



Vol III, Issue 41: September 1, 2013

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President's Message



" The steep depreciation of Rupee has resulted in volatility in industrial inputs and commodity prices. The fear and uncertainty has spread panic among many MSMEs. They are finding it difficult to accept new orders. There is a need that large input producers adopt a mechanism for making the raw material available at monthly average prices linked to institutions like LME. "

-Shri D. Gandhikumar, President FISME

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Upcoming Events



What's Hot?

Activities

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- **Business Banter: Lessons from Entrepreneurs**
- ['Always' is my unwavering guide - Lynn de Souza, Lintas Media Group](#)

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...And A Lot More



ACTIVITIES

Indian Technology Congress 2013 facilitates MSMEs



The Indian Technology Congress 2013 organized in Bangalore recently facilitated MSMEs by giving away Technology Excellence Awards. Mr Mohan Suresh, former President of Federation of Indian Micro and Small & Medium Enterprises was one of the recipients. The

Congress is a platform bringing together technologists, entrepreneurs, academicians, investors and policy makers. It also provides opportunity for technology enthusiasts to network, collaborate and innovate. Leading technologists and entrepreneurs from India and abroad shared their thoughts and vision towards making India a hub of knowledge and innovation. The highlights of the Indian Technology Congress 2013 includes workshops on specialized areas, product displays and demonstrations and parallel technology

**FISME delegation to
Metalex 2013 – November
2013**

Date: 19-23 November 2013
Venue: Bangkok

[See Details](#)



Other Events

**9th Health Asia 2013
International Exhibition &
Conferences**

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

[See Details](#)

Aluminium India 2013

Date: 12-14 September, 2013
Venue: Mumbai

[See Details](#)

**India Composites Show
2013**

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

[See Details](#)

**Residential training
programme on 'Effective
Office Administration &
Management'**

Date: November 14-18, 2013
Venue: Port Blair

[See Details](#)

**Rajiv Gandhi National
Quality Award 2012**

Bureau of Indian Standards
under Ministry of Consumer
Affairs, Food and Public
Distribution, Government of
India invites applications for
Rajiv Gandhi National Quality
Award for year 2012.

tracks with over 150 invited keynote and technical presentations. Over 1, 100 technologists from industries and research and development laboratories and academia from India and abroad participated in the two-day event. Meanwhile, a structured business-to-business event was also organized aimed at bringing and developing multinational across industry. Product demos from leading technological companies provided networking opportunities for business and collaborations.



Voice Your Views

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Business Banter: Lessons from Entrepreneurs

'Always' is my unwavering guide

-Lynn de Souza, Chairman and CEO, Lintas Media Group

-Lynn de Souza, Chairman and CEO, Lintas Media Group Mentors, bosses, colleagues, clients, friends and family have often been a great source of advice, comfort, inspiration and applause. However, the one unwavering guide for every action of mine, particularly in a crisis, is the poem entitled "Always" attributed to Blessed Mother Teresa of Kolkata, which she based on the paradoxical commandments penned by Kent Keith in 1968, said Lynn de Souza, Chairman and CEO, Lintas Media Group. I have



Lynn de Souza

found that whenever I act upon these tenets, growth and satisfaction become inevitable, she said. The business of advertising and media is built upon creating and managing perception. Talking the walk may sometimes be considered more advantageous than walking the talk. Impressions are as important as expressions. Sometimes the truth can, and does, get lost along the way.

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



WRITING ON THE WALL

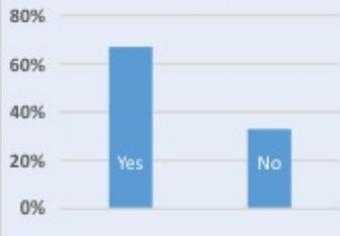
[See Details](#)



Your Views

Raising the annual exports target will revive Indian economy: MSME

Raising the export target will help: MSME



According to the *FISME Factor* survey, 67 per cent of the Micro, Small and Medium Enterprises (MSMEs) think that raising the annual exports target in the backdrop of continued rupee depreciation will revive the Indian economy.

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MEDIA MONITOR

Macro Metre

RBI increases rate of interest subvention from 2 to 3% on export credit

The Reserve Bank of India (RBI) has increased the rate of interest subvention from two to three per cent on pre and post-shipment rupee export credit for certain employment oriented export sectors with effect from August-1, which also includes small and medium enterprises (SMEs). "The Government of India has decided to increase the rate of interest subvention on the existing



sectors from the present two per cent to three per cent with effect from August 1, 2013," said RBI here. The sector includes handicrafts, carpets, handlooms, readymade garments, processed agriculture products, sports products, toys, SMEs etc. Further, RBI has asked banks to reduce the interest chargeable on exporters according to the base rate system eligible in the existing sectors for export credit subvention, subject to a floor rate of seven per cent.

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Knowledge Store

HR Heuristics

How to be an equal opportunity employer



The history of the human rights movement can easily be juxtaposed to the history of the struggle of people for the right to a decent livelihood. It is work that defines the identity and blossoms the creative energy of a human being.

[Read the full article](#)

Finance Fundamentals

Does more money mean more happiness?



GDP growth at 4.4% in Q1, slowest in four years

The Indian economy grew at its slowest pace in four years at 4.4% in the first quarter (Q1, or April-June) of the current fiscal year 2013-14, compared with 4.8% during the preceding quarter (January-March) of





Does a higher income make people happier? Money and happiness have been married and divorced umpteen times by economists.

[Read the full article](#)

Marketing Mantras

How Pinterest can help your business grow



Have you noticed companies displaying posters of their products in their offices? The purpose is to acquaint visitors with the products and to highlight the innovation and function it represents.

[Read the full article](#)

'Being an entrepreneur is the art of getting things done'



Shakespeare understood that the very strength of individuals was often their weakness; Hamlet's all things considered mind was also the source of his fatal hesitancy (To be or not to be).

[Read the full article](#)

Policy Polemic

Doomed by definition



the last fiscal, belying hopes of the economy having bottomed out. Seen from another, less reliable, yardstick of gross domestic product (GDP) at market prices, India actually grew at 2.4%—slower than the revised growth rate for the US economy at 2.5%—in the April-June period.



[Read Details](#)



Domestic Digest

Depreciating rupee presents challenges, opportunities for India: IMF

The depreciating rupee value poises both challenges and opportunities for India, the International Monetary Fund (IMF) has said. "The current situation presents a challenge, obviously, to the government of India, but also an opportunity for the government to continue in its policy efforts on a variety of fronts," said IMF spokesman Gerry Rice earlier this week. Speaking to the reporters about the speculation about India coming to the IMF, possibly selling its gold reserves to the IMF to prop up its currency, Rice said "I wouldn't want to speculate on any support or program needs.



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Banks eyeing MSMEs as lean times hit big corporates

With a large number of big corporates battling slowdown, more and more banks are eyeing the micro, small and medium enterprises (MSMEs) for credit growth. The State Bank of Hyderabad (SBH), an associate of State Bank of India (SBI) will extend additional credit of Rs 9,000 crore to the MSMEs in the current financial year. According to SBH Managing Director, M Bhagavantha Rao, the Hyderabad-based bank has so far extended credit worth Rs 1,500 to this segment. Likewise, Dena Bank is also pinning hopes on the small and medium enterprises (SMEs) for its credit growth.



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India's mfg PMI down to 48.5 in Aug; lowest in four years: Survey

Indian manufacturing sector activity shrank for the first time in more than four years last month to 48.5 in August from 50.1 in July, according to a survey. "The HSBC Manufacturing Purchasing Managers' Index (PMI), compiled by Markit, sank to 48.5 in August from 50.1 in July, the lowest reading since March



The move to redefine 'handloom' is in the interest of powerloom operators who will be able to corner benefits meant for weavers.

[Read the full article](#)

SME Special

Blue Pottery of Jaipur faces extinction



By Gunja

Blue Pottery of Jaipur is on the verge of extinction as over the years, master potters have refused to share trade secrets with their fellow craftsmen.

[Read the full article](#)

Success Story

BIMTECH helps empower prisoners at Dasna jail with books



By Swati Dayal

Prisoners at Dasna Jail in Ghaziabad district now spend their time more productively owing to the 4,000 volume automated library set up there by BIMTECH.

[Read the full Text](#)

Stockpile

The Indian economy grew at its slowest pace in four years at 4.4% in the first quarter (Q1, or April-June) of the current fiscal year 2013-14, compared with 4.8% during the preceding quarter (January-March) of the last fiscal,

2009," said a HSBC Market press release. According to the report, business conditions in the Indian manufacturing sector deteriorated during August for the first time in over four years, with both output and new orders falling at faster rates. Export orders also declined, ending an 11-month sequence of growth. Amid reports of fragile economic conditions and subdued client demand, new orders placed with Indian manufacturers fell solidly in August, the release said.

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Subsidy cap for textile MSMEs raised to Rs 75 lakh

Subsidy cap on the margin money for micro, small and medium enterprises (MSMEs) as also the jute sector would be increased from Rs 45 lakh to 75 lakh under the Technology Upgradation Fund Scheme (TUFS) which has been extended for the 12th Five Year Plan. The decision to continue with the Rs 11,900 crore scheme was taken by the Cabinet Committee on Economic Affairs (CCEA) yesterday. Of this allocation Rs 2,400 crore has allocated for the current financial year, according to an official statement. "Capital subsidy for handloom and silk sectors would be increased from 25 per cent to 30 per cent. In addition to this, margin money subsidy cap would be increased from Rs 45 lakh to Rs 75 lakh in respect of MSME and jute sectors," it said.



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India's export in services fell by USD 451 million in June

India's export and import of services fell by USD 451 million and USD 764 million respectively in June, according to the data released by the Reserve Bank of India (RBI) recently. The country's export of services has declined to USD 12,348 million in June from USD 12,799 million in May 2013, an official statement said. According to the data released by RBI, the imports of services have also fallen down to USD 6,219 million in June from USD 6,983 million in the previous month.



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BHEL move to cut imports will help domestic vendors

Bharat Heavy Electricals Limited (BHEL) move to reduce imports of raw material equivalent to 30 per cent of its production cost will help domestic vendors who are largely based near manufacturing facilities of the country's largest power equipment manufacturer. The proposal made in the wake of sharp decline in rupee value that results in significant increase in the landed cost of imported raw material is likely to help the company reduce its dependence on imports and at the same time, improve designs, widen vendor base and



improve designs, widen vendor base and

belying hopes of the economy having bottomed out.

[Read the full Text](#)

Quotable Quotes



" Research and development is the spine of every enterprise and must be given the highest priority among all the parameters. For me, innovation has been a very important differentiator and I continue to focus on it because I really believe that innovation helps you to lead, not follow. "

- Kiran Mazumdar Shaw, Chairman and Managing Director of Biocon Limited

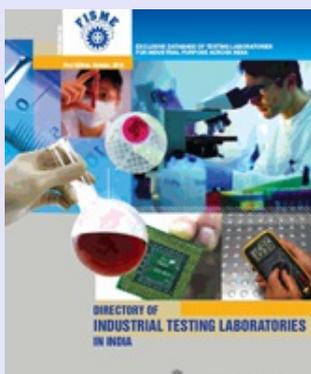


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outsourcing works. Decline of the rupee has had significant impact on BHEL. Other than reduced number of orders, it has strengthened domestic competition.

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MPs want banks to be soft towards MSME loan defaulters

Some of the members of parliament (MPs) have asked the Finance Minister P Chidambaram to direct banks to follow a soft approach towards genuine loan defaulters in the MSME sector. "Members of the consultative committee gave various suggestions with regard to recovery from wilful / genuine defaulters and how to deal with different NPA (non-performing assets) cases. "Some members raised the issue of softer approach by the bankers towards genuine defaulters such as farmers and promoters of MSMEs, among others, as they are vulnerable to external factors which are beyond their control," said an official statement of the Finance Ministry.



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28 banks fail to achieve priority sector lending

As many as 28 banks, including 16 from the public sector, have failed to achieve the 40 per cent target of overall priority sector lending which includes loans to MSMEs and agriculture, as on March 31, 2013. "As on March 31, 2013 domestic banks (both public and private) were below the target of priority sector lending," according to the Reserve Bank of India. The priority sector comprises a vast section of the population in sectors such as agriculture, micro and small enterprises (MSEs), education and housing.



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Next round of growth will be driven by SMEs: NASSCOM President

Considering the large emerging workforce from small innovative companies, the industry should make every effort to provide services for the MSME sector to enhance their growth, said President National Association of Software and Services Companies (NASSCOM), Som Mittal. Speaking at the inauguration of the second FM Zone India Leadership Summit 2013 held here on August-22, he said the next round of industrial growth would be driven by SMEs. "Workplace reflects our personality. It adds to our brand, our values and beliefs which clients observe. Today there are new ways of how space is utilised and we need to cater to small companies," Mittal said.

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State Scan

Andhra Pradesh

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.

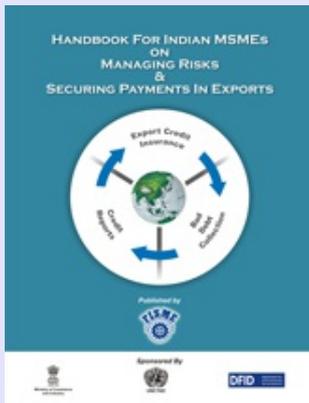
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Handbook for Managing Export Payment Risks



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.

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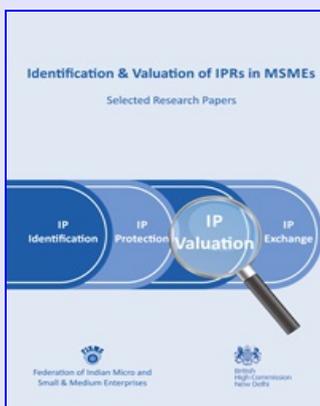
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Free Publications

Identification & Valuation of IPRs in MSMEs



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

Sircilla, AP loom town in grave crisis

Sircilla town of Andhra Pradesh has witnessed 374 suicide cases by artisans and weavers of handloom and powerloom sector since 1997 owing to low productivity, high operating costs, marketing problems etc, said Member of Parliament (MP) from Karimnagar, Ponnab Prabhakar. "Out of 813 suicides which took place in the state since 1997 both in handloom and powerloom sector, 374 suicide cases are from Sircilla town alone," said Prabhakar of the Congress party. Raising the issue



recently in Parliament, he said the low productivity, high operating cost, lack of diversification of products, coupled with marketing problems were severally affecting their incomes. They are caught in a debt trap and leading miserable lives. Unable to come out of debt trap, they are committing suicides in distress.

[Read Details](#)

Karnataka

Make 20% procurement mandatory, MSMEs to Karnataka Govt

Past President of the Federation of Indian Micro, Small and Medium Enterprises (FISME) Mohan Suresh has urged the Karnataka Government to make it mandatory for the state government and its units to procure at least 20 per cent of their requirement for goods and services from the MSME sector. "As in the Central Government,



the Karnataka government may also make it mandatory for State government to procure 20 per cent of goods and services from MSMEs," said Suresh who runs Techno Spark Industries here. He had made this plea to Chief Minister Siddaramaiah earlier this month at the foundation laying ceremony of the MSME Technology Development Centre being set up near the Bangalore Airport.

[Read Details](#)

Punjab

Workshop in Amritsar to help SMEs reach 103 mn buyers globally via e-commerce

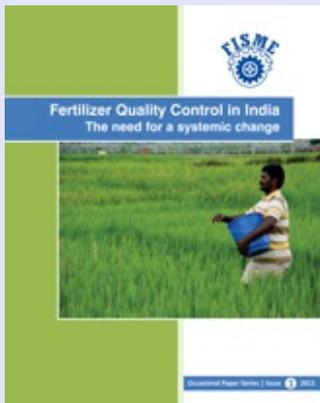
In order to make Punjab based SMEs globally competitive via the internet, the Federation of Indian Export Organization (FIEO) in association with eBay, PayPal; Wool Industry EPC; and Shawls Club India is organizing a workshop on promoting exports through e-commerce here. The objective of the workshop to be held on August-30, is to provide an opportunity to exporters to understand the exciting new sales channel of exports via e-commerce to reach out to global buyers. "Technological advancements are taking place at much faster speed



than earlier and SMEs must understand and use the latest technology available

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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.

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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:

[Oman](#)



Starting a New Venture

Coming August, [K J Somaiya Institute of Management Studies and Research](#) located in Vidyavihar, Mumbai is launching a certificate programme on Creating New Ventures.

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their earlier and SMEs must understand and use the latest technology available for enhancement of productivity and to maintain continuous growth in our businesses. The session will apprise on how e-commerce can help small and medium enterprises make use of the technological advancement in expanding their business to overseas market," said FIEO CEO Ajay Sahai.

[Read Details](#)

Sikkim

Gati infra to sell power to SMEs in Sikkim

Gati Infrastructure, a power generating group has plans to sell power generated through a hydroelectric project, to the small and medium enterprises, in the state of Sikkim. "Gati infrastructure Pvt Ltd has commissioned a 110 MW Chuzachen hydroelectric project in the month of May 2013, in the state of Sikkim and is desirous to sell power to distribution companies, large and SME," the notification said. Distribution companies, who have the requirement of more than 2 MW load on RTC (Real Time Clock) on long, short and medium term basis, will be given the power, the notification added.



[Read Details](#)

Tamil Nadu

Vellore and Salem need Passport Seva Kendra to help export houses

Vellore and Salem, the two cities of Tamil Nadu which although have a large number of small and medium units do not have a Passport Seva Kendra as a result of which business communities and export houses of the areas face problems. The Ministry of External Affairs has been requested to set up passport offices in both the cities. "Vellore district of Tamil Nadu is one of the important revenue generating districts of the country. It has the biggest shoe industries, mega tanneries, meat processing plants, large number of export houses...there is no Passport Seva Kendra in the area and the business communities have to travel to Chennai for the document," said Member of Parliament (MP) from Vellore, Tamil Nadu, Abdul Rahman.



[Read Details](#)

Uttarakhand

ADB joins hands with Uttarakhand govt to re-build infra

The Uttarakhand Government has joined hands with the Asian Development Bank (ADB) to rebuild the infrastructure of the state. The state has incurred a huge loss in terms of logistics, tourism and



infrastructure owing to the devastating floods in June this year. Roads, bridges, state highways and major district roads have been severely impacted and this has disrupted the connectivity of the villages and towns within the state and also with other states. In this context, the project management unit of ADB has invited bids for the preparation of detailed project reports for estimation of repair and restoration and preventive maintenance works on the state highways and major district roads in the state, Chief Engineer of the Asian Development Bank, said in a notification.



[Read Details](#)



World Watch

Bangladesh



India assures Bangladesh of regular cotton supply

India has assured Bangladesh that its textile mills would not have any difficulties in sourcing Indian cotton. The issue cropped at a meeting between visiting Bangladesh Textile Minister Abdul Latif Siddique and India's Textile Minister K S Rao in New Delhi. "In 2013-14 cotton season, I have assured him (Mr Abdul Latif Siddique) that Bangladesh textiles mills would not have any difficulties in sourcing cotton from India," Rao said at a joint press conference. He said, the final drafts of the cotton purchase agreement have been exchanged between the countries.



He said, the final drafts of the cotton purchase agreement have been exchanged between the countries.

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China



China launches investigation into imports of Indian food preservative

Accusing Indian manufacturers of dumping an Indian food preservative called tert-butylhydroquinone (TBHQ) on the Chinese market, China's Commerce



Ministry recently announced that it has launched an investigation into imports of the preservative. "The ministry has received requests from domestic TBHQ producers, accusing Indian manufacturers of dumping the product on the Chinese market and calling for an inquiry," said a Xinhua report. Authorities from the ministry will now look into whether Indian companies have sold TBHQ at an artificially low price in China and any consequences that the action may have brought to Chinese businesses.

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Iraq



India, Iraq may use local currencies to avoid payment delays

India and Iraq are looking at the



possibility of an understanding between the central banks of the two countries to resolve the problem of payments through the use of local currencies. India and Iraq will look at the possibility of trading in their local currencies. The move will help in India sourcing oil from Iraq and the latter importing essential food and agricultural commodities from India. "We are exploring the possibility of trading in our local currencies- dinar and rupee. Our officials will discuss this," Commerce and Industry Minister Anand Sharma said. Iraq, on its part, is also working on making the tendering process for sourcing equipment amenable for Indian companies, which are today left out because goods of Indian origin are not allowed to participate in tenders floated by Iraqi companies.



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Japan



Japanese tech to be displayed at renewable energy expo

The 7th Renewable Energy India Expo 2013 will showcase various Japanese technologies in the sector and provide a B2B platform for new business opportunities. "In order to provide opportunities and exposure to Indian and Japanese companies for business development, Japan External Trade Organization (JETRO), a non-profit official trade and investment promotion agency under the Ministry of Economy Trade and Industry (METI), Government of Japan and New Energy and Industrial Technology Development Organisation (NEDO) are setting up a Japan Pavilion in the 7th Renewable Energy India Expo 2013," said a press release.



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Reader Reactions

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Opportunities

Business opportunities for India in Sri Lanka

There are business opportunities available for Indian companies in Sri Lanka. The interested MSMEs can check details.

[Read Details](#)



Business opportunities for India in Turkey

There are business opportunities available for Indian companies in Turkey. The interested MSMEs can check details.

[Read Details](#)



New Members

3 New Members Join FISME

During the period from August 15, 2013 to August 31, 2013 a total of 3 new MSMEs became member of FISME.

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