



Federation of Indian Micro and Small & Medium Enterprises
The FISME Factor
Bi-weekly bulletin of India's largest MSME organisation

Vol III, Issue 37: July 1, 2013

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President's Message



" The catastrophe caused by flashed floods in Uttarakhand has shaken the nation. The extent of human loss, already crossed a few thousand, is such that its exact number may never be known. The state stands paralysed . It needs external support to rebuild lives and infrastructure quickly. I earnestly appeal to all my colleagues, members and associations to contribute generously to PM Relief Fund. FISME is collating such funds to route it through Ministry of MSME. "

-Shri D. Gandhikumar, President FISME
[Please see accompanying notice](#)

**National Database of
 Consultants for SMEs**

Movie - Indian IPR Exchange



What's Hot?

Activities

- [KNN briefing session elicits rich feedback from NCR partners](#)
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...And A Lot More



ACTIVITIES

KNN briefing session elicits rich feedback from NCR partners



Poor infrastructure, rising cost of logistics, inadequate and costly power supply, disconnect between industry and academic institutions are some of the problems faced by Micro, Small and Medium Enterprises (MSME) in various parts of the industries, said

associations from small industries and management institutes invited by FISME to be part of a briefing session on Knowledge and News Network (KNN) on June 27, 2013 in New Delhi.

[Read More](#)



[You can also view online](#)

Other Events

9th Health Asia 2013 International Exhibition & Conferences

Date: 9-11 Sep 2013
Venue: Karachi Expo Centre, Pakistan

[See Details](#)

India Composites Show 2013

Date: 24-26 Oct, 2013
Venue: New Delhi

[See Details](#)

Asian Development Bank Survey

Asian Development Bank Survey on Funding Environment for SMEs

Online survey form

[You can also view online](#)

Your Views

Power shortage hits manufacturing hard: MSMEs



FISME supports vendor development and technology show for MSME



In order to promote and create more opportunities for small entrepreneurs, Vendor Development and Technology Show was organised by PEENYA Industries Association on June 6-8, 2013 in Bangalore International Exhibition Centre (BIEC), supported by FISME.

Minister of State for Micro, Small and Medium Enterprises (MSME), Mr KH Muniyappa, inaugurated the show. Minister for Small Scale Industries, Karnataka Mr Prakash Hukkeri was the chief guest and the High Commissioner of the Republic of Rwanda in India, Mr Ernest Rwamucyo, along with Consul of Rwanda in Bangalore and Past President of FISME, Mr Mohan Suresh were the guests of honour for the show. Also, Joint Secretary FISME, Mr Mukesh Kalra highlighted the importance of intellectual property rights for the growth of small businesses.

APPEAL FOR

MSME community's contribution towards Uttarakhand relief

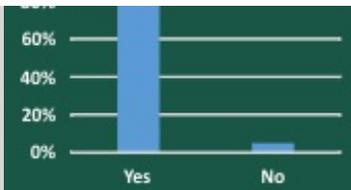


As you are aware, India's hill state Uttarakhand has been devastated by a natural calamity of unimaginable proportions in June 2013. Thousands of human habitats, roads and bridges have

been washed away in the large parts of Garhwal region of the state resulting in enormous human and material loss. On behalf of Indian MSMEs, FISME, with its members and partner associations, has also pledged to contribute towards Prime Minister's Relief Fund. The sum collected will be handed over to the Shri K.H. Muniyappa, Hon'ble Minister of MSMEs during a function in New Delhi.

[Please see accompanying notice](#)

Voice Your Views



According to *The FISME Factor* survey, 95 per cent of the MSMEs say that power shortage in the country has hit the output of the manufacturing sector.

Submit

[You can also view online](#)

Asian Development Bank survey on "Funding Environment for SMEs"

Asian Development Bank (ADB) in association with FISME, is conducting a survey on "Funding Environment for SMEs" in India to measure the **financing constraints and the potency of developing capital markets for SMEs**. Kindly spare a few minutes and help improve the financing environment for MSMEs in India by sharing your views. **Online Survey Form**.



Knowledge Store

HR Heuristics

True champions play their natural game even in crisis

As the saying goes true champions don't look at the score line (read as planned targets in business context!). They play the game to their natural abilities and hope the best score emerges. This is true in any sport, so it is in business.

[Read the full article](#)

Finance Fundamentals

Bank ombudsman do's and don'ts for customers



In its bid to make the bank facilities more reliable and to check any frauds related to banking services the Banking Ombudsman has come out with an advisory to protect the interest of the customers.

[Read the full article](#)

SMEs, the focus for Bank of Baroda

Bank of Baroda, the country's second largest lender posted a growth of 30.3 per cent in the small and medium enterprises segment by providing different business opportunities to them.



Business Banter: Lessons from Entrepreneurs

'The Best Advice I Got'

Never Give Up

- Anil Agarwal, Chairman, Vedanta Resources

Anil Agarwal, Chairman Vedanta Resources said, "Two pieces of advice from my father have remained the guiding force of my journey." His first was to keep trying till one succeeded, but never at the cost of principles. The second was to be empathetic to the cause of the underprivileged. His father started a postgraduate college for girls in Rajasthan that has resulted in tremendous empowerment of women in the state. The greater good of the community and the fact that we can be partners in change is what drives me, he said.



[Adapted from the Best Advice I Ever Got, Business Today]



MEDIA MONITOR

Macro Metre

RBI disappoints industry; high interest burden on industry

The Reserve Bank of India again let the industry down by refusing to cut policy key interest rates and



[Read the full article](#)

Marketing Mantras

How to use YouTube for business



Entrepreneurs that rely on YouTube for online marketing must have skipped a heartbeat when Google, its parent company recently declared that the video sharing website would cease to exist.

[Read the full article](#)

Policy Polemic

Development of the dairy sector

From M V S Prasad
The Indian dairy sector has acquired substantial growth momentum from 9th Plan onwards as a result of which the country now ranks first among the world's milk producing nations, achieving an annual output of about 130 million tonnes.

[Read the full article](#)

SME Special

Is your family business getting caught up with family issues?



Managing a business is not easy. Not only does one have to balance the simple act of being profitable and expanding the business, but one has to also deal with 'corporate governance' to stay

overlooked deceleration in growth which is a result of low investment and slowdown in consumer demand. The MSME sector is particularly burdened with high cost of servicing loan while banks have resorted to selling off mortgaged assets after publishing pictures of entrepreneurs in newspapers who could not repay debt. Amidst hopes of at least 0.25 percentage point reduction in the policy interest rates, known in jargons as the repo rates, the RBI has not altered the key rates disappointing the industry and its chambers.



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A weak rupee is a nightmare for domestic business

Runaway rise of dollar against the Indian currency touching almost Rs 60 is a bad news for India's energy-starved small and medium enterprises which depend on imported fuel for captive power generation as also those importing raw material. While the weakening of rupee which lost about eight per cent only in the last two weeks should augur well for exporters, the gains are not really commensurate. For one, some of the exporters would have hedged the currency at lower rates while overseas buyers for others would seek discounting in their prices.

[Read Details](#)



Domestic Digest

19,500 small Uttarakhand units hit, loss estimated at Rs 531 cr

The floods in Uttarakhand have brought the state to its knees having hit as many as 19,500 small units which face a loss estimated at Rs 531.20 crore. Those hardest hit were the small enterprises in the districts of Rudraprayag, Uttarkashi, Chamoli, Tehri, Pithoragarh, Almora and Pauri, whose economies depend on the Char



Dham season. Most of the MSMEs according to the president of the IAU Pankaj Gupta are facing financial and business losses mainly due to road blockades. "As per official statistics, there are about 19,590 registered micro and small enterprises besides many unregulated and unorganized enterprises in the affected area. All these enterprises have been badly hit and have suffered huge property, business and financial losses," he said.

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Large enterprises should buy 30% from MSMEs

The government should consider the proposal of making it mandatory for large companies to purchase 30 per cent of MSME output, a panel headed by MSME Secretary Madhav Lal said. The high level government panel has suggested that MSMEs should be the source of 30 per cent of large enterprises requirements to boost the sector which is the backbone of Indian economy, a condition that has already been imposed on foreign multi-brand retailers setting up business in India.

relevant.

[Read the full article](#)

Stockpile

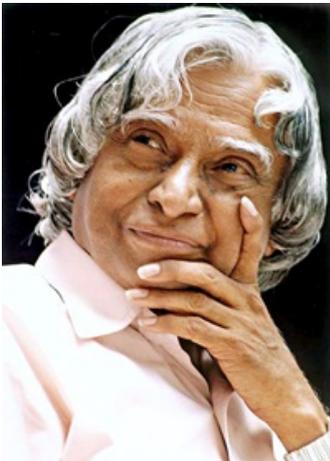
RBI leaves repo rate, CRR unchanged in monetary policy review

On the basis of an assessment of the current macroeconomic situation, it has been decided to:

- keep the cash reserve ratio (CRR) of scheduled banks unchanged at 4.0 per cent of their net demand and time liabilities; and
- keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 7.25 per cent.

[Read the full Text](#)

Quotable Quotes



" Thinking is progress. Non-thinking is stagnation of the individual, organisation and the country. Thinking leads to action.

Knowledge without action is useless and irrelevant. Knowledge with action, converts adversity into prosperity. "

-Dr. A. P. J. Abdul Kalam, Scientist and the 11th President of India from 2002-2007

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Multi brand retailers call for changes in FDI policy applicable to them

Multi-brand retail owners in a meeting with Commerce and Industry Minister Anand Sharma have asked the government to change the Foreign Direct Investment policy applicable to them. They called for parity along with the single brand retail for 50 per cent of the first tranche of investment in back-end infrastructure. Multi brand retailers during the meeting were Walmart, Tesco, Carrefour, Bharti, Aditya Birla Group, Tatas, Reliance and Pantaloon. "The objective of the policy is to encourage investments, job creation, benefit to the farmers and benefit to the consumers. Therefore, we have sufficient space to address those concerns, bring in the clarity, and an early and appropriate view will be taken so that the guidelines can accordingly be given out," Sharma said after the meeting.



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World Bank to facilitate setting up of tool rooms for small units

In order to improve competitiveness of micro, small and medium industries in the manufacturing sector, the World Bank has joined hands with the Ministry of MSME to make quality tools and testing facilities available to them at reasonable costs by setting up Tool Rooms in the public sector. "The main objective of the project is to make available quality tools to this sector at reasonable cost, testing facilities and to conduct training programs to meet the shortage of trained manpower," said the Director Tool Room, R K Rai in a notification.

[Read More](#)

TIFAC patent awards for small businesses

The Technology Information, Forecasting and Assessment Council (TIFAC) has invited entries recently from Micro, Small and Medium Enterprises (MSMEs) and individual innovators to send the same for National Award for Commercializable Patents 2013-14. "TIFAC under its Technology Refinement and Marketing Programme (TREMAPP) invites application for National Award for Commercializable Patents 2013-14 from individual innovators and MSMEs who have been granted Indian patent in their name on or after January 1, 2013," according to an official statement here.



[Read More](#)

100 new units under PMEGF in the offing

The Ministry of Micro, Small and Medium Enterprises (MSME) has targeted over 100 new enterprises in all districts of the country under the Prime Minister's Employment Generation Fund (PMEGF) every year. During a meeting with the Chief Minister of Karnataka, Siddaramaiah, Minister of MSME KH Muniyappa

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at Subsidised Cost for MSMEs

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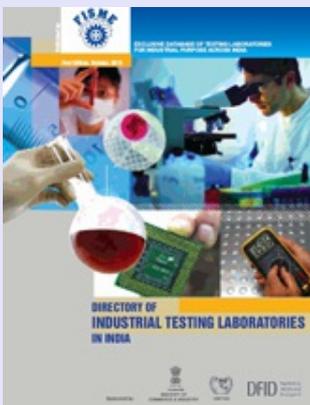
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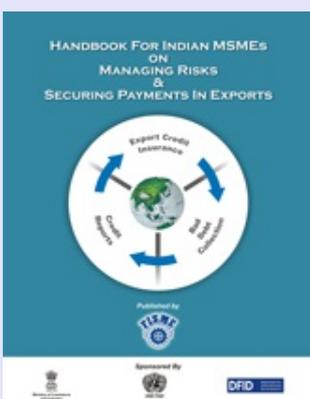
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Handbook for Managing Export Payment Risks



said, "...every year the government will target over 100 new enterprises in all districts of the country including Karnataka which will create 65000 -70,000 new first generation enterprises every year with employment opportunities for over 5.20 lakh persons every year," according to an official notification.

[Read More](#)

RBI increases time limit for depositing forms for project exports and service contracts

The Reserve Bank of India has decided to increase time limit for submitting the DPX1, PEX-1 and TCS-1 forms by exporters undertaking project exports and service contracts abroad from 15 days to 30 days. "It has been decided to increase the time limit and henceforth the exporter undertaking project exports and service contracts abroad should submit form DPX1, PEX-1 and TCS-1 to the approving authority such as AD Bank, Exim Bank, Working Group, within 30 days of entering into contract for grant of post-award approval," RBI said in a notification.

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India Design Council urges small enterprises to go for brand mark

India Design Council has invited manufacturers, small enterprises, brand owners and designers to apply for India Design Mark 2014, which will provide standards and good design recognition. An autonomous body of the Government of India, India Design Council is a strategic body for multi-disciplinary design which was established under the guidance of the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry. Its main objective is to make design a strategic tool for Indian business and society and ultimately place India among the top design destinations of the world.



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MSME-DI organises skills training on bakery and food products

The Micro, Small and Medium Enterprises Development Institute (MSME-DI) has organised a free entrepreneurship skill development programme (ESDP) on bakery and food products in Hubli. "During this programme, we will practically teach about manufacturing of bakery items and instant food items like instant idli mix, instant dosa mix etc," said Senior Assistant Director of MSME-DI, Rajendra Pillai. Organised exclusively for scheduled caste and scheduled tribe candidates the duration of the programme is six weeks, starting from the first week of July, at the Food Incubation Centre of MSME on Gokul Road.



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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.

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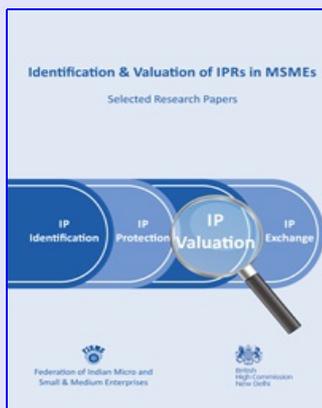
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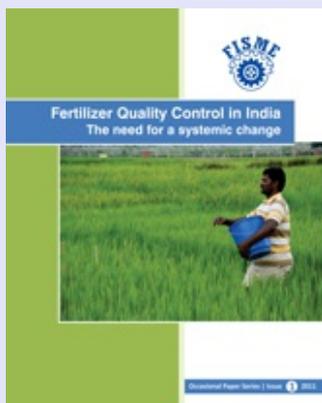
Identification & Valuation of IPRs in MSMEs



Identification & Valuation of IPRs in MSMEs - Selected Research Papers.

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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

Himachal Pradesh

Organic food fair in Shimla to encourage farmers

Understanding the need for tapping the full potential of organic farming in the state, a three-day annual organic fair and food festival will be held starting June-28 to create awareness amongst farmers and consumers. Consumers will be treated to the taste of organic food with dishes made of organic vegetables and pulses in food courts specially created for the purpose. A seminar cum workshop will be simultaneously held for farmers to showcase and sell their products.

[Read Details](#)

Karnataka

Restore custom duty on raw silk to 30%: Karnataka CM

To prevent sericulture farmers from opting for distress sales, the Karnataka Chief Minister, Siddaramaiah has asked the Centre to restore customs duty on raw silk to 30 per cent. The duty had been slashed from 30 per cent to 5 per cent in the 2011-12 Union Budget. The move had evoked huge outcry by silk farmers while the state indicated that reduction in customs duty had affected the livelihood of farmers and reelers severely, warning of a shortage of raw silk. However, to save the silk industry in the State and the agony of a large number of farmers and sericulture stakeholders, Siddaramaiah during a meeting recently with Deputy Chairman, Planning Commission Montek Singh Ahluwalia to finalise the Annual Plan of the State, appealed to the Centre.



[Read Details](#)

Karnataka milk federation to transport butter to Delhi

The Karnataka Co-operative Milk Producer's Federation Limited (KMF) is planning to transport butter in refrigerated trucks to Delhi for a period of one year, for which it has invited bids from unions and units of KMF. "Earnest Money Deposit of Rs 25,000 per tender has to be deposited alongwith the forms as specified in the tender document and shall have to be valid for 45 days beyond the validity of the tender," said KMF. KMF is the second largest dairy co-operative amongst the dairy cooperatives in the country. In south India it stands first in terms of procurement as well as sales. One of the core functions of the federation is marketing of milk and milk Products. The brand "Nandini" is the household name for pure and fresh milk and milk products.

[Read Details](#)

Punjab

Punjab SMEs in textile sector urge govt to reduce interest rates

Agitated by the high cost of production, small and medium enterprises (SMEs) in



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:

[United Kingdom](#)

[Canada](#)

[Greece](#)

Small and medium enterprises (SMEs) in the textile sector of Punjab have asked banks and financial institutions to reduce interest rates by half. In a letter to the Prime Minister, Manmohan Singh, SMEs of the state have requested him to consider reducing the interest rate to seven per cent. "The textile sector is the second largest employment provider segment after the agriculture. The sector is facing acute problems from global markets including China and we need support from the government," said Shawl Club India, an Association of Woolmark Shawl Licensees in India.



[Read Details](#)

Tamil Nadu

MADITSSIA's Ideal Home exhibition kicks off

The 29th All India Ideal Home exhibition to showcase various home items began recently. Organised by the Madurai District Tiny and Small Scale Industries Association (MADITSSIA), the exhibition being held at the Tamukkam ground has 200 stalls in different bays, according to a media report. While entrepreneurs from Delhi presented their wares at 24 stall, selling handbags, artificial jewellery, electronic gadgets and kitchenware, various automobile companies exhibited their latest models of cars.

[Read Details](#)

Uttar Pradesh

New industrial, residential township near Bulandshahr

A state of art township comprising industrial, residential and institutional segments is being planned in the Bulandshahr district of Uttar Pradesh. According to officials, the township, which would be located around 12 kilometres from the district headquarter at Sikandrabad-Khurja road is being implemented by the Uttar Pradesh State Industrial Development Corporation (UPSIDC). The project is part of the central government's USD 90 billion Delhi-Mumbai Industrial Corridor (DMIC) project, which is integrated with the dedicated railway freight route between Delhi and Mumbai.

[Read Details](#)



World Watch

Ireland



Overdue payments boost for SMEs

SMEs are receiving overdue payments at the quickest rate for nearly five years, according to a study conducted by lobby group Isme. However, the findings show that nearly 40% of small firms are still waiting for three months or more for due payment. Isme's latest quarterly SME Credit Watch Survey — published this



morning — shows that small- and medium-sized firms were waiting, on average, 66 days to be paid by clients during the second quarter of the year. This was down from 67 days in the first quarter and marks the shortest average pay duration since late 2008.

[Read More](#)



Pakistan



Development of SMEs to be given priority

The Secretary Industries Punjab Irfan Ali has said that the development of Small and Medium Enterprises (SMEs) through a well-coordinated and well-tailored mechanism would be given priority as they have a key role in economic turnaround. The Secretary Industries was speaking at the Lahore Chamber of Commerce and Industry on Saturday. The newly appointed Secretary said that development of local brands and Human Resource would be the ingredients of the recipe for strengthening the SME sector that had been facing multiple challenges for the last five years.

[Read More](#)



United States



Worker safety concerns bring on US sanctions against Bangladesh

The United States has decided to suspend trade privileges to Bangladesh owing to concerns about labour rights and insecure working conditions. "The US order suspends Bangladesh's duty-free trade privileges under the terms of a trade programme called the Generalized System of Preferences (GSP), designed to promote economic growth in developing countries," said a BBC report. US President justified the move saying, Bangladesh was not taking steps to afford internationally recognised rights to its workers. The decision, according to the report, came after a yearlong review of labour practices and work place safety in Bangladesh.

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Reader Reactions

Write and Win prize!

Write your comments on the FISME Factor. Share your views and suggestions on MSME issues. Win prize! The best mail will get a special book every fortnight. send mail to: newsletter@fisme.org.in



Opportunities

Business Opportunities for India in Canada

There are business opportunities available for Indian companies in Canada.

The interested MSMEs can check details.

[Read Details](#)



New Members

5 New Members Join FISME

During the period from June 15, 2013 to June 30, 2013 a total of 5 new MSMEs became member of FISME.

[Read Details](#)



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