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**
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 up to 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
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.
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.

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

ZED Certification can be attained in five levels:

Level 1: Self Certification / BRONZE
Level 2: Conformity with Standards / SILVER
Level 3: Striving for Excellence / GOLD
Level 4: Achieving Excellence / DIAMOND
Level 5: ZED Certification / PLATINUM
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.

<table>
<thead>
<tr>
<th>Hard Interventions - Setting up of <strong>Common Facility Centers (CFCs)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>★ 70% grant of project cost</td>
</tr>
<tr>
<td>★ 90% - For CFCs in Clusters with &gt; 50% micro/village/women owned/SC/ST units</td>
</tr>
<tr>
<td>★ Maximum Rs. 20 crore</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Infrastructure Development</strong> (Excluding Cost of Land)</th>
</tr>
</thead>
<tbody>
<tr>
<td>★ 60% grant of project cost</td>
</tr>
<tr>
<td>★ 80% - For Clusters with &gt; 50% micro/village/women owned/SC/ST units</td>
</tr>
<tr>
<td>★ Maximum Rs. 15 crore</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>S.No</th>
<th>Name of the cluster</th>
<th>Total Project cost (Rs. in Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Food Processing Cluster, Gulbarga</td>
<td>23</td>
</tr>
<tr>
<td>2</td>
<td>Readymade Garment Cluster, Hubli</td>
<td>122.24</td>
</tr>
<tr>
<td>3</td>
<td>Auto component Cluster, Hubli</td>
<td>485</td>
</tr>
</tbody>
</table>
### Details of Cluster (Common Facility Centres)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the cluster</th>
<th>Total Project cost (Rs. in Lakhs)</th>
<th>Current Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Athani Raisin Processing cluster, Athani Belguam</td>
<td>1494.57</td>
<td>Functioning</td>
</tr>
<tr>
<td>2</td>
<td>Auto Cluster, Bidar</td>
<td>745.21</td>
<td>Functioning</td>
</tr>
<tr>
<td>3</td>
<td>Women Entrepreneur park, Harohalli</td>
<td>3680.98</td>
<td>Ready and plot to be allotted</td>
</tr>
<tr>
<td>4</td>
<td>Printing Cluster, Chamrajpet, Bangalore</td>
<td>1449.81</td>
<td>Functioning</td>
</tr>
<tr>
<td>5</td>
<td>Rasin Cluster, Bijapur</td>
<td>1447.20</td>
<td>Functioning</td>
</tr>
<tr>
<td>6</td>
<td>Heat treatment and Engineering cluster Hubli, Dharwad</td>
<td>455</td>
<td>Functioning</td>
</tr>
<tr>
<td>7</td>
<td>ELCIA, Bangalore</td>
<td>1441.02</td>
<td>Functioning</td>
</tr>
<tr>
<td>9</td>
<td>Uthopia Cashew cluster , Karwar</td>
<td>1467</td>
<td>Technical appraisal Report-Completed</td>
</tr>
</tbody>
</table>
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.
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
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**
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
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

Total HI/BIs approved: 220

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>No. of HI/BIs approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09 to 2011-12</td>
<td>73</td>
</tr>
<tr>
<td>2012-13</td>
<td>25</td>
</tr>
<tr>
<td>2013-14</td>
<td>16</td>
</tr>
<tr>
<td>2014-15</td>
<td>35</td>
</tr>
<tr>
<td>2015-16</td>
<td>47</td>
</tr>
<tr>
<td>2016-17</td>
<td>24</td>
</tr>
</tbody>
</table>

GoI Assistance (In Crore)

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Assistance (In Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09 to 2011-12</td>
<td>9.73</td>
</tr>
<tr>
<td>2012-13</td>
<td>2.3</td>
</tr>
<tr>
<td>2013-14</td>
<td>2.51</td>
</tr>
<tr>
<td>2014-15</td>
<td>2.68</td>
</tr>
<tr>
<td>2015-16</td>
<td>6.22</td>
</tr>
<tr>
<td>2016-17</td>
<td>3.07</td>
</tr>
</tbody>
</table>
Some of the Innovative Ideas Supported through **Business Incubators in Karnataka**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Name</th>
<th>Project Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dayanand Sagar College of Engineering</strong></td>
<td>Priyanka Sexena</td>
<td>Development of Non Invasive Portable Vein Locator</td>
</tr>
<tr>
<td></td>
<td>Hemant Singh Tomar</td>
<td>Gesture based computing platform</td>
</tr>
<tr>
<td><strong>M.S. Ramaiah School of Advance Studies, Bangalore</strong></td>
<td>Ipseeeta Jena</td>
<td>Cost effective nutraceuticals to combat diabetes, obesity &amp; protein deficiency</td>
</tr>
<tr>
<td></td>
<td>Rizwan Pasha</td>
<td>A novel approach towards the development of biodegradable palm fiber mats along of vitamin A&amp; E as by products</td>
</tr>
<tr>
<td></td>
<td>Deepak Bajantri</td>
<td>Development of low cost artificial diets for healthy rearing of silk room</td>
</tr>
<tr>
<td></td>
<td>Deepa H N</td>
<td>EPN Biocontrol technology to protect crops against insect pests, while avoiding chemical pesticides</td>
</tr>
</tbody>
</table>
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.
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
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, Abbigerere
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
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.)
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

<table>
<thead>
<tr>
<th>Category</th>
<th>1st Year</th>
<th>2nd Year</th>
<th>3rd Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>85%</td>
<td>75%</td>
<td>70%</td>
</tr>
<tr>
<td>Small</td>
<td>75%</td>
<td>70%</td>
<td>65%</td>
</tr>
<tr>
<td>Medium</td>
<td>60%</td>
<td>55%</td>
<td>50%</td>
</tr>
<tr>
<td>Women/NER</td>
<td>85%</td>
<td>75%</td>
<td>70%</td>
</tr>
</tbody>
</table>
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 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
For Starting an Enterprise/Udyog Aadhaar & MSME Data Bank registration/MSME Assistance.. Visit our Office at....

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Browse to know our schemes:
www.dcmsme.gov.in

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Opp. Padmavathy Kalyana Mandapa
Adjacent GTTC (Government Tool Room & Training Centre)

Towards Rajajinagar
Metro/Yeswantpur

Towards Magadi Road Toll Gate

SIDVIN HOSPITAL
MSME-DEVELOPMENT INSTITUTE
GTTC
STATE BANK OF INDIA, IND. ESTATE BRANCH

Towards Chord Road