

Industrial View

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A **visionary**
MSME
policy soon



FSME
INDIA

Federation of Small & Medium Enterprises of India



FEDERATION OF SMALL AND MEDIUM ENTERPRISES OF INDIA

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DESIGNING
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PROGRAMME FOR
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INDEX

Telangana Formation day



Triumphant
2 *Years*
8

Branding **Telangana**

KTR'S USA TOUR

Telangana is building bridges with the world. Though a just two-year old state, it is taking steps in the direction of becoming a dynamic and vibrant state in industry and IT. Two-week tour of the United States of America by the Minister for Industries, Information Technology and Municipal Administration has opened up new opportunities for Telangana.



18

Looking East for investments

After a successful tour of USA now it's look east for investments for Telangana. KT Rama Rao, Minister for Information Technology, Industries, and MA & UD, toured Singapore and Malaysia for three days starting from June 29, to attract the investments to the state.



24

INTERVIEW



32

A visionary MSME policy soon

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- Editor

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Editorial



APK Reddy
(Arani Prasanth Kumar Reddy)

EXPERIMENTING in two states

FROM THE EDITOR-IN-CHIEF

Empty talk will not be appreciated for long time. Mere demanding or advising will not reform a system. FSME-India since its inception took part in many official meetings, deliberations and summits to enhance the understanding of knowledge and practice of MSME sector. We took active part in resolving the issues of small and medium enterprises with the help of administrative and financial institutions.

With the formation of new governments in Telangana and Andhra Pradesh and at the centre two years ago, new ideas and schemes were unveiled for MSME sector. At this juncture FSME took part in deliberations in the formulation of new policies by providing valuable inputs.

Now it's time to put our proposals in practice. That is why FSME-India has decided to experiment all the ideas we propose in some select districts in both the Telugu states. In Andhra Pradesh, Nellore and Visakhapatnam and In Telangana Khammam and Mahbubnagar are the select districts which will be the pilot districts. In all these four districts with the help of the government and financial agencies we will be part of the entire process of establishment and nurturing of micro, small and medium enterprises.

Development of clusters, skill development and linking up educational institutions with industry, facilitating with financial organisations, creating scope for marketing in one word, being part of the life of

the MSME sector in these pilot districts is our goal. Though it looks ambitious it is achievable as we have a committed resolve.

The rationale behind selecting these districts is specific to each district. Nellore has the advantages of industry-friendly administration under the leadership of the District Collector M Janaki, strategic location and people with entrepreneurial qualities. Presence of big public sector industry and developed infrastructure are the qualities of Visakhapatnam. In Telangana, Khammam with rich resources, both natural and human was chosen as the pilot. Mahbubnagar, though adjacent to the capital city, is a victim of neglect though being rich in resources, is the another short listed one.

While in Nellore, textile, aqua-based, pharma and small manufacturing are the focus areas, In Visakhapatnam apart from aqua, MSMEs shall be developed as the ancillary to the heavy industry of this zone. Mahbubnagar, synonymous with the weavers of Gadwal and Narayanpet shall be the focus area for developing clusters. Granite industry, forest-based food processing and produce processing shall be the areas to be developed in Khammam.

This is the way to innovate, experiment and prove the ideas and concepts for the development of MSME sector, which we were talking all these years. FSME has the resolve and what is required is the cooperation from the industrial development corporations of Andhra Pradesh and Telangana

which we are assured of. Banks and other financial institutions also need to cooperate with a humane approach towards the small entrepreneur in disbursing and collecting the loans.

Apart from this FSME would like to organise MSME Conclaves in all these pilot districts to bring all the stake holders on to one platform to discuss, orient and proceed with the development of this sector. The MSME Conclave organised at Nellore was a roaring success with a wide range of achievements, from general inspiration to getting specific boons like getting Diamond and jewellery cluster from the Central MSME Ministry. Taking lessons and inspiration from that we would like to transform the atmosphere in all these four pilot districts into MSME heavens, to be emulated by the other districts.

In this great endeavour we invite all the stake holders, private and governmental to be our partners to prove that MSMEs can make the difference. The success of the central schemes likes 'Make in India' and innovative New Industrial Policies of Telangana and Andhra Pradesh depend on the initiatives like these. This is not an exaggeration, but the opinion derived out of good economics and pro-people governance.

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National President
(FSME- India)





Telangana Formation day

Triumphant
2 *Years*



Two years ago, on 2 June a beautiful dream turned into reality. Decades-old movement for self-rule culminated into the formation of a new state- which is known as Telangana. People were getting re-organised to be part of the reconstruction of Telangana. A new state with new goals, new government with a strong will to transform the decades-long dreams, determination to convert decades-long demands into achievable victories. This is what Telangana stand for, today. Entire state celebrated second Telangana Formation day with joy, sense of victory and responsibility to build a developed state.

Chief Minister K Chandrasekhar Rao in his formation day speech at Parade grounds said that there was no point in quarrelling over sharing of river waters, and both states of Telangana and Andhra Pradesh should utilise their share of waters as allocated by the tribunals. This was a message to his counterpart N Chandrababu Naidu to live amicably and focus on the development in two states.

Governor ESL Narasimhan and Chief Minister K. Chandrashekar Rao were the Chief Guests at the Telangana State Formation Day Celebrations at HICC in Hyderabad. Telangana State Level Awards-2016 were presented to Sixty Two persons for their distinguished service in different fields.

The occasion was in a great jubilant mood as the cultural performers and the people assembled represented the soul of Telangana. Well known writer, Singer, and performer, OSD to the Govt, Deshapati Srinivas's speech and conducting the stage added a wonderful flavour of Telangana culture.





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Highlights of KCR's Speech



- Water, funds and employment were the slogans of Telangana Movement
- 2016-17 Budget Outlay was Rs 1,34,415 crore
- Aasara Pensions, Kalyana Lakshmi, Shadi Mubarak schemes for the poor
- 6 kg rice per head through PDS; fine rice for school students, from this year fine rice in college and university hostels
- 598 family members of martyrs to get jobs
- Double bed room for poor, Journalists
- Rs 5 lakh accident insurance for home guards, drivers, construction labour and journalists
- No power cuts
- Mission Bhagiratha, drinking water supply to all house-holds by 2018
- New irrigation projects like PalamuruEttipotala, Kaleswaram, Palamuru, Dindi, Sitarama, Pranahita with 2022 as the target of completion
- Completion of on-going projects like Kalwakurty, Nettempadu, Bheema, Koilsagar, KomuramBheem, Nilvai, jagannathapuram etc.
- Mission Kakatiya to renovate 18,000 tanks
- New roads, 150 bridges constructed
- Got new National Highways sanctioned, Proposal for Regional Ring Road
- Complete literacy as the target
- 250 Residential schools
- 125 ft Ambedker statue at Hussain Sagar
- Improving public health system
- Eradication of illicit liquor
- Innovative TS-ipass
- Growth in the IT companies, IT companies to be spread in second tier cities too
- Harita Haram for afforestation
- Saada Bainama to be regularised
- Investigating the scenario in assigned lands and establishing Assigned Land Development Corporation for improving the situation
- Forming 14-15 new districts by Dasara

“I told Andhra Pradesh Chief Minister Chandrababu Naidu at Amaravati, at the yagam and at other places that we are neighbours and Telugus. There is no need to quarrel. Telangana has sorted out issues with Maharashtra and for the first time got 1 TMC from Karnataka for Jurala” he remarked.

“There is no need to quarrel on the water issue. I hope wisdom will prevail and the issue will be settled in an amicable manner. The CWC has records of 47 years of water flow. We have 2,654 tmc ft in Godavari and 1,204 tmc ft in Krishna. We have 4,200 tmc ft, which is enough to irrigate four crore acres. Let AP utilise water for three crore acres and leave water for one crore acres for us.”

KCR also set goals and a road map for the development of Telangana state in the next nine years. Any elected representative speaks of the targets till the next elections but the confidence in KCR is not an unfounded one as the polity in the state has changed rapidly in the past one year with the opposition being decimated by desertions and joining the ruling party. This made the ruling Telangana Rashtra Samithi to be confident of the victory in the next term and thus they have set goals for the next nine years.

The Chief Minister explained his government’s vision including creation of more new districts for public and administrative convenience by this Dasara, Rs 2 lakh crore budget in 2019-2020, Rs 5 lakh crore budget by 2024, irrigation of 1 lakh crore acres by 2022, 24-hour 3-phase power soon, eradication of drinking water problems by mid-2018 and a drought free state by 2022.

He also claimed that he had checked political corruption, and promises to weed out corruption at lower levels through multiple actions including on-line transactions for permissions and others.

Visualising a vibrant, economically



and industrially strong TS, Mr Rao reeled out various government developmental programmes and welfare schemes for the uplift of the poor. “Telangana’s growth rate is more than the national average. We have set the goal and laid a road map. You will see multiple, manifold growth. Let us all rededicate ourselves to uplift the poor and strive for development,” he said.

The CM listed out the achievements of the Telangana government in power, welfare, housing, irrigation, drinking water, education, medical and health, infrastructure, industrial and IT sectors in two years. “Around 250 residential schools and colleges in English Medium for BCs, Minorities, SCs and STs are being opened this year as part of the KG-to-PG free education scheme. This will reduce dropout rate among poorer sections” Chandrasekhar Rao added.

The Chief Minister said the government will soon set up four multispecialty hospitals in Hyderabad and three in districts in government sector to make quality medical facilities accessible to all, who cannot afford costly corporate hospitals.

Speaking on the financial condition of the state he said that Telangana was poised to have a budget of Rs 2 lakh crore by 2020 and Rs 5 lakh crore budget by 2024. “It took about one year for the government to get clarity on the exact financial position. After knowing the income and expenditure, we presented over Rs 1.30 lakh crore budget during 2016-17 and now the state was poised to move towards attaining Bangaru Telangana at a faster pace”, the Chief Minister said.

More than one lakh jobs have been created through the new industries set up in the last two years, the Chief Minister said. He claimed success of his industrial policy, which emphasises on 'TS-iPASS' (Telangana State Project Approval and Self-Certification System) and promises to grant all statutory permissions through a single window. Referring to Information Technology (IT) he said it will no more be confined to Hyderabad but will be expanded to tier two cities. Telangana had 1,300 new IT units after it became a state, separate from Andhra Pradesh.

Fulfilling the promise of helping families of the martyrs who laid down the lives during the Telangana movement for a separate state, Governor ESL Narasimhan and Chief Minister K Chandrashekar Rao handed over Government job appointment letters to families.

K Chandrashekar Rao hoisted the national flag at Parade Ground on the occasion of second anniversary of Telangana formation. CM took salute and inspected the ceremonial guard of honor. Police medals for gallantry and meritorious service were also presented by the Chief Minister on the occasion.

In the morning he paid floral tributes to Telangana Martyrs at Gun Park and later he hoisted the largest Indian National Flag in commemoration of Telangana State Formation Day at Sanjeevaiah Park, Secunderabad.



Journalism *for* MSMEs cause



It's a felicitation for journalism with a cause, recognition for development journalism and honouring a journalist for the cause of small and medium industry. Aakarapu Mallesham, Senior Chief Reporter of Eenadu Telugu daily was felicitated for his contribution in the field of journalism on the occasion of the Second year of Telangana Formation Day. His contribution to journalism in general and for the good of industry in particular is well-known.

Mallesham, who hail from a small town of Narsampet in Warangal district, rose to the post of Senior Chief Reporter from rural news contributor.

In his 26 years of Journalism he focussed on the issues concerned with people and development and penned about 400 edit page articles Eenadu.

Among the industry circles he is known as a journalist for their cause. That is why Telangana Industrialists Federation also felicitated him on 2 June for his achievement. He was also honoured by social organisations on June 26 attended by Bonthu Rammohan, Mayor of Hyderabad, Srinivas Goud, TRS MLA and many other leaders.

FSME- India congratulates Mallesham for his achievement and hope to see many more writings form him in support of the cause of MSME sector.

Spinning, ferroalloy units

KCR announces power subsidy





APK Reddy, National President of Federation of Small and Medium Enterprises (FSME), welcomed the decision to offer power subsidies and said, “Chief Minister K Chandrasekhar Rao has taken a good decision which will be very helpful to scores of industrial units in spinning and ferrous alloy sectors,” he said. “Rice mills, foundries, plastic industry and biscuit manufacturing units are also in the same situation and require similar subsidies”, he urged.

Managements of spinning mills, ferrous alloys and workers of these industries got a boon from Telangana government. These two industries are badly affected due to power crisis since past decade could not overcome the losses.

In what could be termed as a major reprieve to ailing ferrous alloy units and spinning mills, the Telangana government on Monday announced subsidised power tariff for them for a period of one year. K Chandrasekhar Rao, the Chief Minister of Telangana took a decision to help textile and steel industries by providing subsidised power. With this, Ferrous alloy industries will get power at Rs 1.5 a unit while it is Rs 2 for spinning mills in the state.

This will help the interests of the managements and as well as the interests of over 40,000 people spinning mill workers and 5000 workers employed in the ferrous alloy industries across Telangana.

While power-intensive ferrous alloy industries will get electricity at a subsidised rate of Rs 1.5 a unit, the spinning mills can use power at Rs 2 per unit. Chief Minister decided to offer these power sops after discussing with Chief Secretary Dr Rajiv Sharma and Additional Principal Secretary Shanthi Kumari on 27 June, about the problems being faced by these industries.

“The government has decided to offer subsidies in power tariff as a part of its efforts to rescue industries that are facing crisis. The Chief Minister has taken

the key decision to help textile and steel industries and people working in them,” the press release said. Most of the Spinning mills across Telangana, which will benefit from the government’s decision, are located in Mahabubnagar, Medak, Karimnagar, Nalgonda and Warangal districts.

KCR asked the officials to offer these subsidies to the two industrial sectors to boost their productivity. The subsidies will initially be offered for a period of one year and will be reviewed after one year.

This move will bring a small reprieve for the industrial sector as the industry bodies expressed displeasure over the recent hike in power tariff which will come in to effect from July 1. The hike in power tariff to industrial and other segments is by an average 7.5 per cent. Overall impact of this power tariff hike would be up to 15 per cent as the maximum demand (MD) charges were also enhanced, lament the industry bodies.

Branding

KTR'S USA TOUR

Telangana is building bridges with the world. Though a just two-year old state, it is taking steps in the direction of becoming a dynamic and vibrant state in industry and IT. Two-week tour of the United States of America by the Minister for Industries, Information Technology and Municipal Administration has opened up new opportunities for Telangana.

Telangana



It's bygone days when we use to watch only the central ministers signing up MOUs in the Indian News Reel Shown in cinema halls. Now in the age of globalisation states are globe-trotting inviting investments. It is the new age of trade, commerce and industry where initiative is the key, and Telangana state never lost an opportunity in these two-years of existence.

K Taraka Rama Rao, accompanied by Arvind Kumar, Principal Secretary, Industries, Commerce & Power, Jayesh Ranjan, Secretary IT E&C Department and many more important officials 15-day tour was a complete package of establishing relations with different states, business leaders and MNCs, inviting investments and studying the systems working in

the developed country.

In Chicago and Indianapolis the delegation met Trey Childress, Deputy Governor of Illinois State, Dr Ausaf Sayeed, Consul General of India- Chicago, Mike Pence, Governor of Indiana State and attending the Indianapolis-Hyderabad Sister Cities Committee meeting apart from meeting heads of several companies. The Minister discussed the potential areas of collaboration between Illinois and Telangana and elaborated on the State industrial policy-TS-iPASS and ICT & allied policies, investment opportunities in Pharma and IT sectors.

Trey Childress expressed Illinois State's interest for partnership in the field of Innovation. Dr Ausaf Sayeed, the Deputy Governor said that Chicago and Hyder-

abad share a strong bond and the presence of large number of NRIs is a testimony to this.

Digital Healthcare Company Eclat Health Solutions came forward to invest 15 million dollars in Telangana providing employment opportunities to around thousand people. Redberry Corporation's Chairman Mr Deepak Kant, Abaris Capital Advisors President Mr Omer Ahmed, Genesis Pharmaceuticals Chairman Monif Matouk, Safye Holdings CEO Mr Afi Hasan. Several MoUs were signed.

Indianapolis in Indiana State, hosted the Indianapolis-Hyderabad Sister Cities Committee meeting where KTR addressed a 500-strong audience of Telangana NRIs.



Interactive Intelligence to expand in Hyderabad

CEO of Envista Corporation and discussed its expansion plans in Hyderabad. Envista is a supply chain consulting and IT services company, based out of Indianapolis. During the interaction, Minister KTR explained that it is the right time to expand Envista Inc operations in India, owing to an explosion in Indian retail market.



The Industries and IT Minister also met the leadership team of Interactive Intelligence, a global leader of cloud services for customer engagement, communications and collaboration. The functionaries of Interactive Intelligence appreciated the Telangana Government's approach in solving the power shortage issue in the State. Interactive Intelligence leadership assured that they would soon be expanding their operations in Hyderabad.

California signed MOU for Joint Innovation, Exchange and Cooperation in alternative energy, environmental technology, health, agriculture and other technology based industry sectors, business innovation, research and develop-

ment. "This MoU will open new avenues for exchange of innovative ideas between Startups in Telangana and Silicon Valley. I am confident that Startups in both geographies would benefit immensely from this MoU" said KTR.

"The agreement with the Telangana government provides a framework for collaboration that will help innovative Indian companies invest in California and

help innovative companies in our state access the Indian market", said Governor's Office of Business & Economic Development (GO-Biz) Director Panorea Avdis.

The MOU connects innovation programs, helps foster economic cooperation, facilitate joint R & D in industrial research and enhance business relationships and educational opportunities. The areas include, Start-up Ecosystem, Methodology and Knowledge Exchanges, Renewable Energy and related Clean Technologies, Water Conservation and Management, Health IT and Biotechnology Solutions. Advanced Manufacturing, Information and Communication Technologies, Agricultural Tech-

nologies and Entrepreneur Exchanges and Showcases

Through this agreement, the companies that participate in the Telangana T-Hub will have access to resources and contacts within the GO-Biz Innovation Hub (I-Hubs) network which stretches from Redding to San Diego and includes 15 distinct I-Hubs making it the largest state sponsored innovation network in the US. Likewise, this agreement opens opportunities for California companies to connect with the partners and companies within T-Hub network.

Dream Big, Dream different

DreamWorks, a reputed animation company which is looking for expanding their production facilities in India sought partnership with Telangana for their long term plans. DreamWorks is also looking at creating high-end theatre ecosystem to promote their movies. In this regard DreamWorks has asked Telangana government to create a conducive environment.

DreamWorks which has plans to cater Indian market can make Hyderabad as an ideal location, as the city has talent pool and vibrant film industry. DreamWorks and Telangana Government also agreed to collaborate to create Dreamplay, a small scale theme center, which can become a tourist attraction for city of Hyderabad.

Minister K T Rama Rao extended full support and cooperation in their plans. The minister described the attributes of upcoming film city in Hyderabad which would be an ideal location for the future production facility of

DreamWorks. Jeffrey Katzenberg, CEO of DreamWorks praised the route newly formed Telangana is taking in the path of industrial growth.

At Iowa, a place for modern agricultural practices, food processing and growing insurance sector, the minister met several important players from the agriculture and food processing sectors like Mr Kenneth M. Quinn, President of World Food Prize Foundation, Terry Branstad, Governor, Iowa State and others. KT Rama Rao wanted to learn the agricultural practices, technological interventions Iowa State has been implementing and adapt them for Telangana. Iowa doesn't use chemicals in farming, instead focuses on farm mechanisation.

The Minister met representatives of Agri-tech Company DuPont and sought cooperation in food processing sector and modernising agriculture. DuPont team agreed to train Telangana farmers in the state-of-the-art technologies and best practices used in agriculture, which shall help in realising the dream of the Chief Minister K Chandrasekhar Rao to make Telangana the seed bowl of India. A round table meeting with leaders of Agriculture & Food Processing sector from Iowa State was organised.

Here he sought to know the best practices in the insurance sector for a possible replication back home. As Hyderabad is home to Insurance Regulatory Authority of India

(IRDA) and State Government is trying to bring in more and more FBSI institutions to the State, best practices of Iowa can be replicated.

Carmel and Indianapolis cities made their mark with best practices in local governance. During the interaction with KT Rama Rao at Carmel City Hall, Mayor Mr. James Brainard explained how they carry out the functions of drinking water supply, electricity distribution, public transport and sewage management. The two also discussed the public private partnership and other models to raise funds for fuelling the infrastructure



projects.

In the discussions between KTR and Joe Hogsett, Mayor of Indianapolis the discussion revolved around city planning and administration. The Bus Rapid Transit System built to support the expanding city and growing population was also discussed.

Minister visits Indiana Economic Development Corporation

The minister met the officials of Indiana Economic Development Corporation (IEDC) t State of Indiana's lead economic develop-

ment agency. He sought more information about the branding efforts of IEDC and how the agency collaborates with Universities to foster innovation and spur economic activity in the region. The minister and Steve Akard agreed to continue and strengthen the sister city relationship that Hyderabad and Indianapolis currently share.

Discussions with Nikesh Arora, CEO of Soft Bank were fruitful and the chances of flow of investments to the state brightened, said the minister. LinkedIn also has shown interest in associating with telangana. Minister Haffman invited KTR for the Startup festival in Silicon Valley scheduled in the coming October.

The delegation met with the representatives of IT, Bio-technology agri & Food-processing, clean-tech yielded good results. The delegation met representatives of N Vista, RR Donnelley, 3M, Slum Burge, Net App, Sales Force, and IT Hub. They also visited bio-technology companies Genesis Pharmaceuticals, Boston Scientific, Medtronics and agri-MNCs like Cargill and Du Pont and studied the how they work.

Over all, the tour could succeed in making the American investors and companies believe that Telangana is fast turning into investors' favourite destination. With TRS government's unique Single Window Industrial Policy in the state, KTR will be holding talks with the American industrialists on establishing industries and investments.

Saving the existing ones



Review meeting of Mining department

While the new TS-ipass created a new hope for ease of doing business, one thing was haunting in the industries circle. That is while the new policy makes business easier for new units but what about the existing units. Bad governance of the past governments in the undivided state pushed the industry into crisis.

K Taraka Rama Rao immediately assuming the charge of Industries Ministry dispelled the apprehension of industry circles and emphatically declared, “The government will not neglect the existing industries” and conveyed the resolve of the state government in the overall development of industry.

Within days, he conducted the review of the department and started working in this direction. He reviewed the functioning of the Mining department and directed the bureaucracy to formulate and implement people-friendly and eco-friendly policies. He reviewed the State's readiness for the 'Ease of Doing Business' ranking index, with senior officers.

One immediate step by the government can give respite to the existing industries in the crisis. FSME urges the Minister of Industries to-

- Facilitate convening a special SLBC meeting for Industry in which the requests from the incipient sick units to lift the court cases which are the result of the power crisis in the previous rule, looking into the demand of incentives can be done. FSME feels that though there are efforts from Industries department and agencies, the same concern is not seen with the banks.

- Organise a Round Table Conference on the issues of MSME sector as early as possible to save the existing industries. The Round Table convened by the Chief Minister with the Industry Associations yielded results which can be seen now.

Looking East

for investments

After a successful tour of USA now it's look east for investments for Telangana. K T Rama Rao, Minister for Information Technology, Industries, and MA & UD, toured Singapore and Malaysia for three days starting from June 29, to attract the investments to the state.





At Singapore, Minister discussed with the representatives of A star agency (Agency for Science, Technology and Research), a leading science and technology-company which works as a bridge between the academia and industry in the field of innovation. The company representatives expressed their willingness to work with the RICH (Research and innovation circle of Hyderabad) of the Telangana government. Both RICH and A STAR have agreed to a bilateral agreement through which both will cooperate in the field of innovation, incubation, research and commerce. Student exchange programme will be organized as part of this agreement. The Minister explained about the research and small and medium industries in the state.

The Minister met TeoEng Cheong, CEO of SurbanaJurong which looks after the housing programme and infrastructure in Singapore. KTR briefed Cheong about the housing programme being taken up in the state and requested him to take up a multi-storied building project in Hyderabad, sought partnership in the pharma city project. KTR

asked them to do a study on the roads, electricity, drinking water and other infrastructure facilities in Hyderabad for which Cheong responded positively and assured that a team would be sent to Hyderabad shortly.

At Taus industrial park the delegation visited the Biopolis Park and clean tech park and enquired about the facilities in those parks.

At a business session organized by the CII and Indian High Commission held at the High Commissioner office, the Minister met heads of 18 companies and through a power point presentation explained to them about the Industrial and IT policies of the state.

Malaysia ties-up

KTRama Rao met Malaysian Prime Minister Dato' Sri Haji Mohammad Najib bin Tun Haji Abdul Razak and invited him to visit Telangana.

The Government of Malaysia's Construction Industry Development board (CIDB) has shown interest to invest Rs 10,000 Crores in infrastructure projects of Telangana state. The CIDB is interested

to invest in infrastructure projects like managing highways, urban mass transit, mass housing and other projects in Telangana.

KTR also met Malaysian Prime Minister's advisor and head of the PEMANDU (Performance Management and Delivery Unit) Dato 'Sri Idris Jala. The Economic Transformation Program of this institution is an initiative by the Malaysian government to turn Malaysia into a high income economy by the year of 2020.

“With eight percent of the Malaysian population consisting of people of Indian origin, synergy is possible with Malaysia”, KTR said. He said the state has a huge land bank for industrial use and it has set aside 2.5 lakh acres of land for setting up new industrial units. He sought the cooperation of Malaysia in setting up industrial parks, education, innovation, food processing and services sectors.

Arvind Kumar, Principal Secretary, Industries and Commerce and Energy, Manick Raj, Commissioner Industries, Narasimha Reddy, MD, TSIIC and other officials accompanied the minister in this tour.

Revive sick units: FSME, COSMI appeals



Sickness is an epidemic in the MSME sector in the last decade. Thousands of units became sick bringing the entrepreneurs and workers into streets. Power crisis during 2009-2014 was the main reason for the sickness of many sectors of MSME. Though many announcements and policies were made to bring sick units out of red, they proved to be an empty talk.

In this scenario, organisations representing micro, small and medium sectors are demanding the centre and states to use all means to come out of this situation. FSME- India National President APK Reddy and COSMI President M Rajmahender Reddy met K Laxman, floor leader of BJP in Telangana assembly and represented the issue.

The industry association leaders asked Dr K Laxman MLA and the president of state BJP unit to influence the Central Government's to intervene for the Revival and Rehabilitation of incipient Sick Units in MSME Sector. They submitted a memorandum and requested him to use his good offices with the Central Government for Revival and Rehabilitation of incipient Sick Units in MSME Sector.

Due to the Power Crisis during 2009-14, the small enterprises could not operate their factories to full capacity, resulting in loss of Sales Revenue, due to the factors beyond their control. Banks have declared the units as Non-Performing Assets and they are facing SARFAESI Act proceedings from the banks for the recovery of loans. Small Enterprises in granite industry, in Khammam district, Rice Mills, jute industry, foundries & ferro alloys and handlooms & textiles



FSME & COSMI submitted the same memorandum to Union Minister and BJP leader Bandaru Dattatreya also. Both, Dattatreya and Laxman promised the industry association leaders to be on the side of the demands of MSME sector. They promised to facilitate a meeting with the central leaders to pursue the issue of revival of sick units. Not just facilitation but also we will take up the issue with the central government, said the BJP leaders.

are the important sectors in MSME which were affected because of power crisis during 2009-14. APK Reddy handed over to Dr K Laxman, a copy of the memorandum submitted earlier by FSME India to Narendra Modi, Prime Minister of India recommending for creation of a Rs. 2,000 Crore Corpus Fund for Revival and Rehabilitation of incipient Sick Units in MSME Sector.

FSME-India appealed the Central Government to intervene and instruct the banks to withdraw the Court cases initiated against the small Entrepreneurs, and take up measures for Revival & Rehabilitation of the Sick Units. They also requested the Central Government to increase the Corpus Fund from Rs. 100 Cr to 2,000 Crores for Revival of the Sick Industries.

Ease of doing business @ Telangana

Ease of doing business is a magnet which attracts investors. Telangana state though a newly carved one, is making all efforts to make the environment in the state, an entrepreneur-friendly one. The number of documents entrepreneurs need to submit while seeking approvals for projects has been reduced from over 100 to a mere 12 in Telangana. The State's Commissioner of Industries, K Manicka Raj, highlighted this change, made to make the process simpler, at a conference on 'Ease of doing business in Telangana' in Hyderabad on 22 April.

"The thrust was not only on facilitating the process of setting up an enterprise, but also on conducting business" said the Commissioner of Industries. He cited mobile phone maker Micromax's plant near Hyderabad, a facility that went into production mode seven months after the State government cleared the project. The TS-iPASS scheme and the vision of the government brought down the documents to be submitted by promoters from 104 to mere 12.

Manicka Raj suggested to industry body Assocham, to assess the perception of industry, rank the States and identify sectors in



which ease of doing business in Telangana was better. Stating that the State was a forerunner, he said Finance Minister Etala Rajender said TS-iPASS comprises clearances from 22 departments. The State government was coming with a package of incentives for industries, devised on its study of what was being offered in other States.

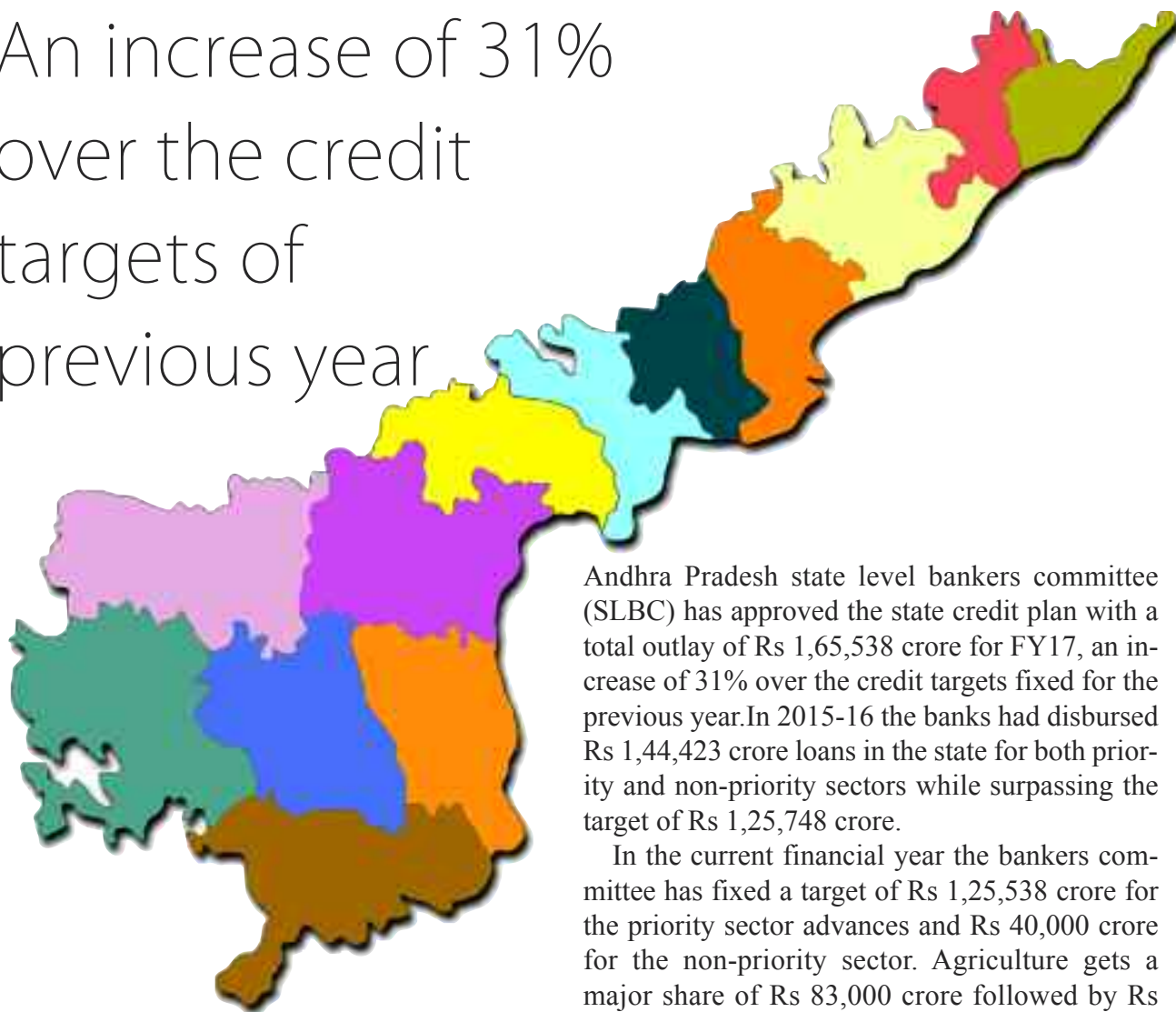
Arun Kumar Jagatramka, Chairman of Assocham National Council on Ease of Doing Business, said that majority of business

houses in the country want to do business the noble way. But they were "compelled to take recourse to some kind of corruption resulting from too much of regulations and laws that have lost relevance", he said.

"The State government has stood up to the expectations of the industry", said Anil Reddy, president of FTAPCCI. He also said that there is a need for a separate funding mechanism for micro, small and medium enterprises in the state.

AP credit plan fixed at Rs 1.65 lakh crore

An increase of 31% over the credit targets of previous year



Andhra Pradesh state level bankers committee (SLBC) has approved the state credit plan with a total outlay of Rs 1,65,538 crore for FY17, an increase of 31% over the credit targets fixed for the previous year. In 2015-16 the banks had disbursed Rs 1,44,423 crore loans in the state for both priority and non-priority sectors while surpassing the target of Rs 1,25,748 crore.

In the current financial year the bankers committee has fixed a target of Rs 1,25,538 crore for the priority sector advances and Rs 40,000 crore for the non-priority sector. Agriculture gets a major share of Rs 83,000 crore followed by Rs 25,000 crore credit target for the MSME sector.

The banks have raised the housing sector credit target by 132% to Rs 12,000 crore from Rs 5,163 crore in the previous year in anticipation of a good demand in the current year. The loan disbursements in the housing sector were only Rs 3,060 crore in the previous year. However, the loan disbursements to the MSME sector in FY16 was far higher than the targets. The banks had lent Rs 22,262 crore to SME sector compared to the credit target of Rs 16,960 crore.

APSFC to extend loans to MSMEs



Small entrepreneurs of Andhra Pradesh get good news from the Andhra Pradesh State Financial Corporation (APSFC). It is focusing on extending loans to MSMEs and also cut interest rates recently. WVR Murthy the Managing Director of APSFC said that apart from MSMEs, service sector, commercial and residential projects will also get loans.

He said that 53 proposals worth Rs. 229 crore had been received from entrepreneurs and others in the four districts and

“nearly 70 per cent of the amount will be sanctioned and disbursed.” Maximum number of proposals (nine) were in the food processing and agri-business sector, amounting to Rs. 50 crore, followed by software units (eight) amounting to more than Rs. 40 crore.

Murthy also informed that the APSFC had recently cut interest rates by 50 points and the minimum lending rate at present was 12.5 per cent, which is higher by one per cent or so more than that offered by commercial banks.

“We borrow from banks and lend it to the units. We do not have re-finance facility,” he said.

In 2015-16 financial year, APSFC had disbursed Rs. 450 crore and the target for this year is Rs. 750 crore. Though this is ambitious the APSFC is confident of achieving it, says the Managing Director. He also informed that the APSFC was rated to be the best in the country. After the bifurcation the APSFC had set up an office in Kakinada and one more soon in Chittoor.

FSME proposes cluster based development





Khammam, a district with rich natural and human resources, entrepreneur community with enthusiasm is still waiting for the direction in the path of industrial development. FSME has a clear vision and route map for the industrialisation of this district. Telangana government's pro-industry policies combined with the strengths and requirements of the district should be assessed to tap the resources to the fullest potential.

Establishing sector based industrial clusters in the will make the plans sync with the resources available. FSME proposes to establish Sand Cluster, Green Cluster and Granite cluster. Sand Cluster is the sand processing and grading industries cluster, which depends on the Godavari river eco-system which has a great presence in the district. Different sizes of sand and gravel can be produced or graded then traded through Telangana State Mining Development Corporation (TSMDC) bringing regularised income to the state.

Green Cluster shall stand for germination and growing of Special Plants. Already Khammam is a biggest producer and provider of plants says the surveys and reports.

ITC-BPL Cloning plants and Godrej Palm oil plants grown in the district gained popularity in the country. According to FSME's estimate about 600 to 800 crore saplings are produced here. In this background, a green cluster should be established to grow ornamental, medical and different varieties of plants which can provide employment for at least 50,000 people in the district.

Granite waste reprocessing can be the nature of the Granite Cluster. The district is known for world famous Z-Block granite. Entrepreneurs, bracing all odds have established about 1300 granite based industries to provide employment to 30,000 people. The wastage produced by these industries can be thoroughly utilised if there is encouragement to establish granite waste re-processing units. With the help of the Hydraulic Stone-cutting machine, a German technology granite based materials can be produced which is used in the con-

struction industry.

Above three clusters need land for establishing and running these units. Apart from the three clusters proposed, entrepreneurs are waiting for land allocation for food processing unit at Buggapadu and another agri-based cluster near Khammam town. Thousands of students are being produced every year in the district. Tapping all these resources can build a model Industrial district in Khammam. Establishing a Skill Training Centre is the need of the hour to empower the students and youth of the district by imparting skills to them.

FSME also urges the government to support the rice mills which are reeling under severe crisis. Entrepreneurs under the leadership of FSME-India are promising a industrially vibrant Khammam to be a jewel in Bangaru Telangana, if their proposals for establishing clusters become a reality.



A visionary MSME policy soon

It's two years since the Narendra Modi led Central Government came to power. In these two years many new schemes were launched and even the MSME ministry itself got a separate identity. In this background, Kalraj Mishra, Minister of Micro, Small and Medium Enterprises (MSMEs) was interviewed by Aditi Phadnis of Business standard. The ministry which was once considered as moribund is now got off the ground feels the MSME minister. Here are the excerpts of the interview.

You've spent two years in office. What have you got to show for it?

In general, our government has done spectacularly well. Just go back a few years and you will recall all the scams - 2G spectrum, coal block allocation... Our government, on the other hand, has provided clean, transparent governance. Coal blocks and telecom spectrum have been allocated with complete transparency. Do you hear phrases like Radia tapes, de facto and de jure power centres, which pointed to a weak, motivation-less and visionless United Progressive Alliance regime? Nobody can dispute that a regime of personal gain and loot of public resources was replaced by one run on the strength of integrity and values, following the 2014 general elections.

What have you achieved in your area of responsibility?

This a valid question. There are around 40 million MSMEs in India employing around 100 million people. Our share in manufacturing output is around 45 per cent and in mercantile exports 40 per cent. Our share in gross domestic product is eight per cent in manufacturing and 30 per cent in services, so the total share stands at 38 per cent. After agriculture, our sector is the largest employer of Indians. MSME is the future job creator and provider.

In the past two years, we observed this sector closely and identified interventions necessary to unleash its real potential. For starters, registration of an

MSME is imperative if an entrepreneur wants to access schemes and government benefits. We noticed that registration of MSMEs was a cumbersome process with lots of bureaucratic hurdles. We designed a simple, elegant, user -friendly and internet-based registration process and named it Udyog Aadhaar Memorandum (UAM).

Now, one can register a unit by filling a short online form and get registration within 10 minutes. Registration does not entail any visit to any office. In the past eight months, more than 700,000 MSMEs have registered on this platform.

If your ministry is the second-largest provider of jobs, how have you fared in terms of jobs creation?

The Prime Minister's Employment Guarantee Programme (PMEGP) is our flagship scheme. It accounts for one third of the expenditure of our ministry. We nurture around 45,000 micro-level entrepreneurs around the country through this programme and generate employment for around 335,000 people. Through constant monitoring and review, we ensured the release of Rs 1,254.79 crore of margin money for this programme in 2015-16; it was just Rs 988.36 crore in 2013-14. This scheme is a launch pad for entrepreneurs who dream big.

Last year, we launched ASPIRE (A Scheme for Promotion of Innovation, Entrepreneurship and Agro-based Industry). It takes care of the skill needs of different sections of society. We have Livelihood

Business Incubators (LBI) to train the youth to set up small businesses, which can be integrated into the local economy to meet one's livelihood needs. We have Technology Business Incubators (TBI) to meet the skill needs of more ambitious individuals. We realised that if we cannot fund the innovative ideas of young visionary minds, this exercise is futile. So we have come up with ASPIRE Fund of Funds (FoF). The Small Industries Development Bank of India (Sidbi) manages this FoF for us. We have placed Rs 60 crore with Sidbi and finalised how it should run. We have sanctioned 22 LBIs and two TBIs; six LBIs have already started functioning.



The failure of MSMEs is usually in getting access to competitive, appropriate and intelligent technology...

True, MSMEs need modern technology. We have 18 state-of-the-art tool rooms across the country to meet the technological needs of this sector. All our tool rooms are profit-making ventures. In these tool rooms we have trained 180,160 pupils in entrepreneurship and assisted 36,156 units directly to en-

hance productivity and efficiency in 2016. In 2013-14 these figures were 120,340 and 28,861 respectively. The figures speak for themselves.

What about training? After all, one can't go straight from the tool room to start his/her own business....

We have started a placement service, which has shown good results. With assistance from the World Bank, we will create 15 more tool rooms worth Rs 2,200 crore. As this financial year ends, the construction of at least nine out of 15 tool rooms will have reached an advanced stage. So we should be able to serve catchment MSMEs in the next fiscal year.

Suppose, I have struggled and set up an MSME using the facilities the government has provided. But if nobody buys what I produce, I am still going to starve....

Public procurement is one area where micro and small enterprises (MSE) can find a big window to sell their products. Under the Public Procurement Order, every central public sector unit has to necessarily buy 20 per cent share of its procurement from MSEs; 20 per cent of this, that is four per cent of the total procurement, should be bought from Scheduled Caste/Scheduled Tribe entrepreneurs.

We have started rigorous monitoring to ensure that MSMEs get their due share in public procurement. We have made it clear that buyers can relax prior turnover and experience conditions to enable MSEs to participate in public procurement tenders. The 20 per cent public procurement clause became mandatory from April 1, 2015. I am also reviewing it at my level. I am determined to provide MSEs their due share in public procurement from central public sector undertakings and other central government entities.

What about non-performing assets in the MSME sector?

We have come up with a plan to revive and rehabilitate sick industries. We are working on an ambitious and visionary MSME policy, which will be unveiled soon.

(Courtesy: Business Standard, May 28, 2016)



BIBINAGAR

Dry Port of Telangana

For a state without coastal line, the only alternative left is having a dry port. Telangana is a land - locked state with different state borders, has got an opportunity to get a dry port at Bibinagar in Nalgonda district. This new dry port announced by the centre in March.

Bibinagar was selected among the three short listed sites, one at Amangal in Mahbubnagar district and the other is Kandukur in Ranga Reddy district. Located at 40 kilo meters away on Warangal highway this site will be an inland terminal connected by rail

or road to sea port. Bibinagar dry port would provide services like handling, temporary storage, inspection and customs clearance for international freight.

This dry port is important for telangana as this will cut the transport costs, transit time and will contribute for employment generation and spur investments in this area. A major unit like dry port will definitely create opportunities for micro, small and medium enterprise, if the government agencies and financial systems like bank support the small entrepreneur.

Pro-MSME schemes to boost potential



CRISIL, a global analytical company providing Ratings, Research and Risk & Policy Advisory services sees growth in Micro, small and medium enterprises (MSMEs) of North-East. MSMEs in the states of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, and Tripura - the 'seven sisters' stand to benefit from central government initiatives to encourage entrepreneurship, innovation and sustained development in the sector.

Various initiatives launched by the central government in the NE region for skill development, entrepreneurship development, technology and incubation, and venture funds for start-ups will accelerate entrepreneurship and boost the availability of skilled workers and development of MSMEs in this region to make them competitive. MSMEs of North-East face serve problems like concentrated operations, semi-automated or manual technology, weak infrastructure and lack of skilled labour.

CRISIL's analysis of over 500 MSMEs in these states shows they face major challenges to growth in the form of lack of access to technology, concentrated operations and weak infrastructure. About 47 per cent have concentrated operations (either in product, geography or customers), and about 30 per cent have weak infrastructure.

The units face challenges in accessing skilled labour, as only 45 per cent of the total employees are permanent. About 48 per cent of these are operating in the manufacturing sector, of which 95 per cent have semi-automated or manual technology.

MSMEs must leverage the Smart Cities Mission

Smart Cities programme of the Central Government is being viewed as an engine for economic growth. In this huge exercise what would be the gains for the micro, small and medium enterprise (MSME) sectors is a point of interest.



CRISIL, a global Rating, Research and Advisory company believes that the MSMEs offering healthcare, information technology and IT-enabled services, education, logistics, transport and urban development-related services such as real estate and waste manage-

ment will be gainers.

In January 2016, the government named 20 cities - out of 98 shortlisted for the mission - that would be the first to receive funds to execute their relevant projects. Being localised and of a relatively low value, CRISIL opines that MSMEs are best placed to win contracts pertaining to the Smart Cities Mission, given their regional experience and local infrastructure.

The next two years will also see the remaining 78 cities shortlisted, kicking off their projects after receiving funds. CRISIL therefore foresees MSMEs benefiting significantly if the Smart Cities Mission is successfully implemented over the next few years.

Seven MSME sectors for growth



Continuing on its focus towards micro, small and medium enterprises, the state government has identified seven sectors for inviting more investment in MSMEs. It will be done in collaboration with the Gujarat Chamber of Commerce and Industry (GCCCI). The seven identified sectors include Forest and Environment, Energy, Food and Health, Revenue & Urban Development, Transport, Finance and Industry.

Gujarat government also announced setting up of a separate MSME cell and also made an allocation to the MSME as per this year's budget. Gujarat Chief Minister Anandiben Patel stated that starting from May, every Monday for one hour various departments and stakeholders would be discussing industrial issues to identify the solution for the same in her presence.

"The MSME units need to take advantage of new market opportunities that arise urgently to spur growth. The feasibility of setting up an industrial zone by foreign companies and top corporate is being looked into to create novel investment chances in line with Make in India," Rohit Patel, President of GCCCI said.

Ministry plans App for MSMEs



To inform and encourage small entrepreneurs the MSME Ministry has come out with a mobile friendly single user application on schemes of the government for micro, small and medium enterprises.

With this application, the details about various schemes and initiatives like – UAM, CLCSS, LEAN, QMS, CGTMS and more can be viewed through the same page.

The link for the page is : <http://msme.gov.in/singleapps/Reg/home.aspx>

MSME sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last six decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth, the Ministry said in a note.

MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country.

MSME status for Sugarcane crushers

Here is the sweetest news for the sugarcane growers of Uttar Pradesh from the central government. In an effort to provide an alternative source of earning to the sugarcane growers of Uttar Pradesh, the central government is mulling revival of localised cane crushers by including them in the micro, small and medium enterprises (MSME) category. Once categorised as an MSME, sugarcane crushers, used to make jaggery and khandsari, will be entitled to government benefits and tax concessions.

A pilot project to restart the localised jaggery making units is being planned in the districts Muzaffarnagar, Baghpat and Shamli in western Uttar Pradesh from the next sugar season, which starts from October. The districts are also home to some of the biggest private sugar mills. Officials said the state government will also explore the possibility of relaxing norms for setting up crushers and also lower taxes on these.

"The idea is to provide sugarcane growers of western UP an alternative source of income," Minister of State for Agriculture Sanjeev Kumar Balyan, who is spearheading the proposal. He said the preliminary discussion is



being planned with the minister of MSMEs, Kalraj Mishra. Jaggery(gur) now is produced locally as a cottage industry by around 25,000 small units in UP. Before liberalisation, mills consumed around 20-25 per cent of the cane grown in western UP, which has now risen to about 60 per cent, while gur units consume another 30 per cent.

"The proposal, though it sounds good, is unviable because crushers can't have a recovery rate of more than five-six per cent and with sugarcane prices ruling at around Rs 280 a quintal, they won't survive when even big

sugar mills, who have recovery rate over 10 per cent, are finding it difficult to make ends meet," Arun Khandelwal, president of Muzaffarnagar Gur Manufacturers Association said.

He said unless there is a big technological innovation in crushers, it will be very difficult to make the business viable. But, the government seems convinced. "Our assessment shows that with an investment of around Rs 10 lakh, a mechanised crusher can provide employment to about 20 people, which can help in generating jobs in rural areas," Balyan said.

Allocate Skill funds MP Constituency-wise

MP Narsaiah Goud writes

Funds allocated for Skill Development in the country should be spent more effectively, feels Dr Boora Narsaiah Goud, a Telangana Rashtra Samiti MP from Bhuvanagiri. He has requested Rajiv Pratap Rudy, the Minister for Skill Development through a letter in the month of December. Though it was sent long back it is being presented to the readers of Industrial View to bring the important aspects of the letter to the fore.

Though Rs 1500 crore were allocated in this financial year for skill development and statistical data is being presented to say that the scheme is a success, 'the impact is not really felt on the ground and more specifically in terms of employability', Narsaiah commented. His views are important as he is also a Member of the Parliamentary Standing committee on Labour and Employment, Commerce and Industry.

He suggested a few points for consideration by the minister to utilise the funds in a more useful manner. The Bhuvanagiri MP suggested,

- Allocation of Rs 3 crore per parliamentary Constituency with a specific skill development



related to that constituency

- Instead of establishing multiple skill development centres, identify one ITI or institute where a state, central, private or public enterprise is located

- Make the member of Parliament as the mentor for the project

With these small but focussed modifications, Boora Narsaiah is confident that the Skill Development Programme of the central government will yield good results. Many MPs also signed this letter and supported the suggestions of Dr Narsaiah.

Centre should approve Pharma City, NIMZ: KTR



The Centre should help Telangana by approving two proposed economic zones, Pharma City and National Investment & Manufacturing Zone (NIMZ), appealed K Taraka Rama Rao when he met the Union Minister of State for Commerce Nirmala Seetharaman on 19 June.

During this meeting with the Union Minister in Delhi, Rama Rao sought a financial assistance of Rs. 1,500 crore for the development of Pharma City. He claimed that Nirmala Seetharaman had agreed to sanction Rs. 200 crore

to begin with. He sought financial tax exemption for the SEZs and also sanction of a leather park to the State. Rama Rao also requested the Union Minister to sanction multi-brand SEZs to Telangana since the existing and proposed ones were single-product based.

Andhra Pradesh and Telangana shared a commissionerate on SEZs located in Andhra Pradesh. He urged the Centre to sanction an exclusive office for Telangana with its headquarters at Hyderabad.

IBM partners with TASK

To train graduates in Telangana engineering colleges



Telangana Academy for Skill & Knowledge (TASK) is roping in many top names in disseminating skills in the state. In this process globally reputed IBM is partnering with TASK to build skills on emerging areas of technology in the state of Telangana. The MOU was signed in May would be an advantage for the students.

Under this collaboration, IBM will be conducting training programs in the area of Cloud & Mobile Based Applications and Big Data Analytics for the faculty and students in the engineering colleges across 10 districts of the state of Telangana. With technology based on Cloud, Mobility

and Big Data revolutionizing industries, it is imperative for students to be armed with relevant knowledge in these areas.

The objective is to enable the learners with the latest skills that can be applied to any industry or function they choose to be in future. IBM will also set up co-branded specialty Labs with select set of Institutes to provide easy access to relevant software and cloud platforms. This partnership will enable students undergo experiential learning modules led by an innovative curriculum developed and taught by IBM experts.

Commenting on the collaboration with TASK, Ms. Yeo Hwee Lee – Director, Software Serv-

ices, IBM Software Group, IBM Asia Pacific said, “We are pleased to partner with TASK, who can enable us to take the skills to the students necessary to prepare for careers driven by new technologies like Cloud, Mobility and Big Data.”

Mr. Sujiv- Chief Executive Officer, TASK, expressed his confidence that the students of Telangana state will benefit from the offerings from career education programs especially in emerging technologies and this partnership between TASK and IBM Career Education will help students to access and learn the curriculum directly from IBM thus improving their employability skills and become job ready.



MSME Conc

MSME Conclave organised at Nellore was appreciated by many. Here are some of the responses.

Congratulations for mounting MSME Conclave at Nellore by FSME. It is always a good idea to do such programs. These programs generate interest, and motivate everyone, the entrepreneurs, officials, politicians, and the associations who are involved in the process of development,. It is a good Initiative by FSME. I look forward to seeing more of such programs as we go by.

M V Rajeshwara Rao
CEO, CREDITA, Hyderabad





have lauded

Live photos of the MSME Conclave at Nellore posted precisely imprints the success.

Arun Khemka, Jharkhand Small Industry Association, Trustee EGF and President GMY

The idea of MSME Conclave is wonderful and a grand success. Please proceed further with the same inspiration for safeguarding the interests of MSME Sector which is facing enormous problems. You may conduct comprehensive awareness, training and awareness programmes to young Entrepreneurs. With more and more fresh entrepreneurs your dream of rapid industrialization in MSME Sector will be fulfilled and will pave way in eradicating un-employment.



D Shankara Chary
 Managing Director
 Super Forging Industry
 Cherlapally





MSMEs to cater the needs of Indian army

The Indian industry has good capability at home to develop the necessary equipment, but there is a need for further development, said Lt General Subrata Saha, deputy chief of army staff of planning and systems. Speaking on the sidelines of a conference here, Lt Gen Saha said that “The needs of the army are two-fold. We want to procure defence equipment and products which cater to the present needs indigenously, but also want the Indian companies to develop futuristic technologies for our needs.”

In the past two years the Ministry of Defence has encouraged Indian MSMEs to produce for the defence sector. The army itself needs to engage directly with the industry to make them understand about the immense monetary potential for the Indian industry.

“We have good capability at home to develop the necessary equipment. The ball has started rolling and there is room for further development. Products designed, developed and manufactured in India will have the highest priority,” he said. He further said that the revision in the Defence Procurement Procedure 2016 (DPP 2016), in line with the government's Make in India initiative, encourages indigenous design, development and production of defence-related equipment.

Saha also said that the provision of threshold limit in the DPP would encourage the smaller companies to bid. “On one hand, we need products while on the other we are in need of integrated solutions” he added.

Telangana leads in IT growth rate

The growth rate of exports in Information Technology and Electronics of Telangana state is 13.26% which is better than the national average of 12.3%. In the last one year the IT/ITES sector provided employment to an additional 35,611 professionals, taking the total workforce to 4,07,385. These are some of the few achievements of Telangana in two years.

“Our pro-business policy, high quality infrastructure, cost-effectiveness, cosmopolitanism, presence of institutions like TASK and T-Hub along with an overall pro-active approach has made the State among the top IT destinations in the country” said, K T Rama Rao, Minister for IT while releasing the Annual Report of IT E&C Department for the year 2015-16 titled ‘Performance report- Initiatives and Achievements’.

“We have continued to grow faster than the national average and have also added thousands of new jobs in the sector. The first two years have given us a very strong foundation from where our leap into the future can only be higher and stronger”, said the minister.

Jayesh Ranjan, Secretary IT E&C Department said, “Through ICT Policy, we have endeavoured to create an extremely investor-friendly atmosphere and lay foundation for the State to take leadership position in a number of emerging technology areas.”

Important achievements of 2015-16 are-

- Telangana IT/ ITES exports achieved a healthy 13.26% growth rate better than the national average of 12.3%. During the last one year the IT/ITES sector provided employment to an additional 35,611 professionals, taking the total workforce to 4,07,385.

- The Electronics Policy is expected to accelerate the growth of electronics manufacturing in Telangana. Many major electronics companies are showing interest to set up their manufacturing facil-

ity in the state. Already Thompson Electronics, Celkon, and Micromax have started their operations in Telangana.

- Releasing of ICT Policy and four other sub-Policies, inauguration of skill development initiative of Telangana Government - Telangana Academy of Skill and Knowledge (TASK), and setting up of India’s largest tech incubator set up T-Hub were the important events last year.

- Telangana has become a favourite destination for setting up or expanding their operations. Apple, Uber, Flipkart, Salesforce, and DBS are some of those companies, to name a few. Government has also been encouraging IT/ ITES companies to spread to Tier II locations and announced incentives to this effect.

- Standing testimony to the Telangana IT Department’s efforts to promote Tier II cities, noted IT major Cyient has started its Development Centre at Warangal.

- Telangana emerged as the state with number one citizen service delivery platform in India with 30,423 e-transactions per thousand

persons. The Electronic Services Delivery (ESD) wing served 3.51 crore persons during the last one year.

- Assisting, facilitating, supporting development of ICT applications for other Government Departments through portals, web applications, mobile apps and other digital means has transformed their functioning. Agri Phablet, RTA m-Wallet, ACB portal, Automatic Building Plan Approval System for GHMC are some of those applications.

- IT E&C Department has won several awards last year. Skoch Challenger Award in Start-up India category for Minister KT Rama Rao, PRCI Chanakya Academic Excellence Award, 2015 for TASK, Skoch Smart Technology Award for Digital Telangana, MeeSeva 2.0, are some of them.



(This story is being reproduced in this issue to help the readers to have a glimpse of the happening in the industrial sector in the past few years- Editor)

When the left, right and centre agreed

Political parties rarely agree on an issue but all political parties irrespective of their ideologies came together to protest against the power crisis. Power crisis that enveloped the state did not spare anyone. Right from farmers, small and big industrialists to the daily wage earner all have been affected by the power cuts.

Political party leaders from almost all parties reached Dharna Chowk near Indira Park in Hyderabad when more than 27,000 entrepreneurs staged a dharna protesting against power cuts.

The left parties came out with a 23 point alternative power policy. They were vocal and wanted the state to look into the issues of the industry. Top leaders of left parties felt that power should be viewed as a public utility service and not as a commercial commodity. Allocation of budget is required for AP Genco projects and wanted it to generate 2,000 MW every year.

Some of the points of the left alternative power policy are:

- Scrap policy on merchant power projects
- Withdraw permissions and allotment of energy for such projects
- Not to privatise power distribution
- Drop Fuel Surcharge Adjustment
- Return land to farmers that were taken for Sompet and Kakarpally projects
- Give preference to Andhra Pradesh for KG Basin gas allotment
- ONGC must take over oil wells in Basin area

- Fix coal and gas price in proportion to production cost. Rate of gas should be finalized only in rupees and not dollars. Importance to research in alternative sources of energy like solar and wind.

Telugu Desam Party, YSRCP and BJP too took part actively and came out with their agenda. Both TDP and YSRCP were of the view that the power tariff should not be increased and uninterrupted power should be provided to the industries. Seven hours of power to the farmers also to be given is what they demanded.



Leaders felt that the previous governments handled the power crisis better. Some leaders opined that during Y S Rajashekar Reddy's rule the reduced unit cost was 35 paise and the government scrapped nala tax to provide employment to thousands. The government then extended pavla vaddi to industries. Grants to the extent of Rs 320 crore was released and provided power subsidy of Rs 3 crore to 47 rice mills. Even during TDP rule the power supply good, felt the leaders.



CPM B.V. Raghavulu and Left Leaders on fast



Cherapalli Leader Sankara Chary, Chandra Sekhar Reddy, G.S. Reddy, M.M. Reddy, Sudhir Reddy, A.P.K.Reddy and others at the agitation



APK Reddy at a camp organised by left party



Dharna by FSME-AP & Kapra Micro Association members and president Laxmi Kanthaiyah along with Telangana Industries Association Sudheer Reddy at a protest



Sudhir Reddy, Telangana Industries Association







FSME
I N D I A

FEDERATION OF SMALL AND MEDIUM ENTERPRISES OF INDIA

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APPLICATION FOR MEMBERSHIP

1. Name

2. Name of Director/Partner/Proprietor of the Enterprise (or) Office Bearer of the Association:

3. Address For Correspondence:

4. Telephone No :
Email :
Website :
Mobile :

5. Registration No:

6. Company Details:
Products Manufactured/Activities :

7. Payment Details: Online/Cash/Cheque/Demand Draft No Dated.....for Rs.....
Cheque/Demand Draft may Please be drawn in favour of "Federation of Small and Medium
Enterprises of AP" payable at "Hyderabad". OR to be deposited in our current account number
053411100002342 IFSCODE ANDB 0000534 with the Andhra Bank, Somaji guda Branch,
Hyderabad.

I/We hereby apply for Micro / Small / Institutional / Association / Corporate Membership of FSME. I/We declare that I/We read the Memorandum and Articles of Association of the FSME and Agree to Abide by the same

Place:

Date:

Signature of the applicant

Encl: (1) Copy of Registration Certificate

(2) Cheque / DD No.....Dt.....For Rs.....

Type Of Membership	Admission Fee	Annual Subscription	Life Membership
1) Micro	Rs. 500/-	Rs. 500/-	Rs. 5000/-
2) Small	Rs. 500/-	Rs. 3,000/-	Rs. 25,000/-
3) Medium	Rs. 500/-	Rs. 10,000/-	Rs. 1,00,000/-
4) Institutional	Rs. 500/-	Rs. 10,000/-	Rs. 50,000/-
5) Association	Rs. 500/-	Rs. 10,000/-	Rs. 1,00,000/-
6) Corporate	Rs. 500/-	Rs. 20,000/-	Rs. 2,00,000/-



(संघ लोक सेवा आयोग द्वारा प्रमाणित)
 सूक्ष्म, मध्य और बड़े उद्योग विभाग

Ministry of Micro, Small & Medium Enterprises

Udyami-Helpline
 1800-180-6763

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SH. KALRAJ MISHRA
 Hon'ble Union Minister



Ministry of Micro, Small & Medium Enterprises

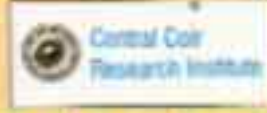
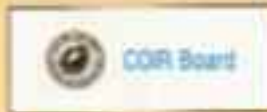
Micro, Small and Medium Enterprises (MSME) contribute nearly 8 percent of the country's GDP, 45 percent of the manufacturing output and 40 percent of the exports. They provide the largest share of employment after agriculture. They are the nurseries for entrepreneurship and innovation. They are widely dispersed across the country and produce a diverse range of products and services to meet the needs of the local markets, the global market and the national and international value chains.

The Ministry has a number of programmes to help and assist entrepreneurs and small businesses. If you are planning to set up business, you may contact National Institute for Micro, Small and Medium Enterprises (NI-MSME), National Institute for Entrepreneurship and Small Business Development (NIESBUD), Indian Institute of Entrepreneurship (IIE) or the Development Commissioner (DCMSME) for details about their programmes. If you are an existing entrepreneur and would like to improve your competitiveness, you may contact DC, MSME who can be of assistance in various ways. If you are wanting to set up a village industry or want to know more about Khadi or Coir Products, you may contact KVIC or Coir Board.

Ministry of MSME encourages and honors innovation and enterprise. We work in close coordination with the State Governments, Industry Associations, Banks and other stakeholders through our numerous field offices and technical institutions to help the engines of growth throughout the country.

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- [Plan & Budget](#)
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- [PMEGP](#)
- [RGUMY](#)
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- [Other Links](#)
- [What's New](#)
- [Virtual Cluster Initiative](#)



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Andhra Bank's Priority

Micro Small & Medium Enterprises (MSME)



Online Application

Hassle Free Process

Priority Attention

Competitive Interest Rates

• Application can be filed online through our website www.andhrabank.in. Application format can also be downloaded and duly delivered at branch or zonal office.

• For any further clarification, please contact Chief Manager, Credit at the nearest zonal office. The contact numbers are available in our website.



Where India Banks



www.andhrabank.in