ni-msme, the pioneer institute in the field of MSME is playing a major role in providing pro-business environment to foster the progress of MSME towards success and prosperity. The raison detre of this Institute is to assist the Government in formulating policies for micro, small and medium enterprises and to help the practicing and potential entrepreneurs through a host of services like training, research, consultancy, information, education and extension.

Set up in 1962, ni-msme has made valuable contributions by creating an impressive record of achievements beyond the Indian shores, enabling other developing countries to get the benefit of the Institute’s facilities and expertise.

Located in a sprawling and enthralling campus amidst a rich natural setting, ni-msme is well equipped with both physical and academic infrastructure. In keeping with the changing times and technological changes, the Institute has updated its style of functioning by focusing on the use of IT in every aspect of its activities, but at the same time retaining the wisdom and advantages of deeply ingrained traditional practices.

The core activities are being implemented through Centres like Centre for Industrial Planning and Development (C-IPD), Centre for Policy Research (C-PR), National Resource Centre for Cluster Development (NRCD), Centre for Promotion of Advanced Management Practices (C-PAMP), Centre for Industrial Credit and Financial Services (C-ICFS), Centre for Logistics and Integrated Materials Systems (C-CLAIMS), Centre for Environment Concerns (C-ECO), Intellectual Property Facilitation Centre for MSMEs (IPFC), Centre for Entrepreneurship and Industrial Extension (C-EIE), Centre for Consultancy and Counselling (C-CC), Centre for Communication and Information Technology (C-CIT), Small Enterprises National Documentation Centre (SENDOC) as well as cells like Economic Investigation and Statistical Cell (EISC), ni-msme NGO Network (N-Cube), Women Studies Cell (WSC), Employee Assistance Cell (EAC), Live Projects Cell (LPC), Resource Centre for Traditional Paintings (RCTP), Goods & Services Tax (GST) Cell and Livelihood Business Incubator (LBI).

The Institute stores and supplies information that helps make a successful entrepreneur who is well versed in the intricacies of business and can participate in business activities intelligently and diligently through its Small Enterprises National Documentation Centre (SENDOC) and knowledge portal www.msmeinfo.in. Livelihood Business Incubator (LBI) established in 2016 under the Scheme of ASPIRE of Ministry of MSME, GoI for creating a favorable ecosystem for entrepreneurial development in the country.

The Institute has trained more than 5,36,500 participants by organising around 16,000 programmes which includes prospective/existing entrepreneurs and officials from various Ministries of Govt. of India and State Governments till March 2020. The Institute is implementing ITEC Scheme of Ministry of External Affairs, Govt. of India since 1967 and trained more than 10,350 International Executives from 143 developing countries till March 2020. The Institute has also undertaken more than 945 research and consultancy projects.

The management of the Institute rests with the Governing Council appointed by the Government of India. The governing body acts through the Director General. The present Director General is Ms. S. Glory Swarupa.
POST COVID-19 REJUVENATION OF MSMEs

ni-msme Webinar Proceedings

Editors

S. Glory Swarupa
Dibyendu Choudhury
The unimagined, unexpected profligacy of COVID-19 invasion has caught all nations across the globe completely unawares. All activities had to come to a halt with a massive lurch. Lifestyles and workstyles fell into confusion. And the world went into a lockdown. Our country was statued for seventy days, with nothing but essential services functioning.

The corporates and MNCs fared a little better because major part of their activities are IT enabled. But organisations and enterprises which function basically through manual and real time work had to face a serious challenge. The MSMEs are precisely of this type. Besides, long intervals of inaction disrupt their production, delivery schedules, their payables and receivables which, in turn, would affect their future activity, and all the stakeholders along the supply chain. Therefore COVID-19 impact is strong on MSMEs.

On another side, ni-msme also being mainly an MSME training institute, mostly conducts its focal activities in real space and time. Hence the COVID-19 impact is acutely felt here. However, as the age-old adage goes, necessity prompts us to find amenable ways to overcome challenges, with the help of tools at hand. Webinars are such kind of solution ni-msme has evolved to cope with post COVID-19 situation and go ahead with its activities.

The string of webinars summed up in these pages are the pilot efforts to test the viability and effectiveness of the approach. The virtual events presented here are all of them in the nature of seminars and discussion meets in virtual space. In all, sixteen such virtual events have been organised during the lockdown. The response has been heartening and encouraging. Eminent domain experts took part in the webinars as panel speakers. There was good audience presence too online. Questions were fielded by the experts, and the events received good rating.

From the outlook of the things, the post COVID-19 world, even after the virus exit is declared as total and confirmed, will never be the same. The bug of social distancing is likely to stay with us until another havoc invades us. In view of this, ni-msme, as also most of the other organisations, will incline towards strengthening their online activities.

We heartfully thank the Yes Bank for supporting our initiative. We state with satisfaction that this volume will be submitted to the Ministry of MSME, and soft copies will be forwarded to all the participating resource persons and members.

High appreciation is due to all the faculty who coordinated various events, and the functionaries whose assiduous attention has ensured the efficient and effective conduct of each event. We hope to receive similar support and encouragement from all our stakeholders in our forthcoming attempts.

S. Glory Swarupa
Director General
<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Challenges of MSMEs in COVID-19 period and Rejuvenation Strategies</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>On the road to IP Commercialization: Recommended Strategies for MSME growth</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>Impact of COVID-19 on MSME Exporters: Challenges and Way Forward</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>Challenges &amp; Opportunities for MSME Financing in Post COVID-19</td>
<td>11</td>
</tr>
<tr>
<td>5</td>
<td>Managing Clusters Post COVID-19</td>
<td>15</td>
</tr>
<tr>
<td>6</td>
<td>Be Your Own Boss: How to Set Up an Enterprise</td>
<td>18</td>
</tr>
<tr>
<td>7</td>
<td>Business Opportunities in Green Technologies Post COVID-19</td>
<td>22</td>
</tr>
<tr>
<td>8</td>
<td>&quot;Digital and Social Media Marketing Strategies for MSMEs&quot;</td>
<td>28</td>
</tr>
<tr>
<td>9</td>
<td>e-Governance: Policy Formulation, Implementation and Assessment</td>
<td>32</td>
</tr>
<tr>
<td>10</td>
<td>Innovations is the key, for MSMEs post lockdown</td>
<td>36</td>
</tr>
<tr>
<td>11</td>
<td>Re-assessing the Challenges and Opportunities of Retailing in Post COVID-19</td>
<td>41</td>
</tr>
<tr>
<td>12</td>
<td>Own Your Future through The Journey of Entrepreneurship</td>
<td>45</td>
</tr>
<tr>
<td>13</td>
<td>Reforms for Sustaining India’s Growth in post COVID-19 World</td>
<td>47</td>
</tr>
<tr>
<td>14</td>
<td>Role of FPOs in rebuilding Agriculture Supply Chain during COVID-19</td>
<td>52</td>
</tr>
<tr>
<td>15</td>
<td>Unlocking Manufacturing Potential for Micro, Small and Medium Enterprises</td>
<td>58</td>
</tr>
<tr>
<td>16</td>
<td>Impact and opportunities on Tourism, Hospitality &amp; Transport Sector post COVID-19</td>
<td>64</td>
</tr>
</tbody>
</table>
Challenges of MSMEs in COVID-19 period and Rejuvenation Strategies
27th April, 2020

Dr. Dibyendu Choudhury & K. Surya Prakash Goud

BACKGROUND

The Indian economy has been experiencing significant slowdown over past few quarters. India’s real GDP decelerated to 4.7%, it’s lowest in over six years in Q3 2019-20 (Ministry of Statistics and Programme Implementation, 2020). Investment and consumption demand had been languishing and numbers of incentive measures have been taken to bring back the economy on a growth path. There was a strong hope of recovery in the last quarter of the financial year. However, the COVID-19 pandemic has disruptive to the growth and could hit India’s exports to COVID-19 infected nations and affected everyone in this world. The three major contributors to GDP - private consumption, investment and external trade will get affected. The outbreak has presented fresh challenges for the Indian economy now, causing severe disruptive impact on both demand and supply side elements which has the potential to negative India’s growth story.

CONTEXT

In this backdrop ni-msme had thought that this time while this disruption all the MSMEs might be thinking in the same line and only one question remains pertinent that “How to overcome this crisis”. Therefore, ni-msme organised a special Webinar on the topic titled “Challenges of MSMEs in COVID-19 period and Rejuvenation Strategies” on 27th April, 2020 with the Industry Experts, Bankers and Entrepreneurs as panel of subject matter experts. This Webinar had been open for the MSMEs only and free entry for all the MSMEs to clarify their doubts.

PANEL SPEAKERS

All the leading subject matter experts were in the panel
1. Mr. Sanjay Jain, Regional In-charge and General Manager (GM), SIDBI
2. Mr. Debashish Mishra, Business Head MSME and DGM, State Bank of India
3. Mr. V. Padmanand, Partner, Grand Thornton India LLP
4. Mr. Hemand Palan, Palan Industries, Entrepreneur
5. Mr. Surya Prakash Goud, Faculty Member- ni-msme, Cluster Development
6. Dr. Dibyendu Choudhury, Faculty Member -ni-msme, e-Commerce
SUMMARY

1. Mr. Sanjay Jain, Regional In-charge and GM- Small Industries Development Bank of India

Mr. Jain talked about the current market challenge and mentioned to address on immediate basis that, SIDBI has currently launched a Scheme called “Safe” and “Safe Plus” where any Entrepreneur may get the immediate sanction of loan amount towards manufacturing any product to fight COVID-19 for Capex or even for “Safe Plus” to cover Opex e.g.

a. SAFE - Any product to fight COVID-19 - 48 hours - Rs.50 lakhs- 5% p.a. reducing balance
b. COVID-19 Start-up- Any Start up operating more than 3 years - Rs.2 crore
c. Existing entrepreneurs-3 years of financial records
d. Long term funds - Business loan scheme - Rs.10 crore for any business related expenditure

2. Mr. Debashish Mishra, Business Head MSME and DGM, State Bank of India

State Bank of India is the largest nationalised bank in India with highest numbers of branches and penetration to the market. Once introduced, Mr. Mishra talked about the immediate challenges in the market and to address several products of SBI. He said that, working capital is the biggest problem in this market because of dented consumer sentiments. In that case, there is a requirement for every business to look for availability of hazzles free low interest rate of working capital. He discussed about common credit line as given below:

a. Common COVID-19 credit line-10% of working capital-6 months moratorium for working capital, MCLR 7.40%- lowest interest, defer stamping duty.
b. LWCA- Future turnover with longer term loans and sanction inspection exemption.

3. Mr. V. Padmanand, Partner, Grand Thornton India LLP

Grant Thornton is one of the world’s leading organisations of independent assurance, tax and advisory firms. With more than 53,000 Grant Thornton people, across over 135 countries. They run focused programmes in six key sectors i.e. Auto-motives Banking Financial Services & Insurance (BFSI), Consumer Products, Healthcare & Life sciences, Media, and Real Estate.

He talked about different state specific good schemes. He mentioned that, luckily agriculture sector is the least affected field in this world wide pandemic, however in India several states have already focused and taking sector specific good schemes to watch as per their priority sector. His session majorly covered few points as given below:

• Good cash flows for the enterprises to be maintained by the Government.
• Delayed payments for the MSMEs to be sorted out and the tenure must be reduced from 45 days to 30 days and there must be a clear bailout plan for MSMEs by the Government.
• Fixed costs to variable costs must be lowered and major focus should be of working capital right now.
• Operate in 3 shifts and ensure social distancing and workplace to again re-start industries post COVID-19 pandemic.
4. **Mr. Hemang Palan, Entrepreneur Palan Industries**

Palan Industries is a leading manufacturer and exporter of Suiting, Shirting, Ladies' wear, Home furnishings and Embroidery materials. It is an ISO 14001 Certified and Government Recognised Export House, having an industry presence of more than 40 years. Mr. Palan shared his suggestions with existing entrepreneurs and Government. These are given below:

a. In the garment sector already Government had acted and responding fast.

b. Enterprises must now seek to restore immediate damage and should ignore ranking and downgrading by different ranking agencies.

c. There must be some perishable products for which specific schemes to be brought by the Government.

d. Any crisis always gives opportunities to realign, restructure and re-strategies for running enterprises. Here an entrepreneur got a pause to do the same and if possible diversify into the green zone.

f. Migrant labour database to be maintained by the Government because they are mostly affected by this pandemic to their life and livelihood.

5. **Mr. Surya Prakash Goud, Faculty Member, ni-msme**

ni-msme is the mother institute for all the entrepreneurship training, promotion and extension work since 1962. Mr. Goud expertise is with cluster development work and recently ran a small survey in existing clusters where he found couple of needs as suggested below:

a. Capacity building to be done during this time because majority of cluster artisans and workers are not having any job right now because of locked down. This idle time might be used by the Government to skill upgradation of all of these workers and artisans.

b. Financial literacy is important because without efficient management of capital within the limited resources might pose a challenge just after locked down. Many of the clusters there is no availability of raw materials, even if they have the raw materials but no existing market demands.

c. New product with new market to be identified.

d. Review the existing production and workforce because this is the time when all people get enough time to introspect and reflect upon their experience in the recent past and try to understand and learn from their mistakes.

e. Clusters will get more orders - automation and upgradation is needed. Because in the coming time Government will more focus on health and hygiene of workers. Social distancing will be inevitable. In that backdrop to cater more orders clusters need investments in terms of technical upgradations and adoption of automations.

f. Bankers may need to help Special Purpose Vehicles (SPVs) to promote clusters and approach to be region specific as per priority sector.
6. Dr. Dibyendu Choudhury, Faculty Member, ni-msme

Dr. Choudhury was the last speaker, he foresees inevitable and rapid growth in e-Commerce sector in India, import curbing is on the cards of Government to promote MSMEs, and therefore boom is coming for SMEs. However, he cautioned that, life will not be the same as it was before this disruption, maybe we will have to live with this COVID-19 virus for a long time. Therefore, enterprises need to adhere and adopt safety, security and hygiene standards as fast as possible and modulate their enterprises towards less human centric and more machine centric.

He had given several pointers as food for thoughts to budding entrepreneurs and start-ups because every disruption gives opportunities to new start-ups and scale-up for existing enterprises through innovations to attract customers to strive through troubled economy.

a. Upcoming opportunities e.g., e-Commerce channel would get more popularities because people will fear for public gatherings.

b. Concentrated among national e-Commerce draft policy and its four pillars to boost e-commerce eco system.

c. Discussed about robust supply chain, drone based non-human delivery system as futuristic business idea.

d. Applications of Robots and IoT’s in hospitality and agriculture sectors would open up new market segments and buyers.

During Webinar all have shared very valuable piece of information which might give relief to many tensed individuals including entrepreneurs. Also entire discussions and disposition of this first webinar launched by ni-msme might give a new direction to ecosystem of MSME and policy makers during this crisis.

Several questions have been asked by different participants to specific speaker. Majority of questions were towards banking and financial systems.

It was outstanding Webinar initiated by ni-msme, it had been realised that there is a huge requirement of mobilisation of funds to address the current scarcity of liquidity to MSMEs. This intervention is very important for the Govt. of India and policy makers to ensure flow the funds to address the immediate crisis created by COVID-19. The amount of Rs.1.0 lakh crore been organised by the Govt. of India through MoMSME to address this immediate need. The time will decide whether that money could needy at address the needy at the real time. There is a need to understand the bottlenecks and get rid of them and continuously monitor and adopt changes in framework of disbursements.
On the road to IP Commercialization: Recommended Strategies for MSME growth

29th April, 2020

V. Swapna

BACKGROUND

Indian MSMEs face several challenges and limitations that often stall their progress. Lack of access to modern technologies, infrastructure and finance feature prominently in the long list of those challenges. According to the report of the Working Group on Micro, Small and Medium Enterprises (MSMEs) growth for 12th 5-year Plan (2012-17), Indian MSME’s accounted for 45% of the manufacturing output, 40% of the total exports of the country and during the time-period 2014-15 accounted for 30.74% of GDP. Employing more than 117 million people across 51 million enterprises, the MSME sector is viewed as a major contributor to the economic growth and recognized as the backbone of the Indian economy. Government measures are geared towards increasing competitiveness of MSME’s, include building awareness of Intellectual Property Rights, aiding entrepreneurial and managerial progress by means of incubators and digital empowerment initiatives.

CONTEXT

On the eve of World IP Day, Intellectual Property Facilitation Centre (IPFC), ni-msme in collaboration with O/o Development Commissioner (DC-MSME), Ministry of MSME, Govt. of India and Clarivate Analytics hosted a webinar on the topic titled “On the road to IP Commercialization: Recommended strategies for MSME Growth” on 29th April, 2020. The webinar aimed to help participants understand the importance of IP commercialization, technology transfer challenges, how to bridge the technology transfer gap, driving success with patent research & analysis, and initiatives of the Government for IP Promotion.

This Webinar had been open for the Inventors, Innovative Start-ups, MSMEs & IP aspirants only.

PANEL SPEAKERS

1. Ms. Radhima Dhar, Senior IP consultant, Clarivate Analytics
2. Ms. V. Swapna, Associate Faculty Member, Registered Patent & Trademark Agent, IPFC, ni-msme
SUMMARY

1. Ms. Radhima Dhar, Senior IP consultant, Clarivate Analytics

Ms. Radhima Dhar talked about the Innovation & its role in SMEs growth. She spoke the challenges faced by the SMEs in the journey of bringing new idea to market. She also briefed the translation gaps i.e. Technology Readiness, Market Readiness, Risk Management. She also discussed about the use of Patent information for finding new solutions to technical problems. She also showed the demo of the Patent tool Derwent to retrieve patent information which helps to analyze technology and competitive landscape that aid in commercialization.

2. Ms. V. Swapna, Associate Faculty Member, Registered Patent & Trademark Agent, IPFC, ni-msme

There are various schemes by the central and State Government supporting the existing entrepreneurs and the start-ups for creating new innovations in various fields. She covered the schemes which actually provide financial assistance for IPR. She highlighted that first major initiative taken by Indian Government is formulating the IPR policy in 2016 and briefed its objectives. She also discussed about the establishment of Cell for IPR Promotion and Management (CIPAM) for implementing the objectives of NIPR policy and to address the IPR issues & streamlining of IP processes.

The speaker also briefed about the following schemes for the benefit of start-ups & MSMEs:

- Startups Intellectual Property Protection scheme for innovative Startups;
- Scheme of Building Awareness On Intellectual Property Rights (IPR) by Ministry of MSME;
- “Support International Patent Protection In Electronics & IT (SIP-EIT)” by Ministry of Electronics & Information Technology;
- Grassroots Technological Innovation Acquisition Fund;
- Program For Inspiring Inventors And Innovators Of National Research Development Corporation;
- Promoting Innovations In Individuals, Start-ups And MSMEs (PRISM) of Department For Scientific & Industrial Research (DSIR).

Several questions have been asked by different participants to specific speaker. Majority of questions were towards schemes related to Start-ups & IP reimbursement.
Impact of COVID-19 on MSME Exporters: Challenges and Way Forward

4th May, 2020

Dr. K. Visweswara Reddy

BACKGROUND

Corona virus has given a serious jolt to global economy and more so to the global trade. It is already evident that COVID-19 has triggered a deeper recession than that of the 2008-2009 Global Financial Crisis. Much of the developed world is now amid the greatest economic disruption since the Second World War. The Monetary authorities in various countries have undertaken unprecedented actions to support their exports in global markets and provided bail out/financial package to their industry to sail through difficult times.

The Micro, Small, and Medium Enterprises (MSMEs) are likely to be the worst affected due to the Corona virus outbreak, particularly in the first quarter of FY 2020-21, the Federation of Indian Exports Organisations (FIEO) said in a statement. As per the release, employment-intensive sectors like carpets, handicrafts, apparels, footwear, gems and jewellery, marine, and perishable, with their major market in Europe and the USA, are odds-on as per the current trend.

CONTEXT

ni-msme being a premier capacity building training institute was deeply concerned about the fate of economy of MSMEs and especially the MSME exporters. It wanted to find out the Impact, Challenges and opportunities for MSME exporters in the midst of COVID-19. In this backdrop it has organised a webinar on “Impact of COVID-19 on MSME Exporters: Challenges and Way Forward” on 4th May 2020.

PANEL SPEAKERS

1. Mr. K. Unnikrishnan, Deputy Director General, FIEO (Southern Region)
2. Mr. Ramanathan Iyer, Ex African Head, Maersk Logistics
3. Dr. K. Visweswara Reddy, Faculty Member, ni-msme
SUMMARY

1. Dr. K. Visweswara Reddy on Impact of COVID-19 on MSME Exports & Present Challenges

WTO has projected that global trade in goods is set to decline steeply between 13 per cent and 32 per cent in 2020 as countries across the world are battling the pandemic. With the risk factor of the pandemic the UNCTAD as projected that the growth rate of the different economies will be negative except India and China with meagre positive growth in 2020.

USA and European Union will be the top losers in the world trade. India also find the place in the top most affected economies in terms of trade impact in the world losing USD 348 Million.

Indian MSME exports will be worst sufferers in the first and second quarters of 2020. The most effected MSME exporters will be the labour intensive sectors like carpets, handicrafts, apparels, footwear, gems and jewellery, marine and perishable goods.

The extent of damage is to the tune of $25 billion worth of export orders have been cancelled in two months and $4 billion worth of apparel exports at stake due to lockdown.

- Total order cancellations across all export sectors range between 50 to 60 percent
- There will be Balance of Payments Crisis and currency depreciation of Rupee vis a vis US Dollar

2. Mr. Ramanathan Iyer on Opportunities for MSME Exporters in the midst of COVID-19

Has talked about converting adverse situation into opportunity for Indian MSMEs

- To grab the global anti-China sentiment into opportunity. As countries like Japan and USA have already announced to come out of China and venture into other countries.
- Try to find the top 500 products which China exports to other countries and grab the opportunity to venture into it.
- Start Marketing our exports from now itself instead of waiting for the pandemic get over.
- The medical protective gears, some type of electronic equipments, toys and plastics are recommended in the Phase I and Phase II Pharma, Steel and Gems & Jewellery for exports.

3. Mr. K. Unnikrishnan on Role of FIEO in overcoming the downturn in exports

Global Trade is likely to fall more steeply in sectors characterized by complex value chain linkages, particularly in electronics and automotive products. However, the share of this value chain is much less in India’s exports compared to many of the developed countries like United States, China, Korea, Singapore as well as developing and our competing countries like Mexico, Malaysia and Vietnam. Imports by these countries on key production inputs are likely to be interrupted for a longer period and hence we expect that some of the sectors under these categories will take more time to revive their exports.
Digitalization in anything we do, we should look at digitalization. Transformation in any business, business models is the need of the hour.

Opportunity in long term is rapid urbanization in Asian Countries. In India alone next 30 years according to estimates 400 million people will be moving from rural India to urban India. The amount of opportunities we will be creating along with other Asian region including China, Indonesia, Thailand, South Korea, Philippines, which rest of the world will not in this region.

And it is very important. Skills are going to be dramatically changing. According to some of the studies, 48% of skill sets what we have today will become redundant in about 7 years. Another 30% which going to come in another 7 years’ time do not exist today. That means we need to open up our self for continuous learning.

Continuous Stake holder’s consultation in Logistic, supporting manufactures, your customers, need to be scaled up. Have continuous interaction with your buyers to understand their difficulties, make them feeling that you are there in this difficult time. That will help you for a long term business.

- Speed and agility. MSME should take this advantage by quickly change to the trends and demand which larger companies find difficult.

- Feeding the world will be another emerging phenomenon. There could be increased opportunities in globe over for food sector.

- Emerging opportunities also in pharma and health care, health supplements, technology driven products, etc.

- Due to change in demand, the buyers will not be at present look for mass production base and expected to approach for suppliers who can be quick, ready to supply smaller quantities regularly and can be fast in adopting changes. Hence there are possibilities that buyers look for other alternative than China and hence Indian MSME will be having good opportunities in short term and medium term.

- Personal Protective Equipment’s like Gloves, Gowns, masks Diagnostic equipment, laboratory equipment, hospital equipment, Clinical equipment, hygiene products so on are having demand globally.

- Indian MSME should focus immediately is Saharan African region particularly in Ghana, Angola, Congo, Zambia, South Africa, Nigeria specially food and engineering sector.

- A War Room has been created at all the States where FIEO is having offices to take up issues of member exporters.

- Entire services rendered by FIEO are now online. Be it issuance of RCMC and certificate of origin.
• Indian Trade Port which is managed by FIEO is being updated on daily basis so as the exporters and importers can get updated information on tariffs, import export regulations, certifications and non-tariff barriers etc., which are changing very frequently.

We have also launched mobile App Niryat Mitra which provide information on global trade and trends, market information, regulations and various notifications by India and the world, Global trade opportunities so that the industry could update them self with the changes happening and emerging business opportunities.

We are also having a Market Research Department to cater do the needs of exporters to market information and trade enquiries regularly so that they can try to overcome the slow demands in their products.

FIEO is in the process of launching virtual international trade fairs focusing select products and market shortly so that all of you will be able to develop new and emerging opportunities globally.

The Q & A session took place after the third speaker concluded his address. Some prominent questions were asked which include the future of marine exports, the strategies to be followed by the MSME exporters, the relief measures for the MSME exporters. The Questions were answered by the panellists and motivated the MSME exporters to keep up their efforts to get better results.
Challenges & Opportunities for MSME Financing in Post COVID-19

6th May, 2020

Dr. E. Vijaya

BACKGROUND

MSME Sector is the back bone of Indian economy. At present, the sector provides employment to 114 million people, contributing almost 30 percent to India’s GDP and close to half of the country’s total exports. Micro, small, and medium enterprises (MSMEs) are perhaps one of the hardest hit due to the COVID-19 lockdown in India. In response to COVID-19 impact on the industry, the Central Government and RBI announced various measures to support MSMEs to come out of the crisis caused by the pandemic.

Such as RBI has given a moratorium on term loans, eased working capital financing and put off interest payment on working capital facilities without an asset classification downgrade. Additionally, many public sector banks have introduced emergency credit lines whereby MSME borrowers can avail a maximum loan amount of up to INR 200 crore or 10 per cent of the existing fund-based working capital limits. Small Industries Development Bank of India (SIDBI) has announced a 5 per cent rate concession on all loans to MSMEs. The Government has also extended GST payments date till June 2020. Despite these measures, MSME sector facing many challenges in post COVID-19.

CONTEXT

ni-msme being a premier capacity building training institute for the promotion and development of MSMEs. As MSME sector is the hardly hit by the COVID-19, in this context, ni-msme, Hyderabad organized a webinar on “Challenges & opportunities for MSME Financing in Post COVID-19” on 6th May, 2020. The main objective of the webinar is to understand the challenges in MSME financing and how to overcome the financing problems, identifying the new opportunities and rating of MSME Financing Post COVID-19.

PANEL SPEAKERS

1. Shri. T.C.A. Prasad, Cost & Management Consultant
2. Shri. Vidya Sagar, Associate Director & Rating Head, CARE Ratings
3. Dr. E. Vijaya, Faculty Member, ni-msme, Hyderabad
SUMMARY

1 Dr. E. Vijaya discussed about the challenges for MSME Financing in Post COVID-19

She expressed that the biggest challenge for small and medium sized companies is the cash flow. Businesses have started facing massive working capital issues, future investments and expansions due to lockdown and they will continue even post that because of reduced demand. Though Government has started taking steps via SIDBI and other schemes to help MSMEs but we still need to do more. To help these small businesses, Government can also procure from MSMEs and Start-ups thus, helping them sustain.

- MSMEs should have awareness about Government e-Market place, e-procurement through Central Portal for Procurement (CPP) to participate in the Government procurement.
- Another looming issue post-lockdown will be lack of workforce or manpower. Most of the workers are migrant and may not be able to return to work soon. Restaurants, retail shops, hotels, personal care and grooming, and other similar small businesses may find it tough to get up and running immediately after the lockdown ends. This results in operating at very low capacity.
- So this will require businesses to take up substantial measures for worker safety and in providing benefits like housing near the place of work. Businesses will also require thinking out-of-the-box and establishing processes to employ available workforce efficiently. For example multiple shifts, providing other benefits to workers, utilizing available capacity of units etc.
- This pandemic has impacted the supply chains across the Globe. Post lockdown, it will be very difficult for businesses, especially for those businesses that do not manufacture or provide essential services, (except essential goods, FMCG etc.) to predict from where and what level of demand will come.
- A recent survey of 5,000 MSMEs, conducted by the All India Manufacturers’ Organization (AIMO), has found 71% of them could not pay their worker salaries in the month of March. Reports from across the country raise similar problem of how these businesses are unable to meet immediate capital requirements. Once lockdown is lifted one of the most crucial things to ensure ‘physical supply chain’ operates seamlessly without any obstruction.
- Production shutdown will lead to a cascading impact even after the lockdown restrictions have been eased owing to global slowdown in demand.
- Negative sentiment and diminishing liquidity will impact most of the consumer goods industries, retail and service enterprises.
- With Europe and U.S. being affected the most, there will be huge impact on exports as global demand is expected to come down significantly.
However, due to the stopped production and slump in demand, MSMEs are unable to pay their creditors. While the revenue generation remains on hold, there are several expenses that the companies can’t get their hands off such as salaries of employees, tax deposit, rent of ware houses and office spaces, among many others.

5 key factors every SME/ MSME needs to keep in mind after resuming business post the lockdown. Financial Assessment and Security, Re-evaluate business plan, create a strong Digital Ecosystem, Leverage new technologies and crisis management strategy.

2 Shri. T.C.A. Prasad discussed about opportunities for Financing MSMEs in post COVID-19.

• He expressed that the MSMEs are having opportunities for working capital under Credit Guarantee Scheme under Govt. of India, Mudra loans up to a limit is given without any collateral security (Micro units only). This can be extended to MSMEs also up to a particular limit. Moratorium can be given for three months and EMI payment can be for 3 to 5 years. GST credit can be refunded in cash.

• Finance Minister, Govt. of India, said the Government will pay 24 percent, including 12 percent of the employers’ contribution and 12 per cent of the employees’ contribution, of the monthly EPF contribution for the next three months. “This may benefit 80 lakh Employees and expected to incentivize 4 lakh establishments,” The above scheme will be applicable for establishments with less than 100 employees and the employee’s earnings should be less than ₹15,000/- month.

• He discussed about certain preferred action points as CSR Funds, GeM portal, Creating Cost Consciousness within the units, on-line training on various areas including soft-skills and computer applications, Preferring Low Margin Cash customers over High margin long credit customers.

• He suggested the plan for the present and future for MSMES to ascertain present position and arrive at a realistic starting position with 4 Ms (Men, Material, Machine, Methods). They have to prepare multiple options for other business in future. Decide about approach and broad direction for the path to be taken. Arrive at actions and strategy that will work across multiple situations.

3 Shri. Vidya Sagar discussed about the challenges faced by MSMEs and Government support for MSMEs during COVID-19

• He discussed about SIDBI schemes for special liquidity support to MSMEs through Banks, NBFCs and MFIs. He suggested for various plat forms such as Receivable Exchange Platforms and SME Digital Platforms for raising the funds for expansion and also showcase their products and services through digital platforms.

• He discussed about SME Rating and definitions and also benefits of SME rating as an independent third-party opinion on creditworthiness, enables establishment of credibility with stake holders, Self-improvement tool and comparatively easy access for funding.
CONCLUSIONS

The Q & A session took place after the third speaker concluded his address. Some prominent questions were asked which include Crisis management, credit rating and MSME Funding. The webinar was concluded by thanking all the speakers for sharing their valuable information and suggestions to MSMEs on various challenges and Opportunities for MSEMs in post COVID-19. As MSME sector is the back bone of India’s economy, majority of MSMEs are facing the problem of access to finance and marketing their products to meet the competition domestically and internationally. COVID-19 situation has given an opportunity to MSMEs to grab the current market opportunities. The speakers suggested that MSMEs should focus on Make in India initiative by Government of India, to manufacture the products domestically to reduce the imports and make India’s products competitive globally. 68 virtual participants attended the Webinar. Several questions have been asked by different participants to specific speakers. Majority of questions were towards MSME Financing schemes and MSME ratings.
Managing Clusters Post COVID-19
8th May, 2020

K. Surya Prakash Goud

BACKGROUND

ni-msme has been involved in development of industrial and rural clusters including handloom, handicraft, khadi, coir and other village industry clusters since 2004. The Institute has started the activities by way of organizing awareness programmes/workshops/seminars and then established National Resource Centre for Cluster Development (NRCD) with the support of Development Commissioner (MSME). The Institute working as Nodal Agency, Implementing Agency and Technical Agency across the country and also training officials, entrepreneurs, bankers, NGOs and cluster stakeholders.

CONTEXT

The Industrial and rural clusters are badly affected due to COVID-19. The cluster enterprises facing challenges due to non-availability of raw material, piling-up of stocks without market, and no production due to lockdown. In order to understand challenges of the clusters and also provide suitable solutions to manage/re-organize the clusters, ni-msme has organized a webinar on “Managing Clusters Post COVID-19” on 8th May 2020.

PANEL SPEAKERS

The following experts have participated in the webinar
1. Shri. V. Padmanad, Partner, M/s Grant Thornton India LLP
2. Shri. ASK Sharma, General Manager, Foundation for MSME Clusters
3. Shri. Jitin Pitkar, CEO, Disruptive Exchange
4. Shri. K. Surya Prakash Goud, Faculty Member, ni-msme

The officials of Nodal Agencies, Technical Agencies, Implementing Agencies, Cluster Development Executives, Development Agencies and cluster SPV members were participated in the webinar.

SUMMARY

The following topics were discussed by the experts.

- Challenges and opportunities for MSMEs post COVID-19
- MSME schemes to grab new business opportunities post COVID-19
• Strategy for mobilizing resources and Managing Common Facilities
• Digital solutions to reach market in COVID-19 period

1. **Mr. K. Surya Prakash Goud** discussed about problems of MSME clusters with regard to procurement of raw materials, lack of working capital, liquid cash crunch, piling-up of stocks due to closure of markets, no work and wages for artisans/workers. It is difficult for the entrepreneurs to meet expenditure related to Salaries, Power bills, Rent, Property & Water Taxes, Telephone & Internet charges and also Bank loans.

He expressed that the MSMEs have to upgrade skills for product design & development, e-commerce, export marketing, financial literacy etc., and also develop networks for new customers, new markets and new products. This is the right time for MSMEs to review their business operations to design strategy for post COVID-19 operations. It was felt that the payments will be delayed due to COVID-19 and hence MSMEs must be ready to wait for long time to receive payments. MSMEs have to identify long lasting customers and plan operations for at least six months analyzing required resources. Further, MSMEs have to identify and impart skills for new workforce and encourage new establishments through migrated staff. The focus on domestic business (post COVID-19) initially and then to extend exports may be helpful for the MSMEs.

He expressed that the Government should arrange additional working capital at low interest rate and convert working capital into term loan. Apart from encouraging migrated workforce to start enterprises, there should be a policy for sectoral interventions for common procurement, common production and common marketing. Also encourage Hygiene Entrepreneurship irrespective of the cluster for next two years keeping in mind COVID-19 opportunities.

2. **Shri. V. Padmanand** gave elaborated presentation on various MSME schemes suitable for prospective and practicing entrepreneurs and also clusters. The guidelines of various schemes of the Ministry of MSME, Ministry of Textile, Ministry of Industry & Commerce, Ministry of Agriculture, Ministry of Food Processing Industries, Department of Chemicals & Fertilizers, Department of Electronics, Department of Pharmaceuticals etc., were discussed at length. The scope for infrastructure development including common facilities, land development, roads, electricity, drainage and Effluent treatment plants, role of cluster stakeholders and role of State Government and important issues in implementation of project viz., requirement of statutory approvals, stakeholders contribution, implementation mechanism.

3. **Shri. Jitin Pitkar** highlighted unprecedented and extraordinary challenges faced by the manufacturers, brand suppliers and distributors during COVID-19. On one hand inventory movement across the supply chain has either come to a halt or is severely fragmented, but on the other hand there is rapid increase in demand for goods. Suppliers are seeking to actively engage their customers, gain visibility of inventory positions across their primary and secondary markets and reinvigorate trade of their products in quick time. This is a challenge in itself during normal circumstances. The impact of COVID-19 has made this an even harder objective to achieve.
The solution of Dsruptive Exchange, a unique mobile digital commerce platform called glass RUN, hosted on the robust Oracle Cloud Infrastructure, to its manufacturing and distribution customers was explained. Glass RUN is a private B2B Commerce Platform that is easy to use, quick to deploy and gives rapid results. With glass RUN customers will be able to setup and activate a private B2B Commerce store for its primary as well as secondary markets. The simplicity of glass RUN will enable you to digitise the ordering and fulfilment processes with trading partners and downstream customers in a matter of weeks. It will give a unique first mover advantage for increased market share and competitiveness.

Shri. ASK Sharma discussed on challenges and strategies for management of Common Facility Centre (CFC). The discussion focused on impact of COVID-19, cost escalations and unaccounted expenses, net worth of the SPV promoters, dropouts from SPV, conflicts among SPV members, challenges related to procurement norms, poor response for tenders and obtaining necessary clearances from concerned departments.

The purchase power of domestic as well as international buyers will drastically come down for next few years. This may have severe impact on clusters which are making expensive ornamental items like silver filigree, brassware, stone carving, handlooms (especially silk) etc. Further, craft based clusters mainly depend on exhibitions and fairs to sell their products, which may not happen in near future as part of discouraging public gatherings.

The SPVs, with the help of Ministry and Technical Institutions, should help members in product diversification, with major thrust on making low end utility items, mixed wear (silk cum polyester, silk with cotton) etc. Instead of each SPV approaching portals like Amazon, Crafts Ville, Flipkart etc. individually, Ministry or consortium of SPVs should approach such portals under one common brand.

CFC components in many of the approved clusters are made keeping the economic system of pre lockdown period and may not be relevant post lock down and establishing the same may prove to be non-remunerative. Nodal Agencies with the help of SPVs need to visit the clusters, conduct focus group discussions, assess the situation and revise the components if necessary so as to make them more sustainable. Ministry may give full powers to NAs to change any/all components without approval of SSC, for speedy implementation.

At the end of the presentations, the panellists handled Q & A session.
Be Your Own Boss : How to Set Up an Enterprise

13\textsuperscript{th} May, 2020

"If you don't build your own dreams someone will hire you to build theirs" – Tony Gaskins

BACKGROUND

Being your own boss is one of the biggest myths of entrepreneurship. Anytime you talk to a current entrepreneur or even someone thinking about starting their own business, usually one of the biggest motivations to be their own boss. The idea of “working for the man” has lost its lustre and the pursuit of freedom to do what you want, when you want is extremely appealing.

Self-employment can be a wonderful step finding and fulfilling career, but it’s also not as simple as just setting out and deciding to change the world through a particular product or service. We’ve put together some strategies to keep in mind while one figures out how to be one’s own boss. Venturing into entrepreneurship makes one the chief visionary, master strategist, ultimate decision maker and ace of accountability.

CONTEXT

ni-msme being a premier training institute for promotion and development of Entrepreneurs. As job market has hit COVID-19, ni-msme has organized a program on “Be Your Own Boss” on 13\textsuperscript{th} May 2020.

PANEL SPEAKERS

1. Mr. G. Sudarshan, Faculty Member, ni-msme
2. Dr. E. Vijaya, Faculty Member, ni-msme
3. Dr. K. Visweswara Reddy, Faculty Member, ni-msme

SUMMARY

1. Mr. G. Sudarshan discussed about Essentials of Starting a Business, Funding Sources and Institutional Support for MSMEs.

He explained that starting a small business requires determination, motivation, and know-how. Here are critical steps to provide the knowhow of how to start a Business. Identify Business Opportunities, How to Build a Business Plan, Funding Sources, Name of Business, Choosing a Business Structure, Business Location, and Creating Accounting Structure.
He explained Funding Sources under the aegis of Pradhan Mantri Mudra Yojana (PMMY) MUDRA has created products/schemes. The interventions have been named 'Shishu', 'Kishore' and 'Tarun' to signify the stage of growth / development and funding needs of the beneficiary micro unit / entrepreneur and also provide a reference point for the next phase of graduation/growth to look forward to:

- **Shishu**: covering loans up to Rs. 50,000/-
- **Kishore**: covering loans above Rs. 50,000/- and up to Rs. 5 lakh
- **Tarun**: covering loans above Rs. 5 lakh and up to Rs. 10 lakh

Credit Guarantee Trust for Micro Small and Medium Enterprises (CGTMSE) has introduced a new "Hybrid Security" product allowing guarantee cover for the portion of credit facility not covered by collateral security. In the partial collateral security model, the member Lending Institutions will be allowed to obtain collateral security for a part of the credit facility, whereas the remaining part of the credit facility, up to a maximum of Rs. 200 lakh, can be covered under Credit Guarantee Scheme of CGTMSE. CGTMSE will, however, have pari-passu charge on the primary security as well as on the collateral security provided by the borrower for the credit facility.

**Prime Minister Employment Generation Programme (PMEGP):** The scheme is implemented by Khadi and Village Industries Commission (KVIC) functioning as the Nodal Agency at the national level.

<table>
<thead>
<tr>
<th>Categories of beneficiaries under PMEGP</th>
<th>Beneficiary’s own contribution (of project cost)</th>
<th>Rate of Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area (location of project/unit)</td>
<td>Urban and Rural</td>
<td></td>
</tr>
<tr>
<td>General Category</td>
<td>10%</td>
<td>15% 25%</td>
</tr>
<tr>
<td>Special (including SC/ST/OBC/Minorities/Women, Physically handicapped, Ex-Servicemen, NER, Hill and Border areas etc.)</td>
<td>05%</td>
<td>25% 35%</td>
</tr>
</tbody>
</table>

**Institutional Support for MSMEs:**

Micro, Small and Medium Enterprises Development Institutes (MSME-DI)

The main activities of these institutions are: Assistance/consultancy to prospective entrepreneurs & existing units, Preparation of state industrial profiles, Preparation of district industrial potential surveys, Organising Entrepreneurship Development Programmes, Motivational campaigns, Management Development Programmes, Market surveys, Skill Developmental Programmes.

**NATIONAL SMALL INDUSTRIES CORPORATION LTD (NSIC)**

The NSIC was established in 1955 by the Government of India with a view to promote, aid and foster the growth of small industries in the country. Working Capital Assistance, Raw material Assistance,
Marketing support programme, Government stores purchase programme, Technology up-gradation, Exports.

TOOL ROOM & TRAINING CENTRES (TRTCS)

Tool rooms in the country to assist MSME units in their technical up-gradation by providing good quality tool links. Due to huge investment needed, MSME units cannot afford to have their own tool rooms.

MARKETING SUPPORT: GOVERNMENT E MARKETING AND MAHILA E-HUTT

2. **Dr. E. Vijaya discussed about Financial Planning, understating Registration and Submitting Returns of Goods and Service Tax (GST).**

She explained Definition of MSME, New Classification of MSMEs and Documents required to register a Sole Proprietor, Partnership & Firm Registration. She explained what is Goods and Service Tax, Tax Structure under GST, and also given gist of calculation under the VAT and GST and the flow of tax burden. She also explained who should register for GST and documents required for GST registration.

The Central Government hereby notifies the following criteria for classification of micro, small and medium enterprises, namely:—

(i) a micro enterprise, where the investment in Plant and Machinery or Equipment does not exceed one crore rupees and turnover does not exceed five crore rupees;

(ii) a small enterprise, where the investment in Plant and Machinery or Equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees;

(iii) a medium enterprise, where the investment in Plant and Machinery or Equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

1. **DOCUMENTS REQUIRED TO REGISTER A SOLE PROPRIETOR**

To register as sole Proprietorship, the following documents are required:

Aadhar Card, PAN Card, Bank Account & Registered office proof, although sole proprietor doesn’t require any specific registrations, he is advised to obtain a few registrations to make his business function smoothly. If the turnover is above Rs.20 lakhs, Shop & Establishment Act License and GST Registration are required for an SME.

2. **DOCUMENTS REQUIRED FOR PARTNERSHIP FIRM REGISTRATION**

Copy of Partnership Deed (on a judicial stamp paper signed by all partners)

Documents of Partners, PAN Card of all partners –All partners are required to submit their PAN no. as Identity Proof, Address Proof of all partners – Partners can submit Aadhar Card, Driving License, passport or Voter ID.
3. DOCUMENTS OF FIRM

PAN Card of firm, Address Proof of Principal/Additional place of business, Own Premises - Latest Property Tax Receipt or Municipal Khata copy or a copy of Electricity, Bill or Legal Ownership Documents, Rented or Lease Premises, Rental Agreement, Latest Electricity Bill, No Objection Certificate from Landlord.

3. **Dr. K. Visweswara Reddy discussed of Selection of Business Idea by Conducting Market Survey.**

He discussed Opportunity identification is a process that involved the search for and discovery of business opportunities, Approach to opportunity identification, observing changes in the environment, He Examples of how Changes in the Environment Provides Openings for New Product and Service Opportunities.
Business Opportunities in Green Technologies Post COVID-19

13\textsuperscript{th} May, 2020

J. Koteswara Rao

BACKGROUND

In post COVID-19 renewable energy to face stiff competition from fossil fuels. Conventional energy-rich economies are even relaxing environmental restrictions. The lessons learnt by countries using significant amounts of renewable energy (RE) are important for India, which is set to announce a bailout package for the power sector shortly.

Faced with the herculean task of restarting and reviving their economies, many major countries are going backwards on their promises to promote RE. Some energy rich economies are even relaxing environmental restrictions.

Coal mining and coal-power are getting renewed support in countries where it is a prominent source of energy or export revenue. Most of the bailout packages do not have much reference to electricity or fossil fuel sector, expect South Korea where coal power is the single largest contributor (45 percent) in the generation mix.

Before COVID-19, Korea had announced a plan to reduce coal mix in generation to 36 percent by 2030. The share of renewables was proposed to move up from 6 percent to 20 percent. Some coal plants which were in the pipeline were converted to gas based plants.

Following the onset of COVID-19, Korean banks extended an emergency loan of $ 825 million to Doosan Heavy Industries & Construction Co. Environmental groups say the company earns 80 percent of its revenue from the coal-power segment. The company was in bad shape before the pandemic.

Other countries have gone for cash support, but took indirect measures to support fossil fuel sectors in which they are strong.

According to The Guardian, “The fossil fuel industry, which already benefits from a $ 5 trillion a year subsidy, according to the IMF, has had the biggest wins during the corona virus pandemic in the US and Canada.”

Three US States South Dakota, Kentucky and West Virginia passed laws criminalising “fossil fuel protests”. “Solar and wind power businesses did not get the access to tax credits they had sought under the package.”

Renewables, including large hydro, contribute 17.5 percent to the utility-scale generation in the US. Natural gas (38.4 percent) is now the leading sector. Coal (23.5 percent) is pushed to a distant second.
In Canada, the Trudeau administration has an environmental slant. But that did not stop Alberta from offering tax relief to its tar-sand extraction industry. The economic needs blew away all resistance by environmental groups against the XL pipeline project to transport tar-sand from Canada to the US.

Some countries have taken a clear anti-renewables stance. Brazil indefinitely postponed the RE auctions. South Africa's State-owned power distribution monopoly Escom said it would cut down on its wind power purchase plan. Coal is the dominant fuel in South Africa.

**SUPPORT FOR COAL**

- The support for coal is most pronounced in countries like China and Australia, among others. According to Global Energy Monitor, from 1st to 18th March 2020, China approved 7,960-Megawatt (MW) of new capacity.
- This was more than the 6,310 MW of new capacity approved in the full year 2019.
- “The increase may signal a move by Government officials to use new coal plants as a means to boost the country's domestic economy after the slowdown from COVID-19,” said the wiki page.
- Meanwhile, Australia is pushing for expansion of coal mines to prevent job loss.
- Australian Resources Minister Keith Pitt said the expansion of the Acland thermal coal mine in Queensland, was “even more” important now the Corona virus pandemic is hammering the economy.
- The ground is not open for fossil fuel as some European nations led by Germany may bat for the renewable sector.
- Europe saw a sharp rise in the share of renewables in the generation mix due to stronger wind, better sunshine and reduced industrial and commercial demand in the January-March quarter.
- For the first time, renewables met more than half (52 percent) of the country’s electricity demand in the March quarter, against 44 percent in the same period last year. The sector enjoys feed-in preference in Germany.
- A green building is one which uses less water, optimizes energy efficiency, conserves natural resources, generates less waste and provides healthier spaces for occupants, as compared to a conventional building. Considering the tremendous benefits that it offers, green building concept is gaining major importance in India.
- Indian Green Building Council’s (IGBC) rating systems launched since 2007 had made rapid strides in the Green Building sector. These rating systems have been successfully applied in India in as many as 5,894 buildings, till date with a footprint of 7.16 billion sq. ft. Many Government, corporate, builders & developers in India have taken lead in constructing Green Buildings. With the growing demand for Green Buildings, there is a need to enhance the knowledge of building professionals on Green Building concepts & equip them on the Green Building rating systems.
CONTEXT

In this backdrop **ni-msme** had thought that this time while this disruption, all the MSMEs might be thinking in the same line and only one question remains pertinent that “How to overcome this crisis”. Therefore, **ni-msme** organised a special Webinar on the topic titled “Business Opportunities in Green Technologies post COVID-19” conducted on 13th May 2020 with the Industry Experts, Bankers and Entrepreneurs as panel of subject matter experts.

PANEL SPEAKERS

All the leading subject matter experts were in the panel
1. **Col Dr. T.S. Surendra**, Adviser, Surabhi Institute for Renewable Energy Hyderabad.
2. **Shri. N. Ramachandhar**, Associate Professor, EEE Dept. BVRIT, Hyderabad
3. **Shri. J. Koteswara Rao**, Associate Faculty Member, **ni-msme**

OBJECTIVES

- Sensitize young minds on green
- Green all forms of built environment
- Inculcate new, innovative and futuristic green products, materials & technologies
- Market Transformation
- Networking amongst all Green technologists and stakeholders
- Emerging and Advance green technologies in the market
- The main objective of this webinar is to impart knowledge on Green Building concepts and share best practices in Green Buildings

COVERAGE

- Introduction to Green Buildings
- Sustainable Architecture & Design
- Site Selection & Planning
- Water Conservation
- Energy Efficiency
- Building Materials & Resources
- Indoor Environmental Quality
- Innovation and Development
- Green Building Case Study
- Discussion on documentation Exercises on Templates

Exclusive session on Green Homes & affordable housing, green products, materials, Technologies, Green Interiors and Net zero Performance challenge for green built environment.
FOCUS AREAS

Green homes, Health & Well-being, Green & Smart Cities, Green Affordable Housing, Commercial Buildings, Construction Technologies, Green Products & Technologies, Green Interiors, Green Transit, Sustainable Mobility, Performance Monitoring, Case Studies and Best Practices in Indian context.

SUMMARY

1. Col Dr. T.S. Surendra, Adviser, Surabhi Institute for Renewable Energy, Hyderabad

Dr. T.S. Surendra talked about the current market challenge and mentioned to address on immediate basis that, Green Technologies' that either do not produce any Green House gases nor any pollutants nor do they depend on the earth's scant resources of oil and other fossil fuels. A relatively poor country like India has to uplift itself while at the same time meet the world's demands for mitigating climate change.

All the stakeholders of the construction industry comprising of architects, developers, product manufacturers, corporate, Government, academia and nodal agencies were participates in the webinar. ni-msme also closely works with several State Governments, central Government bilateral & multi-lateral agencies in promoting green building concepts in the country.

2. Shri. N. Ramachandher, Associate Professor, EEE Dept., BVRIT, Hyderabad

He defines the Green technology is an umbrella term that describes the use of technology and science to create products that are more environmentally friendly. The goal of green tech is to protect the environment and in some cases, to even repair past damage done to the environment.

This webinar was conceived to address one of the most pressing challenges of our time that is in securing green and clean energy sources for the 21st century to protect the environment.

This webinar attempts to draw insights and encourage collaboration from many disciplines and backgrounds to address these challenges of Green and clean energy sources added to energy mix but also see challenges to the energy grid operations requiring active management of all the available energy sources to help build a resilient power grid.

The webinar provides an open forum for the Engineers, Academia and Industrial Community, that is Researchers, Innovators, and Regulators, from around the country to collaborate on the development and deployment of sustainable Technologies which are environmentally friendly. Interested individuals from around the country are invited to participate in developing and applying Technological solutions to a number of global concerns.

He also highlighted his presentation on rising CO2 levels in the world causing climate issues. Global dependence on finite fossil fuels for energy production and transportation, much of which comes from unstable countries, continues to result in wildly fluctuating energy expense. Green Technologies can be a backbone to solve many concerns to help stabilize energy needs in the world.
The global development and use of large-scale wind, solar voltaic and solar thermal farms, plus biomass and water production, is being utilized to convert to sustainable electrical energy and is displacing conventional electrical generation. So now, the forecasting of weather has taken on new urgency in support of efficient use of all technologies to support the reliability in use of Green technologies. To provide a reliable electrical grid, we must not only meet the current and projected loads but review energy generation, usage, and storage in support of the newer infrastructure.

Researchers have provided development and deployment of newer storage technologies. This is evident with the replacement of bus and cars that use fossil fuels with vehicles that use improved battery technologies. These newer competing battery technologies resulted in higher energy storage densities to make electrical usage feasible.

Batteries are the most recognized electrical energy storage technology today. Lithium-Ion batteries support multiple applications from computers, transportation, and just in general large-scale energy storage.

The storage of solar energy by the conversion of biomass is fairly new technology. Conversion of biomass material to synthetic natural gas and fuel pellets provides energy storage as an application of Green Technologies in replacing use of fuel oil and felling of forests.

The Green Technologies webinar was developed and deployed to support the local and global communities to remain independent. Regulators play an important role in determining energy expense with the use of infrastructure, metered energy usage, outages and production in support of customer services in general, community safety so we need them involved too.

The Green Technologies a continuing opportunity to support the collaboration of Green Technologies. We seek your support by providing an opportunity to make a difference in the various developing countries through sharing innovative ideas.

3. Mr. J. Koteswara Rao, Associate Faculty Member, ni-msme

Last speaker of the webinar, he highlight the present scenario, green technologies are playing significant role in changing the course of nation’s economic growth towards sustainability and providing an alternative socio-economic model that will enable present and future generations to live in a clean and healthy environment, in harmony with nature. Green technology, which is also known as clean technology, refers to the development and extension of processes, practices, and applications that improve or replace the existing technologies facilitating society to meet their own needs while substantially decreasing the impact of human on the planet, and reducing environmental risks and ecological scarcities.

The concepts of Green Technologies, if endorsed and pervaded into the lives of all societies, will facilitate the aim of the Millennium Development Goals of keeping the environment intact and improve it for the civilization to survive.

Green Technologies and Environmental Sustainability is focused on the goals of green technologies which are becoming increasingly important for ensuring sustainability. This entire
sessions book provided different perspectives of green technology in sectors like energy, agriculture, waste management and economics and contains recent advancements made towards sustainable development in the field of bio-energy, nanotechnology, green chemistry, bioremediation, degraded land reclamation.

- Green Energy Trade for Economic Development
- Green Energy in Transport
- Green Technologies in Information
- Energy Saving Technologies and Systems
- Green Power Systems, Smart Grid
- Greening the Industrial Sector’s Energy Use and Options
- Green Energy Policies and Programmes
- Green Power, Industrialization and Transport Robotics and Mechatronics
- Renewable Energy
- Renewable Energy Supply and Technologies
- Energy Management, Policy, Economics and Sustainability
- Sustainable Technologies for Energy Conservation
- Smart Grid / Smart City / Smart Mobility
- Sustainable Development Goals (SDGs) and Green Energy

**BENEFITS TO PARTICIPANTS**

- Exposure to Green Building Design Strategies
- Exposure to Green Building Case Studies
- Acquire Knowledge on IGBC Green Building Rating Systems
- Get equipped for facilitating green building certification
- Green technologies & products knowledge sharing on Green Building documentation

Concluded and summarized the entire Webinar by thanking all the backend support, speakers and attendees because they have shared very valuable pieces of information which might give relief to many tensed individuals including entrepreneurs.

Also entire discussions and disposition of this webinar launched by **ni-msme** might give a new direction to ecosystem of MSME and policy makers during this crisis. There has been 96 virtual participants attended the Webinar. Several questions have been asked by different participants to specific speaker.

Majority of questions were towards building design and its features including business opportunities. It was outstanding Webinar initiated by **ni-msme**, it had been realised that there is a huge requirement of mobilisation of funds to address the current scarcity of liquidity to MSMEs.
Digital and Social Media Marketing Strategies for MSMEs

20th May, 2020

P. Satya Prasad

Intelligence is the ability to adapt to change -Stephen Hawkin

BACKGROUND

A Gartner report suggests that, today, most are seeking comfort and security to create a protected and sheltered environment for themselves. Isn’t that what man has wanted all through the history of evolution? Brands across the board are revisiting their strategies to deliver a sense of safety and trust amongst the larger community.

While this is the case during the pandemic, the crisis will cause a long-term psychological shift in how we do things. This makes it imperative for marketers to lead with agility and adapt to change to win consumer’s trust especially when the demand is diminishing due to COVID-19.

CONTEXT

The fundamental questions arise world wise

1. What are few ways marketers will approach the post COVID-19 era while during the pandemic all the brands lost their tractions from the mind of the people?

2. The entire world will stay behind home for social distancing due to the sanitary disruption, they how to reach and hook the customers with the brand?

To explore the answers, a webinar on Digital and Social Media Marketing Strategies for MSMEs was organized on 20th May, 2020.

PANEL SPEAKERS

All the leading subject matter experts were in the panel:

1. Mr. Vijay Nadimindti, Chief Operating Officer, a-IDEA, Hyderabad
2. Dr. Dibyendu Choudhury, Faculty Member, ni-msme
3. Mr. Sathy Prasad, Senior Faculty Consultant, ni-msme
SUMMARY

1. Mr. Vijay Nadimindti- Chief Operating Officer, a-IDEA, Hyderabad

Mr. Vijay said that, brands across the globe are slowly coming to terms with the volatile business environment we have found ourselves in with the effects of the COVID-19 pandemic. Whether your company has temporarily frozen operations or has decided to implement an innovation-driven remote working system, how you approach your digital marketing strategy should be a primary focus in these worrying times ahead - if it is not already.

It would be foolish to discount the power and pull off live, physical, and real offline marketing. The unforeseen disappearance of all channels in relation to offline events and conferences, along with the increasing barriers on face-to-face business, poses a sizable challenge for marketers today. Soon, your prospective clients/customers are going to be hesitant in walking through a door and shaking your hand – and no-one really has any idea how long this will last and whether this will lead to longer-term change.

Then he concluded that, the Internet is the only place which is not quarantined for quarantined consumers, and brands – including ones that do not even have a social page yet – will need to explore the realms of it. If it’s a norm in for some industry to go out and meet new customers face-to-face before indulging in business activities, adapting may mean exploring web or social media platforms where relationships can be made and fostered.

2. Dr. Dibyendu Choudhury, Faculty Member, ni-msme, Hyderabad

In this current scenario of the outbreak, there is no doubt that its after-effects will affect industry. However, he had emphasised on the changed business model by taking several examples. Digital Transformation, the positive side about COVID-19 is the real impact on behavior change. He said that some research is saying that, mid to the senior leadership of most organisations, including consumers from 35 to 44 age bracket increased their internet consumption by 11% while millennials observed an average increase of 5-7% during this time. Similarly, prominent platforms such as Facebook (+18%), TikTok (+20%), Instagram (+20%), and Whatsapp (+17%) have all witnessed rises in the number of sessions per week per user as per data source Nielsen Report on COVID-19’s impact on the changing landscape in media.

During the time of crisis and pandemic, digital will not die and will prove to be a prominent mode to reach consumers. However, it really must be kept in mind that the current global situation is extremely volatile and sensitive - so there are a few guidelines and good to know pointers to be kept in mind in order to thrive in the digital space in the current scenario.

Do not exploit the scenario.

The most unethical thing a brand can do is capitalize on fear. Businesses do not do that - criminals do. Yes, hoarding and selling essential items, and consequently marketing and selling them in a time of need can be classified as a criminal offence in most countries. Investing your time and resources in a long-term benefit would be the appropriate measure here.
Strongly evaluate the power of e-commerce.

If Nike, Apple, and McDonald’s are having problems selling products or offering their services offline - you will too. e-commerce has taken a slight hit as well amidst all the chaos, but one could assume that it will pick up much quicker when compared to offline selling. The COVID-19 pandemic may just position e-commerce as a norm for every and any business soon. This time you can invest in content warehousing, building communities and strong SEO for the ecommerce domains.

There is an abundance of technological & innovation-driven solutions.

More and more businesses are exploring advancements like Facebook, LinkedIn, and Instagram live to build connections with their target audience on online platforms. Similar engagement platforms such as Zoom and Google have picked up in popularity for both internal and external strategic business discussions. You can easily collaborate with content creators and key opinion leaders in your domain to use the above tools for awareness programs. Example: Google meet can be stored & streamed live.

Reaching out to your worried audience via digital platforms is the way to go.

This starts by informing your audience in a clear and systematic way of how the pandemic will impact the way they buy/avail your products/services. Offering a sense of clarity to them before they approach you in a state of panic will go a long way in retaining them in the long run.

Brands must use digital platforms to spread awareness.

As stated above, simply being available on social media platforms for worried users can go a long way. You should also strive to clear confusion caused by inaccurate myths and rumors which are flying across the internet - one of the major causes of chaos in the modern world today. Keep it real with personalisation - in testing periods like these, personalised support and attention is a great way to leave an impression on your users. Lastly, you could lighten the mood by offering utility by emphasizing on how your products & services could help even the fortune & safe ones stuck at their homes.

3. Mr. Sathya Prasad, Senior Faculty Consultant, ni-msme, Hyderabad

He mainly said and concluded that, a digital platform is an ideal way to spread any CSR/charity activities for any business may be indulging in. Many brands have launched activities or campaigns to help the needy even in Twitter, Facebook and many other platforms. Giving back to society is a step in the right direction in these tough times. With the help of microsites and social media platforms, charitable efforts can really benefit with more reach and visibility.

He reminded and added to try and stay in the right lane and act like a good human. Offering relief or aid in a way which relates to business offerings would leave a lasting impact, however consumers might find lots of threats and many spoofing sites to grab their personal information
and Cybercrime. Therefore, unless consumers are aware and know how to surf digital world safely, this digital place will become like very dangerous jungle which can lead one towards financial disaster.

He concluded by saying that, It’s obvious that the coming weeks, or months – or however long we are stuck in this situation – will be a challenging time for any company that cannot adapt and innovate. A digital marketing strategy can offer so much more than just an emergency fill-in, it could also carry on offering long-term benefits when the world eventually gets back to normal. If one has abstained from entering the digital world for whatever reasons - he simply may not have left with a choice anymore. It goes without saying that adaptability would improve crisis-handling in future emergencies.

Several questions were pointed towards the speakers on Digital Marketing and Social Networking strategies and adoption. The speakers have clarified the doubts of the participants on organic sales through Search Engine Optimisation (SEO) and inorganic e-marketing details e.g. Search Engine Marketing (SEM).

**CONCLUSION**

Mr. Sathya Prasad concluded by saying that, in the post COVID world, Digital Marketing cannot work in isolation. One needs to compliment it basis the overall brand goals keeping in mind the consumer experience in a way that helps the brand achieve the goals set. Definitely there are more of an integrated approach being followed by marketers covering media, creative, tools, technology, data & insights while always syncing with the consumer experience. Marketers will have to put together their tools to collect relevant information and understand the consumers, analyse the data for delivering personalised experiences that will be relevant for every stage of the customer journey. All of these only possible when one adopts Digital Marketing platforms. There will be a renewed focus on understanding cross platform and cross device behaviour of consumers including online to offline, offline to online shift habits. Evolved brands will surely relook at the KPIs of various channels and will have to put together newer ways of attribution for every channel.
The COVID-19 pandemic has disrupted the economic growth of India. The World Bank and various other international and Indian rating agencies have downgraded the Indian growth. However, after the announcement of the economic package in mid-May, India's GDP estimates were downgraded even more to negative figures, signalling a deep recession. Within a month, unemployment rose from 6.7% on 15 March to 26% on 19th April. (Mahesh Vyas, 21st April, 2020) Centre for Monitoring Indian Economy (CMIE). During the lockdown, an estimated 14 crore (140 million) people lost employment (CMIE, April, 2020, report). More than 45% of households across the nation have reported an income drop as compared to the previous year.

Major economic disruption in the hindsight ni-mmse has planned a series of Webinars to interact with MSMEs through Webinar. This outreach has made significant positive outcome since its launch. Many MSMEs could find some solution in this outreach programmes. In lockdown all the movement was restricted and people could apply for e-pass for their movement which is a major G2C initiative for e-Governance. Pandemic disruption shall give major impetus to e-office in various States Governments and various ministries at national level. e-Governance shall also integrate the digital India with the world as the population biometric data can be shared with required Government agencies to track terrorism and illegal transfer of money. In this context, a webinar on e-Governance: Policy Formulation, Implementation and Assessment was organised on 21st May, 2020.

All the leading subject matter experts

1. **Dr. Gurpreet Singh Gill**, Senior Faculty Consultant, ni-msme
2. **Mr. Deepak Uppal**, (Rtd. Commander) Director, Government & Public Sector, Consultancy Practice of Price Water Cooper (PwC)
3. **Mr. Vishnu Chandra**, Deputy Director General, National Informatics Centre, New Delhi
4. **Ms. Arpita Khare**, Director, e-Governance, Centre of Good Governance, Hyderabad
SUMMARY

1. Dr. Gurpreet Singh Gill, Senior Faculty Consultant, Senior Faculty Consultant, ni-msme

Dr. Gill talked about e-Governance background and some of major e-Governance initiatives by Ministry of MSME Govt. of India. In lockdown due to COVID-19 all the movement were restricted. One was allowed to move with e-pass which is G2C initiative. The e-Governance was started in USA by the paper work elimination act, introduced by President Mr. Bill Clinton on 17th December 1999. Top five countries are Sweden, Denmark, Norway, United States and Netherlands.

Initiatives of MoMSME

1) MSME ministry launched web portal, https://www.champions.gov.in on 12th May, 2020. This portal shall resolve all the grievances of MSMEs within a week.

2) Quality standards of ISO 9001:2008 have been adopted by the entire ministry.

3) Ministry of MSME has initiated the e-office to achieve paperless office.

4) Since 20th August, 2014 Aadhar base Bio-metric attendance system for almost 98% of the employees.


6) Due to biometric data in Passports, India is at par with developed world. There is easy way due to KYC online which has helped bank digitalization in big way.

7) Post COVID-19 there shall be more emphasis on digital financial literacy and most of the processes for new MSMEs shall be done online.

In the end he talked about importance of e-Governance, it results in effective utilization of resources, one stop solution reduces the delay. Post Covid-19 there shall be more focus to impart education through satellite links and through cables which shall reach in each home.

There are various challenges of e-Governance, there is lack of integrated services, lack of key person, large population, lack of interface between various departments and data is maintained in different languages.

2. Mr. Deepak Uppal (Retd. Commander), Director, Government & Public Sector, Consultancy Practice of Price Water Cooper (PwC)

He talked about e-Governance initiatives in various states. He emphasized that all State Governments are now shifting their focus of e-Governance services with more focus on G2C. He emphasized that due to COVID-19 disruptions there shall be more emphases for e-Office. The Key points are:

- e-Mela where rural artisans can display their products and it increases their outreach.
- Hybrid model of education, where partial classes shall be on campus and other time classes shall be online. Also, there shall be major change in the syllabus across all formats.
• Various Government interaction in e-Governance
  (i)  G2G: Government to Government
  (ii) G2C: Government to Citizen
  (iii) G2B: Government to Business
  (iv) G2E: Government to Employee

• Initiatives in G2C
  (i)  Computerization of Land Records
  (ii) Bhoomi Project
  (iii) Gyandoot
  (iv) Lokvani project in Uttar Pradesh
  (v)  Project friends in Kerala
  (vi) e-Mitra project in Rajasthan
  (vii) e-Seva in Andhra Pradesh
  (viii) Admission to Professional Colleges, Common Entrance Test (CET)

He talked about major e-Governance initiatives by Central Government like one national ration card. The Unified Account Number (UAN) of EPFO was very beneficial to both manufacturing and other services as wherever the person moves the EPF contribution always shall be deposited in one UAN number. In the end he talked about limitations of e-Governance, poor IT literacy, poor IT infrastructure, lack of electricity in rural areas, privacy problem.

He concluded his talk by saying that there is need to create more awareness about positive role of e-Governance which can play important role in economic and social development of such a large population. Through e-Governance there shall be direct transfer to the beneficiary which has reduce the corruption in delivery of public services.

3. Mr. Vishnu Chandra, Deputy Director General, National Informatics Centre, New Delhi

National Informatics Centre builds the e-Governance architecture in India. Once introduced, Mr Vishnu Chandra talked about, ‘Challenges and Opportunity of e-Governance. He explained the mandate of NIC and explained digital infrastructure of e-Governance in India. The highlights of presentation are:

• New India focus areas of
  (i)  Drivers
  (ii) Infrastructure
  (iii) Inclusion
  (iv) Governance

• Vision of Digital India and explained in brief, nine pillars of digital India and dimensions of e-Governance.

• National Geo-Vision of India and Geospatial data available for various stakeholders.

• GIS overview of different stakeholders and NIC and Multi layers GIS platform.
• Various Geospatial data available with NIC, Bharat Maps, GIS Foundation data sets and content, GIS data infrastructure, data on 1:50k and 1:10K, various states GIS portal.
• Map service portal of India and GIS assets created under various projects.

In the last part of presentation he talked about digital platforms and services for Governance e.g. e-office, e-way bill, e-courts, Interoperable Criminal Justice Systems (ICJS), e-Transport, National power portal and open Government data. He concluded his presentation by saying that collaboration and cooperation among various stakeholders with technology partnership with industry is the key for holistic development and deployment of e-Governance process.

4. **Ms. Arpita Khare, Director, e-Governance, Centre of Good Governance, Hyderabad**

She presented some key statistics of Ministry of MSME and later on focus of her presentation was, ‘Role of Ease of Doing Business (EODB) in accelerating growth of MSMEs’. She presented the key statistics of MSME e.g. there are nearly 633 crore enterprises in manufacturing and services industries. Out of them 99.4% are micro enterprises and together all of the MSMEs contribute 31% of India’s GDP.

Although MSMEs contribute 45% of exports of India, they have created 12.4 crore of jobs. Nearly 14% of enterprises are women based and out of total MSMEs 59.5% are based on rural area. Total number of MSMEs registered on Udyog Aadhar Memorandum (UAM) is approx. 95.02 lakhs. Top three state with highest number of MSMEs are

(i)  Maharashtra 11.04 lakh units  
(ii)  Bihar 8.29 lakh units  
(iii)  Tamil Nadu 7.9 lakh units

She talked about the Challenges for the growth of MSME. They face lots of obstacles in establishing and operating the enterprise.

• The Unions Budget FY-2020-21 has earmarked and all-time high allocation of Rs.7,572 crore to MSMEs. As a COVID-19 relief package additional Rs. 3 lakh crore is given to MSMEs out of Rs.20 lakh crore Economic packages.
• She explained in detail the EODB implementation through e-Government platforms in Telangana state.
• Telangana state introduced (TS-IPASS) Act, 2014 for speedy processing of application for issue of various clearances, processed parallelly with a single window clearance system.
• In EODB, India rank was 142 in 2014 and in 2020 India ranked 69th out of 190. A jump of 79 places.

In 2015, Department for Promotion of Industry and Internal Trade (DPIIT) launched Business Reforms Action Plan (BRAP) and its assessment. In 2016, DPIIT released a 340-point BRAP and Telangana was ranked first.

In 2018 BRAP was updated to 372 action points and it also included feedback score which was sought on 78 reform points from actual users. Telangana was ranked second with 100% business reforms.
Innovations is the key, for MSMEs post lockdown

22<sup>nd</sup> May, 2020

Sandeep Bhatnagar

BACKGROUND

The term “innovation” is often associated with geniuses turning start-ups into gold mines: the next Google, Apple or Amazon, with products no one even knew they needed. Private equity firms place hundreds of little bets on these start-ups, hoping one produces a windfall that covers the rest. These bets on the next growth engine often depend on luck more than insight.

Meanwhile, every company aspires to be as innovative as these start-ups. According to a series of three surveys conducted over six years by Maddock Douglas, the consulting firm, 80% of executives know that their companies’ success depends on introducing new products and services, and more than half agreed that their companies dedicate insufficient resources to support innovation. Agile management is needed, and we have repeatedly seen how quickly a company can innovate when it sheds the constraints of bureaucracy and adopts agile methods. Employees are telling stories how the innovations in their companies are carried out, that weren’t part of a strategic plan. They weren’t built into anybody’s compensation system. They weren’t led by senior leaders or by a program office, and they didn’t go through the usual stage-gate process.

Typically, a small group of people spotted an urgent need, dropped lower-priority activities, broke typical bureaucratic procedures, and transformed from everyday workers to real-life MSMEs. Many leaders are claiming that they are making five –six big decisions in a day, from what used to be five decisions a month pre COVID-19.

CONTEXT

A discussion in the form of webinar on “Is it only innovation that can drive the business forward for MSMEs?” was organized by ni-msme in partnership with Small Industries Development Bank of India (SIDBI) and Confederation of Indian Industry (CII) that was sponsored by Insta Bee Pvt. Ltd. on 22<sup>nd</sup> May, 2020 that was attended by MSMEs, Policy makers, Entrepreneurs and Students.

PANEL SPEAKERS

1. **Mr. Kallu Vinay Kumar Reddy**, Founder, Insta Bee Pvt. Limited, Entrepreneur's Perspective on the way forward

2. **Mr. Suneel Regulla**, Founder & Partner at Hansa Equity Partners, Investors Perspective on SME growth and sustainability
3. **Mr. Sandeep Bhatnagar**, Director (M & BD), **ni-msme**, Ways in which Innovation will work for MSMEs
4. **Mr. Ashok Pandey**, GM, Credit Vertical, SIDBI- Business Continuity Measures & Support System for MSMEs
5. **Mr. Ashok Saigal**, Co-chairman, CII National MSME Council, Confederation of Indian Industry (CII)

**SUMMARY**

1. **Mr. Kallu Vinay Kumar Reddy, Founder, Insta Bee Pvt. Limited**

   He highlighted the Entrepreneur's Perspective on the way forward. Mr. Reddy talked about the current pandemic that has already led to countless innovations. He mentioned about how his company is helping MSMEs to overcome the situation by offering an application solution that integrates the operational needs of the MSMEs in India. He suggested the ways in which MSMEs can grow innovatively. Following are the key points.
   
   a) New processes - Sell the same stuff at higher margins: Cut production and delivery costs, automate for efficiencies, cut fat in the supply chain or manufacturing, and utilize robots.
   
   b) New experiences - Sell more of the same stuff to the same people: Increase retention and share by powerfully connecting with customers. An example is the Apple Store experience, which many would argue is as compelling as the company’s products.
   
   c) New features - Sell enhanced stuff to the same people: Add improvements that drive incremental purchases. An example of this is every new phone Apple releases, with better cameras and so on.
   
   d) New customers - Sell more of the same stuff to new people: Introduce the product to new markets with needs similar to your core, or to markets where it might address a different need. For Apple, this goes back to reaching the mainstream rather than the design community.
   
   e) New offerings - Make new stuff to sell: Develop a new product, not just enhancements. Find new needs to solve within existing markets, or invest in a new category. Think Home Pod or the iPod.
   
   f) New models - Sell stuff in a new way: Reimagine how to go to market by creating new revenue streams, channels, and ways of creating value. This can be as simple as moving to a subscription model, or as transformative as Apple’s creating iTunes.

2. **Mr. Suneel Regulla, Founder & Partner at Hansa Equity Partners**—highlighted the Investors Perspective on SME growth and sustainability.

   He showed the sample model that shows the relationship among these six simple ways to grow, in the context of the four quadrants of the portfolio (evolutionary, differentiation, fast fail, and revolutionary) each of which gets a percentage allocation of the innovation budget. Following are the key points:
a) New processes fall outside the innovation portfolio (no budget allocation).
b) New experiences and new features are in the evolutionary quadrant (about 40%–60% of the budget).
c) New customers are in the fast fail quadrant (about 10%–20% of the budget).
d) New offerings are in the differentiation quadrant (about 10%–20% of the budget).
e) The combination of both new customers and new offerings are in the revolutionary quadrant (about 5%–10% of the budget).
f) New models can fall anywhere in the portfolio.
g) Increase the speed of innovations.
h) During crises, agile enterprises focus on speed. One common measure is how much time elapses between the identification of a problem or opportunity and the delivery of an innovative solution.
i) The time it takes an agile team to release an innovation is determined by two factors: the time required working on the innovation and the time spent waiting on others.
j) Waiting times include delays caused by operating processes, such as strategic planning calendars, approval processes, budgeting and funding cycles, and dozens of other factors. Most teams spend only 15% to 20% of their time working and the rest waiting. So reducing wait times has five times the impact of making teams work faster.
k) That leaves the smallest portion (5%–10%) for focused bets on revolutionary, high-risk opportunities with new offerings to new customers. In this quadrant, you focus on a big idea, using agile approaches to break it apart to see which elements drive value through continuous assessments of desirability, since you don’t know for sure what the market values (even the idea itself).

3. Mr. Sandeep Bhatnagar, Director (M & BD), ni-msme, highlighted the ways in which innovation will work for MSMEs. He talked how MSMEs should assess the competitive assets that are most effective and can gain insights into the breadth of business opportunities available to them. Following are the points highlighted:

a) Multinationals can’t compete simply by selling standardized products at lower cost.
b) Alternatively, high transportation costs in some sectors may discourage their presence. In all of these industries, local MSMEs can easily prosper by selling only in their local markets.
c) Multinationals are seeking to exploit global scale economies while MSMEs are trying to fragment the market and serve the needs of distinct niches.
d) Most companies focus on matching and beating their rivals. As a result, their strategies tend to take on similar dimensions. What ensues is head-to-head competition based largely on incremental improvements in cost, quality, or both.
e) Cutting costs with new processes to improve margins is low-hanging fruit. It isn’t on the level of start-up innovation; it’s just a more innovative way to do things. We don’t consider it part of the innovation budget because it doesn’t create value in the market.

f) Instead of searching within the conventional boundaries of industry competition, owners should look methodically across those boundaries to find unoccupied territory that represents real value innovation.

g) If you continue to clear hurdles, you stand a chance to launch a game-changer that fills an unmet need. You just have to test and experiment quickly.

h) Too little focus on innovation leads to a static enterprise that will fail to adapt. Too little emphasis on operations leads to poor quality, high costs, and dangerous risks to customers and to the business.

i) While most large companies today have tilted too far toward bureaucracy, starving innovation. MSMEs have the opportunity now. MSMEs need agile business system that can help them to create the innovations that will help them to survive in these uncertain times.

4. **Mr. Ashok Pandey, General Manager, Credit Vertical, Small Industries Development Bank of India (SIDBI)** highlighted the Business Continuity Measures & Support System for MSMEs. Following are the key points:

   a) MSMEs should assess the competitive assets that are most effective, and can gain insights into the breadth of business opportunities available to them.

   b) There are spectrum are industries in which success turns on meeting the particular demands of local consumers.

   c) In beer and retail banking, for example, companies compete on the basis of well-established relationships with their customers. Consumer preferences vary enormously because of differing tastes, perhaps, or incompatible technical standards.

   d) Multinationals can’t compete simply by selling standardized products at lower cost.

   e) Alternatively, high transportation costs in some sectors may discourage their presence. In all of these industries, local MSMEs can easily prosper by selling only in their local markets.

   f) Multinationals are seeking to exploit global scale economies while MSMEs are trying to fragment the market and serve the needs of distinct niches.

5. **Mr. Ashok Saigal, Co-chairman, National MSME Council, Confederation of Indian Industry (CII)** highlighted that agile will lead the world of business, post COVID-19 and suggested that businesses need to be more adaptive, flexible and creative through a changing environment. Following are the key points:

   a) Agile businesses respond quickly to opportunities or threats, whether internal (e.g. failing business operations) or external (e.g. shifts in trends or competitive markets).
b) Information technology firms servicing automakers have received requests from companies looking to quickly move to agile manufacturing processes and supply chains along with undertaking cost reduction initiatives.

c) Focus is shifting from pure production performance to surviving in an environment of unpredictable change by being able to react quickly to changing market conditions.

d) Some companies responded quickly to customer needs and gave some of their products free of charge to support customers in these uncertain times.

e) Trends in innovation suggest that everything from rapid prototyping to the common Internet practice of releasing products early in beta - are all about making rapid, iterative adjustments that uncover tiny failures and then correcting them more quickly than one’s competitors.

f) Small failures are okay, as long as they lead to future success.
Re-assessing the Challenges and Opportunities of Retailing in Post COVID-19

27th May, 2020

Jyoti Gupta

BACKGROUND

Retail industry is one of the key engines of employment and consumption and contributes around 40% to consumption and accounts for 10 percent of the nation’s GDP. The industry contributes around 8 percent of the nation’s total employment. While food and grocery retail employ 21 million people, apparel retail provides jobs to 8 million. Sub-industries (jewellery and watches, electronics and appliances, health & beauty, home interiors) employs at least 22 million people. The sector contributes around Rs 4000 crore per month as GST.

CONTEXT

ni-msme being a leading entrepreneurship training institute for the elevation and expansion of MSMEs. In present COVID-19 context, ni-msme, Hyderabad organised a webinar on “Re-assessing the Challenges and Opportunities of Retailing in Post COVID-19” on 27th May, 2020. The foremost objective of the webinar was to discuss the prevailing challenges in Indian retail market and how to overcome the persisting problems, ascertaining the fresh prospects Post COVID-19.

PANEL SPEAKERS

1. Ms. Deepty Aggarwal, HR and Strategy Consultant
2. Mr. Abhay Gupta, Founder & CEO of Luxury Connect & Luxury Connect Business School
3. Ms. Indu Nair, Co-founder Aasmi Designs LLP and - (ihaworld.com)
4. Ms. Jyoti Gupta, Sr. Faculty Consultant

SUMMARY

1. Ms. Deepty Aggarwal, HR and Strategy Consultant

She spoke about Re-Opening with Lean team Key Considerations during first few weeks, Stores Are Open “Priorities for Store Teams” and Leveraging Data

• Continuous Connect with teams who have been either laid off or an in-definite sabbatical during last 2-3 months.
• Re-hire, Re-Train and Re-engage staff with ability to flex up.
• Re-hire Top Performers including those who can consistently go beyond and evaluate different employment models with respect to requirements full /part time, remote work, and gig force.
• Re-evaluate store opening hours and plan to spend at-least one day in the store before you open the doors for cleaning, training and setting the show.
• Be ready with Continuous supplies of hand sanitizers, masks, gloves etc. while you share, announce the opening plans with teams, customers and vendors.
• Enable Flexible payroll model Staff according to promotional calendars, Staff Strength/man-hours as per relation between traffic and expected customer experience.
• Offer creative incentive plans for extraordinary initiatives driving sales, use staff to traffic data and not sales.
• Use visit duration as a metric.

2. Mr. Abhay Gupta: Founder & CEO of Luxury Connect & Luxury Connect Business School

He discussed about retail luxury space, the COVID-19 impact, its challenges and opportunities to look forward to.

• Mr Gupta spoke about challenges in the COVID-19 era and discussed about the situation and luxury space or luxury retailing. He began by questioning whether the opportunities in the retail sector have surged where the retail market was to touch at $1.1 – 1.3 trillion by 2025 as per BCG February 2020 estimates. The present losses are crossing a figure of about $700 billion.
• He emphasized on the way industry will shape up post the impact of COVID-19 and the outlook of the operating hour’s on people.
• Few points to lay emphasis in this luxury space is the shorter operating hours, odd-even numbered stores at high street causing confusion to customers.
• Non availability of trial rooms, no touch - no buy so that not too many trials required. So, what’s the ‘New Normal’ now?
• Where people are starting to adjust to new SOP’s .that mean wearing mask while going out, certainly a hassle when shopping. Moving from walking out free in the malls for just window shopping but the new norm would be shop fast and leave early.
• No beauty consultations would be there unlike before. Quite a few would be moving to app based consultation where there is personal interface but still a personal kind experience created for the customers.
• Conspicuous consumption would be thrown up by conscious, sustainable and responsible consumption.
• In terms of dining there is going to social distancing followed which mean empty table and chairs, where a slot timing would be observed.
3. Ms. Indu Nair: Co-Founder- Aasmi Designs LLP

Ms. Indu spoke about supply chains and how disruption can have significant implications. If those disruptions continue for an extended period, the impact can be dire. She continued to share that

- Evidently when one looks at the manufacturing sector. In the past, components needed to create a finished product tended to be sourced from a variety of different locations around the globe, however these supplies have now become much more concentrated.
- There are also challenges when it comes to procurement. In our globally integrated world, a drive towards efficiency has caused an increasing consolidation of production in lower-cost countries such as China, Taiwan and Vietnam. With the pandemic starting in China and hitting countries across the globe, the need for distributing risk has become more evident than ever.
- The task of distribution is also under pressure. There are challenges around maintaining staffing in warehouses and keeping trucking fleets operational. This, coupled with unnatural spikes in demand, can have an impact on supply chains and quickly lead to artificial shortages.
- It’s clear that factories which can modularize production and adapt lines in line with demand changes will become the norm. They will be backed by supply networks capable of communicating intelligently with one another, thereby increasing their effectiveness and agility.

Some of the key elements that will emerge in the supply chains of a post-COVID-19 world she shared include:

- Supply chain control towers that offer a single source of truth from sourcing to delivery that is available for all parties in the supply chain data management with intelligent automation and analytics that will deliver end-to-end information management and provide supply chain partners with insights around diagnostics, market intelligence and risk management.
- Supplier risk management to help organizations model cost structures and keep abreast of any supply disruptions and secure capacity like simulation involving modelling new strategies based on changes to business or operating models which helps to validate and identify the most cost-efficient supply chain design.

4. Ms. Jyoti Gupta: Sr. Faculty Consultant

She opined her views and spoke on

- The major challenges the retailers are facing today is to mitigate the disruption caused by this crisis. Indian retailers will need to devise strategies for the “now”, “next” and “beyond”. While they need to manage their costs through operational improvement and by evaluating the store portfolio, they also invest in service, experience, and Omni-channel to serve the new consumer.
• Planning effectively for short-term liquidity and working capital management in non-essential retail.

• Meeting fixed cost obligations including rent, salaries in absence of adequate revenue inflow. Staff costs contribute to over half of overall expenses of retailers and restaurants.

• Store closures and significant drop in demand for non-essentials (apparel, lifestyle, furniture) leading to inventory pile up of current season and expected arrival of next season stock.

• She further believed that in this era of modern times it is believed that consumer behaviour (how they consume, shop, live, use technology, work and move) will shift across three horizons, leading from the “now” phase to the “beyond” phase.

• Brand loyalty will diminish as consumer’s trade down and consume other than private label brands. The focus will be on health which will gain importance. Seriousness towards health insurance is more likely to pick up more than earlier times.

• New online shoppers such as old and rural consumers will continue to adopt digital. But, for rural consumers survival on essentials will continue.

• Online adoption will continue to accelerate “beyond” the crisis. Consumers will be more conscious and if we say which kind of brands are going to win and establish faster would be that which are more purpose-led.

CONCLUSION

The question and answer session took place after the fourth speaker concluded her address. The webinar was concluded by thanking all the speakers for sharing their valuable information and way forward thoughts on the retail sector. The discussions led to a great understanding about underlying issues of the big picture prevailing in entire retail sector. The various challenges and opportunities ahead for retail in post COVID-19 were shared since this sector is the backbone of India’s economy, majority of small and big retailers facing the problem of financing, huge socks piling up, labour and manpower issues. The speakers suggested that retailers should focus on Make in India initiative by Government of India while they need to look inward and find ways and means to convert this disruption times into line of opportunities for tomorrow.
Own Your Future through The Journey of Entrepreneurship

27th - 29th May, 2020

V. Swapna

Organized by: ni-msme in partnership with Auxilium College, Vellore, Tamil Nadu

CONTEXT

Intellectual Property Facilitation Centre for MSMEs, National Institute of Micro, Small and Medium Enterprises (ni-msme), an organisation of Ministry of MSME, Govt. of India, Hyderabad, India organised a Virtual National Seminar on “Own Your Future Through the Journey of Entrepreneurship” in collaboration with Intellectual Property Rights Cell and Auxilium Business Incubation Centre, Auxilium College, Vellore, Tamil Nadu from 27th to 29th May 2020. The entire seminar was moderated by Mr. Dinesh Gajendran, Catalyst & Executive Director, Audacious Dreams Foundation. Mr. Gunasekaran, Matha Educational Trust was the NGO partner. Dr. Sugantha Kumari V, Assistant Professor, Dept. of Chemistry (IPR Cell) and Dr. Beulah Suresh, Head & Assistant Professor of Business Administration (ABIC) were the co ordinators of the National Seminar.

PANEL SPEAKERS

1. **Ms. S. Glory Swarupa**, Director General, National Institute of Micro, Small and Medium Enterprises (ni-msme), Hyderabad
2. **Ms. V. Swapna**, Associate Faculty Member, Registered Patent Agent & Trademark Agent, IPFC, Certified ZED Assessor (QCI-India), National Institute of Micro, Small and Medium Enterprises (ni-msme), Hyderabad
3. **Dr. L Stanley Abraham**, Scientist-E, Centre for Ocean Research, (DST-FIST Sponsored Centre) MoES-ESTC Nodal Centre for Marine Biotechnological Studies, Sathaybama Institute of Science & Technology (Deemed to be University), Chennai
4. **Mr. Ramangujral**, Regional Head, EDII, Bengaluru

SUMMARY

**Day-1: 27.05.2020**

Seminar commenced with the inauguration by **Ms. S. Glory Swarupa, Director General, ni-msme** as Chief Guest. During the inaugural address she highlighted on the Journey of Entrepreneurship. She briefed about the characteristics of Entrepreneurship. She highlighted few legendary names
from Tamil Nadu like Bharat Ratna Dr. APJ. Abul Kalam and Smt. M.S. Subbalakshmi. She also quoted the successful examples like Ms. Indra Nui, Former, CEO, Pepsico and Mr. Sundar Pichai, CEO, Google to motivate the participants towards entrepreneurship. She explained the Chinese way of manufacturing for the world. She elaborated the benefits of being an entrepreneur especially for girls and the various benefits and schemes offered by the Government to start a business.

**Ms. V. Swapna, Associate Faculty Member, ni-msme**

The session focused on IPR and the importance of securing intellectual property (IP) in the early stages of a company. The session highlighted the various types of IPR, patentable and Non Patent Inventions in India, trademark requirements & exceptions, fundamentals of copyright and related rights. She also highlighted about the NMCP scheme for "Building awareness on Intellectual Property Rights" (IPR) for MSMEs & Start-up Intellectual property Protection scheme initiated under Start-up Action Plan.

**Day-2: 28.05.2020**

**Dr. L Stanley Abraham Scientist-E, Centre for Ocean Research**

The speaker justified the title and gave an in-depth view on Patent Drafting and Filling and the procedures involved in it. The Speaker also highlighted on the agencies involved in Patent Drafting and Filing

**Day-3: 29.05.2020**

**Mr. Ramangujral, Reginal Head, EDII, Bengaluru**

The speaker brought in lot of innovative ideas for starting up a business and being a successful Entrepreneur. The session also dealt on creating value by becoming an entrepreneur.

The National Seminar had an overwhelming response across the country. Nearly 1022 participants registered for the National Seminar from various colleges throughout the nation. The first 500 participants were accommodated through Zoom and others through Live You tube streaming. The Welcome, Introduction and Vote of thanks for all the sessions were given by the coordinators Dr. Sugantha Kumari and Dr. Beulah Suresh. The entire seminar was a fruitful experience for the participants. Overall, the seminar ignited the minds of the students to become successful entrepreneurs.
Reforms for Sustaining India’s Growth in post COVID 19 World

28th - 30th May, 2020

Sandeep Bhatnagar

Organized by: ni-msme in partnership with Andhra Mahila Sabha Arts & Science College for Women and St. Joseph’s Degree and PG College

BACKGROUND

As the novel Coronavirus, COVID-19, rapidly spreads across the world, health services in many nations are increasingly overwhelmed, while the global economy is falling into an unprecedented recession. The International Monetary Fund has cut India’s growth forecast for 2020-21 to 1.9%, down from its earlier estimate of 5.8% in January this year. Informal sector workers and members of lower income groups have been hit particularly hard as their wages disappear. The International Labour Organization (ILO) estimates that 400 million people in India are at risk of sinking deeper into poverty.

The pandemic has reinforced the links between health, environment and the economy. There is evidence that air pollution has contributed to higher COVID-19 mortality rates. While deforestation has increased our exposure to pathogens carried by wildlife, melting ice due to climate change can release undiscovered viruses frozen in the permafrost.

But this crisis also demonstrates that Governments and individuals are capable of strong and rapid action in the face of an overarching challenge. As India looks to shore up its economy, it is worth reflecting on the other systemic actions that are needed to shift towards a more sustainable and resilient economy.

CONTEXT

A discussion in the form of webinar on “Reforms for Sustaining India’s Growth in post COVID-19 World” was organized by ni-msme during 28th-30th May, 2020 that was attended by MSMEs, Policy makers, Entrepreneurs, and Students.

PANEL SPEAKERS

1 May 28th, 2020: Overview of Reforms

Prof. Usha Munipalle, Chairperson, Andhra Mahila Sabha Arts and Science College, Hyderabad
Dr. A.S. Durga Prasad highlighted the two important areas:

• **Invest in sustainable infrastructure** - Infrastructure investments are an effective way to boost economic activity and create jobs. But what kind of infrastructure should be built? Data from the 2008-09 financial crisis shows that South Korea, which directed nearly 70% of its stimulus towards green measures, rebounded faster than other economies in the Organisation for Economic Co-operation and Development (OECD). In the United States’ 2009 Great Recession recovery package, investments in clean energy and public transport created more jobs than traditional investments.

  o India too should take this opportunity to increase support for renewable energy, particularly rooftop solar, through appropriate policies and business models. Decentralized solar power can help spread critical services in remote regions if the upfront capital constraints can be addressed. It should revisit the potential import duties on solar panels, since this may not increase domestic production, but may raise the cost of solar power.

  o Similarly, scaling up the electrification and adoption of public transport will be critically important to reduce traffic congestion and air pollution. This should involve closer coordination with the electricity sector and a greater focus on vehicle charging infrastructure. Continued investment in cold storage facilities and supply chains will ensure the preservation and timely delivery of agricultural produce and reduce losses to farmers.

• **Build the resilience for the most vulnerable** - About 90% of India’s workforce is informally employed, which includes gig economy workers. This population is extremely vulnerable to economic shocks and needs greater access to formal credit and social safety nets such as insurance and pension schemes.

  o Beyond employment guarantees, a universal basic income – broader than current schemes that are conditional upon occupation and land ownership – can help provide vital resources for subsistence, or for investing in education and health. Greater access to bank accounts for the 20% of adults without one, per 2017 data, would help efficiently deliver this income to households.

  o Lastly, it is critically important to expand access to clean water, clean air and primary health care. These will improve life expectancy and increase economic and physical resilience.
2. Mr. Surya Prakash Goud, Faculty Member & Dr. E. Vijaya, Faculty Member, ni-msme—highlighted on the use fiscal mechanisms for recovery and resilience. As fiscal mechanisms can help support recovery and resilience efforts, while promoting low-carbon development. The Indian Government has announced an economic stimulus of INR 1.7 trillion ($24 billion), and is exploring another bailout of INR 750 billion for Micro, Small and Medium Enterprises (MSME), among other steps. Though MSMEs need immediate financing to deal with their wage bills, the Government can also infuse capital for them to undertake needed industrial energy efficiency upgrades. Several sectors, like the aviation and auto industries, will need support in order to recover. This will require consideration of the fiscal situation, and it presents an opportunity to encourage greater sustainability by making this support conditional on cleaner technologies and fuel efficiency. Meanwhile, the Government can increase taxes on luxury sectors with high environmental impacts. It can also use this opportunity to rationalize fertilizer subsidy and increase taxes on fossil fuels, with the savings and proceeds returning to target populations through cash transfers or social safety nets.

- **Encourage long-term change in behavior** - The current crisis has changed patterns of consumption. Electricity usage patterns have shifted as people are working from home on more flexible schedules. Non-essential purchases have temporarily ceased. All these offer an opportunity for implementing demand-side solutions to drive long-term behavior changes for more sustainable development. For instance, encouraging conservation in energy—through nudges and tariff reforms—can drive down consumption. Promoting reuse, recycling and repair models for consumption can contribute to a circular economy and reduce the waste generated by current business models. Supporting the continuation of work-from-home policies can drive down road traffic congestion and air pollution. While encouraging the continuation of these new trends, the Government should also foster new behaviors. For example, with nearly 80% of the population expected to be in the middle-income bracket by 2030, it is extremely important to attract them to public transport options. The Government could achieve this through expanding connectivity to business districts, improving and streamlining the network and discouraging the use of cars through measures such as road congestion pricing, paid street parking and higher taxes on luxury vehicles.

- **Regulate enabling technologies** - Finally, it is useful to consider that the future may see greater employment in the gig economy and e-Commerce sectors, as well as in new technologies that can help support future response and resilience mechanisms. While supporting the development of such sectors, it is important to put the right regulations in place to ensure data privacy and consumer protection. The decisions taken today can provide immediate relief, but also secure a lasting economic recovery, increase community resilience and ensure a long-term pathway to sustainable development. We shouldn’t let this chance slip.
3. Dr. A. S Durga Prasad highlighted the following key points and summarized as

- The 'Atma Nirbhar' economic stimulus package, to the tune of 10% of the GDP (Rs. 21 lakh crores) cushions the economy to a certain extent, but certainly there is more than can and should be done until the structural reforms are implemented.

- This is particularly critical in the current Global context. A World Trade Organization (WTO) report published in December 2019 found that trade-restrictive measures have been rising for the past two years as the US-China trade war escalated and are currently at historically high levels. In a post-COVID-19 world, this is expected to rise further as Governments deal with massive unemployment in the wake of this unprecedented crisis across the globe.

- First, to raise the domestic competitiveness of our industries' pricing factors that make them uncompetitive with respect to the foreign players should be identified and corrected. For example - for sectors like steel and aluminum, taxes and levies in the form of electricity duty, taxes on fuel, clean energy cess, royalty, renewable purchase obligation (RPO), raise the cost of production in the range of 15-20% giving imports an edge over local producers. These non-creditable taxes result in an increase in the cost of production of domestic goods, placing them on an unequal footing vis-a-vis imports also rendering our exports uncompetitive. To mitigate this, a border adjustment tax (BAT) on imports can be levied to offset the impact of these internal taxes on domestic producers.

- Second, export promotion schemes like the Export from India Scheme (MEIS) are expected to be replaced by the Remission of Duties and Taxes on Exported Products (RoDTEP). At present, GST taxes and import/customs duties for inputs for exports are either exempted or refunded. However, certain taxes/duties/levies outside the ambit of GST are not refunded such as VAT on fuel used in transportation, mandi tax, duty on electricity used during manufacturing, etc. These would be covered for reimbursement under the RoDTEP Scheme. The refunds under the RoDTEP scheme would be a step towards the "zero-rating" of exports. The Cabinet Committee on Economic Affairs (CCEA), chaired by PM Modi, has given its approval to introduce the scheme. This scheme is going to give a boost to the domestic industry and Indian exports, providing a level playing field to Indian producers in the International market so that domestic taxes/duties are not exported. In order for the impact to be revenue-neutral, the Government could use the receivables from the BAT for RoDTEP scheme. The implementation of RoDTEP needs to be expedited.

- Third, another contentious issue is India's use of lesser duty rule (LDR) in the anti-dumping investigation. Shri. Piyush Goyal, Minister, Commerce & Industry has himself highlighted at various public platforms that this voluntary WTO measure should be removed from India's anti-dumping law. As per LDR, if post-investigation the applicable injury margin (duty) comes out to be less than the dumping margin and is adequate enough to remove the injury to the domestic industry then the Government will impose the injury margin instead of full dumping margin.
Fourth, advocating self-reliance doesn't mean that we cut off from the world and become anti-free trade. It simply means that we identify a few key sectors where the country has the potential and capability to scale up and be globally competitive. The idea is to build the entire value chain of that sector such that we are not dependent on others from raw material to semi-finished to finished goods. In these sectors, we promote exports as well. In this regard, the Department for Promotion of Industry and Internal Trade (DPIIT) has already identified champion sectors to provide hand-holding to manufacturers in terms of policy announcements to boost competitiveness, simplification of procedures, encourage investment, etc.

Fifth, the simplest yet hardest part is to expedite the reforms announced recently on mining, MSMEs, and the real estate sector and ensure beneficiaries are quickly identified and bureaucratic hassles are minimised. While the Government needs to initially handhold the domestic industry towards self-reliance, the industry also needs to complement the Government's efforts. This is the perfect time to rethink our new innovative product portfolio as consumer behavior is set to change in the post-COVID-19 world.

Post-COVID-19 consumers will be more willing to pay for safety features in products. For example- Amazon’s 'Just Walk Out' technology to bill customers without queuing at the bill desk, masks with anti-viral coating, hands-free door openers, disinfectant machines for phones, and laptops are few examples of technological innovations in the face of a crisis. Also, an innovative pricing strategy could also help firms tide through the recession. An excellent example is a policy of financing white goods (for ex-household appliances) introduced by General Electric post the Great Depression of 2008-09. The post-COVID-19 world would also see market consolidation and many companies selling off their non-core businesses to focus only on core areas.

The post-COVID-19 world is expected to be more inward-looking in the short run and the immediate priority will be to handhold the domestic industry. Polices are expected to be more reactive and vigilant to measures undertaken by different countries.

Thus, it is the perfect time for India to identify its own manufacturing capabilities and use this crisis as an opportunity to scale up and become a manufacturing hub. All in all, the post-COVID-19 world will be business as usual, neither for the industry nor for the Government.
Role of FPOs in rebuilding Agriculture Supply Chain during COVID-19

29th May, 2020

Dr. Shreekant Sharma

BACKGROUND

MSME Sector is the backbone of Indian economy. At present, the sector provides employment to 114 million people, contributing almost 30 per cent to India’s GDP and close to half of the country’s total exports. Micro, Small, and Medium Enterprises (MSMEs) are perhaps one of the hardest hit due to the COVID-19 lockdown in India. In response to COVID-19 impact on the industry, the Central Government and RBI announced various measures to support MSMEs to come out of the crisis caused by the pandemic, such as RBI has given a moratorium on term loans, eased working capital financing and put off interest payment on working capital facilities without an asset classification downgrade. Additionally, many public sector banks have introduced emergency credit lines whereby MSMEs borrowers can avail a maximum loan amount of up to INR 200 crore or 10 per cent of the existing fund-based working capital limits. Small Industries Development Bank of India (SIDBI) has announced a 5 per cent rate concession on all loans to MSMEs. The Government has also extended GST payments date till June 2020. Despite these measures, MSME sector facing many challenges in post COVID-19.

As the COVID-19 pandemic threatens the world, agriculture sectors one most badly hit. The agri and allied industry are pacing up to keep employees and consumers safe, while still providing food, agri inputs, machineries, services, and feed. The Farmer Producer Organisations (FPOs) are critical, hence they are allowed to operate as usual despite lockdown in the nation. They have increased hygiene procedures, taking measures to ensure food safety to ensure uninterrupted food supply chain.

CONTEXT

ni-msme being a premier capacity building training institute for the promotion and development of MSMEs. As agricultural sector has been hit by the COVID-19. In this context, ni-msme, Hyderabad organised a webinar on “Role of FPOs in rebuilding agricultural supply chain during COVID-19” on 29th May, 2020. The main objective of the webinar is to understand the challenges by FPOs during the pandemic and how the collective farming approach can help in rebuilding the agricultural supply chain in COVID-19 and beyond.
PANEL SPEAKERS

1. **Dr. Shobhana K. Pattanayak**, IAS (Retd.), Director General, Administrative Staff College of India (ASCI), Hyderabad
2. **Dr. Shreekant Sharma**, Agri-Business Expert, Associate Faculty Member, ni-msme, Hyderabad
3. **Dr. Rashmi Singh**, Principal Scientist, Division of Agricultural Extension, IARI, New Delhi
4. **Ms. Purabi Sarkar**, Director, TARE & FPO Impact Assessment & Value Chain Expert (IIM alumni)

SUMMARY

1. **Dr. Shobhana K. Pattanayak, IAS (Retd.), Director General, ASCI, Hyderabad**

In her keynote address highlighted about the importance of FPOs, Government schemes and initiatives towards rebuilding the agricultural supply chain in the country during the COVID-19 pandemic, she said

- FPO occupies a central position in the agricultural and rural development space
- The Government has announced to set up 10,000 FPOs
- If something has to be delivered in the field the Government has to rely on community based organisations (CBOs) like SHGs or Joint Liability Groups
- SFAC has set up around 7,000 FPOs
- NABARD and NSDC are also main players in FPOs development
- Farmers is an entrepreneur as he has to do primary processing, marketing, networking etc. at individual level it is difficult for the farmers, hence grouping helps
- FPOs can be registered as company, cooperatives or societies
- SFAC has been running various schemes. Minimum 300 farmers should come together to form an FPO but in North Eastern and Hill states it can be formed with 100 farmers. It is desirable to have 500 members. The Government pays for 3 years expenditure under towards salary and utility. Beside this matching equity grant of upto Rs. 15 lakhs is given to FPO. Credit Guarantee is also extended to encourage banks to lend to FPOs upto Rs, 2 Crore. Further income upto Rs.100 crore is exempted from income tax as agriculture income is non-taxable.
- FPOs empower our farmers and it helps to achieve the doubling of farmer’s income. It also helps to provide the member farmers with low cost quality inputs. Ease of aggregation, logistics, quality, price, credit, modern technology and capacity building leads to economy of scale and more profits
- NCDC has identified LINAC and NABARD’s organisation BIRD along with State Government organisations provide capacity building
- Bumper production by farmers helped us to sustain lockdown during the pandemic, there was no disruption in food supply chain
Agriculture sector will have a vibrant growth in days to come. There has been severe migration from urban to rural areas during lockdown, this is going to spur agriculture growth, eastern India will have significant rise in production. MGNREGA and investment in agriculture infrastructure would bring development in rural areas. New opportunities will come up in rural areas.

- Consumers are becoming more conscious of quality and healthy food.
- FPOs can link to Anganwadi Kendra, hospitals etc. Sahayadri FPO is a group of 10,000 farmers utilising highly advanced technology.
- The Government reform of e NAM is a welcome step, including the essential commodities act. It would give fillip contract farming.

2. **Dr. Shreekant Sharma spoke about on the need of the hour aspect, havoc faced by agricultural sector, Government schemes and initiatives and on the future scope of the FPOs**

- He discussed on a very vital point focusing on 86 % of farmers are small and marginal farmers and they own just 47 % of crop area and hence agriculture becomes unviable and so is the marketing difficult for their produce.
- Small storage and processing structures are viable rather than big factories and storage in India.
- Double the farmer’s income by 2022. This may reduce poverty and may bring balance in equality.
- Better price and ease of selling with better bargaining power is vital.
- Decentralized last mile distribution.
- Spoke about the FPO Promotion and development processes in detail.
- Discussed on the havoc in agriculture sector in the pandemic and threw light on how closure of restaurant and stalls affected the food chains and sales shortage of working capital, lower demand, erratic prices, wastage, storage issues and packaging that suffered a lot.
- Discussed on the sector wide impact in agri inputs Fruits, Vegetables, Dairy, Poultry, Meat and Fish. Agri Inputs had a heavy dependency on import from China. Dairy had a 30 % decline in sales; Poultry had almost a loss of 30k crores and meat & Fish suffered the domestic market slump as people preferred vegetarian food in the pandemic.
- Spoke on the relevant Government schemes and initiatives that can benefit the FPOs and also focussed on the e-NAM initiatives.
- He also suggested on the future scope like going for corporate tie ups for supply and traceability, agri input distribution, custom hiring centre, processing and market linkages. Digital solutions like Trace X, Kalgudi, and ERP.
- He also emphasized on value addition through B2C in place of only B2B with the Tirur example.
3. **Dr. Rashmi Singh discussed about the best practices by FPOs and ways of strengthening in COVID-19 and beyond**

- She spoke about the supply and price volatility for the cost sensitive crops during COVID-19. Emphasized on the fact that farmers across the country faced issues with respect to marketing the produce and not in field.
- Adequate labour was available but selling at APMC was difficult due to lockdown.
- Less buyers and limited farmers were allowed in APMC.
- Despite challenges, agricultural sector grew at 11.3%.
- No efficient procurement and marketing system in place in view of such contingencies.
- She emphasized on best practices of achiever Agripreneurs and 66 % percent achiever Agripreneurs were into crop diversification.
- She also discussed on the institutional convergence of synergistic strengths for developing Agripreneurs. Various stakeholder and their strengths viz Indian Agricultural Research Institute (IARI), Agribusiness Systems International (ASI), Rural Development and Self Employment Training Institute (RUDSETI), Bharti Walmart, National Bank for Agriculture and Rural Development (NABARD), Lakshmi Jan Kalyan Seva Society (LJKSS) and Established Entrepreneurs were discussed.
- Discussed the example of collection farming and production of all year round carrots by the farmer group led by Col S.C. Deswal, Sikandrabad, Bulandsahar, UP. Their storage in huge cold chain structures and marketing the carrot as per demand, transportation in refrigerated vans and most notably farming on 20 acres +400 acres leased land with 400 farmers is a great innovation in marketing and production.
- Discussed on the production, marketing and other critical factors of success for forward linkages.
- Suggested on moving beyond mandi is concept like selling from rice/dal mill directly, schools, colleges and also direct selling to consumers in residential societies.
- Examples cited were RWA in Mumbai partnered with FPOs of Pune & Nasik. Also, newly launched FPOs in village Tigipur (Delhi) and Fatehpur block (Faridabad) sold directly to consumers in residential societies in Delhi NCR.
- She also discussed on the value addition services by FPOs.
- Emphasized on the Good handling practices (GHP), Good hygiene practices (GHP) and Good Agricultural Practices (GAP) to be focused upon in the COVID-19 crisis and beyond.
- Discussed on ways of strengthening FPOs in COVID-19 situation by safeguarding & maintaining the supply chain, issuing police curfew license for small/medium producers for transporting their produce; financial support from NABARD to cover up losses during the pandemic. Also, suggested on the paradigm shift in traditional market to auction with digital platform and more transparency in market price and also the need of a dedicated helpdesk for FPOs.
4. Ms. Purabi Sarkar discussed on the value chain, agri reforms and sustainability aspects of FPOs to rebuild the agricultural supply chain.

- She spoke on the financial measures and legal amendments with respect to the schemes and financial allocations for Micro Food Enterprises (MFE), herbs cultivation and beekeeping development.
- She spoke on Operation Greens where the focus will not only be on TOP (Tomato, Onion, Potatoes) but all fruits and vegetables were delivered from market to consumer.
- Some legal amendment suggestions that were discussed were on better price realisation for farmers by attracting investments and making agricultural sector competitive, encourage barrier free inter-state trade and a legal framework to enable farmers to engage with processors, aggregators, large retailers and exporters in a fair and transparent manner and risk mitigation, assured returns and quality standardization should be an integral part of the framework.
- On concessional credit through Kisan credit cards.
- On the sustainability part of the ecosystem of an FPO and how different FPOs have handled it in the pandemic.
- The stress test of agricultural supply chain was discussed with respect to warehousing & crop cycle, lower realisations, prices plummeting and reduction in bulk demand and uncertainty in exports in the COVID-19 crisis.
- Lack of storage spaces to store the bumper rabi crop.
- Discussed on the agricultural marketing reforms like e-NAM, FPO section, new change in APMC act, alternative marketing channels like Sahyadri farms FPO of Nasik, assisted sales, food processing and private-public partnership model.
- Discussed on how Sahyadri farms FPO at NASIK could sell vegetable and fruits by establishing direct link with 57,000 customers.
- Spoke on different initiatives like kisanrath and module of urbanisation of logistics in COVID-19 and beyond.
- Discussed on sustainability and FPO suggestions and emphasized on Economies of scale - Health food is the future; Focus on local crop produce-opportunity of growth; Decentralisation; Focus can be on organic farming, millets, spices, indigenous rice, herbs, beekeeping and food processing.
- Marketing channels can use technology as the medium. Corporate subscriptions can enhance demand.
- Credit facility to farmer members of the FPO.
- Contract farming through collective farming approach.
- Capacity building through local leadership.
- Better price realisation for the produce-farm gate realization.
- Focus on storage and packaging so as to save on losses and rodent attacks.
• Emphasized on creating seed banks by FPOs.
• She also spoke on the Rythu Bandhu scheme of Telangana which has benefitted many farmers.
• Discussed on how floriculture farmers of Kalsi, Uttarakhand have been helped in the COVID-19 time to create flower dyes, lower waste products, drying of flowers by guidance from Uttarakhan Government, the village story, Help Us Green, IFAD & forward NGOs the happy Hands.
• Discussed on how Kheyti, an organisation is helping farmers in Telangana using technology as a medium.

5. Ms. Phani Priya Nandula discussed on the demand and supply side of the FPOs in COVID-19 and how they have dealt with the scenario.

• She spoke on disruptions in logistics, closure of mandi is thereby leading to procurement issues.
• Discussed on the bumper Rabi crop harvest this year and how railways were the most reliant transport service for sending huge stocks of paddy, wheat and red gram across the country.
• Cold storage spaces were not available for chilly farmers who would otherwise have huge demand for chillies owing to the pickle season.
• Procurement of fruits was not a problem but logistics for transporting them from farmer to the city was difficult.
• Perishables like Betel leaf farmers, banana farmers, and pineapple growers in West Bengal & Karnataka from Anantapur & neighbouring areas in Karnataka, Telangana premium Himayat mango growers suffered a lot.
• How Samunnati helps empower small holder farmers in selling their produce and how they help in market linkage through their platform, do the match making and map with the right buyers. She also cited example of how Samunnati helped in even selling papaya in bulk at this time of COVID-19 pandemic when selling such produce seems to be a difficult proposition.
• She also throw light on the fact COVID-19 is a huge opportunity as traditional supply chains are giving way for new chains and FPOs have a huge opportunity. Several Start-ups are also coming up to link farmers with end consumers.

CONCLUSION

This session was a great think tank discussion on how FPOs are managing the supply chain in the COVID-19 pandemic and how are they rebuilding the agricultural value chain with respect to market linkage, logistics, trade and also the planning for COVID-19 and beyond towards sustainability. Since the World Health Organisation (WHO) said the COVID-19 as a global pandemic. The present lockdown may continue beyond. This would bring severe impact on agriculture cycle. Hence all the stakeholders have to seriously ensure so that the production cycle runs uninterruptedly. This has to be done by ensuring agri inputs / output availability and smooth functioning of the complete agriculture value chain.
Unlocking Manufacturing Potential for Micro, Small and Medium Enterprises

16th June, 2020

Sandeep Bhatnagar

BACKGROUND

SMEs in India contribute to around one-third of the country’s GDP- Gross Domestic Product. SMEs and MSMEs in India play a crucial role in India’s development and employ over 110.9 million people. In addition, many Government schemes such as Start-up India, Digital India, e-Governance, etc. are also helping the MSME sector in India.

These Government schemes are helping in empowering the SMEs in India by helping in improve their operational efficiency and customer reach. With the advent of technology, improved infrastructure, and online transactions, a newer market is open for the SMEs in India. This is opening new opportunities for the MSME sector in India.

CONTEXT

A discussion in the form of webinar on “Unlocking Manufacturing Potential for Micro, Small and Medium Enterprises?” was organized by ni-msme on 16th June, 2020 from 16.00 hrs to 17.30 hrs that was attended by MSMEs, Policy makers, Entrepreneurs, and Students.

PANEL SPEAKERS

1. Dr. Bharat Bhushan, Director, IGNOU, Head Quarters, New Delhi
2. Mr. Aiyyapan Ramamurthy, Technical Director, Manufacturing Solutions, Siemens India
3. Prof. Atul Kumar Jain, Ornamental Fisheries Training and Research Institute, Udaipur, Rajasthan
4. Mr. Sandeep Bhatnagar, Director (M & BD), ni-msme
5. Mr. Surya Prakash Goud, Faculty Member, ni-msme

SUMMARY

1. Dr. Bharat Bhushan, Director, IGNOU Head Quarters, New Delhi highlighted the role of IGNOU in skilling manpower and importance of manufacturing in India
Dr. Bhushan talked about the statistical data of the past few years that indicates that the share of MSMEs in GDP, manufacturing output and exports has been slowly declining. With manufacturing sector as a whole having been less than robust, and the employment in the manufacturing segment having actually declined, the Government came out with a Manufacturing Policy.

However, many of the measures proposed in that policy will have a long gestation period. Meanwhile, with growing concerns about the short and medium term, the Cabinet Secretary constituted an Inter-Ministerial Committee to recommend how the manufacturing can be accelerated in the MSME sector.

During deliberations it was repeatedly flagged that the MSMEs, as individual and collective entities, lack the abilities of the larger enterprises to advocate on economic and functional issues, and therefore come adversely on the receiving end of the unexpected actions of other stakeholders, including the state machinery. While the primary concern of the entrepreneur should be to run the enterprise. The prevalent ecosystem places huge demands on the time and resources of the entrepreneur engaged in manufacturing. Moreover, the issues and challenges at the different stages of a lifecycle of a manufacturing enterprise are quite diverse. A complex and unfriendly business ecosystem pushes small entrepreneurs towards the informal and unregistered segment, which is growing faster than the organised segment by more than five times, and already accounts for over 95 percent of all MSMEs. This trend must be reversed as it is not Accelerating Manufacturing in the MSME Sector.

2. **Mr. Aiyyapan Ramamurthy, Technical Director**, Manufacturing Solutions, Siemens India highlighted about the Digital manufacturing which is the use of an integrated, computer-based system comprised of simulation, 3D visualization, analytics and collaboration tools to create product and manufacturing process definitions simultaneously. Digital manufacturing evolved from manufacturing initiatives such as design for manufacturability (DFM), computer-integrated manufacturing (CIM), flexible manufacturing and lean manufacturing that highlight the need for collaborative product and process design. As there are many of the long-term benefits from product lifecycle management (PLM) cannot be achieved without a comprehensive digital manufacturing strategy. Digital manufacturing is a key point of integration between PLM and shop floor applications and equipment, enabling the exchange of product-related information between design and manufacturing groups. This alignment allows manufacturing companies to achieve time-to-market and volume goals, as well as realize cost savings by reducing expensive downstream changes.

- Digital manufacturing is utilized across industries. An automotive original equipment manufacturer (OEM) can design the entire manufacturing process digitally (tooling, machining, assembly sequencing, and factory layout) at the same time that designers are designing the next vehicle program. This enables manufacturing engineers to provide immediate feedback to designers if there are constraints in the part manufacturability. This collaboration between manufacturing engineers and designers creates a holistic view of product and process design.
• A high tech supplier can use a digital manufacturing system to create a 3D simulation of a complete production line, and analyze the different production variants and concepts as part of the request for quote (RFQ) process. This transparency and precision in planning and proposal preparation help the company gain greater customer confidence, and ultimately win the contract.

• Current initiatives in the development of digital manufacturing tools involve improving user experience, so information is presented in the context of tasks performed, allowing users to make better decisions faster. Steps are being taken to provide direct connectivity with shop floor hardware, such as programmable logic controllers (PLCs), machine controllers and computer numerically controlled (CNC) machines. Unified platforms have also been developed to manage both PLM and manufacturing execution system (MES) information.

3. Mr. Sandeep Bhatnagar, Director (M & BD), ni-msme highlighted and added to the discussions that that Digital manufacturing helps manufacturing companies improve productivity in planning and production processes.

It first enables product, process, and plant and resource information to be associated, viewed and taken through change processes, with a consistent and comprehensive approach to production design. Second it allows part manufacturing processes to be optimized within a managed environment to produce flexible work instructions capable of displaying 2D/3D part information, along with machining and tooling instructions.

• Reduces commissioning costs through simulation by validating robotics and automation programs virtually.

• Helps you create factory models faster and ensure they are operating under optimal layout, material flow and throughput before production ramp-up.

• Supports six-sigma and lean initiatives by providing a graphical environment to analyze dimensional variation.

• Facilitates the sharing of quality data across your organization by generating complete, verifiable CAD-based machine inspection programs for coordinate measuring machines (CMMs) and numerical control (NC) machine tools.

• Execute production processes with real-time access to lifecycle data.

4. Prof. Atul Kumar Jain, Ornamental Fisheries Training and Research Institute, Udaipur, Rajasthan highlighted the following key points:

• Indian aquarium trade was very low volume till the end of 20th century with most of the aquarium shops limited to metro and major cities of the country. It started growing faster with the beginning of 21st century and even much faster during the present decade. The domestic aquarium trade of India is presently valued Rs. 500 crores. It is estimated to grow
to Rs. 1200 crore in next 4-5 years and Rs. 3000 crores by 2030 or may be more as ornamental fisheries is identified as an important sub-sector under recently announced “Pradhan Mantri Matsya Sampada Yojana”.

- There are four major components of aquarium trade viz; aquarium and aquarium accessories, ornamental fishes, feeds and aquarium servicing. Although, the key component of the aquarium trade is ornamental fish but it contributes only 20% to the total trade. It is mainly the aquarium and aquarium accessories which contributes highest. An important factor in the growth of Indian aquarium trade was increased average annual income of the Indian house-holds which stimulated the desire of spending to nurture a hobby such as ornamental fish. About 1.25% urban house-holds keep an aquarium in India while it is 10-20% in developed countries.

- Feed 6%, Aquarium & Accessories 63% Aquarium Servicing 11%. But few other important factors.

- were easy availability of aquarium products in the nearby market, ease of maintaining an aquarium due to availability of various aquarium equipment and most importantly the low cost of good quality products which were of exotic origin mainly China. It can be easily explained by a simple example that the MRP of an indigenously manufactured air pump was Rs 150/- during the year 1995 while an exotic air pump is available to the hobbyists for the same price presently after 25 years.

- A further analysis of the Indian aquarium trade data may force one to think if the growth of ornamental fish keeping hobby will be of economic advantage or disadvantage to the country. It will be definitely of advantage for the reason that it will support to enhance the income of large number of farmers and generate a source of livelihood to more and more numbers of both rural and urban youth. But simultaneously it will be of disadvantage for FOREX earnings of the country as 95% of all the items marketed as “Aquarium and aquarium accessories” are of Chinese origin. It values about Rs. 299 crores of a total domestic aquarium trade of Rs. 500 crores at present. As such the total expenditure on import of aquarium and aquarium accessories from China may be about Rs. 149.5 crores (50% Rs.299 crores) considering 50% is the overhead expenditure and profit margin of whole sellers and traders along the supply chain. It is important mentioning here that country is exporting ornamental fish worth about Rs. 7.5 crores only to the world. It means that with addition of every new aquarium keeping hobbyist who may be spending as low as Rs.2000/- for the aquarium there will be a burden of Rs. 600/- on the FOREX of country.

- The world economic structure including of India may be altogether different post COVID-19 in many ways. The demand and supply equation of numerous products including products manufactured by Indian MSME units is expected to shift. Hon’ble Prime Minster of India has announced special schemes to support operations of MSME’s and also proclaimed of “Self-reliance India” and “Make in India” as visions for a developed India.
5. Mr. Surya Prakash Goud, Faculty Member, ni-msme, Hyderabad highlighted Small businesses and MSMEs form the backbone of India’s economy and may hold the key to solving India’s unemployment crisis. The MSME sector in India employs over 100 million people and accounts for 45 percent of manufacturing output and more than 40 percent of the country’s exports. To sustain operations and eventually expand, small businesses require sufficient funding in the form of large amounts of capital. However, the sector is facing a working capital crunch, and there is a lack of access to affordable capital. The three important Government schemes that entrepreneurs can avail to fund their small businesses and MSMEs:

**a. Credit-Linked Capital Subsidy Scheme:** The scheme aims to boost the competitiveness of MSMEs by integrating ongoing technology upgradation efforts with the Credit Linked Capital Subsidy Scheme (CLCSS), hand-holding zero defect zero effect manufacturing (ZED), increasing productivity through waste reduction, design intervention, cloud computing, facilitation of intellectual property, and nurturing new ideas. The scheme provides an upfront capital subsidy of 15 percent to MSEs, including tiny, Khadi, Village, and Coir industrial (KVIC) units, on institutional finance of up to Rs 1 crore availed by them, for induction of well-established and improved technology in the approved 51 sub-sectors/products. Special provisions have been made in this scheme to promote entrepreneurship for SC/STs and women-led SMEs, and focusing on hill states such as Jammu and Kashmir, Himachal Pradesh, and Uttarakhand, and island territories such as Andaman and Nicobar Islands and Lakshadweep, and the aspirational districts. To claim subsidy under the scheme, eligible MSEs are required to apply online through Primary Lending Institutions (PLIs), from where the MSMEs avail term loan. The completed application is uploaded by the PLI to the attached nodal agency which, in turn, recommends the application online to Office of (DC-MSME) for release of subsidy. After processing of application and subject to availability of funds, due approval is accorded from the competent authority with concurrence of the internal financial wing. After this, funds are released to nodal agencies, which transfer the funds to PLIs where the account of the MSMEs are operating.

**b. Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)** Established by the MSME Ministry and Small Industries Development Bank of India (SIDBI), the scheme assures the lending institution that if a borrowing MSE unit fails to discharge its liabilities to the lender, the trust will make good the loss incurred by the lender up to a certain percent of the credit facility. Under the scheme, collateral-free credit (fund and non-fund based) extended by eligible financial institutions to new and existing micro and small enterprises, up to a limit of Rs. 200 lakh (Rs. 2 crore), are eligible to be covered by the fund trust. Guarantee coverage is available under the scheme to the extent of 85 percent for micro enterprises for credit up to Rs. 5 lakh. The guarantee cover is 50 percent of the sanctioned amount for credit ranging from Rs. 10 lakh to Rs. 100 lakh per MSE borrower for retail trade activity. The extent of guarantee cover is 80 percent for MSEs operated and/or owned by women. The guarantee is also applicable on all credit/loans in the North East Region (NER)
for credit facilities up to Rs. 50 lakh. Candidates meeting the eligibility criteria may approach eligible banks, financial institutions or select regional rural banks to apply for loans under CGTSME.

c. Prime Minister's Employment Generation Programme (PMEGP): Through setting up small businesses, the scheme aims to generate a steady stream of employment opportunities in various areas of the country. Another objective is facilitating financial institutions to lend more to the micro sector. Any individual, above 18 years of age, can avail the scheme. Further, the person should be at least an eighth standard pass for projects costing above Rs. 10 lakh in the manufacturing sector and above Rs. 5 lakh in the business/service sector. The maximum cost of the project/unit admissible in the manufacturing sector is Rs. 25 lakh and in the business/service sector, it is Rs. 10 lakh. The rate of subsidy (in percentage of project cost) in general category is 15 percent in urban areas and 25 percent in rural areas. In special categories such as SC/ST/OBC/minorities/women, ex-servicemen, physically handicapped, NER, hill, and border areas, the rate is 25 percent in urban areas and 35 percent in rural areas. The balance amount of the total project cost is provided by banks in the form of term loan and working capital. The State/Divisional Directors of KVIC, in consultation with KVIB and Director of Industries of respective states (for DICs) give advertisements locally through print and electronic media inviting applications along with project proposals from prospective beneficiaries desirous of establishing the enterprise/starting of service units under PMEGP. The beneficiaries can also submit their application online at https://www.kviconline.gov.in/pmegpeportal/pmegphome/index.jsp and take the printout of the application and submit it to the respective offices along with a detailed project report and other required documents.
Impact and opportunities on Tourism, Hospitality & Transport Sector post COVID-19

19th June, 2020

Dr. Dibyendu Choudhury

BACKGROUND

Governments across the world have limited access to cross international borders; there is restriction of all international and domestic flights; compounded by lockdown at different locations across the globe, altogether bound to bring tourism and hospitality sector to a limited operations.

CONTEXT

In this backdrop ni-msme had thought that how to re-engineer operations to overcome this situation. Accordingly, Webinar on “Impact and opportunities on Tourism, Hospitality & Transport Sector Post COVID-19” was organised on 19th June, 2020 with panel of subject matter experts. Webinar had been open for the operators from MSMEs only who are part of Travel, Tourism and Hospitality segments and free entry for all to clarify their doubts. There were 62 participants.

PANEL SPEAKERS

All the leading subject matter experts were in the panel

1. Ms. Sujatha Cecilia, Founder Director, Across the Mode Travel and Tours Pvt. Ltd.
2. Mr. P. Udaya Shanker, Ex-Director General, ni-msme, Hyderabad
3. Dr. D.S. Duke Thavamin, Asst. Lecturer, I.H.M, Bangalore
4. Dr. Dibyendu Choudhury, Faculty Member, ni-msme

SUMMARY

1. Ms. Sujatha Cecilia, Founder Director, Across the Mode Travel and Tours Pvt. Ltd.

She said that April to June 2020 at this moment looks very bleak, unless a vaccine is found at the earliest and the lockdown is lifted. She added: "Though in February, we managed to achieve 97% of the budgeted revenues, we have experienced exponential growth in cancellations of about 90% in March, while new reservations are now almost zero. We have similar numbers in terms of cancellations across all properties and tour programmes."
She revealed that the kind of losses that they would see on a "positive side be around 30-35% and on a negative side would be more than 50-55%, adding, "The situation currently is extremely fluid and very difficult to comment on. We do see a lot of nervousness amongst the guests and cancellation of future bookings. The occupancy is at a low with few hotels not being open as the lockdown situation does not allow any movement in some of the cities."

She had been always positive and communicated a positive vibes amongst the fraternity of tours and travels business segment. She told that this phase of low business transactions and lower inflow to the business might be very frustrating, but there is a light of hope and happiness at the end of the tunnel.

2. Mr. P. Udaya Shanker, Ex-Director General I/c, ni-msme, Hyderabad

In this current scenario of the outbreak, there is no doubt that its after-effects will affect industry. However, he had emphasised on the changed business model by taking several examples.

Games both individual and limited member games can play by changing rules; Fans can watch from home; Sponsorship from companies can be raised.

Stadium wherein coaching can take place; Rooms available can be hired for self-sustaining; Used as walking track.

Open air theatres: Visitors sit in their vehicles it could be watching movie, play, music, magic, etc.

Travel: Reducing prices to make affordable; Distancing between passengers; Helicopters can be used.

Events and exhibitions: Virtual markets are increasing and even Government started procuring through GeM.

Food and essentials: Medical and COVID related kits especially increased; Closed cabins to offer food; Dark kitchen has become big business.

Stay: Staying as paying guests – Goa and Sikkim is known for this; Bunkers for staying happening in New Zealand; Facility for quarantine/isolation in hotels, service apartments, lodges, etc.; Service providers for quarantine.

Online education and Virtual tourism has improved; Meeting, incentives, conferences/conventions and exhibitions/events segment has increased many fold.

Office: Small office home office (SOHO); Work from home (WFH); Employees attend office on rotation to minimise human intervention.

Medical tourism: Medical transcription, Medicines supply and manpower deployment; AYUSH is playing a great role, Kerala model of herbal water, Yoga and fitness, Government and private laboratories for tests.
Beverages and juices: HMPC model to sell fruit and other juices; Amul product; Punjabi lassi. Similarly other products can be identified.

Sulabh complex: Public toilets created long back is paying dividends during COVID period.

Service offers: Digital and technological interventions; Face masks, hand sanitiser and hygiene equipment facility.

Corporate social responsibility: Funding can be used to avail services of guides and others to propagate best practices. They can serve COVID affected persons; Cleaning and maintaining healthy atmosphere.

3. Dr. D.S. Duke Thavamin, Asst. Lecturer, I.H.M., Bangalore

He said that, many of his students working in several hotels are saying: We did not have sufficient number of guest arrivals since a month now. Most of the hotels currently have very low occupancy, and most of them are the people who are stranded because of the lockdown. Roseate House Aerocity is operational and has long staying guests and some moved in from its other property. To continue making some revenue and in a bid to keep customer engagement, hotel chains like the Hyatt and Hilton are offering customers the opportunity of home delivery of food items. Both Hyatt and Hilton have partnered with Zomato and Swiggy and share their menus on WhatsApp. IHCL and ITC are offering clients the opportunity to order and have their food collected via contact less delivery.

To tide over tough times some hotels which have leased or licensed out spaces on a commercial basis, continue to demand rentals and license fees from their in-house commercial partners. Lodha Group announced a full waiver for its retail partners who rent spaces in its properties until the Government lifts the lockdown.

He added, on a positive note some hotels are offering their hospitality services to help those immediately affected by the COVID-19 crisis. Aerocity homed close to 200 guests as part of the Delhi Government's initiative to offer paid quarantine facilities. A separate hotel team was working with the Government authorities and medical team to service these guests and rooms. The hotel team arranged transportation to Pune, Mumbai, Bhubaneswar, Mohali, Assam and other cities for those who chose to go back to their hometowns. Therefore, he concluded new challenges will give new opportunities to change business models and approach to stay in the business and further grow with time.

4. Dr. Dibyendu Choudhury, Faculty Member, ni-msme

He foresees inevitable and rapid growth in e-Commerce sector, import curbing is on the cards of Government, and therefore boom is coming for SMEs. However, life will not be the same as it was before this disruption, maybe we will have to live with this COVID-19 virus for some time. Therefore, enterprises need to adhere and adopt safe, security and hygiene standards as fast as possible and modulate towards less human centric and more machine centric.
He had given several pointers as food for thoughts because every disruption gives opportunities to new start-ups and scale-up for existing enterprises through innovations to attract customers to strive through troubled economy.

a. Upcoming opportunities e.g., E-Commerce would get more popularity because people will fear for public gatherings.

b. Applications of Robots and IoT’s in hospitality sector would open up new market segments.

He added "There are a few guests in-house (both domestic and international), who had to extend their stay due to the lockdown. This is a testing time, therefore hospitality sector to extend all the assistance they can." Travel agencies should have rolled out extenuating circumstances (EC) policy, which covers the hosts and guests with eligible reservations who are being impacted by the COVID-19 outbreak. In an ingenious way to keep people connected the Airbnb Online Experiences site recently launched this activity. Through this, providing their host community the opportunity to connect with all the guests and earn an income. Additionally, they announced a new programme to allow hosts to open their homes to those on the front line of the pandemic. Their generous hosts have offered 1,00,000 places to stay people for responding to the pandemic across 160 countries and regions. Since it is a rapidly evolving situation, they will continue to monitor the official guidance from the local Government, health authorities and the World Health Organisation in order to support health and wellbeing of community.

Some of the Luxury Hotels where majority of the guests staying currently, are foreign nationals awaiting return home. With Restaurants & Bars and Wellness areas closed, in-room dining menu to be implemented to ensure the guests have food served. Further, in Room Active Fitness Kits and Yoga Mats to be made available. Guests can also play fitness videos by scanning a QR code placed in the room.

Goldfinch Hotel is partially operational, and accommodates people from the essential services. One floor is on standby for any requirement by Municipal Corporation. However, very soon the domestic travel will pick up and can take a sigh of relief. This idle time may be used for the internal staff training and capacity building. This build confidence and reinforce the happy feelings.

Concluded and summarised the entire Webinar by thanking all the backend support, speakers and attendees because they have shared very valuable information. Entire discussions and disposition might give a new direction to eco-system of MSME and policy makers.

Several questions have been asked by different participants to specific speaker. Majority of questions were towards policy framing by Govt. of India, loans and banking support.
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