

MSME SECTOR (Micro, Small and Medium Enterprises Sector)

- **MSME** sector have played an important role in our country's economy & significantly contribute towards growth, manufacturing, services , industrial production, export, creation of employment opportunities, etc.
- **MSMEs** are the single largest employer after agriculture, contributing **8 % of GDP, 45% of Manufacturing output & 40% of exports** of the country.

a) Manufacturing Sector: Investment in Plant & Machinery (excluding Land & Building)

- **Micro:** Up to Rs.25 Lakhs,
- **Small:** Above Rs.25 Lakhs up to Rs.5 Crore,
- **Medium:** Above Rs.5 Crores up to Rs.10 Crores

b) Service Sector: Investment in equipment (excluding Land & Building)

- **Micro:** Up to Rs.10 Lakhs,
- **Small:** Above Rs.10 Lakhs up to Rs.2 Crore,
- **Medium:** Above Rs.2 Crores up to Rs.5 Crores

Help Desk :Information & Facilities to be Provided for Registration

- Company Registration
- Proprietorship (Trade License)
- Partnership (Trade License, LLP, Deed Registration)
- Company (ROC, Trade License)
- VAT Registration
- Customs Registration
- SME/SSI Registration
- Provident Fund/ESI Registration
- Factory License
- Registration for IE Code (DGFT)

Banking ,Insurance, Taxation, Market information , Tariff , Free Trade agreement

- General Banking Issues
- RBI Issues
- ECGC
- Insurance Support
- Direct Tax – Income Tax
- Indirect Tax – Service Tax, Custom duty , Vat

- Market Information - Import/ Export Rules
- Rough Buying Support - Registration with Mining Companies at SNZ
- Finance

Support from GJEPC related activity /Project:

- Membership & RCMC
- Exhibitions – Domestic & International
- Participation & Permission
- Market Development Assistance
- Marketing Assistance and Technology Up-gradation
- Setting up of 'Common Facility Centres
- Setting up of ' Centre of Excellence
- Training through GJEPC institute IIGJ, IDI
- Testing Facility
- Award for outstanding entrepreneurship: Recognizes the achievements of successful entrepreneurs

Gems & Jewellery Industry (MSME-Challenges) Challenges faced by the Industry:

- **Dependence on Import:** The gems and jewellery industry is **highly dependent on import** for meeting its raw material requirements and among the imported commodities rough diamonds account for almost 50% of the imports. India is also one of the largest importer and consumer of silver in the world.
- **Lack of Financial Support:** The industry is also facing problems in terms of **financial assistance from the banks,**
- **Fluctuations in Exchange Rate:** Gems and Jewellery industry is influenced by the rupee/dollar exchange rate because it is export & import oriented industry. Any variation in the exchange rates affects the margins of the players.
- **Changing Consumer Preference:** Global marketing requires keeping pace with changing fashion of Gems and Jewellery particularly in the context of very high prices of diamond, gold and silver.

For MSME few of the action points:

- Continue seminar in Gujarat, Surat, Bhavnagar , Navasari , Trichur, Rajkot etc.
- To setup Help Desk.
- To call & brief the scheme to the members & further follow-up whether they availed scheme or not , if not than what is reason?
- To review the survey conducted in the past by GJEPC.

- To make apps for MSME.
- To take help of social media FB/ Twitter / whatsapp etc.
- Define a target in different category & try to make at least 200 members who can start their functioning in proper manner in respect of keeping books of accounts etc.
- SME sight holders concept may explored to create competition among them to become sight holder.
- Rough sourcing forum may explore for SME.

Schemes and Financial assistance provided by Central Government of India for MSME sector : DC MSME Schemes:

Support for entrepreneurial and managerial development of SMEs through incubators- an NMCP Scheme (Support for setting up of 'Business Incubators'):

Providing infrastructure development of pilot projects & early stage funding for nurturing innovative business ideas (new indigenous technology, processes, products, procedure etc.)

Enabling manufacturing sector to be competitive through Quality Management Standards and Quality technology tools'- an NMCP Scheme:

Conducting training and awareness activities/Campaigns like 'QMS Awareness' workshops to sensitize MSMEs on Quality Management Standards/Quality Technology Tools and related DC-MSME schemes.

Building Awareness on Intellectual Property Rights' (IPR) for the MSMEs- an NMCP Scheme :

Promote assessment studies to identify the IPR needs of identified MSME clusters/industries & to recommend measures for strengthening of IP portfolio.

Marketing Assistance and Technology Up-gradation of MSMEs- an NMCP Scheme:

Conducting skill development/training programs on 'Modern Marketing Techniques':

Designed & organized by the specialized institutes/industry associations by utilizing the services of the competent faculties from expert institutions for upgrading the skills of cluster/product group members on modern marketing techniques.

Setting up of 'Marketing Hubs' (Infrastructure development):

a. To provide facilities for B2B meeting among MSMEs, wholesale & retail marketing of MSME products, **b.** Exploring the export opportunities for the MSME products **c.** To attract new customers & enhance the marketing reach of the MSMEs.

Conducting trade competition studies (Market research/analytical studies):

To identify sectors in which the products are threatened by international competition due to issues related to marketing/branding strategies.

Enable participation of MSMEs in State/District level trade fairs:

- a. **Free registration** for participating in trade fairs.
- b. Provides **funding support & marketing platform** to manufacturing MSMEs
- c. **General category:** reimbursement of **50%** train/bus fare/space rental charges & max. limit up to Rs.20,000/- per person per MSME unit
- d. **Women/SC/ST/North Eastern Region :** reimbursement of **80%** train/bus fare/space rental & max. limit up to Rs.30,000/- per unit.

'Technology and Quality Upgradation (TEQUP) Support to MSMEs'- an NMCP Scheme:

Encourage MSMEs clusters in adopting energy efficient technologies through implementation of pilot projects through banks (SIDBI) under below programmes:

- A. Organizing training & awareness programs on Energy Efficiency.
- B. Conducting energy audits, preparation of audit reports & detailed project reports (DPRs).
- C. Implementing pilot projects on 'Energy Efficient Technologies'.
- D. 'Product Certifications': Provide subsidy/Reimbursement of expenditure incurred on product certification licenses from National Standardization Bodies or International Product Certifications.

'Micro & Small Enterprises Cluster Development Programme (MSE-CDP)' :

A. Conducting soft interventions in MSME clusters/Awareness programs on 'Cluster Development': (Skill development): Activities such a General awareness, counselling, motivation & trust building, Exposure visits, Market development including exports, participation in seminars, Workshops & training programmes on technology upgradation etc.

B. Preparing cluster level 'Detailed Project Report (DPR)'(Analytical studies): To analyse the technical feasibility & financial viability for setting up CFCs, infrastructural development project for new industrial estate/area/cluster and other aspects.

C. Setting up of 'Common Facility Centres': including tangible "assets" like Testing Facility, Design & Production Centre, Effluent Treatment Plant, Training & Information Centre ,R&D Centre, Raw Material Bank/Sales Depot, Product Display Centre, etc.

D.'Credit Linked Capital Subsidy for Technology Upgradation (CLCS- TU) (15% capital subsidy on credit and loan availed) : MSMEs can get a capital subsidy (15%) on credit availed for technology upgradation.

E.'Credit Guarantee Fund for Micro and Small Enterprises': Banks and financial institutions are provided financial assistance under this scheme so that they can in turn lend collateral free credit to MSMEs.

F. 'ISO 9000/ISO 14001 Certification Reimbursement: One-time reimbursement of expenditure to such MSME manufacturing units which acquire ISO 18000/ISO 22000/ISO 27000 Certification.

G. 'Market Development Assistance (MDA) to MSMEs':

H. Participation of MSMEs in international trade fairs: **a. Free registration** for encouraging MSME participation in trade fairs. **b. General category:** reimbursement of 75% air fare & 50% space rental charges for MSMEs entrepreneurs, max. limit up to Rs.1.25 lakh one person per MSME unit. **c. Women/SC/ST/North Eastern Region:** 100% reimbursement of space rent & air fare.

I.National award for R&D efforts: Encourages in-house R&D efforts, promote qualitative development of MSMEs.

SME Division Scheme

1. 'International Cooperation' (IC):The Scheme would cover the following activities:

- Deputation of MSME business delegations to other countries for exploring new areas of technology infusion/upgradation , facilitating joint ventures, improving market of MSMEs products, foreign collaborations, etc.
- Participation by Indian MSMEs in international exhibitions, trade fairs and buyer-seller meets in foreign countries as well as in India, in which there is international participation.
- Holding international conferences and seminars on topics and themes of interest to the MSME.
- Financial assistance like airfare and space rent of entrepreneurs on basis of size and the type of the enterprise is provided.

2.'Performance and Credit rating scheme-PCR Scheme'National Small Industries

Corporation (NSIC) : Creates awareness amongst micro & small enterprises about the strengths/weaknesses of their operations & also increases credit worthiness of MSMEs in business helping them in getting timely credit from banks at liberal rates of interest. The enterprises are at liberty to select any of the rating agencies empanelled with NSIC i.e. CRISIL, ONICRA, ICRA, SMERA, Brickwork, India Ratings (earlier known as FITCH) and CARE.

(a) 75% of the rating fee subject to a maximum of Rs.25,000/- will be reimbursed to the micro or small enterprise having a turnover up to Rs.50 lakh .

(b) 75% of the rating fee subject to a maximum of Rs.30,000/- will be reimbursed to the micro or small enterprise having a turnover above Rs.50 lakh to Rs.200 lakh.

(c) 75% of the rating fee subject to a maximum of Rs.40,000/- will be reimbursed to the micro or small enterprise having a turnover above Rs.200 lakh.

3.Marketing support under Marketing Assistance Scheme-National Small Industries

Corporation (NSIC): Organizing Exhibitions abroad and participation in International & Domestic Exhibitions/Trade Fairs, Buyer-Seller Meets, Intensive Campaigns & Marketing Promotion Events. Financial assistance for **a.** Co-sponsoring of Exhibitions organized by other organisations/ industry associations/agencies would be limited to 40 % of the net expenditure, subject to max amount of Rs. 5 lakh, **b.** up to 95% of the airfare and space rent of entrepreneurs on the basis of size and the type of the enterprise.

4. Other Marketing Support Activities by NSIC: For facilitating the marketing/promoting of MSME products and services.

a. Bank Credit Facilitation Scheme, NSIC Schemes: NSIC arranges for credit support (fund or non-fund based limits) from various nationalised and private sector banks to MSMEs & all documentations pertaining to completion & submission of a credit proposal to banks shall be undertaken by NSIC thereby saving cost & time to MSME.

b. Raw Material Assistance Scheme, NSIC Schemes: Financial assistance for procurement of raw material (both indigenous & imported) up to 90 days to focus better on manufacturing quality products. MSEs helped to avail economics of purchases like bulk purchase, cash discount etc. NSIC takes care of all the procedures, documentation & issue of letter of credit in case of imports.

c. Single Point Registration Scheme (SPRS), NSIC Schemes: Government Stores Purchase Programme was launched to increase the share of purchases from small-scale sector. MSEs registered under SPRS through NSIC for participation in Government purchases are eligible for a. Issue of tender sets free of cost b. Exemption from payment of Earnest Money Deposit (EMD) etc.

d. Bill Discounting Scheme, NSIC Schemes: Scheme covers purchase/discounting of bills arising out of genuine trade transactions i.e purchase of supplies made by small scale units to reputed public limited companies/State & Central government Departments.

e. Support for setting up a Micro, Small & Medium Enterprise:

A. Quality Certification ISO-9000: Reimbursement up to 75% , subject to a max of Rs.0.75 lacs per unit.

B. Technology and Machinery: Entrepreneur can take advice of NSIC prior to making a selection of equipment & machinery.

C. Finance assistance: Long , Medium & (Short term loans up to a loan limit of Rs.1 crore) by SIDBI etc. through NSIC.

D. Credit Guarantee Cover Fund Scheme: For Small Industries was launched jointly by the Government of India & SIDBI (on a 4:1 contribution basis) to ensure greater flow of credit to the sector without collateral security.

1. Gujarat State level Schemes /Incentives for MSME

Gujarat State level Schemes /Incentives for MSME under new industrial policy:

Under new Industrial Policy of Government of Gujarat, Incentives given to the MSMEs are as under:

New scheme of cash assistance on term loan of banks: Maximum Rs.15 lakh in municipal corporation areas and Rs.25 lakh in other areas.

A. Assistance to the new MSMEs & Existing MSMEs: The assistance norms are as under:

i. Inside Municipality area: Cash assistance: 10% of the Loan amount or max Rs.15 Lakh assistance , Interest assistance: 5% every year or max Rs.25 Lakh for 5 yrs.

ii. Other area: Cash assistance: 15% of the Loan amount or max Rs. 25 Lakh assistance ,
Interest assistance: 7% every year or max Rs. 30 Lakh for 5 yrs.

iii. Interest aid hike : SC, ST, women, physically challenged & young entrepreneurs to get additional 1% interest assistance for MSME units.

B. Venture Capital Assistance :To establish an innovative project for the new entrepreneurs, loan assistance of Rs.50 Lakh would be given through equity/loan.

C. Technology acquisition: Rs.50 lakh assistance for technology acquisition.

D. Credit Guarantee assistance: To SME fee to bank to set up industrial unit (Entrepreneur loan of Rs.1 crore without guarantor to the women, S.C.,S.T. and physically challenged entrepreneurs) .

E. Additional Assistance to the existing MSMEs : For expanding, diversification & modernization of the industry. The assistance norms are as under:

- 50% or up to Rs.50,000 assistance for installation of Enterprise Resource Planning – ERP software for simplification in daily management of the industry.
- 50% or up to Rs.50 Lakh assistance would be given for procurement of new modern technology for power preservation, to decrease pollution & to increase productivity.
- 50% or up to Rs.10 Lakh assistance for the expenditure which was done to procure testing equipment's, while 50% or Rs.5 Lakh assistance for getting National & International Quality Certificate.
- 75% or up to Rs.50,000 assistance would be given for preparing audit report for encouragement of saving electricity, water & in the case of changes in the equipment's of usage, then assistance of the 25% of the price of equipment or Rs.20 lakh would be given.
- The units which want to get registered in MSME exchange to earn equity capital would get 20% of the registration expenditure or assistance of Rs.5 lakh.
- The youth/industrialists of the state who register their patent for their innovative idea, technology or process, would get assistance up to 75% on the registration expenditure of the patent.

2. Andhra Pradesh: State level Schemes & Incentives

a. Stamp Duty : Reimbursement of 100% of stamp & transfer duty paid on purchase or lease of land/shed/buildings meant for industrial use, mortgages & hypothecations within 6 months.

b. VAT/CST/ SGST:

- **Micro and Small industries:** 100% of net VAT/CST/SGST reimbursed for period of 5 years from date of commencement of commercial production.
- **Medium industries:** 75% of net VAT/CST/ SGST reimbursed for a period of 7 years from date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier.

c. Fixed Capital Subsidy: 15% investment subsidy on fixed capital investment subject to a max of Rs. 20 lakhs for MSEs.

d. Power: Fixed power cost reimbursement is proposed to be provided at Rs.1.00 per unit for 5 years from the date of commencement of commercial production.

f. Land: Reimbursement of 25% of land conversion charges for industrial use limited to Rs.10 lakh.

- Reservation of 15% of total area of land for MSME industries in any 2 of developed Industrial Parks of APIIC in every district. Out of which APIIC shall allocate 15% of plots to Scheduled Caste Entrepreneurs, 5% of plots to Scheduled Tribe Entrepreneurs, 20% for Backward Classes & 5% for Minorities & 10% of number of plots to Women Entrepreneurs.

g. Andhra Pradesh Small Scale Industries Revival Scheme 2006: Interest subsidy of 6% to all identified/eligible sick units, subject to max of Rs.2 lakh per year for a max period of 3 yrs.

h. Enhancing Credit Flow under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme: Collateral free loans to be sanctioned by financial institutions, up to Rs.1 crore by charging additional (max) annual service fee on such loans as follows: 1st year – 1.5% & 2nd year onwards – 0.75%. **Interest subsidy** is provided on the term loan taken for fixed capital investment by new MSEs.

i. MSME Parks: GoAP shall establish a dedicated MSME Park in each district up to an extent of 25 acres with common infrastructure like roads, industrial water supply, power, effluent treatment plant.

3. MSME Schemes Maharashtra:

The main products exported from the state are Gems and Jewellery, Software, textiles, readymade garments, cotton yarn, metal & metal products agro-based products, engineering items, drugs & pharmaceuticals and plastic & plastic items.

INSTITUTIONAL SUPPORT FOR MSMEs (STATE):

MSME-DEVELOPMENT INSTITUTE (MSME-DI), MUMBAI: Set up at Mumbai in Maharashtra in 1954, Provides Policy promotion measures, Technical services, Vendor Development Programmes, Economic Investigation & Statistical Services, Management Development Programmes & Consultancy, Skill Development Trainings etc.

1.DIRECTORATE OF INDUSTRIES: Major field organization of the Industries Department headed by Development Commissioner (Inds.). Every district has a District Industries Centre (DIC).The Directorate of Industries provides following benefits: **a.** Makes recommendations for import of raw materials and capital goods. **b.** Grants No Objection Certificate for location of industries in Mumbai Municipal Region. **c.** Recommends licence for industry & Grants exemptions of land for industrial use under the Urban Land Ceiling Act & for setting up of Co-operative Industrial Estate. **d.** It also prepares & implements State Govt. Industrial Policies/programmes for the educated unemployed.

2. UDYOG MITRA, 1979,headed by the Development Commissioner (Inds.). The main activities :

- a.** Offers guidance to entrepreneurs in regard to rules & regulations.

- b. Advises govt regarding change in policy & facilitate decision making.
- c. To liaison on behalf of the entrepreneurs for securing early clearances & Single point contact for entrepreneurs of the area.

3. MAHARASHTRA INDUSTRIAL DEVELOPMENT CORPORATION (MIDC), 1962 :

- a. Setting up of industrial areas for planned & systematic industrial development in the State, implementing govt /Semi govt Projects.
- b. The MIDC supplies developed plots with necessary infrastructural facilities like internal roads, water, electricity & other internal services to entrepreneurs in the industrial areas

4. MAHARASHTRA SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION (MSSIDC), 1962, Activities are :

- a. Procurement & distribution of raw materials required by Small Scale Industries.
- b. Providing assistance in marketing their products & making facilities available for warehousing & handling of material.
- c. Assisting development of Small Scale Industries in import & export, helping handicraft artisans & Organizing exhibitions.

5. MAHARASHTRA CENTRE FOR ENTREPRENEURSHIP DEVELOPMENT (MCED): Provide professional & practical training on entrepreneurship like Entrepreneurship Development Programme (EDP), Development Programmes for Self Employment (DPSE).

6. INSTITUTIONAL SUPPORT FOR MSMEs (Central Govt.):

A. NATIONAL SMALL INDUSTRIES CORPORATION (NSIC) : Offers assistance to first generation entrepreneurs to set up enterprises with minimum investment & to improve the quality of the end products **through creation of testing facilities.**

B. SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI), 1990: Principal Financial Institution for promotion, financing & development of industry in small scale sector & coordinating the function of other institutions engaged in similar activities.

7. MICRO & SMALL ENTERPRISES – CLUSTER DEVELOPMENT PROGRAMME (MSE-CDP):

A. Benefits of the Cluster Development Scheme: Increase competitiveness, Better responsiveness to market challenges & Quicker dissemination of information, sharing of best practices (organizational capabilities, skills, technological innovations) etc.

B. Subsidies/Incentives for MSMEs:

a. Power Tariff Subsidy: Eligible for new units.

b. Interest Subsidy: @ 5 % p.a. maximum up to the value of electricity consumed.

c. Energy and Water Audit: 75% reimbursement of cost of water & energy audit.

d. Electricity Duty Exemption: 100 % Electricity Duty Exemption to Export Oriented MSMEs & IT/BT units for 7 years.

e. 100% Stamp Duty Exemption: For acquiring land (including assignment of lease rights/sale certificate) & of term loan purposes.

8. Labour Laws and Procedures amended: To enable industry & labour to meet the new economic challenges. i. Contract Labour (Regulation and Abolition) Act will be amended. ii. Number of Process of inspections/Paper work will be reduced.

9. Special Economic Zone Policy (SEZ): SEZs are Duty free enclaves aimed at promoting rapid industrial development & employment generation to trigger inflow of large foreign & domestic investments.

10. Sick SSI units: Sick SSI units taken up for re-schedulement of arrears of Govt & electricity dues .The interest rate on the rescheduled arrears will now be reduced to 10%, from 13% in all except 'A' areas of the State. The repayment of such arrears would be allowed in 60 monthly instalments which was earlier 30 months only.

4. MadhyaPradesh : MP incentives for MSME sector:

- Reservation of certain plots for MSMEs in the proposed 27 industrial estates. Government has proposed a comprehensive plan of Rs.3,000crore for the proposed 27 industrial estates .
- 24x7 power supply under the feeder separation scheme & Development of clusters exclusively for MSME.
- Exemption in the payment of export tax imposed by local civic bodies.
- Special programme for technology development for MSMEs funded with initial allocation of Rs.10 Crore by the state govt.
- Vendor development programme launched jointly with the chambers of commerce and Indian Institute of Management (IIM) Indore with allocation of Rs.10 crore for this purpose.
- In all 113 MoUs proposed investments of Rs.670 crore in MSME sector were exchanged are expected to create 6,700 jobs.
- New scheme to promote young entrepreneurs in the rural areas would be implemented provided with a continuous power supply.
- A special grant made by govt to improve quality and skill development in the MSME sector.

5. MSME Schemes, Tamil Nadu:

To resolve the problems of industries/industrialists, there are two types of committees at the district level viz.

a. Single Window Clearance Committee (SWCC): SWCC helps entrepreneurs in guiding & solving their problems at a Single Window instead of dealing with many government agencies and get many clearances when they start new industry.

b. District Enterprises Development Consultative Committee (DEDCC): Government have constituted this committee in order to further streamline the process & to strengthen the existing Single Window Clearance Committee.

A. Incentive schemes: Subsidy schemes for micro manufacturing enterprises, Industrially Backward Blocks & Agro Based Enterprises, Special Capital Subsidy for Thrust Sector

Enterprises, Generator Subsidy, Back-ended Interest Subsidy & Value Added Tax reimbursement subsidy.

B. Implementation of Self Employment schemes: 1. NEEDS, 2. PMEGP & 3. UYEGP

1. **New Enterprise Cum Enterprise Development scheme (NEEDS):** The beneficiary must be a First Generation Entrepreneur. The educated youth will be given entrepreneur training, assisted to prepare their business plans & helped to tie up with financial institutions so as to set up new Manufacturing & Service ventures. **Subsidy:** 25% of the Project Cost restricted to Rs. 25.00 lakhs.

Promoters Contribution: i. **General category-** a. 10% of the project cost, b. Special category (SC/ST/BC/Differently abled persons) - 5% of the project cost, ii. **Reserved Category-a. SC :** 18%, b. ST : 1%, c. Differently abled : 3%, Under this scheme, at least 50% of the beneficiaries will be **women** with priority accorded to destitute women subject to the condition that they possess the required qualification.

2. Prime Ministers' Employment Generation Programme (PMEGP): It is a credit linked subsidy scheme by Central Govt called "Prime Minister's Employment Generation Programme(PMEGP)" by merging Prime Minister's Rozgar Yojana Scheme & Rural Employment Generation Programme (REGP) to empower first generation entrepreneurs for setting up micro enterprises.

3. Unemployed Youth Employment Generation Programme (UYEGP):

Subsidy assistance up to 15% of the project cost. Aims to mitigate the unemployment problems of socially & economically weaker section of the society, particularly among the educated & unemployed to become self employed. By setting up Manufacturing/Service/Business enterprises by availing loan up to the maximum of Rs.5 Lakhs, Rs.3 Lakhs and Rs.1 Lakh respectively .

a.Financial Assistance:

i. General Category: Promoters contribution: 10%, Bank loan: 90%, Subsidy: 15%

ii. Special Category(SC/ST/BC/Minorities/Women/Ex Servicemen/Physically Challenged : Promoters contribution: 5% , Bank loan: 95%, Subsidy: 15%.

b. Single Window System (SWS) : Reduces the time in getting permissions, including no-objection certificates from various departments by avoiding procedural delays.

6. MSME schemes :Karnataka

Development of infrastructure for Gems & Jewellery Sector: Karnataka is leading hub for the export of gems and jewellery articles & the state would encourage the establishment of Gems and Jewellery Park in Bangalore.

MSME Sector of Karnataka:

1)Karnataka Industrial Area Development Board (KIADB): Developed 145 Industrial Areas & allotted lands to over 16,960 units. **2)Karnataka Small Scale Industrial Development Corporation (KSSIDC):** Developed 174 industrial estates & allotted Industrial Sheds/Plots to over 13,513 units.

1. Promotion of Micro, Small & Medium Enterprises (MSMEs):

A. Infrastructure Support: KIADB allots minimum 20% of the land to industrial areas for MSMEs, out of which KIADB/KSSIIDC to reserve a minimum of 75% of land/sheds allotted for micro & small & 25% of land allotted to medium enterprises. 20% of the allottable area will be reserved for sheds, out of which 10% will be earmarked for multi storied sheds.

B. Finance Support: **a. Venture Capital fund scheme:** Support start up enterprises especially in Micro and Small sector.

b. Angel funding schemes: Encourage first generation entrepreneurs with innovative ideas to establish micro & small industries .

c. Prime Minister's Employment Guarantee Program(PMEGP) schemes: Establish new enterprises in rural & semi urban areas.

d. Credit Linked Capital Subsidy Scheme (CLCSS) & Credit Guarantee Trust for Micro & Small Enterprises (CGTMSE) scheme: Banks to lend loans under cluster based approach to rural entrepreneurs & artisans.

2. Technology Upgradation & Technical Support:

a. Incentives to the local industry: For **a.** Capital expenditure, **b.** Process upgradation, **c.** Reducing the water/Power consumption, **d.** Adoption of new technology to improve quality compliance & standards, patent registration, etc.

b. Awards for MSMEs Workshops & Seminars: To increase awareness for adoption of new technologies.

c. Quality improvement interventions: **a.** One time reimbursement of fee paid for quality certifications, **b.** Upgradation of existing technologies, **c.** Installing of new technologies for quality control & **d.** Participation in International trade fair/exhibition.

d. Market development: Setting up virtual & physical exhibition centres encouraging common branding & promotion.

e. Price preference: of 15% against the Large & Medium industries of the State against goods manufactured by Micro & Small Enterprises located in the State will be allowed during government departments purchases.

f. Online system: To receive & track the grievances regarding delayed payments to Micro & Small Enterprises.

g. Single point vendor registration scheme: MSEs registered with NSIC shall be facilitated by providing them **i.** Tender sets free of cost, **ii.** Exempting from payment of earnest money during purchases by all government Departments & State owned PSUs.

KTPP rules will be amended for evaluation of the price : Sales tax/VAT shall be excluded for the evaluation of the price.

3. Value Chain Cluster Development: Min 100 Clusters in different sectors will be set up during the policy period at the rate of 20 clusters per year. **a.** To support the sustainability & growth of MSEs **b.** To build capacity of MSEs **c.** To create/upgrade infrastructural facilities in the industrial areas/clusters of MSEs **d.** To set up common facility centres of MSEs.

4. Power subsidy : Power subsidy at Rs. 2/- per unit for the recognised common facility centres (CFCs).

5. Incentives & Concessions to MSMEs Promoted By General Category Entrepreneurs:

a. Investment Promotion Subsidy: based on Value of Fixed Assets(VFA) granted to different Zones (Zone 1,2,3 & 4) of MSMEs.

b. Exemption from Stamp Duty: In respect of loan agreements, credit deeds, lease deeds, lease-cum-sale & absolute sale deeds etc. depending on various Zones (Zone 1,2,3 & 4) of MSMEs.

c. Concessional Registration Charges: of Rs.1 per Rs.1000 for all loan documents, lease & sale deeds.

d. Reimbursement of Land Conversion Fee: For converting the land from agricultural to industrial use depending on Zone type.

e. Exemption from Entry Tax: 100% exemption from Entry tax on 'Plant , Machinery & Capital Goods' for MSMEs in Zone 1, 2 & 3 and HK Zone 1 & 2 for an initial period of 3 years from the date of commencement of project implementation.

f. Subsidy for Setting up ETPs Manufacturing MSMEs: One time capital subsidy up to 75% of the cost of ETPs, subject to a ceiling of Rs.100 lakh.

g. Interest Subsidy to Micro Enterprises only: Interest subsidy of 6% per annum on term loans provided .

h. Reimbursement of the cost of preparation of project reports: 75% up to Rs.2.00 lakh per unit.

i. Encouragement to Women Entrepreneurs: Reservation of 5% of plots/sheds in the Industrial Areas/Estates developed by KIADB/KSSIDC for women entrepreneurs. Two industrial areas, created exclusively for women at potential locations such as Hubli/Dharwad and Harohally in Kanakapura taluk.

j. Exclusive cluster for women in Textile, Gem & Jewellery: Women entrepreneurs trained by CEDOK or recognized training institutions will be encouraged with state introduced Entrepreneurship Development Programmes, attractive incentives/concessions with low interest start up loans (with interest subsidy) and flexible repayment schedule.

k. Entrepreneurial ecosystem for women: Associations that help women to become successful entrepreneurs. Be it training, mentoring or networking, associations like AWAKE (Association of Women Entrepreneurs of Karnataka), EMERG (Engineering Manufacturer Entrepreneurs Resource Group) etc.

l. Encouraging development of ICDs, CFS & Logistic parks: In clusters & in major industrial areas of potential districts.

m. Encouragement to Non Resident Kannadigas (NRKs) as per the prevailing norms, the NRIs have following privileges: **a.** No restriction on the extent of equity that can be held by a NRI as an individual/partner in a MSME unit, **b.** NRIs and Overseas Corporate Bodies (OCB) allowed to invest up to 100% foreign equity in high priority industries with full repatriation benefits. **c.** Angel funding schemes for start ups in collaboration with NRI

companies/Organization. **d.** 50% export obligation for unit to set up large industrial ventures in products reserved for the small scale sector. **e.** To encourage signing MoUs with tier two cities of the State & to bring NRK investment into the State for development.

n. Promotion of Investment & Trade: Investors meets, Road shows & Business Meets/Buyers Sellers Meets will be organized regularly at State/National/International level to attract investments. Industrial Adalats will be organized regularly at District/Regional/State level with a view to understand problems of industries & to settle pending cases.

o. STRATEGIES FOR EXPORT PROMOTION/Export Promotion Measures: Creating Export Infrastructure:

1. Certain percentage of their annual budget is reserved to support critical infrastructure to encourage exports.
2. Private participation would be encouraged for the development of Inland Container Depots, Container Freight Stations, Logistics Parks, Pre & Post harvest technology centres, Warehousing & other infrastructure facilities.
3. Trade bodies & Industry associations would be encouraged to promote development of infrastructure, R & D Centre, Training Centre & Testing Centre to augment the development & growth of exports.

7. Government of Telangana - Ministry of MSME Schemes & Services Offered

Prime Minister's Employment Generation Programme (PMEGP): An opportunity for unemployed youth to set up New Industrial Units in Rural & Urban areas of Telangana State. Categories of beneficiaries Under PMEGP & Funding:

Category	Urban areas (Rate of Subsidy)	Rural areas (Rate of Subsidy)
General Category	15% of project cost	25% of project cost
Special Category	25% of project cost	35% of project cost

Note: (1)Max cost of unit under manufacturing sector is Rs.25 lakh. (2) Max cost of unit under service sector is Rs.10 lakh.

8 .Kerala MSME Schemes/incentives

MSME-DEVELOPMENT INSTITUTE, THRISSUR, KERALA: MSME-DI,Thrissur,Kerala,1956. It offers various consultancy & support services, entrepreneurial, technical & managerial training programs for the benefit of prospective entrepreneurs to set up new units & existing entrepreneurs increase their productivity and employment generation.

INCENTIVES: For investments in supporting facilities, like pollution control, effluent treatment facilities etc. & also for establishment of Common Facility Centres (CFCs) upto 50% of the cost subject to a max of Rs. 25 Lakhs.

- Mega Investments with an outlay of Rs.100 crores & above will be considered on a case to case basis for special incentives.
- Utilization of unused land of local bodies for setting up MSME will be priority.
- Single Window Clearance Board : introduced for clearance of New schemes/incentives which involves subsidy.
- Cluster development programs introduced.
- Price preference policy for Micro, Small Enterprises will be reintroduced & free tender forms.
- Augment Service & Commerce sector to create In house employment to the skilled & semi skilled manpower.
- Self regulation & Certification would be implemented in the place Inspector Raj.