



Federation of Indian Micro and Small & Medium Enterprises

The FISME Factor

Bi-weekly bulletin of India's largest MSME organisation

Vol II, Issue 20: October 15, 2012

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President's Message



" The Government support system has ostensibly been working for MSMEs without ascertaining their real needs. The resources deployed and outlays made have therefore generally led to sub-optimal outcomes. In the meantime velocity of change is gaining momentum. "

- Shri V.K. Agarwal, President FISME
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FISME Policy Paper

SME Exchanges in India: Review and Suggestions

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Upcoming Events

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Business Opportunities for Indian MSMEs in EU



What's Hot?

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ACTIVITIES

Eighth India SME forum organised in Surat

The eighth edition of India SME Forum was organised on October 6, 2012, in the Taj Gateway, Surat. Recognizing Finance and Marketing as two critical pain points, the SME Forum series is being organized nationally by Reliance Capital Finance, FISME and SDRC to bring together experts from Branding & Advertising and Finance face to face with MSMEs.

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Ninth India SME forum organised in Pune



The ninth edition of India SME Forum took place on 12th October 2012 in The Le Meridien Hotel, Pune in the presence of 200+ SMEs from and around pune. The Welcome Session started with lamp lighting by Mr. K V Srinivasan, CEO, Reliance Commercial Finance, Mr Rajesh Chakrabarti, CMO & CIO, Reliance Commercial Finance and Home Finance, Mr Mukesh Kalra of

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A few students of IIM, Bangalore have floated a company to offer free consultancy to MSMEs on all aspects of business - Finance, Marketing, Operations and General Management. Those interested in availing of the services of this company can get in touch with FISME at info@fisme.org.in



Other Events

NCEDAR 2012

Date: Dec 4-6, 2012
Venue: Bangalore

[See Details](#)

AIFPA Show 2012

Date: Dec 13-15, 2012
Venue: New Delhi

[See Details](#)

PLASTO 2012

Date: Dec 20-23, 2012
Venue: Pune

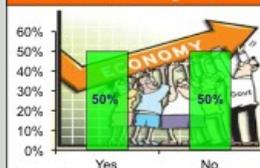
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Your Views

MSMEs divided on next quarter growth: Survey

Will economic conditions improve?



According to *The FISME Factor*

Joint Secretary FISME, and Ms. Sushma Morthania, The Director General of India SME Forum.

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Curtain Raiser-Indian Science Congress: FISME to be Tardeshow Partner

With a curtain raiser event organized on 9th Oct 2012 in New Delhi, the celebrations for the Centenary Session of Indian Science Congress being held from 3-7 January 2013 under Chairmanship of Hon'ble Prime Minister, Shri Manmohan Singh, have begun. An information brochure for the Indian Science Congress and the Expo was released by Dr. T. Ramasami, Secretary Department of Science and Technology, Prof. Samir K. Brahmachari, Secretary, Department of Scientific and Industrial Research, GOI & Director General, CSIR and Mr. Anil Bhardwaj, Secretary General, FISME during the event.



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Voice Your Views

Will interest rates come down in near future?

In an interview given to Bloomberg in Tokyo last week the Finance Minister Mr. P. Chidambaram stated that interest rates 'must come down'. What do you think: will interest rates come down in near future?

Yes No

[You can also view online](#)



Feedback on Committee to Reform Regulatory Environment in India



Business Banter: Lessons from Entrepreneurs

Sewage innovation leaves firm flushed with success

Iain Doherty, is an entrepreneurial engineer whose company ID Systems UK Ltd. has developed an innovative response to a problem that affects sewage pipes around the world and managed to overcome the kind of collateral damage that can be sustained when customers go under. Combining several disciplines such as mechanical, electrical, control and automation engineering services to the water, gas and industrial sectors, the company has achieved some great feats over the decade in developing innovative ways to overcome the problems that affect sewage systems. For example, in 2011, IDS identified a solution to resolve pump ragging, which basically means pumps getting clogged by sewage. Their solution, the Deragger II, clears any clogging without the need of emergency callouts that use up manpower and time so it helps their clients improve their environmental performance, energy efficiency, reduce costs and increase customer satisfaction. Its effectiveness has led the company to win a number of innovation awards.

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MEDIA MONITOR

survey, MSMEs are divided over prospects of growth in next quarter. The situation actually shows some improvement from previous Business Outlook surveys. So does the 2.7% growth recorded in the Index of industrial production (IIP) for Aug 2012 indicate 'green shoots' ? FISME Factor says: 50-50!

The FISME Factor

If you can't beat them, join them



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Knowledge Store

Marketing Mantras

3 Tips to Help Your SME Promote Innovation



The world has been rapidly changing due to new technologies, increased internet usage and mobile access support innovation, as a result people are coming up with new ideas. New ideas need to break old methods and procedures which might keep you ahead in the competition.

[Read the full article](#)

Protect Your Intellectual Property!!

Register TRADEMARKS, INDUSTRIAL DESIGNS, COPYRIGHTS AND PATENTS at Subsidised Cost for MSMEs

Contact FISME's Intellectual Property Facilitation Centres

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email: ipfc@fisme.org.in

Book Store

Macro Metre

India's industrial output rises 2.7 per cent in August

India's factory output grew 2.7% in August with manufacturing showing signs of revival, though capital goods, a key indicator of revival of investment demand, continued to contract. While manufacturing grew 2.9%, mining was up 2% and electricity 1.9%. Capital goods, however, contracted by 1.7%. In July, the Index of Industrial Production (IIP) was flat, registering growth of only 0.1%, mainly due to the slump in manufacturing and mining.

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Retail inflation moderates to 9.73% in September

India's annual consumer price inflation fell in September to 9.73 percent, driven by a marginal fall in fuel and food prices, government data showed recently. India's retail inflation is the highest among the BRICS group of emerging economies - Brazil, Russia, China, and South Africa - and is way above what the Reserve Bank of India (RBI) calls its comfort level.

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IMF cuts India growth forecast to 4.9%



China's economic growth is expected to weaken to 7.8 percent this year, the International Monetary Fund said recently as it warned of risks to emerging Asia if the euro zone crisis worsens and the United States does not avoid its "fiscal cliff". The IMF

sharply lowered its forecasts for India and predicted "less buoyant" growth in the near- and medium-term for Asia as a whole, cautioning any cool down in China's investment surge will add to the drag on regional and German manufacturers.

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FDI in single-brand retail fails to gain momentum

Foreign investment in single-brand retail has failed to gain momentum despite hike in FDI limit to 100 per cent from 51 per cent earlier, property consultant Knight Frank said in a report. The share of foreign investment in single-brand retail out of the total FDI inflow into the country has declined from 0.03 per cent in December 2011 to 0.02 per cent in June 2012, the consultant said. It noted that the primary reason which put down the interest of foreign players to conditions on sourcing from small scale industry.

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Domestic Digest

Vivek Rae assumes charge of Secretary MSME



Shri Vivek Rae has assumed charge of Secretary, Ministry of Micro, Small and Medium Enterprises. Shri Rae, a 1978 batch IAS officer of UT cadre, has been posted as Director General (Acquisition) in Ministry of Defence till recently.

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Tilak Raj Bajalia appointed as new Deputy MD at SIDBI



Shri Tilak Raj Bajalia has been appointed Deputy Managing Director of Small Industries Development Bank of India (SIDBI). Prior to joining Sidbi, Shri Bajalia has been Executive Director at the IDBI Bank. Now SIDBI has two Dy. Managing Directors: the other being Shri N.K. Maini.

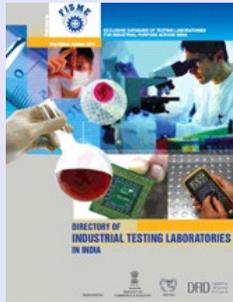
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Banks should provide easy credit to artisans: Anand Sharma

Textile Minister Anand Sharma recently strongly batted for banks providing easy



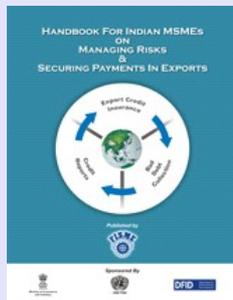
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Free Publications

FISME Policy Paper



FISME Policy Paper **SME Exchanges in India: Review and Suggestions**

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Fertilizer quality control in India: Need for change

credit to artisans, craftsmen and weavers, like the way loans were disbursed to big industries, saying they have to find the "right balance". "What percentage of lending by the banks (to artisans)? Miniscule. The same question is not put when billions are lent to big industries," Sharma said after inaugurating the World Crafts Summit in Chennai.



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IIM-I to help SMEs gain expertise

Indian Institute of Management, Indore (IIM-I) has decided to enhance the skills of small and medium enterprises (SME) and make them competitive. The SMEs would also be provided consultation and assistance to build capacities. IIM-I and its students have decided to focus on SMEs sensing its large potential.

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SMEs must focus more on input costs, says deputy governor RBI



Small and medium sector enterprises (SMEs) must focus on costs other than interest, according to K.C. Chakrabarty, Deputy Governor, Reserve Bank of India. "SMEs are focusing more on interest costs. Instead, they must focus on other costs (inputs)," Chakrabarty said at an event on 'Strengthening SME Capabilities' organised by the Bombay Chamber of Commerce and Industry.

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NIESBUD signs MoU for promoting e-learning initiative

The National Institute for Entrepreneurship and Small Business Development (NIESBUD) recently signed a Memorandum of Understanding (MoU) with the Sun Online Learning India Private Ltd. for promoting the E-learning initiative, informed Ministry of Micro, Small and Medium Enterprises (MSME) in a press statement. NIESBUD, an organization of the Ministry of MSME, engaged in training, research and other interventions with the objective of promotion of entrepreneurship and development of small and micro enterprises (SMEs) in the country.



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Gems and jewellery exports fall 19 pc in August



Gems and jewellery exports declined by 19% year-on-year to \$3.1 billion in August 2012 on account of strong decrease in diamond exports, said Gems and Jewellery Export Promotion Council (GJEPC) Executive Director, the Sabyasachi Roy. "Gems and jewellery exports

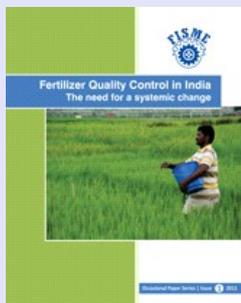
have come down because our diamond exports have decreased tremendously due to the 2 percent import duty imposed by the government on cut & polished diamond, which is also affecting the trading exports," Roy told SME Times.

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Bihar govt asks SME investors to step up production

State government is trying the old carrot and stick rule with small and medium investors. It has decided to provide land to these investors. However, in return government is asking them to start production as soon as possible. "We have very limited land," said Industries Minister of Bihar, Renu Devi, "and a big population, which is dependent on this land for its livelihood. So, we cannot allow hoarding of land." She added, "Meanwhile, industrialisation is also very important. Therefore, we are formulating a new way. We are providing land to various small and medium investors, with a written assurance that they will begin production within a set timeline. If they fail, we will have the right to cancel their land allotments."

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

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More SMEs gearing up to raise capital on NSE

In an exclusive interview with SME Times, Ravi Tyagi, Head-SME Project, National Stock Exchange (NSE) said that they are expecting to see at least 10-12 small and medium companies raising capital on the newly launched EMERGE platform in the next one year.



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More funds from CM Jaya to Thane-hit areas



Continuing with her financial assistance to cyclone Thane- ravaged Cuddalore and Villupuram, Tamilnadu Chief Minister J Jayalalitha recently announced a sum of over Rs 14 crore for micro, small and medium enterprises (MSMEs) in the two districts. This move would help the MSMEs, which had suffered damage during the December 2011 cyclone, refresh and put themselves back on track, an official press release said.

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CRISIL assigns fundamental grade of 'SME 5/5' to Thejo Engg

CRISIL Research has assigned a CRISIL SME IER fundamental grade of 'SME 5/5' to Thejo Engineering Ltd (Thejo). The grade indicates that the company's fundamentals are 'excellent' relative to other SMEs in India. CRISIL Research has assigned a SME valuation grade of 3/5 (based on our one-year fair value of Rs 402 per share), indicating that market price is 'aligned' with the fair value. The grades are not a recommendation to buy, sell or hold the graded instrument, or a comment on the graded instrument's future market price or its suitability for a particular investor.



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IKEA will source from MSMEs where feasible

Replying to queries by the Department of Industrial Policy & Promotion (DIPP), Swedish furniture major IKEA has said it would source from micro, small and medium enterprises (MSMEs) "where it is feasible". Last month, the government had tweaked the single-brand retail policy, saying 30 per cent sourcing from the MSME sector was preferable, not "mandatory". The company would "source (products, components, material for exports and domestic sales, etc.) 30 per cent of the value of goods purchased (excluding all taxes and duties) for its retail activities in India, from India, preferably from MSMEs, village and cottage industries, artisans and craftsmen, in all sectors relevant to IKEA, where it is feasible", it stated.

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Combination of SMEs and Mobile means immense opportunities: Google India

For Rajan Anandan, managing director and VP sales and operations, Google India, the SME and mobile segment are throwing immense opportunities. From an SME perspective Anandan says Google's intent in India is to make it an online and mobile first advertisement market. He also the internet consumption story on mobile is a different story from the last few years, with 70 million users accessing internet through handsets, and of which 20 million access internet only through mobile phones. In a chat with Shivani Shinde, he talks about Google's mobile push, SME focus and the hot-and-cold vibes that it shares with government.

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World Watch

Ireland



EU to introduce supports for SMEs under Horizon 2020



European Commissioner for Research and Innovation Maire Geoghegan-Quinn has



announced new measures to support SMEs in developing high-potential innovations and bring them closer to market under the EU programme for research and innovation Horizon

2020. Geoghegan-Quinn was speaking at the Dublin Business Innovation Centre recently when she announced the new supports.

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Thailand



Turkey lends support to small Thai firms

Turkey is expected to see an influx of investment from smaller Thai firms with a recent policy that provides grants for foreign-owned companies. Tuna Sahin, vice-president of Turkey's Small and Medium Enterprises Development Organization (Kosgeb), said a mechanism put in place 18 months ago will drive foreign investment. "We support all SMEs located inside Turkey and do not judge whether they are owned by foreigners or Turkish people," said Mr Sahin.

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Nepal



Mega Bank Nepal launches 'SME Banking Year' initiative

Mega Bank Nepal has launched the 'SME Banking Year' campaign for the current fiscal year with a dream to convert majority Nepali youths from job-seekers to job-makers. "Let's start with the best that we can do rather than wait for somebody to do something for us," says chief executive officer of the bank Anil Shah, hoping that it will take only three to five years before financial institutions turn to Small and Medium Enterprises (SMEs) banking, unlike how it had taken a decade for consumer financing to jumpstart.

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New Members

5 new members join FISME

During the period October 1 to October 15, 2012 a total of 5 new MSMEs became members of FISME.

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

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