

MSME News Update

1. Tamil Nadu Received Highest MSME Investment Proposals in 2013-14

Tamil Nadu attracted about 32 per cent share in total investment proposals filed by micro, small and medium enterprises (MSMEs) in the country – the highest during 2013-14, according to a recent study. The study titled ‘States Emergence: A comparative analysis of growth & development’ stated that in terms of simple growth, the entrepreneur memorandum in the MSMEs received by Tamil Nadu had grown by 178.5 per cent from about 41,800 in 2009-10 to over 1,16,390 in 2013-14. About 3.62 lakh entrepreneur memorandums were filed across the country by MSMEs during 2013-14 fiscal. Gujarat (16.2 per cent), Uttar Pradesh (12.5 per cent), Karnataka (7.2 per cent) and Maharashtra (5.5 per cent) were the among the top five States in terms of distribution of entrepreneur memorandum filed by the MSME sector in the country. Tamil Nadu, Gujarat and Uttar Pradesh have a combined share of 60.7 per cent. However, the report of the study did not reflect how many of the total number of entrepreneur memorandums eventually got invested.

(The Hindu, October 31st, 2015)

2. Multi Opportunities for Khadi Industries in Uttarakhand

Union Minister for Micro, Small and Medium Enterprise (MSME) Kalraj Mishra said the Foundation of strong nation lies in strengthening states. “There are multiple opportunities for small scale and khadi industries in Uttarakhand. Under various khadi programmes, the state had produced cotton, khadi, woolen, poly and silk textile products to the tune of Rs. 24.05 crore and retail of Rs. 42.43 crore were recorded in the current year (2014-15) from the existing 48 khadi institutions. It created employment for 17,318 khadi artisans comprising spinners and weavers” he said. Union Minister for Micro, Small and Medium Enterprise (MSME) Kalraj Mishra was speaking during a press conference.

(Millennium Post, November 2nd, 2015)

3. India’s job market looks positive, Companies to hike Headcount: Report

As the Indian economy keeps up its escalating growth trajectory, the job market also looks very positive as 76 per cent companies surveyed are planning to increase headcount in the next one year, says a report. “About 76 per cent companies surveyed said they expect to increase headcount in the next 12 months as the Indian economy is at its escalating growth trajectory,” Michael Page’s 2015-2016 India Salary and Employment Outlook has said. The report has surveyed 240 employers from market-leading multinational companies (MNCs) and small and medium-sized enterprises (SMEs) across all major industry sectors. “Our specialist approach with dedicated teams of recruitment professionals, combined with expert commentary drawn from our extensive involvement with senior executives, gives us an in-depth perspective into each industry sector.

(The Economic Times, November 1st, 2015)

4. New Law to promote start-ups coming: Minister

The government is planning a separate Act to promote start-ups, in line with Prime Minister Narendra Modi’s ‘Start Up India, Stand Up India’ campaign, announced on August 15, said MSME Minister Kalraj Mishra. “The proposed Act is being initiated by the Department of Industrial Promotion & Policy. My ministry officials have also held meetings with them in this regard,” Mishra said.

According to reports, the proposed Act will tackle issues related to registration, funding, compliance, etc. While start-ups are mainly mushrooming in the technology sector, the ‘Start up India, Stand-up India’ campaign aims to promote bank financing for young entrepreneurs across sectors, including technology, defence and railways. MSMEs are a crucial focus area of the campaign, Mishra said, adding that the biggest impediment for start-ups and new small enterprises was collateral-free loans. The Minister ruled out any threat from online ‘discount sales’ of products, mostly branded, to small manufacturers or retailers. “Small businesses should not be wary of online platforms. Instead, they should try to digitally connect their businesses with the entire country,” Mishra said, adding that his Ministry was also thinking of taking ‘khadi’ products online

(Business Line, November 3rd, 2015)

5. **SMES garner Rs. 182 Cr. via IPO**

As many as 27 SMEs issued public issued worth Rs 182 crore during April-September, 2015 against 21 SMEs raising Rs 180 crore in the first half of 2014-15. Sebi data shows 10 SMEs came out with IPOs in September.

(Financial Chronicle November 6th, 2015)

6. **Time bound approvals for industry in Punjab**

To benefit existing industries, the Punjab government has agreed in principle to bring various day-to-day approvals under the ambit of Right to Service Act (RTS).

Time-bound approvals and simplification of various industrial procedures were discussed in detail during a session chaired by Punjab Chief Secretary Sarvesh Kaushal with various industrial associations of the State.

The State industrial associations raised issues being faced by existing industrial units and also gave suggestions to improve the industrial environment of the State.

The Chief Secretary asked the Department of industries to bring a proposal to get approval related services under the Right to Service Act, Punjab on the lines of 12 services brought under RTS Act by Department of Excise and Taxation and 206 services of various other departments.

The RTS Act Punjab was enacted with the sole objective of providing an effective framework for the time bound delivery of services being provided by various government departments in order to promote transparency and accountability.

Any official who does not deliver the services as per stipulated timelines will be penalised according to the provisions of the Act.

(The Hindu, November 10th, 2015)

7. **Double duty benefit for small- scale industries**

The Supreme Court has dismissed the appeal of the Commissioner of Central Excise and granted benefit to small scale Industries (SSI), which also do job work for third parties and put their brand names on the products. In this judgment, CCE vs Nebulae Health Care Ltd., the SSI fulfilled conditions for exemptions under notifications. However in addition to manufacturing goods on their own account, it also produced goods for others on job work basis with their brand names. It paid excise duty on such products and also availed of Modvat/Cenvat credit. The authorities maintained that the SSI cannot enjoy both benefits. The question arose whether availing of the Modvat/Cenvat credit benefit in respect of branded goods of third parties manufactured by the assessee firm on job work basis disentitled them from availing of the benefit under the notifications. The court said they can avail of the latter benefits.

(Business Standard, November 16th, 2015)

8. **Exporters from small, labour- intensive sectors to get 3% interest subsidy**

Exporters struggling to stay afloat in a global market hit by slowdown have been extended the long-awaited interest subvention (subsidy) scheme that would allow those in labour-intensive and small scale sectors to avail themselves of loans from banks at a three per cent lower rate.

The scheme, now re-named interest equalisation scheme, was approved by the Cabinet Committee on Economic Affairs (CCEA) on Wednesday. It will be implemented with retrospective effect from April 1, 2015 and will cost the exchequer an estimated ₹2,500 crore-₹2,700 crore, annually.

“This will give a boost to exports of sectors like handicrafts, agriculture products, food processing ventures and also the small and medium enterprises that were not able to access foreign loans and were dependent on high cost domestic loans,” Piyush Goyal, Union Minister of State (Independent Charge) for Coal, Power and Renewable Energy, said at a media briefing after the Cabinet meeting.

The scheme would be available to all exports of micro small and medium enterprises (MSME) and 416 other items spread across 25 sectors. The sectors covered are mostly labour intensive and include agriculture/food items, auto-components, bicycle parts, handicrafts, electrical engineering items and machinery, telecom equipment, handmade carpet (including silk), handloom products, coir items, jute, readymade garments and made ups, toys, sports goods, paper and stationary, leather goods and ceramics. The scheme, however, will not be available for merchant exporters.

(The Hindu, November 18th, 2015)

9. **Aadhaar number not mandatory to register new biz**

The government said Aadhaar number is not mandatory for entrepreneurs to register a new business. "We have started registration of businesses online. There were reports that Aadhaar number was mandatory for registration of new businesses. Today I want to clarify that Aadhaar number is not mandatory," MSME Minister Kalraj Mishra said at an event. In order to simplify the registration procedure for entrepreneurs and promote ease of doing business, the MSME ministry in September issued a new single-page registration form, called Udyog Aadhaar, to be filled online by all micro, small and medium enterprises (MSMEs).

(The Economic Times, November 18th, 2015)

10. **Fund to help small units adopt clean tech**

The government has launched a fund to support industry, especially the micro, small and medium enterprises (MSME), in the acquisition and development of clean, green and energy efficient technologies. The Department of Industrial Policy and Promotion (DIPP) launched the fund – called the Technology Acquisition and Development Fund (TADF) – under the National Manufacturing Policy being implemented by it.

The scheme will provide direct support for technology acquisition. Proposals from Indian industry will be invited for reimbursement of 50 per cent of technology transfer fee or ₹20 lakh, whichever is lower, an official release said.

"TADF is a new scheme to facilitate acquisition of clean, green and energy efficient technologies, in the form of technology, customised products, specialised services, patents, industrial design available in the market, in India or globally, by MSMEs," the release said.

Indirect support for technology acquisition through patent pool will also be provided. "Financial support will be provided in acquisition of technology and patents from across the globe based on applications received from MSMEs. Technology and patent will be licensed to select companies, with a mutually agreed value and the companies selected will get a subsidy of 50 per cent of the mutually agreed value or ₹20 lakh," the release said.

The fund will also support manufacturing of equipment, machines and devices for controlling pollution, reducing energy consumption and water conservation. The manufacturing units will be provided with a subsidy of up to 10 per cent of capital expenditure incurred on new plant & machinery subject to a maximum of ₹50 lakh.

(Business Line, November 19th, 2015)

11. **Focus on MSMEs at Rajasthan Summit**

The 'Resurgent Rajasthan Summit 2015' concluded with a dedicated conclave on micro small and medium enterprises titled 'MSME: Growth Engine of Make in India ~ Opportunities & Challenges'.

Union MSME minister Kalraj Mishra along with Rajasthan chief minister Vasundhara Raje unveiled the new MSME policy for the state. Mr. Mishra said: "MSME play a very important role in development. I think micro industries are not given enough attention." He added: "We would render full support to MSMEs, especially micro industries. We won't let it die." At present more than 90 per cent of industries in Rajasthan fall within the MSME Category and employ approximately 18.7 lakh people. The keynote address for the conclave was delivered by Mr. Anup K Pujari, secretary, ministry of MSME.

The conclave witnessed discussions on varied topics such as Comparative Advantages of Investing in Rajasthan, Immense Potential of Handicraft Export from Rajasthan and Access to Finance as well as Access to Marketing among others.

Mr. Pujari said: "The MSME sector in Rajasthan has grown steadily and now is the largest employer after agriculture. Having recognised the potential of this sector, the government intends to harness its full potential by making it one of the core sectors that needs investment."

Ms. Raje said: "MSMEs are close to my heart as I am associated with this sector since my stint as minister of state for SSI & Khadi. They form the support, supply and employment base." She added: "As per the 4th All India Census of the micro, small and medium enterprises, the total number of enterprises of the MSME sector is 361.76 lakh and contributes to nearly 40 per cent of the exports, and nearly 8 per cent of the GDP. For this reason, the MSME sector is also a focus area under the Prime Minister's 'Make in India' campaign to promote domestic manufacturing."

(Statesman, November 21st, 2015)

12. **3 entities to start trade discounting**

RBI granted in-principle nod to three entities, including Axis Bank for setting up of Trade Receivables Discounting System aimed at improving the flow of funds to MSME sector by reducing the receivables realisation cycles. The other two entities are Mynd Solutions (Gurgaon, Haryana) and NSE Strategic Investment Corp and SIDBI. TReDS will allow SMEs to post their receivables on the system and get them financed. This will not only give them greater access to finance but will also put greater discipline on corporates to pay dues on time.

(The Asian Age, November 25th, 2015)

13. **Assembly Okays bill to exempt MSMEs**

A bill to exempt micro, small and medium enterprises (MSMEs) and industries from obtaining trade licences from urban local bodies was passed in the Legislative Assembly of Karnataka. Piloting the Karnataka Municipal Corporations and Certain Other Law (Amendment) Bill, 2015, Urban Development Minister Vinay Kumar Sorake said the government proposed to exempt MSMEs from obtaining trade licences to simplify procedures for entrepreneurs.

However, BJP leaders including Jagadish Shettar, Vishweshwara Hegde Kageri expressed apprehension that doing away with trade licences would result in local bodies losing their say in establishment of enterprises and industries in their jurisdiction.

K R Ramesh Kumar (Cong) said the bill contradicted the provisions of comprehensive amendments proposed to the Karnataka Panchayat Raj Act, wherein the power of issuing trade licences is vested with local bodies.

Industries Minister R V Deshpande said the doing away with trade licences was also a part of promise made by the government in the Karnataka Industrial Policy - 2014-19. The process of issuing trade licences was redundant, he said.

The bill states that the micro, small and medium enterprises must have registered with District Industries Centre under the Micro, Small and Medium Enterprises Development Act, 2006 to be eligible for the exemption. Large industries which have filed Industrial Entrepreneurs Memorandum or Industrial Licence with the Secretariat of Industrial Assistance, Department of Industrial Policy and Promotion are exempt from obtaining trade licence, the bill states.

(Deccan Herald, November 24th, 2015)

14. **Lendingkart ties up with paytm for collateral-free biz loans**

LendingKart, a credit evaluation and loan platform, said it has tied up with Paytm, to offer collateral free loans to SMEs and sellers through the mobile payments wallet. This step aims at working towards bringing ease of financial assistance to small and medium enterprises (SMEs) and merchants across the country, Lendingkart said.

The company aims at simplifying the credit evaluation process, through efficient use of technology, making loan disbursement in three days at fair interest rates, it said. "The benefits we provide at Lendingkart allow the entrepreneurs to focus on building their businesses instead of worrying about gaps in their cash-flows," Lendingkart Chief Executive Harshvardhan Lunia said. "Through this initiative, we have attempted to simplify the process of loan disbursement and made capital accessible to everyone via our completely online application process," he added. Lendingkart further said, it aims at serving loan demand in the semi-urban and tier-II cities as well, through its simplified process. Paytm said it is looking forward to expand its seller base, through this partnership with a concentrated focus on SME development.

“Our commitment is to provide our merchants with a simple, seamless selling experience on our platform without having to worry about issues like arranging funds for operational purposes,” said Paytm VP (Business) Renu Satti.

(Your Story, November 26th, 2015)

15. **Mundra cautions centre on loan guarantees for MSMEs**

“NPA are not a sin. They reveal the difficulties faced by the small and medium sector units and banks should handhold them rather than change regulations,” said Mr. S.S. Mundra deputy governor, RBI.

Pointing out the weaknesses of the SME sector, Mr. Mundra said they should differentiate between cash flow and profits, keep accounts and records and share their problems with bankers immediately, so that their loans don’t become NPAs.

He was speaking at the launch of the 18th Indian Micro, Small and Medium Enterprises Report 2015 by the World Trade Centre and the AIAI, an association of small sale entrepreneurs.

As the government is planning to raise the funding caps under the credit guarantee fund trust for micro and small enterprises (CGTMSE) scheme for small businesses, Mr Mundra said that industry bodies and other stake holders should join the TMSE. This could bring in discipline in payment by large corporates to the SMEs.

The major problem of SMEs is delayed payments though now the RBI has taken measures to address this problem. Mr. Mundra said 94.9 per cent of the MSME sector consists of micro enterprises whilst 4.39 are small enterprises and a mere 0.1 per cent are medium enterprises so it would be wrong to lump them together as their problems and demands are very different.

(The Asian Age, November 27th, 2015)

16. **SBBJ plays an important role in resurgent Rajasthan**

State Bank of Bikaner and Jaipur played an important role in Resurgent Rajasthan organised by Government of Rajasthan. Shri Jyoti Ghosh, MD of SBBJ stated that MSME Banking Industry benefitted from this event. The Bank established a counter at the place of event for providing details of its products & services besides establishing another counter at Jaipur Airport for providing banking services to visitors.

(Economic Times, November 30th, 2015)

ARTICLE

Why .com still remains the preferred choice for businesses today

By: Nitin Wali

Businesses have always grown by attracting new customers and retaining existing ones. In a competitive environment, cost effective solutions are key to remaining visible and present in the consumer's mental map. A website has become a critical element of a company's online presence and allows businesses to stay connected with its customers, playing a significant role in cementing its existence.

Today, organizations have the option of choosing from about 500 different generic top-level domains (gTLDs) like .guru, .tech, .press, .website, .actor, .photography, .tips, .company, .online, .bank, .link, for registering the domain name for their website.¹ Already, we have seen that 413 new gTLDs were delegated by the end of last year and a significant portion of those were released in the last quarter of 2014.²

Companies need to be wise enough to choose the right domain extension for their business. There are many examples which indicate that companies previously attracted to new spaces on the internet in the hopes of getting an early advantage later realized that the new unique domain name has not helped boost their online presence and business.

According to an article on techcircle.in, when the real estate portal in India Housing.co.in was looking at global expansion they registered Housing.com because they realized its advantages and how it could help in elevating the brand value of their company.³

Millions of businesses around the world register their website on .com due to the credibility and recognition that comes with a .com domain extension. Companies who think they can't register a suitable .com name would be surprised to know that [seven out of ten times](#), they are able to find the .com name they seek. In addition to popular, compelling and descriptive names the facts also show that numerous short, previously registered, .com domain names are now available and being registered by businesses and individuals every day.

As today's business owners become more creative and strategic in their domain name registrations, they will continue to rely on .com as the global standard for doing business online. Finding a great .com domain name – whether short or descriptive – for your business can be a critical step in establishing a compelling online presence.

Sources

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