

# DAYANANDA SAGAR COLLEGE OF ENGINEERING

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## **DEPARTMENT OF TELECOMMUNICATION ENGINEERING**

**Accredited by National Board of Accreditation (NBA)**

### **MODULE 5**

#### **SMALL SCALE INDUSTRY & STARTUP INDIA**

**COURSE CODE: 18HS5ICMEP**

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### **CONTENTS:**

**SMALL SCALE INDUSTRY:** Definition; Characteristics; Objectives; Scope; role of SSI in Economic Development, Advantages of SSI, Steps to start an SSI, Impact of Liberalization, Privatization, Globalization on S.S.I, Effect of WTO/GATT.

**STARTUP INDIA:** Benefits, Policies, Action plan- simplification and Handholding, Funding Support and incentives, Industry-Academia Partnership and Incubation.

Salient features of Karnataka start up Policy 2015-2020, Strategies encouraging entrepreneurship through NAIN, Venture capitalist, SSI funding schemes by banks and financial institutions, Government of India Initiatives on Thrust Areas.

## SMALL SCALE INDUSTRY

### 5.1 DEFINITION

Small-scale industries (SSI) play a key role in the industrialisation of any developing country. Development of SSI's has been one of the most important features of industrial development. Indian government has been formulating various policies to develop or revive cottage and small-scale industries over the years.

The term SSI has been defined in three ways:

#### 1. Conventional definition:

It includes cottage and handcraft industries that employ conventional labour-oriented methods to produce conventional products, mainly in the rural areas. Ex: Handloom, Handicrafts.

#### 2. Operational definition:

It is for the policy purpose includes "all the undertakings having an investment in fixed assets in plant and machinery, whether held on ownership terms or by lease or hire-purchase, not exceeding Rs. 60 lacks". Ancillary units and Tiny units also come under the scope of SSIs.

#### 3. National Income Accounting:

National income accounting includes "all manufacturing and processing activities, including maintenance and repair services, undertaken by both house-hold and non-house-hold small scale manufacturing units not registered under Factories Act".

A SSI is defined as "A unit engaged in manufacturing, servicing, processing, servicing and preservation of goods having investment in machinery, at an original cost not exceeding Rs. 10 crores".

The details of ceiling limit of investment in SSIs over the years:

SL.NO	YEAR	Ceiling Limit for SSIs
1	1950-1958	Capital assets up to ₹. 5 lakhs
2	1960	Gross value of fixed assets up to ₹. 5 lakhs
3	1966	Value of plant and machinery up to ₹. 7.5 lakhs
4	1975	Plant and machinery ₹. 10 lakhs
5	1980-1991	Plant and machinery from ₹. 20 lakhs to ₹. 60 lakhs
6	1997	Up to ₹. 3 crore on plants and machinery.
7	2006	Up to ₹. 50 million / 5 crore.
8	2020	≤ ₹. 10 crore.



## 5.2 CHARACTERISTICS OF SSI:

Characteristics of SSIs are listed below:

1. Capital investment is small and with small number of workers.
2. Generally owned by a single or at the most two persons.
3. Most of them are family owned industries.
4. Workers are not well recognised.
5. Funded by owner's savings or loans.
6. SSIs are mainly on owner's entrepreneurship.
7. Usage of natural resources and human resources.
8. Poor management.
9. May close early.
10. Fewer profit margins due to competition.
11. High risk bearing.
12. Faces competition.
13. Few of them grow as Medium scale industries.
14. Technology may become obsolete, resulting in closure of SSIs.
15. Generally found in urban or semi urban areas.

### 5.3 OBJECTIVES OF SSI:

Objectives of SSIs:

1. Creation of employment opportunities.
2. Improvement of income and standard of living.
3. Elimination of economic backwardness of rural and underdeveloped areas.
4. To reduce regional imbalances.
5. To provide job for needy people.
6. To improve the quality of products and increase the profit.
7. To facilitate import substitution.
8. To encourage entrepreneurship.
9. To mobilize the regional resources of capital.

### 5.4 SCOPE OF SSI:

The following are some of the areas of scope of SSIs:

1. Manufacturing activities
2. Construction activities
3. Public utilities
4. Service/Repairing activities
5. Financial activities
6. Retailing activities
7. Wholesale business
8. Communication
9. Transport business.

Some of the industries reserved by Govt of INDIA for exclusively for the development of SSIs:

1. Leather products	11. Stationery items
2. Cotton hosiery	12. Wooden furniture
3. Rubber products	13. Sports goods
4. Scientific instruments	14. Flour mills
5. Natural essential oils	15. Ceramics
6. Auto ancillary	16. Foundries
7. Boat making	17. Electro plating
8. Electrical goods	18. Ice creams
9. Tricycles and perambulators	19. Food processing
10. Printing presses	20. Khadi products

## 5.5 ROLE OF SSI IN ECONOMIC DEVELOPMENT:

1. Economic development is defined as an **increase in per-capita income** of a person resulting in improvement in the levels of living.
2. It contributes to the increase in **per-capita income**.
3. SSIs generate immediate **employment** opportunities with low capital investment.
4. It promotes evenly **distribute** of national income.
5. It makes effective **mobilisation** of untapped capital and human **skills**.
6. SSIs results in the **growth of villages**, small towns and economically lagging areas.
7. It creates the **balanced development**.
8. Increase in **production, jobs and exports** of products.
9. In INDIA as per the information received from *Directorate General of Commercial Intelligence and Statistics (DGCIS)* the Share of MSME related Products in total Export from India during 2018-19 is **48.10%**.
10. In INDIA as per 73rd Round of *National Sample Survey (NSS)*, conducted by the Ministry of Statistics & Programme Implementation during the period 2015-16, the estimated **number of workers** in unincorporated **non-agriculture MSMEs** in the country are **11.10 crore**.
11. Under the *Prime Minister's Employment Generation Programme (PMEGP)*, the estimated employment generated (number of persons) in **micro enterprises** during the years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 are **3.58 lakhs**, 3.23 lakhs, 4.08 lakhs, 3.87 lakhs and **5.87 lakhs**, respectively.
12. **73,427 'projects'** were supported under the programme in FY19.
13. **Ease of Doing Business** for MSMEs: According to the MSME Ministry's 2019 annual report, out of **6.33 crore** MSMEs in India, only 0.05 lakh are medium enterprises while 3.31 lakh are small and 6.30 crore are **micro-units**.
14. **MSMEs** contribution to **India's GDP** to over **29.7%** expected to reach 50%.

## 5.6 ADVANTAGES OF SSI

SSI have both social and economic advantages, few are listed below:

1. SSIs don't require high level technology.
2. They don't require more capital.
3. Unemployed people can be used for work.
4. The projects can be completed in short period.
5. These industries are based on local raw material.

6. Exporting goods produced from local resources.
7. Source of employment for local people.
8. These industries act like training area for local entrepreneur.
9. More uniform distribution of income in the society.
10. These industries create employment with small capital investment.
11. These have small gestation period.
12. Helps in equal distribution of national income.
13. Facilitate mobilization of capital and skills which often remain unutilized.
14. They meet the increased demand of consumer goods.
15. They help in economic growth of the country.
16. These industries help in geographical distribution of skills and technology in the country.
17. They help in developing rural areas.
18. Creating jobs for unemployed.

## 5.7 STEPS TO START AN SSI

The various steps involved in starting a SSI are given below:

1. Selection of industry.
2. Arrange for know-how/technology.
3. Study of resource requirement.
4. Selection of land and premises.
5. Study of investment requirement.
6. Study of requirement of plant and equipment.
7. Study of requirement of raw material and sources of supply.
8. Study of marketing, pricing strategy, finance, staffing etc.
9. Preparation of project report.
10. Application to financial institutions for loan.
11. Application to Directorate of Industries for No Objection Certificate, Registration as SSI, Power, and Permission.
12. Get NOC and permission from local body.
13. Apply for power connection.
14. Recruit staff and workers.
15. Order for plant and machinery.
16. Order for raw materials.
17. Install the machinery.

18. Trail runs.
19. Production and sales.
20. Profits and pay creditors.

## 5.7 IMPACT OF LIBERALIZATION, PRIVATIZATION, GLOBALIZATION ON S.S.I:

Liberalisation, Privatisation, Globalisation (LPG) process started in India in July 1991 under New Economic Policy & New Industrial Policy. LPG attracted new areas of development, Foreign direct investment (FDI). This made Indian economy to grow to new heights and increased exports. Increase in GDP growth rate 1990-1991- 1.1% 2014-2015 - 7.26% 2015-2016- 7.5%

**Liberalisation** had made import of scarce and non-available raw materials easy. This has led to many new openings. New entrepreneurs have started many SSIs. It helped to bring raw materials from abroad. FDI inflow in India was 106,693 Crores in 2015. Now India has allowed 100% FDI in medical services, Telecom sector, and single brand retail Etc. Ex: Liberalization in Electronics & Computer Sector that has seen tremendous growth in past decades.

**Privatisation** also helped the growth of SSIs in a big way. Earlier only the Govt organisations used to produce certain products/services and no competition existed. Privatization allowed many entrepreneurs to produce the same products for lower price and better quality.

Ex: The life insurance sector which was earlier monopolized by LIC. Now there are many private agencies for Life, Health and Other insurance.

**Globalisation** has helped in setting many small scale industries. It made possible to export of goods produced in SSI. Industries and service providers are going global from India. Ex: Pharma Sector, I-T Sector, Steel Sector. Impacts like greater number of jobs, more choice to consumers, higher disposable incomes. Indian entrepreneurs have used the globalization for the growth of service sectors. The spectacular growth is observed in Business Process Outsourcing (BPO), transport, repair services, entertainment and hospitality sectors.

### Some crucial facts about the export of India:

Sector	Share in Export (%) 2018-19	Value of Goods (US\$ )
1. Petroleum products	14.10	46.54
2. Pearls, precious and semi-Precious stones	7.78	25.98
3. Drug formulations, biologicals.	4.36	14.39



4. Gold and other precious metal jewellery	3.92	12.94
5. Iron and steel	2.95	9.74
6. Organic Chemicals	2.83	9.33
7. Cotton and Accessories	2.63	8.69
8. Motor vehicle/Cars	2.58	8.50
9. Electric Machinery and Equipment	2.55	8.42
10. Products of Iron and steel	2.55	8.42

### 5.8 EFFECT OF WTO/GATT:

**General Agreement on Tariffs and Trade (GATT):** was a treaty signed by a group of 123 nations, with agreeing in principle to promote trade among members in 1947. It was a multilateral global initiative. After World War II the forward looking thinkers in trade and industry felt that political disputes and problems could be solved by coming together and signing agreements to business, commerce and industry. With British and USA initiatives GATT was made possible.

#### The effects of WTO and GATT on the Indian SSI's:

1. This allows importing any quantity of foreign raw materials and goods for local processing and consumption.
2. Important tariffs were reduced which again allowed a higher quantity of foreign products into the Indian markets.
3. Removal of quantitative restrictions on import in 2001 and all export subsidies in 2003, made every industrial unit, small or large, export-oriented or domestic oriented, face intense competition.
4. Patent Laws were tightened through regulation of Intellectual Property Rights. This discouraged Indian Companies from imitating or downright copying of foreign products.
5. On the other hand, WTO has given many Indian SSI units, a platform to market their products anywhere in the world, especially with the help of internet.
6. Service sector in India has been especially benefited by WTO and has already captured 25% of Indian total exports.
7. WTO has also introduced anti-dumping, strict labour standards, environmental safety and other safeguard measures which benefits mankind as a whole.



**Challenges faced by GATT:**

1. E-Commerce.
2. Agriculture commodities.
3. Narcotics, nuclear and dangerous materials.
4. Political and regional forces on trade and industry.
5. Development of backward regions.
6. Barter deals.
7. Counter trade.
8. Monopolies.
9. Regional trade blocks.
10. Services.
11. Trade information.
12. Trade disputes in international business.
13. High tariffs by some countries.
14. Subsidies.
15. Trade restrictive practices.

**World Trade Organisation (WTO):** It was established in January 1<sup>st</sup>, 1995 as a successor to GATT. It serves as the legal and institutional foundation of the multilateral trading system.

The Uruguay Round Table Agreement that created WTO also eliminated tariffs for some manufactures goods, reduced barriers to trade in agriculture , expanded protection for copyrights, patents and other intellectual property, provided some reduction in barriers to services and foreign investment.

It also reformed the multilateral trade process and included a strong dispute settlement mechanism. The WTO has 164 members and 24 observer governments.

**Objectives of WTO:**

1. Make optimum utilization of world's resources for improving the incomes and standard of living, promoting employment and expanding production among various countries.
2. Encourage sustainable development and ensure that environment care and development activities together.
3. Efforts should be made that poor countries as well as developing countries get an opportunity to have a share in the growth in the world trade.

**Indian Issues in WTO:**

India is a member of GATT and WTO since its inception. India has been a **WTO** member since 1 January **1995** and a member of **GATT** since 8 July **1948**. India is working on the progress and development of the activities in WTO on its own as a member for developing business from India. India is also **representing** the group of **G-21 developing nations** in WTO.

**STARTUP INDIA****5.9 OBJECTIVE:**

To reduce the regulatory burden on Start-ups, thereby allowing them to focus on their core business and keep compliance costs low.

**5.10 BENEFITS:**

1. Startups shall be allowed to be self-certify compliance for 6 Labour Laws and 3 Environmental Laws through a simple online procedure.
2. In the case of labour laws, no inspections will be conducted for a period of 5 years. Startups may be inspected only on receipt of credible and verifiable complaint of violation, filed in writing and approved by at least one level senior to the inspecting officer.
3. In the case of environment laws, Startups which fall under the 'white category' (as defined by the Central Pollution Control Board (CPCB)) would be able to self-certify compliance and only random checks would be carried out in such cases

**5.11 POLICIES:**

Recognising the importance of *innovative startups and women entrepreneurship* in enabling the country's growth and prosperity, Government of India has ensured that all policy initiatives are geared towards enabling equal opportunity for women and also help the startups to raise funds easily for growth and expansion.

Some of the few efforts of the government at promoting entrepreneurship and startups can be listed as follows.

1. Startup India
2. Atal Innovation Mission (AIM)
3. Make In India
4. Digital India
5. Support To Training And Employment Programme For Women (STEP)
6. Biotechnology Industry Research Assistance Council (BIRAC)

7. Trade-Related Entrepreneurship Assistance And Development (TREAD)
8. Pradhan Mantri Kaushal Vikas Yojana (PMKVY).

### 5.12 ACTION PLAN--SIMPLIFICATION AND HANDHOLDING:

1. **Compliance Regime based on Self-Certification:** To reduce the regulatory burden on Startups thereby allowing them to focus on their core business and keep compliance cost low.
2. **Startup India Hub:** To create a single point of contact for the entire Startup ecosystem and enable knowledge exchange and access to funding.
3. **Rolling-out of Mobile App and Portal:** To serve as the single platform for Startups for interacting with Government and Regulatory Institutions for all business needs and information exchange among various stakeholders.
4. **Legal Support and Fast-tracking Patent Examination at Lower Costs:** To promote awareness and adoption of IPRs by Startups and facilitate them in protecting and commercializing the IPRs by providing access to high quality Intellectual Property services and resources, including fast-track examination of patent applications and rebate in fees.
5. **Relaxed Norms of Public Procurement for Startups:** To provide an equal platform to Startups (in the manufacturing sector) vis-à-vis the experienced entrepreneurs/ companies in public procurement.
6. **Faster Exit for Startups:** To make it easier for Startups to wind up operations.

### 5.13 FUNDING SUPPORT AND INCENTIVES:

1. **Providing Funding Support through a Fund of Funds with a Corpus of INR 10,000 crore:** To provide funding support for development and growth of innovation driven enterprises.
2. **Credit Guarantee Fund for Startups:** To catalyse entrepreneurship by providing credit to innovators across all sections of society.
3. **Tax Exemption on Capital Gains:** To promote investments into Startups by mobilizing the capital gains arising from sale of capital assets.
4. **Tax Exemption to Startups for 3 years:** To promote the growth of Startups and address working capital requirements.
5. **Tax Exemption on Investments above Fair Market Value:** To encourage seed-capital investment in Startups.

## 5.14 INDUSTRY-ACADEMIA PARTNERSHIP AND INCUBATION:

1. **Organizing Startup Fests for Showcasing Innovation and Providing a Collaboration Platform:** To galvanize the Startup ecosystem and to provide national and international visibility to the Startup ecosystem in India.
2. **Launch of Atal Innovation Mission (AIM) with Self-Employment and Talent Utilization (SETU) Program:** To serve as a platform for promotion of world-class Innovation Hubs, Grand Challenges, Startup Businesses and other self-employment activities, particularly in technology driven areas.
3. **Harnessing Private Sector Expertise for Incubator Setup:** To ensure professional management of Government sponsored / funded incubators, Government will create a policy and framework for setting-up of incubators across the country in public private partnership.
4. **Building Innovation Centres at National Institutes:** To propel successful innovation through augmentation of incubation and R&D efforts.

Startup Centres		Technology Business Incubators		
RGIIIM Shillong	NIT Goa	MANIT Bhopal	IISER Bhopal	NIT Warangal
NIT Delhi	NIT Agartala	NIT Rourkela	IIM Rohtak	MNIT Jaipur
MNIT Allahabad	NIT Silchar	NIT Jalandhar	IIT Mandi	NIT Tiruchirappalli
VNIT Nagpur	IIT Bhubaneswar	IIM Udaipur	IISER Mohali	IIT Patna
IIITDM Kancheepuram	NIT Patna	NIT Calicut	IIT Roorkee	
PDPM-IIITDM Jabalpur	NIT Arunachal Pradesh	IIT Ropar	IIM Kozhikode	
ABVIITM Gwalior		IISER Thiruvananthapuram	IIM Raipur	

5. **Setting up of 7 New Research Parks Modelled on the Research Park Setup at IIT Madras:** To propel successful innovation through incubation and joint R&D efforts between academia and Industry.

Research Parks	IIT Guwahati	IIT Hyderabad	IIT Kanpur	IIT Kharagpur	IISc Bangalore	IIT Gandhinagar	IIT Delhi
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6. **Promoting Startups in the Biotechnology Sector:** To foster and facilitate bio-entrepreneurship.
7. **Launching of Innovation Focused Programs for Students:** To foster a culture of innovation in the field of Science and Technology amongst students.
8. **Annual Incubator Grand Challenge:** To support creation of successful world class incubators in India.

### 5.15 SALIENT FEATURES OF KARNATAKA START UP POLICY 2015-2020:

As per the Global Startup Ecosystem Ranking Report 2015, "Bangalore is home to approximately 3,100 to 4,900 active tech startups and has achieved the second highest growth rate for exit volume and VC investment among the top 20. As a result, Bangalore moved up four positions to #15 in 2015, advancing from #19 in the 2012 ranking". As per report Bengaluru is the only Indian city to be ranked within the best twenty Startup eco systems across the world.

The existing policy framework of Government of Karnataka, mainly the i4 (IT, ITES, Innovations and Incentives Policy 2014-2019), ESDM, AVGC policies and the Industries Policy 14-19, recognized the importance of promoting startups and the need to give the necessary impetus to tech entrepreneurship early in the day, and has invested on building incubation spaces in partnership with industry bodies; encouraging innovation in educational institutions through its New age incubation network; providing seed capital and other incentives.

In 2015, close to 35% of Indian startups functioned from the state, making it the single largest Startup hub in the country.

Karnataka is poised for the next phase of growth in Startup sector as the potential to leverage the existing ecosystem in Bengaluru and build similar eco-systems in two-tier cities is tremendous. With the projections of being the largest conglomeration of IT professionals by 2020, Bangalore is well placed to also be amongst the top 5 Startup ecosystems in the world in the near future.

**Vision:** To create a world-class Startup ecosystem in the state through strategic investment and policy interventions leveraging the robust innovation climate in Bangalore.

**Goals:**

1. Stimulate the growth of 20,000 technology based startups including 6,000 product startups by 2020 in Karnataka.
2. Achieve creation of 6 lakh direct and 12 lakh indirect new employments in the sector.
3. Mobilize Rs. 2,000 Cr funding for investment in startups through Government intervention alone, by leveraging the Fund of Funds proposed to be put in place by the State Government
4. Facilitate generation of at least 25 Innovative Technology solutions with a social impact in sectors like Health care, Food Security, Clean environment and Education for all etc.

**5.16 STRATEGIES ENCOURAGING ENTREPRENEURSHIP THROUGH NAIN:**

- The **new age incubation** scheme under implementation in **engineering colleges** will be expanded to all professional and post-graduate institutions in two-tier cities in a phased manner.
- At least **50 academic institutions** shall be covered under this program during the Policy Period.
- The **selected** academic institutions would be assisted to **establish an incubator** in the given **discipline** and **encourage student projects**.
- All such **incubators** would be **networked** and connected to a **common portal** to facilitate exchange of **thoughts**, ideas and **collaboration** across institutions and disciplines.
- All selected institutions would be **graded** on the basis of **Key performance indicators**.
- **Financial assessment** will be provided for **three years** to the selected institutions for setting up the incubator and other activities.
- Institutions that **excel** would be further supported for **another two years**.

**Each NAIN institution will be assisted as follows:**

1. Grants for supporting operational expenses in their incubator e.g. Salaries of Regional Coordinators, mentoring programs, networking meetings, conducting Hackathons etc.
2. Annual financial support for projects for upto Rs 3 lakhs per project
3. Training and Capacity building for faculty and students
4. Exposure to support and network programs conducted by the departments concerned
5. Opportunity to visit international Startup destinations
6. Internship stipends NAIN institutions shall act as hubs with other academic institutes in the district acting as spokes driving the innovation ecosystem in the geography
7. They shall be mandated to incubate projects through competitive selection process among students, alumni as well as local entrepreneurs
8. Students of such institutions will also be encouraged to intern with Startup incubators recognized by the state government to do their mini-projects or summer/ winter projects or internships that are done during vacations.
9. The incubators may be mandated to run selection programs throughout the state to ensure students have access from any college in Karnataka.
10. Such projects can then also be converted to final year projects where the university and college must involve an external project guide/ mentor as identified by such incubators.

11. GoK shall allocate 20% of the total program cost additionally towards setting up a PMU (Program management unit) in KBITS that shall be entrusted with the job of capacity building of institutional personnel responsible for management of the program at institution level.
12. Conduct networking and mentoring events for the benefit of participants and other related activities e.g. student stipend for internships.
13. The PMU shall also be responsible for assisting in the monitoring and management of the programme.

### 5.17 VENTURE CAPITALIST:

Venture Capital Assistance is financial support in the form of an interest free loan provided by SFAC to qualifying projects to meet shortfall in the capital requirement for implementation of the project.

#### **Benefits:**

- Help in assisting agripreneurs to make investments in setting up agribusiness projects through financial participation
- Provides financial support for preparation of bankable Detailed Project Reports (DPRs) through Project Development Facility (PDF)

#### **Eligibility-Who Can Apply:**

- Farmers
- Producer Groups
- Partnership/Proprietary Firms
- Self Help Groups
- Companies
- Agripreneurs
- Units in agriexport zones
- Agriculture graduates individually or in groups for setting up agribusiness projects.



## 5.18 SSI FUNDING SCHEMES BY BANKS AND FINANCIAL INSTITUTIONS:

### NATIONAL LEVEL INSTITUTIONS:

A wide variety of financial institutions have been established at the nation level. These institutions cater to the diverse financial requirements of the entrepreneurs.

They include all:

India development banks like IDBI, SIDBI, IFCI, IIBI;

Specialised financial institutions like IVCF, ICICI venture Funds lid, TFCI;

Investment institutions like LIC, GIC, UTI; etc

1. State Finance Corporations (SFCs)
2. Commercial Banks
3. Small Industries Development Bank of India (SIDBI)
4. Industrial Finance Corporation of India (IFCI)
5. Industrial Credit and Investment Corporation of India (ICICI Bank)
6. Industrial Development Bank of India (IDBI)
7. Small Industries Development Fund (SIDF)
8. National Small Industries Corporation
9. National Bank for Agriculture and Rural Development (NABARD)
10. Central Government Stores Purchase Programme
11. SIDO and Marketing Assistance to Small Scale Industries
12. Technical Consultancy Organisations (TCOs)
13. Small Industry Development Corporations
14. Industrial Estates
15. Trade Development Authority
16. State Trading Corporation of India
17. Export Consortia and a Few Others.

## 5.19 GOVERNMENT OF INDIA INITIATIVES ON THRUST AREAS:

### Promoting Innovations in Individuals, Start-ups and MSMEs (PRISM):

PRISM (Promoting Innovations in Individuals, Start-ups and MSMEs) scheme aims at to support individual innovators which will enable to achieve the agenda of inclusive development - one of the thrust areas of XII<sup>th</sup> five year plans (2012-2017). It would also provide support to institutions or organizations set up as Autonomous Organization under a specific statute or as a society registered under the Societies Registration Act, 1860 or Indian Trusts Act, 1882 leading to development of state-of-art new technology solutions aimed at helping MSME clusters.

**Major Measures:**

1. Composite Loan limit raised to Rs. 50 lakhs
2. 20% of projected turnover as working capital
3. Credit Guarantee Scheme
4. Credit Linked Capital Subsidy Scheme for Technology up gradation
5. Venture Capital Fund Scheme from SIDBI
6. Project cost under National Equity Fund increased to Rs. 50 lakhs

**Facilitation:**

1. Reservation of Products for Exclusive Manufacture in the SSI Sector
2. Excise Exemption upto annual turnover of Rs. 10 million (Rs. 1 Crore)
3. Incentives & Taxation Benefits for Backward Areas
4. Industrial Policy & Schemes for the North East
5. Delayed Payment Act
6. Sub allocation of limits of large borrowers for payment to SSIs
7. Information facilitation counters
8. SENET for Electronic Information support
9. Pollution Audits
10. Energy Audit
11. Small Industry Cluster Development Program
12. National Award for Outstanding Entrepreneurs
13. National Award for Quality Product.

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