



From the AIA's desk ...

Venture Capital for MSMEs

Venture Capital is emerging as an important source of finance for small and medium-sized firms, especially for starting the business and business expansion. An entrepreneur usually starts the business with his own funds, and those borrowed from banks. It is during expansion that they find it difficult to raise funds. SMEs have traditionally been dependent on Bank finance for expansion and working capital requirements. However, in the recent past, bankers have curtailed lending to SMEs due to the greater risk of non-performing assets (NPAs) in a downturn. Thus, even though many SMEs have profitable projects and expansion plans, they find it difficult to get finance for their projects, as bankers may not be willing to fund high risk projects.

In order to provide financial support to such entrepreneurial talent and business skills, the concept of venture capital emerged. In India, venture capital funds (VCFs) can be categorized into the following groups:-

Promoted by the Central Government controlled development finance institutions, for example: SIDBI Venture Capital Limited (SVCL) and IFCI Venture Capital Funds Limited (IVCF). While SIDBI offers venture capital funds focused on different themes including Startups/ early stage technology businesses, manufacturing SMEs, service entities, agri businesses, financial inclusion companies, etc. IFCI has venture capital funds specifically for Scheduled castes and backward classes apart from funding other MSMEs.

In this issue, I am happy to share the Support and Outreach initiative for MSME sector announced by the Hon'ble PM. As a boost to the MSME sector these twelve initiatives shall help the growth of the sector as it covers the aspects of credit, market, technology upgradation and ease of doing business.

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ENTERPRISE DEVELOPMENT CENTRE (EDC) PERFORMANCE FOR THE QUARTER (Oct-Dec, 2018)

I. TOTAL VISITORS: 2188 Nos

Description	Cumulative (Nos)
Business Ideas Queries/Consultations	1341
UAM Registration	284
Credit Facilitation through Banks	371
Skill Development Trainings related	192

II. DPR PREPARATION

83 Nos

III. GST FACILITATION

Synod	Nature of works	Cumulative
01	GST registration	60
02	GST Return filing	100
03	Import-Export Code	4

SUPPORT AND OUTREACH INITIATIVE FOR MSME SECTOR

The Prime Minister, Shri Narendra Modi, launched a historic support and outreach programme for the Micro, Small and Medium Enterprises (MSME) sector on 2nd November, 2018. As part of the programme, the Prime Minister unveiled 12 key initiatives which will help the growth, expansion and facilitation of MSMEs across the country.

The Prime Minister said that there are five key aspects for facilitating the MSME sector. These include access to credit, access to market, technology upgradation, ease of doing business, and a sense of security for employees.

Access to Credit

- **As the first announcement**, the Prime Minister announced the launch of the 59 minute loan portal to enable easy access to credit for MSMEs. He said that loans upto Rs. 1 crore can be granted in-principle approval through this portal, in just 59 minutes. He said a link to this portal will be made available through the GST portal.
- The Prime Minister mentioned the **second announcement** as a 2 percent interest subvention for all GST registered MSMEs, on fresh or incremental loans. For exporters who receive loans in the pre-shipment and post-shipment period, the Prime Minister announced an increase in interest rebate from 3 percent to 5 percent.
- The **third announcement** made by the Prime Minister was that all companies with a turnover more than Rs. 500 crore, must compulsorily be brought on the Trade Receivables e-Discounting System (TReDS). He said that joining this portal will enable entrepreneurs to access credit from banks, based on their upcoming receivables. This will resolve their problems of cash cycle.

Access to Markets

- The Prime Minister on access to markets for entrepreneurs, made his **fourth announcement**, that public sector companies have been asked to compulsorily procure 25 percent, instead of 20 percent of their total purchases, from MSMEs.
- The Prime Minister said his **fifth announcement** is related to women entrepreneurs. He said that out of the 25 percent procurement mandated from MSMEs, 3 percent must now be reserved for women entrepreneurs.
- The Prime Minister said the **sixth announcement** is that all public sector undertakings of the Union Government must compulsorily be a part of GeM. He said they should also get all their vendors registered

Technology Upgradation

Seventh announcement of PM was that 20 hubs will be formed across the country, and 100 spokes in the form of tool rooms will be established.

Ease of Doing Business

- On Ease of Doing Business, the Prime Minister said his **eighth announcement** is related to pharma companies. He said clusters will be formed of pharma MSMEs. He said 70 percent cost of establishing these clusters will be borne by the Union Government.
- The Prime Minister said that the **ninth announcement** is that the return under 8 labour laws and 10 Union regulations must be filed only once a year.
- The Prime Minister said that the **tenth announcement** is that the establishments to be visited by an Inspector will be decided through a computerized random allotment.
- The Prime Minister said that the **eleventh announcement** is that under air pollution and water pollution laws, both these have been merged as a single consent. He further said that the return will be accepted through self-certification.
- As the **twelfth announcement**, the Prime Minister mentioned that an Ordinance has been brought, under which, for minor violations under the Companies Act, the entrepreneur will no longer have to approach the Courts, but can correct them through simple procedures.

Social Security for MSME Sector Employees

The Prime Minister also spoke of social security for the MSME sector employees. He said that a mission will be launched to ensure that they have Jan Dhan Accounts, provident fund and insurance.

MSME PAKHWADA SESSIONS IN DISTRICTS OF TELANGANA



Government of Telangana conducted Pakhwada sessions through District Industries Centers of 10 districts namely Mahbubnagar, Rangareddy, Hyderabad, Nalgonda, Khammam, Warangal, Karimnagar Mancherial, Nizamabad, and Sangareddy for the benefit of local entrepreneurs. These sessions included presentation by EESL on Motor Replacement program, followed by a session by IL&FS on Capacity Swap for manufacturing. A session on Dynamic Website creation (Free website for attendees) was presented by Nowfloats followed by session on Credit Rating by Care Ratings. A session on Government e-Marketplace was conducted along with free registration for Attendees. Officers of MSME-DI, Hyderabad conducted Registration drive for GSTN and UAM for attendees and also took a session on MSME-Schemes for the participants. The events began on 23rd October, 2018 and concluded on 3rd November, 2018 across 10 districts in Telangana.

MoU between O/o DC (MSME) and NIMSME



Office of DC, M/o MSME, Govt. of India signed a MoU with NIMSME on 24th October, 2018 in presence of Shri Ram Mohan Mishra, IAS, AS & DC for pooling resources in mutually identified areas of work and to develop conducive business ecosystem for MSMEs. Shri D. Chandrasekhar, AIA signed the MoU on behalf of O/o DC(MSME) and Dr. Sanjeev Chaturvedi, Director, NIMSME signed on behalf of National Institute for Micro Small and Medium Enterprises.

CONFERENCE ON OPPORTUNITIES FOR SC/ST ENTREPRENEURS IN FOOD PROCESSING INDUSTRY BY DICCI



The Dalit Indian Chamber of Commerce & Industry (DICCI), apex body of SC/ST Entrepreneurs in the country in association with Ministry of Food Processing Industries (MOFPI) organized a “Conference on Opportunities for SC/St entrepreneurs in Food Processing Industry” on 15th November, 2018 at The Park Hotel, Hyderabad. The conference provided platform for awareness of opportunities in food processing industry, various schemes of MoFPI to support the new and existing entrepreneurs, technology support in food processing industry, schemes of financial assistance etc. Shri D. Chandra Sekhar, AIA, MSME-DI participated in the event and explained elaborately about various schemes of M/o MSME for SC/ST entrepreneurs

WORKSHOP ON VENTURE CAPITAL FUND FOR SC & BCs



Shri D. Chandra sekhar, Additional Industrial Adviser, MSME-DI addressed the gathering in the Workshop on Venture Capital Fund for SC & BCs at Hotel Park Visakhapatnam on 22nd November, 2018. The forum was an opportunity for companies promoted by Scheduled Castes and Backward Classes to gain knowledge on the available Venture capital funds and MSME Schemes for the SCs and BCs. The programme was organized by Department of Social Justice & Empowerment, M/o Social Justice & Empowerment in association with IFCI Venture capital Funds Ltd.

MSME CONCLAVE 2018 BY FSME



The Federation of Small and Medium Enterprises of India (FSME India), the Apex Body of small and medium enterprises in Andhra Pradesh, and a not-for-profit federation organized MSME Conclave 2018 –Empowering Skills at Nellore on 27th November, 2018. The programme aimed at creating awareness and orientation of the trainees and the unemployed youth who may ultimately become first generation entrepreneurs. Shri D. Chandrasekhar, Additional Industrial Adviser, MSME-DI addressed the gathering on the activities of MSME-DI and MSME schemes for promoting entrepreneurship. Sri APK Reddy, President FSME facilitated AIA during the programme. Shri. K. C. Choudhury, AD, MSME-DI, Hyderabad and Shri G. Raghuram, AD, Branch MSME-DI, Vishakapatam also participated in the programme.

ENTREPRENEURSHIP DEVELOPMENT & BUSINESS NETWORKING CONVERGENCE BY BRAND ALLIANCE

Brand Alliance Forum (BAF) a social initiative of Brand Alliance, which is a Business Coaching and Mentoring firm organized Entrepreneurship Development & Business networking Convergence on 29th November, 2018 at Hyderabad. Dr. Vijay R. Sirsath, Deputy Director and Shri B. Sreedhar, Assistant Director, MSME-DI participated in the event and delivered talk on the activities of MSME-DI and schemes of MSME for promotion of entrepreneurship.



SKILL DEVELOPMENT PROGRAMME on SOLAR ENERGY TRAINING – DOMESTIC PV INSTALLATION

Skill Development Programme on Solar energy training – domestic pv installation was organized by MSME-Development Institute, Hyderabad at office premises from 1st October, 2018 to 13th October, 2018 (10 Days), for the benefit of prospective entrepreneurs.

During the inauguration, Shri K. V Rao, AD briefed the objectives and syllabus to the participants and advised the candidates about optimum utilization by learning the skills to become self employed.

Shri. Balasubramanian of M/s. TNTSTC, Chennai also addressed the participants The Session ended with the vote of thanks proposed by Shri. K. V Rao, AD.

During the technical session, various topics were covered as per the course schedule and also guidance on project report preparation, UAM Registration, MSME schemes was also provided to the participants.

During the valedictory session Shri D. Chandrashekar, AIA, MSME- DI, Hyderabad explained about the merits of the training and advised the participants to come out with project proposals for setting up their own venture and invited to attend MSME-DI loan melas. Finally, training certificates were distributed by the AIA, MSME-DI during the valedictory function.

The vote of thanks was proposed by the programme coordinator Shri. K.V.Rao, AD, MSME-DI, Hyderabad.



SKILL DEVELOPMENT PROGRAMME on LED LIGHT TRAINING

A Skill Development Programme on LED Lights was organized at MSME- Development Institute, Hyderabad at office premises, and Hyderabad from 8th October, 2018 to 13th October, 2018 (6 Days), for the benefit of prospective entrepreneurs.

During the inauguration, Shri K. V Rao, AD briefed the objectives and syllabus to the participants and advised the candidates about optimum utilization by learning the skills to become self-employed. Shri. Balasubramanian of M/s. TNTSTC, Chennai also addressed the participants. The Session ended with the vote of thanks proposed by Shri. K.V. Rao, AD.

During the technical session, topics were covered as per the course schedule over the period of six days, in addition to the class room training also provided unit visit for getting more exposure on LED Lights manufacture. Also, provided guidance on project report preparation, UAM Registration details etc.

During the valedictory session Shri K.V.Rao, AD, MSME- DI, Hyderabad has explained about the merits of the training and advised the participants to come out with project proposals for setting up their own venture and invited to attend loan melas. Finally, training certificates were distributed on the valedictory followed by feedback session.

The vote of thanks was proposed by the programme coordinator Shri. K.V.Rao, AD, MSME-DI, Hyderabad.



SWACHH BHARAT CAMPAIGNS – DRIVE TOWARDS CLEANLINESS

As part of Swachh Bharat Mission of Government of India and in accordance with Ministry's directions, MSME-DI conducted Swachhta Hi Seva-Drive on Waste Collection in Households and Common or Shared spaces in association with GHMC on 1st October, 2018 in Sanath Nagar, Hyderabad.



MSME-Development Institute, Hyderabad organized various activities under Swachhta Activities like Cleanliness drive and Plantation Drive at Industrial Estate Karimnagar involving DIC, TSIC, KVIB, SBI, RSETI, Associations and Local NGOs. Swachhta Drive was also conducted at Government Junior Girls College alongwith 140 NSS Students at Karimnagar on 28th September, 2018. Dr. Vijar R. Sirsath, DD, Shri KNL Murthy, AD, Shri Naveen Kumar, Inv, from MSME-DI attended the programme. The programme was co-ordinated by Shri S.V. Dasarath Karimnagar District Nodal officer.



UDYOG AADHAAR REGISTRATION DRIVE AT ANANTPUR, AP



MSME-DI organized Udyog Aadhaar Registration Drive at Dharmavaram, Anantpur District, Andhra Pradesh from 4th October, 2018 to 6th October, 2018. Around 60 Udyog Aadhaar Registrations were done. Shri B. Sreedhar, AD, Shri S.K. Saini, AD and Shri Naveen Kumar, Inv, MSME-DI co-ordinated the programme.

VISIT OF INTERNATIONAL STUDENTS TO MSME-DI, HYDERABAD



National Institute of Micro Small & Medium Enterprises, Hyderabad deputed international students for an exposure visit to MSME-DI, Hyderabad on 20th November, 2018. The students interacted with EDC officers and enquired about various activities and schemes of MSME-DI.

LOAN MELA FOLLOW UP MEET WITH SBI AT VARIOUS DISTRICTS OF TELANAGANA

MSME Development Institute, Hyderabad organized Credit Facilitation workshops (Loan Mela) in association with State Bank of India (SBI) in all the Districts of Telangana on MSME Financial Schemes like MUDRA, CGTMSE, Standup India etc during the months of August and September, 2018. MSME-DI, Hyderabad organized follow up meetings of the Loan Mela in various districts to facilitate the participants in loan applications and followup with banks on pending applications.

Loan Mela Followup meet was organized at Asifabad on 16th October, 2018. Dr Vijay R. Sirsath, DD, District Nodal Officer, Asifabad co-ordinated the programme.

Review of Loan mela was organized at Jayshanker Bhupalapally at SBI Janggedu Branch on 12th October, 2018. Out of 280 leads, 150 members turned out and submitted Mudra applications. AGM, Chief Controller from Regional office, 4 branch managers from SBI attended the programme. Shri KNL Murthy, AD District Nodal Officer, Jayshanker Bhupalapally co-ordinated the programme.

Second Phase of Interviews for Credit Facilitation at Karimnagar on was held on 10th October, 2018. DGM, AGM & 6 bank managers from SBI attended the programme. Around 131 applicants attended. Shri S.V. Dasarath , Inv, District Nodal Officer, Karimnagar co-ordinated the programme.

Loan Mela follow up at Khamman was organized on 10th October, 2018. AGM and 2 Chief Managers and LDM from SBI attended the programme. Around 45 participants attended and were facilitated. Shri D. Kiran Kumar, AD District Nodal Officer Khamman co-ordinated the programme.

Loan Mela Follow up meet was organized at Mahabubnagar on 22nd October, 2018. Shri S.K. Saini, AD, District Nodal Officer ,Mahabubnagar co-ordinated the programme.



Achievement of MSME Credit Facilitation in Telangana

Date	Place of Programme	No. of Candidates Attended	No. of Eligible Proposals	Converted Leads MUDRA	Stand-up India leads
10-08-2018	Hyd & RR dist	88	78	20 /78	9 proposals have been cleared and 18 are in process
14-08-2018	Sangareddy	110	110	35 /110	
20-08-2018	Karimnagar	423	417	210 /417	
21-08-2018	Khammam	160	115	50 /115	
28-08-2018	Asifabad	352	245	115 /245	
28-08-2018	Nizamabad	115	105	79/105	
30-08-2018	Mahabubnagar	534	355	98/ 355	
04-09-2018	Suryapet (Nalagonda)	300	166	58 /166	
06-09-2018	Warangal (Bhupalpalli)	467	192	30 /192	
Total		2549	1783	695/1783 (Appx.39%)	

CLUSTER DEVELOPMENT ACTIVITIES ...



Madikonda Powerloom Cluster is supported for ID project under MSE-CDP scheme. MSME-DI, Hyderabad provided hand holding support for credit assistance to upcoming units of the Cluster in association with Syndicate bank. Process started from 10-12-2018 with series of meetings taking place between Power Loom Cluster association and Syndicate bank facilitated by MSME-DI. The total Project Cost of each unit is Rs.1.5 Cr which includes Plant and machinery cost of Rs. 76.61 Lakhs, Land and Building cost of RS. 41.39 Lakhs and Working capital of Rs. 32.00 Lakhs. Consultation meeting with Machinery Manufacturers for Madikonda Powerloom Cluster, Warangal, Telangana was held on 16th December, 2018. Officials from Syndicate Bank and Powerloom Service centre, M/o Textiles, Govt. of India attended the meeting for finalizing the machinery suppliers for the Cluster. Model DPR was prepared by EDC and handed over to Syndicate Bank in presence of Shri Piyush Srivastava, ADC, O/o DC (MSME), New Delhi on 4th of January, 2019 at NI-MSME, Hyderabad.

VENDOR DEVELOPMENT PROGRAMME



MSME-DI officers participated in the Vendor Development Programmes (VDP) organized by CPSUs and disseminated information on MSME schemes in particular Public Procurement Policy and the benefits of MSME with respect to the policy. Shri R. Viswanathan, DD attended VDP programme organized by NMDCL and Dr. Vijay R Sirsath, DD participated in the VDP programme organized by ECIL on 29th November, 2018.

A GLIMPSE OF THE ACTIVITIES OF BRANCH- MSME-DI, VISAKHAPATNAM

MSME Empower Committee Meeting at Vijayawada organized by RBI :

51st meeting of the Empowered Committee on MSMEs for Andhra Pradesh State, for the quarters ended March 31, 2018 and June 30, 2018 was held on 23rd October, 2018 at Hotel Gateway, Vijayawada. Speaking on the occasion, Shri M. Kalebu, DD In-charge, Branch MSME-DI, Visakhapatnam, stressed on the importance of MSME sector to the Indian economy, especially their contribution to GDP and employment generation. He highlighted some of the schemes/programmes implementing by MSME for the benefit of entrepreneurs.



204th SLBC Meeting at Vijayawada Chaired by Hon'ble Chief Minister of AP:

204th SLBC Meeting was held on 24.10.2018 at Vijayawada. The Meeting was chaired by Hon'ble Chief Minister of AP Deputy Director Incharge from Branch MSME-DI, Visakhapatnam, Shri M.Kalebu, attended the Meeting. He requested Controllers of all banks to initiate necessary steps to ensure improvement in credit flow to micro and small enterprises to achieve stipulated requirement of PM's Task Force recommendations.

MSME Schemes Programmes and Public Procurement Policies at Vijayawada:

Shri G. Raghuram, AD, Branch MSME-DI, Visakhapatnam attended the Seminar organized by AP Chambers and FICCI on 14-11-18 at Vijayawada. He delivered speech on "Role of MSME schemes and features of Public Procurement Policy" during the programme.





Cleanliness Drive under Swachhta Hi Seva by Branch MSME-DI, Visakhapatnam:

In pursuant to the Government of India's cleanliness drive, Swachhta Hi Seva was organized by our Branch MSME Office, Visakhapatnam in association with Pedagantyada Industrialists' Association on 28.12.2018, to spread the message of cleanliness, not only among the officials and entrepreneurs but also in the surrounding areas. A flurry of events have been organized under the supervision of Shri M. Kalebu, Deputy Director In-charge, with a view to spread awareness and sensitivity in virtues of sanitation and cleanliness, which was a positive step towards the achievement of the Swachh Bharat Abhiyaan.

Newspaper Clippings



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Published by Additional Industrial Adviser on behalf of MSME-Development Institute, Hyderabad (Organization under O/o Development Commissioner, M/o Micro Small and Medium Enterprise, Govt. of India)