

Good Governance Initiatives for MSME



Government of India
Ministry of Micro, Small and Medium Enterprises
(An ISO 9001:2008 Certified Organization)

CONTENTS

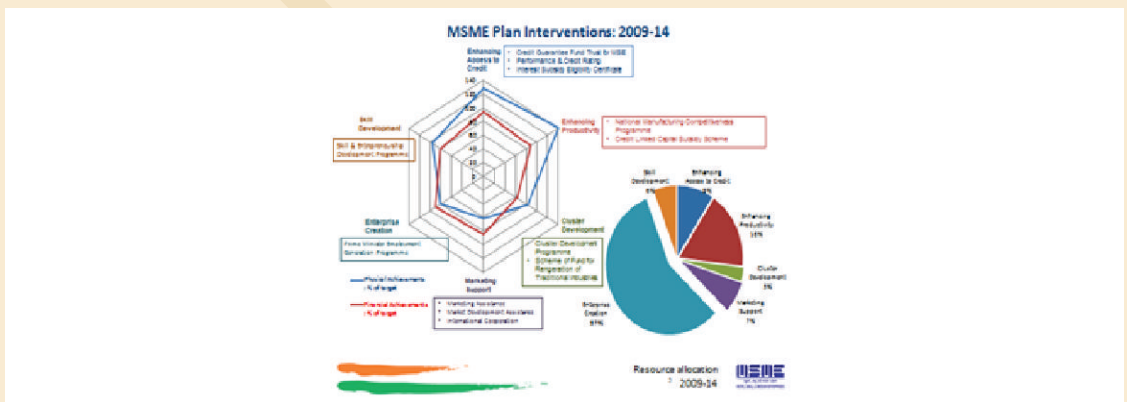
1.	INTRODUCTION	2
2.	ACHIEVEMENTS	2
2.3	THRUST ON KHADI & VILLAGE INDUSTRY	3
2.4	FOCUS ON COIR SECTOR	4
2.5	E-GOVERNANCE INITIATIVES	5
2.6	PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP):	6
3.	BUDGET ANNOUNCEMENTS	7
4.	HIGHLIGHTS OF GOOD GOVERNANCE INITIATIVES IN LAST SEVEN MONTHS	8
5.	FUTURE PLANS	9
6.	SKILL DEVELOPMENT FOR ENTREPRENEURSHIP AND ENTERPRISE CREATION TALENTMELA:	11
	FOCUS AREA : EMPLOYMENT GENERATION –JOB-LED GROWTH	12
	FOCUS AREA : GROWTH ORIENTATION –ZERO DEFECT	12
7.	ACTION PLAN FOR MAKE IN INDIA MINISTRY OF MSME	13

TEAM MSME



1. INTRODUCTION

- 1.1 MSME sector has been playing an important role in socio economic development of the country. MSME sector contributes around 8% of GDP. MSME sector accounts for around 40% of the total exports and around 45% of the manufacturing output. As per the Fourth All India Census of the Micro, Small and Medium Enterprises, total number of Enterprises of the MSME sector is 361.76 lakh of which 15.64 are registered Enterprises. The sector provides employment to 805.24 lakh persons.
- 1.2 The primary responsibility of promotion and development of MSMEs is of the State Governments. However, the Government of India, supplements the efforts of the State Governments through various initiatives. The role of the Ministry of Micro, Small and Medium Enterprises (M/o MSME) and its organizations is to assist the States in their efforts to encourage entrepreneurship, employment and livelihood opportunities and enhance the competitiveness of MSMEs in the changed economic scenario.
- 1.3 The schemes/programmes undertaken by the Ministry and its organizations seek to facilitate/provide: i) adequate flow of credit from financial institutions/banks; ii) support for technology up-gradation and modernization; iii) integrated infrastructural facilities; iv) modern testing facilities and quality certification; v) access to modern management practices; vi) entrepreneurship development and skill up-gradation through appropriate training facilities; vii) support for product development, design intervention and packaging; viii) welfare of artisans and workers; ix) assistance for better access to domestic and export markets and x) cluster-wise measures to promote capacity building and empowerment of the units.



2. ACHIEVEMENTS

2.1 Public Outreach: As advised by the Prime Minister, the Ministry has opened interactive interfaces on Facebook and Twitter. We have been informing about all important activities through these social media channels in addition to the



websites of the Ministry and its field offices. The response has been quite encouraging with the Facebook (8123) and Twitter (4071) having attracted over 12000 followers. It is important to note that 70% of the followers in Facebook are in the 18 to 34 age group. Ministry has also set up a Udyami Helpline (Toll free number: 1-800-180-6763).

2.2 Interaction with stakeholders: In order to achieve the objective of development and promotion of the MSME sector, the Ministry has to work



closely with the State Governments, various Ministries / Departments, Industry Associations and other agencies. To this effect, the Ministry has held detailed interactions with over 80 industry associations during July 2014. A National Conference with the Ministers and Secretaries in charge of MSMEs, of all States and UTs was also held in August 2014. The suggestions received from the stakeholder with

regard to various issues connected with MSME Policy and implementations at various levels have been compiled and action on follow up has been initiated in a systematic manner. Furthermore, we have been able to successfully convey the vision of the Prime Minister with regard to various issues such as ease of doing business, better communication between the states and the central Ministries, partnership with industry associations, emphasis on manufacturing with specific reference to achieving zero defect and zero effect

through some of our ongoing programmes such as that for Lean Manufacturing, Technology and Quality Up-gradation, etc. An interaction with various stakeholders was held in June 2014 for deciding the structure of Marketing Organization of KVIC. An interaction was held with Khadi institutions in July 2014 to encourage implementation of Khadi reforms to make the Khadi sector competitive and sustainable.

2.3 THRUST ON KHADI & VILLAGE INDUSTRY

2.3.1 It is a matter of great pride that the sale of Khadi and Village Industry products



has recorded a quantum jump in sales after the appeal of the Hon'ble Prime Minister in his Radio address to the nation 'Mann kiBaat' on October 03, 2014 "to buy at least one 'Khadi' product for use in their day-to-day life. If you buy Khadi, you light the lamp of prosperity in the house of a poor person". This has re-energised the Khadi sector which has resulted in increase of sales at

Khadi Gramudyog Bhawan, New Delhi by 125% compared to previous year sales. This was acknowledged by the Hon'ble Prime Minister on 02 November 2014 in the same programme. The appeal by the Hon'ble Prime Minister has evoked emotional response amongst the people more so the youth of the country which has resulted in a new lease of life to Khadi sector. Khadi & Village Industries Commission (KVIC) has also risen to the occasion by renovating the Khadi Gramudyog Bhawan, New Delhi and ensuring that a wide variety of Khadi and Village Industry products are showcased to cover all age groups, all sections of textile market, such as Designer wear, home furnishing, upholstery, woollens including Pashmina, bridal wear, wide range of sarees from across the country, office wear, casual wear, children wear, ready to use and readymade dresses. In addition a wide range of Village Industry products such as Handmade Paper & products, Honey, Natural soaps, Incence sticks, Herbal Beauty & Health care products, Jewellery and gift items and decorative, household artefacts, household grocery items which are ready to eat and organic farm products.

2.3.2 In order to give a Youth Centric focus, KVIC has extended a special discount for



students on the occasion of International Youth Day and Gandhi Jayanthi. KVIC is also taking Khadi to schools, colleges, universities, IITs, ITIs and other educational/technical institutions by organizing college fest, fashion shows, awareness programmes and competitions to attract the youth.

2.3.3 In addition, KVIC has been for a long time supplier of Khadi products for key sectors like Railways and Defence and with the opening of Defence sector for domestic manufacturers and suppliers, KVIC is in the process of gearing up to explore this sector aggressively.

2.4 FOCUS ON COIR SECTOR

2.4.1 The Coir Board under Ministry of MSME, was set up under Coir Industry Act 1953, by Govt. of India. The main functions of the board as laid under act include under taking, assisting and encouraging scientific, technological and economic research, modernization, quality and industrial development through increasing task utilization, domestic and export market promotion and welfare of those who are engaged in this industry. The board is running 46



establishments all over India including two research institutes, one national and 3 regional level training centres, 30 showrooms and regional/sub regional offices to undertake all developments as facilitator and promoter. In order to undertake the functions in 12th Plan Rs. 365 Crores is allocated through the following Plan Scheme:

Plan Science & Technology : To take research on modernization, development of Coir machinery, product development, transfer and technologies, testing and incubation activities.

Plan General: (Coir Vikas Yojana) To undertake capacity building activities, providing assistance to set up coir industry, encouraging domestic and export market and trade related support services.



Plan – REMOT Scheme: (Coir Udyami Yojana) Credit linked capital subsidy scheme with 40% grant and working capital to establish micro/small coir units with an investment upto Rs. 10 lacs.

Plan – SFURTI : To encourage cluster oriented coir consortiums to develop all coir units in the cluster.

2.4.2 Through the above schemes/interventions, coir industry spread across 21 States with 15060 coir units having annual production of 5.39 lakhs MT of Coir fiber with GDP of Rs. 3500 crores and providing employment to 7.13 lakhs of rural artisans out of which 80% are women. Scheme interventions has resulted the national husk utilization to 40% so far. It is focused to increase the national husk utilization to 60% in 12th Plan.

2.5 E-GOVERNANCE INITIATIVES



With a view to strengthening communications between stakeholders, and improving efficiencies in service delivery, the following initiatives have been launched: First ISO 9001: 2008 quality standards have been adopted for the **entire Ministry (first ever)** and the processes completed with M/s TUV India has

certified our processes. **e-Office** initiative has been introduced to achieve paperless office in the Ministry. Movement of e-files has been started and digitalization of existing physical files for converting the same into electronic files is under process.

Aadhar-based Bio-metric Attendance System for all employees (98% coverage) of the Ministry was started w.e.f. 20th August, 2014 resulting in punctuality of attendance.

A National Portal for filing of EM-I and EM-II is ready for launch. A Video Conference with all States and UTs was held recently wherein it was found that out of 658 districts and 644 DICs, very few are having online system which is workflow based system of filing. States are being encouraged to adopt National Portal and share the database for decision support system and planning for MSMEs. This will allow the MSMEs to register online, making it easier to do business.

Virtual Cluster web portal has been made available at www.msmsecluster.in. It will provide facilities like common application forms, credit scoring models etc. and a platform for Industry-Academia linkages. So far 121 Domain experts, 212 academic institutions and 25530 MSME enterprises have been registered.

An Employment Facilitation Portal (www.msmenaukri.com) set up by NIESBUD was launched by the Minister (MSME) on 11th July, 2014. This enables matching of job providers and job seekers. So far 10151 youth seeking jobs and 191 employers have been registered. This is being linked to MSME Training Data-base in a searchable format as Career Centre

B2C web portal of NSIC was launched on 31st July, 2014. This portal will market MSME products exclusively.

All the forms and guidelines of the schemes implemented by the Ministry have been placed on the website. Online applications have been introduced in respect of large number of schemes and it would be the endeavor of the Ministry to cover all the schemes.



First Ministry to launch **mobile friendly website** for quicker access
<http://msme.gov.in/mob/home.aspx>

2.6 PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP):

2.6.1 Ministry of MSME has been implementing a credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) since 2008-09 with Khadi and Village Industries Commission (KVIC) as nodal agency at the national level for generating self-employment opportunities



through establishment of micro-enterprises in the non-farm sector by helping traditional artisans and unemployed youth. Under PMEGP, general category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as scheduled castes, scheduled tribes, OBCs, minorities,

women, ex-servicemen, physically handicapped, beneficiaries belonging to North Eastern Region, hill and border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban area. The maximum cost of project is 25 lakh in the manufacturing sector and 10 lakh in the service sector.

2.6.2 A total of 2.73 lakh micro enterprises have been assisted with a margin money subsidy of Rs 5223.90 crore providing employment to an estimated 24.02 lakh persons since its inception till 2013-14.

2.6.3 An outlay of Rs.8060 Cr. (Rs. 7800 Cr. Margin Money subsidy + Rs 260 Cr. under Backward and Forward Linkages) has been approved by the Planning Commission for PMEGP in the 12th five year plan to set up about 3.39 lakh projects with creation of additional 27.12 lakh employment. For the Financial year 2014-15 an outlay of Rs. 1418.28 crore has been allocated for PMEGP in Budget Estimates -2014-15.

2.6.4 PMEGP performance during the Financial Year 2014-15 upto Nov, 2014 shows that Rs.402.33 crore have been disbursed by the Banks for setting up of 17073 projects generating an estimated employment for 129380 persons as against Rs. 63.33 crore and 3224 projects generating employment for 19730 persons for the same period during the last financial year 2013-14.

- 2.7 New programmes: For the traditional and village industries, we have significantly enhanced the ongoing Scheme of Fund for Regeneration of



Traditional Industries (SFURTI) to achieve better and more intensive coverage with expert inputs. A special component plan to support 100 Khadi institutions and Self Help Groups in the Border, Hill and Left Wing Extremism affected areas has been sanctioned at a cost of Rs.76 crore. In addition, some other schemes relating to capacity building and mentoring for MSMEs

are under finalization. Rejuvenation, Modernization and Technology Upgradation of coir industry (REMOT) revamped with credit linked entrepreneurship promotion for Coir Sector.

3. BUDGET ANNOUNCEMENTS

- 3.1 The announcements made in the Budget are being pursued with vigor. We are told that the Venture Capital Fund for MSMEs will receive its funding in the form of loans from RBI, based on shortfalls in priority sector lending. The Ministry has been working closely with the Department of Financial Services to set up a framework for the operationalization of this fund .We have also proposed expectation of MSME sector to the Ministry of Finance to workout suitable financial architecture for MSMEs.
- 3.2 The Ministry also had detailed consultations with different Ministries and Departments namely, Ministries of Food Processing Industries, Textiles, Science & Technology, Rural Development, Bio Technology, Agriculture and Department of Electronics and Information Technology to operationalize a Rs.200 crore Fund for Technology Centre Network, Innovation, Entrepreneurship and Agro Industries. Since no specific allocation has been made for the District Incubation Centers, we propose to include the same in this Fund itself.
- 3.3 Job creation for youth and making them industry ready to enhance the productivity of MSMEs and making them globally competitive through skill

improvement, entrepreneurship development and support for start-ups is part of our strategy.

- 3.4 Amendment in MSMED Act 2006 for change of definition and to address other aspects for providing better eco-system for growth of MSME is being actively considered.
- 3.5 A comprehensive new MSME Policy is being drafted and is now in public domain for stake-holders consultation.
- 3.6 The vision of our dynamic Prime Minister to make India a manufacturing hub motivates me and my team to work tirelessly to make India a developed and prosperous nation.

4 HIGHLIGHTS OF GOOD GOVERNANCE INITIATIVES IN LAST SEVEN MONTHS

- MoMSME has taken many initiatives for bringing transparency accountability and responsiveness in governance processes.
- ISO 9001:2008 certification for quality management processes and procedure as per current global standards. “First Ministry” in GoI for ministry-wide QMS- quality management systems –not only introduced but certified by a third party.
- Interactive and updated website www.msme.gov.in now ready to launch mobile version <http://msme.gov.in/mob/home.aspx>
- Paperless office environment: eOffice efforts – <https://msme.eoffice.gov.in> a role “model for various Ministries” in terms of speed and scalability. Started in April 2014 by now over 573 files and over 4000 transaction initiated. Out of over 21000 files, a scientific weeding out processes initiated and balance 7599 files are being scanned and uploaded. Over many sections like Coir, SME, EDI, IC already digitized over 95%. Our experience of streamlining has been “appreciated” by DARPG and even circulated to all Ministries to follow- out of lessons learnt.
- Social Media interaction with various stakeholders on Facebook <https://www.facebook.com/minmsme> and Twitter <https://twitter.com/minmsme> has attracted over 11000 followers.
- A national portal for Filing of EM by MSME entrepreneurs

<http://164.100.140.91/DCMSME/> initiated and over 6 states and UTs have adopted.

- Streamlining of schemes and putting them together for easy access has improved our service delivery. Over 45 schemes of MoMSME – with search and apply features <http://msme.gov.in/Web/Portal/Schemes.aspx> and all 206 schemes of various Ministries- with read and find features, <http://msme.gov.in/WriteReadData/Whatsnew/Sch-vol1-151214.pdf-sri.pdf> have been brought together. Efforts are on to develop common application form with workflow based tracking with NIC.
- National Data-base of training and trainees has emerged as single point of interaction of job seekers and job providers. Job Portal <http://www.msmenaukri.com/> and Virtual cluster of industry academia and government <http://msmevirtualclusters.in/Home.aspx> is fast emerging as a tool for improving public service delivery and responsiveness of our field functionaries.
- Swachhata Abhiyan has been taken up in letter and spirit and general cleanliness, adoption of 5S techniques of management in office environment has definite improvement in our citizen interface.
- Public Grievance Management system and RTI responsiveness are areas of further improvement. Out of 1276 grievance received 1076 petitions have been disposed off till 3rd Dec 2014 leaving only 153 for further action. Similarly out of 432 application for RTI received, 422 have been disposed off leaving a balance of 10 where further action is in process. Details are placed as Annexure in a tabular format.

5. FUTURE PLANS

- 5.1 **Policy:** We are working towards framing such a policy for MSME by which we make the whole sector progressive and make a positive atmosphere so that this sector achieves its full potential and contributes to make our nation a developed one. To achieve this, we plan to redefine scope of Micro, Small & Medium enterprises according to this changing time. For this purpose, we want to



make some amendments in MSME Development Act and bring out a policy framework which is required to make our country a “Manufacturing Hub” and to implement our vision of “Make in India” and “Made in India”. Through this new policy, we want to give enterprises of our country zero-defect and zero-effect standards. A comprehensive new MSME Policy is being drafted and is now in public domain for stake-holders consultation

5.2 Ease of doing Business: We are making efforts to streamline the procedure of establishing an enterprise and find an easy solution of all the obstacles coming in the way. A start-up entrepreneur needs an easy credit on one hand; basic infrastructure is required on the other hand. NOCs are to be got issued from many departments. We want to streamline the process of these formalities and online window system needs to be developed through which we can create a conducive environment to establish an enterprise with minimum difficulties. For this, we are improving all the schemes of our ministry so that maximum benefits can be extended to the beneficiaries. We have almost completed the procedure of filing EM-I EM-II forms and we are moving towards Single Window System.

5.3 Incubation Centers and Technology Development Centers: Various difficulties are faced to start a new enterprise especially in the field of Micro



and Small sector; for this, “handholding” support along with proper training is required which we want to make available through our incubation centers. In the coming time, about 500 incubation centers will be set up all over the country for which we are drawing a scheme and in that we want to take support of large industries and industry associations through

public private partnership. This will encourage entrepreneurship across the country. We plan to operationalize Rs.200 crore Fund for Technology Centre Network, Innovation, Entrepreneurship and Agro Industries. This will primarily focus on promoting Rural enterprises. Besides with the support of World Bank we shall establish 15 advanced technology centers across the

nation by which technology and innovation would be used in the development of Small and Medium sector.

5.4 **Skill Development:** We shall be making maximum efforts in the direction of entrepreneur development and skill development so that training of our youth is as per the requirements of industry and to enable them to get employment or start their own enterprise. We also want to encourage public-private partnership so that maximum numbers of youth are trained by engaging with private sector to provide employment or self-employment opportunities. To achieve this, we have recently signed an MOU with Samsung and we are planning to impart training to more than 10,000 youth. These youth will be trained at more than 10 training centers all over the country and will be provided employment as well. Subsequently, like Samsung, we will also collaborate with other corporate partners.

5.5 **Job Fairs:** We wish to organize Job fairs to provide linkage between skill development and Industry and plan to provide job to more than 1 lakh youths in a year's time. Talent Mela by NiMSME, Job Mela by NIESBUD, Techmart organized by NSIC in ITPO and ITPO sponsored Exhibition of Indian Products in Perth Australia need special mention



5.6 **PMEGP e-Monitoring:** We plan to fully implement e-Monitoring system for PMEGP covering all sponsoring agencies as well as Banks.

5.7 **Khadi Reforms:** Khadi Reform and Development Programme has been formulated with Asian Development Bank Assistance. We plan to implement various initiatives under this programme to develop Khadi as a brand and promote all aspects of Khadi production.



6. Skill Development for entrepreneurship and enterprise creation

TalentMela: In order to promote entrepreneurship amongst youths, Ministry



of Micro, Small & Medium Enterprises has been implementing number of programmes for entrepreneurship and skill development including industrial motivation campaigns. Job creation is being promoted through Prime Minister's Employment Generation Programme (PMEGP) wherein skilling youth and entrepreneurs to set up new enterprises and join job

market for gainful implement are other steps being promoted by the Ministry. Under Assistance to Training Institutions Scheme, 3 national level entrepreneur development institutes namely NIESBUD, Ni-msme, IIE and 18 Technology Development centers, managed by office of DC including central tool room are conducting programmes for ESDP.

Focus Area:Employment Generation –Job-led Growth

Harnessing of demographic dividend requires a business-friendly eco-system that promotes entrepreneurship and job creation to enable them to become job providers from being job seekers.

Achievements: 3,94,669 youths benefitted

- 3 EDIs organized 5505 programmes for 152834 youth for enterprise creation and make them job ready for industry.
- Under PMEGP over 17073 enterprises set up and employment opportunity for 129380 youths created.
- 29 Job Mela/Talent Mela organized in different parts of country and over 8588 youth got jobs with in MSME enterprise frame work.
- Technology Development Centre (18) trained over 103867 youths and making them industry ready.

Future Plans

- Over 5000 training programmes for 1,60,000 youth lined up and will be completed by March 2015.

- 40 more job mela to be organized for targeting employment of 40000 youths by March 2015.
- Under PMEGP over 2 lakh application has been sponsored to Banks for assistance.
- New Scheme of REMOT (Cair Udyami Yojana), SFURTI , Border Hill & LWE, Business Incubation Schemes for livelihood promotion.
- Career Centers- MSME NAUKARI DOT COM and Training Data Base to be converged with Employers Data base.
- Training of 10000 unemployed youth in 'MSME-Samsung Technical School' at 10 different places in the country.

Focus Area: Growth Orientation –Zero Defect

Growth Orientation of enterprises run by MSME entrepreneurs is another focus area to make our industries productive and competitive.

Achievements: 22567 enterprises benefitted.

- Over 500 units assisted under Cluster development initiative under MSE-CDP scheme.
- Performance and Credit Rating Scheme has helped 18582 enterprises to be rated and enable them to get concessional credit from Banks.
- Under NMCP schemes over 1200 units got benefit under Lean Manufacturing, Design Clinic, Quality Management Standards (QMS) and Quality Technology tools (QTT) and ICeT scheme.
- Over 11567 units were assisted to get credit guarantee coverage under CGTMSE scheme.
- Under SFURTI clusters of village industries and coir sectors being promoted.

Future Plans

- Over 500 interventions under NMCP programmes for 15000 enterprises lined up and will be completed by March 2015.

7. ACTION PLAN FOR MAKE IN INDIA MINISTRY OF MSME

7.1 New Initiatives launched

- Revamped scheme of SFURTI , REMOT and Hill, Border and LWE Areas
- Scheme for “Innovation Technology Network Entrepreneurship and Agro Industries for Rs 200Cr finalized for promotion of livelihood and technology business incubation.

- National Portal for registration and filing of EM 1 & EM 2
- Job Creation through PMEGP has significantly improved with eTracking and coordination with banks

7.2 Creating an eco-system of world class Technology Centers to support MSMEs

- Under World Bank assisted Technology Centre Systems Programme (TCSP) 15 new Technology Centres (TCs) with the most advanced technology are at different stage of process of setting up
- Under Technology Centre Systems Programme (TCSP) the augmentation of 18 existing Technology Centres (TCs) will be done

7.3 Enhancing Competitiveness and Productivity of MSME Sector

- Lean Manufacturing Competitiveness Scheme (LMCS): The scheme has proven results of approx. 20% reduction in wastage and increase in productivity for pilot phase, is has been up-scaled in 12th Five Year Plan to be implemented in 500 mini-clusters. 349 clusters have already been selected for implementation.
- Design Clinic Scheme: under the scheme assistance is being provided for developing design and innovations in MSMEs.
- QMS/QTT Scheme: it is helping MSMEs in enhancing their competitiveness through adopting Quality Management Standards (QMS) and Quality Technology tools (QTT).
- ICT Scheme: This scheme will be assisting MSMEs for adopting ICT tools and applications through CloudComputing to enhance their competitiveness.

7.4 Skill Development and Skill Need Mapping

- Training of educated unemployed youth both in conventional and most advanced production and management technology/processes
- Developing Modular Courses.
- Training of trainers.
- Developing districts wise skill development needs and training providers.
- Up-scaling in collaboration with NSDC, Ministry of Skill Development, Entrepreneurship, Youth Affairs and Sports and Ministry of Labour and Employment.
- Training of 10000 unemployed youth in 'MSME-Samsung Technical School' at 10 different places in the country.

7.5 Developing and Promoting New Products and MoU with CSIR and IISc setup

- Developing new products/import substitutions in field institution viz. TCs
- Developing new products/improving substitution through Incubators
- Developing new products/improving design of existing products through Design Clinic scheme support
- Developing new products/import substitutions keeping in view Public Procurement Policy & Defence Offset Policy
- Productization in area where research completed IPR attained by the institutes viz. CSIR (642 nos.) and Indian Institute of Sciences (190 nos.), an MoU with CSIR and IISc has been signed. MSME-IISc Center for excellence started at IISc at Bangalore.

7.6 Zero Effect Zero Defect Manufacturing

- Promoting Lean Manufacturing Competitiveness Scheme (LMCS) in mini-clusters for Zero Defect manufacturing
- Promoting Energy Efficient Technologies under UNIDO-GEFF-MSME Programme and TEQUP scheme
- ZED Certification scheme in consultation with QCI, Industry Association and Rating Agencies is being worked out
- Approach Paper on rating model for Rating of Defence Offset Supplies has been prepared by AS & DC-MSME. The same is being consulted with QCI, Industry Associations and Rating and likely to be finalized 31st January, 2015.

7.7 Energy Efficiency in MSMEs and market transformation for absorption of energy efficient technology

- UNIDO Project viz. Clean tech programme with a project cost of 5 million USD and Market Transform Programme with a project cost of 31 million USD have been initiated.
- Energy Efficient Technologies adaptation is being assisted under TEQUP

7.8 Access to Finance

- Collateral free credit is made available to MSME through CGTMSE. Exposure reaches to Rs 84000 crores.
- Efforts to have 'state verticals' for extending guarantees to MSME with support of state governments

- Early operationalization of Start Up fund of Rs 10000 cr for capital funding-equity and venture

7.9 Market support for MSMEs

- Populativizing and extending and hand holding support for effective implementation of Public Procurement Policy-2012
- Leveraging Defence Offset Policy for creating ecosystem of defence manufacturing by MSMEs and reducing import substitutes
- Vendor Development Programme and common action plan in collaboration with CPSUs
- B2B and B2C Portal of NSIC

7.10 Infrastructural and technology supports to MSME clusters

- Up scaling cluster approach for infrastructure development and technology support
- Under MSE-CDP scheme, a total of 965 interventions have been taken up in terms of Diagnostic Study, Soft Interventions and Common Facility Centre and around 171 infrastructure Development Projects have been taken up

7.11 Policy support initiative

- Draft note on change of definition of MSMEs from current level and resolving Insolvencies in public domain.
- Draft consultation paper on MSME policy launched for suggestions and comments of the stakeholders and citizens of the country.
- A committee on financial architecture under chairmanship of Dr KV Kamath Chairman ICICI –likely to submit report soon

1.12 Swachhata Abhiyan

Swachhata Abhiyan has been taken up in right spirit and has been used as tool of bringing orderliness and efficient management of resources, save energy and keep the office environment clean and tidy.

A workshop on adoption of 5S Principles in MoMSME was organized to bring home the point and necessity of orderliness.

