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VOLUME 01

ISSUE 12

HYDERABAD

MAY 2014

PAGES 52

Rs. 100

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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

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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, DWARAKAMAI APART, HINDI NAGAR, DWARAKAPURI COLONY, PANJAGUTTA, HYDERABAD, A.P.
EDITOR : ARANI PRASANTH KUMAR REDDY



(L to R) Shankarachary, Cherlapally, ILA executive member and FSME-AP advisor, G Prasad Kumar, minister for HTLTSSI, APK Reddy, President, FSME-AP and editor, Industrial View, N Kiran Kumar Reddy, CM, AP, Sudheer Reddy, Secretary, ILA, Cherlapally and M V Rajeshwar Rao, CEO, CREDAI at the launch of the magazine at CM's chamber



APK Reddy, President, Federation of Small and Medium Entrepreneurs (FSME- AP), submitting a memorandum to BJP national general secretar, M Muralidhara Rao on the occasion of latter's interactive session with the members of FSME- AP in Hyderabad. Programme convenor Rajamahendar Reddy (middle) looks on.



FSME-AP

Launch of Industrial View

Chief Minister N Kiran Kumar Reddy launched Industrial View on 22 June, 2013. The CM handed over the first copy of the inaugural issue to MSME minister G Prasad Kumar.

Speaking on the occasion, the chief minister said, "A magazine for the MSME sector is a welcome development and the need of the hour."

M V Rajeshwara Rao, Former Secretary General FAPCCI and advisor to FSME-AP, Sudeer Reddy, Secretary, Cherlapally Industrial Local Authority, Sankarachary, Cherlapally, ILA executive member and FSME-AP advisor were also present on the occasion.



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APK Reddy

Bifurcation of AP Things Fall Apart?!

I personally welcome the decision of carving out Telangana from Andhra Pradesh, through the Andhra Pradesh Reorganisation Bill, 2014. I congratulate the spirit of the Telangana people for their incessant struggle lasted for decades. Now, Telangana is about to come into being as 29th State of India. Giving an impression that the policy makers acted with greater sensitivity while understanding the hopes and the fears of the people of two regions, the bill already stipulated that the central government shall take appropriate fiscal measures, including offer of tax incentives to the successor states in order to promote industrialization and economic growth in both the states.

But, the things could not be taken for granted. The Prime Minister, Dr Manmohan Singh, during his speech on the bill in Upper House, referred to the Bundelkhand model. What was the fate of Bundelk-

hand package? It never reached anywhere except in the pockets of the officers and contractors. It was an ambitious package of Rs. 7,266 crore, announced by the Planning Commission for this backward drought-prone region of Uttar Pradesh. Announced in 2009, the package was meant for the overall development of the region spread across districts in Uttar Pradesh and Madhya Pradesh — collectively known as the Bundelkhand region — and was to be implemented over three financial years between 2009-10 and 2011-12. But, nothing has happened.

There were numerous examples that the Centre had been politicizing allocation of funds to the States and some States meted out step-motherly treatment by the union government. It was not in the distant memory that the Centre had failed to provide financial package to the seven most backward states identified in the Raghuram Rajan report. The Rajan panel had



in September last year recommended a new index of backwardness to determine which states need special assistance.

Now, the crux is the Special Category Status (SCS) to residual Andhra Pradesh, that is Seemandhra. It would be likely another off-the-cuff assurance from the PM. To conclude the indecent hurry, called debate on Telangana bill in Rajya Sabha, the PM made an oral assurance on SCS to Seemandhra. Congress party, which is heading UPA government, was tactical in getting the Andhra Pradesh reorganization bill 2014 passed and used similar strategies to appease agitating members, representing Seemandhra region. But, the constitutional validity of the PM's assurances in upper house were under scrutiny.

Though an ordinance in that effect was made, the constitutional experts affirm that Grant of SCS has never been a subject matter for legislation and has always been an executive decision to be endorsed by the National

Development Council (NDC). NDC has exclusive jurisdiction on deciding the criteria for giving special category status to any State. Though NDC is chaired by the PM, it could not go by the political exigencies. Planning Commission and also the NDC made it clear that Seemandhra does not qualify for the status under the norms of NDC.

Hence, the State creation does not help unless the announced special packages must be given unconditionally for both regions (states) while making it mandatory.

Meanwhile, the people of Seemandhra must press ahead with hope, and not look back in anger or regret. There will be other practical difficulties too but the political and civil society leadership of Telangana and Andhra Pradesh must shun regional chauvinism and violence and grasp with both hands the great future that lies ahead of them.

- **APK Reddy** ■

MSME erases boss-worker hierarchy



The aptitude to call a spade a spade, own up mistakes and take quick corrective action is something that is a key characteristic of **Dr K Narayana**, **State Secretary of Communist Party of India (CPI)**. Assertive but not aggressive, his voice says it all. Outspoken, he hits the nail on its head when he deals with the issues of public interest.

With the word 'fear' giving always a miss in his lexicon, Narayana emerged a crucial cog in the student movements, not only in his native mandal Nagari, but also in his Chittoor district. Habituated to face the danger and surge ahead of adversaries, Narayana, a qualified physician, involved immensely in several mass struggles and widely admired by rank and file of the party and even also outside the party. It is always exciting to speak to the leader like him, who is spending his life fighting and speaking against the economic disparity, civil unrest, marginalisation and corruption.

APK Reddy, **Editor-in-Chief, Industrial View**, met Comrade Narayana to discuss many issues related to the industrial crisis, particularly in MSME sector.





APK Reddy, Industrial View Editor-in-Chief, in a tête-a-tête with Dr K Narayana, State Secretary, CPI.

Our State is now bifurcated and consequently Special Category Status (SCS) is promised to Seemandhra for 5 years. But, SCS to 'affluent' Seemandhra is being opposed in Telangana. How do you look at the issue?

The two regions are not rivals to compete for special privileges without thinking of practical feasibilities. Virtue must prevail out of teeth of emulation. We, the CPI, stood solid for the cause of Telangana people. It fought for the rights of the people, for special allocations to the region. When they agitated for their own rule to get their problems solved and develop their region, we supported the separate Telangana movement.

On the other side, the apprehensions of the people of Seemandhra also should be understood, particularly on the issues like water. Godavari and Krishna rivers flow through Telangana. Though it was the upper riparian region, it did not able to use the water with lack of lift irrigation projects, as the farming lands in Telangana are in higher elevation. Late Chief Minister Y S Rajasekhara Reddy made some effort on projects. In Seemandhra, the people are longing for the completion of irrigation projects like GaleruNagari, HandriNeeva, Velugodu which were

based on surplus waters of the Krishna river. Thousands of crores were spent on them. But, the recent interim judgment by Brijesh Mishra tribunal preventing Andhra Pradesh from utilizing surplus water put the fate of all the unfinished projects in jeopardy.

Amid this situation, separate Telangana definitely adds up to their apprehensions. Therefore, their demand for the continuity of special category status for 10 years, is also understandable and genuine. All these opinions are being incorporated in CPI's representation with Centre and also with Group of Ministers (GoM). Moreover, the oral assurances of the PM in RajyaSabha on SCS have no relevance, unless it is constitutionally processed.

Seemandhra's concentration on Hyderabad was also an offshoot of the centralized development in the capital. The movements with regional aspirations generally arise when the region lags behind in development. Let Hyderabad experiment should not be repeated in future.

Telangana community fears de-industrialization of Telangana for Seemandhra being given SCS. What is your stand on it?

Before dealing with those hypothetical problems,

I would like to advise the industrialists of Seemandhra not to flare up the tensions with their provoking statements. Their imprudent statements on shifting their headquarters to residual AP leave a negative impression in the minds of Telangana people that they are leaving to evade tax benefits to Telangana, the place where their businesses were flourished. The provokers are the corporate players, not the small entities.

What is your policy on small and medium entrepreneurs?

Of late, we realized that MSME sector wiped off the hierarchy between the employer and employee. Earlier, the management of industry was seen in conventional terms. I used to take harsh stance equally against the managements of big and small entities. There were incidents of strikes, which led to the closure of the small units. Later on, I, as well as my party also realized that the employers of small and medium industries are semi-workers. They also join the workers with the same tools of manufacturing.

I knew personally many cases, where the young, educated and talented youth were attracted by the government to start their own firms and later were ditched. Nicely placed engineers had to forgo their secured jobs after being encouraged by the government policies and later, they were left in lurch. With the objective to empower youth of the rural area and provide them with employment opportunities in the industry at a location near to them, government made big promises on free land, infrastructure and other facilities, including en-

sured marketing of their products. But, government did not keep its promises, resulting in bankruptcy of the industries by young entrepreneurs. The banks, which gave the birth to the industries, played devastating role in confiscating the same industries.

It is generally opined that unless the policy of encouraging young entrepreneurs is mandated with an enactment, it is difficult to implement it. In other words, legislation must be passed in the lines of SC ST Sub plan or Protected Tenancy Act, for strict implementation of youth entrepreneurial ventures. What is your comment?

- CPI supports the idea. Our governments are not making use of the most of our young talent. So, the talent is pushed into large, established MNCs. This is not what we need over the longer term. What we need for the next decade are thousands of new companies that will focus on developing and launching products and services needed to tap the massive opportunities in our own land

and also around the world. Therefore, youth entrepreneurship policies must be introduced. The units of the small and medium entrepreneurs, including of youth teams, must be made ancillaries to the big corporate players. The big hurdle, marketing of the products must be taken care of.

I believe that SMEs cannot survive all on their own. There has to be specific intervention by the government for this sector to survive. It intends to reverse the neo-liberal paradigm of the past few years and have a renewed focus on the growth of public sector and SMEs.



The young, educated and talented youth were attracted by the government to start their own firms and later were ditched. Nicely placed engineers had to forgo their secured jobs after being encouraged by the government policies and later, they were left in lurch.

State government routinely provides policies to the SMEs. But, they are untimely and not coming in the rescue of SMEs. Do you take active role in getting constitutional obligation to the policies? Does your party advocate the cause of SMEs? Do your MLAs and MPs fight for the welfare of SMEs in the State and Centre houses of legislation?

Our party will definitely strive hard for a comprehensive legislation in Parliament for welfare of SMEs. From the beginning, we supported SMEs and opposed the monopolist corporate industries. Our party already waged a battle against Foreign Direct Investments (FDI) in the interests of small and medium industrialists.

We are opposing FDI in retail tooth and nail because, it wipes off the small-scale industries and also causes soaring inflation rates. We demanded the government to implement encouraging policies for SMEs in the labour intensive sectors. We seek relief packages for sectors affected by recession like textiles and garments, gems and jewellery, leather, handicrafts, coir, cashew, marine products, software and IT, particularly the small and medium enterprises. Providing adequate incentives, infra-

structure support and ensuring sufficient credit from banks and financial institutions are the major thrust areas for CPI.

SME sector is severely hit by irregular power cuts and improper power policies of the government. Statistically 6 units per hour are being shut down due to the restrictions imposed on legitimate power consumption and levying hefty penalties for exceeding prescribed limits. How do you perceive this power problem?

Power is the major source of input to the industry. Since the government is only supplier of power and it is bound to supply necessarily, it has to look out for its resources for the stipulated power supply. Industry has nothing to do with the problems of the government in power generation, including lack of water in reservoirs, dearth of coal, or shortage of other resources. Therefore, like in insurance policy, the government should take the responsibility for the losses of industry due to power shortage. The industrialist must not be burden for the government's mistake. Law must be amended, enacted to make the government responsible for improper power supply.



Since hereditary professions and conventional occupations of washer men, cobblers, barbers and weavers are heavily hit by the changed lifestyles, what do you demand the government on their behalf?

The communities you referred to were virtually self-sufficient in the villages. Later, they were displaced by gadgets and they are misplaced. For example, washer man community faced severe hardship with the advent of latest electrical and electronic washing machines. Their plight ushered them to towns and cities to become working labour for a dry-cleaning units of a capitalist. The government must be proactive to supply washing plants and modern laundering machines, besides ensuring them free power supply to face the competition from the muscled capitalists.

Similar exercise must be followed for all those engaged in their traditional occupations. While encouraging registered societies, the government should allocate some corpus fund for disbursement of loans.

It is equally important to one and all to see the welfare schemes, brought into the level of implementation after relentless struggles, not to get inflicted by corruption.

By the latest statistics, the banks have added Rs 63,386 crores of bad loans during the nine months ending December 2013, which represents a growth of 35.2% over the March 2013 number. Gross non-performing assets (NPAs) of 40 listed banks rose 35.2% to cross the Rs 2.4 lakh crore mark. Basically, what is your stand on the NPA norms of RBI, particularly when it comes to SMEs?

I have my reservations on NPA norms on SMEs. The 90-day overdue norm for a loan account to be



Credit should not be a constraint for viable projects in the MSME sector. However, the major problems faced by the MSME sector are related to the availability of loans without collateral, delays in loan sanctions, high cost of funds, delayed payments, marketing problems, sickness, etc.

treated as non-performing asset (NPA), should be repealed for small and tiny enterprises, in view of the fact that payments to small scale Industry suppliers are delayed beyond 180 days as a rule, sometimes even to 210 to 270 days, notwithstanding the Delayed Payment Act.

The 90-day norm for a loan account to be treated as NPA is counter-productive, because, if a particular bill is not honoured on the 90th day, not only the drawing power of the borrower gets reduced, but it also sets off a chain reaction, as a result of which the account itself slips into the status of an NPA. Now, I was told that 90-day period is going to get reduced further to 30 days, which is outrageous. If an or-

ordinary citizen could not repay a couple of car-loan installments, the bank is uncouth to snatch the car. MSMEs might struggle to even get a loan. If they manage to get a loan, the bankers prowl around the small industries till they are crumbled down to earth.

Credit should not be a constraint for viable projects in the MSME sector. However, the major problems faced by the MSME sector are related to the availability of loans without collateral, delays in loan sanctions, high cost of funds, delayed payments, marketing problems, sickness, etc.

But, banks show enthusiasm to hide bad loans of corporate players. Instead of writing off loans or forcing anyone to pay up, they offered an ingeniously named scheme: Corporate debt restructuring; they are given a moratorium, maybe a year or two, on payments. Suddenly, the blacklist of incorrigible business defaulters falls into oblivion, because, they might have arranged for new loan. It is particularly galling in a poor country where banks immediately blacklist poor and middle-class defaulters, particularly the SMEs.

It is also come to my notice that a lobby is active

to get the units in the industrial belts declared as 'sick units' so that the land could be sold to the land mafia on that pretext. Bank higher officials are allegedly ganging up with the mafia and everything is done in connivance of bureaucrats. We are seriously thinking to wage a war against the mafia.

I, on behalf of FSME- AP, am very grateful to you, your party for standing strong in our solidarity. I hope, you will further extend same kind of support for SMEs' cause.

We are richly endowed in entrepreneurial talent. The economic censuses demonstrate the huge size and growth of entrepreneurial activity with SMEs. In my opinion, the SME sector is inherently more efficient than the corporate. The SMEs tend to have lower capital to labour ratios. The small scale industries are one of the major sources of employment in the Indian economy.

But, SME sector has been several institutional bottlenecks ranging from marketing, finance, infrastructure, technology, particularly lack of support from policy makers, who

are unfortunately encouraging domestic big business houses and the MNCs. CPI will definitely in forefront to oppose anti- MSME attitude of governments and will agitate for the cause of MSME sector.





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SCS to AP

TELANGANA ON THE ANVIL!

Fearing the exodus of the Industrialists from Telangana, the entrepreneurs and public representatives of the region are unanimous in expressing apprehensions on the 'adverse' repercussions to the Centre's decision to confer Special Category Status to Seemandhra, Industrial View Bureau reports.



Former Minister for Major Industries, Dr J Geeta Reddy addressing the seminar. Dr G Vivek, MP, DP Reddy, Chennamaneni Ramesh of Telangana Development Forum (TDF), G Prasada Kumar, Former Minister for Small Scale Industries, APK Reddy, Prsident, FSME AP are among the dais.

To appease the agitating Seemandhra (residual Andhra Pradesh) people, the Prime Minister Dr Manmohan Singh made a statement on the floor of Rajya Sabha granting Special Category Status (SCS) to residual state of Andhra Pradesh, for a period of five years. The oral assurance was made at the last minute — after the AP Reorganisation Bill was passed by the Lok Sabha and before it was considered by the Rajya Sabha.

Grant of SCS has never been a subject matter for legislation and has always been an executive decision to be endorsed by the National Development Council (NDC). The approach to Central assistance to States on Plan side is

guided by NDC, chaired by the PM. The Gadgil Mukherjee formula, which confers benefits that accrue to SCS, must be approved by the NDC and therefore, NDC could not be bypassed.

Sources of NDC made it clear to the Industrial View that Seemandhra does not qualify for the status under the norms of NDC, which has exclusive jurisdiction on deciding the criteria for giving special category status to any State.

As facts on the technical grounds stood thus, the entrepreneurs and public representatives of the Telangana region elaborately discussed the ground realities of the decision. Accordingly, a seminar on the subject of "Indus-

trial development in Telangana - Problems and Prospects with focus on Special Category Status" was conducted at FAPCCI Building in Hyderabad recently. Organized by Telangana Industries Federation (TIF) in association with the US & Indian branches of Telangana Development Forum (TDF) and the Federation of Chamber of Commerce and Industry (FAPCCI), the seminar opposed SCS to Seemandhra.

Fearing the exodus of the Industrialists from Telangana, all the speakers of the seminar were unanimous in expressing apprehensions on the 'adverse' repercussions to the Centre's decision. According to them, the Industrialisation and economic growth may take a backseat in the Telangana region if the Union government gives SCS to the Seemandhra region, the successor state of Andhra Pradesh. Besides, tax incentives and other benefits might induce companies to shift their headquarters from Telangana to Seemandhra.

They also made a strong point that Telangana region, which had been neglected for the past several decades, would be in the dire need of special category status, not the developed Seemandra region.

Setting up of Telangana Development Bank with a capital base of Rs 5,000 crore, a venture capital fund to support the local entrepreneurs and an entrepreneur training institute to train the budding industrialists were among several suggestions that were discussed during the event. Chennamaneni Ramesh, DP Reddy of Telangana Development Forum (TDF) were also present.



Dr J Geetha Reddy
(Former Minister for Major Industries)

Comprehending the speeches of all the speakers, Former Minister for Major Industries, Dr J Geetha Reddy assured the industrialists on remedying their issues.

“Let this be a beginning and there would be lot more meetings to follow in the days to come. Don’t get disheartened on the special category status given to residual Andhra Pradesh. Let our brothers and sisters of that State enjoy the benefits. However, we also fight for our right share,” she consoled the entrepreneurs.

She called upon the industrialists in Telangana region to get prepared to move to districts and interiors to empower the region. The earlier governments could not motivate the industrialists to move to tier II and tier III regions due to poor infrastructure and lack of water and power, she said.

“We have nothing against Seemandra being given SCS. But Telangana also needs similar status, at least in the backward districts, as industrial development in the new state is confined to just three districts of Hyderabad, Ranga Reddy and Medak,” she said.

“We may not be as aggressive as Andhra people but if we are determined, we will achieve our objectives sooner or later - like how we could win Telangana. Focus on manufacturing sector will provide employment in scale, which is essential for Telangana region,” she said.

Referring to her endeavor in bringing National Investment and Manufacturing Zone (NIMS) in her constituency Jaheerabad in 5000 hectares, she said the manufacturing zones will provide more employment and also accommodate semi and illiterate persons, unlike SEZs, which provides employment only to the educated.

M Kodandaram
(Chairman- TJAC)

Speaking on the occasion, Chairman of Telangana Joint Action Committee M Kodandaram also worried on the possible de-industrialization of Telangana, with special category status to Andhra Pradesh. He called upon the political leaders of Telangana to change the mindset of the policy makers in New Delhi.

He, however, expressed full confidence on the prowess of the political leaders of Telangana- particularly on the dais, on making the industrial sector of Telangana self-reliant.

An all-party delegation would be sent to Delhi to negotiate on an SCS for Telangana. A special policy to deal with the specific issues of Telangana is the need of the hour, he said.

“The mindset in Delhi is that Andhra region was hurt due to the bifurcation, which is not correct. Let them help the region but in the process, Telangana should not be neglected. We need a special policy that deals with specific issues of Telangana,” Kodandaram averred.

“The Government of India had promised that the two successor states will get equal incentives. Now, they have to keep their word,” he said, while asking the political leadership of the region to make industrial development as the number one priority.

According to him, Telangana is endowed with requisite resources for industrial development. Besides, it also has hardworking industrialists and skilled manpower. Therefore, there is no doubt that industrial development will take place in Telangana and everyone should work towards it.

He underscored the need for creating separating clusters and single window clearance for SMEs.

“I request the leaders to work hard on bringing a separate corporation for MSMEs in the lines of Andhra Pradesh Industrial Infrastructure Corporation (APIIC), which is now only looking after the affairs of big players. The corporation to MSMEs should have a single window system for licensing, land allocation, cheque issuing and also for marketing,” he said.

Emphasizing on the development of MSMEs, he said the problems of power-cuts, which are heralding



K Sudhir Reddy,
*president, Telangana
Industrialists Federation
(TIF) felicitating
Chairman of Telangana
Joint Action Committee
M Kodandaram.*

death knell to small and medium industries, must be in the first in priority list of redressal. He also proposed for comprehensive hubs of industrial zones, in the spirit of ‘walk to work’.

“Industrial areas should not be merely a place of industries. But, they also should have colonies for the workforce to reside and also with schools, hospitals in the zone,” he said.

Special focus and land allocation to micro and small industries, power allocation, and residential colonies near industries are among the issues to be included in the proposed vision document, according to him.

G Prasada Kumar
(Former Minister for Small Scale Industries)

G Prasada Kumar, Minister for Small Scale Industries, assured the protection of the interests of the industrialists from Telangana region. He agreed that there are many loopholes in the governance while dealing with industrial sector, particularly MSMEs. According to him, they were unwittingly ignored in a struggle of getting new State.

“I request the industrialists and the associations to come up with your reports on developing our industrial sector. I will be with you in getting them done,” he said.

He called upon the entrepreneurs to prepare a vision document for industrial development in Telangana.

Dr G Vivekanand
(MP and TRS leader)



Dr G Vivek, TRS leader and also the Member of Parliament strongly felt the need for focusing on Brand Hyderabad. He agreed partly lapse of the Telangana leaders in defending the interests of the new Telangana state.

“Though we represented the interests of our Telangana region before GoM, we had

to be restraint in Parliament, as we were in a tensile atmosphere to get Telangana bill passed. Nevertheless, we, the leaders across the party lines, will col-

lectively demand for Special category Status to Telangana,” he said.

Sharing his experiences as an industrialist with the seminar, he assured that the problems of the industry, particularly small and medium entrepreneurs would be addressed on top priority. Referring to the power crisis as ‘major setback to the industry’, he said a power plant with 4000 KV would be soon coming up in Ramagundam, which falls under his constituency.

K Sudhir Reddy
**(The President-
Telangana Industrialists Fedaration)**

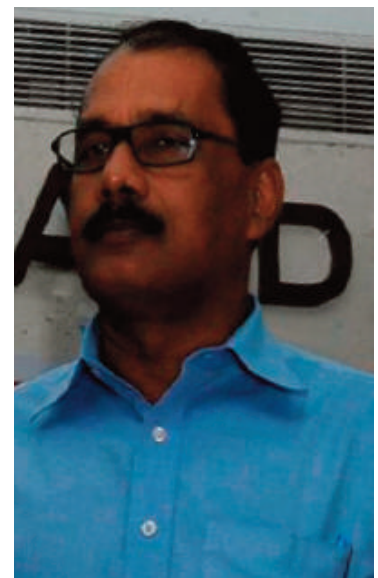
The proposed special status to residual AP will totally distort the level playing fields between the two states to be formed from the two regions, K Sudhir Reddy, president, Telangana Industrialists Federation (TIF) said.

“The magnet of special category status, related to tax benefits will ensure that most of the in-

vestments will definitely move to Seemandhra to the detriment of Telangana region,” he said. Substantiating his argument with facts and figures, he lamented on the continuity of the deprivation for Telangana, as Seemandhra does not meet a single criteria for SCS.

Referring to the Srikrishna Committee report, Reddy said Coastal Andhra is a superior economic entity within AP with its per capita GDP much higher than the national average and stands 10th in ranking amongst the states of India.

The Planning Commission allocates funds to states through Central assistance for state plans. SCS states enjoy concessions in excise and customs duties, income tax rates and corporate tax rates. This factor in the hands of a non-deserving state can have a devastating effect on other states, besides Telangana, he said.



Nrupender Rao
(Chairman, Pennar Group)



“Since Telangana is not an industrially-developed state, there are possibilities of migration by the companies due to SCS to Seemandra,” Pennar Group chairman Nrupender Rao said. Speaking on the occasion, the senior industrialist from political family called upon the stakeholders of Telangana to win the economic battle, as the political battle is already won.

According to him, industrial units will get tax incentives to the tune of 10 to 15 per cent on sales in Seemandra because of the SCS.

“All these tax incentives will form 10-15 per cent of the sales revenue of a company. It is certain that nobody will come forward to set up units in Telangana if the neighbouring state begins to offer this level of incentives. All those who have their operations in Telangana will also shift their base to residual AP. Forget about the manufacturing growth here,” he cautioned.

Speaking on remedial and alternative measure, he suggested setting up a Telangana Development Bank with a capital of Rs 5,000 crore for development of industrial sector in the new state.

“We need to set up venture capital fund as well to encourage new entrepreneurs in the state,” he said.

Reviewing the past, he said that the Telangana region, outside of Hyderabad, has virtually seen no industrial development after the formation of Andhra Pradesh. On the other hand, several industries including IDPL, Allwyn, etc. have been systematically closed, he added.

According to him, Telangana’s reconstruction requires dedicated focus on industrial development. This is hampered by several problems including shortage of power and inadequate land bank. Telangana is most backward on the industrial front and needs to be given special packages as far as the taxes are concerned.

J Rameshwar Rao
(Chairman, My Home Group)

Pointing out that only Seemandra would attract investments in south India in the wake of SCS, J Rameshwar Rao, Chairman, My Home Group, urged the Telangana political leadership should fight for getting similar status to Telangana.

“In fact, Telangana should have got better package than Seemandra as it is backward. At least, we should get equal status,” he added. On the perceived budget deficit in Seemandra, he said the revenue dynamics would change in a matter of two years and the gap would not be much in residuary AP.



P Vivek
(additional director vigilance and enforcement)

Supplementing the apprehensions of the speakers on the possible damage not only to Telangana, but also to the neighbouring States, P Vivek, additional director vigilance and enforcement department, opined that the special status should be given to the exploited region, that is Telangana.

G Rajareddy
(Advisor to Government of AP)



G Rajareddy, the advisor to Government of AP felt that Telangana is more deserved to be conferred upon the SCS, as the region, barring two, three districts, has been more backward compared to the Seemandra region.

“The Special category status would be given only after certain criteria is fulfilled. Financial deficit- economically backwardness is one of the criteria for getting Special Status. I don’t know what kind of financial deficit that it (residual Andhra Pradesh) will have,” he said.

Mandate the special package to rescue SMEs: APK Reddy



The decision of carving out Telangana from Andhra Pradesh, through the Andhra Pradesh Reorganisation Bill, 2014, does not have any effect on the plight of the industrial sector in the State,” APK Reddy, President, Federation of Small and Medium Enterprises, Andhra Pradesh (FSME-AP) said.

Taking part in the seminar, he spoke on the issues impeding the industrial growth and demanded that NPAs in MSME sector should be restructured in Telangana and Seemandra with the help of Centre.

According to him, the creation

of the state does not help unless special package is given and the special package is made mandatory and the package should not be tied up with any condition.

Explaining how the Micro, Small and Medium Enterprises (MSMEs) failed to survive the recent economic downturn and recession, along with the political imbroglio of Andhra Pradesh, he requested the political leaders to come forward to rescue 7 lakh entrepreneurs and also 40 lakh employees, who were badly hit by the situation.

He welcomed the corporate sector, but not the ‘monopsony’ and

the ‘monopoly’ of the big industries. According to him, the big industries must be accommodative with the SMEs through alliances.

Taking his suggestions in right spirit, former Minister for Industries Dr J. Geeta Reddy appreciated APK Reddy for his spirit of fighting for the cause of SME sector, which the engine of economic growth and for promoting equitable development. TRS leader and MP, Dr G Vivek also assured APK Reddy that the woes of the SMEs, particularly related to power shortage, NPAs etc., would be represented to the policy makers to get them addressed.

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Granite Industries Hub Demanded



APK Reddy, the President FSME-AP, expressed apprehensions on possible closure of the Granite industry in Khammam district as their operations were hit by the severe power cuts. Speaking on the inauguration of 2-day MSME Khammam Expo 2014, a National Industrial Exhibition cum Vendor Development Programme, jointly organized by MSME-Development Institute, Ministry of MSME, and Chamber of Commerce and Industry- Khammam chapter recently he said the granite industry is on the verge of closure.

“The granite units could operate literally for less than 13 days a month. In addition to regular power cuts of six hours a day, the industry was denied supply for 24 hours officially on every Thursday and Friday and unofficially on Sunday. Over 80,000 skilled and unskilled workers engaged in the 600 granite units in the district are literally out of work,” he said.

Many of skilled workers who hailed from Rajasthan, Punjab and other neighboring states and districts were on their way back, he said.

The granite slab units, already affected by the hike in diesel prices that had a cascading effect on the raw materials, were in no position to retain the workers by considering their demand for payment of wages even for the power cut days, he lamented, representing the plight of the units.

“The power cuts resulted in acute water scarcity leav-

ing even the workers residing in the vicinity of the units, high and dry. Despite repeated representations, there was no improvement in the supply situation,” he said.

He thanked FSME- Khammam convener, Dandhyala Ravi Kumar for immensely struggling for the loans to the granite industries from the banks.

“FSME AP played a constructive role in getting GO 203, related to the NPA policy of the government, amended in the larger interests of the industry,” he said. He assured the industrialists of the district that the federation will work for their welfare and also initiate industrial parks for their benefit.

On this occasion, APK Reddy, on behalf of FSME-AP, made some resolutions to keep the head of the granite industry above waters.

- He demanded for an industrial hub with all facilities to granite industries.
- Since Khammam is bordering district for the forthcoming two states, Telangana and residual Andhra, and since the district also falls under scheduled area regulation 1/70, it must be conferred with autonomous status.
- The Big Industries should form alliances with Small and Medium Entrepreneurs. Clustering and networking help small firms to compete, grow and co-operate with large firms.
- Since RBI made it mandatory to the banks to provide loan from Rs. 2 lakh to Rs. One crore to SMEs, it must be implemented without fail.
- The Banks and lead Banks should encourage SMEs.
- The Granite industrialists, who have been severely affected by natural calamities and power crises, must also be provided with interest free loans.
- The loan recovery of the industries, notified to be NPAs, must be deferred by 3 years.

The event was organized with an objective to provide an opportunity to Small and Medium entrepreneurs to showcase their capabilities to the public sector under takings (PSUs) and other large Industries, who out-sources products and services to the Micro, Small and Medium Enterprises..

The Major PSUs like Singareni collieries company limited, Kottagudam, (SCCL), Bharath Heavy Electrical Limited (BHEL) Hyderabad, South Central Railways (SCR) Secunderabad, National Thermal Power Corporation (NTPC) Ramagundam, etc. Nationalized Banks and financial Institutions were also present in the exhibition.



Dream To Tra

New Age Student-Ent

Transcend Time

Entrepreneurship by FSME





The secretary of Nalanda college, Dr Vijaya Sarada Reddy addressing the student community, as the Chairman, FSME cell development programme, Ramana Rao, APK Reddy, President FSME AP, Chairman of Nalanda group of colleges, Arimanda Varaprasada Reddy, MSME director Sudheer Kumar are a few on the dais.

Entrepreneur development cell, aims to put the students in the shoes of an entrepreneur whose initial work was supported by the FSME AP. The pilot project, a forerunner of industrialization of Coastal Andhra, allows undergraduate students of Nalanda Engineering College, Kantepudi- Sattenapalli near Guntur, to make decisions based on the inputs by APK Reddy, President, FSME AP, starting with his decision to become an entrepreneur and following the bumps in the road that he had to overcome or work around on his way to strive hard.

Students are taken through seven decision points that reflect the kinds of dilemmas APK Reddy faced. His speech and the initiation inspired students by showing them one of their own who turned obstacles into opportunities, and gain wisdom from the lessons he learned.

According to a latest study on student entrepreneurship, nearly 92 per cent of Indian engineering students have not attended any course in entrepreneurship. The survey also revealed that 57 per cent of engineering students in India want to start their own ventures in the short to medium term. In China and the US, this percentage is 50 per cent and 65 per cent respectively. Out of those, only three per cent of Chinese and 22 per cent of US students actually ended up joining a start-up or launching one of their own. In India, however, this is probably below 1 per cent.

After the bifurcation of Andhra Pradesh, Federation of Small and Medium Enterprises, (FSME AP), under the aegis of its president APK Reddy, started to get itself involved in reconstruction of AP, particularly in industrial sector. When it is found that the Andhra Pradesh with record number of engineering colleges in India, witnessed no institutions with

entrepreneurship cells (e-cells), FSME AP took the initiation in that direction with a pilot project at Nalanda Engineering College, Kantepudi- Sattenapalli near Guntur.

Attending the programme as chief guest, APK Reddy called upon the students to dream high to become a successful entrepreneur. India needs a large number of young entrepreneurs, who can be nurtured at the college level, he said.

“The opportunities in India for youth are not increasing at the same scale at which India is adding young people to its fold,” he affirmed.

Engineering colleges should allow students to start a business in the second year to run it for the next three years. By this, students can combine real-life problems as an entrepreneur while pursuing their degree, he said.

According to him, college is a safe place to fail as 99 per cent of students will not come out with a product or a solution but would know what it means to start a business, paying salaries, raising money, creating bank account and dealing with profit and loss account – everything about doing business than just reading textbooks.

He mooted the model to be made part of their curriculum. He also proposed for giving 20 per cent waiver in attendance to the students to run a business, and 4 per cent grace marks. He opined that the entrepreneurship starting at the academic institution is the lever with which we can turn this situation around.

“As every student now wants to

be a start-up engineer, it is safe to fail when you are a student because there are no implications in real life, less people are dependent on you and this is the time you can experiment and risk failure,” he said.

For a venture capitalist, it is cheaper to fund a student whose expectations are lower. Icons such as Bill Gate and Mark Zuckerberg started their business as students, he said.

“Colleges should make classrooms more interesting for stu-

becomes a lab.

APK Reddy said: “We need a better model for everything in our life not just about information technology. We have to rethink what we are doing today. We have to reengineer, reinvent for the 21st century. I believe India can contribute back to the world new models, new pedagogy and new solutions.”

Interacting with the speakers, most of the students said that their efforts to meet the successful entrepreneurs to take guidance, re-



dents. Challenge the students to solve real-life problems so that they can contribute back to the society,” he said.

In the 20th century, teachers were transferring knowledge from printed material. In this 21st century, a student has lot more knowledge than teachers and both have access to the same source available on the Internet, he said.

Focusing his concentration on the faculty, he urged the lecturers to help students apply knowledge to solve real-life problems. That’s how one can bring knowledge together in a classroom, which then

remained futile. They managed to meet interact with entrepreneurs hardly a couple of times. In his response, the Chairman of Nalanda group of colleges, Arimanda Varaprasada Reddy, assured the students that the management will cooperate and provide all facilities to the students to become entrepreneurs.

The secretary of Nalanda college, Dr Vijaya Sarada Reddy, the Chairman, FSME cell development programme, Ramana Rao, MSME director Sudheer Kumar were also present.

Women & Wings

A Quan



tum LEAP in WOMEN EMPOWERMENT

For Kanneganti Ramadevi, who is a powerhouse of imagination and a positive thinker, entrepreneurship was a compulsion, but not a choice. The situational exigencies had made her be inside the frame, so, it became difficult for her to see the picture leisurely. When she was spending her life as an ordinary homemaker, she had to take a crack to beat the odds and to hang out her own shingle. She worked outrageous hours not for the promise of riches, but to create something from nothing. Later, she did not confine herself to dwell in the caves of her success.

Taking up the onus of imparting imagination in many more lives, she founded ALEAP (Association of Lady Entrepreneurs of Andhra Pradesh), an initiation of empowerment that makes dreams of women come true.

During his recent sojourn to Hyderabad, Arun Jaitley, acclaimed to be one of the erudite leaders in BJP, took part in an interactive session with battery of industrialists of Andhra Pradesh to share - 'BJP's Vision for Nation Building with Focus on Economic Policies'. When Jaitley, along with his BJP colleagues, was absolutely in confident mood of victory with the party's juggernaut has been conquering the mind space of India, an assertive voice in the conference hall reminded him not to take the things for granted. The voice is of K Ramadevi, founder and president of ALEAP. Taking the Finance Minister Chidambaram to task, she briefed the conference how their appeals to deepen the benefit of interest subvention and the rate of interest subvention available to all the SMEs were ignored by him. She subtly warned the top leaders of BJP not to cling on governance of populism and political slogans for victory. Taking her suggestions in right spirit, Jaitley assured her that BJP will provide ample space in BJP manifesto for the sake of sick industries and will provide integrated infrastructural facilities to MSME sector. That go-getting attitude tells all about Ramadevi.

"I started out by helping my husband run a unit — Fabiricon Pvt Ltd — which was later declared sick. I learnt a lot during that time. When you look after a sick person, you learn a lot about a healthy person," Rama Devi shared her experiences with Industrial View.

Elucidating on the problems she faced while running the unit, Rama Devi said: Finance was the major problem, as there was no access to bankers. Then the statutory requirements of the government were very difficult to understand. The labour problems were added to the wound.

That venture was the business college for her and the lessons learned there enabled her to advise and help fellow women entrepreneurs.

"We made a lot of blunders during that

time. Now the market is so tough and competitive that you cannot afford to make mistakes. This is the basic philosophy behind the birth of ALEAP. We hold hands till a lady entrepreneur is ready to take decisions on her own," she said.

According to her business philosophy, entrepreneurship is like a dive from a helicopter: it's quite a thrilling feeling but if you don't land properly, you will be in the pits.

Being come from agriculture-based family, Rama Devi said that the entrepreneurial spirit was nurtured in her. According to her, the children like her from agrarian communities, don't follow their parents and have this drive to succeed either with good job or start an industry. Her will to succeed involved not only to take the ride but lay the road for other women to join in.

With her 'little experience', she established Shivani Engineers, which manufactures buses for the Road Transport Corporation. Women and start-ups do go hand-in-hand, asserts Rama Devi. "I realised from my own experience that women make good entrepreneurs," she asserted.

The traditional role of women teaches them discipline, which enabled them to do almost single-handedly all the tasks their small businesses needed to grow, she opined.

"Cooking is an art of managing a dish. When women prepare a dish, they know what ingredient to put and how much. It's the same when they take up a company. If a woman pursues some venture, she will stay committed to it. When a venture is not doing well, men get disturbed but women will be patient while handling the issues. Even bankers know that their loans are safe when women entrepreneurs are at the forefront of business. They would not evade and would not become defaulters," she added.

As the former president of the Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI) Ladies Organisa-





ALEAP_ Boon for Lady Entrepreneurs

(ALEAP) is the dream of like minded women entrepreneurs who wanted to train, guide, support & enhance the lives of women. It was established in December 1993 and today holds the recognition of being one of the India's premier institutions of women entrepreneurs totally devoted to the development of entrepreneurship among women.

It is an organization of enterprising women who have one common desire to help other women, who want to start to improve their business.

ALEAP members are mostly first generation entrepreneurs; they have to credit outstanding achievements, various attainments & selfless altruism.

ALEAP assists women in identifying projects, programmes, and schemes for

upliftment. Encourage women entrepreneurs to market their products and compete in the market successfully. Organise exhibitions, seminars and vendor development programmes.

Only a few people can say for themselves that they have made a dream come true. is one of them.

“ALEAP was my dream. I learnt by personal experience as an entrepreneur that it is not easy to establish and maintain an industry. I felt that if there was a common platform then women could run industries independently. The young and enthusiastic industrialists need encouragement, training and financial help. As a result ALEAP took shape”, says Rama Devi Kanneganti, the president of ALEAP.

tion, she said how she understood the lacunae in the ventures run by women. "The chamber had a few constraints. My concern circled around women and the kind of support/guidance, especially housewives, need when they enter business," she recalled.

So, Rama Devi and a few like-minded FAPCII members marched ahead with the Association of Lady Entrepreneurs of Andhra Pradesh (ALEAP) in '93 to help women start, train and support their ventures. "The name ALEAP comes from 'A leap' and we wanted women to have a leap into business," she states.

She strongly believe that there is a lot of difference between being passionate about your dream and realising it. For a woman who aspires to be an entrepreneur, a lot of homework goes behind the scenes before taking the plunge, she affirmed.

"Women entrepreneurs, like any other entrepreneur, are often clueless about how to translate their concept into reality. They need support systems like professional counselling, skill training, getting access to finance and strike a balance between minimising costs and maximising profits. To bridge this gap and empower women to earn a sustainable living," she said.

A tip of an iceberg

Referring to the achievements of ALEAP, she said ALEAP's industrial park at Gajularamaram was a small step for small and medium scale sector but a giant leap for women wanting to be at the helm or improve their business. It has since transformed into an entrepreneurial society that houses units on embroidery, chappals, perfumes, plastics, paper cups, cookies amongst others. With more than 103 ventures, ALEAP women are given training and incubation too.

"We guide them about government schemes and there is lot of knowledge transfer. ALEAP offers a platform to meet, discuss and solve different issues. The lesson one should learn is not to complain. When there's a problem, look for the solution at the end of your arm," she said.

Elaborating on the challenges faced by small scale entrepreneurs, she said: The global market has become very competitive, the land to establish an industry is exorbitantly priced and power is costly. Small entrepreneurs are not able to sustain the rate of interest on loans given by banks. State governments must encourage small scale industries as they provide revenue to the government," she points out.

Proud Mother of Tough Daughters

Rama Devi calls her three young daughters Yamini, Shivani and Shalini 'tough kids with brains.'

"Yamini is an entrepreneur, Shalini is a Surgeon in US and Shivani is with Procter and Gamble. We would often discuss



Kanneganti Rama Devi, the founder president of ALEAP, has won many awards for her yeoman services. Leading women entrepreneur, Best promotional award, Best NGO, Best Women of the Year, Special Honor award are a few among the awards.

Planning commission nominated her as member on their steering committee: Panel Member of SSI for CII. She has been appointed as one of the Task force members in Prime Minister's Office.

GITAM school of International Business conferred Honorary Fellowship for her invaluable contribution to women empowerment, and her commendable Leadership, in nurturing women entrepreneurs.

our ups and downs even when they were kids. They know the value of money and know to how to face hardships with perseverance. As parents we always hope our children don't have to struggle; but I believe parents should be more practical and guide children to face challenges," she said.

If ALEAP's industrial estate at Vijayawada houses more than 70 industries, their new venture at Medak is being planned as a green industrial park. On a lighter note, Rama Devi jokes, "If I had not got involved in my husband's venture, I would have been just another housewife."



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Hippocrates may have given it the dignity of idealism, but Zinda Tilismath has given it a meaning, a touch of realism. Ninety five years after it hit the chemists' shelves, the wonder drug refuses to budge or go away. A few things never fade, but get hold of immortality and become part of the lore. Zinda Tilismath is one such legend. A miracle potion of Unani formula, is never found wanting in its claim: To millions it still remains 'Har marz ki dawa', Industrial View Bureau reports.



Syed Zaheeruddin and Owais Farooqui of Karkhana Zinda Tilsimath



Lakshmi Prasoon Sonthi, a 48-year-old homemaker in Malakpet, Hyderabad, started getting searing pains in her left hip a couple of years ago and found herself limping to compensate. Prasoon took the painkillers prescribed by her allopathic physician and found that while she would get relief for 7-8 hours, the pain would return. She was told that she needed hip replacement surgery. She chose to change her physician and that medication reduced the pain. After a few months, the pain returned with such severity that she couldn't get out of bed. An old lady in her neighbourhood started administering a drug, which is almost Neeli Sonthi ka Tel. The 5 ml vial of aromatic medicine in a glass container was used both externally and as an intake with water. After a sustained course of treatment, Prasoon is now free of pain and can walk without support. The trusted wonder drug is Zinda Tilismath, the 95-year Hyderabad Unani medicine, which is acclaimed to be a panacea.

"Open it, gulp down a drop or two, shut the bottle and forget pain," Prasoon endorsed the drug.

Hakeem Mohd. Moizuddeen Farooqui, founder of the Karkhana Zinda Tilismath in Hyderabad in 1920, called the medicine Zinda Tilismath (live magic) evidently to project the efficacy of the medicine. The potency of the drug was demonstrated as it was used to cure a host of common ailments, from sore throat to dysentery to toothache to common cold. It has always offered a ready remedy, especially paediatric, like cold, cough, stomach troubles, dysentery, fevers, headaches and other body pains and even scorpion bites, which were fatal in olden days.

In recent years, the people of Andhra Pradesh have

come to rely Zinda Tilismath, for the prevention of swine flu. There was a sudden spurt in sales over 10 fold as people used it to lace and medicate the masks they wear to ward away the A(H1N1) virus.

Dost hai hamara

Har marz ki dawa

"Pain killers have come and gone, antibiotics are a dime a dozen. But Zinda Tilismath to us is what penicillin was to the World War II soldier — life giver and life saver," Mohammad Khadeer, a local says about it. But, a richshaw pillar Babu seconds Khadeer — "Dost hai hamara, Zinda Tilismath. Har marz ki dawa. (It's our friend. A cure for every malady.)" And, yes, don't forget this punchline: Naukar ho yaa malik, leader ho yaa public, apne aage sabhi jhuke hai, kya raja ho yaa public. The ultimate leveller that it is, this wonder potion, that generally comes in a bright orange pack cures all, so they say. There's enough for all suffering mortals.

Zinda Tilismath has had only three products for decades — the liquid medicine of the same name, to be ingested or applied in just a few drops; Farooqui toothpowder, and a pain balm. Now it is going to enter the Rs 1,000-crore throat lozenges market with Zint, where it will slug it out with the mighty — Vicks, Strepsils and Halls. It is also planning a roll-on version of Zinda Tilismath, which is marketed as a product for quick relief from a variety of ailments including cold, cough, cholera, dysentery, diarrhoea, headache and body aches.

New Brands in the pipeline

According to Syed Zaheeruddin and Owais Fa-



rooqui of Karkhana Zinda Tilismath, Zinda Tilismath also has a toothpaste in the pipeline. Like others of its ilk, its Farooqui tooth powder lost ground to slicker offerings, but sees hope in the relatively low use of oral care products in India. Statistics show that only 55 per cent of India uses toothpaste. Farooqui's powder is a combination of 16 ingredients, and its paste would have the same mix, says Saad Farooqui, a member of the founding family.

Tilismath, though, does not want to "tinker with the packaging", says Farooqui. This house of Unani medicine has been operating as a traditional family-run enterprise. Not only did it not change the logo or the packaging, the product has not changed in form or in delivery.

The brawny African it uses in its logo has become a symbol of trust, protection and solid health. "And these three hallmarks were the very essence of the product. We have stuck to it all these decades and the present generation of the family is also keen that there will be no change," he adds. However, the bottles will now come with a dropper to make it easier for use. The formula, a mix of eucalyptus oil, camphor, thymol and alkanet root, has been a closely-guarded secret for three generations and the family intends to keep it that way.

For its lozenges, it is adding a unit at its Hyderabad facility at an initial cost of Rs 30 lakh. While plans for Zint's marketing strategy are unclear now, it will be marketed as a cold, cough and headache relief solution, in keeping with its Tilismath heritage,

says Sohail Farooqui, another family member. Some of its competition is also sold on the 'cool and refreshing' platform.

"In due course, Zinda Tilismat had become synonymous with Hyderabad itself, like Charminar," Rohit Gupta of Lala Dawasaz Pvt Limited. This drug was a must for every household in Hyderabad," he adds.

This house of Unani medicine has been operating as a traditional family-run enterprise. Not only did it not change the logo or the packaging, the product has not changed in form or in delivery

Though the retail price has gone up from a mere 30 paise to Rs. 18 during the period, no major change has been incorporated in the product, said Owais Farooqui. A plastic cap has replaced the cork of the vial and the orange package now carries a hologram of the famous 'Negro with spear' logo.

"Even the formula has not been changed over the years. Seventy eight per cent of the content is Neeli Sondh ka Tel," points out Vikas Vijayvargi of Munnalal Grandsons Dawasaaz.

Of founders and formulae

Hakim Mohammed Moizuddin Farooqui of Hyderabad first concocted Zinda Tilismath in the late 19th century, in the 1880s. The then Nizam was impressed, and as its efficacy became renowned, he

even permitted the Hakim to use his cap (dastar) as the registered trade mark when he launched the company in 1920. It was then that it was commercially launched as Zinda Tilismath. The Nizam's dastar still has its place in the product's package.

Why is a sturdy African male armed with a bow and arrow seen on the packaging? There were rumours that the founder Farooqui learnt the formula from an African. Syed Masood Ahmed, who has been a staffer at the Karkhana Zinda Tilismath for 42 years set aside the gossip.

"He (Farooqui) was on the lookout for a suitable marketing logo. Being part of a traditional family, he did not want any women to be a part of his marketing campaign. At that time, the Nizam used to hire Africans not only as his personal bodyguard but for his entire family. Macho Negros, locally known as Siddis, who formed the African Cavalry Guards of the Nizam, were believed to have inspired the founder to go for the logo of Negro. The African became the symbol of trust, protection and solid health and thus, the logo was selected," Ahmed told Industrial View.

This liquid medicine is unusual in that it can be used externally and even be taken internally, by adding a few drops (depending on the ailment), to a cup of milk or other liquids.

"This is the poor man's elixir of life. People out there trust us blindly. So, we must hold the priceline, reason why we don't make the packaging snazzy," said Ahmed about the 5 ml magic potion.

Big SME opportunity in Nepal hydro power sector



The Nepalese government is offering several incentives to investors in the hydro power sector with special sops to small and medium enterprises which include income tax rebate.

Incentives offered by the Government of Nepal for Indian investors include, “100 per cent equity holding in small, medium and large industries, no license needed for setting up any business, minimal approval procedures, maximum of 20 per cent corporate tax on profits and IT rebate up to a maximum of 30 per cent, 80 per cent rebate on customs duty and full exemption from sales tax for manufacturing industries importing plant, machinery and equipment, and excise duty rebate.” Further, “Indian investors or workers do not require any visa and can invest and repatriate in Indian currency,” said Charge d’ Affairs, Embassy of Nepal, New Delhi, K N Adhikari. Adhikari was delivering the keynote address at a Seminar on Tourism, Trade and Investment Opportunities in Nepal, organized by Karnataka Small Scale Industries Association (KAS-SIA) in association with Grama Shikshana Charity Foundation, Hubli. Also speaking on the occasion, Minister (Economic), Embassy of Nepal, New Delhi, B P Lamsal said that Indian investors have a huge opportunity opening up in Nepal’s hydro power sector...that hydro projects like Seti, Tamakoshi, Upper Karnali, Arun and Budhi Gandaki had attracted the

interest of foreign investors. Meanwhile, President, Federation of Karnataka Chambers of Commerce and Industry, R Shivakumar pointed out that Nepal’s rivers could yield 44,000 MW out of a potential 83,000 MW. Nepal, according to President, KAS-SIA, B P Shashidhar offered a lot of business opportunities for Karnataka’s SMEs in sectors such as industrial manufacturing, steel-rolling mills, cement, jute, sugar, tea, carpets, garments, textiles, oilseed mills and food mills, in addition to hydropower, tourism, agriculture, and mining sector. Echoing similar sentiments, Chief Trustee, GSCF (Gram Shikshana Charity Foundation), Hubli, Ravindra Hombal described Nepal as one of the fastest growing economies in Asia and said Bangalore as India’s IT Capital and as the world’s healthcare hub, will stand to gain from better trade ties with Nepal.

Recently, India and Nepal formalized an amendment to a bilateral treaty to facilitate traffic in transit for goods of third country origin exported from Nepal. Until now, only goods of Nepalese origin were allowed to be exported through India to third countries.

The amendment was necessitated since, according to the earlier procedure, only goods of Nepalese origin were allowed to be exported through India to third countries.

Tirupati temple to have its own wind farm

In an effort to reduce its carbon footprint and meet its energy requirements, the Tirupati temple which is considered the world's richest temple is planning to set up its own wind farm plant at Kakulakonda at Tirumala Hills here.

Tirumala Tirupati Devasthanams has already taken several initiatives to go the green way. In 2010, it had introduced non-conventional sources of energy, both for gardening and cooking. By installing solar powered lights, solar cooking system, windmills and a water recycling station, it has relied entirely on clear energy to feed the 60,000 odd visitors to the temple each day.

In addition, last year, the hill shrine had installed solar panels atop its administrative building, the nature friendly measure serving to minimise its dependence on the grid. The 100 KWp solar photo-voltaic roof-top power plant installed at a cost of Rs. 1.25 crore has been able to generate about Rs 1.5 lakh units annually, well above the average monthly power consumption of the temple office complex which is about Rs 1.2 lakh units.

Adhering to eco-friendly principles, the temple trust now wants to set up a 7.5 MW wind farm plant to meet its energy requirements. In this context, it is looking for contractors and manufacturers of wind mill equipment to set up the plant and take care of operations and maintenance. Significantly, the average daily revenue at the temple, according to reports is Rs 2.35 crore, the highest ever single day collection amounting to as much as Rs 5.73 crore in April 2012. The daily earnings come in the form of cash, gold, silver and other precious offerings. Considering the fact that it possesses over 1,000 tonnes of gold and gold jewellery worth Rs 52,000 crore, the temple has won the title of being the richest in the world, hands down. Going by reports it has parked over Rs 10,000 crore with banks in the form of term deposits. Moreover, the temple trust owns land, worth an estimated Rs 90,000 crore across the country. One of the noteworthy features of the famous pilgrimage centre is that people who come there donate hair in order to win the deity's love and affection. It is their belief that offering hair casts off all the vices, vanity and sins from a person. Needless to say, the temple attracts hordes of visitors, making Andhra Pradesh a top tourist destination in the country. As many as 206.8 million tourists visited the state in 2012.

Situated in the Chittoor district of Andhra Pradesh, the temple is located in the hill town of Tirumala near Tirupati, about 600 kms from Hyderabad.



BHEL exempts bid fees for MSMEs registered with NSIC

Bharat Heavy Electricals Limited (BHEL) has exempted the micro, small and medium units registered with National Small Industries Corporation (NSIC) under single point registration scheme from payment of bid fee. The power house wants to purchase fuses for its vendors and is inviting bids from suppliers registered with NSIC as service providers. NSIC operates the scheme under the government purchase programme, in which the registered small scale industries get purchase preference in government purchase programme, exemption from payment of Earnest Money Deposit etc.

The MSMEs registered with the scheme are eligible to get the benefits under “Public Procurement Policy for Micro and Small Enterprises (MSEs) Order 2012”. The policy has the objective of achieving an overall procurement of minimum of 20 per cent, of total annual purchases of products produced and services rendered by MSEs in a period of three years.



Andhra Bank to open 500 new branches; to focus on retail & SME loans

Andhra Bank, which has plans to open 500 new branches and strengthen its presence outside Andhra Pradesh will focus on the small and medium enterprises, its Executive Director S K Kalra has said. Kalra told media here, "We will be opening 500 new branches in 2014-15." "The Bank would focus on retail and SME loans for disbursement of advances," he added.

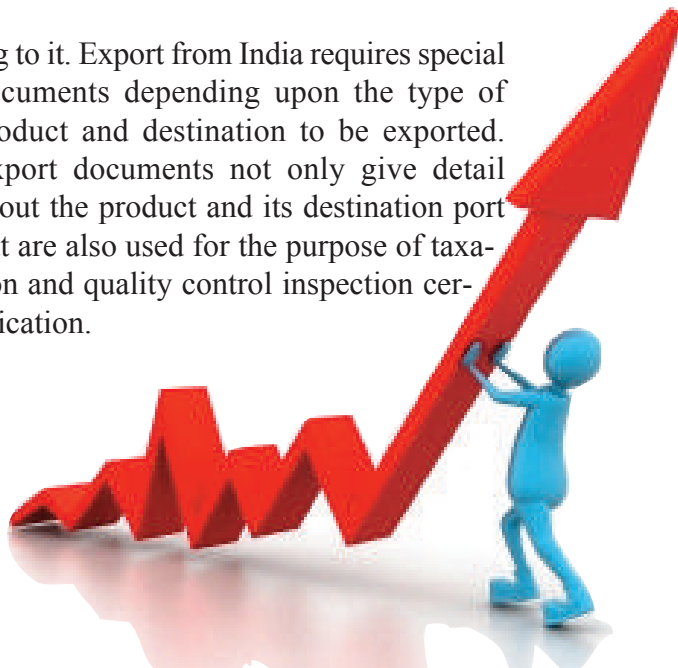
Currently, Andhra Bank has a total branch network of 2,000 in the country. In Chandigarh zone, the bank will open 50 additional branches in Haryana, Punjab, Himachal Pradesh, Uttarakhand, Jammu and Kashmir and the Union Territory of Chandigarh. Andhra Bank is targeting to achieve total business size of Rs 2.60 lakh crore by the end of 2013-14. Bank's ED was here to inaugurate a high tech branch which is equipped with cash deposit machine, cheque deposit machine, self-service passbook printing kiosk and Internet banking kiosk in order to provide faster banking services to customers.

MSME training programme on export promotion

With an objective to present an overview on different opportunities in the areas relating to export business, the MSME Technology Development Centre of Agra is organising a training programme on export promotion procedures and documentation. The programme is to be held on March-22 and 23, at Leelajay Technologies in Gurgaon.

The two-day course will cover the topics such as casting, forgings and engineering components in export business. Participants will learn how to be the best at their business and obtain all knowledge pertain-

ing to it. Export from India requires special documents depending upon the type of product and destination to be exported. Export documents not only give detail about the product and its destination port but are also used for the purpose of taxation and quality control inspection certification.



NPAs are high in corporate as well as small sector, says Chidambaram

Non-performing assets (NPAs) for small industries have risen along with the large corporates, Finance Minister P Chidambaram has said pointing out that the banks have been told to focus on recovery. "The biggest challenge facing the public sector banks is NPAs and asset quality...NPAs are high in large corporate sector as well as in the SSI and MSE sector," Chidambaram said while addressing a press conference here after reviewing the performance of public sector banks. "We have told them (banks) to focus on recovery and banks are focusing on recovery,"

he said. Reiterating that the biggest challenge facing the public sector banks was NPAs and asset quality, he said the quantum during 2013-14 is likely to be a little higher this fiscal. The finance minister has asked the lenders to focus on the recovery of bad loans. Chidambaram said the banks have recovered bad loans worth Rs 18,933 crore in April-December period of the current fiscal. The combined NPAs of the public sector banks rose to Rs 2.36 lakh crore at the end of the second quarter of the current fiscal from Rs 1.83 lakh crore at the end of fiscal 2012-13. Further, the Min-

ister also said that the model code of conduct will not affect government functioning or restrain the RBI from awarding new bank licences. Speaking about the bad loans of United Bank of India, he said the issue would be discussed separately with RBI Governor Raghuram Rajan. Kolkata-based United Bank posted a net loss of Rs 1,238 crore in the three months ended December, during which its gross NPAs surged to Rs 8,546 crore from Rs 2,964 crore at the end of March last year. Chidambaram said United Bank had managed to recover Rs 1,200 crore in January and February.

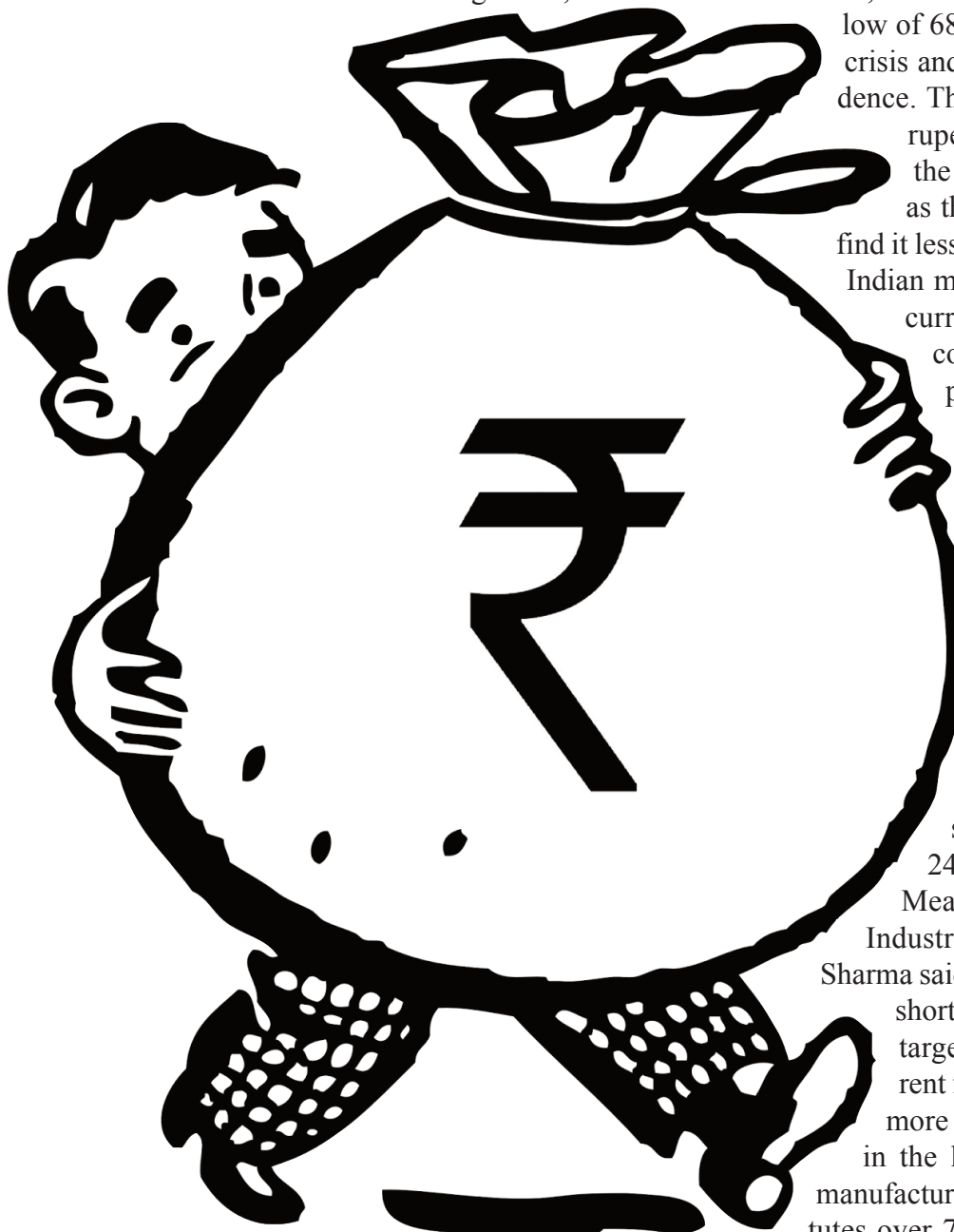
Rise in rupee value likely to affect SME exporters

Continuous rise in rupee value will affect the margins of exporters, particularly the SMEs, and reduce their ability to compete in the international market. The rupee is trading at 60.48 after hitting 60.47 against the dollar which is the highest since August 12, 2013. Later that month, the currency sank to a record

low of 68.85 amid a fiscal deficit crisis and waning investor confidence. The appreciating value of rupee is not good news for the country's export sector, as the Western markets will find it less profitable to look to the Indian market for imports as the currency of neighbouring country like China is depreciating. The elevating Indian rupee makes Indian goods more expensive globally, benefitting competitors such as Bangladesh, Sri Lanka, Pakistan and China. Provisional stock exchange data on Monday showed foreign funds bought shares worth USD 241.56 million.

Meanwhile Commerce and Industry Minister Anand Sharma said Indian exports will fall short of the USD 325 billion target envisaged in the current fiscal though it would be more than what was achieved in the last financial year. The manufacturing sector, which constitutes over 75 per cent of the index

has declined by 1.6 per cent in December 2013, as against a contraction of 0.8 per cent in the year-ago period. The MSME sector contributes 40 percent to the country's total exports and over 8 percent to India's GDP.



Karnataka industry body calls for social security to promote growth of small industries

Karnataka Small Scale Industries Association (KASSIA) has called for an integrated scheme for social security and changes in the present labour laws on matters pertaining to wages, welfare etc for the MSME sector. President, KASSIA, B P Shashidhar stressed upon the need for evolving a comprehensive and integrated scheme of social security and also amendment of the present labour laws on matters relating to wages, labour, welfare etc., for MSME sector, said in a release.

Shashidhar was speaking at a special presentation of PF (Provident Fund) and ESIC (Employees State Insurance Corporation) followed by an interaction meeting held here by Karnataka industry bodies. Among those present at the event were Additional Central Commissioner, Provident Fund, Government of India (GOI) M Narayanappa and Regional Director, ESIC, GOI, R S Rao.

Emphasizing the need for coverage on issues such as health, safety and social security, KASSIA Pres-

ident called for simplification of procedures to avail the same, so that industries can concentrate on their core activities. He expressed the need for a Committee to be formed by the Department to simplify the provisions of the age old Acts in order to save effort, time and money for positive and productive improvement. While acknowledging the existence of a focused legislation in the form of the MSMED Act of 2006, he said there were changes taking place in the characteristics of the functioning of small industries. "Social security is one area in which specialised attention is necessary for healthy growth of small industries," he said. The small industry, he reiterated is a builder of modern India and so has to be nourished and patronized to do its job and contribute to the nation and the society to the maximum possible extent.

Panel Chairman, KASSIA B T Ugranad, presented a brief memorandum highlighting a few aspects that would make the implementation of ESI entrepreneur friendly.

He suggested that ESIC should include SSI entrepreneurs in the larger chain of insured persons for which a proposal could be worked out. He also recommended that employees should have the option of continuing to be in the ESI coverage of his own accord; and that applicability of ESI should be made after six months of the employee joining. Even as he stressed the need to make implementation of ESI in the industry hassle free, he said that employers' contribution should be reduced to 3 per cent; and that there should be an exit policy for sick units. Ugranad also felt the need for opening one local office in the industrial belt on Whitefield Road which has been a long pending issue and also requested for providing a good hospital in the KIADB industrial area at Malur. Responding to the suggestions, Additional Central Commissioner, Provident Fund N Narayanappa, said the interaction was an exercise in the learning process for all stakeholders.

Funding remains a challenge for women entrepreneurs

Financial institutions meet only 25 per cent of the financing demand of women-owned micro, small and medium enterprises in India, a study said, calling for banks to serve more women. "The study titled Micro, Small, and Medium Enterprise Finance: Improving Access to Finance for Women-owned Businesses in India, undertaken by IFC in partnership with the government of Japan, estimates that of the total financing demand of USD 158 billion (Indian rupees 8.68 trillion) for women-owned businesses, formal sources are able to channel only USD 42 billion (Indian rupees 2.31 trillion).

"This leaves a significant gap of USD 116 billion (Indian rupees 6.42 trillion) that financial institutions can meet through products and services tailored for women entrepreneurs," said an IFC (International Finance Corporation) release. The report of IFC which is a member of the World Bank Group goes on to say that there are an estimated 3 million women-owned enterprises across industries, representing about 10 per cent of all micro, small, and medium enterprises in India and employing over 8 million people.

"...there is sound empirical evidence, particularly from developed economies, that women borrowers have stronger repayment history and present greater potential for cross sales compared to male entrepreneurs, making them roughly twice as profitable for banks as a consumer segment," the study notes. Commenting on the issue, IFC Manager for Access to Finance Advisory, Jennifer Isern said,

"Access to financing is an important factor for women-owned businesses to become viable in 's economic climate. This segment is a significant market opportunity for banks in India, and globally, as women entrepreneurs are proven to be excellent long-term clients for banks." The study recommends that banks can serve more women by lending to the services sector; about 80 per cent of women entrepreneurs run businesses focused on services. Historically, banks have funded manufacturing enterprises, and relied heavily on collaterals to give credit, to the disadvantage of women-owned enterprises. Investing in women relationship managers, advisory desks at bank branches, and non-financial services and training will help promote women entrepreneurs holistically, IFC said. Women-owned micro, small and medium enterprises are an integral focus of IFC's work in South Asia. In addition to making investments in private sector projects, IFC works with governments to improve investment climate, builds skills of local entrepreneurs, and promotes access to finance and markets for small businesses.





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