



सत्यमेव जयते

Ministry of Micro, Small and Medium Enterprises,
Government of India

MSME

MICRO, SMALL & MEDIUM ENTERPRISES

सूक्ष्म, लघु एवं मध्यम उद्यम

MSME-DI, KANPUR

WELCOMES

**ALL THE PARTICIPANTS & DIGNITARIES
STATE LEVEL VENDOR DEVELOPMENT PROGRAMME**

25.10.2017

At RDSO LUCKNOW

Micro, Small & Medium Enterprises -MSMED Act, 2006

:

DEFINITION

INVESTMENT IN PLANT & MACHINERIES (Rs. IN LAKH)

ACTIVITY	MICRO	SMALL	MEDIUM
MANUFACTURING	Up to 25	>25 to 500	>500 to 1000
SERVICE	Up to 10	>10 to 200	>200 to 500

MSME REGISTRATION

In order to promote ease of doing business for MSMEs, Ministry of MSME has notified the Udyog Aadhaar Memorandum (UAM) under the MSMED Act, 2006 vide gazette notification [SO No.2576 (E)] dated 18.09.2015.

A one –page simple registration form for filing of UAM has been introduced which replaces the filing of EM Part I & II. The filing of UAM can be done on

<http://udyogaadhaar.gov.in/dcmsme.gov.in>

The salient features are

- ▶ Registration is online and user-friendly.
- ▶ UAM can be filed on self-declaration basis.
- ▶ No documentation required.
- ▶ No fee for filing.
- ▶ File more than one Udyoyg Aadhaar with same Aadhaar Number.

1. “Digital MSME” scheme for Promotion of Information & Communication Technology (ICT) IN MSME Sector”

Objectives

1. Sensitize and encourage MSMEs towards new approach i.e. Cloud Computing for ICT adoption.
2. Adoption of best practices to improve quality of products and services
3. To benefit large number of MSMEs
4. Standardization of their business processes
5. Improvement in delivery time
6. Reduction in inventory cost
7. Improvement in productivity & quality of production through cloud computing

(a) Components of the Scheme

1. Awareness Programme – to be conducted by MSME-DIs
2. Workshop – to be conducted by IA/ TCIL/ Chambers of Industry Associations
3. Publicity & Mobilization - to publicize the benefits through Electronic, Print Media, Documentary/ Short Films, Printing of book of knowledge, Study Material etc.
4. Cloud Computing – to encourage MSMEs to use Cloud Computing for ICT applications.

(b) Cloud Computing

- ◆ Cloud Computing Services will be provided in 3 categories:
 - i With Subsidy – Subsidy @60% of user charges each year per unit will be disbursed over a period of 2 years (Max. Rs.1 lakh) to Micro and Small Enterprises.
 - ii. Without Subsidy – Services at Ultra low Cost
 - iii. Market Cost – Services at Market cost

2. National Scheduled Caste and Scheduled Tribe Hub

1. HON'BLE PRIME MINISTER OF INDIA LAUNCHED THE SCHEME OF NATIONAL SC-ST HUB (NSSH) ON 18.10.2016

2. MINISTRY OF MSME, GOVT. OF INDIA HAS FORMULATED A SCHEME WITH AN OUTLAY OF RS. 490 CRORE (2016-2020)

3. SPECIAL CREDIT LINKED CAPITAL SUBSIDY SCHEME (SCLCSS) FOR SC/ST MICRO & SMALL ENTERPRISES.

(a) Scope of the Scheme

- THE SCHEME WOULD COVER EXISTING AS WELL AS NEW SC/ST MSES FOR UP GRADATION OR EXPANSION.**
- THE SCHEME WOULD COVER PURCHASE OF ALL PLANTS & MACHINERY WITHOUT ANY RESTRICTION ON THE TECHNOLOGIES BUT SUBJECT TO CONSENT/NOC FROM POLLUTION CONTROL BOARD.**
- INDUSTRIES COVERED UNDER RED CATEGORY AS PER THE CLASSIFICATION OF INDUSTRIES FOR CONSENT MANAGEMENT (SCHEDULE- VIII, RULES 3(2) AND 12 OF MINISTRY OF ENVIRONMENT & FORESTS, GOVT. OF INDIA) SHALL NOT BE ELIGIBLE FOR SUBSIDY UNDER ABOVE SCHEME.**
- THE SCHEME SHALL BE APPLICABLE ONLY FOR THE PURCHASE OF PLANT & MACHINERY ELIGIBLE FOR TERM LOAN FROM THE PRIME LENDING INSTITUTIONS (PLIS).**

3. PUBLIC PROCUREMENT POLICY MSE-2012

For Central Government Departments / CPSUs, it is mandatory to procure at Least 20 % of their requirement from MSMEs (4% out of 20% for SC / ST entrepreneurs) from 01.04.2015.

- ◆ Similar Public Procurement Policy was adopted by Govt. of UP in Sept., 2014

4. CREDIT LINKED CAPITAL SUBSIDY SCHEME FOR TECHNOLOGY UP GRADATION (CLCSS)

- ◆ Technology Up gradation under the scheme would mean significant improvement from the present technology level to a substantially higher one involving improved productivity, and / or improvement in the quality of the products and / or improved environmental conditions including work environment for the units. This will also include installation of improved packaging techniques, anti-pollution measures, energy conservation machinery, on-line quality control equipments and in-house testing facilities.

(a) ELIGIBILITY CRITERIA

Capital Subsidy @ 15% of the eligible investment in plant & machinery under the scheme shall be available only for such projects, where term loans have been sanctioned by the eligible Primary Lending Institutions (PLI) on or after 29.09.2011.

The Max limit value of P&M is Rs.100 lakh for ceiling on subsidy would be Rs.15 lakh (15% of the investment in eligible P & M, which ever is lower).

(b) NODAL AGENCIES

- ◆ SIDBI & NABARD will continue to act as Nodal agencies for implementation of this scheme.
- ◆ Following Nine Public Sector Banks / Government Agencies have also been included as nodal banks / agencies :

SBI, Canara Bank, BoB, PNB, BoI, Andhra Bank, SBBJ, Tamil Nadu Industrial Investment Corporation, The NSIC.

5. ZED CERTIFICATION SCHEME (ZERO EFFECT ZERO DEFECT)

The Central Government has approved a scheme "Financial Support to MSMEs in ZED Certification Scheme" with a total budget of Rs 491.00 crores (including Government of India contribution of Rs 365.00 crores) to be implemented during the 12th Five Year Plan. The scheme is an extensive drive to create proper awareness in MSMEs about Zero Defect Zero Effect (ZED) manufacturing and motivate them for assessment of their enterprise for ZED and support them.

(a) ZED CERTIFICATION SCHEME (ZERO EFFECT ZERO DEFECT)

A: ASSESSMENT

- (i) Online (e-Platform) self assessment : Free of Cost**
- (ii) Desk Top assessment : Rs 10,000/-per MSME**
- (iii) Complete assessment:**
 - (a) Rs 80,000/- for ZED rating per MSME**
 - (b) Rs 40,000/- for additional ZED Defence rating**
 - (c) Rs 40,000/- for Re-rating(Above rating costs will include cost of Rs 10,000/- as certification cost by QCI.)**

(B) SUBSIDY

Micro, Small & Medium Enterprises as per the scheme will be 80%, 60% and 50% respectively

C: MSMEs engaged in production/manufacturing of 358 items reserved under PPP for MSEs procurement may be given preference.

D: Additional rating for Defence angle i.e. ZED-Defence

E: Gap Analysis, Handholding and Consultancy for improving rating of MSMEs

(b) ZED PARAMETERS (ZERO EFFECT ZERO DEFECT)

- There are 50 parameters on which the MSME will be assessed and rated under ZED.
- The MSME applicant is required to comply with identified 20 essential parameters.
- The MSMEs will also be assessed on 25 parameters from defence supply capability angle for assessing its ability to enlist it as a vendor in Defence sector.

(c) GRADING ZED COMPANIES (ZERO EFFECT ZERO DEFECT)

Sl. No.	Average score (Total points/ Applicable Levels)	Rating
1.	Above 2.2-2.5	Bronze
2.	Above 2.5-3.0	Silver
3.	Above 3.0-3.5	Gold
4.	Above 3.5-4.0	Diamond
5.	Above 4.0-5.0	Platinum

Validity Period for ZED Rating: 4 Years

6. NATIONAL AWARDS

The Ministry of MSME presents National Awards yearly for Entrepreneurship, Lean Manufacturing, Outstanding Export Performing Enterprises, Quality Products and Innovation to outstanding MSMEs with a view to recognize their efforts and contribution.

The Ministry of MSME, Govt. of India has adopted the cluster development approach as a key strategy for enhancing the productivity and competitiveness as well as Capacity building of Micro and Small Enterprises and their collectives in the country.

(a) WHAT IS A CLUSTER

A cluster is a group of Enterprises located within an identifiable and as far as possible, contiguous area and producing same /similar products / services.

(b) ESSENTIAL CHARACTERISTICS OF ENTERPRISES IN A CLUSTER

- a) Similarity or Complementarily in the methods of production, Q.C. and testing, energy consumption, pollution control etc.
- b) Similar level of technology and marketing strategies / practices.
- c) Channels for communication among the members of the clusters.
- d) Common Challenges and opportunities.

8. SEMINARS/WORKSHOPS

- ◆ IPR
- ◆ ENERGY EFFICIENT TECHNOLOGY
- ◆ PRODUCT CERTIFICATION
- ◆ EXPORT MARKETING
- ◆ ZED CERTIFICATION
- ◆ INCUBATION
- ◆ CLCSS
- ◆ WTO

National Manufacturing Competitiveness Programme (NMCP)

NATIONAL MANUFACTURING COMPETITIVENESS PROGRAMME (NMCP)

▶ Challenges faced by Indian MSMEs

- Access to Technology
- I.P.R. related issues,
- Design as market driver
- Wasteful usage of manpower
- Energy in-efficiency and associated high cost
- Low IT usage
- Low Market penetration
- Quality assurance / certification

1. INCUBATORS

Objectives:

- Assist Incubation of Innovative Ideas
- Promote Emerging Technological & Knowledge-based Innovative Ventures
- Encourage Ideas to Become MSMEs
 - 100 BIs to be Located in engineering colleges, management Institutions and R&D Institutes @ 25 p.a in 4 yrs.
 - Govt. Grant (Max. 85%) = Rs.4 - 8 lakh per Idea
 - Each BI to Assist 10 Ideas / Units – Max. Rs.62.5 lakh + Rs.3.78
 - BIs to support and Nurture ideas for commercialization in a year
 - Engineering/Management/R&D Institutions and BIs to Suggest innovative idea & Nurture

2. BUILDING AWARENESS ABOUT INTELLECTUAL PROPERTY RIGHTS (IPRS)

Under the scheme assistance for Patent / GI registration Grant on

- | | | |
|-------------------------|---|--------------|
| (i) Domestic Patent | : | Rs.0.25 lakh |
| (ii) Foreign Patent | : | Rs.2.00 lakh |
| (iii) G.I. registration | : | Rs.1.00 lakh |

3. LEAN MANUFACTURING PROGRAMME

- ◆ Lean Manufacturing (LM) is Better Production of Goods by
 - Eliminating Non-value Added Activities / Wastes
 - Helping to Produce More with Same Resources
- ◆ LM is very important Quality and Cost Management tools
- ◆ NPC and QCI will be Monitoring & Implementing Nodal Agency
- ◆ Initially cluster units to be made aware regarding lean techniques
- ◆ ‘Mini Clusters’ of 10 units (minimum 6) to be created
- ◆ SPV to be formed by ‘Mini Cluster’.
- ◆ GOI : Private Share for cost of consultant – 80:20

4. TECHNOLOGY & QUALITY UP GRADATION SUPPORT TO MSMES (TEQUP)

Activity	GoI	Private
Awareness Programme	0.57 (75%)	0.18 (25%)
<u>Energy Efficient Technology</u>	<u>10.00 (25%)</u>	<u>75% loan by MSMEs</u>
National/ International Product Certification	75% (1.50 for national and 2.00 for International)	<u>Balance</u>

ENERGY EFFICIENT TECHNOLOGY (EET) OBJECTIVE

To sensitize the MSMEs to upgrade their manufacturing processes towards usage of Energy Efficient Technologies (EET) so as to reduce the cost of production and emission of Green House Gases.

EET SCHEME

- ◆ GoI will provide financial support to the extent of 25 % of the project cost for implementation of EET subject to max of Rs.10 lakh per project.
- ◆ Balance amount is to be funded through loan from Banks / Financial Institutions.
- ◆ Units who has implemented EET after 12.02.2010 are eligible.

FINANCIAL INSTITUTIONS CONCERNED

- ◆ Office of DC (MSME) has entered in to MoU with SIDBI in the year 2012.
- ◆ Later in the year 2013 and 2014, MoU with five more banks namely, SBI, BoB, SBBJ, PNB and Canara Bank has been signed to enhance the outreach of the scheme.

5. MARKETING ASSISTANCE & TECHNOLOGY UPGRADATION (MATU)

- ◆ Domestic Fairs/Exhibition
- ◆ International Trade Fairs/ Exhibition
- ◆ International/National Workshop/Seminars on
Marketing / Public Procurement / Packaging etc.
- ◆ Vendor Development Programme
- ◆ Reimbursement on Bar Coding

DOMESTIC FAIRS/EXHIBITION

- Implementing Agency : **MSME-DIs**
- Selection Criteria : **By Three Member Committee as Per Guidelines**
- Financial Assistance to MSEs:

Sl. No.	Eligible Items	Scale of Assistance
1.	Space Rent Charges	80% of space rent paid for General Category units and 100% for SC/ST/Women/NER/PH units limited to Rs. 20,000/- or actual whichever is less. The Space rent will subject to maximum booth/stall size provided by the Fair organizer (In case of Technology trade fair/exhibition, maximum limit of space rent charges will be Rs. 50,000/- in place of Rs. 20,000/-)
2.	Contingency expenditure include travel, publicity and freight).	100% of Contingency expenditure for all categories of units subject to maximum Rs.10,000/- or actual , whichever is less (travel expenditure for one representative from each participating unit.) The entrepreneur would be allowed reimbursement under the scheme for maximum of 2 (two) events in a year.

International Trade Fairs/ Exhibition

- Implementing Agency : **MSME-DIs**
- Selection Criteria : **Office of DC-MSME**
- Financial Assistance to MSEs:

Sl. No.	Eligible Items	Scale of Assistance
1.	Space Rent Charges	80% of space rent paid for General Category units and 100% for SC/ST/Women/NER units subject to maximum Rs. 1.00 lakh or actual rent paid whichever is less. The Space rent will subject to maximum booth/stall size of 6 Sq. Mtrs. Or minimum booth/stall size provided by concerned Indian trade bodies (e.g. ITPO, FIEO etc.) or the Fair Organiser.
2.	Air Fare	100% of Contingency class air fare for all categories of units subject to maximum Rs.1.25 lakh or actual air fare paid, whichever is less (for one representative from each participating Enterprises.)

International/National Workshop/Seminars on Marketing/ Public Procurement/Packaging etc.

- Implementing Agency : **MSME-DIs or any other agency approved by O/o DC-MSME**
- Financial Assistance :

Sl. No.	Items	Scale of Assistance
1.	National Workshop /Seminar	Rs. 2.5 Lakh per workshop/seminar anywhere in the country (or actual whichever is lower)
2.	International Workshop/Seminar	Rs. 2.5 Lakh per workshop/seminar anywhere in the country with an additional cost of Rs. 2.5 Lakh (maximum) towards cost of air travel, boarding and lodging etc. for international experts (or actual whichever is lower) subject to condition that international workshop/seminar should not be held in any five star hotel

VENDOR DEVELOPMENT PROGRAMME

➤ Implementing Agency

:MSME-DIs

Sl. No.	Programmes	Duration of Programme
1.	State Level Vendor Development Programme	One Day
2.	National Level Vendor Development Programme	2-3 Days

REIMBURSEMENT ON BAR CODING

➤ Implementing Agency : **MSME-DIs**

➤ **Financial Assistance to MSEs:**

Providing 75% of one time registration fee and Annual recurring fee (for first three years) paid by MSEs to GS1 India.

6. PROMOTION OF ICT

Implementation in following areas:

- ICT Awareness, through IT Cos.
- Encourage to use CLOUD computing
- E-Marketing – through E-Catalogues / cluster websites
- Skill Development of Workforce on IT application for MSMEs
- Setting up national portal for integration of websites

7. DESIGN CLINICS

Description	Govt (Rs in lakh)	Private
Seminar	0.60 (100%)	0
Workshop	3.00 (75%)	1.00 (25%)
Student Project	1.50 (75%)	0.50 (25%)
Individual Project upto 3 MSMEs	9.00 (60%)	6.00 (40%)
Group of 4 or MSMEs	15.00 (60%)	10.00 (40%)

For further details, contact

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MINISTRY OF MSME

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Thank You