Puducherry.

PROPOSED INTERVENTIONS

The proposed MSME Development and Facilitation Cell in Puducherry is designed to offer customized support and strategic advice to MSMEs, helping them navigate challenges for sustainable growth. The goal is to create a strong support structure led by senior consultants, with regional assistance, to provide comprehensive aid in areas like credit access, market growth, technology, legal matters, project planning, and startup incubation. This initiative aims to eliminate growth barriers for MSMEs, thereby stimulating economic progress and sustainable business development in Puducherry.

OUTCOME

1500 MSMEs will be supported which is 5% of total MSMEs existing in Puducherry at unit cost INR 10,000 amount to INR 1.5 Cr. Mentorship program for 100 MSMEs shall be conducted with a unit cost of INR 50,000 amounting to INR 50 Lakhs. An export facilitation desk will be set up for 500 MSMEs at the unit cost of INR 10,000. There would also be engagement of specialized resources in the form of a PPP model where 5 resources will be hired at the total cost of 1.53 Cr. Private sector partners will also be encouraged to participate in a public-Privat partnership model as suggested by CII.

11. AWARENESS CREATION WORKSHOPS

PROBLEM STATEMENT

MSMEs are pivotal to the economic fabric of Puducherry, driving innovation, employment, and economic growth. Despite their importance, MSMEs in the region often grapple with a myriad of challenges that impede their development and competitive edge. These challenges include a lack of specialized knowledge in green technology adoption, limited exposure to international trade practices, inadequate financial literacy, and insufficient understanding of government support schemes like the CGTMSE, ZED, MSME – Innovative, LEAN etc.

PROPOSED INTERVENTIONS

The workshops shall be conducted on the following topics:

▶ **Green technology:** The project aims to cultivate a sustainable and globally competitive mindset among MSMEs by encouraging the use of green technologies for eco-friendly and efficient operations.

▶ **MSME sensitization workshops:** It also seeks to prepare MSMEs for exports by educating them on market regulations and logistical hurdles.

▶ **Export related training,**

▶ **Financial literacy workshops:** Financial literacy workshops will improve MSME entrepreneurs' financial management skills and

▶ **Training workshop on CGTMSE Scheme**: Awareness of credit schemes like CGTMSE, easing their access to funding.

▶ **Train the Trainers for officers on champions:** The initiative will build a network of knowledgeable trainers to spread information on government support programs like 'Champions', enhancing the reach and impact of these initiatives on MSME growth.

OUTCOME

Approximately 480 - 500 MSMEs are expected to gain from these workshops, which are priced at INR 75,000 for each workshop per day, in line with the cost standards set by other MSME schemes.

12. IMPLEMENTING AND ENHANCING PROCESSES THAT FOCUS ON GREENING AND SUSTAINABILITY

PROBLEM STATEMENT

Industrial units in Puducherry struggle with the costs of energy and water audits, impeding conservation efforts and leading to higher consumption and environmental impact. MSMEs lack incentives and recognition for their sustainability efforts, discouraging investment in green initiatives. The tourism sector's inability to attract eco-conscious visitors is hampered by the absence of recognized sustainability certifications. Moreover, the lack of case studies on successful greening hinders knowledge sharing. High upfront costs deter investment in energy-efficient technologies, while startups miss out on sustainable growth due to a lack of green knowledge and training.

PROPOSED INTERVENTIONS

Financial aid will be provided for pilot energy and water audits in select, high-consumption MSMEs. The UT government plans to expand its MSME awards to include categories for green initiatives and ESG practices, with a new regulatory framework for ESG ratings. MSMEs will also receive incentives for creating IPR,

OUTCOME

Approximately 500 MSMEs are anticipated to benefit from energy audits at a cost of INR 5 Cr, while 1000 are expected to gain from water

obtaining quality certifications like ISO, and implementing pollution control, green technologies and MSME awards. The need for such awards and rewards system arises due to the lack of any such initiatives in the UT. Collaborations with research organizations and media professionals will produce and disseminate case studies and multimedia content to highlight successful sustainability efforts.

Certifications such as ISO, Fair Trade and Green Globe play a pivotal role in bolstering the credibility of Micro, Small and Medium Enterprises (MSMEs) in Puducherry, particularly in the realms of tourism and international trade. These certifications are a testament to the quality and reliability of services and products offered by MSMEs, which is crucial in fostering conscious tourism. Conscious tourism is an emerging trend where travellers are increasingly aware of and interested in the sustainability and ethical standards of their destinations. By adhering to ISO standards, Puducherry's MSMEs can attract a niche market of responsible tourists who value environmental conservation, cultural preservation, and social responsibility.

audits at INR 50,000 each totalling to INR 5 Cr. Two MSMEs will be selected for case study development, providing them with valuable exposure – INR 10 lakh each. Additionally, 100 MSMEs are projected to benefit from quality certification initiatives costing INR 2 Lakh each, and 150 will be recognized through special rewards provisions amounting to a total INR 1.5 Cr. Furthermore, sustainability bootcamps are set to assist another 100 MSMEs (costing INR 20 Lakhs in total) in integrating eco-friendly practices into their business operations.

13. TECHNOLOGY UPGRADATION

PROBLEM STATEMENT

Puducherry's industrial sector faces challenges in adopting sustainable practices and upgrading plant and machinery, hindering its competitiveness and environmental performance. There is a need to incentivize industries, particularly in the plastic, solid recycling, and wastewater treatment sectors, as well as IT/ITES enterprises, to invest in technological advancements and green initiatives through targeted subsidies, duty exemptions, and capacity-building measures.

PROPOSED INTERVENTIONS

The initiative aims to facilitate technological advancement and promote sustainable practices within industries by recommending the upgrade of plant and machinery, and providing incentives such as GST subsidies, interest subvention, and import duty reductions. This will be particularly applicable to enterprises operating in sectors such as plastic, solid waste recycling, and wastewater treatment. Additionally, the program will subsidize the costs associated with the procurement of enhanced operating systems and licenses for IT and ITES enterprises.

OUTCOME

Around 500 MSMEs will get the benefit @ INR 60,000 per MSME that leads to a total amount of INR 3 Cr.

14. ADVANCING THE VALUE CHAIN OF FISHERIES

PROBLEM STATEMENT

The fisheries sector in Puducherry has significant untapped potential for growth and development. However, the lack of access to deep-sea fishing technology, limited training opportunities, outdated processing facilities, and insufficient exposure to best practices hinder the sector's ability to maximize its potential. Without targeted interventions to address these challenges, the fisheries value chain remains underdeveloped, limiting the economic opportunities and livelihood prospects for stakeholders in the sector.

PROPOSED INTERVENTIONS

Proposed Training Programs for Fishermen and Fish Industry Personnel:

- ► **Engine Maintenance:** Enhance technical skills for engine upkeep, including various types of engines.

- ► **Safety Training:** Educate on safety procedures, emergency response, and risk management for safer operations at sea.

- ► **Post-Harvest Handling:** Improve handling, processing, and storage of fish to extend product quality and shelf life.

- ► **Navigation Skills:** Teach navigation, chart reading, and communication for safer sea travel.

- ► **Echo Sounder Usage:** Train in the effective use of echo sounders for efficient fish location and capture.

- ► **Compass Reading:** Instruct on compass usage for accurate navigation.

- ► **Deep-Sea Operations:** Offer comprehensive safety and operational training for deep-sea vessel crews.

- ► **Technology Upgradation:** Update on the latest fishing technologies, gear, and post-harvest techniques.

- ► **Official Training:** Provide top-level officials with advanced training in technology, aquaculture, and scheme management.

- ► **Deep Sea Fishing Capacity:** Build expertise in deep sea fishing practices and safety.

- ► **Exposure Visits:** Arrange visits to leading institutes for practical experience with advanced fisheries technologies and methods.

OUTCOME

3 Trainings of INR 23,50,000 each would be conducted, which amount to INR 70,50,000 in total.

15. IMMERSIVE BEACH AND CULINARY INITIATIVES

PROBLEM STATEMENT

In the coastal town of Puducherry, the beautiful shorelines and possibilities for thrill-seeking activities remain underexploited and insufficiently advertised. The beaches suffer from poor cleanliness and inadequate safety measures. The lack of structured beach festivities and adventure activities stifles the area's touristic appeal, resulting in a lost chance for economic development and local involvement. Furthermore, Puducherry has yet to fully leverage its potential to showcase the diverse and flavourful culinary heritage of South India, which could serve as a major draw for tourists from around the globe and within the country.

PROPOSED INTERVENTIONS

Project 1: Enhancing Beach Experiences

▶ **Weekly Beach Upkeep:** Contracted agencies will perform weekly clean-ups to maintain the beaches, attracting more tourists and benefiting local MSMEs.

▶ **Lifeguard Program:** Deploying professional lifeguards for increased tourist safety, boosting beach appeal and supporting MSMEs.

▶ **Farmer's Market:** Establishing a weekend Farmer's Market by the beach to showcase regional culinary and craft talents, with additional attractions like a Ferris wheel for views of the Bay of Bengal.

▶ **Technology Transfer Initiatives:** Technology transfer from other beaches and enhance management and conservation of Puducherry beaches

▶ **Annual Beach Games:** Hosting a multi-sport event with activities for all ages to foster community spirit and require beach preparation, benefiting local districts

Project 2: Puducherry Culinary Celebration

▶ **Food Festival at Old Port:** Creating a food festival to highlight Puducherry's and South India's gastronomy, encouraging cultural exchange, and supporting local MSMEs.

OUTCOME

1000 MSMEs in total involved in tourism, food and hospitality, logistics, will be benefitted. Around INR 75 Lakhs each will be dedicated towards weekly beach cleaning and lifeguard program while INR 50 lakhs will be dedicated to technology transfer initiatives. A total of INR 12 Cr. Would be allocated to the Beach games initiative and INR 6 Cr. Would be allocated to the Pondicherry Food Festival that will be held twice a year for 3 years.

16. DEVELOPING MSMEs WITH DIFFERENTIATED AND UNIQUE PRODUCTS

PROBLEM STATEMENT

Puducherry's MSME sector, while dynamic, struggles to identify and support businesses creating distinctive, scalable products with market edge. The lack of formal systems to spot and aid these MSMEs limits the region's entrepreneurial growth and economic expansion.

Local innovators with novel products find it difficult to attract attention and penetrate markets, especially in government and corporate sectors. Without established avenues to present their offerings to key players, these businesses miss out on chances for partnerships, funding, and market growth.

PROPOSED INTERVENTIONS

OUTCOME

- ▶ **Host Demo Days:** Create opportunities for MSMEs to present their innovations and products to key buyers and influencers across sectors.

- ▶ **Boost Scheme Knowledge**: Raise MSME awareness of government programs and growth opportunities.

- ▶ **Spot Distinctive Offerings:** Pinpoint MSMEs with unique products for development via hackathon-driven bridge programs. Hackathons would provide the MSMEs with a collaborative event where individuals with diverse expertise, such as programmers, designers, project managers, and subject matter experts, come together to engage in intensive, short-term projects.

- ▶ **Expand Networking:** Improve MSME connections with buyers, investors, and collaborators.

- ▶ **Encourage MSME Innovation:** Promote entrepreneurial creativity within Puducherry's MSME community.

18 such demo days would be conducted which would cost about INR 1.8 Cr. 3 Hackathon events shall also be held costing INR 50 lakhs each, amounting to a total of INR 1.5 Cr.

17. ENHANCING DIGITAL INFRASTRUCTURE

PROBLEM STATEMENT

The Puducherry Government's Department of Industries is administering multiple programs to aid MSMEs through separate dashboards, leading to a fragmented and complex data management process. As the Directorate's operations expand, the data becomes more voluminous and intricate, highlighting the need for an integrated data management approach. Various departments possess distinct datasets that require integration through homogeneous APIs and interfaces. A unified platform is needed that can accommodate, support, and integrate all types of data seamlessly. The absence of a unified Management Information System (MIS) impedes strategic decision-making. Field staff face inefficiencies and error risks by entering data into multiple systems. There's a critical demand for a centralized, robust MIS to streamline processes and provide a cohesive management perspective across all District Industries Centres (DICs).

PROPOSED INTERVENTIONS

Project 1: Master MIS Development

- ▶ This project aims to create a unified Master Management Information System (MIS) that consolidates all existing systems into one platform, facilitating better analysis and decision-making. The Master MIS will serve as a central data hub for all District Industries Centres (DICs), improving state-level data-driven governance and simplifying the management of State support for MSMEs.

Project 2: Tech Enhancement for Field Staff

- ▶ The plan includes equipping field staff with tablets to enable efficient, real-time data updates. The Master MIS will be robust and scalable to accommodate future growth and new initiatives, aligning with RAMP's vision for MSME development.

Key Actions:

- ▶ **Data Integration:** Combine all existing data into a central database for unified access.

OUTCOME

The cost of making the unified portal would be INR 1 Crore and the cost of distributing equipment to technical officers amounts to INR 8.05 lakhs.

- ▶ **MIS Construction:** Develop a Master MIS with modules reflecting current dashboard functions.

- ▶ **Interface Design:** Design a user-friendly interface for easy navigation within the Master MIS.

- ▶ **Field Support:** Supply field staff with devices for on-the-spot data entry, enhancing data collection and management. Upgrade IT infrastructure at DICs and headquarters.

- ▶ **Survey Tool Rollout:** Implement survey software to provide MSMEs with scheme recommendations and exhibition participation guidance digitally.

Budget Requirement

(Amount in Rs. Cr.)

Table 1 Consolidated Budget Requirement

#	Proposed Interventions	Total Budget for 3 years	State Contribution	Demand from RAMP
1	Vendor Development Programmes/ Buyer Seller meets/Branding	9.40	1.88	7.52
2	Enabling E-commerce	1.00	0.20	0.80
3	Scaling up of Micro and Small Enterprises	5.00	1.00	4.00
4	Exposure for MSMEs	1.2	0.24	0.96
5	Onboarding incentive for TReDS	0.45	0.09	0.36
6	Strengthening of Industry Guidance Bureau	2.50	0.50	2.00
7	Capacity Building of MSMEs	0.30	0.06	0.24
8	Capacity Building for Government Partners	0.19	0.04	0.15
9	MSME Facilitation Centre	4.03	0.81	3.22
10	Awareness Creation Workshops	0.18	0.04	0.14
11	Greening and Sustainability	15.90	3.18	12.72
12	Technology Upgradation	3.00	0.60	2.40
13	Advancing the Value Chain of Fisheries	0.71	0.14	0.57
14	Immersive Beach and Culinary Initiatives	20.00	4.00	16.00
15	Developing MSMEs with Differentiated and Unique Products	3.3	0.66	2.64
16	Enhancing Digital Infrastructure	1.08	0.22	0.86
	Total	**68.24**	**13.66**	**54.58**

Note: *The State contribution will be 20% of the total budget requirement

1 Understanding the MSME Landscape in Puducherry

1.1. Overview of Puducherry

The Union Territory of Puducherry comprises the former French establishments of Puducherry, Karaikal, Mahe and Yanam, which lie scattered in South India. Puducherry, the capital, is located approximately 135 kilometers from Chennai Airport. It is surrounded by the Bay of Bengal to the east and Tamil Nadu on the other three sides. Karaikal, situated about 130 kilometers south of Puducherry on the East Coast, is another part of the Union Territory. Mahe, nestled on the Malabar coast in the Western Ghats and surrounded by Kerala, is roughly 70 kilometers from Calicut Airport. Yanam, adjacent to Andhra Pradesh's East Godavari district, is located about 200 kilometers from Visakhapatnam Airport. The region is multilingual, with Tamil, Telugu, Malayalam, English, and French being commonly spoken. The Union Territory, which has its own legislature, covers an area of 479 square kilometers and had a population of 1,244,464 as of the 2011 Census, with a literacy rate of 86.55%.[1]

Image 1 Puducherry Facts and Figures

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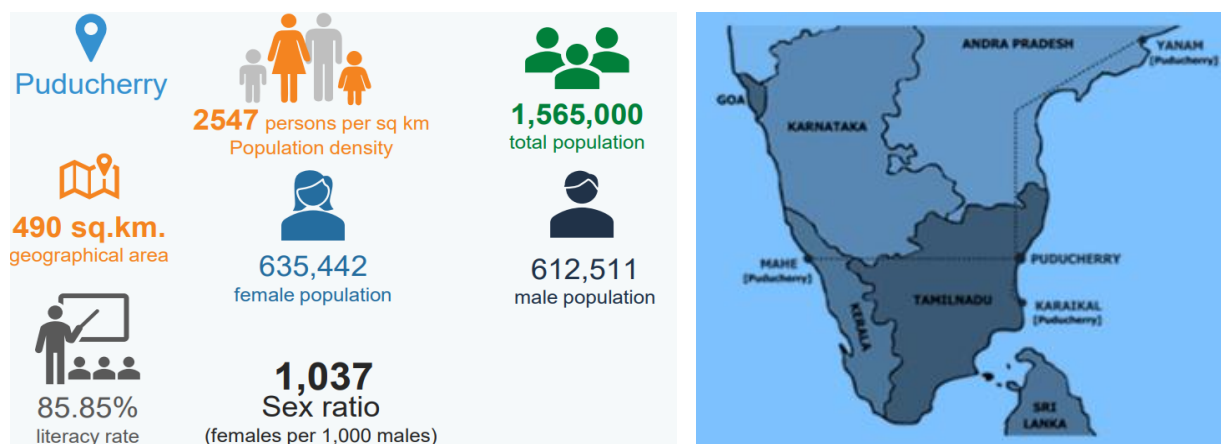
[1] industry.py.gov.in/sites/default/files/industrial-policy-2016.pdf
[2] Gsdp: Pondy's GSDP estimated up by 4.09% | Puducherry News - Times of India (indiatimes.com)

Puducherry holds several key advantages. It boasts a high literacy rate, with the 2011 census revealing an impressive average literacy rate of 85.85%. Additionally, a significant portion of its population is proficient in English, a factor that greatly benefits the territory's thriving tourism sector. Puducherry also benefits from the established industrial infrastructure, featuring nine industrial estates, an airport, and two ports, all contributing to its economic growth and development. The region maintains a strong presence in both agriculture and tourism, with the agriculture sector, despite contributing around 2% of the Gross State Domestic Product (GSDP), playing a vital role in the local economy. The tourism industry is bolstered by a substantial influx of visitors, driving tourism revenue. Furthermore, Puducherry has experienced remarkable economic growth, with its GSDP growing at a Compound Annual Growth Rate (CAGR) of 5.62% between 2015-16 and 2022-23.

Image 2 Puducherry's Contribution to Indian Economy
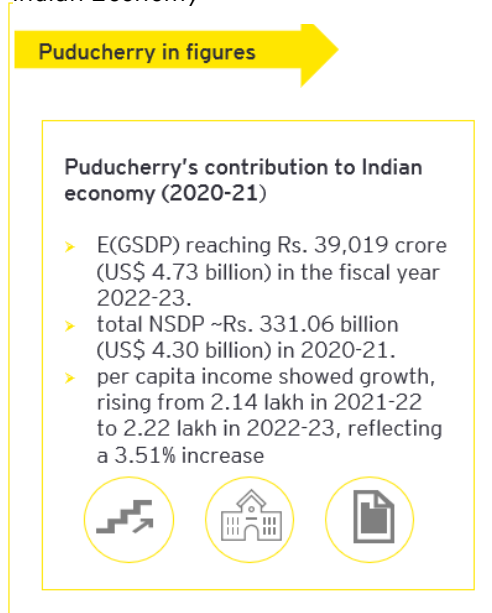
According to the Department for Promotion of Industry and Internal Trade (DPIIT), India received a total Foreign Direct Investment (FDI) equity inflow of 188,324.19 million US dollars from October 2019 to June 2022, whereas Puducherry received 63.29 million US dollars during the same period[3].

Puducherry enjoys a favourable solar energy outlook due to its average daily solar irradiance of 5.6 to 6.0 kWh per square meter and around 300 sunny days annually. The Renewable Energy Agency, Puducherry (REAP), acts as the State Nodal Agency for the Ministry of New and Renewable Energy.

The government has outlined various initiatives to enhance Puducherry's socio-economic landscape and create more investment opportunities in 2023.The Puducherry government inaugurated four projects under the Swadesh Darshan scheme in December 2022 to boost tourism and in April 2022, laid the foundation for academic buildings worth Rs. 48.66 crore (US$ 6.31 million).

Economic Snapshot – Percentage distribution of GSVA[4]

In the fiscal year 2019-20, the state's economic landscape was predominantly shaped by the tertiary sector, which contributed a substantial 49.39% to the state's Gross State Value Added (GSVA) at current prices. The secondary sector followed closely, accounting for 44.68%, while the primary sector lagged behind at 5.93%. Notably, during the period from 2011-12 to 2019-20, the tertiary sector experienced the most rapid growth among the three, achieving a Compound Annual Growth Rate (CAGR) of 12.15%. This growth surge was predominantly propelled by various services, including railways, road transport, air transport, storage, financial services, real estate, ownership of dwellings, professional services, and other service-related activities. The primary sector also exhibited substantial progress, increasing at a CAGR of 9.36% during the same timeframe, while the secondary sector grew at a CAGR of 10.58%.

Figure 1 Manufacturing Sector – GSDP (Current price) from 2012-13 to 2020-21

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[3] [puducherry-glance-2021.pdf (py.gov.in)](puducherry-glance-2021.pdf)
[4] Directorate of Economics & Statistics, Central Statistics Office, Sector-wise % share of GSDP
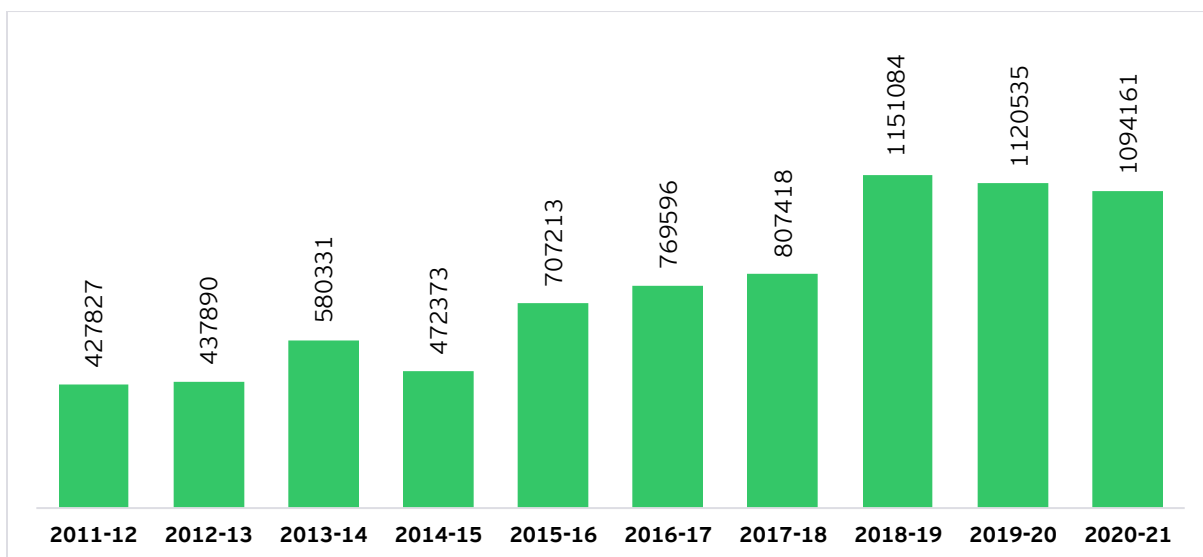
Figure 2 GSVA by Economic Activity at Current prices comparison (2011-12 and 2019-20)
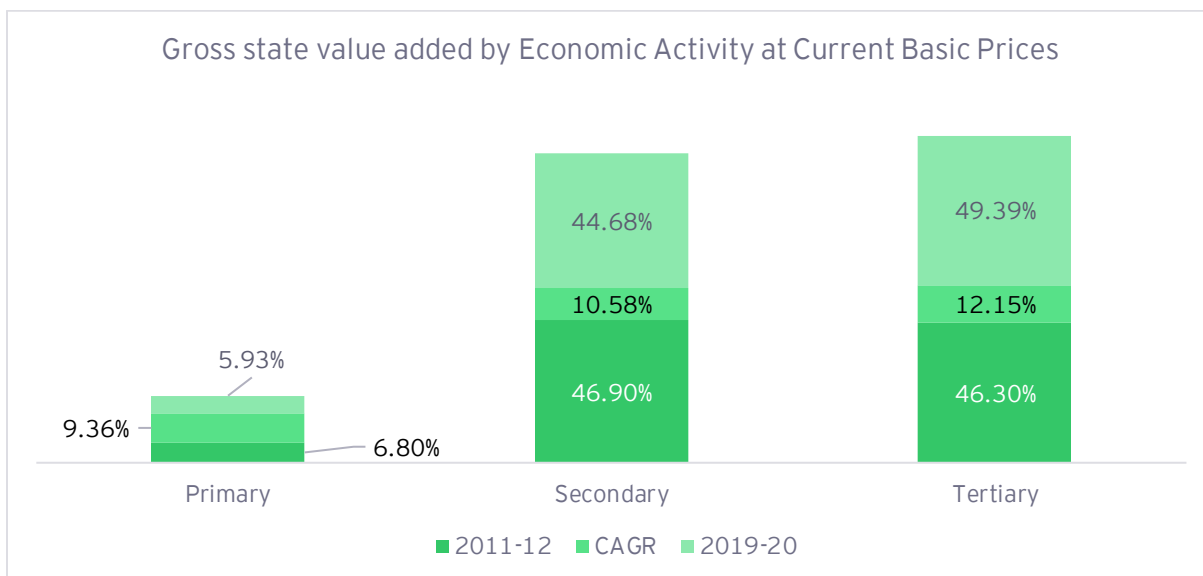
The contribution of the manufacturing sector to the GSDP has been steadily increasing from the period from 2012-13 to 2020-21 as can be seen in the chart above.

The Tertiary sector has witnessed a CAGR of 12.15% during the period from 2011-12 to 2019-20, highest among the three sectors, pattern similar to other developed UTs like Chandigarh and Delhi. The Union Territory of Puducherry ranks 5th in the order of highest per capita income in the country and its per capita income is more than double of the National per capita income as per the Export policy document of Puducherry.

1.2   MSME landscape of Puducherry

Puducherry is home to an estimated 96,000 MSMEs[5], making a significant contribution to the region's employment, providing jobs for over 1.84 lakh individuals, including 30% women owned

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[5] Untitled-1 (msme.gov.in)

MSMEs. However, it's noteworthy that only 35% of these MSMEs, totaling 33,285[6], are officially registered on the Udyam Registration portal. According to the National Sample Survey (NSS) 73rd round conducted during 2015-16, this registration accounts for a mere fraction of the state's total MSMEs, which are primarily micro enterprises (96%), followed by small enterprises (2.8%), and medium enterprises (1.2%). The Puducherry cluster serves as a thriving hub, uniting over 550 artisans and benefiting from the support of 23 Self-Help Groups (SHGs) that constitute a robust workforce. The mobilization efforts for the cluster continue to grow. Puducherry is renowned for its proficiency in various crafts, encompassing Clay Craft, Stone Carving, Grass, Leaf, Reed & Fiber, Leather, and Wood Crafts.

Moreover, Puducherry possesses a multitude of advantages. It boasts an impressive literacy rate, with the 2011 census revealing an average literacy rate of 85.85%. Furthermore, a substantial portion of its population is proficient in English, providing a significant boost to the local tourism sector. The territory's well-developed industrial infrastructure includes nine industrial estates, an airport, and two ports, all of which contribute to its economic growth and overall development. While the agriculture sector accounts for approximately 2% of the Gross State Domestic Product (GSDP), it plays a crucial role in the local economy. The tourism industry benefits from a substantial influx of visitors, driving tourism revenue. Puducherry has also experienced notable economic growth, with its GSDP increasing at a Compound Annual Growth Rate (CAGR) of 5.62% between 2015-16 and 2022-23. The state government's steadfast commitment to fostering a progressive business environment ensures political stability and nurtures a climate conducive to business expansion and prosperity.

No registered clusters are existing in UT of Puducherry. But some potential clusters are available. The lists as follows:

Puducherry

- Plastic Cluster: No. of Units - around 150, Employment: More than 1000 persons

- Corrugated Box Cluster: No. of Units - around 60, Employment: More than 550 persons

- Fragrance industries: No. of Units - around 75, Employment: More than 300 persons

Karaikal

- Engineering Industries Number of Unit: around 50, Employment: More than 150 persons

- Coir Units Number of Unit: around 20, Employment: More than 180 persons

1.2.1 'Formalisation' of MSMEs and Udyam Registration

The Udyog Aadhar Memorandum, a brief online registration platform created for Micro, Small, and Medium Enterprises (MSMEs), has been replaced by the Udyam Registration Portal. This shift was initiated through a notification from the Ministry of Micro, Small and Medium Enterprises on June 26, 2020, as part of the Aatma Nirbhar Bharat initiative. The key reason for this modification was the inclusion of the updated definition for MSMEs. The Udyam registration of MSMEs for Puducherry stands at 33,285 units with nearly 97% comprising of micro enterprises and balance 3% comprising of small and medium enterprises.

The Table below indicates that the average registration % of MSMEs in Union Territories is around 54%, while for Puducherry the number of MSMEs registered stands at ~34%[7].

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[6] Udyam Registration Portal
[7] State Wise Udyam Registration (msme.gov.in)

Table 2 Udyam Registration of MSMEs across Union Territories

State	No. of MSMEs present	No. of Udyam Registered	% Registered
Delhi	9.36	5.5	58.76
Jammu & Kashmir and Ladakh	7.09	3.79	53.46
Chandigarh	0.56	0.35	62.50
Puducherry	0.96	0.33	34.38
The Dadra and Nagar Haveli and Daman and Diu	0.24	0.16	66.67
Andaman and Nicobar Islands	0.19	0.11	57.89
Lakshadweep	0.02	0.01	50.00

1.2.2 Social Category and Gender-wise Distribution of MSMEs

According to data from MoMSME, it is encouraging to note that in Puducherry, 30% of the Udyam registered MSMEs are women owned. This percentage is higher in comparison to other states, with Puducherry surpassing Kerala (23%), Maharashtra (19%), Tamil Nadu (24.3%), Karnataka (9%) and Madhya Pradesh (3.5%).

Additionally, a significant portion of MSMEs registered on Udyam, specifically 57% belongs to category other than General. Among these, 50% represent the OBC category, and 7% are from the SC/ ST communities. This diversity within the MSME sector reflects the inclusive entrepreneurial landscape in the state.
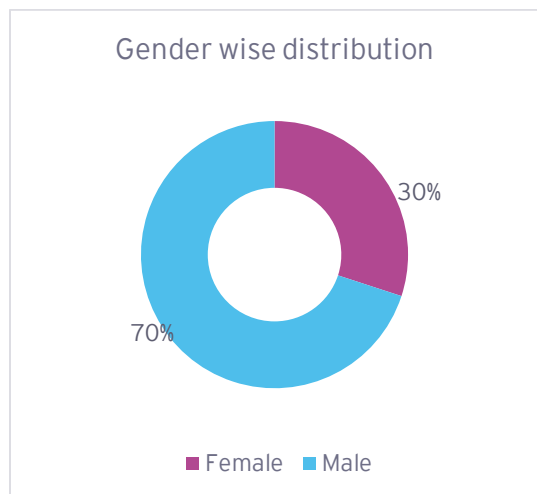
Figure 3 Gender Wise Distribution
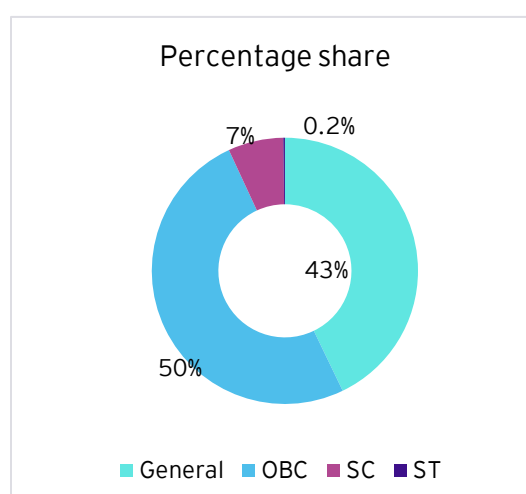
Figure 4 Percentage Share

1.2.3 Geographical Distribution of MSMEs

There is a total of 33285 Udyam registered MSMEs in Puducherry across 4 districts, as on 1st January 2024. The district with the highest number of registered MSMEs is Puducherry with 27166 MSMEs, followed by Karaikal with 5206 MSMEs. The district with the lowest number of registered MSMEs in Mahe with 432 MSMEs[8].

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[8] State Wise Udyam Registration (msme.gov.in)

In terms of the size of the MSMEs, Micro enterprises constitute the majority of the registered MSMEs in all districts, with small and medium enterprises forming a very small percentage of the total MSMEs.

Table 3 Details of District wise Udyam Registered MSMEs in Puducherry (as on 8 Jan 2024)

S.no.	District Name	Total Udyam	Micro	Small	Medium
1	Pondicherry	27166	26427	672	67
2	Karaikal	5206	5115	87	4
3	Yanam	481	444	30	7
4	Mahe	432	402	27	3
	Total	33285	32388	816	81

1.3 MSME contribution to GSDP and GVA in Puducherry

Puducherry is one of the fastest-growing union territories in the country. At current prices, Puducherry's gross state domestic product (GSDP) stood at Rs. 39,019 crores in 2022-23. Puducherry's total NSDP was Rs. 331.06 billion (USD 4.30 billion) in 2020-21[9]. Puducherry's Gross State Domestic Product (GSDP) grew by 4.09% and the per capita income increased by 3.51% in the financial year2022-23, compared to the previous fiscal period.

Figure 5 GSDP of Puducherry

GSDP of Union territory of Puducherry (Rs. Crores)

2015-16	2016-17	2017-18	2018-19	2019-20
26,616.54	29,572.66	32,989.00	36,618.00	39,953.00
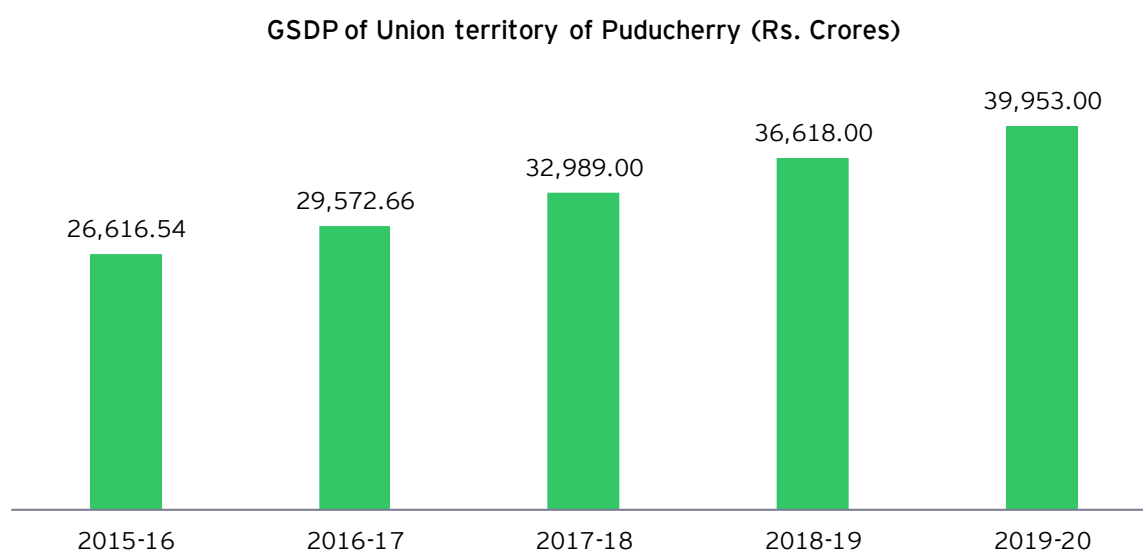
The primary sector increased at a CAGR* of 9.36% between 2011-12 and 2019-20. The secondary sector increased at a CAGR* of 10.58% between 2011-12 and 2019-20.

The MSME sector in Puducherry has presence both in the Secondary as well as the Tertiary sectors. Contribution of the MSME sector to the GSDP was not available separately.

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[9] IBEF

1.4 MSME Competitiveness and Determining Factors

1.4.1 Geographical Context

a. Land

Despite its small territory, Union territory of Puducherry has about 600 Acres of land in the District of Puducherry for development of Industrial Parks. The Industrial Estates/ Growth Centre: The Government of Puducherry had initially started three industrial estates in the Territory in order to motivate industrial development. Later a corporation for industrial development was established in the year 1974 viz, Puducherry Industrial Promotion, Development and Investment Corporation (PIPDIC). The corporation took over the infrastructure development for industrial promotion. Four industrial estates were developed and allotted to the needy entrepreneurs. All the industrial estates are provided with all necessary basic infrastructure facilities.

PIPDIC has developed an Industrial Growth Centre in Karaikal at an extent of 597 Acres. The growth centre is strategically located very near to the Karaikal Port. Allotment of land/ plots is underway.

1.4.2 Infrastructure

b. Energy

As part of the Southern grid, adequate power has been allocated to the Union Territory. Steady supply of power is presently available at rates cheaper than neighbouring States.

c. Water

Though adequate water supply is available in the Union Territory, the policy of the government is to promote less water intensive industries, to prevent depletion of ground water. Being a coastal area, bore wells are not allowed within six kms. from high tide line, Desalination and recycling of wastewater are encouraged.

d. Transportation Network

Road: Union territory of Puducherry has good network of all-weather metal roads connecting every village within the Territory of Puducherry, It has a road length of 2552 km, The density of roads laid is the highest in the country with 4.87 km, /sq.km,

Railway: The Union Territory has rail heads at Pondicherry, Karaikal, Mahe and Yanam. All major neighbouring cities arc linked and well connected to the Union Territory through rail. Puducherry is connected by a railway branch line from the five-way junction at Viluppuram and Chennai. The railway line is a broad-gauge line with 16 originating trains and 17 terminating trains. Meanwhile Karaikal and Mahe also well connected by railway lines. Several railway lines are also under construction in Karaikal district. The nearest major railway station to Yanam is Kakinada (CCT) in Andhra Pradesh (33 KM).

There is a cargo terminal at Chinna Babu Samudhram within the District of Puducherry, and it is well connected with Chennai and its neighbouring ports. It is noticed that this facility is not utilised by the exporters for transporting the export consignments despite it having cargo handling facilities. Karaikal port also has functional railway lines running into the port for offloading of bulk cargo.

Airways: Puducherry has an airport called Puducherry Airport. It has flight operations between Puducherry and Hyderabad. A new airport is proposed in Karaikal which is

called as Karaikal Airport. The nearest airport to Yanam is Rajahmundry Airport (IATA: RJA, ICAO: VORY), 90 KM away.

The exports from the UT through airways largely depend on Chennai airport. More than Rs.250 Cr. worth of commodities were exported from Unio territory of Puducherry vis. Chennai airport in 2019-20 and 2020-21.

Port: Union territory of Puducherry is endowed with coast in all its four regions. Union Territory has one deep water port at Karaikal and one minor port at Pondicherry. The other two regions (i.e.) Mahe and Yanam are also in close proximity each with major ports- Manga lore port and Vizag port, respectively.

Karaikal Port Private Limited (KPPL) is an all-weather deep-water port developed on Build, Operate and Transfer format under Public Private Partnership in terms of the concession awarded by the Government of Puducherry. Commissioned in April 2009 and developed in an area of 600 acres, Karaikal Port is located near the town of Karaikal. Since operations, the port has handled diverse cargo such as Coal, Sugar, Cement, Fertilizers, Project Cargo, Agro commodities, Liquid cargo and Containers. In the upcoming years, KPPL is expected to add new cargo flows to increase cumulative revenues and cargo handling to over 125 MMT by 2025.

1.4.3 Skill Development and Entrepreneurship

The Skill Gap Report for 2017 to 2022 by National Skill Development Corporation (NSDC) has identified 7 thrust sectors with high investment potential and demand for skilled manpower.

- ▶ IT/ITES
- ▶ Tourism & Hospitality
- ▶ Textile
- ▶ Automotive
- ▶ Leather & Rubber
- ▶ Chemical & Pharmaceuticals
- ▶ Paper & Plastic Packaging

The projected manpower demand across these thrust sectors (2017 and 2022) as per the NSDC Skill Report were as follows:

Table 4 Manpower Demand as per NSDC Skill Report

S. No.	Sector	Demand (2017)	Demand (2022)
1	Tourism & Hospitality	7190	35950
2	Textile	1417	7085
3	Automotive	410	2050
4	Leather & Rubber	399	1995
5	Chemical & Pharmaceuticals	280	1400
6	Paper & Plastic Packaging	657	3285

The Supply of manpower in the UT is categorised into 13 learner segments described in the table below:

Table 5 Supply of Manpower

Sl.No.	Learner Segments	2017	2022
1	Not in Employment, Education or Training (NEET)	66718	85399
2	Employed	323700	414336
3	ITI Pass out- Unemployed	2927	3747
4	ITI Pass-out- Employed	11109	14220
5	ITI Pursuing	2325	2976
6	Polytechnic Pass out- Unemployed	4043	5175
7	Polytechnic Pass-out- Employed	15342	19638
8	Polytechnic Pursuing	3227	4131
9	Graduates Pass out- Unemployed	20453	26180
10	Graduates Pass-out- Employed	92905	118918
11	Graduates Pursuing	16137	20655
12	Class IX, X, XI, XII Pursuing	85371	109275
13	Private Sector Training Pass outs	7070	9050

1226 youths were surveyed across 13 learner segments for understanding the Youth aspirations as part of the NSDC skill gap study.

Institutions At a Glance

Table 6 Institutions at a Glance

Sl. No	Type of College	Government	Private	Total
1	Independent Institutions	3	1	4
2	Medical	3	7	10
3	Dental	1	3	4
4	Nursing	2	9	11
5	Veterinary	1	0	1
6	Engineering	2	16	18
7	Arts, Science and Commerce	11	6	17
8	Research Institution (VCRC)	1	0	1
9	Agriculture and Research Institution (PAJANCOA)	1	0	1
10	Law	1	1	2
11	Education (B.Ed & D.T.Ed)	3	52	55
12	Polytechnic College	6	2	8
13	Catering	1	8	9
14	Paramedical	2	2	4
	Total	**38**	**107**	**145**

Puducherry State Skill Development Mission is the apex authority for Skill Development in Puducherry and operates through the Puducherry Skill Development Society (PSDS). The mission aims to create a trained work force competent enough to work in the present industrial environment. The mission has successfully implemented Phase 2 of Pradhan Manthri Kaushal Vikas Yojana (PMKVY 2.0).

Table 7 Progress of Centrally Sponsored Schemes PMKVY 2.0

Target Allotted	Candidate Enrolled	Candidate Certified	Candidate Placed	Placement %
7,703	7,467	6,606	3,502	53.01

District Rural Development Agency (DRDA) is an Agency to implement Centrally sponsored Schemes of Ministry of Rural Development, Government of India, set up under Society Registration Act 1860.

The Ministry of Rural Development (MoRD) announced the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) Antyodaya Diwas, on 25th September 2014. DDU-GKY is uniquely focused on rural youth between the ages of 15 and 35 years.

The Directorate of Training under the Labour Department is concerned with implementation of the following schemes:

▶ Craftsman Training Scheme: One-year and two-year Trades are offered in Industrial Training Institutes under National Council for Vocational Training (NCVT) and State Council for Vocational Training (SCVT) schemes.

▶ Apprenticeship Training Scheme: The prime objective is to utilize fully the facilities available in industry for imparting practical training with a view to meeting the requirements of skilled manpower for industry.

Table 8 Training Places in the U.T. of Puducherry

Sl.No.	Trade	Training Places Located				
		Pondicherry	Karaikal	Mahe	Yanam	Total
1	FITTER	220	48	2	5	275
2	Electrician	188	21	2	13	224
3	Wireman	75	8	2	3	88
4	Mech. Motor Vehicle	66	6	-	1	40
5	Mechanic Diesel	20	3	-	-	23
6	Carpenter	4	-	-	-	4
7	Mechanic R & A/c	18	2	1	-	21
8	Welder	26	5	-	-	31
9	Electronic Mechanic	78	1	-	-	79
10	Instrument Mechanic	7	15	-	-	22
11	Draughtsman Civil	10	4	3	1	18
12	Mason	20	13	-	3	36
13	Turner	19	1	-	-	20
14	Machinist	15	-	-	-	15

Sl.No.	Trade	Training Places Located				
		Pondicherry	Karaikal	Mahe	Yanam	Total
15	P.P.O.	19	-	-	1	20
16	PASAA	220	48	2	5	275
17	Boiler Attendant	16	-	-	-	16
18	Offset machine Minder	7	-	-	-	7
19	Gardener	40	-	-	-	40
20	Tailors (General)	30	-	-	-	30
TOTAL		934	155	12	29	1130

Centrally Sponsored Scheme

▶ Upgradation of 1396 ITIs through PPP Mode: The objectives of the scheme are offer training to:

   ▶ New job entrants through
      a) Existing trades (s) (upgraded to match the standards laid down)

      b) Starting of new trades

      c) Conduct of short-term training programmes with customized skill training

   ▶ Existing workers
   ▶ Workers of unorganised sectors

▶ Upgradation of Existing Government ITIs into Model ITIs

1.4.4   Access to Finance

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

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

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

Image 3 Key Stakeholders in MSME Financing

*Formal Lending
Institutions/ Financing
Institutions*

*Government
Programmes*

*Alternate Financing
Mechanisms*

a. Formal Lending Institutions

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

a.1. Banking Financial Institutions

There are 276 bank branches of 40 Banking Institutions in the UT, which works out to an average per branch population of 4522. The latest entrant in the fray, Puduvai Bharathiar Regional Rural Bank had opened and commenced operations successful in the UT of Puducherry.

Banking Development in U.T. of Puducherry (2017 to 2019)   (Amount in Rs. Cr.)
Table 9 Banking Development in U.T. of Puducherry (2017 to 2019)

Sl. No.	Details	March 2017	March 2018	March 2019
1	Total No. of Branches	263	271	276
	Of which – Rural	86	62	62
	Semi-urban	73	89	90
	Urban	104	120	124
2	Total Deposits	14663.47	15936.86	17267.47
	Of which NRI Deposits	1453.02 (9.91%)	1596.87 (10.05%)	1830.75 (10.60%)
3	Total Advances	10248.82	11490.20	12712.59
4	CD Ratio	70%	72%	74%
5	Investments	415.99	378.07	346.12
6	Cr. + Inv./Deposit Ratio	73%	75%	76%
7	Total Priority Sector Advances	6601.56	7320.64	8204.12
8	% of PSA to Total Advances	64%	64%	64.54%
9	Total Advances to Agriculture	2407.17	2704.40	3086.83
10	% of Agri. to Total Advances	23.49%	23.54%	24.28%
11	Advances to Weaker Section	1638.70	1954.42	2166.18

Sl. No.	Details	March 2017	March 2018	March 2019
12	% of W.S. to Total Advances	15.99%	17.01%	17.04%
13	Advances to SC / ST	721.77	825.39	926.25
14	% of SC/ST to Total Advances	-	-	-
15	Advances to DRI	-	-	-
16	% of DRI to Total Advances	-	-	-
17	Advances to Minorities	1006.93	1148.46	1290.62

Table 10 Bank Branches

No	Particulars	No. of branches in UTP	Of which Rural branches in UTP	Branches in Karaikal Region	Amount of Money that has been given (in INR Cr.)
01	Commercial Banks Of which	205	34	39	
	a. Nationalized Banks	153	31	30	
	b. Private Sector Banks	52	3	9	
02	Puducherry State Co-op. Bank	27	9	3	
03	P.C.C.L.D. Bank	1	-	-	-
04	Regional Rural Bank	43	19	9	
	Total	276	62	51	

The banks have been able to maintain a healthy CD ratio of more than 64% in the years 2018 and 2019 in the priority sector, which is well above the RBI norms of 40%. As on March 2019, the achievement of disbursement target for MSME has been more than 100%.

As per the report received from bank branches the credit flow to MSME sector is placed at Rs.705.18 Crores. The available details provided by banks in respect of Micro, Small and Medium Sectors are also placed in annexure. Banks are also requested to ensure achievement of targets in terms of the recommendations of the Prime Minister's Task Force on MSMEs, i.e (i) 20 per cent year-on-year growth in credit to micro and small enterprises, (ii) 10 per cent annual growth in the number of micro enterprise accounts and (iii) 60 per cent of total lending to MSE sector as on corresponding quarter of the previous year to Micro enterprises.

State Level Bankers Committee (SLBC)

The State Level Bankers Committee is convened by lead Bank convenor SLBC UTP to review the performance of the banks under annual credit plans (ACP), Government sponsored schemes, subsidy programmes etc. Indian bank is the Lead bank in UT of Puducherry. During the SLBC meeting all the issues pertaining to the Banking Sector of UT of Puducherry will be analyzed. While reviewing some of the banks have performed well in respect of CD ratio, Disbursement of Loans, etc.,   Low performance banks have been requested to improve the performance in all parameters. NABARD guidelines & RBI guidelines are followed to achieve the targets.

b. Govt Programmes

The government, being the prime mover of the economy, has the onus of complementing the steps of Financing Institutions and pitching in to fill in the gaps wherever it deems necessary. Government has been supporting entrepreneurs throughout the state to take benefits under various Central as well as State Government schemes.

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

CGTMSE is a trust established by the Government of India, under the Ministry of Micro, Small and Medium Enterprises (MoMSME) and Small Industries Development Bank of India (SIDBI), to provides Guarantees for extending collateral free lending to Micro and Small Enterprises through banks and financial institutions (including NBFCs). The Scheme covers collateral free credit facility (term loan and/ or working capital) extended by eligible lending institutions to new and existing micro and small enterprises up to Rs. 200 lakh per borrowing unit. The guarantee cover provided under this scheme varies from 75 % to 85 % depending upon the quantum of loan and type of beneficiary. A nominal amount towards an Annual Guarantee Fee for the credit facility sanctioned is charged on the outstanding loan amount.

Table 11 Performance of Puducherry in CGTMSE scheme (from 2018-19 to 2022-23)[10]

FY	Number of Cases	Credit Guarantee Extended Amount (in Rs. Cr.)
2018-19	489	37.81
2019-20	1568	79.41
2020-21	1401	56.96
2021-22	1000	73.44
2022-23	455	47.35

In FY 2022-23, Puducherry ranks 29th among States and UTs in terms of the number of cases received and 29th in terms of the amount of Credit Guarantee extended.

a. Alternate Financing Mechanisms

MSMEs, by definition, have less resilience given their weak balance sheets and revenue uncertainties. This is particularly true in sectors where differentiation is low and there is no intellectual property or brand salience. The risk in lending to MSMEs is therefore skewed, particularly with respect to more toward micro enterprises This inherent risk hinders MSMEs access to adequate, affordable, and timely access to credit impacting cash flow management. This is further exacerbated due to factors such as delayed payments by buyers, including Government entities and other players in the supply chain.

Trade Receivables Discounting System (TReDS) is an innovative online platform seeks to provide MSMEs with the means to convert their receivables into cash, thereby unlocking working capital. TReDS has been pivotal in addressing the credit constraints faced by small businesses across the country. However, the current state of onboarding on the TReDS portal in the state of Puducherry needs active efforts.

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

▶ **RXIL (Receivables Exchange of India Ltd):** RXIL was set up by the Small Industries Development Bank of India (SIDBI) & National Stock Exchange of India Limited (NSE) in December 2014

▶ **M1Xchange**: M1Xchange started in 2017 and operated by Mynd Solutions Pvt Limited. M1xchange is the platform which largest value of invoices discounted with a sizeable volume of invoices discounted.

▶ **InvoiceMart**: It is promoted by TReDS Ltd. (a joint venture between Axis Bank and mjunction services). Invoicemart has the largest number of invoices discounted but it is evident that the value of invoices discounted is significantly low.

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[10] https://dashboard.msme.gov.in/cgtmse.aspx

Table 12 Status of TReDS in Puducherry

Platform	No. of MSME Sellers	No. of PSUs	No. of Corporate Buyers	Number of Invoices Discounted	Value of Invoices Discounted (Cr)	Time Period
RXIL	21	0	15	793	53.53	5 years (2019-23)
Invoicemart	67	0	53	6496	91.31	5 years (2019-23)
M1xchange	27	0	Nil	1687	8.00	4 years (2021-24)

b. MSME SAMADHAAN

The Micro, Small, and Medium Enterprise Development (MSMED) act 2006 provides measures to deal with delayed payments to micro and small businesses (MSEs). If the buyer fails to pay the supplier within 45 days of acceptance of the goods/services, the buyer is liable to pay compound interest to the supplier up to three times.

The state governments form a Micro and Small Enterprise Facilitation Council (MSEFC) to resolve payment issues, and any MSE unit with a valid Udyog Aadhaar Number can file a case with the MSEFC.

The Ministry of MSME launched an initiative called Samadhaan Portal that allows MSME units to file online complaints against buyers of products or services. The portal provides information on pending payments, and entrepreneurs can use it to check the status of their online applications for delayed payments. PSE, CEOs, and Secretaries of relevant Ministries are responsible for monitoring delayed payments under their authority and making necessary directions to resolve the issues. The state of Puducherry ranks 29th among all the states with respect to percentage of cases resolved and registered in MSEFCs. The state uploads all relevant cases directly on the Samadhaan Portal and therefore all entries are digitized.

1.4.5 Market Dynamics

1.4.5.1 Cluster Development

Cluster development and market dynamics are interrelated concepts that play a vital role in shaping the economic landscape of regions and industries. Clusters often exhibit higher resilience due to the nature of enterprises within the cluster, and when market dynamics change, these enterprises can collectively adapt more effectively. Furthermore, cluster development can drive innovation and respond to changes in market dynamics by aggregating complementary resource, knowledge and expertise.

a. Govt Programmes

The Governments have taken various steps to facilitate and encourage development of clusters within the state.

SFURTI Scheme

The SFURTI scheme stands for the Scheme of Fund for Regeneration of Traditional Industries, which was launched in 2005 by the Indian government's Ministry of MSME. Its primary objective is to promote the development of industrial clusters in India that are traditionally based.

The scheme aims to provide essential amenities and benefits to these clusters of industries spread across the country, so that they become more competitive in the industry and increase their revenue and profits. The goal is to improve the overall economic development of the traditional industries in India.

At present there are no functional clusters under SFURTI[11] in U.T of Puducherry though handicrafts enterprises exist in the UT.

MSE CDP Scheme

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

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

A total of 222 CFCs and 335 Infrastructure Development Projects have been approved across India. In Puducherry one Infrastructure Development Project has been approved and is in progress whereas no projects under the CFC have been undertaken similar to other UTs except Jammu & Kashmir. However, presence of sectors like Food processing, Plastic, Textiles and Pharmaceuticals provide scope to explore the cluster development in the UT. Also, the infrastructure in existing Industrial areas and estates needs upgradation (e.g. roads, provision of flatted factories, common facilities etc.) for which the MSE-CDP scheme can be leveraged.

1.4.5.2 Exports

a.   **Exports Overview**[12]

The exports from Union territory of Puducherry is considerably high for the period between 2015-16 to 2020-21. The exports from the Union Territory achieved its peak during 2017-18 and has declined gradually during 2018-19 and 2019-20. But exports from the Union Territory have increased despite the pandemic situation during 2020-21 and in fact it has grown by 15% in comparison to that of 2019-20.

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[11] https://sfurti.msme.gov.in/SFURTI/Reports/DPR_Functional_Upto.aspx
[12] Export policy of U.T. of Puducherry

Figure 6 Exports Overview

Exports - Total Value (INR) Crores
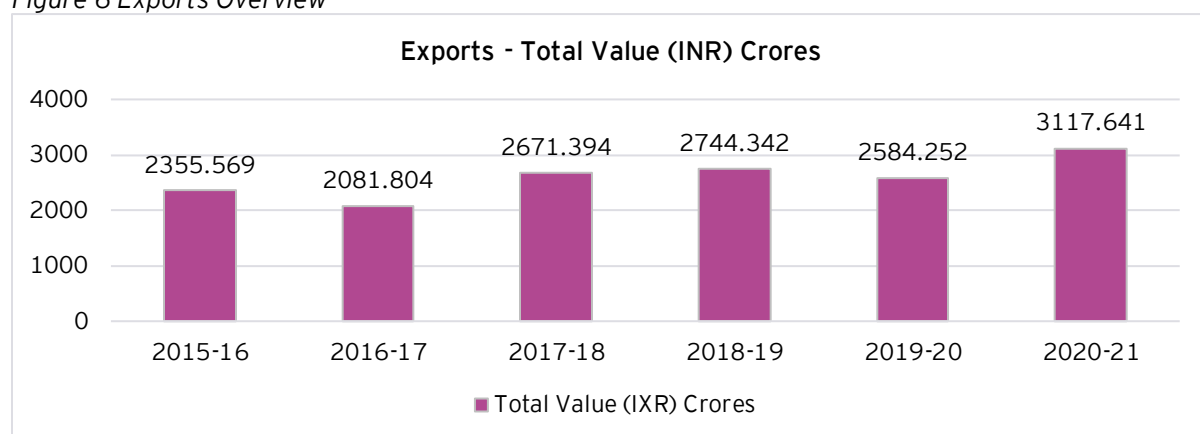
The year on year growth of exports of Union territory of Puducherry is on a progressive scale. The dip in growth of exports during 2019-20 was because of global economic slowdown. This trend indicates that merchandise exports contribute positively to the economic profile of the state. The top ten product items exported from the UT for the period from 2015-16 to 2020-21 consists broadly of

Figure 7 Export Performance of Top Ten Principal Commodities
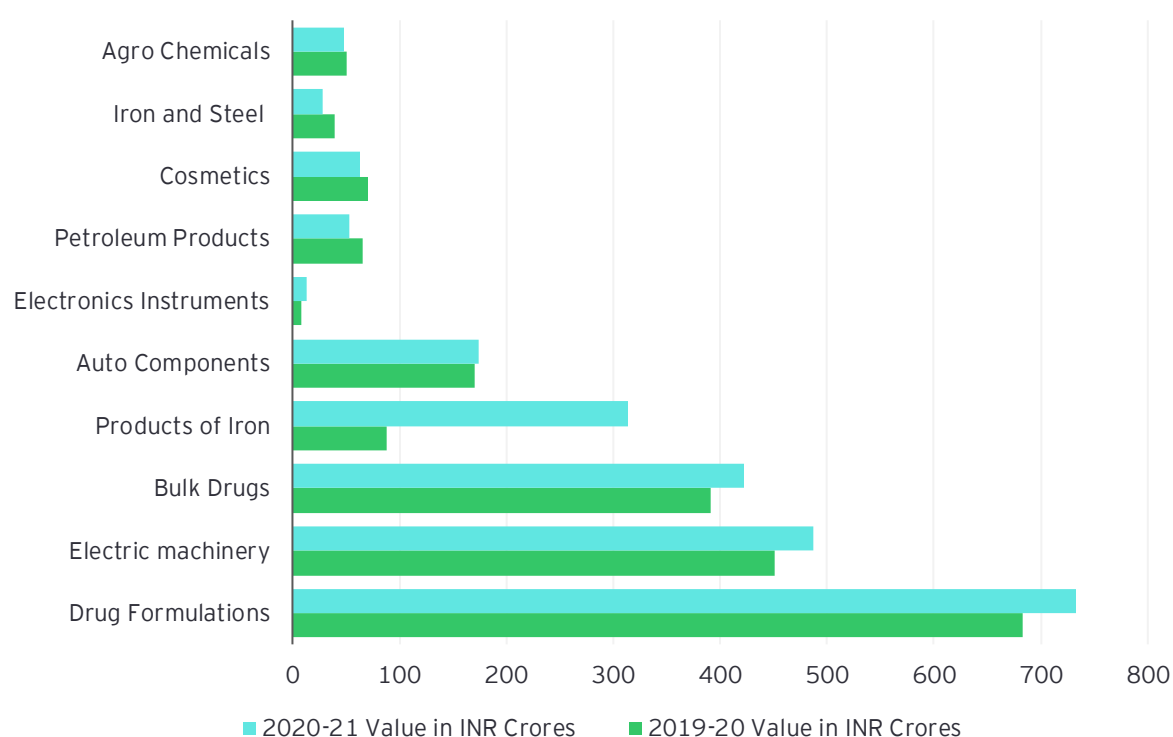
Out of the top ten export products, pharmaceuticals industry dominates with five items. The percentage share of Pharma products to the top ten exports is 46.67% and to the overall exports from the Union Territory is 24.73% for the above mentioned six years.

The percentage share of the above top ten export products to the overall exports from Union Territory for the above five years is 53.05%, This export concentration of the top ten products is highly skewed to three predominant industries. This disparity has also been brought out by EPI (2019) in which the Union Territories vulnerability to trade shocks has been highlighted through high score in Export Concentration category (i.e.) at 59.9%.

To have in-depth understanding of the contribution of other different commodities in the export basket, an analysis of the top ten principal commodities for the years from 2015-16 to 2020-21 have been undertaken. The categorization of products into principal commodities is based on the data provided by DGCIS.

The diagram below gives us an insight of some of the major destinations for the products exported from Union territory of Puducherry under Merchandise trade for the period 2015-16 to 2020-2021. The percentage share of the top ten destinations in comparison to all the exported destination is 57.94% The percentage share of USA to the top ten export destination is 41.06% and to the overall exports is 23.79%. This clearly indicates the disproportionate concentration of few export destinations.

Image 4 Major Export Markets

Image 5 Major Export Markets

The export destinations of Union territory of Puducherry and that of our country overlaps 60%. The Union Territory is exporting to unique destinations like Guatemala, Czech Republic, Oman which is less explored by the country as a whole. This indicates the risk-taking ability of the exporters from the Union Territory to explore and enter new market destinations.

b. **Export Ecosystem**
    In order to understand the export scenario of the Union territory of Puducherry better and it was compared among its counterparts. Union territory of Puducherry is placed in the 4th position in comparison to its counterparts with a score of 21.86 as per the Export Preparedness Index 2020 report by NITI Aayog

Table 13 LEADS Score for UT

Rank Order	States	Availability of logistics infrastructure	Quality of logistics infrastructure	Quality of logistics services provided by service providers	Ease of arranging logistics at competitive rates	Timeliness of cargo delivery
1	Chandigarh	3.67	3.67	3.61	3.28	3.58
2	Delhi	3.57	3.47	3.56	3.23	3.37
3	Puducherry	3.5	3.45	3.32	2.91	3.18
4	Dadra & Nagar Haveli	3	3.13	3.31	2.94	3.63
5	Daman & Diu	3.15	3.2	3.4	3.05	3.5

► **Infrastructure**

As products increasingly become "Made in World" rather than being made in a specific location, linkage with global value chains is critical to any economy aspiring for a step-up in growth (World Trade Organization, 2019). The traditional approach of logistics and infrastructure being a support mechanism has changed and it is strategic in deciding the competitiveness of a product/ service and its industry as a whole.

i.   **Ports**

Union territory of Puducherry is endowed with coast in all its four regions. Union Territory has one deep water port at Karaikal and one minor port at Pondicherry. The other two regions (i.e.) Mahe and Yanam are also in close proximity each with major ports- Manga lore port and Vizag port, respectively.

Puducherry port is an open roadstead anchorage port situated about 170 kms. South of Chennai and is suitable for lighterage operations during fair weather months (February to September). Since 2009, Puducherry Port is non-functional because of the loss of draft to meagre 1-2 m and any navigational activities requires a minimum depth of 4-5 m. Recently, funds have been allotted under Sagarmala scheme of Ministry of Ports, Shipping and Waterways, Government of India for port upgradation, dredging and making the port functional and also to initiate all augmentation, activities.

Karaikal Port Private Limited (KPPL) is an all-weather deep-water port developed on Build, Operate and Transfer format under Public Private Partnership in terms of the concession awarded by the Government of Puducherry. Commissioned in April 2009 and developed in an area of 600 acres, Karaikal Port is located near the town of Karaikal. Since operations, the port has handled diverse cargo such as Coal, Sugar, Cement, Fertilizers, Project Cargo, Agro commodities, Liquid cargo and Containers. In the upcoming years, KPPL is expected to add new cargo flows to increase cumulative revenues and cargo handling to over 125 MMT by 2025.

The following figure shows the ports preferred by exporters for movement of their export consignments from the Union Territory during the period of five years from 2015-16 to 2020-21. It can be noted that 97% of the overall exports from the Union Territory are through the above-mentioned top ten ports. Out of the top ten ports, four ports pertain to Chennai and its surrounding area. The proportion of exports done through these ports is 87.5% of the overall exports from the Union Territory. Facility at ICD Sattva Pullichappam is least utilized. The facilities at ICD Pondicherry are utilized minimally - 5.48% of the overall exports from the Union Territory

Figure 8 Top Ten Preferred Ports for Exports of Consignments from Puducherry by value

Legend:
- 2020-21 Value in INR Cr.
- 2019-20 Value in INR Cr.
- 2018-19 Value in INR Cr.
- 2017-18 Value in INR Cr.
- 2016-17 Value in INR Cr.
- 2015-16 Value in INR Cr.
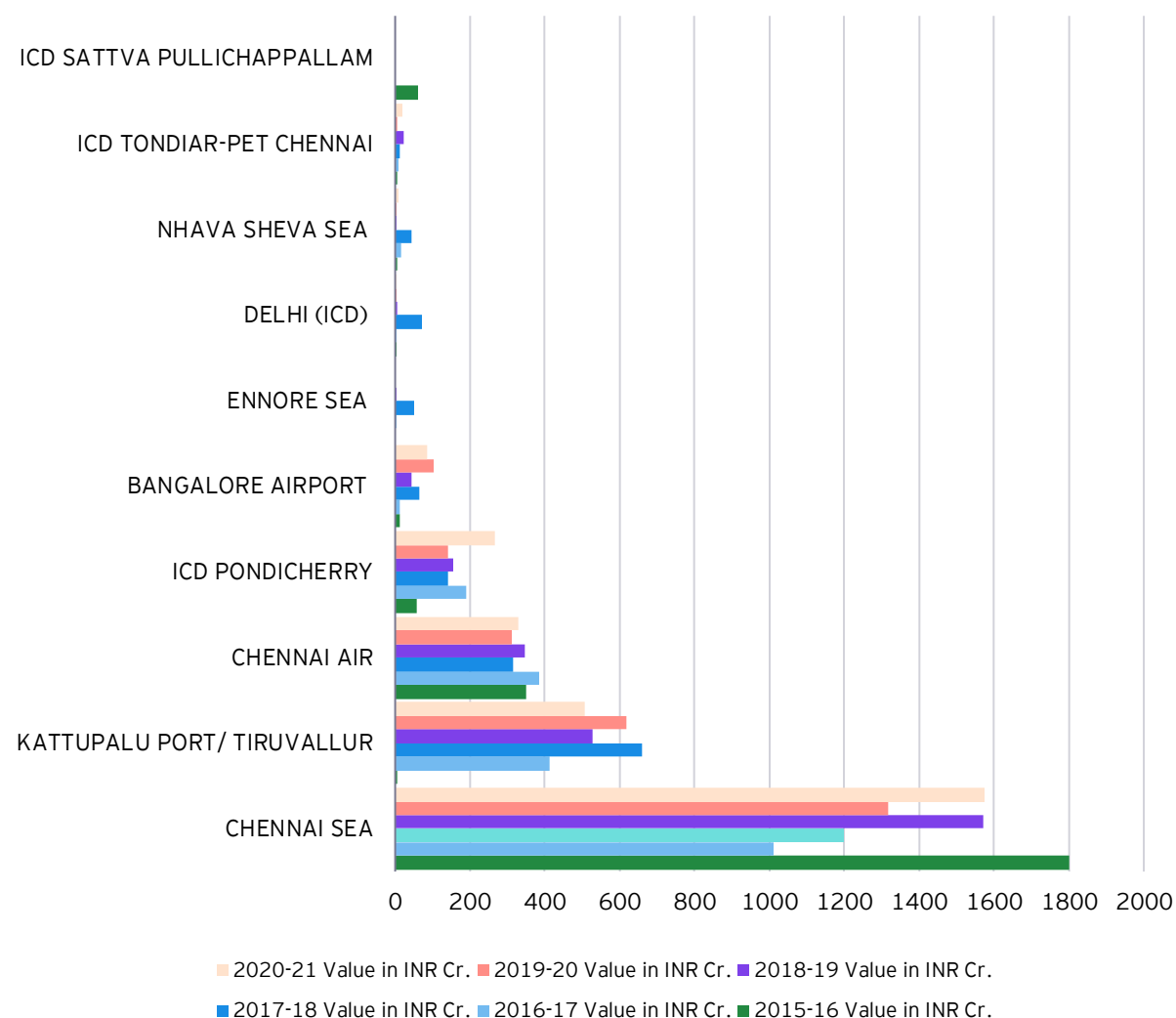
Based on interaction with the exporters, the reasons behind high preference for ports of loading in Chennai and its neighbouring ports are listed below:

▶ Puducherry Port is non-functional.

▶ Absence of Container Yards in the Union Territory has led to high demand and shortage of containers. The containers have to be hired from Chennai and this increases the cost of hiring containers and increases time delay in cargo delivery.

▶ This heavy dependence on Chennai and its neighbouring ports has led the exporters to face the following difficulties enroute from their plant to ports of preferences:

　▶ Very high traffic congestion on the roads to Chennai ports.

　▶ It results in high cost of transportation. It affects the profit margin which is already marginal for many of the MSME exporters.

　▶ Insurance premium to be borne by the exporter also increases because the exporter is forced to avail two kinds of insurance i.e., land insurance for plant to port and marine insurance from port to the destination.

▶ This movement of export consignment leads to high dependence on road transportation.

ii. Warehousing and Cold Storage Facilities

The quality of any product in particular perishable commodities like Agro and Marine products depends on the quality of storage. The facilities currently available at Union territory of Puducherry are as follows:

A Central Warehouse is located in Puducherry. An Inland Container Depot (ICD) notified by Customs is located near Puducherry which serves Pondicherry and Karaikal in addition to neighbouring Districts of Tamil Nadu. The firm holding the ICD is also in possession of two warehouses in Puducherry with logistics and handling facilities. In addition, there are about 10 private warehouses in Puducherry catering to the need of the industrial establishments.

Cold Storages, available for fish, fruits & vegetables, milk and pharma products, are presently utilized for own purposes by the possessors. In respect of current warehouse details, there is only one cold storage unit with a capacity of 4.5 M.t. is in the premises of Puducherry Market Committee, Thattanchavady, Puducherry, However, seed storage godowns having temperature and humidity control capacity 300 M.T. and 200 M.T. are located at Pondicherry and Karaikal Districts, respectively.

1.6 Technology and Quality

ZED Scheme

MSME Sustainable (ZED) Certification is an extensive drive to create awareness amongst MSMEs about Zero Defect Zero Effect (ZED) practices and motivate and incentivize them for ZED Certification while also encouraging them to become MSME Champions. [13]

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

▶ Encourage and enable MSMEs for manufacturing of quality products using latest technology and tools.

▶ Develop an ecosystem for ZED manufacturing in MSMEs.

▶ Enhancing competitiveness and enabling exports

▶ Promote adoption of ZED practices

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

Figure 9 ZED Certification Process

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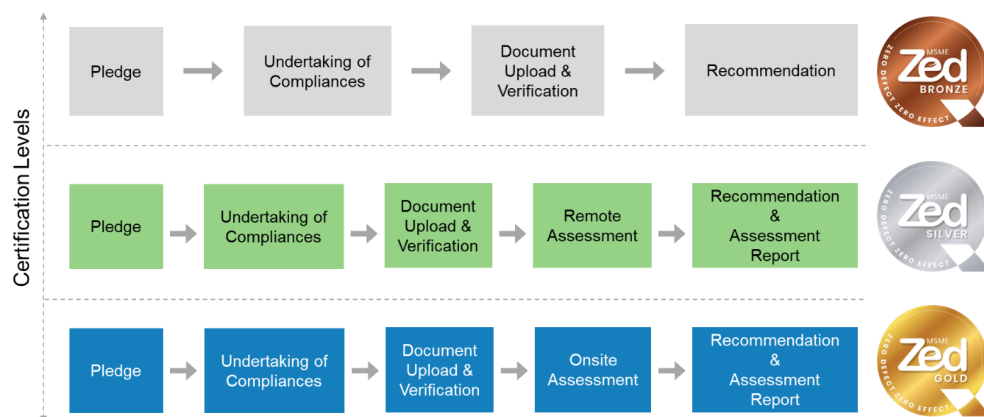
[13] Guideline Cover.cdr (investindia.gov.in)

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

LEAN Scheme

The LEAN Manufacturing scheme was started as a pilot phase in 2009 for 100 mini-clusters in 11th Five Year Plan. National Productivity Council (NPC) was selected as National Monitoring and Implementing Unit (NMIU) for facilitating implementation and monitoring of the Scheme. Intervention of Lean Techniques started in 89 Mini Clusters and successfully. Work completed in 59 Mini Clusters with an expenditure of Rs 16.17 Cr under the Pilot phase of LMCS.

The Scheme was up scaled in September 2013 considering the recommendations of the evaluation report conducted by Quality Council of India (QCI). The evaluation report on Implementation of pilot LMCS has recommended the continuation of the Scheme keeping in view benefits amounting to about 20% increase in productivity to the units.[14]

The Phase II of the scheme was started in 2019 after successful completion of pilot and up-scaled phase. The scheme was launched to make the MSMEs competitive with the use of LEAN Methodology under the changing global environment. The main aim was to make the MSMEs competitive and efficient to participate in the exports of the products in the globalized world.

The Objectives of the project were –

▶ Reducing Waste

▶ Increasing productivity

▶ Introducing innovative practices for improving overall competitiveness

▶ Inculcating good management systems

▶ Imbibing a culture of continuous improvement

The Scheme is aimed to help small and medium-sized businesses in selected clusters to reduce their manufacturing costs with the assistance of Lean Manufacturing Consultants (LMC), who will be financially supported by the government. The LMC will work with the MSMEs to implement various Lean Manufacturing techniques, such as optimizing personnel management, improving space utilization, managing inventory scientifically, streamlining processes, reducing engineering time, and so on, to reduce waste in manufacturing. The Scheme also encourages the promotion of Zero Defect Zero Effect manufacturing.

MSME Competitive Lean Scheme (MCLS) was launched by the Ministry of Micro, Small and Medium Enterprises (MSME) in March 2023[15] to enhance the competitiveness of Micro, Small and Medium Enterprises (MSMEs) in the country. The scheme aims to improve the productivity and profitability of MSMEs by implementing lean manufacturing tools and techniques.

The scheme also provides for capacity building and training of MSMEs in lean manufacturing techniques through a network of lean manufacturing groups and experts. The aim is to create a pool of trained professionals who can provide technical assistance to MSMEs in adopting lean manufacturing practices.

MSME Competitive (LEAN) scheme can be attained in three levels namely:

▶ Basic

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[14] [Lean Manufacturing | Ministry of Micro, Small & Medium Enterprises (msme.gov.in)](msme.gov.in)
[15] PIB Delhi press release for MoMSME on 10 March 2023

▶ Intermediate

▶ Advance

The steps involved in implementation of the three levels are illustrated below:

Image 6 LEAN Scheme Implementation: Basic
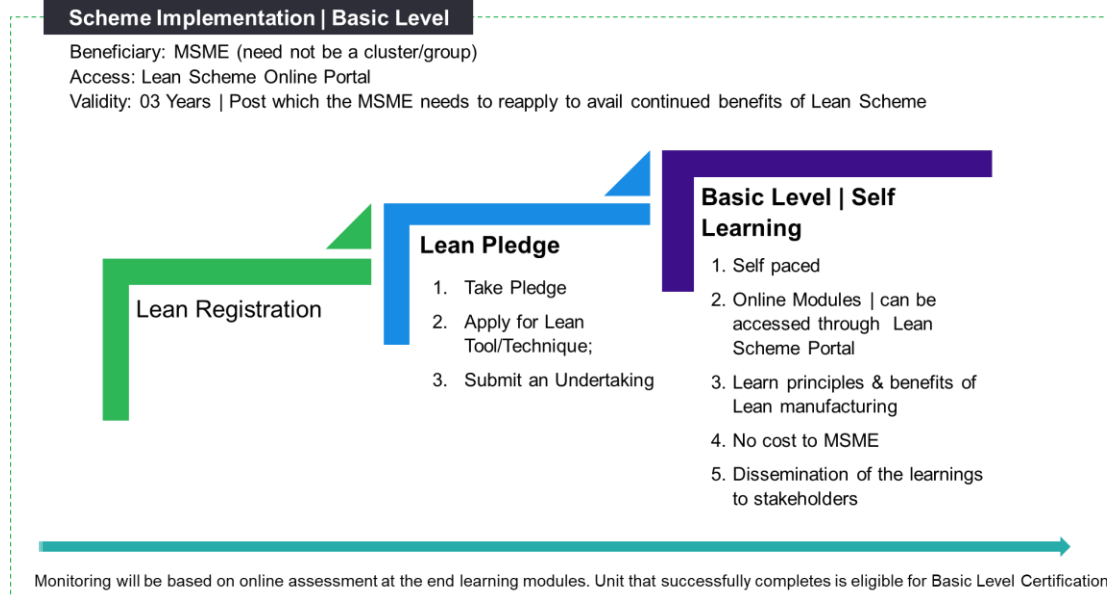
Image 7 LEAN Scheme Implementation: Intermediate
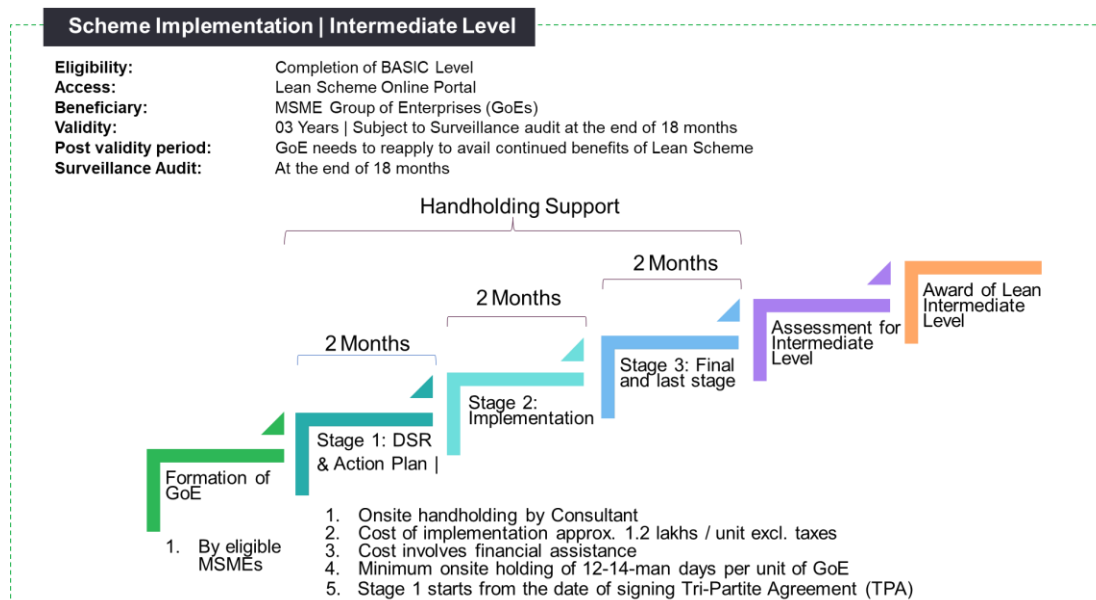
Image 8 LEAN Scheme Implementation: Advanced

Scheme Implementation | Advanced Level

Eligibility:	Completion of Intermediate Level
Access:	Lean Scheme Online Portal
Beneficiary:	MSME Group of Enterprises (GoEs)
Validity:	03 Years | Subject to Surveillance audit at the end of 18 months
Post validity period:	GoE needs to reapply to avail continued benefits of Lean Scheme
Surveillance Audit:	At the end of 18 months

Handholding Support

2 Months

5 Months

5 Months

Formation of GoE (if required to change)
1. By eligible MSMEs

Stage 1: DSR & Action Plan

Stage 2: Implementation

Stage 3: Final and last stage of implementation

Assessment for Advanced Level

Award of Lean Advanced Level

1. Onsite handholding by Consultant
2. Application of Lean tools and techniques
3. Cost of implementation approx. Rs. 2.4 Lakh (excluding taxes) per unit
4. Cost involves financial assistance
5. Minimum onsite holding of 12 -14-man days per unit of GoE
6. Stage 1 starts from the date of signing Tri-Partite Agreement (TPA)

Innovate (Incubation, Design and IPR)

Innovate Scheme under the MoMSME has three different verticals promoting innovation in the complete value chain from ideation to application of the ideas to solve problems commercially. The three verticals under Innovate scheme are Incubation support, Design support and IPR support.

The primary objective of the Incubation Component is to promote and support untapped creativity, and adoption of latest technologies in MSMEs that seek the validation of their ideas at the proof-of-concept level. The Incubation component consists of:

▶ Recognition of eligible institutions as Host Institute (HI) to act as Business Incubator (BI)

▶ Approval of Ideas of Incubatees submitted through Host Institute (HI)

▶ Assistance for nurturing of Ideas to HI

▶ Assistance towards Capital Support to HI for Plant and Machinery

Figure 10 Process Flow of Incubation application approval for financial assistance

1 — Uploading ideas on portal after evaluation of ideas by Host Institution (HI) and shortlisting

2 — First stage screening by PMU off ideas in all aspects

3 — Evaluation, selection and recommendation of idea by Domain Expert selection Committees (DESC) to PMAC

4 — PMAC approves the idea for financial assistance

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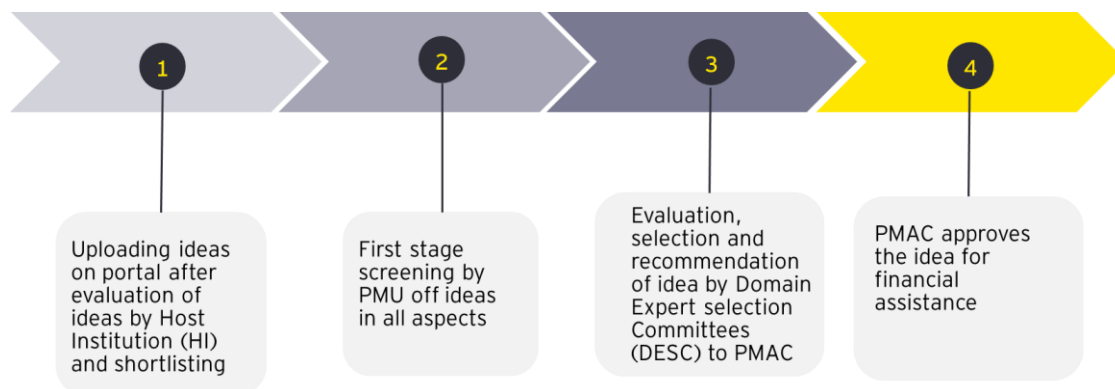
1.5   Diagnostic Assessment and MSME Field Surveys

1.5.1 Overview

To develop an effective strategy and aligned set of interventions, it was envisioned that a diagnostic and stakeholder dialogue exercise will be conducted to gather data and information on the MSME sector.

The comprehensive diagnostic analysis undertaken for the Strategic Investment Plan (SIP) of Puducherry examines multiple pivotal dimensions of the state's Micro, Small, and Medium Enterprises (MSME) landscape. This evaluation yields significant takeaways pertaining to the structural makeup, scale stratification, industry segmentation, gender inclusivity within the entrepreneurial scene, and the demographic classification of enterprise proprietors.

The survey plan for preparation of SIP under RAMP scheme involved the following:

1. **Data Collection –** Survey plan started with gathering of data from various stakeholders. The sampling was based on the following factors

   a. UDYAM registration data (district, gender, social category)

   b. Sampling across 4 districts based on MSME spread

   c. District wise SC-ST and marginalized communities' data

   d. Sector wise MSMEs data

2. **Sampling Plan –** Based on the above parameters and the mandate as per the contract between the client and Ernst and Young LLP, the sampling has been done wherein a total of 770 MSMEs were surveyed.

The data for the survey has been collected from one i.e. Pondicherry out of the four distinct districts situated in the southern region of India. Each district was chosen based on its concentration of Micro, Small, and Medium Enterprises (MSMEs). The spread of the sample from each district is as follows:

- Pondicherry, accounting for 81% of the sample pool, provided 620 samples.

- Karaikal, representing 15% of the population, is expected to deliver a sample of 115.

- Yanam and Mahe, with their population proportions of 1.3% and 1.6%, will contribute 20 samples each.

This stratified sampling method is to ensure each subgroup is adequately represented in the study. The total sample collected in these four districts amounts to 770 samples.

Additional subgroups were created to obtain insights about the following parameters: size, sector, socio-economic background, and gender.

In terms of size, the clients were grouped into three categories- Micro, Small, and Medium. Majority of the sample (700) will consist of Micro-sized businesses, while Small and Medium-sized businesses will represent a much smaller proportion of the sample, consisting of 50 and 20 samples, respectively.

The sample is also equally split by sector to offer a comprehensive understanding of MSMEs in both Manufacturing and Services.

In the context of socio-economic affiliation, the largest group is represented by Other Backward Class (OBC), with 370 samples. Whereas, the General category has 340 samples, and the smallest group is the combined category of Scheduled Caste, Scheduled Tribe and other affiliations, with 60 samples.

As for gender, the male category will constitute a major portion of the sample, tallying 569; on the other hand, the sample will include 244 women. This data will help to investigate gender disparities in relation to MSMEs' business operations, financial health, and growth opportunities.

Altogether, the gathering of this data is aimed at providing an in-depth analysis of the state of MSMEs in the targeted districts. This stratified sampling allows for a diverse range of perspectives.

Survey Agency Onboarding – After finalizing the survey sample and questionnaire for the survey, a workshop was conducted for the surveyors of the third-party survey agency which has been onboarded. To familiarize them with the survey methods, notifying them the need of the survey and the details of the questionnaire. This workshop aided in imparting the necessary communication skills needed for the survey along with notifying them regarding the ethical considerations to be followed during the survey.

After completion of the workshop, the testing of the questionnaire was done on field and with the feedback, the questionnaire was finalized, and the survey started. Along with surveys of the MSMEs the E&Y (Ernst & Young) LLP team also had FGDs (focus group discussions), meetings, and telephone conversations with stakeholders.

Industry Type and Activities

The focus was on data collection, assessment of the monitoring framework, and conducting stakeholder meetings. To facilitate data collection field visits were conducted across each district based on the survey plan. Additionally, focus group discussions (FGDs) were held with MSMEs and industry associations to gain a better understanding of their requirements for technology, finance, and networking connections.

The team also assessed the monitoring framework and developed a monitoring and evaluation system for the Industries Department in Puducherry. This ensured that the project stayed on track and that any issues were addressed in a timely manner. Stakeholder meetings were also conducted with government agencies to identify major challenges and roadblocks currently being faced in the MSME sector. This information has been used to develop targeted solutions to address these issues.

Finally, the team conducted benchmarking and best practices studies across the states, clusters, and internationally. This helped to identify successful strategies and solutions that can be adapted to the specific needs of Puducherry's MSMEs.

The field survey aimed to comprehensively analyse the constraints, and opportunities for MSMEs focusing on key pillars identified by the RAMP program. The survey encompasses a total of 770 enterprises, distributed across the district of Pondicherry. The types of enterprises that were surveyed were mostly in the service sector (54%) followed by trading (27%) and manufacturing sector (19%).

To develop an effective SIP for the State of Puducherry, a comprehensive questionnaire has been used, which covered the following aspects related to MSMEs:

▶ Basic information on MSMEs

▶ Status of employment in the enterprise

▶ Access to market status and issues

▶ Access to finance challenges

▶ Raw material procurement aspects

▶ Technology upgradation

▶ Awareness about TreDs platforms

- ▶ Delayed payments and Samadhan Portal
- ▶ Issues related to government procurement and GeM/ONDC portal
- ▶ Adoption and issues related to environment and safety standards
- ▶ Infrastructural challenges of MSMEs
- ▶ Capacity building related issues
- ▶ Awareness and benefits of various State and Centre schemes
- ▶ Basic information about MSME owners

A part of the survey analysis has been presented below while the rest of the survey analysis has been captured within the interventions and other relevant sections.

In Puducherry, the MSME sector is dominated by Services and Trading sector accounting for 80%. Further, the small and medium enterprises in Puducherry forms only 3% share of the total MSME sector. Yet, the manufacturing sector is contributing about 37% of the employment generated in the UT's MSME sector. Hence, it becomes essential that the growth of small and medium enterprises needs to be ensured to facilitate more contribution to the State Gross Domestic Product and Gross Value Addition, in addition to employment generation. Further, the MSME sector in Puducherry, as in national scenario is dominated by micro firms.

Size distribution of Enterprises: Approximately 86% of the entities are Micro enterprises, close to 7%, are Small and the remaining 7% are Medium Enterprises

Size of Enterprise

7%   7%

86%

■ Medium ■ Micro ■ Small
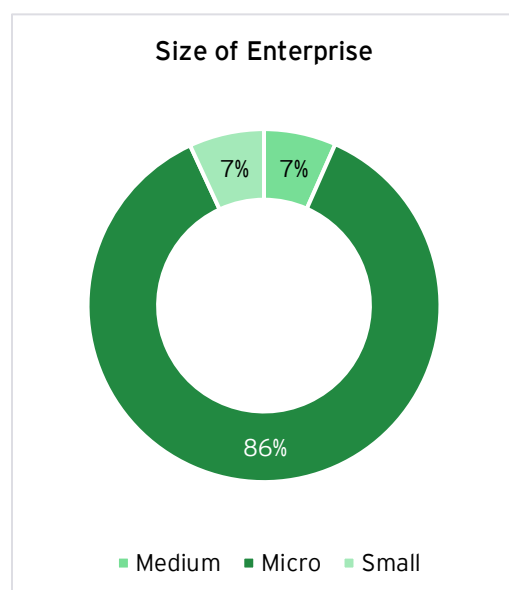
Industry Composition Analysis: The MSME sector of Puducherry is largely characterized by a service-centric orientation, which encompasses approximately 55% of the total MSME framework. Additionally, there is a notable representation of trading and manufacturing sectors, which collectively form a substantial portion of

the MSME landscape, accounting for 27% and 18% respectively.

Industry Composition

Trading	27%
Services (can include self-employed too)	55%
Manufacturing	18%
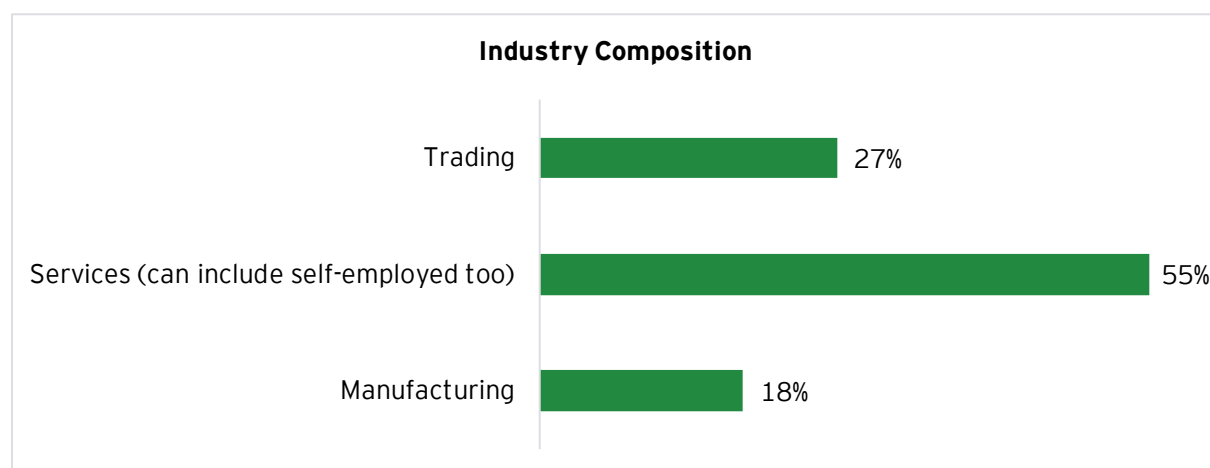
Fundamental information about MSMEs

Corporate Longevity: The MSME sector within Puducherry exhibits a predominantly nascent operational tenure, with approximately 52% of these enterprises having commenced their business activities within the past five years. A further 29% of the entities have been operational for a duration spanning 5 to 10 years. A smaller segment, constituting 6% of the MSMEs, have sustained operations for a period ranging between 10 to 15 years. Additionally, a seasoned 11% of the MSMEs have a business legacy extending beyond 15 years, reflecting a degree of established presence within the regional economic landscape. This temporal distribution highlights the dynamic and evolving nature of the Puducherry MSME framework, characterized by a significant influx of emerging enterprises alongside more established counterparts.

Figure 11 Corporate Longevity

Corporate Longevity

Legend:
- 5-10 years
- 10-15 years
- More than 15 years
- Less than 5 years

(29%, 6%, 11%, 52%)

Puducherry's MSME ecosystem is a tapestry of diverse sectors, with the food processing industry at the forefront, comprising a significant 17% of enterprises. This significant representation underscores the pivotal role of food processing in the MSME ecosystem, likely driven by the consistent demand for food products and the potential for value addition in this sector. The 'Others' category, which comprises 145 MSMEs or 18.8% of the total, suggests a significant portion of MSMEs operate in sectors not explicitly listed. This indicates a broad spectrum of niche markets and specialized activities that MSMEs are engaged in, reflecting the sector's adaptability and innovation.

Sectors such as 'Machinery & Equipment', 'Textiles', 'Pharmaceuticals & Medical Devices', and 'Agri based activities and machinery' also show robust MSME activity, with each holding substantial shares ranging from 4.8% to 10.6%. These sectors are likely driven by a combination of domestic demand, export potential, and supportive government policies. The data also reveals a middle tier of sectors like 'Automotive & Auto Components', 'Metals and Fabricated Metals', 'Wood & Allied Products', and 'Jewellery', each with a moderate presence of MSMEs. These sectors benefit from a mix of skilled labor, technological advancements, and market demand, contributing to their respective shares of the MSME market. Sectors such as 'Non-Metallic Mineral Products', 'Energy', 'Leather manufacturing', and 'Telecommunications' have minimal MSME representation, each constituting less than 0.5% of the total. The low numbers in these sectors may be attributed to higher capital requirements, regulatory challenges, or specialized technical expertise that could be barriers to entry for small and medium-sized enterprises. This sectorial distribution highlights Puducherry's strong engagement in both service provision and commercial distribution and production activities.

Figure 12 Number of MSMEs – Sector Wise

Sector Wise Distribution

Sector	% of MSMEs
Others	18.8%
Food Processing	17.0%
Machinery & Equipment	10.6%
Textiles	9.5%
Pharmaceuticals & Medical Devices	7.7%
Agri based activities and machinery	4.8%
Automotive & Auto Components	4.2%
Metals and Fabricated Metals	3.6%
Wood & Allied Products	3.2%
Jewellery	3.0%
Chemicals	2.9%
Education	2.7%
Tourism & Hospitality	2.3%
Printing	2.1%
IT & ITeS	1.9%
Construction	1.8%
Apparel & Leather Products	1.6%
Rubber & Plastic Products	0.9%
Glass Manufacturing	0.9%
Toys	0.8%
Breweries	0.8%
Logistics	0.6%
Plastic	0.4%
Paper & Paper Allied Products	0.4%
Telecommunications	0.3%
Leather manufacturing	0.3%
Energy	0.3%
Non-Metallic Mineral Products	0.1%

■ % of MSMEs

Gender Demographics: The MSME domain exhibits a predominant male ownership, with approximately 67% of enterprises under male proprietorship. Conversely, female-owned enterprises constitute roughly 33% of the total.

Figure 13 Gender Demographics

Gender Demographics

33%

67%

■ No ■ Yes
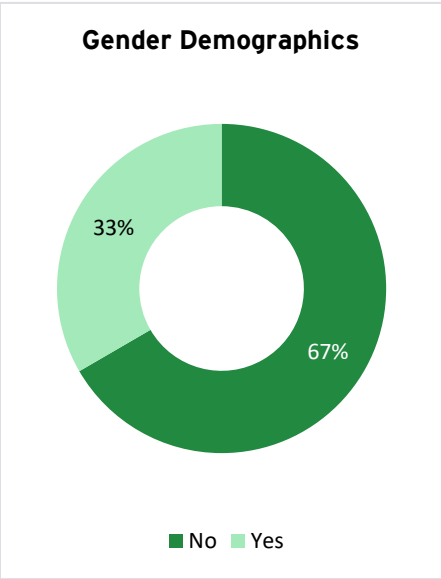
Social Composition Analysis: The assessment delineates the social categories of entrepreneurship within the MSME sector. Data reveals that individuals from the general category own approximately 40% of MSMEs. Entrepreneurs from the Other Backward Classes (OBC) represent a majority, with 53% ownership. Scheduled Castes (SCs) account for 5.7% of enterprise proprietors, while Scheduled Tribes (STs) comprise a marginal 0.3%.

Figure 14 Social Composition Analysis

Social Composition Analysis

General	OBC	ST	SC
40.6%	53.4%	0.3%	5.7%

■ %
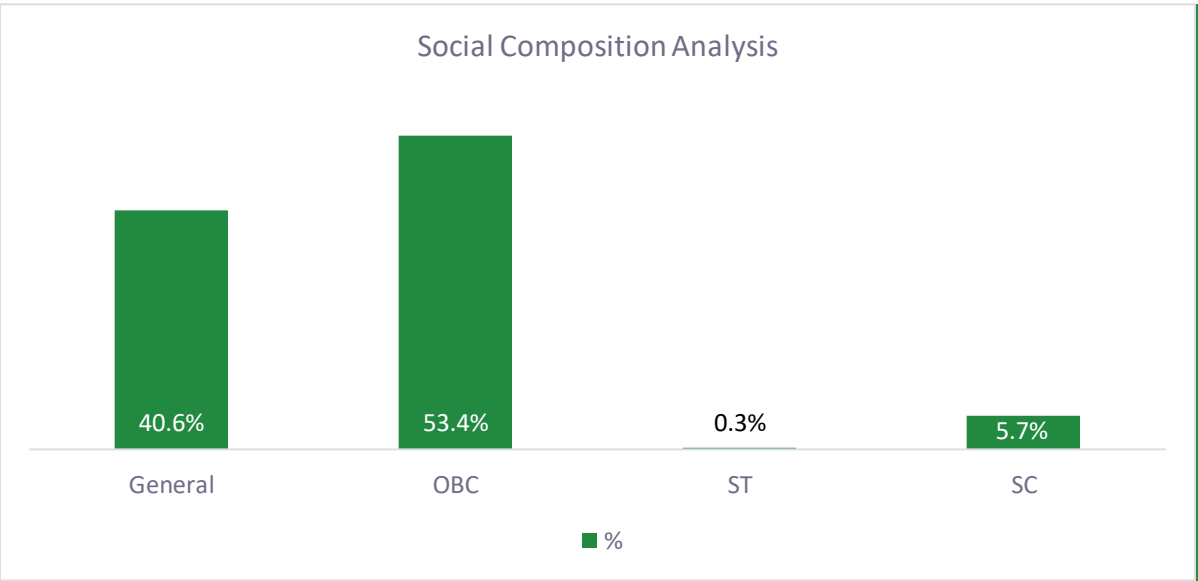
Corporate Enterprise Composition: A significant majority, approximately 92%, are structured as sole proprietorships, establishing this as the dominant organizational form. Partnership entities account for nearly 4.8% of the business landscape. Conversely, Private Limited Companies represent a smaller fraction, constituting about 1.2% of the total enterprises. Public Limited Companies comprise 0.6%, while Limited Liability Partnerships (LLPs) make up approximately 0.3% of the enterprise ecosystem. The prevailing preference for proprietorships and partnerships may be attributed to the relative simplicity and efficiency of their formation and management processes, as well as the reduced regulatory and compliance requirements when compared to the more complex governance frameworks associated with Public Limited Companies.

Figure 15 Corporate Enterprise Composition

Corporate Enterprise Composition

Number of MSMEs
- 0.6%
- 1.2%
- 1.2%
- 92%
- 4.8%
- 0.3%

Legend:
- Public Limited Company
- Pvt./Ltd/
- Other (please specify)
- Proprietorship
- Partnership
- Limited Liability Partnership/LLC

Revenue Performance (Five-Year Perspective): An examination of the financial throughput within the Puducherry MSME sector over the preceding quintennial period reveals that a predominant 57% of enterprises have recorded annual revenues below INR 25 lakhs. This trend underscores the prevalence of modest-scale operations within the sector. Meanwhile, a substantial 28.7% of businesses have achieved turnover figures ranging from INR 25 lakhs to INR 1 Crore, indicating a solid performance in the mid-revenue bracket. The upper echelons of turnover are represented by 7.9% of enterprises surpassing the INR 1 Crore threshold, with close to 4% achieving turnovers between INR 5-10 Crores. The higher revenue spectrum features a modest 2.1% of MSMEs with turnovers in the INR 10-50 Crores range, while an exclusive 0.1% have managed to scale up to turnovers of up to INR 250 Crores.

Figure 16 Average Annual Turnover
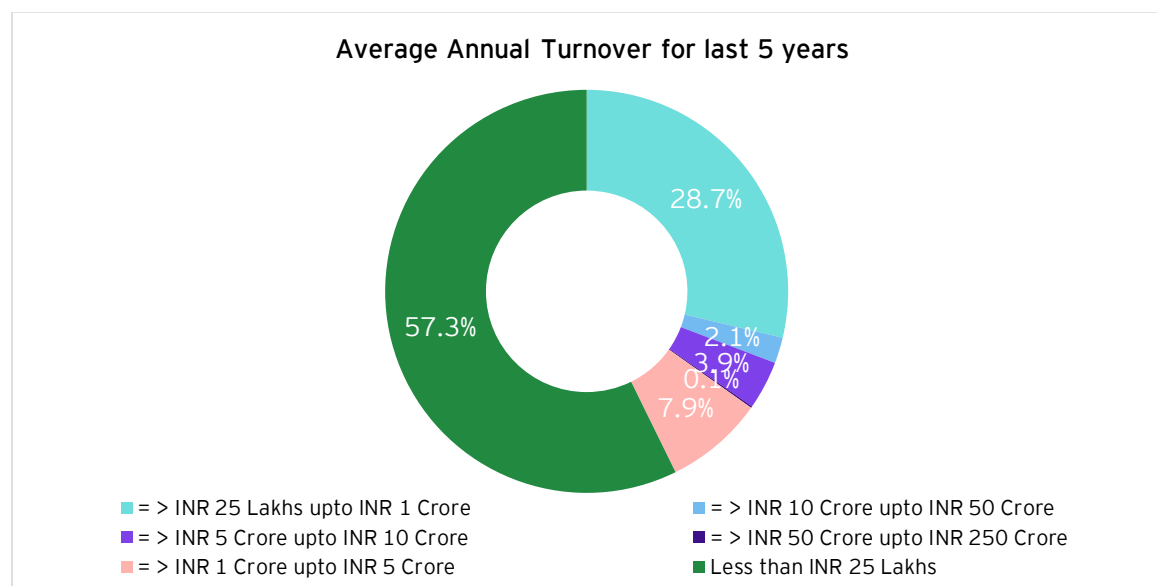
Average Annual Turnover for last 5 years

- 28.7%
- 2.1%
- 3.9%
- 0.1%
- 7.9%
- 57.3%

Legend:
- = > INR 25 Lakhs upto INR 1 Crore
- = > INR 10 Crore upto INR 50 Crore
- = > INR 5 Crore upto INR 10 Crore
- = > INR 50 Crore upto INR 250 Crore
- = > INR 1 Crore upto INR 5 Crore
- Less than INR 25 Lakhs

Financial Growth Trajectory: In reviewing the revenue patterns of enterprises over the past four years, it is observed that approximately 56% of the businesses within the sector have reported a progressive increase in turnover. In contrast, a mere 5.2% of enterprises have experienced a declining trend. Meanwhile, a robust 38% of the businesses have demonstrated consistent revenue performance, maintaining a stable financial trend.

Figure 17 Financial Growth Trajectory

Financial Growth Trajectory

- 5%
- 38%
- 56%

Legend:
- ▪ Decreasing
- ▪ Neither increasing or decreasing
- ▪ Increasing
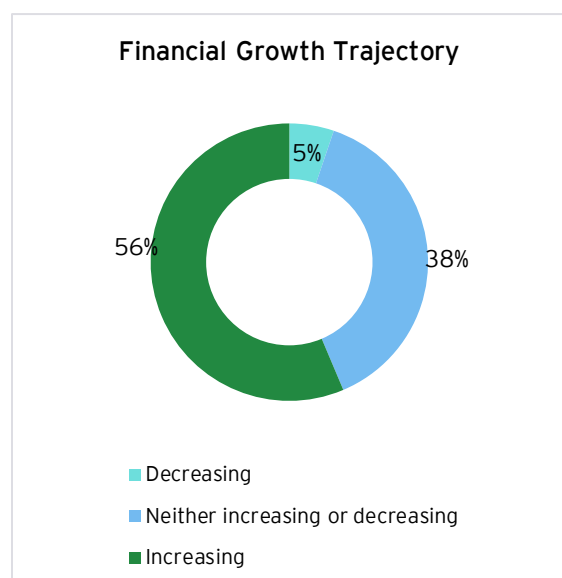
Regulatory Compliance and Documentation Status: An analysis of the possession of official documents by enterprises reveals that approximately 37% have secured Goods and Services Tax (GST) registration, while around 29% are equipped with a business Permanent Account Number (PAN), indicating a significant integration into the national fiscal framework and a commitment to tax compliance. Furthermore, about 18% hold a personal PAN, reflecting a structured commercial environment with numerous entities operating under recognized proprietorship or partnership models.

A modest 8% have registered for an Udyog Aadhar Memorandum or EM-II, suggesting an emerging engagement with the MSME sector. A limited 6% of enterprises maintain a current account statement, and merely 5.4% have completed Udyam registration, highlighting a potential gap in adapting to recent regulatory developments. Additionally, 2.5% of enterprises have filed Income Tax Returns (ITR) within the last three years, and only 1.8% have audited financial statements for any of the preceding three years. Lastly, about 1.5% of the enterprises possess a Corporate Identification Number (CIN), which is indispensable for legally incorporated businesses. This profile underscores the varying degrees of regulatory adherence and the need for enhanced compliance measures within the enterprise sector.

Figure 18 Documentation

Documents posessed by MSMEs

Document	% of MSMEs
DPIIT recognition certificate as start-up	0.4%
Audited Financial Statements for any of the last 3…	1.8%
ITR for any of the last 3 FY	2.6%
CIN	1.6%
Udyam Registration	5.5%
Current Account Statements	6.1%
Udyog Aadhar Memorandum/ EM-II	8.6%
PAN	17.9%
Business PAN	29.5%
GST	36.9%

▪ % of MSMEs
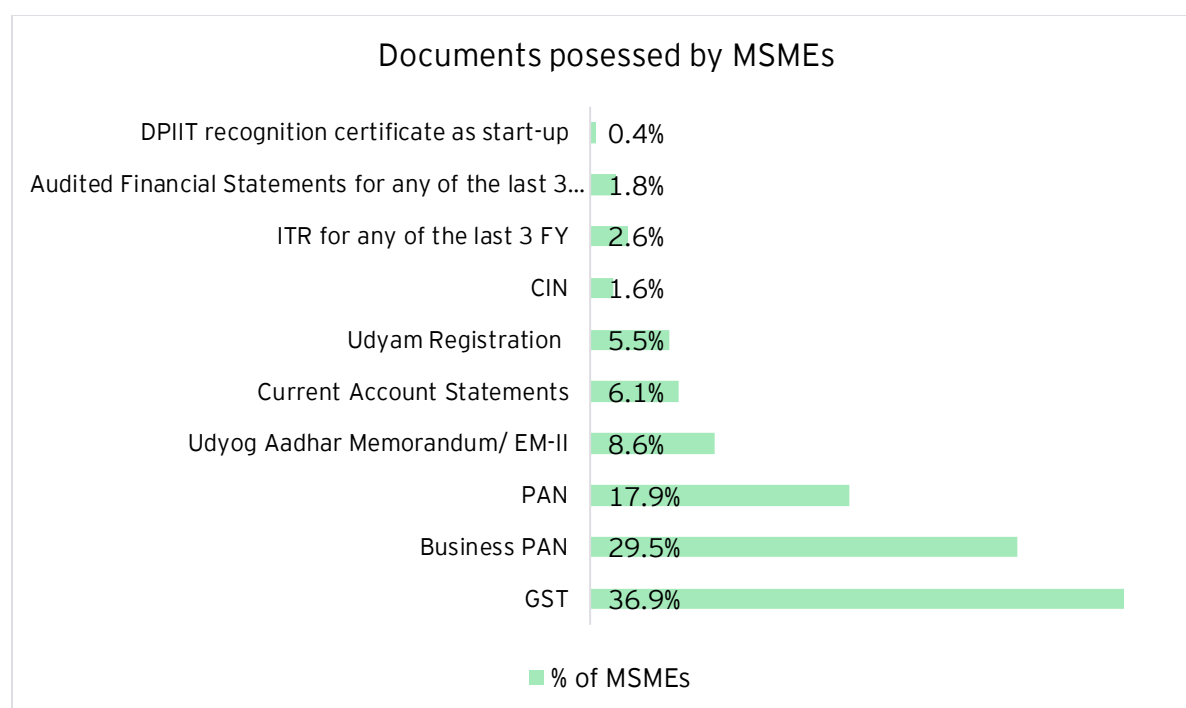
Transactional Methods and Financial Insights: A significant majority of enterprises, accounting for 88%, continue to rely on traditional cash transactions for both disbursing payments to their suppliers and collecting payments from their customers. This indicates a strong adherence to conventional payment practices within the business community. Meanwhile, a substantial 62% of

these enterprises employ cheques as a payment method to their suppliers, with a close 60% also acknowledging the receipt of customer payments through cheques. This suggests that while cheques are less prevalent than cash, they remain a notable component of the payment ecosystem.

Notably, there is a robust adoption of digital payment solutions, with 80% of enterprises embracing electronic payment systems such as UPI, NEFT, RTGS, and IMPS for supplier payments. This figure is mirrored in the customer payment reception, with an equivalent 80% of businesses reporting the receipt of payments through these digital channels. The high adoption rate of digital payment methods signifies a progressive shift towards modern, efficient, and traceable transactions, which aligns with global trends towards digitalization.

Figure 19 Transactional Methods

Transactional Methods

Payments from customers
- Digital: 80%
- Cheque: 61%
- Cash: 88%

Payments to suppliers
- Digital: 80%
- Cheque: 62%
- Cash: 88%

■ Digital (UPI/NEFT/RTGS/IMPS) ■ Cheque ■ Cash
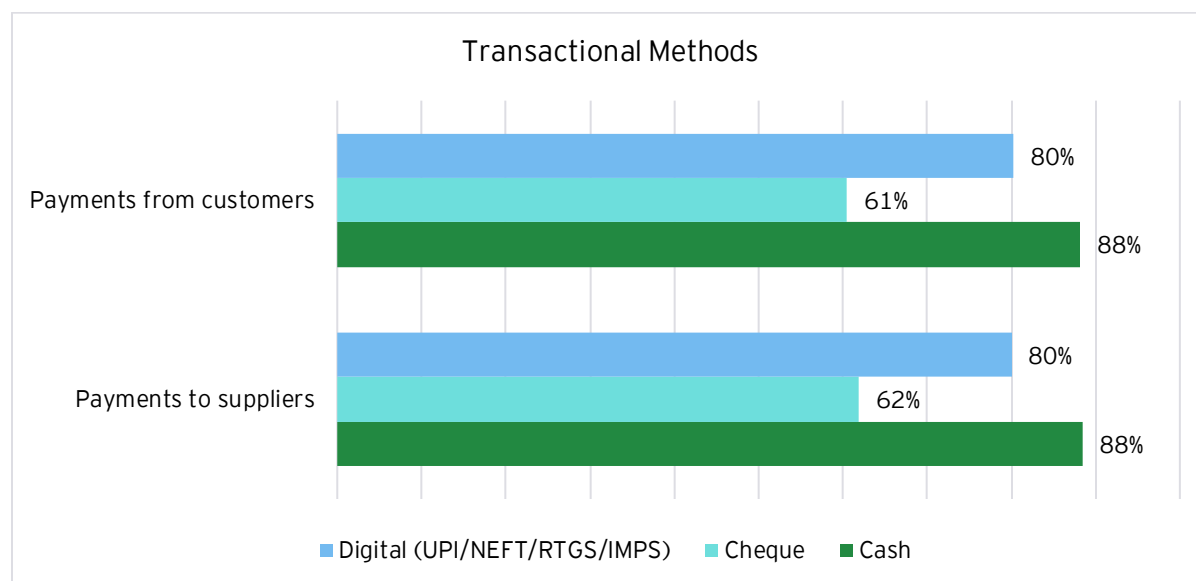
Affiliation with Industry Bodies: A notable two-thirds of enterprises, precisely 67%, have indicated their affiliation with industry associations, demonstrating a considerable level of engagement with trade organizations. A smaller yet significant portion, amounting to 13.2%, have disclosed their participation within a business cluster, suggesting a strategic approach to collaboration and resource sharing. Additionally, 12.5% of enterprises are integrated into Farmer Producer Organizations (FPOs), reflecting a commitment to agricultural business development and community-based enterprise models. Furthermore, 10% of the enterprises have reported membership in collectives dedicated to women's enterprises.

Figure 20 Affiliation with Industry Bodies

Affiliation with Industry Bodies

- 67%
- 13%
- 10%
- 12.5%

■ Membership in Industry Association (mention name of Association(s))

■ Part of Cluster (Mention Name)

■ Member of any collective for women enterprises

■ Part of FPO
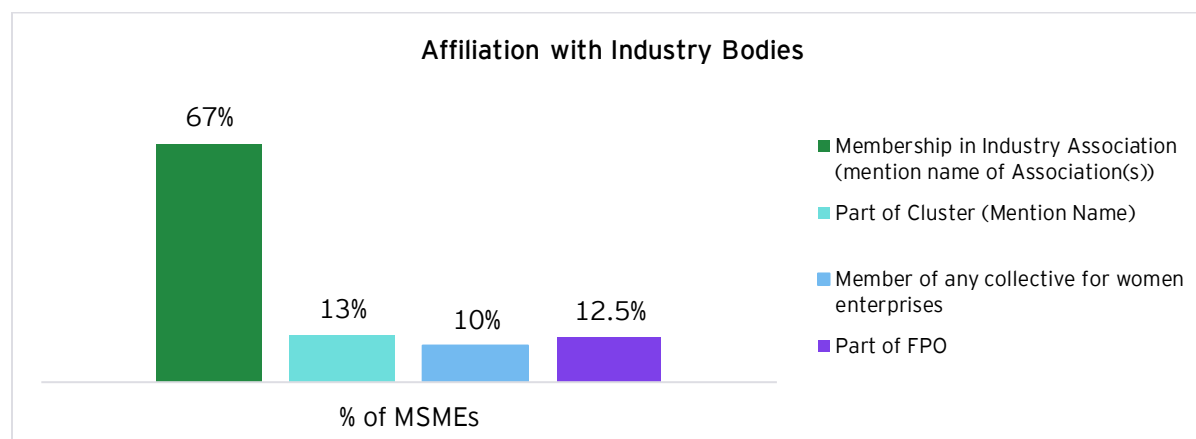
% of MSMEs

Access to Utilities:

Solid waste management: Another area of concern for MSMEs, with 64.70% of them being satisfied with the existing mechanisms. This indicates that the majority of MSMEs find the current waste management services adequate for their needs. However, there is still a considerable proportion, 35.30%, that is dissatisfied, possibly due to inadequate waste collection, recycling, or disposal services.

Figure 21 Utilities: Solid Waste Management

Solid Waste Management

35.30%

64.70%

■ % of MSMEs that are satisfied   ■ % of MSMEs that are dissatisfied
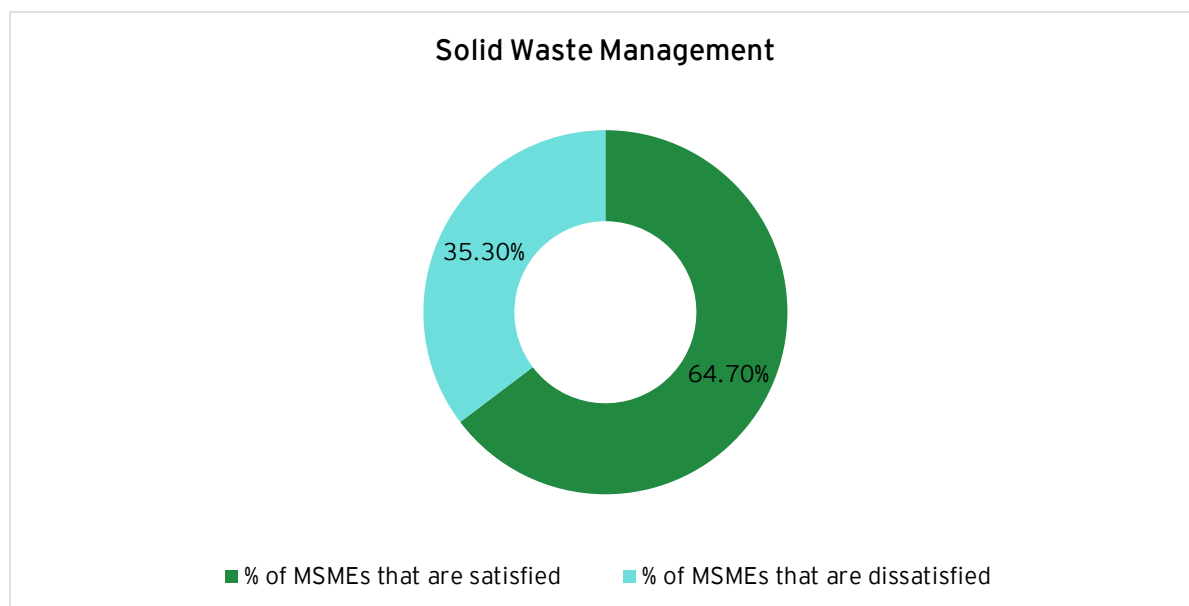
Effluent treatment mechanisms: A satisfaction rate of 73.40% is seen among MSMEs, showing that most businesses are content with the facilities provided to treat industrial effluents. This is crucial for environmental compliance and sustainability. Yet, there remains a minority of 26.60% that is dissatisfied, which could be due to lack of access to such facilities or inefficiencies in the treatment processes.

Figure 22 Utilities: Effluent Treatment Mechanism

Effluent Treatment Mechanism

26.60%

73.40%

■ % of MSMEs that are satisfied   ■ % of MSMEs that are dissatisfied
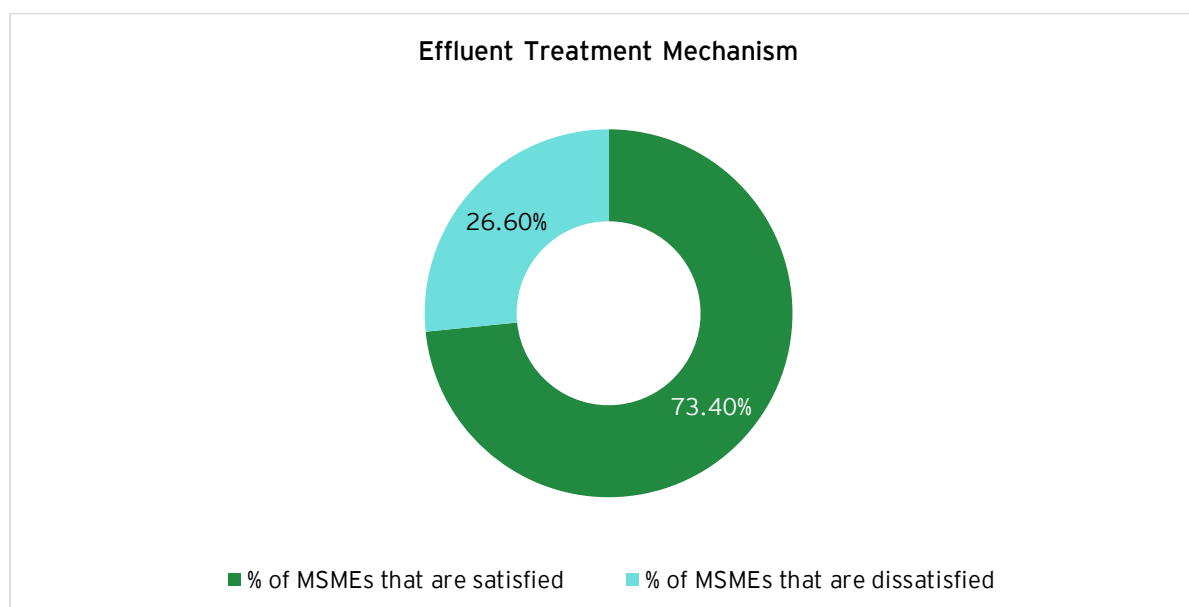
Cold storage and warehousing: The satisfaction level is quite high, with 73.20% of MSMEs satisfied with the services available. This is indicative of adequate infrastructure to store perishable goods and manage inventory. Nonetheless, 26.80% of MSMEs are not satisfied, which could be due to a shortage of such facilities or high costs associated with them.

Figure 23 Utilities: Cold Storage/ Warehousing

Cold Storage/ Warehousing

26.80%

73.20%

■ % of MSMEs that are satisfied　　■ % of MSMEs that are dissatisfied
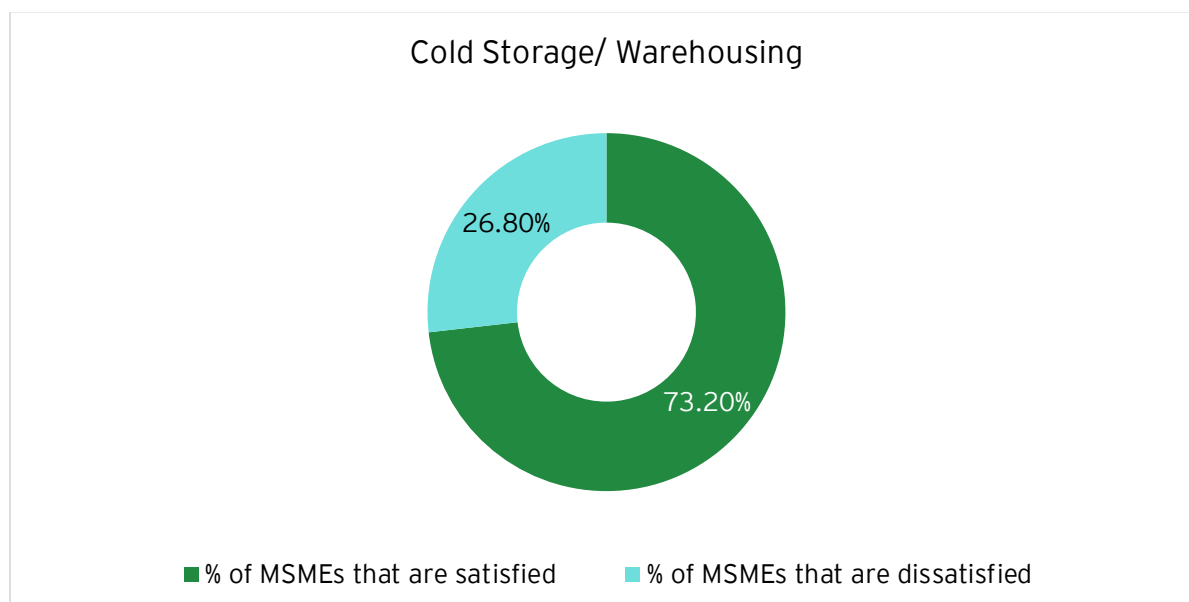
Testing laboratories: This stands at 68.80% among MSMEs and reflects a positive view of the quality and accessibility of testing services, which are important for product development and quality assurance. Still, a significant 31.20% of MSMEs are dissatisfied, which could point to a lack of such facilities or concerns over the accuracy and cost of testing services.

Figure 24 Utilities: Item Testing Laboratories

Product Testing Laboratories

31.20%

68.80%

■ % of MSMEs that are satisfied　　■ % of MSMEs that are dissatisfied
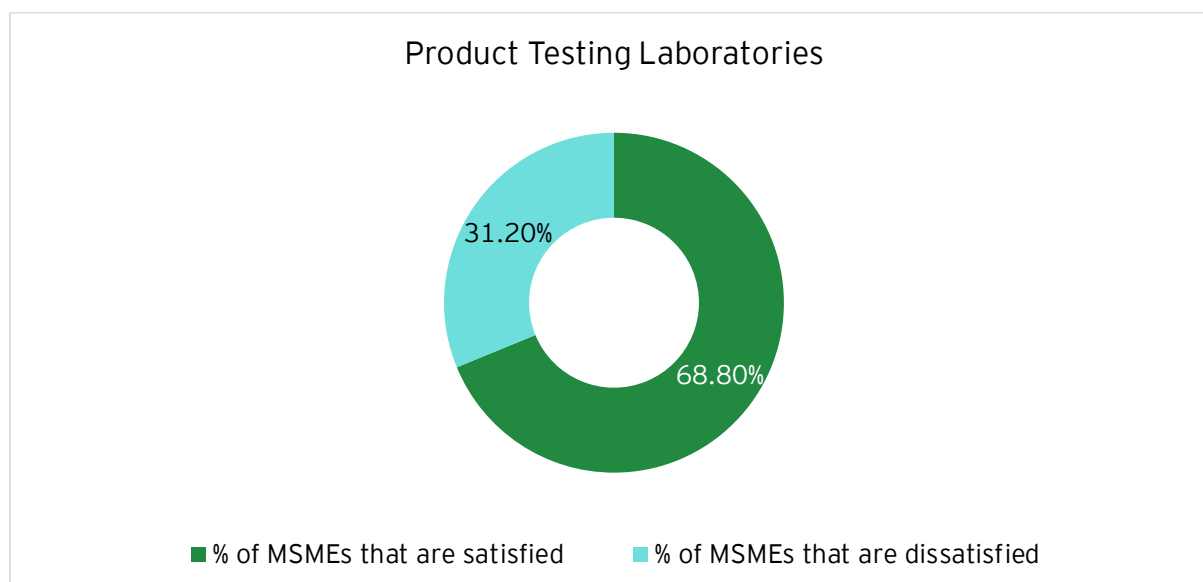
Difficulties Encountered in Procurement of Raw Materials: Half of the surveyed companies experienced complications in securing an adequate supply of raw materials. Nearly one-fifth cited escalating costs associated with raw materials and procurement as a significant obstacle. A small fraction, amounting to 3%, identified the heightened expenses related to logistics as a concern, while approximately 2% indicated dissatisfaction with the quality of raw materials procured. On a positive note, 26% of the enterprises reported no challenges in the acquisition of raw materials.

Figure 25 Difficulties in Procurement of Raw Materials

Difficulties Encountered in Procurement of Raw Materials

Category	% of MSMEs
No issues faced	26.2%
Increasing cost of raw material including procurement cost	19.6%
Issue with availability of sufficient quantity	50.5%
High logistics cost	3.1%
Issue with quality of raw material available	1.9%

■ % of MSMEs
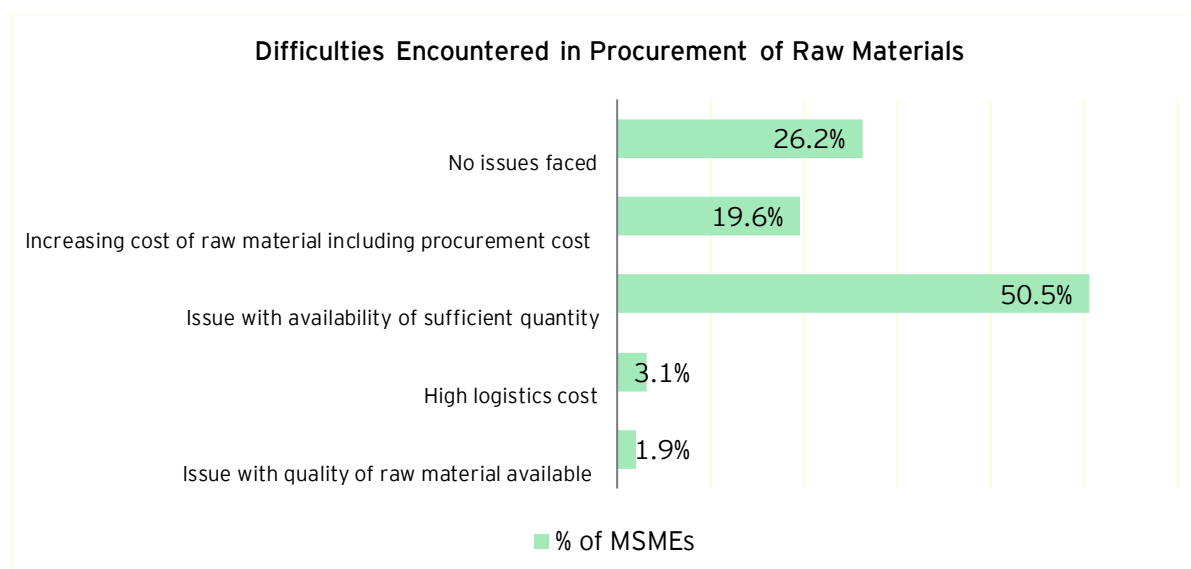
Professional Service Engagement for Key Operational Support: A significant proportion of enterprises have engaged professional services to support their business operations. Specifically, 24.5% of enterprises have sought expert assistance for tax compliance, including payment and return filing. Additionally, 18.5% of MSMEs have required professional guidance in the processing of loan applications. Process mapping is another area where 14.5% of enterprises have employed specialized help. Digital marketing and literacy are services for which 12.5% and 9% of enterprises, respectively, have obtained external support. Furthermore, 11% of enterprises have indicated a need for assistance with export-related activities. Technological upgrades have prompted nearly 10% of enterprises to seek external expertise. Lastly, a smaller segment of 4% has engaged professionals for manpower recruitment services.

Figure 26 Professional Services for Operational Services

Professional Service Engagement for Key Operational Support

Category	% of MSMEs
Digital Marketing	12.6%
Export related	11.4%
Digital Literacy	9.0%
Process mapping	14.5%
Technology upgradation	10.1%
Manpower hiring services	4.8%
Tax payment & return filing	24.5%
Loan application processing	18.6%
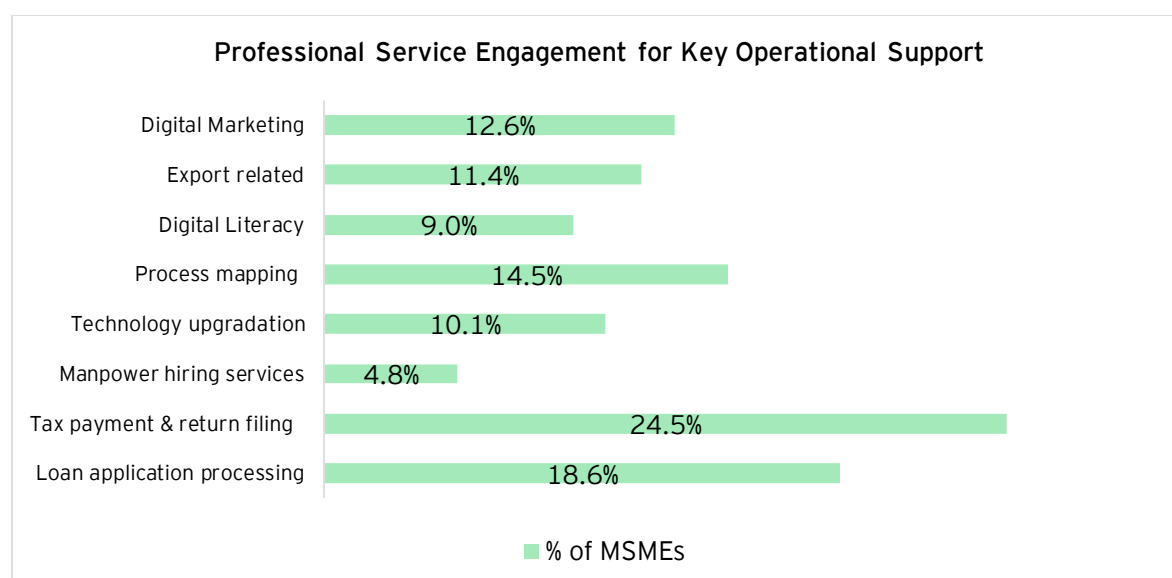
■ % of MSMEs

Government Schemes: The data provided offers insights into the awareness and experiences of MSMEs with various schemes designed to support them. Each scheme's performance is evaluated based on awareness, ease of application, documentation process, time taken to avail benefits, and handholding support. Here is an analysis of each scheme:

CGTMSE: The data provided on the CGTMSE scheme reveals a moderate level of engagement with Micro, Small, and Medium Enterprises (MSMEs), although several areas require attention to improve the scheme's effectiveness and accessibility.

Awareness about the scheme among MSMEs stands at 31% who have a good understanding, leaving a significant 69% with poor awareness. This indicates that nearly two-thirds of MSMEs may not be fully informed about the scheme's existence or benefits, which could lead to underutilization of the resources and support it offers.

When it comes to the ease of applying for the scheme, a slightly higher percentage of MSMEs, at 34%, report a good experience. However, a majority of 66% still find the application process challenging. This suggests that while some MSMEs are navigating the application process successfully, there is room for simplification or better guidance to assist the majority who are struggling.

Documentation is another area where MSMEs are facing difficulties, with only 28% reporting a good experience and a notable 72% experiencing issues. This high level of dissatisfaction could be due to complex or excessive documentation requirements that may be acting as a deterrent for many MSMEs.

The time taken to avail benefits is the aspect that receives the most criticism, with only 24% of MSMEs satisfied with the timeliness, and a significant 76% dissatisfied. This slow turnaround could be impacting the MSMEs' ability to plan and execute their business strategies effectively, as they may be relying on the scheme's benefits for critical operations or growth opportunities.

Handholding support, which is crucial for guiding MSMEs through the scheme and ensuring they can leverage the benefits properly, is considered good by 28% of MSMEs. However, a majority of 72% rate the support poorly, indicating that the scheme's implementation lacks the necessary assistance and follow-up that could help MSMEs overcome challenges they face during and after the application process.
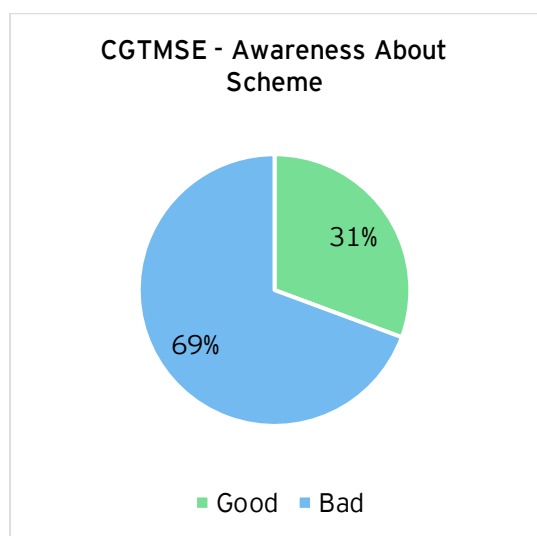
Figure 27 CGTSME - Awareness About Scheme
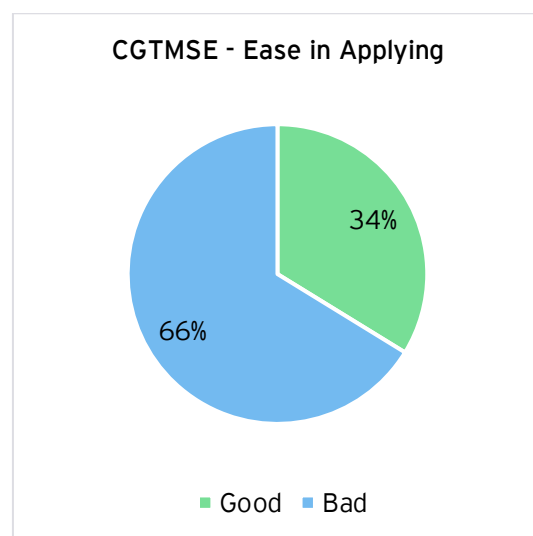
Figure 28 CGTSME - Ease in Applying

CGTMSE - Documentation

28%

72%

■ Good ■ Bad
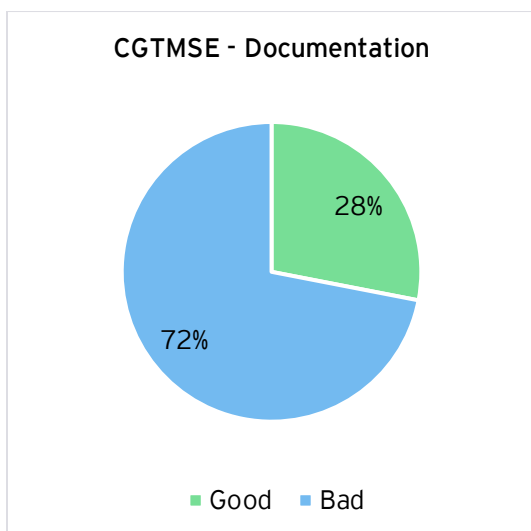
Figure 29 CGTSME - Documentation

CGTMSE - Handholding Support

28%

72%

■ Good ■ Bad
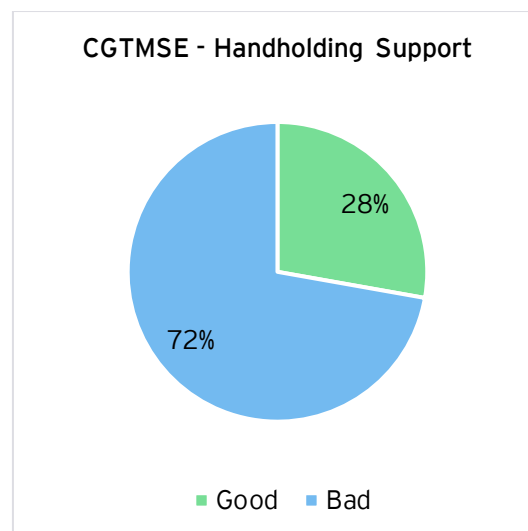
Figure 31 CGTSME - Handholding Support

CGTMSE - Time Taken to Avail Benefits

26%

74%

■ Good ■ Bad
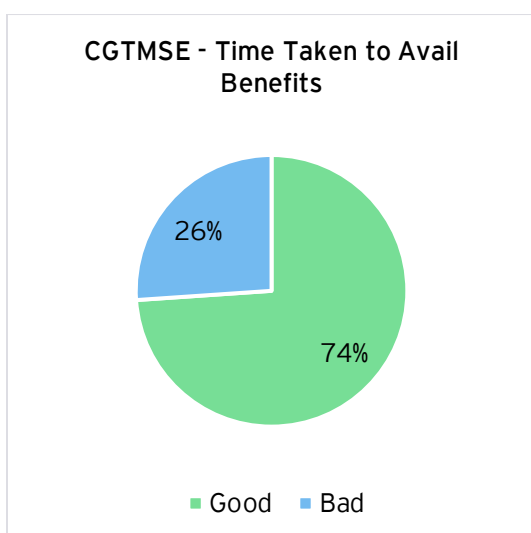
Figure 30 CGTSME - Time to Avail Benefits

ZED: The data concerning the ZED scheme presents a concerning picture of its reception among Micro, Small, and Medium Enterprises (MSMEs). A mere 13% of MSMEs report good awareness of the scheme, indicating a substantial information dissemination challenge, as the overwhelming majority of 87% have a poor understanding of it. This lack of awareness is a critical barrier that could prevent MSMEs from taking full advantage of the scheme's offerings.

The ease of applying for the scheme is similarly perceived as inadequate, with only 13% of MSMEs finding the application process to be good. The same percentage of dissatisfaction, 87%, suggests that the application process may be cumbersome or not well communicated, which could deter MSMEs from even initiating the application process.

Documentation requirements appear to be another significant hurdle, as only 12% of MSMEs feel positively about this aspect, while a striking 88% have a negative view. This could imply that the paperwork involved is either too complex or too voluminous, posing an additional challenge for MSMEs.

The time taken to avail benefits is the most negatively viewed aspect, with only 9% of MSMEs reporting a good experience. A high 91% of MSMEs find the time frame to be unsatisfactory, which could be causing delays in receiving the intended benefits of the scheme, thereby affecting the operational efficiency and planning of MSMEs.

Lastly, the handholding support provided by the scheme is considered good by only 11% of MSMEs, while a significant 89% rate it poorly. This suggests that post-application support is lacking, which is crucial for MSMEs to navigate the scheme effectively and utilize the benefits to their fullest potential.
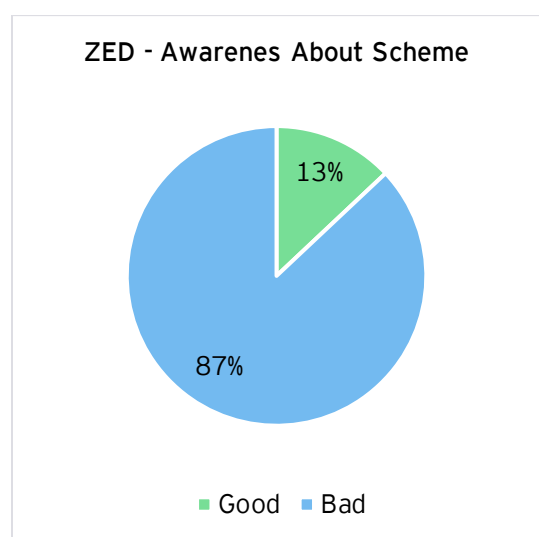
Figure 32 ZED - Awareness About Scheme
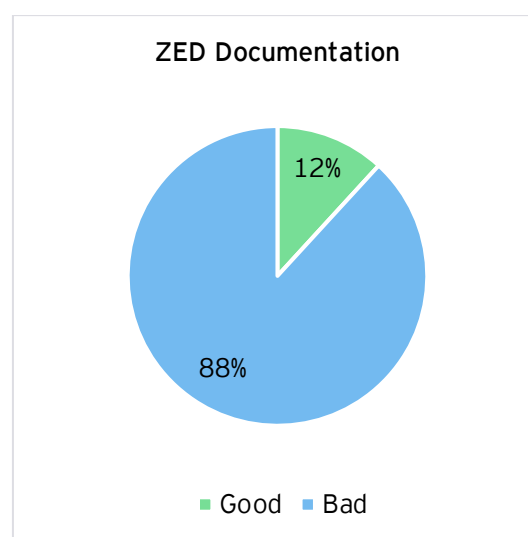
Figure 34 ZED – Documentation
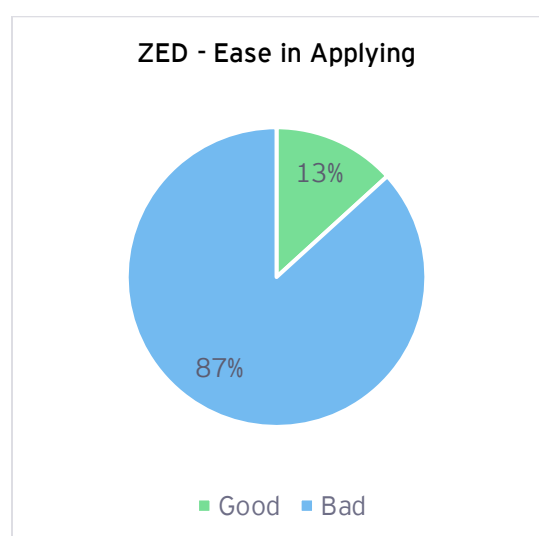
Figure 33 ZED - Ease in Applying
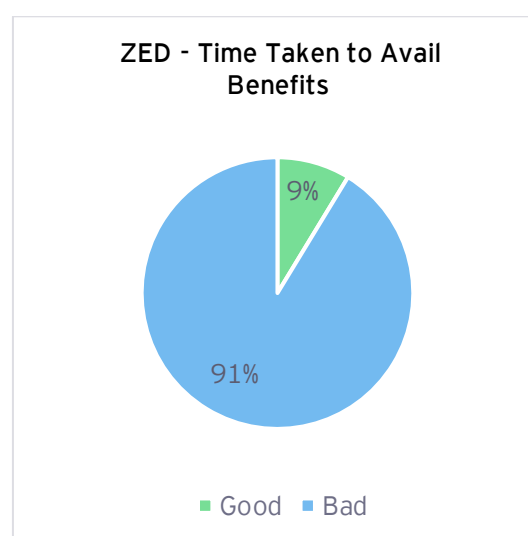
Figure 35 ZED - Time to Avail Benefits
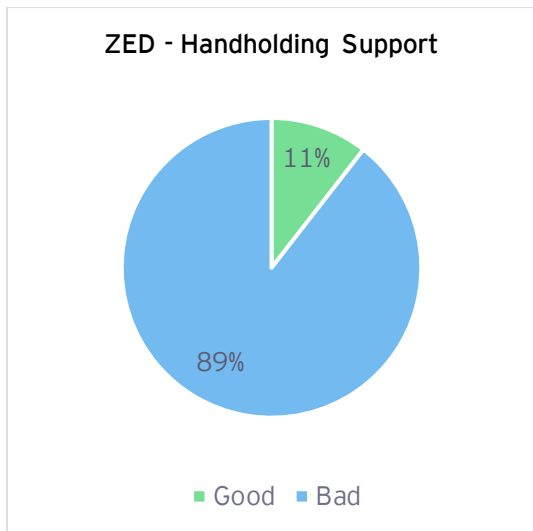
Figure 36 ZED Handholding Support

LEAN: The LEAN scheme, aimed at promoting lean manufacturing practices among MSMEs, is currently not achieving widespread recognition or ease of use among its target audience. The data indicates that only 11% of MSMEs have a good level of awareness about the scheme, which suggests that a significant portion of the sector is either unaware or not fully informed about the program and its potential benefits. This low level of awareness is a major obstacle to the scheme's adoption and effectiveness.

In terms of the application process, 90% of MSMEs find it challenging, pointing to potential issues with the complexity of the process or a lack of clear guidance, which could deter MSMEs from applying. The documentation required for the scheme is also perceived as problematic by 91% of MSMEs, indicating that the paperwork may be overly complicated or the instructions may not be straightforward, creating an additional barrier to participation.

The time taken to avail benefits is another area of concern, with 92% of MSMEs expressing dissatisfaction. This delay in receiving benefits can be particularly problematic for MSMEs, which often rely on timely support to implement improvements and stay competitive. Furthermore, the handholding support provided by the scheme is rated as good by only 9% of MSMEs, suggesting that the guidance and assistance offered to applicants are insufficient for navigating the scheme effectively.
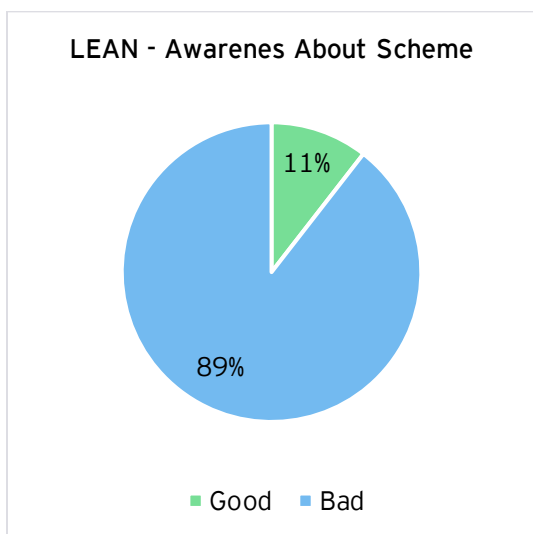
Figure 37 LEAN - Awareness About Scheme
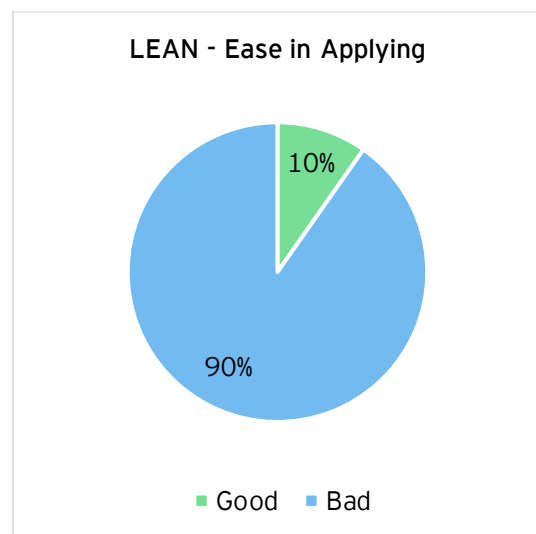
Figure 38 LEAN - Ease in Applying

LEAN - Documentation

9% Good
91% Bad
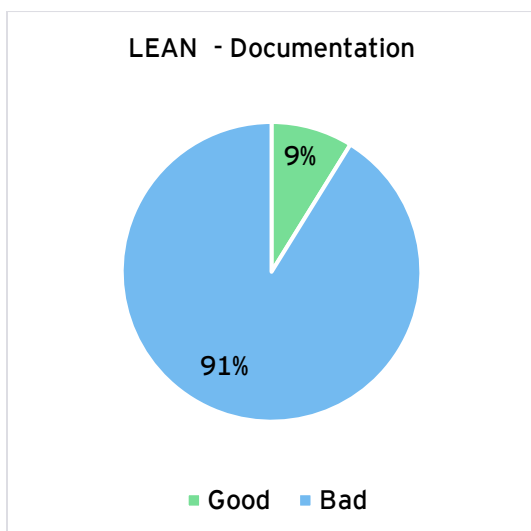
Figure 39 LEAD - Documentation

LEAN - Handholding Support

9% Good
91% Bad
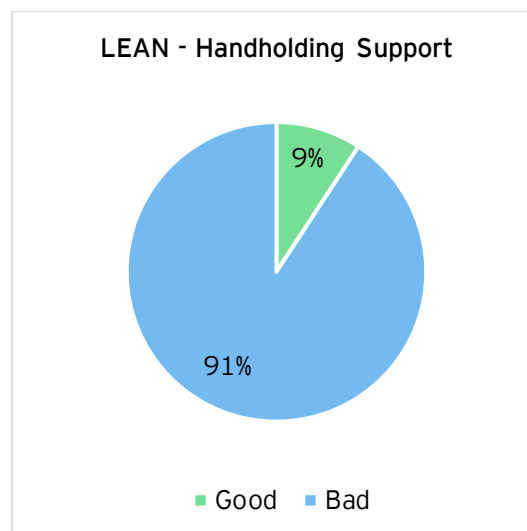
Figure 41 LEAN - Handholding Support

LEAN - Time Taken to Avail Benefits

8% Good
92% Bad
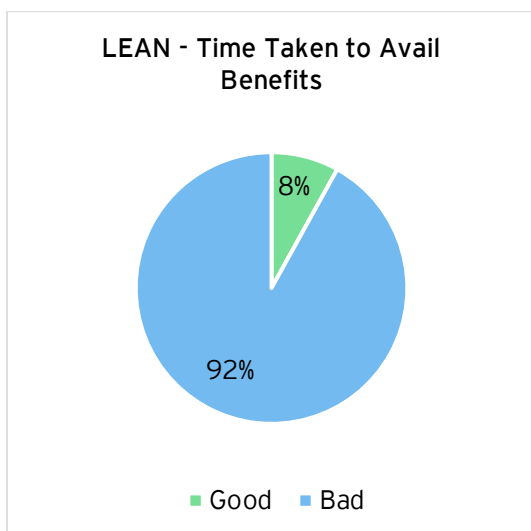
Figure 40 LEAN - Time to Avail Benefits

PMEGP: The Prime Minister's Employment Generation Programme (PMEGP) appears to be underperforming in terms of its reach and accessibility to MSMEs. With only 9% of MSMEs reporting good awareness of the scheme, there is a clear indication that the vast majority of the target demographic is not well-informed about the program, which is a significant barrier to its uptake and success. This suggests that the scheme's promotional efforts need to be significantly enhanced to ensure that MSMEs are aware of and understand the benefits and opportunities it offers.

Similarly, the ease of applying for the scheme is perceived as unsatisfactory by 91% of MSMEs, which points to potential complexities or inefficiencies in the application process that could be discouraging MSMEs from engaging with the program. The documentation process is also viewed negatively by 92% of MSMEs, suggesting that the paperwork may be too burdensome or the requirements may not be clearly articulated.

The time taken to avail benefits is another critical concern, with 94% of MSMEs dissatisfied with the duration, which could have significant implications for the timely support and growth of small businesses. Additionally, the level of handholding support, which is essential for guiding MSMEs through the application process and helping them to effectively utilize the scheme, is rated as good by only 8% of MSMEs. This indicates a need for more robust and effective support mechanisms.

PMEGP - Awarenes About Scheme

9%
91%

■ Good ■ Bad
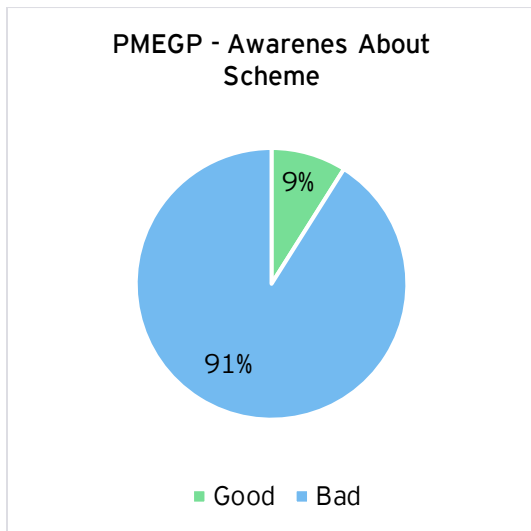
Figure 42 PMEGP - Awareness About Scheme

PMEGP - Time Taken to Avail Benefits

6%
94%

■ Good ■ Bad
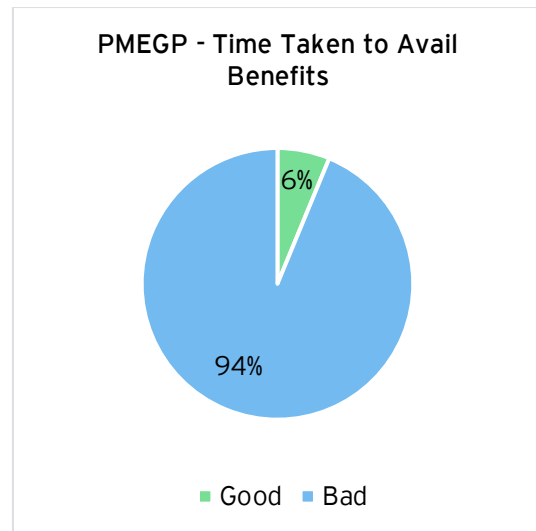
Figure 45 PMEGP - Time to Avail Benefits

PMEGP - Ease in Applying

9%
91%

■ Good ■ Bad
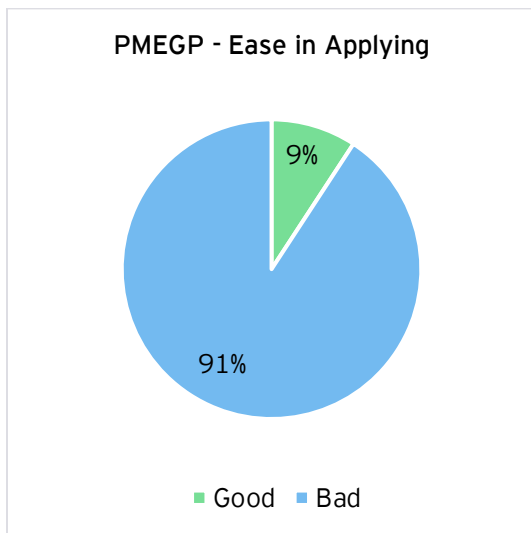
Figure 43 PMEGP - Ease in Applying

PMEGP - Handholding Support

8%
92%

■ Good ■ Bad
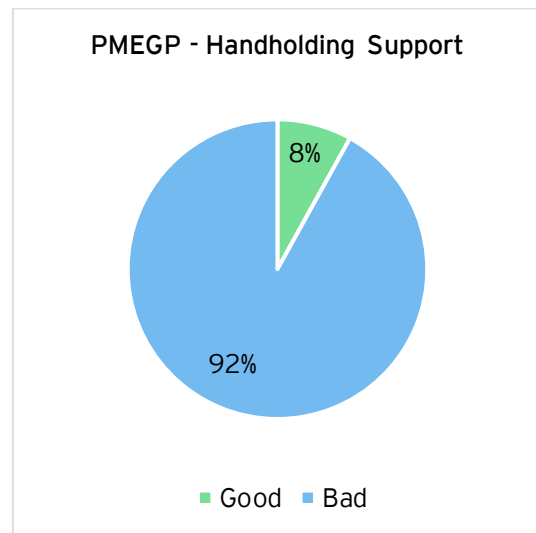
Figure 46 PMEGP - Handholding Support

PMEGP - Documentation

8%
92%

■ Good ■ Bad
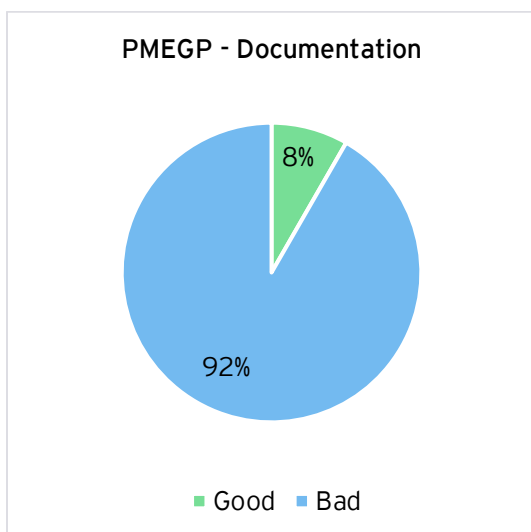
Figure 44 PMEGP - Documentation

Pradhan Mantri Mudra Yojana: The Pradhan Mantri Mudra Yojana (PMMY), a flagship scheme aimed at providing financial support to MSMEs, is currently not meeting its potential impact, as reflected in the feedback from the MSME sector. With only 7% of MSMEs reporting good awareness of the scheme, it is evident that a significant majority of the target audience is either uninformed or insufficiently aware of the scheme's existence or its intended benefits. This lack of awareness is a substantial impediment to the scheme's outreach and effectiveness.

The application process is also viewed as problematic, with 93% of MSMEs finding it difficult, which suggests that the procedures may be too complex or not well-explained. The documentation aspect fares no better, with 93% of MSMEs expressing dissatisfaction, indicating that the paperwork could be overly cumbersome or the requirements may not be clearly communicated.

When it comes to the time taken to avail benefits, 95% of MSMEs are dissatisfied, pointing to delays that could be critical for the survival and growth of small businesses that often operate with limited cash flows. Furthermore, the handholding support, which is crucial for navigating through the scheme and successfully obtaining the benefits, is considered good by only 7% of MSMEs. This suggests a deficiency in the guidance and assistance provided to applicants.
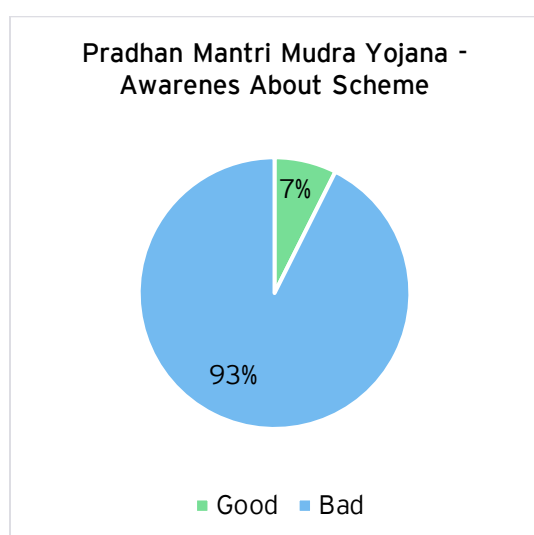
Figure 47 PM Mudra Yojana - Awareness About Scheme
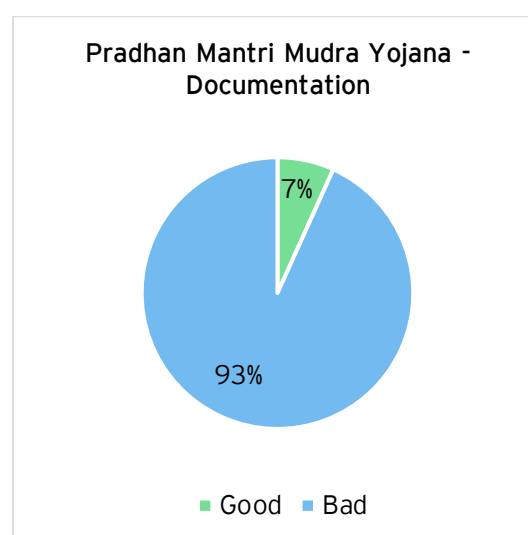
Figure 49 PM Mudra Yojana - Documentation
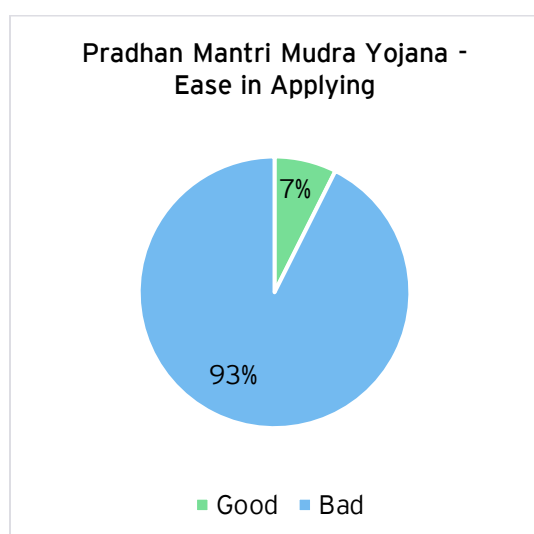
Figure 48 PM Mudra Yojana - Ease in Applying
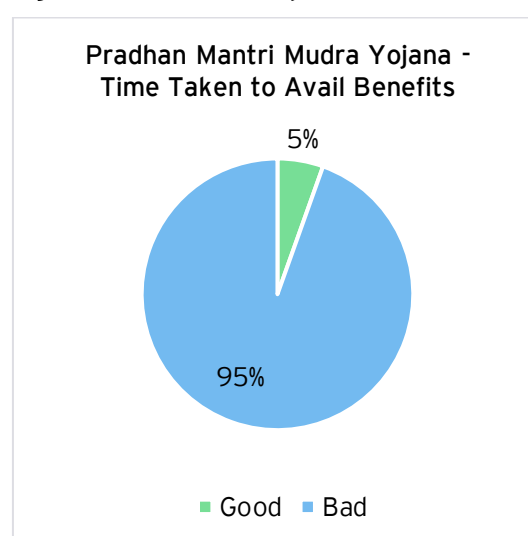
Figure 50 PM Mudra Yojana - Time to Avail Benefits

Pradhan Mantri Mudra Yojana - Handholding Support

7%
93%

■ Good ■ Bad
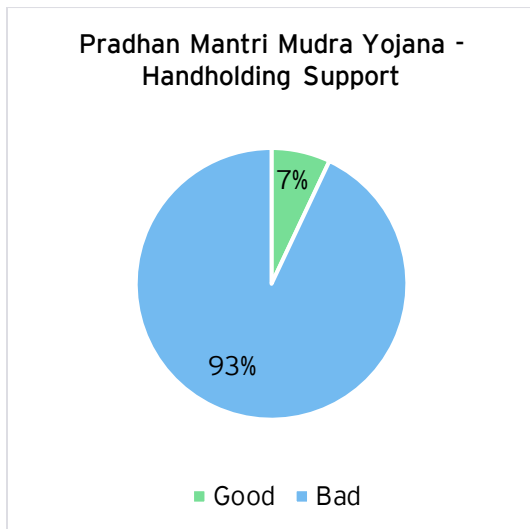
Figure 51 PM Mudra Yojana - Handholding Support

MSME Innovative: The MSME-Innovative scheme, which encompasses Incubation, IPR, Design, and Digital MSME, is struggling to effectively engage the MSME sector, as indicated by the feedback from MSMEs. Awareness about the scheme is low, with only 7% of MSMEs rating it as good, suggesting that the majority of MSMEs are either unaware of the scheme or do not fully understand its benefits and how it could apply to their operations. This lack of awareness is a significant barrier to participation and utilization of the scheme's offerings.

The ease of applying for the scheme is also perceived as inadequate, with 93% of MSMEs finding the process unfavorable. This could be due to complex application procedures or insufficient guidance on how to navigate the process. Documentation requirements are similarly viewed as a hurdle, with 94% of MSMEs expressing dissatisfaction, which could be indicative of an overly bureaucratic or unclear paperwork process.

The time taken to avail benefits is another critical area where the scheme falls short, with 95% of MSMEs unhappy with the duration, potentially causing delays in innovation and growth for these enterprises. Moreover, the level of handholding support, which is essential for assisting MSMEs through the process and helping them to leverage the scheme effectively, is deemed good by only 7% of MSMEs. This points to a need for better support mechanisms and more personalized assistance.

MSME: Innovative - Awarenes About Scheme

93%
7%

■ Good ■ Bad
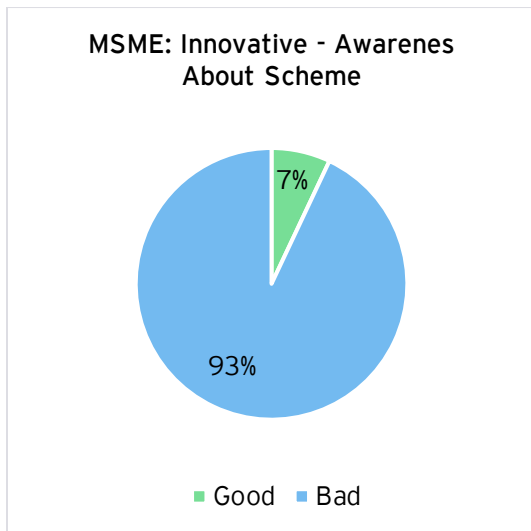
Figure 52 MSME:
Innovative - Awareness About Scheme

MSME: Innovative - Documentation

94%
6%

■ Good ■ Bad
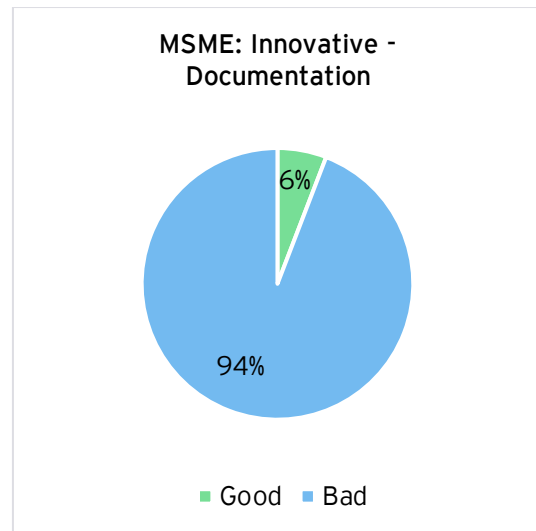
Figure 54 MSME:
Innovative – Documentation

MSME: Innovative - Ease in Applying

93%
7%

■ Good ■ Bad
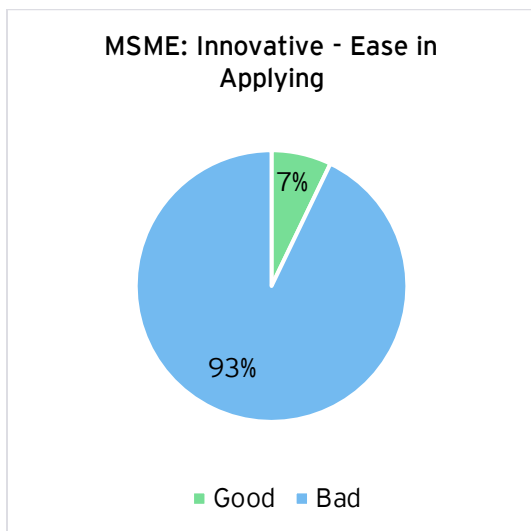
Figure 53 MSME: Innovative - Ease in
Applying

MSME: Innovative - Time Taken to Avail Benefits

95%
5%

■ Good ■ Bad
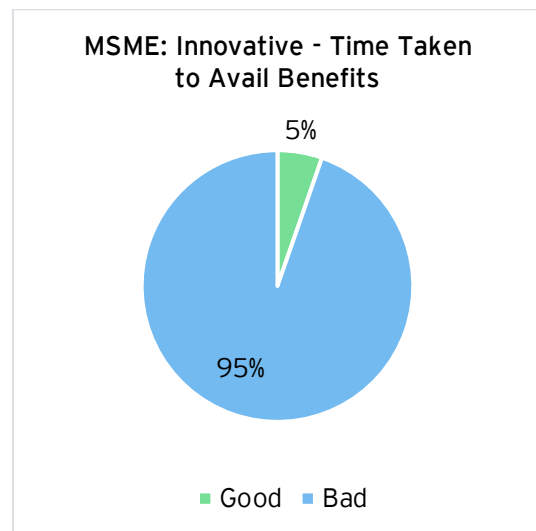
Figure 55 MSME: Innovative - Time to Avail
Benefits

MSME: Innovative - Handholding Support

- Good: 7%
- Bad: 93%
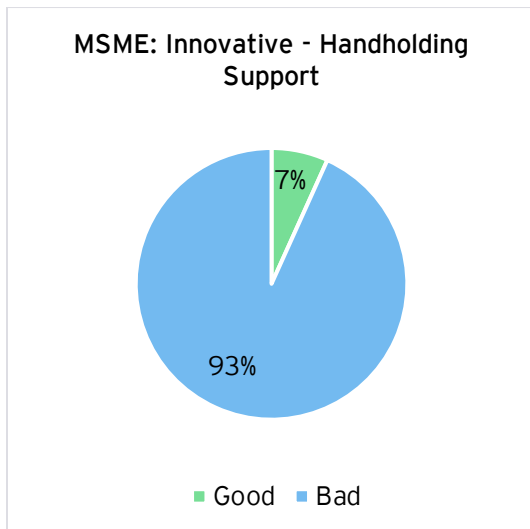
Figure 56 MSME: Innovative - Handholding Support

Science & Technology Scheme:

The Science and Technology Scheme for MSMEs is currently facing substantial challenges in terms of visibility and accessibility, as evidenced by the overwhelmingly negative feedback from the MSME sector. A mere 3% of MSMEs have a good level of awareness about the scheme, indicating that there is a significant information gap that needs to be addressed to ensure that MSMEs can take advantage of the opportunities provided by the scheme. The process of applying is also perceived as difficult, with only 2% of MSMEs reporting a positive experience, suggesting that the application procedures are either too complex or not well-communicated. The situation is similar with respect to the documentation required for the scheme, with 98% of MSMEs finding it problematic, which could be a major deterrent for potential applicants. Furthermore, the time efficiency of the scheme is rated poorly, with 98% of MSMEs dissatisfied with the time taken to avail benefits, indicating that delays in the process could be hindering the effectiveness of the scheme. Lastly, the level of handholding support, which is crucial for guiding MSMEs through the application and implementation process, is seen as inadequate by 98% of MSMEs. This suggests a need for more robust support systems to assist applicants. Overall, the analysis suggests that the Science and Technology Scheme requires significant improvements in terms of increasing awareness, simplifying the application process, streamlining documentation, expediting the benefit distribution, and enhancing support services to better serve the MSME community and achieve its intended goals.

S&T - Awarenes About Scheme

3%

97%

- Good
- Bad
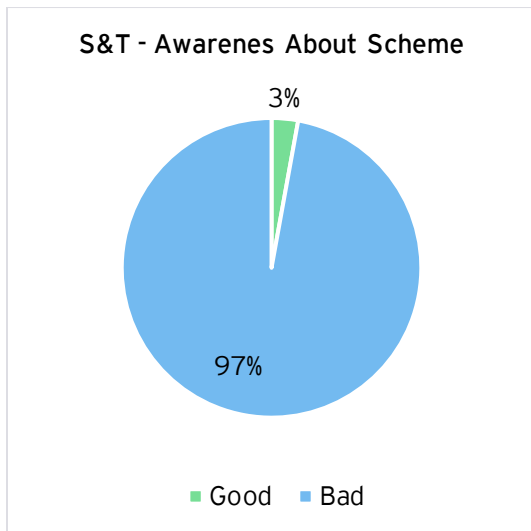
Figure 57 S&T Awareness About Scheme

S&T - Time Taken to Avail Benefits

2%

98%

- Good
- Bad
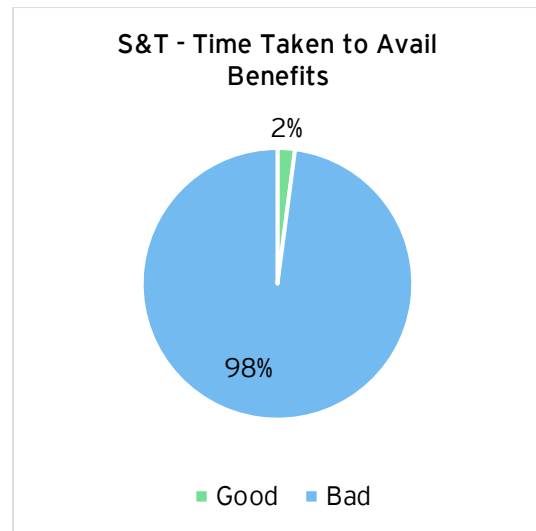
Figure 60 S&T Time to Avail Benefits

S&T - Ease in Applying

2%

98%

- Good
- Bad
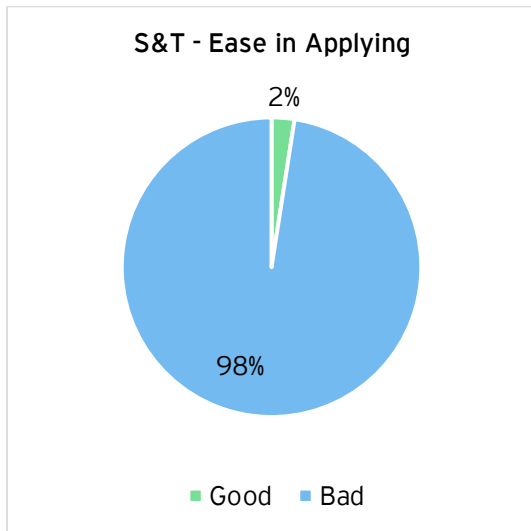
Figure 58 S&T Ease in Applying

S&T - Handholding Support

2%

98%

- Good
- Bad
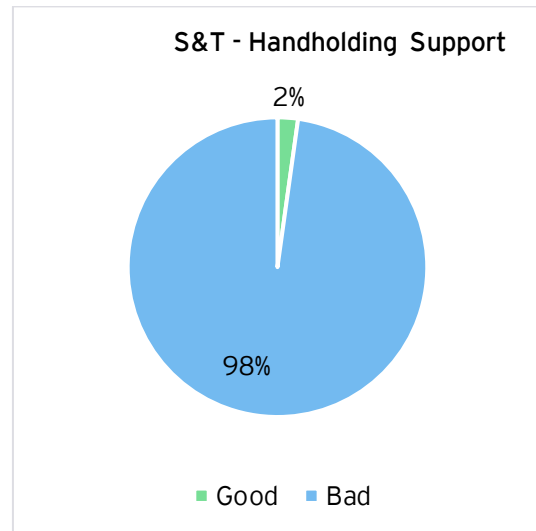
Figure 61 S&T Handholding Support

S&T - Documentation

2%

98%

- Good
- Bad
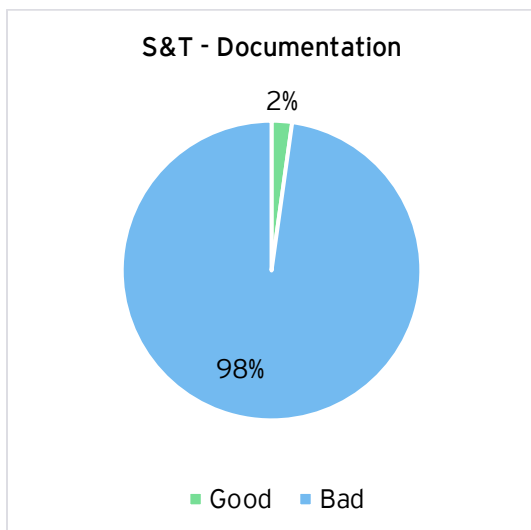
Figure 59 S&T Documentation

Skill Upgradation & Mahila Coir Yojana (MCY):

The Skill Upgradation & Mahila Coir Yojana (MCY) appears to be facing significant challenges in reaching and effectively serving its intended beneficiaries within the MSME sector. With only 3% of MSMEs reporting good awareness of the scheme, there is a clear indication that the majority of MSMEs are not sufficiently informed about the program's existence or benefits. The ease of applying is also a major concern, with a mere 2% finding the application process user-friendly, suggesting that procedural complexities or lack of clear guidance are major obstacles. Similarly, the documentation process is deemed good by only 3% of MSMEs, pointing to possible issues with the clarity, simplicity, or accessibility of the required paperwork. The time taken to avail benefits is another area where the scheme falls short, with 98% of MSMEs dissatisfied, which could be a deterrent to potential applicants who need timely assistance. Additionally, the handholding support—a critical component for guiding applicants through the process—is considered good by only 2% of MSMEs, indicating a lack of adequate support structures. Overall, these figures suggest that the Skill Upgradation & Mahila Coir Yojana needs substantial improvements in terms of awareness, application processes, documentation clarity, timeliness of benefit distribution, and support services to truly fulfill its objectives and serve the MSME community effectively.
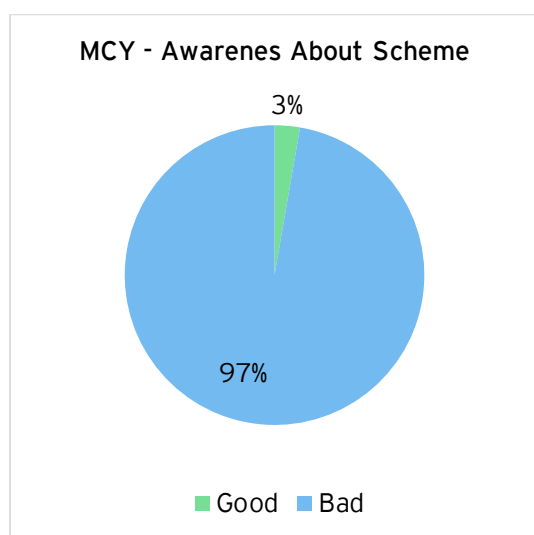
Figure 62 MCY - Awareness About Scheme
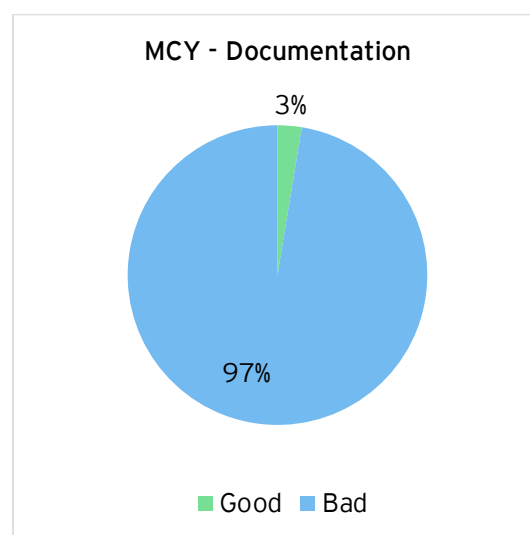
Figure 64 MCY - Documentation
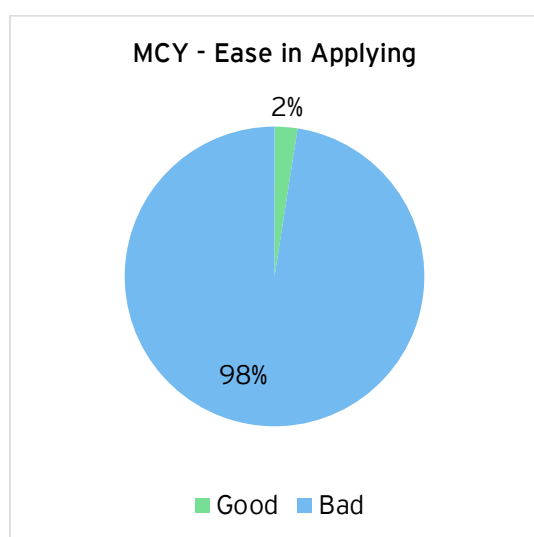
Figure 63 MCY - Ease in Applying
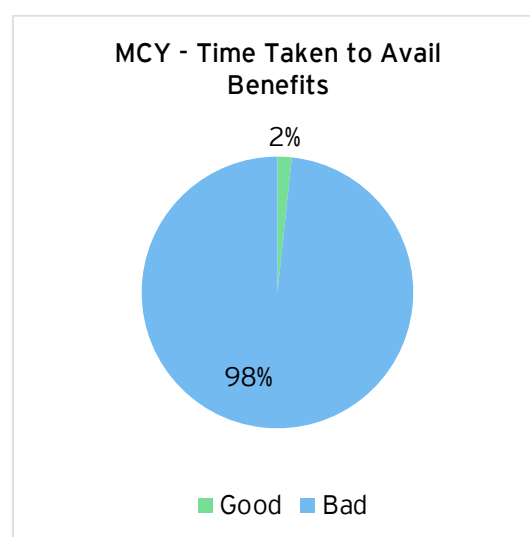
Figure 65 MCY - Time to Avail Benefits
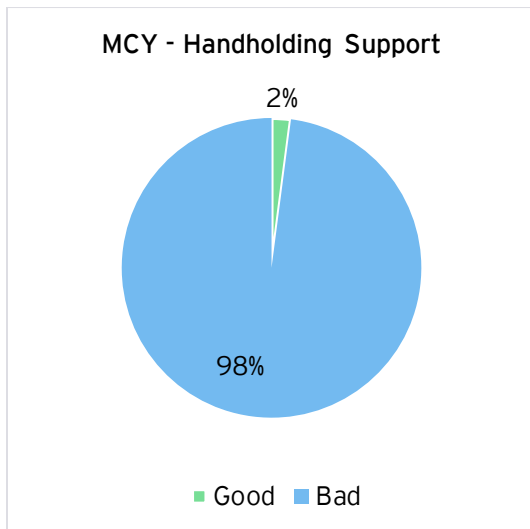
Figure 66 MCY - Handholding Support

Entrepreneurship Skill Development Program (ESDP): The Entrepreneurship Skill Development Program (ESDP) is experiencing significant challenges in reaching and resonating with the MSME sector, as evidenced by the data provided. Across all evaluated aspects, the scheme shows an alarmingly high level of dissatisfaction among MSMEs.

Awareness about the ESDP is notably poor, with only 1% of MSMEs reporting good awareness. This indicates a critical gap in communication and marketing efforts, as 99% of the target audience remains uninformed about the program's existence or the benefits it offers for entrepreneurial skill enhancement.

The ease of applying for the ESDP is equally problematic, with a mere 1% of MSMEs finding the application process to be good. This overwhelming negative perception suggests that the application process is likely perceived as overly complex, discouraging, or inaccessible, deterring potential participants from engaging with the program.

Documentation requirements are also a significant hurdle, with only 1% of MSMEs expressing satisfaction. This near-universal dissatisfaction could be due to unclear, burdensome, or excessive paperwork that complicates the application process, potentially preventing interested entrepreneurs from taking the necessary steps to join the program.

The time taken to avail benefits is another area where the ESDP falls short, with only 1% of MSMEs satisfied with the timeliness. This suggests that there are considerable delays or inefficiencies in the administration of the program, which could be frustrating for participants who are eager to develop their entrepreneurial skills and advance their businesses.

Handholding support provided by the ESDP is viewed positively by only 1% of MSMEs, while a staggering 99% rate it as bad. This indicates that the support services offered by the program are either inadequate, poorly executed, or not effectively reaching the participants. Such a low satisfaction rate highlights a significant need for improvement in the quality, accessibility, and relevance of the support provided.

ESDP - Awarenes About Scheme

1%

99%

Good Bad

Figure 67 ESDP - Awarenes About Scheme

ESDP - Time Taken to Avail Benefits

1%

99%

Good Bad
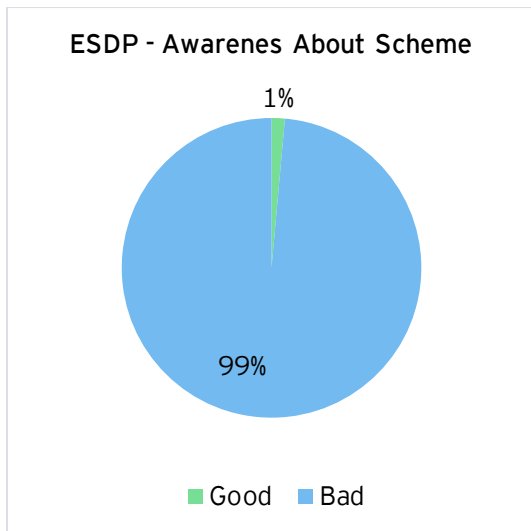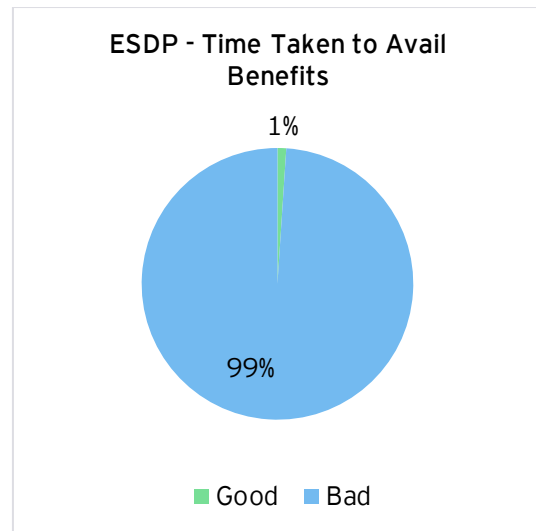
Figure 70 ESDP - Time to Avail Benefits

ESDP - Ease in Applying

1%

99%

Good Bad
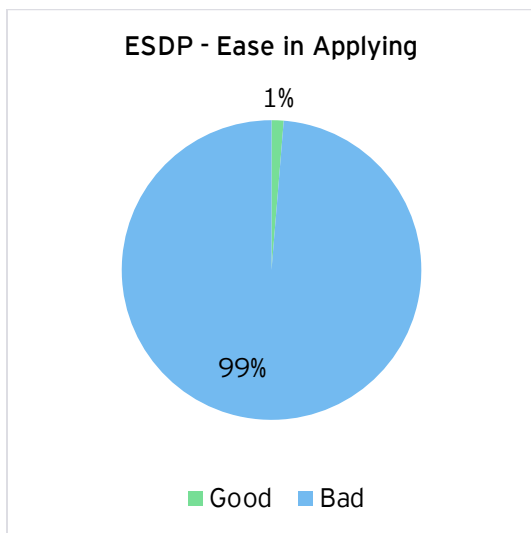
Figure 68 ESDP - Ease in Applying

ESDP - Handholding Support

1%

99%

Good Bad
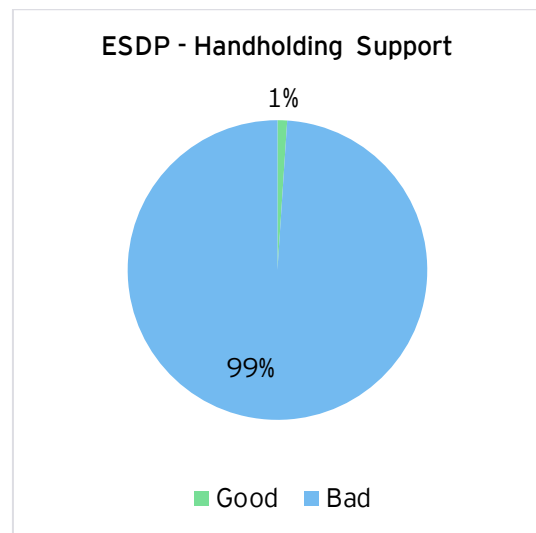
Figure 71 ESDP - Handholding Support

ESDP - Documentation

1%

99%

Good Bad
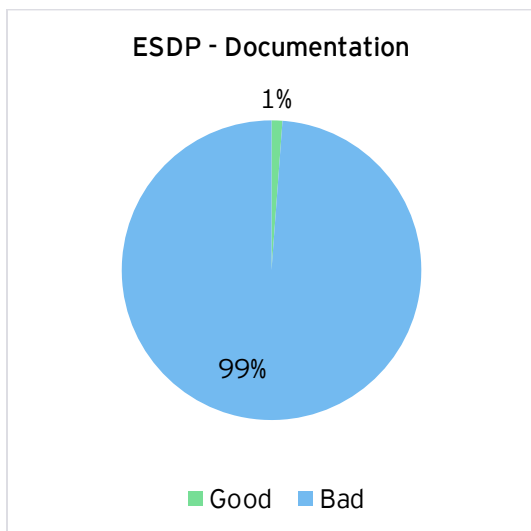
Figure 69 ESDP - Documentation

Primary Sources for Immediate Credit Fulfilment: The majority of enterprises, accounting for 55%, turn to the informal credit sector or private financiers to meet immediate credit demands. A significant 35.4% depend on peer-to-peer lending as a solution during liquidity constraints. Small finance banks are the choice for 5.4% of enterprises seeking prompt financial assistance. A smaller proportion of 3.3% utilize services from specialized financial institutions like SIDBI (Small Industries Development Bank of India) or NABARD (National Bank for Agriculture and Rural Development). Only 1% of enterprises opt for non-banking financial companies (NBFCs) to address their urgent credit needs.
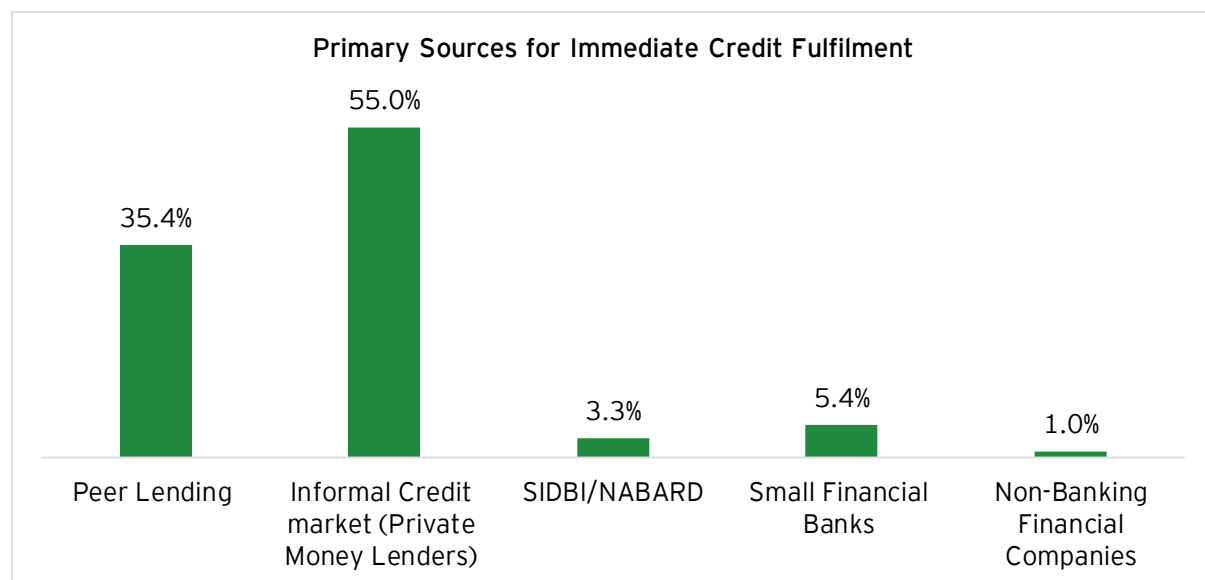
Provision of Employee Social Security Measures: A substantial 82% of MSMEs affirm the provision of workplace insurance or social security benefits to their employees. In contrast, 18% acknowledge the absence of such provisions within their organizational framework.

Figure 72 Provision of Employee Social Security Measures
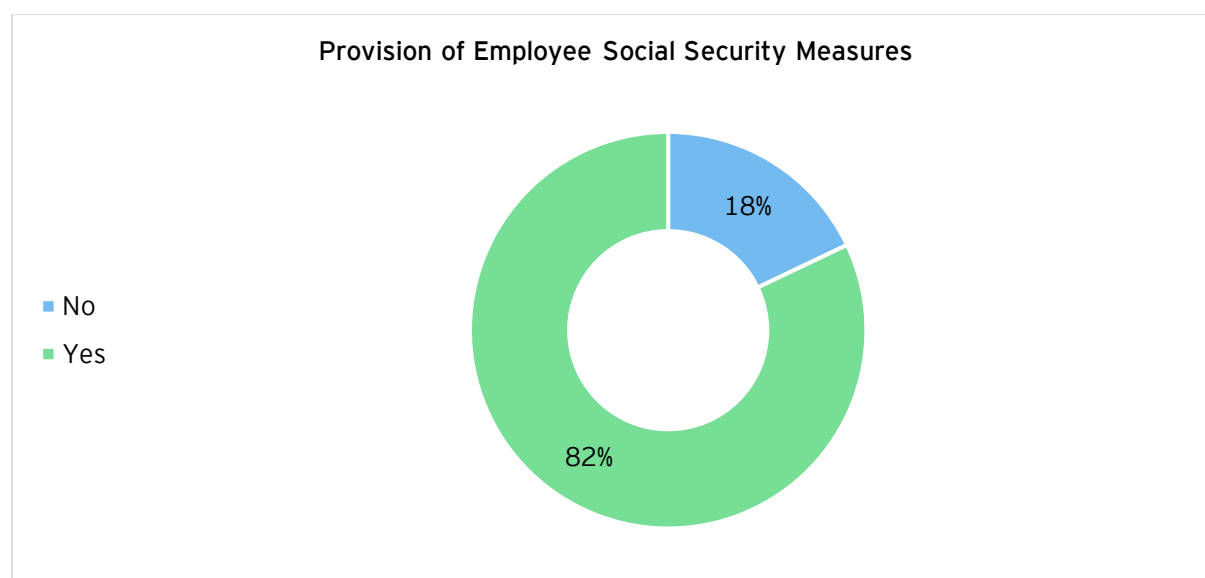
2 Challenges Confronting MSMEs

2.1 Access to Finance

Obstacles in Bank Loan Acquisition for MSMEs: A significant 32.5% of MSMEs have encountered the issue of receiving loan amounts that are less than their financial requirements. An additional 28% have faced challenges due to insufficient collateral to secure loans. High-interest rates have been a deterrent for 14% of the respondents. Both the complexity of paperwork and difficulties in comprehending capital expenditure (CapEx) and operational expenditure (OpEx) have been cited by 10% of MSMEs as hurdles in the loan process. The protracted duration of loan approval has been identified by 4.8% as a challenge. A small percentage, 2%, have indicated that loans are not a preferred financing option for their needs. Only a negligible 0.3% of MSMEs have reported a seamless experience in accessing bank loans.

Figure 73 Obstacles in Bank Loan Acquisition

Obstacles in Bank Loan Acquisition

- Too much paperwork — 10.6%
- Time taken to sanction loan is high — 4.8%
- Loan amount sanctioned is less than required — 32.6%
- Insufficient Collateral — 28.8%
- No need for this type of financing — 1.9%
- Difficulty in understanding Capex/Opex — 10.1%
- Interest rate offered is too high — 14.2%
- No challenge in accessing bank loan — 0.4%

■ % of MSMEs
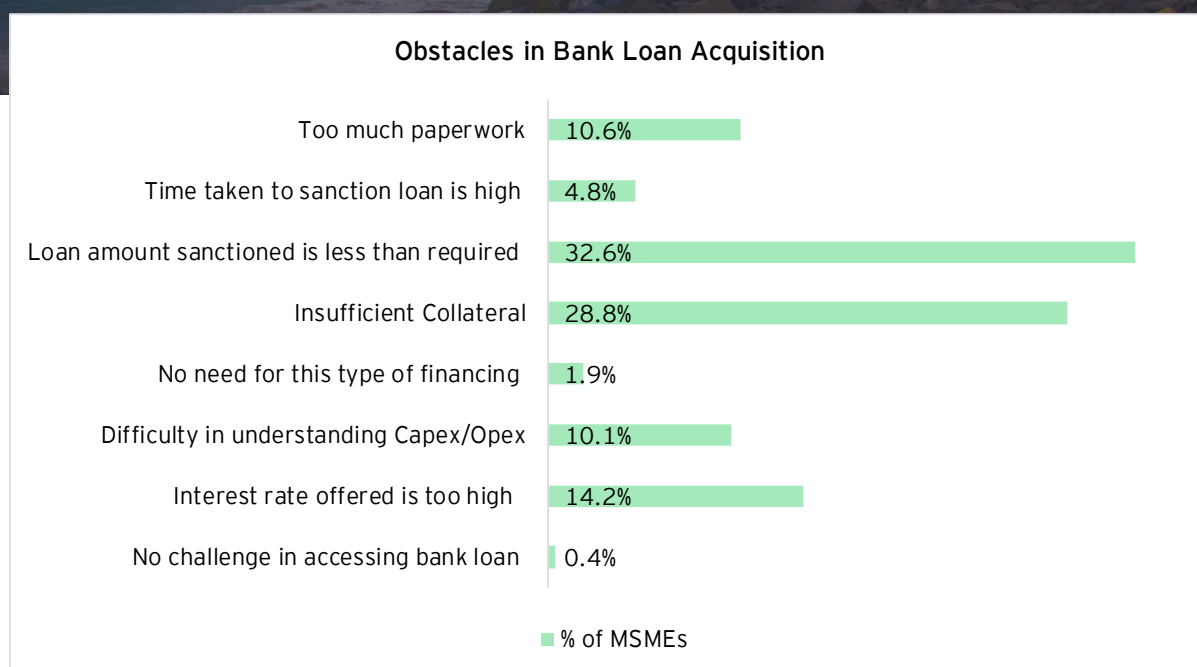
2.2 Access to Market

Market Distribution: Approximately 39.7% of enterprises predominantly serve customer segments located in adjacent districts, indicating a strategic focus on regional market penetration. Close to 31% of these businesses have identified and are catering to target markets within their immediate local vicinity, underscoring a commitment to community-based commerce. A quarter of the enterprises have successfully expanded their market reach throughout the state, demonstrating a broader operational scope. Furthermore, a specialized cohort of MSMEs, comprising 5.7%, has ventured into international markets through export activities, reflecting a global business orientation.

Figure 74 Market Distribution

Market Distribution

- Exports: 5.7%
- Within the state: 25.2%
- In nearby districts: 39.7%
- Local area within district: 31.2%
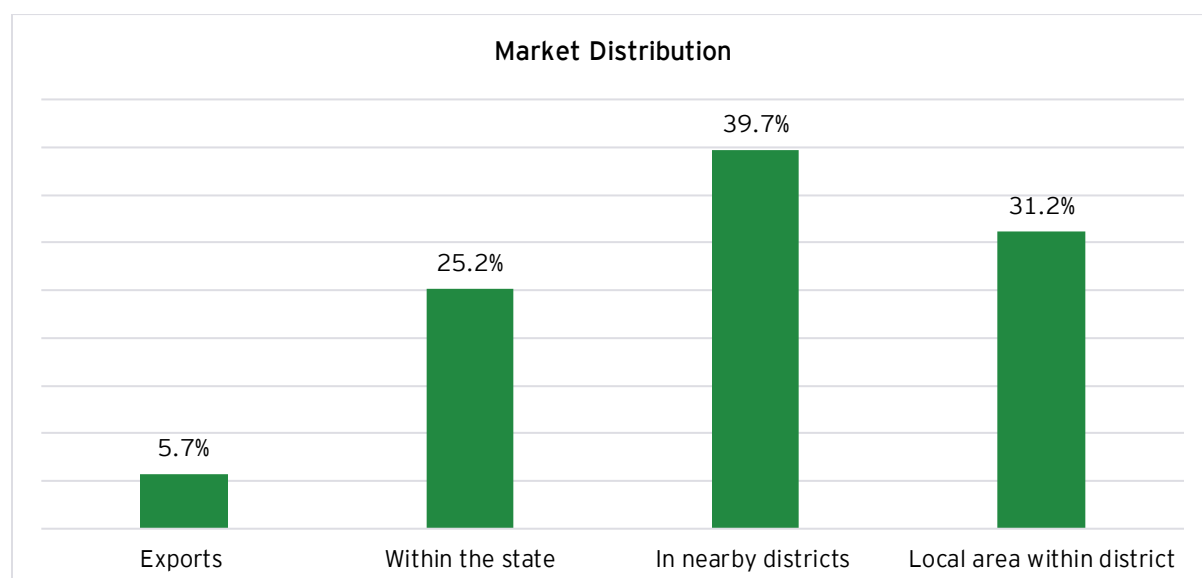
2.3   Delayed Payment

Portals and Facilities Utilised: The data is divided into three categories: MSMEs that are aware of but have not utilized the portal/facility, MSMEs that have utilized it, and MSMEs that are unaware of it.

The "Psb Loan in 59 minutes" portal shows a promising trend with 400 MSMEs having utilized it, which is higher than those who are aware but have not utilized it (280). This indicates a successful adoption rate and suggests that the portal is effectively meeting the needs of MSMEs for quick loan processing.

The platforms rxil.in and M1exchange, both part of TReDS, show a good level of utilization with 395 and 334 MSMEs using them, respectively. However, there is still a considerable number of MSMEs that are aware of these platforms but have not utilized them (145 for rxil.in and 176 for M1exchange), indicating potential for increased adoption.

Invoicemart has a nearly even distribution between MSMEs that have utilized it (234) and those that are aware but have not (228). This could suggest that while the platform is known, factors such as perceived relevance, ease of use, or benefits might be influencing the decision to use it.

GeM has a relatively balanced distribution among the three categories, with a slightly higher number of MSMEs aware but not utilizing it (238) compared to those that have (214). This could indicate a need for more outreach or support to convert awareness into actual usage.

MSEFC and SAMADHAN, which are likely mechanisms for addressing grievances and disputes, show lower utilization rates with 143 and 141 MSMEs using them, respectively. The high number of MSMEs unaware of SAMADHAN (341) is particularly notable, indicating a substantial opportunity for improving awareness and understanding of the benefits these platforms provide.

Figure 75 Portals/ Facilities Utilized

Portals/Facilites Utilised by MSMEs

SAMADHAN: 341 (MSMEs that are unaware), 141 (MSMEs that have utilised it), 137 (MSMEs that are aware but have not utilised it)

MSEFC: 233, 143, 190

ONDC: 181, 181, 213

GeM: 133, 214, 238

Invoicemart: 115, 234, 228

M1exchange(TReDS): 109, 334, 176

rxil.in (TReDS): 65, 395, 145

Psb Loan in 59 minutes: 39, 400, 280

Legend:
- MSMEs that are unaware
- MSMEs that have utilised it
- MSMEs that are aware but have not utilised it

Impediments Arising from Payment Delays: An overwhelming 87% of entities have reported a lack of knowledge regarding institutional mechanisms such as the SAMADHAN portal, which facilitates online resolution in cases of delayed or non-payment. A further 7% are not acquainted with the Micro and Small Enterprise Facilitation Council (MSEFC) as a recourse for such challenges. Additionally, 4.7% have expressed apprehension about the possibility of forfeiting future business with a buyer upon initiating a formal complaint for payment delays. Another 4.5% have identified the absence of necessary documentation as a barrier to pursuing legal action for delayed payments.

Figure 76 Impediments from Payment Delays

Impediments Arising from Payment Delays

87.3%

7.1%   4.7%   4.5%

% of MSMEs

- Unaware about MSEFC
- Fear of losing the potential buyer after filing case for delayed payment
- Unaware about an institutional mechanism for online resolution like SAMADHAN portal in instances of delayed or non-payment of dues
- Lack of appropriate documentation to file a case
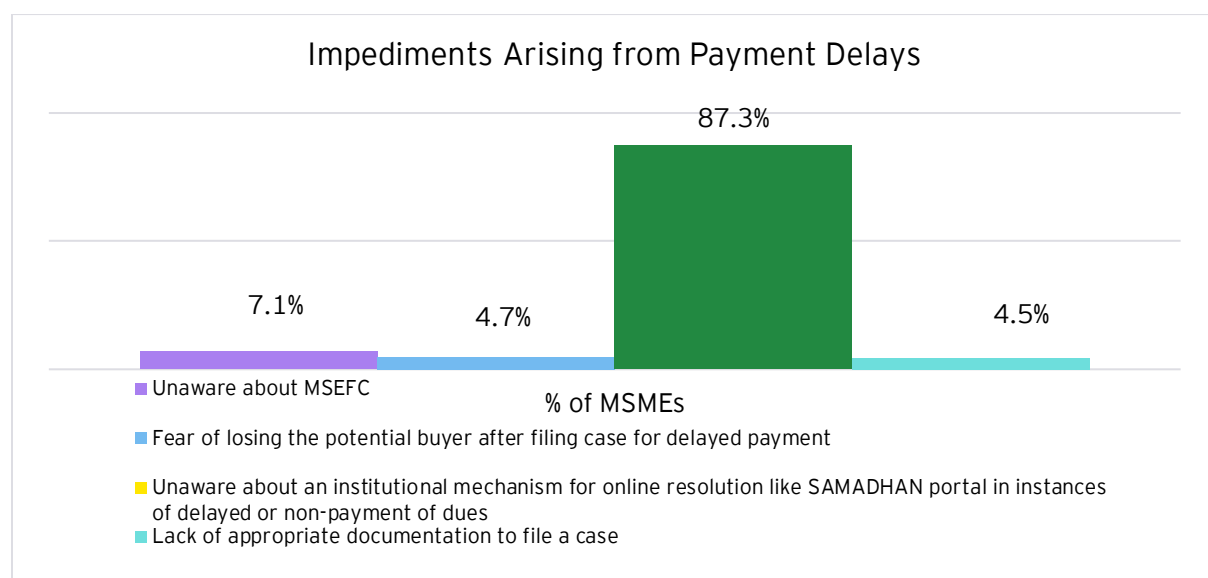
2.4   Cluster Development Initiatives

MSE-CDP: The MSE-CDP scheme appears to be struggling significantly in terms of its reach and effectiveness among MSMEs, as indicated by the data provided. There is a pervasive sense of dissatisfaction among MSMEs with respect to various aspects of the scheme.

Awareness about the scheme is critically low, with only 1.6% of MSMEs reporting a good understanding of it. This implies that the scheme has not been adequately publicized or communicated, leaving a vast majority of the target audience unaware of the potential benefits and opportunities available for their development and growth.

The ease of applying for the MSE-CDP scheme is also perceived negatively by the overwhelming majority of MSMEs, with only 1.3% finding the application process to be good. This suggests that the application procedures are likely cumbersome and not user-friendly, which could be a significant obstacle preventing MSMEs from accessing the scheme.

Documentation requirements are similarly viewed as a barrier, with a mere 1.3% of MSMEs rating this aspect positively. The high level of dissatisfaction could be attributed to the complexity, lack of clarity, or the sheer volume of paperwork required, which may be daunting for MSMEs and could deter them from completing the application process.

The time taken to avail benefits is another area where the scheme falls short, with only 1.0% of MSMEs satisfied with the timeliness of receiving benefits. This indicates that there are substantial delays or inefficiencies in the processing and disbursement of benefits, which could be causing significant delays and adversely affecting the MSMEs that the scheme aims to support.

Handholding support provided by the MSE-CDP scheme is rated positively by only 1.2% of MSMEs, while a vast majority of 98.8% express dissatisfaction. This low satisfaction rate points to a need for improvement in the quality, accessibility, or effectiveness of the support services offered by the scheme.

MSE-CDP - Awarenes About Scheme

1.6%

98.4%

Good   Bad
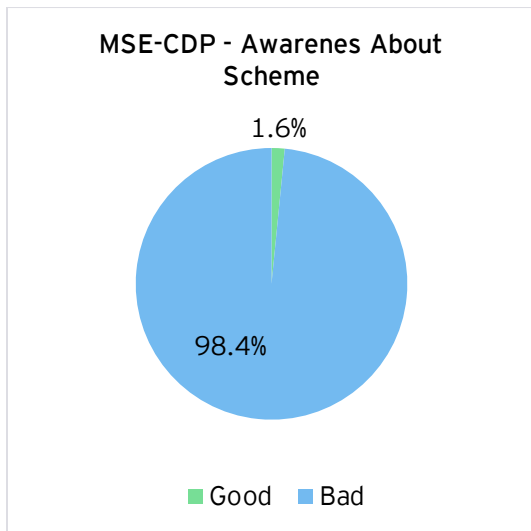
Figure 77 MSE -CDP - Awareness About Scheme

MSE - CDP - Documentation

1.3%

98.7%

Good   Bad
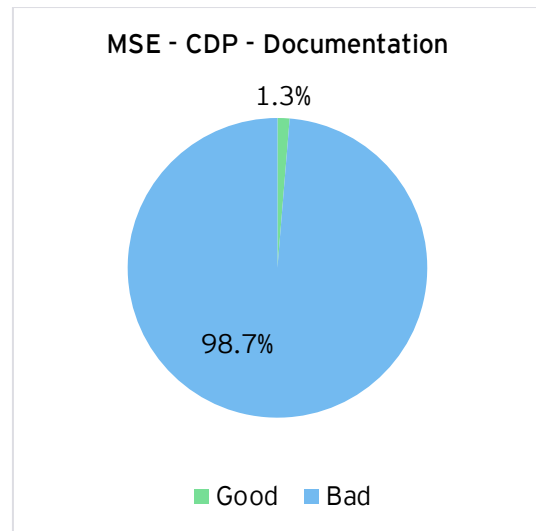
Figure 79 MSE - CDP - Documentation

MSE -CDP - Ease in Applying

1.3%

98.7%

Good   Bad
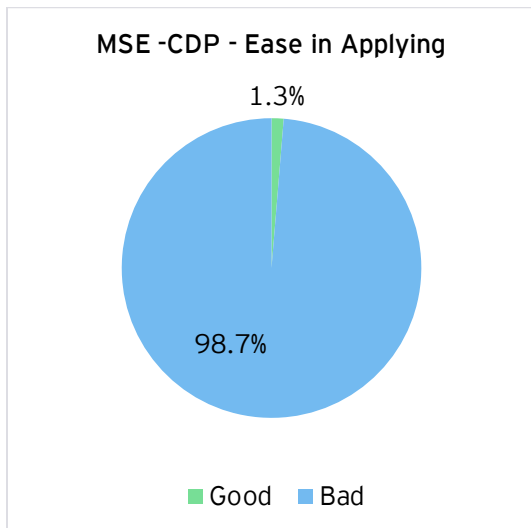
Figure 78 MSE -CDP - Ease in Applying

MSE -CDP - Time Taken to Avail Benefits

1.0%

99.0%

Good   Bad
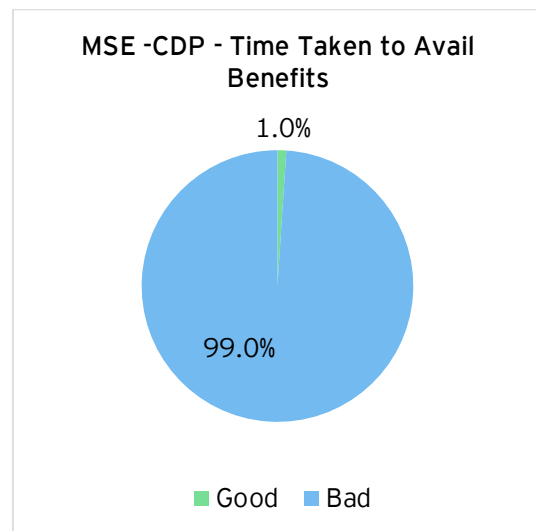
Figure 80 MSE -CDP - Time to Avail Benefits

MSE CDP - Handholding Support

1.2%

98.8%

Good   Bad
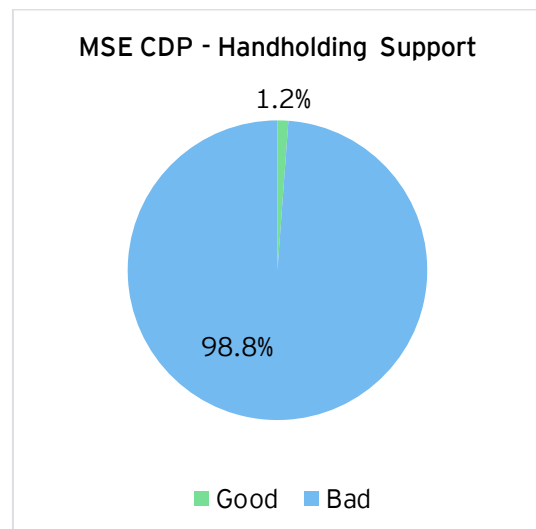
Figure 81 MSE - CDP - Handholding Support

2.5 Snapshot of Challenges

2.5.1 Business Environment and Industrial Ecosystem

2.5.1.1 **Industrial Policy**

a. Aspiring Puducherry – Innovation & Startup Policy 2019

The state is committed to nurturing entrepreneurship by providing various incentives and mentorship programs. This is aimed at developing an entrepreneurial culture that can innovate and drive economic growth. The Govt. of Puducherry has launched the scheme "Aspiring Puducherry – Innovation & Startup Policy 2019 to foster entrepreneurship and build the Startup ecosystem in Puducherry.

b. Pondicherry Industrial Policy 2016

The Pondicherry Industrial Policy 2016 outlines various strategies and incentives to promote industrial growth and development within the Union Territory of Puducherry. Below are the key points and provisions of the policy:

Key Objectives:

1. **Fostering Entrepreneurship**: The policy aims to nurture entrepreneurship through various incentives and mentorship programs, promoting an entrepreneurial culture to drive economic growth.

2. **Enabling Infrastructure**: Focus on developing infrastructure to support industrial activities, including the establishment of industrial estates and provision of necessary facilities.

3. **Supportive Business Environment**: Creation of a business-friendly environment with simplified regulatory procedures and the establishment of single-window clearance systems.

Industrial Estates:

▶ The policy includes the development of multiple industrial estates in key zones such as Thattanchavady, Kattukuppam, Karaikal, Mettupalayam, Sedarapet, and Kirumampakkam, offering various plots and facilities to support diverse industrial activities.

Challenges and Recommendations:

▶ The policy highlights the need for modernization to align with current industrial trends and technologies.

▶ Emphasizes the importance of supporting MSMEs, which form the backbone of the industrial sector in Puducherry.

▶ Recommends creating a clear vision for the future industrial landscape of Puducherry to attract investments and promote sustainable growth.

▶ Suggests improvements in monitoring and evaluation mechanisms, support for innovation and R&D, and focus on environmental sustainability.

2.5.1.2 **Puducherry's Single Window Interface for Fast and Transparent Clearance**

Single Window System (SWS) – The Single window system developed to facilitate the investor to apply applications relating to approval of services pertaining to various department and have been integrated with site-to-site data auto population. Also, the investor portal has features for status tracking, download Final approvals, online payment(e-GRAS) and Third-party verification.

Figure 82 Single Window (EoDB) web portal homepage for Puducherry
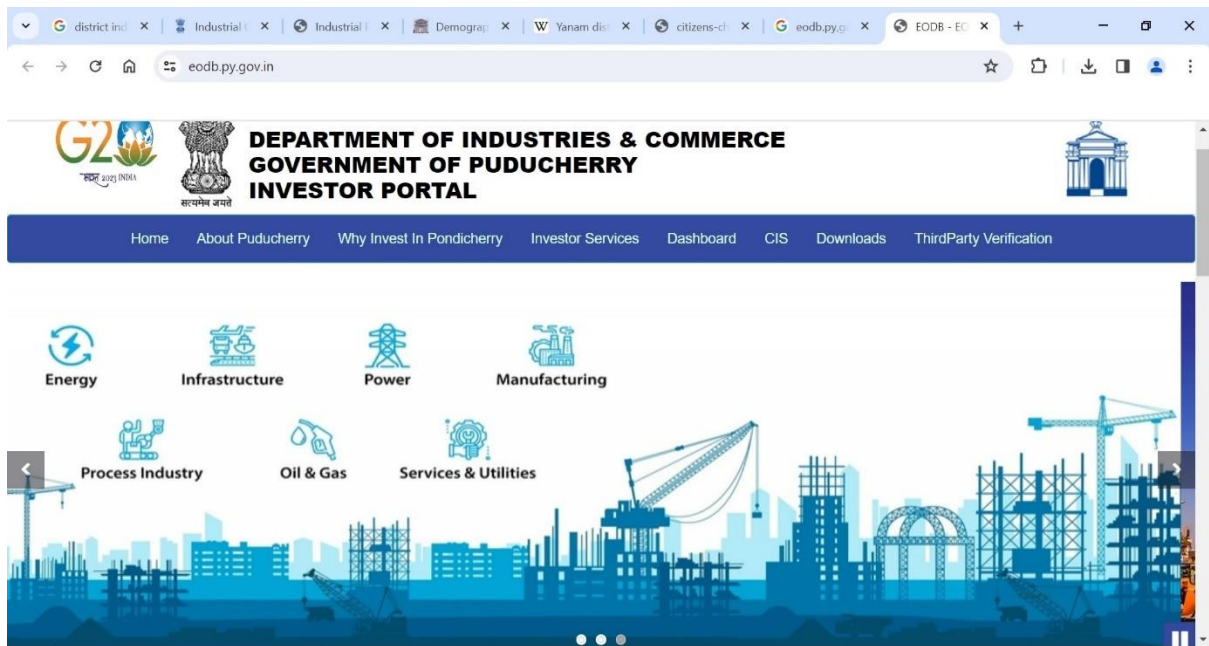
Services of 16 out of 30 Departments have been provisioned through the Single window system. The departments with the dashboard are as follows:

1. Registration and Renewal under Plastic Waste

2. Consent to Operate under the Water Act

3. Registration under The E-waste

4. Consent to Operate under the Air Act

5. Hazardous and Other Wastes

6. Authorization under Bio-Medical Waste Management

7. Authorization under Solid Waste Management

8. Authorization under Construction and Demolition Waste Management

9. Registration for dealers under The Batteries

10. Obtaining Electricity connection

11. Registration of Employment Exchange

12. Application for Registration of Establishments Employing Building Workers

13. Application for License under the Contract Labour (Regulation & Abolition) Act 1970 for Establishments other than Factories

14. Application for Renewal of License Under Contract Labour Act 1970 for Establishments other than Factories

15. Registration/Renewal for Shops and Establishment

16. Application for License under the Contract Labour (Regulation & Abolition) Act 1970 for Engagement in Factories

17. Application for Renewal of License Under Contract Labour Act 1970 for Engagement in Factories

18. Application for Registration and Grant of Renewal of Licence for factories

19. Registration for Boilers & Economizer

20. Issue/ Renewal of Boilers & Economizer Certificate

21. Intimation of National and Festival Holidays in Form V by Factories under the Puducherry Industrial Establishments (National and Festival Holidays) Act,1964

22. Registration for Boilers

23. Issue/ Renewal of Boiler Certificate

24. Application for permission to construct extend or take into use any building as a factory (Plan approval under Factories Act1948)

25. Application for Registration of Establishments employing Contract Labour under the Contract Labour Regulation and Abolition Act, 1970-Principal Employer Registration

26. Application for Registration of Establishments Employing Migrant Workmen under the Inter State Migrant Workmen (RECS) Act, 1979

27. Amendment of licence issued under Factories Act,1948

28. Intimation of holidays in Form V under Puducherry Industrial Establishment (National and Festival Holidays) Act, 1964

29. Registration for Trade License

30. Renewal for Trade License

31. Allotment of land in Industrial Area

32. Registration under State Excise for Label Registration

33. Registration under State Excise for Brand Registration

34. License under State Excise for local sale, Import and export permit of Spirit and Indian-made foreign liquor (IMFL)

35. Application For Issue of Fresh FL2 License Under Tourism Category

36. Incentives

37. Obtaining Water Connection

38. Registration for Fire License

39. Name Availability for Registrar of Companies

40. Registration/Renewal of Society under The Societies Registration Act ,1860

41. Registration of Firms

42. Electricity Service for D.G. Set In-Principle

43. Electricity Service for D.G. Set Regular

44. Application for Fresh Retail Homeopathy License in Form 20C

45. Application for Fresh/Retention of Restricted Drug License in Form 20A

46. Application for Fresh/Retention of Restricted Drug License in Form 21A

47. Application for Fresh/Retention of Retail Allopathy Pharmacy License in Form 20

48. Application for Fresh/Retention of Retail Allopathy Pharmacy License in Form 21

49. Application for Fresh/Retention of Retail Narcotic Drug License Form 20F

50. Application for Fresh/Retention of Wholesale Allopathy pharmacy Licence in Form 20B

51. Application for Fresh/Retention of Wholesale Allopathy pharmacy Licence in Form 21B

52. Application for Fresh/Retention of Wholesale Narcotic Drug License in Form 20G

53. Application for Fresh Wholesale Homeopathy License in Form 20D

54. Application for Retention of Homeopathy Licence in Form 20E

55. Certificate Of Verification for Weight & Measures

56. Registration and Renewal under legal metrology/Weights & Measures

Citizen Service -

1. Electricity Connection

2. Water Connection

3. Registration of Employment Exchange

4. Marriage Certificate

5. Encumbrance Certificate

6. Ration Card (all types)

Other Services –

1. Information Wizard

2. Draft Regulation

3. Grievance

Dashboard - The dashboard is created to facilitate to monitor pendency.

Third Party Verification - The third-party verification provision is made for any general public to verify the issued/permission license details.

Common Inspection System (CIS) – The common inspection system provision made for various line department.

a. Operational Overview of EoDB

The EoDB platform, has the following key functionalities: The EoDB platform has the following key functionalities:

► Common Application Form (CAF) across multiple departments with unique identification number.

► Online tracking of applications and approvals.

► Information of licenses and approvals required based on responses to online Questionnaire (information Wizard).Online wizard for identification of clearances required based on Questionnaire.

► Downloadable approvals.

► Third Party Verification of Approvals.
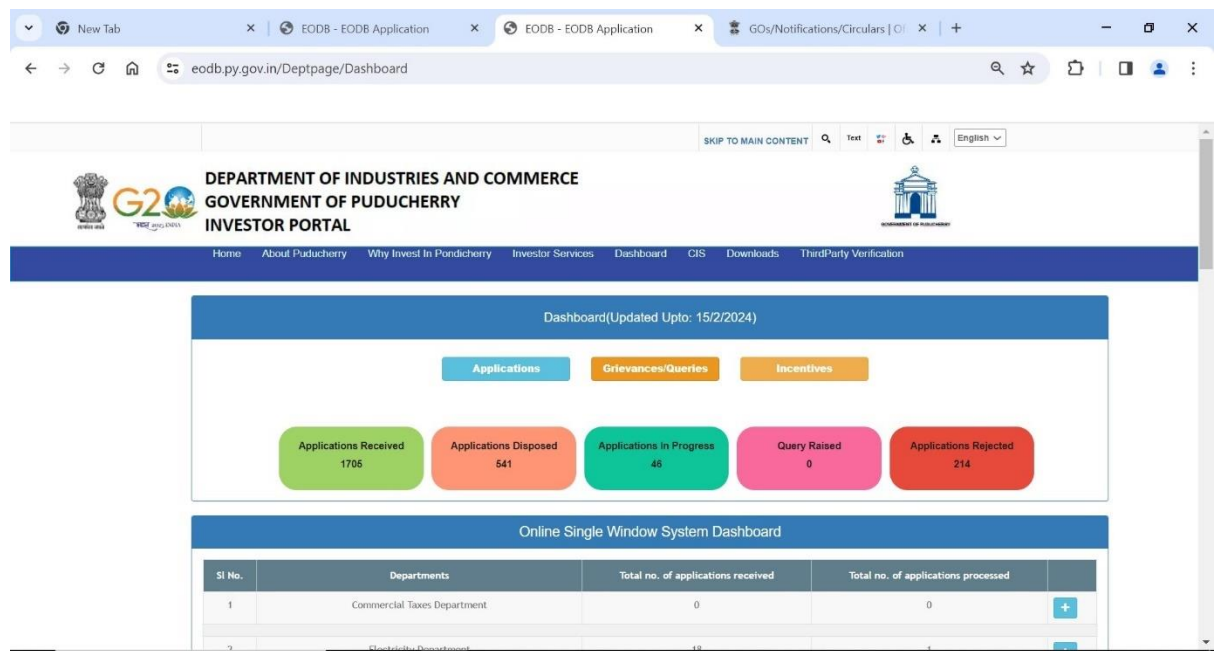
Figure 83 EoDB portal Dashboard

Figure 84 Screenshot of the CIS Inspection Dashboard of SWS for EODB in Puducherry

b. **Snapshot of MSME Clearance Data under Single Window SystemEoDB portal in Puducherry:**

Figure 85 EoDB Dashboard with Status of approval process of the Services by concerned Department

Study of the Single Window system in Puducherry indicates that the portal has been designed to provide basic online services. The dashboard has also been designed to provide basic information on applications received for various services by the concerned departments and the no. of applications, applications approved, rejected and queries. The dashboard also provides information on the set timelines for disposal of the applications along with average time and median time taken to grant the approval. Only services by 16 departments out of the listed 30 departments have been provided in the dashboard. The number of applications received by the departments are also low in comparison to the total no. of Udyam registered enterprises in the Union Territory. This is due to various reasons like:

1. Services and processes of some departments yet to be digitised.

2. Lack of awareness among entrepreneurs regarding the portal and how to use it.

3. Practice of accepting applications manually through Industry Guidance Bureau

This indicates that the portal requires up dation to ensure that the entrepreneurs can reap the benefits of online services and strengthen the Ease of Doing Business in Puducherry.

2.5.1.4 MSME Grievance Redressal Mechanisms

Grievance redressal mechanism serves as a structured platform to resolve conflicts and disputes. Redressing complaints from MSMEs about government policies/initiatives is not just about resolving individual issues; it's about fostering economic growth, promoting entrepreneurship, ensuring fairness, and building a more inclusive and resilient economy.

MSMEs have access to several grievance redressal mechanisms including the CHAMPIONS portal, SAMADHAAN portal, and the grievance redressal portal of the State Industries Department. The CHAMPIONS portal, established by the Ministry of Micro, Small and Medium Enterprises, serves as a dedicated platform for addressing grievances raised by MSMEs. This portal efficiently directs complaints/queries to the relevant branch/bureau/office heads within the MSME Ministry, ensuring a response within three days. Along similar lines, the State Industries Department has also established a grievance redressal platform, which is available to all enterprises including MSMEs.

The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 contains provisions for tackling delayed payments to MSEs. In line with this, the SAMADHAAN is an online portal developed by the Ministry of Micro, Small and Medium Enterprise. where MSMEs can file their applications online regarding delayed payments. The applications can also be made by the MSE unit before the concerned MSEFC of his/her state.

Interactions with enterprises and Industry Associations indicate that they are aware about the MSE Facilitation Council. However, many of them are remain unaware of the essential platforms. This lack of awareness places them in a vulnerable position when confronted with potential challenges. The logic behind this concern lies in the fact that these grievance redressal platforms, such SAMADHAAN, are vital tools that can protect the interests of MSMEs. By remaining unaware of these platforms, MSMEs risk missing out on opportunities to seek timely redressal of their grievances. This could lead to the adoption of more costly and resource-intensive solutions that could potentially impact their financial health, strain business relationships, and jeopardize overall stability.

The chart below represents the year wise status of the applications filed by MSEs from 2018-19 to 2023-24 (till 31 January 2024). The chart indicates that the number of applications filed by the MSEs are relatively low. The chart also indicates that the applications submitted by the MSEs are being actioned and being resolved regularly, with over 54% applications received disposed.

Chart legend: ■ 2023-24 ■ 2022-23 ■ 2021-22 ■ 2020-21 ■ 2019-20 ■ 2018-19
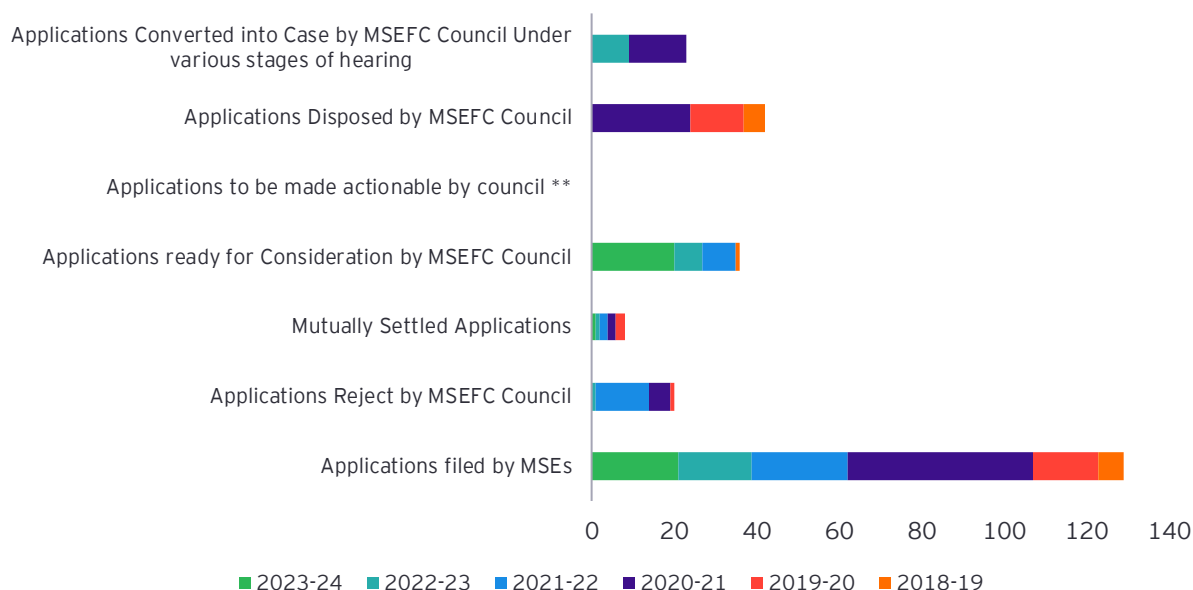
Figure 86 Status of application in MSEFC from Puducherry as per the SAMADHAAN portal

Upon analysing the study findings, a trend emerges that most MSMEs remain unaware of these essential platforms. This lack of awareness places them in a vulnerable position when confronted with potential challenges. The logic behind this concern lies in the fact that these grievance redressal platforms, such SAMADHAAN, are vital tools that can protect the interests of MSMEs. By remaining unaware of these platforms, MSMEs risk missing out on opportunities to seek timely redressal of their grievances. This could lead to the adoption of more costly and resource-intensive solutions that could potentially impact their financial health, strain business relationships, and jeopardize overall stability

2.5.1.5   Industrial Ecosystem

a.   Industrial Estates

The industrial landscape of Puducherry is characterized by a diversified mix of industries spread across multiple estates and complexes. The primary focal points of industrial development are situated within the following key zones:[16]

Thattanchavady Industrial Estate:

Thattanchavady Industrial Estate is a significant industrial hub located in Puducherry. Situated at C-9, C-10, 2nd Main Road, Thattanchavady, Puducherry - 605 009, this industrial estate plays a crucial role in the economic development of the region. It serves as a center for various industrial activities, fostering growth and employment opportunities. The estate is equipped with infrastructure to support industrial operations, making it a key location for businesses looking to establish a presence in the area. With its strategic location and amenities, Thattanchavady Industrial Estate contributes to the industrial landscape of Puducherry, driving economic progress and industrial development in the region.

▶ Established in 1962, this 51-acre estate boasts 60 sheds in various sizes, catering to diverse industrial needs.

▶ 39 plots measuring 11,200 sq. ft. and 10 plots of 7,500 sq. ft. offer flexibility for different business requirements.

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[16] https://industry.py.gov.in/industrial-estate

- With 110 functional units, Thattanchavady hums with the vibrancy of various industries.
- Hire-purchase Scheme and Conditional Assignment schemes make acquiring space within the estate more accessible for entrepreneurs.

Kattukuppam Rural Industrial Estate:

Kattukuppam Rural Industrial Estate, located in Puducherry, is a significant industrial zone established in the year 1969, providing a conducive environment for industrial activities. Situated in the Bahoor Commune of Pondicherry, Kattukuppam serves as a hub for various industrial operations, contributing to the economic development of the region. Businesses like AS Modern Rice Mill and Perfect Sacks and Plastic Industries have established their presence in this industrial estate, showcasing its importance in fostering industrial growth and employment opportunities in the area. With its strategic location and infrastructure, Kattukuppam Rural Industrial Estate plays a vital role in the industrial landscape of Puducherry, supporting businesses and driving economic progress in the region.

- Nestled in Manapet, this estate was established in 1969 on 15.58 acres of land.
- 13 sheds and 38 plots of 11,200 sq. ft. provide space for 19 currently functioning units.
- Kattukuppam fosters a close-knit community of small-scale industries, contributing to the region's economic fabric.

Karaikal Rural Industrial Estate:

Karaikal Rural Industrial Estate, located in the Karaikal district of Puducherry, is a pivotal industrial zone that has been instrumental in the economic development of the region. Established in 1968, providing a conducive environment for various industrial activities. The estate has attracted notable industries like Sowndararaja Mills, Henkel Spic, Johnson Tiles, and others, showcasing its significance in fostering industrial growth and employment opportunities in Karaikal. Additionally, the presence of a spinning mill, a gas power plant run by the Government of Puducherry, and the establishment of the District Industries Centre further highlight the diverse industrial landscape of Karaikal Rural Industrial Estate. With initiatives like tax holidays, subsidies, and skill training programs, this estate continues to play a vital role in promoting industrialization and self-employment in the region.

- Founded in 1968 on 7.66 acres, this estate in Kottucherry offers 25 sheds and 24 plots of various sizes.
- 18 units thrive within the estate, showcasing the entrepreneurial spirit of Karaikal.
- Its strategic location within the district makes it an attractive option for various industries.

Mettupalayam Industrial Estate:

Mettupalayam Industrial Estate, with a diverse range of plot sizes available, including 1050 sqm, 648 sqm, and 390 sqm, among others, the estate caters to various industrial needs. Noteworthy features of this estate include its strategic location with close proximity to key transportation hubs like the railway station, airport, and port of Puducherry. The lease rates for land and plots are being affordable makes it an attractive location for businesses looking to establish a presence in the industrial sector. The directory of allottees in the Mettupalayam Industrial Estate showcases a diverse array of industries operating within the estate, ranging from manufacturing to services, highlighting its role in fostering industrial growth and development in the region.

- Sprawling across 167 acres, established in 1976 by PIPDIC, Mettupalayam is the largest industrial estate in Puducherry.
- Boasting 367 plots and 89 sheds of varying sizes, it caters to a wide range of businesses, from small startups to established players.

- With 257 functional units, Mettupalayam is a powerhouse of industrial activity, contributing significantly to the Territory's economic growth.

Sedarapet Industrial Estate:

Sedarapet Industrial Estate, established in 1982 over an area of 62 acres by PIPDIC, stands as a significant industrial hub in Puducherry. Notable companies like Pondy Die Castings P.Ltd., G.M.Pens International P.Ltd., Nector Exports (P) Ltd., and Crimson Metal Engg. Company Ltd operate within this industrial estate, showcasing its role in fostering industrial growth and development in the region. The strategic location of Sedarapet Industrial Estate, along with its ample infrastructure and plot availability, makes it an attractive destination for businesses looking to establish a presence in the industrial sector. The estate's contribution to industrial activity in Puducherry is further emphasized by the government's decision to utilize 750 acres of unused land in Sedarapet for industrial purposes, highlighting its importance in driving economic progress and employment opportunities in the region.

- Established in 1982 by PIPDIC, this 62.19-acre estate offers 191 plots of varying sizes, providing flexibility for diverse industrial needs.
- 83 units currently operate within Sedarapet, representing a diverse cross-section of industries.
- Its proximity to Puducherry town adds to its strategic advantage.

Kirumampakkam Industrial Estate:

Kirumampakkam Industrial Estate, established in 1975 by PIPDIC over an area of 25 acres, serves as a vital industrial zone in Puducherry. With 19 functioning units within the estate, it provides a conducive environment for various industrial activities. Notable companies like Aqua Biotech Care operate within this industrial estate, showcasing its role in fostering industrial growth and development in the region. The strategic location of Kirumampakkam Industrial Estate, along with its infrastructure and plot availability, makes it an attractive destination for businesses seeking to establish a presence in the industrial sector. The directory of allottees in the estate reflects a diverse array of industries operating within, highlighting its significance in driving economic progress and employment opportunities in Puducherry.

- This relatively smaller estate, established by PIPDIC on 25 acres, houses 19 functioning units.
- Its compact size fosters a sense of community and collaboration among entrepreneurs.

Thirubuvanai Industrial Estate:

Thirubuvanai Industrial Estate, established in 1999 over an area of 52 acres by PIPDIC, stands as a significant industrial hub in Puducherry. This estate caters to a variety of industries, including electronic industries, showcasing its versatility in supporting different sectors. Notable companies like Palmetto Ind. India Pvt. Ltd., Mind Soft Technologies, GKM Laboratories, and Srinivas Packagings operate within this industrial estate, highlighting its role in fostering industrial growth and development in the region. The strategic location of Thirubuvanai Industrial Estate, along with its infrastructure and plot availability, makes it an attractive destination for businesses seeking to establish a presence in the industrial sector. The estate's contribution to industrial activity in Puducherry is further emphasized by its exclusive focus on electronic industries, reflecting its commitment to supporting technological advancements and economic progress in the region.

- Dedicated to the electronics industry, this 50-acre estate provides a conducive environment for tech-driven businesses.
- With its focus on a specific sector, Thirubuvanai has the potential to become a hub for electronics manufacturing in Puducherry.

Table 14 List of Industrial Estates

S.No.	Name of Industrial Area[17]	Area (in Acres)	Number of Units
1.	Thattanchavady	51.22	110
2.	Mettupalayam	167.00	257
3.	Sedarapet	62.19	83
4.	Kattukuppam	15.58	27
5.	Kirumampakkam	25.00	19
6.	Karaikal	7.66	18

As per information received from the Department of Industries, the data on existing industrial estates with year of inception, area, number of sheds and plots is captured below

Table 15 Data on Industrial Estates

Sl. No.	Existing Industrial Estates	Year	Area (Acres)	Sheds	Plots
Managed by Industries					
1	Thattanchavady	1962	51	60	48
2	Kattukuppam	1969	15.58	13	38
3	Kottucherry, Karaikal	1968	7.66	25	24
		Sub Total(A)	74.24		
Managed by PIPDIC					
4	Kirumampakkam	1975	25	8	14
5	Mettupalayam	1976	167	91	415
6	Sedarapet	1982	62	-	187
7	Thirubuvanai	1999	52	4	131
8	Pologam,Karaikal	1999	595.4		
	Developed Phase		193.08	-	
	Undeveloped phase		402.32		
	Phase – I		112.93		Alloted - 9.24 Acres
	1.Developed		328.74		Balance – 102.69 Acres
	2.Undeveloped				Alloted – 328.74 Acres

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[17] https://industry.py.gov.in/industrial-estate

SI. No.	Existing Industrial Estates	Year	Area (Acres)	Sheds	Plots
	Sub Total(B)		901.4		
	Grand total (A)+(B)		975.64		

b. Energy

Physical infrastructure plays a crucial role in the competitiveness of MSMEs. Reliable and uninterrupted power supply is critical for MSMEs. The Electricity Department of Government of Puducherry is a deemed licensee under Section 14 of Electricity Act, 2003 and is carrying on the business of Transmission, Distribution and retail supply of Electricity in Puducherry, Karaikal, Yanam and Mahe Regions of the Union Territory of Puducherry. With all the Towns and villages electrified in as early as 1972, the Union Territory is 100% fully electrified. The business of generation of Electricity in the Union Territory of Puducherry is being carried out by the Puducherry Power Corporation Limited, an undertaking wholly owned by the Government of Puducherry. The Puducherry power Corporation Limited presently operates a 33 MW gas power plant in Karaikal region[18]. The power plant has achieved a power load factor (PLF) of nearly 81% during the year 2022-23 which is higher than the national average of 64.15%.

The quality and availability of electricity in Puducherry is good. The power demand for 2022-23 was 3050 MU with peak demand of 501 MW. The power tariffs applicable to the different consumer categories in Puducherry are provided below:

Table 16 Electricity Charges in Puducherry. *(Amount in Rs.)[19]*

Tariff Code	Tariff Name	Effect Date	Fixed Charge	Starting Unit	Ending Unit	Tariff Rate	Remark
A1	Commercial	01-Apr-2023	75	1	100	6.00	Rs.75/Kw
			75	101	250	7.05	Rs.75/Kw
			75	251	99999	7.80	Rs.75/Kw
A2	Domestic	01-Apr-2023	30	1	100	2.25	Rs.30/Kw
			30	101	200	3.25	Rs.30/Kw
			30	201	300	5.40	Rs. 30/Kw
			30	301	99999	6.80	Rs. 30/Kw
C1	Industrial	01-Apr-2023	50	1	99999	6.35	Rs. 50/Kw
D2		01-Apr-2023	30	1	100	2.25	Rs. 30/Kw
			30	101	200	3.25	Rs. 30/Kw

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[18] Puducherry Electricity department website
https://pedservices.py.gov.in/Home/About#:~:text=With%20all%20the%20Towns%20and,by%20the%20Government%20of%20Puducherry.

[19] FPPCA Rates Details

Tariff Code	Tariff Name	Effect Date	Fixed Charge	Starting Unit	Ending Unit	Tariff Rate	Remark
	Cottage Industries /Poultry Farms/ Horticulture/ Pisciculture	30	201	300	5.40	Rs. 30/Kw	
		30	301	99999	6.80	Rs. 30/Kw	

All applicants for supply of electricity have to pay initial security deposit before availing of the supply ranging from Rs. 200 (single Line connection) to Rs.15000 (H.T. / L.T. Trivector meters).

The forecasted energy requirement for UT of Puducherry as per the 20th Electric Power Survey of India is as provided below. The forecast of energy requirement has been made basis the inputs furnished by the Discoms/Utilities/ Electricity Departments of the States / UTs electricity such as demand projection, the annual electricity data for category wise consumption data (such as Domestic, Commercial, Irrigation, Industrial etc.), Transmission and Distribution losses, Open Access and Peak Demand for the period of 2010-11 to 2020-21. The energy demand accounts to just 0.01% of the total requirement for the southern region. The energy consumption for industrial purpose accounts to about 40% of the total requirement for 2021-22 and is expected to be similar by 2031-32 as well. The self-consumption forecast through Captive power plants is expected to grow from 167 MU to 607 MU by 2031-32 and through Solar Rooftop from 13 MU to 159 MU.

Table 17 Forecasted Electrical Energy Requirement (MU) at Power Station Bus Bar (Utilities)[20]

State/UT/ Region	2021-22	2026-27	2031-32	2036-37	2041-42
Puducherry	2,907	3,436	3,947	4,507	5,117
Southern region	3,51,611	4,60,853	5,96,557	7,42,266	8,98,048

Table 18 Peak Electricity Demand (in MW) at Power Station Bus Bar (Utilities)[21]

State/UT/ Region	2021-22	2026-27	2031-32	2036-37	2041-42
Puducherry	473	567	652	746	849
Southern region	61,165	80,864	1,07,259	1,36,946	1,67,392

Table 19 Estimated LT Industries Category Consumption (in MU)

UT/ Region	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Puducherry	120	123	125	126	128	128	129	130	131
Southern region	15399	16070	16738	17402	18071	18737	19399	20048	20676

Table 20 Estimated HT Industries Category Consumption (in MU)

State/UT/ Region	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Puducherry	965	1007	1048	1092	1134	1176	1227	1233	1230
Southern region	53018	58418	64541	71122	78241	85666	96001	98679	101043

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[20] 20th Electric Power Survey of India, CEA
[21] 20th Electric Power Survey of India, CEA

c. Labor

The global adoption of automation, including in India, has been on the rise. Enterprises are currently at various stages of this transition, and the accessibility of both unskilled and skilled personnel has become a crucial factor in influencing enterprise performance.

In this context, MSMEs have reported several challenges related to the availability of skilled personnel. These challenges are multifaceted, featuring two prominent aspects: demand for higher wages and a shortage of skilled personnel. The increasing demand for higher wages from skilled personnel can strain the budgets of MSMEs, especially micro and small enterprises, affecting their operating costs and profitability.

A critical and interrelated concern is the scarcity of adequately skilled individuals within the immediate talent pool. Despite the commendable employability levels in the state, finding individuals with the precise skills and aptitude required for the job can be formidable task. The scarcity of qualified personnel adds complexity to the talent acquisition process. A larger share of unregistered enterprises reported concerns with respect to finding local skilled workforce; given their sectoral focus and scale of operations the ability of unregistered enterprises to offer competitive wages and attract requisite talent may be limited.

These challenges necessitate comprehensive measures to bridge the skill gap, foster industry partnerships, and enhance the overall effectiveness of skill development initiatives in the state.

d. Raw Materials

Procurement of raw material for most of the industries are from outside of Puducherry. Most of the job workers are either provided by the raw material directly by the outsourcing industries or recommend raw material suppliers from whom the job workers procure.

e. Technology

For the growth and scalability of MSMEs, enhancing productivity and maintaining product quality are imperative and technology serves as the linchpin for achieving both objectives. In this regard, MSMEs were surveyed to uncover the primary challenges they face when adopting technological improvements in operations.

2.5.2 Access to Finance

2.5.2.1 Formal Financial Institutions

Based on analysis of the challenges faced by various sectors in critical areas such as access to finance, market expansion and enterprise-level capacity, it becomes evident that the state has significant stride in addressing credit constraints and streamlining credit delivery to diverse sectors. The success in mitigating credit constraints and enhancing credit delivery can be attributed to the multitude of financial incentives, schemes, and the robust presence of financial institutions within the state. Nonetheless, it is important to highlight that credit constraints continue to pose challenges to micro enterprises, who form a majority of the MSMEs in the state.

Access to finance plays a pivotal role in the establishment, growth, and expansion journey of any enterprise, including MSMEs. The ground survey findings reveal some interesting insights into the preferences of Udyam registered and unregistered enterprises regarding their primary sources of financial support.

Enterprises have identified several significant challenges when accessing loans from formal financial institutions, including high interest rates, stringent collateral, and documentation requirements among other hurdles. Despite the presence of various schemes like Scheme for Interest Subvention to Nano-Units, Entrepreneur Support Scheme, and CGTMSE, enterprises continue to face obstacles in accessing credit. Additionally, concerns have arisen regarding the

difference between requested loan amounts and sanctioned amounts, as well as the extended turnaround time for loan applications. These challenges could be linked to the size of the enterprises considered, and in turn resulting from heightened scrutiny of their applications. The predicament becomes even more challenging for unregistered enterprises due to their inability to access benefits under some of these schemes. Moreover, the financial information for these enterprises, at least those covered within the sample, may not be readily available because they lack essential documents such as ITR filings and GST records.

To understand the roots of this issue, despite the attempts at improving financial inclusion of MSMEs, comprehensive stakeholder consultations were conducted with financial institutions to gauge the breadth and depth of challenges in the loan issuance process. By consulting with these stakeholders, the aim was to identify challenges and issues that can be addressed to facilitate a more streamlined policy interventions process. And the findings revealed that the challenges are multi-fold and complex, ranging from administrative to financial and strategic in nature for MSME.

Considering these findings, it becomes clear that tackling the challenge of credit accessibility for MSMEs is not a straightforward task and calls for a coordinated approach. This consultation is a first, essential step toward understanding the complexities involved and laying the groundwork for more targeted interventions. By bringing these issues to light, we aim to pave the way for financial products outreach, financial literacy programs, and type of loans available that can bolster the MSME sector's ability to secure the credit it so critically needs. The details are as below:

Table 21 Issues with Issuing Loans

Sl	Frequent issues when issuing loans	Observations from Public and Private Bankers
1	Incomplete & Inaccurate Documents	▶ Many MSMEs struggle with updated KYC and lack digital literacy. ▶ Financial statements often lack audited proof ▶ Issues with business registration. ▶ Frequent omissions in required documentation, unclear understanding of prerequisites. ▶ Unable to provide documents such as MoA, AoA. The problem is more in Micro and Small Businesses
2	Inability to Repay the Loan	▶ High variability in cash flows in Micro and small enterprises ▶ Revenue instability in certain sectors leading to default risk. ▶ Small enterprises have unpredictable revenue streams. ▶ Businesses often over-leverage, affecting repayments. ▶ MSMEs show cyclical income patterns.
3	Unable to meet Regulatory Compliance	▶ Frequent failure to meet regulatory guidelines (Pre-Requisite while applying for loan). ▶ Unable to get license from the local Panchayath. ▶ Ignorance of the latest tax changes; low adaptation to new regulations.
4	Bad Credit History	▶ Limited formal credit history. ▶ Existing debts with informal lenders. ▶ Previous loan defaults. ▶ Limited creditworthiness. ▶ Heavy reliance on informal lending
5	Unstable Business	▶ Dependence on a narrow range of products. ▶ Cyclical or seasonal income patterns.

SI	Frequent issues when issuing loans	Observations from Public and Private Bankers
		▶ High volatility in income.
		▶ Limited business history.
		▶ Uncertainty in business stability
6	No Clear Business Plan	▶ Lack of detailed planning and execution.
		▶ Limited access to advisory services.
		▶ Overambitious plans lacking in feasibility
		▶ Generic business plans with no USP.
		▶ Failure to align business plans with market needs.
7	No knowledge on Market Potential	▶ Overexposure to saturated markets.
		▶ Limited market research.
		▶ Low demand for products.
		▶ Inability to diversify into new markets
		▶ Business concentration in low growth sectors
8	Misuse of Loan Funds	▶ Vague purposes for loan utilization.
		▶ Diversion of funds for non-business activities, such as taking term loan and using it for personal purpose.
		▶ High operational costs consuming loan funds.
		▶ Poor fund allocation and budgeting.
		▶ Inefficient use of capital leading to poor ROI

2.5.2.2 Digital Lending

The lending landscape is undergoing rapid changes, with the emergence of digital lending set to disrupt the conventional brick and mortar frameworks of traditional financial institutions. This opportunity is driven by growing formalisation and digitisation observed within the MSME sector, as well as advent of India Stack – a comprehensive set of digital infrastructure, emergence of alternate approaches to sourcing, underwriting, and servicing credit.

Access to credit is one of the critical challenges confronting MSMEs across the globe, including India. Nearly all MSME credit-related challenges can be traced to information asymmetry and issue of possessing 'thin' files. This results in stringent documentation and collateral requirements, long processing times, and yet disparity between amount requested and sanctioned. Digital lending has inherent advantages that address these pain points. By digitising the entire loan application process, the digital lending platforms have been able to utilise digital data trails, reduce turnaround time, and overall improve the operating cost efficiency. This enables easier access to credit, especially to NTC customers, and enables the enterprises to climb the credit ladder.

The FinTech digital models are building business models and capabilities to capture the market via exploration of alternate credit scoring mechanisms. The alternate credit scoring mechanism rather than relying solely on collateral or historical financial statements, focuses on borrower's ability to generate cash and meet their financial obligations. For lenders this is expected to improve their ability to make more accurate assessment of creditworthiness, and for borrowers this is expected to offer them flexible financing and enable easier access to affordable credit. Some of the emerging and prominent players in the market include Indifi, KredX, U GRO Cap, Capital Float, etc.

The mainstream market players in the digital lending landscape, however, have limited roots in the state. In this context, the longstanding players in the state could expand their existing lending capabilities into the digital realm and explore the potential of alternate credit scoring method, or explore co-lending opportunities via feasible platform partnerships, supply-chain financing options, etc. Most incumbent banks have granular data on MSMEs via access to bank statements, or previous credit histories, enabling lenders to generate detailed insights into borrower behaviour.

Additionally, new information sources, such as transaction data (e.g., point-of-sale data trails) and other surrogate data (e.g., telco, utility payments) could be added to this existing information to obtain even deeper view. **Hence, there is a scope to improve capabilities of existing financial institutions in the state to facilitate digital lending capabilities. However, it is crucial to ensure that the emergence of digital lending platforms do not exacerbate the existing issues around fake loan applications, and other potentially exploitative practices, and does not compromise on data privacy and security concerns.**

2.5.2.3 Equity Financing for MSMEs

The BSE MSME Exchange, a platform for Micro, Small, and Medium Enterprises (MSMEs) in India, has been instrumental in providing these businesses with a unique opportunity to raise equity capital for growth and expansion. As of now, there are 292 companies registered on the BSE MSME Exchange, spread across various states and industries in India.

The state with the highest number of registered companies is Maharashtra with 92 companies, followed by Gujarat with 61 companies, and Delhi with 50 companies. The industry with the highest representation is Services, with 60 companies, followed by Capital Goods and Consumer Durables, with 38 and 21 companies respectively.

In Puducherry, there are a total of 81 medium enterprises, of which 41 are in manufacturing 23 and are in services and 17 are in trading. However, there are no companies currently listed on the BSE MSME Exchange.

Figure 87 No. of MSME listed in BSE stock exchange State Wise
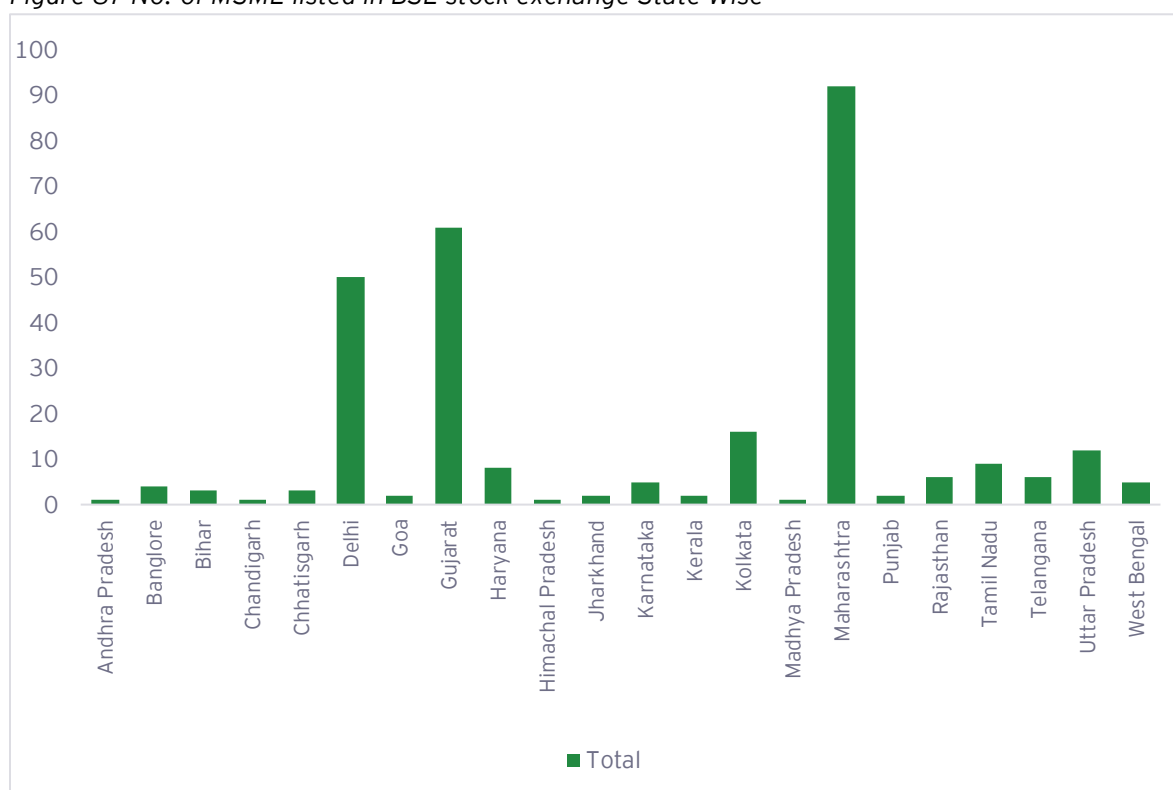
Figure 88 Industry wise number of MSMEs on Stock exchange
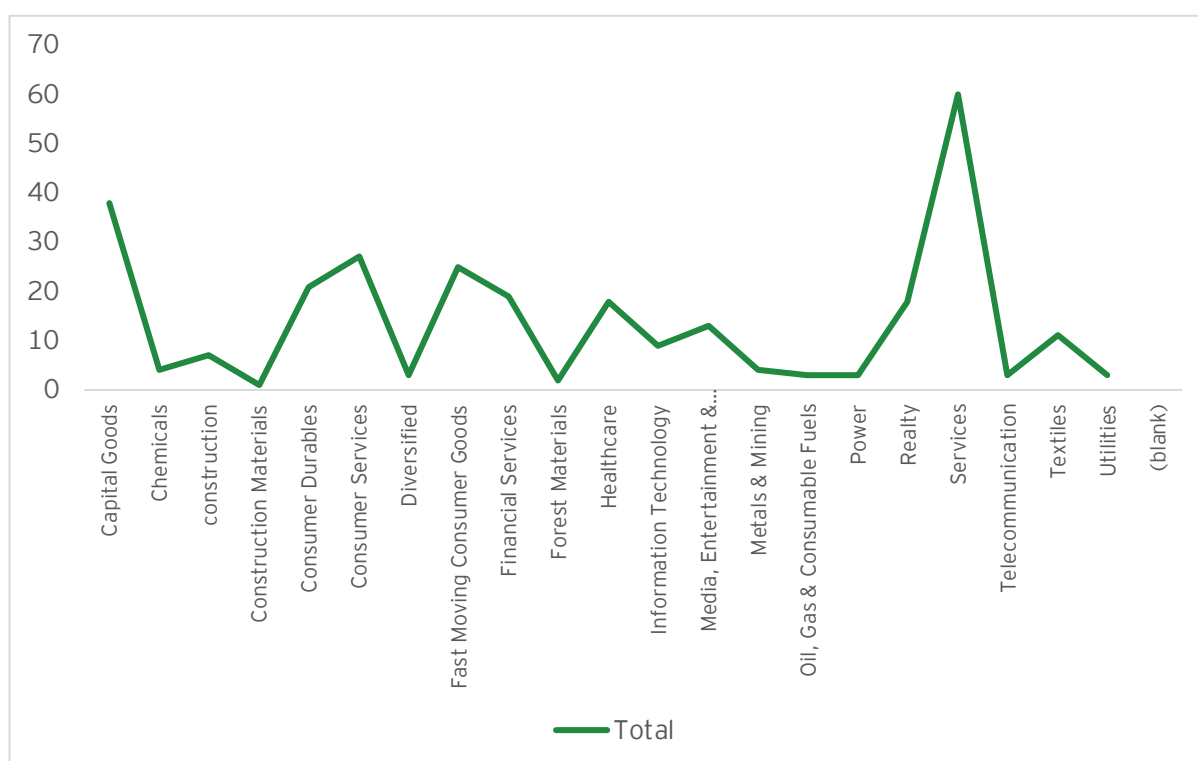
To gain a deeper understanding of IPO awareness among MSMEs in Puducherry, particularly focusing on medium sized enterprises, we conducted interviews to identify the level of understanding, challenges, and apprehensions concerning IPOs. The findings are tabulated in the table that follows:

Table 22 Understanding, challenges, and apprehensions of MSMEs concerning IPOs

S.No	Factors	Description
1	Capital Requirements	Medium Industries are often prioritizing short term liquidity over long term capital needs due to immediate operational concerns.
2	Market Awareness	Medium Enterprises owners are equating IPOs with larger corporations, failing to see it as viable for their scale
3	Skill Gap	Lack of skilled professionals to guide through the listing process.
4	Market Conditions	Prevailing economic uncertainties like inflation or market volatility can erode investor confidence as medium enterprises are not ready to take this risk
5	Complexity & Time	Medium Enterprises are feeling that the time and complexity involved in the IPO process discourage MSME owners.
6	Lack of Incentives	Not Aware of the State Level Incentives

2.5.3 Access to Market

2.5.3.1 Key market access related issues

2.5.3.2 Sectors with potential export opportunities and associated challenges

In the fiscal year 2022-23, Puducherry's merchandise exports amounted to ₹4293.5 Crore, constituting approximately 20.69% of the state's GDP at constant prices and contributing 0.12% to India's overall merchandise exports during the same period.

a.   Puducherry's Performance on Export Preparedness Index

Puducherry, a union territory located on the southern coast of India, has consistently ranked among the lower performing regions in the Export Preparedness Index (EPI) released by NITI Aayog. In the latest EPI report for 2023, Puducherry was ranked 7th among the Union Territories and Small States category with an overall score of 24.34.

Figure 89 Puducherry's performance in the Export Preparedness Index (EPI) as compared to other UTs

Rank	States	Category	Score
16	Goa	UT	51.58
17	Jammu & Kashmir	UT	47.69
18	Delhi	UT	47.69
24	Andaman & Nicobar Islands	UT	40.65
29	Ladakh	UT	31.51
30	Chhattisgarh	UT	31.27
31	Puducherry	UT	24.34
34	Dadra Nagar & Haveli & Daman and Diu	UT	18.74
36	Lakshadweep	UT	11.3

In terms of the business ecosystem, Puducherry faces challenges in attracting investments and creating an enabling environment for start-ups. The export infrastructure, including logistics and trade support services, is also an area that requires improvement.

However, Puducherry performs better in terms of transport connectivity, with its proximity to major ports and airports providing access to international markets. The territory also has a relatively good business environment compared to some other UTs.

To improve its export performance, Puducherry needs to focus on developing a robust export promotion policy, strengthening its institutional framework for export support, and investing in export infrastructure and logistics. Diversifying its export basket beyond traditional products and exploring new markets can also help boost its export competitiveness.

b.   Benchmarking vis-à-vis Other States

Each state formulates its export promotion schemes to align with its unique economic and industrial context, ultimately aiming for more effective and personalised support for the export-oriented units including MSMEs. To identify best practices, assess its impact, and determine areas for improvement, a comparative analysis is conducted with the schemes and initiatives of similar and best-performing
states in India, which include Karnataka, Tamil Nadu, Andhra Pradesh, Maharashtra, Haryana, Gujarat, and Chhattisgarh.

Table 23 Benchmarking vis-à-vis other states

Component	Possible schemes/activities at State level	Best practice/provision in other states	Provisions in Puducherry
Dedicated Export Facilitation Cell	NA	▶ Andhra Pradesh – Dedicated export promotion is set up at DICs for capacity building and export guidance. Also, notified Dedicated State Export Promotion Facilitation Cell ▶ Haryana - Dedicated Market Development & Exports Promotion Cell within the Directorate to enhance export potential of MSMEs for entering new markets & increased global value chain participation. ▶ Notified District Export Promotion Councils (DEPCs) in all districts for improving export scenario at the district level	▶ Not present
Investment on PP&E	Capital investment subsidy and interest subvention	▶ Chhattisgarh – Export-oriented units receive 5% additional subsidy on fixed capital investments of about 40-50% compared to general category entrepreneurs. Also, the upper ceiling limit is increased by 5% ▶ Export-oriented units get 5% additional incentives, and the ceiling of incentive will be increased by 5%, and in the terms of time limit- one year more, in addition to the incentives enumerated in clause 15.1 above for the general category entrepreneurs.	NA
Factor Conditions	Electricity duty/tax charges	▶ Karnataka - 100% Electricity tax exemption for new MSME Export Enterprises (Minimum 50% of the turnover should be in exports) for an initial period of 5 year in Zone-3.	No provisions

Component	Possible schemes/activities at State level	Best practice/provision in other states	Provisions in Puducherry
		▶ Maharashtra – Only eligible 100% export-oriented units, in Group A & B areas, are exempted from payment of electricity duty for a period of 7 years	
	Land Allocation	▶ Haryana - 100% export-oriented units shall be given priority for allotment of land in the Industrial Estates developed by HSIIDC	
	Freight charges	▶ Chhattisgarh – Transport grants to export-oriented units, equal to actual charges from the place of manufacture of the product to the place of export. According to the Industrial Policy, the maximum limit of assistance will be Rs 30 lakh per annum.	
		▶ Haryana – Freight subsidy to new exporting Micro & Small Enterprises, up to Rs 10 lakhs, to defray costs from premises of the unit to the Seaport/ Air cargo/ International borders	
Quality Certifications	Charges related to certification	▶ Andhra Pradesh - For compulsory marking like Conformity European (CE), China Compulsory Certificates (CCC), Good Manufacturing Practices (GMP), Phytosanitary certificates, Global Food Safety Initiative (GFSI) recognised schemes etc reimbursement of 50% of certification cost subject to maximum of Rs 2 lakh per unit per annum.	▶ Assistance will be granted for a maximum of 3 Quality Certifications @50% of the cost of the Quality Certification with a ceiling of INR 2 lakhs per unit.
		▶ Karnataka - Refund of certification charges incurred for obtaining statutory certifications like CE, CCC, GMP, Phytosanitary certificates, IFS-BRC-FSSC 22000 Certification to the extent of 50% of expenses subject to maximum of Rs 1 lakh per unit.	

Component	Possible schemes/activities at State level	Best practice/provision in other states	Provisions in Puducherry
		▶ Tamil Nadu – Fee paid on testing and quality certification acquired by MSEs for exports reimbursed by 75% of the fee with a ceiling of Rs 1 lakh, or actual, whichever is lower subject to max 3 certifications in a year per MSE. ▶ Haryana - 75% reimbursement (up to INR 10 Lakhs per certification) of the total expenditure incurred for obtaining certifications such ISO/ HACCP/ BSI/ WHO-GMP/ ZED/TS/ Hallmark certifications and other country specific certifications	
Market Development Assistance	Facilitating participation in international trade fairs/exhibitions	▶ Maharashtra – Subsidises 50% of actual space rent or Rs 1 lakh, whichever is low, to small scale units in a financial year. The units can participate 5 times in an international fair/exhibition, or 5 years only ▶ Andhra Pradesh – 30% subsidy in ground rent for participation in international fair ▶ Haryana - Financial assistance for participation in international fairs/exhibitions, including 75% of cost incurred (max up to Rs 4 lakhs) towards space charges, shipment of exhibits, cost of product literature, display material, etc. and up to Rs 1 Lakh for air fare	▶ Assistance given to industrial units that are participating in International Trade Fairs as an industrial association @50% of the total rent, deploying material to a maximum of INR 5 Lakhs.
Export Incentive	Incentives and awards	▶ Karnataka - MSME Enterprises who double exports in subsequent years are paid 1% of FOB value, subject to max Rs 10 lakh per unit ▶ Haryana - State Export Awards amounting to Rs 5 lakhs each to the Outstanding Exporting Units in the State	NA

Component	Possible schemes/activities at State level	Best practice/provision in other states	Provisions in Puducherry
Export Credit Support	Assistance related to loans, and guarantees on the credit facilities	▶ Karnataka - Reimbursement of ECGC charges up to 100%, with upper ceiling limit of Rs 1 lakh per unit per year ▶ Tamil Nadu - Export insurance premium paid to ECGC under the Small Exporter's Policy, max Rs 10,000 in a year or actual, whichever is lower ▶ Haryana - Reimbursement of 50% of export insurance premium paid to ECGC, max up to Rs 1.5 lakhs per annum per unit for new MSEs for a period of 5 years having ZED certification	NA
Export Infrastructure	Development of logistic facilities such as CFSs/ICDs, Cold Storage and Warehousing, etc	▶ Andhra Pradesh - Investment subsidy of 25% of cost of reefer vehicles limited to Rs 10 lakhs per vehicle with maximum of two vehicles per unit. An additional 5% subsidy for women, SC/ST/OBC community run MSMEs ▶ Development of ICDs in PPP mode; cold storages through private participation and under Central assistance ▶ Gujarat - Capital subsidy on investment made in fixed assets (except land cost) to create infrastructure/logistic facilities (for new unit/ project), subject to upper ceiling limit of Rs 15 cr ▶ Interest subsidy for development of logistics facilities (for new unit/ project) at the rate of 7% for 7 years on eligible term loan (minimum 2% to be borne by unit/ project in each case). The upper ceiling is Rs 50 lakhs per annum	▶ Capital Investment subsidy @15% of the investment made on purchase of logistics infrastructure. ▶ 25% of annual interest paid for a period of 5 years to a maximum of INR 5 Lakhs fee for the financial year. ▶ 50% reimbursement of Quality Certification @ INR 2 lakhs for the certification ▶ 50% of the expenditure incurred @ INR 2 Lakh on domestic patent and @ INR 5 lakhs for International patent ▶ Reimbursement of Training/Skill development/Capacity building program – 50 training hours @ INR

Component	Possible schemes/activities at State level	Best practice/provision in other states	Provisions in Puducherry
			5,000 per trainee (max. of 20 trainings per year)
			▶ 100 training hours @ INR 10,000 per trainee (Max. of 10 trainings per annum) 200 training hours @ INR 20,000 per trainee (Max. of 10 trainings per year)
			▶ Assistance for procurement of cutting-edge logistic technologies- Reimbursement of 50% of the total cost with a maximum ceiling of INR 10 Lakhs.

2.5.4 Market for Service provision to MSMEs

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

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2.5.6 Labour Management and Safety Standards Compliance

is widely recognized for its remarkable achievements in social development, characterized by effective mobilisation and organisation of workers across diverse sectors. Economic development in Puducherry is not solely about job creation but also emphasizes the creation of conducive working conditions that uphold freedom, safety, and dignity for all.

The Department of Factories and Boilers holds the statutory responsibility of safeguarding the safety, health and welfare of workers in factories. Notably, there has been a decline in both fatal and non-fatal accidents within industries under the jurisdiction of the Factories and Boilers Department. This reduction in accidents can be attributed to State Government's commendable interventions and proactive measures to improve safety and working conditions of workers in the industrial establishments.

2.5.7 Resource Efficient and Cleaner Production (RECP) Capacity

Resource Efficiency and Cleaner Production (RECP) is a globally recognized approach that effectively enhances productivity while minimizing the environmental footprint of the enterprises. A two-way relationship exists between environmental sustainability and MSMEs. On one hand, MSMEs contribute to environmental problems and climate change. Simultaneously, they face heightened vulnerability to the adverse effects of environmental and climate-related challenges. This stems from their reliance on outdated technologies, and processes, substantial use of fossil fuels, and unorganized nature. This is further compounded by lack of technical capacity, limited unawareness about available formal financing mechanisms, and limited access to green financing options. The application of RECP delivers substantial benefits to enterprises, with particular focus on MSMEs, by enhancing their productivity and competitive edge. Additionally, it benefits the environment by reducing the adverse impacts of their operations and contributes to the wellbeing of individuals by decreasing the risks to workers and communities.

2.5.7.2 Energy Consumption by MSMEs

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

To assess the MSMEs and other segments, NITI Aayog introduced the State Energy and Climate Index (SECI). This index evaluates Indian states based on six key parameters, using 27 indicators that include DISCOM's performance, Access, Affordability & Reliability, Clean Energy Initiatives, Energy Efficiency, Environmental Sustainability, and New Initiatives[22]. Among these indicators, the energy saved by industries is perhaps the most important parameter as it shows how prudent the industries, in a state, are in adopting good practices to save energy.

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[22] State Energy and Climate Index (SECI) 2022, NITI Aayog

2.5.7.3 Green Climate Fund Programmes and Potential Convergence

The Green Climate Fund (GCF) is the world's largest climate fund established under the United Nations Framework Convention on Climate Change (UNFCC) to facilitate and expedite a shift to climate resilient development path in developing nations. It does so through a partnership approach, employing flexible financial solutions and leveraging expertise in climate investments. The GCF has several funding windows through which it extends support to climate action, this includes programs/projects related to mitigation (reducing greenhouse gas emissions) and adaptation (building resilience to climate impacts).

Industries are one of the major contributors to emissions, and therefore, are pivotal in mitigating climate change. The GCF plays a critical role in accelerating the transition of industries towards low-carbon and sustainable practices across their operations, from supply chain management to product development and marketing. Often, the impetus towards efficient use of energy in the industrial sector is lagging mostly due to inadequate financial incentives and lack of technical expertise.

In this context, a GCF in collaboration with Government of Bangladesh is supporting enterprises in textile and readymade garments (RMG) sector with financial and market resources to adopt and implement energy saving technologies. It is expected to lead to emissions reductions and significant energy savings, and help the country achieve it's Nationally Determined Contribution (NDC). Snapshot of the programme has been given below.

Figure 90 Adoption of Energy Saving Technologies and Equipment in Textile Sector
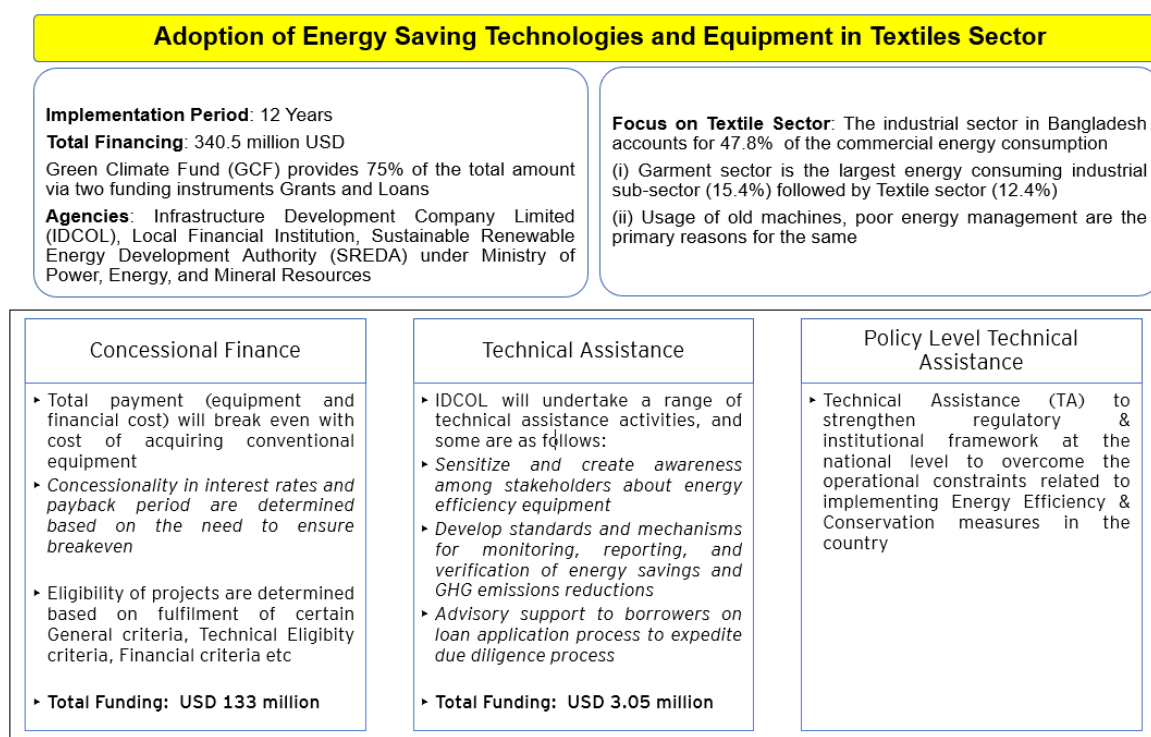
a. GCF Projects in India

The Green Climate Fund (GCF) has funded several projects (8) in India to support climate mitigation and adaptation efforts. These projects cover a range of sectors and activities, and they are listed below:

Table 24 Projects by the GCF

SI	Program	Intend	Geography
1	Line of Credit for Solar Rooftop Segment for Commercial, Industrial, and Residential Housing sectors	Mitigation	India
2	Green Guarantee Fund	Cross-cutting across mitigation and adaptation efforts	Spread across Latin America and the Caribbean, Africa, Asia - Pacific
3	India E-Mobility Financing Program	Mitigation	India
4	Green Growth Equity Fund [*Focuses on green infrastructure project across renewable energy, transport, resource efficiency etc*]	Mitigation	India
5	Enhancing Climate Resilience of India's Costal Communities	Cross-cutting across mitigation and adaptation efforts	India
6	Ground Water Recharge and Solar Micro Irrigation to ensure food security and enhance resilience in vulnerable tribal areas of Odisha	Adaptation	India
7	Climate Investor Two [*Focuses on climate resilient infra projects in water, sanitation, and ocean sectors*]	Cross-cutting across mitigation and adaptation efforts	Spread across Latin America and the Caribbean, Africa, Asia - Pacific
8	Climate Investor One [*Focuses on renewable energy products in power-deficit regions*]	Mitigation	Spread across Latin America and the Caribbean, Africa, Asia - Pacific

Some of the major initiatives that have and could have potential linkages to industrial sector and MSMEs are:

▶ **Line of Credit for Solar Rooftop Program:** The program is designed to facilitate affordable and long-term debt financing for solar rooftop installation projects in the commercial, industrial, and residential sectors. The GCF plays a pivotal role by providing financial support to address identified barriers to low carbon investment[23].

Further, Tata Cleantech Capital Limited (TCCL), a joint venture between Tata Capital and International Finance Corporation (IFC) and the executing entity for the program, has committed to match the funding contribution of GCF. In addition, TCCL is responsible for

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[23] GCF is expected to contribute financial support to the tune of USD 100 million and the funds will be in the form of Senior Loans. GCF's financial assistance to TCCL is facilitated through NABARD, which in turn disburses the funds to TCCL in the local currency.

identifying, evaluating, and funding projects in various sectors such as renewable energy (solar, wind, small hydro, biomass), energy efficiency and water treatment.

i. The program has proposed to replace 250 MW of grid power with power generated from solar rooftop projects over a period of 20 years.

ii. The funds from GCF and TCCL will be used to provide loan assistance to cover 80% of the upfront cost of investing in solar rooftop systems, with remaining contribution of at least 20% drawn from customers' own resources.

iii. The concessions are passed on to the project developers via the rate of interest charged on the project loans

iv. The program places strong emphasis on supporting MSMEs. It has been committed that an allocation of at least USD 100 million (of total USD 200 million) will be directed towards vulnerable categories which includes MSMEs.

The collaborative approach involving GCF, NABARD, and TCCL aims to simplify the financing process for solar rooftop projects and ensure effective monitoring and evaluation, contributing to the growth of sustainable energy solutions in India.

► **Green Guarantee Company (GGC) initiative:** India is one of the target countries covered by the GGC initiative. It is an initiative towards helping public and private sector borrowers access long-term debt from global markets for projects with significant climate adaptation and mitigation impacts.

The issuance of green bonds from developing countries has shown limited growth, suggesting a lack of momentum in this segment. The GGC acts as a critical bridge, connecting bond issuers and international investors. It provides guarantees to credible borrowers, enabling them to access financial support via bonds and loans with maturities of up to 20 years. Additionally, an associated technical assistance facility plays a pivotal role in addressing various technical barriers that hinder progress. This assistance facility focuses on improving market awareness, building issuer capabilities, and more etc.

b. Participation in GCF Initiatives

Following stakeholder discussions, it has become evident that the MSMEs particularly those operating in power-intensive sectors, express a strong interest in shifting towards renewable energy sources. This transition is primarily driven by their strategic goal to minimise production costs. In addition to the cost savings, this transition has the potential to yield numerous benefits including improved energy efficiency and climate resilience.

The transition to renewable energy sources by these MSMEs faces significant hurdles across different phases of the project life cycle: project development, construction, and the operational phase. Each of these stages has a unique risk-return profile, leading to differing degrees of interest from diverse financial service providers. Nonetheless, it is crucial to emphasize the importance of finding and securing financial solutions, especially when dealing with micro MSMEs which encounter multifaceted challenges throughout the project's progression.

In this context, the state can leverage existing initiatives from the GCF to facilitate the transition of MSMEs towards renewable energy sources. One of the suitable initiatives could be the Line of Credit for Solar Rooftop Program, which is implemented via TCCL. This concessional finance could enable an affordable transition to alternative energy sources, particularly solar energy, thereby supporting MSMEs in reducing their carbon footprint and operational costs. Recognizing that MSMEs are required to engage with TCCL through project developers for the installation of solar rooftop infrastructure, the state can take proactive steps to support this transition:

► **Raise awareness:** Initiate awareness campaigns to inform MSMEs about the program and its benefits, ensuring that enterprises are well-informed the initiative.

► **Assessment of demand:** Estimate the approximate number of MSMEs interested in transitioning to solar energy and can adopt solar rooftop infrastructure and identify those with the most urgent energy. This will help prioritise support to the enterprises that need it most.

Vet project developers: Establish a process to vet and enlist a list of eligible project developers with proven track record in renewable energy installations ensuring quality and reliability in project execution.

► **Facilitate collaboration:** Act as a facilitator to connect MSMEs with these approved project developers. The goal is to align the MSMEs with suitable project developers based on their specific energy requirements and financial capabilities. Also, the state can provide crucial support to project developers in their collaboration with TCCL ensuring they meet the necessary eligibility criteria and fulfil the requirements for participation in the solar rooftop program.

By undertaking these measures, the state can actively support the adoption of solar rooftop infrastructure among MSMEs, making the transition more accessible and efficient for MSMEs while fostering sustainability and cost savings.

3 Key gaps in MSME support, policy development and delivery

3.1 Mapping Institutions and Agencies in the UT for MSME development

3.1.1 Directorate of Industries and Commerce

The Department of Industries and Commerce is concerned with the MSME development in the UT and has the following organization chart.

a. Organization Structure and staff strength

The department is led by the Secretary to the Government (Industries) and the functioning of the department is headed by the Director of Industries and Commerce

Figure 91 Organizational Structure
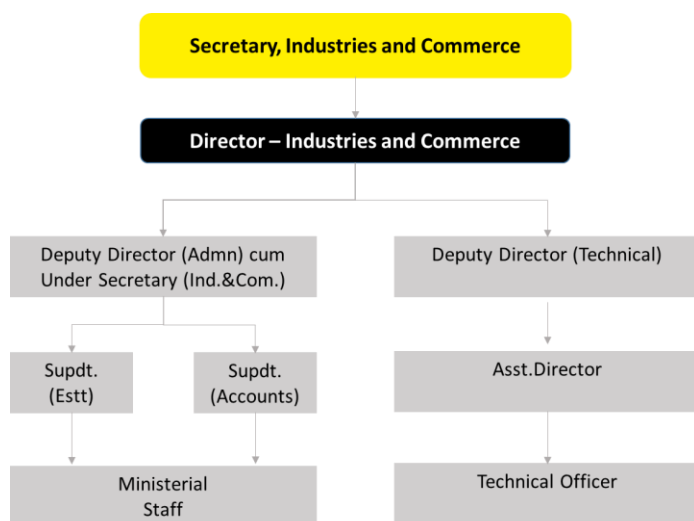
The region wise heads of office are as below

Figure 92 Region wise Heads of Office
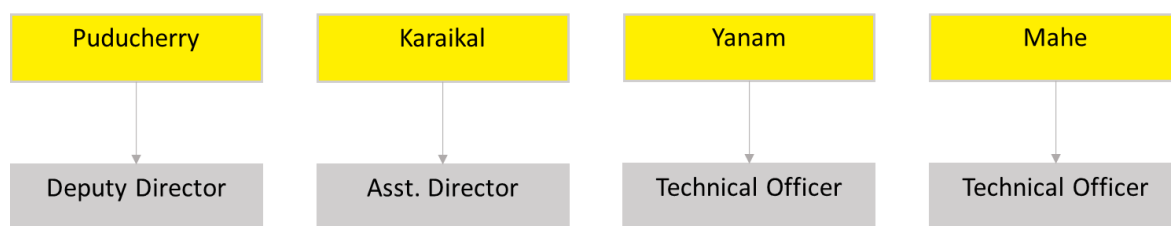
The current staff strength and vacancy positions of the department in the district of Pondicherry as ascertained by the department as of October 2023 is as follows:

Table 25 Staff Strength and Vacancy Positions in Pondicherry

Group	Name of the Post	Sanctioned Strength	Present Strength	Vacant
A	Director	1	1	-
B	Dy. Director	2	1	1
B	Assistant Director	3	3	-
	Technical Officer	10	-	10
	Superintendent	2	2	-
	Stenographer	1	1	-
	Assistant	8	4	4
	Statistical Inspector	1	-	1
	Driver Spl. Gr.	2	-	2
C	UDC	10	2	8
	Field Enumerator	3	-	3
	LDC	2	1	1
	Record Keeper/Clerk	1	-	1
	Attender	1	-	1
	MTS (G)	7	5	2
	MTS (S)	2	2	-
	Gardener	2	-	2
	Total (A+B+C)	**58**	**22**	**36**

Staff strength and vacancy of the department for the district of Karaikal is as follows

Table 26 Staff Strength and vacancy positions in Karaikal

Group	Name of the Post	Sanctioned Strength	Present Strength	Vacant
A	Assistant Director	1	1	-
	Technical Officer	2	-	2
	UDC	1	1	-
	LDC	1	-	1
	MTS (G)	1	1	-
	Watchman	1	-	1
	Gardener	1	1	-
	Total	**8**	**4**	**4**

b) The Department of Industries and Commerce is concerned with the MSME development in the UT. The main activities of the department are as follows:

 (i)   Formulation of policies for the promotion of Industries

 (ii) Assessing and recommending of scarce raw material.

 (iii) Processing and forwarding of Common Application for obtaining various clearances from the stakeholder Departments through the Industrial Guidance Bureau (IGB)

 (iv) Promoting Industries through release of Subsidies / Incentives

 (v)   Providing budgetary support to PSUs

 (vi) Maintenance of Industrial estates.

 (vii) Assisting Entrepreneurs to obtain Udyam Registration.

 (viii) Resolving public petitions after due inspection.

The primary functions of the Department of Industries and commerce are as follows.

Table 27 Primary Functions of the Department of Industries and Commerce

S.No	Functions	Supporting Schemes/activities of State Government
1	Entrepreneur Identification & Skill Development: Helps in identifying and training entrepreneurs.	Loans trough PMEGP scheme and UT's MUPSES scheme. Capacity building through training programmes - general as well as specific to Handicrafts, silk and coir.
2	Infrastructure Support: Provides necessary infrastructure.	Industrial Estate providing plots or sheds
3	Licenses and Clearances: Assists in acquiring licenses and clearances required for operating businesses.	Single Window Portal to facilitate enterprises
4	Financial Assistance: Offers various financial schemes to boost businesses.	Fixed Capital Investment subsidy, Interest Subvention scheme, etc.
5	Dispute Resolution: Helps resolve business disputes.	Through MSEFC at state capital and regional councils
6	Reviving Units: Aids in the rehabilitation of defunct or stressed business units	Facilitates diagnostic studies, engagement of experts in the field of technology, marketing and finance for consultation and by providing interest subsidy on additional finance disbursed by banks / financial institutions for rehabilitation

c. Budgetary planning of the Department

The department has the following Plan and Non-Plan budget for the last three years.

Table 28 Budgetary planning of the Department

Year	U.T Budget	CSS	Grand Total (in Lakhs)
2021-22	13067.52	145.4	13212.92
2022-23	8610.5	457.41	9067.91
2023-24	7403.1	105	7508.1

The budget details for the department for the year 2023-24 is given below

Table 29 Budget Details for the Department for 2023-24

Sl. No.	Name of the Schemes	Budgetary Estimate (2023-24)
1	Development of Handicraft Industries	41.72
2	Development of Khadi & Village Industries	1225.44
3	Development of Coir Industries	15.85
4	Training	71.3
5	Marketing and Publicity	51.03
6	Strengthening of DIC	344.53
7	Development of Sericulture (Silk)	0.04
8	MUPSES	31
9	Motivation of Entrepreneurs to Start Industries and Fiscal assistance to industries (Subsidy)	708.79
10	State Start Up Cell	25
11	Share Capital/GIA to PTC	3985.59
12	Share Capital/GIA to SBTML	487.62
13	Strengthening of Directorate	278.85
14	Development of Industrial Estate	92.95
15	O/o the Claims Commissioner (AFT)	1.01
16	Payment of Water, Current, Telephone charges	13.35
17	Capital section	6.03
18	Building	23
	Total	
19	PM Formalization of Micro Food Processing	105
	(PMFME – CSS)	
Grand Total		**7508.1**

d. Public Sector Undertakings under the department

The following PSUs fall under the purview of the department of Industries and Commerce

► Pondicherry Industrial Promotion , Development & Investment Corporation (PIPDIC)
► Puducherry Textiles Corporation (AFT Mill)
► Swadeshi Bharathi Textiles Mills Ltd (SBTML)
► Pondicherry Distilleries Ltd (PDL)
► Puducherry Khadi & Village Industries Board (PKVIB)

e. **Incentives**

The State Level Committee under the Chairmanship of Secretary (Ind. & Com.) will decide the quantum of incentive / subsidy admissible to the unit. The incentives monitored by the department are given below

Table 30 Incentives

Sl.no	Types of Subsidies	Mirco	Small	Medium	Large
1	Capital Investment subsidy for new and expansion of existing units	40% (40 Lakhs)	40% (40 Lakhs)	35% (35 Lakhs)	35% (35 Lakhs)
		SC/ST/ Women Entrepreneurs - 45% (75 Lakhs)			
2	Infrastructure Development (for IT/ITES)	-	30% (1 crore)	30% (1 crore)	30% (1 crore)
3	Subsidy to Pollution Control Equipment	25% (5 Lakhs)	25% (5 Lakhs)	25% (5 Lakhs)	25% (5 Lakhs)
4	Technology Acquisition Fund.	50% grant (10 Lakhs)	50% grant (10 Lakhs)	50% grant (10 Lakhs)	50% grant (10 Lakhs)
5	Interest Subsidy* *	25% of the Annual (5 lakhs Per annum) Interest paid	25% of the Annual (5 lakhs Per annum) Interest paid	25% of the Annual (5 lakhs Per annum) Interest paid	25% of the Annual (5 lakhs Per annum) Interest paid
6	Generator Subsidy	50% (5 Lakhs)	50% (5 Lakhs)	50% (5 Lakhs)	50% (5 Lakhs)
7	Wage /Employment Incentive*	20% of Wage/salary 5 lakhs Per annum	20% of Wage/salary 5 lakhs Per annum	20% of Wage/salary 5 lakhs Per annum	20% of Wage/salary 5 lakhs Per annum
8	Quality certification subsidy	50% (2 Lakhs)	50% (2 Lakhs)	50% (2 Lakhs)	50% (2 Lakhs)
9	Intellectual Property protection Support	50%cost on On patent Cost (2 Lakhs)	50%cost on On patent Cost (2 Lakhs)	50%cost on On patent Cost (2 Lakhs)	50%cost on On patent Cost (2 Lakhs)

10	Market Development Support	50%of total rent, literature &display material	50%of total rent, literature &display material	50%of total rent, literature &display material	50%of total rent, literature
11	Assistance for Energy and Water Conservation	50% Of Audit cost -25000	50% Of Audit cost -25000	50% Of Audit cost -25000	50% Of Audit cost -25000
12	Rehabilitation of Sick industries	i) 50% (Diagnostic – 50,000)	i) 50% (Diagnostic – 50,000)	i) 50% (Diagnostic – 50,000)	i) 50% (Diagnostic – 50,000)
		ii)50% (Suggestion implementation -50,000)	ii)50% (Suggestion implementation -50,000)	ii)50% (Suggestion implementation -50,000)	ii)50% (Suggestion implementation -50,000)
		iii)5% (Interest subsidy - 3 lakhs per annum for 3 years)	iii)5% (Interest subsidy - 3 lakhs per annum for 3 years)	iii)5% (Interest subsidy - 3 lakhs per annum for 3 years)	iii)5% (Interest subsidy - 3 lakhs per annum for 3 years)
13	State Awards	Cash award of 2 lakhs and a Citation	Cash award of 2 lakhs and a Citation	Cash award of 2 lakhs and a Citation	Cash award of 2 lakhs and a Citation

3.1.2 District Industries Centre

The District Industries Centre is the institution at the district level, which provides all the services and support facilities to the entrepreneurs for setting up Micro, Small and Medium Enterprises. This included entrepreneurial capacity building through training programmes, identification of suitable schemes, preparation of feasibility reports, arrangements for credit facilities, machinery and equipment, provision of raw materials and development of industrial clusters, organize various industry fairs to find markets etc. This Centre also caters Registration and Development of Industrial Cooperatives.

a. Organizational Structure

One District Industries Centres DIC is functioning in Puducherry district. The district level machinery of the directorate is situated at District Industries Centres (DIC), headed by the General Manager, DIC. The General Manager is assisted by the Project Managers, Functional Officers, Dy. Functional Officers and the Technical officers allotted to the four districts. The review by the General Manager is organized frequently to evaluate the performance and help in resolving difficulties in the implementation of different schemes.

At the highest level is the Director of Industries, and below this position are the Deputy Directors who are responsible for tasks like financial coordination, planning, and monitoring. Additionally, there is Assistant Directors. Emphasis is given more to Puducherry district considering that majority of the enterprises are in the district followed by Karaikal.

Figure 93 Organizational Structure of DIC
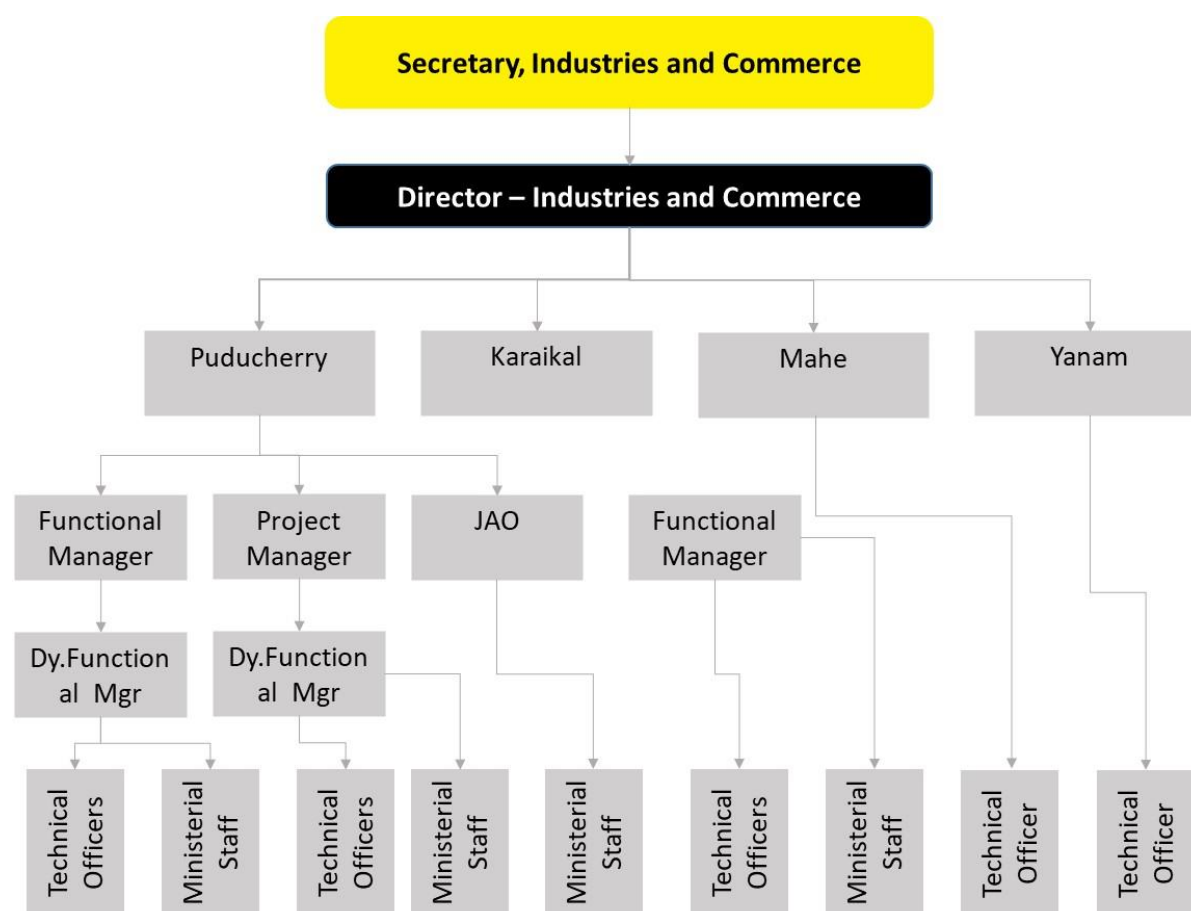
The District Industries Centre (DIC) in Puducherry functions as a pivotal entity for district-level industrial development. Its organizational structure comprises key roles such as the General Manager (GM) overseeing all functions, Project Manager, Functional Officers, Deputy Functional Officers assisting in management and the Technical Officers facilitating policy implementation. These professionals collectively work to support entrepreneurship, implement government policies, and foster industrial growth within the districts, ensuring Puducherry's industrial landscape develops in accordance with UT's and national objectives.

3.2   As-is assessment of Portals in the State

Table 31 As-is assessment of Portals in the State

Department activity	Website Link	Details
Official website of Directorate of Industries and Commerce	Industry@py.gov.in https://dic.py.gov.in/	
SLBC	http://www.indianbank.in	Indian Bank is the LEAD bank in Puducherry

3.3 Comparative Analysis of MSME schemes and initiatives in the state with Benchmarks

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Table 32 Comparative Analysis of MSME schemes and initiatives in the state with Benchmarks

Policy component	Possible schemes/activities at State level	Provision in other States	Provision in Puducherry
Separate MSME directorate and separate MSME policy	NA	Separate Directorate is available in states such as Haryana, Karnataka, and Tamil Nadu	• Puducherry Industrial policy 2016 is present. Gazette notification for 2021 Industrial policy is issued
Separate grievance cell	NA	Haryana has constituted separate Regulatory Facilitation & Grievances Resolution Cell	NA
Factor conditions	Exemption from tax on Electricity Tariff	▶ Karnataka – 100% exemption for 8 years ▶ Haryana – 100% exemption for 7 years	NA
	Exemption from stamp Duty for MSMEs	▶ Karnataka – 100% exemption ▶ Maharashtra – 100% exemption ▶ Haryana – 100% refund in industrial estate, 75% in category C blocks and 50% in category A and B blocks	▶ Reimbursement @25% up to a maximum of INR 2 Lakhs
	Power Subsidy	▶ Haryana – Rs. 2 per unit in designated blocks ▶ Karnataka – Rs. 1 for 3 years ▶ Maharashtra – Rs. 0.50 and Rs. 1 for designated blocks ▶ Tamil Nadu - 20% of the power consumption charges is reimbursed for the first three years of commercial production (LTPT subsidy)	
Private Industrial parks	Capital Subsidy for Setting up STP	▶ Karnataka – Offers developer one-time capital subsidy amounting to 50% of Secondary Treatment Plant (STP) set up cost subject to an upper ceiling limit of Rs 1 cr	▶ Reimbursement @20% up to a maximum of INR 5 Lakh
	Land subsidy	▶ Karnataka - Offers MSMEs in private industrial parks special land at the rate of 25% of guidance value limiting to maximum extent of up to 1 acre in Zones 1 & 2 only	

Policy component	Possible schemes/activities at State level	Provision in other States	Provision in Puducherry
	Water charges	▶ Karnataka – Offers MSMEs subsidy on water charges for tertiary treated water for the initial 5 years of operation of the individual enterprise at the rate of Rs 15 per unit of water (KLD) used in case of establishment of tertiary treatment facilities and supplied to such enterprises by the developer	
	CETP charges	▶ Karnataka – Offers developer one-time capital subsidy up to 50% of Common Effluent Treatment Plant (CETP) cost subject to a ceiling of Rs 500 lakh. ▶ To enable continuous usage, offers MSMEs a subsidy on user charges at Rs15 per unit of effluent discharge treated for the initial 5 years of operation of the enterprise	
New entrepreneur promotion	Capital Subsidy and Interest Subvention on fixed capital investment	▶ Karnataka – Interest subvention of 5.5% ▶ Tamil Nadu – 3% interest subvention, and 25% capital subsidy on term loan throughout the entire repayment period. Ceiling limit of capital subsidy is Rs 75 lakhs	▶ 25% Annual interest paid subject to a maximum of INR 5 lakhs per annum
Quality standards	Charges related to certification	▶ Tamil Nadu - payments made to Consultancy and certification agencies towards acquiring certification subject to maximum of Rs.2.00 lakhs for National level certification and Rs.10 lakhs for international level certification ▶ Maharashtra – Subsidises quality certification expenses up to 75% subject to a limit of Rs 1 lakh. ▶ 25% subsidy on additional capital equipment acquired for cleaner production measures up to maximum Rs 5 lakh	▶ Provision will be granted for a maximum of 3 Quality Certifications @50% of the cost of the Quality Certification with a ceiling of INR 2 lakhs per unit

Policy component	Possible schemes/activities at State level	Provision in other States	Provision in Puducherry
		▶ Karnataka – Certification costs under ISO Series and BIS is subsidised at 75% and 50% rate with a ceiling limit of Rs 75,000 and Rs 20,000 respectively. ▶ 25% of testing equipment cost subject to max. Rs 50,000	
Subsidy for supporting R&D	Grant for R&D	▶ Karnataka - Industry associations supporting MSMEs eligible for a 50% subsidy on equipment/ machinery limited to INR 500 lakh ▶ Maharashtra - 75% subsidy on expenses incurred on patent registration limited to Rs 10 Lakh for national patents and Rs 20 lakh for international patents ▶ TN - Innovation Voucher Programme (IVP) is among MSMEs in sectors like fisheries, engineering, waste management, automobiles, nanotechnology, electronics etc. Grant up to Rs 2 lakh and Rs 5 lakh for converting idea into working prototype and for commercialization respectively. ▶ 75% and 50% subsidy on cost of filing applications for patent, trademarks, and GI respectively. The upper ceiling limit is Rs 3 lakhs per patent registered and Rs 25,000 per trademark and GI registered	▶ @50% subsidy to a maximum of INR 2 Lakhs for domestic patent and INR 5 Lakhs for international patent
Employee welfare	Payroll and social security contribution subsidy	▶ Tamil Nadu - Reimbursement of employer's contribution to EPF for first three years subject to a maximum of Rs.24,000 per employee per annum, if employment is provided to more than 20 persons for all micro enterprises ▶ Gujarat – Reimbursement of employer's contribution to the EPF for their new employees	▶ Wage/Employment subsidy of 20% wage/salary upto a maximum of INR 5 Lakhs per annum in case of workers who are covered under PF for a period of 5 years for females and 7 years for male

Policy component	Possible schemes/activities at State level	Provision in other States	Provision in Puducherry
		working in Gujarat for ten years subject to a maximum of Rs 18000 per employee per month or 12% of basic salary plus DA and retaining allowance, whichever is lower	
Energy audit	Cost of energy audits	▶ Tamil Nadu - 50 % of energy audit cost including professional cost subject to a maximum of Rs.0.75 lakh per energy audit per unit. ▶ Maharashtra - 75% of water and energy audit costs limited to Rs 1 lakh, and Rs. 2.00 lakh respectively ▶ Karnataka – 75% of cost subject to max. Rs 1 lakh for water audit (one time) ▶ Gujarat - 75% of cost of energy/ water audit conducted by a recognized institution/ consultant subject to maximum Rs. 50,000 for each will be reimbursed once during the operative period of the scheme	▶ Reimbursement of 50% cost of energy/water audit conducted in a unit to a limit of INR 25,000. ▶ Acquisition of any approved product in any form for a specific product/technology @50% subsidies to a maximum of INR 10 Lakhs.
Environmental Sustainability	Financial assistance for capital equipment and technology adoption	▶ Maharashtra - 50% of cost of capital equipment, limited to Rs 5 lakh, adopted to conserve/recycle water. ▶ 50% of the cost of additional capital equipment for improving energy efficiency, limited to Rs 5 lakh ▶ Gujarat - 2.25% of cost of equipment recommended by auditing authority subject to maximum of Rs 20 lakh for once during operative period of the scheme ▶ Karnataka - 50% of cost of equipment required for rainwater harvesting and wastewater recycling, max Rs 2 lakh and 7.5 lakh respectively. 50% of cost of ETP (max. Rs 50 lakh)	

Policy component	Possible schemes/activities at State level	Provision in other States	Provision in Puducherry
Equity fund raising	Support for listing in stock exchange, Identification of investment bankers/financial institutions to initiate the process	▶ Tamil Nadu - Assistance for listing & raising money in the SME stock exchange with maximum of Rs.5 lakh subject to 20% of the total expenditure incurred on SME IPO. ▶ Gujarat - 25% of Eligible expenditure incurred on raising of fund through SME Exchange, maximum up to Rs.5.00 Lakhs (Rupees Five Lakhs) one time after successful raising of equity& Listing on SME Exchange Platform during the operative period of the scheme.	

4 SIP Projects/Proposals

Puducherry is striving to build up its image as an industry friendly State and overcome some inherent disadvantages such as limited availability of land for setting up industries, to improve the investments in the MSME sector. The recent initiatives taken in this direction has created a momentum which needs to be sustained. Hence, the UT wishes to leverage the RAMP programme to address the core themes of RAMP in turn achieving results in some of the focus areas such as fostering entrepreneurship, sector focused growth, Skillset upgradation for futuristic jobs, ESG compliant industrial development and creating enabling infrastructure.

The proposed interventions projects under the RAMP programme are as provided below:

Innovative Projects	Main Projects
Scaling up of MSEs	Branding VDP and BSMs
Immersive Beach and Culinary initiatives	Enabling e-commerce
Developing MSMEs with Differentiated and Unique Products	Exposure for MSMEs
MSME Facilitation centre	Scope for standardisation
Awareness creation workshops	Capacity building of MSMEs
Greening and sustainability	Capacity building for Government partners
Technology Upgradation	Possibility for Value Addition
Advancing the value chain of Fisheries	Enhancing digital infrastructure

A.   Enabling Access to Market

4.1   Branding, Vendor Development Programmes and Buyer Seller meets

4.1.1 Major issues/challenges of Firm capabilities.

As per FGD discussions with stakeholders, the key issues and challenges in vendor development related to the capabilities of firms in Puducherry primarily revolve around several key areas:

▶ **Quality and Standardization:** Micro and Small Enterprises (MSEs) often struggle to meet the quality standards and specifications required by larger purchasing organizations. Lack of advanced quality control systems and processes may hinder their ability to become reliable vendors for government departments, PSUs and large industrial houses.

▶ **Scalability and Capacity:** Another important challenge is the limited production capacity of MSEs. Their ability to scale up operations to meet large orders or sudden surges in demand is often hindered by factors such as limited financial resources, workforce and technical capabilities.

▶ **Innovation and Adoption of Technology:** Staying competitive in today's market requires constant innovation and adoption of new technologies. Many MSEs in Puducherry may lag in integrating modern technologies into their operations, affecting their efficiency, productivity and overall competitiveness as vendors.

▶ **Compliance and Certification:** Complying with industry-specific regulations and obtaining required certifications can be difficult for small enterprises. The complexity and costs associated with compliance can create significant barriers to entry into more regulated sectors or markets.

▶ **Supply Chain and Logistics:** Efficient supply chain management is important for timely delivery and cost control. MSEs may face challenges in logistics and supply chain management, affecting their ability to deliver products on time and at competitive prices.

▶ **Market knowledge and access gap:** Limited exposure to broader markets and lack of market intelligence may limit MSEs' understanding of potential opportunities and buyer requirements. This gap in market knowledge may prevent them from positioning themselves effectively to larger buyers.

▶ **Limited networking opportunities:** The lack of structured platforms to interact with large businesses, PSUs and OEMs limits the ability of MSMEs to build critical relationships, understand procurement needs and take advantage of new business opportunities.

▶ **Event accessibility and cost:** The logistical and financial challenges associated with attending buyer-seller meetings and vendor development programs can be prohibitive for small-scale enterprises, limiting their ability to gain exposure and network.

4.1.2 Key Findings

During the FGD session with stakeholders / Survey, several key challenges were identified that micro and small enterprises (MSEs) in Puducherry face in the area of vendor development:

Networking Opportunities: A significant challenge in Puducherry's vendor development landscape, especially in key sectors such as Food and Marine Products, Electronic Manufacturing, Plastics, Pharma, textiles, technology, and tourism, is the scarcity of networking platforms for MSMEs. This issue impacts the majority of these MSMEs, with over 73% relying predominantly on local sales. The absence of avenues to engage with larger corporations and government agencies leaves these smaller ventures devoid of crucial insights into broader market trends and deprived of opportunities to forge essential business relationships, thereby restricting their potential for market expansion and growth.

Cost of Participation: The discussions also highlighted how the high cost and logistics barriers of joining vendor development programs are major barriers for MSMEs. These challenges prevent them from meeting potential buyers and partners, limiting them to selling in their local areas.

Readiness for events: Another finding of the FGD is that many MSME vendors in Puducherry are not fully prepared for vendor development programs. They often fail to effectively showcase their products and negotiate deals, which points to the need for more targeted training and support to prepare them for such opportunities.

Dependence on local market: The FGD revealed strong dependence on local markets among MSMEs, with significant sales primarily in Puducherry and surrounding areas. This shows that there is a huge untapped potential in broader markets that vendor development programs can help explore.

Expansion beyond local markets: It was also noted that only a small portion of MSMEs, about 20%, manage to sell their products across the country or abroad. This limited access underscores the need for more accessible vendor development initiatives to help these businesses enter broader markets.

A majority of 56% of Enterprises have identified the elevated costs associated with promotional activities as a significant impediment to their marketing efforts. There is a notable knowledge gap among 15% of these enterprises regarding e-commerce and digital marketing strategies, underscoring a need for educational resources in this domain. A segment of 10% perceives a diminished margin because of marketing expenditures, while 7.7% question the extent of value addition derived from marketing initiatives. Quality assurance and certification processes are cited by 5% as potential obstacles in the marketing of their products, indicating a requirement for streamlined quality control mechanisms. Additionally, 6% of businesses report a lack of sufficient opportunities on various platforms to effectively showcase their offerings, suggesting a demand for more inclusive and accessible marketing channels.

Figure 94 Marketing Challenges Encountered by MSMEs

A significant 55% of enterprises report a lack of awareness regarding trade fairs, exhibitions, vendor development programs, and buyer-seller meets, indicating a gap in information dissemination. Additionally, 21% have expressed concerns over the insufficient frequency of such events, suggesting a need for increased opportunities for industry participation. Financial constraints are a challenge for 12% of respondents, who cite the cost burden associated with

attending these events. The issue of elevated entry fees is raised by 7% of MSMEs, pointing to a potential barrier to entry. Travel expenses also pose a hindrance for 4% of businesses, emphasizing the need for more accessible event locations or travel support. A further 2.7% of enterprises perceive a deficiency in supportive schemes that could facilitate their participation, while 1.6% have not observed substantial benefits from their involvement in these programs, calling for an evaluation of the return on investment for participants.

Figure 95 Barriers to Engaging in Trade and Vendor Events

Barriers to Engagement in Trade and Vendor Events

Barrier	% of MSMEs
No major benefits received	1.69%
Not aware of any supporting schemes	2.73%
Financial burden	11.95%
High travel cost	2.99%
Less number of such events being organised	21.43%
High participation Fee	7.27%
Not aware of such events	55.71%

■ % of MSMEs
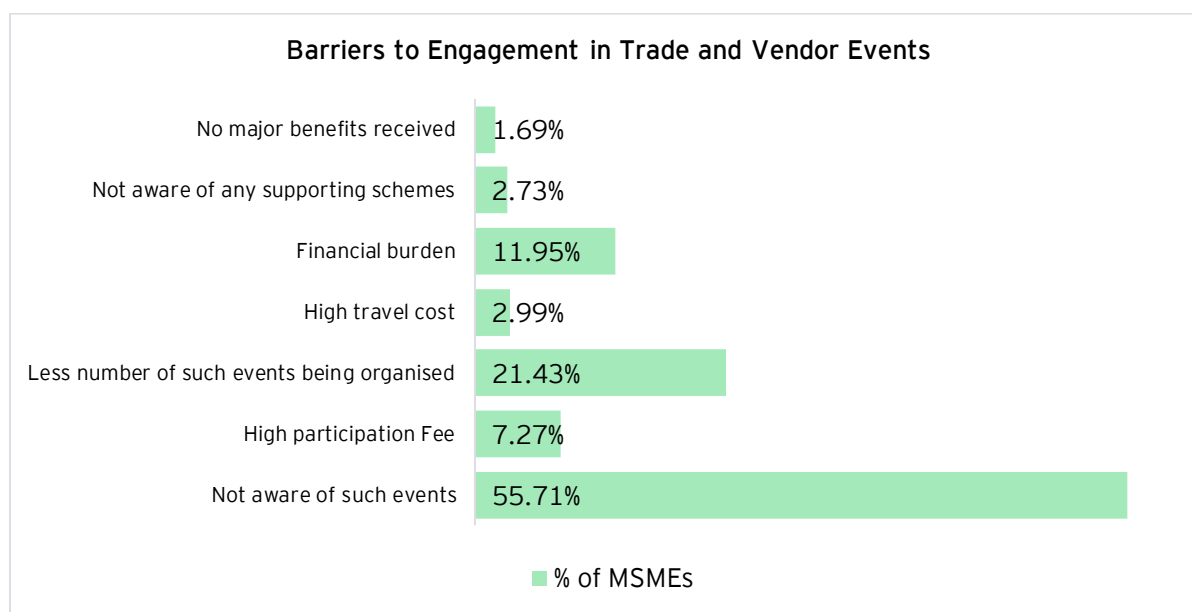
Enhancement Opportunities for Enterprises: A majority of 64% of enterprises have identified the need for further simplification of regulatory and compliance processes as a critical area for improvement. An additional 12% suggest that enhanced awareness and connectivity with government initiatives at both Central and State levels would be beneficial. About 9% see the necessity for improved availability of land and industrial spaces, as well as access to fundamental infrastructure like water and electricity. Capacity building and entrepreneurship development are deemed important by 6.7% of respondents. Better integration with technical support institutions is sought after by 3%, while 3.5% recognize the value in augmenting the availability of business service providers, particularly for the establishment and operation of enterprises in Puducherry. A further 2% believe that improved access to financial resources would aid the Puducherry MSME sector. Lastly, 1% see market development assistance as a beneficial factor for growth.

Figure 96 Enhancement Opportunities

Enhancement Opportunities for Enterprises

Better market development assistance	1%
Improving access to finance	2%
Improving availability of Business Service providers	4%
Better linkages with technical support institutions	4%
Imparting capacity building (Entrepreneurship development)	7%
Improving availability of land/ industrial plots, access to other basic infrastructure such as water, electricity etc.	10%
Providing better awareness and linkage with government schemes (State/Central)	12%
Further simplifying regulations/ compliances	64%

Support Enhancement Needs for MSME Sector Growth: In Puducherry, 51% of MSMEs have expressed the need for further simplification of regulations and compliances to facilitate scaling and growth. Additionally, 15% are seeking improved awareness and connections with government programs. A notable 9% have highlighted the necessity for betterment of essential infrastructure, including water and electricity supply, as a critical support area. Capacity building assistance is sought by 8% of the sector. Closer ties with technical support institutions are a requirement for 4.8% of MSMEs. Access to finance is a key area where 6% of enterprises are looking for support, while 5.8% need aid in market access. Mentorship programs are desired by 2.8% of the respondents, and 2% are advocating for enhanced export infrastructure to support their business expansion.

Figure 97 Support Enhancement Needs for MSME Sector Growth

Support Enhancement Needs for MSME Sector Growth

Improving availability of other basic…	9%
Mentorship	3%
Assistance in market access	6%
Better linkages with technical support…	4%
Imparting capacity building…	8%
Providing better awareness and linkage with…	5%
Improving export infrastructure	2%
Further simplifying regulations/ compliances	51%
Improving access to Finance	6%

■ % of MSMEs
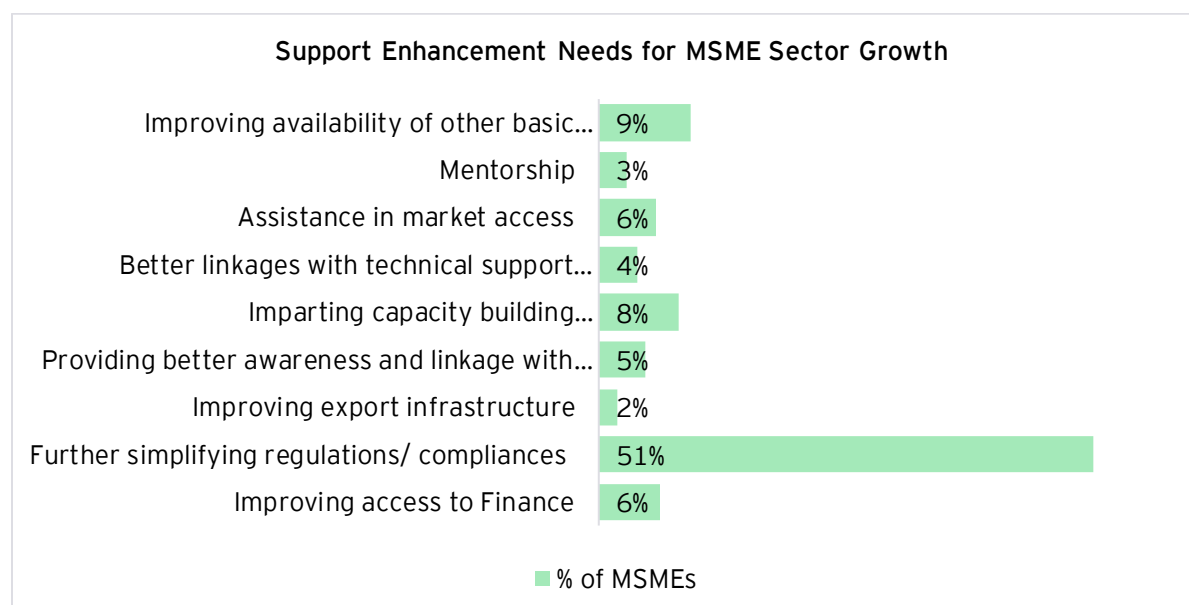
Here are some key steps that can be initiated for better brand building and recognition for a brand in Pondicherry:

FSSAI Registration and Street Vending Certificate

- ► All street vendors participating in food festivals must have a valid FSSAI (Food Safety and Standards Authority of India) registration or license to ensure food safety and quality.

- ► Street vendors also need to obtain a Certificate of Street Vending from the Town Vending Committee in Pondicherry.

Food Safety Measures

- ► Maintain proper hygiene and sanitation practices at food stalls

- ► Use clean and safe water for food preparation

- ► Store food at appropriate temperatures to prevent bacterial growth

- ► Avoid cross-contamination between raw and cooked food

- ► Regularly clean and disinfect utensils and equipment

Branding and Marketing Strategies

- ► Develop a strong brand identity through a unique name, logo, and tagline that resonates with the local audience

- ► Create a brand proposition that is simple, engaging, unique, relevant and consistent

- ► Align brand building efforts with organizational processes to deliver on brand promises

- ► Leverage emotional connections in branding to build valuable brand equity

- ► Use innovative retail advertising and sales promotion ideas like POP material and creative events

- ► Ensure branding is timely and economical

Partnerships and Collaborations

- ► Collaborate with local food festivals, events and tourism boards to increase brand visibility and reach

- ► Partner with local influencers, bloggers and media to generate positive word-of-mouth

- ► Participate in food competitions, awards and recognition programs to build credibility

Digital Marketing

- ► Develop a strong online presence through a website and social media channels

- ► Create engaging content like recipes, food stories and behind-the-scenes videos to connect with audiences

- ► Run targeted digital advertising campaigns to reach specific customer segments

- ► Leverage online reviews, ratings and user-generated content to build trust

4.1.3 Problem Statement:

In Puducherry, MSMEs are facing major challenges that prevent them from growing and reaching more customers. One of the main problems is that there are not enough opportunities for these MSMEs to meet and work with larger companies. This makes it difficult for them to learn about new trends and find opportunities to grow. Furthermore, attending events and meetings that could help them meet potential buyers costs a lot of money and involves complex logistics, making it even more difficult for them to show that they What to offer and find new markets.

Different types of MSMEs, like Food and Marine Products, Electronic Manufacturing, Plastics, Pharma, Tourism, Renewable energy, Automobile, Food Processing, crafts, or working with technology, find it especially difficult because they require working with really big partners to get new ideas and sell more. But the high cost and hassle of joining these programs prevents them from doing so. They also often struggle to present their products properly and make good deals because they are not used to it.

Furthermore, many of these MSMEs primarily sell their products close to home and do not explore the possibility of selling in other locations, which means they are missing out on a lot of opportunities. This is especially true for MSMEs that may attract customers from across the country or even from other countries, such as those in tourism or specialized manufacturing. To help these MSMEs grow and reach new customers, it is important to make it easy for them to join these development programs and get the support they need.

4.1.4 Proposed Project with Respect to RAMP

Project 1: Create a "Make in Puducherry" Brand: The proposed project aims to establish a strong brand identity for Puducherry by promoting its local industries and products. This initiative will focus on creating a unified brand image that showcases the state's capabilities and products, thereby enhancing its reputation and attracting investments.

Project 2: Diagnostic study on as-is status of vendor development programme for thrust sectors / Focus Area of Puducherry: The "Diagnostic study on the as-is status of vendor development programmes" targets the vital sectors of Food and Marine Products, Electronic Manufacturing, Plastics, Pharma, and tourism in Puducherry. This comprehensive study aims to scrutinize the existing vendor development landscape within these key areas, identifying the current state of affairs, challenges faced by MSMEs, and the effectiveness of ongoing programs. By focusing on these sectors, the study will reveal insights into how well current initiatives align with the unique needs of each sector and where gaps may exist that hinder optimal vendor development and market expansion.

Moreover, this diagnostic assessment will delve into the specific hurdles that MSMEs encounter when attempting to participate in vendor development activities, such as high costs and logistical issues, which are particularly pronounced in these sectors. It will also evaluate the preparedness of MSMEs for engaging with larger markets and their capability to meet the quality and scale demands of broader markets. The findings from this study will serve as a crucial foundation for crafting targeted strategies and interventions that address the identified gaps, ultimately aiming to enhance the vendor development ecosystem in Puducherry and foster growth and competitiveness within these key sectors.

Project 3: Organising VDP/RBSM: Organizing Vendor Development Programmes (VDP) and Reverse Buyer Seller Meets (RBSM) stands as a strategic intervention designed to invigorate the commercial landscape of Puducherry's key sectors, including Food and Marine Products, Electronic Manufacturing, Plastics, Pharma, handicrafts, and tourism. This initiative aims to create a dynamic platform where MSMEs can showcase their products and services, directly engaging with potential buyers and stakeholders from larger enterprises and government bodies. By facilitating these interactions, the intervention seeks to bridge the gap between small vendors and major market players, enhancing MSMEs' visibility and opportunities for market expansion. This concerted effort not only promises to open new avenues for business growth but also to strengthen Puducherry's economic fabric by fostering a more interconnected and collaborative business ecosystem.

4.1.5 Proposed Project Design Concept, Feasibility and Viability of Proposal

► **Project 1: Create a "Make in Puducherry Brand":** The design of the "Make in Puducherry" brand will involve the following components:

- ▸ **Logo Design:** A unique and recognizable logo that represents the state's brand identity.

- ▸ **Brand Identity:** Create unique brand identities for each market, emphasizing their distinct offerings, products, and cultural importance. This branding effort aims to foster local pride and recognition among both residents and visitors.

- ▸ **Digital Marketing Campaign:** A targeted digital marketing strategy to promote the brand and its products. Carry out targeted marketing initiatives using both traditional and digital methods to increase awareness of the markets.

- ▸ **Collaboration with Brand Ambassadors:** Partnering with local influencers and industry experts to promote the brand and its products.

- ▸ **Made in Puducherry Products:** Highlighting the state's unique products and services.

- ▸ **Encouraging Community Participation:** Engage local artisans, cultural groups, and residents in the planning and execution of events and activities, fostering a sense of ownership and active involvement in the markets.

- ▸ **Providing Affordable Spaces for MSMEs:** Establish designated areas within the markets where MSMEs can rent stalls or booths at reduced rates, promoting their involvement.

► **Project 2: Diagnostic study on as-is status of vendor development programme for thrust sectors / Focus Area of Puducherry:** The proposed project design to conduct a diagnostic study on "as is" status of Vendor Development Program in key sectors of Puducherry aims to carefully analyze the existing status of MSMEs in key focus sectors like Food & Marine Products, Electronic Manufacturing, Plastics, Pharma, Handicrafts and Tourism. Recognizing that growth in these sectors is uneven and influenced by the unique ecosystem and conditions in Puducherry, the study is important to pinpoint areas with high potential and opportunity for MSME expansion. This comprehensive assessment is both feasible and critical, designed to paint a clear picture of the current vendor development landscape, identify gaps in support and infrastructure, and highlight areas suitable for strategic intervention. By focusing on sectors with the greatest potential for growth, the study promises to provide targeted insights that can guide the development of customized vendor programs, enhance MSME competitiveness and encourage sustainable economic growth in Puducherry. The feasibility of this project is based on the availability of local expertise and data, while its importance is enhanced by its potential to bring about significant improvements in the vendor ecosystem, making it an important step towards realizing the economic development goals of Puducherry.

► **Project 3: Organising VDP/RBSM:** The plan to start Vendor Development Program (VDP) and Reverse Buyer Seller Meetings (RBSM) is about bringing MSMEs in Puducherry together with big buyers like big companies and government departments. The idea is to organize events where these MSMEs can show what they can do and find new people to sell to. This is something that we can definitely do because we can use the networks and help that already exist in Puducherry, and maybe get some support from the government to make it easier for these MSMEs to get involved. The best thing about this scheme is that it can actually help MSMEs grow by finding new markets and customers, which is good news for the economy and job scenario of Puducherry.

4.1.6 Approach and Methodology for Implementation

Project 1: Create a "Make in Puducherry Brand"

► **Engaging Stakeholders:**

  ▶ Work closely with officials from the District Industries Center (DIC), local authorities, and community leaders to garner their backing and involvement in the initiative.

  ▶ Arrange meetings, workshops, and focus groups to gather input from MSMEs, artisans, and other potential participants.

  ▶ Form partnerships with cultural groups, event organizers, and local artists to facilitate cultural programming.

► **Developing Branding and Identity:**

  ▶ Enlist the expertise of a creative agency or design team to craft distinctive brand identities for each market, reflecting their local culture and offerings.

  ▶ Design logos, signage, and promotional materials that effectively communicate the essence and individuality of each market.

► **Marketing and Promotional Activities:**

  ▶ Devise a comprehensive marketing strategy integrating traditional and digital methods to promote each market.

  ▶ Establish a content calendar for regular updates on social media platforms, blog posts, and email newsletters.

  ▶ Collaborate with local media outlets and influencers to enhance visibility.

► **Planning and Executing Events:**

  ▶ Arrange a series of events, such as themed shows, cultural performances, open mic nights, and festivals.

  ▶ Manage logistics, secure performers, and acquire necessary permits and licenses.

  ▶ Ensure the implementation of safety protocols for all events.

► **Engaging the Community:**

  ▶ Encourage active participation from local residents, artisans, and cultural groups in events and contribute to the success of the markets.

  ▶ Facilitate community workshops and skill-building sessions to empower local talent.

► **Market Research:**

  ▶ Conducting market research to identify the target audience and their preferences.

► **Brand Positioning:**

  ▶ Positioning the brand in the market by highlighting its unique selling points.

► **Content Creation:**

  ▶ Creating engaging content that showcases the brand's products and services.

► **Collaboration with Brand Ambassadors:**

  ▶ Partnering with celebrity influencers and industry experts to promote the brand.

Project 2: Organising VDP/RBSM: To successfully conduct Vendor Development Program (VDP) and Reverse Buyer-Seller Meet (RBSM) in Puducherry, the following structured approach and methodology will be employed:

► **Program planning and coordination:** Carefully plan each VDP/RBSM program by defining clear objectives, target areas and expected outcomes. Coordination efforts will include scheduling, venue selection, and ensuring the availability of necessary facilities and technology to support the events.

► **Stakeholder engagement:** Actively engage a diverse group of stakeholders from the outset, including MSMEs from sectors such as food and marine products, electronic manufacturing, plastics, pharma, and other focus sector as well as potential buyers from large corporations and government sectors. The objective of this association is to ensure that the events meet the needs of both sellers and buyers.

► **Selection and preparation of participants:** Identify and select MSME participants through a transparent process, focusing on participants with high potential for growth and market expansion. Ahead of the events, provide these MSMEs with training and resources to enhance their presentation and negotiation skills, ensuring they are well prepared to engage with buyers.

► **Marketing and Promotion:** Develop a comprehensive marketing and promotion plan to increase awareness of VDP/RBSM events among potential participants and buyers. Use a variety of channels including social media, local media and industry newspapers to maximize outreach and participation.

► **Facilitate matchmaking:** Implement a structured matchmaking process to facilitate meaningful connections between MSME sellers and potential buyers. The process will be based on the specific needs of the buyers and the capabilities and products of the MSMEs, ensuring relevant and productive interactions.

► **Feedback and impact evaluation:** Collect feedback from participants during and after events to assess their effectiveness and identify areas for improvement. Conduct an impact evaluation to measure the concrete outcomes of VDP/RBSM events, such as the number of new business connections established, contracts signed, and any subsequent growth experienced by participating MSMEs.

Project 3: Diagnostic study on as-is status of vendor development programme for thrust sectors / Focus Area of Puducherry: For a diagnostic study focusing on the status of vendor development programs in key focus areas of Puducherry, here are the structured steps designed to enhance vendor development:

Step 1: Identifying key sectors and stakeholders.

► Vendors point to important sectors for growth such as food and marine products, electronic manufacturing, plastics, pharma, handicrafts and tourism.

► Connect with stakeholders including MSMEs, industry experts, government agencies and financial institutions related to these sectors.

Step 2: Data Collection and Analysis

► Collect extensive data through surveys, interviews and focus groups with MSMEs and other stakeholders to assess the current effectiveness of vendor development programs. This will involve reaching out to a broad spectrum of participants across various sectors to ensure a comprehensive understanding.

► Prepare a detailed questionnaire tailored to extract nuanced insights into the vendor development landscape, focusing on identifying challenges, opportunities, and the specific needs of MSMEs within each sector.

- Analyze data to identify challenges, opportunities, and specific needs of MSMEs within each sector, ensuring a deep understanding of the current landscape and areas requiring intervention.
- Supplement primary data with secondary research from existing studies, reports, and databases to provide a comprehensive view, and then thoroughly analyze this combined data to determine the strengths and weaknesses of current vendor development programs, aiming to develop focused strategies for enhancement.

Step 3: Evaluate Existing Programs

- Review existing vendor development programs to evaluate their reach, impact and alignment with the needs of target areas.
- Identify gaps in existing programs where improvements or new initiatives can be introduced.

Step 4: Market Opportunity Assessment

- Assess market trends, demands and opportunities within the identified sectors to understand potential growth areas for MSMEs.
- Explore opportunities for MSMEs to expand beyond local markets and into national or international regions.

Step 5: Development of strategic interventions

- Based on the insights gathered, develop targeted interventions to address identified gaps and take advantage of market opportunities.
- Propose initiatives that could include new networking platforms, training programs for MSMEs and strategies to reduce participation costs.

Step 6: Implementation Plan

- Create a detailed implementation plan for the proposed interventions, outlining timelines, responsible parties, resource allocation, and expected outcomes.
- Ensure that the plan includes mechanisms for MSME support and participation in vendor development activities.

Step 7: Monitoring and Continuous Improvement

- Establish a system to monitor the progress and effectiveness of implemented interventions.
- Establish feedback loops with stakeholders to continually gather information and make necessary adjustments to vendor development initiatives.

4.1.7 Use of ICT/Innovative Technology Towards Project Implementation

Project 1- Create a "Make in Puducherry Brand": The proposed project aims to establish a strong brand identity for Puducherry by promoting its local industries and products. This initiative will focus on creating a unified brand image that showcases the state's capabilities and products, thereby enhancing its reputation and attracting investments.

Project 2-Organising VDP/RBSM: In organizing Vendor Development Program (VDP) and Reverse Buyer-Seller Meet (RBSM) in Puducherry, the use of Information and Communication Technology (ICT) and innovative technology will play an important role in enhancing the effectiveness and reach of these events:

- **Digital Platform for Event Management:** Use comprehensive event management software to streamline planning, execution, and monitoring of VDP/RBSM events. These platforms will facilitate participant registration, schedule management and communication, ensuring a seamless experience for all stakeholders.

► **Virtual Engagement Tools:** Incorporate virtual meeting and conferencing tools to expand the reach of VDP/RBSM programs, allowing participants in remote locations to connect effectively. This approach will enable broad participation while removing geographical and logistical barriers.

► **Matchmaking Algorithms:** Deploy advanced matchmaking algorithms within the digital platform to efficiently connect MSMEs with potential buyers based on their specific needs, capabilities and interests. This technology-driven approach will increase the relevance and productivity of business interactions during events.

► **Real-time feedback and analytics:** Implement real-time feedback systems and analytics tools to gather information from participants during the event. This will provide immediate data on the effectiveness of meetings and interactions, allowing quick adjustments and improvements.

► **Digital Showcases and Exhibitions:** Develop digital exhibition spaces where MSMEs can showcase their products and services through virtual booths, videos and digital catalogues. This will increase product visibility and engagement opportunities, especially for participants who cannot attend in person.

► **Social Media and Digital Marketing:** Leverage social media platforms and digital marketing strategies to promote VDP/RBSM programs, attract participants, and highlight success stories. This will increase awareness and participation rates, which will contribute to the overall impact of the events.

Project 3- Diagnostic study on as-is status of vendor development programme for thrust sectors / Focus Area of Puducherry: In conducting a diagnostic study on the current status of vendor development program in important areas of Puducherry, leveraging ICT and innovative technologies will be important to ensure a thorough and effective analysis:

► **Digital data collection tools:** Use online survey platforms and video conferencing software that require minimal technical knowledge and work effectively even in areas with low bandwidth. This approach will facilitate comprehensive collection of data from MSMEs in sectors such as food and marine products, electronic manufacturing, plastics, pharma, handicrafts and tourism, thereby ensuring inclusivity and broad inputs.

► **Digital documentation and sharing:** Apply digital tools, such as basic cameras or note-taking apps, to document best practices, observations, and insights collected during the study. Create a central digital repository employing cloud storage solutions to provide easy sharing and access to collected information, increasing collaboration and transparency among stakeholders.

► **Community forums and social media for networking:** Set up local online networking platforms such as community forums or social media groups tailored to the business community of Puducherry. These platforms will facilitate continuous knowledge exchange, discussion and peer support between MSMEs and other stakeholders, thereby fostering a collaborative environment for vendor development.

► **Efficacy measurement tools:** Deploy both online and offline survey tools to assess the effectiveness of the Diagnostic study and any subsequent interventions. These tools will help assess the impact of the study on enhancing the vendor development program, allowing for ongoing adjustments and improvements based on stakeholder feedback and measurable results.

4.1.8 Timeline for achievement of Project Deliverables

The estimated timeline for achievement would be 3 years.

4.1.9 Estimated impact of the Project/Proposal/scheme

The implementation of the clinical study on vendor development programs in Puducherry, along with the conduct of six VDP/RBSM programs in four districts of the region, is set to make a significant impact:

► The diagnostic study targeting four key areas is expected to reach and benefit approximately 1500 MSMEs by providing insights into the current vendor development scenario and identifying actionable areas for improvement.

► Through the four planned VDP/RBSM programmes, it is estimated that approximately 1000 MSMEs will get the opportunity to directly connect with potential buyers and partners, significantly enhancing their market exposure and business growth potential.

4.1.10 Project costing and contribution of State towards it

The total estimated budget for improving the digital infrastructure is provided in the table below:

Table 33 Interventions wise Total Cost for 3years (Amount in Rs. Cr.)

Sl. No	Intervention	Total Budget for 3 years	State Contribution	Demand from RAMP
1	Create a "Made in Puducherry" Brand	5	1	4
1.1	Brand Identity and Logo	0.5	0.1	0.4
1.2	Collaboration with Brand Ambassadors	1.75	0.35	1.4
1.3	Digital Marketing Campaign	1.75	0.35	1.4
1.4	Product, Labelling, Packaging & Promotion	1	0.2	0.8
2	Organising VDP/RBSM in collaboration with CII and other industrial associations	4	0.80	3.20
3	Diagnostic study on as-is status of vendor development programme for thrust / focus sectors (including service sectors eg tourism)	0.40	0.08	0.32
Total		**9.40**	**1.88**	**7.52**

Year wise costing of the respective interventions (in Rs. Cr.) are as provided below:
Table 34 Year wise costing of the respective interventions (in Rs. Cr.)

Sl.No.	Intervention	FY-2024-25	FY-2025-26	FY-2026-27	Total
1	Create a "Made in Puducherry" Brand	1.70	1.70	1.60	**5**
1.1	Brand Identity and Logo	0.16	0.17	0.17	0.5
1.2	Collaboration with Brand Ambassadors	0.58	0.58	0.59	1.75
1.3	Digital Marketing Campaign	0.58	0.58	0.59	1.75

1.4	Product, Labelling, Packaging & Promotion	0.33	0.34	0.33	1
2	Organising VDP/RBSM in collaboration with CII and other industrial associations	1.40	1.30	1.30	4
3	Diagnostic study on as-is status of vendor development programme for thrust / focus sectors (including service sectors eg tourism)	0.14	0.13	0.13	**0.40**

4.1.11 Plan for strengthening M&E framework pertaining to Project

To enhance the Monitoring and Evaluation (M&E) framework for the project focusing on a diagnostic study of the current vendor development program and organizing Vendor Development Programmes (VDP)/Reverse Buyer Seller Meets (RBSM) in Puducherry's key sectors, the following plan will be implemented:

► **Objective-Driven Metrics:** Establish clear, measurable objectives for both the diagnostic study and the VDP/RBSM events. Key performance indicators (KPIs) will be aligned with these objectives to track progress effectively and ensure that activities are directly contributing to the desired outcomes in sectors like Food and Marine Products, Electronic Manufacturing, Plastics, and Pharma.

► **Utilization of ICT for Data Management:** Employ Information and Communication Technology (ICT) tools for efficient data collection, management, and analysis. A centralized database will be set up to maintain real-time updates on various aspects of the project, including MSME participation, stakeholder engagement, and the impact of vendor development initiatives.

► **Scheduled Progress Updates:** Implement a system for regular progress reports, ensuring that all stakeholders, including government bodies, MSMEs, and industry associations, are kept informed about the project's achievements, challenges encountered, and any adjustments made to the strategy.

► **Stakeholder Engagement and Feedback:** Foster ongoing engagement with stakeholders through digital platforms, ensuring their active participation in the project. A feedback mechanism will be established to gather insights and suggestions from stakeholders, which will be crucial for refining project activities and aligning them with the evolving needs of MSMEs.

► **Impact Analysis:** Conduct periodic impact assessments to quantify the tangible outcomes of the diagnostic study and the VDP/RBSM events. These assessments will utilize both quantitative data and qualitative insights to evaluate the effectiveness of vendor development efforts in Puducherry.

► **Promotion of Continuous Learning:** Cultivate a culture of continuous learning within the project team and among stakeholders. Insights and lessons learned from the M&E process will be used to adapt and improve project strategies, ensuring responsiveness to challenges and changing market dynamics.

4.2   Enabling E-Commerce

4.2.1 Major issues/challenges of Firm capabilities.

Based on FGD discussions with people involved in business in Puducherry, several challenges have come to light for local firms trying to sell online:

E-Commerce Familiarity: A notable challenge is the lack of experience with online sales processes, digital marketing, and customer service over the Internet among many companies.

Connectivity and Logistics: Unreliable internet connectivity in some areas is a significant challenge for operating an online store. Additionally, logistics, including delivery of products to customers, remains a complex issue.

Regulatory Compliance: Understanding the myriad of online selling regulations, which vary across India, is a daunting task for many MSMEs, complicating their e-commerce activities.

Platform integration: Entry into major online marketplaces is considered complex by some companies, hindering their participation in these potentially lucrative platforms.

Market Competition: The challenge of standing out among larger, more established companies with larger advertising budgets and pricing flexibility is especially acute for smaller companies.

Online Trust: Establishing trust with consumers online is important and challenging, requiring a secure website and clear product information.

Some of the other challenges related to E-commerce that were identified during the stakeholder discussions and survey are as follows:

► Limited engagement of MSMEs with digital platforms resulted in over-dependence on local markets and limited reach to a wider audience.

► Difficulties in identifying products that are suitable for broader markets and taking advantage of larger market opportunities.

► MSMEs struggle to compete with major market players due to gaps in knowledge, regulatory non-compliance and certification deficiencies, limiting their export potential and market expansion.

► The barriers to finding new buyers or customers associated with participation in trade fairs and similar events are often considered costly, which is further increased by the lack of incentives or benefits.

► The perception of opaqueness in e-marketplaces like GeM is coupled with a general lack of awareness about these platforms among MSMEs.

► Payment processing issues, such as setting up secure online transactions and navigating different payment gateways, complicate their entry into e-commerce.

4.2.2 Key Findings

Onboarding Costs: The average cost of onboarding MSMEs on e-commerce platforms such as Sarvana Stores, ONDC, GeM, Amazon, and Flipkart is approximately ₹25,000 to ₹30,000. This additional cost burden can be a significant barrier for small MSMEs.

Limited Utilization: Despite the potential benefits of e-commerce platforms, more than 70% of surveyed MSMEs have not utilized these platforms. This indicates a significant gap in the adoption of digital technologies among MSMEs.

Digital Commerce Penetration: Within the digital sales landscape, 27.5% of enterprises have indicated that up to 25% of their total sales volume is generated through online channels. Approximately 20% of businesses have observed that a quarter to half of their sales are transacted via online platforms. A further 18% of enterprises have a more modest digital footprint, with less than 10% of their sales conducted online. Notably, 17% of MSMEs have embraced e-commerce robustly, attributing 50-75% of their sales to online platforms. A smaller, yet significant, segment of 5.7% reports a substantial 75-100% of their sales being facilitated digitally. Conversely, around 12% of MSMEs have not integrated online platforms into their sales strategy, indicating potential growth opportunities in digital market engagement.

Figure 98 Digital Commerce Penetration

Digital Commerce Penetration

Category	% of MSMEs
> = 25% and upto 50%	20%
> = 75% and upto 100%	6%
<10%	18%
> = 50% and upto 75%	17%
Not using online platforms	12%
> = 10% and upto 25%	27%
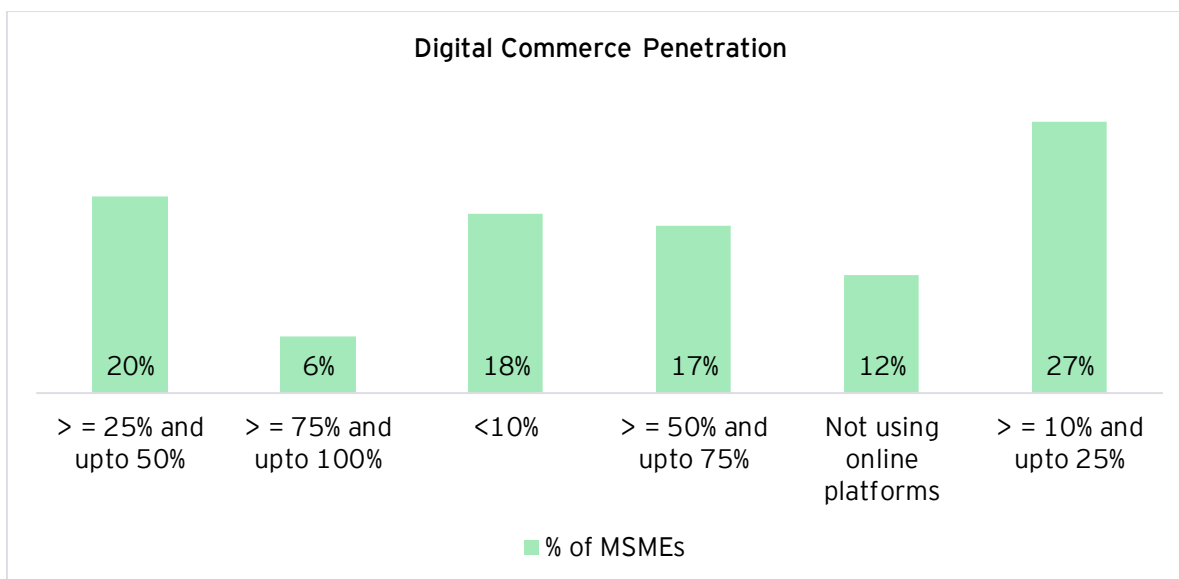
■ % of MSMEs

E-commerce Adoption: While nearly 45% of MSMEs in Puducherry are aware of the benefits of e-commerce, they have not yet utilized this channel, indicating a potential for growth in digital marketplaces.

Digital Platform Awareness: Approximately 45% to 50% of MSMEs are not aware of major online platforms like IndiaMart, Flipkart, and Amazon, showcasing a gap in digital literacy and e-commerce integration.

Social Media for Engagement: Despite the popularity of platforms like WhatsApp (57%), Instagram, and Facebook (both at 32%) for customer engagement, they account for only up to 25% of total sales, suggesting room for more effective digital marketing strategies.

Figure 99 Digital Marketing Platforms

Digital Platforms Utilized by MSMEs

Platform	%MSME that are unaware	%MSMEs that have utilised it	% MSMEs that are aware of but have not utilised the digital platform
GeM	75.6%	11.0%	13.5%
ONDC	66.4%	13.6%	20.0%
Amazon	11.0%	49.5%	39.5%
Flipkart	9.3%	47.6%	43.1%
IndiaMart	14.5%	15.1%	70.4%
Own Website	14.0%	22.7%	63.3%
Facebook	4.3%	87.7%	8.0%
Instagram	0.9%	90.3%	8.8%
Whatsapp	0.3%	81.1%	18.7%

- %MSME that are unaware
- %MSMEs that have utilised it
- % MSMEs that are aware of but have not utilised the digital platform

Challenges in Digital Marketing and Accessibility: A substantial 69% of respondents have cited encountering obstacles in securing high-speed internet connectivity, which is critical for effective digital operations. Approximately 20% acknowledge a deficit in their workforce's proficiency, with staff lacking the requisite skills and knowledge to fully leverage digital technologies. An additional 11% have identified financial constraints as a barrier to transitioning their business activities to the digital realm. Moreover, a small fraction, constituting 2%, have indicated that limited time availability hampers their ability to investigate and implement digital marketing strategies. These challenges highlight the need for enhanced digital infrastructure, targeted skill development, and resource allocation to support the digital transformation of business practices.

Figure 100 Challenges in Digital Marketing
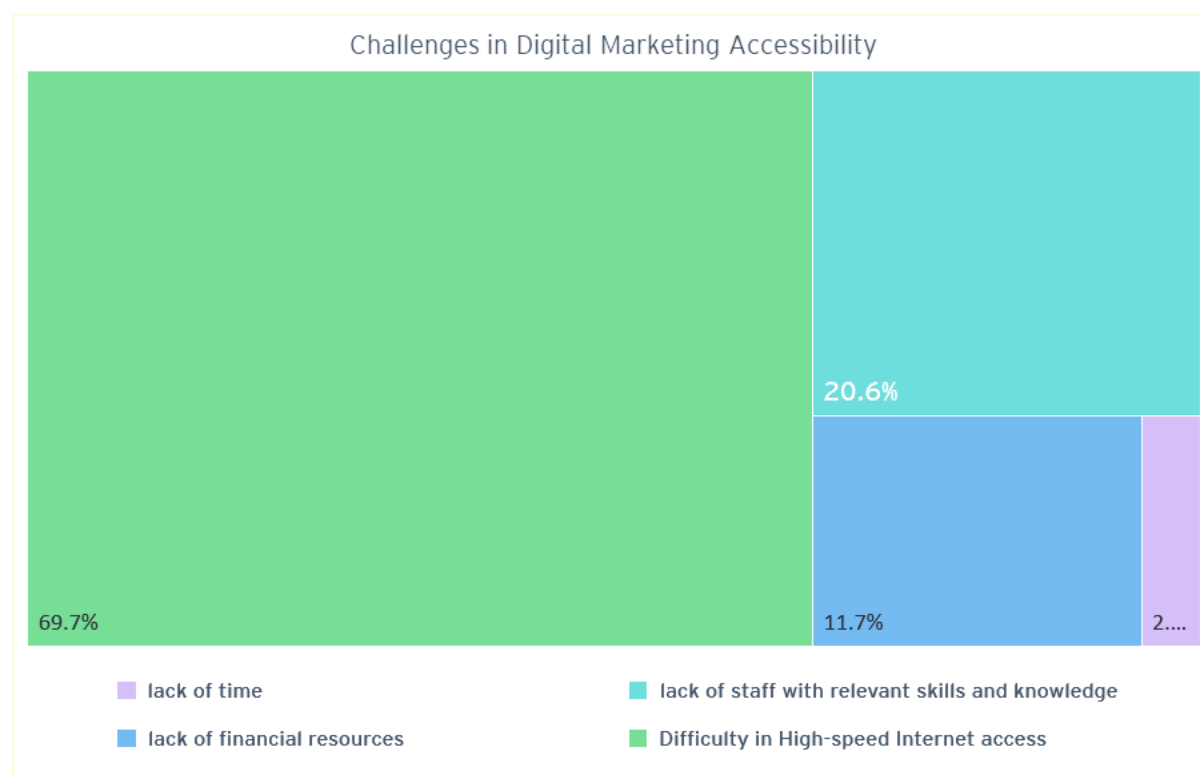
4.2.3 Problem Statement:

In Puducherry, MSMEs are facing several challenges, making it difficult for them to take advantage of e-commerce. Many of these MSMEs are only selling in their local area and have not made much use of online marketplaces. They often find it difficult to choose which products will sell well online and market those products effectively, especially to customers in other countries.
A major issue for these MSMEs is the cost of shipping their products to locations outside their local area. These high shipping costs can make their products more expensive than others, even if the quality is good. Moreover, many of these MSMEs do not want to go to big sales events or meetings away from Puducherry as they feel it will cost too much.

Another problem is that these MSMEs do not have enough ways to meet large buyers who want to buy a lot of their products. Moreover, many of these MSMEs do not know much about online selling platforms like ONDC and GeM, or if they are aware of them, they are not using them. Additionally, payment processing issues, such as setting up secure online transactions and navigating different payment gateways, complicate their entry into e-commerce.

4.2.4 Proposed Project with Respect to RAMP

E-Commerce awareness workshops/ bootcamps, Onboarding of MSMEs on various e-Commerce portals e.g. ONDC, GeM, Amazon, Flipkart; Customisation of MSME digital product catalogues as per e-Commerce portal requirements: The upcoming initiative within the RAMP program is designed to boost the online selling skills of MSMEs in Puducherry. This includes organizing educational workshops and bootcamps focused on the essentials of e-commerce, such as setting up online stores, digital advertising, and navigating online sales platforms. The project also entails assisting these MSMEs in joining popular e-commerce sites like Amazon and Flipkart, thereby significantly widening their customer base. An important aspect of this plan involves refining the online product catalogs of these MSMEs to ensure they meet the specific standards of these e-commerce platforms, making their offerings more appealing to potential buyers. This initiative aims to equip

Puducherry's small MSMEs with the necessary skills and knowledge to succeed in the digital market, opening up new opportunities for growth and expansion.

4.2.5   Proposed project Design concept and Feasibility & Viability of proposal

E-Commerce awareness workshops/ bootcamps, Onboarding of MSMEs on various e-Commerce portals e.g. Sarvana stores, Gem, ONDC, Amazon, Flipkart; Customisation of MSME digital product catalogues as per e-Commerce portal requirements: This project is designed to equip small businesses in Puducherry with the skills required for successful online selling. Through a series of training sessions and workshops / bootcamps, these businesses will learn how to set up shops on leading e-commerce platforms like Amazon and Flipkart, master digital marketing, and interact effectively with customers online. The initiative also includes support in listing your products on these platforms, ensuring that submissions meet the specific requirements of the platforms. Taking a step-by-step approach to addressing the challenges faced in the digital marketplace, this project provides a practical solution for small businesses to expand their reach beyond local boundaries to national and even international markets. Tailored to the unique business landscape of Puducherry, the strategy promises to provide targeted insights and strategies to significantly enhance e-commerce participation of local micro MSMEs. This initiative is important to promote growth and competitiveness in the digital economy and has the potential to have a significant impact on the local economy by promoting sustainable economic growth in Puducherry.

4.2.6   Approach and Methodology for Implementation

E-Commerce awareness workshops/ bootcamps, Onboarding of MSMEs on various e-Commerce portals e.g. Sarvana stores, GeM, ONDC, Amazon, Flipkart; Customisation of MSME digital product catalogues as per e-Commerce portal requirements: For the successful implementation of e-commerce awareness initiatives, including workshops, bootcamps, and the onboarding of MSMEs onto major e-commerce platforms like Amazon and Flipkart, as well as customizing their digital product catalogs, the approach and methodology will involve several key steps:

Step1- Identifying MSME Participants:

► Target MSMEs in Puducherry that show potential for growth through online markets. Focus on a diverse group from various sectors to ensure comprehensive participation.

Step2 -Workshop and Bootcamp Development:

► Create detailed curriculums for workshops and bootcamps that cover crucial e-commerce skills such as digital marketing, customer service in a digital setting, and how to use different e-commerce platforms.

Step3- Digital Catalog Customization:

► Provide specialized support to help MSMEs develop their digital product catalogs to fit the specific requirements of e-commerce platforms, focusing on creating appealing and professional product presentations.

Step4-Onboarding/MoU Signing with E-commerce Platforms:

► Facilitate the formal onboarding process or the signing of Memorandums of Understanding (MoU) with e-commerce platforms. This step will secure partnerships and support for MSMEs, ensuring they have a clear pathway to start selling online.

Step5- E-commerce Platform Onboarding:

► Organize sessions that guide MSMEs through the process of joining e-commerce platforms. This includes assistance with account setup, product listing, and utilizing platform tools for business management.

Step6-Ongoing Implementation and Support:

► Conduct the planned workshops and bootcamps and provide ongoing support to MSMEs to help them navigate any challenges they encounter in the e-commerce environment.

Step7-Feedback and Program Improvement:

► Collect feedback from the participating MSMEs to assess the effectiveness of the training and support provided. Use this feedback to make necessary adjustments and improvements to the program.

Step8 -Assessing Impact:

► Monitor the progress of MSMEs in their e-commerce endeavours, evaluating the program's impact on their online sales, market reach, and overall business growth.

4.2.7 Use of ICT/Innovative Technology Towards Project Implementation

Project1- e-Commerce awareness workshops/ bootcamps, Onboarding of MSMEs on various e-Commerce portals e.g. GeM, ONDC, Amazon, Flipkart; Customisation of MSME digital product catalogues as per e-Commerce portal requirements: In implementing the project focused on e-commerce awareness workshops, bootcamps, onboarding of MSMEs onto platforms like Amazon and Flipkart, and customizing MSME digital product catalogs, the use of Information and Communication Technology (ICT) and innovative technology plays a pivotal role:

► **Digital Learning Platforms:** Utilize online learning management systems to deliver e-commerce workshops and bootcamps. These platforms can host interactive content, including videos, tutorials, and quizzes, making learning accessible and engaging for MSMEs.

► **Virtual Collaboration Tools:** Employ virtual meeting and collaboration tools to conduct live sessions, Q&A rounds, and discussions. This ensures participants can engage from any location, breaking down geographical barriers and increasing participation.

► **Digital Catalog Tools:** Use software that assists in creating and customizing digital product catalogs. These tools can help MSMEs design professional-looking catalogs that meet the specific requirements of various e-commerce platforms.

► **Online Onboarding Assistance:** Develop web-based portals or applications that guide MSMEs step-by-step through the process of registering and setting up their stores on e-commerce sites, making the onboarding process smoother and more user-friendly.

► **Feedback and Analytics Systems:** Implement feedback tools and analytics within the training modules to gather insights on participant engagement, understanding, and areas that need more focus. This data can help refine the training content and delivery methods.

► **Mobile Applications:** Consider developing mobile applications that provide ongoing support and resources to MSMEs, including tips on e-commerce best practices, updates on platform policies, and a channel for technical support.

4.2.8 Timeline for achievement of Project Deliverables

The estimated timeline to achieve the desired project deliverables is 3 years.

4.2.9 Estimated impact of the Project/Proposal/scheme

The project aims to impact 500 MSMEs by enhancing their e-commerce capabilities through workshops and bootcamps, with a target to assist more than 160 MSMEs each year. This includes facilitating their integration into major online platforms like Amazon and Flipkart and refining their digital product offerings.

4.2.10 Project costing and contribution of State towards it

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

Table 35: Total Costing for the interventions related to e-Commerce related projects (Amount in Rs. Cr.)

Sl.	Intervention	Total Cost for 3 years	State Contribution	Demand from RAMP
1	Onboarding of MSMEs on various e-Commerce portals e.g. GeM, ONDC, Sarvana stores, Amazon, Flipkart; Customization of MSME digital product catalogues as per e-Commerce portal requirements	1	0.2	0.8
Total		**1**	**0.2**	**0.8**

Table 36 Intervention costing over the 3years (Amount in Rs. Cr.)- e-Commerce related projects

S. No	Description	FY 2024-25	FY 2025-26	FY 2026-27	Total
I	Onboarding of MSMEs on various e-Commerce portals e.g. GeM, ONDC, Sarvana stores, Amazon, Flipkart; Customization of MSME digital product catalogues as per e-Commerce portal requirements	0.34	0.33	0.33	1

4.2.11 Plan for strengthening M&E framework pertaining to Project:

The plan to enhance the monitoring and evaluation (M&E) framework for projects is designed to ensure comprehensive oversight and adaptive management. Contains:

► **Setting Clear Goals:** Define specific, measurable objectives for each project component, including e-Commerce awareness workshops/ bootcamps, Onboarding of MSMEs on various e-Commerce portals, and the transactional portal development.

► **Data Monitoring:** Using real-time tracking tools.

► **Evaluation:** Periodic evaluation to assess progress and adapt strategies.

► **Feedback integration:** Using stakeholder insights to refine project execution.

► **Training and communication:** Educating involved parties on M&E practices and maintaining open lines of communication regarding project development.

This approach aims to effectively monitor and support the growth of 500 MSMEs through these initiatives.

4.3   Scaling up of Micro and Small Enterprises

4.3.1   Major issues/challenges of Firm capabilities

The industrial distribution in India, like many other emerging markets, is skewed towards the micro enterprises. However, ideally like in the developed countries, there will be more balance in the distribution[24]. This gap or in other words the absence of the small and medium entities in the optics of the India distribution is referred by economists as the 'The Missing Middle'. The scenario in Puducherry is also a reflection of this with about 97% Udyam registered firms belonging to the micro category and have 895 enterprises (belonging to small and medium category) accounting for the balance 3%.

The UT of Puducherry being a small region, has constraints related to:

► The availability of land for industrial purposes is limited. The enterprises are provided available land in Industrial estates on lease. However, banks and financial institutions do not accept the lease hold land as a collateral while borrowing loans for expansion.

► The units have to depend on other states for raw materials as well as selling the finished products for many enterprises, which is incurring high transportation cost and time.

► sufficient market to sell the products due to competition from States like Tamil Nadu and Karnataka.

► The Ease of doing Business needs to be improved in Puducherry.

► Collateral requirement, relatively high interest rates and poor credit history of borrower – In spite of available schemes like CGTMSE, which facilitates accessing collateral free loans, MSMEs have indicated that the ticket sizes of such loans provided are lesser. The average collateral-to-loan-value ratio is higher. Limited credit history of the borrowing entrepreneur results in procedural complications, lengthy application processing time and inevitably higher interest rates.

► Lower participation of the MSMEs in Global Value Chain or engaging in providing low value-added products/services

► Lack of digitization and technology adoption resulting in low productivity and efficiency

► Lack of obtaining internationally recognized quality certifications, which would otherwise increase the likelihood of starting exports and improve long term financial prospects.

Lack of sufficient upskilling of the workforce, as it is pivotal to leverage the full potential of digital transformation in coming years.

Size distribution of Enterprises: As per the survey conducted, approximately 86% of the entities are Micro enterprises, close to 7%, are Small and the remaining 7% are Medium Enterprises

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[24] D&B Study based on US Census Bureau, Statistics Canada, Australian Bureau of Statistics, 6th Economic Census, MOSPI

4.3.2   Key Findings

The study on share of micro, small and medium enterprises in the total employment, based on combining establishment-level data for the formal and informal manufacturing sector from the Annual Survey of Industries and the NSSO's Enterprise Survey of Unincorporated Enterprises for the period between 2000-01 and 2015-16, indicate that there was rising employment share in medium and large enterprises (from 33.3% to 46.4% cumulatively over 15 years)[25] in total manufacturing employment is a positive development as these enterprises offer more productive and better paying jobs compared to smaller enterprises. This shift in distribution of employment towards relatively larger enterprises is driven, amongst other factors, by the expansion of some dynamic MSMEs which are graduating and moving up the size distribution.

Revenue Performance (Five-Year Perspective): An examination of the financial throughput within the Puducherry MSME sector over the preceding quintennial period reveals that a predominant 57% of enterprises have recorded annual revenues below INR 25 lakhs. This trend underscores the prevalence of modest-scale operations within the sector. Meanwhile, a substantial 28.7% of businesses have achieved turnover figures ranging from INR 25 lakhs to INR 1 Crore, indicating a solid performance in the mid-revenue bracket. The upper echelons of turnover are represented by 7.9% of enterprises surpassing the INR 1 Crore threshold, with close to 4% achieving turnovers between INR 5-10 Crores. The higher revenue spectrum features a modest 2.1% of MSMEs with turnovers in the INR 10-50 Crores range, while an exclusive 0.1% have managed to scale up to turnovers of up to INR 250 Crores.

Figure 101 Average Annual Turnover
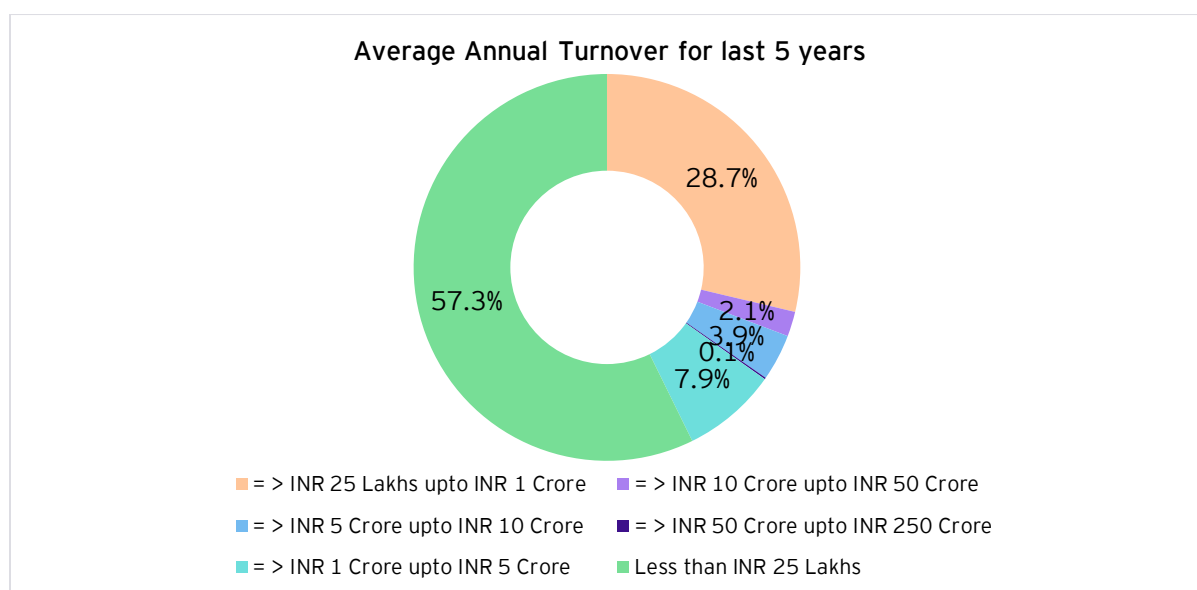
Financial Growth Trajectory: In reviewing the revenue patterns of enterprises over the past four years, it is observed that approximately 56% of the businesses within the sector have reported a progressive increase in turnover. In contrast, a mere 5.2% of enterprises have experienced a declining trend. Meanwhile, a robust 38% of the businesses have demonstrated consistent revenue performance, maintaining a stable financial trend.

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[25] Working_Paper_409.pdf

Figure 102 Financial Growth Trajectory

Financial Growth Trajectory

- Decreasing
- Neither increasing or decreasing
- Increasing

(Decreasing: 5%, Neither increasing or decreasing: 38%, Increasing: 56%)
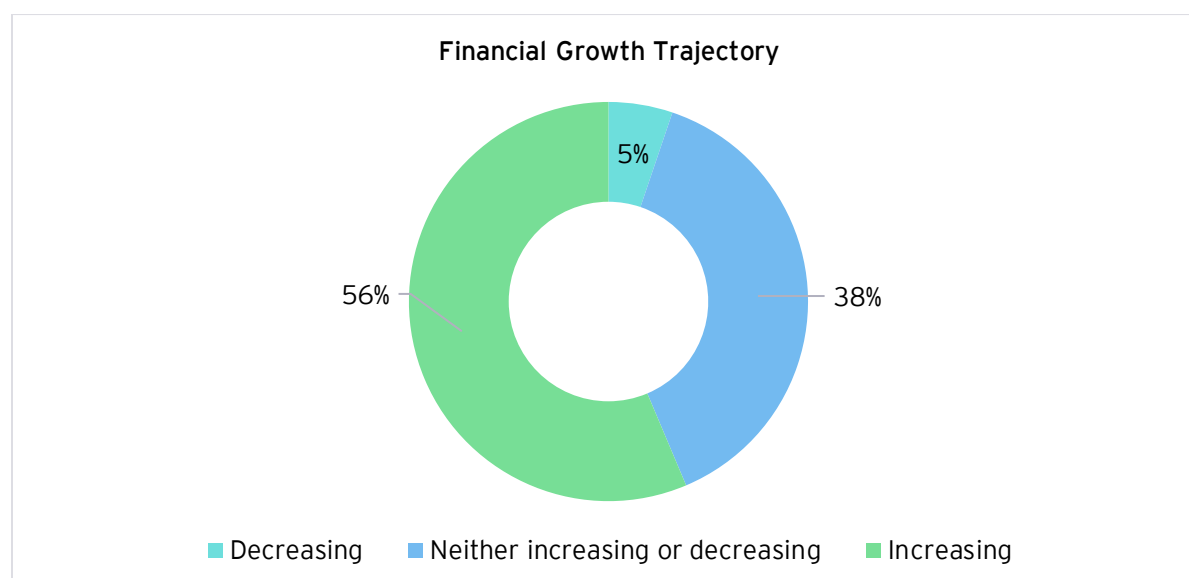
Thus, this indicates that transformative enterprises must be identified, which have the potential to grow fast and provide them the necessary support to expand and graduate quickly up the size distribution.

4.3.3   Problem Statement:

Nearly 97% of the registered enterprises in Puducherry fall under the micro category. The conversion of enterprises into small and medium enterprises has been very low which suggests that they have not been able to fully capture the benefits of economies of scale, adoption of technologies and investment into fixed assets. Hence there is a requirement to encourage the existing enterprises to scale.

Economies of scale provide larger companies with a competitive advantage over smaller ones, because the larger the business, the lower its per-unit costs, as the cost of production (including fixed and variable costs) is spread over more units of production. Economies of scale will also facilitate the enterprise to pass on some of the benefits to the customers in the form of reduced price and improved products, there by solidify their competitiveness in the market.

4.3.4   Proposed Project with respect to RAMP objectives

The following projects are proposed under this intervention:

To facilitate more contribution of the MSME sector to the State's GDP, in addition to fostering entrepreneurship, it is equally important to ensure that the existing enterprises scale up to their next level. The proposed aims in scaling up of at least 50 Micro and small enterprises in the UT and turning them into Champion enterprises in the State.

Interested, potential and transformative enterprises (micro enterprises and small enterprises) will be chosen from among the existing enterprises in the State through screening and selection process. The need assessment, gap analysis and interventions required to scale up the enterprises shall be identified. A detailed project report (DPR) shall be prepared in this regard for individual enterprises. The interventions in the approved DPR shall be implemented. Technical/Domain experts shall be empanelled on the domains in which the interventions have been identified. Opportunity will be provided for the MSMEs to engage with the empanelled experts in resolving the

challenges faced by the enterprises related to scaling up. Further, linkage with banks/FIs will be facilitated for financing the scaling up related requirements, preferably through CGTMSE scheme as per applicability.

Following activities shall be undertaken for enhancing firm capabilities for scaling:

i. **Sensitisation workshop:** The potential micro and small enterprises will be provided sensitisation on the project.

ii. **Preparation of DPR:** Selected enterprises will be supported for preparing Detailed project report.

iii. **Empanelment of Technical Experts:** Technical experts in identified domain/thrust sectors shall be empanelled at State level.

iv. **MSME Clinics:** The MSME clinics are interventions designed to facilitate one to one connect (consultation) between the beneficiary enterprises and empanelled experts in identified domains. MSME clinics shall be organised in districts based on the need assessment.

4.3.5   Proposed Project Design Concept and Feasibility & Viability of Proposal

Programme is based on extensive experience in developing countries where such focus on potential transformative enterprises or high impact entrepreneurs has led to holistic development of both the Entrepreneur and the enterprise through increase in revenue, employment generation and competitiveness thereby leading to an overall economic development in the state. The design concept thus revolves around the focal point of building a holistic basket of capabilities for enterprises and equipping transformative entrepreneurs with the tools they need to succeed.

The Project is conceptualised ensuring that there is alignment of its objectives with the RAMP scheme as given below:

▶ Business development/ linkage services and technical advisory to enterprises for enhanced product quality/ standards, competitiveness, managerial skills towards sustainable business practices, financial stability and resilience for sustainable business development through increased sales and/or exports through business linkages

▶ Facilitates integration of enterprises into local, regional and global value chains providing impetus to the local enterprises to move up the value chain.

▶ Formalizes linkages between Government and Financial Institutions with the entrepreneurs leading to development of a wholistic entrepreneurial ecosystem in the States & Districts along with institutional strengthening and governance mechanism.

▶ Provides access to Finance, Information, Technology and Management processes.

The concept of the programme is to identify and select potential MSEs having the capability to become Champion enterprises and provide necessary handholding to scale up. The feasibility of the programme will be ensured through the following:

▶ **Participation by interested MSEs** – All interested MSEs satisfying the pre-qualification criteria are given opportunity to apply, which will ensure that there will be proactive participation by such MSMEs in achieving the programme objectives.

▶ **Selection criteria** – The applications of the MSMEs will be scrutinized based on qualitative and quantitative parameters to ensure that only viable MSMEs are selected. There will be multiple level of verifications starting with the screening of firms based on pre-qualification criteria, field level inspections by Industrial Promotion Officers and Technical Officers, detailed verification of the application based on specific screening criteria and checking the feasibility of

the project (DPR). An illustrative list of parameters, both qualitative and quantitative, that shall be used for selection is provided in the Approach and Methodology section.

▶ **No. of enterprises supported** – In order to ensure that the programme is viable, as a pilot mode, 50 enterprises will be supported through the programme.

▶ **Support provided** – The selected enterprises will be provided assistance for preparation of DPR. Finance is a major factor for any enterprise to operate and grow. The enterprises shall be provided with one to one connect with domain experts for guidance and support related to implementation of scaling up based on the DPR. In addition, one to one handholding will be provided through DIC officials to facilitate in resolution of any bottlenecks during implementation phase.

▶ **Time bound implementation** – The programme is planned to be implemented in a period of 3years.

▶ **Monitoring & Evaluation** – A robust monitoring and evaluation framework shall be developed. KPIs for each beneficiary enterprise shall be defined and agreed upon during the DPR preparation. Regular monitoring of the enterprises will be ensured through field level officer assigned to each beneficiary enterprise. In addition, other Monitoring and evaluation systems will be in place, also leveraging ICT technology, to ensure that the programme objectives are met.

4.3.6   Approach and Methodology for Implementation

Adoption of a differentiated approach, which specifically targets and extends support to "potential high growth enterprises", is likely to generate more value (economic contribution, employment etc.). It is widely acknowledged that three most important enablers of business growth are 1) internal capacity and capability of the firm 2) external business and regulatory environment and 3) vision and drive of the entrepreneur.

Figure 103 Approach and Methodology

Phase 1	Phase 2	Phase 3	Phase 4
Design	Select	Implement	Evaluate

Key tasks

▶ Developing programme objectives	▶ Promotion	▶ Preparation of DPR	▶ Impact assessment study
▶ Developing selection criteria	▶ Inviting application	▶ Capacity building	▶ Documentation
▶ Designing monitoring framework	▶ Scrutiny	▶ Implementing recommended activities	▶ Dissemination of good practices & programme success
▶ Budgeting	▶ Selection	▶ Handholding	

Monitor (4 yrs)

The project to facilitate scaling up of select small and medium enterprises in the State will consist of four stages as provided below:

1.   Design

The first step of the design stage will be to formulate the scheme objectives, which will be the guiding factor in the implementation of the project. The objectives of the project shall be formulated in consultation with all major stakeholders concerned including the industries department and Industry associations. "As Is" analysis will be conducted and a "To Be" state will be

defined based on which the objectives and strategy roadmap shall be developed. One to one interactions and brainstorming shall be employed for this.

Pondicherry districts have nearly 82% of the total MSME enterprises registered in the UT. The strategy will be to provide more focus on the enterprises in this district. Hence, more sensitisation workshops shall be conducted for the enterprises in these districts in order to mobilise them in large numbers.

Effective monitoring framework will be designed and established to monitor the progress of the scheme and in taking necessary course corrections at appropriate times. Key Performance Indicators will also determine to ensure effective monitoring of the project. Some of the key indicators that will be considered are the increase in turnover, employment provided (direct and indirect, technology adoption, certifications obtained, new markets developed etc.

Selection criteria, both in quantitative and qualitative terms, shall be developed and finalised to ensure that all relevant and genuine enterprises get an opportunity to apply for the initiative.

2. Select phase

An online portal will be developed for enterprises to apply for being selected under the initiative, and a scoring-criteria based on information submitted on the portal will be used to identify the top 50 units for the project. Wide publicity through IEC shall be made to ensure maximum participation of the enterprises. Sensitization workshops are also proposed to be organized across the State to provide sensitization on the project, including its objectives, expectations, methodology and the prerequisites of the project to ensure that well informed and capable enterprises take part in the further processes including the screening and selection process.

MSME units satisfying the pre-requisites can apply by registering in the online portal. The pre-qualifications for MSMEs to be selected for the Scale Up Mission include:

▶ being registered in Puducherry with UDYAM registration

▶ being in operation for at least three years as of March 31, 2024, and

▶ being engaged in manufacturing or service activities.

The applications submitted would be verified at concerned Technical officer, IPO, and Manager level. The verification would include checking the for correctness of information and the supporting documents submitted. Applications thus verified would be forwarded by the concerned General Manager of District Industries Centres and then to the Directorate of Industries and Commerce. The approved applications will then be forwarded to the Committee for granting the final approval. The forwarded applications would be scored based on pre-defined scoring criteria.

The scoring criteria includes investments, annual turnover, profit, capacity utilization, exports, number of employees, promoters' CIBIL score, and details of certifications obtained.

Table 37 Illustrative screening and selection criteria

Sl.No.	Parameter	Value type
A	**Quantitative Parameter**	
1	Belongs to Priority Sector Industries	Yes / No
2	Annual turnover as of 31st March 2023	Numerical
3	Average YoY Increase in Turnover	Numerical
4	Average YoY Increase in Net Profit	Numerical
5	Export Turnover % of Total Turnover	Numerical
6	Average YoY Increase in Investment	Numerical
7	Utilization	Numerical

Sl.No.	Parameter	Value type
8	Availability of spare infrastructure and/ or land for future expansions	Yes / No
9	Regularity of Loan Accounts	Yes / No
10	CIBIL Score of Promoters	Numerical
11	Quality Certifications	Numerical
12	Current Ratio	Numerical
13	Salary to Turnover Ratio	Numerical
14	Average YoY Growth in total Employment	Numerical
B	**Qualitative**	
1	Willingness to scale up	Descriptive
2	Attractiveness of the sector	Descriptive
3	Vision for scaling up the business	Descriptive
4	Plans for diversification/ expansion/ modernization	Descriptive
5	Market expansion strategy	Descriptive
6	Plans for strategic tie ups/ collaborations	Descriptive
7	Plans for new technology integrations	Descriptive

The enterprises shortlisted based on the scoring criteria will have a one-to-one interaction with the

1. Implement Phase

The first step in the implement phase will be to undertake a detailed study and prepare a roadmap for the enterprise for scaling up. The major aspects such As-Is assessment, Benchmarking, Future State study, SWOT Analysis, Financial modelling, Value chain analysis, sensitivity analysis, identification of suitable technology to be adopted, conformance to quality standards, future market opportunities and export potential will be included. A detailed project report for each selected enterprise will be prepared.

Dedicated officers from DICs will be allotted to each enterprise for necessary handholding to be provided during the implementation to ensure that the bottlenecks faced by them are resolved in time. MSME clinics are proposed to facilitate consultation of the selected enterprises with the concerned domain/technical experts to enable guidance and support in implementing the scaling up interventions as proposed in DPR. A pool of domain/technical experts shall be empanelled in this regard. Bankers meet will also be organized to facilitate linkage with the bankers to ensure that the enterprises have access to adequate financial assistance for implementing scaling up interventions.

During the implementation phase, the enterprises will be encouraged to avail the benefits of relevant Govt. of India schemes, including the CHAMPION schemes.

i. **Sensitisation workshop:** The potential micro and small enterprises will be provided sensitisation on the project, including the objectives, expectations, methodology and the prerequisites of the project to ensure that well informed and capable enterprises take part in the further processes including the screening and selection process. The proposed workshop shall cover all interested enterprises in all the districts. Major thrust sectors like Food Processing, Pharmaceuticals, Plastic and textiles, etc shall be focused to mobilise the interested enterprises to scale initially. It is expected that each workshop will have 40 participants. A total of 10 workshops shall be organised across the state.

ii.   **Preparation of DPR:** Selected enterprises will be supported for preparing Detailed project report through empanelled/ approved experts by the State Level Committee. The DPR will be prepared basis detailed market analysis, need assessment, sectoral insights on product and technology requirement, legal and compliance analysis and financial analysis. A total of 50 DPRS are estimated to be prepared.

iii.   **Empanelment of Technical Experts:** Technical experts in identified domain/thrust sectors shall be empanelled at State level. These experts will provide consultations in their respective domains to the micro and small enterprises requiring guidance and support in scaling up. Some of the domains in which experts will be required are Legal, Technology, Marketing, Exports, Accounting and Financial management, Quality, ERP and other digital transformation etc. The major areas/domains requiring consultations shall be identified based on the DPRs prepared as well as through consultations with industry stakeholders. Applications shall be invited from experts in identified domain for empanelment. The applications received shall be scrutinised and the experts shall be interviewed at the district level. The list of eligible experts shall be forwarded to the Director of Industries for final approval. The empanelment will be valid for a period of 3 years after which re-application will be necessary. The list of empanelled experts including the details of their domain of expertise shall be provided in the project portal.

iv.   **MSME Clinics:** Capacity building of enterprises, as mentioned earlier, is one of the important factors enabling its growth. The MSME clinics are interventions designed to facilitate one to one connect (consultation) between the beneficiary enterprises and empanelled experts in identified domains, to facilitate its capacity building. The MSME clinics are interventions designed to facilitate one to one connect (consultation) between the beneficiary enterprises and empanelled experts in identified domains. MSME clinics shall be organised in districts based on the need assessment. A need assessment of the beneficiaries shall be carried out every year along with the reference to the roadmap provided in the approved DPR to assess the areas in which they will be requiring guidance and support of the domain expert related to implementation of scaling project. The domain experts will connect with the MSMEs every quarter of the year to review the progress of the implementation and provide further guidance and course corrections if required. It will be ensured that there is adequate participation from the women / SC/ST and OBC led enterprises. The number and locations where the MSME clinics shall be scheduled will be determined based on the applications that will be received.

Enhancing capabilities of firms to improve their competitiveness is key for scaling up. Facilitating linkage of the enterprises with BDSPs (technical experts) is key and has been proposed under the MSME clinics. However, to enable enterprises to implement capacity building measures like quality certification, adopting green practices, increasing their exposure in markets etc. are very essential. Hence**, t**he enterprises will be encouraged to leverage GoI schemes such as obtaining/graduating in ZED certification, adopting LEAN certification and exploring opportunity for design development under CHAMPION schemes to improve their competitiveness. Concerned agencies will be provided support in organising awareness workshops on these schemes and in mobilising the enterprises in availing the schemes.

2. Evaluate Phase

The performance of the enterprises shall be monitored periodically based on the KPIs agreed upon during the design stage. Any mid-course corrections required shall be intimated to enterprises going off course. At the end of the Scheme implementation period, a detailed impact assessment of the scheme will be carried out. This will enable us to understand the impact and effectiveness the scheme has been able to create. The success stories and best practices shall be documented digitally. These will be further be utilised to sensitise and disseminate information on best practices and success stories among other MSMEs for motivation.

4.3.7   Use of ICT/Innovative Technology Towards Project Implementation

A dedicated webpage has been created for the project. This webpage will be the platform for interested MSMEs to apply. The scheme guideline is made available on the homepage. Officers are provided login facility to monitor the applications received and based on the selection criteria will be able to screen them. Thus, the dashboard will facilitate in monitoring the progress of the scheme real time. The applications received every year will be electronically processed and approved in the same year.

Through the planned MIS integration intervention proposed under RAMP scheme, facility for applicants to track the status of their applications will also be made available. The decision of sanctioning authority shall be intimated to the party electronically and disburse the eligible assistance via. bank account of the applicant unit on the execution of the requisite agreement.

The dedicated RAMP scheme monitoring dashboard will enable in the real time monitoring of the progress of the intervention based on which necessary course corrections can be made.

4.3.8   Timeline for achievement of Project Deliverables

The project initiative envisages to support the scaling up of 50 selected micro and small enterprises to small and medium category over a period of 3 years. The sensitization workshop shall be organized in the first year followed by invitation of applications and selection of the enterprises.

The preparation of DPRs will also be carried out in the first year. Implementation of the activities proposed in the DPR shall be initiated soon after the DPRs are approved, and relevant domain experts are identified by the beneficiaries. Implementation is expected to be initiated by the end of forst year and will be carried out for a period of subsequent 3 years.

4.3.9   Estimated impact of the Project/Proposal/scheme

It is proposed that through the intervention, 50 selected small enterprises will be facilitated to scale to medium enterprises over a period of 3 years.

There are close to 32,119 micro enterprises and 814 small enterprises in the State. It is expected that at least 400 enterprises will come forward to take part in the project after sensitisation. At least 50 among them (micro and small enterprises) shall be identified for support under the scaling up project.

It is also anticipated that through this scaling up will facilitate corresponding increase in:

▶   Employment creation

▶   Linkage with Technical Institutions (Testing/R&D/Technology providers)

▶   Quality certifications (including ZED)

▶   Uptake of CHAMPION schemes

▶   Improvement in access to finance (including CGTMSE)

▶   Adoption of green technology and practices

4.3.10 Project costing and contribution of State towards it

Although the beneficiaries of the project will be part of several interventions undertaken under the RAMP programme as mentioned in Section 4 Proposed Project with respect to RAMP objectives, the following interventions will be exclusively considered under the project of scaling up:

Table 38 Interventions wise cost - (Amount in Rs. Cr.)

Sl.	Intervention	Total Cost for 3 years	State Contribution	Demand from RAMP
1	DPR preparation	5	1	4
Total		5	1	4

Table 39 Year Wise Budget (Rs. in Crore)

S.No	Activity	FY 2024-25	FY 2025-26	FY 2026-27	Total
1	DPR preparation	1.7	1.7	1.6	5

4.3.11 Plan for strengthening M&E framework pertaining to Project

A robust Monitoring and Evaluation framework will be developed for the intervention. The intervention will be closely monitored by the Directorate of Industries leveraging the integrated MIS dashboard. To ensure effective implementation of the scheme a District Committee and a State Committee will be constituted. Further, a committee shall be constituted in all offices of the Recommending Authorities who shall monitor all units which avail assistance under this scheme to verify whether they satisfy the provisions of the scheme guidelines.

To ensure that the applications are processed on time, a penalty will be levied from authorised officer of the Recommending/ Sanctioning authority, if found to have delayed processing of application or disbursing of claim on approved cases deliberately.

District Committee

► The application received through the web portal shall be verified and the unit will be inspected by the Technical Officer/ Project Manager following which the defect free application will be forwarded to the District Level Committee (DLC) within 30 days of its receipt. The DLC will consider the case and dispose the application within a period of 30 days.
► DLC will be the sanctioning authority for providing assistance for DPR preparation.

Composition of District Level Committee

Table 40 Composition of District Level Committee

Sl. No.	Committee Members
1	District Collector
2	Lead District Manager
3	Representative of Finance Department in Government
4	Representative of SIDBI
5	Representative of Industry association
6	GM DIC
7	In-charge MSME TC, Puducherry

State Level Committee (SLC)

The SLC will be the competent authority to dispose the appeals, if any, received in prescribed format against the orders of the sanctioning authority and even competent to reconsider the decision of the DLC. The SLC is also competent to issue clarifications wherever necessary in respect of the project.

Table 41 State Level Committee (SLC) Members

Sl. No.	Committee Members
1	Director of Industries and Commerce (Chairman)
2	Representative of Finance Department in Government
3	Director (MSME-DI)
4	Convenor of State Level Bankers Committee
5	Representative of Industries Association State Committee
6	In charge, MSME-TC, Puducherry
7	Additional Director of Industries and Commerce - General (Member Secretary)

Individual DIC officials will be designated to facilitate handholding as well as monitor the progress made by the selected units. Periodic review by the SPIU in coordination with the department will also be carried out.

4.4 Exposure for MSMEs

4.4.1 Major issues/challenges of Firm capabilities.

To foster growth and competitiveness among MSMEs in Puducherry, the government is organizing exposure visits to out-of-state expos for both MSMEs and government officials. These visits aim to provide participants with firsthand exposure to new markets, extended opportunities, and best practices showcased at expos outside the state. By attending these events, MSMEs can gain insights into emerging trends and technologies, network with industry leaders and investors, and enhance their capabilities to compete effectively in the global market. Similarly, government officials will benefit from exposure to policies and initiatives in other states, enabling them to refine

their own support mechanisms for MSMEs and contribute to the overall development of the state's economy.

The major issues and challenges related to firm capabilities in Puducherry that necessitate the intervention of organizing exposure visits to out-of-state expos for 100 MSMEs and 20 government officials are:

► MSMEs in Puducherry may not have adequate exposure to new markets, which can hinder their growth and competitiveness.
► Puducherry's MSMEs are not aware of the latest best practices and innovations in their respective industries.
► MSMEs and government officials in Puducherry do not have sufficient opportunities to network with industry leaders, investors, and mentors from other states.
► MSMEs in Puducherry face challenges in accessing investors and mentors who can provide critical guidance and support.
► Puducherry's MSMEs are not fully aware of emerging trends and technologies in their industries.
► Infrastructure and logistics in Puducherry are not fully equipped to support the growth of MSMEs.

4.4.2   Key Findings

The key findings that support the need for organizing exposure visits to out-of-state expos for 100 MSMEs and 20 government officials in Puducherry are as follows:

Figure 104 MSMEs Exposure to Expos

A significant 55% of enterprises report a lack of awareness regarding trade fairs, exhibitions, vendor development programs, and buyer-seller meets, indicating a gap in information dissemination. Additionally, 21% have expressed concerns over the insufficient frequency of such events, suggesting a need for increased opportunities for industry participation. Financial constraints are a challenge for 12% of respondents, who cite the cost burden associated with attending these events. The issue of elevated entry fees is raised by 7% of MSMEs, pointing to a potential barrier to entry. Travel expenses also pose a hindrance for 4% of businesses, emphasizing the need for more accessible event locations or travel support. A further 2.7% of enterprises perceive a deficiency in supportive schemes that could facilitate their participation, while 1.6% have

not observed substantial benefits from their involvement in these programs, calling for an evaluation of the return on investment for participants.

Figure 105 Barriers to Engaging in Trade and Vendor Events

Barriers to Engagement in Trade and Vendor Events

Barrier	% of MSMEs
No major benefits received	1.69%
Not aware of any supporting schemes	2.73%
Financial burden	11.95%
High travel cost	2.99%
Less number of such events being organised	21.43%
High participation Fee	7.27%
Not aware of such events	55.71%

■ % of MSMEs
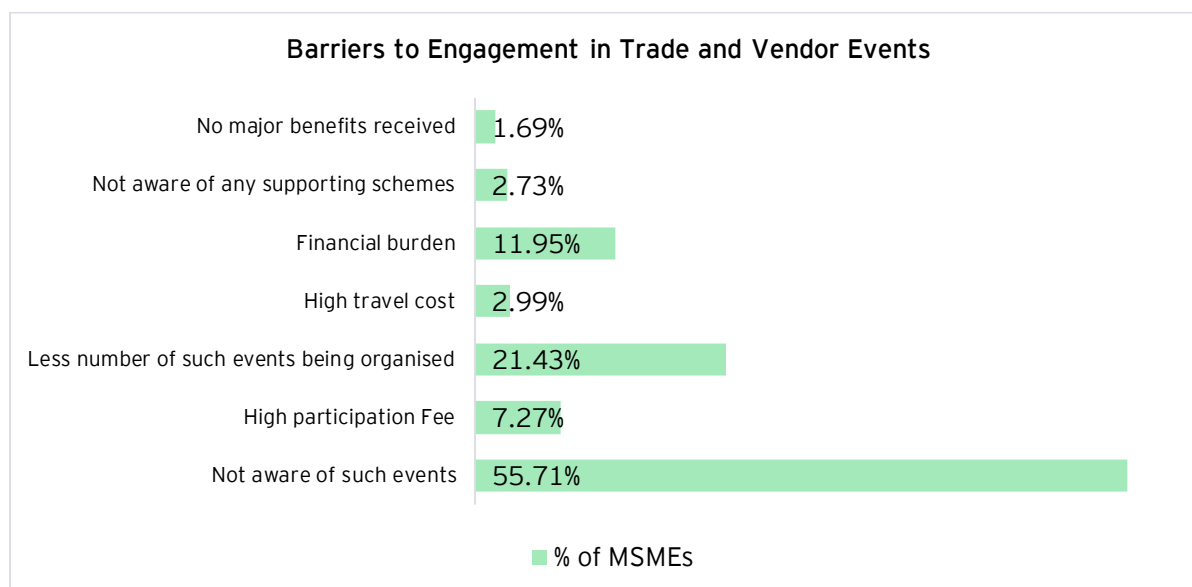
A majority of enterprises, accounting for 52.5%, have emphasized the critical importance of information on sector-specific emerging technologies, particularly in relation to cost, resources, training, and adoption. Government initiatives have been deemed significant by 16% of these enterprises, while 15.1% have highlighted the importance of staying abreast with the dynamic tax regulatory framework and compliance requirements. Additionally, 11% have valued information pertaining to industry-specific exhibitions and symposiums. The utility of proposal writing guides has been recognized by 6% of enterprises, and a smaller segment of 2.7% has acknowledged the importance of services related to trademarks and intellectual property rights (IPR).

Figure 106 Prioritization of Strategic Areas

PRIORITIZATION OF STRATEGIC AREAS BY MSMES

■ % of MSMEs

Strategic Area	% of MSMEs
THE EVER-CHANGING REGULATORY AND TAXATION REQUIREMENTS	15%
TRADEMARK/IPR RELATED	3%
GOVERNMENT SCHEMES (CENTRAL AND STATE) RELEVANT TO YOU	16%
PROPOSAL WRITING GUIDES	6%
EMERGING TECHNOLOGIES IN YOUR SECTOR AND COMPLETE INFORMATION RELATED TO…	53%
INFORMATION ABOUT EXHIBITIONS AND SYMPOSIUMS BEING HELD RELATED TO…	11%

► **Local Expos:** The majority of attendees (764) are from local expos, with only a very small number (6) not attending. This indicates a high level of participation and interest in local events.

► **National Expos:** There is a significant disparity between attendees and non-attendees at national expos. While 174 attendees were recorded, a substantial number (597) did not attend. This suggests that national expos may not have been as appealing or accessible to attendees as local ones.

► **International Expos:** In contrast to the other categories, the attendance at international expos is relatively low, with only 9 attendees. The majority (761) did not attend these events. This could be due to various factors such as travel constraints, lack of awareness, or limited interest in international events.

Overall, the analysis reveals a strong participation in local expos, a mixed response to national expos, and minimal engagement with international expos. This information can be used to tailor future expo strategies, focusing on enhancing participation in national and international events while continuing to capitalize on the popularity of local expos.

4.4.3   Problem Statement

Majority of MSMEs only sell their products locally and are not connected to digital marketplaces. They lack the support for product identification and promotion for exports and/or other markets. MSMEs have to bear high cost of transportation and freight to transfer the goods to other States and hence their products become less competitive in spite of having quality. Many MSMEs are unable to attend trade fairs/meets organised outside the State and view them as added costs, instead of business opportunities.

4.4.4   Proposed Project with Respect to RAMP

The proposed project aims to organize exposure visits to out-of-state expos for 100 Micro, Small, and Medium Enterprises (MSMEs) and 20 government officials in the state of Puducherry. The primary objective is to provide participants with firsthand exposure to new markets, extended opportunities, and best practices showcased at expos outside the state. This intervention is expected to enhance the competitiveness and growth of MSMEs in Puducherry by facilitating their participation in national expos.

4.4.5   Proposed Project Design Concept and Feasibility & Viability of Proposal

► **To provide MSMEs with exposure to new markets and extended opportunities**: By participating in out-of-state expos, MSMEs will gain knowledge about new markets, trends, and technologies, enabling them to expand their customer base and increase their revenue.

► **To enhance the competitiveness of MSMEs:** Exposure to best practices and innovative technologies will help MSMEs improve their products and services, making them more competitive in the national and international markets.

► **To facilitate networking and collaboration:** The exposure visits will provide opportunities for MSMEs to network with other entrepreneurs, suppliers, and buyers, fostering collaborations and partnerships that can lead to new business opportunities.

► **To enhance the capacity of government officials:** The exposure visits will equip government officials with knowledge about best practices in MSME development, enabling them to design and implement effective policies and programs to support the growth of MSMEs in Puducherry.

4.4.6   Approach and Methodology for Implementation

Following is a detailed approach and methodology for the intervention aimed at enhancing the awareness of new technologies and facilitating exposure visits and machinery fair participation for Puducherry's MSMEs and Government officials:

Approach & Methodology

► **Exposure Visits:**

- ▶ National Destinations:
  - Identify technology hubs and clusters in India that align with the needs and interests of Puducherry's MSMEs.
  - Develop partnerships with these destinations to facilitate visits.

- ▶ Financial Support:
  - Establish a transparent application process for MSMEs to request support for exposure visits.
  - Allocate funds as follows:
  - Domestic visits: Up to INR 1,00,000 or 50% of total expenditures (whichever is lower).

► **Machinery Fair Participation:**

- ▶ Fair Selection:
  - Create a curated list of machinery fairs globally that align with the industries represented by Puducherry's MSMEs.
  - Evaluate the relevance and potential benefits of each fair.

- ▶ Registration and Logistics:
  - Assist MSMEs in the registration process for selected machinery fairs.
  - Support in securing booth space and organizing logistics.

- ▶ Financial Support:
  - Allocate funds for machinery fair participation as follows:
  - Domestic machinery fairs: Up to INR 1,00,000 or 30% of total expenditures (whichever is lower).

► **Monitoring and Evaluation:**

- ▶ Establish Key Performance Indicators (KPIs) to measure the impact of the intervention.
- ▶ Regularly collect data and feedback from participating MSMEs.
- ▶ Conduct post-visit assessments to gauge the effectiveness of exposure visits and machinery fair participation.
- ▶ Use this data to refine and improve the intervention over time.

Methodology:

► **Exposure Visits and Machinery Fair Participation:**

- ▶ Develop an online portal for MSMEs to submit applications for financial support.
- ▶ Assemble a selection committee to review applications and select participants based on predefined criteria.
- ▶ Establish partnerships with travel agencies and event organizers to streamline logistics.

By following this comprehensive approach and methodology, the intervention can effectively bridge the technology awareness gap for Puducherry's MSMEs and empower them to participate in machinery fairs, fostering their growth and competitiveness in the global market.

4.4.7   Use of ICT/Innovative Technology Towards Project Implementation

A dedicated online portal will be developed and integrated into the Puducherry Industry Department's website to facilitate the submission of applications for financial support by MSMEs. This online portal will offer a range of features and functionalities to streamline the application process and enhance user experience.

Here's a glimpse of what the portal will offer:

1. **User Registration and Login:** MSMEs will be able to create secure accounts and log in to access the portal's services.

2. **Dashboard:** Upon logging in, users will be greeted by a personalized dashboard where they can track the progress of their applications and access relevant resources.

3. **Application Submission:** MSMEs will have the ability to initiate the application process for financial support, providing essential details such as the type of support required (Exposure Visit - Domestic/International or Machinery Fair Participation), purpose, expected outcomes, and proposed budget.

4. **Upload Documents:** The portal will allow users to upload supporting documents, including business plans, project proposals, and event details, ensuring a transparent and well-documented application process.

5. **Financial Support Calculator:** To provide transparency, a financial support calculator will be integrated to help MSMEs estimate their eligible funding amount based on predefined criteria.

6. **Review and Submission:** MSMEs will be able to review their application details and attached documents before final submission, receiving a confirmation with a unique application reference number upon completion.

7. **Application Tracking:** Users will have the ability to monitor the progress of their applications through the portal, with status updates indicating whether the application is pending, approved, or rejected.

8. **Communication Hub:** The portal will feature a built-in messaging system, facilitating communication between MSMEs and the relevant department or officials. Automated email notifications will keep users informed about changes in their application status.

9. **Resources and Guidance:** A dedicated section will provide informative resources, including guidelines for preparation, access to training materials, industry reports, and technology adoption guides.

10. **FAQs and Support:** A comprehensive FAQ section will address common queries, and contact information for dedicated support, including phone numbers and email addresses, will be readily available.

11. **Reporting and Analytics:** Reports and analytics on application trends, approval rates, and areas for improvement will be generated, supporting data-driven decision-making for program enhancements.

12. **Accessibility:** The portal will be designed for accessibility, adhering to web accessibility standards to accommodate users with disabilities.

13. **Mobile Responsiveness:** Optimization for mobile devices will enable MSMEs to apply and track applications conveniently while on the move.

14. **Integration with Existing Systems:** Integration with existing systems within the Puducherry Industry Department will ensure efficient data management and reporting.

15. **Training and User Guides:** User guides and training sessions will be available to help MSMEs become familiar with the portal's features and functionalities.

The online portal will significantly simplify and enhance the application process for financial support, empowering MSMEs to engage more effectively in exposure visits and machinery fairs.

4.4.8 Timeline for achievement of Project Deliverables

The timeline for achievement of this project is 3 years.

4.4.9 Estimated impact of the Project/Proposal/Scheme

The expected impact of the intervention, which involves the development of an online portal to facilitate MSMEs' applications for financial support within the Puducherry Industry Department's website, is multifaceted and holds the potential to catalyze positive change within the MSME sector and the broader regional economy. Here's a detailed excerpt outlining the anticipated impact:

► **Increased Technology Adoption:**

- ▸ With streamlined access to financial support for exposure visits and machinery fair participation, MSMEs are expected to embrace new and advanced technologies more readily. This will empower them to modernize their operations, improve product quality, and enhance competitiveness.

► **Enhanced National Exposure:**

- ▸ The online portal's support for international exposure visits and machinery fair participation will enable MSMEs to gain first-hand experience of national markets and technologies. This exposure is anticipated to foster national collaborations, trade partnerships, and access to new customer bases.

► The proposed intervention is going to benefit 100 MSMEs and around 20 Government officials in the span of 3 years.

4.4.10 Project Costing and contribution of State towards it

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

Table 42: Total Costing for the interventions related to exposure visits related projects (Amount in Rs. Cr.)

Sl.	Intervention	Total Cost for 3 years	State Contribution	Demand from RAMP
1	Exposure visits to out-of-state expos for government officials and MSMEs	1.20	0.24	0.96
Total		1.20	0.24	0.96

Table 43 Intervention costing over the 3 years (Amount in Rs. Cr.)- exposure visits related projects

S. No	Description	FY 2024-25	FY 2025-26	FY 2026-27	Total
I	Exposure visits to out-of-state expos for government officials and MSMEs	0.4	0.4	0.4	**1.2**

4.4.11 Plan for Strengthening M&E framework pertaining to Project

- ► Number of MSMEs and government officials participating in exposure visits
- ► Number of new markets and opportunities explored by MSMEs
- ► Number of collaborations and partnerships formed by MSMEs
- ► Number of government officials trained and capacitated
- ► Number of MSMEs reporting increased competitiveness and revenue

B.   Enabling Access to Finance

4.5   Onboarding subsidy for TReDS

4.5.1   Major issues/challenges of Firm capabilities.

MSMEs in Puducherry are facing several challenges, making it difficult for them to access credit and effectively utilize the TReDS (Trade Receivables Discounting System) platform. Here are the key challenges:

- ► **Incomplete Documentation:** Many MSMEs do not have all the paperwork required. This makes it difficult for them to apply for loans.
- ► **Volatile Cash Flow:** The coming and going of their money is not stable. Due to this, lenders remain worried about giving them loans.
- ► **Not following the rules:** Some MSMEs do not meet all the legal and financial regulations. This can prevent them from getting a loan.
- ► **Poor Credit History:** If a business has a history of not paying back loans, it is difficult for them to get a new loan.
- ► **Unsustainable Business Model:** Some businesses do not have a strong and stable way of making money. This makes lending money to them risky.
- ► **No clear business plan:** Without a good plan, it is hard for businesses to show how they will use the loan for growth.
- ► **Limited Market Understanding:** Some MSMEs don't know enough about their customers or the market. This can make it difficult to succeed and pay off debt.
- ► **Misuse of loan funds:** If a business does not use the loan properly, it cannot grow or pay back the loan.
- ► **Overusing TReDS:** Very few businesses and government companies in Puducherry use TReDS. This tool can help them get credit on their sales, but it is not being used enough.
- ► **Lack of credit rating knowledge:** More than half of small businesses registered as enterprises were not aware of credit ratings, which are important for obtaining loans.
- ► **Relying on family and friends for money:** Many businesses prefer to borrow money from people they know rather than from banks or other lenders.
- ► **Cost of joining TReDS:** There is a fee to start using TReDS, and many small businesses see this as an additional cost they do not want to pay.

To help small businesses in Puducherry, it is important to address these challenges. This could include giving them more information about how to get loans, making it easier to use TReDS, and providing support to make good business plans and manage money better.

4.5.2   Key Findings

In Puducherry, MSMEs are dealing with significant challenges in acquiring loans, which can be largely attributed to a slew of complications. The dilemmas faced include incomplete documentation, unstable cash flow, non-compliance with requisite regulatory guidelines, poor credit history, volatile business models, a lack of detailed business plans, inadequate understanding of market potential, and misuse of loan funds.

One particularly notable point is the limited usage of the TReDS platform. There is minimal participation from State PSUs and MSMEs, demonstrating a generally low awareness and engagement with this platform.

According to the FDGs discussions / survey conducted, many businesses are also unaware of their credit rating. Approximately 52% of surveyed Udyam registered enterprises confessed to not having knowledge about it. This lack of awareness could be a possible impediment to their loan acquisition, considering that credit rating is a vital aspect evaluated by financial institutions while approving loans.

Moreover, a significant number of MSMEs first turn to family, friends, or peers for financing their business operations. As reported by around 45% of Udyam registered enterprises, it appears these channels are preferred due to accessibility and possible avoidance of formal loan procurement hassles.

Lastly, an additional challenge faced by MSMEs is the onboarding cost required to avail of the TReDS platform's facilities. Perceived by MSMEs as an extra expense, this could further discourage their participation, thereby creating a barrier to efficient trade receivables financing.

The analysis of credit cycles reveals that 40% of MSMEs are afforded a credit duration of 60 days. Closely following, 39% have indicated a credit term of 30 days. A smaller fraction, constituting 11%, have access to a 15-day credit cycle, while 8.8% benefit from extended credit terms of up to 90 days.
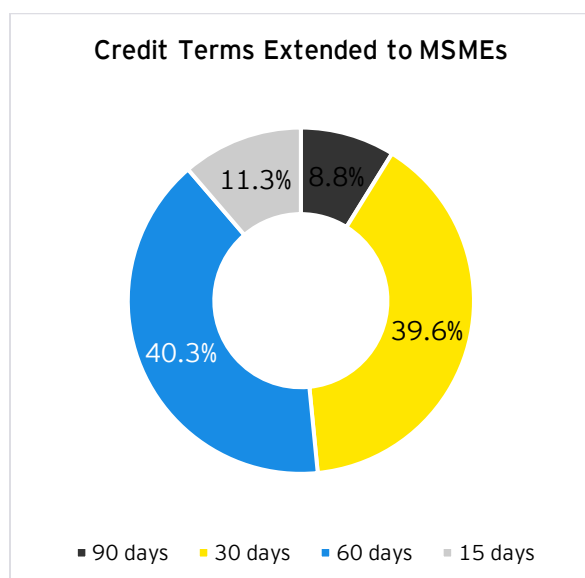
Figure 107 Credit Terms Extended to MSMEs

An overwhelming 87% of entities have reported a lack of knowledge regarding institutional mechanisms such as the SAMADHAN portal, which facilitates online resolution in cases of delayed or non-payment. A further 7% are not acquainted with the Micro and Small Enterprise Facilitation Council (MSEFC) as a recourse for such challenges. Additionally, 4.7% have expressed apprehension about the possibility of forfeiting future business with a buyer upon initiating a formal complaint for payment delays. Another 4.5% have identified the absence of necessary documentation as a barrier to pursuing legal action for delayed payments.
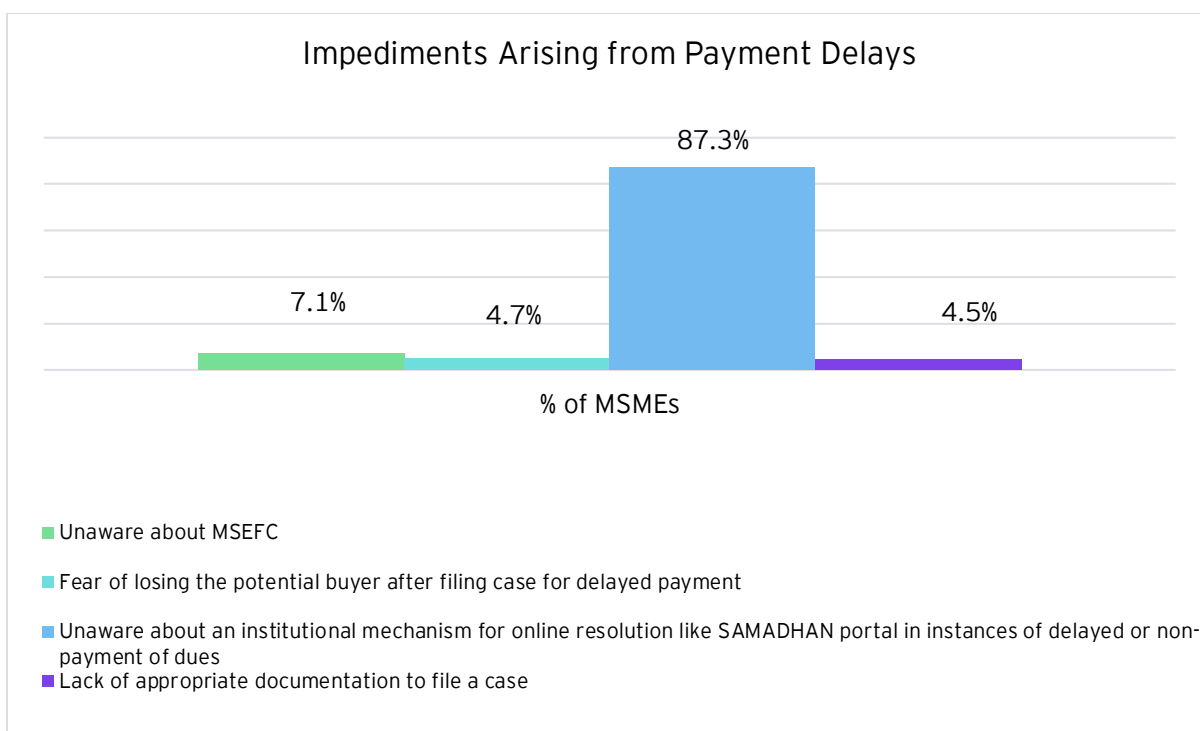
Figure 108 Impediments from Payment Delays

4.5.3   Problem Statement:

Micro, Small, and Medium Enterprises (MSMEs) in Puducherry are grappling with significant challenges in acquiring credit. Incomplete documentation, irregular cash flows, non-compliance with regulatory guidelines, unstable business models, the lack of clear business plans, limited understanding of market potential, and misuse of loan funds are among the main issues complicating the process of securing loans. Even more, they often struggle with the necessary onboarding charges required to avail the facilities of the Trade Receivables Discounting System (TReDS) platform. These onboarding charges, seen as an added cost, pose a significant deterrent for MSMEs that usually operate within tight budget constraints. This hinders them from viewing these extra expenses as a beneficial investment towards improving their business's growth and financial management. This forms a major part of the problem for MSMEs in Puducherry, particularly related to the utilization of the TReDS platform.

4.5.4   Proposed Project with Respect to RAMP

To mitigate the financial complications faced by Micro, Small, and Medium Enterprises (MSMEs) in Puducherry regarding the use of the Trade Receivables Discounting System (TReDS) platform, a project can be proposed under the Raising & Accelerating MSMEs Performance (RAMP) Scheme. This proposed project would involve providing an onboarding subsidy to MSMEs for TReDS, to lessen the initial financial burden and encourage more extensive use of the platform. The subsidy would offset the onboarding charges that MSMEs currently view as added costs; therefore, making the platform more accessible and affordable. This reduction in initial expenses would allow MSMEs to fully exploit the benefits of the TReDS platform, ensuring a smoother cash flow and better financial management for their businesses thereby promoting sustainability and growth in the long run.

4.5.5 Proposed project design concept and feasibility & viability of proposal

The proposed project design concept for granting an onboarding subsidy to MSMEs for TReDS revolves around the idea of reducing the upfront costs associated with the platform, thereby making it more accessible and user-friendly to small and medium enterprises. This subsidy concept is intended to encourage higher participation rates among MSMEs, helping them leverage this platform without being burdened by the prerequisite charges. This in turn aims to streamline their financial management process, enhance cash flow, and boost overall business sustainability.

In terms of feasibility, the project seems viable as it centers around an existing and established platform, TReDS. The key requirement would be securing adequate funding sources for the subsidy program, which could potentially be met through the RAMP scheme or other governmental financial aid.

The viability of the proposal is considerable, given that it addresses one of the major deterrents for MSMEs to use TReDS - the onboarding charges. By alleviating this financial burden, the project is likely to gain traction and acceptability among the MSME community, resulting in increased use of TReDS and improved credit accessibility.

4.5.6 Approach and Methodology for Implementation

Micro, Small, and Medium Enterprises (MSMEs) in Puducherry have been facing significant challenges in accessing credit. The issue has been particularly severe in their interaction with the Trade Receivables Discounting System (TReDS) platform, where the required onboarding charges levied at the beginning have been acting as a deterrent, preventing many from availing its benefits. To address this, a strategic action plan has been proposed to offer an onboarding subsidy to MSMEs, which could aid them in overcoming the financial barriers and make the most of the services provided by TReDS. The following are the steps envisioned for the effective implementation of this subsidy scheme.

Step1- Concept Approval:

► Secure the necessary approvals from the local government and other regulatory bodies for introducing the onboarding subsidy for the TReDS platform for MSMEs in Puducherry.

Step2 -Budget Allocation:

► Determine and allocate the total budget that would be required for providing onboarding subsidy to MSMEs. This budget should be backed by the local government, or through the RAMP scheme from the central Government of India.

Step3 - Stakeholder Engagements:

► Engage with financial institutions and TReDS platform and explain the intent and operations of the subsidy scheme.

Step4 - Eligibility Criteria:

► Define clear eligibility criteria for applications to ensure that only those MSMEs that would most benefit from the subsidy have access to it.

Step5 - Application Procedure:

► Establish the application procedure for availing the subsidy. This could be through an online portal for ease and transparency.

Step6 - Assessment & Verification:

► Set up a team to verify the accuracy of the information provided by the enterprises in the applications and assess their eligibility based on the criteria defined.

Step7 - Subsidy Disbursement:

► Once verification and assessment are done and the application is approved, disburse the subsidy to the eligible MSMEs.

Step8 - Follow-up and Support:

► Once the subsidy is disbursed, provide technical support and guidelines for MSMEs to get started on the TReDS platform.

Step9 - Monitor & Assessment:

► Continually monitor the usage of TReDS by the MSMEs who have availed the subsidy and assess the impact of the program to make any necessary adjustments.

Following this approach, MSMEs in Puducherry would be able to secure financial aid to cover the onboarding charges of TReDS, thereby promoting its use and contributing to their growth.

4.5.7 Use of ICT/Innovative Technology Towards Project Implementation

Incorporating the use of Information and Communication Technology (ICT) and innovative technologies can expedite and streamline the implementation of the onboarding subsidy project for MSMEs for TReDS in Puducherry. Here's how these tools can be employed:

► **Digital Awareness Campaigns:** Utilise social media platforms, government websites, and messaging apps such as WhatsApp to improve outreach and awareness among MSMEs regarding the onboarding subsidy. Targeted and consistent digital campaigns can be created to increase understanding of the TReDS platform and the advantages of the subsidy scheme.

► **Online Customer Support:** Use chatbots and AI-backed customer support to address queries and aid promptly. They can also provide guidance during the application process for subsidies, making it even more user-friendly.

► **Web-Based Application Platform:** Design and launch an online portal for MSMEs to apply for the onboarding subsidy. This technology would not only facilitate easy and quick application but would also allow authorities to monitor and manage applications efficiently.

► **Automated Tracking and Notifications:** Implement an automated system to track application statuses and send emails or SMS notifications to applicants about their progress. This keeps the MSMEs informed about their application status and increases transparency in the system.

► **Data Analytics for Performance Monitoring:** Leverage data analytics tools to monitor and assess the performance of the onboarding subsidy program. This can help identify trends, measure effectiveness, understand utilization rates, and gain insights that can help improve the project.

By embedding ICT and innovative technologies, the project can reach more MSMEs, deliver swift responses, monitor performances, and ultimately ensure a successful implementation of the onboarding subsidy program for the TReDS platform in Puducherry.

4.5.8 Timeline for achievement of Project Deliverables

The estimated timeline for achievement of Project Deliverables is 3 years.

4.5.9 Estimated impact of the Project/Proposal/scheme

The proposed project for onboarding subsidy to MSMEs for TReDS in Puducherry, where a reimbursement of Rs. 5000 onboarding cost per MSME is envisaged, could have a substantial impact.

- ► **Removal of Financial Barriers:** By providing a reimbursement of the Rs.5000 onboarding cost, the project would effectively remove a significant financial barrier that currently deters many MSMEs from using the TReDS platform.

- ► **Boost in TReDS Adoption:** The reimbursement of the onboarding fees is expected to boost the use of TReDS among the MSMEs in Puducherry. More MSMEs would be motivated to avail the benefits of TReDS, optimizing their cash flow management and improving their overall financial health.

- ► **Enhanced Credit Accessibility:** The increased use of the TReDS platform would lead to better access to formal and organized credit channels, thereby helping MSMEs to financially strengthen their business operations.

With approximately 900 MSMEs, or 300 MSMEs per annum, being able to avail this benefit, this project has the potential to considerably stimulate the growth of the MSME sector in Puducherry and bring about positive changes in their financial management practices.

4.5.10 Project costing and contribution of State towards it

Table 44 Total costing for Intervention related to TReDS related project (Amount in Rs. Cr.)

Sl.No.	Intervention	Total Cost for 3 years	State Contribution	Demand from RAMP
1	Onboarding subsidy to MSMEs for TReDS	0.45	0.09	0.36
Total		**0.45**	**0.09**	**0.36**

Table 45 Intervention costing (year wise) related to TReDS related project (Amount in Rs. Cr.)

Sl.No.	Intervention	FY-2024-25	FY-2025-26	FY-2026-27	Total
1	Onboarding subsidy to MSMEs for TReDS	0.15	0.15	0.15	**0.45**

4.5.11 Plan for strengthening M&E framework pertaining to Project

To enhance the M&E framework related to the project of providing an onboarding subsidy for MSMEs on the TReDS platform, here's a detailed plan:

- ► **Step 1: Develop an M&E Blueprint:** Establish a comprehensive M&E plan outlining what needs to be monitored and evaluated, the methods to be employed, who will be responsible, and the timeframe for these M&E activities.
- ► **Step 2: Identify Key Indicators:** Determine clear and specific indicators that accurately capture the impact and effectiveness of the onboarding subsidy. These might include the increase in the number of MSMEs onboarded to the TReDS platform, the rise in their transaction volumes, and reduction in payment delays.
- ► **Step 3: Streamline Data Collection:** Implement an effective data collection process to measure these indicators. This could include regular surveys among the beneficiaries and periodic data retrieval from the TReDS platform about the MSMEs' performance.
- ► **Step 4: Leverage Technology for M&E:** Use ICT tools for tracking the disbursement of subsidies, analysing trends, and evaluating the scheme's effectiveness over time.

- **Step 5: Regular Analysis and Reporting:** Regularly compile and analyse the collected data and prepare detailed reports summarizing the findings. Sharing these reports with all stakeholders will ensure transparency in the process.
- **Step 6: Ongoing Review and Improvement:** The project should be reviewed periodically based on the M&E findings, and necessary changes should be incorporated to improve its effectiveness.
- **Step 7: Capacity Building:** Invest in training relevant personnel in M&E methods, analysis techniques, and use of digital tools for M&E to ensure that the framework remains up-to-date and effective.

By integrating these steps into the project's M&E framework, it will be possible to regularly assess the effectiveness of the onboarding subsidy, making adjustments as necessary to ensure the project achieves its intended outcomes for MSMEs in Puducherry.

C.   Institutional Strengthening & Capacity Building

4.6   Strengthening of Industry Guidance Bureau

4.6.1 Major issues/challenges of Firm capabilities.

In recognition of the pivotal role played by the Industry Guidance Bureau (IGB) in fostering industrial growth and facilitating the development of the business ecosystem, there arises a critical imperative to fortify its capacities and enhance its effectiveness. The IGB serves as vital between government agencies, industry stakeholders, and aspiring entrepreneurs, providing invaluable guidance, support, and resources to navigate the complexities of starting and scaling businesses. By bolstering the capabilities of the IGB, we aim to amplify its impact in catalysing economic development, fostering innovation, and nurturing a conducive environment for industrial expansion. This endeavour underscores a commitment to empowering local industries, attracting investments, and fostering sustainable growth, thereby positioning the region as a dynamic hub for entrepreneurial endeavours and industrial excellence.

The industrial sector in Puducherry faces several challenges that hinder its growth and competitiveness which are listed as follows: -

- MSMEs face financial burdens due to the high costs of application and documentation.
- MSMEs have limited resources to cover these expenses.
- The reimbursement process is inefficient and time-consuming.
- The reimbursement process lacks transparency, leading to confusion and frustration among MSMEs.
- There is a lack of comprehensive data on the MSME landscape in Puducherry.
- Emerging trends and challenges in the MSME sector are not well understood.
- There is limited interaction between MSMEs and the government.
- Critical information on the MSME landscape is not readily available.
- The data collection process is inefficient and time-consuming.
- The data collection process lacks transparency, leading to confusion and frustration among MSMEs.

4.6.2 Key Findings

Table 46 Udyam Registered MSMEs in UTs

State	No. of MSMEs present	No. of Udyam Registered	% Registered
Delhi	9.36	5.5	58.76

Jammu & Kashmir and Ladakh	7.09	3.79	53.46
Chandigarh	0.56	0.35	62.50
Puducherry	0.96	0.33	34.38
The Dadra and Nagar Haveli and Daman and Diu	0.24	0.16	66.67
Andaman and Nicobar Islands	0.19	0.11	57.89
Lakshadweep	0.02	0.01	50.00

From the above chart it is quite visible that the number of MSMEs registered on Udyam platform are only 34.38% of the total number of MSMEs present in the state. Such problems link to inaccurate data which can hamper the opportunity to understand and take actions for the development of the state.

The industrial policy of Puducherry has not been updated since 2016. The key findings related to this issue are:

► **Lack of Relevance:** The existing policy is not relevant to the current industrial scenario and does not address the emerging challenges and opportunities in the sector.

► **Need for Modernization:** The policy needs to be modernized to incorporate new technologies, industries, and sectors that have emerged since 2016, such as the growth of the IT and ITES sectors.

► **Inadequate Support:** The policy does not provide adequate support to the MSMEs, which are the backbone of the industrial sector in Puducherry. This lack of support hinders their growth and competitiveness.

► **No Clear Vision:** The policy lacks a clear vision for the future of the industrial sector in Puducherry, which is essential for attracting investments and promoting sustainable growth.

► **No Alignment with National Policies:** The policy does not align with the national policies and initiatives, such as the "Make in India" and "Startup India" initiatives, which are critical for the growth of the industrial sector in Puducherry.

► **No Focus on Skill Development:** The policy does not emphasize the importance of skill development and training for the workforce, which is essential for the growth and competitiveness of the industrial sector.

► **No Clear Targets:** The policy does not set clear targets for the industrial sector in Puducherry, which makes it difficult to measure progress and achieve the desired outcomes.

► **No Mechanism for Monitoring and Evaluation:** The policy does not have a mechanism for monitoring and evaluating the performance of the industrial sector in Puducherry, which is essential for identifying areas of improvement and making informed decisions.

► **No Support for Innovation:** The policy does not provide adequate support for innovation and R&D in the industrial sector in Puducherry, which is critical for the growth and competitiveness of the sector.

► **No Focus on Environmental Sustainability:** The policy does not emphasize the importance of environmental sustainability and does not provide adequate support for industries that prioritize environmental sustainability.

The consequences of not updating the industrial policy of Puducherry include:

- ► **Stagnant Growth:** The industrial sector in Puducherry will continue to stagnate without a modern and relevant policy framework.

- ► **Loss of Competitiveness:** The state will lose its competitiveness in attracting investments and promoting sustainable growth without a modern policy framework.

- ► **Unemployment:** The lack of a modern policy framework will lead to unemployment and underemployment in the industrial sector in Puducherry.

- ► **Inadequate Infrastructure:** The policy does not provide adequate support for the development of infrastructure, which is essential for the growth and competitiveness of the industrial sector.

- ► **Inadequate Support for MSMEs:** The policy does not provide adequate support to the MSMEs, which are the backbone of the industrial sector in Puducherry.

- ► **No Clear Vision for the Future:** The policy does not provide a clear vision for the future of the industrial sector in Puducherry, which is essential for attracting investments and promoting sustainable growth.

- ► **No Alignment with National Policies:** The policy does not align with the national policies and initiatives, which are critical for the growth of the industrial sector in Puducherry.

- ► **No Mechanism for Monitoring and Evaluation:** The policy does not have a mechanism for monitoring and evaluating the performance of the industrial sector in Puducherry, which is essential for identifying areas of improvement and making informed decisions.

- ► **No Support for Innovation**: The policy does not provide adequate support for innovation and R&D in the industrial sector in Puducherry, which is critical for the growth and competitiveness of the sector.

- ► **No Focus on Environmental Sustainability:** The policy does not emphasize the importance of environmental sustainability and does not provide adequate support for industries that prioritize environmental sustainability.

Certification Acquisition Difficulties:

A considerable 32% of enterprises encounter protracted timelines in the certification process. For 25.8%, the financial burden represents a significant obstacle to securing certifications. Meeting the stringent criteria poses a challenge for 21.8% of MSMEs. A lack of awareness about the existence of certifications affects approximately 14%, while 9.7% face challenges in engaging with the appropriate certifying bodies.

Figure 109 Certification Acquisition Difficulties
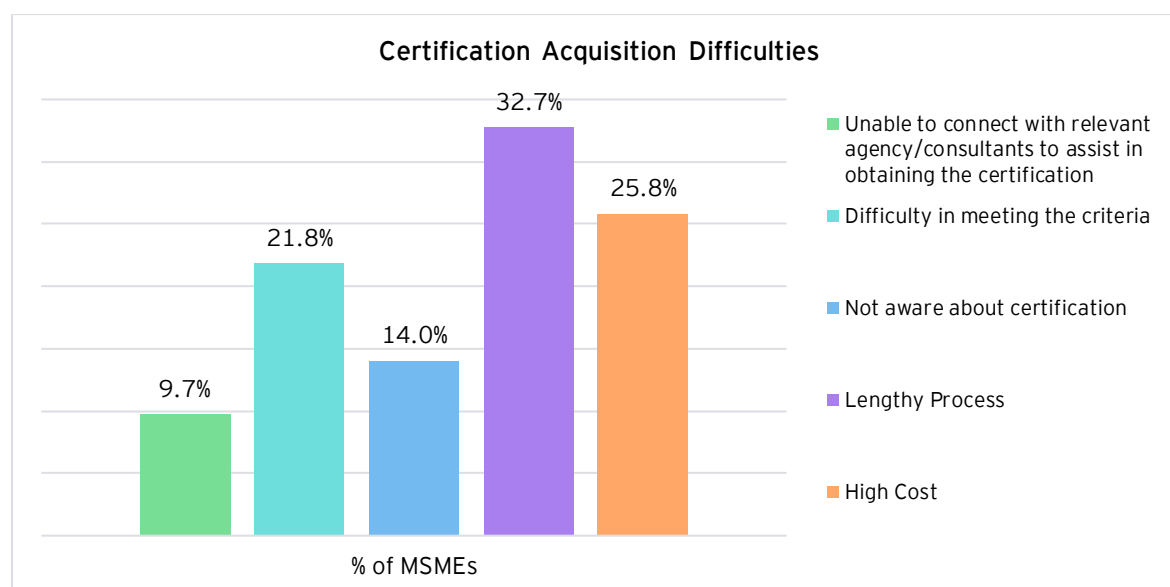
4.6.3 Problem Statement:

Many MSMEs in Puducherry face financial burdens associated with obtaining licenses, permits, certifications, and other documentation required for business operations. The costs involved in these processes often strain the financial resources of MSMEs, hindering their growth, compliance, and overall operational efficiency.

The formalization gap in the MSME sector in Puducherry is hindering the growth and competitiveness of the sector, resulting in a lack of comprehensive data on the MSME landscape, limited interaction between MSMEs and the government, and inadequate information on emerging trends, challenges, and opportunities. This gap is further exacerbated by inefficient processes and a lack of transparency in the data collection and reimbursement of application and documentation costs.

4.6.4 Proposed Project with Respect to RAMP

Project 1: Reimbursement of documentation costs for 1000 MSMEs: The proposed intervention aims to provide financial support to 1000 eligible MSMEs in Puducherry to alleviate the burden of application and documentation costs. Under this scheme, MSMEs will receive reimbursement for expenses related to licenses, permits, certifications, and other documentation up to a ceiling of ₹20,000 over a period of 3 years.

Project 2: Comprehensive updating exercise about MSME landscape: The proposed intervention of the RAMP project is to bridge the formalization gap in the MSME sector in Puducherry by conducting a comprehensive updating exercise through an intensive interaction with MSMEs and gathering critical information on the immediate MSME landscape, including emerging trends, challenges, and opportunities. This will enable the creation of a new industrial policy for Puducherry that addresses the needs of MSMEs and promotes their growth and competitiveness.

4.6.5   Proposed Project Design Concept, Feasibility and Viability of Proposal

Project 1: Reimbursement of 1000 MSMEs:

- ► **Financial Impact:** By providing financial support to cover application and documentation costs, the intervention will help reduce the financial burden on MSMEs, enabling them to allocate resources towards business growth and development.
- ► **Potential Beneficiaries:** The intervention targets 1000 MSMEs in Puducherry, which is a significant number and can have a meaningful impact on the local MSME ecosystem.
- ► **Sustainability:** The reimbursement scheme is designed to be implemented over a period of 3 years, ensuring that the benefits are sustained and have a lasting impact on the participating MSMEs.

Project 2: Comprehensive updating exercise about MSME landscape:

- ► **Comprehensive Updating Exercise:** Conduct a comprehensive updating exercise through an intensive interaction with MSMEs to gather critical information on the immediate MSME landscape, including emerging trends, challenges, and opportunities.
- ► **Data Collection:** Collect data on MSMEs, including their profile, products, services, and market trends.
- ► **Analysis and Report:** Analyze the data and prepare a comprehensive report on the MSME landscape in Puducherry.
- ► **Industrial Policy Development:** Use the report to develop a new industrial policy for Puducherry that addresses the needs of MSMEs and promotes their growth and competitiveness.
- ► **Implementation and Monitoring:** Implement the new industrial policy and monitor its impact on the MSME sector in Puducherry.
- ► **Need for Formalization:** The formalization gap in the MSME sector in Puducherry is a significant challenge that needs to be addressed.
- ► **Benefits of RAMP:** The RAMP project will bridge the formalization gap, promote the growth and competitiveness of MSMEs, and create a new industrial policy for Puducherry.
- ► **Cost-Benefit Analysis:** The cost of implementing the RAMP project will be offset by the benefits of promoting the growth and competitiveness of MSMEs.

4.6.6   Approach and Methodology for Implementation

Project 1: Reimbursement of 1000 MSMEs:

Needs Assessment and Eligibility Criteria:

- ► Conduct a comprehensive needs assessment to identify MSMEs in Puducherry facing financial burdens related to application and documentation costs.
- ► Define clear eligibility criteria based on factors such as business size, sector, annual turnover, and compliance with regulatory requirements.

Outreach and Awareness Campaign:

- ► Launch an extensive outreach campaign to inform MSMEs about the reimbursement program and its benefits.
- ► Utilize various communication channels including workshops, seminars, social media, and local media to reach a wide audience.
- ► Collaborate with industry associations, chambers of commerce, and government agencies to amplify the reach of the campaign.

Application and Documentation Process:

► Develop a user-friendly online application portal where MSMEs can submit their reimbursement requests.

► Provide clear guidance on the required documentation and ensure transparency in the application process.

► Deploy a dedicated support team to assist MSMEs with any queries or issues related to the application process.

Verification and Approval Mechanism:

► Establish a verification mechanism to validate the authenticity of reimbursement claims submitted by MSMEs.

► Verify the eligibility of MSMEs based on the predefined criteria and supporting documentation provided.

► Implement a rigorous review process to ensure compliance with regulatory requirements and prevent misuse of funds.

Disbursement of Funds:

► Upon approval, disburse funds directly to eligible MSMEs through electronic transfer or cheque payment.

► Maintain accurate records of disbursements and transactions for accountability and transparency.

► Provide timely updates to MSMEs on the status of their reimbursement requests and expected timelines for fund disbursement.

Monitoring and Evaluation:

► Establish a monitoring framework to track the utilization of reimbursed funds by MSMEs and assess the impact of the program.

► Conduct periodic evaluations to measure the effectiveness of the reimbursement program in alleviating financial burdens for MSMEs.

► Solicit feedback from participating MSMEs to identify areas for improvement and inform future iterations of the program.

Capacity Building and Support:

► Offer capacity-building workshops and training sessions to help MSMEs improve their understanding of regulatory requirements and documentation processes.

► Provide ongoing support and guidance to MSMEs to navigate bureaucratic hurdles and streamline their application procedures.

► Foster collaboration with relevant government agencies and stakeholders to address systemic challenges and facilitate smoother application processes for MSMEs.

Reporting and Transparency:

► Prepare regular reports detailing the progress and outcomes of the reimbursement program, including the number of MSMEs supported, funds disbursed, and impact achieved.

► Publish these reports on public platforms to ensure transparency and accountability in the utilization of public funds.

► Encourage feedback from stakeholders and the public to enhance transparency and improve program effectiveness over time.

Project 2: Comprehensive updating exercise about MSME landscape:

Stakeholder Engagement:

► **Identify Stakeholders:** Identify the key stakeholders for the project, including MSMEs, government officials, and industry associations.

► **Engagement Strategy**: Develop an engagement strategy that outlines the approach for engaging with stakeholders, including the methods and tools to be used.

► **Stakeholder Meetings:** Conduct stakeholder meetings to gather feedback and input on the project. These meetings can be held in person or virtually, depending on the preferences of the stakeholders.

Data Collection:

► **Data Collection Tools:** Develop data collection tools, such as surveys, questionnaires, or interviews, to gather information on MSMEs.

► **Data Collection Methods:** Use data collection methods, such as online surveys, in-person interviews, or phone interviews, to gather information on MSMEs.

► **Data Collection Schedule:** Develop a data collection schedule to ensure that data is collected in a timely and efficient manner.

► **Data Quality Control:** Implement data quality control measures to ensure that the data collected is accurate and reliable.

Analysis and Report:

► **Data Analysis Tools:** Use data analysis tools, such as statistical software or data visualization tools, to analyze the data collected.

► **Data Analysis Schedule:** Develop a data analysis schedule to ensure that the data is analyzed in a timely and efficient manner.

► **Report Preparation**: Prepare a comprehensive report summarizing the findings of the data analysis.

Implementation and Monitoring:

► **Implementation Schedule:** Develop an implementation schedule to ensure that the new industrial policy is implemented in a timely and efficient manner.

► **Implementation Team:** Assemble an implementation team, including experts in policy implementation, to implement the new industrial policy.

► **Monitoring and Evaluation**: Monitor and evaluate the impact of the new industrial policy on the MSME sector in Puducherry.

4.6.7 Use of ICT/Innovative Technology Towards Project Implementation

► Digital Platform: Develop a digital platform to collect data on MSMEs and facilitate stakeholder engagement.

► **Data Analytics:** Use data analytics tools to analyze the data and prepare a comprehensive report on the MSME landscape in Puducherry.

► **Cloud Computing:** Use cloud computing to store and process large amounts of data.

► **Mobile Apps:** Develop mobile apps to facilitate data collection and stakeholder engagement.

4.6.8 Timeline for achievement of Project Deliverables

The estimated timeline for achievement of the proposed project Deliverable is 3 years.

4.6.9 Estimated impact of the Project/Proposal/scheme

► **Financial Relief for MSMEs:** The intervention is expected to provide significant financial relief to 1000 MSMEs in Puducherry, enabling them to cover application and documentation costs without compromising their operational budgets.

► **Improved Compliance and Legal Standing:** By reimbursing expenses related to licenses, permits, and certifications, MSMEs can enhance their compliance with regulatory requirements, maintain legal standing, and avoid penalties or disruptions in business operations.

► **Formalization Gap:** The RAMP project will bridge the formalization gap in the MSME sector in Puducherry.

► **Growth and Competitiveness:** The project will promote the growth and competitiveness of MSMEs in Puducherry.

► **New Industrial Policy:** The project will create a new industrial policy for Puducherry that addresses the needs of MSMEs and promotes their growth and competitiveness.

► **Job Creation:** The project will create new job opportunities in the MSME sector in Puducherry.

► **Economic Growth:** The project will contribute to the economic growth of Puducherry by promoting the growth and competitiveness of MSMEs.

4.6.10 Project costing and contribution of State towards it

Table 47 Total costing for Intervention related to CGTMSE related projects (Amount in Rs. Cr.)

Sl.No.	Intervention	Total Cost for 3 years	State Contribution	Demand from RAMP
1	Reimbursement of application and document cost for 1000 MSMEs	2	0.4	1.6
2	Comprehensive updating exercise about MSME landscape	0.5	0.1	0.4
Total		**2.5**	**0.5**	**2**

Table 48 Intervention costing (year wise) related to CGTMSE related projects (Amount in Rs. Cr.)

Sl.No.	Intervention	FY 2024-25	FY 2025-26	FY 2026-27	Total
1	Reimbursement of application and document cost for 1000 MSMEs	0.60	0.70	0.70	**2**
2	Comprehensive updating exercise about MSME landscape	0.16	0.17	0.17	**0.5**

4.6.11 Plan for strengthening M&E framework pertaining to Project

► Track the number of MSMEs applying for reimbursement and their eligibility status.

► Monitor the efficiency of the reimbursement process, including the time taken for verification and approval.

► Evaluate the accuracy of reimbursement amounts disbursed to MSMEs.

► Assess the financial relief provided to MSMEs through the reimbursement program.

► Measure the extent to which MSMEs utilize the reimbursed funds to cover application and documentation costs.

► Monitor any changes in MSMEs' financial stability and operational budgets post-reimbursement.

► Evaluate the impact of reimbursement on MSMEs' compliance with regulatory requirements.

► Track any improvements in MSMEs' legal standing and avoidance of penalties due to proper documentation.

► Monitor the reduction in the formalization gap within the MSME sector in Puducherry.

► Assess the level of awareness and participation of MSMEs in formalization processes post-reimbursement.

► Measure the impact of reimbursement on the growth and competitiveness of MSMEs in Puducherry.

► Track any improvements in MSMEs' ability to expand operations, enter new markets, or innovate products/services.

► Monitor any job creation opportunities resulting from the reimbursement program and new industrial policy.

► Assess the contribution of MSME growth to the overall economic growth of Puducherry.

► Gather feedback from participating MSMEs on their experience with the reimbursement process.

4.7 Capacity building of MSMEs

4.7.1 Major issues/challenges of Firm capabilities.

The plastic industry is a dynamic and fast-growing sector that plays a crucial role in various applications, from packaging to automotive components. With the advent of new materials, technologies, and sustainability requirements, the industry faces the challenge of continuously updating its workforce's skills. Machine operators, in particular, require a deep understanding of tool design and tooling techniques to optimize the use of equipment and minimize waste. Currently, there is a gap between the skills possessed by operators and the competencies required to excel in the industry.

4.7.2 Key Findings

The project is a strategic initiative to enhance the skill level of machine operators within the plastic industry through a comprehensive skill upgrading program. The program will focus on providing specialized training in tool design, tooling, and other relevant areas, leveraging the expertise of the MSME Technology Centre in Puducherry and ITIs to conduct courses tailored for the plastic industry. In Puducherry there is a Plastic Cluster consisting of 115 units and almost 750

[26]employees. The objective is to equip machine operators with advanced technical knowledge and practical skills to meet the demands of modern plastic manufacturing processes, improve production efficiency, and ensure high-quality outputs.

The plastic industry plays a vital role in the management and conservation of beaches. A meeting with the All-Plastic Manufacturers and Traders Association and certain individuals emphasized the significance of the plastic industry in this context. The state committee and CII also gave considerable attention to the plastic industry during their discussions. Two specific Focus Group Discussions (FGDs) were conducted with the plastic industry to understand their perspectives and concerns. The plastic industry's involvement is crucial for effective beach management, as it can provide innovative solutions, technologies, and expertise to address waste management and environmental issues. It was also highlighted in our FGD about the lack of support in technology upgradation, lack of support for various national/ international expos is a concern among the plastic industry.

4.7.3   Problem Statement:

The plastic industry is facing a critical skills gap as machine operators lack advanced training in tool design and tooling, leading to inefficiencies and suboptimal production quality. Current training programs are not sufficiently aligned with the latest technological and sustainability demands of the industry. There is an urgent need for a comprehensive skill upgrading program, in collaboration with Industrial Training Institutes (ITIs), to enhance operator competencies and meet evolving industry standards.

4.7.4   Proposed Project with Respect to RAMP

The plastic industry is actively seeking to upgrade the technical skills and knowledge of its machine operators to keep pace with the rapid advancements in technology and manufacturing processes. There is a recognized need to enhance operators' understanding of tool design and tooling processes, which are critical components in the production workflow. By doing so, the industry aims to improve overall productivity and the quality of plastic manufacturing operations. Aligning the workforce's skills with the latest industry standards and technological advancements is essential for maintaining competitiveness and meeting the demands of a changing market. Furthermore, there is a concerted effort to foster a culture of continuous learning and professional development within the industry, ensuring that the workforce remains agile, informed, and capable of adapting to new challenges and opportunities.

4.7.5   Proposed Project Design Concept, Feasibility & Viability of Proposal

Comprehensive Skill Upgrading Program

- ► **Curriculum Development:** Collaborate with industry experts and ITIs to develop a curriculum that covers advanced tool design, tooling techniques, and other essential skills for machine operators in the plastic industry.
- ► **Training Delivery:** Utilize ITIs' infrastructure and resources to deliver hands-on training sessions, workshops, and seminars.
- ► **Certification:** Introduce a certification process to validate the skills and knowledge acquired by participants, providing them with credentials recognized by the industry.

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[26] IPS Puducherry 2012.doc

Collaboration with Industry Stakeholders

► **Industry Input:** Engage with plastic industry stakeholders to ensure the training program is aligned with current and future needs.

► **Partnerships:** Form partnerships with tool manufacturers and technology providers to access the latest equipment and expertise for training purposes.

► **Employer Support:** Encourage employers to support their workforce's participation in the program through sponsorships or flexible work arrangements.

Continuous Learning and Development

► **Refresher Courses:** Offer periodic refresher courses to keep machine operators updated with the latest industry trends and practices.

► **Career Advancement**: Provide pathways for career advancement, enabling operators to progress to higher-level technical or supervisory roles.

► **Feedback Mechanism:** Implement a feedback mechanism to continuously improve the training program based on participant and industry feedback.

4.7.6 Approach and Methodology for Implementation

► **Pilot Program:** Launch a pilot program to test the effectiveness of the training modules and make necessary adjustments before a full-scale rollout.

► **Resource Allocation**: Secure funding and resources for the development and implementation of the training program.

► **Marketing and Recruitment:** Develop a marketing strategy to promote the program and recruit participants from across the plastic industry.

4.7.7 Use of ICT/Innovative Technology Towards Project Implementation

For the skill enhancement program in the plastic industry, several Information and Communication Technology (ICT) tools and platforms would be utilized to facilitate the training and development of machine operators. These may include:

► **Learning Management Systems:** An LMS would be used to deliver online courses, track progress, and manage certifications. It would allow for a blend of self-paced learning and instructor-led training.

► **Webinars and Video Conferencing Tools:** These tools would enable remote live training sessions, expert talks, and interactive workshops, ensuring accessibility for operators across different locations.

► Collaboration Platforms: Platforms like Slack, Microsoft Teams, or Asana could be used for communication and collaboration among trainees, trainers, and program administrators.

► **E-Learning Content Development Tools:** Tools such as Articulate Storyline or Adobe Captivate would be used to create engaging and interactive e-learning modules tailored to the specific needs of the plastic industry.

► **Mobile Learning Apps:** To support learning on-the-go and in the field, mobile apps could provide quick access to training materials, refresher content, and performance support tools.

► **Performance Support Systems:** These systems would offer just-in-time information and guidance to operators while on the job, using technologies like QR codes or mobile apps to access troubleshooting guides, process manuals, and best practices.

► **Data Analytics and Reporting Tools:** To monitor the effectiveness of the training program, data analytics tools would be used to analyze participation, completion rates, and performance improvements.

► **Cloud Storage and File Sharing Services:** Cloud-based services like Google Drive or Dropbox would facilitate the easy sharing and storage of training materials, resources, and documentation.

4.7.8 Timeline for achievement of Project Deliverables

The interventions proposed will be spread across the 3 years.

4.7.9 Estimated impact of the Project/Proposal/scheme

► Training of 50 machine operators is to be conducted twice a year for 3 years which leads to a total of 300 machine operators who will be benefited from this intensive training programme.

► Reduced downtime, improved quality, and faster turnaround times can lead to increased output and cost savings for plastic industries.

► The adoption of advanced technologies and skilled workforce can enhance the competitiveness of Puducherry's plastic industry in the domestic and international markets.

► Improved product quality and reduced lead times can help plastic industries in Puducherry to secure more orders and expand their customer base.

► The proposed interventions are expected to create new job opportunities in the plastic industry, particularly for skilled machine operators and technicians.

► The skill upgradation programs, and entrepreneurship development initiatives can help in creating a pool of skilled professionals and entrepreneurs in the plastic industry.

► The adoption of advanced technologies and efficient production processes can lead to reduced waste generation and energy consumption in the plastic industry.

► Improved waste management and recycling practices can contribute to the overall sustainability of the plastic industry in Puducherry.

4.7.10 Project costing and contribution of State towards it

The total budgeted cost for the interventions for the 3-year period are provided in the table below:

(Amount in Rs. Cr.)

Table 49 Total Budgeted Cost for the Intervention(s)

Sl.No.	Intervention	Total Cost for 3 years	State Contribution	Demand from RAMP
1	Skill upgradation within plastic industry	0.3	0.06	0.24
Total		0.3	0.06	0.24

Table 50 Enhancing Firm Capabilities – Competitiveness Support Year wise budget (Amt in Rs. Cr.)

Sl.No.	Intervention	FY 2024-25	FY 2025-26	FY 2026-27	Total
1	Skill upgradation within plastic industry	0.1	0.1	0.1	**0.3**

4.7.11 Plan for strengthening M&E framework pertaining to Project

► Assess the effectiveness of the skill upgrading program in enhancing machine operators' understanding of tool design and tooling techniques.

► Monitor participants' performance before and after the training to measure improvements in skills and knowledge.

► Gather feedback from participants and trainers to identify strengths and areas for improvement in the training curriculum and delivery.

► Evaluate the alignment of the training program with the current and future needs of the plastic industry.

► Engage industry stakeholders to assess the relevance and applicability of the training content to real-world manufacturing scenarios.

► Monitor industry adoption of trained operators and their impact on production efficiency and quality.

► Measure participant engagement levels during training sessions and workshops.

► Solicit feedback from participants regarding the quality, relevance, and usefulness of the training program.

► Assess participant satisfaction with the training facilities, materials, and instructor expertise.

► Track the number of participants who successfully complete the training program and obtain certifications.

► Monitor the recognition and acceptance of certifications within the plastic industry and related sectors.

► Evaluate the perceived value of certifications in enhancing participants' employability and career advancement prospects.

► Monitor the career progression of trained machine operators within the plastic industry.

► Track the number of participants who secure new job opportunities or promotions as a result of the training program.

► Assess the impact of the program on reducing unemployment and enhancing workforce skills in the plastic industry.

4.8   Capacity Building of Government Partners

4.8.1   Major issues/challenges

Major issues and challenges related to training needs of Government partners is as follows: -

► Silos between government departments and regions hinder effective collaboration and coordination, leading to inefficiencies and delays in the implementation of policies and programs.

► The state's infrastructure, including industrial plots, cold storage, and mini tool rooms, is underutilized or idle, further hindering the growth of the MSME and industrial sectors.

► Government officials and entrepreneurs lack access to relevant information, making it difficult to make informed decisions and navigate the regulatory environment.

► The MSME and industrial sectors face a shortage of skilled workers, particularly in areas such as technology and innovation, which hinders their competitiveness.

4.8.2   Key Findings

A crucial aspect of the proposed training program is the provision of training for government officials. Through stakeholder consultation the need for enhanced knowledge and skills among government officials was identified. This diagnosis was made by interacting with state committee and headquarters-level officials, who strongly recommended that their training needs be addressed.

The proposed training program aims to provide training for 25 officers each year. This targeted approach ensures that a significant number of officials receive the necessary training to enhance their skills and knowledge. The training will focus on addressing the specific needs and gaps identified through the stakeholder consultation process, ensuring that the program is tailored to meet the requirements of the government officials.

4.8.3   Problem Statement:

The MSME and industrial sectors in Puducherry face significant challenges in cultivating a competitive environment, hindering their growth and development. The sectors are crucial for the state's economic development, but they struggle with inadequate training and capacity-building initiatives for government officials, leading to inefficiencies and bottlenecks in the delivery of public services and governance functions.

4.8.4   Proposed Project with respect to RAMP objectives:

To cultivate a competitive environment within the MSME and industrial sectors at the district and block levels, the proposed project aims to implement training and capacity-building initiatives for government officials. The project will focus on the following key components:

► **Role-Based Training:** Implement role-based training for government officials to enhance their attitudes, skills, and knowledge in areas such as entrepreneurship, market potentiality, technical skills, and training facilities.

► **Collaboration and Coordination:** Foster collaboration and coordination between government departments and regions to break down silos and empower officials with access to information.

► **Infrastructure Development:** Identify and utilize idle or underutilized infrastructure, such as industrial plots, cold storage, and mini tool rooms, to support the growth of the MSME and industrial sectors.

► **Skill Development:** Provide training and capacity-building initiatives for entrepreneurs and workers in areas such as technology and innovation to enhance their competitiveness.

► **Access to Information:** Establish a centralized platform providing access to relevant information, including regulatory requirements, market trends, and business opportunities.

4.8.5   Proposed Project Design Concept Feasibility & Viability of Proposal

The three pillars of Individual, Organization and Institutional serve as the guiding principle while formulating the capacity need analysis. Individual capacity building refers to building attitude, skills and knowledge at individual level, organization building capacity of collective and shared aspects of an organization such as organization structure, processes, infrastructure, external partnerships, and technological capabilities. Institutional refers to policy level interventions that affect Department including Directorates, District Industries Centers, and other line departments.

Individual needs and organizational needs will be identified basis the feedback received from individuals including divisional heads and key staffs within the department through feedback forms and one-to-one interactions.

The annual training calendar will be developed based on the need analysis thus carried out. Achievable targets and monitoring mechanism through relevant KPIs will be established to ensure compliance. Mandatory learning hours per official in relevant areas will be determined and assigned based on the role and responsibilities. Top level monitoring at Secretary level and Director level will be established to ensure compliance.

Following factors will be considered while planning capacity building of officials:

► Self-paced learning to be encouraged, some of the standard domain modules could be digitized.

► User feedback around usefulness of trainings in day-to-day work to be evaluated periodically.

► International exposure is a major motivator.

► Key milestone trainings could be planned at designated locations

► Rewarding officers who have fulfilled mandated hours

A competitive environment can be created, and a suitable reward system can be established, encouraging officers to participate and aim for higher results.

A list of relevant courses based on analysis of Management Development Programmes offered by IIM A, B and C that will be considered is summarised below.

Table 51 List of Relevant Courses Based on Analysis of Management Development Programmes

Sl. No.	Training Institute	Title of the Programme
1.	IIM, Calcutta	Leadership and Team Building
2.	IIM, Bangalore	Organizational Excellence Through Leadership
3.	IIM, Calcutta	Interpersonal Effectiveness and Leadership Excellence
4.	IIM, Ahmedabad	Transformational Leadership
5.	IIM, Bangalore	Design Thinking
6.	IIM, Ahmedabad	Fintech: Business Models, Marketing, Strategy and Tactics
7.	IIM, Calcutta	Managerial Leadership and Team Effectiveness
8.	IIM, Ahmedabad	Administrative Leadership and Good Governance
9.	IIM, Calcutta	Lean Operations
10.	IIM, Calcutta	Communication and Presentation Skills
11.	IIM, Bangalore	Strategic Perspectives on the Design of Public Private Partnerships (PPPs)

Sl. No.	Training Institute	Title of the Programme
12.	IIM, Bangalore	Creating High Performance Organisations
13.	IIM, Ahmedabad	Project Management
14.	IIM, Bangalore	Challenges of Managing Inclusive Finance in India
15.	IIM, Bangalore	Organizational Excellence Through Leadership
16.	IIM, Ahmedabad	Advanced Human Resource Management
17.	IIM, Calcutta	Leadership and Team Building
18.	IIM, Calcutta	Supply Chain Management
19.	IIM, Ahmedabad	PPP Frameworks: Innovative and Technologically advanced Infrastructure Development
20.	IIM, Calcutta	Interpersonal Effectiveness and Leadership Excellence
21.	IIM, Ahmedabad	Interpersonal Effectiveness and Team Building
22.	IIM, Bangalore	Organizational Excellence Through Leadership
23.	IIM, Calcutta	Communication and Presentation Skills
24.	IIM, Calcutta	Managerial Leadership and Conflict Resolution

Institutional capacity building will encompass the upgradation of the existing processes and systems including the MIS systems. More streamlined and integrated systems will be developed. Currently, there exists multiple websites and dashboards related to schemes, MIS, department webpages etc. This will be integrated to provide a single dashboard which will provide the necessary information at one place making the decision making easier.

4.8.6   Approach and Methodology for Implementation

One of the key requirements for effective implementation of the RAMP program is the Institutional strengthening of the department. This calls for the creation of an Annual Capacity Building Plan (ACBP) for the Department. Through the ACBP exercise, it is intended to expand the public sector capacity building by going beyond training. Thus, while the ACBP exercise identifies Department specific training interventions to build individual capacity, it also looks at organizational interventions. The ACBP is essentially expected to detail all the interventions required to develop and enhance the competencies of individual officials as well as the collective capacity of the Department. The steps in creating such a plan have been summarized in the figure below.

Figure 110 Steps for creating Annual Capacity Building Plan

| Capacity Need Assessment in consultation with Department | Identify training and non-training capacity building interventions | Drafting of capacity needs, developing a roadmap and preparing Annual training calendar | Finalisation of ACBP and implementation |
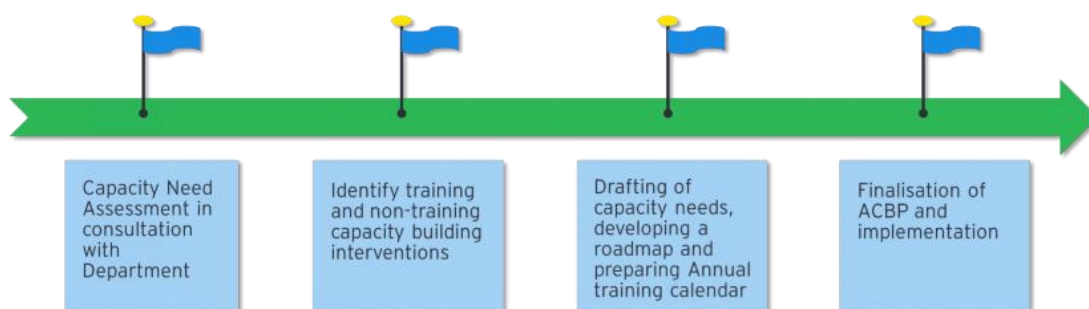
The three pillars of the ACBP framework serve as the guiding principle while formulating the capacity need analysis. The ACBP approach essentially builds the plan across these three pillars namely individual, organizational, and institutional. The approach towards identifying individual needs would involve receiving feedback over a self-declaration assessment form while organizational and institutional level gap areas will be collated based on combination of feedback received through individual forms and one-on-one discussions with various section heads and key staff within the department.

Figure 111 Pillars of Capacity Building
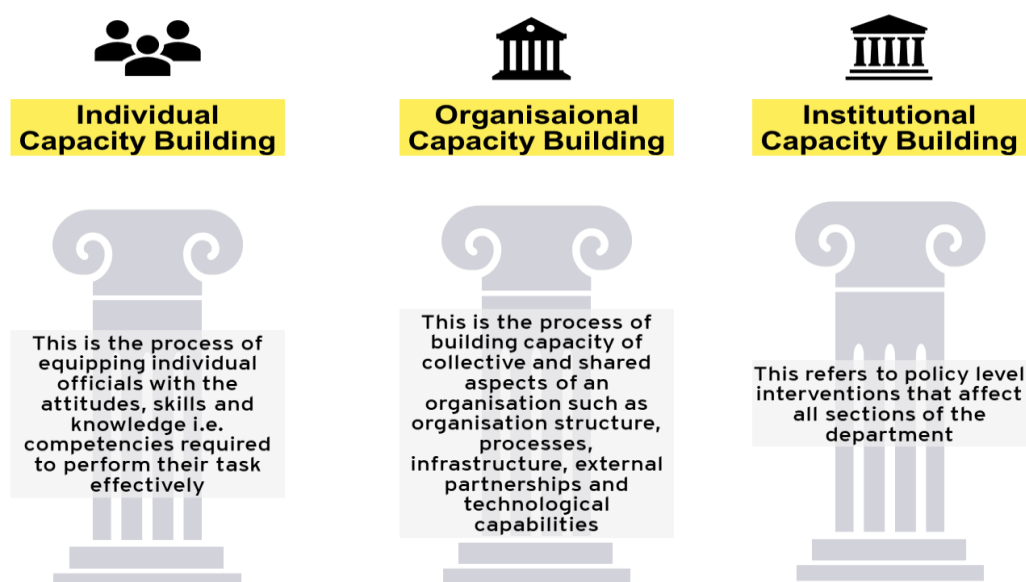
Pillar 1: At the Individual Level

Competencies form the basis of individual capacity building. A competency is defined as the combination of attitudes, knowledge, and skills that enable an individual to perform a job or task effectively. Capacity building at the individual level refers to the process of equipping individual government officials with the competencies required to effectively perform their assigned roles. Capacity Constituents at the individual level:

▶ **Behavioural competencies**: These are a set of benchmarked behaviours displayed (or observed/ felt) by individuals across a range of roles. For example, empathy and leadership

▶ **Domain competencies**: These competencies enable individuals to effectively perform roles within a specialized discipline or field. Domain competencies are generally applicable to the core work of the Department. For example, providing technical guidance to MSMEs.

▶ **Functional competencies**: These competencies help cater to the operational requirements such as administration, procurement, financial management, and so on. Functional

competencies are applicable across a wide range of departments of the Government. For example, budgeting, project management, and data analysis.

Pillar 2: At the Organizational Level

This refers to the process of building the capacity of collective and shared aspects of the organization such as existing processes, digital and physical infrastructure and technological capabilities that enable the organization to achieve its goals. Capacity at the organizational level is assessed based on the collective aspects of a ministry or department. Some examples of these aspects include:

- ▶ **Technology and Data**: This dimension deals with the technology solutions employed by the Department to improve its functioning. Examples include software that enables shorter turnaround time on repetitive tasks and digital tools that increase efficiency or enable faster resolution of pain points.

- ▶ **Systems and Processes**: This dimension includes all the established systems and processes to carry out its day-to-day functions. Examples include monitoring mechanism for schemes, standard operating procedures, etc.

- ▶ **Resources and Assets**: This includes the resources and assets such as hard and soft infrastructure for day-to-day functioning. For example: the physical premises, digital infrastructure like computers, video conferencing systems etc.

- ▶ **Partnerships and Relationships**: This dimension includes all external partnerships that is part of such as those with other departments, global organisations and citizen groups.

- ▶ **Personnel Management**: This includes all the functions associated with managing human resources of such as performance appraisals, training and development, performance management, succession planning etc.

Pillar 3: At the Institutional Level

Institutional capacity building refers to changes made in the norms, policies and regulations that guide the functioning of individuals and organizations. In the context of the government, institutional capacity building refers to policy level interventions that affect all departments of the government.

At Individual level the capacity building is being proposed to be provided through the following:

- ▶ **Exposure to best practices:**

Exposure is a major motivator. Training programs which provide knowledge around governance and implementation of MSME enabling models across other states or countries will be considered.

- ▶ **Self-learning leveraging platforms like YouTube channels**

Leveraging the platform via issuing an office order to all officials for self-paced learning can serve as a ready platform for training and skill development for functional and behavioral competencies, helping them to stay updated with the latest developments and best practices in their respective fields.

4.8.7   Use of ICT/Innovative Technology Towards Project Implementation

Development of curriculum based on the need assessment of the officials, access and educating them about the use of self-paced learning platforms.

4.8.8 Timeline for achievement of Project Deliverables

Estimated timeline for achievement of Project Deliverable is 3 years.

4.8.9 Estimated impact of the Project/Proposal/scheme

The project is going to impact around 25 officers each year. In a span of three years, there will be more than 75 officers trained all over the UT of Puducherry.

4.8.10 Project costing and contribution of State towards it

The total project costing for the interventions for 3 years along with the State contributions and demand from Ramp is provided in the table below.

Table 52 Project Costing – Capacity building (Amount in Rs. Cr.)

Sl.No.	Intervention	Total Cost for 3 years	State Contri bution	Demand from RAMP
1	Capacity building initiatives for govt officials	0.19	0.04	0.15
Total		**0.19**	**0.04**	**0.15**

The project costing of the interventions over 3 years is provided below:

Table 53 The Project Costing of the Interventions Over 3 Years

Sl.No.	Intervention	FY 2024-25	FY 2025-26	FY 2026-27	Total
1	Capacity building initiatives for govt officials	0.06	0.07	0.06	**0.19**

4.8.11 Plan for strengthening M&E framework pertaining to Project

► Evaluate the effectiveness of the training programs for government officials in enhancing their knowledge and skills in areas such as entrepreneurship, market potentiality, technical skills, and training facilities.

► Conduct pre- and post-training assessments to measure improvements in participants' competencies and performance.

► Gather feedback from participants and trainers to assess the relevance, quality, and usefulness of the training content and delivery methods.

► Monitor the level of collaboration and coordination between government departments and regions to assess improvements in efficiency and effectiveness.

► Track the implementation of initiatives aimed at breaking down silos and facilitating information sharing among departments and regions.

► Assess the impact of improved collaboration on the timely delivery of public services and governance functions.

► Evaluate the utilization of idle or underutilized infrastructure, such as industrial plots, cold storage, and mini tool rooms, to support the growth of the MSME and industrial sectors.

► Monitor the implementation of initiatives aimed at identifying and repurposing idle infrastructure for productive use.

► Assess the impact of infrastructure development on the availability of facilities for MSMEs and industrial enterprises.

► Measure the impact of skill development initiatives on addressing the shortage of skilled workers in the MSME and industrial sectors.

► Track the participation and performance of entrepreneurs and workers in training programs focused on technology and innovation.

► Assess the effectiveness of skill development initiatives in enhancing the competitiveness of MSMEs and industrial enterprises.

► Evaluate the establishment of a centralized platform providing access to relevant information for government officials, including regulatory requirements, market trends, and business opportunities.

- ► Monitor the usage of the centralized platform by government officials to access information for decision-making and policy formulation.

- ► Assess the impact of improved access to information on the efficiency and effectiveness of governance functions and public service delivery.

- ► Establish mechanisms for collecting feedback from government officials, stakeholders, and beneficiaries on the training programs and capacity-building initiatives.

- ► Use feedback to identify areas for improvement and make necessary adjustments to the training content, delivery methods, and program implementation.

4.9 MSME Facilitation Centre

4.9.1 Major issues/challenges of Firm capabilities.

Micro, Small, and Medium Enterprises (MSMEs) in Puducherry require vital government support services to strengthen their operations and enhance their resilience in the competitive business environment. Targeted government interventions can provide substantial benefits to MSMEs, aiding them in overcoming challenges and fostering growth.

While hard infrastructure lays the foundation for economic development, the presence of a robust support system is equally crucial. In the context of MSMEs in Puducherry, while the DIC are equipped with physical infrastructure, the provision of supportive services such as access to finance, market linkages, skill development programs, and technological support is imperative.

Therefore, alongside a working hard infrastructure and a supporting administrative set up, establishing a strong support system tailored to the needs of MSMEs is vital for meeting the objectives of RAMP. Broad areas for such a support framework would be:

- ► Improving Availability of Land/Industrial Plots

- ► Providing Better Awareness and Linkage with Government Schemes

- ► Better Market Development Assistance

- ► Better Linkages with Technical Support Institutions.

- ► Imparting Capacity Building (Entrepreneurship Development & Other Areas of Skill

- ► Development and Capacity building

- ► Improving Access to Finance

Improving Availability of Business Service Providers

Inferences and Conclusions:

Land Availability and Scheme Awareness Priority: The awareness of availability of land/industrial plots and improved awareness about government schemes signifies a critical necessity for physical infrastructure and knowledge about available support systems.

Market Development and Technical Support: The emphasis on market development assistance and linkages with technical institutions underscores the importance of expanding market reach and seeking technical expertise for business growth.

Financial Access and Capacity Building: The need for improved access to finance and capacity-building initiatives indicates the multifaceted support requirements of MSMEs.

4.9.2 Key Findings

MSME support areas encompass land availability, scheme awareness, market assistance, technical linkages, capacity building, financial access, and service provision.

Improving Availability of Land/Industrial Plots: Addressing the challenge of land availability is crucial for MSMEs' expansion. Government initiatives should focus on identifying and allocating suitable land for industrial purposes, ensuring easy access for businesses to establish their operations.

There is a high satisfaction rate among MSMEs, with 25.70% satisfied with the current situation. This is not a positive indicator that suggests that a good number of MSMEs are able to find the land they need for their industrial activities. On the flip side, 74.30% of MSMEs are dissatisfied, which could reflect issues such as high costs, location constraints, or regulatory hurdles in acquiring land.

Figure 112 Utilities: Land for Industrial Purpose

Availability of Land for Industrial Purposes

25.70%

74.30%

■ % of MSMEs that are satisfied   ■ % of MSMEs that are dissatisfied
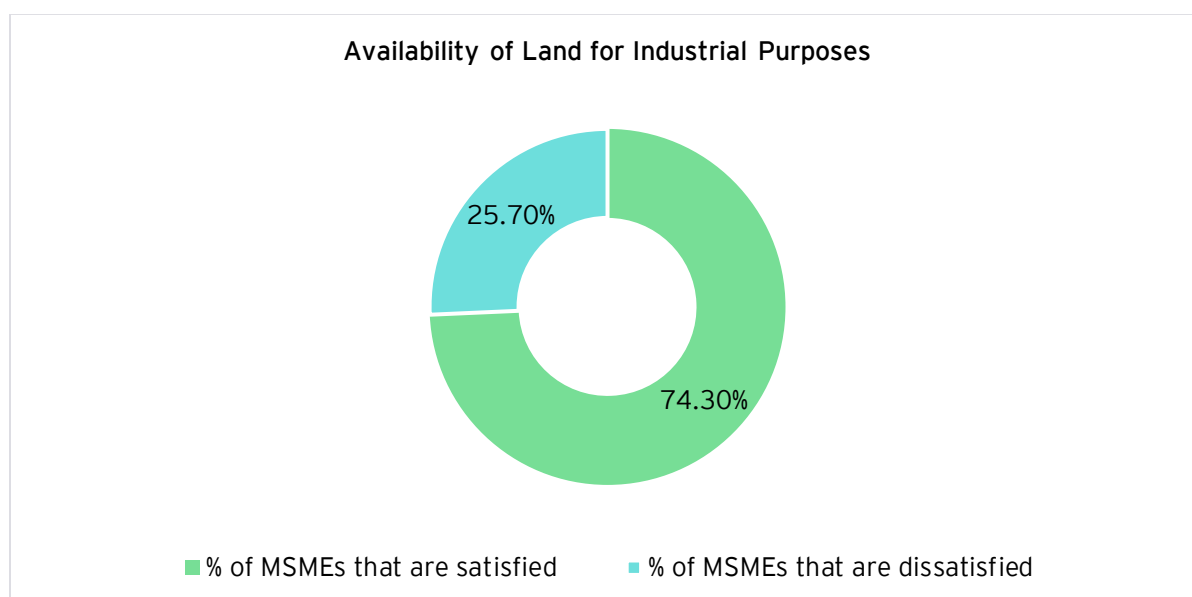
Providing Better Awareness and Linkage with Government Schemes: MSMEs often lack awareness about available government schemes and their eligibility criteria. Improved outreach programs and streamlined processes can enhance awareness and facilitate easy access to these schemes, enabling MSMEs to leverage government support effectively.

Better Market Development Assistance: MSMEs need support in developing and expanding their market reach. Government interventions should include market research, promotional activities, and export assistance to help MSMEs explore new markets and increase their competitiveness.

Approximately 39.7% of enterprises predominantly serve customer segments located in adjacent districts, indicating a strategic focus on regional market penetration. Close to 31% of these businesses have identified and are catering to target markets within their immediate local vicinity, underscoring a commitment to community-based commerce. A quarter of the enterprises have successfully expanded their market reach throughout the state, demonstrating a broader operational scope. Furthermore, a specialized cohort of MSMEs, comprising 5.7%, has ventured into international markets through export activities, reflecting a global business orientation.

Figure 113 Market Distribution

Market Distribution

5.7%	25.2%	39.7%	31.2%
Exports	Within the state	In nearby districts	Local area within district
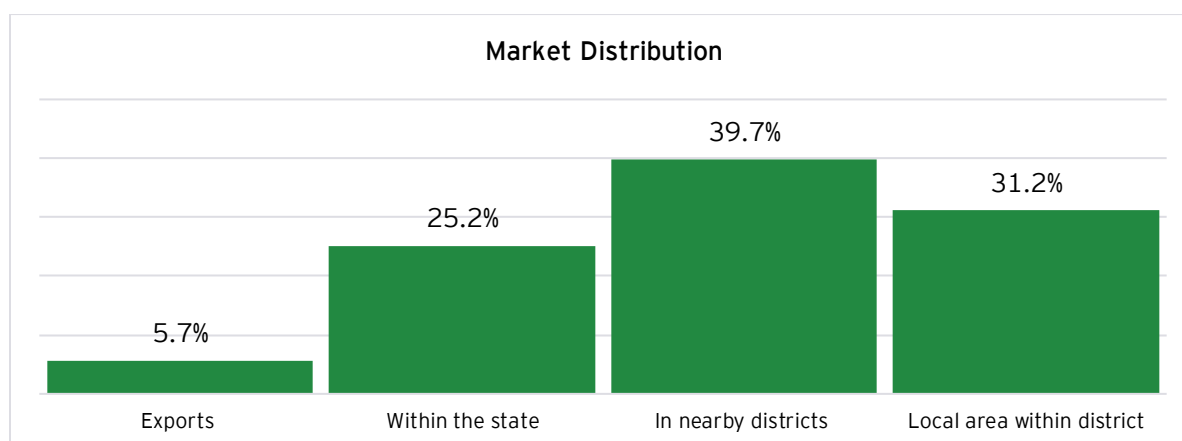
Better Linkages with Technical Support Institutions: Collaboration with technical institutions can provide MSMEs with access to expertise, technology, and innovation. Strengthening linkages with these institutions can support MSMEs in adopting advanced technologies, enhancing product quality, and improving operational efficiency.

Imparting Capacity Building: Capacity-building initiatives should focus on entrepreneurship development and skill enhancement tailored to the specific needs of MSMEs. Training programs, workshops, and mentorship opportunities can empower MSMEs to innovate, adapt to market changes, and sustain long-term growth.

A significant 38% of exporters cite the cost of credit as a primary concern. Foreign currency credit is unavailable to 20%, while 13% struggle with insufficient export market intelligence. Labour law awareness is lacking for 9% of enterprises. Duties and indirect taxes pose problems for 4.8%, incentives are a concern for 6%, and 3.5% are affected by port congestion. 5% also reported detention of export consignments as a major issue.

Figure 114 Export Challenges

Export Challenges

Challenge	Percentage
No detention of export consignments	5.3%
Port congestion	3.5%
Cost of Credit	38.8%
Not applicable	1.6%
Labour Law modifications	9.5%
Duties/Indirect tax related issues	4.8%
Foreign currency credit	20.9%
export Market Information	13.2%
Incentives related issues	6.2%
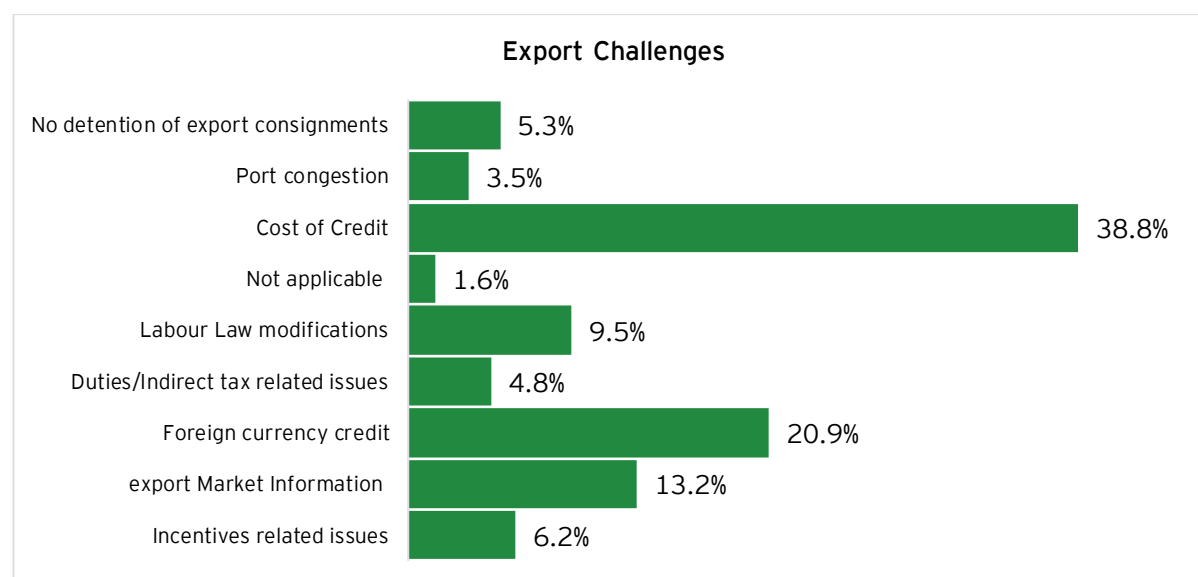
Export Market Promotion:

The data on the Export Market Promotion scheme for MSMEs indicates a critical level of dissatisfaction across multiple facets of the program. With only 1% of MSMEs reporting a good experience in each category, it is evident that there are significant barriers to effective utilization of the scheme. A mere 1% of MSMEs have a good awareness of the scheme, pointing to a severe lack of information dissemination and outreach efforts. Similarly, only 1% find the application process easy, suggesting that the procedure is likely complex or poorly communicated. The documentation process is also seen as favourable by only 1% of MSMEs, indicating that the paperwork required may be overly burdensome or unclear. The time efficiency of the scheme is also rated poorly, with 99% of MSMEs dissatisfied, which could discourage businesses from applying or lead to financial strain while waiting for benefits. Lastly, the lack of satisfactory handholding support, as reported by 99% of MSMEs, shows a gap in providing necessary guidance and assistance to applicants. Overall, the analysis suggests an urgent need for a comprehensive review and restructuring of the Export Market Promotion scheme to make it more accessible, efficient, and supportive for MSMEs.

Figure 115 Export Market Promotion - Awareness About Scheme

Figure 117 Export Market Promotion - Documentation
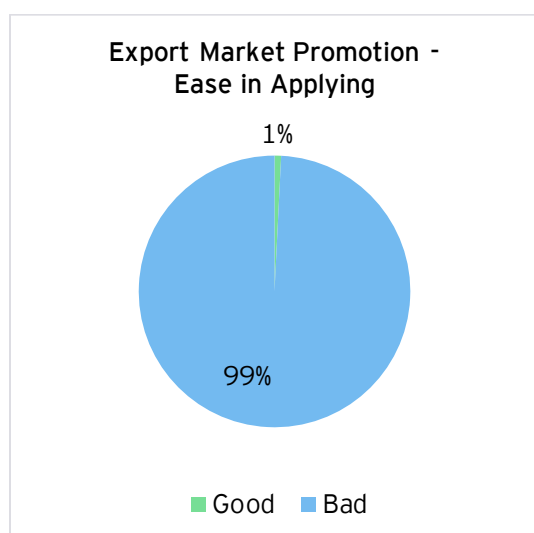
Figure 116 Export Market Promotion - Ease in Applying
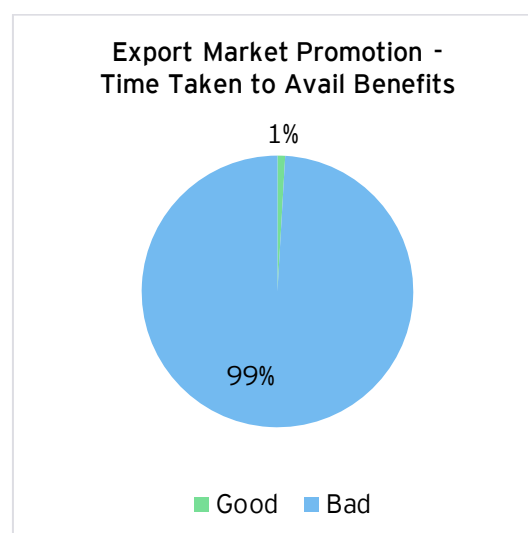
Figure 118 Export Market Promotion - Time Taken to Avail Benefits

Export Market Promotion - Handholding Support
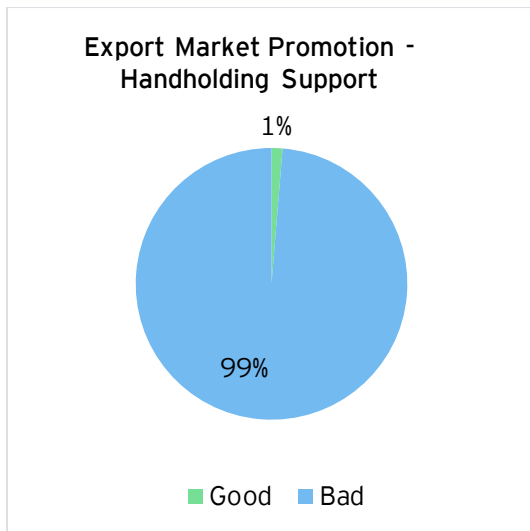
Figure 119 Export Market Promotion - Handholding Support

Improving Access to Finance: MSMEs face challenges in accessing affordable finance for their business operations and expansion. Government-backed financing schemes, simplified loan procedures, and incentives for financial institutions can improve MSMEs' access to capital, enabling them to invest in growth and development initiatives.

The survey indicates that 35% of respondents experience an average timeframe of three to six months for loan acquisition. Concurrently, 30% have reported a duration of six to nine months for the same process. A segment of approximately 20% has noted the ability to secure loans in three months or less. An additional 10.8% have indicated a loan procurement period ranging from nine to twelve months. A minimal proportion of 3.1% have stated that obtaining a loan takes them in excess of twelve months.

Figure 120 Loan Procurement Duration

Loan Procurement Duration

A significant 32.5% of MSMEs have encountered the issue of receiving loan amounts that are less than their financial requirements. An additional 28% have faced challenges due to insufficient collateral to secure loans. High-interest rates have been a deterrent for 14% of the respondents. Both the complexity of paperwork and difficulties in comprehending capital expenditure (CapEx) and operational expenditure (OpEx) have been cited by 10% of MSMEs as hurdles in the loan process. The protracted duration of loan approval has been identified by 4.8% as a challenge. A small percentage, 2%, have indicated that loans are not a preferred financing option for their needs. Only a negligible 0.3% of MSMEs have reported a seamless experience in accessing bank loans.

Figure 121 Obstacles in Bank Loan Acquisition
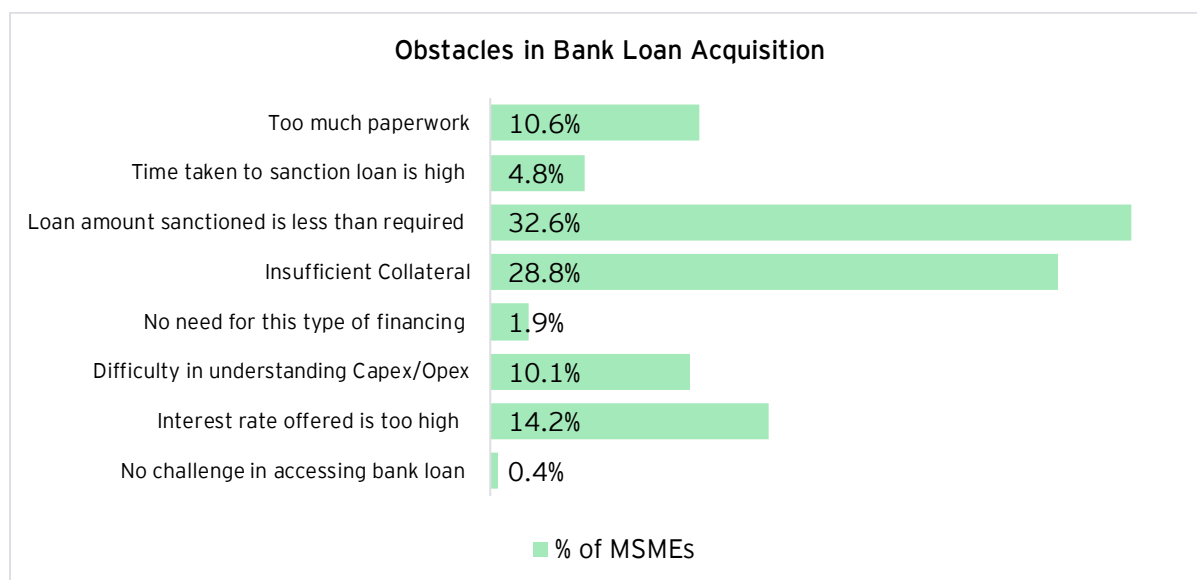
The survey reveals that 57.7% of respondents are cognizant of the concept of credit rating yet lack clarity on the process to leverage it. Conversely, 36% have disclosed a complete lack of awareness regarding credit rating systems. A mere 6% of the cohort have successfully utilized credit rating services to facilitate better access to financial resources.

Figure 122 Familiarity with Credit Rating as a Financial Access Enhancer
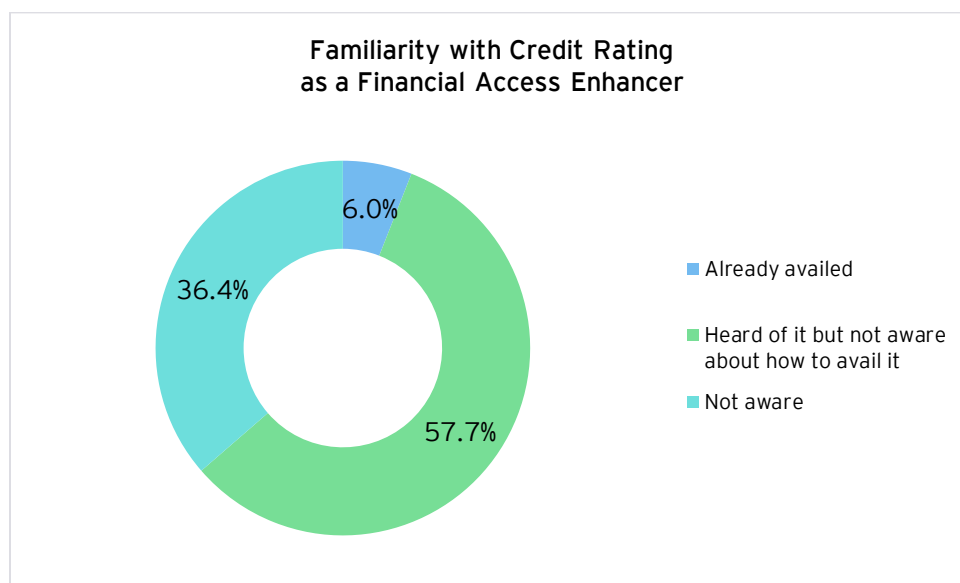
Analysis indicates that 47% of enterprises have a loan requirement within the range of INR 5-10 lakhs. A significant 26.5% are seeking loans of INR 0-5 lakhs. A further 21% of enterprises are in the market for higher loan values, ranging from INR 10 lakhs to 1 Crore. Lastly, a smaller segment of 5% is looking for substantial financial support, with loan requirements between INR 1 Crore to 10 Crore.

Figure 123 Loan Quantum Preferences
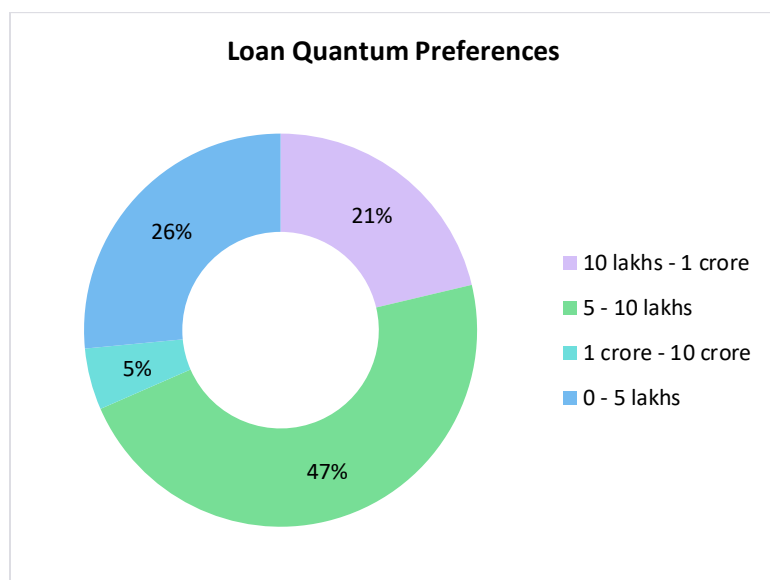
Improving Availability of Business Service Providers: Access to business service providers such as consultants, legal advisors, and marketing agencies is essential for MSMEs' operational efficiency and compliance. Government initiatives should facilitate the availability of these services, ensuring MSMEs have access to the support they need to navigate regulatory requirements and market challenges effectively.

A majority of 64% of enterprises have identified the need for further simplification of regulatory and compliance processes as a critical area for improvement. An additional 12% suggest that enhanced awareness and connectivity with government initiatives at both Central and State levels would be beneficial. About 9% see the necessity for improved availability of land and industrial spaces, as well as access to fundamental infrastructure like water and electricity. Capacity building and entrepreneurship development are deemed important by 6.7% of respondents. Better integration with technical support institutions is sought after by 3%, while 3.5% recognize the value in augmenting the availability of business service providers, particularly for the establishment and operation of enterprises in Puducherry. A further 2% believe that improved access to financial resources would aid the Puducherry MSME sector. Lastly, 1% see market development assistance as a beneficial factor for growth.

Figure 124 Enhancement Opportunities

Enhancement Opportunities for Enterprises

Category	Percentage
Better market development assistance	1%
Improving access to finance	2%
Improving availability of Business Service providers	4%
Better linkages with technical support institutions	4%
Imparting capacity building (Entrepreneurship development)	7%
Improving availability of land/ industrial plots, access to other basic infrastructure such as water, electricity etc.	10%
Providing better awareness and linkage with government schemes (State/Central)	12%
Further simplifying regulations/ compliances	64%

Road, rail, and air connectivity: MSMEs show a 73.80% satisfaction rate. This suggests that a majority of MSMEs are able to transport goods and services efficiently, which is vital for business operations. However, 26.20% dissatisfaction indicates that some businesses may be facing logistical challenges or connectivity issues.

Figure 125 Utilities: Road/ Rail / Air Connectivity

Road/ Rail/ Air connectivity

26.20%

73.80%

- % of MSMEs that are satisfied
- % of MSMEs that are dissatisfied
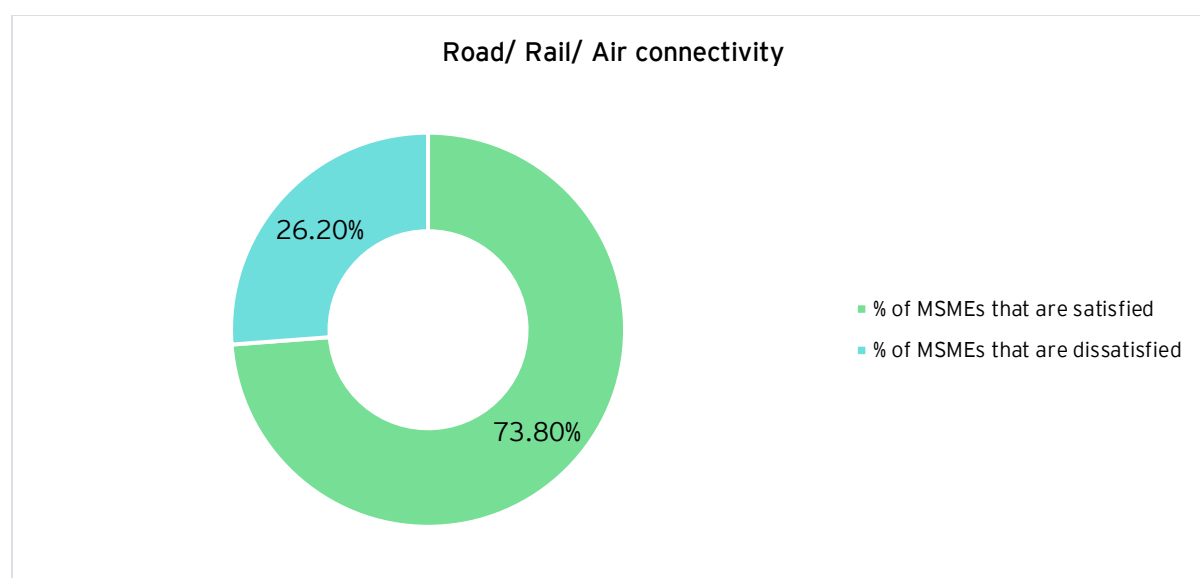
4.9.3   Problem Statement:

In Puducherry, Micro, Small, and Medium Enterprises (MSMEs) form a vital component of the local economy, contributing significantly to industrial output, employment, etc. Enterprises require substantial governmental support to realize their full potential. Key areas of concern include the availability of land and industrial plots, limited awareness and access to government schemes, inadequate market development assistance, lack of technical support, insufficient entrepreneurship capacity building, restricted access to finance, and the need for versatile business service providers.

Despite their importance, MSMEs in Puducherry face hindrances due to inadequate support in these critical areas. To address these challenges and empower MSMEs, there's an urgent need for the establishment of a dedicated MSME Development and Facilitation Cell. This initiative will provide essential guidance, facilitate holistic development, and streamline necessary services, thereby nurturing a more robust MSME ecosystem in Puducherry.

4.9.4   Proposed Project with Respect to RAMP

Project Proposal: Establishment of MSME Development and Facilitation Cell

It is proposed that creation of the MSME Development and Facilitation Cell to address the concerns raised by MSMEs in Puducherry. This initiative aims to provide tailored support services and strategic guidance to empower MSMEs, enabling them to overcome challenges and achieve sustainable growth.

Project 1: MSME Clinics: The Cell's role will encompass various areas crucial for MSME development, including facilitating access to credit, market expansion strategies, technology adoption, legal compliance, project planning, capacity building, alternative financing options, incubation support for startups, and grievance resolution.

Project 2: Mentorship for senior staff: A comprehensive mentorship program has been designed to empower senior staff members with invaluable learning experiences. This initiative offers a unique blend of mentorship from seasoned industry veterans coupled with scholarship opportunities from esteemed educational institutions across India. Senior staff members are paired with experienced mentors who provide personalized guidance, share industry insights, and offer strategic advice to navigate complex challenges. Moreover, participants are granted access to scholarship opportunities to pursue advanced educational courses and programs at premier institutions, allowing them to enhance their skill sets, deepen their expertise, and broaden their perspectives. These scholarships cover a diverse range of disciplines relevant to industrial management, technology, sustainability, and innovation, empowering senior staff to stay at the forefront of industry trends and best practices.

Project 3: Export Facilitation cell: This dedicated desk serves as a one-stop resource hub, offering a comprehensive suite of services tailored to support MSMEs at every stage of their export journey. At the forefront of its offerings is market research, providing invaluable insights into target markets, consumer preferences, and emerging trends to inform strategic decision-making. Additionally, the desk conducts export readiness assessments, assisting MSMEs in evaluating their capabilities, identifying strengths and areas for improvement, and devising customized export strategies aligned with their business objectives. Recognizing the complexity of international trade regulations, the desk provides essential compliance assistance, guiding MSMEs through the intricacies of export documentation, trade agreements, and regulatory requirements to ensure seamless market access. Furthermore, the desk facilitates access to export financing and incentives, connecting MSMEs with financial institutions, government schemes, and trade promotion bodies to secure funding, grants, and subsidies that fuel their export initiatives.

The primary objective of the project is to establish a robust institutional framework that offers comprehensive assistance to MSMEs. Led by senior consultants at the Department of Industries and Commerce's head office, supported by additional consultants at regional level, the Cell will provide localized assistance.

By addressing the identified gaps hindering MSME growth, the MSME Development and Facilitation Cell aims to foster a conducive environment for business development in Puducherry. Through expert consultation and essential services, the project seeks to empower MSMEs, drive economic growth, and promote sustainable development in the region.

4.9.5 Proposed Project Design Concept, Feasibility and Viability of Project

In response to the affirmed concerns raised by MSMEs in it is proposed to establish MSME Development and Facilitation Cell. This Cell will be dedicated to offering strategic counsel, handholding and facilitating MSMEs to access essential services to foster growth and maximize performance.

Project 1: MSME Clinics

Aim of the Proposal: The primary objective is to create a robust institutional mechanism that provides a comprehensive suite of support services, tailored to the unique needs of MSMEs, promoting sustainable progress and resilience in the face of business challenges.

Structure of the Team: The cell will consist of a dedicated team led by two senior consultants stationed at the head office in the Department of Industries and Commerce. These consultants will oversee the entire project and coordinate a support network extending to the divisional level, where additional consultants will be stationed to provide localized assistance for MSMEs**.**

The Role of the Cell: The Development and Facilitation Cell will place significant emphasis on easing and enhancing MSMEs' access to critical services, including but not limited to:

- ► **Access to Credit:** The cell will facilitate connections between MSMEs and financial institutions, assisting businesses in obtaining necessary credit.
- ► **Access to Market:** The team will help enterprises with market development strategies to expand their customer base.
- ► **Technology Upgradation:** Consultants will advise on the latest technological trends and improvements pertinent to the different business sectors.
- ► **Legal Expertise:** The cell will offer guidance on adhering to legal regulations and help in legal dispute resolution.
- ► **Project Preparation:** Assisting MSMEs in preparing viable business plans, feasibility studies, and project reports.
- ► **Enterprise Development Support:** Strategies to enhance entrepreneurship include capacity building, skills development, and workflow improvement.
- ► **Facilitating linkages with alternate financial mechanisms:** The initiative will aid in exploring and connecting to alternative financing options.
- ► **Incubation Facilitation**: The cell will offer support for startups including workspace, funding opportunities, mentorship, and training.
- ► **Grievance Redressal:** The Development and Facilitation Cell will mediate between MSMEs and related stakeholders to address grievances.

Project 2: Mentorship for senior staff:

- ► Resource Allocation: The mentorship program requires careful allocation of resources to recruit experienced mentors, facilitate mentorship sessions, and provide scholarship

opportunities. However, the long-term benefits of enhanced employee performance and organizational competitiveness justify the investment.

► Partnerships: Collaboration with esteemed educational institutions across India is essential to facilitate scholarship opportunities. Establishing partnerships with these institutions ensures access to quality educational programs and increases the program's credibility and attractiveness to senior staff members.

► Talent Retention: Offering mentorship and scholarship opportunities enhances employee engagement and loyalty, reducing turnover rates and associated recruitment costs. Senior staff members are more likely to remain with the organization when provided with opportunities for professional growth and advancement.

Project 3: Export Facilitation Cell:

► **Stakeholder Collaboration:** Collaboration with government agencies, financial institutions, industry associations, and trade promotion bodies is essential to ensure the desk's effectiveness. Building strategic partnerships enhances the desk's credibility, expands its network, and facilitates access to valuable resources and expertise.

► **Market Demand:** The Export Facilitation Desk addresses a critical need within the MSME sector by providing tailored support and guidance throughout the export process. As globalization continues to reshape the business landscape, MSMEs increasingly recognize the importance of international trade and seek assistance in navigating complex export requirements.

► **Business Impact:** By equipping MSMEs with market insights, export strategies, compliance assistance, and access to financing, the desk enables them to capitalize on global market opportunities, expand their customer base, and drive revenue growth. The resulting increase in export volumes and revenues contributes to the economic growth and competitiveness of the MSME sector.

The establishment of the MSME Development and Facilitation Cell aims to bridge the identified gaps hindering growth in the MSME sector in Puducherry. By providing essential services and consulting expertise, it offers a holistic solution catering directly to the challenges that MSMEs face.

In response to the concerns raised by MSMEs, the proposal to establish the MSME Development and Facilitation Cell aims to provide tailored support services to foster growth and enhance performance. The primary objective is to create a robust institutional mechanism offering a comprehensive suite of services customized to the unique needs of MSMEs, thereby promoting sustainable progress and resilience.

The team structure will involve dedicated senior consultants at the head office, overseeing the project and coordinating support networks extending to divisional levels. These consultants will facilitate localized assistance for MSMEs, ensuring effective service delivery.

By bridging identified gaps hindering MSME growth, the MSME Development and Facilitation Cell offer a holistic solution directly addressing the challenges faced by MSMEs. This initiative aims to promote economic growth, foster a conducive business environment, and empower MSMEs for sustainable development.

4.9.6   Approach and Methodology for Implementation

The approach and methodology for the MSME Development and Facilitation Cell project will involve a systematic and structured process to ensure effective implementation and achievement of objectives. The following steps outline the proposed approach:

Project 1: MSME Clinics:

► **Needs Assessment:** Conduct a comprehensive needs assessment to identify the specific challenges and requirements of MSMEs in Puducherry. This assessment will involve stakeholder consultations, surveys, and data analysis to gather insights into the key areas requiring support.

► **Stakeholder Engagement:** Engage with relevant stakeholders including MSMEs, industry associations, financial institutions, government agencies, and other key players. Collaboration and partnership with these stakeholders are essential for effective project implementation and sustainability.

► **Design of Support Services:** Based on the needs assessment findings, design tailored support services to address the identified challenges faced by MSMEs. These services may include access to credit facilitation, market linkage assistance, technology adoption guidance, legal advisory services, project planning support, entrepreneurship development programs, alternative financing options identification, incubation support, and grievance redressal mechanisms.

► **Capacity Building:** Build the capacity of the MSME Development and Facilitation Cell team to effectively deliver the identified support services. This may involve training and skill development programs for project staff, including consultants, coordinators, and support personnel.

► **Implementation Planning:** Develop a detailed implementation plan outlining the activities, timelines, responsibilities, and resources required for each support service. This plan should be flexible and adaptable to accommodate any changes or challenges that may arise during implementation.

► **Service Delivery:** Implement the support services according to the established plan, ensuring timely and efficient delivery to MSMEs. Regular monitoring and evaluation mechanisms should be in place to track progress, identify bottlenecks, and make necessary adjustments to optimize service delivery.

► **Feedback and Improvement:** Solicit feedback from MSMEs and other stakeholders on the effectiveness of the support services provided. Use this feedback to continuously improve and refine the services offered, ensuring they remain relevant and responsive to the evolving needs of MSMEs.

► **Impact Assessment:** Conduct periodic impact assessments to measure the effectiveness and impact of the support services on MSMEs' growth and development. This assessment will help determine the project's success in achieving its objectives and inform future decision-making and resource allocation.

By following this approach and methodology, the MSME Development and Facilitation Cell project can effectively address the challenges faced by MSMEs in Puducherry and contribute to the sustainable growth and development of the MSME sector in the region.

Project 2: Mentorship for senior staff:

► **Mentorship Matching:** Pair senior staff members with experienced mentors based on compatibility, expertise, and industry relevance. Mentorship pairs engage in regular meetings, discussions, and knowledge-sharing sessions to address challenges, set goals, and track progress.

► **Scholarship Selection:** Collaborate with partner institutions to identify relevant educational programs and scholarship opportunities. Senior staff members are provided with information on available scholarships and guidance on selecting programs aligned with their career objectives and organizational priorities.

- ▶ **Program Implementation:** Facilitate mentorship sessions, workshops, and networking events to foster meaningful connections and knowledge exchange between mentors and mentees. Simultaneously, support senior staff members in applying for and enrolling in selected educational programs, ensuring a smooth transition into their learning journey.

- ▶ **Monitoring and Evaluation:** Establish mechanisms to monitor the progress and impact of the mentorship program. Collect feedback from participants, mentors, and organizational leaders to assess program effectiveness, identify areas for improvement, and measure the return on investment in terms of enhanced employee performance and organizational outcomes.

Project 3: Export Facilitation Cell:

- ▶ **Market Research:** Conduct in-depth market research to analyze target markets, competitive landscapes, consumer preferences, and emerging trends. Provide MSMEs with actionable insights and market intelligence to inform their export strategies and decision-making processes.

- ▶ **Export Readiness Assessments:** Offer customized export readiness assessments to MSMEs, evaluating their capabilities, resources, and readiness to enter international markets. Identify strengths, weaknesses, opportunities, and threats, and develop tailored export plans aligned with each MSME's unique business objectives.

- ▶ **Compliance Assistance:** Provide comprehensive compliance assistance to guide MSMEs through the complexities of export documentation, trade regulations, customs procedures, and quality standards. Offer training, workshops, and advisory services to ensure compliance with local and international trade laws.

- ▶ **Export Financing and Incentives:** Facilitate access to export financing options, including loans, credit facilities, and export credit insurance, to support MSMEs in financing their export activities. Connect MSMEs with government schemes, financial institutions, and trade promotion bodies offering grants, subsidies, and incentives to offset export-related costs and risks.

- ▶ **Priority will be given to MSMEs that will be selected for creation of DPR.** Hands on guidance will be provided to these MSMEs under the export facilitation cell. In total 100 MSMEs will be selected for this purpose and INR 50,000 will be given for any export assistance required by these MSMEs.

4.9.7 Use of ICT/Innovative Technology Towards Project Implementation

Creation of need assessment, service delivery, impact assessment, upgradation of facilitation cell

4.9.8 Timeline for achievement of Project Deliverables

The estimated timelines for achievement of the proposed project deliverable is 3 years.

4.9.9 Estimated impact of the Project/Proposal/scheme

- ▶ **Enhanced Access to Credit:** This project will facilitate connections between MSMEs and lending institutions, thereby streamlining the process for businesses to secure necessary financing. As the access to credit improves, it is expected to result in increased capital investment and expansion activities among MSMEs.

- **Improved Market Reach:** The initiative aims at identifying and connecting MSMEs with potential market opportunities. As a consequence, enterprises are expected to experience growth in customer base, increase in sales revenue and enhanced competitiveness.

- **Technological Upgrades:** The project advocates the use of technology to optimize business processes, which is expected to increase productivity, reduce operational costs, and improve product or service quality. This can lead to MSMEs being more competitive in the business landscape.

- **Legal Compliance:** By offering legal expertise, MSMEs will be guided to adhere to business-related regulations and resolve any legal disputes effectively. This aspect could lead to a decline in litigation cases involving MSMEs and improve their compliance with legal norms, thereby contributing to a more favourable business environment.

- **Enhanced Project Planning:** With assistance in project preparation, MSMEs will be able to develop more viable and sustainable business plans. This approach should lead to better project outcomes and success rates.

- **Improved Entrepreneurship Development:** By facilitating entrepreneurial capacity building and skills development, this project would create a talented base of business owners, thereby enhancing the overall performance and sustainability of the MSME sector.

- **Alternate Financial Mechanisms:** Identifying and connecting MSMEs with other viable financing alternatives should help diversify the source of funding, increase financial security and stability, and reduce the dependency on traditional banking methods.

- **Incubation Support:** Startups and new enterprises will get much-needed support for setup, funding, mentorship, and training. This could lead to an increase in the number of successful startup businesses, thereby stimulating innovation, and adding to the diversity and dynamism of the local economy.

- **Efficient Grievance Redressal:** An effective grievance resolution mechanism can help maintain healthy business relationships between MSMEs, their clients, and related stakeholders. This is likely to enhance the overall business environment and climate in the region.

Overall, the MSME Development and Facilitation Cell project has the potential to significantly spur growth within Puducherry's MSME sector, thereby boosting economic development and job creation in the region. By addressing the individual challenges faced by MSMEs on a local level, it sets the foundation for a resilient and robust MSME sector, capable of driving the state's economic growth in a sustainable manner.

4.9.10 Project costing and contribution of State towards it

Table 54 Project Costing – Capacity building (Amount in Rs. Cr.)

Sl.No.	Intervention	Total Cost for 3 years	State Contribution	Demand from RAMP
1	Reimbursement for reports through MSME Clinics	1.5	0.3	1.2
2	Mentorship for senior staff	0.5	0.1	0.4
3	Reimbursement for reports through Export Facilitation Cell	0.5	0.1	0.4
4	Specialized Resources	1.53	0.31	1.22
	Total	**4.03**	**0.81**	**3.22**

The project costing of the interventions over 3 years is provided below:

Table 55 The project costing of the interventions over 3 years

Sl.No.	Intervention	FY 2024-25	FY 2025-26	FY 2026-27	Total
1	Reimbursement for reports through MSME Clinics	0.5	0.5	0.5	**1.5**
2	Mentorship programme for senior staff	0.16	0.17	0.17	**0.5**
3	Reimbursement for reports through Export facilitation cell	0.16	0.17	0.17	**0.5**
4	Specialized resources	0.51	0.51	0.51	**1.53**
Total		1.33	1.35	1.35	4.03

4.9.11 Plan for strengthening M&E framework pertaining to Project

Monitoring and evaluation (M&E) can be improved for the MSME Development and Facilitation Cell project through the following measures:

Establish Clear Key Performance Indicators (KPIs): Define specific and measurable KPIs for each support service and overall project objectives. These KPIs should be aligned with the project's goals and objectives, allowing for effective monitoring of progress and impact.

Implement Real-Time Data Collection Systems: Utilize digital platforms and technologies to collect real-time data on the implementation of support services and their outcomes. This enables timely tracking of progress, identification of issues, and informed decision-making.

Regular Progress Reviews: Conduct regular progress reviews and meetings to assess the implementation of support services against established timelines and targets. This allows for early detection of any deviations from the plan and enables corrective actions to be taken promptly.

Stakeholder Feedback Mechanisms: Establish mechanisms for soliciting feedback from MSMEs, stakeholders, and project staff on the effectiveness and relevance of support services. This feedback can provide valuable insights into areas for improvement and inform decision-making.

Independent Evaluation: Conduct periodic independent evaluations of the project to assess its overall effectiveness, impact, and sustainability. Independent evaluators can provide unbiased assessments of the project's performance and identify lessons learned for future initiatives.

Utilize Technology for Monitoring: Leverage technology-based monitoring tools such as dashboards, data analytics, and mobile applications to streamline data collection, analysis, and reporting processes. This enhances the efficiency and accuracy of M&E activities.

Capacity Building for M&E: Provide training and capacity building for project staff involved in M&E activities to ensure they have the necessary skills and expertise to effectively monitor and evaluate project outcomes. This includes training on data collection methods, data analysis techniques, and reporting standards.

Adaptive Management Approach: Adopt an adaptive management approach that allows for flexibility and agility in responding to changing circumstances and emerging challenges. This involves regularly reviewing M&E findings and adjusting project strategies and activities as needed to optimize outcomes.

By implementing these measures, the monitoring and evaluation of the MSME Development and Facilitation Cell project can be strengthened, enabling better tracking of progress, identification of successes and challenges, and ultimately, improved project performance and impact.

4.10   Awareness Creation Workshops

4.10.1 Major issues/challenges of Firm capabilities.

The MSMEs constitute a vital segment of Puducherry's economic landscape, serving as engines of innovation, employment generation, and economic growth. However, despite their pivotal role, MSMEs encounter a myriad of challenges that impede their development and competitive edge. Chief among these challenges is a lack of specialized knowledge in green technology adoption, limited exposure to international trade practices, inadequate financial literacy, and insufficient understanding of government support schemes. These barriers hinder MSMEs' ability to adopt sustainable practices, explore global markets, manage finances effectively, and leverage available support mechanisms. Addressing these challenges is paramount to fostering a conducive environment for MSMEs to thrive, innovate, and contribute significantly to Puducherry's economic prosperity.

Major challenges are listed as follows:

► Many MSMEs in Puducherry lack specialized knowledge and understanding of green technologies and their application in business operations.

► The absence of awareness about green technology options and their benefits hinders MSMEs from adopting sustainable practices, thereby limiting their competitiveness and potential for cost savings.

► MSMEs often face challenges in understanding and navigating international trade regulations, market trends, and cultural nuances.

► Limited exposure to international trade practices restricts MSMEs' ability to explore global markets, diversify their customer base, and capitalize on export opportunities.

► Many MSME entrepreneurs in Puducherry struggle with financial literacy, including understanding financial statements, budgeting, and financial planning.

► The lack of financial literacy hampers MSMEs' ability to manage resources effectively, make informed financial decisions, and access funding opportunities for business growth.

► MSMEs often face challenges in comprehending and leveraging government support schemes like the CGTMSE, ZED, and MSME - Innovative.

► The complexity and diversity of available schemes, coupled with inadequate awareness and understanding, hinder MSMEs' ability to benefit from government initiatives aimed at promoting their development and growth.

4.10.2 Key Findings

The CHAMPIONS stands here for Creation and Harmonious Application of Modern Processes for Increasing the Output and National Strength. It aims to assist Indian MSMEs march into the big league as National and Global CHAMPIONS by solving their grievances and encouraging, supporting, helping and hand holding them. Under CHAMPIONS scheme there are 5 different tools, namely Quality Estimator Tools, LEAN Manufacturing Scheme, ZEDs, Global Environment Facility (GEF-5) and MSME Innovate (Incubation, Design and IPR).

Portals and Facilities Utilised: The data is divided into three categories: MSMEs that are aware of but have not utilized the portal/facility, MSMEs that have utilized it, and MSMEs that are unaware of it.

The "Psb Loan in 59 minutes" portal shows a promising trend with 400 MSMEs having utilized it, which is higher than those who are aware but have not utilized it (280). This indicates a successful

adoption rate and suggests that the portal is effectively meeting the needs of MSMEs for quick loan processing.

The platforms rxil.in and M1exchange, both part of TReDS, show a good level of utilization with 395 and 334 MSMEs using them, respectively. However, there is still a considerable number of MSMEs that are aware of these platforms but have not utilized them (145 for rxil.in and 176 for M1exchange), indicating potential for increased adoption.

Invoicemart has a nearly even distribution between MSMEs that have utilized it (234) and those that are aware but have not (228). This could suggest that while the platform is known, factors such as perceived relevance, ease of use, or benefits might be influencing the decision to use it.

GeM has a relatively balanced distribution among the three categories, with a slightly higher number of MSMEs aware but not utilizing it (238) compared to those that have (214). This could indicate a need for more outreach or support to convert awareness into actual usage.

MSEFC and SAMADHAN, which are likely mechanisms for addressing grievances and disputes, show lower utilization rates with 143 and 141 MSMEs using them, respectively. The high number of MSMEs unaware of SAMADHAN (341) is particularly notable, indicating a substantial opportunity for improving awareness and understanding of the benefits these platforms provide.

Figure 126 Portals/ Facilities Utilized

In Puducherry, 51% of MSMEs have expressed the need for further simplification of regulations and compliances to facilitate scaling and growth. Additionally, 15% are seeking improved awareness and connections with government programs. A notable 9% have highlighted the necessity for betterment of essential infrastructure, including water and electricity supply, as a critical support area. Capacity building assistance is sought by 8% of the sector. Closer ties with technical support institutions are a requirement for 4.8% of MSMEs. Access to finance is a key area where 6% of enterprises are looking for support, while 5.8% need aid in market access. Mentorship programs are desired by 2.8% of the respondents, and 2% are advocating for enhanced export infrastructure to support their business expansion.

Figure 127 Support Enhancement Needs for MSME Sector Growth
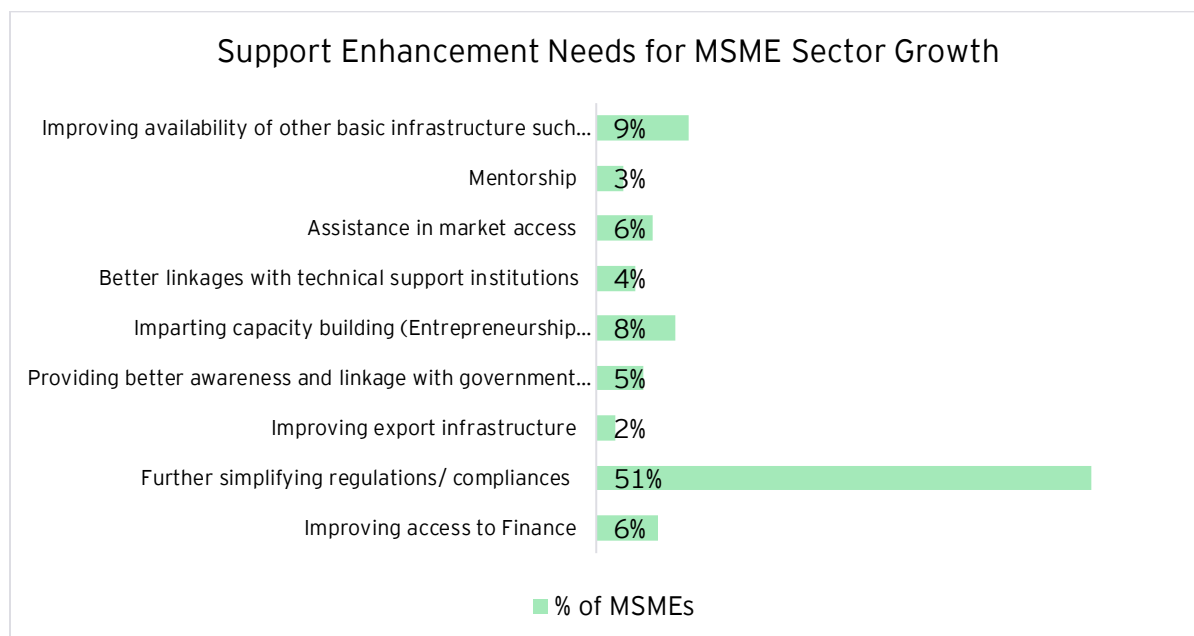
4.10.3 Problem Statement:

MSMEs are pivotal to the economic fabric of Puducherry, driving innovation, employment, and economic growth. Despite their importance, MSMEs in the region often grapple with a myriad of challenges that impede their development and competitive edge. These challenges include a lack of specialized knowledge in green technology adoption, limited exposure to international trade practices, inadequate financial literacy, and insufficient understanding of government support schemes like the CGTMSE, ZED, MSME – Innovative, LEAN etc.

4.10.4 Proposed Project with Respect to RAMP

The goal of the project is to foster a culture of sustainability and global competitiveness among MSMEs. By promoting the adoption of green technologies to steer MSMEs towards more sustainable business operations, reducing their environmental footprint while enhancing efficiency and cost-effectiveness. Concurrently, the project aims to sensitize MSMEs to the intricacies of export-related activities. This includes understanding market regulations, cultural nuances, and logistical challenges, thereby equipping them with the knowledge to navigate the global marketplace successfully.

Financial acumen is also necessary to enhance financial literacy among MSME entrepreneurs. By conducting awareness workshops on financial literacy, the project aims to empower MSMEs to

make informed financial decisions, manage resources effectively, and secure the financial health. In tandem with this, the project also focuses on providing knowledge about pivotal credit guarantee schemes such as the CGTMSE. This knowledge dissemination is intended to facilitate easier access to credit for MSMEs, thereby addressing one of the most significant hurdles faced by these enterprises.

Lastly, the initiative places a strong emphasis on capacity building through the development of a cadre of well-informed trainers. These trainers will be instrumental in further disseminating knowledge about government initiatives like the 'Champions' scheme, which is designed to support MSMEs. By equipping these trainers with the necessary tools and information, the benefits of our programs will be amplified and reach a wider audience, ultimately contributing to the robust growth of the MSME sector.

4.10.5 Proposed Project Design Concept, Feasibility and Viability of Proposal

Customized Training Programmes on the following topics shall be developed to raise awareness about those topics and equip the MSMEs with the knowledge and skills to adopt and implement those schemes/ ideologies.

Green Technology

► Understanding the importance of green technology for sustainable development.
► Practical sessions on the latest green technologies relevant to various industries.
► Case studies of successful green technology integration in MSMEs.
► Access to green technology financing and incentives.

MSME Sensitization Workshops

► Workshops on market trends, consumer behavior, and regulatory changes.
► Strategies for innovation and competitiveness.
► Networking opportunities with industry experts and peers.

Export-Related Training

► Understanding export procedures and documentation.
► Training on international marketing and branding.
► Compliance with international standards and certifications.
► Risk management and mitigation in export trade.

Financial Literacy Workshops

► Basics of financial management and accounting.
► Understanding financial statements and key financial ratios.
► Guidance on financial planning, budgeting, and forecasting.
► Workshops on digital financial tools and platforms.

Training Workshop on CGTMSE Scheme

► Overview of the CGTMSE scheme and its objectives.
► Eligibility criteria and the application process.

- ► Success stories of MSMEs that have benefited from the scheme.
- ► Interaction with financial institutions and CGTMSE officials.

Train the Trainers for Officers on 'Champions'

- ► In-depth training on the features and benefits of the 'Champions' scheme.
- ► Creation of training materials and resources regarding the sub-schemes under Champions such as- Quality Estimator Tools, LEAN Manufacturing Scheme, ZEDs, Global Environment Facility (GEF-5) and MSME Innovate (Incubation, Design and IPR).
- ► Effective training methodologies and communication skills.
- ► Monitoring and evaluation techniques for training effectiveness.

4.10.6 Approach and Methodology for Implementation

- ► **Partnerships:** Collaborate with industry experts, government bodies, financial institutions, and educational organizations to design and deliver the training programs.
- ► **Customization:** Tailor the training content to meet the specific needs of different MSME sectors and regions.
- ► **Technology Integration:** Utilize digital platforms for wider reach and ongoing support post-training.
- ► **Monitoring and Evaluation:** Establish metrics to assess the impact of the training programs on participants' performance and business growth.
- ► **Timeline for conduction of workshops:** There will be 4 workshops conducted on 2-day basis each year where the trainings on various topics will be held one after the other, giving a thorough and intensive course for maximum utilization of resources.

4.10.7 Use of ICT/Innovative Technology Towards Project Implementation

For the successful development and implementation of the customized training programs on the topics mentioned, a variety of ICT tools and platforms will be utilized. Here is a list of potential ICT tools that could be used in this project:

- ► **Learning Management Systems (LMS):** To host and manage online training content, track learner progress, and facilitate assessments.
- ► **Video Conferencing Platforms:** For live virtual workshops, interactive sessions, and networking opportunities.
- ► **Webinar Tools:** To conduct large-scale online seminars and presentations.
- ► **Collaboration Tools:** Such as Slack, Microsoft Teams, or Trello for team communication and project management.
- ► **Financial Software:** For financial literacy workshops, software like QuickBooks or other accounting tools could be used for practical sessions.
- ► Digital Marketing Tools: To teach international marketing and branding, tools like Google Analytics, Hootsuite, or Mailchimp might be incorporated.
- ► E-Learning Authoring Tools: For creating interactive and engaging training materials, such as Articulate Storyline or Adobe Captivate.
- ► Survey and Feedback Tools: Like SurveyMonkey or Google Forms to collect feedback and evaluate training effectiveness.
- ► Document Management Systems: To store and share export procedures, documentation, and case studies securely.

4.10.8 Timeline for achievement of Project Deliverables

The estimated timeline for the achievement of the proposed project deliverable is 3 years.

4.10.9 Estimated impact of the Project/Proposal/scheme

The impact of a comprehensive training program on MSMEs in Puducherry can be multifaceted and significant. About 480 MSMEs shall be benefitted through this project. Here are some potential impacts:

- ► **Enhanced Sustainability:** Training in green technology will help MSMEs adopt sustainable practices, reducing their environmental footprint and potentially lowering operational costs through energy-efficient processes.

- ► **Increased Competitiveness:** Workshops on market trends, consumer behavior, and innovation strategies can enable MSMEs to stay competitive in a rapidly changing business environment.

- ► **Improved Export Potential:** Export-related training can open up new international markets for Puducherry's MSMEs, increasing their reach and revenue.

- ► **Financial Empowerment:** Financial literacy workshops will equip MSME owners with the knowledge to make informed financial decisions, manage cash flow effectively, and secure funding.

- ► **Access to Financing:** Understanding the CGTMSE scheme and other financial incentives can help MSMEs in Puducherry access credit more easily, facilitating business expansion and growth.

- ► **Skill Development:** Training programs will enhance the skills of both MSME owners and their workforce, leading to improved productivity and quality of products/services.

- ► **Networking Opportunities:** Workshops and seminars will provide platforms for MSMEs to network with industry experts, peers, and potential clients, fostering collaborations and partnerships.

- ► **Adoption of New Technologies:** Practical sessions on the latest technologies will encourage MSMEs to integrate advanced tools and processes into their operations, leading to innovation and efficiency.

- ► **Risk Mitigation:** Training in risk management for export trade will help MSMEs identify potential risks and develop strategies to mitigate them, ensuring business continuity.

- ► **Policy Advocacy:** Sensitization workshops can also serve as a platform for MSMEs to voice their challenges and needs, potentially influencing policy decisions that affect the sector.

- ► **Enhanced Training Capabilities:** 'Train the Trainers' programs will create a pool of local experts who can continue to disseminate knowledge and support the MSME community in Puducherry.

- ► **Quality Improvement:** Exposure to quality estimator tools, LEAN manufacturing schemes, and ZED can lead to improved product quality and customer satisfaction.

- ► **Innovation and Incubation:** Programs like MSME Innovate will encourage entrepreneurship and support the development of new products, services, and business models.

- ► **Intellectual Property Rights (IPR) Awareness:** Training on IPR will help MSMEs protect their innovations and potentially create additional revenue streams through licensing or patents.

- ► **Economic Growth:** Collectively, these impacts can contribute to the overall economic growth of Puducherry by boosting the MSME sector.

4.10.10   Project costing and contribution of State towards it

Table 56 Total costing for Intervention related to Awareness workshops (Amount in Rs. Cr.)

Sl.No.	Intervention	Total Cost for 3 years	State Contribution	Demand from RAMP
1	Awareness creation workshops	0.18	0.04	0.14
Total		**0.18**	**0.04**	**0.14**

Table 57 Intervention costing (year wise) related to Awareness workshops (Amount in Rs. Cr.)

Sl.No.	Intervention	FY 2024-25	FY 2025-26	FY 2026-27	Total
1	Awareness Creation Workshops	0.06	0.06	0.06	**0.18**

4.10.11   Plan for strengthening M&E framework pertaining to Project

► Baseline Assessment: Conduct a baseline survey to understand the current state of MSMEs in Puducherry regarding green technology adoption, export activities, financial literacy, and capacity building.

► Continuous Monitoring: Regularly monitor the progress of training programs, participant engagement, and implementation of acquired knowledge.

► Mid-term Evaluation: Assess the interim results and adjust strategies if necessary to ensure alignment with project objectives.

► End-line Evaluation: Conduct a comprehensive evaluation at the end of the project period to measure the overall impact on MSMEs and the achievement of project goals.

► Use evaluation findings to identify best practices and lessons learned for future program design and implementation.

► Continuously adapt training content and methodologies based on participant feedback and emerging trends in MSME development.

► Foster a culture of learning and knowledge sharing among project staff, trainers, and MSMEs to promote continuous improvement.

► Analyze quantitative data using statistical methods to measure changes over time.

► Analyze qualitative data from interviews, focus groups, and case studies to identify emerging trends and success factors.

► Prepare periodic progress reports highlighting key findings, challenges, and recommendations for improvement.

D. Greening and Sustainability

4.11 Implementing and Enhancing Processes that focus on Greening and Sustainability

4.11.1 Major issues/challenges of Firm capabilities.

In the current scenario, the advancement of Green MSMEs is crucial, particularly in an area like Puducherry. The urgency of this initiative stems from various factors, with an emphasis on water and energy conservation and reflecting the distinct challenges and prospects offered by the state's climatic conditions and natural assets.

Addressing Water Scarcity in Puducherry: Puducherry is confronted with water shortages and has a limited supply of freshwater. Water is usually supposed through water tanks coming from far away cities. The escalating need for water, fuelled by agricultural activities, industrial growth, and an expanding population, is a pressing concern. Green MSMEs are instrumental in tackling this issue through the implementation of sustainable water management techniques. By integrating environmentally friendly technologies and adopting water-saving practices, these businesses can drastically cut down on water use and curb wastage. They also have the potential to lead in the adoption of rainwater harvesting and the replenishment of groundwater, which are essential for the enduring viability of the region.

Energy in Puducherry: Energy conservation presents a significant challenge as the region grapples with increasing energy demand amidst finite resources. The territory's growing population, coupled with rapid industrialization and tourism development, has led to a surge in energy consumption, placing a strain on existing energy infrastructure and resources. This escalation in energy use not only contributes to higher operational costs and energy bills for residents and businesses but also exacerbates environmental concerns such as carbon emissions and climate change. The need for effective energy conservation strategies is critical to ensure sustainable growth, reduce the ecological footprint, and maintain the delicate balance between development and environmental preservation in Puducherry.

4.11.2 Key Findings

The shift towards environmentally friendly practices in industries is pivotal for ensuring sustainability. According to our surveys, a significant portion of small and medium enterprises, particularly those in manufacturing, either lacked awareness or neglected the adoption of green technologies.

A considerable percentage of MSMEs, both registered and unregistered, face challenges such as limited access to financing options and a lack of awareness about green financing mechanisms. This issue is critical because obtaining affordable funding is crucial for investing in energy-efficient technologies. Additionally, MSMEs struggle to access technical expertise, hindering their ability to identify and implement suitable energy conservation measures.

Energy Consumption Profile: A significant majority of MSMEs, accounting for 67%, fulfil their energy consumption needs via metered electrical connections. A noteworthy 28.7% of these enterprises have incorporated renewable energy solutions, including solar panel installations, into their operational framework. A smaller segment, representing 3.1%, relies on liquefied petroleum (LP) or high-pressure (HP) systems for their energy requisites. Meanwhile, a minimal 1.2% of entities depend on generator sets for their routine operational energy demands.
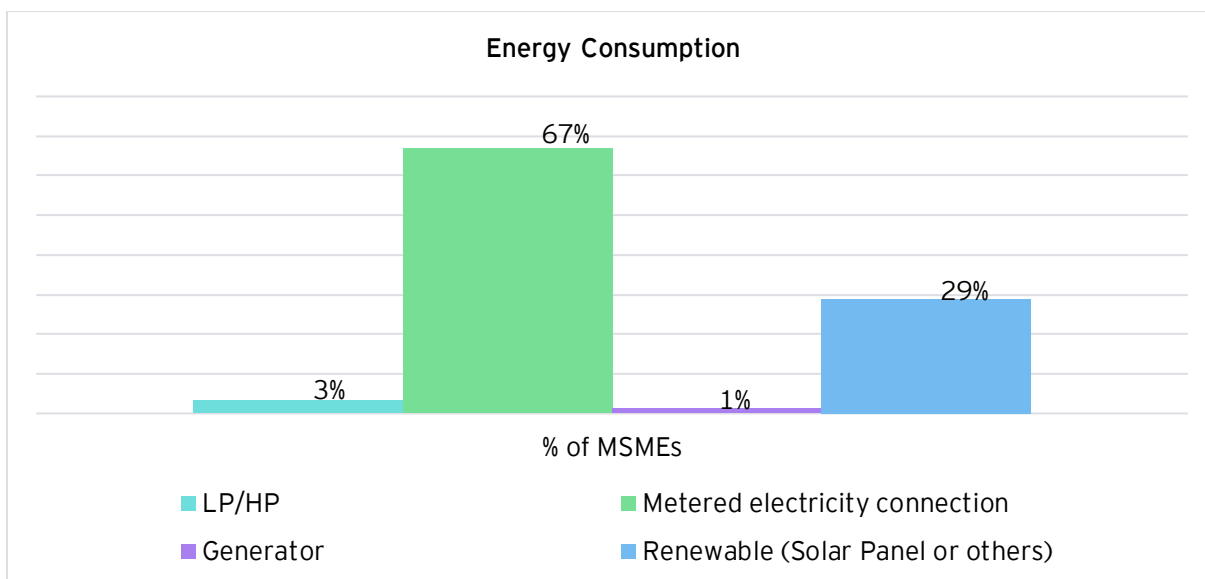
Figure 128 Energy Consumption

Uninterrupted Electricity: The satisfaction levels with respect to uninterrupted electricity reveal a mixed sentiment. According to the data, 57.30% of MSMEs are satisfied with their access to uninterrupted electricity, which is a critical component for the smooth operation of any business. However, a significant 42.70% of MSMEs are dissatisfied, indicating that nearly half of the surveyed businesses face challenges with electricity supply, which can hamper productivity and growth.
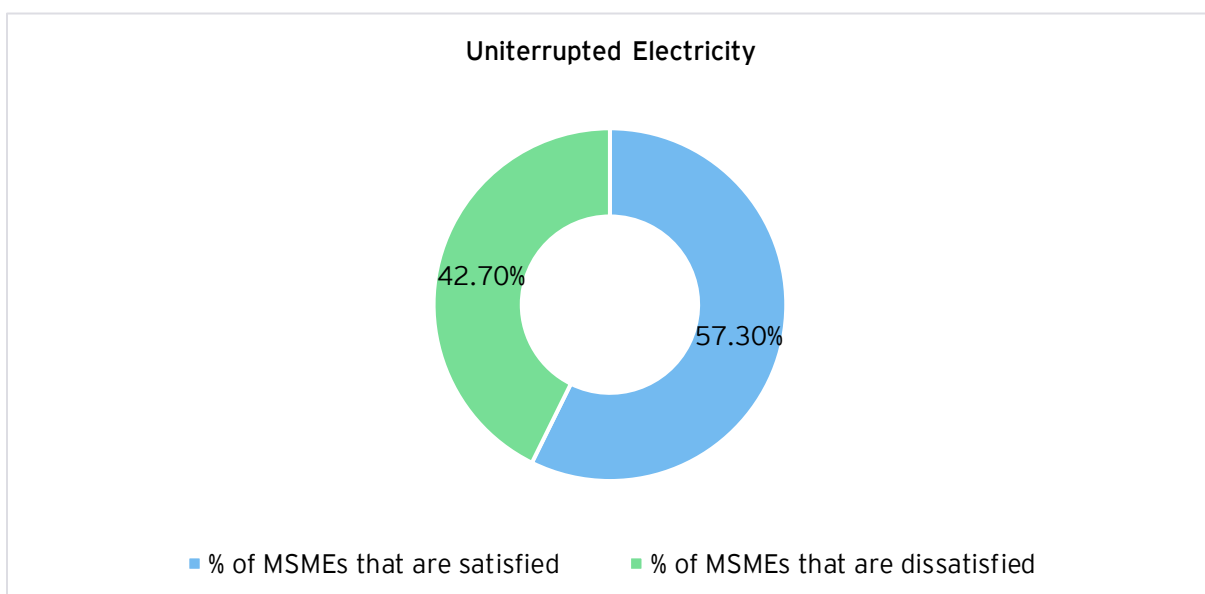
Figure 129 Utilities: Uninterrupted electricity

Water Supply: MSMEs seem to be more content, with 71.20% expressing satisfaction. This suggests that a majority of these enterprises have access to a reliable water supply, which is essential for various business operations, depending on the industry. Nevertheless, there is still a notable 28.80% of MSMEs that are dissatisfied, pointing towards room for improvement in ensuring consistent water supply to all businesses.

Water Supply

- % of MSMEs that are satisfied
- % of MSMEs that are dissatisfied

28.80%

71.20%
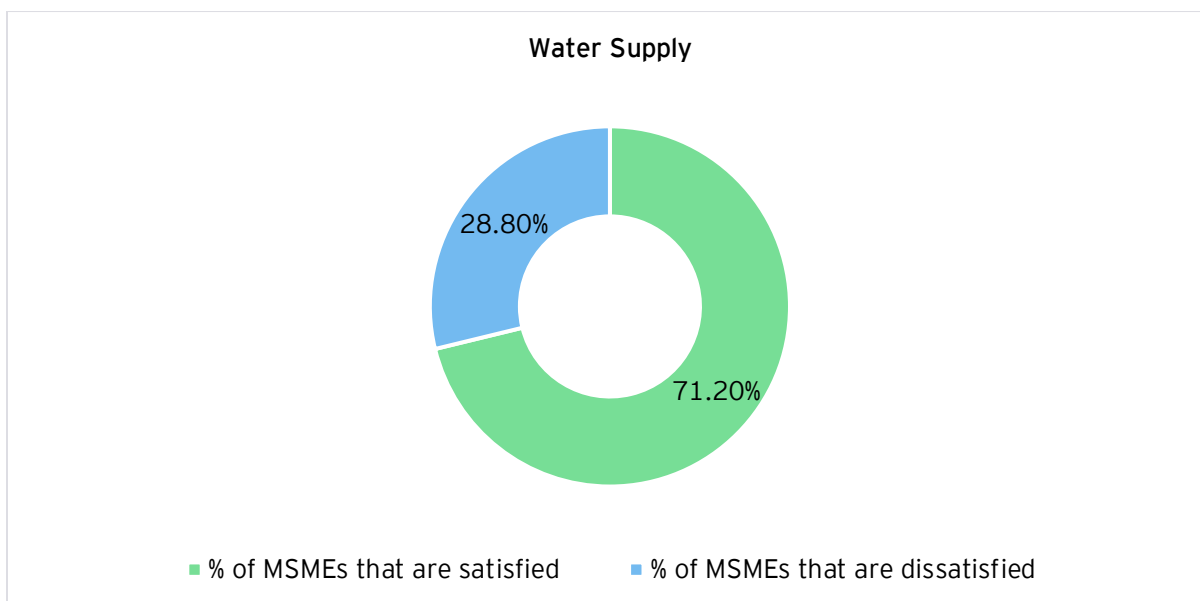
Figure 130 Utilities: Water Supply

Certification Status of MSMEs: A majority of MSMEs, accounting for 60%, have indicated the absence of any formal certifications, pointing to a significant opportunity for growth through accreditation. A segment of 12.9% of these enterprises has successfully acquired the Hazard Analysis Critical Control Point (HACCP) certification, underscoring their commitment to food safety and quality management systems.

A further 9% of MSMEs have been awarded the Zero Defect Zero Effect (ZED) certification, reflecting their dedication to manufacturing excellence and environmental sustainability. The Bureau of Energy Efficiency (BEE) star rating has been obtained by 6.8% of enterprises, demonstrating their adherence to energy efficiency standards.

Additionally, 4.7% of MSMEs have secured the Bureau of Indian Standards (BIS) Hallmark, while 3.5% have achieved BIS ISI product certifications, both of which signify a compliance with national quality benchmarks. A smaller proportion, 1.8%, have been recognized with the AGMARK, indicative of quality assurance in agricultural products.

Lastly, a modest 1% of enterprises have reported possession of the Handloom Mark, RoHS Certification, and the Food Safety and Standards Authority of India (FSSAI) certification, each of which represents specific industry standards in textiles, restriction of hazardous substances, and food safety, respectively.

These figures highlight a landscape where a considerable number of MSMEs have yet to harness the competitive advantage offered by various certifications.

Certification Status
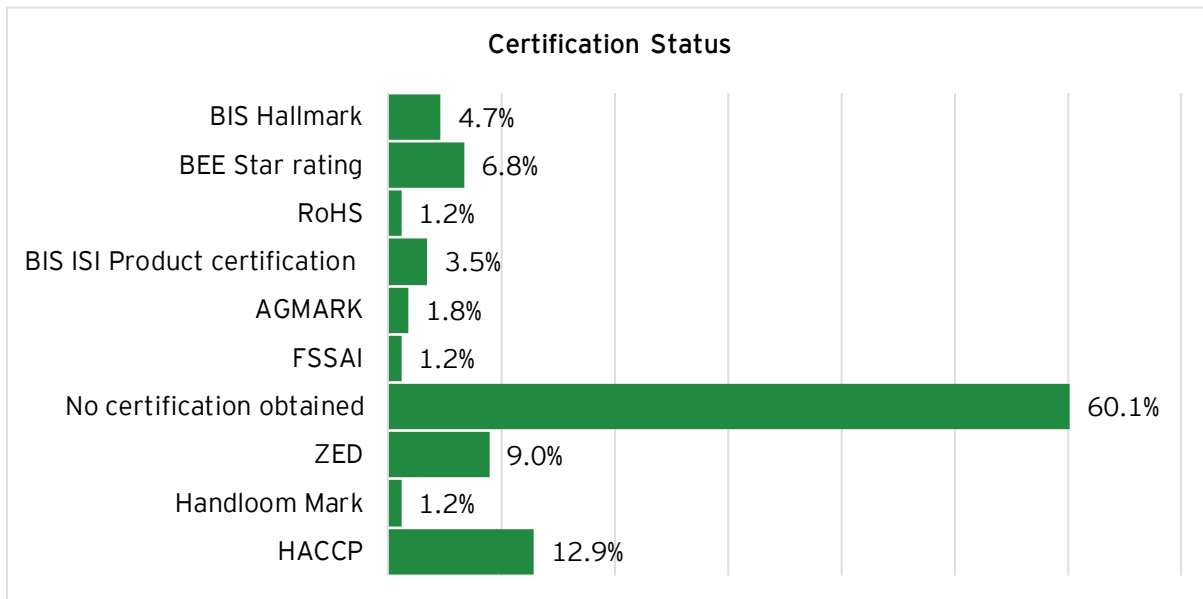
Figure 131 Certification Status

Barriers to Adoption of Sustainable Practices in Enterprises: A significant portion of enterprises, approximately 50%, have identified a deficit in awareness and understanding regarding the application and advantages of sustainable practices. Additionally, 26% have cited the absence of technical expertise as a considerable obstacle. Furthermore, 24% have acknowledged a gap in capital knowledge, specifically pertaining to green financing mechanisms, as a potential impediment to implementing sustainability measures.
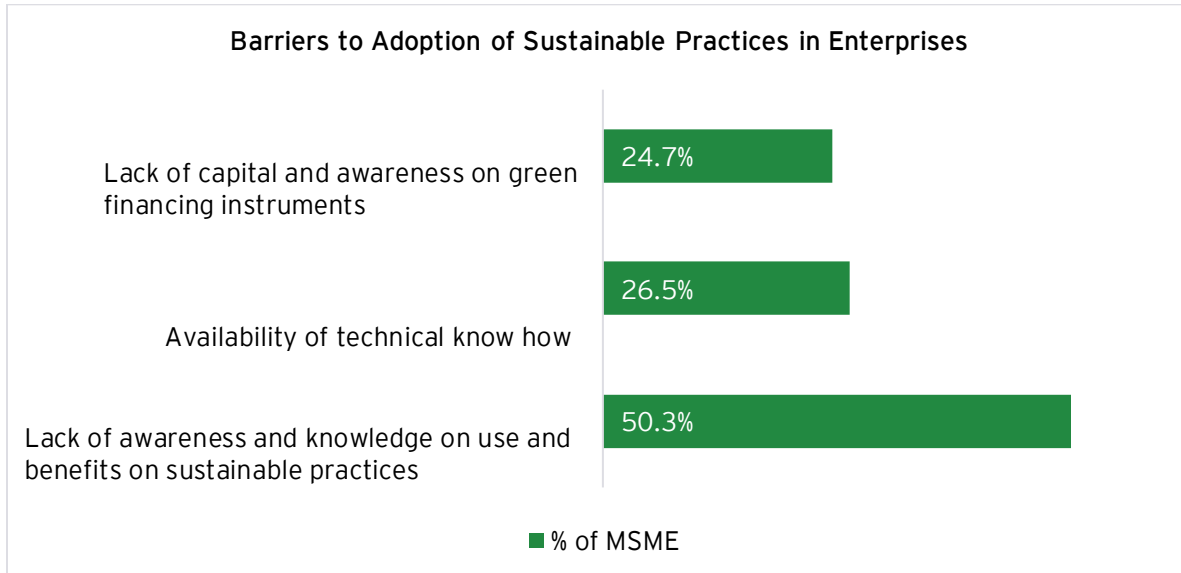
Figure 132 Barriers to Adoption of Sustainable Practices

► Certification Importance: Incentivizing application and process costs for sustainability and quality certifications like ISO, Fair Trade, and Green Globe can attract eco-conscious clients and showcase socio-responsible tourism.

► Tourism Recognition: This can lead to international recognition for MSMEs in Puducherry, enhancing their reputation and competitiveness in the global market.

► Eco-Friendly Image: Certification can help MSMEs project an eco-friendly image, appealing to environmentally conscious tourists and clients.

- ► Competitive Advantage: Obtaining certifications can provide a competitive advantage for MSMEs in Puducherry, setting them apart from others in the industry.

- ► Increased Revenue: Attracting eco-conscious clients and showcasing socio-responsible tourism can lead to increased revenue for MSMEs in Puducherry.

In the state of Puducherry, there exists a notable absence of recognition programs aimed at Micro, Small, and Medium Enterprises (MSMEs). This observation has been underscored by key stakeholders, including trade associations and other secondary entities. These stakeholders have pointed out that various other states have instituted commendation schemes and awards specifically tailored to acknowledge the contributions of MSMEs. Therefore, it is recommended that Puducherry also adopts similar initiatives to foster a conducive environment for the growth and sustenance of MSMEs. In addition to acknowledging the efforts of MSMEs, such awards can serve as catalysts for innovation, competitiveness, and overall economic development within the region. By embracing these accolades, Puducherry can effectively empower its MSME sector and position itself as a progressive hub for entrepreneurial endeavours.

Renewable Energy Agency Puducherry (REAP) Guidelines:

Types Of Financial Incentives:

- ► All buildings applying for ECBC plus compliance will be given a 25% discount of the total Energy saved compared to only ECBC Complaint Building, in the Energy Bill

- ► All buildings applying for Super ECBC compliance will be given a 50% discount of the total Energy saved compared to only ECBC Complaint Building, in the Energy Bill

- ► Let's consider an example for the calculation of discount o Let's consider a 1000 Sq Mt Office Building. The EPI of the building if considered for only ECBC Complaint Building is 100 KW /Sq. Mt. but the proposed EPI of the Building is 82 KW/Sq. Mt. which falls under the category of ECBC Plus Building as per the ECBC 2017. o Total Annual Energy Conserved by the building annually is ▪ 100 – 82 = 18 x 1000 Sq Mt = 18000 KW o This is the annual Energy conserved so the monthly saving will be 1500 KW.

- ► As it falls under ECBC Plus category we will be providing 25% discount and considering Rs. 5 per Unit Cost, ▪ 0.25 x 1500 x 5 = Rs 1875/- per month discount can be provided

Energy Consumption				
Category	Micro	Small	Medium	Total Number of MSMEs
White	6	3	0	9
Green	146	343	23	512
Orange	95	456	80	631
Red	7	35	31	73
Hospital	1	2	1	4
Total	255	839	135	1229

The table provides a detailed breakdown of energy consumption among MSMEs in Puducherry across different industry categories. These categories are classified based on their energy consumption intensity and environmental impact, categorized into White, Green, Orange, Red, and Hospital sectors.

Starting with the White category, which likely represents industries with minimal environmental impact and low energy consumption, the table shows that there are 6 Micro, 3 Small, and 0 Medium MSMEs, totaling 9 MSMEs. This indicates a smaller presence of enterprises in this low-energy consumption category.

Moving to the Green category, which typically includes industries focusing on sustainable practices and green energy sources, the data reveals a larger presence: 146 Micro, 343 Small, and 23 Medium MSMEs, totaling 512 MSMEs. This suggests a significant effort among MSMEs in Pondicherry towards adopting environmentally friendly practices.

The Orange category, which likely includes industries with moderate environmental impact and energy consumption, shows substantial participation as well. There are 95 Micro, 456 Small, and 80 Medium MSMEs, totaling 631 MSMEs. This category indicates a balance between environmental impact and operational scale.

In contrast, the Red category, likely comprising industries with higher environmental impact and energy consumption, shows relatively lower numbers: 7 Micro, 35 Small, and 31 Medium MSMEs, totaling 73 MSMEs. This suggests either fewer high-impact industries in Pondicherry or efforts to mitigate their environmental footprint.

The Hospital category represents energy consumption by healthcare facilities. The data indicates 1 Micro, 2 Small, and 1 Medium MSMEs, totaling 4 MSMEs. This highlights specific energy consumption patterns relevant to healthcare services in the region.

4.11.3 Problem Statement:

Many industrial units in Puducherry encounter challenges in conducting energy and water audits due to the associated costs, which act as a barrier to implementing energy and water conservation measures. The lack of financial support for energy and water audits hinders industrial units from identifying and addressing water efficiency opportunities, leading to excessive water and energy consumption, higher operational costs, and environmental impact.

In Puducherry, there is a lack of recognition and incentives for MSMEs that have implemented greening initiatives and adopted best practices in sustainability. The absence of a structured awards program hinders the motivation and encouragement for MSMEs to invest in eco-friendly measures and showcase their commitment to environmental stewardship.

The tourism sector in Puducherry faces challenges in attracting eco-conscious travellers and showcasing its commitment to sustainable and socially responsible practices. The lack of widely recognized sustainability and quality certifications hinders the state's ability to differentiate itself in the market and appeal to environmentally and socially conscious tourists.

Puducherry lacks a comprehensive collection of case studies and documentaries showcasing successful stories of greening initiatives and sustainable practices. The absence of such resources hinders the dissemination of knowledge, best practices, and inspiration for other organizations and individuals to adopt green measures.

Industrial units in Puducherry face challenges in investing in energy-efficient technologies and processes due to the high capital costs involved. The lack of financial incentives and support for limiting energy consumption hinders industrial units from adopting sustainable practices and reducing their environmental impact.

Startups in Puducherry lack awareness and practical knowledge on integrating green practices into their business models, leading to missed opportunities for sustainable growth and environmental impact. The absence of specialized training and resources hinders startups from adopting eco-friendly initiatives, reducing their competitiveness and potential for long-term success.

4.11.4 Proposed Project with Respect to RAMP

Project 1, 2 & 8: Financial support for pilot energy and water audits in energy and water intensive industries: Selected MSMEs volunteering to conduct energy and water audits will be assisted and related cost would be incurred.

Project 3: Creation of case studies:

► **Research and Documentation:** Collaborate with reputed research organizations to conduct in-depth research, data collection, and documentation of the selected case studies, ensuring the accuracy, reliability, and comprehensiveness of the content.

► **Multimedia Content Creation:** Work with media professionals and content creators to develop engaging and visually appealing multimedia content, including case study videos, documentaries, and interactive online platforms, to effectively showcase the success stories and their impact.

► **Dissemination and Promotion:** Widely disseminate the developed case studies and documentaries through various channels, such as social media, online platforms, local media, and targeted outreach to relevant stakeholders, to maximize their reach and impact.

Project 4: Incentives towards creation of IPR, Quality certification, Sustainability & responsible industrialisation, Ind 4.0 in manufacturing and promoting R&D: The investment cost incurred in connection with creation of IPR, adopting Quality certifications, pollution controlling measures, green technologies as well as adopting Industry 4.0 shall be incentivised. This is expected to promote adoption of these best practices among the MSMEs.

Project 5: MSME Awards/ Rewarding MSMEs for Greening initiative, adoption of best practices etc.: The State government felicitates selected MSMEs every year recognising their efforts and achievements in different areas. It is proposed to add categories in the awards to be given to MSMEs contributing to the efforts in prompting ESG and green practices, quality certifications etc. Further, the State government is planning to introduce a regulatory framework for ESG rating, ESG rating providers and based on the rating the respected industries shall also be awarded ESG awards in different categories.

Project 6: Provision for special incentives:

Eligibility Criteria:

► MSMEs in Puducherry with a minimum energy consumption.

► Units must have implemented energy-efficient measures and achieved significant energy savings.

Assessment Process:

► Conduct energy audits and assessments of participating MSMEs to determine their energy consumption and savings.

► Evaluate the energy efficiency measures implemented by each unit, including the type and quantity of measures, and their impact on energy consumption.

Reward Structure:

► 150 MSMEs will be selected for the award based on their energy savings.

► Each selected unit will receive a reward of ₹1 lakh.

Project 7: Organization of Sustainability bootcamps for startups: These bootcamps serve as dynamic platforms where budding startups are immersed in an immersive learning environment, tailored to equip them with the knowledge and resources necessary to integrate green practices into their business models. Central to these bootcamps is the emphasis on practicality, where startups engage in hands-on activities, workshops, and interactive sessions aimed at demystifying

the complexities of sustainability. Furthermore, the inclusion of visits to educational institutions adds a unique dimension to the learning experience, providing startups with direct exposure to cutting-edge research, innovative technologies, and real-world case studies. Through these visits, startups gain invaluable insights and inspiration, empowering them to envision and implement sustainable solutions that not only benefit their businesses but also contribute positively to the environment and society at large.

4.11.5 Proposed Project Design Concept, Feasibility & Viability of Proposal

Project 1: Conduction of Energy Audit and Project 8: Incentivize units that have shown growth in the state:

As per REAP Guidelines, the following are the duties to be carried out: -

Roles and Responsibilities of the owner: (1) The owner of the building, who intends to carry out the audit work of the said building in accordance with the requirements of PDY-EA Guidelines. (2) Every owner shall: - (a) Engage Empanelled Energy Auditor for conducting the building audit as per PDY-EA Guidelines and ensure following namely: - (i) finalize the energy audit approach relevant for his/her building project based on the complexity of the building, budget and time constraints; (ii) Finalize the energy efficiency measures applicable to his/her building as per financial budget secured for said building; (iii) Ensure that the suggested energy efficiency measures are implemented in the building within the specified time limit. (b) Permit the Empanelled Energy Auditor (EEA) to enter the building or premises at any reasonable time for the purpose of energy audit under the PDY-EA Guidelines; (c) Give written notice to the SDA in case of termination of the services of EEA and appointment of other EEA in its place; (d) If a building is multiple tenant, the owner has to make necessary provisions to support the EEA for audit & implementation of the suggested EEMs for each tenants/owner

Roles and Responsibilities of the Empanelled Energy Auditor (EEA): The EEA, whose services are engaged by the owner, shall: - (a) finalize the Energy Audit team as per the size and type of the building; (b) identify the main energy consuming areas in the building to be surveyed during the audit; (c) identify any instrumentation/ additional metering requirement; (d) decide whether any meters will have to be installed prior to the audit e.g. kWh, steam, oil or gas meters; (e) identify the instruments required for carrying out the audit; (f) plan the complete audit within time frame; (g) collect macro data on energy resources, major energy consuming areas; (h) create awareness through meetings/programs Furnish a certificate under its seal and authorized signature to the effect that drawings, specifications, construction documents, compliance documents, and forms prepared covering building envelope, comfort system and controls, lighting and electrical power systems, wherever applicable, and all other PUECBC related documentation prepared for submission to the authority having jurisdiction ensuring compliance with these rules; (i) The EEA shall ensure that none of the professionals or employees working under him/her is engaged in any work in connection with the addition or alteration of the concerned building covered under these guidelines to ensure that there is no conflict of interest with his/her official duties with the interests of the SDA; (j) Promote norms and standards specified in PDY-EA guidelines from the Bureau of Energy Efficiency.

Role And Responsibilities Of State Designated Agency (SDA): (a) Coordinate, regulate, and enforce the provisions of PDY-EA Guidelines for efficient use of energy and its conservation under the EC Act 2001 in UT of Puducherry; (b) Ensure any building under the scope of Puducherry Energy Conservation Building Code & Rules 2022 be audited every third year from the date of issue of completion certificate as per PDY-EA guidelines; (c) Monitor the performance of the EEA to improve the quality, consistency. (d) Create a data bank in SDA to measure the consistency of the energy efficient commercial buildings falling under the purview of PDY-EA Guidelines; (e) Create a data bank on energy use per square meter of area of the building under warm & humid zones; (f) Prepare a report on performance of EEA, listing out the buildings successfully implemented the

suggested EEMs of no cost, low cost and high cost while maintaining the EPI of the building. Provide a summary of non-implementation of the suggested EEMs of all the buildings for each year to the Bureau of Energy Efficiency; (g) Provide support to DISCOM or Electricity Regulatory Commission to confirm to the provisions of these Guidelines; especially for matters concerning monitoring and checking energy consumption of buildings for improving the energy performance of commercial buildings falling under the scope of PDY-EA Guidelines; (h) Interact with State Government to ensure that reasonable level of penalty is imposed in case of violations or non-compliance with the provisions of these guidelines or failure to meet the obligations imposed on the owner for enforcement of these guidelines.

Project 2: Conduction of water Audit

The primary objective of this feasibility study initiative is to empower MSEs in Puducherry with the knowledge and strategies required to efficiently manage and utilize energy and water resources in a sustainable manner. Specific objectives include:

▶ Assessing the water usage patterns and challenges faced by MSEs within identified natural clusters.

▶ Identifying region-specific solutions and best practices for sustainable water management.

▶ Developing actionable recommendations and strategies to optimize water utilization, reduce wastage, and enhance water efficiency.

▶ Promoting awareness and capacity building among MSEs regarding sustainable energy and water practices.

Project 3: Creation of Case studies on success stories related to Greening:

Case studies on success stories aims to be a catalyst for change by highlighting transformative stories through compelling case studies. By documenting and sharing these narratives, the project seeks to contribute to a culture of learning, innovation, and success. As a part of this project, collaboration with reputable research organizations to conduct detailed research and data collection shall be conducted. An in-depth documentation of selected case studies, ensuring content accuracy and reliability shall also be performed. Multimedia content, including videos, documentaries, and interactive online materials shall also be developed. The case studies shall be disseminated through various channels to maximize reach.

Project 4: Incentives towards creation of IPR, Quality certification, Sustainability & responsible industrialisation, Ind 4.0 in manufacturing and promoting R&D: The project aims to encourage MSMEs in the tourism sector to adopt sustainability and quality certifications such as ISO, Fair Trade, and Green Globe. By incentivizing the application and process costs for obtaining these certifications, MSMEs can attract eco-conscious clients and position themselves as socially responsible tourism destinations. This intervention aligns with the growing demand for sustainable tourism practices. It offers tangible benefits to MSMEs by enhancing their market competitiveness and attracting a niche segment of environmentally conscious travellers. The project's viability is supported by the potential increase in revenue and brand reputation for MSMEs that achieve sustainability certifications. Additionally, the investment in certification can lead to long-term cost savings through improved operational efficiency and resource management.

Project 5: MSME Awards/ Rewarding MSMEs for Greening initiative, adoption of best practices etc.: This project involves the establishment of MSME awards to recognize and reward businesses that demonstrate outstanding commitment to greening initiatives and the adoption of best practices in sustainability. These awards aim to motivate and incentivize MSMEs to invest in eco-friendly measures and showcase their dedication to environmental stewardship. It leverages existing frameworks for recognizing business excellence. By focusing specifically on greening initiatives, the awards address a critical need in promoting sustainable practices among MSMEs. The project will have the potential for positive publicity and enhanced brand reputation for

awardees. Additionally, the awards can serve as a catalyst for knowledge sharing and collaboration within the MSME community, further driving sustainability efforts.

Project 6: Provision for special incentives: This initiative targets industrial units by providing special rewards for limiting energy consumption. By incentivizing energy efficiency measures and reducing environmental impact, the project aims to promote sustainable practices among industrial stakeholders. Energy consumption reduction aligns with both environmental conservation goals and cost-saving objectives for industrial units. Implementing energy-efficient technologies and processes is feasible with the right support and incentives. The project's viability is supported by the potential for significant cost savings and operational efficiency gains for participating industrial units. Additionally, the rewards serve as tangible incentives for businesses to prioritize energy conservation measures.

Project 7: Organization of Sustainability bootcamps for startups: This project involves the organization of sustainability bootcamps targeting startups, focusing on green practices and providing practical tools and strategies for integrating sustainability into their business models. The bootcamps include visits to educational institutions to enrich the learning experience and inspire innovation. The feasibility of this intervention is high, as startups are increasingly interested in adopting sustainable business practices to appeal to environmentally conscious consumers and investors. The bootcamps offer valuable educational opportunities and hands-on learning experiences. The project's viability is supported by the potential for startups to gain a competitive edge through differentiated sustainability initiatives. By providing practical tools and strategies, the bootcamps empower startups to integrate sustainability into their core business operations, driving long-term success and resilience.

4.11.6 Approach and Methodology for Implementation

Project 1: Conduction of Energy Audit & Project 2: Conduction of Water Audit:

Designing an effective approach and methodology for the Raising and Accelerating MSME Performance (RAMP) scheme to conduct feasibility studies for water conservation through water audits involves several key steps. Here's a comprehensive plan for this intervention:

Approach:

► Needs Assessment:

  ▸ Identify and select target MSMEs for the energy and water conservation intervention. Prioritize those with significant energy and water usage or those located in water-scarce regions.

  ▸ Conduct initial surveys or interviews to understand the specific water-related challenges and opportunities faced by these MSMEs.

► Audit Preparation:

  ▸ Collaborate with specialized energy and water audit firms or experts who will assist in conducting the audits.

  ▸ Develop a standardized checklist or questionnaire to gather data during the audit, covering areas such as water sources, consumption patterns, equipment, and processes.

► Financial Support:

  ▸ Determine the financial assistance structure: up to 50% of the total cost or up to 1 Lakh for energy audits and INR 50,000 for water audits, whichever is lower.

  ▸ Create an application process for MSMEs to apply for funding, including eligibility criteria and documentation requirements.

► Audit Implementation:

- ▶ Coordinate with the selected energy and water audit experts to schedule and perform the audits at the chosen MSMEs.
- ▶ Ensure the audits are comprehensive, covering all aspects of water use within the facility.

▶ Data Collection and Analysis:
- ▶ Collect and analyse data from the energy and audits to identify areas of improvement and potential water-saving measures.
- ▶ Quantify the potential energy and water savings and cost reductions.

▶ Implementation Support:
- ▶ Offer guidance and support to MSMEs in implementing the recommended energy and water conservation measures.
- ▶ Help them access any additional funding or incentives available for implementing these measures.

▶ Monitoring and Evaluation:
- ▶ Establish a monitoring framework to track the progress of energy and water conservation initiatives at each MSME.
- ▶ Regularly evaluate the impact of the interventions on water usage and cost savings.

Methodology:

▶ **Data Collection:** During the energy and water audits, gather data on water sources, consumption patterns, infrastructure, processes, and any existing water-saving measures.

▶ **Data Analysis:** Analyse the collected data to identify inefficiencies, leaks, and areas where water conservation measures can be implemented.

▶ **Recommendation Development:** Generate a list of recommendations tailored to each MSME, outlining specific actions they can take to conserve energy and water and reduce costs.

▶ **Cost-Benefit Analysis:** Assess the potential cost savings and return on investment for each recommended measure.

▶ **Implementation Support:** Provide guidance and assistance to MSMEs in implementing the recommended measures, including technical support and access to financial resources.

▶ **Monitoring and Evaluation:** Continuously monitor the progress of water conservation initiatives, track water usage, and assess the economic and environmental impact.

Project 3: Creation of Case studies on success stories related to Greening:

The project will be executed in three phases: research and documentation, content creation, and dissemination. Each phase will involve collaboration with experts and stakeholders to ensure the content is relevant, engaging, and impactful.

Project 4: Incentivizing application cost for ISO, Fair Trade and Green Globe:

As part of the proposed intervention financial incentives will be provided up to 400 MSMEs in Puducherry who are willing to participate in obtaining ISO, Green Globe, and Fair-Trade certifications. An offer of a maximum incentive of INR 50,000 to each selected MSME to that are willing to get such certification will be supported. This initiative aims to encourage and empower MSMEs in Puducherry to adopt international standards and best practices, enhancing their competitiveness and sustainability in the market. By participating in this program, MSMEs will not only gain recognition for their commitment to quality, environmental sustainability, and social responsibility but also benefit from improved business operations, increased customer trust, and enhanced market access.

Project 5: MSME Awards:

Awareness campaigns will be organised to promote adoption of ESG and green practices among MSMEs. To further motivate the MSMEs, awards will be given to MSMEs abiding by ESG frameworks and adopting the green practices. Special Tax incentives, Subsidies, Grants for businesses adopting sustainable practices and following ESG compliance with their organization will be provided. Possible avenues for collaborating with existing Puducherry campaigns aimed at promoting sustainability and environmental conservation shall be leveraged.

Project 6: Provision for special incentives:

Energy Efficiency Awards:

► The awards will recognize and incentivize MSMEs that have implemented energy-efficient measures and achieved significant energy savings.

Energy Audits and Assessments:

► Conduct thorough energy audits and assessments of participating MSMEs to determine their energy consumption and savings.

Evaluation Criteria:

► Energy savings achieved.

► Type and quantity of energy-efficient measures implemented.

► Impact on energy consumption.

Project 7: Organization of sustainability bootcamps for startups:

The bootcamps will be designed to educate startups on green practices and provide them with practical tools and strategies for integrating green initiatives into their business models. The bootcamps will be organized in collaboration with educational institutions in Puducherry, which will serve as hosts for the events. The bootcamps will include a combination of lectures, workshops, and site visits to provide startups with hands-on experience and exposure to green practices. The bootcamps will be structured around specific themes, such as sustainable supply chain management, energy efficiency, and waste reduction, and will feature expert speakers and panel discussions. Additionally, the bootcamps will include interactive sessions and group activities to encourage collaboration and knowledge sharing among startups. The bootcamps will be evaluated based on their impact on startups' sustainability practices and their ability to integrate green initiatives into their business models.

Project 8: Incentivize units that have shown growth in the state:

Eligibility Criteria:

► State-owned industrial units within the specified 100 units in Puducherry.

► Units must have shown signs of growth and be willing to implement energy-efficient measures.

Energy Audit Process:

► Conduct energy audits for eligible units to assess their energy consumption and identify areas for improvement.

► Provide detailed reports highlighting energy-saving opportunities and recommendations for implementation.

Incentivization Structure:

► Reimburse energy audit costs up to ₹1 lakh for each eligible unit.

► Incentivize units to implement energy-efficient measures based on the audit recommendations.

4.11.7 Use of ICT/Innovative Technology Towards Project Implementation

The use of data analysis, data collection, monitoring and evaluating, needs assessment, training and awareness programmes, award recognition protocol.

4.11.8 Timeline for achievement of Project Deliverables

Estimated timeline for achievement of the proposed project deliverable is 3 years.

4.11.9 Estimated impact of the Project/Proposal/scheme

► Approximately 500 MSMEs are anticipated to benefit from energy audits, while 1000 are expected to gain from water audits.

► MSMEs will be selected for case study development, providing them with valuable exposure.

► 400 MSMEs are projected to benefit from quality certification initiatives through provision of INR 50,000 per MSME.

► 150 will be recognized through special rewards provisions.

► 100 MSMEs in integrating eco-friendly practices into their business operations.

4.11.10 Project costing and contribution of State towards it

Table 58 Total costing for Intervention related to Greening and Sustainability (Amount in Rs. Cr.)

Sl.No.	Intervention	Total Cost for 3 years	State Contribution	Demand from RAMP
1	Incentivize energy audits for 500 MSMEs	5	1	4
2	Incentivize water audits for 1000 MSMEs	5	1	4
3	Develop case studies	1	0.2	0.8
4	Incentivize quality certification like ISO, Fair Trade, Green Globe	2	0.4	1.6
5	MSME awards	0.2	0.04	0.16

Sl.No.	Intervention	Total Cost for 3 years	State Contribution	Demand from RAMP
6	Provision of special incentives to industries who focus on limited energy consumption	1.5	0.3	1.2
7	Organizing Sustainability bootcamps	0.2	0.04	0.16
8	Incentivize energy audit for state owned units	1	0.2	0.8
Total		**15.90**	**3.18**	**12.72**

Table 59 Intervention costing (year wise) related to Greening and Sustainability (Amount in Rs. Cr.)

Sl.No.	Intervention	FY 2024-25	FY 2025-26	FY 2026-27	Total
1	Incentivize energy audits for 500 units	1.66	1.67	1.67	**5**
2	Incentivize water audits for 1000 units	1.66	1.67	1.67	**5**
3	Develop case studies	0.33	0.33	0.34	**1**
4	Incentivize quality certification like ISO, Fair Trade, Green Globe	0.66	0.67	0.67	**2**
5	MSME awards	0.06	0.07	0.07	**0.2**
6	Provision of special incentives to industries who focus on limited energy consumption	0.5	0.5	0.5	**1.5**
7	Organizing Sustainability bootcamps	0.06	0.07	0.07	**0.2**
8	Incentivize energy audit for state owned units	0.33	0.34	0.33	**1**

4.11.11 Plan for strengthening M&E framework pertaining to Project

► Track the number of MSMEs participating in energy and water audits to measure the uptake of the initiative.

► Measure the percentage reduction in energy and water consumption achieved by audited MSMEs compared to baseline data.

► Monitor the number of MSMEs awarded for green initiatives and sustainability practices to gauge the impact of recognition incentives.

► Assess the percentage increase in the adoption of ISO, Green Globe, and Fair-Trade certifications among MSMEs.

► Track the number of case studies developed and disseminated to measure the success of knowledge sharing initiatives.

► Measure the percentage of startups participating in sustainability bootcamps to evaluate the effectiveness of capacity-building efforts.

► Monitor the implementation of energy-efficient measures recommended through audits to assess their adoption.

► Evaluate the increase in awareness and knowledge of green practices among MSMEs and startups through surveys and assessments.

► Monitor the progress of project deliverables against the proposed timeline to ensure timely completion.

► Assess the projected impact metrics, including the number of MSMEs benefiting from energy and water audits, quality certification initiatives, and eco-friendly practices integration.

► Analyze quantitative data using statistical methods to calculate performance indicators and assess trends over time.

► Analyze qualitative data from surveys and interviews to identify themes, challenges, and success factors.

► Compare post-intervention data with baseline data to measure the impact of interventions.

► Track progress against key performance indicators and project milestones to identify areas for improvement.

► Prepare regular progress reports and evaluations highlighting key findings, achievements, challenges, and recommendations for stakeholders.

E.   Technology Upgradation

4.12   Focus on Improved Technology and Promote Sustainability

4.12.1 Major issues/challenges of Firm capabilities.

Industries across the globe are facing increasing pressure to adopt sustainable practices due to environmental concerns, regulatory requirements, and consumer demand. The challenge is particularly acute in sectors such as plastic and solid waste recycling and wastewater treatment, where outdated technologies and processes can lead to significant environmental harm. Similarly, IT/ITES enterprises require continuous technological upgrades to remain competitive and secure against cyber threats. However, the high cost of upgrading technology can be a significant barrier for many enterprises.

4.12.2 Key Findings

To Facilitate technological advancement and promote sustainable practices within industries while recommending upgradation of plant and machinery and incentivizing them in terms of GST subsidy, interest subvention, import duty etc. This shall largely be applicable to enterprises particularly in the realm of plastic, solid recycling, wastewater treatment etc. This shall also include subsidizing the cost towards procurement of enhanced operating systems, licences etc by the IT / ITES enterprises.

An MSME Technology Centre at Puducherry has been set up with an investment of about Rs. 122 crores, that aims to train 20,000 youth, support 2000 MSMEs and incubate 200 Start Ups, thereby propelling the local economy to great heights. The Technology Centre in Puducherry is serving industry by providing access to advanced technologies through design and manufacturing, trained personnel and consultancy services in Electronics System Design and Manufacturing (ESDM) areas, provide support to entrepreneurs from the point of concept creation to development of prototype and low volume production. The project is surrounded around technological advancement and promote sustainable practices within industries, with a particular focus on enterprises operating in the plastic, solid recycling, and wastewater treatment sectors, as well as IT/ITES enterprises. Leveraging this help from the technology centres, the proposed strategy involves a combination of financial incentives such as GST subsidies, interest subvention, and import duty reductions, along with support for upgrading plant and machinery and procuring enhanced operating systems and licenses. The aim is to foster innovation, enhance competitiveness, and ensure environmental sustainability.

The survey indicates that 48% of respondents have modernized their machinery within the past three years. Another 42% have undertaken machinery upgrades in the last three to five years. A smaller fraction, 8.7%, have updated their equipment between five to ten years ago, while a minimal 1% report having conducted machinery upgrades more than ten years prior.

Mordernization of Equipment
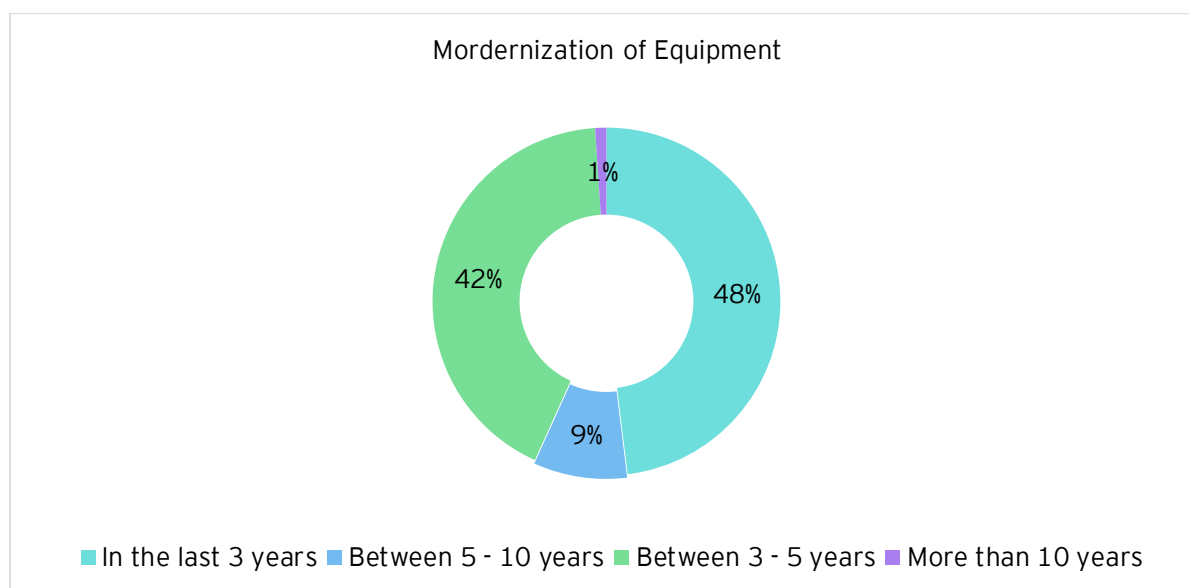
Figure 133Mordernization of Equipment

Approximately 47% of MSMEs are looking to implement fundamental accounting solutions, for instance, platforms akin to ZipBooks. A notable 19.6% are interested in adopting tax management software comparable to ClearTax for efficient tax payment and return processes. Cloud computing services, similar to Amazon Web Services and Google Cloud, are on the agenda for about 13.5% of these enterprises. Around 8% are considering the acquisition of an Enterprise Resource Planning (ERP) system, such as Zoho or SAP. Design and creative software, including the likes of Adobe, Canva, and AutoCAD, are sought after by 6.7% of the enterprises. Payment processing software, such as Paytm, PhonePe, and Google Pay, are required by 5% of MSMEs. Lastly, 3% are in pursuit of marketing tools that parallel Marketo, Freshdesk, HubSpot, Buffer, and Salesforce.
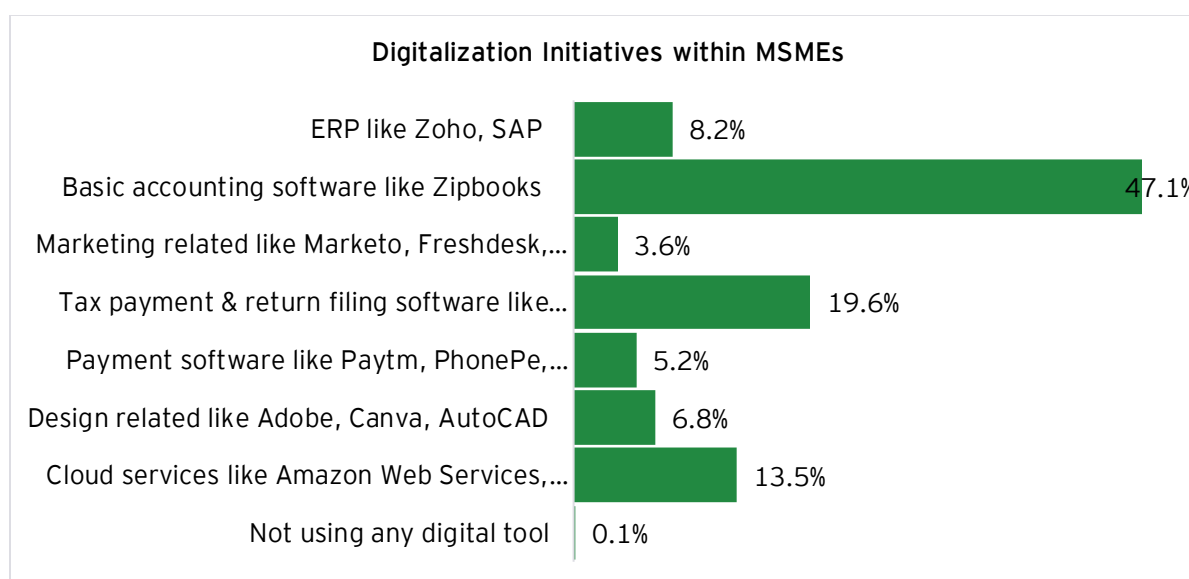
Figure 134 Digitalization Initiatives

Challenges in Securing a Competent Workforce: Approximately 40% of the organizations have encountered obstacles in attracting a skilled workforce, attributing this to a disinterest among younger demographics. An estimated 11% of the businesses rely on a migrant labour pool that possesses lower skill levels. Roughly 4.5% of the companies consider elevated wage demands as a hindrance in the recruitment of proficient employees, while close to 5% of the MSMEs perceive the financial burden of employee upskilling to be significant. A small segment, about 3%, of the enterprises also identified a lack of adequate platforms for the skill enhancement of their workforce. Conversely, 37% of the MSMEs reported encountering no difficulties concerning the availability of skilled labour.

Challenges in Securing a Competent Workforce

Category	Percentage
Demand for higher wages	4.5%
No issues faced in availability	37.8%
In sufficient platforms available for skill development of workforce	3.1%
Dependence on migrant workers with lesser skill levels	11.7%
Higher cost in upskilling workforce	4.8%
Difficult to find local skilled workforce due to lack of interest from younger generation	40.4%

Figure 135 Challenges in Securing Workforce

Some examples for the need to adopt technology upgradation based on visits to industrial estates include

► Gem paints and chemicals at Karaikal Industrial estate amongst others, requires a technology upgradation as the machinery was purchased in 1974 and there is new machinery available in the market that can increase efficiency and capacity.

► The paper cup manufacturing units and other plastic units have also stressed about the problems associated with old technology in other industrial estates as well.

Image 9 Paint Machinery in Industrial Estate

Image 10 Plastic and Paint Machinery in Industrial Estate

4.12.3 Problem Statement:

Puducherry's industrial sector faces challenges in adopting sustainable practices and upgrading plant and machinery, hindering its competitiveness and environmental performance. There is a need to incentivize industries, particularly in the plastic, solid recycling, and wastewater treatment sectors, as well as IT/ITES enterprises, to invest in technological advancements and green initiatives through targeted subsidies, duty exemptions, and capacity-building measures.

4.12.4 Proposed Project with Respect to RAMP

Awareness and Capacity Building:

► Organize awareness camps and boot camps for industries in Puducherry, focusing on technological advancements and sustainable practices.

► Invite experts and industry leaders to share best practices and success stories.

► Provide training sessions on upgradation of plant and machinery, waste management, and recycling.

GST Subsidy and Interest Subvention:

► Offer GST subsidies to industries that upgrade their plant and machinery to more sustainable and efficient technologies.

► Provide interest subvention on loans taken for the upgradation of plant and machinery.

Import Duty Incentives:

► Offer import duty incentives for the procurement of enhanced operating systems, licenses, and other necessary equipment for IT and ITES enterprises.

Subsidies for Enhanced Operating Systems:

► Subsidize the cost of procurement of enhanced operating systems, licenses, and other necessary equipment for IT and ITES enterprises.

Recycling and Waste Management:

► Encourage industries to adopt recycling and waste management practices.

► Provide incentives for industries that adopt sustainable waste management practices.

IT and ITES Support:

► Provide support to IT and ITES enterprises in terms of infrastructure, training, and funding for the adoption of sustainable practices.

Monitoring and Evaluation:

► Establish a monitoring and evaluation framework to track the progress and impact of the interventions.

► Conduct regular assessments to identify areas of improvement and provide necessary support.

4.12.5 Proposed Project Design Concept, Feasibility & Viability of Proposal

Sustainable Practices in Industries:

► Identify industries in Puducherry that are willing to adopt sustainable practices.

► Conduct a feasibility study to assess the potential for sustainable practices in these industries.

Upgradation of Plant and Machinery:

► Identify industries that require upgradation of plant and machinery to adopt sustainable practices.

► Conduct a feasibility study to assess the potential for upgradation of plant and machinery.

Recycling and Waste Management:

► Identify industries that can adopt recycling and waste management practices.

► Conduct a feasibility study to assess the potential for recycling and waste management practices.

IT and ITES Support:

► Identify IT and ITES enterprises that require support for the adoption of sustainable practices.

► Conduct a feasibility study to assess the potential for IT and ITES support.

Financial Viability:

► The proposed interventions are financially viable as they offer incentives and subsidies to industries that adopt sustainable practices.

► The upgradation of plant and machinery and the adoption of sustainable practices can lead to cost savings and increased efficiency.

Technical Feasibility:

► The proposed interventions are technically feasible as they are based on existing technologies and practices.

► The upgradation of plant and machinery and the adoption of sustainable practices can be implemented with the support of experts and industry leaders.

Environmental Feasibility:

► The proposed interventions are environmentally feasible as they promote sustainable practices and reduce waste and pollution.

► The upgradation of plant and machinery and the adoption of sustainable practices can lead to a reduction in environmental impact.

4.12.6 Approach and Methodology for Implementation

Policy Framework:

► Develop a comprehensive policy framework that outlines the eligibility criteria, application process, and monitoring mechanisms for the incentive programs.

Collaboration with Industries:

► Collaborate with industries in Puducherry to understand their needs and challenges.

► Identify areas where technological advancements and sustainable practices can be implemented.

► Engage with industry associations, technology providers, MSME Technology Centre in Puducherry, and financial institutions to ensure the effective implementation of the incentive schemes.

Capacity Building:

► Conduct training sessions and workshops for industries to build their capacity in sustainable practices.

► Provide technical assistance and support for the implementation of sustainable practices.

Incentives and Subsidies:

► Offer incentives and subsidies to industries that adopt sustainable practices.

► Provide financial support for the upgradation of plant and machinery.

Awareness and Outreach:

- ► Launch awareness campaigns to educate enterprises about the benefits of technological upgrades and the availability of incentives.

Monitoring and Evaluation:

- ► Establish a monitoring and evaluation framework to track the progress and impact of the interventions.
- ► Conduct regular assessments to identify areas of improvement and provide necessary support.

The total cost of the proposed intervention will be on case-to-case basis and allocation will be further done depending on the feasibility, viability and output generation.

4.12.7 Use of ICT/Innovative Technology Towards Project Implementation

Digital Platforms:

- ► Utilize digital platforms to provide training and support to industries.
- ► Use digital platforms to monitor and evaluate the progress of the interventions.

Data Analysis:

- ► Use data analysis to track the impact of the interventions.
- ► Use data analysis to identify areas of improvement and provide necessary support.

Communication:

- ► Utilize digital communication channels to disseminate information and updates to industries.
- ► Use digital communication channels to provide support and guidance to industries.

4.12.8 Timeline for achievement of Project Deliverables

The estimated timeline for achievement of the proposed project deliverable is 3 years.

4.12.9 Estimated impact of the Project/Proposal/scheme

- ► The proposed interventions are expected to reduce waste and pollution by promoting sustainable practices and recycling.
- ► The upgradation of plant and machinery and the adoption of sustainable practices can lead to a reduction in environmental impact.
- ► The proposed interventions are expected to increase the competitiveness of industries in Puducherry by promoting sustainable practices and upgradation of plant and machinery.
- ► The adoption of sustainable practices and upgradation of plant and machinery can lead to cost savings and increased efficiency.
- ► The proposed interventions are expected to create jobs and stimulate economic growth by promoting sustainable practices and upgradation of plant and machinery.
- ► The adoption of sustainable practices and upgradation of plant and machinery can lead to improved working conditions and increased employee satisfaction.

4.12.10 Project costing and contribution of State towards it

Table 60 Total costing for Intervention related to Technology upgradation (Amount in Rs. Cr.)

Sl.No.	Intervention	Total Cost for 3 years	State Contribution	Demand from RAMP
1	Technological advancement in terms of GST subsidy, interest subvention, import duty etc	3	0.6	2.4
Total		**3**	**0.6**	**2.4**

Table 61 The estimated timeline for achievement of the proposed project deliverable is 3 years.

Sl.No.	Intervention	FY-2024-25	FY-2025-26	FY 2026-27	Total
1	Technological advancement in terms of GST subsidy, interest subvention, import duty etc	1	1	1	**3**

4.12.11 Plan for strengthening M&E framework pertaining to Project

▶ Track the number of industries participating in awareness camps, training sessions, and incentive programs to measure the uptake of sustainable practices.

▶ Measure the percentage increase in the adoption of sustainable practices, including upgradation of plant and machinery, waste management, and recycling.

▶ Monitor the utilization of financial incentives, including GST subsidies, interest subvention, and import duty incentives, to assess the effectiveness of incentive programs.

▶ Assess the percentage increase in the adoption of enhanced operating systems and technologies among IT/ITES enterprises.

▶ Measure the reduction in waste generation and pollution levels as a result of adopting sustainable practices.

▶ Evaluate the number of jobs created and the economic growth stimulated by the adoption of sustainable practices and technology upgradation.

▶ Assess the impact of sustainable practices and technology upgradation on employee satisfaction and working conditions.

▶ Monitor the progress of project deliverables against the proposed timeline to ensure timely achievement.

▶ Gather feedback from participating industries and stakeholders on the effectiveness and impact of the interventions.

▶ Evaluate the increase in knowledge and skills among industries through training sessions and workshops.

▶ Conduct surveys with participating industries to gather feedback on awareness camps, training sessions, and incentive programs.

▶ Collect data on the utilization of financial incentives from government records and industry reports.

F. Innovative Projects

4.13 Advancing the Value Chain of Fisheries

4.13.1 Major issues/challenges of Firm capabilities.

The fisheries industry in Puducherry is a significant contributor to the region's economy. With a long coastline along the Bay of Bengal, Puducherry offers a vast marine resource base that supports a variety of fish and shellfish species. The region's fisheries sector is characterized by a mix of traditional and modern practices, with both small-scale and large-scale operations involved in the industry. However, the fisheries industry in Puducherry faces several major issues and challenges, including overfishing, lack of infrastructure and technology, limited access to markets, environmental concerns, and limited support for aquaculture.

Some of the few problems associated with Fisheries industry are as follows: -

► Lack of technical training about fishing techniques, equipment, engineering, government schemes among the fishermen and the superiors.

► Overfishing is a major concern in Puducherry, the fish catch in Puducherry has been declining over the years due to overfishing and habitat degradation.

► Lack of modern fishing vessels, processing facilities, and storage facilities, which hinders the efficiency and quality of fish production.

► Lack of support for aquaculture development, including inadequate funding, lack of expertise, and inadequate infrastructure.

► Lack of technology upgradation and still the use of traditional inadequate, inefficient methods.

► Lack of resource utilization in Puducherry since the building is running at 30% capacity which can be increased and made use for a lot more.

4.13.2 Key Findings

The fisheries industry in Puducherry is a vital sector that contributes significantly to the region's economy and livelihoods. The industry employs thousands of people directly and indirectly. However, it faces challenges such as overfishing, inadequate infrastructure, and environmental concerns. To address these issues, the government has implemented initiatives like modernizing fishing harbours and fish markets and providing subsidies for fishing gear. Additionally, the region is implementing marine fisheries co-management and improving capacity and knowledge management to enhance fisheries livelihoods and management support.

Some key findings about the fishing industry are: -

Table 62 Key Findings About the Fishing Industry

Coastal Line Data	
Region	Area (in Km)
Pondicherry	24
Karaikal	20
Mahe	1
Yanam	Godavri River
Total	**45**

Table 63: Area covered for fishing department

The major area covered for lies in Pondicherry with an area coverage of 24 km, followed by Karaikal (20 km), Mahe with just 1 km and Godavri River in Yanam.

Fish Production in 2023-24 (in Metric Tons)	
Marine Fish Production	42,985.00
Inland Fish Production	4,628.00
Total Fish Production	**47,614.00**

Table 64 Fish Production in 2023-24

The fisheries industry in Puducherry has seen fluctuations in its total fish production over the years. In 2023-24, the total fish production was reported at 47,614 tonnes. However, the region has seen a higher production in the past, reaching a record high of 64,042 tonnes in 2016. On average, the fish production in Puducherry has been around 42,830 tonnes per year from 1999 to 2023. The region's fish production is spread across its four coastal regions - Puducherry, Karaikal, Mahe, and Yanam, with Puducherry and Karaikal being the major contributors.

Table 65 Total Fishermen Population in Puducherry

Total Fishermen Population	
Region	**Families**
Pondicherry	9,803.00
Karaikal	3,256.00
Mahe	505.00
Yanam	5,138.00
Total	**18,702.00**
Total Fishermen Population: 1,14,014	

The total fishermen population in Puducherry is approximately 1,14,014, with 18,702 actively engaged in fishing from 27 marine fishing villages and 23 inland fishing villages/hamlets. This population is spread across the four coastal regions of Puducherry, Karaikal, Mahe, and Yanam, which have a total coastal line of 45 kilometers and 1000 square kilometers of continental shelves enriched with marine fisheries potential.

Table 66 Training and Awareness Programs Conducted

Training and Awareness Programs Conducted					
S.No	Training	Nos.	Region	Participants	In Collaboration with
1	Awareness on International Maritime Boundary Line issues	12	Karaikal	200 Fishers	Indian Coast Guard
2	Participation in Global Fisheries Conference at Ahmedabad, Gujarat	1	Pondicherry	6 Fishers	PMMSY
3	Stakeholders meeting on Installation of Artificial reef	14 7	Pondicherry, Karaikal	280 Fishers 175 Fishers	PMMSY
4	Awareness programme on Aquaculture crop insurance	1	Yanam	23 Shrimp Farmers	By Department

	Training and Awareness Programs Conducted				
S.No	Training	Nos.	Region	Participants	In Collaboration with
5	Awareness Programme on GAIS to Marine Fishers	2	Pondicherry, Karaikal	50 Fishers 50 Fishers	By Department
6	Awareness Programme on GAIS to Fish Farmers	1	Pondicherry	30 Fish Farmers	NFDB
7	Culture of disease-free Ornamental Fishes	1	Pondicherry	20	By Department
8	Ornamental Backyard Fish Culture & Awareness Program	2	Pondicherry	30	By Department
9	Awareness programme on Aquaculture crop insurance	1	Pondicherry	25 fish Farmers	By Department

Puducherry has seen a significant number of training and awareness programs held to promote the fisheries industry. These programs are conducted by various agencies, including the Department of Fisheries, GoI, National Fisheries Development Board (NFDB), and Regional Centres, as well as ICAR institutes and other stakeholders. The programs cover a wide range of topics, including production enhancement through pen/cage culture, PMMSY awareness, fish seed production, integrated fish culture, and health management of finfish and shellfish. Additionally, there are programs focused on fish farming, aquaculture crop insurance, installation of Artificial reef, etc. These initiatives aim to enhance the skills and knowledge of fishers, fish farmers, and other stakeholders, ultimately contributing to the growth and sustainability of the fisheries sector in Puducherry.

Nevertheless, it's important to note that this analysis does not preclude future changes. With the State Government's dedicated efforts to support and sustain MSMEs, there could potential tailwinds in the horizon in the coming years.

4.13.3 Problem Statement:

The fisheries sector in Puducherry has significant untapped potential for growth and development. However, the lack of access to deep-sea fishing technology, limited training opportunities, outdated processing facilities, and insufficient exposure to best practices hinder the sector's ability to maximize its potential. Without targeted interventions to address these challenges, the fisheries value chain remains underdeveloped, limiting the economic opportunities and livelihood prospects for stakeholders in the sector.

4.13.4 Proposed Project with Respect to RAMP

▶ **Engine and Engine Maintenance Training:** trainees are trained in engine maintenance, including outboard, inboard, and engine repair and maintenance. This training aims to enhance the technical skills of fishermen and fish farmers, enabling them to maintain and repair their engines efficiently.

▶ **Safety on Board Training:** This training focuses on ensuring the safety of fishermen and crew members on board. It covers essential topics such as safety procedures, emergency response, and risk management to minimize accidents and ensure a safer working environment.

▶ **Post-Harvest Technology Training:** This training is designed to improve the post-harvest handling and processing of fish. It covers topics such as fish handling, fish processing, and storage to enhance the quality and shelf life of fish products.

► **Navigation Training**: This training is designed to improve the navigation skills of fishermen and crew members. It covers essential topics such as navigation, chart reading, and communication to ensure safe and efficient navigation.

► **Echo Sounder Training**: This training is aimed at improving the skills of fishermen and crew members in using echo sounders. Echo sounders are essential tools for fishermen to locate and catch fish efficiently. This training enhances their ability to use these devices effectively.

► **Compass Training:** This training is designed to improve the navigation skills of fishermen and crew members. It covers essential topics such as compass reading and navigation to ensure safe and efficient navigation.

► **Onboard Deep-Sea Training:** This training is designed for fishermen who will be working onboard deep-sea vessels. The training is conducted over a period of 7-10 days and covers topics such as safety procedures, emergency response, and risk management. The training is conducted for a group of 20 people.

► **New Technology Upgradation Training**: This training is designed to update fishermen and fish farmers on the latest technologies and techniques in the fisheries sector. The training is conducted over a period of 2-3 days and covers topics such as new fishing gear, fishing methods, and post-harvest technology.

► **Top-Level Official Training:** This training is designed for top-level officials, including sub-inspectors to deputy/joint directors. The training is conducted over a period of 2-3 days and covers topics such as technology, aquaculture, fish handling, aqua hygiene, and scheme utilization. This training aims to enhance the knowledge and skills of these officials, enabling them to make informed decisions and effectively manage the fisheries sector.

► **Capacity Building for Deep Sea Fishing:** This training is designed to build the capacity of fishermen and crew members for deep sea fishing. It covers essential topics such as safety procedures, emergency response, and risk management to ensure safe and efficient deep sea fishing operations.

► **Exposure Visits:** Exposure visits are conducted to bigger institutes like the ones in Andhra Pradesh and Tamil Nadu. These visits provide trainees with hands-on experience and exposure to the latest technologies and techniques in the fisheries sector.

4.13.5 Proposed Project Design Concept, Feasibility & Viability of Proposal

The project design concept involves conducting educational seminars for MSMEs on various training programmes, exposure visits to better facilitated institutions, practical trainings on various methods of fishing, guiding MSMEs in building a formal & organized fishing industry for better functioning.

The proposed project aims to address the key challenges faced by MSMEs in Puducherry in enhancing the untapped potential of the fisheries industry. The project is designed with a multi-branched approach to tackle the issues at various levels. Here are the details:

► **Training on various aspects related to safety, equipment, management, and Maintenance:** One of the major challenges faced by the fisheries department in Puducherry is that they lack professional knowledge about fishing. Using traditional methods that are time consuming and inefficient, there is a dire need to train the fishermen as well as the supervisors about various methods and basic trainings. To address this, the project proposed trainings related to navigation, compass, top level management training, echo sound training, safety on board, engine maintenance, etc. These trainings will further help MSMEs get a sustainable and efficient working of the fishery ecosystem.

- ► **Exposure to Deep Sea:** The deep-sea fishing industry requires significant capacity building to thrive. Presently, fishermen lack the necessary training and resources to venture into deep-sea fishing effectively. Despite possessing outdated boats, fishermen embark on deep-sea expeditions using only traditional methods, limiting the industry's potential.

- ► **Exposure Visits:** Another challenge that these MSMEs face is that they have lack of access to exposure visits and get expert knowledge about how the fisheries industries is performing in different states. Lack of such exposure to other industries reduces the need to grow and adopt latest technology/practices that would enable them to better more efficiently.

4.13.6 Approach and Methodology for Implementation

Training Delivery:

- ► **In-Class Training:** Conduct in-class training sessions for trainees, covering theoretical and practical aspects of the topics.

- ► **Practical Training:** Provide practical training to trainees, covering hands-on experience and exposure to the latest technologies and techniques.

- ► **Exposure Visits:** Organize exposure visits to bigger institutes, processing marine processing, and aquaculture facilities to provide trainees with hands-on experience and exposure to the latest technologies and techniques.

Training Materials:

- ► **Training Manuals:** Develop training manuals for each topic, covering theoretical and practical aspects of the topics.

- ► **Visual Aids:** Use visual aids such as diagrams, charts, and videos to enhance the understanding of trainees.

- ► **Case Studies:** Use case studies to illustrate practical applications of the topics.

Assessment and Evaluation:

- ► **Quizzes and Tests:** Conduct quizzes and tests to assess the understanding of trainees.

- ► **Practical Assessments:** Conduct practical assessments to evaluate the skills and knowledge of trainees.

- ► **Feedback:** Collect feedback from trainees to improve the training programs.

Monitoring and Evaluation:

- ► **Monitoring:** Monitor the progress of trainees and the effectiveness of the training programs.

- ► **Evaluation:** Evaluate the effectiveness of the training programs and identify areas for improvement.

Capacity Building:

- ► **Capacity Building for Deep Sea Fishing:** Provide capacity building for deep sea fishing, including training on safety procedures, emergency response, and risk management.

- ► **Capacity Building for Aquaculture:** Provide capacity building for aquaculture, including training on brackish water finfish farming and shrimp and mud-crab farming.

Sustainability:

- ► **Sustainability Planning:** Develop sustainability plans for the training programs, including plans for long-term maintenance and support.

► **Sustainability Monitoring:** Monitor the sustainability of the training programs and identify areas for improvement.

Various courses that can be looked at are provided in the table below: -

Table 67 Various Courses

Institution	Course	Duration	Fees
Central Institute of Fisheries Nautical & Engineering Training (CIFNET)	Navigation Training	2 weeks	INR 10,000-20,000
	Echo Sound Training	1 week	INR 5,000-10,000
	Safety on Board Training	3 days	INR 3,000-5,000
	Engine and Engine Maintenance Training	1 week	INR 5,000-10,000
	Post-Harvest Technology Training	2 weeks	INR 10,000-20,000
	Compass Training	1 day	INR 1,000-2,000
	Onboard Deep-Sea Training	7-10 Days	INR 20,000-30,000
Central Marine Fisheries Research Institute (CMFRI)	Intensive Course on Cage Farming	5-10 Days	INR 5,000-10,000
	Field Training at Fishing Harbours	2-5 Days	INR 2,000-5,000
	Hands on Training in Fish Breeding	2-5 Days	INR 2,000-5,000
National Fisheries Development Board (NFDB)	Training on Capacity Building in Deep-sea and onboard handling of Tuna	9 Days	INR 10,000-20,000
	Basic of Seamanship Navigation, Marine Electronic equipment & maintenance of engines	3 Days	INR 5,000-10,000
	Lifesaving and firefighting appliances & Electronic equipment	3 days	INR 5,000-10,000
	Safety Manning Practices	3 days	INR 5,000-10,000
	Fishing Gear Repairs	3 Days	INR 5,000-10,000

4.13.7 Use of ICT/Innovative Technology Towards Project Implementation

ICT can be used to offer online consultative services, monitoring and conduction of training, support while going on field trips to deep sea.

4.13.8 Timeline for achievement of Project Deliverables

The proposed Intervention will be carried out over a period of 3 years.

4.13.9 Estimated impact of the Project/Proposal/scheme

The proposed interventions would allow the fisheries industry to perform much better than they already are and reach to the desired output.

► Positive Impact creation for more than 18,702 families involved in the fisheries industry.

► Enablement of access to latest practices, technology that would improve the process and increase the efficiency and effectivity to reach to the desired goal of fish production output that had been on a decline from 2016 onwards.

► The project is environmentally feasible as it aims to promote sustainable fishing practices and reduce the risk of overfishing.

► Allow the fishermen to implement fishing techniques in deep sea where the reach was not possible before.

4.13.10 Project costing and contribution of State towards it

Table 68 Total costing for Intervention related to (Amount in Rs. Cr.)

Sl.No.	Intervention	Total Cost for 3 years	State Contribution	Demand from RAMP
1	Unlocking the potential of Fisheries	0.71	0.14	0.57
Total		**0.71**	**0.14**	**0.57**

Table 69 Intervention costing (year wise) related to Access to Market and Promotions (Amount in Rs. Cr.)

Sl.No.	Intervention	FY-2024-25	FY-2025-26	FY 2026-27	Total
1	Unlocking the potential of Fisheries	0.23	0.24	0.24	**0.71**

4.13.11   Plan for strengthening M&E framework pertaining to Project

The Proposed Intervention has looked into the intricacies of the fisheries industry in Puducherry, identifying critical challenges such as deficiencies in technical training, the lack of modern infrastructure, and the urgent need for technological advancements. It was outlined that a comprehensive strategy is necessary to address these issues effectively. This strategy encompasses extensive training programs that integrate theoretical knowledge with practical applications, robust capacity building in crucial areas like deep sea fishing and aquaculture, and meticulous sustainability planning.

The proposed multi-layered approach is composed to fundamentally transform the fisheries sector in Puducherry by enhancing its operational efficiency, sustainability, and economic contributions. By implementing these strategic initiatives, the sector is expected to not only improve its current performance and efficiency but also secure its long-term viability and growth. This represents a crucial juncture for all stakeholders, offering a significant opportunity for developmental strides in the region's fisheries industry.

4.14 Immersive Beach and Culinary Initiatives

4.14.1 Major issues/challenges of Firm capabilities.

Puducherry is a top South Indian retreat for those seeking tranquillity. This town blends contemporary heritage with spirituality, transporting visitors back in time with its historical essence and colonial allure. Its sandy shores, tidy walkways, temples, and French touch make it an ideal spot to relax, especially for a weekend escape from Chennai, Bangalore etc.

Nonetheless, the city's coastal stretches are significantly underused during the workweek, with visitor numbers spiking primarily on weekends. The beaches, marred by dirtiness and safety concerns, do not draw the expected crowds eager to experience the waters of the Bay of Bengal. The surge of visitors combined with inadequate beach upkeep contributes to environmental harm, with issues such as pollution and trash accumulation. Employment in the tourism sector is often tied to the ebb and flow of the tourist seasons, resulting in precarious employment conditions for local MSMEs. Accommodation providers, including hotels and guesthouses, experience low occupancy rates during weekdays, posing financial challenges for proprietors. Additionally, the city does not sufficiently promote its various cultural offerings, including its culinary, artistic, and historical heritage.

4.14.2 Key Findings

Puducherry's beaches captivate locals and tourists with their stunning sunsets and peaceful ambiance. With around 14 beaches, the area is ripe for community-enhancing beach sports and activities that elevate the visitor experience.

According to the Department of Tourism's latest data for 2022, there are 333[27] lodging units in town. These units offer a total of 7,219 rooms and can accommodate 13,328 guests. In 2022, the total number of tourists, both international and domestic, was 1,592,384.

Puducherry has emerged as a prominent tourism hotspot, attracting visitors from across India and around the world. The region has witnessed a consistent rise in the number of domestic and international tourists, particularly in the period between 2021 and 2022, where domestic footfall increased from 1,251,413 to 1,590,779, and international footfall from 321 to 1,605. However, analyzing this growth over the last five years reveals a decline in the growth rate of foreign tourist arrivals before the pandemic.

Stakeholder consultations indicate that most visits to Puducherry occur during weekends, primarily from nearby cities like Bengaluru and Chennai, a trend that persists year-round, solidifying Puducherry's reputation as a weekend getaway. Furthermore, the peak tourist season spans from October to February. A significant portion of visitors hails from countries such as France, Germany, Italy, the United Kingdom, and Japan, with many French tourists visiting Puducherry during July and August, coinciding with France's vacation months, to explore the region's heritage and Indo-French culture.

The average duration of tourist stays in Puducherry tends to be shorter compared to the national average for both domestic and international tourists.

To obtain food quality certification for street vendors in Pondicherry for a food festival, the following steps should be followed:

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[27] Report (tourism.gov.in)

FSSAI Registration

All street vendors participating in the food festival must have a valid FSSAI (Food Safety and Standards Authority of India) registration or license. This ensures that the food products sold by the vendors undergo quality checks and are safe for consumption.

The FSSAI registration process involves:

Submitting a duly completed "Form-B" along with required documents such as locational plan of the food stall, list of directors/partners, details of machinery and equipment, sources of raw materials, etc., obtaining a No Objection Certificate (NOC) from the municipality or local body, Providing proof of possession of the premises and supporting documents for proof of turnover and transportation

Street Vending Certificate

In addition to FSSAI registration, street vendors must also obtain a Certificate of Street Vending from the Town Vending Committee in Pondicherry. This certificate is issued in Form-II or as prescribed by the Government of India.

Food Safety Measures

- ► To ensure food safety during the festival, street vendors should:
- ► Maintain proper hygiene and sanitation practices at their stalls
- ► Use clean and safe water for food preparation
- ► Store food at appropriate temperatures to prevent bacterial growth
- ► Avoid cross-contamination between raw and cooked food
- ► Regularly clean and disinfect utensils and equipment
- ► Consultation and Assistance

Food safety consultants and certification agencies in Pondicherry can provide guidance and assistance to street vendors in obtaining the necessary licenses and implementing food safety measures.

By following these steps and adhering to food safety regulations, street vendors in Pondicherry can participate in food festivals while ensuring the quality and safety of their food products.

4.14.3 Problem Statement:

In Puducherry, despite the picturesque coastal landscapes and potential for adventure sports, there exists an underutilization and lack of promotion of beach-based activities.

The Beaches are dirty and lack basic safety standards. The absence of organized beach events and adventure sports hampers the region's tourism potential, leading to a missed opportunity for economic growth and community engagement.

Moreover, Puducherry has not fully capitalized on the opportunity to market the rich culinary traditions of South India, which could be a thriving attraction for both international and domestic tourists.

4.14.4 Proposed Project with Respect to RAMP

Project 1 Technology transfer from other beaches, Safe Beach Activities and Sports Promotion

- ► **Technology Transfer:** To enhance the management and conservation of Puducherry beaches, a technology transfer intervention involves sharing best practices, expertise, and technologies from Varsova beach to Puducherry beaches. Specifically, with focus on transferring innovative

waste management strategies, smart beach management systems, and environmental monitoring technologies. This will enable Puducherry beaches to leverage the expertise and best practices from Varsova beach, enhancing their own beach management and conservation efforts. The technology transfer initiative will also facilitate knowledge sharing, capacity building, and skill development among beach management personnel, lifeguards, and local communities. By adopting these technologies and strategies, Puducherry beaches can improve their waste management, enhance visitor experience, and promote environmental conservation. To enhance the management and conservation of Puducherry beaches,

► **Beach Maintenance**: Agencies will be contracted to conduct weekly beach clean-ups, fostering sustainable practices and enhancing the environmental health of the shorelines. The beach clean-up and maintenance would increase the influx of tourists and therefore increase the access to markets for the MSMEs of the region.

► **Lifeguard Recruitment**: Professional lifeguards will be recruited and stationed at each beach to ensure vigilant monitoring and swift action, enhancing the safety of tourists. Similar to beach clean-up activities, making the beach safer for visitors would attract more tourists and give a boost to the local MSMEs.

► **Farmer's Market**: A weekend Farmer's Market or evening bazaar will be set up beside the beach for local to display their culinary, artistic, and craft goods, offering tourists a taste of the Indo-French heritage and improving the access to markets for the MSMEs. Attractions like a Ferris wheel will provide visitors with panoramic views of the Bay of Bengal.

► **Beach Activities**: Year-round beach sports like volleyball and frisbee will be organized to encourage an active lifestyle among the youth, invigorate the beaches, and foster community engagement.

► **Beach Games**: An annual multi-sport event spanning a few days, inspired by Diu Beach Games 2024 would be organised featuring a range of sports for all ages, including Beach Soccer, Kabaddi, Beach Volleyball, Tug of War, Boxing, Kho-Kho, and 3x3 Beach Basketball. The event would attract participation and spectators from across India. The event would necessitate a beach clean-up and levelling post the identification of proper fields of play. The event would result in creation of temporary play areas along different beaches in the 4 districts of Puducherry and promote community building post the games.

Project 2: Pondicherry Food Festival

A Food festival shall be organised at Old Port to showcase the local flavours of Puducherry and Southern India to promote inter-cultural exchange while providing a boost to the local MSMEs, thereby improving access to markets.

4.14.5 Proposed Project Design Concept, Feasibility and Viability of Proposal

The project design concept involves conducting field surveys to identify potential sites for beach sports promotion as well as conducting the Beach Games, while using the products of existing MSMEs to promote community building.

The proposed projects aim to address the key opportunities faced by MSMEs in Puducherry in enhancing the untapped potential of the tourism industry. The project is designed with a multi-branched approach to tackle the issues at various levels. The details are as follows:

► **Recruitment and Training for lifeguards**: The project aims to establish a comprehensive recruitment and training program for lifeguards to ensure the safety and security of swimmers at all the beaches in Puducherry.   The project will focus on attracting qualified candidates, providing rigorous training, and certifying lifeguards to meet the highest standards of water safety.

► **Beach Maintenance:** Since beaches are the main attraction of Puducherry as a tourist destination, keeping the beaches clean is a must. The primary goal of the weekly beach cleanup project is to reduce pollution and preserve the natural beauty and biodiversity of

Puducherry. This involves the removal of trash, plastic, and other debris from the beach, as well as raising awareness about the impact of litter on marine ecosystems.

► **Farmer's Market**: There is a lack of an organized marketplace to showcase the food and handicrafts of Puducherry. The project aims to create a local farmer's market that provides a platform for farmers, artisans and MSMEs to sell their produce and goods directly to consumers. The market will foster community engagement, support local agriculture, and promote healthy, sustainable living as well as provide the tourists an attractive destination to explore the art and culture of Puducherry.

► **Beach Sports**: The project is designed to create a vibrant and engaging beach sports environment that caters to athletes and spectators alike. The project will focus on popular beach sports such as beach volleyball, beach soccer, and ultimate frisbee etc. providing well-maintained facilities and organizing regular tournaments and casual play days. This would not only engage the existing MSMEs but also promote community building. The project will prioritize environmental sustainability, using eco-friendly materials and designs that minimize the impact on the beach ecosystem. Measures will be taken to prevent beach erosion and protect local wildlife.

► **Beach Games**: **Diu Beach Games (Case Study)** Diu, a Union Territory akin to Puducherry in its tranquil coastal scenery, was the backdrop for the inaugural Diu Beach Games in January 2024. Sporting excellence took centre stage as 1609 participants, all athletes under the age of 21, from 28 states and Union Territories, including 205 match officials, 227 support staff, 8 competition managers, as well as 400 Volunteers participated in a diverse range of disciplines. Guided by the Honorable Prime Minister's vision and the Administrator's foresight, the Games featured eight scintillating sports, including the debut of Beach Boxing, a sensational addition that left an indelible mark on India's sporting history. Puducherry, with its allure as a tourist hotspot, offers beaches that are ideal for such events and a thriving hospitality sector capable of accommodating the influx of athletes, officials, and volunteers.

► **Food Festival**: A food festival is scheduled to be organized at Old port, featuring an array of culinary pavilions presenting the diverse flavors of Southern India. The festival would provide the platform for chefs, food entrepreneurs and artists to display their talents. The event will be segmented into six distinct one-hour intervals, during which visitors may acquire an all-inclusive pass for INR 800, granting them access to the gastronomic indulgence for the duration of their session. This immersive culinary experience in Puducherry would not only provide a platform for the diver culinary heritage but also provide a lively hangout spot for the tourists and locals and lead to community building.

►

Image 11 Old Port Area for Food Festival

Image 12 Old Port Area for Food Festival

4.14.6 Approach and Methodology for Implementation

Project 1.A: Technology transfer from Varsova Beach and others

The waste management strategies from Varsova beach that can be adapted for Puducherry beaches include:

- ▶ **Waste Segregation and Composting:** Implementing waste segregation and composting systems to convert organic waste into compost, as seen in the PUDA's plan to convert MSW generated in other communes and outlying regions into compost.

- ▶ **Waste-to-Energy (WtE) Projects:** Developing WtE projects to generate energy from MSW, as proposed by PUDA for the PUA Area.

- ▶ **Dump Site Stabilization**: Stabilizing dump sites to prevent environmental hazards and ensure proper waste disposal, as seen in the plans for the Kurumbapet and Karuvadikuppam dump sites.

- ▶ **Smart Waste Management Systems:** Implementing smart waste management systems that include sensors, drones, and data analytics to monitor and manage waste effectively.

- ▶ **Community Engagement and Awareness:** Organizing community engagement and awareness programs to promote proper waste disposal practices and encourage community involvement in waste management.

- ▶ **Proper Waste Transportation and Disposal:** Ensuring proper waste transportation and disposal systems to prevent litter and pollution, as seen in the plans for the PUA Area.

- ▶ **Waste Characterization Study:** Conducting waste characterization studies to understand the composition of waste and develop effective waste management strategies, as seen in the PUDA's waste characterization study for the PUA Area.

   - ▶ **Recycling and Reuse:** Implementing recycling and reuse programs to minimize waste and promote sustainable practices, as seen in the plans for the PUA Area.

These strategies can be adapted to the specific needs and conditions of Puducherry beaches, ensuring effective and sustainable waste management practices.

Project 1.B: Safe Beach Activities and Sports Promotion

- ▶ **Recruitment and Training for Lifeguards**: A lifeguard agency hired on contract basis would be employed at Puducherry's beaches. Comprehensive training sessions covering safety protocols, equipment handling, and beach management and upkeep will be organized by engaging a specialized external firm.

► **Hiring an external agency for beach clean-up:** An experienced environmental agency will be engaged through a contractual agreement to conduct weekly beach cleanups. This agency will be responsible for the meticulous removal of litter and debris from the beaches ensuring a thorough restoration of the beach environment. All necessary equipment for the cleanup process will be procured from local MSMEs, fostering community involvement and economic support to local businesses. The agency will implement a protocol for quantifying and categorizing the waste collected during each cleanup session. This data will be crucial in identifying the predominant sources of beach pollution and devising targeted strategies to mitigate these issues in the future. Strategically placed disposal bins with creatively designed labels will be installed along the beachfront. These bins will facilitate proper waste segregation by visitors, encouraging responsible disposal practices and reducing contamination of recyclable materials. The agency will ensure that all collected waste is transported to designated disposal and recycling facilities, adhering to environmental regulations, and promoting a circular economy. Social media shall also be leveraged to keep the beaches of Puducherry clean by running social media campaigns that document the process of cleaning the beaches.

► **Farmer's market** – Firstly a secure a suitable section of the beachfront that can accommodate vendor stalls and foot traffic while respecting environmental and local regulations shall be selected. Local farmers and vendors that wish to showcase their products and produce shall be invited to set up stalls. Temporary and eco-friendly stalls and signages that can be easily assembled and disassembled shall be procured from local MSMEs. Space shall also be created for parking, restrooms and waste disposal areas to ensure an clean and convenient experience for both visitors and vendors. A social media campaign shall also be organised for the marketing of these vendors and farmers. Local musicians, performers as well as attractions such as a Ferris wheel and other cultural activities can also be a part of these weekend markets.

► **Beach Sports**: The project will be situated on a stretch of Pondi marina beach known for its wide, flat sands and minimal tidal fluctuations, ensuring a safe and consistent playing area. The location will be assessed for accessibility, parking, and proximity to amenities such as restrooms and refreshment stands. The facility shall be designed in a way to cater to all needs of the athletes. Temporary playing fields for each sport with a level playing surface shall be placed at Marina Beach. Focus would be placed on construction of overlays (temporary set up) locally. Durable, weather-resistant nets, goals, and boundary markers will be installed, with storage facilities to house them securely when not in use. Shaded seating areas will also be provided for spectators, along with viewing decks for an elevated perspective of the games. Open showers along the beach front along with portable washrooms shall also be installed for athletes.

Project 1.C: Puducherry Beach Games

► **Beach Games**: Firstly, the key stakeholders shall be outlined. The Puducherry Tourism and Sports Departments, alongside State Sports Associations and National Sports Federations, will be at the helm of the organizational directives. The event would be led by industries and Tourism dept in coordination with stakeholders. Budget Planning and risk assessment shall be conducted by identification of budget head based on previous event scoping, estimation of budget based on benchmarks as per local procurement rates and previous event cost. The money spent on the event would push the local economy. Procurement and contract management tenders can be issues to local MSMEs. Puducherry's ample hospitality infrastructure is poised to comfortably accommodate the anticipated surge of athletes, technical personnel, volunteers, and spectators. Offline and Online marketing and PR strategies in coordination with tourism department shall be implemented to use the Games as a way of promoting tourism.

Project 2: Pondicherry Food Festival

► **Food Festival**: Initially, a project team with clearly defined roles and responsibilities will be formed, and a mapping of key stakeholders will be conducted. A benchmarking exercise of similar food festivals for best practices will be undertaken, after which tenders will be issued for coordinating vendor participation. The chosen venue, the Old Port Area, will be brought into compliance with health, safety, and environmental regulations. A multi-channel marketing strategy will be developed to generate excitement and attract attendees, utilizing social media, local media, influencer partnerships, and community outreach. Partnerships with local businesses, culinary schools, and cultural organizations will be forged. Lastly, logistics planning and risk assessment will be carried out to ensure the smooth operation of the event.

4.14.7 Use of ICT/Innovative Technology Towards Project Implementation

► Utilization of Information and Communication Technology (ICT) is pivotal in the development of a sophisticated recruitment platform for lifeguard personnel, alongside the facilitation and oversight of their training programs.

► Furthermore, the implementation of advanced data management systems is essential for the meticulous recording and archiving of waste management and recycling metrics.

► Moreover, strategic engagement with social media channels is recommended to enhance public awareness and participation in beach conservation efforts, local farmer's markets, and the diverse range of beach sports and activities.

► For the seamless execution of the Beach Games, the deployment of a comprehensive games management system is imperative for the meticulous documentation and analytical review of competition scores. Additionally, the creation of a robust website is crucial to provide real-time updates on event outcomes, schedules, and medal standings. The provision for live streaming of the events is also a critical component of the digital strategy. A new intellectual property, named the Puducherry Beach Games, will be integrated with the tourism department's initiatives. Additionally, a dedicated social media strategy is to be designed and implemented to promote this event.

► A social media strategy will also be required for popularizing the food festival.

4.14.8 Timeline for achievement of Project Deliverables

The proposed interventions shall be carried out over a period of 3 years.

4.14.9 Estimated impact of the Project/Proposal/scheme

1000 MSMEs in total involved in tourism, food and hospitality, logistics, will be benefitted.

4.14.10 Project costing and contribution of State towards it

Table 70 Total costing for Intervention related to (Amount in Rs. Cr.)

Sl.No.	Intervention	Total Cost for 3 years	State Contribution	Demand from RAMP
1	Beach activities including development of farmer's market, weekly beach cleaning.	0.75	0.15	0.60
2	Life-guard recruitment for a safer environment	0.75	0.15	0.60

3	Technology transfer from other beaches and enhance management and conservation of Puducherry beaches	0.5	0.1	0.4
4	Pondicherry Food Festival	6.0	1.2	4.8
5	Pondicherry Beach Games	12	2.4	9.6
Total		**20.0**	**4.00**	**16.00**

Table 71 Intervention costing (year wise) related to Access to Market and Promotions (Amount in Rs. Cr.)

Sl.No.	Intervention	FY 2024-25	FY 2025-26	FY 2026-27	Total
1	Beach activities including development of farmer's market, weekly beach cleaning.	0.25	0.25	0.25	**0.75**
2	Life-guard recruitment for a safer environment	0.25	0.25	0.25	**0.75**
3	Technology transfer from other beaches and enhance management and conservation of Puducherry beaches	0.16	0.17	0.17	**0.5**
4	Pondicherry Food Festival	2	2	2	**6**
5	Pondicherry Beach Games	4	4	4	**12**

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

To strengthen the monitoring and evaluation of MSMEs involved in the projects, a comprehensive plan will be implemented that includes the following measures:

▶ **Data Collection and Analysis:** Establish a system for collecting data on the performance and impact of MSMEs participating in beach maintenance, lifeguard recruitment, and other activities. This data will be analyzed to assess the contribution of these initiatives to the MSMEs' market access and growth.

▶ **Regular Reporting:** Develop a schedule for regular reporting by the contracted agencies and local MSMEs. These reports will detail the progress of beach clean-ups, the effectiveness of lifeguard services, and the success of the Farmer's Market and beach activities in attracting tourists and benefiting MSMEs.

▶ Impact Surveys: Conduct surveys among tourists and local businesses to gauge the impact of the projects on MSMEs. Feedback on the Farmer's Market, beach activities, and the Pondicherry Food Festival will provide insights into customer satisfaction and MSMEs' market reach.

▶ **Performance Metrics:** Define clear performance metrics for MSMEs, such as sales figures, customer footfall, and product diversity. These metrics will help in evaluating the effectiveness of the projects in enhancing MSMEs' visibility and profitability.

- ► **Stakeholder Engagement**: Facilitate regular meetings with MSME representatives, project organizers, and local authorities to discuss project outcomes, share best practices, and identify areas for improvement.

- ► **Evaluation Workshops**: Organize workshops to train MSMEs in self-evaluation techniques, enabling them to assess their own performance and make informed decisions for future participation in similar projects.

- ► **Long-term Tracking:** Set up a long-term tracking mechanism to monitor the sustained impact of the projects on MSMEs, ensuring that the benefits are not just immediate but also contribute to their long-term development and resilience.

4.15   Developing MSMEs with Differentiated and Unique Products

4.15.1 Major issues/challenges of Firm capabilities.

Hackathons and Demo Days are two innovative initiatives designed to MSMEs in Puducherry by providing them with a platform to showcase their unique products, technologies, and solutions to potential buyers, decision-makers, and stakeholders from the public and private sectors.

Hackathons are intensive, collaborative events where MSMEs come together to develop innovative solutions to specific challenges or problem areas. These events bring together entrepreneurs, developers, designers, and industry experts to brainstorm, design, and prototype new products and services within a short period, typically 24-48 hours.

Demo Days are exclusive events where MSMEs can showcase their innovative products, technologies, and solutions to a targeted audience of government departments, corporates, and potential buyers.

Here are some problems that the state of Puducherry is facing in relation to the proposed interventions: -

- ► MSMEs in Puducherry lack awareness about MSME schemes and initiatives available to support their growth.

- ► MSMEs struggle to expand their businesses due to limited resources, lack of market access, or inadequate technology.

- ► MSMEs in Puducherry may face challenges in securing funding for their projects.

- ► MSMEs struggle to access new markets, both domestically and internationally

- ► MSMEs lack the necessary technological capabilities to develop innovative products.

- ► Lack of opportunities to network with other MSMEs, government officials, and industry experts.

- ► Challenges in accessing necessary infrastructure, such as manufacturing facilities, logistics, and supply chain management.

- ► Face regulatory hurdles that hinder their growth.

4.15.2 Key Findings

Puducherry has been actively promoting its entrepreneurship ecosystem through various initiatives. The Union Territory has seen significant growth in the number of startups over the past decade, with a vibrant group of people, including employees and college students, launching their startups. The Puducherry Innovation and Startup Policy 2019 aims at driving sustainable economic growth and generating large-scale employment opportunities. The policy focuses on key areas such as Information and Communication Technology (ICT), Biotechnology, Bioinformatics, and

Healthcare, among others. The government has also established a corpus fund of 10 crores to support the development of co-working spaces and the establishment of start-up incubators. Additionally, the government offers a start-up grant of Rs. 3 lakh to projects suggested by incubators set up by public, private, or academic institutions. The Puducherry Startup Expo 2024 is a notable event that brings together industry leaders, startups, investors, and mentors to foster innovation and entrepreneurship. The event provides a platform for startups to showcase their products and services, connect with potential buyers and investors, and leverage government schemes and initiatives.

Entrepreneurship Ecosystem in Puducherry

Puducherry has been actively promoting its entrepreneurship ecosystem through various initiatives. Here are some key facts and figures:

Institutional Support

- ▶ **Mentorship Network:** Puducherry has more than 10 registered mentors to support the startup ecosystem. These mentors include founders, CEOs, and managing directors.

- ▶ **Institutional Support:** The government has been actively supporting startups through various initiatives, including hackathons and demo days.

Start-up Policy

- ▶ **Puducherry Start-up Policy 2019:** The policy aims at driving sustainable economic growth and generating large-scale employment opportunities.

- ▶ **Puducherry Start-up Fund:** The government has established a corpus fund of 10 crores to support the development of co-working spaces and the establishment of start-up incubators.

Start-up Incubators

- ▶ **Start-up Incubators:** The government has set up incubators in public, private, and academic institutions to support startups.

- ▶ **Start-up Grants:** The government offers a start-up grant of Rs. 3 lakh to projects suggested by incubators.

Entrepreneurial Success

- ▶ **Tourism Entrepreneurs:** A study on entrepreneurial success in Puducherry found that socioeconomic factors and entrepreneurial skills were significant predictors of success.

Economic Growth

- ▶ **Agriculture:** Puducherry is a significant producer of various agricultural products, including bananas, flowers, tapioca, coconut, groundnut, and sugarcane.

Industry Events

- ▶ **CII Puducherry Start-up Summit:** The summit aimed to attract creative and innovative business minds from across Puducherry to develop their ideas for the growth of the state.

There are a few key factors that we have captured from our survey analysis which gives a better clarity about the ecosystem of entrepreneurship in the state of Puducherry.

Participation in State Initiatives: A significant majority of MSMEs, approximately 76%, have not been integrated into state-sponsored programs. Conversely, a notable minority, representing nearly 24%, are actively engaged with such schemes.

Participation in State Initiatives

24%

76%

■ No ■ Yes
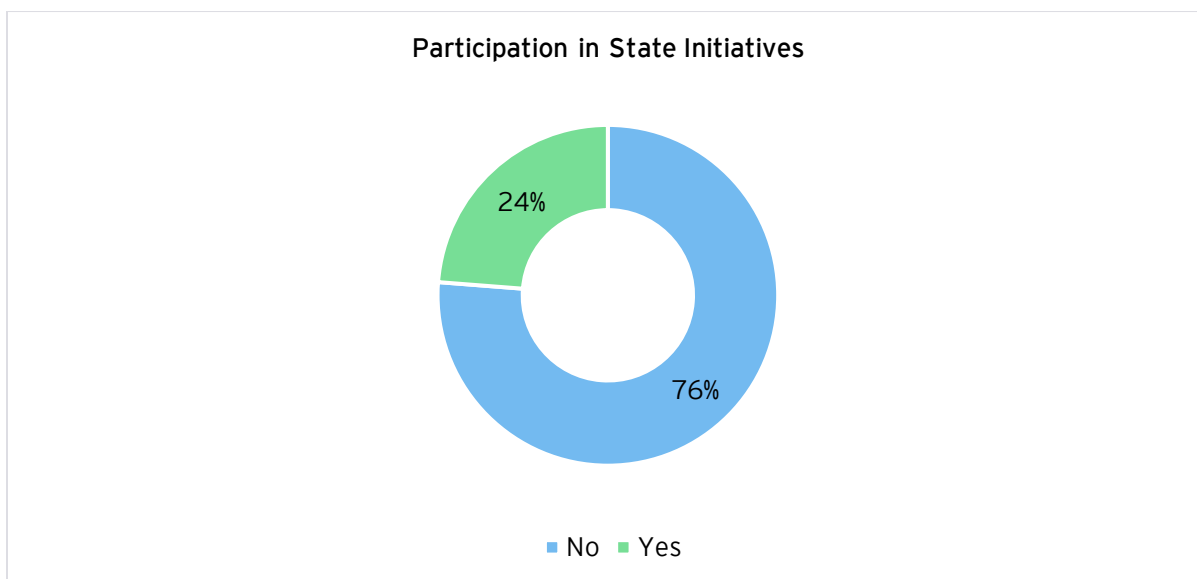
Figure 136 Participation in State Initiatives

4.15.3 Problem Statement:

In Puducherry, despite the presence of a vibrant MSME sector, there exists a challenge in identifying and supporting MSMEs that are developing unique and differentiated products with high potential for scalability and market competitiveness. The absence of structured mechanisms for recognizing and nurturing such enterprises hampers the region's ability to harness its entrepreneurial potential and stimulate economic growth.

Innovative and unique products developed by local entrepreneurs often face challenges in gaining visibility and market access, particularly when targeting government departments and corporate entities. The absence of structured platforms for showcasing such products to relevant stakeholders hampers the growth potential of these ventures, leading to missed opportunities for collaboration, investment, and market expansion.

4.15.4 Proposed Project with Respect to RAMP

Organize Demo Days: Provide a platform for MSMEs to showcase their innovative solutions, technologies, and products to potential buyers, decision-makers, and stakeholders from the public and private sectors.

Identify Unique Products: Identify MSMEs developing unique and differentiated products for bridge programmes through hackathons.

Increase Awareness: Increase awareness about government schemes and expansion potential among MSMEs through awareness programmes.

Enhance Networking Opportunities: Enhance networking opportunities for MSMEs with potential buyers, investors, and partners.

Foster Innovation and Entrepreneurship: Foster innovation and entrepreneurship among MSMEs in Puducherry.

4.15.5 Proposed Project Design Concept, Feasibility & Viability of Proposal

The proposed interventions aim to select products from different industries across the U.T of Puducherry. This intervention is designed to empower entrepreneurs with the skills and resources to improve their market access, ensure product quality and reach into other potential markets.

Project 1: Demo Days- Empowering Entrepreneurs through RAMP:

► **Product Selection and Geographic Diversity:** In the RAMP program, we will strategically choose various products from different sectors across Puducherry to showcase the state's cultural and economic diversity. This selection not only emphasizes the uniqueness of local goods but also taps into the potential of different regions.

► **Connecting with Market Channels:** In addition to training, our focus shifts to connecting entrepreneurs with market channels, facilitating their entry into both online platforms and physical supply chains. By bridging this gap, we broaden their market exposure and customer base, ensuring their products reach the right consumers.

► **Limited Brand Recognition:** MSMEs in Puducherry may struggle to establish a strong brand identity. Demo days can help MSMEs showcase their products and services to a wider audience, thereby increasing their brand recognition.

► **Awareness of Government Schemes:** Many MSMEs in Puducherry may not be aware of the various government schemes and initiatives available to support their growth. Hackathons and demo days can provide a platform for MSMEs to learn about these schemes and how to leverage them effectively.

Project 2: Hackathons

► **Expansion Potential:** MSMEs in Puducherry may struggle to expand their businesses due to limited resources, lack of market access, or inadequate technology. Hackathons can help identify MSMEs developing unique products and bridge these gaps by providing awareness programs about expansion potential.

► **Technological Capabilities:** MSMEs in Puducherry may lack the necessary technological capabilities to develop innovative products. Hackathons can provide a platform for MSMEs to collaborate with experts and develop new technologies, thereby enhancing their competitiveness.

► **Human Resources:** MSMEs in Puducherry may face challenges in finding skilled and trained personnel. Hackathons can help identify MSMEs with innovative solutions and provide training and resources to enhance their human capabilities.

► **Limited Access to Infrastructure:** MSMEs in Puducherry may face challenges in accessing necessary infrastructure, such as manufacturing facilities, logistics, and supply chain management. Hackathons can provide a platform for MSMEs to connect with experts and organizations that can help address these infrastructure challenges.

4.15.6 Approach and Methodology for Implementation

Project 1: Demo Days

► **Stakeholder Engagement:** Engage with key stakeholders, including government departments, corporates, industry associations, and MSMEs, to understand their needs, challenges, and expectations from the Demo Days.

► **Theme Selection:** Select themes for the Demo Days based on the identified needs and challenges of MSMEs. These themes should align with the focus areas of the RAMP scheme and the overall objectives of the project.

- ▶ **MSME Selection:** Develop a robust selection process to identify MSMEs with innovative solutions, technologies, and products that align with the chosen themes. This may involve issuing a call for applications, conducting screening rounds, and selecting the most promising MSMEs based on predefined criteria.

- ▶ **Event Planning:** Plan and organize the Demo Days, including venue selection, logistics management, and marketing and promotion. Collaborate with government departments, corporates, and industry associations to ensure high-level participation and engagement.

- ▶ **Product Showcase:** Provide a platform for the selected MSMEs to showcase their products and services. This may involve setting up booths, organizing product demonstrations, and facilitating one-on-one meetings with potential buyers, investors, and partners.

- ▶ **Networking Opportunities:** Facilitate networking opportunities between MSMEs and potential buyers, investors, and partners through various means, such as networking sessions, B2B meetings, and panel discussions.

- ▶ **Feedback and Evaluation:** Collect feedback from participants and attendees to assess the effectiveness of the Demo Days and identify areas for improvement. Evaluate the outcomes and impact of the event in terms of business deals, investments, and partnerships generated.

Project 2: Hackathons

- ▶ **Theme Selection:** Select themes for the hackathons based on the identified needs and challenges of MSMEs, as well as the focus areas of the RAMP scheme. Ensure that the themes are specific, measurable, and aligned with the overall objectives of the project.

- ▶ **Participant Selection:** Develop a participant selection process to identify MSMEs, startups, and academia with relevant expertise and interest in the chosen themes. This may involve issuing a call for applications, conducting screening rounds, and selecting the most promising participants based on predefined criteria.

- ▶ **Hackathon Event:** Organize the hackathon event, 3 events, 1 per year in Pondicherry logistics management, and mentorship and support services. Provide participants with access to necessary resources, such as data, APIs, and development tools, to facilitate their work.

- ▶ **Mentorship and Support:** Engage with industry experts, domain specialists, and successful entrepreneurs to provide mentorship and support to the participants during the hackathon. This may involve organizing workshops, one-on-one sessions, and group discussions to help participants refine their ideas and develop viable solutions.

- ▶ **Prototype Development:** Encourage participants to develop prototypes of their solutions using advanced technologies, such as 3D printing, rapid prototyping, and IoT. Provide access to necessary equipment and resources to facilitate the prototyping process.

- ▶ **Evaluation and Selection:** Develop a robust evaluation and selection process to assess the solutions developed by the participants. This may involve criteria such as innovation, feasibility, scalability, and potential impact on MSMEs. Select the most promising solutions for further development and implementation.

- ▶ **Incubation and Acceleration:** Provide incubation and acceleration support to the selected solutions to help them transition from prototypes to viable products and services. This may involve providing access to funding, mentorship, and networking opportunities, as well as facilitating partnerships with corporate and government agencies.

4.15.7 Use of ICT/Innovative Technology Towards Project Implementation

The ICT/Innovative technology involved in this section would mostly focus on organizing, conducting of hackathons, monitoring.

4.15.8 Timeline for achievement of Project Deliverables

The proposed Intervention will be carried out over a period of 3 years.

4.15.9 Estimated impact of the Project/Proposal/scheme

The proposed initiative within the RAMP program has the potential to bring about significant and widespread effects on women entrepreneurs, their enterprises, and the overall economic landscape of Puducherry. Here are the anticipated outcomes of this initiative:

1. **Economic Empowerment of Entrepreneurs:** Through training, access to markets, and quality assurance measures, women entrepreneurs are expected to achieve economic empowerment. They will acquire the necessary skills and resources to expand their businesses and generate sustainable income for themselves and their families.

2. **Enhanced Market Access:** The project's emphasis on linking entrepreneurs with e-commerce platforms, supply chains, and markets will greatly improve their access to markets. This will result in increased sales and revenue.

3. **Boost in Entrepreneurial Confidence:** Through capacity-building workshops and mentorship, entrepreneurs will gain confidence in their business skills and leadership abilities. This newfound confidence will empower them to make informed decisions and pursue business opportunities more assertively.

4. **Job Creation and Local Economic Development:** As entrepreneurs expand their businesses and improve product quality, they are likely to create employment opportunities within their communities. This will contribute to local economic growth and reduce unemployment.

5. **Advancement of Gender Equality and Empowerment:** The focus on entrepreneurs not only promotes economic empowerment but also advances gender equality. Women assuming leadership roles in MSMEs can challenge societal norms and inspire other women to pursue entrepreneurship.

6. **Knowledge Sharing and Replication:** The success of this initiative can serve as a model for other regions or similar programs. Sharing knowledge and replicating successful strategies can amplify the impact, benefiting a larger number of entrepreneurs.

4.15.10   Project costing and contribution of State towards it

Table 72 Total costing for Intervention related to developing MSMEs with differentiated products (Amount in Rs. Cr.)

Sl.No.	Intervention	Total Cost for 3 years	State Contribution	Demand from RAMP
1	Demo Days	1.8	0.36	1.44
2	Hackathons	1.5	0.3	1.2
Total		**3.3**	**0.66**	**2.64**

Table 73 Intervention costing (year wise) related to Access to Market and Promotions (Amount in Rs. Cr.)

Sl.No.	Intervention	FY 2024-25	FY 2025-26	FY 2026-27	Total
1	Demo Days	0.6	0.6	0.6	**1.8**
2	Hackathons	0.5	0.5	0.5	**1.5**

4.15.11 Plan for strengthening M&E framework pertaining to Project

► Surveys and interviews with participating MSMEs to gather feedback on the effectiveness and impact of the interventions.

► Analysis of sales data, revenue figures, and market penetration metrics before and after the implementation of the initiatives.

► Monitoring of participation rates, engagement levels, and satisfaction levels of stakeholders involved in Demo Days and Hackathons.

► Regular monitoring of project activities, milestones, and deliverables by designated project managers and monitoring teams.

► Quarterly progress reviews and reporting to stakeholders, including government departments, corporates, industry associations, and MSMEs.

► Real-time tracking of key performance indicators through an online dashboard or monitoring system for timely course corrections and decision-making.

► Number of MSMEs participating in Demo Days and Hackathons.

► Percentage increase in awareness about government schemes and expansion potential among MSMEs.

► Number of business collaborations, investments, and partnerships facilitated through networking opportunities.

► Percentage increase in the number of innovative and differentiated products developed by MSMEs.

4.16 Enhancing Digital Infrastructure

4.16.1 Major issues/challenges of Firm capabilities.

An examination of the department's existing Management Information Systems (MIS) showed that each project uses its own separate MIS dashboard, resulting in scattered data and a disjointed approach to decision-making. Although this separation allows for targeted attention and independence, it creates difficulties in oversight and hinders strategic decisions. As the department grows and its operations become more varied, the data becomes more complex and voluminous, calling for a more cohesive, unified data management strategy. The present system lacks a consolidated perspective of all projects, which blocks the ability to extract comprehensive insights, assess how projects interrelate, and hampers the ability to make decisions based on data. Field staff are required to input data into multiple systems and dashboards for different services, a process that is not only time-intensive but also susceptible to mistakes. Each new entry further complicates this procedure. These issues highlight the urgent need for a more efficient, integrated data management system that can improve the organization's effectiveness.

4.16.2 Key Findings

► **Call for a Centralized MIS Platform**: Discussions highlighted the strategic importance of developing a comprehensive MIS, despite the technical complexities involved. A centralized MIS platform would consolidate all existing systems into a single interface, enabling better cross-functional analysis and more efficient decision-making processes.

► **Emphasis on User-Friendly Design:** The need for an intuitive user interface emerged as a crucial element. Such a design would make the system accessible and straightforward to use, improving the overall user experience and promoting successful system adoption and use.

► **Imperative for Robust Security Measures:** Considering the confidential nature of the data managed by the MIS, the implementation of advanced security measures was deemed essential. This would protect sensitive information and strengthen the integrity of the data.

► **Demand for Exclusive Hosting Infrastructure:** The magnitude of the project calls for the use of dedicated hosting servers. This infrastructure would provide the system with the necessary capacity to function with high efficiency and reliability.

4.16.3 Problem Statement:

The Department of Industries of the Puducherry Government is overseeing various state-backed programs to support MSMEs. Currently, these programs are managed through separate dashboards, resulting in a disjointed and complicated system for handling data. With the growth and diversification of the Directorate's activities, the data's complexity and quantity are on the rise. This situation emphasizes the necessity for a more cohesive and unified data management strategy. The lack of a consolidated Management Information System (MIS) is a major hurdle that hinders strategic decision-making at the state level. Additionally, field staff are required to input data into numerous systems and dashboards for different services, a process that is not only inefficient but also susceptible to mistakes. These challenges underscore the urgent need for a centralized, powerful, and adaptable MIS that can improve the organization's performance by offering a unified view for management across all District Industries Centres (DICs).

4.16.4 Proposed Project with Respect to RAMP

Project 1: Creation of MIS Portal- The envisioned project, in line with the RAMP objectives, entails the development of a comprehensive Master Management Information System (MIS). The goal is to amalgamate all existing systems into a singular platform, enabling enhanced cross-functional analysis and more efficient decision-making processes. The Master MIS is designed to act as a central repository for data, offering a unified governance view across all District Industries Centres (DICs), thereby bolstering data-driven decisions at the state level and streamlining the administration of State support programs for MSMEs.

Project 2: Providing technical devices- The initiative also includes the adoption of cutting-edge technology, such as tablets for field staff, to facilitate a more effective and real-time update of data across various services and dashboards. The Master MIS will be built to be both robust and scalable, ensuring it can support future expansions or the introduction of new initiatives, in accordance with RAMP's goal to create a supportive environment for the growth and competitiveness of MSMEs.

To further maximize the benefits of the digital framework, the digital assets of the Directorate and the DICs will be enhanced. Field workers will be provided with portable devices (tablets or smartphones) to aid in conducting physical verifications, surveys, and other MSME support activities. The project interventions can be summarized as follows:

► **Data Consolidation:** Merge data from all current dashboards into a central database, which involves understanding the data structures of each dashboard and integrating them into a cohesive model.

- ▶ **System Development:** Create a Master MIS that draws data from the central database, with modules that mirror the functions of the existing dashboards.

- ▶ **User Interface Design:** Craft an intuitive and user-friendly interface for the Master MIS, ensuring seamless navigation and module switching for users.

- ▶ **Field Empowerment:** Provide field staff with handheld devices to support for and immediate data updates, thereby improving the efficiency of data collection and management. IT infrastructure in DICs and the headquarters will be upgraded.

- ▶ **Survey Software Implementation:** Introduce software that includes a mechanism for offering scheme recommendations and exhibition/fair participation advice to MSMEs through a digital platform.

4.16.5 Proposed Project Design Concept, Feasibility & Viability of Proposal

Project 1: Creation of MIS Portal- The architectural vision for the planned Master Management Information System (MIS) is to establish a strong, expandable, and accessible platform that can effortlessly merge various current and prospective dashboards. The system's structure will be crafted to manage the intricate and substantial data stemming from the diverse State support programs for Micro, Small, and Medium Enterprises (MSMEs). It will offer a cohesive perspective of all projects, enabling comprehensive analytics and efficient decision-making processes. The interface will be designed to be straightforward and user-friendly, improving the overall user interaction and promoting widespread system engagement and use. It will serve the requirements of various users, offering them a unified governance view across all District Industries Centres (DICs). Advanced security measures will be put in place to protect confidential information and enhance the integrity of the data. The system will also be built with the capacity to support future expansion or the introduction of new initiatives, ensuring its scalability.

Project 2: Provision Handheld devices to officers- Cutting-edge technologies, such as tablets and handheld devices for field staff, will be integrated to enable immediate updates of on-site data across a range of services and dashboards, resulting in a more efficient and streamlined data management workflow.

4.16.6 Approach and Methodology for Implementation

- ▶ **Requirement Analysis:** A preliminary review will be carried out to determine the unique needs of each current system and identify what the new system needs to address.

- ▶ **Design of System Framework:** A durable and scalable framework will be crafted to incorporate various existing and future dashboards smoothly.

- ▶ **Development Process:** The development will follow an agile approach, allowing for flexibility and ongoing enhancements.

- ▶ **System Testing:** An extensive testing period will be implemented to detect any weaknesses or performance issues in the system.

- ▶ **Data Consolidation Strategy:** A plan will be formulated for the integration of data from different programs, with the goal of providing a unified governance perspective.

- ▶ **Interface Creation:** A user-friendly interface will be developed, with a focus on optimizing the user experience.

- ▶ **Integration of Analytical Tools:** The system will incorporate data analytics capabilities to support immediate decision-making.

- ▶ **Security Protocol Establishment:** Advanced security measures will be put in place to protect confidential information.

► **User Training Program:** A comprehensive training program will be organized for end-users to facilitate successful system adoption and use.

► **Pilot Implementation:** A trial run will be executed to evaluate the system's effectiveness and to make any required modifications.

► **System Rollout:** The deployment of the system will be staged to reduce impact on current operations.

► **Immediate Support Services**: Prompt onsite assistance will be available, particularly during the early stages of system implementation.

► **Ongoing Maintenance and Upgrades:** Commitment to continuous system maintenance and periodic enhancements will be ensured.

► **Creation of APIs**
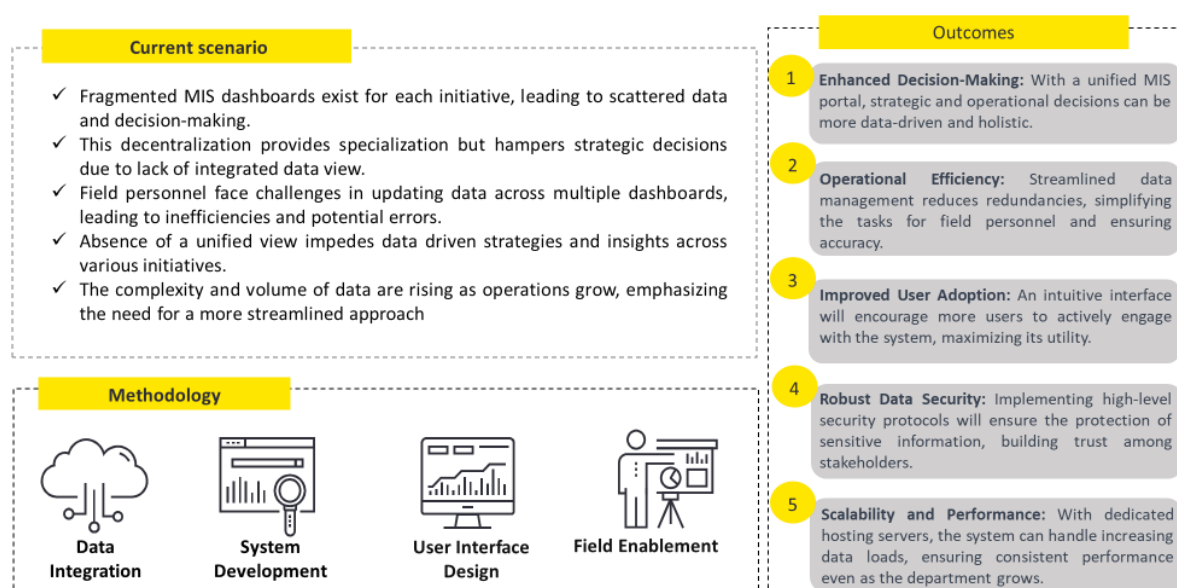
Figure 137 Creation of APIs

4.16.7 Use of ICT/Innovative Technology Towards Project Implementation

The planned project aims to utilize ICT and cutting-edge technology to improve its execution. A key technological advancement being introduced is the provision of portable devices (tablets) to field staff. These devices will enable on-site workers to carry out surveys and instantly update data across various services and dashboards, leading to a more efficient and streamlined process for managing data.

The tablets will come preloaded with the required software and apps to connect to the Master MIS, facilitating immediate data input and modifications. The adoption of ICT will not only increase the precision of the data but also boost the efficiency of operations.

4.16.8 Timeline for achievement of Project Deliverables

► **Requirement Analysis & Framework Design:** The preliminary stage, which includes assessing needs and designing the system architecture, is anticipated to span approximately 1-2 months.

- ▶ **System Development & Testing:** Crafting the system through an agile development process and conducting thorough testing to pinpoint any weaknesses or performance issues is expected to last about 6-8 months.

- ▶ **Data Consolidation & Interface Development:** Formulating a strategic approach for integrating data from various programs and creating a user-friendly interface is likely to take roughly 2-3 months.

- ▶ **Security Implementation & User Training:** The introduction of stringent security measures and the provision of training for end-users are projected to require around 2-3 months.

- ▶ **Pilot Run & System Rollout**: Executing a pilot test to evaluate the system's performance, making any necessary modifications, and implementing the system in stages is estimated to take another 2-3 months.

- ▶ **Continuous Support & System Upkeep:** Offering immediate onsite support, particularly during the early stages of system deployment, and ensuring resources are in place for continuous maintenance and updates to the system will be an ongoing commitment.

4.16.9 Estimated impact of the Project/Proposal/scheme

The envisioned Master Management Information System (MIS) is anticipated to profoundly transform the functioning of the Department of Industries of the Puducherry Government. By consolidating data from various initiatives, the system is set to bolster data-driven strategic decisions at the state level and refine the administration of State-backed programs for MSMEs. The adoption of advanced technologies, such as the deployment of tablets to field staff, is expected to streamline the data management process and boost operational efficiency. The scalable nature of the system will ensure it can support the department's future expansion or the introduction of new initiatives, thereby nurturing a supportive environment for the development and competitive edge of MSMEs. In summary, the project is poised to significantly improve the capabilities of both the MSME sector and the Department of Industries, along with the District Industries Centres (DICs).

4.16.10   Project costing and contribution of State towards it

Table 74 Total costing for Intervention related to Greening (Amount in Rs. Cr.)

Sl.No.	Intervention	Total Cost for 3 years	State Contribution	Demand from RAMP
1	Creation of Umbrella Portal	1	0.20	0.80
2	Handheld Devices for technical officers	0.08	0.02	0.06
Total		**1.08**	**0.22**	**0.86**

Table 76 Intervention costing (year wise) related to Access to Market and Promotions (Amount in Rs. Cr.)

Sl.No.	Intervention	FY 2024-25	FY 2025-26	FY 2026-27	Total
1	Creation of Umbrella Portal	0.34	0.33	0.33	**1**
2	Handheld Devices for technical officers	0.02	0.03	0.03	**0.08**

4.16.11   Plan for strengthening M&E framework pertaining to Project

► Formation of Expert Administrative Units: Dedicated administrative teams will be established to maintain system efficiency and performance. These units will conduct routine checks on the system's functionality and make the necessary modifications to maintain its effectiveness in achieving its goals.

► **Implementation of Advanced Security Measures:** Top-tier security protocols will be put into action to protect confidential information and enhance the integrity of the data. Periodic reviews will be carried out to verify the effectiveness of these security protocols.

► **Continuous System Upkeep:** Funds will be designated for the regular maintenance of the system. This will include periodic updates to keep the system aligned with the latest technological developments and responsive to the changing requirements of its users.

► **Strategy for System Enhancements:** A strategy will be developed for future system enhancements. This is to ensure that the system remains adaptable and capable of supporting upcoming expansions or the introduction of new initiatives.

► **Collection of User Insights:** Consistent input will be gathered from users to gain insights into their experiences with the system and to pinpoint potential areas for refinement.

5 Total Budget Estimate

Table 75 Total Budget Estimate

S.No	Intervention	Total MSMEs/ Unit	Unit	Unit cost	Total Cost (INR)	Total Cost (INR Lakhs)	Remarks
INCLUSION OF WOMEN (30% or more) in all the interventions and benefits							
Track 1	Enabling access to market						
1	Vendor Development Programmes/ Buyer Seller Meets					940	
1.1	Create a 'Make in Puducherry brand" Conduction of brand building for selected MSMEs by including various brand strategies including brand identity, collaboration with brand ambassadors, digital marketing campaign, logo design, made in Puducherry products.						
	Component 1: Brand Identity and Logo Design - Develop a cohesive and recognizable brand identity for the "Made in Puducherry" initiative. This will give local MSMEs a strong visual representation that resonates with the market and consumers.	1	agency	50,00,000	50,00,000	50	
	Component 2: Collaboration with Brand Ambassadors - Leverage the influence of notable figures to promote "Made in Puducherry" products on a national scale.	1	brand ambassador	1,75,00,000	1,75,00,000	175	
	Component 3: Digital Marketing Campaign - Build a robust online presence for the brand and drive awareness through targeted digital campaigns, utilizing social media, Google Ads, SEO, and email marketing.	1	Marketing campaign	1,75,00,000	1,75,00,000	175	

	Component 4: Product Labeling, Packaging & Promotion - Provide standardized branding on packaging and labeling for MSMEs to ensure consistent quality and visual appeal across all "Made in Puducherry" products.	1	Product labeling, packaging, promotion	1,00,00,000	1,00,00,000	100	
1.2	Organising state-level MSME cum Machinery Expo in collaboration with (CII) and other industrial associations & national and international level VDP/RBSM, B2B Conclave, Acceleration Programme to other parts of the country.	4	RBSMs	1,00,00,000	4,00,00,000	400	3 in Pondicherry and 1 in Karaikal -Survey indicates that 55% are not aware of such VDPs and RBSMs, 17% have financial constraints
1.3	Diagnostic study on as-is status of vendor development programme for thrust sectors which are - plastic, fisheries, pharma, textile and leather products etc	4	sectors	10,00,000	40,00,000	40	4 thrust sectors- Plastic, fisheries & food processing, Pharma & medical devices, textile and leather products
2	Enabling e-commerce					100	
2.1	e-Commerce Onboarding of MSMEs on specific e-Commerce portals (sarvana stores etc e.g. ONDC, GeM, Amazon, Flipkart, local portals Customisation of MSME digital product catalogues as per e-Commerce portal requirements	500	MSMEs	20,000	1,00,00,000	100	> average cost of onboarding is ₹25,000 to ₹30,000. >additional cost is a significant burden for small MSMEs. >More than 70% of MSMEs have not utilized the onboarding

							process. >500 was the number that concluded the survey analysis.
3	Scaling up of micro and small enterprises					500	
3.1	Preparation of DPR for the selected MSMEs in thrust sectors for scaling up	50	DPR and DSR	10,00,000	5,00,00,000	500	>Conducting 10 sensitization workshops for 40 MSMEs each, totaling 400 MSMEs. >Targeting MSMEs with potential to grow from micro to small and small to medium. > Analyzing and selecting 50 enterprises for DPRs after the workshops.
4	Exposure for MSMEs					120	
4.1	Organize exposure visits to out-of-state expos for 100 MSMEs and 20 government officials with an aim to provide participants with firsthand exposure to new markets, extended opportunities and best practices showcased at expos outside state	120	Persons	1,00,000	1,20,00,000	120	>Out of the data conducted, only 9 had exposure to expos

Track 2	Enabling access to Finance					
5	TReDS					45	
5.1	Provision of onboarding incentive to MSMEs for joining TReDS. This subsidy will cover a portion of the onboarding costs associated with registering and participating and leverage TReDS as a financing solution for managing their working capital need in the TReDS platform	300	SMEs	5,000	45,00,000	45	> Onboarding cost required to get registered > Discouragement amongst MSMEs >More than 45% just choose family/friend lending methods >More than 52% are not aware about TReDS
Track 3	Institutional Strengthening and Capacity Building						
6	Strengthening of Industry Guidance Bureau					250	
6.1	Reimbursement of various application and documentation costs for 1000 MSMEs to alleviate financial burdens. Eligible MSMEs will receive financial support to cover expenses related to licenses, permits, certifications, and other documentation up to a ceiling of INR 20000 over 3 years under RAMP	1000		20,000	2,00,00,000	200	>Significantly higher cost > More than 50% of MSMEs face this problem > No motivation to get documentation >Time consuming process
6.2	Conduction of a comprehensive updating exercise through an intensive interaction with MSMEs and gather critical information of the immediate MSME landscape, in the UT, including emerging trends, challenges, and opportunities	1	agency	50,00,000	50,00,000	50	> Puducherry Industrial policy was last updated in 2016. Hence,

							need for updation
7	Capacity building of MSMEs					30	
7.1	Enhancing the skill level of machine operators within the plastic industry by implementing a comprehensive skill upgrading program.	50	MSMEs	10,000	30,00,000	30	>To be conducted twice a year for 3 years >Attention from the state committee and CII on the plastic industry. >Two specific FGDs conducted with the plastic industry (All Plastic Manufacturers and Traders Association & Puducherry Chamber of Industries)
8	Capacity building of Government Partners					19	
8.1	Cultivate an environment within the MSME and industrial sectors at the district and block levels by implementing training and capacity-building initiatives for government officials	75		25,000	18,75,000	19	>25 government officers will receive training each year. >Enhance the knowledge and skills of government officials

							>state committee and headquarters, to diagnose the needs of government officials.
9	MSME Facilitation Center					403	
9.1	Partial reimbursement for reports and analyses covering finance, marketing, operations, and compliance for MSMEs, including access to financing options, government schemes, market linkages etc as recommended by MSME Clinics through the MSME helpdesk.	1500	Reports and analysis	10,000	1,50,00,000	150	> 28% face insufficient collateral to secure loans.
9.2	Focus on establishing a mentorship program for owners / senior staff aimed at nurturing talent by providing scholarships through premier institutes and facilitating orientation courses	100	MSMEs	50,000	50,00,000	50	>15% seek improved awareness and connections with government programs.
9.3	Partial reimbursement for reports and analyses related to exports, such as market research, export readiness assessments, compliance assistance, and access to export financing and incentives. This support, provided through the Export Facilitation Desk within the MSME helpdesk, aims to help MSMEs explore international markets and enhance their export potential by developing DPRs.	100	Reports and analysis	50,000	50,00,000	50	> a high percentage of surveyed MSMEs seek export related help
9.4	Engagement of specialized resources for MSME facilitation Centre	5	Person	4,25,000	1,53,00,000	153	>3 resources @ ₹75,000 per month and 2 senior resources @ ₹1,00,000 per

							month. >All resources will have expertise in sustainability, export, and export readiness.
10	Awareness creation workshops					18	
10.1	Customized training programmes on green technology, MSME sensitization workshops, export related training, financial literacy workshops, training workshop on CGTMSE Scheme, Train the Trainers for officers on champions	12	Workshops	75,000	18,00,000	18	>Unit cost 75,000. 4 workshops over 2 days each per year * 3 for 3 years. > 51% of MSMEs want regulations simplified for scaling and growth. >15% seek improved awareness and connections with government programs.
Track 4	Greening and sustainability						
11	Implementing and Enhancing Processes that focus on Greening and Sustainability					1,590	

11.1	Reimbursement / incentivization of cost of Energy audits incurred by MSME units, conducted by a recognized and approved institution / consultant for 500 units. This is for standalone and individual units outside of state-owned industrial estates	500	MSMEs	1,00,000	5,00,00,000	500	>: Domestic energy consumption is significant, particularly for cooking, lighting, heating water, and household electrical appliances
11.2	Reimbursement / incentivization of cost of water audits incurred by MSME units, conducted by a recognized and approved institution / consultant for 1000 units. This is for standalone and individual units outside of state-owned industrial estates	1000	MSMEs	50,000	5,00,00,000	500	>Domestic energy consumption is significant, particularly for cooking, lighting, heating water, and household electrical appliances
11.3	Develop green intensive and energy efficient case studies, documentaries of success stories through reputed research organizations and media	10	Case studies	10,00,000	1,00,00,000	100	>Case studies to INR 10,00,000 per case study. >2 case studies from 5 thrust sectors @10 lac each
11.4	Incentivize application and process cost for obtaining sustainability and quality certification like ISO, Fair Trade and Green Globe to attract eco conscious clients and showcase socio responsible tourism	400	certification	50,000	2,00,00,000	200	>Project an eco-friendly image to attract eco-conscious tourists and clients > Gain a competitive advantage in the industry.

						>Attract eco-conscious clients and showcase socio-responsible tourism for increased revenue
11.5	MSME Awards/ Rewarding MSMEs for Greening initiative, adoption of best practices etc.	9	awards	2,25,000	20,25,000	20	>Trade associations and secondary entities highlight the lack of such awards > more than 32.7% feel the process is lengthy >More than 25% feel it is a financial burden
11.6	Provision of Special rewards to industrial units with a focus on limiting energy consumption.	150		1,00,000	1,50,00,000	150	> only 28% have incorporated renewable energy
11.7	Organization of sustainability bootcamps for startups, focusing on green practices with visits to educational institutions aimed at educating startups and providing them with practical tools and strategies for integrating green initiatives into their business models.	100	MSMEs	10,000	20,00,000	20	>More than 50% are unaware about sustainability >more than 26% have no technical expertise
11.8	Incentivize / reimburse Energy audit cost of such units which have shown signs of growth, existing within the specified 8 state owned industrial estates of the U.T. This shall intend to significantly impact upon the entire electricity and water consumption of the entire estate	100		1,00,000	1,00,00,000	100	>100 units will receive ₹1,00,000 each. > more than 400 total units

							within industrial estates
Track 5	Technology Upgradation						
12	Focus on Improved Technology and Promote Sustainability					300	
12.1	facilitate technological advancement and promote sustainable practices within industries while recommending upgradaation of plant and machinery and incentivizing them in terms of GST subsidy, interest subvention, import duty etc. This shall largely be applicable to enterprises particularly in the realm of plastic, solid recycling, waste water treatment etc. This shall also include subsidizing the cost towards procurement of enhanced operating systems, licences etc by the IT / ITES enterprises	300	MSMEs	1,00,000	3,00,00,000	300	> Paper cup manufacturing units and plastic units face problems due to old technology. >Plastic industry requires technology upgradation due to old machinery >New machinery available that can increase efficiency and capacity.
Track 6	Innovative Projects						
13	Advancing value chain of Fisheries					71	

13.1	Unlocking the untapped potential of value chain of the fisheries industry, with focus on training to venture into deep sea fishing, incentive latest of equipment, exposure visits to well-equipped institutes and marine processing	3	Trainings	23,50,000	70,50,000	71	>Need for improved/modern technology. >Internal trainings for officials to enhance in-depth knowledge. >Education about central government schemes. >Professional training for fishermen
14	Immersive beach and culinary initiatives					2,000	
14.1	The development of beach activities, including a farmers' market and weekly beach cleaning, will boost sustainable tourism and local business while maintaining a clean, attractive environment for tourists.	6	events	75,00,000	75,00,000	75	> Beach cleaning much required at the rock beach and pondi marina area
14.2	Recruitment of lifeguards ensuring a safer environment for tourists, enhancing beach safety and building confidence in the destination's ability to offer secure, enjoyable experiences for visitors.	weekly	events	75,00,000	75,00,000	75	
14.3	Facilitate technology transfer from successful beach management practices at other locations to improve the management and conservation of Puducherry beaches. This will enhance coastal sustainability, boost eco-tourism, and ensure long-term preservation of the natural environment through advanced	1		50,00,000	50,00,000	50	> Identifying health and environment hazards. >Allowing more MSMEs to set up businesses

	techniques in beach upkeep and community-driven conservation efforts.					
14.4	An annual multi-sport event spanning a few days, inspired by Diu Beach Games 2024 would be organised featuring a range of sports for all ages, including Beach Soccer, Kabaddi, Beach Volleyball, Tug of War, Boxing, Kho-Kho, and 3x3 Beach Basketball. The event would attract participation and spectators from across India and provide a boost for local MSMEs	6	events	2,00,00,000	12,00,00,000	1,200	
14.5	A Food festival organised at Old Port to showcase the local flavours of Puducherry and Southern India to promote inter-cultural exchange while providing a boost to the local MSMEs	6	events	1,00,00,000	6,00,00,000	600	>6 events in 3 years, 2 per year @1 cr. Per event so the total cost would be INR 6 cr.
15	Developing MSMEs with Differentiated and Unique Products (Grassroot level Innovation/ Green Entrepreneurship)					330	
15.1	Organization of Demo Days, dedicated to showcasing unique products developed by MSMEs to Government Departments and Corporates to provide MSMEs with a platform to present their innovative solutions, technologies, and products to potential buyers, decision-makers, and stakeholders from the public and private sectors.	18	event	10,00,000	1,80,00,000	180	>4 total events- 3 in pondi and 1 in karaikal, 1 per year > 76% have no incorporated state-sponsored initiatives
15.2	Hackathons to identify MSMEs developing unique and differentiated products for bridge programmes	3	event	50,00,000	1,50,00,000	150	Same as above

16	Enhancing Digital Infrastructure					108	
16.1	Creation of an Umbrella portal under the Department of Industries with database of MSMEs, integrated dashboard, integration with portals of relevant departments, MIS, monitoring of MSMEs for regulatory compliance etc. This portal shall function as a single window for the UT of Puducherry while integrating all other data and services etc offered by all line departments which are conducive and essential for a better and improved business environment for the MSMEs of Puducherry. This portal shall include creation of various interfaces and APIs for a homogenous plugin MSMEs, line departments and other central government IT portals including the MoMSME GoI	1	portal	1,00,00,000	1,00,00,000	100	
16.2	To support the portal and its maximum usage, technical officers will be equipped with handheld devices such as tablets or smartphones aim to enhance their mobility, efficiency, and effectiveness in conducting fieldwork, collecting data, and providing on-the-spot technical assistance	23	Nos	35,000	8,05,000	8	
	Total					6,824	

6 Output & Outcome of the Interventions

(Amount in Cr.)

Sl. No.	Intervention	Total targeted MSMEs in 3 yrs.	FY 2024-25	FY 2025-26	FY 2026-27
A	**Enabling Access to Market**				
1	**Vendor Development Programmes/Buyer Seller Meets/Branding**				
1.1	Create a "Make in Puducherry" Brand	Branding & Marketing	1.70	1.70	1.60
	Component 1: Brand Identity and Logo Design - Develop a cohesive and recognizable brand identity for the "Made in Puducherry" initiative. This will give local MSMEs a strong visual representation that resonates with the market and consumers.	Agency Hiring	0.16	0.17	0.17
	Component 2: Collaboration with Brand Ambassadors - Leverage the influence of notable figures to promote "Made in Puducherry" products on a national scale.	Brand Ambassador	0.58	0.58	0.59
	Component 3: Digital Marketing Campaign - Build a robust online presence for the brand and drive awareness through targeted digital campaigns, utilizing social media, Google Ads, SEO, and email marketing.	Marketing Campaign	0.58	0.58	0.59
	Component 4: Product Labelling, Packaging & Promotion - Provide standardized branding on packaging and labelling for MSMEs to ensure consistent quality and visual appeal across all "Made in Puducherry" products.	Product, Labelling, Packaging, Promotion	0.33	0.34	0.33
1.2	Organising state-level MSME cum Machinery Expo in collaboration with (CII) and other industrial associations & national and international level VDP/RBSM, B2B Conclave, Acceleration Programme to other parts of the country.	1000	1.40	1.30	1.30
1.3	Diagnostic study on as-is status of vendor development programme for thrust sectors	1500	0.14	0.13	0.13
2	**Enabling E-Commerce**				

Sl. No.	Intervention	Total targeted MSMEs in 3 yrs.	FY 2024-25	FY 2025-26	FY 2026-27
2.1	Onboarding of MSMEs on specific e-Commerce portals like sarvana stores, ONDC, GeM, Amazon, Flipkart, local portals	500	0.34	0.33	0.33
3	Scaling up of Micro and Small Enterprises				
3.1	Preparation of DPR	50	1.7	1.7	1.6
4	Exposure for MSME				
4.1	Organize exposure visits to out-of-state expos for 100 MSMEs and 20 government officials	120	0.4	0.4	0.4
B	Enabling Access to Finance				
5	TReDS				
5.1	Provision of onboarding incentive to MSMEs for joining TReDS	900	1.5	1.5	1.5
C	Institutional Strengthening and Capacity Building				
6	Strengthening of Industry Guidance Bureau				
6.1	Reimbursement of various application and documentation costs for 1000 MSMEs	1000	0.6	0.7	0.7
6.2	Conduction of a comprehensive updating exercise through an intensive interaction with MSMEs	Strengthening of Industrial policy	0.16	0.17	0.17
7	Capacity Building of MSMEs				
7.1	Enhancing the skill level of machine operators within the plastic industry	300 Machine Operators	0.1	0.1	0.1

Sl. No.	Intervention	Total no. of MSME units targeted	FY 2024-25	FY 2025-26	FY 2026-27
8	**Capacity Building for Government Partners**				
8.1	Cultivate an environment within the MSME and industrial sectors at the district and block levels	75	0.06	0.07	0.06
9	**MSME Facilitation Centre**				
9.1	MSME Clinics	1500	0.5	0.5	0.5
9.2	Mentorship Programme for Senior staff	100	0.16	0.17	0.17
9.3	Export Facilitation Cell	500	0.16	0.17	0.17
9.4	Specialized Resources	Strengthening of industry	0.51	0.51	0.51
10	**Awareness Creation Workshops**				
10.1	Customized training programmes	-	0.06	0.06	0.06
D	**Greening & Sustainability**				
11	**Implementing and Enhancing Processes that focus on Greening and Sustainability**				
11.1	Reimbursement / incentivization of cost of Energy audits incurred by MSME units	500	1.66	1.67	1.67
11.2	Reimbursement / incentivization of cost of water audits incurred by MSME units	1000	1.66	1.67	1.67
11.3	Develop green intensive and energy efficient case studies	Case study for thrust sectors	0.33	0.33	0.34
11.4	Incentivize application and process cost for obtaining sustainability and quality certification like ISO, Fair Trade and Green Globe	400	0.66	0.67	0.67
11,5	MSME Awards/ Rewarding MSMEs for Greening initiative, adoption of best practices etc.	9	0.06	0.07	0.07
11.6	Provision of Special rewards to industrial units with a focus on limiting energy consumption.	150	0.5	0.5	0.5

Sl. No.	Intervention	Total no. of MSME units targeted	FY 2024-25	FY 2025-26	FY 2026-27
11.7	Organization of sustainability bootcamps for startups	100	0.06	0.07	0.07
11.8	Incentivize / reimburse Energy audit cost of such units which have shown signs of growth	100	0.33	0.34	0.33
E	Technology Upgradation				
12	Focus on Improved Technology and Promote Sustainability				
12.1	facilitate technological advancement and promote sustainable practices within industries	500	1	1	1

Sl. No.	Intervention	Total no. of MSME units targeted	FY 2024-25	FY 2025-26	FY 2026-27
F	Innovative Projects				
13	Advancing the Value chain of Fisheries				
13.1	Unlocking the untapped potential of value chain of the fisheries industry	Advancing Fisheries industry	0.23	0.24	0.24
14	Immersive Beach and Culinary Initiatives				
14.1	Beach activities including development of farmer's market, weekly beach cleaning.	1000	0.25	0.25	0.25
	Life-guard recruitment for a safer environment	Safe Environment	0.25	0.25	0.25
	Technology transfer from other beaches and enhance management and conservation of Puducherry beaches	Technology Upgrade	0.16	0.17	0.17

Sl. No.	Intervention	Total no. of MSME units targeted	FY 2024-25	FY 2025-26	FY 2026-27
	Pondicherry Food Festival	Food Festival	2	2	2
14.5	Pondicherry Beach Games	1000	4	4	4
15	Developing MSMEs with Differentiated and Unique Products				
15.1	Demo Days	-	0.6	0.6	0.6
15.2	Hackathons	Entrepreneurship	0.5	0.5	0.5
16	Enhancing Digital Infrastructure				
16.1	Creation of Umbrella Portal	-	0.34	0.33	0.33
16.2	Handheld devices for technical officers	23	0.02	0.03	0.03

Annexures

Figure 138: Presentation of the SIP Intervention to Puducherry State Level Committee

Figure 139 Presentation of Tourism Interventions to H'ble Minister of Tourism
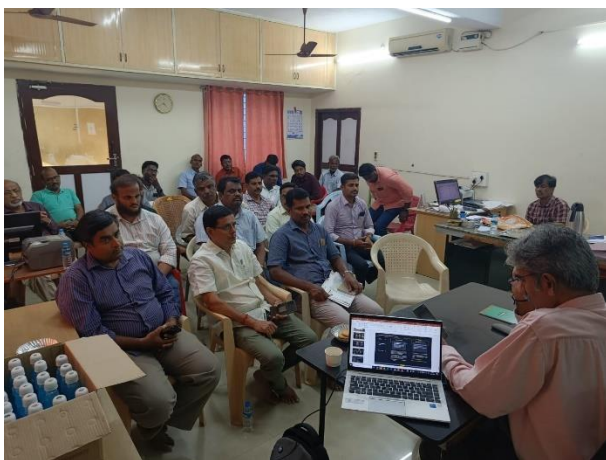
Figure 140: Stakeholder Meeting at Karaikal Industrial Estate

Figure 141: Stakeholder meeting at Mettupalayam Industrial Estate

Figure 142: Stakeholder Interaction at PIPDIC
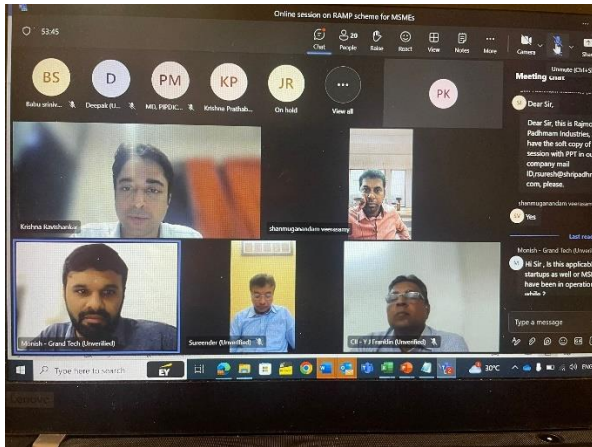
Figure 143: Meeting with CII

Figure 144: Stakeholder meeting at Sedarapet Industrial Estate
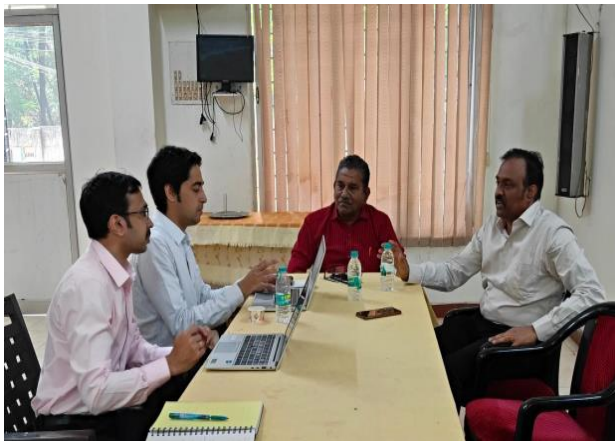
Figure 145: Meeting with Pondicherry Chamber of Industries (PCI)

Figure 146: Stakeholder Interaction at Thattanchavady Industrial Estate

SURVEY QUESTIONNAIRE

	Details of the enterprise	
1	Name of Enterprise	
2	Location (District / Block)	
3	Contact Person	
4	Designation	
5	Email ID	
6	Phone number	
7	Whether owned by woman entrepreneur?	Yes/ No
8	Category	○ SC ○ ST ○ OBC ○ General
9	Ownership Type	○ Proprietorship ○ Partnership ○ Limited Liability Partnership/ LLC ○ Public Limited Company ○ Pvt. Ltd. ○ One Person Company

		○ Co-Operative Society ○ Any other (Please specify) _____
10	Primary Activity	○ Manufacturing ○ Service (can include self-employed too) ○ Trading
11	Years of operation (multiple choice)	○ Less than 5 years ○ 5-10 years ○ 10-15 years ○ More than 15 years ○ Taken over family business
12	Category of enterprise (Micro – Investment <1 Crore and Turnover<5 Crore Small – Investment <5 Crore and Turnover<50 Crore Medium – Investment <10 Crore and Turnover<250 Crore)	○ Micro ○ Small ○ Medium
13	Sector to which the enterprise belongs	○ Agri based activities and machinery ○ Apparel & Leather Products ○ Automotive & Auto Components ○ Breweries

- ○ Chemicals
- ○ Construction
- ○ Education
- ○ Energy (Petroleum, Natural Gas, Power Generation)
- ○ Food Processing
- ○ Glass Manufacturing
- ○ IT& ITeS
- ○ Jewellery
- ○ Leather Manufacturing
- ○ Logistics (Transport, Warehousing, Courier)
- ○ Machinery & Equipment
- ○ Metals & Fabricated Metals
- ○ Mining
- ○ Non-Metallic Mineral Products
- ○ Paper & Paper Allied Products
- ○ Pharmaceuticals & Medical Devices
- ○ Plastic
- ○ Printing

		○ Recycling
		○ Rubber & Plastic Products
		○ Telecommunication
		○ Textile
		○ Tourism & Hospitality
		○ Toys
		○ Wood & Allied Products including Furniture.
		○ Others, please specify_____

14	Number of employees:	**Male**	**Female**
	a) Permanent	a)	a)
	b) On Contract	b)	b)
	c) Daily Wages	c)	c)

15	Average Annual Turnover for last 5 years	○ less than INR 25 Lakhs
		○ = >INR 25 Lakhs upto INR 1 Crore
		○ = > INR 1 Crore upto INR 5 Crore
		○ = >INR 5 Crore upto INR 10 Crore
		○ = >INR 10 Crore upto INR 50 Crore
		○ = >INR 50 Crore upto INR 250 Crore

16	What is the trend of the Annual Turnover over the last 4 years	○ Increasing ○ Neither increasing nor declining ○ Declining
16	Select the official documents possessed by you/ your enterprise (more than one option can be chosen)	○ GST ○ Business PAN ○ PAN (In case of proprietor or partner of partnership firm) ○ Udyog Aadhar Memorandum/ EM-II ○ Current Account Statement ○ Udyam Registration ○ CIN ○ ITR for any of the last 3 FY ○ Audited Financial Statements for any of the last 3 FY ○ DPIIT recognition certificate as start-up
17	How do you fulfil your energy requirements?	○ Metered electricity connection ○ Renewable (Solar panel or others) ○ LP/HP ○ Generator

18	How does the enterprise make payments to suppliers	○ Cash ○ Cheques ○ Digital (UPI/NEFT/IMPS/RTGS) ○ Others (specify)
19	How does the enterprise receive payments from customers?	○ Cash ○ Cheques ○ Digital (UPI/NEFT/IMPS/RTGS) ○ Others (specify)
20	Is your enterprise part of any recognized cluster/FPO/**Collective for women enterprises?** (Select all relevant options)	○ Membership in Industry Association (mention name of Association(s)) ○ Part of Cluster (Mention name) ○ Part of FPO ○ Member of any collective for women enterprises ○ Part of Co-operative Society (mention name) ○ Not part of any

21	Has your enterprise obtained any certification	○ No certification obtained
		○ ISO (specify)_____
		○ HACCP
		○ ZED
		○ BEE Star rating
		○ BIS ISI Product certification
		○ BIS Hallmark
		○ AGMARK
		○ Handloom Mark
		○ RoHS
		○ FSSAI
		○ Others (specify)

22	How has COVID 19 impacted your business? (Positively/Negatively please mention)	○ Impact on sales ○ Availability of raw material ○ Was forced to terminate/ dismiss/ reduce staff members ○ Exports affected ○ Liquidity issues/ loans not sanctioned ○ Moving to digital modes has been a challenge ○ Discontinued Government benefits/ no new COVID specific benefits availed ○ Others, please specify _____
23	What did the enterprise do in response to the COVID shock?	○ Increased use of digital platforms ○ Investment in digital solutions ○ Repackaged product mix ○ Modified product/service delivery ○ Explored larger market ○ Others (specify)

		Market Access and Sales Related			
24	Select the Primary/ target market of the enterprise	○ Local area within district ○ In nearby districts ○ Within the state ○ Within the country ○ Exports ○ Specify countries _____			
25	How much of your sales is carried out through online platforms?	○ Not using online platforms ○ <10% ○ >=10% and upto 25% ○ > 25% and upto 50% ○ >50% and upto 75% ○ >75% and upto 100			
26	Which are the digital/social media/ecommerce platforms used by you for reaching out to customers?	**Platform**	**Aware but not used**	**Utilized**	**Not Aware**
		WhatsApp			
		Instagram			
		Facebook			
		Own Website			
		IndiaMart			

		Flipkart			
		Amazon			
		ONDC			
		GeM			
27	What are the difficulties that your company has to face in digital marketing/ digital access (Internet)	○ Difficulty in High-speed Internet access ○ lack of staff with relevant skills and knowledge ○ lack of financial resources ○ lack of time ○ Other, specify _____			
28	Have you participated in any fairs/ expos/vendor development programmes, etc in the last 3 years?	**Local**	**National**		**International**

29	What are the issues faced related to participating in trade fair/exhibition/Vendor development programs/ buyer seller meet etc.?	○ Not aware of such events
		○ Less number of such events being organised
		○ Financial burden
		○ High participation Fee
		○ High Travel Cost
		○ Not aware of any supporting schemes
		○ No major benefits received
		○ Other, please specify _____
30	Pick major challenges faced in marketing/ sales of your products	○ Difficulty in promotion of products due to high cost
		○ Very low margin realized
		○ Lack of proper awareness regarding ecommerce platforms, digital marketing etc.
		○ Lesser opportunity/platforms to showcase the products
		○ Adoption of quality control standards and certifications
		○ Inadequate value addition, new product development, inadequate packaging etc.
		○ Face the issue of delayed payments
		○ Others (specify) _____

31	What are issues faced by the enterprise related to export (if applicable)?	○ Cost of credit
		○ Foreign currency credit
		○ Export Market Information
		○ Labour law modifications
		○ Duties/Indirect tax related issues
		○ Incentives related issues
		○ Port congestion
		○ No detention of export consignments
		○ Not Applicable
		○ Other, specify _____
32	Challenges in obtaining certifications (if applicable)	○ Lengthy process
		○ High Cost
		○ Difficulty in meeting criteria
		○ Not aware about certification
		○ Unable to connect with relevant agency/consultants to assist in obtaining the certification
		○ Other, specify _____

	Finance Related	
33	What is your first preference to avail credit to address immediate credit needs and liquidity problems	○ Peer lending ○ Informal credit market (private money lenders) ○ Cooperative Bank (mention name) _____ ○ Commercial Bank (mention name) _____ ○ SIDBI/ NABARD ○ Small Finance Banks ○ Non-Banking Financial Companies
34	What is the usual time period to get a loan?	○ 3 months or less ○ Between 3- 6 months ○ Between 6-9 months ○ Between 9-12 months ○ More than 12 months ○ Any other_____
35	What is the credit cycle generally offered to you?	○ 15 days. ○ 30 days ○ 45 days ○ 60 days

		○ 90 days
		○ Other (specify) _____
36	What are the challenges you face in accessing bank loans	○ Insufficient collateral
		○ Loan amount sanctioned is less than required
		○ Interest rate offered is too high
		○ Too much paperwork
		○ Difficulty in understanding Capex/Opex
		○ Time taken to sanction loan is high
		○ I do not need this type of financing
		○ No challenge in accessing bank loan
37	Are you aware of credit rating of enterprises to facilitate improved access to credit	○ Not aware
		○ Heard of it but not aware about how to avail it
		○ Already availed
38	What is the ticket size of your loan requirement?	○ 0-5 lakhs
		○ 5-10 Lakhs
		○ 10 Lakhs – 1 Crore
		○ 1 Crore – 10 Crore

39	What is the breakup of the operational cost? (In percentage %)	Wages	Power	Water	Rent	Audit	Documentation	Licence Fees	Others (Please mention with breakup %)

40	Please list 3 factors that would impact your profitability.	S.No	Factors that are **lowering** your profitability		Factors that can **increase** the profitability
		1			
		2			
		3			

Operation and Business Support Related

41	Any challenges faced in terms of raw materials sourcing	○ No issues faced ○ Issue with availability of sufficient quantity ○ Increasing cost of raw material including procurement cost ○ High logistics cost ○ Issue with quality of raw material available ○ Others (specify) _____

42	Any challenges in availability of skilled workforce?	○ No issues faced in availability
		○ Difficult to find local skilled workforce due to lack of interest from younger generation
		○ Dependence on migrant workers with lesser skill levels
		○ Demand for higher wages
		○ Higher cost in upskilling workforce
		○ In sufficient platforms available for skill development of workforce
		○ Others (specify) _____
43	Rate on a scale of 5 the state of availability / access to infrastructure facilities (0 being Not available, 1 being Worse and 5 being very good)	○ Uninterrupted electricity -
		○ Water supply -
		○ Availability of land for industrial purposes requiring minimum clearances -
		○ Solid waste management -
		○ Effluent treatment mechanism -
		○ Cold storage/ ware housing -
		○ Road/Rail/Air connectivity -
		○ Testing laboratories -
		○ Any Other (specify) _____

44	When was your machinery/technology last upgraded?	○ In the last 3 years
		○ Between 3 - 5 years
		○ Between 5 - 10 years
		○ More than 10 years
45	Any challenges in adoption and use of better technology for improving productivity and quality of product/ service?	○ No issues faced
		○ Lack of awareness regarding better technologies
		○ Limited availability/ Lack of support from related agencies to handhold in adopting such technologies
		○ High technology procurement cost
		○ Inability to avail financial assistance for technology procurement
		○ Internet Connectivity
		○ Others (specify) _____

46	Which are the key services for which you typically hire/ will hire professional help	○ Tax payment & return filing
		○ Loan application processing
		○ Process mapping
		○ Digital Marketing
		○ Digital Literacy
		○ Export related
		○ Technology Upgradation
		○ Manpower hiring services
		○ Others _____
47	What are the challenges that you face in implementing sustainable practice?	○ Lack of awareness and knowledge on use and benefits on sustainable practices
		○ Availability of technical know how
		○ Lack of capital and awareness on green financing instruments
		○ Others (specify) _____

48	Select top 3 areas of information which is considered most important by you	○ _____ Emerging Technologies in your sector and complete information related to cost, resources, training, and ways to adopt it
		○ _____ Government Schemes (Central and state) relevant to you
		○ _____ The ever-changing regulatory and taxation requirements
		○ _____ Information about exhibitions and symposiums being held related to your business
		○ _____ Proposal writing guides
		○ _____ Trademark/IPR related
		○ _____ Others, please specify
49	Please select the Digital tool(s) you have adopted or wish to adopt?	○ Basic accounting software like Zipbooks
		○ Tax payment & return filing software like clear tax
		○ Cloud services like Amazon Web Services, Google Cloud services
		○ ERP like Zoho, SAP
		○ Design related like Adobe, Canva, AutoCAD
		○ Payment software like Paytm, PhonePe, Google Pay
		○ Marketing related like Marketo, Freshdesk, Zendesk, Hubspot, Buffer, Salesforce
		○ Any other (specify) _____
		○ Not using any digital tool
50		**Facilities/Portals**	**Aware**	**Utilized**	**Not aware**

Which portal/facilities among the following have you availed?	○ Psb loan in 59 minutes			
	○ rxil.in (TReDS)			
	○ M1xchange (TReDS)			
	○ Invoicemart (TReDS)			
	○ GeM			
	○ ONDC			
	○ MSEFC			
	○ SAMADHAN			

51	What are the challenges you face in case of delayed payments	○ Unaware about an institutional mechanism for online resolution like SAMADHAN portal in instances of delayed or non-payment of dues

○ Unaware about an institutional mechanism for online resolution like SAMADHAN portal in instances of delayed or non-payment of dues

○ Existing mechanisms are cumbersome and slow

  If this option is selected, then mention:

  i. Time taken to resolve dispute through the Micro Small Enterprise Facilitation Council (MSEFC) _____ days,

  ii. Number of hearings taken for the case of delayed payment to be resolved through MSEFC _____)

○ Lack of appropriate documentation to file a case

○ Unaware about MSEFC

○ Fear of losing the potential buyer after filing case for delayed payment

○ Others (specify) _____

52 Rate your experience (1 = Good and 2 = Bad) of availing the Central government schemes?

Schemes	How well do you know about the scheme	Ease in applying	Documentation	Time taken to get the benefit availed for	Any handholding support provided	Not availed
CGTMSE						
ZED						
LEAN						
PMEGP						
Pradhan Mantri Mudra Yojna						
MSME-Innovative (Incubation, IPR, Design						

		and Digital MSME)						
		Science and Technology Scheme (S&T) for Coir						
		Skill Upgradation & Mahila Coir Yojana (MCY)						
		Export Market Promotion						
		Entrepreneur ship Skill Development Program (ESDP)						
		MSE-CDP						
		SFURTI						
		PMFME						
		Other - Specify						
53	Does the enterprise provide any social security or any work insurance to its employees?	○ Yes ○ No						

54	Are you a beneficiary of any State scheme(s)?	Yes / No If yes, please specify the scheme _____
55	According to you, improvement in which factors could facilitate establishment and operationalising of enterprises in Puducherry better - (Can select multiple choices)	○ Further simplifying regulations/ compliances ○ Providing better awareness and linkage with government schemes (State/Central) ○ Improving availability of land/ industrial plots, access to other basic infrastructure such as water, electricity etc. ○ Imparting capacity building (Entrepreneurship development) ○ Better linkages with technical support institutions ○ Improving availability of Business Service providers ○ Improving access to finance ○ Better market development assistance ○ Any Other _____
56	What support do you further require to upscale and grow?	○ Further simplifying regulations/ compliances ○ Providing better awareness and linkage with government schemes (State/Central) ○ Improving availability of other basic infrastructure such as water, electricity etc. ○ Imparting capacity building (Entrepreneurship development) ○ Better linkages with technical support institutions

	○ Improving access to finance
	○ Assistance in market access
	○ Subsidy/incentive requirement mention any_____
	○ Mentorship
	○ Improving export infrastructure
	○ Others (specify) _____

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