

Industrial View



Amazon in Telangana

SMEs to get help



FSME
INDIA

Federation of Small & Medium Enterprises of India



FEDERATION OF SMALL AND MEDIUM ENTERPRISES OF INDIA

Regd off: G1 – Dwarakamai, Hindi Nagar, Dwarakapuri, Panjagutta Hyderabad - 500032

(M) -91-9642088889, 9963777915 , 040- 40023808 Fax : 040 –23359951

E-mail: infofsme@gmail.com, president@fsmeap.com Website: www.fsmeap.c

NOT JUST SKILL IT IS SKILL WITH A VISION

FSME
INDIA



SKILL DEVELOPMENT
PROGRAMME
ORGANISED BY THE
FSME-INDIA IN
ASSOCIATION WITH
NI-MSME, ON
VARAIOUS COURSES
CREATING A SELF
EMPLOYMENT
OPPORTUNITY





Well
begun
^{is}
half done

08



NPAs

16

whom should we blame?

T-Hub

a Start-up heaven

Promising future for innovators, start-ups



22



28

TS-iPASS

Attracting investments
in a big way

The jurisdiction of court cases pertaining to the items published in Industrial View will only be Hyderabad (the place of its publication). Cases of other jurisdictions will not be entertained.

- Editor

RAGHURAMA RAJU KALIDINDI
MEDIA CONSULTANT
9849350555

PRINTED & PUBLISHED BY ARANI PRASANTH KUMAR REDDY ON BEHALF OF FEDERATION OF SMALL AND MEDIUM ENTERPRISES OF ANDHRAPRADESH, PRINTED AT HARSHITHA PRINTERS, 6-2-985, YOUSUF BUILDING, KHAIRATABAD, HYDERABAD - 04. PUBLISHED AT FEDERATION OF SMALL AND MEDIUM ENTERPRISES OF ANDHRA PRADESH, FLOT.No. G1, DWARAKAMA APART, HINDI NAGAR, DWARAKAPURI COLONY, PANJAGUTTA, HYDERABAD, A.P.
EDITOR : ARANI PRASANTH KUMAR REDDY



APK Reddy
(Arani Prasanth Kumar Reddy)
Editor in Chief

Why MS schem

Wish and reality are two different things. Wishes become a reality when the deeds are directed for their fulfilment. MSME sector is a victim of apathy because of the above mentioned contradiction. Don't we have many schemes for MSMEs till now? If yes, why we are still debating to devise or design more and more about MSME specific schemes even after about 68 years of Independence? When many plans already exist, then where did we fail? I prefer to put forth my views point-wise.

There is a gap between schemes and implementation of the schemes for MSMEs. This is reflected in

- (i) Financing and recovery by bankers
- (ii) Lack of market support

(iii) Lack of road map for equal spread of MSMEs

(iv) Lack of co-ordination among all the stakeholders

Let me elaborate the above points-

Firstly, the governments, Central and state, financial institutions like RBI directed and at times put pressure on banks to finance MSME units. Schemes like CGTMSE, schemes and incentives under SC, ST corporations, institutions like KVIC, DRDA – all linked with banks for finance. Here comes the contradiction at the time of recovery or declaring the units NPA. Many problems faced by an entrepreneur are not considered by bankers at the time of recovery. This has to be resolved for the proper implementation of schemes.

Secondly, for the success of any enterprise, market support is crucial. Finding buyers for the produce fighting the globalised market is a tough job for MSME units. Though governments issued GOs to issue priority for the purchase from local MSMEs, they are not honoured by the government departments and their subsidiaries. This has to be resolved for the success of any scheme.

Thirdly, the plans and schemes by governments are made for state level and lack district or regional perspective. This is reflected in not having proper road map at the district level or regional level, to exploit the local resources and build MSM units. In many cases there is no effort for skill development so that MSMEs

MSME-specific schemes fail?

get proper technical support. This is another crucial aspect.

Last but not least, all the stakeholders, namely, the government departments- industry, power, labour and taxation; bankers and the industry associations are not having common understanding on the problems in the implementation of schemes. There is no regular effort to get data, feedback and interaction between the stake holders.

These problems and contradictions can be resolved provided the governments have a strong will to save this ailing sector. These are a few solutions which can play a pivotal role in rejuvenating MSME sector. They are-

1. There should be proper allocation for MSME schemes in the budget itself.

2. Transparency Procurement Act should be enacted to make the purchase mandatory for the government bodies from local MSMEs.

3. Government should directly purchase from micro and small units which are granted under CGTSME.

4. Special State Level Bankers Com-

mittee (SLBC) should be constituted for MSMEs and there should be regular monitoring.

5. Industry department should convene quarterly meetings regularly with all concerned government departments, bankers and industry associations.

These few aspects can help MSME schemes run properly. Entrepreneurs and industry bodies has a role to play by pressurising the state governments and the centre to act in this direction. If it does not happen now, another generation of entrepreneurs will not only lose their sweat and blood but also hope on the system which does not come to their rescue, which is not at all good for industry.

Arani Prashanth Kumar Reddy
(APK Reddy),
National President
(FSME- India)
Ph.9642088889
apk.reddy988@gmail.com



Well begun ^{is} half done

On 2nd July Telangana state celebrated its first year of inception. One year period is neither too long, nor too short. For any new state the first year will pass on just in discussions and deliberations on poli-

cies and the course of action will follow in the last two years of the tenure of the elected governments. Telangana government has created history of sorts on many counts by eliminating the gap between promises and actions.

Industry was in disarray in the last tenure of assembly due to political instability, power crisis and various other reasons. Bringing back the situation into order is a herculean task for any new government that too in a newly carved

state. Telangana government led by K Chandrasekhar Rao, in one year of its governance, could create optimism and hope for the entrepreneur and the industrial class in the state. This could be achieved because of the conceptual prowess and the committed action of the government.

First and foremost is the honest and sincere will to resurrect industry. KCR and his ministerial colleagues made determined efforts to understand the issues to find solutions pertaining to industry. The Chief Minister himself invited and interacted with the industry associations and industrialists to know the issues. From day one the government was keen in including all the stakeholders in getting inputs and policy making which gave a fill up in the gap which existed for a long time between industry and government.

It is not misplaced to mention the unforgettable experience of FSME-India and its leadership during such interaction sessions with K Chandrasekhar Rao and his ministers. Governance is not just making laws and issuance of official orders. Ministers interacting with the industry bodies continuously is definitely an extra effort which makes governance much better.

Second is the pragmatic approach of the government and the bureaucracy in devising the policy and making the official machinery move in that direction. Telangana state, in its first year needed the most is a motivated officials and departments to bring in the policy and framework to resurrect the industry from shambles. The determined leading team at the highest level of bureaucracy could help the vision of KCR on industry to get translated into New Industrial Policy and TS-iPass. Involving industry bodies including FSME-India in the meetings ASIDE and many forums shall prove beneficial to industry in the long term.

New ideas like 'Dry Ports' for Telangana which has no sea coast was suggested by FSME leadership in the meetings, and was included in persuasions and proposals by the officials. This brings the industry bodies closer to bureaucracy in partnering the growth.

Third is inclusiveness on various fronts has become the hallmark of governance in Telangana. All the sectors of industry, whether it is MSME sector or major industry or service sector- started feeling inclusive which was absent in the past. Big investments in aviation sector are as dear as the growth of MSMEs for any state to develop on industrial front. Inviting major investments into sectors like aviation,

Pharma on one side and working for the growth of MSMEs with measures like creating infrastructure in industrial parks and opening up of marketing avenues with bringing in e-commerce giants like Amazon into state, which helps MSME sector, on the other.

Inclusiveness of MSMEs, SCs and STs and OBCs by making provisions at various levels is another victory. Announcing a Rs 200 crore-corporus fund for Dalit entrepreneurs declares the vision and commitment in this direction. By partnering the Dalit Industry Chamber of Commerce and Industry and announcing exclusive incubation centres for Dalit entrepreneurs has made the TS government dearer to the oppressed sections. Incentives to OBCs similar to SC/STs cover the majority populace and invite them to the world of entrepreneurship.

Fourth is good governance. One year is too short for both the governments to prove and the critics to judge. For a new government, this period is spent in understanding and adjusting themselves. In Telangana, which is a new-born state with a new government, many did not expect to do wonders in industry sector. Amazingly, the KCR government, not only brought back the hope but also proved in terms of governance by plucking the loopholes and issuance of orders.

Significant achievement is tackling the power crisis- which made the life of an entrepreneur hell as many NPAs owe to power crisis. In the first year itself the government could overcome power crisis by adopting short term measures like purchase from other states and long term goals like installing new power plants. Even during peak summer, both the industry and the agriculture sectors could feel the improvement in the situation in Telangana.

Immediate measures like waiver of R & C penalties of Rs 135 crore may not burden the government exchequer much but it definitely boosts the hopes of the fallen entrepreneur.

We congratulate and thank the Telangana government for introducing an industry-friendly New Industrial Policy and TS-iPass which has brought back the glitter for the entrepreneur. Entrepreneur in MSME sector needs "Confidence & Security", which only a good government could provide. As the journey of the new state and new government is just one year-old, the entrepreneur, with all smiles for the actions in the past one year is waiting with hopes for a glorious industry with no hassles and NPAs in Bangaru Telangana.



for setting up of New Industrial Enterprises in Telangana State


T-IDEA (Telangana State Industrial Development and Entrepreneur Advancement) Incentive Scheme 2014

INDUSTRIES AND COMMERCE (IP & INF) DEPARTMENT

G.O.MS. No. 77 Dated: 09/10/2015

The Telangana State Government will consider providing incentives to the entrepreneurs in the following areas under its T-IDEA (Telangana State Industrial Development and Entrepreneur Advancement) incentive scheme:

1. Reimbursement of Stamp duty, Transfer Duty, Mortgage & Hypothecation duty
2. Reimbursement of Land cost in IE/IDA/IP's
3. Reimbursement of Land conversion Charges
4. Reimbursement of Power consumption Charges
5. Investment subsidy
6. Seed capital for 1st generation entrepreneur
7. Reimbursement of Tax
8. Reimbursement on the expenses incurred for quality certificate/Patent Registration
9. Reimbursement on specific cleaner production measure.
10. Reimbursement of costs involved in skill up gradation and training
11. Pavala Vaddi
12. Reimbursement of infrastructure development costs



mit their claims in the prescribed application form given at Annexure – XI for Reimbursement of Sales Tax within six months after completion of every half year i.e., last date for filing claim application is 31st of March for first half-year and 30th of September for second half-year along with the documents mentioned in the Application to the General Manager, District Industries Centre concerned on half yearly basis through MEE SEVA.

Reimbursement on the expenses incurred for quality certification/patent registration

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure - XII for Reimbursement of the expenses incurred for quality certification/patent registration within six months from the date of obtaining quality certification along with required documents mentioned in Application, to the General Manager, District Industries Centre concerned through MEE SEVA.

Reimbursement on specific cleaner production measures

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure - XIII for subsidy on specific cleaner production measures within six months from the date of commencement of commercial production along with required documents mentioned in Application, to the General Manager, District Industries Centre concerned through MEE SEVA.

Reimbursement of cost involved in skill up gradation and training

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure - XIV for Reimbursement of cost involved in skill up gradation and training the local manpower within six months after completion of such training programme along with required documents mentioned in Application, to the General Manager, District Industries Centre concerned through MEE SEVA.

PAVALA VADDI

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure - IX for Pavala Vaddi within six months after completion of every half year i.e., last date for filing claim application is 31st of March for first half-year and 30th of September for second half-year along with the documents mentioned in the Application to the General Manager, District Industries Centre concerned on half yearly basis through MEE SEVA.

INDUSTRIAL INFRASTRUCTURE DEVELOPMENT FUND (IIDF)

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure – XV for financial assistance before date of commencement of commercial production or within six months from the date of commencement of commercial production along with required documents, to the General Manager, District Industries Centre concerned through MEE SEVA.

Incentives under GO MS No. 78 of Telangana Govt.

T-PRIDE

(TELANGANA STATE PROGRAM FOR RAPID INCUBATION OF DALIT ENTREPRENEURS) INCENTIVES SCHEME 2014

APPENDIX

(G.O.Ms.No.78, Industries & Commerce (IP & INF) Department, Dt.09.10.2015)

INTRODUCTION

To promote Telangana as the best investment destination for investors in India, the State Government will offer various incentives/benefits to all new industrial enterprises set up by Scheduled Caste and Scheduled Tribe entrepreneurs in the State. Projects involving substantial Expansion / Diversification of existing industries in the eligible lines of activities are also entitled for benefits offered under the policy notified vide G.O.Ms.No.29, Industries & Commerce (IP&INF) Department, dated: 29.11.2014.

INCENTIVES OFFERED UNDER THE SCHEME

MEESEVA

The Incentive Claim applications filed by the unit through the Meeseva centers started since July, 2013.

This request can be accessed by the Department with the following required documents:

- 1) Mee Seva application form
- 2) Department claim application form 9 The Service Level is 30 days for Micro and 60 days for remaining nature of enterprises / industries.

Competent authority will be changed based on Nature of enterprise / Industry. District Industries Centre, General Manager is Competent for MICRO industries and Joint Director at COI level is competent for other types of Enterprises / Industries.

This facility will be made available online on TS-iPASS website and separate instructions will be issued for this purpose.

1. Reimbursement of Stamp duty, Transfer duty, Mortgage & Hypothecation duty

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure-VI for reimbursement of stamp duty, transfer duty, mortgages and hypothecation duty

within six months from the date of commencement of commercial production, to the General Manager, District Industries Centre concerned through Mee Seva.

2. Reimbursement on land cost in IEs/IDA/IPs

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure – VI for Reimbursement on land cost within six months from the date of commencement of commercial production, to the General Manager, District Industries Centre concerned through Mee Seva.

3. Reimbursement of land conversion Charges

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure- VI for reimbursement of land conversion charges within six months from the date of commencement of commercial production, to the General Manager, District Industries Centre concerned through Mee Seva.

4. Reimbursement of Power consumption Charges

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure - VII for Reimbursement of Power cost within six months after completion of every Half-year i.e., last date for filing claim application is 31st of March for first half year and 30th of September for second half year along with the documents mentioned in the Application to the General Manager, District Industries Centre through Mee Seva concerned on half yearly basis.

Investment subsidy

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure – VIII for investment subsidy within six months from the date of commencement of commercial production, to the General Manager, District Industries Centre concerned through Mee Seva. **d Capital Assistance**

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure – X for Seed Capital Assistance within six months from the date of sanction of term loan by the Financial Institution, to the General Manager, District Industries Centre concerned through Mee seva.

Reimbursement of Tax

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure – XI for Reimbursement of Sales Tax within six months after completion of the Every Half year i.e. last date for claiming application is 31st March for the 1st Half Year and 30th of September for 2nd Half Year along with required documents mentioned in the Application, to the General Manager, District Industries Centre concerned on Half yearly basis through Mee Seva.

Reimbursement on the expenses incurred for quality certification/patent registration

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure - XII for Reimbursement of the expenses incurred for quality certification within six months from the date of obtaining quality certification along with required documents mentioned in Application, to the General Manager, District Industries Centre concerned through Mee Seva.

Reimbursement on specific cleaner production measures

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure - XIII for subsidy on specific cleaner production measures within six months from the date of commencement of commercial production along with required documents mentioned in Application, to the General Manager, District Industries Centre concerned through Mee Seva.

Reimbursement of cost involved in skill up gradation and training

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure - XIV for Reimbursement of cost involved in skill up gradation and training the local manpower within six months after comple-

tion of such training programme along with required documents mentioned in Application, to the General Manager, District Industries Centre concerned through Mee Seva.

PAVALA VADDI

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure - IX for Pavala Vaddi within six months after completion of every half year i.e., last date for filing claim application is 31st of March for first half-year and 30th of September for second half-year along with the documents mentioned in the Application to the General Manager, District Industries Centre concerned on half yearly basis through Mee seva.

Women entrepreneurs

These provisions are applicable for Micro / Small Enterprises set up by Women entrepreneurs.

- Micro / Small Enterprises wholly promoted by Women entrepreneurs as proprietor / partnership / private limited company as sole Proprietress are eligible or invariably having 100% share in Partnership/Private Limited Companies are eligible as per the G.O.Ms.274 Industries & Commerce (IP) Department, dated: 16/08/2008.

Allotment of Land to SC/ST Entrepreneurs by the Telangana Industrial Infrastructure Corporation:

Land will be allotted to SC/ST Entrepreneurs in proportion to the SC/ST population in the State. The subsidy component involved in allotment of lands to SC/ST entrepreneurs is as follows:

- The land will be allotted on lease basis for a period of 10 years with lease rent @ Rs. 100/- per annum per acre or part thereof

INDUSTRIAL INFRASTRUCTURE DEVELOPMENT FUND (IIDF)

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure – XV for financial assistance before date of commencement of commercial production or within six months from the date of commencement of 15 commercial production along with required documents, to the General Manager, District Industries Centre concerned through Mee Seva.

T – IDEA Incentives under ‘Pavala Vaddi’ Scheme

(As per GO MS No. 77 of Telangana Govt.)

PAVALA VADDI

All eligible industrial Enterprises shall submit their claims in the prescribed application form given at Annexure - IX for Pavala Vaddi within six months after completion of every half year i.e., last date for filing claim application is 31st of March for first half-year and 30th of September for second half-year along with the documents mentioned in the Application to the General Manager, District Industries Centre concerned on half yearly basis through MEE SEVA.

- Interest subsidy under Pavala Vaddi Scheme on the term loan availed on the fixed capital

- Investment by New Micro and Small Enterprises in excess of 3% per annum subject to a maximum reimbursement of 9% per annum for a period of 5 years from the date of commencement of commercial production.

- This facility shall be applicable to the Term Loan availed on Fixed Capital Investment by all eligible new Micro and Small Enterprises only.

- a) Minimum 3% interest per annum should be borne by the Enterprise.

- b) Over and above 3% interest per annum reimbursement will be done to the

- extent of 9% maximum i.e. in case an interest up to 12% interest per annum

- for a period of 5 years from the date of commencement of commercial production under Pavala Vaddi Scheme.

- c) Over and above 12% interest per annum, the enterprise has to bear.

This facility is not applicable for expansion/diversification projects

.Eligible servicing and repairing enterprises for reimbursement of Interest Subsidy under Pavala Vaddi Scheme:

- (a) Auto Servicing and / or repairing units; (b) Retreading units; (c) Industrial material testing laboratories; (d) General engineering machining workshops; (e) Common effluent treatment plants; (f) CAD and/or CAM; (g) Cold storage; (h) Heat treatment, Electroplating and Galvanizing units; (i) Seed processing units; (j) Xerox units set up with institutional finance only and (k) Desk top printing units.

- The new enterprises & industries under T-

IDEA Incentive Scheme 2014, availing term loan Scheduled Commercial Banks / Financial Institutions recognized by Reserve Bank of India, A. P. State Financial Corporation (APSFC-Telangana Unit) and Small Industrial Development Bank of India (SIDBI) only are eligible under this scheme.

- The Interest amount paid by the new eligible enterprises & industries to the Financial Institutions/Banks on the term loan availed will be reimbursed with a maximum limit of 9% on half yearly basis through the Financial Institutions/Banks concerned. Benefit will be available for a period of five (5) years from the date of commencement of commercial production.

- The sanctioned term loan disbursed within six months from the date of commencement of Commercial production has to be part and parcel of original Term Loan sanctioned. Second Term Loan is not eligible under the Scheme.

- The reimbursement of interest will be considered only from the Date of Commencement of Commercial Production onwards whatever the interest liability is for moratorium or regular loan.

- This reimbursement to the Enterprise/Industry shall not include penal interest, liquidated Damages etc. paid to the Financial Institutions / Banks.

- The benefit shall be extended only to the eligible new enterprises/industries, which are regularly repaying the Loan installments of principal & interest.

- The loan accounts that are classified as overdue in the books of the bank at the time of half- Yearly closing and that which are classified as Non-performing Assets at year-end closing are ineligible. However, if they resume on-time repayments and regularize the arrears, they are eligible for the incentive in the next half-yearly period. For this purpose the banker has to certify that the repayment is regular and the Account is standard and the same certificate is to be enclosed along with claim application.

- After receipt of the Reimbursement of Interest amount through RTGS/NEFT by the Bank branch concerned from Commissionarate of Industries account, the amount shall be disbursed to the industrial Enterprise immediately.



NPA's

whom should we blame?

The MSE target in terms of share of credit to Micro stands at an impressive 60 per cent as per projections by the Prime Minister's Task Force. However, the ground realities are far from the recommendations considering that as of March 30, 2013 it stands at an abysmal 35.23 per cent. Even more tragic is that of the 1,948 sick units that were reported to be potentially viable, only four units are being considered for rehabilitation. Who is to be blamed for this sorry status? The government of the day, the ministry of industries or will it be the hapless entrepreneur, who will shoulder the burden after being made the scapegoat?

The fact of the matter is that the government gives with one hand and takes away more than that with the other. The double standards are glaringly on show and depressingly lamentable. On the one hand, one wants industries to grow so as to thrust to the economy. Banks, as a contributory obligation, magnanimously dish out loans, quite sparingly at that. Unfortunately, the system is such that during crisis times rather than bail out the industry-customer, the banks very ruthlessly serve notices cautioning against seizure of assets for continued non-payment.

The State Government vowed uninterrupted power but industries received just three days of supply in a week for over 18 months. Orders piled up but entrepreneurs could not deliver and for obvious reasons. The supply was always short of the demand because of non-productivity in the absence of the required power supply.

“Instead of coming to our aid, the government imposed FSA. The hike was 24 to 40 per cent for small and medium enterprises. Over all, the proposed industrial tariff was 60 per cent higher than the cost of service against the 20 per cent that has been recommended by the National Tariff Policy,” rues Ramesh, an entrepreneur from Cherlapally.

There is a rehabilitation package scheme but it is not implemented in letter and spirit. The Reserve Bank of India (RBI) meets every quarter but the decisions taken in the meetings are never implemented and remain more of lip service.

The Union Government has mandated that banks improve the

percentage of micro advances to MSEs to 60 % as envisaged by the PMs Task force. Andhra Pradesh cuts a sorry figure on that count. As of June 25, 2013, the percentage, which was 36.35 in the previous fiscal, nosedived to 35.23. What is more appalling is the lack of a willingness to enforce the grandiose schemes.

Situation alarming

The total number of sick units in Andhra Pradesh for the quarter ending March 2012, stood at 54,799 with an outstanding credit of Rs 927.71 crores as against 7,352 sick units with outstanding amount of Rs 787.77 crores as of December 31, 2012.

Banks included service sector units as part of the rehabilitation of sick Micro and Small enterprises. However, it is only in numerical terms as there is an increase in the number of units in the package but nothing beyond that. There are 45,553 units for which viability is yet to be decided, although the same has to be gone about within three months from the date the unit report sick.

The banks are advised to improve the disbursement ratio, which stood at 65.21 per cent for the year ended March 31, 2013 against the target ratio of 96.55 per cent. Of the 3,126 projects targeted, only 3,018 projects were sanctioned and 1,968 disbursed.

Scheme only on paper

The Small Scale Sick Industries Revival and Rehabilitation Fund (APSSSIRF) mandates that the government should earmark budgetary allocations for rehabilitating sick SSIs. The entire fund shall be drawn before the end of the third quarter and kept at the disposal of Commissioner of In-

dustries. Necessary funds to operate the scheme on behalf of the agencies shall also be provided in the budget allocation of Industries and Commerce Department. Sadly, not even a single unit has been rehabilitated till date. Although Rupees seven crore fund is available with APSFC, it is yet to bail out a single unit. SLIC meetings a mere formality.

The meetings that the Reserve Bank of India conducts every quarter have turned into a mere formality. They spell out recommendations but no concrete steps are taken to get them implemented. In the process, the Commissioner of Industries has turned into just an advisory body, bereft of any administrative power.

Unless a proper plan is put in place and powers be bestowed upon the Commissioner of Industries, the situation would remain as pitiable as it exists now. The neighbouring states have a Transparency Procurement Act in place. But, the Andhra Pradesh Government is still to consider such an Act, which could actually help in saving the small, medium and micro enterprises that constitute the backbone of the economy. More than advising the banks to extend loans, concerted efforts ought to be taken to put the decisions taken at SLIIC meetings into action. For that to happen, a revamp of Office of the Commissioner of Industries is the order of the day.

Rehabilitation-What is that?

We present case studies of some units that have tremendous potential but are now struggling to survive in the absence of State support and the unrest over Telangana.

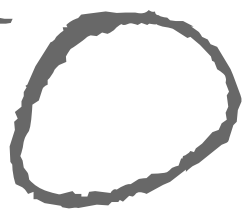
SLIIC – Has no teeth

The State Level Inter Institutional Committee meets every quarter at the Commissioner of Industries office. Right from the Regional Director, RBI, Principal Secretary, Industries, Commissioner of Industries, APIIC, SLBC convenor, bank managers and representatives of SIDBI, KVIC industrial associations and federations take part in the meetings. Several decisions are taken in the meetings and in-depth discussions take place on the ailing industrial units but in the last 10 years not a single industrial unit has been rehabilitated. It has become merely an advisory body, if the decisions taken at the meetings are not implemented there is no action and no one is accountable.

Exit policy

There is a need for an exit policy for the MSME sector. Once a unit becomes an NPA, it is doomed. There is a need for introducing a proper exit policy. With no window to exit, the land

DINTS



PONDER

Distinguish between 'wilful' and non-wilful' defaulter

There is a need to distinguish between 'wilful' and 'non-wilful' defaulter. To paint everyone with the same brush tantamount to injustice.

There are several industrial units that have been declared NPA but whose credentials are good. Due to reasons which were not under their control they have turned into NPAs. Many industrial units who had orders in hand could not deliver due to power crises and fell into the NPA trap.

Previously banks would declare an industrial unit after closely monitoring for a year; it was then reduced to 180 days to 90 days. Today just after 30 days, banks start monitoring. The Nayak and Chakravarty committee recommendations have no meaning today. The Sarfaesi Act should be used sparingly and banks should first analyze under what circumstances the industrial unit faulted. Many a time the entrepreneur has payments pending even from the central and state governments. The banks should look into the credibility, order book and payments to be received before implementing Sarfaesi.



Delay Payment Act

Many of the units in MSME sector supply a variety of manufacturing goods to the central and state government. In many cases, the payments take months and at times years. Banks need to consider this aspect before declaring a unit NPA.

Infrastructure

Land should be allotted at low rates if the industry is to grow.



Preventive NPA

There is a need to make the preventive NPA to come into force. The District Industries Promotion Committee (DIPC) headed by the Collector who is the chairman along with District Level Banking Committee (DLBC) need to become pro-active.

Preventive NPA

Proposal and sanction

At the time of sanction, the term loan and working capital are separated but the moment a unit is declared an NPA, banks just transfer the funds. The entrepreneur has every right to be informed.

The bank manager should have the right to transfer the funds from term loan and working capital towards interest.

There is a dire need to incorporate a corpus fund and the banks should make it mandatory right at the proposal stage itself before sanctioning loans. A corpus fund will also boost the confidence of the entrepreneur.

Marketing the bank

The SME sector relies to a great extent on the automobile sector and supplies products. For instance, the procurement is heavily on the automobile sector. The Procurement Act which has been in force since states is non-existent in AP. It should be made mandatory in AP. Instead of making it mandatory in AP, Insolvency and Bankruptcy Code (IBC) for SMEs, multinational companies and government issued GOs for marketing to MSME sector, but it is not working. If they are questioned they blame it

Term loans and working capital

The moment a unit is declared NPA, banks are forcing the entrepreneur to pay up interest and the money is taken from the working capital. This is in spite of the collaterals. At the time of sanction the bank provides a provision for separate sections for term loan, working capital, bank guarantee and letter of credit. But after a unit is declared as an NPA, bankers just remove the funds from the above as part of interest.

...e of the SME sector
...eat extent on major industries
...nstance, the foundries rely
...sector. The Transparency
...been implemented in other
...There is an urgent need to
...stead of giving orders to the
...ies are given priority. The
...major industries to give orders
...t mandatory. When officials
...t on 'beneficiary choice.'

Industrial Policy

Every five years an industrial policy is announced but there is no clarity in several issues such as: cash, tax incentives, land, power. Neither is there a budget nor targets for the MSME sector. From 2003 to 2013 not a single industrial unit was rehabilitated, although Rs 7 crore budget was allotted.

Need for a sub-plan for MSME

The ailing MSME sector needs a sub plan on the lines of SC, ST in AP. The sector has potential, what it lacks is a strategic road map to take it to greater heights.

T-Hub

a Start-up heaven

Promising future for innovators, start-ups





T-Hub is the ‘first look of the new India of tomorrow,’ opined Ratan Tata, chairman emeritus of Tata Sons, while inaugurating T-Hub project initiated by Telangana Government. In a country where intellect lacks supporting eco- system, youngest state of the country, Telangana facilitating start-ups is very poetic. November 6, engraved an important mile stone in the history of innovation in the country, with T-Hub coming into existence.

“Walk in with an idea, walk out with a product”, is the slogan of this project, with an aim to make Hyderabad ‘The Technology Start-up Capital’ of the country. TS-iPASS which has initiated a new administrative culture towards industry is followed by the activities like T Hub.

Tata Sons Chairman Emeritus Ratan Tata and Governor ESL Narasimhan on Thursday inaugurated the first phase of T-Hub, the start-up incubator of Telangana. The incubator, the largest in the

Vision of T-Hub

Under the leadership of K Chandrasekhar Rao, propelled by Minister of Panchayat Raj & IT KT Rama Rao and Minister of Industries Jupally Krishna Rao, T-Hub is conceptualised and transformed into reality. It aims to

- Make Hyderabad ‘The Technology Start-up Capital’ of the country
- Accelerate the growth of technology start-ups
- Create a unique, futuristic & transformative brand for Telangana
- Young, bright, innovators to begin start-ups and become successful innovators and entrepreneurs
- Encourage the growth of local economies providing a mechanism for technology transfer
- Provide viable ecosystem of quality infrastructure, mentors, funders and network.



country for start-ups, is located at the International Institute for Information Technology (IIIT) at Gachibowli, and offers 70,000 sq feet area with infrastructure to start-ups willing to pay a fee to use the facility. This 'Catalyst' building of T-Hub is a public-private enterprise initiated by the State government.

Ratan Tata in his inaugural address, speaking after inaugurating the Catalyst as well as the T-Hub ecosystem said, "Enterprises are built on innovations. I grew up in an environment where the boss would tell you to first gain some experience before you talk. It is not the case today. If there are good ideas, you need to find a

Features of T-Hub

- Phase I at IIT Hyderabad spread over 65,000 sq. ft area with a state of art infrastructure which can accommodate 170 start-ups and 800 individuals
- Phase II will be the one of the largest incubation centres spread about 3,00,000 sq.ft area accommodating 850 start-ups and 4,000 individuals
- Incubators and industry players under the same roof
- Quality infrastructure, monthly networking events, customer connect
- Building designed for Energy conservation with green building strategies
- Brakes away from the standard operating office with a newly creative atmosphere
- Ultimate innovative design strategies



way to implement them,” he said, adding that those with passion and innovation would certainly succeed. He predicted that the next big breakthrough would be in the field of life sciences. Asked about his views on the raging debate on alleged intolerance in the country, he refused to be drawn into the controversy but pointed out, “People in this country have lived together for centuries in communal harmony and would continue to do so.”

Governor ESL Narasimhan speaking at the inaugural, suggested that the State pay equal attention to rural talent and said, “Apart from IT, we need to look at innovations in societal requirements.”

“This is not a building. It is an ecosystem, an incubator of incubators. Representatives from giants like Google, Microsoft, Nasscom and various incubators of universities will co-exist here. It is the first-of-its-kind government initiative and it is not for profit,” said KT Rama Rao, Telangana IT Minister. He said that a board comprising industrialists and entrepreneurs would guide the T-Hub. “The Government

won’t interfere in the functioning of the T-hub and will function independently. It will be a model incubator when the second phase is also completed,” Rao said. The second phase will be set up with another Rs 150 crores and the facility will offer over 3 lakh sq feet space. Admitting that the failure rate of start-up companies was quite high, he claimed that materialization of a few ideas or concepts would generate employment for several thousands of youth. He hoped the next big breakthrough in technology would come from India, possibly from Hyderabad.

The T-Hub is a unique public-private partnership between the government of Telangana, three academic institutes-IIIT-H, ISB and National Law University, Nalsar- and key private sector leaders. These entities have come together with a clear vision to create an innovation ecosystem centered around Hyderabad, leveraging the City’s traditional strengths in technology, education and entrepreneurship, as well as its position as a preferred destination for multiple national and international businesses across sectors.

The first phase is known as Catalyst. At least

140 start-ups are expected to start at the Catalyst facility and will get a minimum of six months times to establish themselves after which they will move out to allow freshers to come in. T-Hub is designed to support technology-related start-ups, and its mission is to catalyse the creation of one of the tightest and most vibrant entrepreneur communities in the world in order to encourage and fuel more start-up success stories in India.

T-Hub hopes to attract the best start-ups and entrepreneur organizations from across the world to Hyderabad; Work with an extensive network of partners to help entrepreneurs launch and scale innovative companies; Equip innovators and organizations alike with the entrepreneurship skills required to succeed, using methodologies that transcend traditional learning; and Link, educate and promote all entrepreneurship-related stakeholders in Hyderabad and Telangana, including start-ups, investors, incubators and accelerators, research centres, start-up resources etc. in order to facilitate faster connections between talent, ideas and capital.

The sprawling world-class building will bring the Hyderabad start-up community together by providing a platform for entrepreneurs, mentors, investors and academia to interact and collaborate. By connecting start-ups to top mentors, investors,

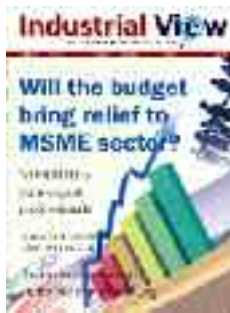
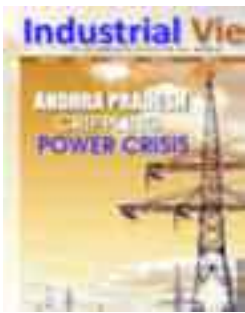
organizations and academia, T-Hub will help every entrepreneur realize their dream. T-Hub's vision and execution capabilities, coupled with industry and academia support will drive economic and social prosperity through entrepreneurship, and make T-Hub a vital node in the network of global innovation hubs.

"This is the biggest start-up incubator in the country. We, at Nasscom, would work with it to bring in the benchmark ecosystem," Nasscom Chairman BVR Mohan Reddy, who is also on the Board of Directors of T-Hub, said. The hub has signed MoUs with Nasscom and the Internet and Mobile Association of India (IAMAI) that would bring in 10X accelerator to Hyderabad.

Chief Secretary Sri Rajeev Sharma, ITE & C Department Secretary Sri Jayesh Ranjan, senior officials of Telangana government, members of T-Hub Board of Directors, industry leaders, start-up community constituents also graced the occasion.

When the idea is big and determination is evident, the slogan of the T-Hub, 'Come, make your future here' will not be an empty promise but a declaration for the bright future for the innovators, entrepreneurs and the technology sector. Where young minds think and interact freely in a creative atmosphere, the winds of change are not too far.

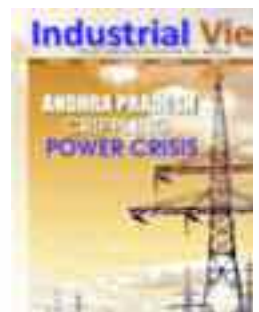
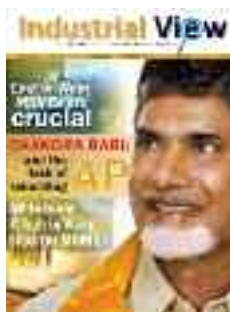




Industrial View

First and only platform for MSMEs

To Subscribe: contact 9963777915, 9642088889





TS-iPASS

Attracting investments
in a big way



A unique industrial policy, as claimed by the Telangana government has started yielding results. Continuous and consistent applications for investing in the state have boosted the morale of the administration. In the fifth phase, Jupally Krishna Rao, Minister for Industries, Handlooms, Handicrafts and Sugar, issued approvals to 14 industries consisting mainly of Solar, Pharmaceuticals and Aerospace, Food and other Industries on December 22.

This is the fifth phase of the TS-iPASS approvals since the launch of the Policy by the Chief Minister of Telangana K Chandrashekar Rao in Hyderabad. The total investment coming through this phase is 1118.62 crores and will create

7079 jobs in Medak, Mahbubnagar, Nalgonda, Nizamabad and Ranga Reddy districts.

So far under TS-iPASS, 1013 units have been given permission, with the investments received are about 25972.28 crores, and the employment to be generated is around 76314.

The Minister while speaking to the industrialists congratulated them for establishing their units in Telangana. He explained that even in developed-western countries they take not less than 30-45 days approximately. He said no industrial/ Entrepreneur is suffering on account of waiting for permissions in the state.

He requested the industrialists that at least 70-80% jobs should be given to locals. He also promised that if the indus-

tries can provide the information of the requirement of skilled, technical, non-Technical, semi-skilled, the department shall train the youth to be employed in the upcoming industries.

Representatives from the aerospace company, Shapurji Palonji, Mahi Granites, Vintage coffee Pvt Ltd, appreciated the efforts of the state government in creating conducive atmosphere for the industry.

Now, it is for the other departments and financial institutions to promote micro, small and medium enterprises in Telangana, creating a huge network of smaller units which can depend upon these major enterprises for marketing support as ancillary units.



Amazon in

Telangana

SMEs to get help



Telangana and e-commerce giant Amazon entered into a distinctive agreement on 8th April, with largest investment in infrastructure in any single state, to date, by Amazon in India. With the opening of a Fulfillment Centre (FC), spread over 280,000 square feet near Kottur, on the outskirts of Hyderabad, the Amazon Seller Services Pvt Ltd (ASSPL) announced fresh investments in the state. This fulfillment centre in Hyderabad will be the largest in India.

Amazon also signed a Memorandum of Understanding (MOU) with the Telangana State Government to train thousands of sellers across the state in e-commerce and take advantage of the digital economy. Under the MOU, Amazon India will offer trainings to SMEs through seminars, workshops, video aids and ready reckoners on how to list & manage inventory for an e-commerce business.

The Fulfillment Center at Kottur will allow Amazon.in to offer its 'Fulfillment by Amazon' (FBA) service to thousands of small and medium businesses in the state and help them gain access to customers across the country. It will also enable faster and quicker delivery of products to Amazon.in customers at low operating costs.

E-commerce which is growing in both volume and popularity is one new trend MSME sector has to catch up. Small and medium units which lack storage facilities, marketing network can gain from this.

Commenting on the announcement K T Rama Rao, Minister of Information Technology, Telangana State said "We believe that the Fulfillment by Amazon (FBA) service plays a very critical role in the growth of the SMEs in the state. Hyderabad, being centrally located has a geographical advantage, making it an ideal logistics hub. The fact that Amazon is setting up their largest warehouse here is a testimony to that". He also said that, it amplifies their reach at very low operating costs and gives them a level playing field with the big sellers.

The minister expressed hope for a boost in local employment and entrepreneurship as the demand for ancillary industries such as packaging, transportation, logistics, and hospitality will grow.



We are very excited that Amazon has decided to invest their biggest Warehouse in Telangana. We have passed the TS iPass bill in our Assembly that ensures self-certification and deemed approval of all clearances within 3 weeks of application for any Mega Project. For Amazon, we have given all clearances in 11 days, well within the guaranteed time. We are making all efforts to make Telangana an investor friendly state."

**-K Chandrashekar Rao,
Chief Minister Of Telangana**



“We also want more and more sellers across the state to adopt the tools of the new age economy and the trainings that Amazon will provide will be good start to that”, he said.

Small and medium units in Telangana should catch the trend of e-commerce to gain more and more markets. This would reduce costs on establishments and logistics and at the same time widen market to a local small and medium producer. Entrepreneurs producing consumer goods, handicrafts and other items should grab opportunities through widening of markets. Amazon’s marketplace (www.amazon.in) has grown to be India’s largest store with over 21 million products from a consistent growing base of thousands of small and medium-sized businesses, serving millions of customers across India since its launch in June 2013.

The MoU between the Government Telangana and Amazon was signed in the presence of Rajiv Sharma, Chief of Telangana and K T Rama Rao Minister for IT. With the opening of the new FC in Telangana, Amazon will have 11 FC’s operational across nine states in India covering a total of over one million square feet space with a storage capacity of over 2.5 million cubic feet.

“We believe that the Fulfillment by Amazon (FBA) service plays a very critical role in the growth of the SMEs in the state.”

*-K T Rama Rao,
Minister of Information Technology,
Telangana*



*Will open markets for SMEs: Amazon
The World-class fulfillment
infrastructure and customer service will
allow Amazon to do the heavy lifting for
the thousands of small & medium sellers
from the state and help them grow
profitably.”*

*- Dave Clark,
Senior Vice President
Worldwide Operations and
Customer Service at Amazon*

How Amazon caters to small & medium units

- Amazon.in offers the most comprehensive suite of services to sellers which meet their requirements at every stage of their business lifecycle. It has already impacted the lives of over 100,000 sellers across the country by providing them services like Self Service Registration (SSR) that provides sellers an accelerated and friction-free path to sell on Amazon and reach nationwide markets
- Amazon Easy Ship, assisted shipping service wherein sellers can leverage on Amazon’s investments in logistics to have their orders shipped straight from their own warehouses
- Pay by Amazon wherein sellers can offer their customers a trusted and convenient payment option thereby increasing conversions
- Fulfillment by Amazon (FBA) wherein sellers can store their products in Amazon’s warehouse and the company packs and deliver the orders to customers plus provides customer service and manages returns.
- To facilitate seamless management for seller’s on-the-go, Amazon recently introduced the Amazon Seller App that enables direct buyer-seller communication, order notification, order details, shipment confirmation and order fulfillment notifications through mobile devices. These services help sellers reduce their operational costs and boost sales.
- As the profit margins increase, sellers pass on these benefits to consumers in the form of reduced prices.
- Customers on www.amazon.in and Amazon’s mobile shopping application can shop anywhere with ease and confidence across a broad range of categories including books, e-books & Tablets, movies & TV shows, kindle devices, computers & accessories, mobiles & accessories, consumer electronics, toys & games, baby products, health and personal care products, watches, fashion jewellery, home & kitchen products, beauty products, video games, music, luggage & bags, handbags & clutches, sports, fitness & outdoor equipment, shoes; men, women & Kid’s wear and more.

SMEs, do utilize marketing opportunities

Government of Telangana and Amazon India has come together to provide marketing opportunities for SMEs. Jayesh Ranjan, Vice Chairman & Managing Director of Telangana State Industrial Infrastructure Corporation Ltd & Commissioner of Industries, Telangana has written a letter to all Industry associations and stake holders to avail this opportunity. A proforma has been sent to prepare database of SMEs to be used by Amazon India. INDUSTRIAL VIEW reproduces the letter and proforma for the benefit of MSMEs.

It must have come to your notice recently that Amazon is going to have a significant presence in Hyderabad in the near future, and accordingly they have signed an MoU with the State Government. As a part of the MoU, Amazon has agreed to support SMEs who are making any consumer product to be provided with the facility of online sales on Amazon's website. Accordingly, Amazon requires certain information about these SMEs which is to be provided in the attached format. Please ensure that this information is circulated to all the SME members of your Association having consumer products and fill up the complete proforma and mail it to Mr. Prabhakar Jayakumar at mail id prab@amazon.com. Further, please ensure that the information is sent by mail positively by the end of this month. Amazon representatives will plan for a meeting with the short listed SMEs and explain the process of e-commerce to them. Looking forward to your cooperation.



*Thanks & regards,
JAYESH RANJAN, IAS*

PROFORMA

1. Company / Shop Name
2. Owner Name
3. Category of products sold (Eg. Apparel, Watches, Books, Electronics etc)
4. Contact Number (preferably mobile number)
5. Complete postal address
6. City
7. Email Id
8. Number of Products (SKUs) carried in store
9. Annual Turnover (in INR)
10. Number of stores that the Owner has
11. VAT number available - Yes/ No
12. CST Number Available – Yes/No
13. Website (if available)

INAUGURATION OF

Skill Development Programme(2015-16)
Loan Distribution For Trained Youth(2014-15)

Organised by



Supported by





Interaction Meeting of MSMEs in Vishakhapatnam Sunrise Andhra Pradesh Industrialist meeting was held on 10th January 2016 at Auto Nagar Industrial area in Vishakhapatnam. Sri G.S.Shivaiah, Convener, North Andhra Region organized this meet. Dr. Chukka Kondaih OSD, MSME, Govt. of A.P was the Chief Guest for the meet and presented useful inputs for the MSMEs. Government incentives, Finances, Infrastructure, Skill Development and marketing issues were interacted. Auto Nagar Problems, Micro enterprises, land allotments, Bank and other related problems were discussed in the meeting.

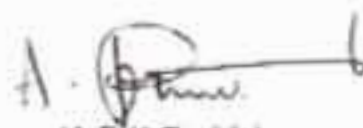
FORM IV

Statement about ownership and other particulars about newspaper ... **Industrial View** to be published in the first issue every year after the last day of February.

1. Place of publication : Hyderabad, Telangana, India
2. Periodicity of its publication : Monthly
3. Printer's Name : Harshitha Printers
Nationality : Indian
Address : 6-2-985
Yousuf Building
Khairatabad
Hyderabad-04
Telangana, India
4. Publisher's Name : A P K Reddy
Nationality : Indian
Address : G1 Dwarakamai
Dwarakapuri, Panjagutta,
Hyderabad 500 082
Telangana, India
5. Editor's Name : A P K Reddy
Nationality : Indian
Address : G1 Dwarakamai
Dwarakapuri, Panjagutta,
Hyderabad 500 082
Telangana, India
6. Names and addresses of individuals who own the newspaper and partners or shareholders holding More than one per cent of the total capital. : Directors: 1. Arani Prashanth Kumar Reddy
2. Arani Sumanth Kumar Reddy

I, A.P.K REDDY hereby declare that the particulars given above are true to the best of my knowledge and belief.

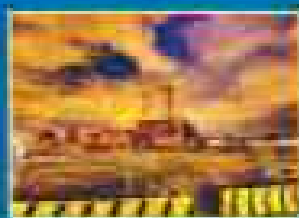
Date : 01-03-2016


(A P K Reddy)
Signature of Publisher

SBH Transforming Ideas
to Real Business

M SME

CREDIT CAMPAIGN



LOANS FOR INDUSTRIES



LOANS FOR SERVICES



LOANS FOR TRADERS

- Attractive Rate of Interest
- Low processing fee
- CGTMSE for borne by the bank
- Simple procedures
- Speedy approvals

For details, contact our nearest Branch or MSME Dept. on 040-23587344.

Call 1800 425 4065/ 1800 425 1825 or sms 'CALLME' to 9000 222 444

***Nourishing your
Business Dreams***

SyndMSE

**Now Loans for
Micro & Small Enterprises**



Made Quick, Easy & Attractive

**Collateral
Free Credit
upto
₹100 lacs**

- Low interest rate
- Low service charges
- On line facilities available
- Quick Sanction

For details, contact our nearest Branch
or Regional MSE Care Centre or
visit our website www.syndicatebank.in



**सिंडिकेटबैंक
SyndicateBank**

सिंडिकेटबैंक लिमिटेड - ए.डी.ए.सी. इलाहाबाद

Tailor made New schemes:

Synd Doctors - Doctors

Synd Cashew - Cashew industries

Synd Transport - Transport operators

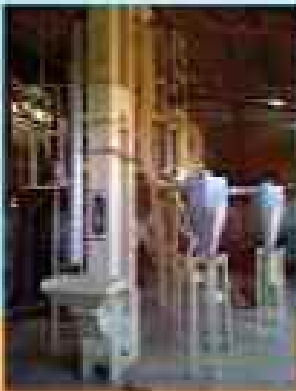
Synd Marble - Marble & Granite industry

Synd Textile - Textile & Ready made
garments



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