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GOVERNMENT OF GUJARAT

Micro, Small and Medium Enterprises



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GUJARAT 10-13 Jan
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Connecting India to the World | **8th Global Summit**

MSMEs

India Scenario



Overview



- 4.89 crore MSMEs across various industries, employing 11.14 crore people in 2013-14
- Over 6000 products ranging from traditional to high-tech items are being manufactured by the MSME Sector in addition to provide wide range of services

Micro, Small and Medium

Enterprises (MSMEs) contribute nationally

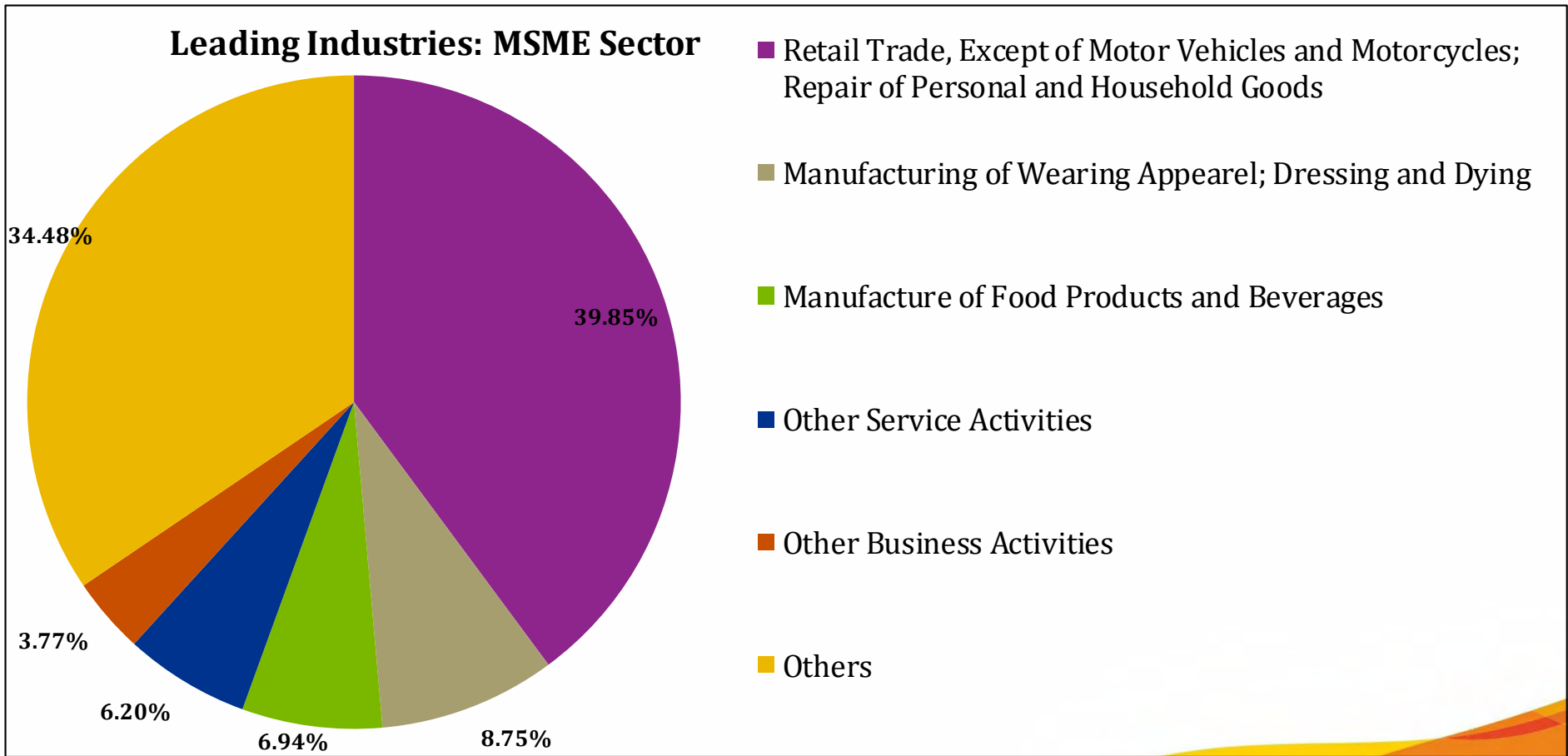
- **8%** of the country's GDP
- **45%** of the manufacturing output
- **40%** of the exports
- **21%** of employment 2nd highest after agriculture

Classification of MSME(s)		
Enterprises	Manufacturing Enterprises: Investment in Plant & Machinery	Service Enterprises: Investment in Equipment
Micro	Up to INR 25 Lakh	Up to INR 10 Lakh
Small	INR 25 Lakh – INR 5 Crore	INR 10 Lakh – INR 2 Crore
Medium	INR 5 Crore – INR 10 Crore	INR 2 Crore – INR 5 Crore

MSME Sector: Leading Industries (India)



Sector-wise distribution of Registered MSMEs: Manufacturing - 67.1%; Services – 32.9%



Sources: 4th All India Census of MSME , Annual Report 2014-15, Ministry of Micro, Small and Medium Enterprises, Government of India

Government of India Incentives to MSMEs (1/3)



Credit Support

- Credit Guarantee Fund for Micro and Small Enterprises
 - ✓ Guarantee cover of 75% of the credit facility up to INR 50 lakh and 50% of the credit exposure above INR 50 lakh and below INR 1 crore
- Micro Finance Programme
 - ✓ 7.5% of the loan amount is provided by central government through SIDBI
- Providing financial assistance on International Cooperation
 - ✓ Up to 95% of airfare and space rent for entrepreneurs for participation in international events and to MSME business delegations
- Financial assistance to set up new enterprises under PMEGP
 - ✓ Subsidy is provided at 15% and 25% for Urban and Rural Areas respectively for beneficiary belonging to general category and 25% and 35% for Urban and Rural Areas respectively for beneficiary belonging to Special Category*
- Funding support for implementing 'Lean Manufacturing' projects
 - ✓ 80% of the cost of lean manufacturing consultant

Sources: <http://msme.gov.in/web/portal/Scheme.aspx>

- Special Category consist of SC / ST / OBC / Minorities / Women, Ex-servicemen, Physically handicapped, NER, Hill and Border areas, etc.

Government of India Incentives to MSMEs (2/3)



Assistance for Quality Control and Standardization

- Financial assistance under Performance and Credit Rating Scheme
 - ✓ 75% of the fee is reimbursed for carrying out rating through empanelled rating agencies
- Funding support for conducting 'QMS (Quality Management Standards) Awareness' workshops
- Reimbursement of registration fee for Bar coding

Promoting Entrepreneurship

- Support for setting up of 'Business Incubators'
- Scheme for 'Entrepreneurship Skill Development Programmes (ESDP)'
- Scheme for 'Supporting 5 selected universities / colleges to run 1200 entrepreneurship clubs per annum'
- Scheme for 'Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme to Women'

Government of India Incentives to MSMEs (3/3)



Skill Development

- Assistance to Training Institutions Scheme
- Funding support for setting up 'Mini Tool Rooms' and Training Centers under PPP mode
- Scheme for 'Strengthening of Training Infrastructure of existing and new Entrepreneurship Development Institutions'

Technical Support

- Scheme for 'Marketing Assistance and Technology Up-gradation of MSMEs'- an NMCP (National Manufacturing Competitiveness Programme) Scheme
- Scheme for 'Technology and Quality Upgradation (TEQUP) Support to MSMEs'- an NMCP Scheme
- Scheme for 'Promotion of ICT in Indian Manufacturing Sector (ICT)'- an NMCP Scheme

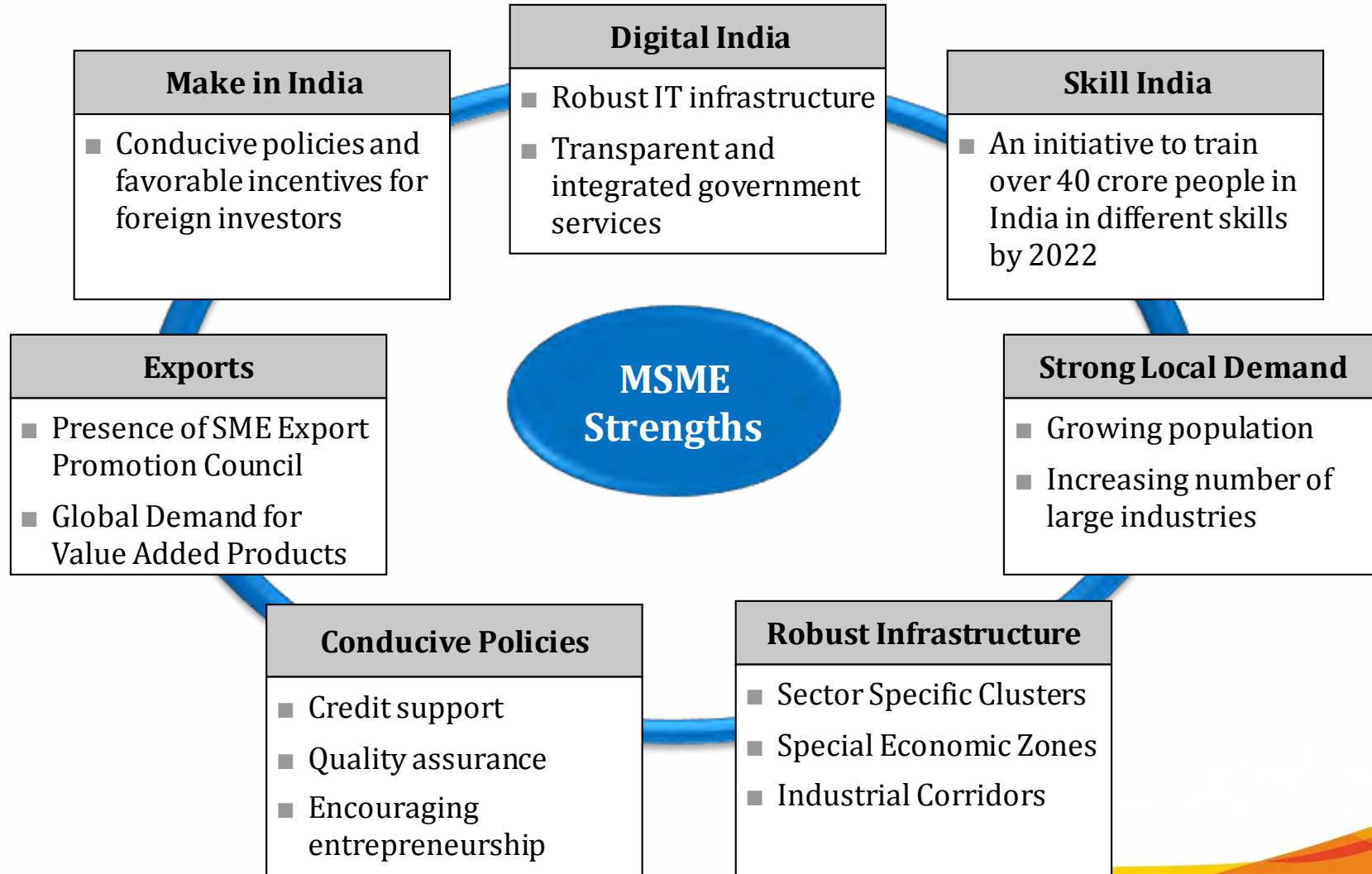
Marketing and Design Assistance

- Marketing Assistance Scheme
- Funding support for implementing 'Design' projects
- Funding support for conducting assessment of IPR related needs of MSMEs

Others

- Scheme for 'Micro & Small Enterprises Cluster Development Programme (MSE-CDP)
- National Awards under various category

Strengths



MSMEs

Gujarat Scenario



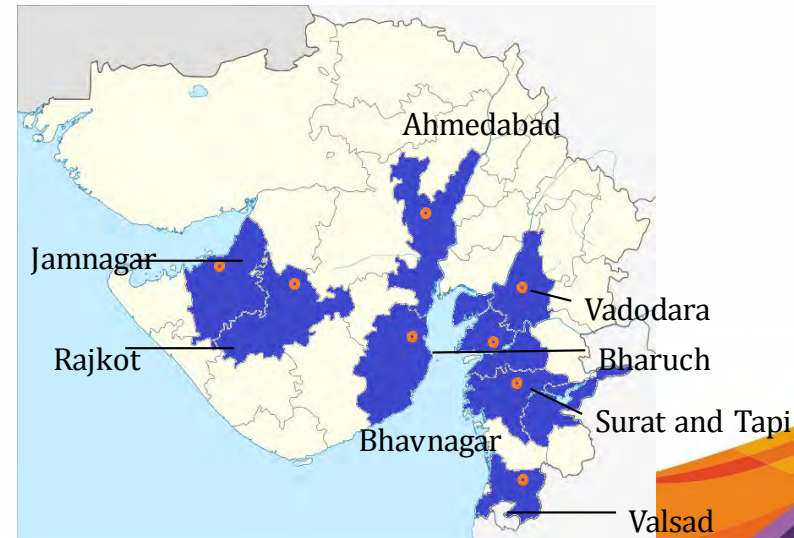
Gujarat : MSME Overview

- Gujarat ranks **1st in integrated overall performance of MSMEs** at National Level, as per ISED Small Enterprise Observatory (As per Gujarat MSME Report 2013)
- Gujarat received **2nd highest share of over 16.2%** in the **total number of entrepreneurs memorandum** filed the MSMEs across India as of 2013-14
- The MSMEs entrepreneur memorandums received by Gujarat has **grown by 193%** - from about 20,000 in 2009-10 to over 58,600 in 2013-14
- Ahmedabad, Surat, Rajkot, Vadodara, Bharuch, Jamnagar, Bhavnagar and Valsad are the major **Multi-Product MSMEs clusters** in the state

7 areas / sectors have been identified for inviting more investment from MSMEs:

- Forest & Environment
- Energy
- Food and Health
- Revenue and Urban Development
- Transport
- Finance and Industry

Major MSMEs Clusters

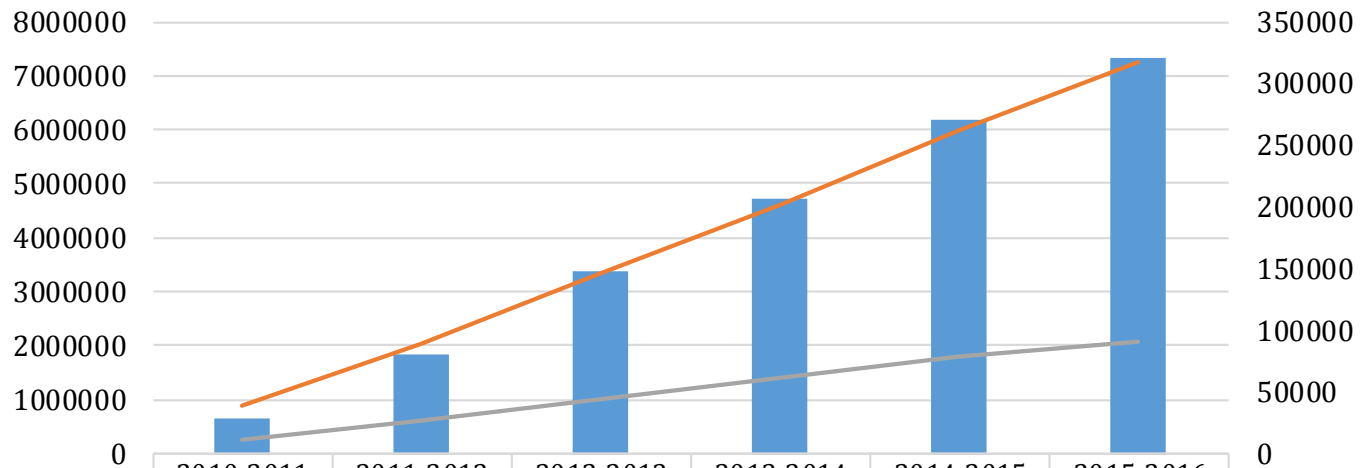


MSMEs in Gujarat

Cumulative data from 2010-11 to 2015-16*



Cumulative Growth of MSMEs in Gujarat



No. of Units	27940	79721	147955	206581	270740	321181
Investment (Rs. In Lacs)	890264	2051714	3343874	4617159	5976188	7231582
Employment	264867	627738	1008825	1392067	1802500	2064244

- **Total number of MSME(s) registered in Gujarat from 2006 to Oct.2015 : 3,76,357**
- **Since, 20-Oct-2015 new MSMEs are registered under Udhog Aadhar Memorandum (UAM) instead of EM-II.**
- **Total 42,817 MSMEs have been registered under UAMs in Gujarat till 5th March 2016**
Micro – 32,837 ; Small – 9551 ; Medium - 429

*the number reflects the registered MSMEs in the state.

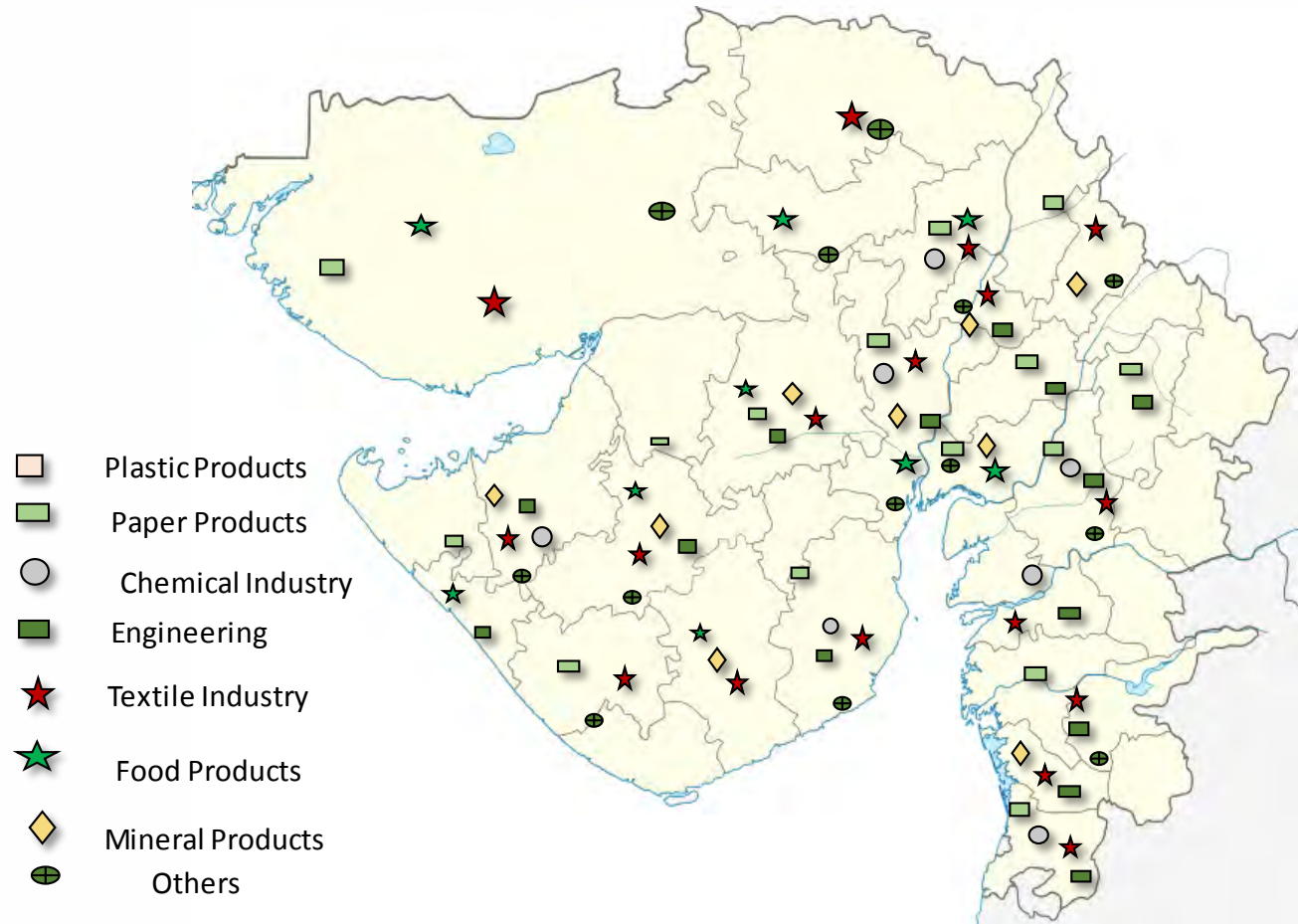
Note : The data for 2015-16 is upto 20-Oct-2015.

Sources: Industries Commissionerate , Government of Gujarat

MSMEs clusters in Gujarat

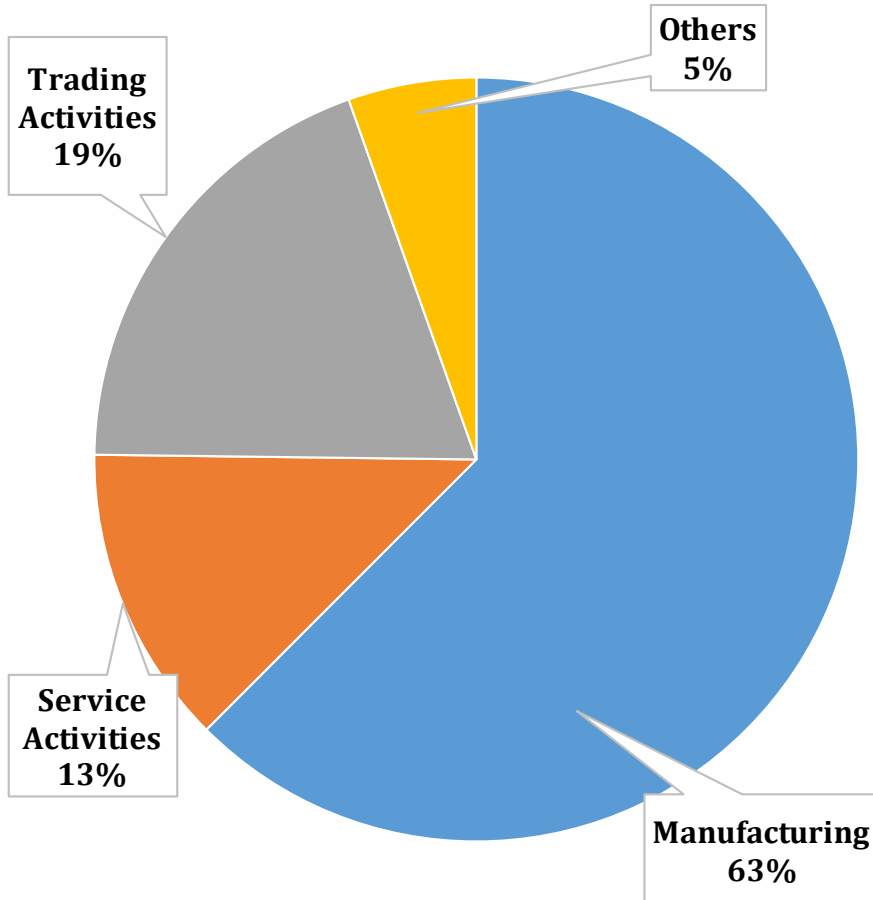
106 activity clusters has been identified across state

Category	Number of Clusters
Engineering	21
Textiles	18
Agro & Food Processing	07
Chemicals	23
Mineral based industry	16
Others	21



Sector wise distribution of MSMEs in Gujarat

**Industry wise Break up of MSMEs
(up to 2nd Oct 2015)**



Industry	Total MSMEs Registered from 2006-2015
Textiles	105463
Machinery and parts except electrical	30159
Mining and Quarrying	6578
Food Products	9106
Chemical & chemical Products	12131
Wood Products	4623
Rubber & Plastic Products	8784
Non-metallic mineral Products	6362
Basic Metal Industries	25872
Paper Products & Printing	6837
Electrical Machinery and Apparatus	7780
Transport equipment and parts	3114
Leather Products	6762
Beverages, Tobacco & Tobacco Products	1625
Service Activities	47816
Trading Activities	72920
Others	20416
Total	376348

Government Schemes for MSMEs

Assistance for MSMEs under Industrial Policy 2015 (1/8)



Assistance of Capital Investment Subsidy

- @ 10% on loan amount with maximum amount of INR. 15 Lakh in Municipal Corporation areas
- @ 15% on loan amount with maximum amount of INR. 25 Lakh in areas other than Municipal Corporation areas

Assistance for Interest Subsidy

- @ 5% with maximum amount of INR. 25 Lakh per annum for period of 5 years in Municipal Corporation areas
- @ 7% with maximum amount of INR. 30 Lakh per annum for period of 5 years in areas other than Municipal Corporation areas
- 1% additional interest subsidy to SC, ST, Physically challenged and women entrepreneurs
- 1% additional interest subsidy to young entrepreneur below age of 35 years

Government Schemes for MSMEs

Assistance for MSMEs under Industrial Policy 2015 (2/8)



Assistance for Venture Capital

- Assistance to raise promoter contribution in the form of equity or loan through GVFL
- Assistance as promoter's contribution will be @20% of the project cost maximum upto INR 50 lakhs

Assistance for Quality Certification

- 50% of capital cost for installing Enterprise Resource Planning (ERP) system subject to maximum amount of INR 50,000
- 50% of all charges for obtaining ISO certification maximum amount of INR 50,000
- 50% of all charges up to a maximum amount of INR 5 lakhs paid for the WHO GMP, Hallmark Certification and others national and international certification.
- 50% of cost of testing equipment and machinery required totaling up to maximum amount of INR 10 lakhs encashed up to the date of certification or operative period whichever is earlier

Government Schemes for MSMEs

Assistance for MSMEs under Industrial Policy 2015 (3/8)



Assistance for Technology Acquisition

- Grant at the rate of 50% of cost of technology acquisition, including royalty payments for first two years, subject to maximum of INR 50 lakhs technology.

Assistance for Patent Registration

- 75% of expenditure incurred for obtaining patents, subject to maximum of INR 25 lakhs

Assistance for Saving in Consumption of Energy & Water

- 75% cost of energy/water audit conducted in a unit by a recognized institution/consultant subject to a limit of INR 50,000
- 25% of cost of equipment subject to maximum INR 20 lakhs per project

Government Schemes for MSMEs

Assistance for MSMEs under Industrial Policy 2015 (4/8)



Assistance to SME for raising Capital through SME exchange

- 20% of expenditure incurred on raising of fund through SME maximum up to INR 5 lakhs

Assistance for reimbursement of CGTMSE fees

- 100% annual service fees paid to bank/FIs by women, SC, ST and physically challenged entrepreneurs for availing free terms loan

Assistance for Rehabilitation of Sick enterprises

- Reimbursement of 50% of cost for preparing the diagnostic report from expert / expert agency subject to maximum of INR 1 lakh

Government Schemes for MSMEs

Assistance for MSMEs under Industrial Policy 2015 (5/8)



Assistance in rent to MSEs

- The scheme intends to provide assistance to set-up MSEs by small entrepreneurs having limited financial resources
- Assistance to MSE units in rent to improve the initial liquidity of the project and also to help financial institutions / bank to sanction the term loan on plant and machinery required for the project
- Assistance is provided for 3 years

Area	Quantum of Assistance
Municipal Corporation / Urban Development Authority	50% of the rent paid / INR 50,000 p.a. whichever is less
Other areas	50% of the rent paid / INR 25,000 p.a. whichever is less

Government Schemes for MSMEs

Assistance for MSMEs under Industrial Policy 2015 (6/8)



Scheme for Market Development

- Assistance to MSMEs in manufacturing sector participation in the exhibitions through Industries' Associations/Federation/Chambers
- Assistance for participation in International Trade Fair Outside India
- Assistance to Organisers for organizing industrial exhibitions in Gujarat

Scheme for Awards to MSMEs

- Separate awards to Micro, Small and Medium category
- Award of INR 2 lakh, Trophy and Appreciation Letter to each winner

Scheme for Awards to Export Awards

- Awards for:
 - ✓ Manufacturing Exporters from Medium Industries
 - ✓ Manufacturing Exporters of Micro & Small Enterprise
 - ✓ 100 % Export Oriented Units (EOU)
 - ✓ Micro & Small Enterprise
- Award of INR 1 lakh, Trophy and Appreciation letter

Scheme for Assistance for Environment Protection Measures for MSMEs (7/8)



Scheme for Assistance to Environment Management :

Sr. No.	Eligible Activity	Quantum of Assistance per project
1.	Implementation of Cleaner Production Technology in place of existing process such as – substitution and optimization of raw material, reduction in water / energy consumption / waste generation	Upto 35% of plant and machinery with a ceiling of INR 35 lakhs during the operative period of the scheme for MSME
2.	Any other environment management project with the use of clean efficient and innovative pollution control equipment	Upto 25% of plant and machinery with a ceiling of INR 35 lakhs during the operative period of the scheme for MSME

Scheme for Assistance for Environment Protection Measures for MSMEs (8/8)



- Scheme for assistance to **encouraging “Green Practices and environmental audit to MSMEs”**
- Schemes have immense potential for cleaner environment and sustainable development
- Focus on **more awareness generation** so that industries and associations come forward for availing these schemes

Others:

- Extension in the period for getting ‘consent to establish’ from GPCB from 5 to 7 years
- Industries which do not fall in green category as per environmental status, can submit self-certified annual compliance report

Government Assistance to Textiles and Apparels Sector under Textile Policy 2013



- Interest subsidy @ 5% per annum
- Power Tariff subsidy @ INR 1 per unit
- Refund of VAT paid by unit on purchase of intermediate product/raw
- Credit linked Interest Subsidy @ of 6% per annum
- Assistance up to 50% - Energy Audit/Water Audit/ Environmental Compliance.
- Assistance of to 20% cost of equipment
- Assistance for Technology acquisition and up gradation
- Assistance for Apparel training Institutions and Trainees
- Support for Establishing Textile and Apparel park
- Training Support to power-loom Sector

Number of Units	Investment (In INR crores)	Employment
1038	9426.97	38051

Of the total number of textile units, ~81% belong to MSMEs category

Skill Activities undertaken by Industries Commissionerate /CED



Under Gujarat Industrial Policy,2015 :

- Scheme 1 :Financial Assistance for Setting up of Anchor Institute
- Scheme 2 : Short Term Bridge Courses by Industries/Institute
- Scheme 3 :Specialized Skill Development Centers
- Scheme 4 :Skill Up-gradation Centers (SUCs)
- Scheme 5: Skill Development to MSME Sectors
- Scheme 6 : Supports for Setting up Gems & Jewelry Training Center/Institute
- Scheme 7 : Assistance for Tuition Fee for Enhancement of Skill

Highlights (Skill Development Initiatives)



Achieved

1. 130 Training Centres (in PPP) are established (4 Years) and 216 in ISDS
2. Total 3500 youth are trained on entrepreneurship annually
3. Over 47409 number of trainees trained since 2009
4. Over 10,000 Trainees got Skill Assessment & certified by NCVT
5. 10,000 Trainees got Placement in Industries
6. 32299 trainees have enrolled in ISDS Scheme in 6 months

Target

1. Total 50,000 candidates to be trained in 2015-16 (with 70 % Placement).
2. Over 200 Skill Development Centres (in PPP) will be established by 2020.
3. Capacity of 2 Lacs candidates (including Up-skilling) will be established to train annually by 2020

State Government Initiatives



MSMEs Facilitation Desks

- To promote the MSMEs in a broader way, the State Government has established **MSMEs facilitation / help desks in 4 cities** - Ahmedabad, Vadodara, Surat and Rajkot
 - The desks provide guidance and information on various schemes of the state and central government
 - They also offer assistance in market linkages for industrial set-up and channels for availability of financial assistance to the interested investors

Opportunities in MSMEs



Considering the expected growth trends in the top industry sectors and certain opportunity areas, MSME share in these growth sectors can be increased significantly:

Electronics

- ESDM including semiconductor design, electronic components design and hi-tech manufacturing
- Electronic components

IT/ITes

- Cloud Computing
- Social media and mobility
- Data analytics services

Automotive

- Automotive electronics
- automotive components
- Defence automotive
- Rubber and chemicals supply to the tyre

Healthcare

- Low cost medical devices
- Medical consumables
- Diagnostic labs

Textiles

- Raw fabric and dye production
- Processing & Packaging

Pharmaceuticals

- Generics and API manufacturing
- Contract research
- Nutraceuticals and nutracosmetics

Engineering and Process Equipment

- Engineering solutions segments like chemicals and petrochemicals, pharma and automotives
- Next generation automation tools
- Green Engineering

Agro and Food Processing

- Processed and packaged food
- Dairy products
- Cold chain storage

Chemicals

- High performance chemicals
- Opportunities PCPIR
- Petrochemicals
- Textile chemicals

Defence Offset:

- New age information systems, communication platforms, simulators and equipment

Government Organizations for Assistance and Promotion of MSMEs in Gujarat



Industries Commissionerate (IC)

- Promotes industrial development by bringing about industrial reforms
- Monitors and Controls functions for planned industrial development

<http://ic.gujarat.gov.in/>

Industrial Extension Bureau (iNDEXTb)

- iNDEXTb was set as a 'facilitating' organization to ensure smooth and hassle-free experience for a prospective investor
- iNDEXTb provides information to the public in general and entrepreneurs in particular, regarding the opportunities available in the State of Gujarat for industry, commerce, trade, business openings and participation therein

<http://www.indextb.com/>

Gujarat Industrial Development Corporation (GIDC)

- GIDC has been created for securing the orderly establishment and organization of industries in industrial areas and industrial estates in the state
- To fulfill the above mandate, the Corporation has established 202 industrial estates, ranging from mini to mega sizes. It has also developed 5 Special Economic Zones
- GIDC is now establishing 11 Special Investment Regions in tune with the changing economic and industrial scenario

<http://www.gidc.gov.in/>

Institutes for Assistance to MSMEs



Micro, Medium and Small Industries Development Institute

- MSME-DI (formerly Small Industries Service Institute), Ahmedabad covers the entire State of Gujarat covering 33 districts and Union Territories of Dadra & Nagar Haveli, Daman and Diu.
- The Institute with its 2 Branch, Small Industries Service Institutes, one each at Rajkot and Silvassa and one Field Testing Station, Ahmedabad, serves the small scale industries in these areas

<http://www.msmediaahmedabad.gov.in/>

Entrepreneurship Development Institute of India

- The program, 'SME Banking & Financial Services' has been designed to facilitate an in-depth understanding and develop skills in assessing financial needs of SMEs and designing appropriate financial intermediation

<http://www.ediindia.org/>

Center for Entrepreneurship Development (CED)

- To develop entrepreneurs in state at urban and rural areas so that they can start their manufacturing or service venture for the economic growth and become self employed as well as provide employment to others.
- The Entrepreneurship Development Program (EDP) develops confidence in a person to establish his own venture and manage it successfully

<http://www.ced.gujarat.gov.in/>

FOR ADDITIONAL INFORMATION CONNECT US @

Industries and Mines Department

<http://www.imd-gujarat.gov.in/>

Industries Commissionerate

<http://www.ic.gujarat.gov.in>

Gujarat Industrial Development Corporation

<http://www.gidc.gov.in>

iNDEXTb -Industrial Extension Bureau

<http://www.indextb.com>



THANK YOU

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