



Revised Strategic Investment Plan (SIP) of AP under RAMP Program

Submitted by: AP MSME Development Corporation,
Government of Andhra Pradesh

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Executive Summary

The Raising and Accelerating MSME Performance (RAMP) Scheme is a central government initiative supported by the World Bank, aimed at revitalizing the Micro, Small, and Medium Enterprises (MSME) industry in India following the adverse effects of the COVID-19 pandemic. This scheme is expected to benefit approximately 1.5 million MSMEs and contribute to employment generation, increased productivity, and skill development within the sector.

With a total outlay of INR 6,062.45 crore, the RAMP scheme allocates INR 3,750 crore as a loan from the World Bank, while the Indian government contributes INR 2,312.45 crore. The primary objective is to enhance the performance of 555,000 MSMEs by improving market access, facilitating credit availability, strengthening institutions, fostering collaboration between the central and state governments, addressing delayed payments, promoting sustainable business practices, and expanding the reach of existing MSME schemes. The important component of RAMP is the Strategic Investment Plan (SIP). The SIPs would include an outreach plan for identification and mobilisation of MSMEs under RAMP.

Accordingly, the Govt. of Andhra Pradesh has facilitated preparation of SIP containing all essential elements of RAMP together with interventions required after analysing the identified gaps. This four-year programme will be implemented with due approvals from RAMP Programme Committee (RPC) in the state of AP adhering to the investment norms prescribed under RAMP. The SIP, presented in this report will form the roadmap for RAMP implementation in the state of Andhra Pradesh.

The Strategic Investment Plan (SIP) report presented for the state of Andhra Pradesh has been prepared through a systematic process. A mix of desktop research/secondary research was conducted in order to evolve a broader picture of current MSME ecosystem in the state. The secondary research helped in gaining insights on various factors impacting MSME growth, challenges and gaps existing – both at policy/governance level as well as enterprise level and helped in formulating suitable line of enquiry for a diagnostic study which was conducted through a mix of secondary and primary data collection. Information from published and unpublished sources were obtained, analysed and suitable inferences were drawn. Subsequent to that, primary research was undertaken wherein questionnaires were designed and deployed to collect relevant information in line with the core objective of the study and aimed at various stakeholders in the ecosystem – various government institutions catering to the needs of MSMEs, Industry Associations, prominent MSME cluster value chain leaders and individual enterprises. The data was collected through field survey, personal interviews and focused group discussion, and validated through a validation program conducted.

The major challenges/gaps which were identified formed the basis for formulation of suitable interventions/project proposals with suitable budget and impact it will have. Major gaps/challenges identified were in the domain of access to collateral free loan, especially to women and towards

greening initiatives by MSMEs, need for making MSMEs competitive and access domestic as well as global value chain through emphasis on quality conformance, exposure to global best practices and protection of intellectual property rights, scope for improvement in strengthening the receivable finance platform through institutionalisation of Trade Receivables Discounting System (TReDS), scope for improvement in addressing the delayed payment to MSMEs, scope for improving centre-state coordination in implementation of schemes (both central and state) through seamless collaboration between centre and state agencies catering to the development of MSMEs, scope in improvement of monitoring & evaluation mechanism for ongoing and proposed central and state programs in the state,

18 project proposals have been prepared with an overall budget of INR 432.74 Cr., wherein the Central Government contribution has been pegged at INR 59.67 Cr., State Government contribution at INR 41.99 Cr. and the gap funding of INR 331.08 Cr. is being proposed to be funded through RAMP fund. The proposals are designed keeping into consideration the objectives of the program and DLIs mentioned. The projects are categorised into 6 categories covering the holistic requirements of the MSMEs including Formalisation & Promotion of MSMEs in the state, Entrepreneurship & Skill Development, Market Access & Support, Strengthening Receivables market and reduction of delayed payment, Improving MSME Competitiveness (by Convergence with MSME Champions Schemes), Enhancing Credit support and Strengthening Monitoring & Evaluation and Implementation Support framework for RAMP implementation.



Chapter 1: RAMP - An Overview

Raising and Accelerating MSME Performance (RAMP) supports the overall Covid Resilience and Recovery Programme of MoMSME and aims at improving market access, access to credit, strengthening institutions and governance at the Centre and State, improving Centre-State linkages and partnerships, addressing issues of delayed payments, and greening of MSMEs

1.1 RAMP Program: Objectives, Key Result Area and DLIs

RAMP is a World Bank supported Central Sector Scheme of GoI. The scheme supports an overall programme encompassing the following interventions –

- a. MSME institutional strengthening through, inter-alia, the MSME Council; digital portals, policy and M&E functions.
- b. The convergence of relevant State-level schemes and support Programmes through the preparation and implementation of the Strategic Investment Plans (SIPS).
- c. Firm competitiveness schemes including Technology upgradation and quality certification; marketing support schemes; capacity building for technology centres.
- d. Strengthening the receivables financing market for MSMEs
- e. Enhancing the effectiveness of the Credit Guarantee Trust for Micro and Small Enterprises for greening investments and investments in women owned businesses.
- f. Addressing delayed payments through online dispute resolution.

The Programme funds for RAMP would be provided to the Ministry by GoI through its annual budget and disbursements will be made by the World Bank to GoI on achievement of agreed Disbursement Linked Indicators (DLIs). RAMP programme with impacts across the country will directly or indirectly benefit all 63 million enterprises that qualify as MSMEs. However, a total of 5,55,000 MSMEs are specifically targeted for enhanced performance and in addition, target market to include service sectors and 70,500 women MSMEs is envisaged.

RAMP programme, through enhanced collaboration with States, will be a job-enabler, market promoter, finance facilitator, and will support vulnerable sections and greening initiatives.

Key Result Areas: RAMP is designed in accordance with the World Bank Programme for Results (P for R) instrument. World Bank funds under RAMP would be provided to the Ministry on achievement of mutually agreed Disbursement Linked Indicators (DLIs). This will include Technical Assistance for strengthening implementation and monitoring capacity of MoMSME and of States. The Programme has identified two results areas viz: Result Area#1: Strengthening Institutions and Governance of the MSME Programme, and Result Area#2: Support to market access, firm capabilities, and access to finance.

Disbursement Linked Indicators (DLIs): The key matrix to monitor progress under RAMP are the DLIs against Key results areas. The six DLIs are as follows:

- i. Implementing the National MSME Reform Agenda
- ii. Accelerating MSME Sector Centre-State collaboration
- iii. Enhancing effectiveness of MSME CHAMPIONS Scheme
- iv. Strengthening Receivable Financing Market for MSMEs
- v. Enhancing Effectiveness of CGTMSE and “Greening and Gender” delivery
- vi. Reducing the incidence of delayed payments

1.2 Constitution of Central & State Committee

Table 1 Constitution of Central & State Committee

TEAM/ COMMITTEE	FUNCTIONS
National MSME Council	Monitoring and Policy Overview of RAMP
RPC - RAMP Programme Committee	Headed by the Secretary of MoMSME, RPC would comprise the heads of the various Divisions of MoMSME and/or other related Ministries (Ministry of Textiles, Ministry of Food Processing Industries, Department of Financial Services, etc.)
NPMU - National Program Management Unit (NPMU):	The NPMU at the MoMSME and will comprise professionals and experts competitively selected from the industry to support MoMSME to implement and monitor RAMP programme.
SIPEC- Strategic Investment Plan Evaluation Committee	Evaluation of SIPs duly approved by SRPC
SRPC - State RAMP Programme Committee	Functions of SRPC will, <ol style="list-style-type: none"> a) Coordinate with the MoMSME on RAMP implementation, b) To oversee the SIP preparation process, c) Approval of SIP to be submitted to RAMP Programme Committee, MoMSME for consideration, d) Review performance of RAMP in the respective States periodically to ensure inter Departmental/Ministerial coordination for SIP preparation and its implementation,

e) Monitoring of fund releases & utilization and audits,

f) To oversee the functioning of the State PIUs,

g) Approval of work plan and budget, Annual Procurement Plans, and fund releases for SIP implementation.

SIPEC- Strategic Investment Plan (SIP) Evaluation Committee	To appraise, evaluate and approve the SIPs received from SRPC
SNA- State Nodal Agency	AP MSME Development Corporation headed by Commissioner of Industries.
SRPC- State RAMP Programme Committee	Headed by the Principal Secretary/Secretary of the relevant department.
SPIU- State Programme Implementation Unit	SPIU established in the Industries Department/ Department of MSME at the State will support the State in monitoring, evaluation, and implementation of RAMP.

1.3 Implementation Priorities of MSME competitiveness Programme

Table 2 Implementation Priorities of MSME competitiveness Programme

	Outcome	Measurable Result Indicator (after five years)
I	Strengthening Institutions and Governance at the Center	
i	Greater policy level expertise with linkages with MSME eco system	<ul style="list-style-type: none"> Establish MSME Council with Ministries/State Governments representation Strengthen Policy expertise within the Ministry
ii	Improved monitoring and evaluation frameworks for implementation of MoMSME schemes.	<ul style="list-style-type: none"> Digital platforms for M&E of Ministry schemes

established and operational

II Enhance Center- State synergies		
i	Understand State priorities and gaps in the MSME sector	Preparation of Strategic Investment Plans in States.
ii	Improved State participation to manage MSME Programmes.	All States to participate in the MSME competitiveness Programmes
III Improve Market Access		
i	Increase in number of Implementation partners Increase in number of MSMEs adopting ZED/Lean/and other competitive Programmes.	<ul style="list-style-type: none"> To add Implementing Partners (IPs) across six MSME Champions Schemes. Five-fold increase in number of MSMEs under MSME Champions Scheme to cross 2,00,000 To create 200,000 champion MSMEs
ii	Of which, accessed by enterprises owned by Scheduled Castes, Scheduled Tribes and women (%)	At-least one third of these to be enterprises owned by Scheduled Castes, Scheduled Tribes and women
IV Addressing issue of delayed payments		
i	Increase in number of MSMEs on the TReDS platform	At least tenfold increase in the number of lending agencies
ii	Increase in volume of transactions on TReDS	At least three times increase from the current baseline in the volume of transaction on the TReDS platform to reach at least INR 1000 billion
iii	Greater efficiency in dispute resolution by MSEFCs	MSEFCs to reach 100% disposal of applications from the current 7% and increased use of online dispute

resolution services through the Samadhaan portal

V	Increase access to finance	
i	Increase in volume of MSME term loans extended through Financial Institutions (FIs) under the CGTMSE umbrella.	Five-fold increase in volume of MSME term loans extended through Financial Institutions (FIs) under the CGTMSE umbrella to reach at-least INR 375 billion
ii	Of which, accessed by SC, ST, and women	<ul style="list-style-type: none">• At-least one third of this volume, to be accessed by enterprises owned by Scheduled Castes, Scheduled Tribes, and women• Up to 300 Crore (\$41 Mn) on green investments
VI	Greening of MSMEs	
i	Number of MSMEs adopting green technologies and using green energy sources	All Champion MSMEs to adopt green technologies.

Chapter 2: SIP- Approach & Methodology

A diagnostic study was undertaken as a part of making the strategic investment plan (SIP) in the state of Andhra Pradesh. Both secondary and primary research were undertaken which resulted in gaining better understanding on the geographical region wise, segment wise and cluster value chain/sector wise insights into the key challenges and constraints to the MSME growth. The overall approach & methodology, along with the observations and findings of the study is provided below:

2.1 Approach & Methodology

The overall approach focussed on preparation of a Strategic Investment Plan (SIP) that adheres to the RAMP Manual for RAMP implementation in the state of Andhra Pradesh. The methodology adopted is a mix of desktop research and primary research. In the desktop research data collected from various institutions such as Directorate of Industries, Government of AP, DIC, Directorate of Economics & Statistics, CGTMSE, AP SLBC, SC/ST Cell, Government of AP, SIDBI, NSIC, Export Promotion Council, Government of AP, Commercial Tax department, Government of AP and other published documents such as 6th Economic Census of Industrial establishments etc. The desktop research helped in gaining insights and perspective on the current state of MSME ecosystem in the state w.r.t various parameters. The desktop research, in conjunction with the RAMP Manual guidelines, helped in framing appropriate line of enquiry to establish major gaps and challenges in the MSME ecosystem – at enterprise level as well as policy and governance level. After the desktop research, primary research plan was conceptualised, designed and executed. Appropriate questionnaires were drafted for different target groups and data was collected through various means such as personal interview, online survey, focused group discussions (FGDs) followed by validation meets.

Detailed step by step approach & methodology adopted for preparation of the strategic investment plan (SIP) for Raising & Accelerating MSME Performance (RAMP) Program is given below:

Step 1: Initial Stakeholders Consultative Meeting



Figure 1 Initial stakeholders meeting on RAMP

Initial stakeholders meeting on RAMP program chaired by Shri Pravin Kumar, IAS, Commissioner Industries, Govt. of AP

MSMEDC & Nodal Officer for RAMP, Shri B. Gopalakrishna, Executive Director, AP MSMEDC & Officer representing the Nodal Agency, officials of DICs, representatives from prominent MSME Industry Associations and representative from CGTMSE. The initial stakeholder meeting was facilitated by GT Bharat LLP, which is the agency onboarded by Government of AP to prepare the SIP.



Figure 2 Shri Sandeep Varma, CEO, CGTMSE addressing the gathering

Shri Sandeep Varma, CEO, CGTMSE addressing the gathering during the initial stakeholder consultation.

as, Union Bank of India, APSFC, SIDBI, NSIC, DGFT, FIEO, SC/ST Cell, Dept. of Industries & Commerce, Govt. of AP and General Managers from DICs Centres participated. Technical talks organised with special focus on RAMP Scheme. The day's proceedings were ended with a brief Q&A session, lively discussions.

To set the context of preparation of Strategic Investment Plan (SIP) the related major stakeholders meeting was held on 17 June 2023 at the APIIC building, Vijayawada. This meeting was to appraise the features of the RAMP scheme and to commence the activities to prepare Strategic Investment Plan (SIP), a pre-requisite activity for the purpose of implementation of RAMP in the State of AP. at the Vijayawada. The initial consultative meeting was attended by the key MSME stakeholders in the state, including Shri Pravin Kumar, Commissioner of Industries & CEO, AP

Shri Pravin Kumar, CEO spoke on the salient features of RAMP. The CEO exhorted every participant to be cooperative so that the benefits can be realised for performance improvement of MSMEs in the State. To achieve the ultimate purpose of accelerating the performance of MSMEs, the road map in the form of Strategic Investment Plan is expected to be useful, the CEO observed. In the technical sessions that followed, the invited speakers from various promotional and regulatory organisations/ banks spoke on the schemes of respective organisations and offered their support for RAMP in general and SIP preparation in particular.

Senior officers from various organisations such

Step 2: Regional RAMP Workshops:

To create awareness and sensitise the stakeholders of RAMP and to test/ validate the questionnaires to be administered all stakeholders, four regional workshops were held.

The PMU played active role and support to the Nodal Agency for conducting the regional workshops in the state. The objective of the Regional Workshop is to create awareness among the different stakeholders like GM DICs, industry associations, entrepreneurs local BDS providers etc. The regional workshops covering of 26 districts helped the team in creating awareness among the different stakeholders. GM DICs, prominent Industry Associations representing MSMEs, SC/ST and Women Associations at district level and entrepreneurs from different sectors attended and understood the process and likely benefits of RAMP.

The schedules of the region-wise workshops were:

- Visakhapatnam -19-May 2023
- Guntur - 23-May 2023
- Tirupati - 25-May 2023
- Kurnool - 27-May 2023



Figure 3 Regional Workshop held at Kurnool on 27th May 2023

Shri. B. Gopala Krishna, Executive Director of APMSMEDC addressing at the Workshop held at Visakhapatnam. The Workshop was attended by GM, DICs from ten districts along with various Industry Associations and MSMEs.



Figure 4 Regional Workshop at Tirupati on 25th May, 2023

Shri K. Jayachandiran, GT Bharat LLP explaining the importance of the SIP under the RAMP. The Workshop was attended by GM, DICs from five districts along with various Industry Associations and MSMEs



Figure 5 Regional Workshop held at Kurnool on 27th May 2023

Shri. B. Gopala Krishna, Executive Director of APMSMEDC addressing at the Regional Workshop held at Visakhapatnam. The Workshop was attended by GM, DICs from four districts along with various Industry Associations and MSMEs



Figure 6 Regional Workshop held at Guntur on 23rd May 2023

Shri. B. Gopala Krishna, Executive Director of AP MSMEDC addressing at the Workshop held at Guntur. The Workshop was attended by GM, DICs from five districts. Representatives from various Industry/ Trade Associations and MSME entrepreneurs participated.

The regional workshops facilitated the team to spread the message covering all relevant stakeholders spread across the entire state. During these workshops, a sample questionnaire was administered to those who were present. The findings from the test questionnaires were analysed. A representative view could be obtained which helped the SIP preparation team to refine the subsequent questionnaires later.

Step 3: Secondary Research/ Desktop Research:

To understand the status of the MSME ecosystem in the state and arrive at suitable baseline numbers for various initiatives/programs which may form an integral part of the proposed strategic investment plan (SIP), a rigorous secondary research/desktop research was conducted. As a part of the secondary research/desktop research, the following information was sourced from the respective sources and analysed:

Table 3 Secondary Research/ Desktop Research

S No	Nature of Publication/Information	Department/Source	Insights obtained
1	6th Economic census of Andhra Pradesh	Directorate of Economics & Statistics, Government of AP	Comparative analysis on various MSME oriented economic activities including Employment, type wise establishments, growth/performance of MSMEs, size class wise comparison, broad industrial sector wise comparison (NIC 2 digit), women headed enterprises, Agri and non-Agri enterprises, social group wise analysis, source wise financial resources for MSMEs.
2	Socio-Economic Survey, 2022-23, Government of Andhra Pradesh	Planning Department, Government of Andhra Pradesh	Comparative analysis on the contribution of manufacturing sector to state GSDP
3	Press-note on National Income, 2023	Ministry of Statistics & Program Implementation, Government of India	Comparative analysis on the contribution of manufacturing sector to national GDP
4	Annual Report on MSMEs	AP MSME Development Corporation, Government of Andhra Pradesh	Performance of MSMEs in terms of establishments, investment and employment; MSME Cluster value chains in the state
5	Annual Budgets (Outcome Budget), Government of AP	Finance Department, GoAP	Budget allocation for different MSME activities in AP for past 5 years
6	Annual Report, 2022-23	MoMSME, Gol	Comparative analysis on MSME performance between major states of India vis a vis AP
7	Udyam Portal Data	MoMSME, Gol	Comparative analysis of MSMEs – category wise/gender wise
8	CGTMSE information	CGTMSE	Comparative analysis of credit guarantee of AP vis a vis other leading states – overall, women headed MSMEs, and SC/ST promoted units – manufacturing,

				trade and services.
9	Credit flow to MSME in AP	SLBC, AP		Sector wise credit flow for MSMEs
10	Industrial Development Policy, 2023-27 and MSME Development Policy, 2015-2020	Directorate Industries, Government Industries	of of	Identification of thrust sectors for MSME development
11	District Skill Development Plans – 26 districts in AP	APSSDC		District wise, skill wise demand, supply and gap analysis

Other unpublished information was also collected through consultative process from various sources.

Step 4: Primary Research - Data Collection and Analysis:

Along with desktop research, primary research was undertaken in order to arrive at some useful and actionable insights to support and guide the preparation of project proposals under Strategic Investment Plan (SIP). Survey plan was devised wherein the category of respondents were shortlisted and modes of collecting data was determined. A brief overview of various methods employed for data collection from various sources is provided below.

a. Field Survey:

Both primary and secondary data were necessary for analysis of the status of MSMEs in the State, questionnaire method was resorted to. The contents of the questionnaires suitably modified to seek data focusing different target groups/ organisations. The chosen groups are:

- Individual MSMEs/ Existing entrepreneurs,
- Industry and Trade associations, including Women Entrepreneurs/ associations representing SC&ST category of entrepreneurs,
- MSME related Govt. depts./ organisations
- Banks/ FIs/ SLBC

The questionnaires were administered to each target group and responses received. Blank questionnaires designed exclusively for each group is appended in Annexure 1-4. A total of 2146 responses received. Classification of enterprises by category, size, ownership have been sorted out and analysis done. 2146 questionnaires responses were received and subjected to analysis.

b. Personal interviews

The team interviewed representatives from key MSME institutions, including officials from Directorate of Industries (DoI), District Industries Centre (DICs), AP MSME Development Corporation (APMSMEDC) and Industry Associations (IAs). The objective of the personal interview was to gain qualitative insights into issues/challenges pertaining to MSMEs in the state.

Table 4 Personal Interviews

S.No	Name	Designation	Institution	Mobile Number	Email
1	Shri.B.Gopala Krishan	Executive Director	APMSMEDC	9491039358	Ed-inramsmedc@ap.gov.in
2	Shri.Srinivasulu Reddy	Assistant Director	APMSMEDC	8978566599	adapmsmedc@gmail.com
3	Shri.A.Ramalingeswara Raju	Joint Director (MSME, Infra, IP, EoDB)	Directorate of Industries, GoAP	7286935555	msmejointdirector@gmail.com
4	K Soma Sekhar Reddy	Joint Director (HRD, OM, Vigilance, DIC, F&P, Incentives)	Directorate of Industries, GoAP	9440396738	director.industry@ap.gov.in
5	Shri.Rajasekhar	Joint Director, SC/ST Cell, AP Secretariat	Department of Industries, GoAP	9441089018	rajasekhar.jdinds@gmail.com
6	Shri.GS Rao	Joint Director, Exports Division	Directorate of Industries, GoAP	8374548679	director.industry@ap.gov.in
7	Sri G.Bhanu	Deputy Director, C&EP, Division	Directorate of Industries, GoAP	7893752255	director.industry@ap.gov.in
8	Sri J S R Anjaneyulu	Asst. Director (MSME)	Directorate of Industries, GoAP	7997952374	director.industry@ap.gov.in
9	Sri PV Subbareddy	CGM F	APIIC Ltd	7997902333	vsubbareddy.palagiri@ap.gov.in
10	Shri.P.Rajendra Prasad	DGM	SIDBI	9987053499	rajendrap@sidbi.in
11	Shri.Raja Babu	AGM	SLBC	9848345546	slbc@unionbankofindia.bank
12	Shri.G.Somu Sekhar	AGM	NSIC	9849927019	nsicbovijayawada@gmail.com

13	Shri.Sandeep Varma	CEO	CGTMSE	9967795300	svarma@cgtmse.in
14	Shri.B.Gopal	Director	Directorate of Economics and Statistics, GoAP	8978964331	ssddesap@gmail.com
15	Shri.Subba Rao	Assistant Director	Directorate of Economics and Statistics, GoAP	7989890113	ssddesap@gmail.com
16	Shri. Chandra Sekhar	Assistant Director	Directorate of Economics and Statistics, GoAP	9490149666	ssddesap@gmail.com
17	Shri.Vijayangamani	In-charge of PAT Cell	AP State Energy Conservation Mission	9566656674	Patcellapsecm@gmail.com, ceo.secm@gmail.com
18	Shri.Dinesh Kumar	Executive Director	APSSDC, GoAP	9848460046	prabhakar.p@apssdc.in (PA to ED)
19	Ms.Bharathi	Manager	APSSDC, GoAP	7981369012	gm.t@apssdc.in
20	Shri.Vijayaratnam	General manager	Guntur District, AP	9640909812	gmdicguntur@gmail.com ; vijai.kalapati@gmail.com
21	Shri.Srinivas Rao	General Manager	Palanadu District of AP	7997952519	gmpalanadu@gmail.com
22	Shri.Nagaraja Rao	General Manager	Anantapur District of AP	9848489948	gmanatapur@gmail.com

c. Focused Group Discussion:

Focused Group Discussion is an important tool for gaining insights and perspective on regional level and cluster value chain level issues and challenges. 11 Focused Group Discussions were conducted

which were primarily focused on cluster gap analysis. Few of the FGDs were solely focused on skill gap analysis of the cluster value chain.

Table 5 Focused Group Discussions

Sector/Cluster Value Chain	Name of the Industry Associations/BMO	District	Name
Agro & Food Processing	Ananthapur Agro Association	Ananthapur	Sri Obireddy, President
	Swarajya NGO	Kakinada	Smt. Y Padmalatha
Health & Allied Sector	Andhra Pradesh Pharmaceutical Association	NTR	Sri Sirupurapu Shhivaa
Printing Offset	Andhra Pradesh Rashtra Printers Association	NTR	Sri V Samba Siva Rao, President, APOPA
	Andhra Pradesh Rashtra Printers Association	NTR	Sri V Ajay Kumar, Executive Member, APOPA
	Sri Satyadeva Printing Association, Kakinada	Kakinada	Sri K Bala Prasad, President
Printing (Apparel)	Sri Tirupati Printing Cluster Association	Tirupati	Sri Vijaya Bhaskar, President
	Tirumala Readymade garments Association	Chittoor	Sri Kashi Reddy, MD
General Engineering	Andhra Pradesh MSME Association	NTR	Sri MS Rao, President
Textile (Spinning)	Thogata Textiles Cluster Association	Sri Sathya Sai	Sri M Nagendra, President
Jewellery	Machilipatnam Imitation Jewellery Park Private Limited	Krishna	Mr. Jitendra Ankem, Secretary
	Sri Viswakarma Goldsmiths Pvt. Ltd	NTR	Sri D Srinivasa Rao, President

Pharma	Hindupur Private Limited	Envirotech	Satya Sai District	Sri MVS Murthy, Secretary
Automotive	Autonagar Association	Technicians	NTR	Sri Rajanala Babji ATA President
Green Jobs	AP Solar Association	Manufacturers	NTR	Sri B Phani, Secretary

d. Validation Workshop



Figure 7 Validation Workshop

Validation workshop in progress presided over by Commissioner of Industries and attended by officials from APMSMDC, DoI, APIIC and facilitated by GT Bharat LLP

While working for a draft SIP report several pertinent issues emerged. To discuss such specific issues and for broader consultations on the SIP a review and validation programme was conducted on 30th Jun 2023 under the chairmanship of Commissioner of Industries, Govt. of AP. Representatives from several industrial associations were invited for elaborate consultations with the Team SIP. The following were present:

- FAPSIA – Federation of Andhra Pradesh Small Industries Association
- AP MSME Association
- AP Chamber of Commerce
- DICCI - Dalit Indian Chamber of Commerce & Industry (representing the SC/ST entrepreneurs)
- COWE – Confederation of Women Entrepreneurs
- ALEAP – Women Entrepreneurs Association
- DIA – Dalit Industrial Association
- SICCI – The Southern India Chamber of Commerce and Industry

During the interaction, the Association members were briefed about the progress made till the date of the meeting in SIP report preparation. The findings of the study were presented before the Industry Association representatives, government officials and other key MSME stakeholders and feedback were sought to incorporate the view.

During the Focus Group Discussion, the following points were discussed and recommendations made by different Industry Association representatives and GoAP officials:

1. **Uniformity in adopting the Central MSME Policy by the State Governments:** It is submitted that, a policy will be drafted and implemented after so much of research and consulting with various States, Business Experts, Associations etc., However, the spirit of policy is ignored in implementing at ground level, say, State and District Level. Policies made without operational guidelines or leaving it States to implement. There is no checking mechanism. This should be addressed. The following are suggested:
 - i. Central Government to monitor the MSME policy implementation in true spirit and there should not be any delay in adopting the framed policies by State Governments. For example, preferential procurement policy is still not honoured by many States Government as they have not issued State Government GOs.
 - ii. Creation of Independent Rehabilitation Fund for rehabilitation of units as well as Entrepreneurs. Failed entrepreneur is more experienced than the new entrepreneur and on given chance, they excel far better.
 - iii. Strict implementation of MSMED Act 2006 in true spirit. National Board meetings to be conducted as per the guidelines.
 - iv. Delayed payment is one of the core problems to MSEs. Ministry to formulate the policy in such a way that quick disposal is possible.
 - v. Accredited State Industrial Associations are to be given chance.

2. **Government websites in Local Languages:** Even after seven decades of independence, English is connecting India, but not producing the desired results. The State Government websites should have a provision for the local state language. As RBI notes printed with 15 Indian languages and Google can support with local language, it may not be difficult in the digital era now a days.

3. **Dynamic Study of MSMEs Sustainability, Success, Growth rate etc., is urgent need:** Most of the MSMEs life period is 5 years or so. FAPSIA, requesting to initiate a diagnostic study of the MSME Health records to identify the ground reality and prepare an action plan for future development of the MSMEs
 - I. Success Rate Analysis: Need to analyse that, how many MSMEs are being established; how many are successful; how many are unsuccessful and find gaps for the discrepancies.

- II. Growth Rate Analysis: Study to understand that, how many MSMEs are started as Micro, then Micro to Small, Small to Medium, Medium to Large/Mega etc.,
 - III. Government role Analysis: A true and fair study needed to be conducted to ascertain the quantum of help provided by the Central & State Government to MSMEs. Govt incentives vs Total Investments by MSMEs; Govt guidance vs MSMEs self/professional guidance, Govt help on sick unit's vs Self raising of MSMEs etc., "Well derived problem is half solved".
 - IV. Empathy by Govt. officials towards MSMEs: MSMEs are always under sustainable pressure from Govt. departments due to various reasons. Mindset of officials towards the entrepreneurship is needed to change on positive notes. A proper sensitisation program to the Govt. officials in the grass root level is suggested.
4. **Skill Development & Role of AICTE:** MSMEs need skilled manpower. Skilled manpower trained by ITIs, Polytechnic Colleges, Engineering Colleges etc., Unless the courses are not made suitable to MSMEs, the brain drain continues. Both Ministry and AICTE work together. It is appreciable that, MSME tool rooms does a marvellous work in training the workforce, but the sector demand is very high.
5. **Employment Website:** A centralised Employment website is need of hour. Employers need the work force and Educational Institutions need placements to their trained students. Joining together on a digital platform would be much helpful and have the following benefits:
- i. As the Employers post their requirements, assessment of current requirements for futuristic training can be done.
 - ii. Technical Institutions post their passing out skilled force in the website and Entrepreneurs with UDYAM Registration passwords can view the data.
 - iii. States/DICs can also disseminate the data to local MSMEs.
 - iv. Most importantly, the unemployment problem can be addressed as the most state governments spending crores of public money to unemployed youth as they are unable to provide employment, thus leading to creation of anti-social elements.
6. **Registration of UDYAM, GeM, TReDS, ZED, LEAN, BIS, ISO etc.,** Most of the Tiny & Micro Entrepreneurs doesn't know the benefits of registrations. Also, they all are not literate to register by themselves. The DICs and DFOs along with Associations can conduct a drive to create the awareness and registration of the units. The data can be compiled from GST authorities, Income Tax Authorities, Municipal authorities (Trade Licenses), Bankers (MSE Loans), Rotary Means Business & BNI groups etc., for the registration of all MSEs. Also, as per the strength of the MSEs, the establishment of Govt. officers need to be increased so that, hassle free services can be provided. A more Entrepreneur Awareness Programmes needed to be conducted.
7. **Role of State Government/DICs:** State Government role is very vital in implementation of the Central policies. Proper implementation will enhance the chances of local employment and

revenue generation. In ground level District Industries Centres are directly responsible for MSMEs creation to sustainability. The following are suggested:

- a) State Government in principle approve the Central Government policies and thrive for implantation.
- b) District Industries Centres (DICs) to be developed as Udyam Udyog Bandhus with block and Panchayat level presence with the supporting specialised cadre. They should counsel, mentor and train the new and existing entrepreneurs.
- c) Creation of Rural Business Zones (RBZs) to avail the local resources and manpower.
- d) State Government Line Departments like Inspector of Factories, Pollution Control Board, Fire Department, Ground Water, Municipal/Panchayat administration etc., should be proactive in granting the permissions rather than rule observers
- e) Conducting DIEPCs in time with true spirit of MSME development is essential.
- f) State Government should adopt policies in such a nature to compete the local MSMEs along with neighbouring states. For example, uniformity in prices of Petroleum products, Registration charges, etc., to the MSMEs to be at par with neighbouring states.

8. **Role of Associations:** MSME associations plays a vital role in bridging the gap with entrepreneurs and Government officials. The following are suggested:

- a) Giving accreditation of truly representative Associations by the Government.
- b) Creation of forum of associations Industry wise/Zone wise to represent the MSME issues.
- c) Involving the Associations in Board of Public Sector Banks so that, the MSME issues can be addressed.
- d) Accredited associations may be empanelled as technical agencies, project implementation agencies in various State, District level schemes.
- e) Accredited associations may be given with user id permissions in various Government websites to put forward their views and suggestions.

9. **Role of RBI/Bankers/FIs:** Finance is the key factor in MSME development. All rotate around the Finance as the Business main aim to earn the profits. However, Micro & small entrepreneurs due to financial illiteracy unable to reach the Bankers/FIs and depend upon self-finance or hand loans and ending up with paying huge interest rates. The following are suggested:

- a) In the history of Banking, it is envisaged that NPAs in MSME and quantum of NPA is very nominal. Tiny, Micro and Small entrepreneurs always thrive to clear the loans and chances of NPA is only due to beyond their capabilities. Hardly one can find, wilful defaulters in these sectors. However, due to seasonal or epidemics many are affected. NPA should be classified after 180 days instead of 90 days to MSMEs.
- b) An unsuccessful entrepreneur is more experienced than a new entrepreneur. At present there is no provision exists for such entrepreneur who lost everything including his ratings. On given a chance, they will become a good entrepreneur. Ministry and Bankers should

frame a policy to address this issue. Creation of Independent Rehabilitation Funds for such industries and Entrepreneurs with an independent assessment mechanism will help to recreate the lost opportunities.

- c) Banking should always be a partnership and not restricted to lending w.r.t MSMEs. The change of mind set is need of the hour. Bankers play safe on non-revenue generated assets like Home Loan, Vehicle Loan and impose lot of restrictions on MSME Loans. The recognition of entrepreneur as a job provider, revenue generator is much needed.
- d) Banking network is the largest network of all and they are better judges of regions, opportunities available in rural level etc., Sharing of their views in MSME promotion is much needed.
- e) Banking Regional/Zonal Committee meetings are held without any representation from State Government or Industry Associations contrary to the RBI Guidelines.
- f) The Corrective Action Plans (CAP) of the Banks are not reviewed and implemented. The percentage of Accounts found eligible for CAP are very limited and mostly found ineligible. Also, the eligible accounts are also not addressed timely.

10. **Role of Public Undertakings/Large/Mega Units:** Majority of MSMEs are ancillary units these organisations. Without their support MSMEs won't sustain. The following points suggested:

- a) Giving opportunities to local MSMEs so that transportation costs will be nominal.
- b) A portion of Corporate Social Responsibility (CSR) funds may be earmarked for development of local MSMEs in skill development training, conducting MSME EXPOs, sponsoring to international events etc., with the help of local Industrial associations.
- c) Most important factor is payment of MSME dues on priority as per the MSMED Act 2006.

11. **E-Commerce:** FAPSIA suggests the following for long-run implantation through E-Commerce:

- i. How to USE the E-Commerce Platform: Most of the tiny, Micro Entrepreneurs are didn't have the technical expertise to promote their products through these platforms. The site programmes to be made in such a way that, user friendly usage of GUI is needed.
- ii. Payments: Delayed payments is the major factor MSMEs. If payments on delivery is ensured, this will be a boon for industry.
- iii. Special/Unique Orders: As MSMEs undertake the orders of special and unique orders as per the need-based orders of buyers, there should be a provision for advance to cover the raw materials etc., Also, a provision for customised order form can be incorporated in the E-Commerce sites, where the buyers can post their requirements and quotations can be called.
- iv. Recognition of defaulters: Generalised items can be diverted to requisite buyers on E-Commerce sites. But, for MSMEs it is not the case. Once order placed, the supplier & buyer, both should ensure the terms & conditions to honour the E-Commerce conditions. Defaulters should be recognized and information sharing is essential so that, the spirit will be maintained.

- v. Charges of E-Commerce sites: It is envisaged that; E-commerce sites are charging huge prices to use their platform. In most of the cases, the manufacturing costs are below the charges demanded by the E-Commerce sites. This is one of the major issue concerned with MSMEs and they are averting to use the services.
 - vi. Logistics Support: Majority of the MSMEs function from Autonagars or Industrial parks. They don't have the additional manpower or logistics support for transportation to designated points. As to avoid these, most of the tiny & Micro units insists for Ex-factory delivery. A major consideration to be arrived to solve this issue. Also, this is the same case with buyers in certain cases. Both the Supplier and Buyer needed a hassle-free transmission of goods from and to their doorsteps.
 - vii. Banks/FIs/NBFCs: Largely MSMEs financially dependent on Banks/NBFCs /FIs either for term loan or Working Capital loan. A major order from reputed firm can be considered to increase the limits of order specific Working capital. If a provision for LCs is provided in the E-Commerce site in ensuing period, where both the Seller & Buyer Banks present, smooth completion of the order is materialised.
12. **Industrial Parks:** Existing Industrial Parks needed to be revamped and development of new Industrial Parks and flatted factory factories are need of hour. In the RAMP programme, the need-based analysis can be achieved to guide the State and Central Governments for better establishment of IPs.
13. **Women Empowerment:** Most of the units employ the women force for the benefit less wages. They are backbone of MSMEs, but unfortunately, the owning of MSMEs is considerably very less by women. Lack of Financial independence, fear of blame in case of setbacks, less exposure to markets, non-cooperation from Financial Institutions is major concern for women. Giving chance, they prove excellent. Need to educate and hand hold support to the women is need of hour. The Government to establish a system, where the assistance can be given to women entrepreneurs by empanelling the exclusive women professionals.
14. **SC/ST Empowerment:** The present scenario in the Andhra Pradesh with regards to SC/ST empowerment is more concentrated towards service sector rather than Manufacturing. Need to educate the enthusiastic and young professionals right from the colleges. The Government to establish a system, where the assistance can be given to SC/ST entrepreneurs by empanelling the exclusive SC/ST professionals, who can understand and guide them in right direction.

15. Suggested Changes in MSE Delayed Payment Policy

MSEs are supporting to Central, State Governments, PSUs, Large and Mega companies. It is known fact that more than 8.5 lakh crores amount is due to MSEs from various Governments and

companies. It is highlighted that, MSEs are large providers of employment after the agriculture. If one Micro unit become sick indicating that, more than ten families are deprived of livelihood along with the Entrepreneurs. Huge pending means, criminal offence and against the humanity. MSMED Act 2006 is supposed to address, but in grass rule level the spirit is not maintainable due to various reasons. FAPSIA, intended to submit the lacuna along with remedial actions for your kind consideration.

The members noted the comments/ suggestions and assured the participants that the comments would be considered and added to the report under appropriate chapters within the scope of the RAMP and as per guidelines given in the RAMP manual.

Chapter 3: Diagnostic Study – Key Challenges and Gaps in the MSME Ecosystem in the State of Andhra Pradesh

Government of Andhra Pradesh has identified the development of MSMEs as a catalyst for job creation and poverty mitigation. There is a significant thrust on encouraging startups and setting up incubation centres to provide a conducive eco-system for MSMEs in Andhra Pradesh. The Andhra Pradesh MSME Policy (2015-20) is aimed at “establishing state-of-the-art infrastructure, advancing inclusivity, fostering innovation and creating employment opportunities across different skill sets”. Further, the Andhra Pradesh Industrial Development Policy (IDP) 2023-27 has identified the following sectors as thrust sectors under manufacturing sector in view of their social and economic significance. They are:

- 1 Chemicals and Petrochemicals.
- 2 Pharmaceuticals and Bulk Drugs.
- 3 Textiles and Apparels.
- 4 Automobiles and Auto Components.
- 5 Electronics and IT.
- 6 Agro and Food Processing.
- 7 Engineering.
- 8 Medical Devices.
- 9 Defence and Aerospace.
- 10 Machinery and Equipment.
- 11 Renewable Energy Component Manufacturing.
- 12 Futuristic Segments of Industry such as Industry 4.0 Manufacturing, Biotech, Green Hydrogen and Electric Vehicles.

All the above thrust sectors need many ancillary industries and skilled workers under MSMEs Sector.

Macroeconomic Analysis in terms of GVA from broad Economic Sectors in 2021-22

Table 6 Gross Value Added (GVA) at Current Prices

Gross Value Added (GVA) at Current Prices during 2021-22 (Rs. Crores)				
Economic Sectors	India	Andhra Pradesh	Tamil Nadu	Maharashtra
GVA from Agriculture	4066649	388453	244795	376097
GVA from Industry	6119209	243923	614649	758902
GVA from Services	11253025	407810	1039763	1634436
Total GVA	21438883	1040186	1899207	2769435
Share of GVA from Economic Sectors in total GVA at Current Prices in 2021-22 (Percentages)				
Economic Sectors	India	Andhra Pradesh	Tamil Nadu	Maharashtra
GVA from Agriculture	18.97	37.34	12.89	13.58
GVA from Industry	28.54	23.45	32.36	27.40
GVA from Services	52.49	39.21	54.75	59.02
Total GVA	100	100	100	100

Observation & Inference: From the above table it is inferred that Andhra Pradesh is an Agro-based Economy because the GVA from Agriculture Sector contributes **37.34% of the total GVA of the State**, which is **higher than all India average** and also higher than Tamil Nadu and Maharashtra. On the other hand, it is also inferred that the contribution of Industrial sector in AP to GVA (23.45%) is lower than all India average (28.54%) and also lower than other Industrialised states such as Maharashtra (27.40%) and Tamil Nadu (32.36%). Similar trend is found in the case of Service Sector also.

3.1. Overview of MSME sector in the State of Andhra Pradesh

3.1.1. Snapshot of Micro, Small and Medium Enterprises as per NSS 73rd Round (2015-16):

The reliable source of data on Micro, Small and Medium Enterprises (MSMEs) after bifurcation of Andhra Pradesh State is the National Sample Survey (NSS) 73rd Round, which was conducted by National Sample Survey Office, Ministry of Statistics & Programme Implementation, Government of India during the period 2015-16. The details on the number of MSMEs and employment provided by the MSMEs for the top 15 states in terms of number of MSMEs are provided in the following Table.

Table 7NSS 73rd Round (2015-16) among Top 15 States in India

State/Union Territory	Number of MSMEs (Lakhs)	Rank	Share of MSMEs (%)	Employment provided by MSMEs (lakhs)	Rank	Average Employment per MSME	Rank
Uttar Pradesh	89.99	1	14.20	165.26	1	1.84	6
West Bengal	88.68	2	13.99	135.52	2	1.53	15
Tamil Nadu	49.48	3	7.81	96.73	3	1.95	1
Maharashtra	47.78	4	7.54	90.77	4	1.90	2
Karnataka	38.34	5	6.05	70.84	5	1.85	4
Bihar	34.46	6	5.44	53.07	8	1.54	14
Andhra Pradesh	33.87	7	5.34	55.99	7	1.65	11
Gujarat	33.16	8	5.23	61.16	6	1.84	5
Rajasthan	26.87	9	4.24	46.33	10	1.72	8
Madhya Pradesh	26.74	10	4.22	48.8	9	1.82	7
Telangana	26.05	11	4.11	40.16	12	1.54	13
Kerala	23.79	12	3.75	44.64	11	1.88	3
Odisha	19.84	13	3.13	33.26	13	1.68	10
Jharkhand	15.88	14	2.51	24.91	14	1.57	12
Punjab	14.65	15	2.31	24.80	15	1.69	9

Total of top 15 States	569.58	89.86	992.24	1.7
ALL INDIA	633.88	100.00	1109.89	1.8

Number of MSME Units and Employment provided by MSME Units as per NSS 73rd Round (2015-16) among Top 15 States in India

Observation & Inference: From the above table it is inferred that Andhra Pradesh occupies **7th rank among top 15 States in India in terms both number of MSMEs and employment provided by MSMEs**, but it ranks **11th in terms of average employment provided by MSMEs**. The analysis on the percentage share of top 15 States in the total number of MSMEs in India indicates that Uttar Pradesh has the 1st rank with 14.2% of MSMEs followed by West Bengal (13.99%), Tamil Nadu (7.81%), Maharashtra (7.54%), Karnataka (6.05%), Bihar (5.44) and Andhra Pradesh occupies 7th rank with 5.34% of MSMEs in India.

3.1.2. MSMEs Registered under UDYAM Portal:

Ministry of MSME, Government of India has started Udyam Registration portal with effect from the 1st day of July 2020 and issued a notification for all enterprises that covered under the new definition given by MSMED Act, 2006 to register in the Udyam Portal online. The number of MSMEs Registered on Udyam Portal in comparison with MSMEs as per NSS 73rd Round along with ranks of the top 15 states as per NSS 73rd Round is provided in the following Table.

Table 8 Number of MSMEs Registered on Udyam Portal

State/Union Territory	NSS 73rd round (2015-16) (Lakhs)	Rank	Udyam Registration as on 21-07-2023 (Lakhs)	Rank	Udyam Registration as % of Total MSMEs	Rank	MSMEs not registered on the Udyam Portal (lakhs)	Rank
Uttar Pradesh	89.99	1	16.24	3	18.04	12	73.75	2
West Bengal	88.68	2	6.11	10	6.89	15	82.57	1
Tamil Nadu	49.48	3	18.14	2	36.66	5	31.34	3
Maharashtra	47.78	4	31.69	1	66.32	1	16.09	11
Karnataka	38.34	5	10.08	6	26.29	7	28.26	5
Bihar	34.46	6	7.24	8	21.00	9	27.22	6

Andhra Pradesh	33.87	7	5.41	12	15.98	14	28.46	4
Gujarat	33.16	8	13.24	4	39.93	4	19.92	8
Rajasthan	26.87	9	13.14	5	48.90	2	13.73	13
Madhya Pradesh	26.74	10	8.25	7	30.85	6	18.49	10
Telangana	26.05	11	5.70	11	21.89	8	20.35	7
Kerala	23.79	12	4.20	13	17.63	13	19.59	9
Odisha	19.84	13	3.79	14	19.09	11	16.05	12
Jharkhand	15.88	14	3.05	15	19.20	10	12.83	14
Punjab	14.65	15	6.63	9	45.24	3	8.02	15
Total of top 15 States	569.58		152.90		26.84		416.68	
Total of other States	64.30		23.65		36.79		40.65	
ALL INDIA	633.88		176.55		27.85		457.33	

Source: Number of MSMEs Registered on Udyam Portal in comparison with MSMEs as per NSS 73rd Round

Observation & Inference: It is inferred from the above table that Andhra Pradesh State, which has 7th rank in terms of number of MSMEs as per the NSS 73rd Round, occupies lower rank in terms of number of MSMEs registered on Udyam Portal (12th rank) and MSMEs registered under Udyam Portal as per cent of total MSMEs in the State as per NSS 73rd Round (14th Rank). Highest formalisation of MSMEs w.r.t Udyam registration is found in Maharashtra (31.67 lakh) followed by Tamil Nadu (18.14 lakh)

3.1.3. Growth of Establishments and Employment in Andhra Pradesh

The growth in the numbers of establishments and persons employed in the last two Economic Censuses, in respect of rural and urban areas and combined over the period between 2005 and 2015, the overall compound annual growth rate (CAGR) of establishments per year is 5.89%. Growth rate per annum in urban areas is slightly more (5.91%) than the rural areas. The total growth in No. of

Establishments during 2005-2015 is 58.11%. In respect of Persons Employed, overall CAGR of 4.07% is observed during 2005-2015. It is also observed that, growth rate per annum in Urban areas is more than (4.61%) the Rural Areas (3.83%). The total growth in persons employed during 2005-2015 is 37.61%. The details are presented in the following Table.

Table 9 Growth Performance of Number of Establishments and Persons Employed

Sector	Item	5 th Economic Census (2005)	6 th Economic Census (2015)	Growth (%)	CAGR (%)
Rural	Establishments	1985890	3138363	58.03	5.89
	Persons Employed	4367257	5900792	35.11	3.83
	Persons Employed Per Establishment	2.2	1.9		
Urban	Establishments	697537	1104394	58.33	5.91
	Persons Employed	1875636	2690263	43.43	4.61
	Persons Employed Per Establishment	2.7	2.4		
Combined	Establishments	2683427	4242757	58.11	5.89
	Persons Employed	6242893	8591055	37.61	4.07
	Persons Employed Per Establishment	2.3	2.0		

Source: DES, Govt. of Andhra Pradesh, 6th Economic Census (2015)

Growth Performance of Number of Establishments and Persons Employed between Fifth and Sixth Economic Censuses in Andhra Pradesh – A Comparison

Observation & Inference: It is inferred that the average number of persons employed per establishment is **higher in urban areas than in rural areas**. Similarly, the **growth rates of establishments and persons employed are higher in urban areas than in rural areas** between 2005 and 2015. Therefore, the interventions/projects to be designed/conceptualised could be focused on rural centres, wherein emphasis should be on job creation and ensuring supply of skilled manpower.

3.1.4. Growth of Establishments and Employment by Type of Establishments:

It is observed that Own Account Establishments and other establishments, it is found that CAGR in own account establishments it is 6.76%, whereas in Establishments, it is 3.36%, in respect of number of establishments. In case of persons employed, CAGR in OAE is 6.52%, whereas in Establishments it is

only 1.77%. Type of establishment wise total growth and CAGR details are presented in the following Table.

Table 10 Growth Performance of Number of Establishments and Persons Employed

Item	5 th Economic Census (2005)		6 th Economic Census (2013)		Growth (%)		CAGR (%)	
	Establishments	Persons Employed	Establishments	Persons Employed	Establishments	Persons Employed	Establishments	Persons Employed
OAE	1937558	2776388	3270913	4600820	68.82	65.71	6.76	6.52
Establishments	745869	3466505	971844	3990235	30.30	15.11	3.36	1.77
Total	2683427	6242893	4242757	8591055	58.11	37.61	5.89	4.07

OAE = Own Account Establishments; Source: DES, Govt. of Andhra Pradesh, 6th Economic Census (2013)

Growth Performance of Number of Establishments and Persons Employed between Fifth and Sixth Economic Censuses by Type of Establishment in Andhra Pradesh

Observation & Inference: As the performance of Own Account Establishments is higher than other Establishments, it is inferred that they are the most suitable establishments to cover under the RAMP Programme because they need less investment, but they create more self-employment opportunities in the state.

3.1.5. MSMEs in the State as a share of MSMEs in India

Table 11 Growth Performance of Number of Establishments and Persons Employed

Sl. No.	State/UT	Number of MSMEs in 2005* (Lakhs)	Number of MSMEs in 2015** (Lakhs)	Annual Growth Rate (%)	Share in Total MSMEs in 2005 (%)	Share in Total MSMEs in 2015 (%)	Difference in the Share in Total MSMEs (%)
1	Uttar Pradesh	44.03	89.99	22.71	12.17	14.20	2.03
2	West Bengal	34.64	88.67	28.44	9.58	13.99	4.41
3	Tamil Nadu	33.13	49.48	16.59	9.16	7.81	-1.35
4	Maharashtra	30.63	47.78	17.33	8.47	7.54	-0.93

5	Karnataka	20.19	38.34	21.10	5.58	6.05	0.47
6	Bihar	14.7	34.46	26.05	4.06	5.44	1.37
7	Andhra Pradesh***	25.96	33.87	14.50	7.18	5.34	-1.83
8	Gujarat	21.78	33.16	16.92	6.02	5.23	-0.79
9	Rajasthan	16.64	26.87	17.94	4.60	4.24	-0.36
10	Madhya Pradesh	19.33	26.74	15.37	5.34	4.22	-1.12
11	Total of above ten States	261.04	469.36	19.98	72.16	74.05	1.89
12	Other State/UTs	100.72	164.52	18.15	27.84	25.95	-1.89
13	All India	361.76	633.88	19.47	100	100	0.00

**Figures excluding public administration, defence & Compulsory social security service activities for meaningful comparison with the figures of Sixth Economic Census.*

**Fourth All India Census of MSME, 2006-07 (Unregistered sector) and 5th Economic Census*

*** NSS 73rd Round, 2015-16*

****Including Telangana in Fourth All India Census of MSME*

Comparative Distribution and Growth Performance of MSMEs in Top Ten States of India

Observation & Inference: The growth performance of MSMEs between 2005 and 2015 based on 5th and 6th Economic Censuses among different states is provided in the following Table. It is found from the table that the **annual growth rate of MSMEs is 14.50%, which is lower than all India level of 19.47%**. The percentage contribution of MSMEs in Andhra Pradesh has come down from 7.18 to 5.34 during the study period, but this may be due to the differences in the data coverage, i.e., the MSMEs in 2005 represent the combined state of Andhra Pradesh and the MSMEs in 2015 represent the residual state of Andhra Pradesh.

3.1.6. Growth of Establishments by Size Class of Employment in Andhra Pradesh:

It is to note that, the total growth rate is more in employment size class of 1-5 and 6-9 workers over the period 2005-2013 with a declining trend (-14.75 %) in 10 & above workers size class of employment. In respect of 1-5 and 6-9 size class of employment CAGR is 5.98% and 5.96 % respectively, whereas it is negative (-1.98%) in respect of 10 & above workers size class of employment. Details are presented in the following Table.

Table 12 Distribution of Establishments in Fifth and Sixth ECs by size class employment

Sl. No.	Employment Size	5 th Economic Census (2005)	6 th Economic Census (2013)	Total Growth (%)	CAGR (%)
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1	1-5	2569898	4090518	59.17	5.98
2	6-9	75264	119619	58.93	5.96
3	10 & above	38265	32620	-14.75	-1.98
	All classes	2683427	4242757	58.11	5.89

Observation & Inference: It is being observed that there is a declining trend in the MSME segment which employs 10 or more people. Therefore, the emphasis of any intervention to be designed under RAMP program should focus on employment creation and generation, especially in the establishments which hire 10 or more people.

3.1.7. Distribution of Establishments by broad sector/Industry wise activity in Andhra Pradesh

The Distribution of Establishments by broad sector/Industry wise activity in Andhra Pradesh is depicted in Table-2.8. From the table it is inferred that Livestock occupies the largest share of 29.8% among the total establishments followed by Retail Trade with 20.2%, Manufacturing with 15.6%, Transport and Storage with 6.2% and Accommodation and Food Service Activities with 3.8%. The other establishments have very low shares in the total establishments.

Table 13 Distribution of Establishments by broad sector/Industry wise activity

Sl. No.	Establishments by broad sector/Industry wise activity	Establishments (Number)	Share (%) in total
1	Activities relating to agriculture other than crop production and plantation	31632	0.7
2	Livestock	1263051	29.8
3	Forestry and Logging	50834	1.2
4	Fishing and aquaculture	115949	2.7
	Sub Total of Agricultural Activities	1461466	34.4
5	Mining and Quarrying	8951	0.2
6	Manufacturing	662865	15.6
7	Electricity, gas, steam and air conditioning supply	2475	0.1
8	Water supply, sewerage, waste management and remediation activities	4627	0.1
9	Construction	82767	2.0

10	Wholesale trade, retail trade & repair of motor vehicles & motorcycles	42315	1.0
11	Wholesale trade not covered in item 10 above	52333	1.2
12	Retail trade (not covered in item 10 above)	855536	20.2
13	Transportation and storage	264676	6.2
14	Accommodation and Food Service Activities	159685	3.8
15	Information & communication	17838	0.4
16	Finance and Insurance Activities	103722	2.4
17	Real Estate Activities	16351	0.4
18	Professional, scientific & technical activities	21320	0.5
19	Administrative and support service activities	44427	1.0
20	Education	90320	2.1
21	Human Health & Social Work Activities	37681	0.9
22	Arts entertainment, sports & amusement, and recreation	9435	0.2
23	other service activities not elsewhere classified	303967	7.2
	Sub Total: Non-Agricultural	2781291	65.6
	Total of All Establishments (Agricultural + Non-Agricultural)	4242757	100.0

Source: DES, Govt. of Andhra Pradesh, 6th Economic Census (2015).

Observation & Inference: From the above analysis it is inferred **Livestock, Fishing and Aquaculture based establishments** are important for MSME interventions in Andhra Pradesh, because most of rural poor depends on these sectors and their development is more important for meeting the first and second SDGs of “End Poverty in all its forms everywhere” and “End Hunger, Achieve Food Security and improved nutrition and promote sustainable Agriculture”. Further, it is observed that the **Retail trade, Manufacturing, Transportation & storage, Accommodation & food service activities, Finance & Insurance Activities, Education and Construction** activities have been identified as important sectors for MSME interventions in Andhra Pradesh due to their inter linkages for the development of thrust sectors, which are identified by the Andhra Pradesh Industrial Development Policy (IDP) 2023-27 in view of their social and economic significance.

3.1.8. Number and share of women headed Enterprises in Andhra Pradesh:

It is observed that, out of 42,42,757 total No. of establishments, Women headed establishments are 8,49,912 (20%). Out of 85,91,055 persons employed in all the establishments, 13,25,009 (15.4%) persons are employed under women headed establishments. While observing broad activity-wise, No. of Establishments headed by Women is more in Non- Agricultural Activities (4,49,829) when compared to Agricultural activities (4,00,083). It is also evident that No. of establishments headed by Women Entrepreneurs in Rural Areas is more when compared to Urban Areas. While observing the average No. of persons engaged per women headed establishment, it is relatively high in Non-Agricultural Establishments (1.67%), in which also it is high in Urban Areas (1.78%). The details are depicted in Table below:

Table 14 Number and share of women headed establishments in Andhra Pradesh.

Activity / Sector	No. of Establishments			No. of Persons Employed			Average No of Persons employed per Women headed Establishment.
	Total No. of Establishments	No. of Women headed Establishments.	Share of Women headed Establishments (%)	Total No. of Persons Employed	No. of Persons Employed under Women headed Establishments.	Share of Persons Employed under Women headed Establishments (%)	
1. Agricultural							
Rural	1407588	384890	27.3	2335430	551958	23.6	1.43
Urban	53878	15193	28.2	97716	22479	23.0	1.47
Total	1461466	400083	27.4	2433146	574437	23.6	1.43
2. Non-Agricultural							
Rural	1730775	289933	16.8	3565362	465831	13.1	1.60
Urban	1050516	159896	15.2	2592547	284741	11.0	1.78
Total	2781291	449829	16.2	6157909	750572	12.2	1.67
3. Combined (1+2)							
Rural	3138363	674823	21.5	5900792	1017789	17.2	1.50
Urban	1104394	175089	15.9	2690263	307220	11.4	1.75
Total	4242757	849912	20.0	8591055	1325009	15.4	1.56

Source: DES, Government of Andhra Pradesh (2016), 6th Economic Census

Observation & Inference: It is observed and inferred that the share of women headed establishments as a part of total establishments is low (~20% as compared to national average of ~25%). Therefore, there is an imperative requirement for formulating interventions/programs/policies which may increase representation of women headed MSMEs in the state. The intervention may focus on areas such as preferential access to factors of production like land, raw material, credit, technology, skill, infrastructure, etc.

3.1.9. Social Category wise distribution of Enterprises in Andhra Pradesh

The Social Group of the owner of the proprietary establishments was analysed as Scheduled Caste (SC), Scheduled Tribe (ST) and Other Backward Classes (OBC) and others. Out of 42.42 lakh total No. of establishments, 38.83 lakh (92%) are the Proprietary establishments of which, 4.56 lakh (11.7%) establishment owners are SCs, 2.17 lakh (5.6%) establishment owners are STs, 17.24 lakh (44.4%) establishment owners are OBCs and 14.85 lakh (38%) establishment owners belong to other communities. While broad activity-wise analysis observed, percentage of Proprietary establishments is more in Agricultural Activities (63%), whereas in Non-Agricultural it is 37%. Percentage of SCs, OBCs and other communities' Proprietary establishments are relatively more in non-Agricultural activities, whereas in respect of STs, it is relatively more in Agricultural activities. While sector-wise analysis observed, all social group of the owners' establishments are more in Rural areas. Broad activity and sector-wise establishments and persons employed by Social Group of the owner details are presented in Table below

Table 15 Social Group of the Owner of the Proprietary Establishments in Andhra Pradesh

Activity / Sector	Social Group				Total Proprietary Establishments
	SC	ST	OBC	Others	
1. Agricultural					
Rural	177235 (12.8)	107569 (7.8)	580691 (41.9)	518803 (37.5)	1384298 (100)
Urban	4618 (8.9)	2659 (5.1)	28262 (54.2)	16571 (31.8)	52110 (100)
Total	181853 (12.7)	110228 (7.7)	608953 (42.4)	535374 (37.3)	1436408 (100)
2. Non-Agricultural					
Rural	162835 (11.0)	68040 (4.6)	696259 (46.9)	558914 (37.6)	1486048 (100)
Urban	111507 (11.6)	38464 (4.0)	419221 (43.7)	390998 (40.7)	960190 (100)
Total	274342 (11.2)	106504 (4.4)	1115480 (45.6)	949912 (38.8)	2446238 (100)

3. Combined (1+2)					
Rural	340070 (11.8)	175609 (6.1)	1276950 (44.5)	1077717 (37.5)	2870346 (100)
Urban	116125 (11.5)	41123 (4.1)	447483 (44.2)	407569 (40.3)	1012300 (100)
Total	456195 (11.7)	216732 (5.6)	1724433 (44.4)	1485286 (38.3)	3882646 (100)

Note: Figures in the brackets represents the percentage share of total proprietary establishments Source: DES, Government of Andhra Pradesh (2016), 6th Economic Census

Observation & Inference: It is inferred from the above table that the **percentage representation of SC enterprises and ST enterprises is below their percentage contribution in the total population of 17.08 % SCs and 5.53% STs** as per 2011 Population Census, especially in non-agricultural enterprises. Therefore, there is a need for conducting the awareness camps, skill upgradation courses especially for SCs and encourage the SCs to take up entrepreneurial activities and become entrepreneurs in the non-agricultural sectors.

3.1.10. Source of Finance for Manufacturing Enterprises in Andhra Pradesh

An establishment may seek funds for running the establishment or for expanding its activities from several financing and lending agencies or persons. The agency or an institution (Public/Private) in respect to which the business unit owes loan liability and unpaid dues during the day of visit is the highest, that agency is considered as the major source of finance. The source of finance is classified into 6 categories i.e., self-finance, financial assistance from Government sources, borrowing from financial institutions, borrowing from non-institutions/money lenders, loan from SHGs and donations/transfer from other agencies.

Out of 4242757 establishments, 3322255 (78%) establishments are running with self-finance as major source of finance, 191358 (4.5%) establishments are taking financial assistance from Government sources under Central and State Schemes, 85716 (2%) establishments are borrowing loans from financial institutions such as Banks, 62214 (1.5%) establishments are borrowing from Non-Bank Financial Institutions/Money lenders, 93945 (2.2%) establishments are taking loan from SHGs and 487269 (11.51%) establishments are taking donations/transfer of funds from other agencies.

Broad activity and sector-wise distribution of establishments by Source of Finance details are presented in following Table.

Table 16 Distribution of Establishments with Major Source of Finance

Sl. No.	Broad activity/ Sector	Self-Finance	Financial assistance from Govt. sources	Borrowing from financial institutions	Borrowing from Non-institutions/ Money lenders	Loan from SHGs	Donations / Transfer from other agencies	Total
1	Agriculture							
	Rural	1197867	20768	16961	13777	40871	117344	1407588
		(85.1)	(1.5)	(1.2)	(1.0)	(2.9)	(8.3)	(100)
	Urban	44227	736	446	1557	927	5985	53878
		(82.1)	(1.4)	(0.8)	(2.9)	(1.7)	(11.1)	(100)
	Total	1242094	21504	17407	15334	41798	123329	1461466
		(85.0)	(1.5)	(1.2)	(1.0)	(2.9)	(8.4)	(100)
2	Non – Agriculture							
	Rural	1238275	133941	49966	28328	39998	240267	1730775
		(71.6)	(7.7)	(2.9)	(1.6)	(2.3)	(13.9)	(100)
	Urban	841886	35913	18343	18552	12149	123673	1050516
		(80.1)	(3.4)	(1.7)	(1.8)	(1.2)	(11.8)	(100)
	Total	2080161	169854	68309	46880	52147	363940	2781291
		(74.7)	(6.1)	(2.5)	(1.7)	(1.9)	(13.1)	(100)
3	Combined							
	Rural	2436142	154709	66927	42105	80869	357611	3138363
		(77.7)	(4.9)	(2.1)	(1.3)	(2.6)	(11.4)	(100)
	Urban	886113	36649	18789	20109	13076	129658	1104394
		(80.3)	(3.3)	(1.7)	(1.8)	(1.2)	(11.7)	(100)
	Total	3322255	191358	85716	62214	93945	487269	4242757
		(78.3)	(4.5)	(2.0)	(1.5)	(2.2)	(11.5)	(100)

Note: Figures within brackets represent the percentages to the total number of establishments

Source: Directorate of Economics and Statistics, Government of Andhra Pradesh (2016): 6th Economic Census-2015

Observation & Inference: It is inferred from the table that the number of establishments running with self-finance is more in Rural Areas, whereas in Urban Areas it is less. With reference to other sources of finance, there is not much difference is observed in between Rural and Urban Areas. It is also observed that the number of establishments running with financial assistance from sources of finance other than self-finance is more in Non-Agricultural and less in Agricultural Activities. Further, it is observed that **financial assistance from Government sources is more in Non-Agricultural Activities** than in

Agricultural Activities. It is found that the access to **institutional finance is less than 5%** to manufacturing MSMEs in Andhra Pradesh. Therefore, enhancing access to institutional finance is going to be an important corner stone for devising intervention plan for MSMEs, especially manufacturing MSME as a part of RAMP program.

3.1.11. Growth of MSMEs over Time in Andhra Pradesh:

It is clear from the table that there is an increasing trend in the number of MSMEs established during the period from 2019-20 to 2022-23 and it is targeted by the Government of Andhra Pradesh to establish 1,50,000 MSME Units during 2023-24.

Table 17 MSME Units newly established in Andhra Pradesh from 2019-20 to 2022-23

Year	New MSME Units (Number)	Investment (Rs. in Crore)	Average Investment per Unit (Rs. Lakhs)	Employment (Number)	Average employment per MSME Unit
2019-20	23036	4201	18.24	151245	7
2020-21	38200	4985	13.05	281199	7
2021-22	47052	5196	11.04	467326	10
2022-23	92707	9677	10.44	361742	4

Source: AP MSME Development Corporation, Vijayawada

Observation & Inference: It is noted from the above table that the number of MSME units established during the last 4 years has been witnessing an increasing trend - from 23,036 Units in 2019-20 to 92,707 Units in 2022-23, the investment increased from Rs. 4,201 Crores in 2019-20 to Rs. 9,677 Crores in 2022-23 and the employment generated by the newly established MSME Units has increased from 1,51,245 persons in 2019-20 to 3,61,742 persons in 2022-23. However, the **average investment per unit has seen declining trend, from Rs. 18.24 lakhs in 2019-20 to Rs. 10.44 lakhs in 2022-23.** Further, the average number of persons per unit was 7 persons in 2019-20 and 2020-21, it increased to 10 persons in 2021-22, but again declined to 4 persons in 2022-23. It is inferred from the analysis on the performance of MSMEs in Andhra Pradesh during the period from 2019-20 to 2022-23 that the **average investment per MSME Unit has declined in last 1 year**, even though there is a continuous increase in the establishment of new MSMEs during the same period.

3.1.12. Overview of Exports from Andhra Pradesh

The MSME sector plays an important role in the exports of Andhra Pradesh and India. As the data is not available for the exports from MSME sector, it is considered to compare the progress of total exports and is given in the following Table.

The progress of Exports from Andhra Pradesh and from India

Table 18 The progress of Exports from Andhra Pradesh and from India

Year	Exports from Andhra Pradesh (Rs. Crores)	Exports from India (Rs. Crore)	Share of Exports from Andhra Pradesh in Exports from India
2017-18	83971	1991436	4.22
2018-19	98410	2358211	4.17
2019-20	104829	2270919	4.62
2020-21	124744	2193253	5.69
2021-22	143843	3199115	4.50
CAGR	14.0%	9.1%	-----

Source: Economic Survey 2022-23 (Statistical Appendix), Government of India and Department of Industries, Government of Andhra Pradesh.

It is inferred from the above table that the exports from Andhra Pradesh has been increased from Rs.83,971 Crores in 2017-18 to Rs. 1,43,843 Crores in 2021-22 with the compound annual growth rate (CAGR) of 14.0% and the exports from India increased from Rs. 19,91,436 Crores to Rs. 31,99,115 Crores the compound annual growth rate (CAGR) of 9.1% during the same period. However, the share of Exports from Andhra Pradesh in the Exports from India is very low at less than 5% except in the year 2020-21.

3.1.13. Share of Economic Sectors (MSMEs) in Gross Value Added (GVA) of Andhra Pradesh

Most of the MSME Units have been operating in four major economic sectors of the Andhra Pradesh Economy, namely Fishing and Aquaculture, Mining and Quarrying, Manufacturing, and Trade, Hotels and Restaurants. Growth of Economic Sectors relating to MSMEs in terms of Gross Value Added at Current Prices in Andhra Pradesh in given in the following Table.

Table 19 Growth of Economic Sectors relating to MSMEs

Year	Gross Value Added (GVA)	GVA from Fishing & Aquaculture	GVA from Mining & Quarrying	GVA from Manufacturing	GVA from Trade, Hotels & Restaurants
2018-19	798176	67885	24848	84120	62903
		(8.50)	(3.11)	(10.54)	(7.88)
2019-20	862848	72378	21932	85239	67817
		(8.39)	(2.54)	(9.88)	(7.86)
2020-21	885575	79926	16215	91007	52225

		(9.03)	(1.83)	(10.28)	(5.90)
2021-22	1040187	93146	27708	111528	72037
		(8.95)	(2.66)	(10.72)	(6.93)
2022-23	1214961	111223	32089	124702	92509
		(9.15)	(2.64)	(10.26)	(7.61)

Source: Directorate of Economics and Statistics, Government of Andhra Pradesh (2016): 6th Economic Census-2015

Observation & Inference: It is clear from the above table that the Gross Value Added (GVA) from all Economic Sectors in Andhra Pradesh increased from Rs. 7, 98,176 Crores in 2018-19 to Rs. 12,14, 961 Crores in 2022-23. The Gross Value Added (GVA) from Fishing and Aquaculture in Andhra Pradesh increased from Rs. 67,885 Crores in 2018-19 to Rs. 1, 11, 223 Crores in 2022-23. In terms of percentages it increased from 8.50% to 9.15% during the same period. The Gross Value Added (GVA) from Mining and Quarrying in Andhra Pradesh increased from Rs. 24,848 Crores in 2018-19 to Rs. 30,089 Crores in 2022-23, but in terms of percentages it decreased from 3.11% to 2.64% during the same period. The Gross Value Added (GVA) from Manufacturing in Andhra Pradesh increased from Rs. 84,120 Crores in 2018-19 to Rs. 1, 24, 702 Crores in 2022-23, but in terms of percentages it decreased from 10.54% to 10.26% during the same period. The Gross Value Added (GVA) from Trade, Hotels and Restaurants in Andhra Pradesh increased from Rs. 62,903 Crores in 2018-19 to Rs. 92, 509 Crores in 2022-23, but in terms of percentages it decreased from 7.88% to 7.61% during the same period. Therefore, it is inferred that there is a stagnant contribution from the economic sectors, where MSMEs play a key contribution to the total GVA of Andhra Pradesh Economy.

3.1.14. Summary of Observations and Inferences drawn from the research conducted above

The following are the key findings from the above data analysis:

1. It is noticed that only **15.98 % of MSMEs in Andhra Pradesh were registered on Udyam Portal** and the remaining 84.02% of MSMEs did not register on the Udyam Portal, which is a big gap that needs to be covered.
2. The share of Micro Enterprises is 96% of the total MSMEs in Andhra Pradesh registered on the Udyam Portal and the share of Small Enterprise is 3.7% and Medium Enterprises is only 0.3% as on 21st July 2023.
3. The **annual growth rate of MSMEs is 14.50%**, which is **lower than all India level of 19.47%** between 2005 and 2015. The contribution of MSMEs in Andhra Pradesh has come down from 7.18% to 5.34% between 2005 and 2015, but this may be due to the differences in the data coverage, i.e., the MSMEs in 2005 represent the combined state of Andhra Pradesh and the MSMEs in 2015 represent the residual state of Andhra Pradesh.
4. As the 1-5 and 6-9 employment size classes of MSMEs have increased at a greater rate than 10 and above employment size between 2005 and 2015 and hence there is a need to focus on

interventions at MSMEs providing employment to 10 and above people in order to arrest declining trend.

5. The growth in the numbers of establishments and persons employed between 2005 and 2015 is only 5.89% per year and the annual growth rate in urban areas is slightly more than the rural areas.
6. The NIC 2 Digit level economic activity analysis shows that Livestock occupies the largest share of 29.8% among the total establishments followed by Retail Trade with 20.2%, Manufacturing with 15.6%, Transport and Storage with 6.2% and Accommodation and Food Service Activities with 3.8%. The other establishments have very low shares in the total establishments. Hence, it is inferred that Livestock, Fishing and Aquaculture, Trade, Manufacturing, Transportation & storage, Accommodation & food service activities have been identified as important sectors for MSME interventions in Andhra Pradesh due to their inter linkages for the development of thrust sectors, which are identified by the Andhra Pradesh Industrial Development Policy (IDP) 2023-27 in view of their social and economic significance.
7. It is found that the share of women headed MSMEs in the total MSMEs **is lower at 20%** as against the **national average of about 25%**. Therefore, there is a need for conducting the awareness camps, skill upgradation courses especially for women and encourage the women to take up entrepreneurial activities and become women entrepreneurs.
8. It is found that the share of **SC owned MSMEs is only 11.7% and ST owned MSMEs is only 5.6%, which are lower than their share in the population** and hence they need more priority in the establishment of new MSMEs.
9. It is found that the formal financial institutions have been providing financial assistance to **less than 5% of MSMEs in manufacturing sector** in Andhra Pradesh and hence there is a huge gap under the financial resources. Therefore, it is proposed to create an environment that attracts financial institutions to come forward to provide loans to MSMEs in manufacturing sector.
10. It is found that the **percentage contribution of manufacturing sector to the GSDP of Andhra Pradesh is lower than the percentage contribution of manufacturing sector to the GDP of India** and it has a **declining trend during the past five years** and hence there is a need to provide more MSME interventions in manufacturing sector to increase percentage contribution of manufacturing sector to the GSDP of Andhra Pradesh to reach the level of India and also to reverse the trend in a progressive way.
11. Most of the MSME Units have been operating in four major economic sectors of the Andhra Pradesh Economy, namely Fishing and Aquaculture, Mining and Quarrying, Manufacturing, and Trade, Hotels and Restaurants, but there is a stagnant trend in their contribution to the total GVA of Andhra Pradesh Economy.
12. As per the data analysed, there are only 902 applications filed by MSEs in the Samadhaan Portal of Ministry of MSMEs, Government of India. Of which, only two applications were disposed by MSEFC Council, 246 applications were considered for Action Taken by MSEFC Council and 654 applications are still pending and waiting for consideration. The district-wise analysis indicates that the highest number of applications is from Vishakhapatnam district

(378, 41.9% of total), followed by Krishna district (191, 21.2% of total), Chittoor district (66, 7.3% of total), Guntur (59, 6.5% of total), East Godavari district (53, 5.9% of total) and Ananthapur district (41, 4.5% of the total). The **MSEs applications from these six districts together account for 87.4% of the total MSEs applicants in the Samadhan Portal for delayed payments.** It is also noted that there are **no MSEs applications from the 9 districts**, which are newly formed namely Alluri Sitharama Raju, Kakinada, Konaseema, Parvathipuram Manyam, Nandyal, Bapatla, Palnadu, Tirupati and Annamayya. Further, it is noted that there is no single file under amount settled By MSEFC Council. Hence, it is inferred that there is a need to create district level MSEFCs to deal with delayed payment cases and there is a need to create awareness and sensitize the MSMEs to apply on the Samadhaan Portal through Awareness Creation Camps. Further, there is a need for Capacity Building Programmes for the members of district level MSEFCs to speed up the settlement process at the district level to attract a greater number of applications.

3.2. Mapping of the Institutions and Agencies in the State for MSME Development

Government of Andhra Pradesh is committed for MSME development, and the state has consistently been achieving the No.1 position in Ease of Doing Business in India. The state Government has established several departments and agencies to support and promote the growth of MSMEs in the state within various departments like Industry and Commerce, Infrastructure, Information Technology, Handloom & Textile Agriculture & Horticulture, etc. In addition to state Government departments, following Central/State/District Institutions/Corporations/Organisations are working for the development of MSMEs.

Table 20 Key state level institutions catering to MSME sector in the state of AP

S.No	Name of the Organisation	Functions	Website
1.	Directorate of Industries	<ul style="list-style-type: none"> Key mandate of Directorate of Industries is the promotion and development of Industries, including MSMEs in the state. DOI manages and operates Single Window Portal, promotion of Industrial Investment in the state, processing of incentives, grievance redressal, dispute resolution through MSME facilitation council etc. 	https://www.apindustries.gov.in/APIndus/Default.aspx
2.	Andhra Pradesh MSME Development Corporation (APMSMEDC)	<ul style="list-style-type: none"> AP MSME DC is established to cater to the development of MSMEs through cluster development and supporting the infrastructure development. AP MSME DC is Implementing Agency to MSE-CDP. 	https://apmsmedc.ap.gov.in/#/

		<ul style="list-style-type: none"> ▪ AP MSME DC is Nodal Agency to RAMP ▪ AP MSME DC is to identify the scope for Flatted Factories in AP, and act as an Implementing Agency in the Infrastructure Development Projects from Central Govt. ▪ Facilitate all processes required for approvals of Park proposals as well as their execution ▪ Facilitate provision of business development services like marketing, quality, export promotion, training etc., as needed for improving the business prospects of enterprises set up in MSME Parks. ▪ Institute a third-party Annual Review to assess the working of this scheme. 	
3.	Andhra Pradesh Industrial Infrastructure Corporation (APIIC)	<ul style="list-style-type: none"> ▪ APIIC identifies potential sites for industrial areas and procures land for industrial parks. ▪ APIIC develops and maintains industrial parks, SEZs, Industrial Clusters ▪ APIIC acts as Nodal agency for Industrial infrastructure development ▪ APIIC creates Local Authority for each industrial park for self-governance. 	https://apiic.in/
4.	Andhra Pradesh Economic Development Board (APEDB)	<ul style="list-style-type: none"> ▪ The board acts as a catalyst to facilitate economic growth, investment climate, reforms, and competitiveness in Andhra Pradesh. ▪ It is the single point of contact for all investments in the state. Andhra Pradesh Economic Development Board Act, 2018 (Act no. 21 of 2018) has been in force since June 7, 2018. ▪ Strategic investment planning and promotion ▪ Nodal point of contact for investments ▪ Mobilization of resources required for supplementing public and private investment. ▪ Facilitating inter-departmental coordination ▪ Economic and policy research. 	https://apedb.gov.in/
5.	District Industries Centers (DIC)	<ul style="list-style-type: none"> ▪ District Industries Centers in implementation of the various schemes and programs of the Department. ▪ Investment Awareness, Programs, Entrepreneurship Development Programs, Workshop and seminars etc. ▪ Besides, the Department also runs regular vocational training courses for creation of skilled manpower in the following trades. ▪ To accelerate the pace of industrialization process, infrastructure development and development of industrial areas and estates are 	https://www.apindustries.gov.in/apiindus/userinterface/RawMaterials/DIC.aspx?DistID=06

being given importance.

6.	Andhra Pradesh State Skill Development Corporation (APSSDC)	<ul style="list-style-type: none">▪ The primary purpose of APSSDC is to bridge the gap between the demand and supply of skilled workforce in various sectors, thereby promoting economic growth and development in the state.▪ APSSDC plays a crucial role in imparting skills training to the youth in collaboration with industry partners, educational institutions, and other stakeholders. It offers skill development programs in various sectors, such as manufacturing, IT & ITES, healthcare, hospitality, agriculture, construction, and more.▪ These programs are designed to equip the youth with relevant skills, knowledge, and certifications to enhance their employability and enable them to secure gainful employment opportunities.▪ The importance of skill development in today's competitive job market cannot be overstated. The skilled workforce is the backbone of any economy as it drives productivity, innovation, and growth. APSSDC focus on<ul style="list-style-type: none">▪ Enhancing Employability▪ Industry Partnerships▪ Industry-Academia Collaboration▪ Entrepreneurship Promotion▪ Skill Upgradation - regional wise and sector wise.	https://www.apssdc.in/home/
7.	Andhra Pradesh Innovation Society (APIS)	<ul style="list-style-type: none">▪ To create policies, frameworks, guidelines, set up a mechanisms and process for startups, incubators, mentors, service providers, partner institutions, investors, funding bodies etc, and to enable a conducive startups ecosystem in the state▪ To appropriate support and handhold startups and other stakeholders during entire registration and recognition process.▪ To develop a mechanism for the stakeholders to get in touch with each other i.e. startups, incubators, mentors, investors, service providers, partner institutions, investors, funding bodies etc.▪ To guide and support all key stakeholders in the startup ecosystem.▪ To resolve the issues and grievances faced by startups and stakeholders in Startup Andhra Pradesh Portal.▪ To coordinate with departments in state government and helping startups in getting the	https://apis.ap.gov.in/#/

- requisite support and suitable facilities from them
- To review and monitor the startup ecosystem in the state and suggest the changes in policy, and guidelines.
- To Provide Access to market reports and surveys for early stage startups.
- A fund of funds of INR 100 Cr. shall be co-created in partnership with a consortium of Venture Capitals and Private Equity firms and universities, for funding startups in the State.
- To establish Centers of Excellences in emerging and industry 4.0 Technologies.
-

16. Initiatives taken by the Government of Andhra Pradesh for the development of MSMEs:

The Government of Andhra Pradesh has taken the following initiatives to strengthen MSMEs and their performance:

- Industrial Promotion Policy 2023-2027
- Jagananna Badugu Vikasam for SC/STs
- Keeping in view of the importance of MSME sector, Government of AP has established 5 different entities (INCAP, APIDC, APMSMEDC, APTPC, AP MSE facilitation councils) with specific mandate, dedicated for the overall development of MSME sector and delivering associated services for the MSME sector in the state.
- AP MSE Facilitation Council has experienced around 531 cases of delayed payment related issues. Out of which 30% cases have been cleared, while rest of the cases is under conciliation/arbitration process.
- In APMSEFC during the last 4 years 120 cases are disposed clearing an amount of Rs.67.54 Crores
- State Govt. is making efforts to on board Government entities as buyers on TReDs platform (Government of India initiation), TReDS platform provides a digital and transparent MSME system for prompt and timely payments to MSMEs reducing delays in their payment receipts.
- To increase CGTMSE coverage from Government of India (75% - 85%) the balance guarantee coverage coming from corpus fund placed by the State Government is proposed. This would enable MSEs to avail assistance from the lending institutions as their risk perception would be mitigated to a good extent.
- The Government of Andhra Pradesh has directed that all Government entities shall procure at least 25% of their annual requirements of goods and services from the eligible Micro and Small Enterprises. The procuring shall include all Government Departments, Local Bodies, Statutory Bodies, Development Authorities, Bodies created through Executive Orders, Companies, Corporations, Special Purpose Vehicles, Societies, Trusts, and any other Public Sector

Undertakings. Out of the 25% target, a sub-target of 4% shall be earmarked for Scheduled Castes/Scheduled Tribes owned MSEs and a sub-target of 3% shall be earmarked for Women owned MSEs.

- AP MSME DC has been designated as state nodal agency for implementation of the world Bank Sponsored Central sector scheme, "Raising and Accelerating MSMEs Performance (RAMP) in Andhra Pradesh.

3.3. Delayed Payments Issues of MSMEs in Andhra Pradesh:

Government of Andhra Pradesh has established Micro and Small Enterprise Facilitation Council (MSEFC) for settlement of disputes on getting references/ filing on Delayed payments according to the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006. According to this Act, the buyer is liable to pay compound interest with the monthly rests to the supplier on the amount at the three times of the bank rate notified by RBI, in case the buyer does not make payment to the supplier for his supplies of goods or services within 45 days of the acceptance of the goods/service rendered. The details of the delayed payment cases are provided in the following Table.

Table 21 District Wise Pendency Report on Delayed Payment Cases in Andhra Pradesh

S.No.	District	Applications filed by MSEs	Amount Payable as per Applications Filed (Rs. Crore)	Applications Disposed by MSEFC Council	Amount Payable in Disposed Application (Rs. Crore)	Action Taken by MSEFC Council **	Amount Payable in Action Taken by MSEFC Council Applications (Rs. Crore)	Pending as Now ***	Amount Payable in Pending as Now (Rs. Crore)
1	Visakhapatnam	378	529.95	2	0.06	111	252.85	265	277.05
2	Krishna	191	140.02	0	0	47	19.30	144	120.72
3	Chittoor	66	11.51	0	0	31	5.14	35	6.37
4	Guntur	59	55.41	0	0	9	6.30	50	49.11
5	East Godavari	53	69.14	0	0	17	14.06	36	55.07
6	Anantapur	41	3.91	0	0	5	0.82	36	3.10
7	West Godavari	25	18.97	0	0	10	5.05	15	13.92
8	Spsr Nellore	23	12.79	0	0	7	0.60	16	12.20
9	Prakasam	22	23.13	0	0	4	0.11	18	23.02
10	Y.S.R.	16	11.23	0	0	3	0.21	13	11.02

11	Srikakulam	12	0.89	0	0	0	0.00	12	0.89
12	Vizianagaram	6	9.93	0	0	2	0.48	4	9.44
13	Kurnool	5	0.21	0	0	0	0.00	5	0.21
14	NTR	2	1.00	0	0	0	0.00	2	1.00
15	Eluru	1	0.25	0	0	0	0.00	1	0.25
16	Sri Sathya Sai	1	0.01	0	0	0	0.00	1	0.01
17	Anakapalli	1	0.10	0	0	0	0.00	1	0.10
	Grand Total	902	888.45	2	0.06	246	304.92	654	583.48

**Applications Reject by MSEFC Council + Mutually Settled Applications + Applications Converted into Case by MSEFC Council Under various stages of hearing.

*** Applications ready for Consideration by MSEFC Council + Applications to be made actionable by council

Source: https://samadhaan.msme.gov.in/MyMsme/MSEFC/MSEFC_StateDistWise_AgeRpt.aspx?Sid=28

The MSEFC chaired by the Director of Industries of the State have the administrative control of the MSE units. The State MSE Facilitation Council hold meetings regularly and delayed payment cases are decided by the Council within a period of 90 days as stipulated in the MSMED Act, 2006. MSME Samadhaan Portal - Ease of filing application under MSEFC, is an initiative from Ministry of MSME, Govt. of India for filing online application by the supplier MSE unit against the buyer of goods/services before the concerned MSEFC of supplier State. The applications will be viewed by MSEFC Council of the concerned states for their actions. The applications will be also visible to Concerned Central Ministries, Departments, CPSEs, State Government, etc for pro-active actions.

Observation & Inference: There are **902 applications filed by MSEs in the Samadhan Portal** of Ministry of MSMEs, Government of India. Of which, **only two applications were disposed by MSEFC Council**, 246 applications were considered for Action Taken by MSEFC Council and 654 applications are still pending and waiting for consideration. The district-wise analysis indicates that the **highest number of applications is from Visakhapatnam district (378, 41.9% of total)**, followed by **Krishna district (191, 21.2% of total)**, **Chittoor district (66, 7.3% of total)**, **Guntur (59, 6.5% of total)**, **East Godavari district (53, 5.9% of total)** and **Ananthapur district (41, 4.5% of the total)**. The MSEs applications from these **six districts together account for 87.4%** of the total MSEs applicants in the Samadhan Portal for delayed payments. It is also noted that there are **no MSEs applications from the 9 districts**, which are newly formed namely Alluri Sitharama Raju, Kakinada, Konaseema, Parvathipuram Manyam, Nandyal, Bapatla, Palnadu, Tirupati and Annamayya. Further, it is noted that there is no single file under amount settled by MSEFC Council.

Hence, it is inferred that there is a **need to create district level MSEFCs** to deal with delayed payment cases and there is a need to create awareness and sensitise the MSMEs to apply on the **Samadhan Portal through Awareness Creation Camps**. Further, there is a need for Capacity Building

Programmes for the members of district level MSEFCs to speed up the settlement process at the district level to attract a greater number of applications.

Data on ODR from APMSEFC is as follows:

From the data given below it is inferred that pending cases as percent of total cases filed in APMSMEFC have been increasing from 63.55% up to 2020-2, 77.49% in 2021-22 and 78.29% in 2022-23.

Table 22 APMSEFC Functioning Report

	Filed Cases		Mutually Settled Cases		Award Pronounced		Pending Cases	
	No	Amount (Cr.)	No	Amount (Cr.)	No	Amount (Cr.)	No	Amount (Cr.)
Up to FY 2020-21	214	173.20	32	11.12	35	62.98	136	99.10
FY 2021-22	191	300.97	24	7.29	4	0.199	148	293.48
FY 2022-23	129	180.05	20	9.50	3	6.15	101	164.40

	No of Council Meetings Held	No of Conciliation Cases	No of Arbitration cases	Remarks if any
Up to FY 2018-19	22	215		
FY 2019-20	11	93	50	-
FY 2020-21	23	109	79	-
FY 2021-22	13	269	40	-
FY 2022-23	12	168	22	-

Source: Andhra Pradesh MSME Facilitation Council, Government of Andhra Pradesh

As part of the survey conducted, following issues pertaining to delayed payments were highlighted by the respondents:

- i. Few MSME Entrepreneurs, especially from rural areas are not aware about MSMED Act 2006.
- ii. Inordinate delay in MSEFC proceedings in comparison with the Act provisions i.e., time frame of 90 days to pronounce the award.
- iii. No judiciary powers to MSEFC for implementation of awards.
- iv. In cases of Non-honouring the award, the MSEs do not know where, and whom to approach.
- v. In many instances, the contractual documents were prepared favouring the buyer due to the ignorance of MSEs.

- vi. MSEs are not aware of Samadhan Portal, ODR
- vii. Income Tax provisions on declaration of MSME outstanding amounts in the Tax Returns are ignored by companies.

3.4. Key Observations & Findings w.r.t CGTMSE in Andhra Pradesh

The coverage under the Credit Guarantee Scheme in Andhra Pradesh is low (around 3%) as compared to the total credit flow to MSEs in the State¹. Few reasons which emerged out of the study were:

- i. In spite of credit guarantee coverage of 75% to 85% on the loan component in lieu of the collateral security, there is perceived notion amongst lending institution that the coverage is not adequate, and the nature of primary security created / made available by this segment is inadequate to ensure recovery in the event of default.
- ii. Scope for better understanding of the mechanism for availing CGTMSE cover – both by lending institutions branches as well as entrepreneurs.

Table 23 CGTMSE's Guarantee approved for loans extended to MSEs in Andhra Pradesh

Year	Total CGTMSE's Guarantee approved for Loans released		For Women		For SC & ST		Present Outstanding CGTMSE's guarantee for loans	
	No.	Amount (in Rs Lakhs)	No.	Amount (in Rs Lakhs)	No.	Amount (in Rs Lakhs)	No.	Amount (in Rs Lakhs)
2020 - 21	3,42,977	6,86,224	1,02,597	1,55,349	25,523	43,448	32,129	1,32,706
2021 - 22	49,848	1,45,581	22,641	34,404	3,332	6,100	27,463	1,12,307
2022 - 23	2,37,520	3,54,504	1,73,840	1,05,849	31,642	28,872	1,60,587	2,73,433
Total	6,30,345	11,86,309	2,99,078	2,95,602	60,497	78,420	2,20,179	5,18,445

Source: Primary Research – response from CGTMSE

Inference: While women headed MSEs account for almost 50% of the CGTMSE guarantee extended in last 3 years, the **quantum of coverage is only about 25%** of the total amount.

¹ Primary research – Response from CGTMSE

Table 24 Comparison of coverage of credit guarantee in Andhra Pradesh vis a vis pan-India

Year	MSE status	Total CGTMSE's Guarantee for Loans released at National level		Andhra Pradesh		Percentage	
		No. Units	Amount (in Rs Lakhs)	No. Units	Amount (in Rs Lakhs)	No. units	Amount (in Rs Lakhs)
2020-21	Manufacturing	16,40,715	1,15,72,359	82,776	2,35,723	5%	2%
	Service	25,75,576	1,11,11,063	1,74,608	3,51,403	7%	3%
	Trading	9,26,383	31,87,736	85,593	99,097	9%	3%
2021-22	Manufacturing	1,52,700	20,68,293	4,575	32,620	3%	2%
	Service	2,16,687	19,82,708	15,503	57,662	7%	3%
	Trading	3,47,633	15,66,186	29,770	55,300	9%	4%
2022-23	Manufacturing	2,59,022	35,33,782	18,318	62,987	7%	2%
	Service	3,50,225	34,61,981	61,893	1,45,280	18%	4%
	Trading	5,56,539	34,82,382	1,57,309	1,46,237	28%	4%
Total		70,25,480	4,19,66,491	6,30,345	11,86,309	9%	3%

Source: Primary Research – response from CGTMSE

Inference: It is being observed that while the percentage of units amongst manufacturing, service and trading covered under CGTMSE in AP as percentage of pan India coverage has been constant in the year 2020-21 and 2021-22, the trading segment has seen a sharp rise of 28% from 9% from previous years. Hence, a balanced growth is imperative for the overall MSEs in the state.

Table 25 Comparison of Andhra Pradesh state along with major States in India

S.No	State	Year		Year		Year	
		2020 -21		2021-22		2022 -2023	
		No.	Amount (in Cr)	No.	Amount (in Cr)	No.	Amount (In Cr)
1	Maharashtra	71850	4416	56027	6840	66055	11926
2	Uttar Pradesh	78655	3727	86616	5628	130769	10742
3	Gujarat	40397	2960	34929	4836	43336	8209
4	Karnataka	50974	3225	41028	4308	53766	8209
5	Tamil Nadu	61539	3344	44897	4134	61883	7114
6	West Bengal	29789	1618	37033	2887	54440	6036
7	Rajasthan	32883	1441	38622	2553	72391	5366
8	MP	60835	1893	64108	2651	50289	5290
9	Haryana	18499	1218	22285	2707	30343	5025
10	Telangana	22021	1408	24009	1959	29792	3503
11	Andhra Pradesh	163610	1560	48484	1456	237520	3545

Source: Primary Research – response from CGTMSE

Inference: It is being observed that considering the FY 2022-23, Andhra Pradesh had the highest coverage in terms of MSE accounts being covered under CGTMSE. However, the average ticket size of quantum of guarantee provided per account is lowest in Andhra Pradesh which stands at approx. 1.4 lakh per account whereas states like Maharashtra, Gujarat and Haryana have average quantum of coverage ranging from approx. 16 to 18 lakh per account.

Table 26 CGTMSE Guarantee Coverage in Andhra Pradesh along with the Country in (%)

Year	No. of Units	% of comparatively India	Coverage (Amount in Crores)	% of comparatively India
2020	50,562	6%	1,557	3%
2021	1,63,610	20%	1,560	4%
2022	49,848	7%	1,456	2%
2023	237520	20.37%	354504	3.8%

Source: Primary Research – response from CGTMSE

Considering the above factors, especially in terms of skewed coverage of CGTMSE in terms of segment of beneficiaries, sectors and average coverage per account, the project has been proposed to be included as a part of the proposed SIP.

3.5. Focused Group Discussion – Observations & Findings

The team conducted 11 Focused Group Discussions covering major MSME Cluster Value Chains/Sectors in the state. Among the 11-cluster value chain, complete value chain diagnostic study was conducted for 5 clusters and for rest of the clusters, skill gap analysis was done at enterprise as well as few major jobs role level. A summary of the MSME Cluster Value Chains and their analysis is presented below

Table 27 Summary of MSME Cluster Value Chains/Sectors consulted through FGDs

Sector/Cluster Value Chain	Name of the Industry Associations/BMO	District	Name
Agro & Food Processing	Ananthapur Agro Association	Ananthapur	Sri Obireddy, President
	Swarajya NGO	Kakinada	Smt. Y Padmalatha
Health & Allied Sector	Andhra Pradesh Pharmaceutical Association	NTR	Sri Sirupurapu Shhivaa
Printing Offset	Andhra Pradesh Rashtra Printers Association	NTR	Sri V Samba Siva Rao, President, APOPA
	Andhra Pradesh Rashtra Printers Association	NTR	Sri V Ajay Kumar, Executive Member, APOPA

	Sri Satyadeva Printing Association, Kakinada	Kakinada	Sri K Bala Prasad, President
	Sri Tiruputi Printing Cluster Association	Tirupati	Sri Vijaya Bhaskar, President
Printing (Apparel)	Tirumala Readymade garments Association	Chittoor	Sri Kashi Reddy, MD
General Engineering	Andhra Pradesh MSME Association	NTR	Sri MS Rao, President
Textile (Spinning)	Thogata Textiles Cluster Association	Sri Sathya Sai	Sri M Nagendra, President
Jewellery	Machilipatnam Imitation Jewellery Park Private Limited	Krishna	Mr. Jitendra Ankem, Secretary
	Sri Viswakarma Goldsmiths Pvt. Ltd	NTR	Sri D Srinivasa Rao, President
Pharma	Hindupur Envirotech Private Limited	Satya Sai District	Sri MVS Murthy, Secretary
Automotive	Autonagar Technicians Association	NTR	Sri Rajanala Babji ATA President
Green Jobs	AP Solar Manufacturers Association	NTR	Sri B Phani, Secretary

3.5.1. Focused Group Discussion – Observations & Findings

Table 28 Cluster Value Chain Analysis - Machilipatnam Imitation Jewellery, Krishna District

Name of Cluster	Machilipatnam Imitation Jewellery Park Private Limited
Geographical location (state, district)	Jewellery Park, Chilakalapudi, Machilipatnam, Andhra Pradesh 521002
Specific product/service	Manufacturing of basic precious and non-ferrous metals One-gram gold ornaments
Number of MSMEs engaged in identified service/product.	About 750 MSMEs (SPV Members are 49)
Total turnover of the cluster	INR 350 Crore
Export orientation	Domestic and export

Cluster in growth/stagnant/dying stage	Growth stage and active
Cluster History	<p>This cluster was form in the year 2007 and running successfully and still it is an active.</p> <p>Almost all the members are carrying their activities in a small shop cum residential houses.</p> <p>Almost all the members have been using advanced methods in product making.</p> <p>The members/ cluster units have been concentrated in and around the Machilipatnam and surrounding locations in District Headquarters.</p>
Status of previous interventions / ongoing intervention, if any,	Cluster updated with advanced technology, training and marketing support. Earlier the business is within the state but now improved an overseas.
3-4 critical growth constrains identified	Need to create space to all the members for Latest technology and machinery are required to get value added products to get more benefit. The dominant people benefit more, and the unit holders are depending on the workers
Suggestive domains for Cluster Intervention Program	<p>Need to access with finance to all the cluster finance to take advantage of the cluster.</p> <p>Raw material, export market and common flat form to display their products need to be provided equally to all the members.</p>
Total employment in cluster	127
Incremental job / per Crore investment	1200
Incremental job / per Crore turnover	Nil

Table 29 Cluster Value Chain Analysis: Gold Jewellery Cluster, Mangalagiri, Guntur District

Name of Cluster	Thogata Textiles Cluster Association, Satya Sai District.
Geographic Location (State/District)	Satya Sai District, Andhra Pradesh
Specific Product/Service	Saree Weaving
Number of MSMEs engaged in identified	1746 in Direct saree weaving

Service/product	<500 units in ancillary works
Total Turnover of the Cluster	INR.1684.79 Crore
Export Orientation	At Present Textile Ministry is conducting awareness programs. But there is no concentration on exports.
Cluster in growth/stagnant/dying stage	Dharmavaram silk sarees are thousand years old technology. Women like to wear for the festivals and occasions. It is always growing, but the costs involved is getting higher day by day.
Cluster History	Cluster groups are existing since long, but the SPV is formed in 2022 to establish a Common Facility Centre in Sri Satya Sai District. Presently the units are working individually.
Status of previous interventions/ongoing intervention, if any	No significant interventions at present
3-4 critical growth constraints identified	<p>Modernization of Weaving Machines due to Geographical identification</p> <p>Software development on saree designs not exists. Age old designs only.</p> <p>Silk Raw Material Non-availability</p> <p>Bank Finance</p> <p>Unskilled workforce</p>
Suggestive domains for Cluster intervention program	<p>Skilled Program Training</p> <p>Technology upgradation in Software and Hardware</p> <p>Easy Bank Finance under CGTMSE and others</p> <p>Raw Material Banks creation</p> <p>Exports promotion and hand holding support in exports.</p> <p>ISO, GMP certifications required</p> <p>Awareness programs to weavers and sensitization programs to Govt. officials and Bankers</p>
Total employment in cluster	<p>Direct: 4697 Nos.</p> <p>Indirect – 2149 Nos.</p>
Incremental Job/per Crore investment	18%

Incremental job/per Crore turnover	28.45%
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Table 30 Cluster Value Chain Analysis: Thogata Textiles Cluster Association,

Name of Cluster	Thogata Textiles Cluster Association, Satya Sai District.
Geographic Location (State/District)	Satya Sai District, Andhra Pradesh
Specific Product/Service	Saree Weaving
Number of MSMEs engaged in identified Service/product	1746 in Direct saree weaving <500 units in ancillary works
Total Turnover of the Cluster	INR.1684.79 Crore
Export Orientation	At Present Textile Ministry is conducting awareness programs. But there is no concentration on exports.
Cluster in growth/stagnant/dying stage	Dharmavaram silk sarees are thousand years old technology. Women like to wear for the festivals and occasions. It is always growing, but the costs involved is getting higher day by day.
Cluster History	Cluster groups are existing since long, but the SPV is formed in 2022 to establish a Common Facility Centre in Sri Satya Sai District. Presently the units are working individually.
Status of previous interventions/ongoing intervention, if any	No significant interventions at present
3-4 critical growth constraints identified	Modernization of Weaving Machines due to Geographical identification Software development on saree designs not exists. Age old designs only. Silk Raw Material Non-availability Bank Finance Unskilled workforce

Suggestive domains for Cluster intervention program	<p>Skilled Program Training</p> <p>Technology upgradation in Software and Hardware</p> <p>Easy Bank Finance under CGTMSE and others</p> <p>Raw Material Banks creation</p> <p>Exports promotion and hand holding support in exports.</p> <p>ISO, GMP certifications required</p> <p>Awareness programs to weavers and sensitization programs to Govt. officials and Bankers</p>
Total employment in cluster	<p>Direct: 4697 Nos.</p> <p>Indirect – 2149 Nos.</p>
Incremental Job/per Crore investment	18%
Incremental job/per Crore turnover	28.45%

Table 31 Cluster Value Chain Analysis: Hindupur Envirotech Private Limited,

Name of Cluster	Hindupur Envirotech Private Limited
Geographic Location (State/District)	Hindupur, Satya Sai District, Andhra Pradesh
Specific Product/Service	Pharma Cluster
Number of MSMEs engaged in identified Service/product	55 Pharma Units in IP Gollapuram
Total Turnover of the Cluster	INR. 749.27 Crore
Export Orientation	Yes
Cluster in growth/stagnant/dying stage	The Industrial Park in Gollapuram is having 159 sites and around 25% plots are still vacant which have the chance for growth.
Cluster History	Hindupur - Gollapuram Industrial Park is established more than a decade and the SPV is formed in the year 2018 with an aim to establish Common Effluent Treatment Plant, and skill development training, Raw Material Bank establishment.

Status of previous interventions/ ongoing intervention, if any	No significant interventions at present
3-4 critical growth constraints identified	<p>Skilled manpower non-availability</p> <p>Raw Material to be imported</p> <p>Waste disposal system non-availability</p> <p>Industrial Park infrastructure needed to be upgraded</p> <p>Pollution Control Board norms to be implemented in the IP</p> <p>Marketing support in Exports</p> <p>No QC Lab</p>
Suggestive domains for Cluster intervention program	<p>Skilled Program Training for the Science graduates</p> <p>Technology upgradation in Software and Hardware</p> <p>Industry 4 QC Lab to be established.</p> <p>Creation of Raw Material Bank</p> <p>Exports promotion and hand holding support in exports.</p> <p>ZED, LEAN, ISO, GMP certifications required</p> <p>Management Awareness programs to unit holders and sensitization programs to Govt. officials and Bankers.</p> <p>Financial Support under CGTMSE with revised guidelines</p> <p>Establishment CETP</p>
Total employment in cluster	<p>Direct: 2947 Nos.</p> <p>Indirect: 1742 Nos.</p>
Incremental Job/per Crore investment	12.5%
Incremental job/per Crore turnover	16.79%

Table 32 Cluster Value Chain Analysis: Sri Satyadeva Printing Cluster

Name of Cluster	Sri Satyadeva Printing Cluster Association Kakinada
Geographic Location (State/District)	Kakinada District, Andhra Pradesh
Specific Product/Service	Printing & Packaging
Number of MSMEs engaged in identified Service/product	170 in Direct Printing <500 units in ancillary works
Total Turnover of the Cluster	178.45 Crore
Export Orientation	At Present Nil. However, in Shrimp exports, the secondary packaging is used. The cluster is going to help indirectly into the Exports
Cluster in growth/stagnant/dying stage	Printing & Packaging cluster is growing rapidly. Earlier all the packaging used to be from Telangana, Tamil Nadu, Karnataka and Vijayawada AP
Cluster History	Formed In 2019. Earlier, the cluster units working individually
Status of previous interventions/ongoing intervention, if any	No significant interventions
3-4 critical growth constraints identified	<ul style="list-style-type: none"> ▪ Packaging ▪ Technology upgradation ▪ Raw Material Non-availability ▪ Bank Finance ▪ Unskilled workforce
Suggestive domains for Cluster intervention programme	<ul style="list-style-type: none"> ▪ Skilled Programme Training ▪ Technology upgradation in Software and Hardware ▪ Easy Bank Finance under CGTMSE and others ▪ Raw Material Banks creation ▪ Exports in Printing & Packaging Cartons ▪ Quality Labs needed ▪ ZED, KAIZEN, LEAN, ISO, GMP certifications required ▪ Awareness programmes to Printers and allied services and sensitization programmes to Govt. officials and Bankers
Total employment in cluster	Direct 697 Indirect - 2149
Incremental Job/per Crore investment	12%
Incremental job/per Crore turnover	18.45%

Key Sector/MSME Cluster Value Chain wise Skill Gap Analysis for the state of Andhra Pradesh

Table 33 Key Sector/MSME Cluster Value Chain wise Skill Gap Analysis

S N o	Sector	Job Role	Skills Required	Gaps	Reference
1	Agro & Food Processing	Processed Food Entrepreneur- An Entrepreneur is responsible for managing a food processing organization by exploring the market, identifying opportunities in food processing, innovating, giving a different dimension to product/s, sizing up its value and working towards/making profit. The individual must possess business management skills, financial management, human resource management, possess knowledge of process of production, knowledge on marketing strategy, and sales techniques, etc.	<ul style="list-style-type: none"> • Business Plan & Preparing Bankable Project Reports • Crisis Management Skills • Knowledge of Support System & Incentives for Business • Knowledge on Statutory Compliances for Business • Customer Relationship Skills • Knowledge of Costing, Pricing & Profit Making • Management of Working Capital 	<ul style="list-style-type: none"> • Lack of professional training in business Management • Inadequate planning and strategy before setting up the enterprise resulting in higher overloads • Limited knowledge on the available support system for Incentives and schemes of the government • Limited knowledge of advanced machines/technology available in market • Limited understanding of cost and pricing resulting in low margins on sales • Lack of knowledge on marketing strategy and branding limiting sales to within the district • Lack of adequate leadership and people skills • Lack of time management skills and professional manpower management 	FIC/Q9001

				skills	
		<p>Products Processor- Individual is responsible for processing raw material to produce various types of processed products such as soya milk and flavoured beverages, paneer (tofu), texturized soya protein, etc. as per standard work practices by exploring the market, identifying opportunities in soya processing, innovating, giving a different dimension to product/s, sizing up its value and working towards/making profit. The individual must possess business management skills, financial management, human resource management, possess knowledge of process of production, knowledge on marketing strategy, and sales techniques, etc.</p>	<ul style="list-style-type: none"> • Knowledge of Crop Procurement and management of inventory • Business Plan & Preparing Bankable Project Reports • Crisis Management Skills • Knowledge of Support System & Incentives for Business • Knowledge on Statutory Compliances for Business • Customer Relationship Skills • Knowledge of Costing, Pricing & Profit Making • Management of Working Capital 	<ul style="list-style-type: none"> • Lack of professional training in business Management • Inadequate planning and strategy before setting up the enterprise resulting in higher overloads • Limited knowledge on the available support system for Incentives and schemes of the government • Limited knowledge of advanced machines/technology available in market • Limited understanding of cost and pricing resulting in low margins on sales • Lack of knowledge on marketing strategy and branding limiting sales to within the district • Lack of adequate leadership and people skills • Lack of time management skills and professional manpower management skills 	FIC/Q8004
		<p>Supervisor-Food Processing Industries- Individual is</p>	<ul style="list-style-type: none"> • Leadership and Team-Building Skills • Should Possess 	<ul style="list-style-type: none"> • Inability to manage people. • Communicate effectively with 	FIC/Q9009

		responsible for supervising of the production process in food manufacturing facility as per the organizational standards. The individual monitors equipment performance to ascertain proper utilization and carries out preventive maintenance in a processing unit compliance with food safety standards of the organization.	<p>knowledge of Food Safety Laws to Conform to Stringent Quality Requirements for the Market.</p> <ul style="list-style-type: none"> • Good Communication Skills • Ability to delegate work with good communication, interpersonal, problem solving and supervisory skills. 	<p>workers due to lack of leadership and people skills as they are mostly people who move up the rung from the worker level cadre and lack soft skills.</p> <ul style="list-style-type: none"> • Lack of knowledge of best practices and updated technology 	
2	Marine & Aqua Processing	<p>Brackishwater Aquaculture Farmer- Individual is involved in the process of setting up a brackishwater aquaculture farm the process of preparing soil and managing the water quality, the process of stocking and maintaining the brackish water organisms and pond along with the process of harvesting, processing and marketing the aquaculture organisms.</p>	<ul style="list-style-type: none"> • Knowledge for rearing finfish/shellfish to marketable size, Site and species selection, construction of brackish water aquaculture farm; sourcing, transporting, conditioning and stocking of seeds for aquaculture. • Undertake feed management using knowledge on the modern techniques used in aquaculture; formulate low cost feed suitable for different aquaculture species; Culture different live feeds required during the early life stages; efficiently monitor the health status of the fish/shellfish. Identify different disease and suggest remedies. • Harvest and market the fishes: formulate the marketing strategies for the 	<ul style="list-style-type: none"> • Lack of skills related to maintenance of the machinery and utility equipment. • Lack of innovation due to inadequate knowledge of technology • Improper curing techniques used to result in the low shelf life of the product • Use of traditional methods resulting in unhygienic products • Non-adherence to safety and quality norms due to insufficient knowledge 	AGR/Q4906

			product, plan for timely harvesting, hygienic handling, packing and transportation, identify suitable markets, survey species demand, fix reasonable price for sale		
		<p>Fish Seed Grower- A Fish Seed Grower is responsible for raising the seeds of varieties of fish species. The person oversees the preparation of pond and the culture activities including the harvesting and post-harvest management of seeds.</p>	<ul style="list-style-type: none"> • Leadership qualities and management skills. The person must be attentive and be able to swim. • Ability to resolve problems promptly and communicate effectively are other important attributes required in this enterprise. • Knowledge of seasonality, health and techniques 	<ul style="list-style-type: none"> • Inadequate knowledge on planning and preparation of work area maintenance • Lack of skilled training on handling and operation of machinery and equipment • Lack of documentation skills • non-adherence to safety, hygiene, and sanitation for end products 	AGR/Q4908
		<p>Fish and Sea Food Processing Technician-A Fish and Sea Food Processing Technician is responsible for processing fish and sea food to achieve quality and quantity of products along with maintaining food safety and hygiene in work environment.</p>	<ul style="list-style-type: none"> • Prepare and maintain work area and process machinery for execution of the fish and seafood process and execute the same. • Document and maintain records related to the execution of the process. • Follow food safety, hygiene, and sanitation while processing food products. • Manage and lead a team 	<ul style="list-style-type: none"> • Inadequate knowledge on planning and preparation of work area maintenance • Lack of skilled training in handling and operation of machinery and equipment • Lack of documentation skills • non-adherence to food safety, hygiene, and sanitation for processing food products • Lack of leadership skills to manage and lead a team 	FIC/Q4001

3	Health & Allied Sector	Healthcare Multipurpose worker - a health care professional who provides basic medical and health services to communities in need. They are often the first point of contact for people seeking medical care and play a vital role in delivering essential health services to underserved populations in a variety of topics including primary health care, maternal and child health and water sanitation and hygiene with a key role in disease prevention and health promotion initiatives and often work closely with community leaders to ensure that health services are accessible to everyone.	Healthcare Multipurpose worker should be able to read the prescription, Identify medicines in store, Identify & use first aid equipment, Administer injections, book orders, operate sphygmomanometer etc., I/M injection, Setting up I/V line, Oxygen inhalation, and use of Nebulizer	<ul style="list-style-type: none"> • Lack of basic concepts of drugs, medicine, injection, bandaging, blood pressure and Stethoscope • Lack of practical knowledge of application methods of medicines, organising, stocking the medicine, ordering • Lack of knowledge about the Basic rules and procedures of healthcare • Lack of basic knowledge of compute 	MED/133
		Geriatric Care Aide (GCA)-To provide support to old age patients and assist other healthcare providers majorly in home/ old age home (including assisted living facilities) settings, rehabilitation facilities or otherwise in hospitals as well with skills necessary to provide support by undertaking non-clinical tasks or the activities that	<ul style="list-style-type: none"> • Knowledge about the role of a basic healthcare provider related to elderly on basic issues in geriatric care and techniques to maintain the personal hygiene needs of an elderly patient • Ability to perform clinical skills essential in providing basic healthcare to older persons activities of daily living • Well versed with right methods of 	<ul style="list-style-type: none"> • Lack of comprehensive knowledge base on basic issues in geriatric care • Lack of the ability to perform clinical skills essential in providing basic healthcare to older persons • Lack of professional behaviour, personal qualities and characteristics of a Care Assistant 	HSS/Q6001

		have been prescribed for the patient by the healthcare team members.	<p>bio-medical waste management</p> <ul style="list-style-type: none"> • Understanding the usage of protective devices and demonstrate precautions to be taken while usage of equipment and assistive devices • Knowledge about Basic Life Support, Cardio Pulmonary Resuscitation and other actions in the event of medical and facility emergencies • Demonstrate good communication, communicate accurately and 		
		<p>General Duty Assistant- Individual provide patient care and assist in preparing patient's unit. Some of the key responsibilities of a General Duty Assistant are to provide personal care, comfort and assistance in fulfilling the nutritional and elimination needs of the patient while ensuring their safety</p>	<ul style="list-style-type: none"> • Knowledge about the role of a basic healthcare provider on basic issues in health care and techniques to maintain the personal hygiene needs of a patient • Ability to perform clinical skills essential in providing basic healthcare to persons activities of daily living • Well versed with right methods of bio-medical waste management • Understanding the usage of protective devices and demonstrate precautions to be taken while usage of equipment and assistive devices • Knowledge about Basic Life Support • Demonstrate good communication, communicate accurately and 	<ul style="list-style-type: none"> • Lack of comprehensive knowledge • Lack of the ability to perform basic clinical skills essential in providing basic healthcare • Lack of professional behaviour, personal qualities and characteristics of a Care Assistant 	HSS/Q5101

4	Printing (DTP)	<p>Entrepreneur - Desktop Publishing (DTP)- Prepares the published materials by entering data or text onto a computer with a keen sense of design, an attention to detail, and artistic ability along with business acumen for management of enterprise, creates better-looking documents that can impress customers, minimize production costs, print and produce customized documents in less time and improve the level of creativity.</p>	<ul style="list-style-type: none"> • Read and interpret technical parameters/ documentation, plan and organize work processes, identify necessary materials and tools. • Perform task with due consideration to safety rules, accident prevention regulations and environmental protection stipulations. • Apply professional knowledge & employability skills while performing the job and modification & maintenance work. • Check the system specification and application software as per requirement of the design of job. • Document the technical parameter related to the task undertaken. 	<ul style="list-style-type: none"> • Lack of practical knowledge of software • Skewed information about materials such as paper, feed etc • Constrains to the creativity • Lack of business acumen and management • Lack of capitalisation of waste i.e., waste management 	SSC/Q2702
	Printing (Textile)	<p>Hand Block Printer- Responsible for managing complete process starting from order by buyer or requirement as per the market demand by exploring the market, identifying opportunities, innovating, giving a different dimension to product/s, design development, sizing up its value and working towards/making profit. The individual must possess business management skills, financial</p>	<ul style="list-style-type: none"> • Identify design requirements for hand block printing. • Prepare the fabric for hand block printing. • Prepare the tools and equipment for performing block printing. • Perform hand block printing as per the given specifications. • Evaluate and maintain quality in hand block printing and related operations. • Demonstrate teamwork during inter/intra departmental work or engagement. • Maintain the work 	<ul style="list-style-type: none"> • Lack of training in enterprise management and design skills • Inadequate planning and strategy before setting up the enterprise resulting in higher overloads • Limited knowledge on the available support system for Incentives and schemes of the government • Limited knowledge of practices/technology available in market • Limited understanding 	HCS/Q7201

		management, human resource management, possess knowledge of process of production, knowledge on marketing strategy, and sales techniques, etc.	<p>area and tools.</p> <ul style="list-style-type: none"> • Comply with health, safety and security requirements at work. 	<p>of cost and pricing resulting in low margins on sales</p> <ul style="list-style-type: none"> • Lack of knowledge on marketing strategy and branding limiting sales to within the district • Lack of adequate leadership and people skills • Lack of time management skills and professional manpower management skills 	
	Printing (Apparel)	Screen Printer (Rotary & Flat Bed)-Responsible for managing complete process starting from order by buyer or requirement as per the market demand by exploring the market, identifying opportunities, innovating, giving a different dimension to product/s, design development, sizing up its value and working towards/making profit. The individual must possess business management skills, financial management, human resource management, possess knowledge of process of production, knowledge on marketing strategy, and	<ul style="list-style-type: none"> • Identify design requirements for printing in accordance with method and fabric. • Prepare the screen for the garment/panel along with the tools and equipment's. • Evaluate and maintain quality in printing and related operations. • Demonstrate teamwork during inter/intra departmental work or engagement. • Maintain the work area and tools. • Comply with health, safety and security requirements at work. 	<ul style="list-style-type: none"> • Inadequate Legal and Logistics info • Lack of knowledge for best, affordable and chemicals. • Inadequate exposure to reduce production wastage, error, and rework process to get good profitability. • Skewed information about health, safety, and environmental regulations 	TSC/Q5206

		sales techniques, etc.			
5.	General Engineering	<p>Draughtsman (Civil) - A technical entrepreneur who is capable of combining both technical knowledge and artistic skills together to create maps and other key planning documents with business acumen. Civil drafters often collaborate with other technical professionals and contractors on the planning and execution of civil projects through individual and team management.</p>	<ul style="list-style-type: none"> Carry out the initial setup and understand the requirement for preparation of drawings: As able to perform preparatory work for undertaking construction drawing works, a draftsman turns a design idea into an accurate picture for builders. Prepare 2 dimensional civil drawings using computer aided design (CAD) system: -. Individual is able to perform 2-D drawing in software with required details and using standard procedures and ISO codes. Drafts blueprint drawings, environment profiles, and maps and specifications used for planning and construction of civil engineering projects Work effectively in a team to deliver desired results at the workplace: - Interact and communicate effectively with co-workers, superiors and sub-ordinates across different teams also support co-workers, superiors and sub-ordinates within the team and across interfacing teams to ensure effective execution 	<ul style="list-style-type: none"> Lack of knowledge of different types of construction projects, their scope, types of drawings required. Lack of basic understanding of concepts of civil engineering Lack of communication and inter-personal skills 	CON/Q1301

			<p>of assigned task such as accompanying survey crew in field for detailed observation</p> <ul style="list-style-type: none"> Plan and organize work to meet expected outcomes: - Prioritize work activities to achieve desired results and organize desired resources prior to commencement of work 		
	General Engineering	<p>Fitter (Fabrication)- Individual may work in the auto, aircraft, manufacturing, or mining industry where they are responsible for fitting, fabricating, and assembling the structural components that make up mechanical systems. They also repair and service machinery as required.</p>	<ul style="list-style-type: none"> Analysing the blueprints for mechanical systems to determine the specifications of the components to be constructed. Constructing structural components from raw materials. Using welding equipment to fuse structural components i.e., MMAW/SMAW & Oxy-Fuel Gas cutting- Welding operations. Inspecting fabricated components to ensure that they are the correct size. Utilizing shears, power saws, cutting torches, and chipper knives to cut structural components as needed. Creating a suitable maintenance schedule and performing system maintenance accordingly. Conducting diagnostic testing on malfunctioning systems to 	<ul style="list-style-type: none"> Poor info on trade terminologies like orientation, alignment etc. used in fabrication occupation due to lack of institutionalized capacity enhancement. Lack of communicate & support effectively with co-workers, superiors and sub-ordinates within the team and across interfacing teams. Absence of information about safety norms as defined by organization, adopt healthy and safe work practices along with social security schemes. 	CSC/Q0303

			<p>determine the root cause of the malfunction.</p> <ul style="list-style-type: none"> • Replacing damaged or defective structural components as needed. • Work safely following health and safety standards: read and understand the safety signs and instructions on the welding machines, use of PPE, identify job –site hazards and apply good housekeeping practices etc. 		
	General Engineering	<p>CNC (Setter cum operator)- CNC machine operators, or CNC machinists, manage computer numeric controlled (CNC) equipment from setup to operation, producing parts and tools from different resources including metal and plastic. They're tasked with monitoring machinery, inspecting finished products, and leading test runs.</p>	<ul style="list-style-type: none"> • Plans machining by studying work orders, blueprints, engineering plans, materials, and orthographic drawings. • Takes inventory by checking stock to determine the amount available, anticipated stock, and placing orders. • Programs mills and lathes by entering instructions, including zero and reference points. • Sets-up mills and lathes by installing and adjusting three- and four-jaw chucks, tools, and attachments. • Loads feed mechanism by lifting stock into position. • Verifies settings by measuring positions, first-run part, and sample workpieces. • Maintains specifications by observing drilling, grooving, and cutting, including turning, facing, knurling, and thread 	<ul style="list-style-type: none"> • Inadequate information about projections, dimensioning methods, manufacturing notes, 'Limits', 'Fits' and 'Tolerances'. • Poor hands on the use precision measuring instruments • Lack of basic arithmetic. • Lack of interpersonal skills 	CSC/Q0120

			<p>chasing operations.</p> <ul style="list-style-type: none"> • Maintains safe operations by adhering to safety procedures and regulations. • Maintains equipment by completing preventive maintenance requirements. • Maintains continuity among work shifts by documenting and communicating actions. • Documents actions by completing production and quality logs. • Updates job knowledge by participating in educational opportunities. 		
6.	Textile (Spinning)	Fitter (Spinning Preparatory)- The spinning preparatory fitter is responsible for carrying out all maintenance activities in all the machines in preparatory department like blow room, carding, draw frame, combing preparatory, comber and speed frame machines.	<ul style="list-style-type: none"> • Should carry out all the maintenance aspects such as erecting, dismantling, assembling, levelling, attending & resolving repairs and breakdowns in preparatory department. • Should also carry out regular preventive maintenance activities thus ensuring proper functioning of all machines • Recognize & comply safe working practices, environment regulation and housekeeping. • Work in a team, understand and practice soft skills, technical English to communicate with required clarity. 	<ul style="list-style-type: none"> • Lack of material handling process i.e. raw material to finished product • Inadequate skills to maintain records, work area, tools and machines • Lack of behavioural skill for team working • Skewed information about health, safety and security at work place along with social benefits 	TSC/Q0401

			<ul style="list-style-type: none"> • Explain the concepts and principles of basic arithmetic and apply knowledge of specific areas to perform practical operations which requires well developed skills • Understand and explain basic electrical and material sciences and apply the knowledge. • Read and apply engineering drawing for different application in the field of work. • Understand and explain the concept in productivity, quality tools, labour & welfare legislation and apply such in day to day work to improve productivity and quality. • Explain the general concept and process of energy conservation, global warming and pollution and contribute in day to day work by optimally using available resources. • Explain personnel finance management, entrepreneurship and manage/organize related task in day to day work for personal & societal growth. • Apply the general concept of basic computer, basic 		
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			operating system and uses of internet services to take benefit of IT developments in the industry.		
	Textile (Spinning)	Hand Spinning Operator - Solar Operated New Model Charkha	<ul style="list-style-type: none"> • Maintain work area, tools, and machines • Gain behavioural skill for team working • Maintain health, safety, and security at workplace • Comply with industry and organizational requirement • Traditional Charka Operation: Undertake spinning process by traditional charka by maintaining quality and productivity • New Model Charka Operation: Undertake spinning process by New Model Charka (NMC) by maintaining quality and productivity • Solar Operated New Model Charka Operation: Undertake spinning process by Solar Operated New Model Charka by maintaining quality, productivity with maintenance of solar power unit 	<ul style="list-style-type: none"> • Lack of formal training for increasing efficiency • Lack of knowledge about material handling • Lack of interpersonal skill as team player • Inadequate information about social security and financial inclusion 	SPL/TSC/Q7901
	Textile (Spinning)	Open (End Spinning Tenter)- An open end spinning tenter is responsible for carrying out tenting activities. This activity ensures minimum machine stoppage and maximum production in an open end spinning machine. An open	<ul style="list-style-type: none"> • Carrying out tenting activities in an open end spinning machine • Carrying out creeling and piecing activities • Carrying out doffing activities • Carrying out cleaning and maintenance of open end spinning machines 	<ul style="list-style-type: none"> • Lack of hand-eye-leg coordination, motor skills and vision. • Poor interpersonal skills. • Less information about with industry and organisational requirement • Poor knowledge on machine parts 	TSC/Q0203

		<p>end spinning tenter should be able to creel the sliver cans, piece the sliver on breakage, doff the cone /cheese package and carry out cleaning and preventive maintenance activities thus producing defect free yarn. This job requires the individual to have thorough knowledge in process flow and material flow in a textile mill for yarn production and should be able to know the important functions and operations of an open end spinning machine.</p>	<ul style="list-style-type: none"> • Maintaining health, safety and security at work place 	<p>& its function as with technology and practices along with count, can content, colour coding, etc</p>	
7.	Jewellery	<p>Product Maker (Fashion Jewellery) - The final product maker is responsible for collecting the jewel, assembling the materials, finishing the final jewel to be dispatched, checking the quality, achieving quality standards</p>	<ul style="list-style-type: none"> • Identify fashion trends and target markets, and develop product and colour concepts using sales • Identify buying trends, establish merchandise categories, and develop product assortments • Understand work requirement assemble the raw materials work on the final completion of the jewel check for defects achieve productivity and quality standards • Implement merchandising requirements within established budgets • Maintain product knowledge, 	<p>Inadequate training for design development, quality and material handling Less exposure towards market trends and ICT tools</p>	

			including pricing, inventory levels, pricing, and levels of service		
	Jewellery	Stringing/Beading Artisan (Fashion Jewellery)	<ul style="list-style-type: none"> • Identify different requirements for stringing of fashion jewellery. • Perform pre-stringing activities as per requirement. • Execute stringing of jewels. • Demonstrate teamwork during inter/intra departmental work or engagement. • Maintain safe work environment. • Maintain personal health. • Perform basic business managerial tasks successfully 	<ul style="list-style-type: none"> • Inadequate training for design development, quality and material handling • Less exposure towards market trends and ICT tools • Skewed sourcing skills 	HCS/Q1101
	Jewellery	Quality Checker (Fashion Jewellery)	<ul style="list-style-type: none"> • Collecting the jewel, checking the quality, resending the defected ones, achieving quality standards as per company policy • Ensure that every piece coming out of the factory meets our standards and requirements • Keep counts and records of common issues found in production • Inform the production team at the factory about the quality control issues found 	<ul style="list-style-type: none"> • Inadequate training for quality and production process, quality and material handling • Less exposure towards quality management tools and standards • Basic communication skills 	HCS/Q1201
8.	Pharma	Pharmacy Assistant- Pharmacy Assistants work under the direct supervision of a registered pharmacist and perform many pharmacy-related functions. They	<ul style="list-style-type: none"> • Client services or customer service skills • Oral and written communication skills • Knowledge of medication and pharmaceutical products 	<ul style="list-style-type: none"> • Inadequate formal training • Skewed customer service skills and knowledge of payment/cash management. • Poor inventory management and IT skills 	HSS/Q5401

		<p>refer any questions regarding prescriptions, drug information, or health matters to a pharmacist. They demonstrate strong customer service and teamwork skills because they interact with patients, co-workers, and health care professionals. They should have good mathematics, spelling, reading skills and knowledge about the medical terminologies. Pharmacy Assistants should be alert, observant, organised, dedicated, and responsible. They should be willing and able to take directions, but be able to work independently without constant instruction.</p>	<ul style="list-style-type: none"> • Attention to detail • Ability to multitask 		
	Pharma	<p>Business Development Executive - Responsible for advertising, marketing and distributing a specific pharmaceutical product to relevant medical establishments. They meet with doctors and hospital teams and make presentations to persuade potential clients to use their</p>	<ul style="list-style-type: none"> • Assess clients' needs and present suitable promoted products • Present product information and deliver product samples • Communicate with and persuade targeted doctors to prescribe our products utilizing effective selling skills and performing cost-benefit analysis • Attend sales meetings, conference calls, 	<ul style="list-style-type: none"> • Less information about healthcare ecosystem including relevant govt. scheme, social security benefits • Inadequate knowledge about regulatory authorities and government policies, rules and regulations (CDSCO/NPPA/MRTP Act) and their impact on 	LFS/Q 0402

		goods which include medicines, prescription drugs, and medical equipment, to a variety of customers including general practitioners (GPs), hospital doctors, pharmacists, and nurses.	<p>training sessions and symposium circuits</p> <ul style="list-style-type: none"> • Work with sales team to develop strategies and implement brand strategies to ensure a consistent marketing message • Plan work schedules and weekly and monthly timetables with the area sales team or discuss future targets with the area sales manager • Perform after sales services to the stakeholders in distribution chain • Organise medical conferences and events 	<p>business dynamics</p> <ul style="list-style-type: none"> • Lack of soft communication skills and presentation skills while communicating with doctors, physicians, pharmacists & cross functional colleagues • Poor IT skills 	
	Pharma	Sourcing Lead and Vendor Development - As primary interface with Business Unit operator ensure cost-effective sourcing of all product categories at right time as required by the business whilst ensuring quality as per Company's policies and Standard Prepare effective sourcing plan for all product Categories to achieve required product volume and profit.	<ul style="list-style-type: none"> • Plan and manage company's overall sourcing strategy • Do often research to understand company's operations needs and requirements • Build relationships with vendors and key suppliers • Negotiate pricing and control costs • Develop a yearly budget depending on sourcing needs • Execute analyses and make suggestions for improvement of overall sourcing strategy • Write sourcing documentation and statements • Keep abreast of industry and market trends and best practices • Adhere to all relevant guidelines and regulations 	<ul style="list-style-type: none"> • Lack of sector specific training • Skewed IT skills • Poor negotiation abilities, critical thinking, time-management skills, and problem-solving skills • Poor communication, interpersonal and networking skills 	LFS/Q 0613

9.	Automotive	Automotive Service Technician (Two and Three Wheelers)	<ul style="list-style-type: none"> • Perform routine service/maintenance/minor repairs of the vehicle. • Work effectively and efficiently as per schedules and timelines while complying with the health and hygiene norms. • Implement safety practices. • Optimize the use of resources to ensure less wastage and maximum conservation. • Interact effectively with others using interpersonal skills 	<ul style="list-style-type: none"> • Lack of sector specific training • Poor negotiation abilities and problem-solving skills • Poor communication, interpersonal and networking skills 	ASC/Q1411
	Automotive	Welding Technician Level 3	<ul style="list-style-type: none"> • Interpret engineering drawings for identification of raw material, tools and required equipment for the welding operations. • Support technician in pre-welding activities such as inspection of tools and equipment etc. • Support technician in post-welding operations such as inspection, quality check, cleaning etc. • Work effectively and efficiently as per schedules and timelines. • Implement safety practices. • Optimize the use of resources to ensure less wastage and maximum conservation. • Communicate effectively using interpersonal skills. 	<ul style="list-style-type: none"> • Lack of sector specific training • Poor negotiation abilities and problem-solving skills • Poor communication, interpersonal and networking skills • Lack of information about social securities and health issues 	ASC/Q3102
	Automotive	Electric Vehicle Service Lead Technician	<ul style="list-style-type: none"> • Work effectively and efficiently as 	<ul style="list-style-type: none"> • Lack of sector specific training 	ASC/Q1424

			<p>per schedules and timelines while complying with the health and hygiene norms.</p> <ul style="list-style-type: none"> • Implement safety practices. • Optimize the use of resources to ensure less wastage and maximum conservation. • Communicate effectively and develop interpersonal skills. • Display sensitivity towards all genders and differently abled people. • Perform diagnosis of electric vehicle for repair requirements. • Perform servicing, repairing and overhauling of mechanical aggregates in vehicle. • Perform servicing" 	<ul style="list-style-type: none"> • Poor negotiation abilities and problem-solving skills • Poor communication, interpersonal and networking skills 	
10	Green Jobs	<p>Rooftop Solar PV Entrepreneur-Rooftop Solar Photovoltaic Entrepreneur is an individual having the ability to venture into Solar Rooftop market to lead an enterprise, prepare the feasibility study report and is responsible for the managing the complete Solar rooftop PV project lifecycle.</p>	<ul style="list-style-type: none"> • Business Plan & Preparing Bankable Project Reports • Crisis Management Skills • Knowledge of Support System & Incentives for Business • Knowledge on Statutory Compliances for Business • Customer Relationship Skills • Knowledge of Costing, Pricing & Profit Making • Management of Working Capital 	<ul style="list-style-type: none"> • Less information about RE ecosystem including relevant govt. scheme, social security benefits • Inadequate knowledge about regulatory authorities and government policies, rules, subsidies and regulations and their impact on business dynamics • Lack of soft communication skills and presentation skills while communicating with stakeholders 	SGJ/Q0901

				<ul style="list-style-type: none"> & cross functional colleagues along with business acumen Poor IT skills 	
	Green Jobs	Solar PV Business Development Executive	<ul style="list-style-type: none"> Assess clients' needs and present suitable promoted products Present product information Communicate with and persuade targeted customers utilizing effective selling skills and performing cost-benefit analysis Attend sales meetings, conference calls, training sessions and symposium circuits Work with sales team to develop strategies and implement brand strategies to ensure a consistent marketing message Plan work schedules and weekly and monthly timetables with the area sales team or discuss future targets with the area sales manager Perform after sales services to the stakeholders in distribution chain 	<ul style="list-style-type: none"> Less information about RE ecosystem including relevant govt. scheme, social security benefits Inadequate knowledge about regulatory authorities and government policies, rules, subsidies and regulations and their impact on business dynamics Lack of soft communication skills and presentation skills while communicating with stakeholders & cross functional colleagues Poor IT skills 	SGJ/Q0107

Snapshot of field survey under progress:



Figure 8 An MSME meet conveyed by GM-DIC

An MSME meet conveyed by GM-DIC, Krishna district to facilitate survey being conducted by the team.



Figure 9 Survey in progress at Machilipatnam Imitation Jewellery cluster

Survey in progress at Machilipatnam Imitation Jewellery cluster

3.5.2. Personal Interviews and Field Survey – Major Findings & Observations

Table 34 List of key expert/line department officials who were interviewed

S.No	Name	Designation	Institution	Mobile Number	Email
1	Shri.B.Gopala Krishan	Executive Director	APMSMED C	9491039358	Ed-inramsmedc@ap.gov.in
2	Shri.Srinivasulu Reddy	Assistant Director	APMSMED C	8978566599	adapmsmedc@gmail.com
3	Shri.A.Ramalingeswara Raju	Joint Director (MSME, Infra, IP, EoDB)	Directorate of Industries, GoAP	7286935555	msmejointdirector@gmail.com
4	K Soma Sekhar Reddy	Joint Director (HRD, OM, Vigilance, DIC, F&P, Incentives)	Directorate of Industries, GoAP	9440396738	director.industry@ap.gov.in
5	Shr.Rajasekhar	Joint Director, SC/ST Cell, AP Secretariat	Department of Industries, GoAP	9441089018	rajasekhar.jdinds@gmail.com
6	Shri.GS Rao	Joint Director, Exports Division	Directorate of Industries, GoAP	8374548679	director.industry@ap.gov.in
7	Sri G.Bhanu	Deputy Director, C&EP, Division	Directorate of Industries, GoAP	7893752255	director.industry@ap.gov.in
8	Sri J S R Anjaneyulu	Asst. Director (MSME)	Directorate of Industries, GoAP	7997952374	director.industry@ap.gov.in

9	Sri PV Subbareddy	CGM F	APIIC Ltd	799790233 3	vsubbareddy.palagiri@ap.gov.in
10	Shri.P.Rajendra Prasad	DGM	SIDBI	998705349 9	rajendrap@sidbi.in
11	Shri.Raja Babu	AGM	SLBC	984834554 6	slbc@unionbankofindia.bank
12	Shri.G.Somu Sekhar	AGM	NSIC	984992701 9	nsicbovijayawada@gmail.com
13	Shri.Sandeep Varma	CEO	CGTMSE	996779530 0	svarma@cgtmse.in
14	Shri.B.Gopal	Director	Directorate of Economics and Statistics, GoAP	897896433 1	ssddesap@gmail.com
15	Shri.Subba Rao	Assistant Director	Directorate of Economics and Statistics, GoAP	798989011 3	ssddesap@gmail.com
16	Shri. Chandra Sekhar	Assistant Director	Directorate of Economics and Statistics, GoAP	949014966 6	ssddesap@gmail.com
17	Shri.Vijayangamani	In charge of PAT Cell	AP State Energy Conservation Mission	956665667 4	Patcellapsecm@gmail.com, ceo.sec@gmail.com
18	Shri.Dinesh Kumar	Executive Director	APSSDC, GoAP	984846004 6	prabhakar.p@apssdc.in (PA to ED)

19	Ms.Bharathi	Manager	APSSDC, GoAP	798136901 2	gm.t@apssdc.in
20	Shri.Vijayaratnam	General manager	Guntur District, AP	964090981 2	gmdicguntur@gmail.com ; vijai.kalapati@gmail.com
21	Shri.Srinivas Rao	General Manager	Palanadu District of AP	799795251 9	gmpalanadu@gmail.com
22	Shri.Nagaraja Rao	General Manager	Anantapur District of AP	984848994 8	gmanatapur@gmail.com

Summary of Field Survey:

As a result of the primary survey conducted, total of 2146 responses were received from all the 26 districts.

The data thus received was analysed both qualitatively and quantitatively.

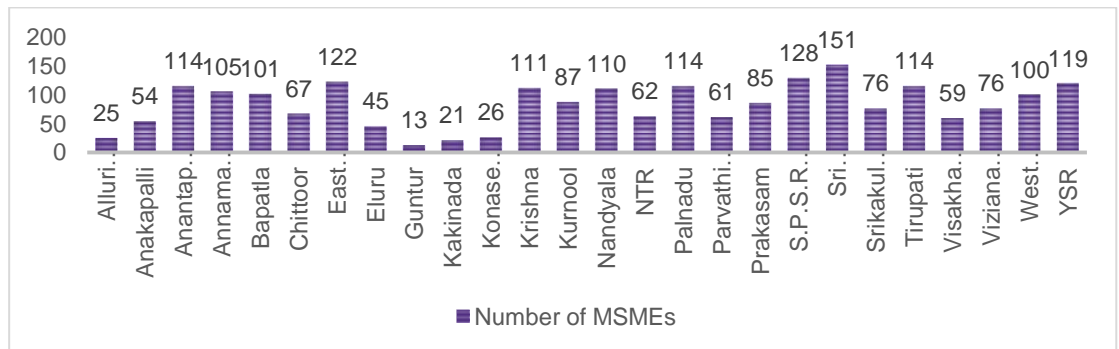


Figure 10 Summary of responses received across 26 districts.

Inference: Highest response was elicited from Sri Satya Sai district followed by SPSR Nellore district. Least number of responses were obtained from Guntur district, followed by Kakinada district (both leading districts in terms of MSME numbers and concentration).

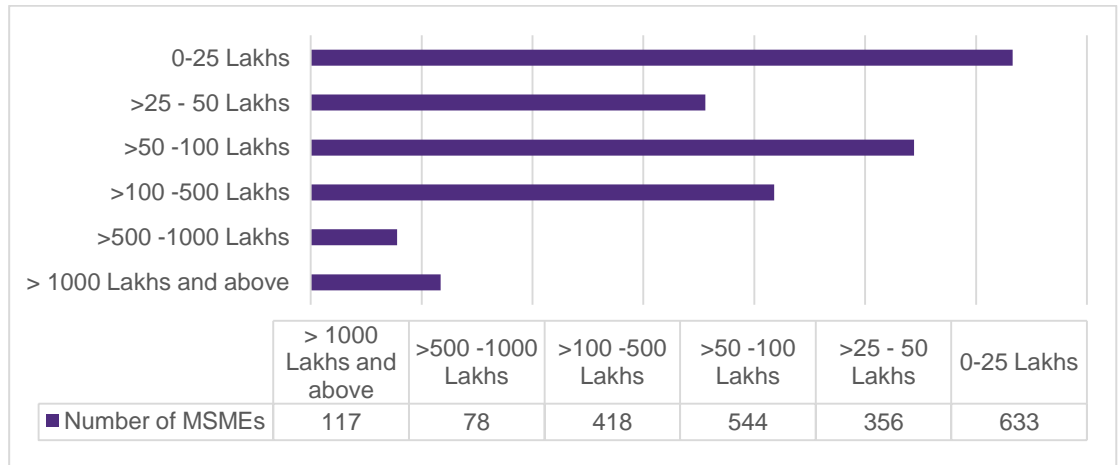


Figure 11 Summary of responses received across MSMEs

Inference: MSMEs falling under category of less than 25 lakh turnover are more responsive to survey conducted followed by MSMEs between INR 50-100 lakh category, than any other category.

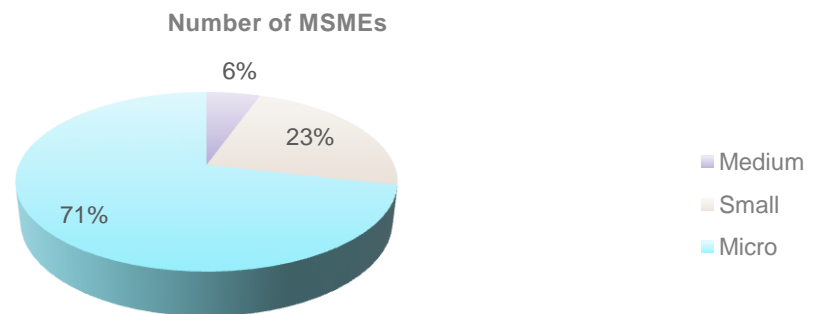


Figure 12 Summary of responses received across size of establishments

Inference: The response received from the respondents was approximately in proportion with the distribution of Micro, Small and Medium sized enterprise in AP

Qualitative analysis of the response received as a result of the survey – Major Challenges/Gaps

- a) The MSMEs of Andhra Pradesh look for more support from the Govt. especially from Schemes like RAMP. Awareness creation/ sensitization on the govt. schemes offered by both central and State Govt. to all stakeholders.
- b) The components of RAMP Scheme are relevant and MSMEs are willing to avail the knowledge inputs and desirous to adopt quality certification programmes like ZED (Zero Effect Zero Defect and Lean (for Waste Minimization, Increased Productivity) are relevant and emphasis need to be given for sustainability and competitiveness.
- c) Other schemes like CGTMSE, TReDS, MSME Samadhaan, Adoption of Green Energy Practices which are hitherto unknown to most of the MSMEs are in great demand. Therefore, promotional programmes to popularise such schemes shall be held in large nos. covering every district in the State. Besides fiscal incentives, the awareness creation and handholding support for some of the newer schemes MSMEs of AP show interest.
- d) RAMP scheme has generated an expectation among all stakeholders in general and MSMEs in particular that the scheme components would be expected to be beneficial to MSMEs.
- e) The Women and SC/ST category of entrepreneurs and the representatives of women associations contacted look forward to avail benefits from RAMP, especially promotion of new enterprises through structured training programmes.

Technology:

- a) Need exists to modernize and upgrade the digital technology to the entrepreneurs for processing the incentives, grants, subsidies etc.
- b) DIC should educate and inform latest developments taking place globally and help MSME entrepreneurs to acquire skills and knowledge necessary to run the enterprise.

Marketing

- a) Textile (Cotton) Industries are in large numbers in Guntur. They face problems in marketing. Avoiding dependence on markets in Tamilnadu, Gujarat and Mumbai Bombay Markets, local markets should be developed.
- b) The micro and small units should be tied-up with online marketing agencies like Flipkart, Amazon etc., to improve the sales and further expansion of the business.

Access to Finance:

- a) Bankers should be sensitised to provide services as per the Government guidelines.
- b) CGTMSE service charges are very high. Reduction in charges to less than 1% for MSMEs may be considered.
- c) Financial institutions are reluctant to give financial assistance on CGTMSE, PMEGP & MUDRA
- d) Collateral free loans like CGTMSE are not effectively being encouraged by Banks. This is being downplayed by Banks and it is under-utilized despite Union Government push and increasing the limit to 5 Crores. MSMEs are not benefited due to Non-cooperation and less encouragement from formal Banking system.
- e) Bankers are demanding for hypothecation of sites/ plots purchased with clear title deeds. Leased or hypothecated properties are not encouraged.
- f) MSMEs needed to encourage new entrepreneurs from bankers support collateral free loans. CGTMSE coverage should be popularized.
- g) Issuing appropriate instructions from the SLBC to Bankers for providing loans to the MSMEs by taking leased plots for hypothecation would be advantageous to new entrepreneurs.
- h) SLBC directions to the Bankers on sanction of loans considering of rural property also should be accepted.
- i) Suitable instructions to bankers on sanctioning loans with flexible criteria and fixing SLAs and simplifying their loan application process to reduce the common challenges faced by MSMEs.
- j) Special focus on SC/ST/OBC/Women entrepreneurs in financing emphasized.
- k) Delays in sanction and disbursement of incentives causing an adverse effect on financials of the enterprises.

Infrastructure constraints

Allocation of land for MSMEs must be given preference.

Other major issues

- a) Availability of skilled workmen and lack of training facilities for several trades poses problems. Skill trainings are needed depending on demand. Need assessment survey is necessary to identify skill gaps.
- b) While major industries get industrial plots/ lands as per their demand (in terms of area) MSE entrepreneurs face difficulty even to get small piece of land.
- c) The effects of Covid were very bad but small enterprises are limping back to normalcy.

- d) Due to illiteracy and ignorance the entrepreneurs face difficulty in complying with various legal formalities in obtaining licenses.
- e) Procurement of raw materials has become very difficult. Ending up with poor quality raw materials, storage and warehousing problem can also be faced. Raw material Banks to be established and managed by Govt. may be considered.
- f) Lack of technical know-how updates causes serious problems. In the absence of access to modern technology the quality and productivity of the products is low and therefore it fails.
- g) On marketing front, the major issue is to face competition from larger scale units, as small units cannot afford to spend more on sales promotion.
- h) DICs may consider conduct of Referral Programs (WOM) to motivate the prospective/ budding entrepreneurs and increase the number of units in the district through the existing MSMEs.

Chapter 4: Proposed Projects under Strategic Investment Plan (SIP)

Considering the gaps identified during the diagnostic study and after being validated by the stakeholders in the state, 18 projects proposals have been formulated under the strategic investment plan (SIP) in the state.

The proposed projects are categorised into seven different segments:

1. Formalisation & Promotion of MSMEs in the state
2. Entrepreneurship & Skill Development
3. Market Access
4. Strengthening receivable market & reduction of delayed payments
5. MSME Competitiveness
6. Credit Support
7. Strengthening Monitoring & Evaluation and Implementation Support Framework for RAMP Implementation

Under each segment several projects have been proposed which are catering to the gaps identified during the diagnostic study as well as meeting the twin objective of the RAMP program which is Strengthening Institutions and Governance of the MSME Programme and Support to market access, firm capabilities, and access to finance. The programs have also been designed to meet the Disbursement Linked Indicators (DLIs) of the program viz:

- I. Implementing the National MSME Reform Agenda
- II. Accelerating MSME Sector Centre-State collaboration
- III. Enhancing effectiveness of MSME CHAMPIONS Scheme
- IV. Strengthening Receivable Financing Market for MSMEs
- V. Enhancing Effectiveness of CGTMSE and “Greening and Gender” delivery
- VI. Reducing the incidence of delayed payments
- VII. A snapshot of the proposed projects, their brief features, applicability, Indicative Implementation Strategy, Envisaged Impact/Key Performance Indicators for 4 years is provided here:

Table 35 A snapshot of the proposed projects

Objective	Proposed Project	Features	Applicable For	Indicative Implementation Strategy	Envisaged Impact/ Key Performance Indicators (in 4 years)
Formalisation & Promotion of MSMEs in state	I. Formalisation of MSMEs - Udyam Registration	Formalisation of MSMEs by registering them in the Udyam portal - Gainfully linking to various Gol and state government programs and Credit.	Existing and Aspiring Entrepreneurs	<ol style="list-style-type: none"> 1. Identification & mapping of state level and district level Industry Associations (IAs) & Sector/MSME Value Chain specific Business Management Organisation (BMO), Common Service Centre, E-Seva and Mee Seva Centres. 2. Orientation of Village Secretary/Ward Secretary on registration of MSMEs on Udyam Portal. 3. MoU with state Discoms to link power connection of MSMEs with Udyam Registration and incentivising them for the same. 	<ol style="list-style-type: none"> 1. Incremental number of MSMEs to be registered under Udyam Portal ~ 20 lakh @5 lakh per year including 52000 new MSMEs
	II. Creation of supporting BDS Ecosystem in State	Identification & empanelment of Business Development Service (BDS) provider in the state	Existing and Aspiring Entrepreneurs	<ol style="list-style-type: none"> 1. In order to make the RAMP initiative sustainable, development of supporting BDS ecosystem is critical. 2. Identification and empanelment of support BDS, especially women led BDS in the state - through EOI - e.g., Model adopted for MSE-CDP. 3. Development of new BDS as attractive entrepreneurship option through ESDP. 	<ol style="list-style-type: none"> 1. Existing BDS to be empanelled ~ 520 (20 per district) 2. Number of new BDS to be developed: 680 (1 per mandal) 3. Additional Employment: 2000 (~3 additional job per unit)

Entrepreneurship & Skill Development	III. Entrepreneurship & Skill Development Program with special emphasis on Women & SC/ST	Entrepreneurship Development – both existing and aspiring – structured training and handholding in business ideation, business plan, convergence with Gov/State Scheme like PMEGP etc., linkage with factor of production –land, labour, technology, credit etc. specially focused on Women & SC/ST category.	Existing and Aspiring Entrepreneurs	<ol style="list-style-type: none"> ESDPs to be conducted by DICs with defined target number of district wise and sector wise skill based ESDPs and number of MSMEs to be grounded and upgraded. Coordination and convergence with respective skill development councils and APSSDC. 	<ol style="list-style-type: none"> No of ESDPs proposed: 2184 (2 ESDP/month/district with 100 participants/ESDP) No of MSMEs to be benefitted ~ 2,18,400; of which about 65,520 from women category and 65,520 from SC/ST category. Incremental number of New MSMEs to be established: 2,08,000 (52,000/year) wherein the target is to have at least 60% from Women and SC/ST category. Additional Investment Expected: INR 52,000 Crore (@25 lakh new investment/enterprise) Additional Employment Generation: 16,64,000 (@8 workforces per unit)
	IV. SCORE & SIYB PROGRAMMES (ILO MODEL)	<ul style="list-style-type: none"> Sustaining Competitive and Responsible Enterprises (SCORE) is an ILO global programme that improves productivity and working conditions in small and medium enterprises (SMEs) Start and improve your business 	Existing and Aspiring Entrepreneurs	The program shall be implemented by ILO accredited training partners as per the plan proposed.	Beneficiary SMEs from Induction Programme are 10,400 ; from Sensitisation Programme are 7,800 ; Facilitation Programme are 3,900 ; Skill Enhancement Programme are 2,600 .

		(SIYB) programme as a management-training programme with a focus on starting and improving small businesses as a strategy to create more and better jobs in developing economies and economies in transition.			<ol style="list-style-type: none"> 1. 780 MSME will be benefited at the end of the Programme for handholding. 2. Additional Investment Expected: INR 195 Crore (@25 lakh new investment/enterprise) 3. Additional Employment Generation: 6240 (@8 workforces per unit)
V.	HIGH-IMPACT ENTREPRENEURS FROM EMERGING REGIONS FOR ACTION (HIEERA) Program by UNCTAD developed by Empretec India Foundation (EIF)	To promote entrepreneurship capabilities to the existing and prospective entrepreneurs	Existing and Aspiring Entrepreneurs	The program shall be implemented by Empretec India Foundation (ETF) , an organisation set up by the United Nations Conference on Trade and Development (UNCTAD) to promote innovative and internationally competitive, sustainable small and medium enterprises	MSMEs to be benefited: 400 from Culture based Intervention Programme; 30 shall be benefited through Business Development Linkage program. <ol style="list-style-type: none"> 1. 430 MSME will be benefited at the end of the Programme for handholding. 2. Additional Investment Expected: INR 43 Crore (@10 lakh new investment/enterprise) 3. Additional Employment Generation: 3440 (@8 workforces per unit)

Market Support	VI. Procurement & Marketing Support (PMS)	<ul style="list-style-type: none"> - Participation of Individual MSEs in domestic Trade Fair/ Exhibition. - Capacity building of MSMEs in Modern Packaging Technique / Development of Marketing Haats. - Organising Domestic Trade Fair& Exhibition/ Vendor Development Programs/ National & International Workshops & Seminars/ Awareness programs. 	Existing Entrepreneurs	Awareness & Convergence Program through: <ol style="list-style-type: none"> 1. Regional & State level Industry Associations (IAs)/Business Management Organisations (BMOs) 2. Exposure visits of leaders of IAs/BMOs along with GM DICs to clusters where such programs have been successfully implemented. 3. Part of the curriculum of ESDPs planned. 4. Empanelment of BDS providing convergence services. 	No of MSMEs to be benefitted: ~23,000 of which . Digitisation (E-commerce linkage): 9,100 Vendor Development Program: 9,100 Domestic Trade Fair: 5,460 Green Packaging: 104 <ol style="list-style-type: none"> 1. Additional Employment expected: ~ 70000 (@3 per MSME benefitted) 2. Additional Investment towards capacity enhancement/technology upgradation: INR 1150 Cr.
	VII. Export Promotion	Identification & Capacity building of MSME Cluster Value Chain members for export promotion. Convergence with various export promotion schemes of Government of India like Procurement & Marketing Support (PMS) scheme, International Cooperation Scheme, ODOP etc.	Existing and Aspiring Entrepreneurs	Awareness & Convergence Programs for Export promotion through: <ol style="list-style-type: none"> 1. Regional & State level Industry Associations (IAs)/Business Management Organisations (BMOs). 2. Identification of potential clusters and appropriately linking with export promotion councils (EPCs) 3. Exposure Visit of leaders of IAs/BMOs along with GM DICs to successful clusters and adoption of best practices. 4. Suitable convergence with 	<ul style="list-style-type: none"> ▪ Increase in exports envisaged from current growth rate of ~10% CAGR to ~15% CAGR taking the current value of exports from INR 1,59,000 Cr. to ~ INR 2,78,092 Cr. after 4 years. ▪ Incremental number of MSMEs to be converted into exporters through IEC Code: ~1000.

				<p>banks/financial institutions, risk management agencies providing export credit like EXIM Bank, ECGC, Export Insurance.</p> <ol style="list-style-type: none"> 5. Conducting Virtual Buyer Seller Meet (VBSM) 6. Convergence with institutes providing training and guidance support like IIFT, regional export promotion Institutes. 7. Part of the curriculum of ESDPs planned. 8. Empanelment of BDS providing convergence services including packaging, shipping, credit etc. 	
	<p>VIII. International Cooperation (IC) Scheme</p>	<p>The scheme aims to capacity build MSMEs for entering export market by facilitating their participation in international exhibitions/fairs/conferences/seminar buyer-seller meets abroad. IC Scheme comprises of three components:</p> <p>1. Market Development Assistance (MDA): (Both Physical & Virtual Mediums)</p> <ul style="list-style-type: none"> - Participation (as exhibitors) of MSME delegations of industry associations and government organisations. - Organising International conferences/summits/workshops/seminars in India on themes relevant to MSMEs by the industry Associations - Organising Mega International conferences/ summits/ workshops/seminars in India. 	<p>Existing Entrepreneurs</p>	<p>Awareness & Convergence Programs for IC Scheme through:</p> <ol style="list-style-type: none"> 1. Regional & State level Industry Associations (IAs)/Business Management Organisations (BMOs). 2. Exposure visits of leaders of IAs/BMOs along with GM DICs to successful clusters where IC scheme has been implemented. 3. Part of the curriculum of ESDPs planned. 4. Empanelment of BDS providing convergence services. 	<p>Category wise estimated MSME beneficiaries:</p> <ol style="list-style-type: none"> 1. Market Development Assistance (International Program) – 100 2. CB for 1st time exporters – 200

		<ul style="list-style-type: none"> - Organising Mega International conferences/ summits/ workshops/seminars/bilateral/ multilateral Government to Government Events in India by Ministry of MSME, its organizations solely or in partnership with Industry associations. - Participation of Ministry led Industrial delegations to International Exhibitions/Fairs/Conferences in foreign countries. <p>2. Capacity Building of First Time MSE Exporters (CBFTE):</p> <ul style="list-style-type: none"> - Reimbursement of costs incurred by first time MSE exporters on export shipments. - Registration-cum-Membership Certificate (RCMC) paid by the first-time exporters for registration with EPCs. - Export insurance premium paid by MSES. - Fee paid on Testing & Quality Certification acquired by MSEs to export products. This will encourage MSES to produce and offer products and services of international standards for the export markets. <p>3. Framework for International Market Intelligence Dissemination (MID):</p> <p>Provisioning a National Resource Database System - Global Market Intelligence System for MSME units. This system is proposed to act as a central knowledge repository of export related data on foreign markets.</p>			
Strengthening receivable market &	IX. MSME Samadhan - ODR	<ul style="list-style-type: none"> - Time-bound, faster dispute resolution for delayed payments to MSEs. - Wider and balanced representation from 	Existing Entrepreneurs	Awareness program for adoption of MSME Samadhan portal for registering the complaints through:	1. MSMEs to be benefitted: 1092 programs benefitting ~

reduction of delayed payment		all districts in the state		<ol style="list-style-type: none"> 1. Regional & State level Industry Associations (IAs)/Business Management Organisations (BMOs). 2. DICs 3. Part of the curriculum of ESDPs planned. 4. Empanelment of BDS providing handholding service for registering complaint on portal. 	<p>54,600 MSMEs (@50 MSMEs per program on a monthly basis for 26 districts)</p> <ol style="list-style-type: none"> 2. Balanced representation from all the district
	X. Trade Receivable Discounting System (TReDS)	Improvement in cashflow management; better planning and capacity utilisation leading to increase in turnover, additional investment and employment generation	Existing Entrepreneurs	<ol style="list-style-type: none"> 1. Emphasis on deepening the market platform from buyer side - onboarding state government departments/corporations/agencies on TReDS platform for payment to MSMEs. 2. Mobilising Industry Associations/BMOs to onboard the members on to the TReDS platform - adopting the MoU model with 3 firms providing TReDS services. 	<ol style="list-style-type: none"> 1. MSMEs to be benefitted: 5460. 2. Number of state departments/PSUs to be onboarded: 20
MSME Competitiveness	XI. MSME-Sustainable - ZED Certification	The scheme envisages promotion of Zero Defect and Zero Effect (ZED) manufacturing amongst MSMEs and ZED Assessment for their certification so as to: <ol style="list-style-type: none"> a. Encourage and Enable MSMEs for manufacturing of quality products using latest technology tools & to constantly upgrade their processes for achievement of high productivity and high quality with the least effect on the environment. b. Develop an Ecosystem for Zero Defect 	Existing Entrepreneurs	<ol style="list-style-type: none"> 1. Identification of potential clusters in the state where ZED can be implemented, in consultation with DICs and other state and centre institutions supporting MSMEs like MSME-DFO, NSIC etc. 2. Awareness and capacity building programs - both physical and virtual - with cluster associations and 	<ol style="list-style-type: none"> 1. MSMEs to be benefitted: 32,760. 2. Additional Employment: 1,96,558 3. Additional Investment: INR 375 Cr. 4. Increase in Output: INR 692 Cr.

		<p>Zero Effect Manufacturing in MSMEs, for enhancing competitiveness and enabling exports.</p> <p>c. Promote adoption of Quality and recognising the efforts of successful MSMEs.</p> <p>d. Increase public awareness on demanding Zero Defect and Zero Effect Products through the ZED Rating and Grievance Redressal Portal.</p> <p>- Implemented by: Quality Council of India (QCI) deputed consultants and assessors.</p> <p>- Three levels - Bronze (conformance to 5 parameters), Silver (conformance to 14 parameters), Gold (conformance to 20 parameters)</p>		<p>facilitating LEAN adoption.</p> <p>3. Exposure visits to the units which have adopted LEAN manufacturing to motivate and accelerate adoption of LEAN.</p> <p>4. Empanelment of BDS providers for facilitating ZED pledge and registering for appropriate certifications.</p>	
	<p>XII. MSME Competitive (Lean) Certification</p>	<p>Scheme introduced in 2016. Revised Scheme launched on 10.03.2023.</p> <p>- Objective is to enhance MSMEs productivity, efficiency, and competitiveness by reduction of wastages in processes, inventory management, space management, energy consumption, etc.</p> <p>- Certification levels: Three. Basic (2 months), Intermediate (6 months, and Advanced (12 months)</p> <p>- Govt offers 90% subsidy on implementation cost. Addl. 5% subsidy for SC/ST owned enterprises</p> <p>Implementation: Online application: QCI / NPC (National agencies for Lean implementation) will depute consultants and assessors</p> <p>Implementation: QCI / NPC (National agencies for Lean implementation) will</p>	Existing Entrepreneurs	<p>1. Identification of potential clusters in the state where LEAN can be implemented, in consultation with DICs and other state and centre institutions supporting MSMEs like MSME-DFO, NSIC etc.</p> <p>2. Awareness and capacity building programs - both physical and virtual - with cluster associations.</p> <p>3. Exposure visits to the units which have adopted LEAN, to motivate and accelerate adoption.</p> <p>4. Empanelment of BDS providers for handholding MSMEs to adopt LEAN and registering for appropriate certifications.</p>	<p>1. MSMEs to be benefitted: 5,460.</p> <p>2. Additional Employment: 32,760</p> <p>3. Additional Investment: INR 273 Cr.</p> <p>4. Increase in Output: INR 250 Cr.</p>

		depute consultants and assessors			
XIII.	MSME Innovative-Incubation	<p>- To promote & support untapped creativity of individual and to adoption of latest technologies in manufacturing as well as knowledge-based innovation MSMEs through Incubation.</p> <p>- Commercialization of innovative ideas is the core objective.</p> <p>- Liberal incentives are offered to Host Institutes (HI) and Incubatees (innovators) Engg. Colleges, IITs, NITs are permitted to act as HIs.</p> <p>- Nature of Assistance: Up to 15 lakhs per Incubatee for developing and nurturing of an idea.</p> <p>Financial assistance up to 1.00 Cr. for procurement and installation of plant and machines in BI.</p> <p>Financial assistance of up to 1.00 Cr. as grants in aid for the seed capital support to HIs/BIs for converting deserving ideas into start-ups.</p> <p>Implementing Agencies (IAs): Presently, Indian Institute of Science (IISc), Bengaluru, IITs (Kanpur, Indore, BHU, Roorkee, Ropar, Bhubaneshwar), NITs (Tiruchirappalli, Warangal, Silchar, Arunachal Pradesh, Jaipur, Allahabad, J&K, Bhopal, Nagpur, Calicut, Kurukshetra, Surathkal, Raipur).</p>	Existing and Aspiring Entrepreneurs	<ol style="list-style-type: none"> 1. Identification & Development of Implementing Agencies (IAs) in the state for MSME Innovative – Incubation scheme. 2. Mapping of existing institutes (Host Institutes) – both colleges and Industrial Estates (IEs) across all districts in the state for providing business Incubation facilities to students and aspiring entrepreneurs convergence with the scheme. 3. Mapping of potential institutes where Business Incubation centres can be established and convergence with the scheme can be brought. 4. Awareness programs in colleges and suitably linking them with the appropriate implementing agency. 	<ol style="list-style-type: none"> 1. MSMEs to be benefitted for attending camps: 1000; Students/Aspirants: 2000. 2. Innovative projects: 80 3. Investment Projected: INR 20 Cr. 4. Employment Generation: 640
XIV.	MSME Innovative-IPR	Objective is to enhance the awareness of Intellectual Property Rights (IPRs) amongst the MSMEs to encourage creative intellectual endeavour in Indian economy;	Existing Entrepreneurs	Awareness & Convergence Programs for IPR Scheme through: '- Regional & State level Industry Associations (IAs)/Business Management Organisations	<ol style="list-style-type: none"> 1. New Facilitation Councils to be established: 4 2. Number of MSMEs to be

		<p>Financial Assistance:</p> <ul style="list-style-type: none"> - Foreign Patent: INR 5.00 lakh, - Domestic Patent INR 1.00 lakh, - GI Registration INR 2.00 lakh, - Design Registration INR 0.15 lakh, - Trademark INR 0.10 lakh <p>Financial assistance for setting up IP Facilitation Centre - a Grant of up to INR 1 crore.</p>		<p>(BMOs).</p> <ul style="list-style-type: none"> - Exposure visit of leaders of IAs/BMOs along with GM DICs to successful units/clusters where patents/Trademarks/IPR has already been successfully obtained and learn best practices. - Part of the curriculum of ESDPs planned. - Empanelment of BDS providing convergence services. 	<p>benefitted through Awareness Creation Camps: 18,200</p>
	<p>XV. MSME Innovative - DESIGN MSME</p>	<p>To facilitate MSMEs to develop new Design strategies and or design related products through design interventions and consultancy.</p> <ul style="list-style-type: none"> - Financial assistance to the MSMEs for engagement of design consultants for design intervention (Govt contribution @ 75% for micro, 60% for SMEs for the project range up to Rs. 40 lakh). - The Design Scheme shall support design work by reimbursing 75% of expenses incurred up to Rs. 1.5 lakh for final year student project done for MSMEs. 	<p>Existing Entrepreneurs</p>	<p>Awareness & Convergence Programs for IPR Scheme through:</p> <ol style="list-style-type: none"> 1. Regional & State level Industry Associations (IAs)/Business Management Organisations (BMOs). 2. Exposure visits of leaders of IAs/BMOs along with GM DICs to successful units/clusters where the Design scheme has been implemented and learn the best practices for the adoption. 3. Part of the curriculum of ESDPs planned. Empanelment of BDS providing convergence services. 	<ol style="list-style-type: none"> 1. Total MSMEs to be benefitted through awareness camp: 1820. 2. Students: 2730
<p>Credit Support</p>	<p>XVI. CGTMSE – Support to State level Credit Guarantee Fund</p>	<p>Promotion of Credit Guarantee cover for MSEs by creation of a state level credit guarantee fund complementing CGTMSEs. The focus would be larger coverage of credit guarantee cover under</p>	<p>Existing and Aspiring Entrepreneurs</p>	<ol style="list-style-type: none"> 1. Creation of State Credit Guarantee Fund to be partially funded through RAMP fund. 2. Awareness programs for existing and Aspiring for the 	<ol style="list-style-type: none"> 1. Additional MSMEs to be benefitted: 63048; of which Women/SC/ST/Green Finance MSMEs: 31516

		CGTMSE towards women and SC/ST promoted MSEs and MSEs focusing on adoption of green technologies.		<p>promotion of CGTMSE cover through various banks.</p> <p>3. Capacity building and sensitisation program with branch managers at district level for lending under CGTMSE.</p> <p>4. Part of the curriculum of ESDPs planned.</p> <p>5. Empanelment of BDS providing convergence services</p>	
Strengthening Monitoring & Evaluation and Implementation Support Framework for RAMP implementation	XVII. MSME AP ONE – Integrated Platform for MSMEs in AP (including Monitoring & Evaluation Dashboard)	An integrated platform catering to all the needs and requirements of MSMEs in AP shall be developed. It shall also include a Monitoring & Evaluation (M&E) Dashboard which may be used for RAMP program as well as other ongoing state government, central government and Bi-lateral/Multilateral/Donor agency programs oriented towards MSMEs.	MSMEs Ecosystem including RAMP & other state/centre funded programs and programs of bi-lateral/multi-lateral and donor agencies.	Design, development and implementation of the platform across app and web based application.	
	XVIII. Manpower for RAMP Implementation	A framework for effective implementation of RAMP Program envisaged by placing district level PMU	State Government	<ol style="list-style-type: none"> 1. PMU to be onboarded for implementation of RAMP Program 2. State HO level and district level resources to be placed accordingly 	

Summary of Indicative Budget Proposed under each program is provided below:

Table 36 Summary of Indicative Budget Proposed under each program

Andhra Pradesh - RAMP - SIP - Budget Summary		(In INR Crores)			
S No	Name	Govt. of India Contribution	State Government Contribution	RAMP Contribution	Total
A	Formalisation and Promotion of MSMEs in the State				
1	Formalisation of MSMEs - Udyam Registration	0.00	6.20	55.80	62.00
2	Creation of supporting BDS Ecosystem in State	0.00	0.06	0.54	0.60
B	Entrepreneurship & Skill Development Programs				
3	Entrepreneurship & Skill Development Program (ESDP) with special emphasis on Women & SC/ST	0.00	10.92	98.28	109.20
4	SCORE & SIYB PROGRAMMES (ILO MODEL)	0.00	1.27	11.47	12.74
5	HIGH-IMPACT ENTREPRENEURS FROM EMERGING REGIONS FOR ACTION (HIEERA) Program by UNCTAD developed by Empretec India Foundation (EIF)	0.00	1.25	11.25	12.50
C	Market Promotion Projects				
6	Procurement & Marketing Support (PMS)	27.82	3.48	3.48	34.78
7	Export Promotion	0.00	1.73	15.56	17.29
8	International Cooperation (IC) Scheme	19.35	1.08	1.08	21.50
D	Strengthening receivable market & reduction of delayed payment				
9	MSME Samadhan - ODR	0.00	1.00	9.01	10.01
10	Trade Receivable Discounting System (TReDS)	0.00	1.28	11.55	12.83
E	MSME Competitiveness Projects				

11	MSME-Sustainable - ZED Certification	0.00	1.77	15.91	17.68
12	MSME Competitive (Lean) Certification	0.00	2.12	19.20	21.32
13	MSME Innovative- Incubation	8.50	0.54	1.16	10.20
14	MSME Innovative-IPR	4.00	0.36	1.46	5.82
15	MSME Innovative - DESIGN MSME	0.00	0.18	0.73	0.91
F	Credit Support				
16	CGTMSE – Support to State level Credit Guarantee Fund	0.00	2.22	19.97	22.19
	Reimbursement of First Annual Credit Guarantee Fee (Newly Included)	0.00	0.00	4.67	4.67
G	Strengthening Monitoring & Evaluation and Implementation Support Framework for RAMP implementation				
17	Monitoring & Evaluation Dashboard	0.00	3.00	27.00	30.00
18	Manpower for RAMP Implementation	0.00	1.76	7.06	8.82
	Total	59.67	41.99	331.08	432.74

Detailed Project wise proposals are provided in line with the criteria laid down in the RAMP Manual is provided below:

Project – I: Proposal for Formalisation of MSMEs – Udyam Registration

1.1 Introduction about the Project:

Formalisation of MSMEs by registering them in the Udyam portal is essential to provide the gainful linking to various GoI and state government programs and to provide Credit to the MSMEs in the state. Therefore, it is proposed to be the first project which will create a strong foundation for the effective implementation of the RAMP program.

1.2 Objectives of the Project:

The objective of the project is to survey the existing and aspiring entrepreneurs and make them to register in the Udyam Portal and get Udyam Registration Number.

1.3 Statement of the Problem with the help of Baseline Data:

Ministry of MSME, Government of India has started Udyam Registration portal with effect from the 1st day of July, 2020 and issued a notification for all enterprises that covered under the new definition given by MSMED Act, 2006 to register in the Udyam Portal online on 26th June 2020. The number of MSMEs registered in Udyam Portal are very low at 5.41 lakh MSMEs from Andhra Pradesh against the existing 33.87 lakh MSMEs as per 73rd NSS Round, Therefore, it is noticed that only 15.98 % of MSMEs in Andhra Pradesh were registered on Udyam Portal and the remaining 84.02% of MSMEs did not registered on the Udyam Portal, which is a big gap that needs to be covered.

1.4. Concept Design, Feasibility and Viability of the Project:

The first step towards formalization is the registration of MSMEs on to the Udyam portal. Through this project, it is intended to onboard maximum MSMEs on the platform through multi-pronged approach, including involving Industry Associations (IAs) and Business Management Organisations (BMOs) and driving Udyam registration drive through them. Second is to use the grass root level government machineries to conduct a survey and drive the Udyam registration along with capturing additional information about the MSMEs. The data thus gathered shall also be intended to be stored and used judiciously in the proposed AP MSME ONE, an integrated platform to provide one stop solution to MSMEs

1.5. Approach and Methodology for Project Execution/Implementation:

The implementation process of the Project should consist of the following steps:

1. Identification & mapping of state level and district level Industry Associations (IAs) & Sector/MSME Value Chain specific Business Management Organisation (BMO), Common Service Centre, E-Seva and Mee Seva Centres and driving the Udyam registration drive through them.
2. Orientation of Village Secretary/Ward Secretary on registration of MSMEs on Udyam Portal and conducting a survey to onboard maximum number of MSMEs on the portal as well as gather additional information and store and analyse them on the proposed AP MSME ONE portal.
3. Forge MoU with state Discoms to link power connection of MSMEs with Udyam Registration and incentivise them for the same. This will ensure rapid formalization.

1.6. Use of ICT/ Innovative Technology towards Project Implementation:

The use of digital survey app and integrating it with proposed AP MSME ONE platform is planned to be used during the formalization process.

1.7. Timelines for achievement of Project deliverables and Verification Protocols:

Incremental number of MSMEs to be registered under Udyam Portal ~ 20 lakh including 52000 new MSMEs/year during the period of RAMP.

1.8. Impact of the Project on the number of MSMEs

The impact of the project may be visualized by increasing the registration of MSMEs in the Udyam registration and the annual increments in the Udyam registration is provided in the following Table.

Table 37 Impact of the Project on the number of MSMEs

S No	Particulars of the programme	2023-24	2024-25	2025-26	2026-27	Total
1	Industry Awareness on Udyam Registration/Identification & mapping of state level and district level Industry Associations (IAs) & Sector/MSME Value Chain specific Business Management Organisation (BMO), Common Service Centre, E-Seva and Mee	104	208	208	208	728

Seva Centres. @ 2 Programmes
per Quarter

3	Number of Existing MSMEs Registrations Expected in the Udyam Portal	400000	700000	700000	200000	2000000
4	Number of New MSMEs to be established and Registered in the Udyam Portal	52000	52000	52000	52000	208000

1.9. Project Cost Estimation and State Government Contribution to the Cost:

The cost of Udyam Registration Project is estimated for two different activities, i.e., the cost of Survey of MSMEs that are not registered in the Udyam Portal and make them to register in the portal with the help of Village/Ward Secretaries and the cost of Udyam Registration with Discoms working in the state. The details are given in the following table.

Udyam Registration Project Cost Estimation (Rs. Crores)

Table 38 Project Cost Estimation and State Government Contribution to the Cost

Details of the Cost	2023-24	2024-25	2025-26	2026-27	Total
1 Cost of survey including Udyam Registration@ INR 300 per MSME (Rs. In Crores)	12	21	21	6	60
2 Cost of linkage of Udyam registration number @ INR 10 MSME with Discoms (Rs. Crores)	0.4	0.7	0.7	0.2	2
Total Cost	12.4	21.7	21.7	6.2	62

Sharing of Udyam Registration Project Cost (Rs. Crores)

Table 39 Sharing of Udyam Registration Project

Details of the Cost	Central Contribution @0%	State Contribution @10%	RAMP @90%	Total
1 Cost of survey including Udyam Registration@ INR 300 per MSME (Rs. In Crores)	0.00	6.00	54.00	60.00
2 Cost of linkage of Udyam registration number @ INR 10 MSME with Discoms (Rs. Crores)	0.00	0.20	1.80	2.00
Total Cost	0.00	6.20	55.80	62.00

1.10. Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and Evaluation (M&E) of the program shall be done through a Monitoring & Evaluation Dashboard, which will be developed as part of the AP MSME ONE, a state level integrated platform for MSMEs in the state of AP. The M&E dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators.

Project – II: Proposal for Creation BDS Ecosystem for the Development of MSMEs

2.1. Introduction about the Project:

A strong foundation created by a vibrant Business Development Service (BDS) providers is essential for sustainability of programs/initiatives towards strengthening the MSME ecosystem in the state. This project is oriented towards Identification & empanelment of Business Development Service (BDS) providers in the state as well as creation of new cadre of BDS at Mandal level, especially focusing on women.

2.2. Objectives of the Project:

The objective of the project is to identify the existing and aspiring Business Development Service (BDS) providers and empanel them providing various BDS services to MSMEs at the grassroots level.

2.3. Statement of the Problem with the help of Baseline Data:

During the survey it was observed that the awareness and access to quality service provider for handholding MSMEs for various requirements is missing. That may include handholding support for business ideation, compliance, technology access, credit access, convergence with various GoI and state government schemes etc. Therefore, considering the gap in the ecosystem, the project is conceptualized.

2.4. Concept Design, Feasibility and Viability of the Project:

The basic concept of this project is the formalization of BD service providers through empanelling them with state government. The empanelment is intended to be on proposed AP MSME ONE platform with proper categorization of BDS providers and the catchment area where they may provide their services. The empanelment shall happen through a proper procurement process of floating an Expression of Interest with certain criteria to be met.

The empanelment shall provide visibility and credibility to the BDS providers and shall help MSMEs to access quality service provider at a single click of a button.

2.5. Approach and Methodology for Project Execution/Implementation:

The implementation process of the Project should consist of the following steps:

1. Identification and **empanelment of support BDS**, especially women led BDS in the state - through EOI - e.g., Model adopted for MSE-CDP.

2. Development of **new BDS as attractive entrepreneurship option** through Entrepreneurship & Skill Development Programs

2.6. Use of ICT/ Innovative Technology towards Project Implementation:

The following ICT/Innovative technologies are proposed to be used during implementation:

- State e-procurement platform for EOI
- Proposed AP MSME ONE platform as the aggregator platform for these service providers.
- Use of web-based meeting platform for conducting ESDP.
- Tutorial videos for providing basic services to MSMEs.

2.7. Timelines for achievement of Project deliverables and Verification Protocols:

In the 4 years, the following milestones are proposed to be achieved:

Table 40 Timelines for achievement of Project deliverables and Verification Protocols

Particulars of the programme	2023-24	2024-25	2025-26	2026-27	Total
Existing BDS to be selected and empanelled with relevant state government portal@20 per district through Expression of Interest	130	130	130	130	520
Number of New Women led BDS to be developed@1 BDS per Mandal	170	170	170	170	680

2.8. Impact of the Project on the number of MSMEs

The impact of the project may be visualized by identifying and empanelling the existing and aspiring BDS providers and the details are provided in the following Table.

Table 41 Impact of the Project on the number of MSMEs

S No	Particulars of the programme	2023-24	2024-25	2025-26	2026-27	Total
1	Existing BDS to be selected and empanelled with relevant state government portal@20 per district through Expression of Interest	130	130	130	130	520
2	Number of New Women led BDS to be developed@1 BDS per Mandal	170	170	170	170	680

Considering 3 persons employed per new BDS provider established, additional 3600 employment is envisaged.

2.9. Project Cost Estimation and State Government Contribution to the Cost:

The cost of BDS Services Project is estimated for two different activities, i.e., the cost of procurement and empanelment of BDS Services for MSMEs and the cost of Training/Entrepreneurship Awareness programmes. The details are given in the following table.

Table 42 Item wise estimated budget

Item wise estimated budget	2023-24	2024-25	2025-26	2026-27	Total
1 Cost of procurement and empanelment @INR5000 per MSME	0.065	0.065	0.065	0.065	0.26
2 Cost of training/Entrepreneurship Awareness Program (@5000/aspirant)	0.085	0.085	0.085	0.085	0.34
Total Cost	0.15	0.15	0.15	0.15	0.60

The details of sharing of the cost of BDS Services Project between Centre, State and Ramp are given in the following table.

Table 43 The cost of BDS Services Project between Centre, State and Ramp

Item wise estimated budget	Central Contribution @0%	State Contribution @10%	RAMP Contribution @90%	Total
Total Cost	0.00	0.06	0.54	0.60

2.10. Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and Evaluation (M&E) of the program shall be done through a Monitoring & Evaluation Dashboard, which will be developed as part of the AP MSME ONE, a state level integrated platform for MSMEs in the state of AP. The M&E dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators.

Project – III: Proposal for the Entrepreneurship and Skill Development Programmes for MSMEs

3.1. Introduction about the Project:

This project is intended to provide Entrepreneurship and Skill Development Programmes for MSMEs with special focus on Women & SC/ST category in the state.

3.2. Objectives of the Project:

The objective of the project is to identify the existing and aspiring MSMEs and to empower them through Entrepreneurship and Skill Development Programmes with special focus on women and SC/ST category.

3.3. Statement of the Problem with the help of Baseline Data:

During the diagnostic study conducted, it was observed that there is no dearth of qualified and aspiring youths in the state who want to become entrepreneur. However, the current infrastructure and support system in the state, especially the District Industries Centre (DICs) in the state lack financial resource to conduct the Entrepreneurship & Skill Development Programs (ESDPS). Also, there is a need for training the trainers. Therefore, this project has been conceptualized.

3.4. Concept Design, Feasibility and Viability of the Project:

Entrepreneurship Development for both existing and aspiring MSMEs will be provide structured training and handholding in business ideation, business plan, convergence with GoI/State Scheme like **PMEGP** etc., linkage with factor of production –land, labour, technology, credit etc. specially focused on Women & SC/ST category. The program shall also include training the trainers.

3.5. Approach and Methodology for Project Execution/Implementation:

The implementation process of the Project should consist of the following steps:

1. ESDPs to be conducted by DICs with defined target number of district wise and sector wise skill based ESDPs and number of MSMEs to be grounded and upgraded.
2. Coordination and convergence with respective skill development councils and APSSDC.

3.6. Use of ICT/ Innovative Technology towards Project Implementation:

The following ICT/Innovative technologies are proposed to be used during implementation:

- State e-procurement platform for EOI for empanelment of trainers/training partners.

- Proposed AP MSME ONE platform as the aggregator platform for these service providers.
- Use of web-based meeting platform for conducting ESDP.
- Tutorial videos for basic ESDP component.

3.7. Timelines for achievement of Project deliverables and Verification Protocols:

The following are the project deliverables:

1. No of ESDPs proposed: **2469 (2 ESDP/month/district with 100 participants/ESDP)**
2. No of MSMEs to be benefitted ~ **2,49,600; of which about 74,880 from women category and 74,880 from SC/ST category.**

3.8. Impact of the Project on the number of MSMEs

The impact of the project may be visualized through the following table

Table 44 Impact of the Project on the number of MSMEs

S No	Particulars of the programme	2023-24	2024-25	2025-26	2026-27	Total
1	Number of ESDPs (2 ESDPs/month) - 5 day program	312	624	624	624	2184
2	Number of MSMEs (aspirant/existing entrepreneur)/ESDP	100	100	100	100	400
3	Total number of MSMEs to be benefitted	31200	62400	62400	62400	218400
of which	Women Entrepreneurs@30% of the beneficiaries	9360	18720	18720	18720	65520
of which	SC/ST Entrepreneurs@30% of the beneficiaries	9360	18720	18720	18720	65520
of which	New Enterprises	52000	52000	52000	52000	208000

1. **Incremental** number of **New MSMEs** to be established: **2,08,000 (52,000/year)** wherein the **target is to have at least 60% from Women and SC/ST category.**
2. **Additional Investment Expected: INR 52,000 Crore** (@25 lakh new investment/enterprise)
3. **Additional Employment Generation: 16,64,000** (@8 workforces per unit)

3.9. Project Cost Estimation and State Government Contribution to the Cost:

The cost of Entrepreneurship and Skill Development Programmes Project is estimated for conduct of Entrepreneurship and Skill Development Programmes for MSMEs with special focus on Women and SC/ST MSMEs and the details are given in the following table.

Cost Estimation for Entrepreneurship and Skill Development Project

(Rs. Crores)

Table 45 The cost of Entrepreneurship and Skill Development Programmes Project

Item wise estimated budget	2023-24	2024-25	2025-26	2026-27	Total
Cost of conducting ESDP@INR 5 lakh per ESDP	15.6	31.2	31.2	31.2	109.2
Total Cost	15.6	31.2	31.2	31.2	109.2

The details of sharing of the cost of Entrepreneurship and Skill Development Programmes Project between Centre, State and Ramp are given in the following table.

Sharing of Cost Estimation for Entrepreneurship and Skill Development Project

(Rs. Crores)

Table 46 Cost of conducting ESDP

Item wise estimated budget	Central Contribution @0%	State Contribution @10%	RAMP @90%	Total
Cost of conducting ESDP@INR 5 lakh per ESDP	0.00	10.92	98.28	109.20
Total Cost	0.00	10.92	98.28	109.20

3.10. Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and Evaluation (M&E) of the program shall be done through a Monitoring & Evaluation Dashboard, which will be developed as part of the AP MSME ONE, a state level integrated platform for MSMEs in the state of AP. The M&E dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators.

Project – IV: SCORE & SIYB (ILO Model) Programmes for Entrepreneurship Development

4.1. Introduction about the Project

Entrepreneurship Development Programmes by adopting ILO model, including their curricula to promote entrepreneurship capabilities to the existing and prospective entrepreneurs have proved to be successful, world-wide. Start Your Business (SYB), Start and Improve your business (SIYB), Expand your Business (EYB) programmes are being held in several countries as per the ILO's course design, ILO accredited trainers and methodology of implementation by ILO. The following popular programmes are proposed.

- A. SCORE: For existing MSME entrepreneurs: SCORE Programmes (ILO Model) Programmes for existing enterprises ILO's Sustaining Competitive and Responsible Enterprises (SCORE) Programme improves productivity and working conditions in small and medium enterprises (SMEs).
- B. Start and Improve Your Business (SIYB): SIYB programme is a management-training programme with a focus on starting and improving small businesses as a strategy to create more and better jobs in developing economies and economies in transition.

4.2. Objectives of the Project:

The key intervention of the programme is SCORE Training, which combines practical classroom training with in-factory consulting. The Training demonstrates best international practice in the manufacturing and service sectors and helps SMEs to participate in global supply chains.

SCORE Training is a modular programme that focuses on developing cooperative relations at the workplace. SCORE has a total of the five modules that covers:

- Workplace Cooperation
- Quality Management
- Clean Production
- Human Resource Management
- Occupational Health and Safety

Each of the above modules includes classroom training for managers and workers and follow-up consultations with experts in the participating enterprises. Each module will be treated as one Management Development Programme (MDP) of 5 days each.

SIYB Programmes for Entrepreneurship Development for new entrepreneurs: The SIYB programme is globally recognized as an ILO trademark. With an estimated outreach of 6 million trainees, continuously growing network of more than 17000 trainers and 200 Master Trainers in 2500 partner institutions SIYB is one of the biggest global management training systems used for the support of micro and small

enterprises (MSEs) currently in the market. The SIYB programme is being implemented in India since 2005, introduced to provide alternative livelihood options for the tsunami affected people in southern India. Since then it has steadily grown and is now being implemented by various government and civil society organizations in many States across the country. ILO have more than 200 active trainers and five Master Trainers providing training of entrepreneurs and training of trainers in different parts of India. Efforts are continuing to increase this trainers' pool.

The SIYB programme is structured into four separate training packages, which are designed to respond to the progressive stages of business development. Total duration of one SIYB (SYB+IYB) programme is 25 days

- **Improve Your Business (IYB)**, introduces already practicing entrepreneurs to good principles of business management. Its six modules (marketing, costing, buying and stock control, record keeping, planning for your business, and people and productivity) can be taught individually or all combined in a full course.
- **Expand Your Business (EYB)** enables growth-oriented small enterprises to develop a business growth strategy through training interventions.
- **IYB and EYB will be planned based on the success of SIYB programmes.**
 - The Training materials/manuals of SCORE & SIYB Programmes are available with ILO India in English, Hindi & other local languages.
 - ILO will also support in arranging/allocating the experts of SCORE & SIYB Programmes.

4.3. Statement of the Problem with the help of Baseline Data:

In India, Entrepreneurship development through trainings is not new. However, the success rate in terms of grounding of enterprises is not satisfactory. Therefore, it is expected that proven methodologies developed by ILO can be a model for all other similar programmes. It is reported that the success rate of these trainings organized by various agencies is less than 17%. ILO model can bring about increased success rate. Additionally, the lack of convergence with similar type of programs by bi-lateral/multilateral agencies were identified. Hence, the project has been proposed.

4.4. Concept Design, Feasibility and Viability of the Project:

It has been accepted that entrepreneurs can be developed through trainings by providing the much needed entrepreneurial soft-skill inputs such as motivation, risk taking, problem

solving and business orientation practices. These programmes are feasible and viable for implementation in district and block level settings.

4.5. Approach and Methodology for Project Execution/Implementation:

Sustaining Competitive and Responsible Enterprises (SCORE) is an ILO global programme that improves productivity and working conditions in small and medium enterprises (SMEs)

Start and improve your business (SIYB) programme as a management-training programme with a focus on starting and improving small businesses as a strategy to create more and better jobs in developing economies and economies in transition.

Existing and Aspiring Entrepreneurs are the target participants. The program shall be implemented by ILO accredited training partners as per the plan proposed.

4.6. Use of ICT/ Innovative Technology Towards Project Implementation:

Extensive use of ICT tools towards project implementation is proposed. This may include the following:

- Web based meeting platforms for conducting the training & monitoring.
- Use of Monitoring & Evaluation dashboard, which will be an integral part of AP MSME ONE platform for effective monitoring & evaluation of the program.

4.7. Timelines for achievement of Project deliverables and Verification Protocols:

The programmes proposed will be completed in 4 years' time, uniformly spread during the project period. Verification of achievements will be done by monitoring the progress of participants and providing handholding support.

4.8. Impact of the proposed Project/Scheme on the MSMEs Development

Beneficiary SMEs from Induction Programme are 10,400; from Sensitisation Programme are 7,800; Facilitation Programme are 3,900; Skill Enhancement Programme are 2,600.

1. 780 MSME will be benefited at the end of the Programme for handholding.
2. Additional Investment Expected: INR 195 Crore (@25 lakh new investment/enterprise)
3. Additional Employment Generation: 6240 (@8 workforces per unit)

2.9. Project Cost Estimation and State Government Contribution to the Cost:

Table 47 Program wise provisional budget per year (Cost in INR Cr.)

Sl. No.	Components of the Scheme	2023-24	2024-25	2025-26	2026-27	Grand Total
1	SCORE - ILO Models @ INR 5 Lakhs	0.65	1.3	1.3	1.3	4.55
2	Improve Your Business (IYB) @ INR 3 Lakhs	0.39	0.78	0.78	0.78	2.73
3	Expand Your Business (EYB) @ INR 3 Lakhs	0.39	0.78	0.78	0.78	2.73
4	Start and Improve Your Business (SIYB) @ INR 3 Lakhs	0.39	0.78	0.78	0.78	2.73
	Total	1.82	3.64	3.64	3.64	12.74

Table 48 Cost distribution & RAMP contribution
Cost distribution & RAMP contribution (Cost in INR Cr.)

Components of the Scheme	Centre Contribution	State Contribution	RAMP Contribution	Total
SCORE - ILO Models	0	1.274	11.466	12.74

4.10. Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and Evaluation (M&E) of the programme shall be done through a M&E Dashboard which will be developed as part of the AP MSME ONE, a state level integrated platform for MSEs in the state of AP. The M&E Dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators. The M&E process will be carried out online through a dedicated website maintained by DC (MSME).

Project – V: High-Impact Entrepreneurs from Emerging Regions for Action (HiEERA) Programme by UNCTAD developed by Empretec India Foundation

5.1. Introduction about the Project

UNCTAD (United Nations Conference on Trade and Development) Empretec– High-Impact Entrepreneurs from Emerging Regions For Action (HiEERA) is another high-end programmes conducted in India for entrepreneurship development. The program is promoted in India by Empretec India Foundation (ETF). Empretec programme promotes creation of a One-Stop-Centre for enterprise creation and development.

5.2. Objectives of the Project:

The programme aims to promote entrepreneurship and enhance the productive capacity and international competitiveness of MSMEs in developing countries and economies in transition.

The objective of the program is:

- To identify, hone personal entrepreneurial competencies and entrepreneurial habit formation among MSME entrepreneurs through Empretec's Personal Entrepreneurial Competencies (PECs) coaching and technical advice.
- To facilitate Business development/ linkage services and technical advisory to entrepreneurs 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
- To facilitate integration of enterprises into local, regional and global value chains providing impetus to the local enterprises to move up the value chain.
- To formalise 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
- To provide access to Finance, Information, Technology and Management processes.
- The programme provisions for Entrepreneurship Development Policy for the State.

5.3. Statement of the Problem with the help of Baseline Data:

As per the diagnostic study conducted, a major gap w.r.t entrepreneurship skills and convergence with multi-lateral and bi-lateral programs focusing on honing these skills were identified. Therefore, the project has been proposed.

5.4. Concept Design, Feasibility and Viability of the Project:

The concept, course design is as per the UNCTAD – Empretec models. The implementation will be done by the EPRETEC India Foundation.

5.5. Approach and Methodology for Project Execution/Implementation:

The programmes will be implemented in association with District industries Centres in each district. The approach & methodology of implementation of program shall be defined by the EPRETEC India Foundation.

5.6. Use of ICT/ Innovative Technology Towards Project Implementation:

Extensive use of ICT tools towards project implementation is proposed. This may include the following:

- Web based meeting platforms for conducting the training & monitoring.
- Use of Monitoring & Evaluation dashboard, which will be an integral part of AP MSME ONE platform for effective monitoring & evaluation of the program.

5.7. Timelines for achievement of Project deliverables and Verification Protocols:

The success of the programmes will be determined by analysing the actual no. of trainees who have established their enterprises. The assessment will be done through regular follow up meetings- held periodically after the conclusion of the programmes, handholding/ escort and mentoring services offered to the trainees.

5.8. Impact of the proposed Project/Scheme on the MSMEs Development

- a. 780 MSME will be benefited at the end of the Programme for handholding.
- b. Additional Investment Expected: INR 195 Crore (@10 lakh new investment/enterprise)
- c. Additional Employment Generation: 6240 (@8 workforces per unit)

5.9 Project Cost Estimation and State Government Contribution to the Cost:

Program wise provisional budget per year (Cost in INR)

Table 49 Program wise provisional budget per year

Sl. No.	Components of the Scheme	2023-24	2024-25	2025-26	2026-27	Grand Total
1	Culture based Intervention through Workshops and Coaching (1 year programme) @ INR 1.10 Crore per Programme	1.1	1.1	1.1	1.1	4.4
2	Linkage based Intervention through Business Development (2 year programme)@ INR 2.70 Crore per Programme	2.7	2.7	2.7	0	8.1
	Total Cost of the HIEERA - UNCTAD Programmes	3.8	3.8	3.8	1.1	12.5

Cost distribution & RAMP contribution (Cost in INR Cr.)

Components of the Scheme	Centre Contribution	State Contribution	RAMP Contribution	Total
Cost of the HIEERA - UNCTAD Programmes	0	1.25	11.25	12.5

5.10 Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and evaluation (M&E) will be by the state MSME dept./ MSME corporations for a period of at least three years from the date conclusion of the programme. Continuous M&E of the programme shall be done through a M&E Dashboard which will be developed as part of the AP MSME ONE, a state level integrated platform for MSEs in the state of AP. The M&E Dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators. The M&E process will be carried out online through a dedicated website maintained by DC (MSME).

Project – VI: Proposal for Procurement and Market Support (PMS) for MSMEs

6.1. Introduction about the Project:

Marketing, a strategic tool for business development, is critical for the growth and survival of MSMEs. Most of the MSMEs have the capacity to produce, but they don't have the enough capacity and knowledge to market their products. Hence, it is proposed to provide the required market access and adequate knowledge and exposure for capacity building of MSMEs through PMS Project.

6.2. Objectives of the Project:

The objective of the project is to make the participation of Individual MSEs in domestic Trade Fair/ Exhibition, Capacity building of MSMEs in Modern Packaging Technique / Development of Marketing Haats, and Organising Domestic Trade Fair & Exhibition/ Vendor Development Programs/ National & International Workshops & Seminars/ Awareness programs.

6.3. Statement of the Problem with the help of Baseline Data:

Due to the lack of information, scarcity of resources and unorganized ways of selling/marketing, MSME sector often faces problems in exploring new markets and retaining the existing ones. Keeping in view these facts, the Procurement and Marketing support Scheme has been introduced to enhance the marketability of products and services in the MSME sector.

6.4. Concept Design, Feasibility and Viability of the Project:

The PMS Scheme aims at the following:

- **Market Access Initiatives:** Promoting new market access initiatives like organising / participation in National/International Trade Fairs / Exhibitions / MSME Expo.etc.
- **Capacity building of MSMEs:** To create awareness and educate the MSMEs about importance / methods/ process of packaging in marketing, latest packaging technology, import-export policy and procedure, GeM portal, MSME Conclave, latest developments in international/national trade and other subjects / topics relevant for market access developments.
- **Digital Trading on E-Commerce Platform:** To create more awareness about trade fairs, digital advertising, e-marketing, GST, GeM portal, public procurement policy and other related topics etc.
- **International/National Workshops/Seminars:** To educate MSMEs on various facets of business development, i.e., product & process development innovations, technological development, issues related to IPR, Exim policy, Public Procurement Policy, Design & Packaging and Market Research and access.

6.5. Approach and Methodology for Project Execution/Implementation:

The implementation process of the PMS Project should consist of the Awareness & Convergence Program through:

1. Regional & State level **Industry Associations (IAs)/Business Management Organisations (BMOs)**;
2. **Exposure visits** of leaders of IAs/BMOs along with GM DICs to clusters where such programs have been successfully implemented;
3. Part of the **curriculum of ESDPs** planned; and
4. **Empanelment of BDS** providing convergence services.

6.6. Use of ICT/ Innovative Technology towards Project Implementation:

The following ICT/ Innovative Technology towards Project Implementation:

1. Online meeting/event platforms
2. AP MSME One for Monitoring & Evaluation
3. Other online tool for survey and analysis of demand for this scheme

6.7. Timelines for achievement of Project deliverables and Verification Protocols:

The following are the project deliverables:

1. No of MSMEs to be benefitted: ~23,000 **of which.**
2. Digitisation (E-commerce linkage): **9,100**
3. Vendor Development Program: **9,100**
4. Domestic Trade Fair: **5,460**
5. Green Packaging: **104**
6. **Additional Employment expected:** ~ 70000 (@3 per MSME benefitted)
7. **Additional Investment towards capacity enhancement/technology upgradation:** INR 1150 Cr.

6.8. Impact of the Project on the number of MSMEs

The impact of the PMS project on different MSMEs on their participation in VDPs to be held at International/National levels, capacity building of MSMEs as buyers and sellers and adoption of e-commerce platform and the details are provided in the following Table.

Table 50 Impact of the Project on the number of MSMEs

S No	Particulars of the programme	2023-24	2024-25	2025-26	2026-27	Total
1	Market Access Initiatives					
1.1	Vendor Development Program (VDP) (CPSE level VDP cum exhibition of products Conventional) @100 MSMEs per Programme	13	26	26	26	91

	Number of Beneficiary MSMEs	1300	2600	2600	2600	9100
1.2	Participation of individual MSEs in Domestic Trade Fairs (CPSE level VDP cum exhibition of products Conventional) @60 MSMEs per Programme	13	26	26	26	91
	Number of Beneficiary MSMEs	780	1560	1560	1560	5460
2 Capacity building of MSMEs						
2.1	Cluster based Modern/ Green Packaging Technique / Branding Intervention	26	26	26	26	104
3 Digital Trading on E-Commerce Platform						
3.1	National Seminars / Workshops	1	1	1	1	4
	Adoption of e-commerce platform by Micro Enterprises @ 50 MSMEs per Programme					
3.2		1300	2600	2600	2600	9100

6.9. Project Cost Estimation and State Government Contribution to the Cost:

The cost of PMS Project is estimated for conduct of various programmes for market access, capacity building of MSMEs and digital training on e-commerce and is given in the following table.

Cost Estimation for PMS Project

(Rs. Crores)

Table 51 Cost Estimation for PMS Project

Sl.No.	Item wise estimated budget	2023-24	2024-25	2025-26	2026-27	Total
1	Market Access Initiatives					
1.1	Vendor Development Program (VDP) (CPSE level VDP cum exhibition of products Conventional) @100 MSMEs per Programme @ INR 5 lakhs	0.65	1.30	1.30	1.30	4.55
1.2	Participation of individual MSEs in Domestic Trade Fairs (CPSE level VDP cum exhibition of products Conventional) @60 MSMEs per Programme @ INR 1.5 Lakhs	0.20	0.39	0.39	0.39	1.37
2	Capacity building of MSMEs					
2.1	Cluster based Modern/ Green Packaging Technique / Branding Intervention @ INR 1.5 Lakhs	0.39	0.39	0.39	0.39	1.56
3	Digital Trading on E-Commerce Platform					

3.1	National Seminars / Workshops @ INR 5 Lakhs	1.30	2.60	2.60	2.60	9.10
3.2	Adoption of e-commerce platform by Micro Enterprises @ 50 MSMEs per Programme @ INR 20000 per MSME	2.60	5.20	5.20	5.20	18.20
4	Total Cost of the PMS Project	5.14	9.88	9.88	9.88	34.78

The details of sharing of the cost of PMS Project between Centre, State and Ramp are given in the following table.

Sharing of Cost Estimation for PMSProject

(Rs. Crores)

Table 52 Sharing of Cost Estimation for PMS Project

Sl.No	Total	Central Contribution @80%	State Contribution @10%	RAMP @10%	Total Budget
	Total Cost of the PMS Project	27.82	3.48	3.48	34.78

6.10. Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and Evaluation (M&E) of the program shall be done through a Monitoring & Evaluation Dashboard, which will be developed as part of the AP MSME ONE, a state level integrated platform for MSMEs in the state of AP. The M&E dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators.

Project – VII: Proposal for Export Promotion

7.1. Introduction about the Project:

The MSME sector plays an important role in the exports of Andhra Pradesh and India. Based on global export trends and in recognition of the importance of exports as an engine of economic growth, the growth of exports from Andhra Pradesh is an important issue.

7.2. Objectives of the Project:

The objective of the project is to make the existing and aspiring entrepreneurs to become exporters and increase the exports from Andhra Pradesh through many interventions like Awareness Creation Camps, Training Workshops, Buyer-Seller Meets and Exposure visits.

7.3. Statement of the Problem with the help of Baseline Data:

Government of Andhra Pradesh sees exports as a priority area for development of the State. Keeping the view of the projection of India's exports, the Government of Andhra Pradesh proposes to set an export target in line with its state's target of achieving a sustained double digit economic growth. Therefore, Identification & Capacity building of MSME Cluster Value Chain members for export promotion, convergence with various export promotion schemes of Government of India like Procurement & Marketing Support (PMS) scheme, International Cooperation Scheme, ODOP etc is the needed.

7.4. Concept Design, Feasibility and Viability of the Project:

The MSME sector plays an important role in the exports of Andhra Pradesh and India. As the data is not available for the exports from MSME sector, it is considered to compare the progress of total exports. The exports from Andhra Pradesh has been increased from Rs.83,971 Crores in 2017-18 to Rs. 1,43,843 Crores in 2021-22 with the compound annual growth rate (CAGR) of 14.0% and the exports from India increased from Rs. 19,91,436 Crores to Rs. 31,99,115 Crores the compound annual growth rate (CAGR) of 9.1% during the same period. However, the share of Exports from Andhra Pradesh in the Exports from India is very low at 4.5% except in the year 2021-22. Therefore, there is a need for increase in the exports from Andhra Pradesh state at a higher rate of at least 20% per annum, which needs export promotion strategy intervention.

7.5. Approach and Methodology for Project Execution/Implementation:

The implementation process of the Awareness & Convergence Programs for Export Promotion Project should consist of the following steps:

- 1 Identification and mobilization of prospective exporters through Regional & State level Industry Associations (IAs)/Business Management Organisations (BMOs).
- 2 Identification of potential clusters and appropriately linking with export promotion councils (EPCs)
- 3 Exposure Visit of leaders of IAs/BMOs along with GM DICs to successful clusters and adoption of best practices.
- 4 Suitable convergence with banks/financial institutions, risk management agencies providing export credit like EXIM Bank, ECGC, Export Insurance.
- 5 Conducting Virtual Buyer Seller Meet (VBSM)
- 6 Convergence with institutes providing training and guidance support like IIFT, regional export promotion Institutes.
- 7 Part of the curriculum of ESDPs planned.

7.6. Use of ICT/ Innovative Technology towards Project Implementation:

The following ICT/Innovative technology is proposed to be used towards implementation of the program:

- AP MSME ONE platform is proposed to be used for providing market access to the prospective exporters.
- Use of web-based meeting platforms for conducting awareness campaigns, registration drive with respective export promotion councils and DGFT.
- Virtual buyer seller meets proposed through virtual platform.

7.7. Timelines for achievement of Project deliverables and Verification Protocols:

The expected numbers of beneficiary MSMEs/ Trainers/buyers/sellers are estimated year wise and they are given in the following Table.

Table 53 Timelines for achievement of Project deliverables and Verification Protocols

Details of the Cost		2023-24	2024-25	2025-26	2026-27	Total
1	Industry Awareness Programmes /Workshops / Registration Camps	650	1300	1300	1300	4550
2	Consultants/Assessors/ Master Trainers' Training@25-30 MSMEs	325	650	650	650	2275

3	Buyer Seller Meet @ 20 Persons	260	520	520	520	1820
4	Exposure Visit@10 members per program	130	260	260	260	910
Total Cost		1365	2730	2730	2730	9555

7.8. Impact of the Project on the number of MSMEs

The impact of the project may be visualized by increase in the growth rate of exports and number of MSMEs converted to exporters through the Awareness & Convergence Programs for Export Promotion and the details are given below.

- 1 Increase in exports envisaged from current growth rate of ~10% CAGR to ~15% CAGR taking the current value of exports from INR 1,59,000 Cr. to ~ INR 2,78,092 Cr. after 4 years.
- 2 Incremental number of MSMEs to be converted into exporters through IEC Code: ~1000.

7.9. Project Cost Estimation and State Government Contribution to the Cost:

The cost of Export Promotion Project is estimated for four different activities, i.e., the cost of Industry Awareness Programmes /Workshops /Registration Camps, the cost of training of Consultants/Assessors/ Master Trainers' Training@25-30 MSMEs, Cost of Buyer Seller Meet @ 20 Persons and cost of Exposure Visit@10 members per program in the state. The details are given in the following table.

Export Promotion Project Cost Estimation (Rs. Crores)

Table 54 Export Promotion Project Cost Estimation

Details of the Cost	2023-24	2024-25	2025-26	2026-27	Total
1 Industry Awareness Programmes /Workshops / Registration Camps	0.13	0.26	0.26	0.26	0.91
2 Consultants/Assessors/ Master Trainers' Training@25-30 MSMEs	0.65	1.30	1.30	1.30	4.55
3 Buyer Seller Meet @ 20 Persons	1.30	2.60	2.60	2.60	9.10
4 Exposure Visit@10 members per program	0.09	0.78	0.78	0.78	2.73

Total Cost	2.47	4.94	4.94	4.94	17.29
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Sharing of Export Promotion Project Cost (Rs. Crores)

Table 55 Sharing of Export Promotion Project Cost

Details of the Cost	Central Contribution @0%	State Contribution @10%	RAMP @90%	Total
Total Cost	0.00	1.73	15.56	17.29

7.10. Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and Evaluation (M&E) of the program shall be done through a Monitoring & Evaluation Dashboard, which will be developed as part of the AP MSME ONE, a state level integrated platform for MSMEs in the state of AP. The M&E dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators.

Project VIII - International Cooperation (IC) Scheme:

8.1. Introduction

Worldwide, the MSMEs have been accepted as the engine of economic growth for promoting equitable development. As per the available statistics (4th Census of MSME sector), this sector employs an estimated 80 million persons spread over 36 million enterprises in the country. It is estimated that in terms of value, MSME sector accounts for about 45% of the manufacturing output and around 40% of the total exports of the country. MSMEs play an important role in export promotion of the country. To maintain its niche in the international and global markets, MSMEs are required to remain globally competitive. They have to continuously update themselves to meet the challenges emerging out of changes in technology, changes in demands, emergence of new markets, etc.

Therefore, convergence of International Cooperation (IC) scheme is envisaged as a part of the RAMP SIP project,

8.2. Objectives of the Project:

To facilitate the MSMEs to become internationally competitive, Ministry of Micro, Small and Medium Enterprises (MSME) and its organisations, through its various Schemes and Programmes, are providing support to the Indian MSME sector, promoting bilateral cooperation with other countries; giving them exposure to the international markets and foreign technology; sharing of experiences and best management practices in the international arena, etc. The main objectives of the Scheme are as below:

- Technology infusion and/or upgradation of Indian (MSMEs)
- Promotion of the exports of MSMEs
- Modernisation of MSME

8.3 Statement of the Problem with the help of Baseline Data:

During the survey and interaction with MSME entrepreneurs, it is envisaged that, MSMEs are having very little awareness on the International Cooperation Scheme. Although sector specific overseas exhibitions are being attended by Indian MSMEs, majority of them are not utilising the Government schemes.

International Cooperation Scheme comprises of three components:

- a. Market Development Assistance (MDA) – Both physical and virtual mode
- b. Capacity Building of First Time Exporters (CBFTE)
- c. Framework for International Market Intelligence Dissemination (IMID)

8.4 Concept Design, Feasibility and Viability of the Project:

Awareness & Convergence Programs for IC Scheme through 1. Regional & State level Industry Associations (IAs)/Business Management Organisations (BMOs). 2. Exposure visits of leaders of IAs/BMOs along with GM DICs to successful clusters where IC scheme has been implemented. 3. Part of the curriculum of ESDPs planned. 4. Empanelment of BDS providing convergence services. AP MSME exporters and who are intended to export their products are to be recognized and they can be encouraged to utilise the existing Government schemes. Target groups are:

- a. MSME Exporters from Andhra Pradesh
- b. MSME who are interested to export their products
- c. Industrial Associations
- d. State and Central Government

8.5 Approach & Methodology

Group programmes will be organised in District headquarters by inviting resource persons specialised in exports market. To mobilise participants resources from district industries centres will be involved. In sensitisation programmes, govt. officials connected to exports will be targeted.

8.6 Use of ICT/ Innovative Technology Towards Project Implementation

The following ICT/Innovative technology is proposed to be used towards implementation of the program:

- Monitoring & Evaluation dashboard which is going to be an integral part of AP MSME ONE platform is proposed to be used.
- Use of web-based meeting/event platforms for conducting awareness campaigns.

8.7 Timelines for achievement of Project deliverables and Verification Protocols

Table 56 Timelines for achievement of Project deliverables and Verification Protocols

Sl.No.	Programme/Scheme Component	2023-24	2024-25	2025-26	2026-27	Total
1	Market Development Assistance (MDA) Event to be held abroad	1	3	3	3	10
	Number of Beneficiary MSMEs @ 10 MSMEs per Programme	10	30	30	30	100
2	Capacity Building of First Time Exporters (CBFTE) Event to be held in India	1	3	3	3	10
	Number of Beneficiary MSMEs @ 20 MSMEs per Programme	20	60	60	60	200
	Total Beneficiary MSMEs	30	90	90	90	300

8.8 Impact of the proposed Project/Scheme on the MSMEs Development

Table 57 Impact of the proposed Project/Scheme on the MSMEs Development

Sl.No.	Programme/Scheme Component	2023-24	2024-25	2025-26	2026-27	Total
1	Market Development Assistance (MDA) Event to be held abroad	1	3	3	3	10
	Number of Beneficiary MSMEs @ 10 MSMEs per Programme	10	30	30	30	100
2	Capacity Building of First Time Exporters (CBFTE) Event to be held in India	1	3	3	3	10
	Number of Beneficiary MSMEs @ 20 MSMEs per Programme	20	60	60	60	200
	Total Beneficiary MSMEs	30	90	90	90	300

8.9 Project Cost Estimation and State Government Contribution to the Cost:

Table 58 Project Cost Estimation and State Government Contribution to the Cost (Rs. Crores)

Sl. No.	Programme/Scheme Component	2023-24	2024-25	2025-26	2026-27	Total
1	Industry Awareness Programmes /Workshops /Registration Camps @ 1 Lakh per Programme	0.13	0.26	0.26	0.26	0.91
2	Consultants/Assessors/Master Trainers' Training Programmes @ INR 5 Lakhs per programme	0.65	1.3	1.3	1.3	4.55
3	Buyer Seller Meets @ INR 10 Lakhs per Programme	1.3	2.6	2.6	2.6	9.1
4	Exposure Visit @INR 30,000 per MSME	0.39	0.78	0.78	0.78	2.73
	Total Cost of Export Promotion Project	2.47	4.94	4.94	4.94	17.29

Break up of Cost of the project.

Table 59 Break up of Cost of the project

Sl. No.	Item	Central Share @90%	State Share @5%	RAMP Share @5%	Total Cost (INR Cr.)
1	Export Promotion	0.00	1.73	15.56	17.29

8.10 Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and Evaluation (M&E) of the programme shall be done through a M&E Dashboard which will be developed as part of the AP MSME ONE, a state level integrated platform for MSEs in the state of AP. The M&E Dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators. The M&E process will be carried out online through a dedicated website maintained by DC (MSME).

Project – IX: Proposal for increase adoption of MSME-Samadhan/Online Dispute Resolution (ODR) platform

9.1 Introduction about the Project:

The project envisages increasing the adoption of MSME Samadhan/Online Dispute Resolution (ODR) platform for reducing the incidence of delayed payment through a systematic and transparent, timebound resolution mechanism.

9.2. Objectives of the Project:

The objective of the project is:

- To reduce the incidence of delayed payment by providing an online, transparent resolution mechanism which will be integrated with state MSE Facilitation councils.
- To encourage MSMEs to use the platform for grievance redressal w.r.t delayed payments.
- To increase the number of MSE Facilitation Councils in the state of AP from 1 at state capital to additional 4 at regional level.

9.3 Statement of the Problem with the help of Baseline Data:

Through the diagnostic study, it was observed that out of the 902 cases which are put on the MSME Samadhan portal, ~87% were from only 5 districts and 9 districts did not have a single representation. Also, because of the stakeholder consultation it was observed that a lot of MSMEs do not file their grievance as the MSE Facilitation council is at the state capital level.

Therefore, the need was felt to create awareness and encourage usage of the ODR platform.

9.4 Concept Design, Feasibility and Viability of the Project:

Primarily the project is aimed at creating awareness and encouraging MSMEs to adopt ODR for dispute resolution w.r.t delayed payment. The same is envisaged to be accomplished through:

- Awareness program at district level
- Creation of 4 additional MSEFCs at regional level for faster disposition of cases.

9.5 Approach and Methodology for Project Execution/Implementation:

Awareness program for adoption of MSME Samadhan portal for registering the complaints through:

- Regional & State level Industry Associations (IAs)/Business Management Organisations (BMOs).
- DICs
- Part of the curriculum of ESDPs planned.
- Empanelment of BDS providing handholding service for registering complaint on portal.
- Establishment of 4 Regional level MSMEFCs for faster disposal of cases

9.6 Use of ICT/ Innovative Technology towards Project Implementation:

- The awareness program may adopt web-based event platforms for reaching out to larger number of beneficiaries.

- AP MSME One platform shall also be used for creation of awareness through push notification and appropriate linkages with the Samadhan portal.

9.7 Timelines for achievement of Project deliverables and Verification Protocols:

The solution is proposed to be developed and continuous improvements/amendments is proposed throughout the duration of the program. Total MSMEs to be benefitted: ~57,000

Timeline for awareness programs, cost and number of MSMEs to be benefitted.

Table 60 Timeline for awareness programs, cost and number of MSMEs to be benefitted

Sl. No.	Components of the Scheme	2023-24	2024-25	2025-26	2026-27	Total
1	Awareness/Orientation Campaigns on Samadhan Portal (1 program half yearly per district) to MSMEs (@50 MSMEs per program)	26	52	52	52	182
2	Awareness/Orientation Campaigns on Samadhan Portal - Virtual (1 program per month per district) to MSMEs (@50 MSMEs per program)	156	312	312	312	1092
3	Sensitisation for Large Industries - CPSEs - Govt. Departments (One Programme per district) @30 Buyers per programme	13	26	26	26	91
4	Total Programmes (1+2+3)	195	390	390	390	1365

9.8 Impact of the Project on the number of MSMEs

Timeline for awareness programs, cost and number of MSMEs to be benefitted.

Table 61 Timeline for awareness programs, cost and number of MSMEs to be benefitted

Sl. No.	Components of the Scheme	2023-24	2024-25	2025-26	2026-27	Total
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1	Awareness/Orientation Campaigns on Samadhan Portal (1 program half yearly per district) to MSMEs @ INR 1 Lakh per programme	0.26	0.52	0.52	0.52	1.82
2	Awareness/Orientation Campaigns on Samadhan Portal - Virtual (1 program per month per district) to MSMEs @ INR 50000 per program	0.78	1.56	1.56	1.56	5.46
3	Sensitisation for Large Industries - CPSEs - Govt. Departments @ INR 3 Lakhs per Programme	0.39	0.78	0.78	0.78	2.73
4	Total cost of Capacity Building/Awareness Programmes (1+2+3)	1.43	2.86	2.86	2.86	10.01

9.9 Project Cost Estimation and State Government Contribution to the Cost:

Table 62 Sharing of the Total Budget of Samadhan Project

Sl. No.	Item	Central Share @90%	State Share @5%	RAMP Share @5%	Total Cost (INR Cr.)
1	Samadhan (ODR) - Project Cost Estimation	0.00	1.00	9.01	10.01

9.10 Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and Evaluation (M&E) of the program shall be done through a Monitoring & Evaluation Dashboard, which will be developed as part of the AP MSME ONE, a state level integrated platform for MSMEs in the state of AP. The M&E dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators.

Project – X: Proposal for increase adoption & promotion of TReDS platform

10.1. Introduction about the Project:

The project envisages increasing the adoption of TReDS platform for deepening the bill discounting platform and improving the cashflow cycle of the MSMEs.

10.2. Objectives of the Project:

The objective of the project is:

- To reduce the incidence of delayed payment by instant bill discounting solution by increasing the sellers as well as buyers on the platform
- To encourage MSMEs to use the platform for bill discounting and large buyers/state government institutions/corporations to use the platform to settle the transaction with MSMEs.

10.3. Statement of the Problem with the help of Baseline Data:

Through the diagnostic study, it was observed that out of the 902 cases which are put on the MSME Samadhan portal, ~87% were from only 5 districts and 9 districts did not have a single representation. Also, because of the stakeholder consultation it was observed that a lot of MSMEs do not file their grievance as the MSE Facilitation council is at the state capital level.

Therefore, in order to avoid the incidence of delayed payments and improve the liquidity for the MSMEs, promotion and adoption of TReDS platform has been taken as one of the projects under RAMP.

10.4. Concept Design, Feasibility and Viability of the Project:

Primarily the project is aimed at creating awareness and encouraging MSMEs and Large buyers/state Government to adopt TReDS platform

- Awareness program at district level
- Subsidy on registration

10.5. Approach and Methodology for Project Execution/Implementation:

Awareness program for adoption of MSME Samadhan portal for registering the complaints through:

- Emphasis on deepening the market platform from buyer side - onboarding state government departments/corporations/agencies on TReDS platform for payment to MSMEs.
- Mobilising Industry Associations/BMOs to onboard the members on to the TReDS platform - adopting the MoU model with 3 firms providing TReDS services.
- Awareness program for both MSMEs as well as large buyers.

10.6. Use of ICT/ Innovative Technology towards Project Implementation:

- The awareness program may adopt web-based event platforms for reaching out to larger number of beneficiaries.
- AP MSME One platform shall also be used for creation of awareness through push notification and appropriate linkages with the TReDS portal.

10.7. Timelines for achievement of Project deliverables and Verification Protocols:

Timeline for awareness programs, cost and number of MSMEs to be benefitted.

Table 63 Timeline for awareness programs, cost and number of MSMEs to be benefitted

Sl. No.	Components of the TReDS Project	2023-24	2024-25	2025-26	2026-27	Total
1	Awareness Creation Programmes for MSMEs @ 2 Programmes per year per district (Half Yearly)	26	52	52	52	182
2	Number of MSMEs expected to be benefitted@30 MSMEs per program	780	1560	1560	1560	5460
3	Sensitisation for Large Industries - CPSEs - Govt.Departments@ 2 Programmes per year per district (Half Yearly)	26	52	52	52	182
4	Number of Buyers expected to be benefitted@30 MSMEs per program	780	1560	1560	1560	5460

Total MSMEs to be benefitted: **10920**

10.8. Project Cost Estimation:

Table 64 Timeline for awareness programs, cost and number of MSMEs to be benefitted

Sl.No.	Budget Estimation for TReDS Project	2023-24	2024-25	2025-26	2026-27	Total
1	Awareness Creation Programmes for MSMEs @50 MSMEs per program@ INR 1 Lakhs per Programme	0.26	0.52	0.52	0.52	1.82
2	Sensitisation for Large Industries - CPSEs - Govt.Departments@ Rs. 5 Lakhs per Programme	1.30	2.60	2.60	2.60	9.10
3	Subsidising the Cost of MSMEs @ INR3500	0.27	0.55	0.55	0.55	1.91
4	Total Cost (INR Crores)	1.83	3.67	3.67	3.67	12.83

10.9. State Government Contribution to the Cost:

Sharing of Cost Estimation for TReDS project

Table 65 Sharing of Cost Estimation for TReDS project

Sl.No.	Details of the Cost	GOI Contribution @0%	State Contribution @10%	RAMP @90%	Total
1	TReDS Project	0.00	1.28	11.55	12.83

10.10 Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and Evaluation (M&E) of the program shall be done through a Monitoring & Evaluation Dashboard, which will be developed as part of the AP MSME ONE, a state level integrated platform for MSMEs in the state of AP. The M&E dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators.

XI Project – XI: Proposal for MSME Sustainable ZED Certification

11.1. Introduction about the Project:

MSME Sustainable (ZED) Certification project is an extensive drive to create awareness amongst MSMEs about 'Zero Defect Zero Effect' (ZED) practices and motivate them for ZED Certification while also encouraging them to become MSME Champions. The MSME Sustainable (ZED) Certification Scheme has been launched on 28.04.2022. The scheme is implemented and the ZED Certificate issued by Quality Council of India (QCI).

11.2. Objectives of the Project:

The ZED Certification project envisages promotion of Zero Defect Zero Effect (ZED) practices among the MSMEs to:

- Encourage and enable MSMEs for manufacturing of quality products using latest technology, tools & to constantly upgrade their processes for achievement of high quality and high productivity with the least effect on the environment.
- Develop an Ecosystem for ZED Manufacturing in MSMEs, for enhancing competitiveness and enabling exports.
- Promote adoption of ZED practices and recognising the efforts of successful MSMEs.
- Encourage MSMEs to achieve higher ZED Certification levels through graded incentives.
- Increase public awareness on demanding Zero Defect and Zero Effect products through the MSME Sustainable (ZED) Certification.
- Identify areas to improve upon, thereby assisting the Government in policy decisions and investment prioritization.

11.3. Statement of the Problem with the help of Baseline Data:

The baseline data on MSMEs in Andhra Pradesh shows that

- Andhra Pradesh has occupied 13th rank among the top 13 States in India in terms of MSME Udyam Registrations, which is very low and it is at the bottom;
- Andhra Pradesh has occupied 9th rank among the top 13 States in India in terms of MSMEs completed ZED Certifications.
- ZED certified MSMEs as per cent of total MSMEs is only 0.09 % in Andhra Pradesh and it ranks 5th among top 13 states in India, which is very low compared to that of Punjab (0.21%), Bihar (0.19%), Haryana (0.17%) and Tamil Nadu (0.12%) as on 21-07-2023.

The details of MSMEs with different levels of ZED Certifications in Andhra Pradesh as on 31-07-2023 are given in the following Table.

Number of MSMEs with ZED Certifications as on 31-07-2023

Table 66 Number of MSMEs with ZED Certifications

Type of MSMEs	ZED Bronze	ZED Silver	ZED Gold	Total
Micro	600	3	1	604
Small	52	1	1	54
Medium	20	0	0	20
Total	672	4	2	678

Source: Data was collected from the website: [ZED Certified MSMEs | ZED - Zero Defect Zero Effect](#) accessed on 31-07-2023 at 6-30 p.m.

- The baseline data on the existing ZED Certification in Andhra Pradesh shows that there are only 604 MSMEs with ZED (Bronze) Certificate, 4 MSMEs with ZED (Silver) Certificate and only 2 MEMEs with ZED (Gold) Certificate.
- The scanty number of MSMEs with ZED Certification in Andhra Pradesh is only because of lack of awareness and knowledge on the benefits of ZED Certification among the owners of MSMEs and other stakeholders of MSME Sector.
- Hence, there is a need to conduct the continuous awareness creations camps for MSMEs and capacity building workshops at district level for the stakeholders of MSME Sector in order to propagate the benefits of ZED Certification among them.

11.4. Concept Design, Feasibility and Viability of the Project:

The ZED scheme envisages promotion of Zero Defect and Zero Effect (ZED) manufacturing amongst MSMEs and ZED Assessment for their certification so as to:

- Encourage and Enable MSMEs for manufacturing of quality products using latest technology tools & to constantly upgrade their processes for achievement of high productivity and high quality with the least effect on the environment.
 - Develop an Ecosystem for Zero Defect Zero Effect Manufacturing in MSMEs, for enhancing competitiveness and enabling exports.
 - Promote adoption of Quality and recognising the efforts of successful MSMEs.
 - Increase public awareness on demanding Zero Defect and Zero Effect Products through the ZED Rating and Grievance Redressal Portal.
- The ZED Certification has feasibility because during the process of ZED Certification MSMEs can reduce wastages substantially, increase productivity, enhance environmental consciousness, save energy, optimally use natural resources, expand their markets, etc.

- MSMEs will also be motivated to adopt best practices in work culture, standardization of products, processes and systems etc. in order to enhance their global competitiveness and sustainability.
- The ZED Certification has viability because it aims at enhancing the competitiveness of an MSME by assessment, modification through guidance, handholding, managerial and technological intervention – not just certification.

Key Benefits from the Scheme:

Subsidy on cost of ZED certification:

- Micro Enterprises: 80%
- Small Enterprises: 60%
- Medium Enterprises: 50%
- Joining Reward of Rs. 10,000/- (Bronze will become free if availed)
- Additional subsidy for Women/SC/ST owned MSMEs OR Aspirational Districts: 10%
- Additional subsidy for MSMEs which are also a part of the SFURTI OR Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) of the Ministry: 5%

Handholding Support: Up-to Rs. 2 lakhs for consultancy for all ZED Silver and Gold certified MSMEs.

Financial Assistance in Testing/Quality/Product Certification: Up to 75% of the total cost of Testing/Certification, with the maximum ceiling of subsidy being Rs. 50,000/-.

Support in Technology Upgradation for Zero Effect Solutions: Up-to Rs. 3 lakhs for all ZED certified MSMEs

Graded incentives: MSMEs can avail graded incentives as prescribed for the three ZED Certification Levels. Wherever possible, the incentives provided by States and Banks are linked through API integration with the ZED portal to ensure interoperability.

Eligibility: All MSMEs registered in the UDYAM registration portal (of the MoMSME) will be eligible to participate in MSME Sustainable (ZED) Certification and avail related benefits/incentives.

11.5. Approach and Methodology for Project Execution/Implementation:

The ZED Certification Project should be implemented by Quality Council of India (QCI) through its empanelled Consultants/ Resource Persons to provide one week training on ZED Certification Parameters to the enrolled officials of MSME DFOs, MSME-Testing Centres, Technology Centres, Design Incubation Centres, IPFC, etc.

The Zed Certification project proposes to conduct 'One Day Industry Awareness Programmes/Workshops/ Registration Camps' for MSMEs at District Level to ensure at least 20 new MSME Pledges per camp as deliverables.

After awareness creation on the parameters of ZED Certification, implementation process depends on the level of ZED Certification, which includes Bronze, Silver and Gold and each level depends on the number of parameters to be satisfied.

Implemented by:- Three levels - Bronze (conformance to 5 parameters), Silver (conformance to 14 parameters), Gold (conformance to 20 parameters)

After taking the ZED Pledge, the Quality Council of India (QCI) deputes consultants and assessors to assess the MSMEs for certification at any of the following three levels:

- Certification Level 1: BRONZE (conformance to 5 Parameters);
- Certification Level 2: SILVER (conformance to 14 Parameters); and
- Certification Level 3: GOLD (conformance to 20 Parameters).

Following activities have been planned to be organised by the stakeholders to implement sustainable ZED Certification project:

Table 67 Sustainable ZED Certification project:

Type of Programme	Deliverables	Amount limit
Training of officials of MSMEDFOs, MSME-Testing Centres, Technology Centres, Design Incubation Centres, IPFC, etc.	5-Day training programme with 20-25 participants per training	Face to Face: Rs. 1 Lakh per day
Training of Consultants/Assessors/Master Trainers	5-Day training programme with 20-25 participants per training	Face to Face: Rs. 1 Lakh per day
Industry Awareness Programmes /Workshops /Registration Camps for MSMEs	Half day workshop for MSMEs. Minimum 50 participants. Minimum 20 (new) Pledges.	Face to Face: Rs. 70,000/- (Note: It is proposed to conduct full day workshop and the cost will be Rs. 1,00,000/-)

Source: MSME Sustainable (ZED) Certification Scheme GUIDELINES 2022, M/o MSME, Govt. of India.

The implementation process of the ZED Certification Project should consist of the following steps:

- Identification of potential clusters in the state where ZED can be implemented, in consultation with DICs and other state and centre institutions supporting MSMEs like MSME-DFO, NSIC etc.
- Awareness and capacity building programs - both physical and virtual - with cluster associations and facilitating ZED adoption.
- Exposure visits to the units which have adopted ZED manufacturing to motivate and accelerate adoption of ZED.
- Empanelment of BDS providers for facilitating ZED pledge and registering for appropriate certifications.

11.6. Use of ICT/ Innovative Technology towards Project Implementation:

The ZED Certification process make MSMEs digitally empowered and motivate them to adopt digital tools, applications and technologies in their production & business processes with a view to improve their

competitiveness in domestic and global markets through the “AP MSME One” digital portal, which empower & enable MSMEs to harness IT as a medium of communication to revamp access to the markets to update their managerial and technical knowledge through online content—both static and dynamic.

Further, the ZED process provides software interventions to MSMEs, evolving their internal efficiencies by way of intense ICT intake and automating procedure for cost reduction, imparting digital literacy and capacity enhancement for information access, processing, collaboration and dissemination.

Finally, it offers MSMEs a safe and sound bouquet of customized digital solutions which have been designed keeping in mind the diverse requirements of the eco-system, saving them from the travails of indiscreet and indiscriminate adoption of technology.

11.7. Timelines for achievement of Project deliverables and Verification Protocols:

As per the experience of the assessors of the Quality Control of India, the timelines are required to complete the Certification Process and Eligibility Conditions for different levels of ZED Certification such as Bronze, Silver and Gold are given in the following Table.

Timelines to complete the ZED Certification Process

Table 68 Timelines to complete the ZED Certification Process

ZED Certification Level	Timelines required to complete the Process	Eligibility Conditions
Bronze	2 – 3 Days	All MSMEs with Udyam Registration Number
Silver	4 - 6 Months	All MSMEs with Bronze Certificate
Gold	4 - 6 Months	All MSMEs with Silver Certificate

Key Performance Indicators (KPIs) are projected with the help of the following:

- As per the experience of the assessors of the Quality Control of India, only 5% of MSMEs with ZED (Bronze) Certificate may satisfy the parameters for ZED (Silver) Certificate and only 2% of MSMEs with ZED (Bronze) Certificate may satisfy the parameters for ZED (Gold) Certificate.
- As per the experience of the assessors of the Quality Control of India, out of the ZED Certified MSMEs 30% belongs to Micro, 50% belongs to Small and 20% belongs to Medium category of MSMEs at all India average.

Based on the above assumptions and the proposed number of Awareness-cum-Registration Camps for Zed Certification, the projections for the outcomes of the ZED Certification project are made for intermediate targets for the four year period and the end target for the total period. The details are given in the following Table.

MSMEs Projected for ZED Certification Process (Number)

Table 69 MSMEs Projected for ZED Certification

Level of ZED Certification	Baseline Data		Intermediate Targets			End Targets
	2022-23	2023-24	2024-25	2025-26	2026-27	Total of Four Years
Bronze	672	4352	8705	8705	8705	30467
Silver	4	234	468	468	468	1638
Gold	2	94	187	187	187	655
Total	678	4680	9360	9360	9360	32760
Micro (Silver)	3	70	140	140	140	490
Small (Silver)	1	117	234	234	234	819
Medium (Silver)	0	47	94	94	94	329
Total (Silver)	4	234	468	468	468	1638
Micro (Gold)	1	28	56	56	56	196
Small (Gold)	1	47	94	94	94	329
Medium (Gold)	0	19	37	37	37	130
Total (Gold)	2	94	187	187	187	655

Note: Projected by consultant based on the Baseline data on ZED Certifications, which was collected from <https://zed.msme.gov.in/zed-certified-msmes> accessed on 31-07-2023 at 10-30 p.m.

Source: Projected by the consultant

11.8. Impact of Sustainable ZED Certification on the number of MSMEs

It is projected that the ZED Certification process will have a positive impact on the number of MSMEs, which is given in the following Table and Chart.

Growth in the number of beneficiary MSMEs with ZED Certifications during RAMP Period

Table 70 Growth in the number of beneficiary MSMEs with ZED Certifications

Year	Micro Enterprises	Small Enterprises	Medium Enterprises	Total Beneficiary Enterprises
2023-24	4493	140	47	4680
2024-25	13479	421	140	1404
2025-26	22464	702	234	23400
2026-27	31450	983	327	32760

Source: Estimated by the Consultant

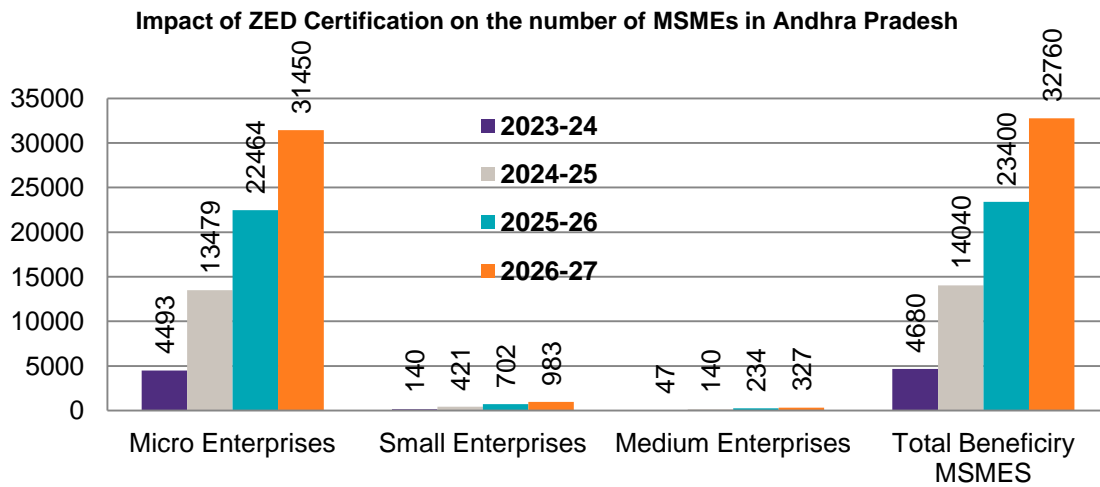


Figure 13 Impact of ZED Certification on the number of MSMEs in Andhra Pradesh

It is inferred from the above Table and Chart that the total number of MSMEs has increased from 4680 in 2023-24 to 14040 in 2024-25, to 23400 in 2025-26 and further to 32760 in 2026-27. The similar trend is found in the case of Micro Enterprises, Small Enterprises and Medium Enterprises. However, it is observed that the number of Small and Medium Enterprises is very low and this is due to their very low baseline number.

11.8.1. Impact of Sustainable ZED Certification on the additional Employment Generation

As per the experience of assessors the ZED Certification process on an average one new MSME generates an additional employment of 2 skilled workers per beneficiary MSME and there will be additional employment generation for supporting services with a ratio of 1:2, i.e. for additional employment of one skilled person in MSME leads to the additional employment of two persons for supports services. Therefore, the consultant has projected the impact of ZED Certification on additional employment generation to be made by beneficiary MSMEs and is given in the following Table and Chart.

Additional Employment Generation by beneficiary MSMEs with ZED Certification (Persons)

Table 71 Additional Employment Generation by beneficiary MSMEs with ZED Certification

Year	Micro Enterprises	Small Enterprises	Medium Enterprises	Total Beneficiary Enterprises
2023-24	26957	842	281	28080
2024-25	80874	2527	842	84244
2025-26	134784	4212	1404	140400
2026-27	188698	5898	1962	196558

Source: Estimated by the Consultant

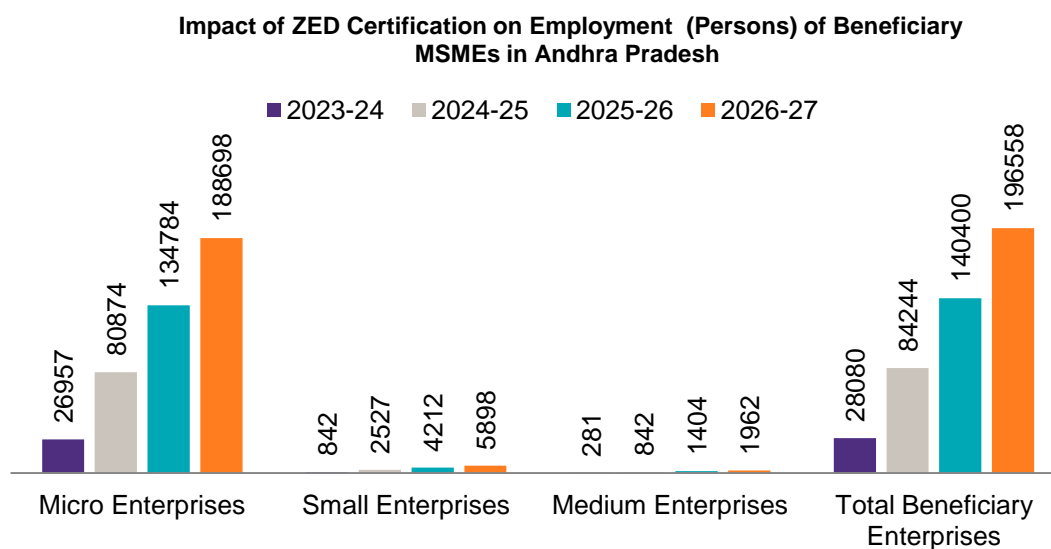


Figure 14 Impact of ZED Certification

It is inferred from the above Table and Chart that the additional employment generated by the total beneficiary MSMEs with ZED certification has increased from 28080 persons in 2023-24 to 84244 persons in 2024-25, to 140400 persons in 2025-26 and further to 196558 persons in 2026-27. The similar trend is found in the case of Micro Enterprises, Small Enterprises and Medium Enterprises. However, it is observed that the additional employment generated by Small and Medium Enterprises is very low and this is due to their very low baseline number.

11.8.2. Impact of Sustainable ZED Certification on the additional Investment Generation

The average investment of MSMEs as per the Fourth All India Census of MSMEs (2006-07) is Rs. 0.11 Crores for micro enterprises, Rs.2.91 crore for small enterprises and Rs.38.04 crore for medium enterprises.

According to the RBI, the WPI (Base 2024-05=100) increased from 111 in 2006-07 to 217 in 2021-22, i.e., the wholesale prices have doubled between 2006-07 and 2022-23.

Hence, the estimated average additional investment per enterprise will be Rs. 0.22 Crores for Micro, Rs. 5.82 Crores for Small and Rs.76.08 Crores for Medium enterprises. The projected volume of additional investment is provided in the following Table and Chart.

Projected Investment of the beneficiary MSMEs with ZED Certification Project

Table 72 Projected Investment of the beneficiary MSMEs with ZED Certification Project

Year	Investment of MSMEs (Rs. Crores)			
	Micro	Small	Medium	Total
2023-24	988	817	3561	5366
2024-25	2965	2451	10682	16098
2025-26	4942	4086	17803	26830
2026-27	6919	5721	24878	37518

Source: Estimated by the Consultant

Impact of ZED Certification on Investment in beneficiary MSMEs in Andhra Pradesh (Rs. Crores)

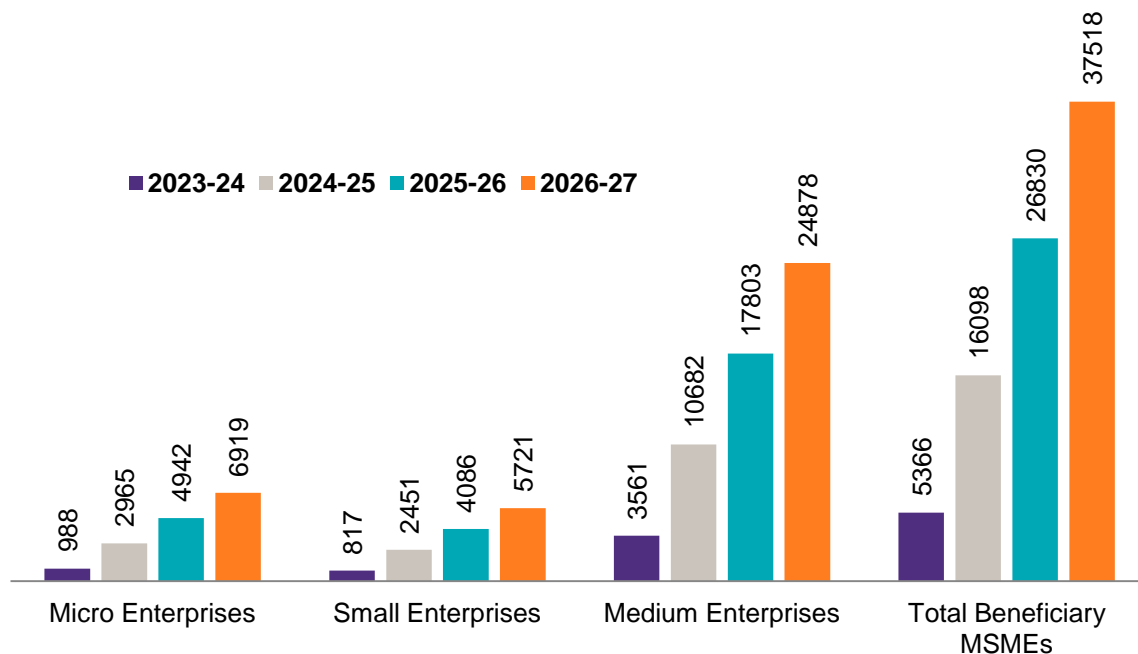


Figure 15 Projected Investment of the beneficiary MSMEs with ZED Certification Project

It is inferred from the above Table and Chart that the Investment generated by the total beneficiary MSMEs with ZED certification has increased from Rs. 5366 Crores in 2023-24 to Rs.16098 Crores in 2024-25, to Rs.26830

Crores in 2025-26 and further to Rs.37518 Crores in 2026-27. The similar trend is found in the case of Micro Enterprises, Small Enterprises and Medium Enterprises.

11.8.3. Impact of Sustainable ZED Certification on the Output/Turnover Creation

The average output of MSMEs as per fourth All India Census of MSMEs (2006-07) is Rs. 0.20 Crores for Micro enterprises, Rs.3.91 crore for Small enterprises and Rs.41.43 crore for Medium enterprises.

According to the RBI, the WPI (Base 2024-05=100) increased from 111 in 2006-07 to 217 in 2021-22, i.e., the wholesale prices have doubled between 2006-07 and 2022-23.

Hence, the estimated average Output/Turnover per enterprise will be Rs. 0.40 Crores for Micro, Rs. 7.8 Crores for Small and Rs.82.86 Crores for Medium enterprises.

Based on the above parameters, the consultant has projected the volume of Output/Turnover produced by the beneficiary MSMEs and it is provided in the following Table and Chart.

Projected volume of Output/Turnover of beneficiary MSMEs through ZED Certification Process

Table 73 Projected volume of Output/Turnover of beneficiary MSMEs

Year	Output/Turnover of MSMEs (Rs. Crores)			
	Micro	Small	Medium	Total
2023-24	1977	1205	4263	7444
2024-25	6524	3975	14066	24566
2025-26	11960	7288	25788	45036
2026-27	18418	11226	39641	69285

Source: Estimated by the Consultant

Impact of ZED Certification on the Output/Turnover (Rs. Crores) of beneficiary MSMEs in Andhra Pradesh

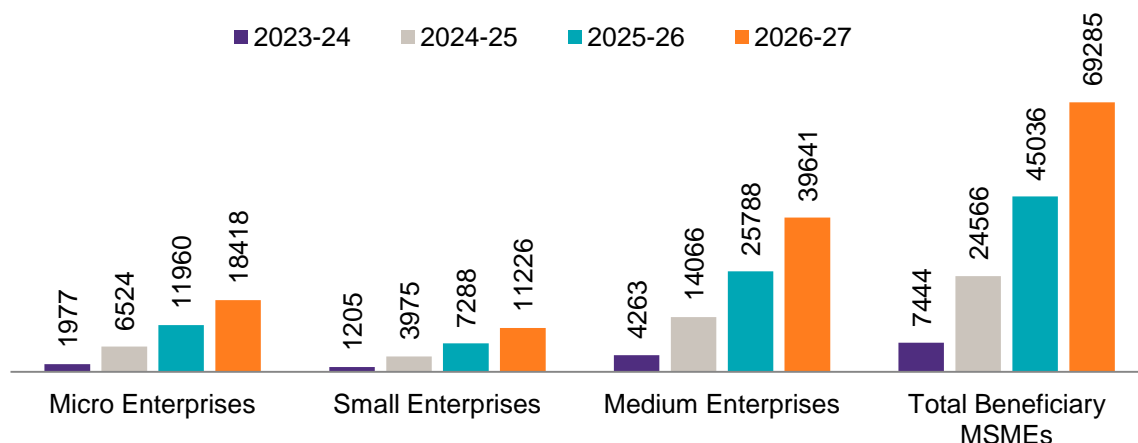


Figure 16 Impact of ZED Certification on the Output/Turnover

It is inferred from the above Table and Chart that the output/turnover generated by the total beneficiary MSMEs with ZED certification has increased from Rs. 7444 Crores in 2023-24 to Rs.24566 Crores in 2024-25, to

Rs.45036 Crores in 2025-26 and further to Rs.69285 Crores in 2026-27. The similar trend is found in the case of Micro Enterprises, Small Enterprises and Medium Enterprises.

11.9. Project Cost Estimation and State Government Contribution to the Cost:

(Rs. Crores)

Table 74 Total Cost Estimation for ZED Certification Project

Sl. No.	Type of Training/Awareness Creation Programmes	Cost per Programme (INR Lakhs)	Cost of Training/Awareness Creation Programmes (Rs. Crores)				Total of 4 Years
			2023-24	2024-25	2025-26	2026-27	
1	5-Day training programme for officials of MSMEDFO, MSME-Testing Centres, Technology Centres, Design Incubation Centres, IPFC, etc.	5	1.3	1.3	1.3	1.3	5.2
2	5-Day training programme for Consultants/ Assessors/ Master Trainers, etc.	5	1.3	1.3	1.3	1.3	5.2
3	One Day Industry Awareness Programmes /Workshops /Registration Camps for MSMEs	1	0.52	1.04	1.04	1.04	3.64
4	One Day Industry Awareness Programmes /Workshops /Registration Camps for Women headed MSMEs	1	0.26	0.52	0.52	0.52	1.82
5	One Day Industry Awareness Programmes /Workshops /Registration Camps for SC/ST headed MSMEs	1	0.26	0.52	0.52	0.52	1.82
	Total Cost		3.64	4.68	4.68	4.68	17.68

Source: Estimated by the Consultant

Table 75 Sharing of the Cost of Training Programmes and Awareness Creation Camps on ZED Certification

Sl. No.	Project Components	Total Cost	Central Contribution	State Contribution	RAMP Contribution
1	Capacity Building /Training Programmes and Awareness Creation Camps for Sustainable ZED Certification	0.00	1.77	15.91	17.68

Source: Estimated by the Consultant

11.10. Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and Evaluation (M&E) of the program shall be done through a Monitoring & Evaluation Dashboard, which will be developed as part of the AP MSME ONE, a state level integrated platform for MSMEs in the state of AP. The M&E dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators.

Project – XII: Proposal for MSME Lean Certification

12.1. Introduction about the Project:

Ministry of Micro, Small & Medium Enterprises, Government of India, aims to implement the MSME Competitive (Lean) Scheme for MSMEs with an objective to enhance their productivity, efficiency, and competitiveness by reduction of wastages in processes, inventory management, space management, energy consumption, etc. The Lean Scheme was introduced in 2016, but the revised Lean Scheme was launched on 10th March, 2023.

12.2. Objectives of the Project:

The objective of the scheme is to enhance the Domestic and Global Competitiveness of MSMEs through the application of various Lean Techniques that inter-alia includes:

- Reduction in Rejected Rates, Product and Raw Material Movements and Product Cost;
- Optimization of Space Utilization and Resources like Water, Energy and Natural Resources etc.
- Enhancement of Quality in Process and Product, Production & Export Capabilities, Workplace Safety, Knowledge & Skills Sets, Innovative Work Culture, Social & Environmental Accountability, Profitability, Introduction & Awareness to Industry 4.0 and Digital Empowerment.

12.3. Statement of the Problem with help of Baseline Data:

As the Lean Scheme is new and launched recently on 10th March, 2023, the progress of registrations for Lean certification is only 2 MSMEs on the Lean Portal. Hence, it is necessary to propagate about the benefits of the scheme among the MSMEs and sensitize them to apply for Lean Certification process in order to receive benefits from it. The components of Lean Scheme are as follows:

- Industry Awareness Programmes/Workshop: MSMEs will be made aware of the Scheme through Nation-wide awareness programmes (online and/or face-to-face, as appropriate) with the assistance of stakeholders like Industry Associations, Implementing Agencies, MSME-DFOs, District Industries Centres (DICs), Large Enterprises/OEMs.
- Training Programmes: Stakeholders like the MSME Officers, Assessors and Consultants will be trained on the MSME Competitiveness (Lean) Scheme to enable an effective implementation by Implementing Agencies like QCI, NPC.
- Handholding: MSMEs will be provided handholding towards the implementation of Lean Tools and Techniques at three different levels – Basic, Intermediate, and Advanced. Completion of each stage is verifiable end term assessment or assessment by Implementation Agency along MSME -DFOs as the case may be.

12.4. Concept Design, Feasibility and Viability of the Project:

MSME Competitive (Lean) Scheme can be attained in THREE Levels such as (a) Basic, (b) Intermediate and (c) Advanced:

- Every MSME that embarks on the journey of Lean (Basic, Intermediate, Advanced) will have to take a “Lean Pledge” before undertaking the journey of implementation of lean tools and techniques.

- The intent of taking a Lean Pledge is to take a “pre-commitment” or a solemn promise by MSMEs to uphold the values of Lean Practices and Philosophy in their functioning and to urge them to move ahead on the journey of Lean.
- After taking the Lean Pledge, the MSME can apply for handholding of its units depending on the need and level of preparedness and interest of MSME unit. Lean Scheme can be implemented by MSME units in the above three levels.
- **Implementation process** will be done by QCI / NPC (National agencies for Lean implementation). They will depute consultants to support the MSMEs during the Lean Certification process after submission of online application for Lean certification.
- **Graded incentives** will be announced by the Ministry of MSME to encouraging MSME units’ participation under the scheme.
- **Eligibility:** All MSMEs registered with the UDYAM registration portal (of the MoMSME) will be eligible to participate in MSME Competitive (Lean) Scheme and avail related benefits/incentives. Scheme is also open to Common Facilities Centres (CFCs) under SFURTI (Scheme of Fund for Regeneration of Traditional Industries) and Micro & Small Enterprises - Cluster Development Program (MSE-CDP) Schemes.

12.5. Approach and Methodology for Project Execution/Implementation:

The Lean Certification Project should be implemented by Quality Council of India (QCI) through its empanelled Consultants/ Resource Persons to provide one week training on Lean Certification Tools to the enrolled officials of MSMEDFOs, MSME-Testing Centres, Technology Centres, Design Incubation Centres, IPFC, etc.

The Lean Certification project proposes to conduct ‘One Day Industry Awareness Programmes/Workshops/ Registration Camps’ for MSMEs at District Level to ensure at least 20 new MSME Pledges per camp as deliverables.

After awareness creation on the Tools of Lean Certification, implementation process depends on the level of Lean Certification, which includes:

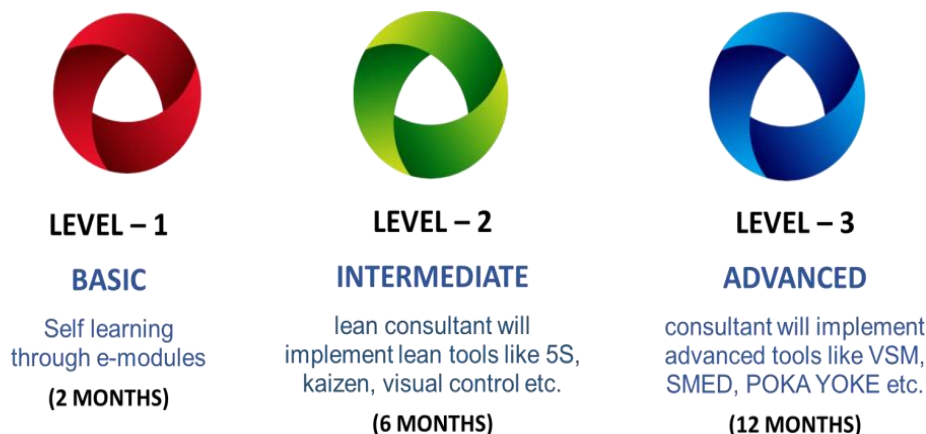


Figure 17 The Lean Certification Project

After taking the Lean Pledge, the Quality Council of India (QCI) deposes consultants and assessors to assess the MSMEs for Lean certification and the implementation process of the Lean Certification Project should consist of the following steps:

- Identification of potential clusters in the state where Lean can be implemented, in consultation with DICs and other state and centre institutions supporting MSMEs like MSME-DFO, NSIC etc.
- Awareness and capacity building programs - both physical and virtual - with cluster associations and facilitating Lean adoption.
- Exposure visits to the units which have adopted Lean manufacturing to motivate and accelerate adoption of Lean.
- Empanelment of BDS providers for facilitating Lean pledge and registering for appropriate certifications.

The implementation strategy includes:

- 1 Identification of potential clusters in the state where LEAN can be implemented, in consultation with DICs and other state and centre institutions supporting MSMEs like MSME-DFO, NSIC etc.
- 2 Awareness and capacity building programs - both physical and virtual - with cluster associations.
- 3 Exposure visits to the units which have adopted LEAN, to motivate and accelerate adoption.
- 4 Empanelment of BDS providers for handholding MSMEs to adopt LEAN and registering for appropriate certifications.

12.6. Use of ICT/ Innovative Technology towards Project Implementation:

The Lean Certification process make MSMEs digitally empowered and motivate them to adopt digital tools, applications and technologies in their production & business processes with a view to improve their competitiveness in domestic and global markets through the “AP MSME One” digital portal, which empower & enable MSMEs to harness IT as a medium of communication to revamp access to the markets to update their managerial and technical knowledge through online content—both static and dynamic.

Further, the Lean process provide software interventions to MSMEs, evolving their internal efficiencies by way of intense ICT intake and automating procedure for cost reduction, imparting digital literacy and capacity enhancement for information access, processing, collaboration and dissemination.

Finally, it offers MSMEs a safe and sound bouquet of customized digital solutions which have been designed keeping in mind the diverse requirements of the eco-system, saving them from the travails of indiscreet and indiscriminate adoption of technology.

12.7. Timelines for achievement of Project deliverables and Verification Protocols:

Every MSME that embarks on the journey of Lean Scheme will have to take “Lean Pledge” before submitting its application. After taking “Lean Pledge”, MSME can apply for implementation of Lean Tools and Techniques. As per the experience of assessors of the Quality Control of India, the following are the Timelines required to complete the Certification Process and Eligibility Conditions for different levels of Lean Certification such as Basic, Intermediate and Advance and they are provided in the following Chart. The period of implementation for (a) Basic level is 2 months, (b) Intermediate level is 6 months and (c) Advanced level is 12 months and it will be in 3 phases.

	Number of Stakeholders to be benefitted @ 30 Persons per Programme	780	780	780	780	3120
3	One Day Industry (Lean Certification) Awareness Programmes /Workshops /Registration Camps for MSMEs (Number of Programmes)	52	104	104	104	364
	One Day Industry (Lean Certification) Awareness Programmes /Workshops /Registration Camps for exclusively for Women headed MSMEs (Number of Programmes)	52	104	104	104	364
	One Day Industry (Lean Certification) Awareness Programmes /Workshops /Registration Camps exclusively for SC/ST MSMEs (Number of Programmes)	52	104	104	104	364
	Total Number of One Day Industry (Lean Certification) Awareness Camps/ Registration Camps (Number of Programmes)	156	312	312	312	1092
	Total Number of MSMEs to be benefitted @ 30 MSMEs per Programme	4680	9360	9360	9360	32760

Source: Projected by the Consultant

It is found from the Table that during the four year programme period a total of 3,120 Officials of various line departments will be benefitted through 104 training Programmes on Lean Certification Process; 3,120 Consultants/Assessors/Master Trainers will be benefitted through 104 training Programmes on Lean Certification Process; and 32,760 MSMEs will be benefitted through 1092 Awareness Creation Programmes/ Registration Camps for Lean Certification Process in Andhra Pradesh at the rate of 42 Programmes per district during 4 years period and on an average, which includes 364 for general MSMEs, 364 exclusively for Women headed MSMEs and 364 exclusively for SC/ST MSMEs .

12.8. Impact of Sustainable Lean Certification on the number of MSMEs

It is projected that the Lean Certification process will have a positive impact on the number of MSMEs, which is given in the following Table.

Table 78 Impact of Sustainable Lean Certification

Sl.No.	Indicators	
1	MSMEs to be benefitted	32,760 units
2	Additional Employment	2,62,080 Persons
3	Additional Investment	INR 46,519 Cr
4	Increase in Output	INR 1,63,800 Cr.

12.9. Project Cost Estimation and State Government Contribution to the Cost:

The Lean Certification project cost consists of two components, i.e., (a) Cost for conduct of Capacity Building Programmes/Training Programmes for Officials of Implementing Agencies and Awareness Creation Camps for MSMEs; and (b) Cost for conduct of Lean Certification Process. The summary of the Lean Certification Project Cost is given in Table 12.5 and the detailed cost estimates are given in Tables

Total Cost Estimation for Lean Certification Project

(Rs. Crores)

Cost estimation for conduct of the Training Programmes and Awareness Creation workshops / Registration Camps for Lean Certification have been estimated as per the Lean Certification guidelines and the number of programmes projected for general MSMEs, Women owned MSMEs and SC/ST owned MSMEs and the details of cost estimation are provided in the following Table.

Cost of Training Programmes and Awareness Creation/Registration Camps

Table 791 Cost of Training Programmes and Awareness Creation/Registration Camps

Sl. No.	Budget Estimation for LEAN Programme	2023-24	2024-25	2025-26	2026-27	Total
1	5-Day training programme for officials of MSMEDIs, MSME-Testing Centers, Technology Centers, Design Incubation Centers and IPFC @INR 5 Lakhs per Programme	1.3	1.3	1.3	1.3	5.2
2	5-Day training programme for Consultants/ Assessors/ Master Trainers, etc. @ INR 5 Lakhs per Programme	1.3	1.3	1.3	1.3	5.2
3	One Day Industry Awareness Programmes /Registration Camps for MSMEs @ INR 1 Lakh per Programme	0.52	1.04	1.04	1.04	3.64
4	One Day Industry Awareness Programmes /Registration Camps for Women headed MSMEs @ INR 1 Lakh per Programme	0.52	1.04	1.04	1.04	3.64
5	One Day Industry Awareness Programmes /Registration Camps for SC/ST MSMEs @INR 1 Lakh per Programme	0.52	1.04	1.04	1.04	3.64
	Total Cost	4.16	5.72	5.72	5.72	21.32

Source: Estimated by the Consultant

Table 802 Total Cost Sharing of Lean Certification Project

Sl. No.	Project Components	Central Contribution	State Contribution	RAMP Contribution	Total Cost
1	Capacity Building /Training Programmes and Awareness Creation Camps	0.00	2.12	19.20	21.32

Source: Estimated by the Consultant

Projections for Lean Certifications in Andhra Pradesh

As the Competitive Lean Certification is a new scheme launched 10th March, 2023, the baseline data was not yet generated. Based on this assumption and the proposed number of Registration Camps for Lean Certification, the projections are made for the four year period and depicted in the following Table.

MSMEs Projected for Lean Certification Process (Number)

Table 81 MSMEs Projected for Lean Certification Process

Level of Lean Certification	2023-24	2024-25	2025-26	2026-27	Total of Four Years
Basic	4680	14040	23400	32760	74880
Of which, Women	1560	4680	7800	10920	24960
Intermediate	0	234	702	1170	2106
Advanced	0	0	94	281	375
Total	4680	14274	24196	34211	77361

Source: Projected by the consultant

12.10. Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and Evaluation (M&E) of the program shall be done through a Monitoring & Evaluation Dashboard, which will be developed as part of the AP MSME ONE, a state level integrated platform for MSMEs in the state of AP. The M&E dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators.

Project – XIII: MSME Innovative – Incubation

MSME Innovative Scheme is an amalgamation of the Incubation, Design and IPR Schemes of the Ministry of MSME. These erstwhile three schemes will operate as separate verticals with interflows and connections. These verticals will also be integrated sequentially and parallelly into one singular formulation to promote and encourage innovative activities for improved synergy and higher efficiency.

MSME Innovative is a new concept for MSMEs with a combination of innovation in incubation, design intervention and by protecting IPR in a single mode approach to create awareness amongst MSMEs about India's innovation and motivate them to become MSME Champions. This will act as a hub for innovation activities facilitating and guiding development of ideas into viable business proposition that can benefit society directly and can be marketed successfully.

13.1. Introduction about the Project:

The Scheme for 'Support for entrepreneurial and managerial development of SMEs through incubators' is one of the components of MSME Innovative Scheme, which is an amalgamation of the Incubation, Design and IPR schemes of the Ministry of MSME.

13.2. Objectives of the Project:

The objective is to provide early-stage funding for nurturing innovative business ideas (new indigenous technology, processes, products, procedure etc.) which could be commercialized in a year. It is intended to promote & support untapped creativity of individual and to promote adoption of latest technologies in manufacturing as well as knowledge based innovative MSMEs that seek the validation of their ideas at the proof-of-concept level. The scheme also supports engagement with Enablers who will advise such MSMEs in expanding the business by supporting them in design, strategy, and execution. The Enablers will play a pivotal role and would be integral part of the business development.

Funding support for infrastructure development and pilot projects will be provided. Any individual or MSME having innovative idea near commercialization can apply to the host institutions like IITs, NITs, engineering colleges, research institutes etc.

13.3. Statement of the Problem with the help of Baseline Data:

In the state of AP, at present, there are 254 Engineering Colleges affiliated to three Technological Govt. Universities. There are Private Universities (7) and deemed Universities (4). In addition, there are 20 Central Autonomous Institutions in the State. All these institutions are eligible to establish Business Incubators. However, it is reported that there are only 56 Business Incubators in AP. (Source: DC (MSME) Website)

It is estimated that there are 644 Host Institutes in India. The growth in the number of incubators comes predominantly from the southern states [Tamil Nadu (136), Karnataka (54), Telangana (60)]. Scope exists for a greater number of BIs to help facilitate Startups and innovative entrepreneurs, both existing and prospective. Therefore, interventions are suggested to establish more of BIs by the HIs.

13.4. Concept Design, Feasibility and Viability of the Project: Incubation Components

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 procurement of Plant and Machinery

Year wise target containing no. of beneficiaries and no. of Host Institutions and cost of the project is reported elsewhere in the report.

13.5. Approach and Methodology for Project Execution/ Implementation:

The project implementation involves the following steps.

a. Registration as Host Institute (HI)

Institutions such as Technical Colleges, Universities, other Professional Colleges/Institutes, R&D Institutes, Technology Centres or any Institute/Organization of Central/State Government may apply for registration as an HI and act as a Business Incubator (BI) for nurturing of ideas from the initial stage of conceptualization to the commercialization stage through HIs/ BIs.

b. Approval of Ideas of Incubatees submitted through Host Institute (HI)

After getting approved as HI for the Incubation Scheme, the HI may invite ideas from MSME/others and after due diligence may submit the selected ideas through the MIS portal of the DC MSME website (<https://innovative.msme.gov.in>). Initially, these ideas will be evaluated/approved by a committee in the Ministry of MSME.

The ideas submitted by the applicants will undergo following stages.

Stage 1- At HI Level

On receipt of ideas from different incubatees, the HI shall first get them evaluated from experts of different institutions/industries at their end. Only the shortlisted ideas may be uploaded on the incubation portal.

Stage 2 - First Stage Screening

After receiving shortlisted ideas from HI, the PMU will carry out the first stage screening. Only those ideas will be processed which have been received with relevant and appropriate information, fulfilling all the obligatory conditions as per the scheme guidelines. If the idea uploaded is incomplete/or with incoherent information, the idea will be liable for rejection.

This will then be counter-checked by the program division to ensure no eligible idea has been left out. Thereafter the screened ideas will be forwarded to the Domain Expert Selection Committees (DESCs)

Stage 3 - Selection of Ideas by Domain Expert Selection Committee (DESC)

The ideas received would be segregated into the following five verticals, which will be evaluated by DESCs.

Stage 4 - PMAC

After detailed evaluation by the DESCs, the recommended ideas would be forwarded to the PMAC for final approval. The approved ideas will be granted financial assistance as per scheme guidelines for further development.

Financial Assistance to HI for developing and nurturing the ideas

Financial Assistance up to maximum of Rs. 15 lakh per idea shall be provided to HI. Funds will be released after the approval of the idea by PMAC. For the ideas approved of any MSME/others, 15% of the total approved cost will be borne by them and deposited to the HIs. The remaining 85% will be contributed by MoMSME up to a maximum of Rs. 15 lakh per idea. However, students will not be required to pay any amount and the entire cost of idea will be borne by Ministry of MSME up to a maximum of Rs. 15 lakhs per idea.

Funds will be released in following two instalments:

- I. 70% of the approved project cost as per below mentioned table, after approval of the idea by PMAC and signing of agreement between Host Institute and Incubatee.
- II. 30% of the approved project cost after utilization of 60% of 1st instalment utilized and submission of physical verification report by concerned Implementing Agency (IA).

Financial assistance for Plant and Machinery to HI up to Rs. 1.00 cr.

Financial Assistance for Plant and Machinery to HI up to Rs. 1.00 cr. shall be provided for procurement and installation of relevant plant and machines including hardware and software etc. in BI for R&D activities and common facilities for incubatees of BI. The financial assistance will be applicable for procurement of Plant and Machinery for development of those specific approved ideas.

The proposal may be uploaded by the HIs through the MIS portal of the DC MSME website <https://innovative.msme.gov.in>. The approval of proposal for plant and machinery will be done by PMAC on recommendation of a Domain Expert Selection Committee (DESC), specifically set up for the purpose.

13.6. Use of ICT/ Innovative Technology Towards Project Implementation:

The entire proposals and processing of applications will be done online through the website <https://innovative.msme.gov.in>

13.7. Timelines for achievement of Project deliverables and Verification Protocols:

Incubation support includes providing technological facilities and advice, initial growth funds, network and linkages, co-working spaces, lab facilities, mentoring and advisory support. They are often a good path to capital from angel investors, government organizations, economic-development coalitions, venture capitalists and other investors. Since business incubator helps startup companies and individual entrepreneurs to develop their businesses by providing a full-scale range of services starting with management training and office space and ending with venture capital financing.

The innovative idea possessed by an entrepreneur will be tested and validated through incubation process. About 18 months to 24 months will be adequate to complete the process to end up with commercialization of the project.

Table 82 Incubation Project Components

Sl. No.	Incubation Project Components	2023-24	2024-25	2025-26	2026-27	Total
1	Host Institute (HI) to act as Business Incubator (BI) @ Rs. 1 Crore for establishment of Pant and Machinery	1	2	3	4	10
2	Innovation Readiness Camps @one Camp per Quarter per HI	2	4	6	8	20
3	Number of Participant MSMEs @ 50 MSMEs per Camp	100	200	300	400	1000
4	Number of Participant Students @ 100 Students per Camp	200	400	600	800	2000

13.8. Impact of the proposed Project/Scheme on the MSMEs Development

1. MSMEs to be benefitted for attending camps: 1000; Students/Aspirants: 2000.
2. Innovative projects: 80
3. Investment Projected: INR 20 Cr.
4. Employment Generation: 640

13.9. Project Cost Estimation:

Table 837 Project Cost Estimation

Sl. No.	Budget Estimation	2023-24	2024-25	2025-26	2026-27	Total
1	Host Institute (HI) to act as Business Incubator (BI) @ Rs.1 Crore for establishment of Pant and Machinery	1.00	2.00	3.00	4.00	10.00
2	Innovation Readiness Camps @one Camp per Quarter per HI @ INR 1 Lakh per HI	0.02	0.04	0.06	0.08	0.20
	Total Cost of the Incubation Project	1.02	2.04	3.06	4.08	10.20

Table 848 Cost Estimation and State Government Contribution

Sl. No.	Budget Sharing	Centre Contribution	State Contribution	RAMP Contribution	Total
1	Host Institute (HI) to act as Business Incubator (BI)	8.50	0.50	1.00	10.00
2	Innovation Readiness Camps @one Camp per Quarter per HI	0.00	0.04	0.16	0.20
	Total Cost of the Incubation Project	8.50	0.54	1.16	10.20

13.10. Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and Evaluation (M&E) of the programme shall be done through a M&E Dashboard which will be developed as part of the AP MSME ONE, a state level integrated platform for MSEs in the state of AP. The M&E Dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators. The M&E process will be carried out online through a dedicated website maintained by DC (MSME).

Project - XIV MSME Innovative - Intellectual Property Rights (IPR)

14.1 Introduction about the Project:

Necessity is mother of invention. Inventions are brain children of Individuals or companies who are involved in continuous Research and Development to achieve the desired results. MSMEs are directly involving with the public as well as with the Large Companies. The entrepreneurs are constantly and continuously brainstorming for the new product line so as to satisfy the human needs. However, if the inventions are not protected, there will be a chance of duplicating and loosing of product rights.

The Intellectual Property Rights (IPR) are set of legal rights and protections given to entrepreneurs, individuals, Colleges, companies etc., for their research innovations, inventions, designs, trademarks and other inventions. These protections of rights are so important, that unless otherwise, companies won't come forward for budgeting to R&D products. The Countries with advanced research facilities are developing faster than the others who are not participating into.

The Indian MSME sector needs more information, orientation and facilities for protecting their intellectual powers. While majority of the countries have adopted strategies for protection of IPRs, Indian MSMEs are lagging behind in recognition importance of IPR. Indian MSMEs are not considering the IPR adoption as a business strategy for enhancing the competitiveness.

14.2. Objectives of the Project:

The objective is to enhance awareness of MSME about Intellectual Property Rights (IPRs) to take measure for the protecting their ideas and business strategies. Effective utilisation of IPR tools by MSMEs would also assist them in technology upgradation and enhancing competitiveness.

14.3. Statement of the Problem with the help of Baseline Data:

The following are the statistics at national level. State wise data are not readily available.

Significant Achievements by IPO: (2019-20 vis-à-vis 2014-15)

Table 85 Patents: Highlights (2019-20 vis-à-vis 2014-15)

Patents	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Filed	42763	46904	45444	47854	50659	56284
	Examined	22631	16853	28967	60330	85426	80088
	Grant	5978	6326	9847	13045	15283	24936
	Disposal	14316	21987	30271	47695	50884	55945
Patents: Highlights (2019-20 vis-à-vis 2014-15) <ul style="list-style-type: none"> Filings increased by 31.6% 							

<ul style="list-style-type: none"> • Examinationincreasedby253.9% • Grantsincreasedby317.1% • Disposalincreasedby290.8% • Domesticfilingincreasedto37%ascomparedto28.2%in2014-15 							
Trade Marks	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Filed	210501	283060	281868	272974	323798	334815
	Examined	168026	267861	532230	306259	337541	338551
	Registered	41583	65045	250070	300913	316798	294172
	Disposal	83652	116167	290444	555777	519185	422566
<p>Trade Marks: Highlights (2019-20 vis-à-vis 2014-15)</p> <ul style="list-style-type: none"> • Filingincreasedby59.1% • Examinationincreasedby101.5% • Registrationsincreasedby607.4 % • Disposalincreasedby405.1 % • Examinationwithin1month 							
Designs	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Filed	9327	11108	10196	11837	12585	14272
	Examined	7459	7545	11940	11850	12661	13644
	Registered	7147	7904	8276	10020	9512	12268
	Disposal	7218	8273	8332	10788	11414	14713
<p>Designs: Highlights(2019-20vis-à-vis2014-15)</p> <ul style="list-style-type: none"> • Filingincreasedby53% • Examinationincreasedby82.9% • Registrationsincreasedby71.7% • Disposalincreasedupby103.8% • Examinationwithin1 month 							
Copyrights	Particulars	2016-17	2017-18	2018-19	2019-20		
	Filed	17827	17841	18250	21905		
	Examined	9440	34388	22658	19460		
	Registered	3597	19997	14625	16048		
	Disposal	5444	39799	25943	19490		
<p>Copyright:Highlights(2019-20vis-à-vis2016-17)</p> <ul style="list-style-type: none"> • Filingincreasedby22.9% • Examinationincreasedby106.1% • Registrationsincreasedby346.1% • Disposalincreasedupby258.0% • Nopendencyinexaminationandregistration 							

Source: Controller of General of Patents/ Designs and Trademarks, Ministry of Commerce & industry, Govt. of India-Website

14.4. Concept Design, Feasibility and Viability of the Project:

The project is proposed to be implemented in association with Universities and Engineering colleges in AP. Inventions by MSME entrepreneurs and free-lance inventors need to be protected with legal bindings. Similarly, other components of IPR such as Trademarks, Design needs protection. With support from Govt., beneficiaries will be motivated to involve themselves and protect their intellectual rights.

14.5. Approach and Methodology for Project Execution/Implementation:

Awareness/Sensitization Programme on IPR : Most of MSMEs are unaware of IPR and IPR related issues, an immediate awareness and sensitization program on IPR is most essential to MSMEs along with Industrial Associations and concerned stakeholders. The benefits are:

- Develops a broad understanding of the need to integrate IPR in their business strategies.
- Protection to their IPRs on registration
- Protection from infringements.
- Enhancement of capacity to fight counterfeiting.
- Create awareness in avoiding the usage of copy rights by mistake etc., by MSMEs

The project will be implemented by creating the much-needed awareness of the Scheme and training programmes in group programmes.

Expert agencies on IPR arena such as TIFAC (Department of Science & Technology), Patent Facilitation Centre, NRDC, Indian Patent Office (DIP & P), Registrar of Trademark, Registrar of Geographical Indication, Registrar of Copyright, MoHRD, NIIPM, Patent Attorneys, individual IPR expert, WIPO, EU-TIDP, USPTO, KIPO/KIPA, IIFT, DIT, MoEF, Ministry of MSME, DSIR and other such bodies will be identified and expert faculty will be drawn from such bodies.

Interactive Seminars/ Workshops to provide a forum to MSME entrepreneurs, Industry Associations and other stakeholders, including professionals having working experience of MSME sector to share knowledge, experience and create mass awareness on various aspects of IPR.

14.5. Use of ICT/ Innovative Technology Towards Project Implementation:

Application and monitoring of applications for IP rights are being done online. DC (MSME) website <https://innovative.msme.gov.in/> contain the details of project implementation and procedures for IPR beneficiaries. The applicant shall file the reimbursement application through the portal of the scheme.

14.6. Timelines for achievement of Project deliverables and Verification Protocols:

Table 86 Project Components of IPR Projects

Project Components of IPR Projects	2023-24	2024-25	2025-26	2026-27	Total	Unit Cost (Rs. Lakhs)	Total Cost (Lakhs)
IPR Facilitation Councils @ 1	1	1	1	1	4	100	400

Facilitation Council per year							
Awareness Creation Workshops/Seminars on IPRs for MSMEs @ one Programme per district per 6 Months (Half Yearly)	26	52	52	52	182	1	182

14.7. Impact of the proposed Project/Scheme on the MSMEs Development

The following incremental impact is envisaged:

Budget Estimation for IPR Project (INR Crores)

Sl. No.	Budget Estimation	2023-24	2024-25	2025-26	2026-27	Total
1	IPR Facilitation Councils @ INR 1 Crore per Facilitation Council	1.00	1.00	1.00	1.00	4.00
2	Awareness Creation Workshops/Seminars on IPRs for MSMEs @ INR 1 Lakh per Programme	0.26	0.52	0.52	0.52	1.82
	Total Cost of IPR Project	1.26	1.52	1.52	1.52	5.82

Budget Sharing for IPR Project (INR Crores)

14.8. Project Cost Estimation and State Government Contribution to the Cost:

Table 87: Total cost of Project and break up

Sl. No.	Budget Sharing	Centre Contribution	State Contribution	RAMP Contribution	Total Cost
1	IPR Facilitation Councils @ INR 1 Cr. per Facilitation Council	4.00	0.00	0.00	4.00
2	Awareness Creation Workshops/Seminars on IPRs for MSMEs @ INR 1 Lakh per Programme	0.00	0.36	1.46	1.82
	Total Cost of IPR Project	4.00	0.36	1.46	5.82

14.9. Plan for Strengthening of Monitoring & Evaluation Framework for Project

DC(MSME) has a robust online system for M&E framework, already in place. Monitoring and Evaluation (M&E) of the programme shall be done through a M&E Dashboard which will be developed as part of the AP MSME ONE, a state level integrated platform for MSEs in the state of AP. The M&E Dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators. The M&E process will be carried out online through a dedicated website maintained by DC (MSME).

Project XV: MSME Innovative - Design Projects

15.1. Introduction about the Project:

MSME Innovative Scheme is a new concept for MSMEs with a combination of innovation in incubation, design intervention and by protecting IPR in a single mode approach to create awareness amongst MSMEs about India's innovation and motivate them to become MSME Champions. MSME Innovative Champions is a holistic approach to unify, synergize and converge these 3 sub- schemes and interventions with a single purpose. These three schemes will operate as separate verticals.

15.2. Objectives of the Project:

The objective of Design component is to bring Indian manufacturing sector and Design expertise/ Design fraternity on to a common platform. It aims to provide expert advice and cost-effective solution on real time design problems for new product development, its continuous improvement and value addition in existing/new products.

The Design scheme will help MSMEs to avail advice on all aspects of design. It also helps MSMEs realize and achieve their design-related objectives. This specialist advice will be provided by experienced designers for new product development as well as enhancing existing product portfolio.

15.3. Statement of the Problem with the help of Baseline Data:

The Design Scheme is divided in two major parts: (A) Design Projects and (B) Design Awareness Programs

Design Project: To facilitate MSMEs to develop new design strategies and or design related products through interventions and consultancy.

Design Awareness Program: The objective is to create general awareness and sensitization about the value and power of design for businesses through seminars, talks, workshops etc. The purpose of these activities is to sensitize MSMEs about the usage of design/innovation in various facets of their industry.

Note: Baseline data are not readily available. Industrial Design interventions are one of the high-priority area for MSMEs. By this intervention, the high of cost of Design consultants will be subsidized. Involvement of innovative students with financial support will be beneficial for the students as well as MSMEs.

15.4. Concept Design, Feasibility and Viability of the Project:

MSME Innovative Champions is a holistic approach to unify, synergize and converge 3 sub-schemes (Incubation, Design and IPR) and interventions with a single purpose. The implementation agencies (Host Institutes, IISc, IITs, NITs and IPFCs, etc.) will be common for these sub schemes for taking them through the initial stage of idea conceptualization to handholding to business development to final growth and outreach Year wise targets are enclosed. The scheme guidelines containing the concept and design methodologies are proven.

15.5. Approach and Methodology for Project Execution/Implementation:

The beneficiary unit(s) must typically be a registered MSME as per the definition and should have a valid Udyam Registration. The manufacturing MSMEs may be a profitable entity preferably in the at least one year out of last three financial years. The designer that a unit employs in this scheme should be qualified Industrial designers having a relevant experience in that field. Implementing agencies should verify all the relevant documents.

This scheme support can be availed by all the students of any institution accredited by AICTE/UGC.

Design Project - MSMEs may submit their design projects to the nominated Implementing Agencies (IA). The IAs will carry out due diligence by setting up of a suitable Project Assessment Panel (PAP) for evaluating these projects and forward the recommended projects to MoMSME for approval of the Project Monitoring and Advisory Committee (PMAC). Funds will be released after the approval of the Design Project by PMAC.

15.6. Use of ICT/ Innovative Technology Towards Project Implementation:

The entire proposals and processing of applications will be done online through the website <https://innovative.msme.gov.in>

15.7. Timelines for achievement of Project deliverables and Verification Protocols:

Table 88 Components of Design Project

Components of Design Project	2023-24	2024-25	2025-26	2026-27	Total
Awareness Creation Workshops/Seminars on Design Projects for MSMEs @ one Programme per district per Quarter	13	26	26	26	91
Number of MSMEs to be benefitted @20 per Seminar	260	520	520	520	1820
Number of Students to be benefitted @30 per Seminar	390	780	780	780	2730

15.8. Impact of the proposed Project/Scheme on the MSMEs Development

- Total MSMEs to be benefitted through awareness camp: 1820.
- Students: 2730

15.9. Project Cost Estimation and State Government Contribution to the Cost:

Table 89 Project Cost Estimation and State Government Contribution (INR Crores)

Item	Centre Contribution	State Contribution	RAMP Contribution	Total Cost
Awareness Creation Workshops/ Seminars on Design Projects for MSMEs	0	0.09	0.82	0.91

15.10. Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and Evaluation (M&E) of the program shall be done through a Monitoring & Evaluation Dashboard, which will be developed as part of the AP MSME ONE, a state level integrated platform for MSMEs in the state of AP. The M&E dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators.

Project – XVI: Proposal for CGTMSE

16.1. Introduction about the Project:

Availability of bank credit without the hassles of collaterals / third party guarantees would be a major source of support to the first generation entrepreneurs to realise their dream of setting up a unit of their own Micro and Small Enterprise (MSE). Keeping this objective in view, Ministry of Micro, Small & Medium Enterprises (MSME), Government of India launched Credit Guarantee Scheme (CGS) so as to strengthen credit delivery system and facilitate flow of credit to the MSE sector. To operationalise the scheme, Government of India and SIDBI set up the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). The proposed projects aim at bringing larger segment of MSMEs under the fold of CGTMSE and propose to establish a state level credit guarantee fund to complement the CGTMSE cover, and hence increase the coverage of credit guarantee.

16.2. Objectives of the Project:

The objective of the project is to create awareness on Credit Guarantee cover for MSEs by creation of a state level credit guarantee fund complementing CGTMSEs and to a larger coverage of credit guarantee cover under CGTMSE towards women and SC/ST promoted MSEs and MSEs focusing on adoption of green technologies is important to promote MSMEs.

16.3. Statement of the Problem with the help of Baseline Data:

The lender should cover the eligible credit facilities as soon as they are sanctioned. Guarantee will commence from the date of payment of guarantee fee and shall run through the agreed tenure of the term credit in case of term loans / composite loans and for a period of 5 years where working capital

facilities alone are extended to borrowers, or for such period as may be specified by the Guarantee Trust in this behalf. So, promotion of Credit Guarantee covers for MSEs by creation of a state level credit guarantee fund complementing CGTMSEs is important to promote MSMEs. The focus would be larger coverage of credit guarantee cover under CGTMSE towards women and SC/ST promoted MSEs and MSEs focusing on adoption of green technologies.

The need also resulted from the fact that while the number of accounts which have been given coverage under CGTMSE in AP is highest in India in the FY 2022-23, the average guaranteed cover is only for INR 1.49 lakh. Additionally, the quantum of total guarantee cover is also on a lower side. Therefore, creation of state level credit guarantee corpus is proposed to supplement the currently available cover through CGTMSE, especially focusing on Women, SC/STs and MSMEs focusing on adopting green technology.

16.4. Concept Design, Feasibility and Viability of the Project:

The basic concept behind formation of state credit guarantee corpus which can be funded through RAMP fund is to supplement the coverage of CGTMSE and hence make access to finance more viable for the MSMEs, especially the micro and tiny units.

16.5. Approach and Methodology for Project Execution/Implementation:

The implementation process of the CGTMSE Project should consist of the following steps:

- 1 Creation of State Credit Guarantee Fund to be partially funded through RAMP fund.
- 2 Awareness programs for existing and aspiring for the promotion of CGTMSE cover through various banks.
- 3 Capacity building and sensitisation program with branch managers at district level for lending under CGTMSE.
- 4 Part of the curriculum of ESDPs planned.
- 5 Empanelment of BDS providing convergence services.

16.6. Use of ICT/ Innovative Technology towards Project Implementation:

- The state credit guarantee fund could be managed by CGTMSE wherein the end to end process is web enabled.
- The access to apply on the CGTMSE web interface could also be provided on AP MSME One platform.
- Monitoring & Evaluation of the project to be done through the dashboard proposed in AP MSME One platform.

16.7. Timelines for achievement of Project deliverables and Verification Protocols:

The expected numbers of Capacity Building Programmes at State level and District Level, the number of Awareness Creation Programmes at Mandal Level and the targeted number of beneficiary MSMEs are estimated year wise and they are given in the following Table.

Table 90: The expected numbers of Capacity Building Programmes

Details of the Cost		2023-24	2024-25	2025-26	2026-27	Total
1	Capacity Building Programmes for MLI and other stakeholders (State Level)	1	2	2	2	7
2	Capacity Building Programmes for MLI and other stakeholders (District Level)	52	104	104	104	364
3	Awareness Programmes for MSMEs (1 program/District /month)	156	312	312	312	1092
4	Guarantee coverage per bank branch target (7881 branches) - 2 per branch/year including 1 for Women headed MSME and SC/ST, 1 for Green Finance, 1 for General	15762	15762	15762	15762	63048
Total Cost		1365	2730	2730	2730	9555

16.8. Impact of the Project on the number of MSMEs

The impact of the CGTMSE project may be visualized by increase in the number of additional MSMEs expected to be benefitted including women and SC/ST MSMEs with CGTMSE Project and the increase in the additional borrowing capacity of MSMEs is estimated and the details are given below.

- 1 Additional MSMEs to be benefitted: 63048; of which Women – 18,914 and SC/ST – 12,610
- 2 Additional borrowing capacity: INR 939 Cr (on an average INR 1.42 lakh per beneficiary)

16.9. Project Cost Estimation and State Government Contribution to the Cost:

The cost of CGTMSE Project is estimated for two different activities, i.e., the cost of Capacity Building Programme for MLI and other stakeholders both at State and District level Awareness Programmes for

MSMEs at Mandal level. It is also estimated the cost of the reimbursement of Annual Credit Guarantee Fee (first year only) under CGTMSE Project. The details are given in the following table.

CGTMSE Project Cost Estimation (Rs. Crores)

Table 91 CGTMSE Project Cost Estimation

	Details of the Cost	2023-24	2024-25	2025-26	2026-27	Total
1	Capacity Building Programme for MLI and other stakeholders (State Level)@Rs. 5 Lakhs per Programme	0.05	0.10	0.10	0.10	0.35
2	Capacity Building Programme for MLI and other stakeholders (District Level)@ Rs. 3 Lakhs per Programme	1.56	3.12	3.12	3.12	10.92
3	Awareness Programmes for MSMEs (1 program/District /month) @ Rs. 1 Lakhs Per Programme	1.56	3.12	3.12	3.12	10.92
	Total cost of Capacity Building/Awareness Programmes (1+2+3)	3.17	6.34	6.34	6.34	22.19
5	Reimbursement of First Annual Credit Guarantee Fee @0.37 % of Loan Amount, which assumed as Rs.2 Lakhs for Micro Enterprises	1.17	1.17	1.17	1.17	4.67
	Total Budget for CGTMSE Project	4.34	7.51	7.51	7.51	26.86

Sharing of CGTMSE Project Cost (Rs. Crores)

Table 92 Sharing of CGTMSE Project Cost

Sl. No.	Details of the Cost	GOI Contribution @0%/CGTMSE	State Contribution @10%/CGTMSE	RAMP @90%/CGTMSE	Total
1	CGTMSE	0	2.219	19.971	22.19
2	Reimbursement of First Annual Credit Guarantee Fee	0	0	4.67	4.67
3	Total Budget for CGTMSE Project	0	2.219	24.641	26.86

*CGTMSE guarantee – Notional amount

16.10. Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and Evaluation (M&E) of the program shall be done through a Monitoring & Evaluation Dashboard, which will be developed as part of the AP MSME ONE, a state level integrated platform for MSMEs in the state of AP. The M&E dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators.

Project – XVII: Proposal for AP MSME ONE

17.1 Introduction about the Project:

AP MSME ONE is a proposed digital one stop solution for MSMEs in the state of Andhra Pradesh. The platform is proposed under AP IDP 2023-27 as a multifaceted business enablement program envisaged to create a single-window interface that facilitates seamless access to MSME related services and benefits for entrepreneurs, potential investors, and existing MSME units.

17.2 Objectives of the Project:

The objective of the project is:

- To achieve good governance
- Paperless performance monitoring & evaluation
- Progress tracking
- Data-enabled decision making
- Optimum utilization of resources

17.3 Statement of the Problem with the help of Baseline Data:

The need for the proposed project was derived from the diagnostic study conducted. The access to reliable information and support infrastructure like BDS services, available schemes, market access etc. is limited and there is also an imperative need for strengthening the monitoring & evaluation mechanism for the ongoing and upcoming programs aimed at the development of MSME ecosystem. Therefore, the project has been conceptualised.

17.4 Concept Design, Feasibility and Viability of the Project:

The AP MSME ONE platform shall be designed as an integrated online platform with the following indicative features:

- 1 AP MSME One Monitoring & Evaluation dashboard which will capture the ongoing and upcoming programs, their KPIs, Output-Outcome matrix along with the milestones for completion of each activity and proposed budget requirement and utilization status.
- 2 Central and state scheme data – repository of all the state and central schemes.
- 3 Grievance redressal
- 4 Access to BDS providers
- 5 Market access

17.5 Approach and Methodology for Project Execution/Implementation:

The implementation process of the Project should consist of the following steps:

- 1 Identification and selection of web/app developer through prescribed procurement process.
- 2 Development of web page and app with proposed indicative features.

17.6 Use of ICT/ Innovative Technology towards Project Implementation:

The platform shall be a digital platform which may be access as a web based interface and also app based interface.

17.7 Timelines for achievement of Project deliverables and Verification Protocols:

The solution is proposed to be developed and continuous improvements/amendments is proposed throughout the duration of the program.

17.8 Impact of the Project on the number of MSMEs

The indicative impact of the project envisaged are:

- 1 Single platform for schemes
- 2 Multi-dimensional data analytics
- 3 Agility & lesser dependency
- 4 Data visualization and transparency
- 5 Effective monitoring & evaluation of ongoing and upcoming projects, including RAMP leading to tangible output and outcome and avoidance of time and cost overrun.

17.9 Project Cost Estimation and State Government Contribution to the Cost:

The cost of development of AP MSME One platform is envisaged as:

AP MSME ONE cost estimation (INR Cr.)

Table 93 The cost of development of AP MSME One platform

Detailed Project Cost Estimation for MEME AP One		(Rs. Crores)
Sl. No.	Project Component	Cost of the Component
A	Capital Expenditure (CAPEX)	
1	Content Development with AI and Metaverse	3.00
2	Hardware Procurement	6.50
3	Installation, Commissioning, Transportation, etc.	2.50
	Transfer of Technology	8.00
	Sub Total (A)	20.00
B	Operational Expenditure (OPEX)	
5	AMC for Content Upgradation and Maintenance	5.00
6	Staff Salary	5.00
	Sub Total (B)	10.00
	Total Project Cost (A+B)	30.00

Source: Estimated by the Consultant

Sharing of AP MSME ONE Project Cost (INR Cr.)

Table 94 Sharing of AP MSME ONE Project Cost

Details of the Cost	Central Contribution @0%	State Contribution @10%	RAMP @90%	Total
1 Cost of development of AP MSME ONE platform	0	3	27	30
Total Cost	0	3	27	30

17.10 Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and Evaluation (M&E) of the program shall be done through a Monitoring & Evaluation Dashboard, which will be developed as part of the AP MSME ONE, a state level integrated platform for MSMEs in the state of AP. The M&E dashboard will be designed in such a way that all the projects

proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators.

Project – XVIII: Proposal of Manpower for RAMP Implementation

18.1. Introduction about the Project:

A Manpower Framework is required for effective implementation of RAMP Program.

18.2. Objectives of the Project:

The objective of the project is to provide a Manpower Framework for effective implementation of RAMP Program projects both at State level and at District level Project Monitoring Units.

18.3. Statement of the Problem with the help of Baseline Data:

A framework for effective implementation of RAMP Program envisaged by placing district level PMU.

18.4. Concept Design, Feasibility and Viability of the Project:

The Manpower Framework that consists of One State Programme Coordinator and one Data Entry Operator at the State level Head Office and One District Programme Coordinator and one District Programme Councillor at each district. Therefore, the Manpower Framework for RAMP Implementation Project should consist of 54 persons.

18.5. Approach and Methodology for Project Execution/Implementation:

The implementation process of the Manpower Framework for RAMP Implementation Project should consist of the following steps:

1. PMU to be on-boarded for implementation of RAMP Program
2. State Head Office level and district level resources to be placed accordingly

18.6. Use of ICT/ Innovative Technology towards Project Implementation:

Use of AP MSME One and other ICT tools like online meeting tools/event tools etc.

18.7. Timelines for achievement of Project deliverables and Verification Protocols:

It is assumed that the Government of Andhra Pradesh should employ all the 54 personnel required for Manpower Framework for Implementation of RAMP Projects during the period of RAMP Projects and the salary structure the required staff is given below.

Table 95 Manpower Framework for Implementation of RAMP Projects

Sl. No.	Designation of the Staff	Number of Positions	Expected Salary per Month
1	RAMP Programme Coordinator (State Level)	1	INR 1,00,000/-
2	Data Entry Operator (State Level)	1	INR 50,000/-
3	RAMP District Coordinator	26	INR 50,000/-
4	RAMP District Councillors	26	INR 25,000/-
5	Total Staff	54	

18.8. Impact of the Project on the number of MSMEs

The impact of the project may be visualized by generating new employment opportunities for 54 persons at different levels of employment for the period of 42 months for the RAMP Project period.

18.9. Project Cost Estimation and State Government Contribution to the Cost:

The cost of Manpower Framework Project is estimated based on the expected salary structure and number manpower estimated. The details are given in the following table.

Manpower for RAMP Implementation Project Cost Estimation

(Rs. Crores)

Table 96 Manpower for RAMP Implementation Project Cost Estimation

Sl. No	Details of the Cost	2023-24	2024-25	2025-26	2026-27	Total
1	RAMP Programme Coordinator (State Level)	0.06	0.12	0.12	0.12	0.42
2	Data Entry Operator (State Level)	0.03	0.06	0.06	0.06	0.21
3	RAMP District Coordinator	0.78	1.56	1.56	1.56	5.46
4	RAMP District Councillors	0.39	0.78	0.78	0.78	2.73
	Total RAMP Staff	1.26	2.52	2.52	2.52	8.82

Sharing of Manpower for RAMP Implementation Project Cost

(Rs. Crores)

Table 97 Sharing of Manpower for RAMP Implementation Project Cost

Sl. No.	Details of the Cost	Central Contribution @0%	State Contribution @10%	RAMP @90%	Total
	Total RAMP Staff	0	1.76	7.06	8.82

18.10. Plan for Strengthening of Monitoring & Evaluation Framework for Project Implementation:

Monitoring and Evaluation (M&E) of the program shall be done through a Monitoring & Evaluation Dashboard, which will be developed as part of the AP MSME ONE, a state level integrated platform for MSMEs in the state of AP. The M&E dashboard will be designed in such a way that all the projects proposed in the SIP are included in the same along with suitable timeline and outcome & output indicators.

Chapter-5: Impact of RAMP Programme on the Development of MSME Sector in Andhra Pradesh

Growth of MSMEs in terms of number of MSME Units established, Investment made and Employment generated in Andhra Pradesh from 2019-20 to 2022-23 is provided in the following table.

Growth of MSME Units Established, Investment and Employment in Andhra Pradesh from 2019-20 to 2022-23

Table 98 Growth of MSME Units Established, Investment and Employment

Year	MSME Units (Number)	Investment (Rs. In Crore)	Employment (Number)
2019-20	23036	4201	151245
2020-21	38200	4985	281199
2021-22	47052	5196	467326
2022-23	92707	9677	361742
ACGR (%)	5.50%	2.90%	3.67%

Note: ACGR = Annual Compound Growth Rate

Source: Directorate of Industries, APIIC, Mangalagiri, Vijayawada

The consultant has estimated the annual compound growth rates for the given data in the table and forecasted based on the assumption the current ACGR will continue without RAMP intervention, with an assumption of 10% and 15% increase in the ACGR due to RAMP intervention the progress of MSME Units, Investment and Employment generated is forecasted and presented in the following Tables and Charts.

Projections for the growth of MSME Units in Andhra Pradesh

Table 99 Projections for the growth of MSME Units

Year	Growth at Current CAGR	Growth at CAGR with 10% increase	Growth at CAGR with 15% increase
2022-23	92707	92707	92707
2023-24	97806	98316	98575
2024-25	103185	104864	105742
2025-26	108860	112540	114582
2026-27	114848	121599	125605

From the above table it is inferred that the MSME Units will increase from 92,707 Units in 2022-23 to 1,14,848 Units in 2026-27 with the ACGR of 5.50% per annum without RAMP Interventions. It is also projected with the assumption that the RAMP intervention will increase the ACGR by 10% and 15%. If it increases by 10%, the MSME Units will increase from 92,707 Units in 2022-23 to 1,21,599 Units in 2026-27 and if it increases by 15%, the MSME Units will increase from 92,707 Units in 2022-23 to 1,25,605 Units in 2026-27. The trends in the growth of MSME Units are depicted in Chart

Growth in MSME Units in Andhra Pradesh during the RAMP Period (MSME Units)

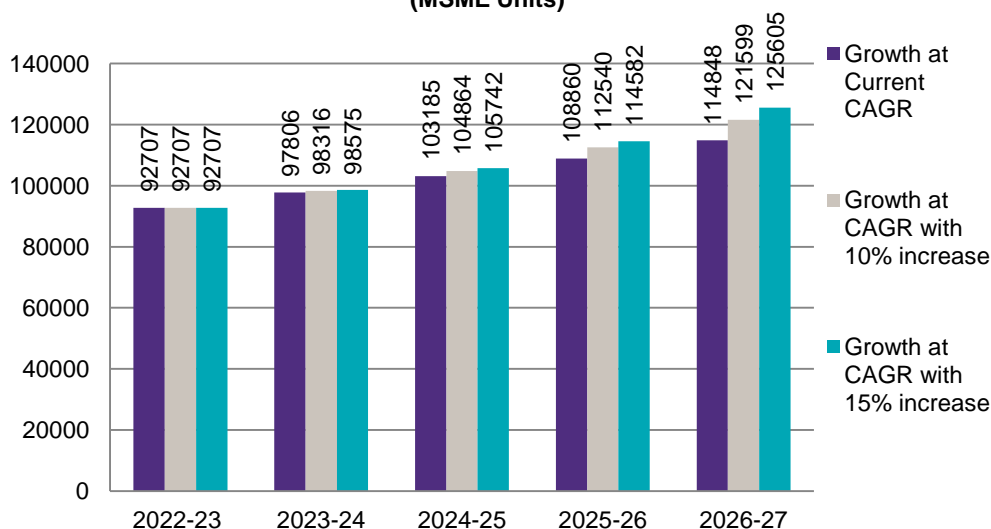


Figure 18 Growth in MSME Units in Andhra Pradesh during the RAMP Period

Projections for the growth of Investment in MSMEs in Andhra Pradesh

(Rs. in Crores)

Table 100 Projections for the growth of Investment

Year	Growth at Current CAGR	Growth at CAGR with 10% increase	Growth at CAGR with 15% increase
2022-23	9677	9677	9677
2023-24	9958	9986	10000
2024-25	10246	10336	10384
2025-26	10544	10735	10842
2026-27	10849	11191	11392

Source: Estimated by the Consultant

From the above table it is inferred that the Investment in MSMEs will increase from Rs. 9,677 Crores in 2022-23 to Rs. 10,849 Crores in 2026-27 with the ACGR of 2.90% per annum without RAMP Interventions. It is also projected with the assumption that the RAMP intervention will increase the ACGR by 10% and 15%. If it increases by 10%, the Investment in MSMEs will increase from Rs. 9,677 Crores in 2022-23 to Rs. 11,191 Crores in 2026-27 and if it increases by 15%, the Investment in MSMEs will increase from Rs. 9,677 Crores in 2022-23 to Rs. 11,392 Crores in 2026-27. The trends in the growth of Investment in MSMEs are depicted in Chart

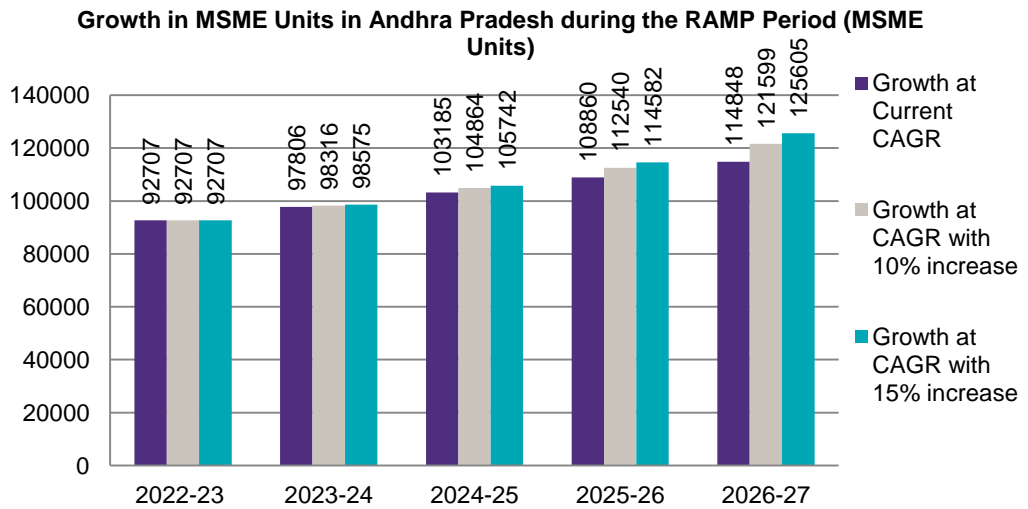


Figure 19 Growth in MSME Units in Andhra Pradesh during the RAMP Period

Growth in Investment of MSMEs in Andhra Pradesh during the RAMP Period (Rs. in Crores)

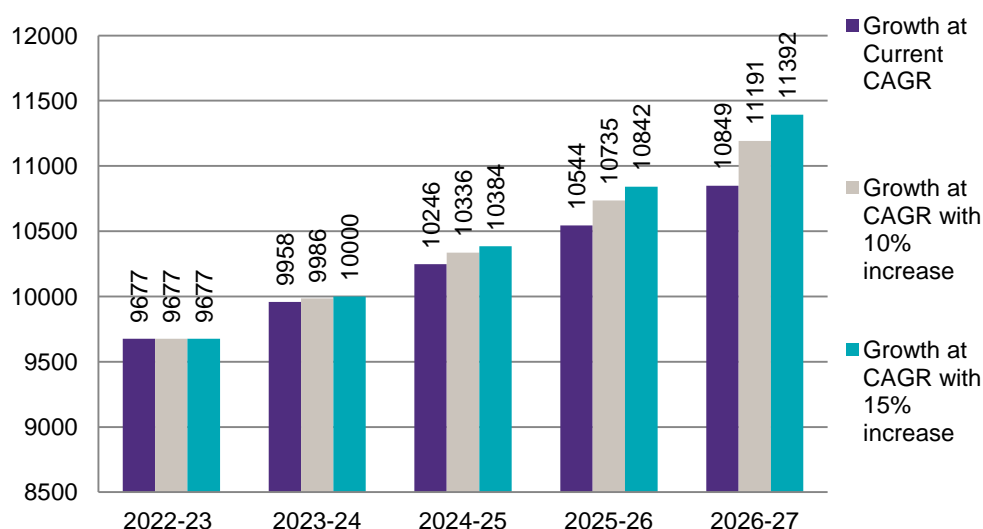


Figure 20: Growth in Investment of MSMEs in Andhra Pradesh during the RAMP

Projections for the growth of Employment in MSMEs in Andhra Pradesh

Table 101 Projections for the growth of Employment in MSMEs

Year	Growth at Current CAGR	Growth at CAGR with 10% increase	Growth at CAGR with 15% increase
2022-23	361742	361742	361742
2023-24	375018	376356	377008
2024-25	388781	393067	395292
2025-26	403049	412248	417350
2026-27	417841	434386	444144

From the above table it is inferred that the employment in MSMEs will increase from 3,61,742 persons in 2022-23 to 4,17,841 persons in 2026-27 with the ACGR of 3.67% per annum without RAMP Interventions. It is also projected with the assumption that the RAMP intervention will increase the ACGR by 10% and 15%. If it increases by 10%, the employment in MSMEs will increase from 3,61,742 persons in 2022-23 to 4,34,386 persons in 2026-27 and if it increases by 15%, the employment in MSMEs will increase from 3,61,742 persons in 2022-23 to 4,44,144 persons in 2026-27. The trends in the growth of employment in MSMEs are depicted in Chart

Growth in the Employment of MSMEs in Andhra Pradesh during the RAMP Period (Persons)

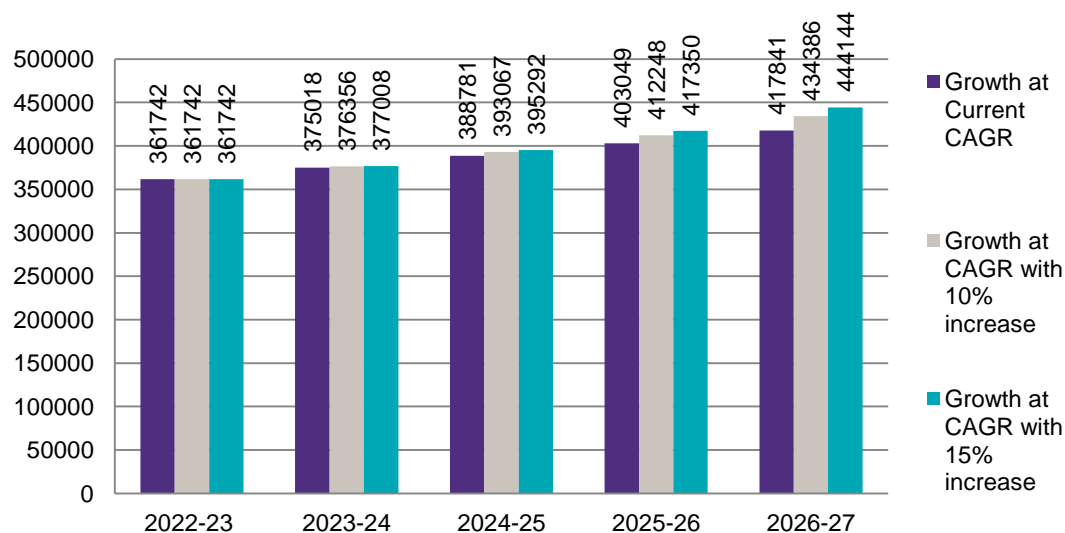


Figure 21 Growth in the Employment of MSMEs in Andhra Pradesh during the RAMP Period

Impact of Ramp on the growth of Gross Value Added (GVA) in Economic Sectors

Most of the MSME Units have been operating in four major economic sectors namely Fishing and Aquaculture, Mining and Quarrying, Manufacturing, and Trade, Hotels and Restaurants. Therefore, it is necessary to assess the impact of RAMP Programme on the output of the above economic sectors based on the data collected from the Directorate of Economics and Statistics, Government of Andhra Pradesh. The output of the economic sectors is estimated in terms of Gross Value Added (GVA). It is necessary to project the Gross Value Added from the major economic sectors in order to explain the impact of RAMP Programme on the growth of GVA from the selected Economic Sectors, where the concentration of MSME Units is high by assuming different annual growth rates for forecasting purpose. The following paragraphs provide an analysis on the growth performance of economic sectors and also assess the expected impact of RAMP Programme on the output of economic sectors.

Impact of RAMP on the growth of GVA from Fishing and Aquaculture:

From Chart it is inferred that the Gross Value Added from Fishing and Aquaculture will increase from Rs. 1,11,223 Crores in 2022-23 to Rs. 2,57,068 Crores in 2026-27 if the output increases by its long term annual compound growth rate. The Gross Value Added from Fishing and Aquaculture will increase from Rs. 1,11,223 Crores in 2022-23 to Rs. 3,14,709 Crores in 2026-27 if the output increases by ACGR with 10% annual increment on compounding basis. The Gross Value Added from Fishing and Aquaculture will increase from Rs. 1,11,223 Crores in 2022-23 to Rs. 3,51,683 Crores in 2026-27 if the output increases by ACGR with 15% annual increment on compounding basis.

Impact of RAMP on the growth of GVA from Fishing & Aquaculture in Andhra Pradesh (Rs. Crores)

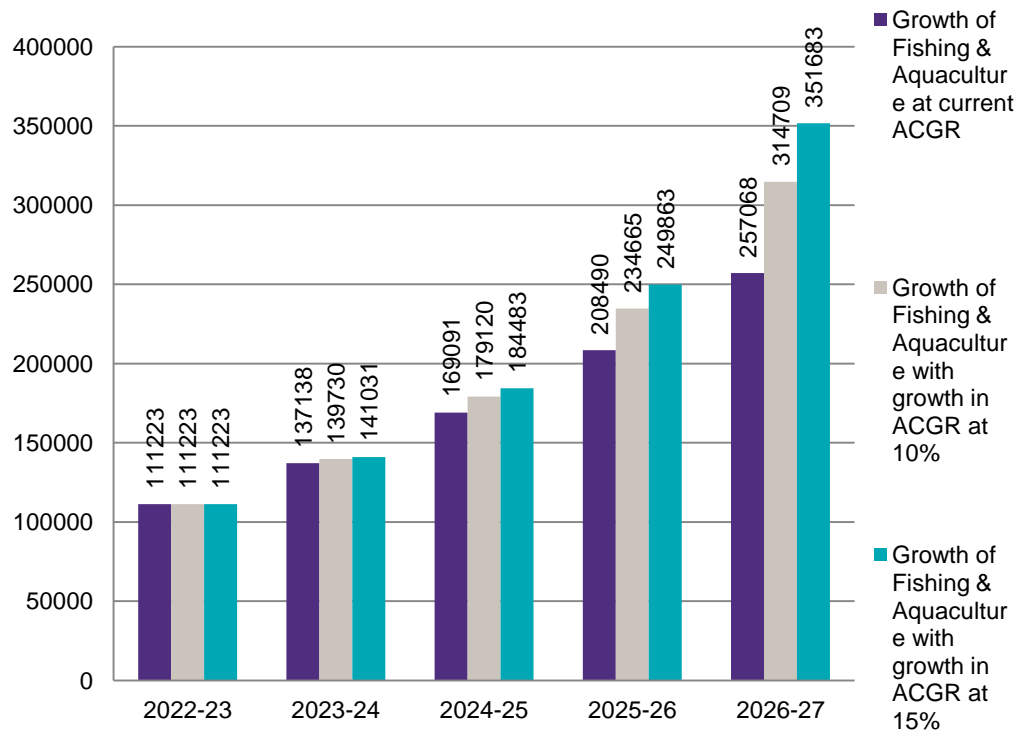


Figure 22 Impact of RAMP on the growth of GVA from Fishing & Aquaculture

Impact of RAMP on the growth of GVA from Mining and Quarrying:

From Chart it is inferred that the Gross Value Added from Mining and Quarrying will increase from Rs. 32,089 Crores in 2022-23 to Rs. 42,219 Crores in 2026-27 if the output increases by its long term annual compound growth rate. The Gross Value Added from Mining and Quarrying will increase from Rs. 32,089 Crores in 2022-23 to Rs. 45,392 Crores in 2026-27 if the output increases by ACGR with 10% annual increment on compounding basis. The Gross Value Added from Mining and Quarrying will increase from Rs. 32,089 Crores in 2022-23 to Rs. 47,295 Crores in 2026-27 if the output increases by ACGR with 15% annual increment on compounding basis.

Impact of RAMP on the Growth of GVA from Mining and Quarrying in Andhra Pradesh (Rs. Crores)

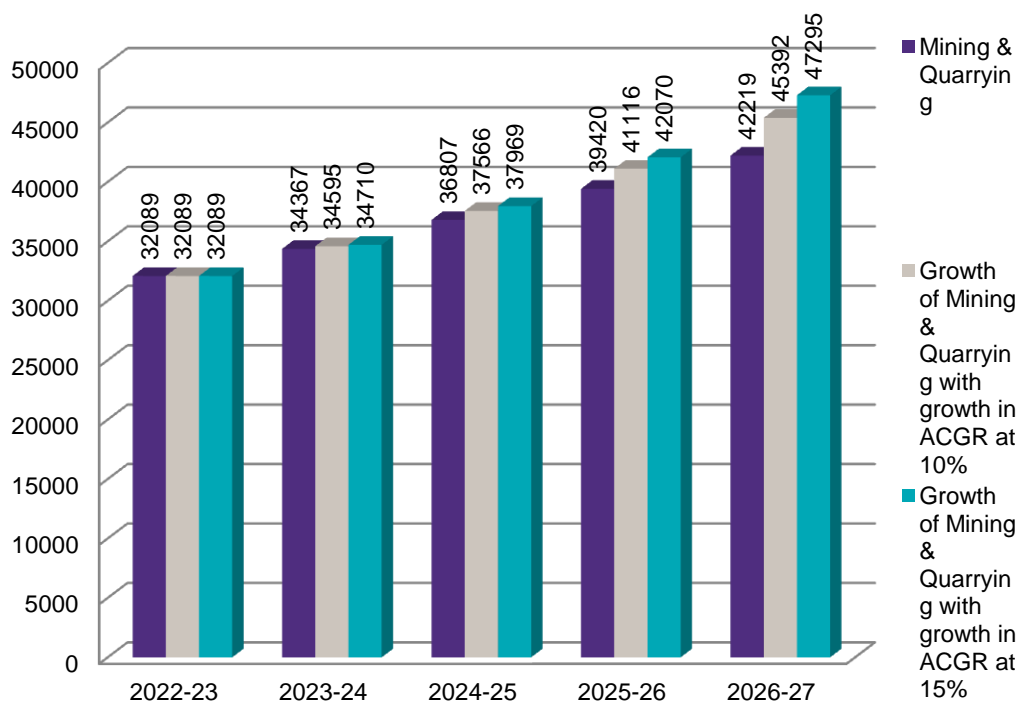


Figure 23 Impact of RAMP on the Growth of GVA from Mining and Quarrying

Impact of RAMP on the growth of GVA from Manufacturing:

From Chart it is inferred that the Gross Value Added from Manufacturing will increase from Rs. 1,24,702 Crores in 2022-23 to Rs. 1,64,071 Crores in 2026-27 if the output increases by its long term annual compound growth rate. The Gross Value Added from Manufacturing will increase from Rs. 1,24,702 Crores in 2022-23 to Rs. 2,01,561 Crores in 2026-27 if the output increases by ACGR with 10% annual increment on compounding basis. The Gross Value Added from Manufacturing will increase from Rs. 1,24,702 Crores in 2022-23 to Rs. 2,13,109 Crores in 2026-27 if the output increases by ACGR with 15% annual increment on compounding basis.

Impact of RAMP on Growth of GVA from Manufacturing in Andhra Pradesh (Rs. Crores)

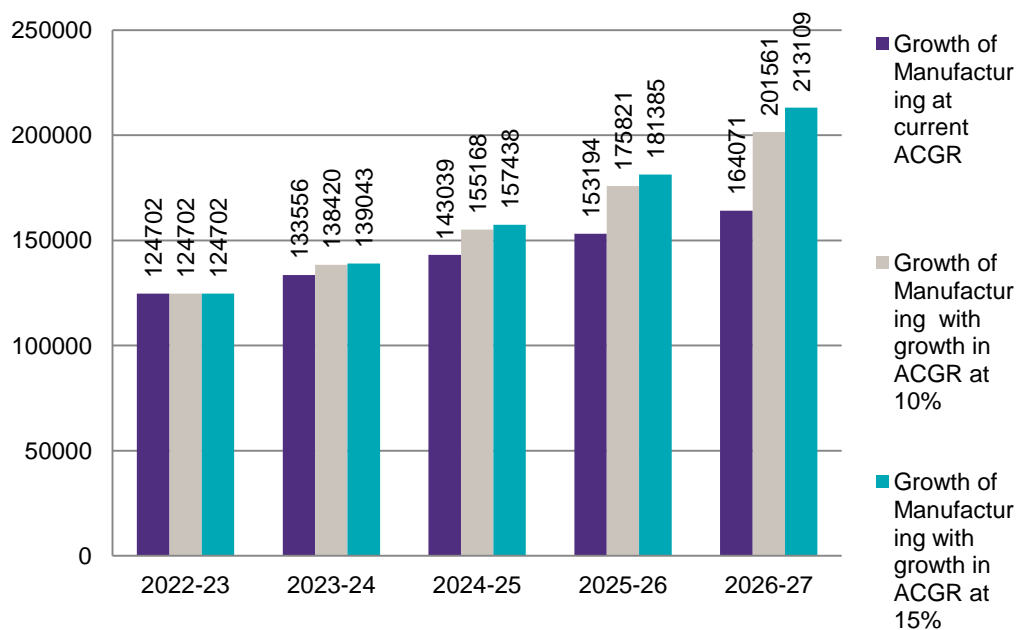


Figure 24 Impact of RAMP on Growth of GVA from Manufacturing

Impact of RAMP on the growth of GVA from Trade, Hotels and Restaurants:

From Chart it is inferred that the Gross Value Added from Trade, Hotels and Restaurants will increase from Rs. 92,509 Crores in 2022-23 to Rs. 1,34,460 Crores in 2026-27 if the output increases by its long term annual compound growth rate. The Gross Value Added from Trade, Hotels and Restaurants will increase from Rs. 92,509 Crores in 2022-23 to Rs.1,48,179 Crores in 2026-27 if the output increases by ACGR with 10% annual increment on compounding basis. The Gross Value Added from Trade, Hotels and Restaurants will increase from Rs. 92,509 Crores in 2022-23 to Rs. 1,56,499 Crores in 2026-27 if the output increases by ACGR with 15% annual increment on compounding basis

Impact of RAMP on growth of GVA from Trade, Hotels and Restaurants in Andhra Pradesh

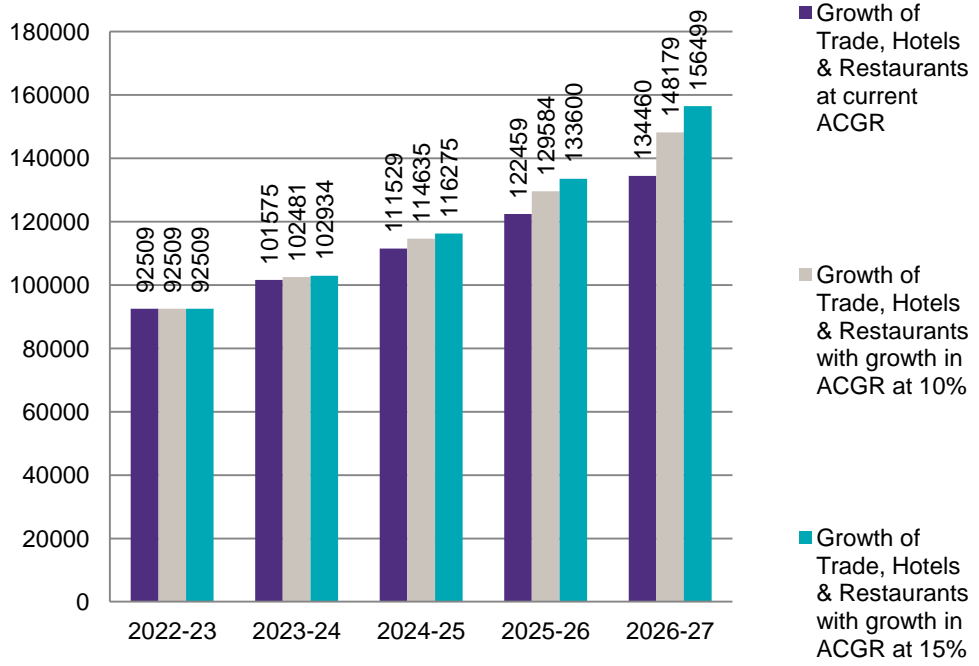


Figure 25 Impact of RAMP on growth of GVA from Trade, Hotels and Restaurants

Annexures

Questionnaire for MSME Entrepreneurs/ Enterprises

ANDHRA PRADESH MSME DEVELOPMENT CORPORATION
Govt. Press Buildings, Muthyalampadu, Vijayawada- 520011
Raising and Accelerating MSME Performance (RAMP)
RAMP-Strategic Investment Plan (SIP)

Questionnaire for MSME Entrepreneurs/ Enterprises

Table 102 Questionnaire for MSME Entrepreneurs/ Enterprises

1	Name of the MSME Unit						
2	Address						
3	Udyam Registration Number						
4	Name of the proprietor/ Managing Partner /Respondent						
5	Email ID.						
6	Mobile Number						
7	Unit details in brief						
8	Date of Commencement of Production/service						
9	Investment (Rs. In lakhs) Micro/Small/ Medium						
10	Turn over FY 2022 -23 (Rs.in Lakhs)						
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black; padding: 5px;">0 -25</td> <td style="width: 50%; border-bottom: 1px solid black; padding: 5px;">25-50</td> </tr> <tr> <td style="border-bottom: 1px solid black; padding: 5px;">50-100</td> <td style="border-bottom: 1px solid black; padding: 5px;">100-500</td> </tr> <tr> <td style="border-bottom: 1px solid black; padding: 5px;">500-1000</td> <td style="border-bottom: 1px solid black; padding: 5px;">1000-more</td> </tr> </table>	0 -25	25-50	50-100	100-500	500-1000	1000-more
0 -25	25-50						
50-100	100-500						
500-1000	1000-more						
11	Category (Women/SC/ST and others)						
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black; padding: 5px;">Woman</td> <td style="width: 50%; border-bottom: 1px solid black; padding: 5px;">SC</td> </tr> </table>	Woman	SC				
Woman	SC						

	ST	Others
12	Type of Unit	
	Manufacturing	Service
	Trading	Exporting
13	Sanctioned loan (Rs.in lakhs), If any	
	Term loan (Rs.in lakhs):	Working Capital (Rs.in lakhs):
	If Barrowed, how much? :	
14	Please specify the Sector	
	automotive and auto components	Engineering
	Textile and Apparels	Agro and food processing
	Chemical	Electronics and IT
	Petrochemicals (Plastic)	Pharmaceuticals and Bulk Drugs
	Medical and Devices	Défense and Aerospace
	Machinery and Equipment	Renewable Energy components manufacturing
	Manufacturing	Biotechnology
	Green Hydrogen and Electric Vehicles	If any other:
15	Location of the Unit – District	
	Place:	District:
16	Category of the Unit	
	Owned/Leased / Rent	
	Industrial Park/Commercial spaces/ Flattered Factory/ Private Land/Private	

Park/Others

17	Available Infrastructure
	Land
	Building
	Availability of Testing & Certification Labs
	Water
	Electricity
18	Suggestions for Improvement in Brief
19	Are you dependent on any Large-scale Industries/PSUs etc., for supply/ procurement? Yes/ No. If yes, details thereof
20	Availability of research and testing Labs. / MSME Tool Rooms/ Incubator etc., for availing testing & technology services
	Present Scenario
	Futuristic Suggestions
21	Marketing. Unit's past performance, potential for new market and plans for the future
	Present Scenario
	Futuristic Suggestions
22	Did you get affected by COVID Pandemic? Yes/ No
23	Did you seek/ received any Govt. Assistance through resilience 'Atmanirbhar package' announced by the Central Govt.?
	Yes No
24	Availability of Skilled Manpower

Present Scenario:

Futuristic Suggestions:

25 Please indicate about the Technology gaps

Present Scenario:

Futuristic Suggestions:

26 Please write on the MSMEs Access to Markets

Present Scenario:

Futuristic Suggestions:

27 Explain about your market

Present Scenario:

Futuristic Suggestions:

28 Do you need any support for market development & how

Futuristic Suggestions

29 Access to Credit (CGTMSE, PMEGP, MUDRA, Collateral-free loans etc.,)

Present Scenario:

Futuristic Suggestions:

30 Environmental & Occupational Health & Safety Standards compliance and Greening. usage of non-conventional energy/ Solar energy

Present Scenario:

Futuristic Suggestions:

31	Gender Gaps -Number of women employees - proportion of male and women workers	
	Present Scenario:	
	Futuristic Suggestions:	
32	Infrastructure Constraints if any	
	Present Scenario:	
	Futuristic Suggestions:	
33	Did you experience issues due to 'Delayed Payments' from Govt./CPSEs/Major companies?	
	If Yes, Suggestions for Improvement Taxation (GST, IT & other Taxes)	
	Present Scenario:	
	Futuristic Suggestions:	
34	Quality Certifications	
	ZED Please mention (Bronze, Silver or Bronze or Gold)	
	BIS	
	LEAN	
	FSSAI	
	ISO	
	Others	
35	Are you willing to adopt any of the Quality Certifications with Govt. Support?	
	If yes, type of Support / Subsidy needed	Yes/ No
36	State Govt. Subsidies/ Grants, availed, if any	Yes/ No
37	Whether your Company has a website?	Yes/ No

38 Useful Govt. websites you often visit

39 Any Other issues not covered above

Note:

1. Your responses will be used only for the diagnostic survey being undertaken to formulate Strategic Investment Plan (SIP) to implement RAMP Scheme in the state of AP
2. It's a time-bound activity of national importance. Therefore, you are requested to send in your responses, as quickly as possible. An early response will be greatly appreciated.
3. This Circular is being issued under reference and authority of the ED, MSMEDC, Govt. of AP

Date:

Place:

Name and Signature of the MSME Entrepreneur

Questionnaire for Govt. Organizations

ANDHRA PRADESH MSMEDEVELOPMENTCORPORATION
Govt.Press Buildings,Muthyalampadu,Vijayawada– 520011

RAISING & ACCELERATING PERFORMANCE OF MSMEs (RAMP)
(A Centrally sponsored, World Bank Assisted Scheme for MSMEs)
Survey for formulation Strategic Investment Plan (SIP) for RAMP implementation
QUESTIONNAIRE

Table 103 Questionnaire for Govt. Organizations

#	Particulars	Your responses may be shown in Annexures
1	Name & address of the Govt. organization	
	Address with email id. & Contact nos.	
	Name & designation of the Officer In-charge/ Head of Office	
	District/ Jurisdiction (Area of coverage)	
2	Total No. MSME Enterprises, as on 31st March 2023	
	i. No. Registered under Udyam Portal	
	ii. Unregistered Units	
	General category	
	SC/ ST	
	Women	
3	No. of enterprises engaged in Manufacturing	
	No. of enterprises engaged in rendering Services	
	No. enterprises engaged in Trading activities	
4	Key constraints in the development and progress and competitiveness of MSMEs	
5	Name & Type of Govt. Schemes implemented by your organization	

- i. No. of beneficiaries in each scheme
- ii. Subsidies/ incentives provided under specific govt. schemes

Centre-State Synergies

Present status

Improvements suggested

6 Access to finance/ credit flow

Problems faced during COVID, and adequacy of resilience programs offered by Central Govt. under Atmanirbar Bharat Mission.

Ease of availing credit guarantee under CGTMSE scheme

Market access-

Issues with Delayed payments from Govt./ Defense sector/ other CPSUs - Registrations with TReDs platform- Constraints, if any

Efficiency of MSEFCs in resolving disputes

No. disputes referred to SAMADHAAN Portal

Implementation of programs like ZED, LEAN and other certification programs - Add a brief Note on Support systems available

Implications of GST on MSMEs

Improved monitoring and evaluation of frameworks for implementation of Ministry of MSME and State Govt. Schemes

Addl. Govt. Support is needed, but not available

Environmental/ pollution control/ greening of MSMEs. No. of your Member Units adopting green technologies and using green energy sources

Adequacy of Institutional support system. If inadequate, details thereof

Any other issues concerning the growth of MSMEs in the State

Note:

1. Your responses will be used only for the diagnostic survey being undertaken to formulate Strategic Investment Plant (SIP) to implement RAMP Scheme in the state of AP
2. It's a time-bound activity of national importance. Therefore, you are requested to send in your responses, as quickly as possible, before 23/05/2023 will be greatly appreciated.
3. This Circular is being issued under reference and authority of the ED, MSMEDC, Govt. of AP

Date:

Place:

Signature

Questionnaire for Financial Institutions -SIDBI, Commercial Banks, SFC & SLBC

ANDHRA PRADESH MSMEDEVELOPMENTCORPORATION
Govt.Press Buildings,Muthyalampadu,Vijayawada– 520011

RAISING & ACCELERATING PERFORMANCE OF MSMEs (RAMP)

(A Centrally sponsored, World Bank assisted Scheme for MSMEs)

Survey for formulation Strategic Investment Plan (SIP) for RAMP implementation

QUESTIONNAIRE

Table 104 Questionnaire for Financial Institutions -SIDBI, Commercial Banks, SFC & SLBC

#	Particulars	Your inputs. (Enclose details, if necessary)
1	Name & address of the Commercial Bank/ FI/SFC	
	Address with E-mail id. & Contact nos.	
	Name & designation of the Officer In-charge/ Contact person	
	FI/ Bank's jurisdiction (Area of coverage)	
2	Total No. enterprises/ entrepreneurs funded, as on 31/03/2023	
	General category	
	SC/ ST	
	Women	
3	No. of enterprises engaged in Manufacturing	
	No. of enterprises engaged in rendering Services	
	No. enterprises engaged in Trading activities	
4	Sanctions/ Disbursements to MSMEs (for FY 2021-22, 2022-23) Scheme-wise sanction/ disbursement is requested	
	Micro	
	Small	

Medium

5	Sanctions/ Disbursements to MSMEs (for FY 2021-22, 2022-23) Scheme-wise disbursement is requested
	Micro
	Small
	Medium
6	Access to finance/ credit flow to MSMEs: Key constraints/ issues in financing MSMEs
	Problems faced during COVID and adequacy of resilience programmes offered by Central Govt. under Atmanirbar Bharat Mission.
	Ease of availing credit guarantee under CGTMSE scheme
	Registrations with TReDs platform - Constraints, if any
	Implications of GST
	Subsidies/ incentives provided under specific govt. schemes, role of FIs/ banks in monitoring incentives
	Improved monitoring and evaluation of frameworks for implementation of Ministry of MSME and State Govt. Schemes
	Addl. Govt. Supports needed, but not available
	Environmental/ pollution control/ greening of MSMEs. No. of your Member Units adopting green technologies and using green energy sources
	Adequacy of Institutional support system If inadequate, details thereof. Your comments
	Any other issues concerning the growth of MSMEs in the State with special reference to financing MSMEs

Note:

1. Your responses will be used only for the diagnostic survey being undertaken to formulate Strategic Investment Plan (SIP) to implement RAMP Scheme in the state of AP

2. It's a time-bound activity of national importance. Therefore, you are requested to send in your responses, as quickly as possible, before 28/05/2023. Your prompt action will be greatly appreciated.
3. This Circular is being issued under reference and authority of the Executive Director, MSMEDC, Govt. of AP.

Date:

Place:

Signature

Questionnaires for Industry & Trade Associations

ANDHRA PRADESH MSMEDEVELOPMENTCORPORATION
Govt.Press Buildings,Muthyalampadu,Vijayawada- 520011

RAISING & ACCELERATING PERFORMANCE OF MSMES (RAMP)

(A Centrally sponsored, World Bank Assisted Scheme for MSMEs)
Survey for preparation of Strategic Investment Plan (SIP) for RAMP Implementation

QUESTIONNAIRE

Table 105 Questionnaires for Industry & Trade Associations

#	Particulars	Your inputs. Enclose details, if necessary
1	Name & address of the Industry/ Trade Association	
	Address with email id. & Contact nos.	
	Name & designation of the contact person	
	Association's jurisdiction (Area of coverage)	
2	No. Member-Enterprises on rolls, total	
	General category	
	SC/ ST	
	Women	
3	Category of enterprises	
	Micro enterprises	
	Small enterprises	
	Medium enterprises	
4	No. of enterprises engaged in Manufacturing	
	No. of enterprises engaged in rendering Services	

No. enterprises engaged in Trading activities

5 Key constraints in the development and progress and competitiveness of your Member Units

Centre-State Synergies in delivering Govt. assistances.

Present status

Improvements suggested

6 Access to finance/ credit flow

Problems faced during COVID, and adequacy of resilience programs offered by central govt. under Atmanirbar Bharat Mission.

Ease of availing credit guarantee under CGTMSE scheme

Market access-

Issues with Delayed payments from Govt./ Defense sector/ other CPSUs - Registrations with TReDs platform- Constraints, if any

Efficiency of MSEFCs in resolving disputes

No. disputes referred to SAMADHAAN Portal

Implementation of programs like ZED, LEAN and other certification programs - Add a brief Note on Support systems available

Implications of GST

Subsidies/ incentives provided under specific govt. schemes

Improved monitoring and evaluation of frameworks for implementation of Ministry of MSME and State Govt Schemes

Addl. Govt. Support is needed, but not available

Environmental/ pollution control/ greening of MSMEs. No. of your Member Units adopting green technologies and using green energy sources

Adequacy of Institutional support system. If inadequate, details thereof

7 Any other issues concerning the growth of MSMEs in the State

Note:

1. Your responses will be used only for the diagnostic survey being undertaken to formulate Strategic Investment Plan (SIP) to implement RAMP Scheme in the state of AP
2. It's a time-bound activity of national importance. Therefore, you are requested to send in your responses, as quickly as possible, before 28/05/2023. Your prompt response will be appreciated.
3. This Circular is being issued under reference and authority of the ED, MSMEDC, Govt. of AP.

Date:

Place:

Signature

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