



NEWSLETTER

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MSME News Update

SMEcorner.com comes under Google Launchpad in start-up push

SMEcorner.com, an online loan facilitator for small businesses, has been picked for Google's start-up mentorship programme 'Google Launchpad'. "SMEcorner.com has been identified among 25 companies for the Google Launchpad programme that started its India chapter last year," company's Founder and Chief Executive Samir Bhatia said. Through the programme, SMEcorner would get access to several resources, including mentors, user-testing benefits, developer community programmes, workshops and forums, cloud storage and the like, he said. It provides loans in the range of Rs.3 lakh to Rs.25 crore. (Business Standard, May 2nd, 2015)

DMK Supremo Karunanidhi urges Centre to come up with new MSME policy

Karunanidhi tells central government to devise new MSME policy with the Centre removing all 20 items, including matchboxes and wax candles, from exclusive manufacturing list of MSME, DMK today alleged that the move would allow big corporates to take over small firms and urged the NDA government to come up with a new MSME Policy. Party chief M Karunanidhi said the Centre on one side had launched the MUDRA Bank scheme to promote the Micro Small Medium Enterprises (MSME) sector, but on the other hand had removed 20 items from the exclusive manufacturing by them. "The government should withdraw such a contradictory approach, which impacts the small entrepreneurs and benefits only the big corporates. Considering the welfare of the crores of MSME professionals, Centre should come out with a new MSME Policy for their welfare," he said in a statement here. (www.dnaindia.com, May 3rd, 2015)

Small Factories Bill to be taken up by Union Cabinet next week

The Bill is now expected to be introduced in Parliament in its Monsoon session, missing the ongoing Budget session. An umbrella legislation to regulate small factories and exempt all such units with upto 40 workers from provisions of major labour laws is likely to be taken up by the Union Cabinet next week.

The proposed Small Factories (Regulation of Employment and Conditions of Services) Bill is still being vetted by the law ministry, which is likely to grant approval within this week, said a senior labour ministry official, adding that it will be taken up by the Cabinet next week. "We were keen to list it for approval from the Union Cabinet this week but we are still awaiting clearance from the law ministry. It should come in in a day or two and we will list the Bill for next week," said the official. The Bill is now expected to be introduced in Parliament in its Monsoon session, missing the ongoing Budget session. The Bill was drafted by the labour ministry in October last year and is expected to help micro, small and medium enterprises by reducing their compliance burden and promote ease of doing business for them.

The draft Bill has sought to provide each employer a labour identification number that would allow him to register online and submit a single compliance report for all 44 labour laws. Closing factories will also be easier under the Bill. It proposes that for shutting down such units the owner will have to notify the labour officers electronically within 15 days of closing up. (Indian Express, May 7th, 2015)

Modi's appeal revives Khadi, sale up by over 60 per cent

The Prime Minister appeal to people buy khadi garment in his popular 'Mann Ki Baat' programme aired on radio has played a key role in boosting the sale of the indigenous product. According to the Ministry of Micro, Small and Medium Enterprises, the total sale of Khadi Gramodyog Bhawan from April 13 to 28 has witnessed an increase of over 60 per cent compared with the corresponding period last year.

"The sale of readymade garments increased by a record 86 per cent and over 1 lakh customers purchased KVI products during the exhibition organised on the occasion of 60th foundation day of Khadi Gramodhyog Bhawan on April 13," the Ministry said in its official release.

Commenting on the achievement in a short span, Chief Executive Officer of Khadi and Village Industries Commission (KVIC) Arun Kumar Jha said Khadi is a cool comfortable and environment-friendly fabric ideal for the Delhi summer.

"Keeping in view of overwhelming response of customers and considering the quantum jump in sales, the Khadi Gramodhyog Bhawan is organising another exhibition this summer, starting May 16, in New Delhi. Exclusive range of Khadi summer collection will be displayed and available for sale," Jha said.

(www.millenniumpost.in, May 8th, 2015)

Incubation centres to boost small and medium industries

In a move to give a boost to small and medium scale entrepreneurs, the Micro, Small and Medium Enterprises Ministry has started a pilot project to open training-cum-incubation centres (TICs) across the country. According to the latest data provided by the ministry, the National Small Industries Corporation (NSIC) has started 98 such centres, of which 91 are on Public Private Partnership model and seven have been set by NSIC itself.

With 22 TICs under the PPP model and one being set up by the NSIC, UP is at the top on the list of 20 states that have started incubation centres to meet the ministry's mission of promoting the growth of micro, small and medium scale enterprises in the country. Punjab, with 10 TICs, is on the second position, followed by J&K with 9 TICs.

Minister of State for Micro, Small and Medium Enterprises Giriraj Singh said in the Rajya Sabha that the NSIC had established three TICs in 2012-13 and 2014-15, while one was being set up by the PSU in 2015-16 (till April) fiscal. However, the NSIC had not initiated setting up of any TIC in the year 2013-14.

The total number of incubation centres set up under the PPP model in 2012-13 was 58, followed by 18 TICs in 2013-14, 14 in 2014-15 and just one in 2015-16, Singh said.

(www.millenniumpost.in, May 8th, 2015)

Maharashtra Government, Sidbi set up Rs 200-cr fund for MSMEs

State-run Sidbi and Maharashtra government have set up a Rs 200-crore venture capital fund, with a view to providing easy financing options to micro, small and medium entrepreneurs (MSMEs), which traditionally face hurdles in formal sources of funding.

"We have set up a separate fund, the Rs 200-crore Sidbi Social Venture Fund, to enable MSMEs in the state easy access to financing. The aim is to invest in firms to create a social impact on the common man," Sidbi (Small Industries Development Bank of India) Venture Capital Managing Director and Chief Executive Officer Ananta Sarma said.

While the state has committed to contributing Rs 75 crore towards the fund, the rest will be raised from banks and other financial institutions.

"We will soon register the fund with the Securities and Exchange Board (Sebi), post which we will start raising fund," he said, adding the fund will invest up to Rs 25 crore in the MSMEs.

"The investment will be in the form of equity and we will have a share in the firm and also take risk along with the entrepreneur," Sarma added.

Meanwhile, Maharashtra has also decided to come up with a dedicated industrial policy for MSMEs to provide them all the necessary incentives and facilities setting up of their businesses in the state.

(The Times of India, May 10th, 2015)

Haryana mulls Rs 1,000-crore corpus for MSME sector

In a major initiative to provide credit to MSME sector without collateral security, the Haryana government will create a corpus of Rs 1,000 crore with central assistance in the upcoming new industrial policy. "In our coming new industrial policy, we are trying to create a corpus of Rs 100 crore while the Government of India will top it up with Rs 900 crore. It will be a Rs 1,000 crore fund. It will be a state specific collateral free credit guarantee scheme (for MSME) which will be monitored by the state," Haryana Principal Secretary, Industries and Commerce, Devender Singh said.

"As in general scheme (collateral free scheme), credit disbursement is not that much. So this new scheme will be tremendously beneficial for the industry," he asserted.

With focus on promoting MSME sector, the state government aims to provide hassle free credit to entrepreneurs so as to encourage them to set up small and micro units in the state. The Haryana government had already announced coming up with a new industrial policy for the state.

In the meeting, Singh expressed displeasure over "lesser" collateral free credit disbursed by bankers to the state's MSME sector. (The Economic Times, May 13th, 2015)

Samsung gears up to create ecosystem for its new Tizen OS

Samsung India has, to build a supportive system for Tizen, its new operating system (OS) decided on a training programme in 78 technical centres. This will be in partnership with the Union ministry of micro, small and medium enterprises. Kalraj Mishra, the minister in charge, says the initiative will strengthen the government's plan for imparting skills to youth – the target is to do so for 300 million people by 2020.

Earlier this year, Samsung launched its new OS through its Z1 smartphone in India. The company is already in a tie-up with major technical institutions for having students work on creating various applications (apps) and software to supplement Tizen. The company signed a memorandum of understanding on May 13 with the MSME ministry for a month's skill development course based on the Tizen OS in its 10 existing Samsung Technical Schools. The new institutes offering digital courses, named Samsung Digital Academy, will come up in its existing technical schools and other premises as well.

The course will offer theory and lab-based training in the digital academies, on the Tizen platform, app development process, testing and de-bugging. It will also offer training on Application Program Interfaces, and packaging and installation of designed apps on various devices. Samsung says on course completion, people can be absorbed by the company or form their own ventures.

(Business Standard, May 14th, 2015)

Central Bank to focus more on retail, MSME segment

With measures to control cost, ensure credit quality through constant monitoring and to improve customer relationship Central Bank of India expects to post better growth in top and bottom lines of the business and improved asset quality in the current financial year.

Talking to a group of media persons at the bank's regional office in Chennai, its Executive Director BK Divakara said the bank, over the last three years, has reduced focus on big corporates, and has gradually shifted its focus on the retail, agriculture and MSME segments. "Three years ago, 63 per cent of our loan book was made up of big corporates, which has now reduced to 48 per cent. With growth in other focus areas such as retail and MSME, this will come down further in the coming years," he said.

(The Hindu Business Line, May 15th, 2015)

IDBI Bank to launch e-huts for services in rural areas

IDBI Bank is set to expand its branch network to 2,000 by the end of the current year from 1,740 now, besides rolling out e-huts to provide services to people in rural areas. Addressing a press conference, Deputy Managing Director of IDBI Bank Melwyn Rego said the bank has introduced e-lobbies, which are next to branches, across the country.

E-hut is a western concept and is set up at relatively populated areas, such as malls. Rego said the bank focuses on retail banking, predominantly financing housing, automobile, education and medium, small and micro enterprises (MSMEs). It is slowly shifting focus to the corporate sector.

(The Hindu Business Line, May 19th, 2015)

SBI takes e-commerce road to expand MSME business

The country's largest bank State Bank of India (SBI) is building blocks to grow its MSME business through the e-commerce space. In just two days, the 209-year-old bank has inked pacts with three digital commerce players and all of them have strong focus on small businesses.

While SBI has not fixed targets for itself as yet, it is very positive on this line of business that has a lot of potential for growth, said its chairman Arundhati Bhattacharya. The bank's current MSME (micro, small & medium enterprises) loan book stands at about Rs 170000 crore.

SBI entered into a preferred partnership agreement with Snapdeal for financing its sellers. This is the first time that SBI has entered into such an agreement for seller financing, keeping in view the specific requirements of sellers in the e-commerce industry. SBI at present has a customer base of approximately nine lakh MSMEs.

"The new businesses are a growth area. Technology is changing very fast. For instance, few years ago, 20-25 per cent of our business used to come from alternate channels. Today, it's over 60 per cent. We are still a cash intense society. Digital adoption is very fast. We will give loans to MSMEs who need funds to grow," Bhattacharya said at a press conference.

Under the agreement with Snapdeal, there will be a digital platform with SBI for instant loan approval and customised product for the e-commerce industry. There will be concession of 0.25 per cent in interest rate for women entrepreneurs. For manufacturing units, no collateral security will be required up to Rs 1 crore. For traders, there is no requirement of collateral security up to the limit of Rs 25 lakh.

SBI inked a pact with PayPal, the world's leading open digital payments company, to promote cross border trade and facilitate payments for SBI and PayPal users, both in India and abroad. The partnership will enable SBI's MSME customers to gain access to PayPal's payment solutions. The bank also aims to collaborate on providing innovative financial solutions to the merchants who are using PayPal services.

The partnership will help PayPal work closely with SBI to make it easy for Indian exporters and consumers to gain access to a global audience.

SBI and e-commerce major Amazon also entered into a pact to develop payments and commerce solutions for the customers and small businesses.

(www.mydigitalfc.com, May 22nd, 2015)

Google woos Indian SMEs

Google India has set a target of creating online presence for 20 million small and medium enterprises (SMEs) in the country through its platforms such as Google Search and Google Maps, without these businesses needing to invest in a website or domain.

To achieve this, the search giant launched a mobile-based application — Google My Business — that will help SMEs to create and manage their business information online across Google platforms in English and Hindi.

"In the next three years, India will have over 500 million Internet users, who will search for information, including local businesses. However, search experience for local business in India is broken today, and we want to fix it by connecting businesses with their customers," Google South East Asia and India Vice-President and Managing Director Rajan Anandan told reporters here. Out of the total 51 million SMEs in India, less than 5 to 6 per cent had an online presence, he said.

(The Hindu Business Industry, May 26th, 2015)

BSE Issues More Rules for SME Trading Platform

The BSE asked trading members to ensure that 10% of the transaction value is available as deposits with regard to listing of SMEs on institutional trading platform (ITP). The bourse said that brokers have to ensure that "10% of the transaction value is available as deposits with the exchange or clearing corporation." In case a member fails to fulfil his settlement obligation pertaining to buy or sell trade, then the concerned ITP trade would stand closed out and a charge of 10% of the obligation amount unfulfilled by the broker would be levied on him, the exchange said. Out of this close out charge (10%), half would be paid to the counter member to the trade and the balance would be retained by clearing corporation, it added. Earlier this month, BSE had launched the "BSE SME ITP" segment to facilitate startup firms and SMEs to list without an initial public offer (IPO).

(Economic Times, May 28, 2015)

Big biz important, but small is always beautiful: Mamata

Interacting with the business community, the West Bengal Chief Minister said that the big industry was important, but she believed that "small is always beautiful" and assured that there would not be any harassment by the police if shops and other establishments were kept open for longer hours.

Labour laws have already been tweaked to allow shops and other establishments to keep their shutters open for a longer time, she added. Banerjee said that her government was against bandhs and strikes. "There are some political elements who for no reason call bandhs, strikes at the drop of a hat. We are not like them," she said.

"... we depend on big industry, but small is always beautiful", Banerjee said, while adding that the small industry is a matter of pride for the nation.

"From the beginning, we are giving special attention to the small and medium sector. We have held seminars and discussions in various parts of the state with the small industry entrepreneurs," said Banerjee.

Banerjee's comments assume significance in the wake of the ongoing political debate over the land acquisition laws and the large industries' demand that state government should help them in acquiring huge tracts for their industries.

Banerjee also asked West Bengal's Finance Minister Amit Mitra to set up core committees in the districts which would discuss the issues faced by the entrepreneurs relating to various clearances required in setting up units.

Announcing a series of initiatives relating to ease of doing business, she said that the process of getting trade license, environmental clearance, fire clearance, building plan clearance, power connection, land mutation and conversion and various other matters had been simplified and to be delivered in a time-bound manner. Banerjee also made all the respective departmental secretaries assure business leaders present there to commit to the cause which the government was ushering in. She hoped that with all these initiatives of the state, more and more investments would flow in. (millenniumpost.in, June 2nd, 2015)

IT exports from Telangana up 16%

Exceeding the national growth rate, IT exports from Telangana grew at 15.7 per cent to cross Rs 66,000 crore in 2014-15 from Rs 57,000 crore last year. "The growth rate of IT exports from Telangana exceeds the national IT growth rate of 13 per cent," the state's information technology minister K Taraka Rama Rao said.

Releasing the progress report for the IT ministry in the first year, he said the government targeted exports of Rs 1.20 lakh crore by 2019 and the state was on course to achieve the target.

The IT industry added 50,000 more jobs this year. It employed 3.71 lakh people directly in 2014-15, up from 3.23 lakh in the previous year, he said, adding the state is setting up T-hub, the biggest incubator in the country and efforts will be made to set up a branch of it in Silicon Valley.

The government will encourage new entrepreneurs and as part of this policy, a MSME Tower to support small and medium entrepreneurs will be set up at Gachibowli, he added.

Meanwhile, taking a step forward to promote electronic manufacturing, Telangana chief minister K Chandrashekar Rao said Telangana would look to set up a mobile manufacturing cluster in the country.

Members of Indian Cellular Association including its national president Pankaj Mahindra, Karbonn chairman Sudhir H Celkon, managing director Y Guru and executive director Murali Retineni and Foxxconn International representatives have met the chief minister.

The mobile players and the government of Telangana have in principle agreed to set up a mobile manufacturing cluster in the state.

The chief minister asked officials to make available land required for the projects and create the necessary infrastructure needed. He asked the visiting members to prepare a comprehensive plan for the cluster.

(mydigitalfc.com, June 2nd, 2015)

U'khand CM bats for cottage industries

Aiming to check rampant migration of youngsters from the hill state to cities, Uttarakhand Chief Minister Harish Rawat laid emphasis on promoting small-scale and cottage industries. He said the move would generate employment opportunities and check migration of youngsters. He also stressed on linking women to self-employment schemes.

"Micro, Small and Medium Enterprises (MSME) have an important role to move the state towards a balanced development. It can be beneficial to check migration and poverty eradication. The state government is focusing to strengthen the role of MSME sector to bring remarkable results," said Rawat.

The CM laid emphasis on the need to encourage traditional handloom and handicrafts.

"For this, we need to revamp the local Kast Kala Centre, carpet-weaving training centre and shawl-knitting training centre. The state government has introduced a policy for the MSME sector and we need to work together on it on the ground level. A separate department will be set up to reinforce the MSME sector. A roadmap for next 10 years will pave the way to realise the dream," he said.

He added: "We should concentrate more on cottage and small-scale industries. They will generate a plethora of employment opportunities for the locals and discourage them from migrating."

"The state government is working on linking women to self-employment schemes. For these, 2,000 craftswomen would be trained initially. They will then train other women to create a chain," he said.

(millenniumpost.in, June 4th, 2015)

Govt plans 500 centres to skill professionals

The government is planning to set up 500 incubation centres on Public Private Partnership (PPP) model across the country in the next one year to create more skilled professionals and entrepreneurs. The Minister of State for MSME Giriraj Singh said that 65% of the Indian population is below 35 years of age, and only 2% of them are skilled (newsinshorts.com, June 6th, 2015)

SBI to hold e-auction of stressed assets

State Bank of India (SBI) said that it has planned a mega e-auction of its stressed assets worth Rs.1,300 crore from June 12. "We will be auctioning a total of around 480 properties, which include around 250 residential properties and around 230 commercial properties," said an official of the State Bank of India, who preferred anonymity. "These properties include assets of retail and small and medium enterprises (SMEs) located around 40 different cities," he added.

In the earlier mega auction on March 14, the bank had put on auction around 300 residential and commercial properties worth around Rs 1,200 crore.

However the bank could sell only about 130 properties, realising around Rs.100 crore. (thehindu.com, June 6th, 2015)

Industry demands relief for HSIIDC plot holders

The Haryana Chamber of Commerce and Industry (HCCI) has demanded that the Haryana Government should come out with a policy to provide relief to HSIIDC plot holders from double taxation.

"Haryana State Infrastructure and Industrial Development Corporation (HSIIDC) plot holders are the victims of double taxation on account of HSIIDC maintenance charges consisting of road, water, electricity maintenance and municipal taxes like property tax and motor licence," said HCCI state president Bharat Garg today. He said since the industrial estates were maintained by the HSIIDC, there was no logic for municipal taxes and levies.

"Either the HSIIDC estates should be transferred to Municipal Corporations (may be after achieving the prescribed occupancy (80%) or after a period of 5 years from initial allotment) or the plot holders should be exempted from payment of municipal property tax and motor licence levies," he said.

On the requirement of NOC under the Pollution Act, he welcomed the move for consent mechanism and categorisation as per Central Effluent Treatment Plant norms. He said the consent fee should be charged on the basis of investment as per MSME norms without land cost.

(The Tribune, June 6th, 2015)

No proposal on waiver of MSME loans: Minister

Ruling out any proposal for waiving loans of micro, small and medium enterprises, Union MSME Minister Kalraj Mishra said his ministry has come out with a scheme for revival of sick units by providing additional assistance. "No; there is no proposal for waiver of loans of MSME sector," said the minister when asked about loan waiver for MSMEs on the lines of agricultural sector.

More than four lakh MSME units in the country had been identified as sick and there was possibility of reviving 35,000 units, he said.

Stating that RBI had already come out with the list of sick units, he said the ministry wanted the revival of as many units as possible without making them non-performing-assets.

The Ministry had sounded various banks, which would form a committee for identifying the units and for working out the modalities to revive them, he said.

Availability of adequate credit was always a major issue for growth and sustenance of MSME sector and the Ministry had taken significant initiatives, Mishra said. Under the Credit Guarantee Scheme, Credit Guarantee Fund trust for Micro and Small Enterprises had facilitated collateral free loan to about 18.5 lakh MSMEs till March 31 last, he said. Since inception of the Credit Linked Capital Subsidy Scheme for technology upgradation, 35,533 units have availed subsidy of Rs 2068.18 crore till March 31 2015, he said.

The ministry will rise to the challenge through action plans directed at providing collateral free credit, creation of state verticals for extending guarantees to entrepreneurs with financial support from State Governments, creation of verticals for women entrepreneurs and youth among SC/ST and NE Regions, he said.

(millenniumpost.in, June 10th, 2015)

MoS Giriraj Singh tells Bihar government to provide land for MSME clusters

MoS for Micro, Small and Medium Enterprises (MSME) Giriraj Singh urged the Bihar government to provide land to set up MSME clusters for targeted development of area specific industries saying "there should be no politics on development."

"We are ready to develop clusters for LED bulb manufacturing in Patna, brass-work at Parev in Patna district, litchi and lac in North Bihar, and silk in Nawada. But the state government is not providing land for establishing them," Singh said.

"There should be no politics on development. There should be no accusations either. We need to work together for development. We are hurt when execution of projects is not done by the state government," he added.

At the inauguration of the extension and training centre of Indo-Danish Tool Room, Singh slammed Bihar Industry Minister Shyam Rajak for being absent at the function.

"We need to work together, but the state Industry Minister did not come. I had met him yesterday at an event and requested him four times to attend it," the minister said.

The MSME clusters would take the state to greater heights, he said adding that reports on litchi and lac clusters were being prepared and the central government wanted to boost the two sectors.

The Rs 12.37 crore Indo-Danish Tool Room Extension and Training Centre will offer courses in tool and die making, computer-aided tool designing, welding, milling, inspection, quality control, programming, operations, electrical fittings among others.

The Centre will provide free courses and free hostel for SC students in the Tool Room, he said and asked the state government to ensure that they get food facilities there.

The Union Minister said B.Tech and polytechnic students can come to the Indo-Danish Tool Room Extension Centre for studies, which will ensure them better placement.

Stating that industrial mapping of the country, which was never before, has been completed, he said the Centre will also conduct skill-mapping of the country.

The MSME sector brought forth hope to eradicate unemployment, Singh said.

"An investment of Rs 11 lakh crore in big industries has provided employment to 1.25 crore people only while 5.57 crore MSME units provide jobs to 14 crore people," he said.

(dnaindia.com, June 13th, 2015)

Online employment exchange to help MSME sector

June 15, 2015: FICCI-CMSME helped the Ministry of Micro, Small and Medium Enterprises (MSME) for their launch function of Employment Exchange for Industries which was launched by the Hon'ble Minister of MSME Shri Kalraj Mishra on June 15, 2015 at FICCI, Delhi.

The online employment exchange for industries and job-seekers launched by the Ministry MSME aimed towards consolidate the skilled manufacturing workforce in the country by making it a meeting place for employers and skilled labourers.

"In line with the Prime Minister's vision of Digital India, Skill India and Make in India, our ministry has developed this employment exchange portal for industries where job seekers can find employers or vice-versa," Micro, Small and Medium Enterprises (MSME) Minister Kalraj Mishra said here while inaugurating the portal. "There is no co-ordination in the skill development process in the country. This website was created after skill mapping and industrial profiling was conducted in 652 districts." Inputs from all major institutions imparting technical education have been taken, he added.

Addressing the gathering, Special Secretary in the MSME Ministry, Amarendra Sinha said that gradually more features would be added to the portal to make it friendlier to industry and entrepreneurs. "It is a game changer. It took over a year to prepare this portal. Currently this is only for manufacturing sector. Job seekers will not have to pay any fees," Sinha said, adding that the industry would have to pay fees to use this portal. He further said that the ministry is also thinking to provide this facility for services sector as well.

Employers and prospective employees can register themselves on the website. It will facilitate easy search for skilled labour and enhance employment opportunity for individuals with technical skills. The ministry hopes to create a reliable digital database based on the nature, size and geographical distribution of skilled workforce.

Hailing the move, President of FICCI-CMSME Sanjay Bhatia said, "Most MSMEs are small in size and don't have enough capital for a comprehensive search for employees." He added that the reason behind slow growth in the sector was because most enterprises were small and reluctant to invest in proper training due to high attrition.

(June 16th, 2015)

Low credit to MSMEs led to fall in exports

A steep decline in credit offtake to the micro, small and medium enterprises (MSME) sector and other domestic problems such as high interest rates, infrastructure and power sector woes are equally to be blamed.

While economists are unanimous in suggesting that the Narendra Modi government at the Centre has made efforts through speeding up project clearances and reducing a number of approvals to just two-to-three from a dozen earlier, things have moved at a snail's pace in the past year.

FIEO President S C Ralhan, while commenting on the latest release of the Reserve Bank of India on deployment of gross bank credit, said that the high cost of credit has impacted adversely the credit off-take which has declined to 8.9 per cent for industry from 14.2 per cent in the corresponding period last year.

The MSME sector contributes 8 per cent to India's Gross Domestic Product (GDP) and 45 per cent to the manufactured output. The sector provides employment to over 8 crore people engaged in over 3.6 crore units. Its contribution to India's exports is close to 40 per cent.

The FIEO chief accepted that due to a reduce in interest costs, making exports more competitive pending re-introduction of interest subvention, exporters were getting bills discounted from foreign banks which have a tie-up with the importers' bank where the rate of interest is less than 2 per cent per annum.

However, this facility was available only to large export houses, based on their counterpart importers' credit record with their respective foreign lender, which leaves out a large number of exporters who have to deal with a higher cost of credit in the face of diminishing export orders due to a demand contraction.

"What makes things worse is the lack of competitiveness which edges out the MSME exporter from the global marketplace," Ralhan said.

Anupam Shah, Chairman of the EEPC India, the apex body of engineering exporters, said that exporters can be offered stimulus in the form of interest subvention, technology upgradation fund and refund of local taxes.

Other domestic problems such as electricity shortage too continue to hinder manufacturing and exports. Over two-thirds of Indian exporters are small producers who cannot afford facilities such as captive power plants to support manufacturing.

An HSBC research note had said last month that issues such as rail, road and port connectivity did not keep pace with the present day demand.

In agriculture sector too, exports have registered negative growth but the government is now working on a strategy to boost value-added exports in the sector. During 2014-15, exports of tea declined by about 16 per cent, while export of spices, cereals and tobacco also met with decline.

(deccanherald.com, June 22nd, 2015)

Alibaba affiliate launches Internet bank for SMEs,

Alibaba Group Holding Ltd's financial affiliate launched Internet bank MYbank, targeting the small- and medium-sized Chinese enterprises that have struggled to obtain credit from major financial institutions.

MYbank, which is 30-percent owned by Alibaba-linked Ant Financial Services Group, has 4 billion yuan (\$644 million) of registered capital and will offer loans of up to 5 million yuan (\$805,503), it said in a statement.

It will only be able to take in deposits when regulators approve a facial recognition technology that allow its customers to remotely open bank accounts, an Ant Financial spokeswoman told Reuters.

"MYbank is here to give affordable loans for small and micro enterprises, and we are here to provide banking services, not for the rich, but for the little guys," said Eric Jing, Executive Chairman of MYbank.

MYbank follows in the footsteps of Alibaba arch-rival Tencent Holdings Ltd, which began trial operations of its WeBank, China's first online bank, in January.

MYbank's target clientele means it will pose little immediate threat to China's big state-owned lenders, who have seen deposits eroded by Alibaba-related wealth management product Yu'e Bao, which is now China's biggest money-market fund.

The Internet bank said its lower overheads from operating online allowed it to offer more competitive interest rates, compared to the bigger banks.

Credit conditions have remained tight for SMEs, despite a series of policy easing, as banks avoid the companies worst hit by an economic slowdown. State-owned banks have also avoided customers such as farmers and smaller businesses because of the difficulties in assessing their credit worthiness and they have little to offer as collateral.

Ant Financial has said it will use its Sesame Credit arm, which analyses data from its payment processing arm Alipay and Alibaba's e-commerce sites to assess risk and price loans for MYbank customers.

(reuters.com, June, 26th 2015)

ARTICLE

Ever increasing relevance of websites

Why it's a MUST for business-growth in today's social environment

BY SANJAY BHATIA*

Imagine that you just started a business and have only a couple of employees working for you. Does such a small set-up need a website? The short answer is yes! And, there is not just one but many reasons to have a website for a better impact on your audience.

The need for a website is the first question that a startup and bootstrapped business would want to address while establishing an online image. For these companies, a website may seem like a big investment. Hence, before deciding to launch a website, entrepreneurs want to understand the importance and the benefits of having an online presence.

According to the The Internet and Mobile Association of India, there are more than 250 million Internet users and world's third largest internet users' base in India.¹ So, there should be no doubt that the importance of online presence for businesses is growing. While most business owners agree that internet presence is relevant to their consumers, they are still not clear about how to create the right website. The task is not as daunting as it appears. The first step towards creating a memorable presence is to register a domain name. A domain name is like your business's address on the Internet. Just like your physical address is used to find your geographical location, domain name is used to find your business presence on the Internet. It is important to choose a reliable and credible domain name. You must choose a domain extension like .COM that offers instant recognition, visibility and credibility for your brand and is appropriate for businesses of all sizes. Best of all, it's one of the most popular domain name extensions around the world. Thus, a .COM domain name is vital for the online success of your business.

Designing a Website to Suit Your Business Needs

While developing a great website, it is essential to identify the purpose of the website. Some relevant questions at this stage are -

Is the website going to promote the company?

Will it serve as a marketing extension of the brick-and-mortar business?

Will it be an e-commerce site where visitors can purchase goods and services online?

Consider the example of a store that sells handicrafts, when the owner of such a business decides to expand the footprint, he/she can consider getting an online presence by building a website and registering a .COM domain name. With the power of .COM, the business can increase visibility to a larger audience and create the perception that the business can be trusted. Moreover, the cost involved in making a website is far lesser than setting-up one more store. The business owner of the handicraft store needs to decide at this point whether a website is an effective marketing and brand building tool or also an online store to enable sales.

Once the purpose of establishing a website is addressed, do some online research and check out different websites to help determine designs and the functionalities you want. One important decision to make is to determine whether you need a static website or a dynamic website.

Static Websites

As the name suggests, a static website is not designed to change. Once the website has been designed and content is in the design template, every web page will stay the same. In order to update a static website, you will need to ask your website development company for assistance.

A static website provides a basic online presence and is appropriate for certain circumstances. For example, a website for a holiday cottage rental may only need a few pages that include details of the cottage, photos of the rooms, directions to the place, and a contact form.

Similarly, an accounting practice may only need a website where they can post professional biographies and related information.

Dynamic Websites

Dynamic websites, on the other hand, allow content to be updated by means of a Content Management System (CMS). A CMS is Web-based software application that allows you to update website content without support from a website development company or having extensive knowledge of Web programming. An e-commerce website is a good candidate for a dynamic website since it would need continuous updates on products, services, prices, and promotions.

Many large, successful e-commerce websites take online orders, accept credit cards, and ship their products all over the world. These sites offer many benefits such as a huge selection of products, extensive product descriptions, and easy to use navigation.

Take pointers from these websites and make shopping on your site simple for your customers. Successful websites frequently have clean and professional-looking pages with the right amount of images that don't take long to load. Give customers what they want in a quick and easy manner, and provide the ability to either find you or purchase without hassle.

Taking the Online Plunge

Your online presence is an attempt at making a good first impression. A well designed website helps lift your image from a small operation to a larger, professional company. But the reverse may also be true, if you didn't spend enough time to understand what is most suitable for your online presence, it may not drive the right audience to your website.

Your presence on the Internet depends on how you want to reap maximum benefits of your .COM website. Is your website address lending more credibility and a professional image to your brick and mortar business or do you want build an ecommerce store and start selling online. There is no wrong answer! However, the first step is to register your .COM domain as soon as possible.

¹ IAMAI, "Internet in India 2014", Posted on 01 Nov 2014, accessed on May 21, 2015. http://www.iamai.in/PRelease_Detail.aspx?nid=3498&NMonth=11&NYear=2014

* Mr. Sanjay Bhatia, President, FICCI-CMSME and MD, Hindustan Tin Works Pvt Ltd

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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.

POINTS OF CONTACT (Statewise)

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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