

# FOSMI

MSME *news*

Federation of Small & Medium Industries, WB



*Why the food processing industry  
is vital for a Growing India in 2020?*

FOSMI



## About the Company

Tata Tele Business Services (TTBS), belonging to the prestigious Tata group of companies, is the country's leading enabler of connectivity and communication solutions for businesses. With services ranging from connectivity, collaboration, cloud, security, IoT and marketing solutions, TTBS offers the largest portfolio of ICT services for businesses in India. Also, with fibre optic network running across 125,000 km., operations in over 60 cities, 1400+ partners and the largest team with 1200+ professionals, TTBS is well geared up to cater to the small, medium & large business community in India. TTBS strives to always get the best technology and services to businesses so that they can improve processes, reach customers more effectively, manage workforce more efficiently and Do Big. Focus on customer centricity and innovation has helped TTBS garner recognition from customers and peers alike.



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# Editorial

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India Donald's TRUMP card, he is a Bahubali businessman and hard negotiator. America already replaces China as India's top trading partner. Free trade agreement between India and America on way with \$10 b deal expected to restore GSP scheme. On the other side MODI Govt. holds it nerve now India is equally sharp to counter. Joint statement a message to China , Pak – STERN LINE on Islamabad – Ensure no terror activity in territory, strategic gain for India ,remarkable work has been done on Global relationship, Global economy health at its worst since 2009 –OECD. it is now high time to focus on ECONOMY front. Global trade share U.S.20.8% , CHINA 23.6%-we are to grab the roaster of manufacturers who are moving factories out of China in search of lower wages and less risky environment both as a challenge and as an opportunity.

UNION BUDGET-Two tax regime un leases Chaos .Modi Govt. hold its nerve. Budget for uncertain times-simplification on way to GST.8-9% GDP growth is key to achieving \$5 trillion economy, from below 5% now.

The current outbreak of coronavirus disease (COVID-19) that was first reported from Wuhan, China, on 31 December 2019 have claimed a good number of human life as per the available information. Allowing uncontrolled spread should not be a choice of any government As the global rate of infection posing serious concern to human health by now, the world's leading health official implored the international community to unleash the full power of their governments to combat the new coronavirus outbreak.

### **Kishan Raj Singhwi, Editor**

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## President's Message



**Biswanath Bhattacharya**  
*President, FOSMI*

“  
The tax  
exemption benefit  
for the start ups,  
the removal  
of dividend  
distribution Tax,  
the extension of  
audit of MSMEs  
for turnover  
exceeds Rs. 5  
crore etc.

”

Spring is not just a season, with the onset of spring when the old leaves wither away replacing it with the new, it's time for rebirth, rejuvenation and renewal of our thoughts to unleash the creative genie in us.

Union Budget 2020-21 presented by Hon'ble Finance Minister Smt. Niramala Sitaraman was based on the 3 Themes namely Aspirational India, Economic Development and Caring Society. The tax exemption benefit for the start ups, the removal of dividend distribution Tax, the extension of audit of MSMEs for turnover exceeds Rs. 5 crore etc. were the few encouraging recommendation made in this Budget. New slabs and simplified Income tax regime with low rate became an additional attraction. However, some more recommendation in incentive front like extension of CLCSS after March 2020 could have been more blissful to MSMEs.

West Bengal State Finance Minister Dr. Amit Mitra in his budget (2020-21) presentation announced setting up of 100 new MSME Parks across the State in the next three years to generate employment. The allocation of Rs. 200 Crore for this is highly appreciable. Announcement to provide free electricity for consumers with quarterly consumption up to 75 units seems to be a good attraction of the budget which will benefit 35 lakh poor families.

Regional Quality Conclave (RQC) arranged by FOSMI in association with QCI, New Delhi, has reinforced the strong presence of FOSMI among the other Federation and undoubtedly it was a blissful achievement of FOSMI to collaborate with an apex body like QCI through the RQC which have made FOSMI more recognized Federation. The outcome of the conclave was found to be very positive as QCI expressed interest more collaborative events with FOSMI in future.

Friends, in the meantime few important awareness programs have been organised by FOSMI specially the program on IPR was found to be more apt besides Programs on International Co-operation Scheme arranged on two consecutive days attracted a large chunk of our members and it was one of the most important programs which was long awaited. Moreover, the sensitizations program with EDII Ahmedabad abreast the members about the free energy audit and safety campaign from EDII.

We arranged two consecutive Management Development Programmes on Export management for MSMEs which enlightened the members about the export procedure and documentation, foreign trade policy, customs duty, formalities etc. More such programmes are in the pipeline. Members are requested to take the advantages of these kinds of programmes for their benefits.

So long for now.



**BUDGET 2020**

**After a year of economic slowdown, this budget is focused on trying to put money in the hands of people and thereby stimulating economic growth.**

# Gifts for MSMEs STARTUPS

**A**mong the key focus areas of Budget 2020 are measures to accelerate growth of Micro, Small and Medium Enterprises (MSMEs) and to boost investment in the Indian start-up ecosystem. Here is how Budget 2020 will impact MSMEs and Start-ups.

“This is the Budget to boost the income of people of India and enhance their purchasing power”, Finance Minister affirmed. After a year of economic slowdown, this budget is focused on trying to put money in the hands of people and thereby stimulating economic growth. Among the key focus areas of this budget are measures to accelerate growth of Micro, Small and Medium Enterprises (MSMEs) and to boost investment in

the Indian start-up ecosystem. Here is how Budget 2020 will impact MSMEs and Start-ups.

## **Incentives for MSMEs**

### ■ Requirement for audit

Currently, businesses having turnover of more than Rs. 1 crore are required to get their books of accounts audited by an accountant. In order to reduce the compliance burden on small retailers, traders, shopkeepers who comprise the MSME sector, the turnover threshold for audit has been proposed to be raised from the existing Rs. 1 crore to Rs. 5 crore. The increased limit shall apply only to those businesses which carry out less than 5% of their business transactions in cash.



## SPEED

### SIDBI-Loan for Purchase of Equipment for Enterprise Development

#### Target Customers

Those who seek finance for purchase of machinery from OEMs but do not get an attractive rate of interest

#### Eligibility

- New to SIDBI: upto Rs.1 crore
- Existing: upto Rs. 2 crore
- 3 years vintage
- 2 years cash profits/stable sales
- No operating losses
- Greenfield allowed with co-borrower

#### Quick Sanction

- Quick turnaround time
- Loan sanction within 3 days of submitting information / documents

#### Other Aspects

- Repayment period of 2-5 years
- ROI- 9.25%-10% p.a. as per internal rating
- Leased premises- Right to Access required
- Pvt. lease also covered subject to conditions.



Contact us at:

#### Key Attractions

- 100% finance based on 25% FD (Interest bearing)
- Attractive ROI
- No promoters' contribution

#### Coverage

- Machines purchased from Identified OEMs
- Expanding in same line of business

#### Application

- One-page application
- Standard KYC checks and due diligence
- Simplified scoring model

#### Quick Disbursement

- Short set of loan documents
- Disbursement within 4 days of sanction.
- Direct payment to OEM



# SPEED PLUS

**SIDBI - LOAN FOR PURCHASE OF EQUIPMENT FOR ENTERPRISE DEVELOPMENT - PLUS**

## Target Customers

MSMEs Seeking finance for purchase of high-end machineries from identified OEMs

## Key Attractions

- ✦ 100% finance based on FD between 15% to 30% (interest bearing)
- ✦ No Immovable security needed

## Coverage

- ✦ Only high end Machines purchased from SIDBI approved suppliers
- ✦ Expanding in same line of business

## Application

- ✦ One-page application format
- ✦ Standard KYC checks and due diligence
- ✦ Simplified risk scoring model

## Quick Sanction

- ✦ Quick turnaround time
- ✦ Loan sanction within 4 days.

## Eligibility

- ✦ New to SIDBI: Up to ₹2 crore
- ✦ Existing Customers: Up to ₹3 crore
- ✦ 5 years vintage with min. sales of ₹5 crore
- ✦ 3 years cash profit/stable sales
- ✦ No operating losses in last 2 years.

## Repayment & Interest Rate

- ✦ Repayment period of 2-5 years (moratorium 3-6 months)
- ✦ ROI - 8.80% - 10.50 % p.a. (As per rating)

## Quick Disbursement

- ✦ Disbursement within 3 days of sanction
- ✦ Direct payment to identified OEMs
- ✦ Short set of loan documents



## ■ Reduction of corporate tax rate

To boost investment, the corporate tax rate for new companies in the manufacturing sector has been reduced to 15%. For existing companies, the rate has also been brought down to 22%. This will enable companies to expand their businesses and make fresh investments in the coming future.

## ■ Removal of Dividend Distribution Tax

Currently, companies are required to pay Dividend Distribution Tax (DDT) on the dividend paid to its shareholders at the rate of 15% plus applicable surcharge and cess in addition to the tax payable by the company on its profits which results in increasing in tax burden for investors and especially those who are liable to pay tax less than the rate of DDT if the dividend income is included in their income. Further, non-availability of credit of DDT to most of the foreign investors in their home country results in reduction of rate of return on equity capital for them. In order to increase the attractiveness of the Indian Equity Market and to provide relief to a large class of investors, the DDT has been proposed to be removed. The dividend shall be taxed only in the hands of the recipients at their applicable rate.

## ■ Trade Receivable Discounting system

In order to enhance economic and financial sustainability of MSMEs, amendments have been proposed to the Factor Regulation Act 2011. The amendment will enable NBFCs to extend invoice financing to MSMEs through Trade Receivable Discounting systems or TReDS. The objective of TReDS, launched by the Reserve Bank of India in December 2016, is to facilitate financing of invoices / bills of MSMEs drawn on corporate and other buyers, including the Government Departments and PSUs, by way of discounting by financiers.

## ■ Working capital credit

To ensure working capital financing for small businesses, a scheme to provide subordinate debt for entrepreneurs of MSMEs is proposed to be introduced. This subordinate debt to be provided by banks would count as quasi-equity and would be fully guaranteed through the Credit Guarantee Trust for Medium and Small Entrepreneurs (CGTMSE).

## ■ Ease of doing business

An app-based invoice financing loans product will be launched. This will obviate the problem of delayed payments and consequential cash flows mismatches for the MSMEs.

## ■ Equity and technical assistance

To make mid-size companies globally competitive, selected sectors such as pharmaceuticals, auto components and others will be given handholding support – for technology upgradations, R&D, business strategy etc.

## ■ Intellectual Property Right (IPR)

A digital platform would be promoted that would facilitate seamless application and capture of IPRs. Also, in an Institute of Excellence, a Centre would be established that would work on the complexity and innovation in the field of Intellectual Property.

## ■ Government e-Marketplace (GeM)

To enable smooth procurement by MSMEs, the Government e-Marketplace (GeM) will create a Unified Procurement System for providing a single platform for procurement of goods, services and works.

## ■ E-logistics market

A National Logistics Policy will be released soon. Inter alia; it will clarify the roles of the Union Government, State Governments and key regulators. It will create a single window e-logistics market and focus on generation of employment, skills and making MSMEs competitive.

## ■ Goods and Services Tax

Several indirect tax reforms have been proposed to improve compliances such as a simplification of GST returns, automation of GST Refund, introduction of electronic invoice to facilitate compliance and return filing, Aadhaar based verification of taxpayers to weed out dummy or non-existent units, usage of deep data analytics and AI tools to crackdown GST input tax credit, refund, and other frauds. GST rate structure is also being deliberated so as to address issues like inverted duty structure.

Restraint on import of items being produced by domestic MSMEs Labour intensive sectors in MSME are critical for employment generation. Cheap and low-quality imports are an impediment to their growth. Special attention has been taken to put measured restraint on import of those items which are being produced by our MSMEs with better quality. Keeping in view the need of this sector, customs duty is being raised on items like footwear and furniture.

*contd. page...34*



## BUDGET 2020

**The Union Budget 2020 rightly announced a slew of far-reaching reforms to revive the economy while staying fiscally prudent. One of the main areas of focus of finance minister Nirmala Sitharaman's budget was growth in the MSME sector.**

# 10 takeaways for the MSME Sector

**T**he MSME sector is one of the key sectors in the Indian economy in terms of job creation, providing the necessary backbone to the country's economic structure and helping India stay resilient. Growth in this sector is directly set to affect the Indian economy.

That is why this year's budget has the highest allocation of funds for the micro, small

and medium enterprises at a whopping Rs 7,572.20 crores. In addition to the financial aid, the finance minister announced a number of initiatives and revised schemes to facilitate ease of doing business and promote growth in this sector.

Schemes like app-based invoice financing, raising the audit threshold, facilitating technological advancement,

raising the customs duty and so on, in order to promote the business of the MSME sector is critical for the development of the country's economy. Development and increased profitability of this sector is essential to support our economy on various stages.

## Raising the Threshold for Audit

Budget 2020 proposed to raise the current threshold of turnover for the small business owners, traders, shopkeepers in order to get their books of accounts audited by an accountant. Earlier, the turnover threshold for an audit was Rs 1 crore, which was raised by five times to Rs 5 crores in this budget. This will reduce compliance burden on small business owners and allow them to operate with more freedom in order to grow their business. The raised limit is only applicable to businesses having cash transactions at less than 5% of their total business transactions.

## Scheme for Technology Development

The finance minister allocated Rs 1000 crore for supporting small and medium enterprises from selected sectors to have assisted support for business operations. Sectors like pharmaceuticals, auto components and other related sectors will be getting extensive support for research and development, business strategy planning, technological improvements and others. This will enable the above industries to become competitive in the export market and grow their business outside India.

## **Development of the MSME Clusters**

Clusters are an important business initiative that promotes the business and growth of MSMEs in the country. Budget 2020 has increased the fund allocation by 71% from the earlier Rs 228 crores in 2019-20 to Rs 391 crores for the current fiscal year. This will help the MSME sector to improve its production capacity, become more competitive, and technologically-advanced to compete in today's market.

## **Creating a Single Platform of Business (GeM)**

The Government e-Marketplace or GeM is an initiative by the government to bring the small and medium business owners on a single platform for the ease of business. The finance minister provided an insight into the Unified Procurement System of GeM that helps the small and medium businesses to create new business opportunities. Using a single platform, the MSMEs can obtain goods and services easily and facilitate business operations. There are already 3.24 lakh vendors on the platform, which is expected to reach a turnover of Rs 3 lakh crore.

## **Boost to Traditional Industries**

Traditional industries are an integral part of our country's economy and so the finance minister has raised the funds allocated for the improvement of this sector. The Scheme for Fund for Regeneration of Tradition Industries has seen an increased allocation of

funds from Rs 125 crores in the previous fiscal year to Rs 465 crores for the current financial year. This will help this industry to be more productive and more profitable, which will help generate sustainable income for the artisans.

## **Subordinate Debts for MSME Business Owners**

In order to tackle the working capital issue for MSME businesses, Ms. Nirmala Sitharaman has proposed to introduce a new scheme that will provide the small and medium business owners subordinate debt. This debt would be forwarded by the banks and counted as a quasi-equity to be fully guaranteed under the Credit Guarantee Trust for Medium and Small Business Entrepreneurs. The scheme will be altered accordingly by the government to accommodate the funds that will be forwarded to this sector.

## **Allocation to the CLCS-TUS Scheme**

The finance minister has announced a further allocation of funds to the Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS). A fund of Rs 805 crores has been proposed to be allocated under this scheme for the MSMEs to harness the benefits of new technologies and become more productive and competitive in the current market.

## **Restructuring of the Debt Permitted by RBI**

The government has also proposed to the RBI to extend its window for the restructuring of debt

from March 31, 2020 to March 31, 2021 to provide business benefits to the MSME industry. According to Sitharaman, over 5 lakh MSMEs had already reaped the benefits of this scheme last year. Hence extending the window would allow MSMEs to operate with more freedom in the country.

## **National Logistics Policy**

The budget also announced the introduction of a National Logistics Policy that will clearly define the roles of the Union Government, State Government and other key regulators. This also facilitates a single-window e-logistics market that will focus on generating employment and increasing competitiveness in the MSME industry based on skill.

## **Introduction of an App-Based Invoice Financing**

The budget also announced the introduction of an App-based invoice financing system that will solve the cash flow issue in the sector. The app-based invoice financing system will allow the MSMEs to eradicate the issue of delayed payments and mismatch of the cash flows in the sector. The finance minister also proposed an amendment of the Factor Regulation Act 2011 to allow NBFCs to provide financial support to the MSMEs through the TReDS system. This will help the small and medium business owners acquire loans from NBFCs easily for their business operations. The financial support to the MSMEs will bring in financial sustainability and promote growth in the sector as a whole. ■

# Why the food processing is vital for a Growing India



**India is a nation of over 1.10 billion buyers, there is an expansive undiscovered residential market of 1,000 million buyers in the nourishment handling segment and 200 million additional purchasers are relied upon to move to processed food by 2010. It is the second-biggest maker of foods grown from the ground on the planet.**

The Indian food processing industry is good to go to create a mark in the worldwide market with normal double-digit development. The consistently developing customer requests have opened up enormous investment open doors for private and remote elements in the food processing and equipment industry.

It is the opportune time for investors to invest in this sector. Industrialism, education, the populace, and awareness are the development of driving components for the food processing industry. All this makes huge open doors for agile advertisers to underwrite the new trends. The agriculture sector has made some amazing progress since its independence. With the green revolution, India has transformed itself from a nation of deficiencies to a place where there are surpluses.

With the fast development of the economy, a move has likewise been found in the consumption pattern from oats to increasingly differ and nutritious eating regimen of leafy foods, fish, milk, meat, and poultry items. This has brought about the advancement of a dawning industry,

in particular, the Food Processing Industries.

The food processing sector in the nation with its huge potential has developed as one of the real drivers of financial development. It is urged to take note of that while the nation's GDP development rate had an increment of 3.5 percent in 2002-03 to 9 percent in 2006-07, the nourishment handling part has developed from 7 percent to 13.1 percent amid a similar period.

India is a nation of over 1.10 billion buyers, there is an expansive undiscovered residential market of 1,000 million buyers in the nourishment handling segment and 200 million additional purchasers are relied upon to move to processed food by 2010. It is the second-biggest maker of foods grown from the ground on the planet.

There is a misuse of transient food items in the nation due to the absence of appropriate food processing facilities and the dimension of processing is just about 2.2 percent. In any case, India can possibly release expansive scale process-based homestead exercises to misuse the rising worldwide business openings.

# Industry in 2020?



## Mind-blowing Opportunities

India's homogeneous market estimate enriched with developer salaries and changing ways of life has made a mind-blowing market open door for food makers, hardware creators, food technology and specialist organizations. Food processing industries have extraordinary fare and work potential.

The strategies are speculating inviting and all the more essentially innovative and HR are accessible in profusion in the nation.

The competitive edge appreciated as far as raw material and work offer rewarding chances. Anyway, poor view of value and the detached picture of Indian products is anticipating Indian food items to enter worldwide markets in a tremendous way

While creating nations like Thailand have misused the worldwide markets in a big way by calibrating quality service sectors of their food processing industry, India is yet to make progress on this front. Creation of high caliber processed foods satisfying global quality guidelines and controls might just open new outskirts for Indian food items.

This won't just make a dynamic and focused domestic food processing industry, however, it will likewise empower India to wind up a noteworthy player in the worldwide food advertise. An attitudinal change towards quality is basic.

A few thousand crore worths of farm produce are lost each year because of wasteful post-harvest practices for storage and processing. On one hand is the developing interest for food items, which are hard to meet because of constrained assets and on the other, there exists unusually high wastage in the homestead sector because of wasteful technology away, processing and dealing with.

It is, in this way, basic to present best in class technology in the food processing sector to limit post-harvest losses. It likewise points out, for a deliberate a couple of chosen food items where India has or can build up an aggressive edge over different nations.

## Profitability and Progress

It is basic to understand the dynamic relationship that exists among efficiency and advancement. The fundamental reality is that until both the agriculturists just as the processors are persuaded of the advantages that gather through profitability, the efficiency battles will stay inadequate.

So the principal challenge is to present the ideas of profitability and make it work under an assortment of limitations for the practical development of the business.

During the time spent globalization, the Indian food processing industry will confront the expanded challenge, especially in household markets notwithstanding the vulnerabilities winning in the worldwide markets. It is in this setting emphasis must be given to enhancing efficiency and quality.

Without a doubt, better performing firms will have a focused edge over others. So as to keep up the beat of efficiency and quality, the National Productivity Awards have consequently expected a lot more prominent noteworthiness.

Service of Food Processing Industries on its part is investigating every possibility to accomplish the different targets of venturing up the development, higher agriculturist salary, decrease in wastage, giving nourishing and safe food and upgrading business openings.

It has started measures to manage the significant requirements being looked at by the business, for example, moderateness and cost of processed foods, connecting farmers and processors, store network and post gather innovation, foundation, fund, food security, cleanliness, and assessments.

With the dynamic help and participation of the considerable number of partners, the service is sure of giving the vital energy to the quick development of the food processing sector and introduce another period in the Indian economy.

**During the time spent globalization, the Indian food processing industry will confront the expanded challenge, especially in household markets notwithstanding the vulnerabilities winning in the worldwide markets.**

# How Cloud Computing accomplish SME prerequisites



**C**loud computing has a response to numerous SME concerns – regardless of whether it is cost, adaptability or business dexterity. You may not understand it, but rather you are most likely as of now utilizing cloud services – regardless of whether to back up your information on the Internet, free electronic email benefits, or putting away images and music on the web. They all work dependent on cloud computing. Cloud computing is about the conveyance of computing as a service as opposed to a product that keeps running on a system on your premises, where a lattice of PCs convey software and information as a utility over the Internet.

For small and medium-sized enterprises (SMEs), cloud computing has numerous points of interest – predominantly financial ones. As the information and applications are facilitated remotely, it gets rid of the expense and weight of hardware and software securing, and maintenance. Basically, cloud computing offers four key favourable circumstances for SMEs: adaptability, versatility, easy accessibility and pay-per-use models.

## **Economies of Scale**

Cloud technology offers SMEs access to advances that used to be accessible just too substantial endeavors with profound pockets. For example, most complex software like Sales Force Automation (SFA) and Customer Relationship Management (CRM) would have a substantial sticker price as far as the advancement or by cost, alongside the amazing equipment to run the product, and the prepared IT staff to deal with the product. Interestingly, many cloud computing services have the alternative of a regularly scheduled payment, without the expense of forthright charges, or secure periods. You can be fully operational at the time it takes to enter your business and payment information – all at a small amount of the expense of purchasing or building up this product in-house.

Adaptability is another key favorable position. Given the worldwide and focused business condition of today, it is basic for SMEs to have the characteristics of versatility and adaptability to respond quickly to showcase changes. Cloud-based services are versatile in light of interest and are valued on compensation for each utilization premise, where organizations pay for the IT services they consume. The pay per use model implies organizations pay for the services that they require, and can scale up effectively by paying for more clients or modules when the business requirement emerges, without substantial interests in hardware, applications or IT faculty.

Another preferred standpoint is the simple accessibility of cloud services. As the just Internet gets to be required to get to cloud services, it is platform-independent, and cloud services can be gotten to any place, and on any gadget – laptops, smartphones, desktops, or other mobility devices.

## **Services Available**

Basically, there are three classifications of cloud services accessible today. They include Infrastructure-as-a-Service (IaaS), Platform-as-a-Service (PaaS) and Software-as-a-Service (SaaS). IaaS is a cloud computing model where clients can buy hardware computing assets like servers and capacity systems, as though they are re-appropriated services. PaaS is a layer in cloud computing that enables clients to make new computer applications, while SaaS offers SMEs with access to a wide assortment of utilization given by specialist co-ops and running on the foundation of the cloud.

As far as execution, there are three cloud computing models: public cloud, private cloud, and hybrid cloud. General society cloud is appropriate for most SMEs, where the administration is accessible to people in the general Internet. A few associations which have solid protection or security concerns would want to utilize a private cloud, where the organization possesses as well as deals with the cloud infrastructure. The hybrid cloud is a blend of general society and private cloud display, where the organization gives and deals with a few assets in-house and others are given remotely.

Eventually, cloud computing is the technology solutions to most SMEs, empowering them to use cloud platforms to focus around their core abilities and convey their services dependably and without the problem of stressing over the supporting technology foundation ■

# 10th Regional Quality Conclave on “Quality & Manufacturing Excellence For Sustainable Growth” with QCI, New Delhi



*The 10th Regional Quality Conclave on “Quality & Manufacturing Excellence for Sustainable Growth” was conducted by Quality Council of India (QCI) New Delhi in association with FOSMI, W.B. on 29 November 2019 at the Park, Kolkata.*

The key objective of the conclave is to discuss and identify policy measures, best manufacturing /operations practices to be followed for not just linear growth but a sustainable growth of the manufacturing sectors. The conclave witnessed the opinions, suggestions and pragmatic discussions on the theme from the discourse of learned panelists of the different sessions.

There were 3 (three) Technical Sessions on the topics pertinent to the theme of the Conclave. There was also one special Session.

The subjects of discussion in the four sessions were as follows;

#### **Technical Session – I :**

Leadership and Quality impacting the profitability of an enterprise;

#### **Technical Session – II :**

Evolving manufacturing trends for competitiveness;

#### **Technical Session – III:**

Building a culture of continual improvement;

#### **Special Session – IV:**

Accreditation and Training.



## Inaugural Session

The Conclave inaugurated by Shri Sadhan Pande, Hon'ble Minister in-Charge of Consumer Affairs and Self Help Group, Government of West Bengal through lighting of the lamp ceremony in the august presence of Shri C. K. Biswas, CEO, National Board for Quality Promotion, Quality Council of India, New Delhi, Shri Biswanath Bhattacharya, President FOSMI.

Shri C. K. Biswas, CEO, NBQP, QCI welcomed all the delegates on behalf of QCI and FOSMI and in his welcome address he pledged his commitment to the values of the organization. Carrying his address forward, he described the organizational structure of QCI and its functions respectively. He also ascertained the need to quality in manufacturing industries. He also aligned the Government of India's dream of successful 'Make in India' campaign to actually workout, thus he persisted to achieve success in this campaign and said that manufacturing hub needs to improve its quality which can make the Indian Products competitive in the globalized market. He showed his firm commitment for the welfare of the MSME industries through its all round development at a time when emerging technologies taking up most of the market share.

Followed by Shri Biswas, the President of FOSMI, Shri Biswanath Bhattacharya addressed the gathering and said that the primary objective of the conclave





is to share the technological information and best quality practices or process, products and services in the manufacturing sector with special reference to MSME sector. He added that manufacturing excellence is an explicit goal of the organization and Quality is a measure of excellence in manufacturing. Shri Bhattacharya informed that FOSMI's association with a premier and apex body like QCI was definitely a credible achievement and expressed his desire to build much stronger relationship with QCI in the days to come and thanked QCI for entrusting FOSMI to organize the conclave.

The Hon'ble Minister Shri Sadhan Pande in his address expressed the high commitment of the Govt. of West Bengal for the improvement of MSME Sector and improving the quality of output to make them competitive in the market. Moreover with the support of the Government he also committed to improve the condition of MSME Sector in the rural areas of the State by providing enough capital to start and pursue business in emerging technologies. The Hon'ble Minister added that the priority agenda of State Govt. is the revival of MSMEs of Bengal by employing emerging technologies with the help of academics and sought the guidance of QCI. The Minister on behalf of Government embodied its 'people first' policy and also pledged to bring foreign



technologies and FDIs in relevant domains to make the state a business hub.

Shri Gautam Ray, Vice President, FOSMI proposed a vote of thank in the inaugural session.

### Technical Session I:

Leadership and quality impacting the profitability of an enterprise:

The focus of this session was to examine the impact of implementing best quality management practices and effects of the same on the performance and growth of SMEs. The session also unearthed as to why it is particularly important to adopt modern quality management systems from design to service. The Session was chaired by Shri Avik Mitra, Principal Advisor, Quality Council of India and the eminent speakers were:

Shri Avik Mitra- TOPIC - Quality 4.0

Shri Goutam Chakraborty, Lead Assessor & QCI/ NBQP Registered QMS Consultant, ZED Master Trainer- TOPIC - Cost of Poor Quality

Shri C. R. Maitra, LEAN and ZED Consultant, Neogi Technologies & Research Private Ltd.- TOPIC - ZED rated MSME

Shri Sanjay Bahety, MD, M/s I & B Engineers Pvt. Ltd. - ZED rated MSME

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# Awareness On Intellectual Property Rights (IPR) among the MSMEs



Building Awareness on Intellectual Property Rights (IPR) among the MSMEs is one of the components of National Manufacturing Competitiveness Program (NMCP) of Government of India. MSME- DI Kolkata in Association of FOSMI conducted an awareness program on Intellectual Property Rights on 23rd October 2019 at Hotel Garden Palace, Howrah with an aim to make the participant MSMEs aware about information and facilities for protecting their intellectual powers.

The objective of the awareness program was to enhance awareness of MSME about Intellectual Property Rights (IPRs) to take measure for the protecting their ideas and business strategies. Effective utilisation of IPR tools by MSMEs would also assist them in technology up-gradation and enhancing competitiveness.

After the welcome address of Shri Rajarshi Maji, Asst. Director MSME-DI Kolkata, Shri P. K. Das Dy. Director MSME-DI Kolkata, briefly explained about the objective and purpose of organising the program.

Followed by Shri Das, The

General Manager DIC Howrah, Shri Ashok Sinha Roy briefly explained about the various activities of his department in supporting the MSMEs for its development in Howrah District. Shri S. K. Saha, Chief Manager NSIC too described about the various support functions of NSIC available for MSMEs.

Shri D. K. Mohta, Past President and Advisor to FOSMI, during his turn expressed that in the business, Intellectual Property (IP) protection rewards innovation by enabling the inventor to reap the rewards of investment idea and he felt that IP protection also plays increasingly significant role in mergers and acquisitions. Shri Mohta said that IP is often the largest asset portfolio that has with a greater value than offices or factories.

Shri K.D. Bhattacharya, Director-In-Charge MSME-DI, Kolkata in his address, initially briefed about the various schemes of Ministry of MSME and the facilities provided by the MSME-DI in availing those schemes by the MSMEs and also detailed about the various activities of MSME-DI Kolkata rendered for MSMEs.

Shri Bhattacharya expressed

that, in the present age of globalisation, IPR is gaining special importance for MSMEs and IPR protection now become the integral part of the activities of MSMEs in competitiveness and therefore, a better understanding of the IPR aspects is very important for MSMEs he added. Shri Bhattacharya continued by saying that majority of the countries have already adopted IPR and working very hard in this line and adopted IPR protection as their business strategy.

Shri Sushil Kr. Mitra, Ex-Deputy Controller of Patent & Designs, IPO Kolkata, covered in details of main aspects of IPR like Patent, Industrial Design, Copyright, Trademarks and Geographical Identifications.

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“Majority of the countries have already adopted IPR and working very hard in this line and adopted IPR protection as their business strategy.”

A workshop on Adoption of Best Environmental Management Practices to make Haldia Clean & Green was organised by West Bengal Pollution Control Board (WBPCB) in association with FOSMI at Satish Sammanta Trade centre Conference Hall, Haldia, Purba Medinipur on 7th February 2020. The Workshop witnessed the participation of eminent panellists from Haldia Petro Chemicals Limited, State Machineries and Institutions as faculty and attended by students, participants from industries, local people with their deep involvement and the sincere effort of Sri Kalipada Bhunia, District Chairman of Purba Medinipur, FOSMI with his untiring effort have made the program a grand success.

Shri Gautam Ray in his welcome address, stressed about the use of effective Environmental Management Practices by the industries and the Chief Guest Shri Panicker Harishankar, IAS CEO, Haldia Development Authority during his address advocated for the adoption of Environmental Management Practices and opined for the awareness of the environmental issues affecting the society should receive top priority



## Workshop on adoption of best Environmental Management Practices to make Haldia Clean & Green

and have assured to extend all possible help in this regard.

Dr. Sunil Baran Kuila, Dept. of Chemical Engineering, Haldia Institute of Technology outlined the several parameters of environmental management practices and strongly advocated about the required measures

should be adopted to arrest pollution created by the use of plastics and feels proper awareness is very much needed for the society. Dr. Kuila also outlined the various prevailing methods being used for the re-use of plastics namely for making Road Construction, fuels, etc.

**Contd. on page...32**



*Workshop on GST Return (ANX 1 & ANX 2) at FOSMI Office on 13 November 2019*



## Special Vendor Development PROGRAMME FOR SC/ST

**F**OSMI in partnership with National Small Industries Corporation Ltd. (NSIC) organised a Special Vendor Development Programme on 23 December 2019 with an objective to empower SC/ST entrepreneurs with required information towards the sustainable development of their Business.

The program was conducted by Shri Shree Prakash, DGM NSIC Salt Lake. In his address Shri Prakash highlighted about the initiative of Government of India and that the National SC/ST Hub (NSSH) would provide professional support to the SC/ST enterprises thereby enabling them to effectively participate in public procurement process. And he added that the Hub would also work towards the development of new entrepreneurs to participate in procurement process leveraging on the 'Stand up India' programme. Selected entrepreneurs would be provided with support and mentoring by industry experts, CPSEs, and incubators. Since India targeted towards developing a sup-

portive ecosystem towards SC/ST entrepreneurs and as such, initially it attempts to address gaps that exist across multiple drivers of the entrepreneurial eco systems.

The participants of the program were given enough exposures to Credit Facilitation, Marketing information which is available from NSIC Marketing Intelligence Cell to help MSMEs in getting appropriate information at one place and at the right time which will enable MSMEs in enhancing their ability to gauge and be at par with the global demand and ease of doing business through single point registration system. The Special Marketing Assistant Scheme for entrepreneurs of NSSH was found very attractive.

Participants were introduced with the credit support facilities rendered by NSIC during the session and it was informed that NSIC facilitates MSMEs in accessing credit support (fund based or non-fund based limits) from the banks. NSIC assists MSMEs in completion of the documentation

for submitting the proposals to the banks and also does the follow up with the banks.

The information made available to the participants about the SC/ST entrepreneurs who have availed benefits under NSSH for Capacity Building programmes, Market Linkage programmes viz., participation in domestic and foreign exhibitions, subsidy for registration under Single Point Registration Scheme, subsidy for enrolment on B2B Portal and subsidy for rating of unit under Performance and Credit Rating was found to be encouraging.

There was an audio visual presentation from NSIC's efforts towards offering B2B platform for the entrepreneurs and various activities of NSIC for the overall development of SC/ST Entrepreneurs. The assurances of NSIC about the flexibilities as envisaged in the policies for the development of SC/ST entrepreneurs with a view to accommodate their changing requirements was found to be very useful for the participants. The program ended with a very successful note.

# 5-days MDP on Financial Management



A 5 days Management Development Program (MDP) on Financial Management was organised by MSME—DI, Kolkata, Government of India in association with FOSMI from 20-27 January 2020 at FOSMI Conference Hall with an objective to empower MSMEs with the essential aspects of Financial Management for the ease of their business. The subjects covered during the session were as follows:

- ▶▶ Scope of Financial Management
- ▶▶ Management of Cash,
- ▶▶ Intellectual Property Right,

- ▶▶ Indian Financial System.
- ▶▶ Important aspects of GST
- ▶▶ TReDS
- ▶▶ GeM registration process
- ▶▶ DC MSME Schemes and Export Management.

The subject chosen by the MSME-DI Kolkata, was found to be very apt and the entire sessions through 5 days were conducted by the experts of respective subjects. The program was found to be very useful for the participants and ended with a very successful note.



*Two Days Industrial Motivational Campaign on Export opportunities at FOSMI Office on 4th and 5th December 2019*



**Interactive Session with Dr. R. B. Barman, Chairperson, Indian Statistical Commission and former Executive Director, Reserve Bank of India, at FOSMI Office on 3 January 2020.**



**Interactive session with Mr. Young Seon Park, PhD Economics, Director, Korea Trade Investment Promotion Agency, Kolkata at FOSMI on 4 February 2020.**



**Presentation of Union Budget analysis and GST Roadmap - By CA Kausik Ghosh on 14th Feb'20 at FOSMI**

According to a report by Transunion CIBIL and Small Industries Development Bank of India (Sidbi), aggregate MSME and SME lending, for both entities and individuals, has grown at 19.3% in the last few years.

## Platforms Helping MSMEs to Enhance Productivity

The contribution of NBFCs is key to India's growth; they play a critical role in the core development of infrastructure, transport, and employment generation thereby contributing to wealth creation opportunities and financial support for economically weaker sections. There are a lot of platforms who are striving to bridge existing gap for the SME and MSME sector, let's look at some platforms that are helping MSMEs to enhance their businesses -

### **PrimaDollar:**

Recently launched in India, PrimaDollar provides low cost trade finance to importers and exporters around the world. With clients already in over 30 countries, PrimaDollar's trade finance product is striving to become mainstream option for mid- and large-cap companies, allowing exporters to ship promptly and importers to pay later and bridge the timing gap involved in international trade.

### **Froogal:**

Froogal is a SaaS-based loyalty marketing platform that helps businesses adapt to an omnichannel marketing strategy so as to enhance their sales channels across the web and mobile. The platform, powered with Artificial Intelligence and Machine Learning helps businesses to upscale cross-selling on the basis of these past data records of the customer.

### **Shopmatic:**

Shopmatic has been a force to reckon with in India's burgeoning entrepreneurial landscape. As an

omnichannel enabler, Shopmatic launched its disruptive offer to provide its bouquet of formidable online and offline commerce services and only charge INR 50 as annual hosting charges and 3% fee for each successful transaction. The offer ushered India's aspiring entrepreneurs and small businesses into a new wave of freedom and access to advanced technology, as their flight was no longer hindered by threshold challenges like huge upfront investment or lack of technical know-how. While over 300,000 entrepreneurs and small businesses accessed its platform, Shopmatic continued to bring the latest tech advancements, ensuring the overall success of associate merchants. With the acquisition of Combine Sell, Shopmatic provided merchants with a single platform to manage conversations and conversions across multiple e-commerce channels. In tandem with OnlineSales.AI, it offered merchants with AI-powered marketing automation that would yield successful digital campaigns at the prompt of budget and expected outcomes. The brand also joined hands with PayU to further facilitate online payments and launched a POS solution to expedite inventory management & order creation for merchants. Together, these developments paved the way for numerous entrepreneurs to manifest their long-standing vision of starting-up and becoming successful entrepreneurs.

### **Cleartrip:**

Cleartrip, the leading online travel and leisure company, has

recently launched 'Cleartrip for Work' a transformative travel product. Through 'Cleartrip for Work', MSMEs with a GST number can access unlimited corporate fares on flights with benefits that include unlimited cashback, complimentary in-flight meals, zero trip modification charges, reduced cancellation fee and reduced seat selection fee through a simple sign-in process. Benefits can be availed across flights and hotels for domestic and international travel."

### **CoutLoot :**

Hosting more than 375,000 sellers with a listing of over 10 million products, CoutLoot has been helping offline businesses transition online. As a social offline-to-online (O2O) commerce platform, CoutLoot helped a long-trail of rural entrepreneurs and sellers to sell their unique products and services through social platforms like WhatsApp and Facebook Messenger. The company leverages its own AI model to help offline entrepreneurs migrate online. With AI, CoutLoot automatically scans and lists a seller's products, without requiring them to type anything. It helps offline players sell online for the first time by automatically cataloguing their offline inventory and providing logistics, payment, and reconciliation support. CoutLoot also translates the same in 12 Indian languages, thus enabling easier conversations between buyers and sellers. ■

# Trade wants GST Council to change late payment rule



The Central Board of Indirect Taxes and Customs (CBIC) has asked its field formations to collect about ₹46,000 crore as interest on delayed payment of Goods and Services Tax (GST) on the basis of gross tax liability, i.e. the tax liability without adjusting the input tax credit (ITC) available in the electronic credit ledger. This move has caused a lot of heartburn in the trade. The government contends that if a tax payer is required to pay tax of ₹1 crore but has available ITC of ₹99 lakh and delays payment of the due tax of ₹1 lakh after adjusting the ITC, then interest must be paid on the gross tax liability of ₹1 crore. This position has been upheld by the Telangana High Court in the case of Megha Engineering and Infrastructures. [2019 (26) GSTL 183(Telangana)], on the basis of the law as it stands. The contention of the trade is that the interest should be collected on the net tax liability of ₹1 lakh in the above example, which is the amount payable in cash after adjusting the available ITC. The GST Council, in its 31st meeting on December 22, 2018, had accepted this stand and recommended charging interest only on the net tax liability. The central government has also got the relevant Section 50 of the Central GST Act, 2017 suitably amended last August. However, it has not yet notified the amendment but has assured that the same will be given effect as soon as the two remaining states, Telangana and West Bengal, amend the relevant State laws. The CBIC says this amendment will operate prospectively and so, all interest on delayed payment

of tax till the amendment takes effect will be on the basis of gross tax liability. The trade says once the GST Council has conceded the unfairness of charging interest on gross tax liability, there should be no hesitation in giving retrospective effect to the amendment. Meanwhile, the Madras High Court, in the case of *M/s Reflex Technologies (2020-TIOL-382-HC-MAD-GST)* has held that the amendment allowing payment of interest on the basis of net tax liability is clarificatory and therefore, retrospective in its operation. When the taxpayers started receiving the notices for interest, some approached the courts and the Gujarat High Court, in the case of *Amar Cars*, stayed the notice demanding such interest and asked the government to respond. The overall sense in the trade is that the main aim of the government is to garner revenue by any means, even when it knows that there is no merit in asking for interest on the basis of gross tax liability. As the law stands, the government may have a right to demand interest on gross tax liability but it must recognise the unfairness of the demand, hold up such demands and amend the law retrospectively providing for interest on net tax liability, say the tax payers. The wise way forward for the government is to persuade the GST Council to allow interest payment on net tax liability retrospectively, get necessary amendments made in the GST laws and give effect to the same quickly. Meanwhile, demands on the basis of gross tax liability can be held in abeyance

Source : [www.eepcindia.org](http://www.eepcindia.org)

“ The overall sense in the trade is that the aim of the government is to garner revenue by any means, even when it knows that there is no merit in asking for interest on the basis of gross tax liability.”



In India, most small businesses are still dependent on Industry 2.0 or 2.5 based manufacturing practices which render them uncompetitive

# *MSMEs Should Upgrade Skills to Tap into AI-led Manufacturing*

**A** revolution is taking place in the world of manufacturing through a rapid integration of machines, processes and people driven by digital technologies – known as Industry 4.0 (I4.0). This transformation, with rapid advancements in deploying latest technologies such as Artificial Intelligence (AI), robotics and industrial Internet of Things (IoT), is driving innovation across the value chain and leading to faster, flexible and more efficient production and business processes, resulting in lower costs and higher productivity.

Are India's micro, small and medium enterprises (MSMEs), which contribute nearly 30% to our GDP, prepared for this transition? If we are to achieve the dream of 'Make in India' and grow our economy to \$5 trillion by 2024, it is imperative that our MSMEs become globally competitive and grow at a much higher rate.

In India, most of the MSMEs are still dependent on Industry 2.0 or 2.5 based manufacturing practices which render them uncompetitive in terms of cost and quality. The challenges they face at the firm level can be broadly classified into three



categories relating to access to resources, technology and skills. At the institutional level, the major challenge relates to developing research and development (R&D) and innovation capabilities focused on I 4.0 technologies in our technical institutions and industry. Implementing I4.0 can be a resource-intensive endeavour for MSMEs and also involves understanding and assessing risks and developing new business strategies based on I4.0. Financing institutions in the country must understand these newer business models and provide adequate finance to MSMEs to implement them. The second major challenge relates to developing and customising these latest technologies and providing MSMEs access to them. Already, the government is implementing a cluster-

based development model for providing infrastructure and R&D support to specific MSME clusters. This scheme needs to be enhanced with more resources and support for R&D institutions to help MSMEs leapfrog to I4.0.

The third challenge relates to enhancing the skill levels of both workers and managers in these firms to make them I4.0 ready. This requires a major focus on training and upskilling of the workforce and must be taken up in earnest. The National Skill Development Mission must have a specific skilling component dedicated to these technologies.

As the size and share of the manufacturing sector in the economy expands due to greater productivity and lower costs due to adoption of I4.0, the sector would create more and better paying jobs for workers in the medium and long term that would compensate for the short term job losses that may occur in some domains. A sustained national level focus on R&D and innovation, coupled with timely access to resources and a skilled workforce, can certainly facilitate the adoption of I4.0 and future technologies by our MSMEs.

RAJENDRA KUMAR  
Source : [www.eepcindia.org](http://www.eepcindia.org)



# *Golden Tips for* **MSMEs Turnaround & Business Leadership**

Indian Original Equipment Manufacturers (OEMs) and multinational manufacturing monsters in preserving sectors like Automobile, Food, Defense, Pharma, Aerospace, FMCG, Heavy Metal, and so forth have created a big demand for MSMEs and feature ended in the value-oriented supply chain across India and in remote places markets. MSMEs constantly have emerged as direct providers to these big businesses at various tier production high pleasant merchandise of different kinds.

Still, there are lots of producing units in India, which nonetheless lack adequate knowledge of a way to take their business to the next degree.

Going ahead, golden suggestions for MSMEs to reinvent itself and experience a metamorphosis in business are:

## **Plan Vision and mission of your Business:**

The business of any size from start-up, small or medium might want to put in writing genuinely

described imaginative and prescient, task, values, enterprise scope, and customer cognizance statements. Every entrepreneur needs to write down those statements for his/her business and also formulate Balanced Score Card to screen key overall performance signs (KPIs) covering strategic, operational, monetary and risk control desires of the business.

## **Develop Strategies for Business, Products, Services, Marketing & Sales:**

Entrepreneurs must expand excellent strategies for their enterprise, products or services, advertising and income as these techniques will ultimately assist that business to outline its way forward. Entrepreneurs generally realize or study techniques on their way and comply with them and preserve changing as they prefer. A documented, co-created and most importantly, thoroughly assessed techniques can assist enterprise for the exponential increase.



**MSMEs must build their personal Business Management Systems (BMS) for all approaches and use high-quality practices across the enterprise. BMS is driving force for reaching system high-quality and it is ideal for every enterprise entity to set up excellent control structures that are documented and dynamically stepped forward with the times.**

## **Establish, keep and continually improving Business Management System:**

MSMEs must build their personal Business Management Systems (BMS) for all approaches and use high-quality practices across the enterprise. BMS is driving force for reaching system high-quality and it is ideal for every enterprise entity to set up excellent control structures that are documented and dynamically stepped forward with the times. The BMS includes WorkFlows, SOPs, Policies, Good Practices, etc.

## **Build Global Markets, Branding, Protect Knowledge:**

MSMEs should take part in National and International exhibitions and reveal themselves to the global marketplace. Branding, social media networking, digital advertising is not buzzed phrases, but a requirement for survival in these days' globally competitive business environment.

## **Prevail Networked with Business Management Organizations (BMOs)**

It is stated, the network is net worth and MSMEs who surround themselves with futuristic BMOs can gain loads in a collective way. There are numerous schemes released with the aid of the authorities and financial establishments, that can attain to MSMEs through those BMOs.

## **Maintain Financial Discipline and Financial Transparency:**

SMEs typically do not follow financial discipline majorly because of the practice of conventional strategies of economic management. There are two components of the financial discipline; financial and marketplace feasibility evaluation. Financial transparency takes an again seat because most of the marketers do not know a way to preserve fiscal discipline and deviate from compliances which lead them to monetary stress. Financial transparency leads to first-rate financial practices, which are essential for walking an easy commercial enterprise.

## **Develop, Train and Retain Teams**

Developing the HR approach, hiring proper people for the right jobs, hiring and maintaining professional manpower are some of the important thing factors in retaining skills. MSME must interact

and have interaction with humanitarian aid to bridge competence and talent gap. The worker engagement is vital and has to be based on a 3-E model (Educate, Empower and Enforce).

## **Focus on Lean Management principles:**

Lean control standards may be utilized by any agency to preserve product cognizance technique price effect and cause to dispose of wastes. A lean management system is the most important a part of jogging a value powerful enterprise on this aggressive market. Entrepreneurs should think of low-cost automation, productiveness, yield optimization, and value addition to improve the bottom line.

## **Honor Society and Environment. Create Sustainability**

It is vital for MSMEs to the recognition of social duty, environmental performance and power performance main to a sustainable future. There can be very small initiatives like energy efficiency, rainwater harvesting, use of exchange fuels et al by way of MSMEs towards sustainability and may make a contribution to society in a big manner.

source : [smeventure.com](http://smeventure.com)



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# ECGC Ltd

# Empowering Exports

**E**CGC, a premier Export Credit Agency (ECA) of Government of India (GOI) established in 1957, provides credit insurance covers to exporters against non-payment risks by the overseas buyers due to Commercial and Political reasons. It also provides insurance covers to banks against risks in export credit lending to the exporter borrowers. ECGC endeavors to support Indian Export Industry with its experience, expertise and underlying commitment to progress and advance of India's exports. ECGC promotes both Short Term (ST) exports (i.e. export realization within one year) and Medium and Long Term (MLT) exports (i.e. export realization extending over a period of more than one year).

The total exports supported by ECGC during the FY 2018-19 is around Rs.6,60,000 crores. It is notable to mention that from the large number of exporters benefited by ECGC's covers; more than 92% are MSME exporters.

The major coverage has been to USA, UK, GERMANY and UAE. Major sectors covered were employment intensive sectors like Engineering Goods, Textiles and Allied products, Chemical and Pharma and Agro Products.

Further, ECGC provides cover on 239 countries including high risk markets.

The systemic role of ECGC in the context of Working Capital lending to exporters has never been more pertinent than in the present stress scenario in the banking industry. Under ST Export Credit Insurance for Banks (ECIB) lending risk in extending pre and post shipment advances are covered. The total claims paid during the year to both banks and exporters Rs.1013 crores. The company's contribution in the last decade by way of claim settlements of around Rs.8300 crores has provided the much needed support to exporters and relief to banking system in ensuring adequate lending to exporters. Despite this huge stress, a profit of Rs.314 crore before tax with a dividend of Rs.60 crores to Government of India (GoI) has been concluded during FY 2018-19.

In all, there are 19 products for exporters, 11 Products for banks and 12 products for Medium

and Long-term Exporters/Banks. Further, ECGC also provides Customized Covers to make it cost effective and administrative comfort for exporters and banks. It has also introduced Factoring facility to MSME Sector and cover in foreign currency to Special Economic Zone Exporters.

ECGC being one of the oldest ECAs in the world has been playing a crucial role in insuring the export receivables and lending to exports. The exemplary service rendered has been validated by the best ECA award won in 2017 against competition from older and larger ECAs. Further, Company has been awarded by Council for Fair Business Practices under Service Sector for practicing, promoting and committing to fair business practices and also received Best Performance in General Category from Ministry of Micro, Small & Medium Enterprises, Government of India for Exemplary Work under Public Procurement Policy for Promotion of SC/ST Entrepreneurs It has been receiving first or second price in "Indira Gandhi Award" (Now renamed to "Rajbhasha Kirti Puraskar") from since 20 years and winning first price in "Rajbhasha Puraskar" from Ministry of Commerce" from the last 7 years and received awards at various centers in India through Town Official Language Implementation Committee (TOLIC).

## What does an ECGC do?

**It offers an array of credit risk insurance covers to the Indian exporters against the loss with respect to the export of their goods and services.**

**It provides Export Credit Insurance covers to the banks and other financial institutions for enabling exporters to find better services from them.**



# STAR

## SIDBI Term-loan Assistance for Rooftop Solar PV Plants

### TARGET CUSTOMERS

- MSMEs planning to reduce their Power bill
- Across the segment coverage with 25 KW to 500 KW plants (indicative)
- Loan amount: ₹10 lakh to ₹250 lakh

### KEY ATTRACTIONS

- 100% finance
- FD of 15% to 25% of Loan (interest bearing)
- Attractive Interest rates (9.10% to 10.20% p.a.)
- Credit Guarantee cover available

### COVERAGE

- Solar Panels / Equipments (Including accessories) from established suppliers, manufacturers, aggregators, etc.
- Installation cost
- Reimbursement to the extent of advance paid to the supplier.

### APPLICATION

- One-page application
- Standard KYC checks and due diligence
- Quick sanction and fast disbursement

### ELIGIBILITY

- Vintage ✓ New Customer – 4 years ✓ Existing Customer – 2 years
- 2 years cash profits
- Satisfactory repayment track record
- For New Customer : Minimum IACR of 0.5% (if no CGTMSE cover)
- Proposed Solar rooftop capacity not to exceed connected load.
- Only On-site projects.
- Stand alone and Grid connected, both covered
- Maximum loan up to 25% of Net Sales

### DOCUMENTATION / DISBURSEMENT

- Simple Loan documentation
- Direct payment to Supplier.

### OTHER ASPECTS

- Repayment in upto 5 years
- Moratorium of 3 to 6 months included
- Leased premises permitted - Right to Access required
  - Unexpired Lease period not less than 1.5 times repayment period.
  - Charge Exclusion Certificate from existing lender, if applicable.



ISO 9001: 2015

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**भारत का राजपत्र**  
**The Gazette of India**

**MINISTRY OF CORPORATE AFFAIRS**  
**NOTIFICATION**

**New Delhi, the 3rd January, 2020**

G.S.R. 13(E).—In exercise of the powers conferred by sub-section (1) of section 203 of the Companies Act, 2013 (18 of 2013) read with section 469 of the said Act, the Central Government hereby makes the following rules further to amend the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, namely:-

1. (1) These rules may be called the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2020.  
(2) They shall be applicable in respect of financial years commencing on or after 1st April, 2020.
2. In the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (herein after referred to as said rules), for rule 8A, the following shall be substituted as under:- “8A. Every private company which has a paid up share capital of ten crore rupees or more shall have a whole-time company secretary.”
3. In the said rules, in rule 9 of the said rules, in sub-rule (1),
  - (i) after clause (b), at the end the word “or” shall be inserted.
  - (ii) after clause (b), the following clause shall be inserted, namely:- “(c) every company having outstanding loans or borrowings from banks or public financial institutions of one hundred crore rupees or more.”
  - (iii) the following Explanation shall be inserted, namely:-  
“Explanation :- For the purposes of this sub-rule, it is hereby clarified that the paid up share capital, turnover, or outstanding loans or borrowings as the case may be, existing on the last date of latest audited financial statement shall be taken into account.”



**OFFICE OF THE DEVELOPMENT COMMISSIONER**

(MICRO, SMALL & MEDIUM ENTERPRISES)

**MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES GOVERNMENT OF INDIA**

**F.No.16/7/2019-P&G/Policy**

**Date : 28.01.2020**

**Subject : Hardship faced by the MSMEs for statutory requirement of appointment  
of a Company Secretary in Companies with paid up share capital of Rs. 5 Cr. -reg.**

It is mentioned that Ministry of MSME has received references from MSME associations regarding the problems faced by MSEs in particular for the mandatory requirement of whole time Company Secretary by each private company with a paid up share capital of Rs. 5.00 Cr. or more. The matter was examined and the same was taken up with the Ministry of Corporate Affairs that keeping in view the problems faced by MSEs which are mostly in the category of either proprietorship or partnership firm, exemption may be considered, irrespective of capital structures for mandatory engagement of a full time Company Secretary.

It is informed that Ministry of Corporate Affairs has not issued a notification no G.S.R. 13(E) dated 03.01.2020 (Copy enclosed) conveying that every private company which has paid up share capital of Rs. 10. Cr. or More (instead of Rs. 5.00 Cr. or more) shall have a whole time Company Secretary.

**Piyush Agarwal**  
Dy. Director Policy

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## **10th Regional Quality Conclave...**

### **Technical Session II:**

The objective of the session was to explore the competitiveness and evolving geography of modern manufacturing with a focus on identifying key trends and developments. This session reviewed digital manufacturing and challenges towards its implementation. The Session was chaired by Shri Alok Mookherjee, Chairman, Howden Solyvent India Ltd. and the speakers were:

Dr. Gautam Sengupta, Vice Chancellor, Techno India University-Topic- Lean Manufacturing

Dr. Arpan Pal, Principal Scientist and head of embedded systems and robotics, TCS Research and Innovation-Topic- Smart Manufacturing

Ms. Priyanka Bhattacharya of Auropol India Pvt. Ltd.-Topic- Case study on Lean Manufacturing

Shri Rajivlochan Sharma, Titan Company Ltd.-Topic-Smart Manufacturing

### **Technical Session III:**

#### **Building A Culture Of Continual Improvement**

Building a culture of continuous improvement innovation in the process is a new approach in manufacturing and business though Industries may have long experiences in their own areas. But with rapidly changing consumer demands and globalization, industries need to be adaptive to model requirements to enhance performance and improvement in the business. Employee up skilling and engagement are vital towards improvement of Sustain able growth. The Session was chaired by Shri T K Mukherjee, Strategic Advisor Wacker Silicones. The eminent speakers were:

Shri Ashish Agarwal, Chairman Oriplast Ltd.-Topic-Consumer Delight for Business Growth

Dr. N.C. Murmu Senior Principal Scientist of CSIR-CMERI Durgapur fellow of Indian Academy of Engineering -Topic-Innovation and Technological Advancement

Prof. (Dr) Surjya K Pal, Lord Kumar Bhattacharya Chair Professor. Department of Mechanical Engineering and Professor in Charge DHI Centre of Excellence in Advanced Manufacturing Technology IIT Kharagpur-Topic-Re-skilling for Advanced Manufacturing

#### **Special Session On Accreditation And Training:**

A) Role of Institutional Training and its excitation by Dr. Manish Jindal

B) Accreditation of higher Educational Institute a new paradigm by Smt. Vinita Yadav Director

Doctor Jindal and Smt. Yadav said that Small Scale Industries in order to improve, the need of institutional training is the need of the hour. They emphasized that quality maintenance should be of utmost importance. It is because being in a competitive market multilateral trade depends upon good quality and cheap price. It was expressed that as Indian Products are already quite cheap and they find good market abroad but if quality is not maintained, the products will not be competitive as compared to South East Asian and South Asian economies.

#### **TAKING AWAY FROM THE CONCLAVE**

The conclave witnessed participation of around 220 participants from different segments of industries namely Engineering, Chemical, Electrical, Footwears, Plastics etc. and there were Galaxy of Panelists from Industry and academia their premade conclave very fruitful.

Finally Shri C. K. Biswas, CEO presented vote of thanks and in his address, he thanked all participants and the panelists to make the event to a great success. Shri Biswas also recognized the support of FOSMI in organizing the conclave and assured to associate with FOSMI for future programs.

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#### **Workshop on adoption.....**

so that the re-use of plastics will reduce the pace of pollution. A small description was also given by Dr. Kuila on Biodegradable plastics.

Dr. Kuila expressed the importance of the 3 R's which stands for: Reduce, Reuse, Recycle and said that humans produce wastes that continually result in environmental degradation. Dr. Kuila further explained that, a common type of garbage is the municipal solid waste which is a general waste collected by the municipalities and we should make significant contribution to cut waste generation down to help preserve our environment. Dr. Kuila stressed that practicing of 3R's of Waste Management is an ideal solution to the ever increasing environmental, health and economic issues caused by increased wastage and pollution.

Shri Sougata Chatterjee, Sr. Consultant-BD, Haldia Petrochemicals Ltd. in his address stressed that the menace of plastics can be avoided with proper awareness as both of them felt that the varied application of Plastics are very unique due to its unique properties and uses and therefore, effective disposal method of plastics becomes necessary. He added that environmental issues bring about thoughtful questions on the roles of business organisations in society. Irrespective of whether they are contributing to a better environment or worsening it, organisations have to acknowledge



environmental or green issues through impact research and measurement.

Shri Partha Prathim Nath, Assistant Manager, RAMKY Group explained in detail about the process of waste management and gave a very pictorial presentation of preparation of pit for land filling and subsequent use of the filled area for vegetation. Shri Nath also explained in details about the various activities of RAMKY Group towards the disposal of solid waste.

Prof. (Dr.) Amitava Bandyopadhyay, Head, Department of Chemical Engineering, Calcutta University in his address said that the environment pollution caused out of manufacturing technology are activities, evidenced by intensive resource and energy use causing resource depletion, water, air pollution and degradation of the ecosystem. There are huge amounts of industrial and hazardous wastes that cause serious environmental health problems. As far as industrialization is concerned, there is a lot of wasted waste. There is waste and misuse of the environment as well as increased environmental degradation. Externalities lead to the deterioration of the living standards of the people.

Dr. Bandyopadhyaya enumerated that every organizational activity from raw material inputs, production process, packaging, to waste disposal, are related to environmental issues. Therefore, environmental management practices are a combination of organizational activities aiming at reducing resource consumption and improving waste disposal. Governments must not only regulate, but also promote awareness actions in small and medium-sized Enterprises (SME) to improve the environment. Dr. Bandyopadhyay stressed for the awareness of clean environment is must and said that, it should be the responsibility for all to make our environment pollution free for sustainable development.

At the end, Shri Susovan Adhikari, Sr. Technical Officer, CIPET Haldia, explained in detail about the various aspects of industrial pollution and said the proper recycling of plastics can reduce the pollution to a great extent. Shri Adhikari stressed that it is the responsibility of every individual to make his surrounding clean with best available method and proper segregation of waste of recyclable material from our day to day use can help in recycling the waste for further utilization and thereby reducing pollution. It is very essential to avoid littering of plastics. However, over and above it is the awareness about necessity of pollution control, is very much essential for adoption of measures to make our environment clean which Shri Adhikari further added.

The program ended with the vote of thanks from Shri Kalipada Bhunia, Chairman Purba Medinipur District Committee, FOSMI. The entire program was moderated by Shri A. K. Sengupta, Secretary FOSMI.

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## **Awareness On Intellectual**

While, explaining Patent Shri Mitra said that a patent is an exclusive right granted for an invention, which is a product or a process that provides, in general, a new way of doing something, or offers a new technical solution to a problem. To get a patent, technical information about the invention must be disclosed to the public in a patent application. Shri Mitra also detailed about the benefits of Patent, outlined the exceptions of inventions that can be patented.

Shri Mitra said that Industrial design, becomes the other aspects which also have received protection under IP laws and briefly covered the procedure for protections and cited examples of registered designs for better understanding of the subject by the participants.

While explaining another most important of IPR i.e. Copyright, Shri Mitra explained its relevance to MSME and said that copyright allows access to the MSMEs to some useful technology through IP information and licensing arrangements and helps them avoid the wasteful investment in R&D. MSMEs can also be benefited by protecting their own works or creations and make sure of the best use of their right and get fair economic rewards. Shri Mitra also explained about the registration procedure for reserving copyrights.

Trademark is another important aspects, which Shri Mitra explained very vividly and while explaining, he said that Trademark allow customers to distinguish products or services from those competitors and trademarks are not just used as identifiers. They are also seen as a guarantee of consistent quality. Shri Mitra added that, Trademark can help MSMEs in identifying its brand identity in the market and, provide their business with an unchallenged competitive advantage in the market.

At the end Shri Mitra detailed that violation of Intellectual Property, i.e. "infringement" with respect to patents, copyright, and trademarks, and "misappropriation" with respect to trade secrets, may be a breach of civil law or criminal law, depending on the type of intellectual property involved, jurisdiction, and the nature of the action.

At the end there was a lively question hour session and programme ended with a very successful note.

## Gifts for...

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### Incentives for Start-ups

#### ■ ESOP Taxation

In order to encourage the start-ups to employ highly talented employees at a relatively low salary by granting them Employee Stock Option Plan (ESOPs), the burden of taxation on the ESOPs has been proposed to be reduced. Currently, ESOPs are taxable as perquisites at the time of exercise which leads to cash-flow problem for the employees who do not sell the shares immediately and continue to hold the same for the long-term. It is proposed to defer the tax payment on these ESOPs granted by start-ups to their employees by 5 years or till the employee leaves the company or when the said employee sells those shares, whichever is earliest.

#### ■ Tax holiday for eligible Start-ups

Currently, an eligible Start-up having turnover up to 25 crores is allowed deduction of 100% of its the profits for three consecutive assessment years out of seven years if the total turnover does not exceed 25 crore rupees. In order to extend this benefit to larger start-ups, the turnover limit has been proposed to be increased from existing ` 25 crore to ` 100 crores. Moreover, considering the fact that in the initial years, a start-up may not

have adequate profit to avail this deduction, the period of eligibility for claim of deduction has been extended from the existing 7 years to 10 years.

#### ■ Technology-backed businesses

Knowledge Translation Clusters are proposed to be set up across different technology sectors including new and emerging areas. For designing, fabrication and validation of proof of concept, and further scaling up Technology Clusters, harbouring such test beds and small scale manufacturing facilities would be established.

#### ■ Seed funding support

The government has proposed to provide early life funding, including a seed fund to support ideation and development of early stage Start-ups.

#### Quantum technology

Quantum technology is opening up new frontiers in computing, communications, cyber security with wide-spread applications. It is expected that lots of commercial applications would emerge from theoretical constructs which are developing in this area. It is proposed to provide an outlay of Rs. 8000 crore over a period 5 years for the National Mission on Quantum Technologies and Applications.

*Tanvi Loond is Founder and CEO, Insta C.A., an online tax and accounting service for SMEs and startups.*

*Source : FE*

## Avail of FOSMIs free consultation services to MSME

Subject	Consultant	Days	Time
GST & Professional Tax	Saurav Chandra	Thursday	1600hrs to 1800 hrs.
GST	Swagatam Das	Monday & Thursday	1300hrs to 1400 hrs.
Labour, PF, ESI, etc.	Bilwadal Bhattacharyya	Monday & Friday	1500 hrs to 1600 hrs.
NSIC	Representative of NSIC	Tuesday	1600 hrs to 1800 hrs
Project & Finance	Tapas Kumar Ghosh	Tuesday	1500 hrs to 1600 hrs
Marketing & export	Asit Sharma Sarkar	Wednesday	1600 hrs to 1800 hrs
ISO 9000 etc, Certification on ISI, BSI	T K Banerjee	Wednesday	1600 hrs to 1800 hrs 1600 hrs to 1800 hrs
General guidance & counselling to entrepreneurs	A K Sengupta	Monday to Friday	1400 hrs to 1700 hrs

For more details, contact : **Ujjwal Mukherjee**, Joint Secretary Tel : 22485114, 99030 19892

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