



NEWSLETTER

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EVENTS

“Adding muscle to your Business” – FICCI-CMSME workshop for MSMEs



FICCI-CMSME, under its marketing initiative organized a workshop entitled “Adding muscle to your Business” at FICCI, New Delhi on 22nd December, 2014. The workshop was aimed to deliver simple methods by which MSMEs can strengthen their business. These methods encompass understanding of brands and branding, the tools of marketing such as marketing strategy, business planning, digital strategy, etc.

Within this framework the specific objectives of the workshop was to provide practical strategic methods to

increase business success; to address the challenges that MSMEs face in generating business growth; to harness the emerging opportunities using the digital medium to widen and deepen customer acquisition and to improve distribution capability.

The workshop Knowledge Partner BENEFFECT used a participative methodology that combined putting practical exercises into practice and used equipment and tools to strengthen the theory sessions. Topics that were covered in the workshop are given below:

- The challenge of being a successful entrepreneur - the five things you must ensure in your business
- The digital marketing opportunity - how to use the internet to expand your business profitably
- Sales and distribution - the muscles of your business - how to structure and administer a successful sales and distribution network for your business

The workshop was attended by 16 MSMEs. The workshop was conducted by Mr. Rupin Jayal, Mr. Vikas Verma, Mr. Pallav Soin and Mr. Vipul Mathur from BENEFFECT.

MSME News Update

RBI issues new norms for MSME trading platform

The Reserve Bank of India (RBI) issued guidelines for setting up and operating the trade receivables discounting system in the country, called TReDS, with a minimum paid-up equity capital of Rs.25 crore.

It “will not be allowed to assume any credit risk,” said the RBI. The central bank will accept applications to set up TReDS, till the close of business on February 13, 2015.

“The scheme for setting up and operating the institutional mechanism for facilitating the financing of trade receivables of micro, small and medium enterprises (MSMEs) from corporate and other buyers, including government departments and public sector undertakings, through multiple financiers will be known as TReDS,” RBI said.

The central bank said that MSMEs, despite the important role played by them in the economic fabric of the country, faced constraints in obtaining adequate finance, particularly in terms of their ability to convert their trade receivables into liquid funds. The RBI expects this issue would be resolved through an institutional mechanism to fund trade receivables.

(Hindu, December 4th, 2014)

Indian MSMEs set to battle it out for Rs 18,000-cr defence pie

The Defence Procurement Policy 2013 and the Make in India campaign have created a staggering Rs 18,000 crore (\$3 billion) opportunity for the Indian defence MSME (micro, small and medium) sector as numerous offsets in the three wings of the armed forces are expected to be executed in the next five years.

According to defence MSMEs, the two key initiatives have opened up an estimated Rs 90,000 crore offset opportunity for the defence players in defence public sector undertakings (DPSUs), enterprise as well as for the MSME sector over the coming five-year period. Of this, the MSME sector is expected to land offset business worth Rs 18,000 crore, which is 20 percent of the overall projection for the defence sector.

Indigenous manufacture of parts and sub-assemblies used in non-critical ground-based systems as replacements during maintenance of original imported equipment, and indigenous design, development and manufacture of complete equipment as a replacement for obsolete original equipment, through a process of reverse engineering, are encouraging MSMEs in the defence segment.

(Business Standard, December 7th, 2014)

BSE SME listed firms’ market value crosses Rs 10,000-cr mark

The market valuation of companies listed on the BSE’s SME platform crossed the landmark Rs. 10,000-crore mark within two years of its launch. Commenting on the achievement BSE MD & CEO, Ashishkumar Chauhan, said: “Reaching market capitalisation of Rs. 10,000 crore in listed BSE SME companies is a small but significant step for Indian capital markets.

“BSE is delighted to be of help to SME companies in raising the capital, creating wealth for various stake holders, bringing corporate governance and visibility and providing liquidity on the platform. MSME sector is one of the largest provider of jobs in India and engine of job creation.”

The BSE SME platform currently has 82 companies listed on its platform. Additionally, 16 more companies are at various stages of listing. “Regulatory framework set up by SEBI and policies by Ministry of Finance have helped create a conducive environment for SME companies to list on BSE SME platform,” Chauhan added.

India has a huge potential for SMEs and the success at BSE SME in less than 3 years of its setting up has opened up important avenues for high growth SME companies to raise funds for their growth from public, he said.

This also proves that Indian investors are willing to invest in right companies, however small, Chauhan noted.

Recently, the market cap of companies listed at the BSE crossed Rs. 100 lakh crore milestone.

(Business Line, December 13th, 2014)

Govt sets up grievance redressal cell for micro and small enterprises

The government has set up a grievance redressal cell, which receives complaints of micro and small enterprises and industries' associations to resolve their issues. MSME minister Kalraj Mishra informed the Lok Sabha that all complaints received by the cell are attempted to be resolved within 15 days. The cell also clarifies on issues relating to the procurement policy.

(Financial Express, December 19th, 2014)

MSMEs innovate most in food products, rubber and plastics: survey

Most of the innovation in the Indian micro, small and medium enterprises (MSMEs) sector is taking place in rubber and plastics and manufacturing of food products, says the Indian National Innovation Survey released by the department of science and technology on Monday. More than a third of the firms in the overall sample of firms surveyed are found to be innovative, it says. The report is based on a survey of 9,001 firms, largely MSMEs, spread across 26 states and five Union Territories across various industrial sectors in the country. As many as 70% of firms have innovations in the form of introducing new machines. This is followed by quality and standards-related activities (40% of the firms) and product and process innovations (32% and 34% of firms, respectively). More than half of the innovative firms are involved in non-technological innovations; nearly half of these are into marketing innovation and the other half are into organizational innovation. Most of the innovative firms have a workforce of less than 100, and are privately owned. Interestingly, the old large firms established before 1990 show more innovation-related activities than those set up in later years. The survey defines two indicators for ranking sectors and states in terms of innovation: innovation intensity and innovation potentiality. Innovation intensity is defined as a ratio between number of innovative firms in a state or sector and total number of firms in the state or sector. Innovation potentiality is defined as weighted innovation intensity, where the state or sector is assigned a weightage based on its share of total innovative firms. Karnataka, Maharashtra and Kerala were found to have the most innovation potentiality, while Chandigarh, Nagaland and Meghalaya had the least. The report highlights a few concerns and hindrances faced by firms to increase innovation. Availability of skilled manpower is the most important problem for 88% of the companies. Poor access to market information and availability of information technology follow closely. As many as 53% of the innovative firms do not employ any scientist or engineers. On an average scientists and engineers make up about 7% of the workforce. The rubber and plastics sector is an exception, where scientists and engineer make up as high as 24% of the workforce. "So far the National Innovation System is concerned it has been seen that accessing institutional facilities for technological support to innovation is quite high in a few states, like, Assam, Gujarat, Madhya Pradesh, Meghalaya etc. But for states like Karnataka, Kerala and Tamil Nadu—states that are known to be innovation leaders—have poor records in accessing institutional support system for technological knowledge and information," the report said. "The report details an exhaustive survey, and one aspect of value is about the barriers to innovation," said K. Vijay Raghavan, secretary, department of science and technology. He added that the barriers noted in the survey including government regulatory requirements followed by established players in the market, and innovation cost for product, process and alternative material, were concerns that needed to be addressed.

(MINT, December 23rd, 2014)

Scheme re-jig to push MSME growth

The Rajiv Gandhi Udyami Mitra Yojana, which has been renamed as the Business Accelerator and Start-up Programme, is being revamped to generate more employments and speed up growth in the MSME sector. The government has also sought comments on the proposed changes to the programme to make more effective for promotion of micro, small and medium enterprises. The schemes is scheduled to be implemented on a pilot basis through the 12th Plan, and its primary objective is to focus on the growth of the sector and creation of jobs.

(Business Line, December 27th, 2014)

Tamil Nadu to get 10 MSME incubation centres

The Union Ministry of Micro, Small and Medium Enterprises will set up 10 incubation centres in the State in the next five years to develop entrepreneurship. These centres will promote individual innovators and assist them to become technology-based entrepreneurs, according to Kalraj Mishra, Union Minister for MSME.

For instance, the Centre will buy expensive design software and rent it to MSMEs for a nominal fee, he told newsmen after inaugurating SOUMEX 2014, a three-day sourcing and manufacturing exhibition organised by the National Small Industries Corporation and Tamil Nadu Small and Tiny Industries Association.

The first incubation centre will be set up in Chennai while the rest will come up after consulting the State government, which will identify the campuses to house these centres.

The objective is to promote emerging technological and knowledge-based innovative ventures that seek nurturing of ideas from professionals beyond the traditional activities of MSMEs.

Inaugurating the exhibition, Mishra said a 'tool' room will be set up in Palakkad to help BTech and MTech graduates get training on designing manufacturing tools.

(Business Line, December 29th, 2014)

PM asks for transition from 'ABCD' to 'ROAD'

Government ready to break silos, amend rules and speed up processes

In a bid to push 'make in India' campaign and turn India into a 'huge manufacturing hub', prime minister Narendra Modi asked top bureaucrats to end the culture of 'avoid, bypass, confuse and delay' (ABCD).

He asked top government officials to move on road to success in governance by taking 'responsibility, ownership, accountability and discipline' (ROAD).

Winding up the day-long deliberations and review on 'make in India' initiative launched in September this year, the prime minister asked central government officials to involve all states in the effort to make India a 'manufacturing hub'.

Without announcing the details of the one-year and three-years plans put together for 25 sectors, Modi said the daylong consultations reflected his regime's thrust of 'minimum government and maximum governance'. He said his government was ready to break the silos, speed up processes, change rules and amend laws. This assumes significance as the Union cabinet on Monday decided to bring about changes in land acquisition laws through a presidential ordinance and also finalise the blueprint for building 100 smart cities.

Referring to stakeholders' consultation held during the day, Modi said his government has added a new paradigm to concept of public private partnership (PPP). Finance minister Arun Jaitley and commerce and industry minister Nirmala Seetharaman held discussions with different industry bodies, investors and other stakeholders to formulate sector-specific plans for 'make in India'.

The prime minister will meet chairmen of private and public sector banks to ensure that there was adequate flow of funds for companies to take up both greenfield and expansion projects. He asked top officials to focus on making eastern states as large centres of manufacturing given their rich natural resources and bring them on par with western states.

He also emphasised on movement of 5Ms as crucial to making India a huge manufacturing hub: men, money, machinery, materials and minerals. Modi reiterated the need for building 'brand India' globally by offering equipment and services famous for 'zero defect and zero effect'.

He maintained that human resources development, innovation and research would be focus of his government. Modi asked other sectors to take achievements in 'space' as inspiration to achieve excellence in manufacturing of products.

Earlier, top officials made presentations on ease of doing business, skills development, revenue, leather and leather products, gems and jewellery, capital goods, automobiles and auto components, oil and gas, power, chemicals and petrochemicals, basic metals and cement, pharmaceuticals, biotechnology, food processing, textiles, tourism, information technology, aerospace and defence, aviation, space, shipping, railways, medium and small enterprise, renewable energy, media and entertainment sectors.

Finance minister Arun Jaitley also nudged the RBI governor Raghuram Rajan to cut interest rates. RBI has maintained the benchmark repo rate (the rate at which banks borrow from the central bank) since January this year. "The cost of capital and, I think, in recent months or years, is one singular factor which has contributed to the slowdown of manufacturing growth itself," Jaitley said. Manufacturing has recorded a negative growth of 7.6 per cent in October while overall industrial

production registered negative growth of 4.2 per cent in the month.

“The credit off-take is slow, infrastructure creation becomes slower, the manufacturers find it difficult to afford costly capital, because it is going to add to each one of their costs. And, therefore, this is one area where each one of us has to be concerned about,” Jaitley said. After both retail and wholesale inflation dropped to record lows and finance minister pitching for rate cut earlier, RBI had left policy rates unchanged on December 2.

The finance minister has also cited policy paralysis in last one decade for the manufacturing in India to perform badly. “We can’t have a policy which is occasionally changed and half way through our businesses, we find that there is different policy... retrospective taxation, because of the absence of stability, became a defining moment against India globally,” he said.

Talking about ease of doing business, he said not only do entry barriers have to be lowered there is also a need to provide an enabling environment to continue doing business here. “We have to ask ourselves why each investor is today insisting on international arbitration where the venue is not India. It is because our domestic systems have a tendency to interfere too much in the domestic tribunals/international tribunals created for the purposes of dispute resolution mechanism,” he said referring to arbitration issues in cases such as Vodafone.

(Financial Chronicle, December 30th, 2014)



APPRENTICE PROTSAHAN YOJANA

GOVERNMENT OF INDIA
MINISTRY OF LABOUR & EMPLOYMENT
DIRECTORATE GENERAL OF EMPLOYMENT & TRAINING



Ministry of Labour & Employment has started a new scheme "Apprentice Protsahan Yojana (APY)" on 16.12.2014 to support manufacturing units and other establishments by reimbursing 50% of the stipend paid to apprentices by Government of India for the first two years of training for one lakh apprentices to be engaged by establishments covered under the Apprentices Act, 1961 upto 31.03.2017.

KEY FEATURES OF THE SCHEME

- Support to manufacturing units and other establishments covered under the Apprentices Act, 1961 in the form of sharing of 50% of stipend by Government of India.
- From FY 2015-16, Government of India's share of the stipend will be credited directly into the bank accounts of apprentices.
- Employers having six or more employees can avail the benefits of the scheme.
- Stipend for the first two years of apprenticeship will be shared.
- Sharing of 50% of stipend by Government of India for two apprentices per establishment.

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For more details please visit website <http://dget.nic.in/content/innerpage/apprenticeship-training-scheme-ats.php> or contact Dy. Director General (AT) / Director (AT) at 011-23718106, 23720792

FICCI - Confederation of Micro, Small and Medium Enterprises (CMSME)

INVITING MEMBERSHIP



FICCI CMSME

and IDBI Bank Partnership

Offering concession of 100 bps on interest rates and
charging only 0.10% processing fee from members

Other Membership Benefits

Free consultation & faster availability
of credit & finance @low cost

Decrease in raw material cost

Create brand and increase revenue
/leads through web presence

Lead generation at low cost
through digital advertising

Cost-effective & useful
MSME Insurance

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