



Federation of Indian Micro and Small & Medium Enterprises

The FISME Factor

Bi-weekly bulletin of India's largest MSME organisation

Vol II, Issue 7: April 1, 2012

[Activities](#) [News](#) [Members](#) [Contact](#) [Print Version](#)

President's Message



MSMEs, as always, will not let down the country

"Greetings to friends engaged in MSMEs across the country and thanks to the FISME CEC members for re-electing me President for 2012-13..... The MSME sector, as is its wont, will not let down the country at this critical phase - this is my fervent appeal to our community, my fond hope and my prayer!"

- Mr V.K. Agarwal

[Read the full message](#)

Shri V.K. Agarwal re-elected President for 2012-13



Shri V.K. Agarwal (left) receives a bouquet of flowers from past President Shri Suresh Mohan (centre) and Shri Ashok Agarwal, Election Officer (right) after being re-elected President for 2012-13.

Shri V.K. Agarwal has been re-elected President of FISME for 2012-13 for the second term. Concluding the two-month long process of election, Shri Ashok Agarwal, Election Officer, announced the names of seven newly-elected members of the executive committee. He then invited nominations for

Presidentship. Shri Agarwal's name was proposed and seconded by all electing him with unanimous vote. As per the constitution of FISME in force, a President can have a maximum of two terms.

[Read More](#)

CORPORATE INSURANCE
EMPLOYEE BENEFITS. PROPERTY. LIABILITY.



ACTIVITIES

FISME launches IP Facilitation Centre in Hyderabad



[FISME](#), the voice of Indian Micro, Small and Medium enterprises (MSMEs), formally inaugurated an Intellectual Property Rights Facilitation Centre (IPFC) in Hyderabad on March 26, 2012. This is the second such FISME IP Facilitation centre which has been formally

inaugurated after the formal inauguration of the one at Bangalore on March 22, 2012, although another centre in New Delhi is also in operation. As the Central government's vehicle of choice for outreach to MSMEs, FISME is establishing these facilitation centres as part of the [IPR component](#) of the [National Manufacturing Competitiveness Programme](#) of the [Ministry of Micro, Small and Medium Enterprises](#), Government of India.

[Read More](#)

FISME holds Roundtable on SME Exchange on March 28, 2012

With the BSESME Exchange having taken off with the listing of a finance company and the NESME Exchange ready to list a few manufacturing Micro, Small and Medium Enterprises (MSMEs), the key challenge before Indian MSMEs is to make sure that these bourses



Your Views

SMEs give the thumbs down to Budget: FISME survey



The FISME **Rate The Budget** survey got 1,310 responses. The results are as follows:

Very Bad/Bad: 50%

Average: 42%

Very Good/Good: 8%



Editorial

Dear Readers,
This issue of *The FISME Factor* will reach more than 2,15,000 Indian Micro, Small and Medium Enterprises (MSMEs) creating a milestone of sorts – never before have any organisation reached such a large section of the huge community (nearly 30 million) of

Indian MSMEs. Another piece of good news is that your favourite newsletter now brings to you a lot more exclusive writing that is available only here and nowhere else. Read on readers and watch this space for more good news in the coming days!

Editor



Upcoming Events

SME Connect

Helping new age SMEs innovate and compete with cloud technology
Hyderabad
April 27, 2012

Know more about Cloud Computing. Participate in FISME's **SME Connect** workshops being organised across the country in partnership with global software major Microsoft Inc.

After the first workshop in Gurgaon the second one will now be held in Hyderabad on April 27, 2012. Book your seat now to interact with senior executives having in-depth knowledge of Cloud

Computing for two hours (1800-2000 hrs) followed by dinner.

Contact:

Mukesh Kalra

+91-11-26187948,

46023157

mukesh.kalra@fisme.org.in



Knowledge Store

Policy Polemics

Trade-climate change interface emerging as a 'new issue'

The Conference of Parties (COP 17) Climate Conference held in Durban in November-December 2011 placed due impetus on some critical issues that emanate when climate change concerns intersect with trade policy issues. In fact, the interface between international trade and climate change is fast emerging as a 'new issue' even though it does not find mention in the originally drafted rules of the General Agreement on Tariffs and Trade (Gatt) or the World Trade Organization (WTO).

[Read the document](#)

Finance Fundamentals

dedicated to MSMEs

function effectively and help solve the problem of raising capital. To identify and address the issues which are still standing in the way of smooth and effective functioning of these SME stock exchanges, the Federation of Indian Micro and Small & Medium Enterprises (FISME), the voice of Indian MSMEs, held a Roundtable with major actors on March 28, 2012 in New Delhi.

[Read More](#)

FISME organises Innovation Lab for MSMEs in Hyderabad



FISME, the voice of Indian MSMEs, organised an "Innovation Lab for MSMEs – Helping new age MSMEs compete with innovative ideas" at Hotel Vivanta by Taj, Hyderabad on March 26, 2012. The programme was aimed at arming Indian MSMEs with information and

knowledge about the latest trends in Information and Communication Technologies (ICT) so that they can adopt these technologies according to their needs and become more innovative and competitive. At the technical session of the Innovation Lab event, top experts gave presentations on cloud computing, new age communication and building of an innovation eco-system for Indian MSMEs.

[Read More](#)

First phase of IPR Awareness Programme completed

More than 65 entrepreneurs from industrial units in and around Aurangabad, Maharashtra participated in an awareness programme on Intellectual Property Rights (IPR) organised by the Federation of Indian Micro and Small & Medium



Enterprises (FISME), the voice of Indian Micro, Small and Medium Enterprises (MSMEs), in association with the Maharashtra Centre for Entrepreneurship Development (MCED), Aurangabad on March 10, 2012.

[Read More](#)

Argentine business delegation interacts with Indian MSMEs

Indian Micro, Small and Medium Enterprises got an opportunity to interact with a high level business delegation from Argentina in New Delhi on March 22, 2012 thanks to an event coordinated and organised by the Embassy of the Argentine Republic in New Delhi in collaboration with the Federation of Indian Micro and Small & Medium Enterprises (FISME), the voice of Indian Micro, Small & Medium Enterprises. During the programme, after an initial address by the Ambassador of the Argentine Republic to India and other Embassy officials, members of the Argentine delegation gave presentations about their companies and various products, equipment & services marketed by them.

[Read More](#)

Bangalore IPFC inaugurated



Dr. J. Alexander, IAS (Retd.) Former Chief Secretary, Government of Karnataka formally inaugurated the Intellectual Property Rights Facilitation Centre (IPFC) in Bangalore on March 22, 2012. Other dignitaries present during the inauguration included

Sri. S. M. Jamkhani, Director MSME- Development Institute, Sri Mohan Suresh, Past President, FISME, senior office bearers of major industry associations of Karnataka, noted industrialists among others.

Intermediation in Insurance – The Role of a Broker



In India, insurance is considered a push sale product. This is not good because when an insurer or intermediary pushes a product there is little choice that is given to customers and, quite often, over-commitments are made, argues Abhishek Bondia, Business Head – Corporate, SecureNow Insurance Broker in this exclusive article for *The FISME Factor*.

[Read the full article](#)

SME bourse takes off with new challenges

The BSE SME Exchange is off the blocks with an Initial Public Offer (IPO) by a finance company and the NSE SME Exchange will soon follow suit with a few listings by manufacturing companies.

Consequently, over the course of this year, the developmental role of stock exchanges - which are frontline regulators - will be put to test as this a renewed attempt to promote exchanges for small and medium enterprises (SMEs) after two failed attempts. In this article Shaji Vikraman discusses some of the issues.

[Read the full article](#)

Rate cut needed to boost SME growth: Rajat Madhok



With all eyes on the next round of monetary measures from the Reserve Bank of India (RBI), foreign private sector banks like Citibank expect a promising business scenario to emerge, especially for small and medium enterprises (SMEs). Rajat Madhok, managing director and head of Commercial Bank, Citibank India, talks to Rutam Vora of Business Standard about the credit scenario for SMEs and future growth prospects.

[Read the full article](#)

HR Heuristics



Voice Your Views

What is your business outlook for the current quarter –
April 1, 2012 to June 30, 2012?

Positive Negative Unchanged

[You can also view online](#)



Union Budget 2012-13: Experts Explain

New Customs Laws up penalties, leave rates unchanged



Vijai Kumar, Consultant & Advocate,
Former Additional Commissioner of Indian Revenue Service

[Read Details](#)



Protect Your Intellectual Property!!

Register

TRADEMARKS, INDUSTRIAL DESIGNS, COPYRIGHTS AND PATENTS

at Subsidised Cost for MSMEs

Contact FISME's

Intellectual Property Facilitation Centres

New Delhi | Hyderabad | Bangalore

011 - 46023157

040 - 23322117

080-23543589

email: ipfc@fisme.org.in



MEDIA MONITOR

Macro Metre

Core industries' growth rises by 6.8 pc

Growth in eight core industries, including electricity, coal, cement, steel and crude oil, rose by 6.8 per cent in February against 0.5 per cent in the previous month, raising hopes of a revival in the overall factory output, official data showed Thursday. The cumulative growth of eight core industries, which have a combined weight of 37.9 per cent in the Index of Industrial Production (IIP), fell by 4.4 per cent in April-February period of the current financial year as compared to 5.8 per cent in the corresponding period of previous year.



[Read More](#)

The art of locking the door before the horse bolts



"A lot of the times we end up saying or doing something we regret later. One aspect of Emotional Intelligence is self-regulation- or impulse control, or simply self-control. Recently I was discussing this subject with Prof Sudhir Jain, Director of the new IIT at Gandhinagar, who is a rare combination of an academic with international credentials and a highly regarded administrator. He acknowledged ruefully: 'Yes I lose my cool sometimes. But it's not good because it diverts attention from the main issue; it's bad for administration, bad for morale. "

[Read the full article](#)

Manufacturing Metrics

SMEs in China: Lessons from Chinese Entrepreneurs



Indian entrepreneurs, especially those in the micro, small and medium enterprises sector can learn from the experience of Chinese SMEs, argues Absar Alam, Research Fellow, Asian Institute of Transport Development, New Delhi, in this article written exclusively for the readers of *The FISME Factor*.

[Read the full article](#)

Marketing Mantras

Social media can take SME marketing to new heights



FISME has launched a social media initiative in a big way and *The FISME Factor* invites all readers to join FISME on Facebook. Here is an article on how social media helps MSMEs tackle the marketing challenge in the face of competition.

Domestic Digest

'Unreliable credit info stopping fund flow to MSMEs'

Lack of reliable credit information on Micro Small and Medium Enterprises (MSME) was one of the key reasons for the sector failing to get sufficient funding from banks, said K Narahari Rao, AGM (SME), State Bank of India. "There are over 15 lakh MSME units, of which 95 per cent are micro units. These MSMEs do not share information. There is a lack of reliable credit information as most MSMEs follow a sole proprietorship or partnership structure," Rao said while addressing a national conference in Ahmedabad organised by Hemchandracharya North Gujarat University on March 25, 2012.

[Read More](#)

Nagpur and Chandrapur to get two manufacturing clusters

The Union ministry of micro, small and medium enterprises (MSME) has selected Nagpur and Chandrapur cities in Vidarbha to develop as garment manufacturing and fly-ash product manufacturing clusters, respectively. The ministry is setting up two common facility centres (CFCs) in the two cities for promotion and development of different products in the two sectors. These centres will have all the facilities for manufacturing products, developing new technologies and testing facilities under one roof.

[Read More](#)

Government to set up readymade garment cluster in Hubli

Hubli - despite being abundant cotton producing region - never had any textile or garment manufacturing unit. A small initiative to set up a readymade garment cluster under public-private partnership to cash in on the untapped potential of the area is making a mark in the region. Perhaps now the winds of change are blowing. The cluster set up under the Small and Medium Enterprises Cluster Development Scheme (SME-CDS) under the ministry of micro, small and medium enterprises, already has orders worth Rs 60 lakh and is now aiming to cross an annual turnover of Rs 2 crore by the end of next fiscal.

[Read More](#)

SIDBI's equity induction plan for Faridabad MSMEs



The Small Industries Development Bank of India's (SIDBI) equity induction plan is catching the attention of the MSMEs based out of Faridabad. The plan is helping existing units to garner capital for projects and entrepreneurs to start new ventures. "We are providing capital against the equity of the proprietor in 2:1 ratio, where a proprietor can avail 2/3rd (around 66 percent) of the net worth of his company," said Umesh Goud, Faridabad branch head of SIDBI.

[Read More](#)

Public procurement policy to help MSME

The new public procurement policy of the Centre provides good opportunity for micro and small Enterprises. This was revealed at the vendor development programme organised by MSME (micro, small and medium enterprises) Institute at Kanara Small Industries Association. Speaking on the occasion, Dr P.K. Chatterjee, Director of MSME Development Institute, Mangalore, said that the public procurement policy will be effective from April 1.

[Read More](#)

SME exporters demand exemption from income tax

Disappointed over the Union Budget 2012-13, Indian small and medium scale exporters have demanded for complete income tax exemption on their income. "We want only one single benefit and this is the tax benefit under Section 80 HHC which provides complete income tax exemption on export income," said Delhi Exporters Association (DEA) President S.P Agarwal in a press release issued recently.



[Read More](#)

Supply quality products in time, NMPT chairman tells MSMEs

[Read the full article](#)

Technology Tracker

Embracing mobile working

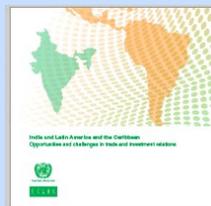


Over the past two decades mobile computing has arguably been the major success story of the information technology world. In the 20 years in which our desktop technology has remained fundamentally the same – if a great deal more sophisticated – mobile technology has walked a comparatively revolutionary road.

[Read the full article](#)

Trade Trends

ECLAC booklet on India and Latin America

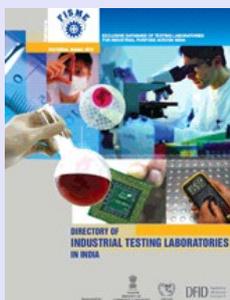


The Economic Commission for the Latin America and the Caribbean (ECLAC) has published a booklet "India and Latin America and the Caribbean – Opportunities and Challenges in trade and investments".

[Read the booklet](#)

Book Store

Directory of Testing Laboratories in India



Buy our one-of-a-kind guide to all industrial testing laboratories in India. Find the one most convenient for getting your products tested and certified. An invaluable compendium for all industrial units and exporters. PP: 894, Hard Cover. Price: Rs 900. 50% discount for members.

[Buy your copy now](#)



Small and medium scale enterprises must provide quality goods in time, said P. Tamilvanan, Chairman, New Mangalore Port Trust (NMPT). He was speaking as chief guest after inaugurating a one-day, State-level Vendor Development Programme in the city recently. It was organised by MSME Development Institute, Ministry of Micro, Small and Medium Enterprises, Government of India, District Industries Centre, along with the Kanara Small Industries Association (KSIA).

[Read More](#)

NSIC signs MoU with Ministry to support MSMEs

National Small Industries Corporation (NSIC) has signed a Memorandum of Understanding (MoU) with Ministry of Micro, Small and Medium Enterprises (MSMEs), the ministry informed in a press statement recently. According to the release, the MoU for the year 2012-13 was signed by Dr. H. P. Kumar, CMD, NSIC with R. K. Mathur Secretary, MSME. On the occasion Mathur said, "I am happy that MoU has been signed and we will give full support to NSIC to meet the target - which is 30-40% growth in 2012-13."



[Read More](#)

SBI rolls out one-time settlement scheme for small units



State Bank of India has launched a one-time settlement (OTS) scheme for recovering bad loans in its micro, small and medium enterprises portfolio. To make the scheme attractive, the bank is also offering discounts to borrowers. India's largest bank has seen a net increase of Rs 3,902 crore in bad loans in its MSME portfolio in the first nine-months of the current financial year. Given the increase in bad loans, the bank has launched a non-discretionary and non-discriminatory scheme of OTS to give relief to MSME borrowers affected by the downturn in the economy.

[Read More](#)

SMEs can grow despite budget limitations: Raghu Kumar

To overcome their budget limitations, small and medium enterprises (SMEs) should outsource the non-core business activities, and focus more on using the available resources on growing their core business, said Raghu Kumar, CEO GlobalOutlook, in an exclusive e-mail interview with SME Times.



[Read More](#)

SMEs see a 43% fall in PE investments in Jan-Mar



Private equity (PE) investments in India's SME sector dropped by 43 per cent to \$134 million in 2012 (January to year till date) from \$236 million in the corresponding period of 2011. The number of deals fell by 34 per cent during this period. Industry experts said this was a temporary phenomenon and small companies catering to domestic demand would attract more PE investments.

[Read More](#)



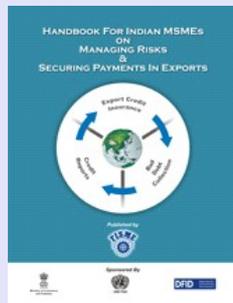
World Watch

Focus On Nigeria

ICT relevant to MSME development

The Director-General of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), Muhammad Nadada Umar has lamented Nigeria's limited access to Information and Communication Technology (ICT) facilities and practice. He said this situation is restricting the country's youths' employability and increasing the dearth of innovation in the development of small and medium enterprises (SMEs). The Director-General, represented by

Handbook for Managing Export Payment Risks



If you are an exporter you simply cannot do without this unique publication which tells you how to manage payment and other risks arising from exports.

PP: 78.

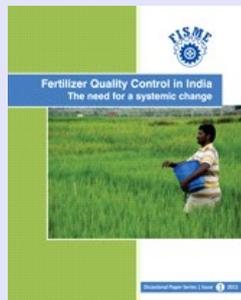
Price: Rs 300.

50% discount for members.

[Buy your copy now](#)

Free Publications

Fertilizer quality control in India: Need for change



This monograph argues for a systemic change in fertiliser quality control. Essential reading for those in policy-making positions.

[Ask for your copy now](#)



Country Chronicles

FISME regularly receives monthly reports on the economies of various countries from their missions in India. These reports provide information on key economic parameters, trade related information and all news relevant for importers and exporters. In this edition you can take a look at reports on:

[Muscat](#)

[Bahrain](#)

[Greece](#)

**Advertise in
this newsletter**

[Contact Us](#)

Jethro Atukpa, head, Inspectorate department of the agency, made the observation while receiving a team of the Nigerian Association of Computer Science Students (NACOSS) at the SMEDAN headquarters in Abuja.

[Read More](#)

Focus On Serbia

Serbia to adopt new measures supporting SMEs

The Serbian government will soon present measures to encourage small and medium-sized enterprises (SMEs) to produce more and hire more workers, Prime Minister Mirko Cvetkovic said recently. Cvetkovic made the disclosure in an interview for "Vecernje Novosti," which was partly published by the official website of the Serbian government. According to the website, the new measures include to rent land at a lower price than the market price or even cede it free of charge to all companies that open new plants and employ workers.

[Read More](#)

Focus on Germany

Germany to promote Nigeria's economic growth

The German government has initiated a programme aimed at promoting sustainable economic development in Nigeria. Tagged, 'Pro-Poor Growth and Promotion of Employment in Nigeria Programme (SEDIN),' the initiative is targeted at promoting the bilateral agreement between both countries. The programme is being implemented by the German Agency for International Cooperation, Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ), and focuses on expanding employment opportunities and increasing income generation for Micro, Small and Medium enterprises (MSMEs) through an improved business environment and better access to financial services.

[Read More](#)

Focus on Uganda

Uganda seeks India's help to promote MSMEs

African nation Uganda Tuesday sought India's cooperation to promote its micro, small and medium enterprise (MSME) sector. A delegation from Uganda led by Uganda's Minister of Trade, Industry and Cooperatives Ms. Amelia called on India's MSME minister Virbhadra Singh in New Delhi and said that Uganda is looking forward to learn from India's experience.



[Read More](#)

Focus on Greece

EIB signs innovative SME guarantee fund in Greece

The European Investment Bank signed the Funding Agreement in Athens for the creation of a dedicated guarantee fund supporting lending to small and medium-sized enterprises in Greece. The Fund is a joint initiative between the Hellenic Republic, the European Commission and the EIB. Established by using EUR 500 million from unabsorbed Structural Funds for Greece, the Fund will guarantee EIB loans to SMEs via partner banks in Greece totalling up to EUR 1 billion.

[Read More](#)

Focus on UK

£40m fund to help 50% more SMEs in Wales



The Wales SME Investment Fund was announced last year, but is now "open for business," said Edwina Hart, Business Minister. The Welsh government says it hopes the fund will create up to 4,000 jobs by providing debt and equity investment to small business. It is hoped 50% more SMEs will be able to apply for funding via the scheme. Currently, help for SMEs comes from European funding.



New Members

6 new members join FISME

During the period March 15 to April 1, 2012 a total of 6 new MSMEs became members of FISME.

[Read Details](#)

You are receiving this Newsletter because you are included in our mailing list of recipients who are involved or interested in FISME or Indian MSMEs. You are welcome to partly or fully reproduce and disseminate the contents of this publication provided that you acknowledge the source.

To **subscribe/unsubscribe** to this Newsletter
click [subscribe](#) or [unsubscribe](#)

This Newsletter is edited by the FISME Secretariat. We welcome contributions as well as comments and suggestions. Please write to newsletter@fisme.org.in

Federation of Indian Micro and Small & Medium Enterprises (FISME)

B - 4 / 161, Safdarjung Enclave, New Delhi - 110029

Telephone: +91 11 26187948, +91 11 26712064, +91 11 46023157 Fax: +91 - 11 - 26109470

Email: newsletter@fisme.org.in, Mobile: +91 9312274911, Website: www.fisme.org.in



Bangalore Office

57/5, Family YMCA Building,
Millers Road, Benson Town,
Bangalore - 560046

Email: bangalore@fisme.org.in

Mobile: +91-80-23543589

Website: www.fisme.org.in

Hyderabad Office

H. No. 6-3-569 / 1/2/4

2nd floor, Rockdale Compound, Somajiguda

Hyderabad - 500082

Tel: +91- 40- 23312116 Fax: +91 -40- 23322117

Email: hyderabad@fisme.org.in

Website: www.fisme.org.in

If you want to forward this email to a friend, [Click here](#)