



Govt. of India

Ministry of Micro, Small & Medium Enterprises

DC-MSME SCHEMES

Presented by

MSME-Development Institute

Rajajinagar Industrial Estate, Bangalore-560010

MSME Sector



- ▶ MSME Sector – **6.5 Crores**
- ▶ Employment to over 12 crores
- ▶ Potential to spread industrial growth across the country
- ▶ Through more than **8,000 products** contributes.....
- ❖ **8% to GDP**
- ❖ **45%** to total manufacturing output
- ❖ **40%** to exports from the country



CGTMSE

MSME

Credit Guarantee Fund for Micro and Small Enterprises



**Credit to Micro and Small Enterprises for loans up to
Rs. 2 Crore without collateral/ third party guarantees**



Collateral-free loans for Term loan & Working capital facility for new or existing MSEs

- **75% Guarantee cover** of credit facility upto **Rs. 50 lakh**
- **80% Guarantee cover** - For **Women owned/ operated MSEs**
- **85% Guarantee cover** - Loans up to **Rs. 5 lakh for micro enterprises.**
- Uniform guarantee at **50%** - For entire amount if credit exposure is **above Rs.50 lakh & up to Rs. 1 Crore**





Credit Linked Capital Subsidy Scheme



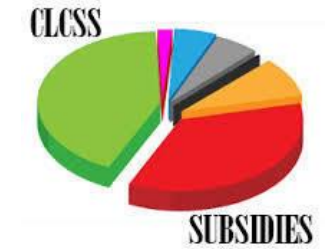
Facilitating technology up-gradation by providing **15% upfront capital subsidy** upto a **maximum of Rs. 15 lakhs** (i.e., **maximum investment** in approved machinery is **Rs. 1 crore**) to MSE units



- **Subsidy to MSE units** on institutional finance availed for **induction of state-of-the-art technology** .
- Facilitates subsidy to **51 sub-sectors/products**.
- Implemented by 12 nodal banks/agencies including **SIDBI** and **NABARD**.
- **Linked with term loans** availed by **MSEs** from Banks or Financial Institutions.

Not applicable for

- Replacement of existing equipment/technology with **same equipment/technology**
- Upgrading with **second hand machinery**.



ZED

MSME

Zero Defect Zero Effect (ZED)

After ZED assessment, Manufacturing MSMEs can reduce wastages substantially, increase productivity, expand their market, become vendors to CPSUs, have more IPRs, develop new products and processes etc.

Component	Fees (per enterprise)	Subsidies for Enterprises
Assessment/Rating by empanelled Credit Rating Agencies	<p>Assessment Fee:</p> <p>Rs. 10,000/- Desktop Assessment</p> <p>Rs. 80,000/- ZED rating Complete Assessment</p> <p>Rs. 40,000/- Additional rating for Defence ZED</p> <p>Rs. 40,000/- Re-Assessment/Re-Rating</p>	<p>80% - Micro</p> <p>60% - Small</p> <p>50% - Medium</p>
Gap Analysis, Handholding, Consultancy for improving rating	<p>Hand holding charges: Rs. 1.9 Lakh</p>	<p>80% - Micro</p> <p>60% - Small</p> <p>50% - Medium</p> <p>(Additional Rs 10,000/- for SC/ST owned MSMEs)</p>

ACCREDITATION/CERTIFICATION/STANDARDIZATION AND VERIFICATION

ZED Certification can be attained in five levels:

Level 1: Self Certification I BRONZE

Level 2: Conformity with Standards /SILVER

Level 3: Striving for Excellence / GOLD

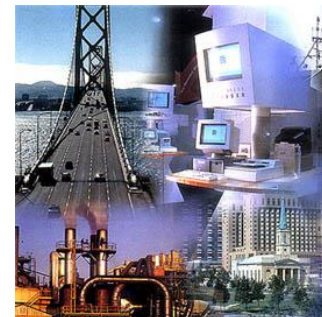
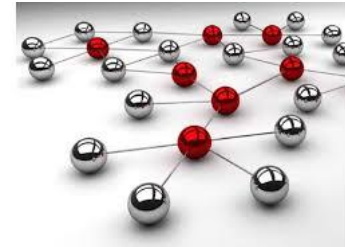
Level 4: Achieving Excellence / DIAMOND

Level 5: ZED Certification / PLATINUM

CLUSTER

MSME

Micro and Small Enterprises Cluster Development Programme (MSE-CDP)



Creating & developing clusters with group of MSEs for facilitating common infrastructure, common facilities, R&D

Detailed Project Report (DPR)

- ★ If DPR is finally approved, Rs.10 lakh considered as a contribution by Special Purpose Vehicle (SPV) towards project.

Hard Interventions - Setting up of Common Facility Centers (CFCs)

- ★ 70% grant of project cost
- ★ 90% - For CFCs in Clusters with > 50% micro/village/women owned/SC/ST units
- ★ Maximum **Rs. 20 crore**

Infrastructure Development (Excluding Cost of Land)

- ★ 60% grant of project cost
- ★ 80% - For Clusters with > 50% micro/village/women owned/SC/ST units
- ★ Maximum **Rs. 15 crore**



Clusters in Karnataka

Total no. of clusters - 12

No. of Common Facility Centres Under progress - 9

No. of Common Facility Centres completed - 3

Details of Implemented & Functioning Clusters

S.No	Name of the cluster	Total Project cost (Rs. in Lakhs)
1	Food Processing Cluster, Gulbarga	23
2	Readymade Garment Cluster, Hubli	122.24
3	Auto component Cluster, Hubli	485

Details of Cluster (Common Facility Centres)

S. No.	Name of the cluster	Total Project cost (Rs. in Lakhs)	Current Status
1	Athani Raisin Processing cluster, Athani Belguam	1494.57	Functioning
2	Auto Cluster, Bidar	745.21	Functioning
3	Women Entrepreneur park, Harohalli	3680.98	Ready and plot to be allotted
4	Printing Cluster, Chamrajpet, Bangalore	1449.81	Functioning
5	Rasin Cluster, Bijapur	1447.20	Functioning
6	Heat treatment and Engineering cluster Hubli, Dharwad	455	Functioning
7	ELCIA, Bangalore	1441.02	Functioning
8	Global puffed rice cluster, Chitradurga	717	Technical Appraisal Report – completed.
9	Uthopia Cashew cluster , Karwar	1467	Technical appraisal Report-Completed

PPP

Public Procurement Policy for Micro and Small Enterprises (MSEs)

MSME



25% target of annual procurement mandatory from MSE Sector by Every Central Ministry /Department / CPSUs. 4% (out of 25% target of annual procurement) earmarked for procurement from MSEs owned by SC/ST entrepreneurs.



- Every Central Ministry /Department / PSUs - annual target for **25% procurement from MSEs.**
- Sub-target of **4%** out of 25% target of annual procurement earmarked for procurement from MSEs owned by **SC/ST entrepreneurs.** (3 % reserved from MSEs owned women entrepreneurs)
- **358 items** reserved for exclusive procurement from MSEs.
- MSEs quoting price within price band L-1 + 15%, when L1 is from someone other than MSE, **shall be allowed to supply at least 20% of tendered value at L-1** subject to lowering of price by MSEs to L-1.



DESIGN
MSME

Design Clinic Scheme for Design Expertise to MSME manufacturing sector



To facilitate **MSMEs to develop new Design strategies & design related products and services (Financial Assistance - Rs. 15 lakh to Rs. 40 lakh for project)**

Implementing Agencies

- National Institute of Design, Ahmedabad
- Indian Institute of Science, Bangalore
- CSIR, New Delhi



Design project Funding for professionals (% or Maximum ceiling limit whichever is less)
75% of project cost or **Rs. 15 Lakh** (For individual Micro Unit or group of upto 3 Micro Units)
75% of project cost or **Rs. 25 Lakh** (For group of more than 3 Micro Units)
60% of project cost or **Rs. 25 Lakh** (For individual SME Unit or group of upto 3 SME Units)
60% of project cost or **Rs. 40 Lakh** (For group of more than 3 SME Units)

Design Project Funding for Students (% or Maximum ceiling limit whichever is less)
75% reimbursement of expenses - Maximum Rs 1.5 lakh for final year student projects done for MSMEs

Some of the Design Projects done by Students

Design and Development of an Electric Bicycle for Indian Teenagers

Student Designer : Mohamed Rafi S.
Design Institute : M.S.Ramaiah School of Advanced Studies, MSRSAS, Bangalore
Project Guide : Divya Darshan, Supradip Das

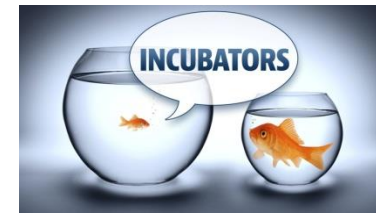


Design of a Communication Device for Persons with Speech and Language Impairment

Student Designer : Sreeprasad K
Design Institute : M.S.Ramaiah School of Advanced Studies, MSRSAS, Bangalore
Project Guide : M.N. Sudhindra Kumar, Divya Darshan

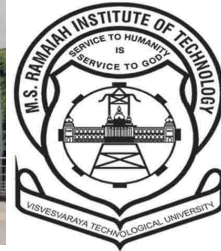


Incubators

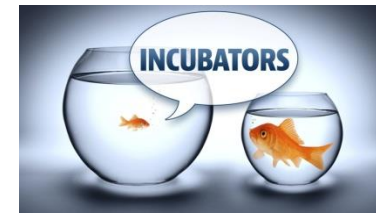


Supporting innovators in **nurturing new innovative ideas** for production of new innovative products which can be commercialized in the market.

- Fund routed through **Host Institutions / Business Incubator (BIs)**
- BIs - **Engineering Colleges & reputed Technical Institutions** approved by O/o DC-MSME
- **75 % to 85 %** of project cost (Idea), **Rs.15 Lakh per idea**
- Up to the maximum of **Rs. 8 Lakh.**
- **220 HIs/BIs** across the country.
- **12 Business Incubators in Karnataka**



Incubators



List of DC-MSME recognized Business Incubators in Karnataka

- ✓ M.S. Ramaiah School of Advance Studies, Bangalore
- ✓ Dayanand Sagar College of Engineering, Bangalore
- ✓ PES University, Bangalore
- ✓ Nitte Meenakshi Institute of Technology, Yelahanka, Bangalore
- ✓ Society for Development of Composites, Bangalore
- ✓ NMAM Institute of Technology Nitte, Karkalla Taluk
- ✓ Sri Jayachamarajendra College Engineering-Science & Technology Entrepreneurs Park, Mysore
- ✓ NITTE University University Enclave, Medical Sciences Complex, Mangalore
- ✓ NITK-Science & Technology Entrepreneurs' Park, National Institute of Technology, Surathkal
- ✓ Manipal Institute of Technology, Manipal
- ✓ B.V. Bhoomaraddi College of Engineering & Technology, Hubli



INCUBATION
OF
IDEA
MSME

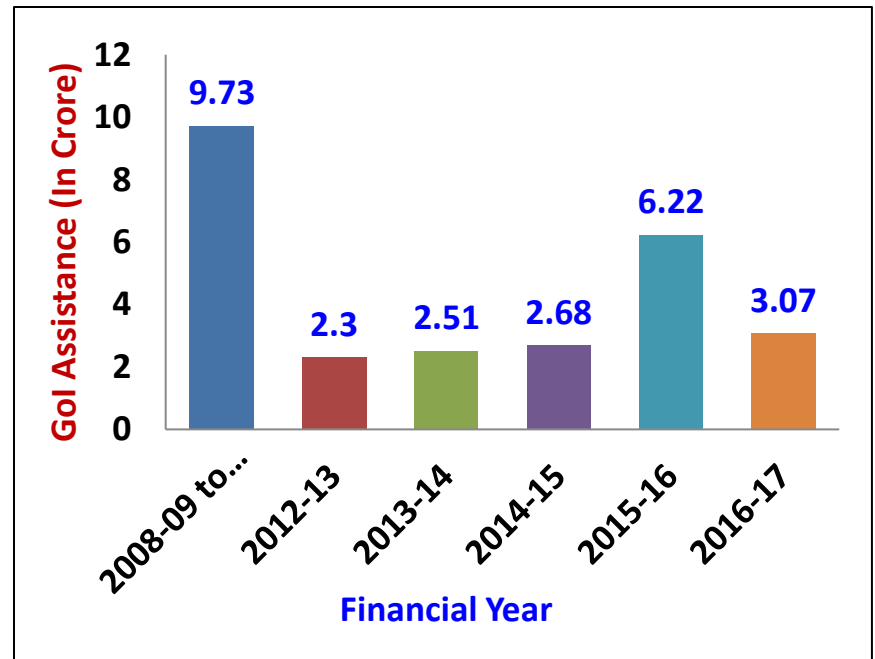
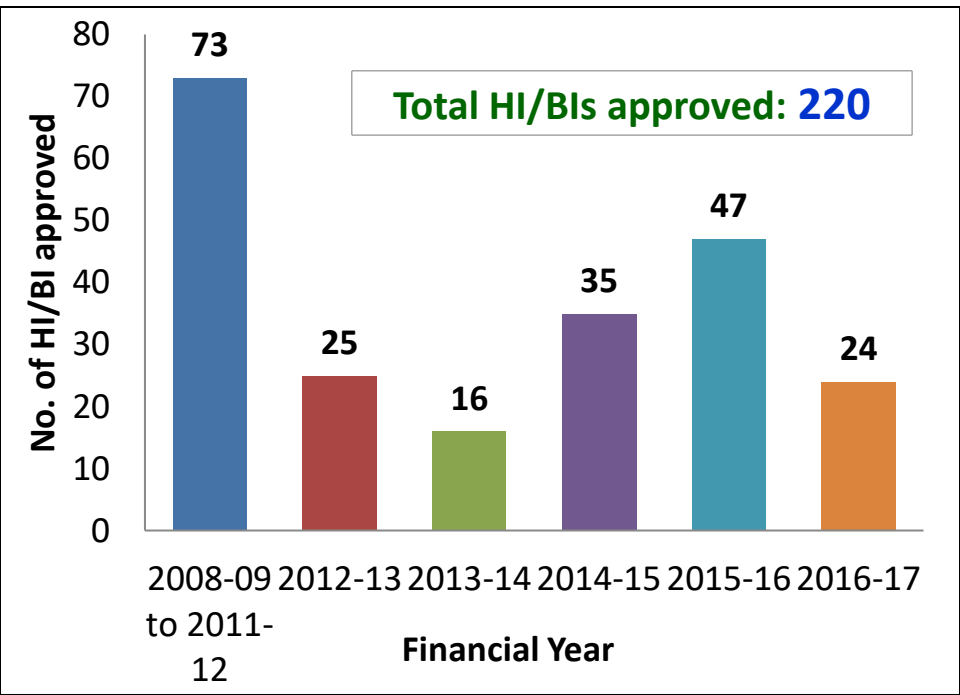
Incubators

GoI - Financial Assistance provided for Ideas : Rs. 26.6 Crores

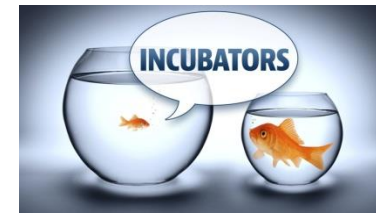
No. of Ideas Supported through Business Incubators : 720

No. of Business Incubators approved across the county : 220

No. of Business Incubators approved in Karnataka: 13



Incubators



Some of the Innovative Ideas Supported through Business Incubators in Karnataka

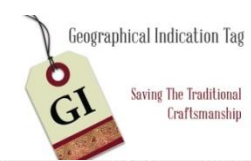
Dayanand Sagar College of Engineering	
Priyanka Sexena	Development of Non Invasive Portable Vein Locator
Hemant Singh Tomar	Gesture based computing platform

M.S. Ramaiah School of Advance Studies, Bangalore	
Ipseeeta Jena	Cost effective nutraceuticals to combat diabetes, obesity & protein deficiency
Rizwan Pasha	A novel approach towards the development of biodegradable palm fiber mats along of vitamin A& E as by products
Deepak Bajantri	Development of low cost artificial diets for healthy rearing of silk room
Deepa H N	EPN Biocontrol technology to protect crops against insect pests, while avoiding chemical pesticides

Intellectual Property Rights (IPR)

Enhance awareness of MSMEs about Intellectual Property Rights

- **Patent** - exclusive right granted for new invention. Owner gets right to prevent /stop others from making, selling or importing without prior permission.
- **Geographical Indications (GI)** - associated with characteristic of goods essentially attributable to its geographical origin.



Geographical Indication tags



MAJOR Activities. Financial assistance on grant of patent/ registration under geographical indications of goods/trademarks

- (i) Domestic Patent 1.00
- (ii) Foreign Patent 5.00
- (iii) GI Registration 2.00
- (iv) Trademark 0.10

Assistance for setting up IP Facilitation Centre
100.00

Lean Manufacturing Competitiveness

MSMEs assisted in **reducing manufacturing costs** through application of **Lean Manufacturing techniques** like **5S, Poka-Yoke, SMED, KANBAN, JIT** etc.,

- Formation of Mini Cluster with ideally 10 MSMEs (minimum 6 units)
- Payment to Lean Manufacturing Consultants Charges – Maximum Rs. 36 Lakh per mini cluster



Units under Lean Manufacturing Competitiveness Scheme in BANGALORE

- ✓ **Unnathi CNC Technologies Pvt Ltd, Peenya**
- ✓ **Progressive Systems, Peenya**
- ✓ **Accutech Enterprises, Peenya**
- ✓ **Burji Enterprises, Peenya**
- ✓ **Sunrise Technologies, Peenya**
- ✓ **Karthik Industries, Peenya**
- ✓ **Growell CNC System, Peenya**
- ✓ **Mighty Machine Tools, Peenya**
- ✓ **Excellence Technologies, Peenya**
- ✓ **Lakshmi Prasanna Precitech, Abbigere**



**Improving quality of products in MSE sector by implementing
QMS - ISO 9000/18000/22000 & QTT - 6 Sigma, TQM, TPM etc.**



Organising Competition–watch (C-watch)

- **Conduct 'Professional Study' of 'threatened product' - Rs. 2.5 lakh**
- **Technical exposure visit by representatives of 'threatened product' – Rs. 7.5 lakh**
- **Procurement of samples & technical details - Rs. 2.5 lakh**
- **Product development by technical bodies- Rs. 5 lakh**
- **Popularization of improved product - Rs.1.5 lakh**



Implementation of QMS/QTT in selected MSEs

- **Rs. 2.5 lakh per unit (for 100 MSEs) - For Diagnostic Study & QMS/QTT implementation**

Monitoring international study missions

- **Rs.2.5 lakh /MSE (Two delegations /year to International Events)adopt latest QMS/QTT**



Technology and Quality Upgradation (TEQUP) Support to MSMEs



Underwriters Laboratories

Sensitize manufacturing MSME sector to use of Energy Efficient Technologies, Encourage MSMEs to acquire Product Certification/Licences from National/International bodies

Capacity Building of MSME Clusters for Energy Efficiency/Clean Development Mechanism

75% of expenditure - **Rs. 9 lakh per cluster** for conducting cluster level energy audits & model DPRs

50% of expenditure - **Maximum Rs.1.5 lakh** for Preparation of DPRs for MSMEs on EET projects

Implementation of Energy Efficient Technologies (EET) in MSMEs

25% of project cost - **Maximum Rs.10 lakh** for implementation of EET



Setting Up of Carbon Credit Aggregation Centres (CCA)

75% of expenditure - **Maximum Rs.15 lakh** per CCA centre.



Encouraging MSMEs to Acquire Product Certification Licenses from National/ International Bodies

75% of expenditure, towards **licensing of product to National/ International Standards**



Maximum Rs.1.5 lakh for National certification (BIS,BEE,etc.)

Maximum Rs. 2 lakh for International certification (CE,UL,ANSI,Energy star, etc.)





ICT

Information & Communication Technology (ICT)

MSME

Sensitize & encourage MSMEs towards CLOUD COMPUTING for ICT adoption.

Cloud Computing: Subsidy of Rs. 3 lakh (maximum) per unit, for user charges for a period of **maximum three years**



Subsidy %			
Category	1 st Year	2 nd Year	3 rd Year
Micro	85%	75%	70%
Small	75%	70%	65%
Medium	60%	55%	50%
Women/NER	85%	75%	70%



Marketing Assistance and Technology Upgradation (MATU)



Encourage manufacturing Micro and Small Enterprises (MSEs) to tap & develop domestic / overseas market opportunities.

Domestic Fairs / Exhibitions

80% Space Rent reimbursement (100% for SC/ST/Women/PH units) Maximum **Rs.125000/-**

100% Contingency Expenditure reimbursement (Travel, Publicity, Freight) Maximum **Rs.15000/-**

International Trade Fairs / Exhibitions:

80% space rent reimbursement (100% for SC/ST/Women units) Maximum **Rs.1 lakh**

100% Economy class air fare reimbursement Maximum **Rs.1.25 lakh**

Vendor Development Programmes:

National Level Vendor Development Programs-cum-Exhibitions, State Level VDPs

Large scale organizations (BEL, BHEL, TELCO, BSNL, IOC, NHPC, NTPC etc.) interact with MSEs in registering potential vendors.

National Awards



National recognition of achievements of successful MSME entrepreneurs
Cash prize (1st Prize—Rs. 3 lakh, 2nd—Rs. 2 lakh, 3rd—Rs. 1.5 lakh for most categories),
Certificate & trophy for award winners, Award winners are given Economy class Air fare to & fro journey

Categories

- **Outstanding efforts in entrepreneurship (Manufacturing)**
- **Outstanding efforts in entrepreneurship (Service)**
- **Innovation Efforts**
- **Quality Products**
- **Lean Manufacturing Techniques**
- **Special National Award to outstanding Woman Entrepreneur**
- **Special National Award to outstanding SC/ST Entrepreneur**
- **Special National Award to outstanding NER Entrepreneur**
- **Privilege of Award Winners allowing employees to wear labels, pins, ties or other badges with symbol of Awards**



Registration Procedure for MSME



www.udyogaadhaar.gov.in

www.msmedatabank.in



**MSME DATABANK
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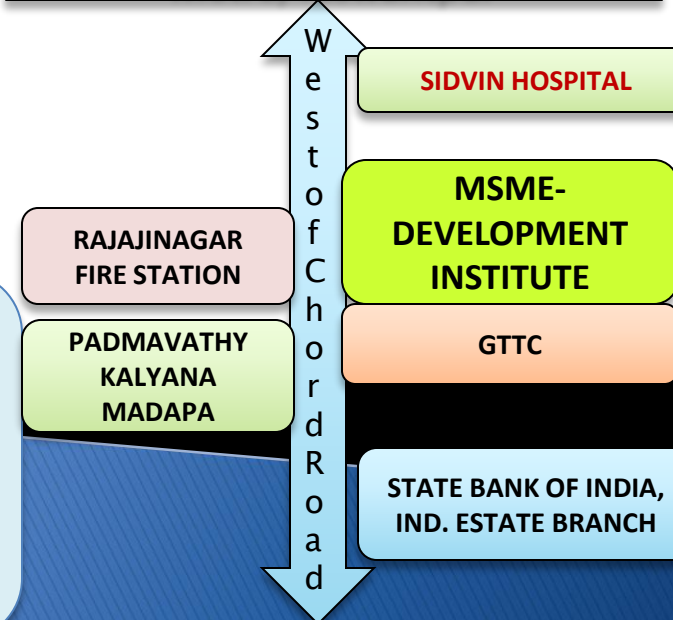
Land Mark:

Opp. Rajaji Nagar Fire Station

Opp. Padmavathy Kalyana Mandapa

Adjacent. GTTC (Government Tool Room & Training Centre)

Towards Rajajinagar
Metro/Yeswantpur



Towards Magadi Road Toll Gate

