FICCI CMSME

Edition: July 2015
Issue: 10

NEWSLETTER

In this issue………

- MSME News Update…………………………………………...……………….……..... 01
- Article
  - FICCI-CMSME views on the draft Small Factories (Regulation of Employment and Conditions of Services) Bill…………. 07

MSME News Update

Process to regularize 29 industrial areas has already begun: Jain

Delhi Home Minister Satyendra Jain said that the government is committed to abolish 'Inspector Raj' in the next one year to encourage the Micro Small and Medium Enterprises (MSME) sector. "We are committed to abolish 'Inspector Raj' in Delhi in the next one year to encourage the MSME sector," Jain said.

Jain also said that the Delhi government is looking at ensuring single window clearances under a single agency in Delhi, which will do away with the need for multiple approvals. The Delhi State Industrial and Infrastructure Development Corporation (DSIIDC) is being looked at to be this nodal agency.

"The work on regularization of 29 industrial areas and 22 non confirming industrial areas has already been started and announced under the state budget," he added.

R K Panigrahi, Director, MSME Development Institute, Ministry of MSME, government of India, said that the need is to bring MSMEs out of sickness and promote them to compete globally.

He also assured complete support to MSME from the development institute with concerns like delayed payments from large corporations and Public Sector Undertaking (PSU) and vendor development.

(Millennium post, July 1st, 2015)

Pharma SMEs to get 500-cr fund boost to prop up drug quality

With an aim to meet international regulatory expectations and inspections, the government is preparing a Rs. 500 crore financial package to help small and medium (SMEs) pharmaceutical companies upgrade their manufacturing facilities and meet global standards, said a senior official at the department of pharmaceuticals (DoP).

"We may roll out the financial package by December this year," the official said. With domestic drug-makers frequently running into regulatory hurdles overseas, the commerce ministry is mulling to become a part of a multinational regulatory regime — Pharmaceutical Inspection Cooperation Scheme (PICS) — under which India will adopt global standards.

"We are planning to graduate to the next level of inspections and manufacturing standards. But for that, the primary priority is to improve the skill sets in pharma sector across roles," GN Singh, Drug Controller General of India, said.

However, small and medium-sized pharma companies, nearly 8,000 in India, fear that adoption of such norms will drive up costs.

"To address their concerns, DoP has initiated the process of sensitising SMEs of the basic good manufacturing practices (GMP) guidelines along with skill training sessions," the official said.

As per government estimates, 50% of the SMEs fail to comply with basic GMP standards.

These standards are drafted by the World Health Organisation to maintain the quality of pharmaceutical products traded across the globe.

(Hindustan Times, July 2nd, 2015)

GVFL to set up Rs 200 crore start-up fund

GVFL Ltd, one of the pioneers in venture financing business in the country, is gearing up to launch a new Rs 200 crore fund aimed at financing start-ups by the end of July.

The city-based venture financing firm has chalked out a novel strategy to reach out and provide funding to promising start-ups. While many companies directly approach target for funding, GVFL is mulling to rope in incubation centers to identify suitable start-ups.

"The fund will primarily invest in start-ups that are already being incubated at the various incubation centers across the country," said H C Pattnaik, Director and CEO, GVFL, which is looking at tie-ups with about 8-10 incubation centers.

The VC firm may join hands with incubation centers like iCreate (International centre for entrepreneurship and technology), Gujarat Technological University (GTU) and Dhirubhai Ambani Institute of Information and Communication Technology (DA-IICT) among others.

"Currently, incubation centers have to scout for investors. It will be a relief for such incubation centers as the fund will now approach them," Pattnaik added.

The Government of Gujarat, Centre, Small Industries Development Bank of India (SIDBI) and Central Bank and GVFL among others will participate in this fund.

The process of registering the fund with Securities and Exchange Board of India (SEBI) has been initiated. GVFL has so far raised 7 funds, and supported 85 micro small and medium enterprises (MSMEs) and has successfully exited from 60 companies out of 85 firms that it invested in. Early this year, GVFL also came up with Rs 600 crore MSME fund.
(Times of India, July 2nd, 2015)

Doha Bank looking to fund SMEs, corporates in India

Riding high on India's growth projections, Doha Bank, a Qatar- based leading lender, said the bank eyes to more than double its exposure in India from $ 2.4 billion to about $ 5- 6 billion in the next 2- 3 years.
Doha Bank will focus on multiple sectors including real estate, contract finance and working capital funding to big corporates, infrastructure finance, trade and service sectors.
R Seetharaman, CEO, Doha Bank, expressed confidence that the Indian economy was on a revival path and that with the slew of measures being announced by the government, there is growing confidence about the economy.
"There is growing confidence about economic stability in India. Also, with political stability and right policy framework in place, we can achieve much better growth than the estimated 7- 7.6 per cent," Seetharaman said.
"Doha Bank already has two offices in Mumbai and one in Kochi. We are planning to open two more offices. So far our exposure in India has been $ 2.4 billion, which we expect to grow to $ 5- 6 billion in the next 2- 3 years as we see demand from SMEs and corporates growing," he added. The bank also encourages funding to Indian companies investing in projects in the Gulf.
Doha Bank has a strong presence in the Gulf Cooperation Council countries, and is the first Qatari bank to enter India. "We are also looking at having a subsidiary in India soon," Seetharaman said.
The bank also serves corporate clients in Gujarat that have interests in areas such as real estate and infrastructure.
Commenting on the macro economic factors, Seetharaman said that crude oil prices will remain stable above $ 60 a barrel, while he expects oil prices to touch $ 70- 75 a barrel in the next six months.
"In this situation, the RBI is doing the right thing by maintaining a tighter monetary stance. But at the same time, on fiscal policy front, there are measures that support investments," he said.
(Business Line, July 4th, 2015)

Start-ups may get VC funding from this fiscal

Start-up firms in the micro, small & medium enterprises (MSMEs) sector can hope to get venture capital (VC) funding for their new projects as the state government has approved the proposed Rs 150 crore VC fund.
Odisha Venture Finance Ltd (OVFL), an asset management company has been formed to manage the venture fund called 'Odisha MSME Fund.' The fund would have a contribution of Rs 50 crore from the Odisha government. While the Government of India is expected to pitch in Rs 50 crore, the balance Rs 50 crore is likely to be raised from banks.
The state MSME department has already signed a memorandum of understanding (MoU) with Gujarat Venture Finance Ltd (GVFL), a Gujarat government undertaking with 24 years of experience in venture finance. GVFL has been roped in as the partner and consultant for creation of the fund.
The onus will be on GVFL to take care of the regulatory, legal aspects and other formalities.
"The proposed Rs 150 crore VC fund has got the approval of the chief minister. We are soon going to have a meeting with GVFL to discuss the various modalities of the fund. Disbursements from the VC fund are likely to begin this fiscal", said a government official.
GVFL has completed all the formalities and paperwork regarding the incorporation of OVFL. A bank account is required to be opened for OVFL. It has been decided to open the account with State Bank of India (SBI).
OVFL is being structured as a public limited company. The state government has nominated two directors in the board of the company- Panchanan Dash, secretary, state MSME department and Bibhuti Bhusan Behera, managing director, Odisha Small Industries Corporation (OSIC).
(Business Standard, July 4th, 2015)

Centre creates tech fund for Indian SMEs

The Heavy Industry Ministry has set up a technology acquisition fund with an initial corpus of Rs 50 crore to enable small and medium enterprises to procure the latest technologies, minister Anant Geete said. “The capital goods companies are in stress and the government will do all it can to support them.”
(Business Standard, July 7th, 2015)

NSIC to train 17,000 people this year

To ensure that the industry gets workforce under the Central Government's 'Make in India' initiative, the National Small Industries Corporation Limited (NSIC) will train 17,000 people this year. "Our target for this year is to have 4,000 passouts under our skill development programmes which are for at least a month. We will train another 13,000 unqualified people for jobs like tailoring etc," Suresh Karmali, general manager, NSIC's technical service centre said.
He said in the first quarter of this financial year they have already helped around 730 people to become entrepreneurs in various fields.
As part of the Centre's 'Make in India' and 'Skill India' programmes, NSIC was focusing more on skill development as professionals were needed in various sectors.
NSIC, which has tie-ups with 51 engineering colleges across India, today signed an MoU with private engineering college Gargi Memorial Institute of Technology (GMIT).
"We have 51 tie-ups, but this is our first MoU with an engineering college. Our motto is to make the students competitive according to the requirements of the industry. We will give them hands-on training in the fields of mechanical, electronics and electrical engineering," Karmali added.
(Business Standard, July 7th, 2015)

Listing cost for SMEs among lowest in India, says IOSCO

Listing expenses for small and medium enterprises in India is among the lowest worldwide and the country has seen "significant" changes with respect to such entities tapping the capital market, according to IOSCO.
The report from the global groupings of securities regulators also comes at a time when many small and medium sized enterprises (SMEs) are looking to get listed in India.
In its detailed report on 'SME Financing through Capital Markets', IOSCO said these entities continue to face impediments in many jurisdictions.
"The jurisdiction that has had significant changes is India, as the number of companies in the SME market jumped from eight in 2012 (from June) to 109 in 2014 (till June) and market capitalisation in the same period, increased from USD 41 million to USD 2,078 million in 2014," the International Organisation of Securities Commissions (IOSCO) said.
The grouping's members, that includes India's Securities and Exchange Board of India (Sebi), together regulate over 95 per cent of the world's securities markets in more than 115 jurisdictions.
With regard to India, the report said listing cost for SMEs is as low as 0.49 per cent of the total offered amount.
"The overall cost as a percentage of the offered amount differs widely. It is up to 20-30 per cent in Singapore and as low as 0.49 per cent in India.
"Some other examples are 12-15 per cent in Canada (Ontario), 5-10 per cent in Dubai, 10 per cent in Greece, 4.2 per cent in Korea, 1.8 per cent in Macedonia, 8-20 percent in Malaysia, 10 per cent in Morocco, 6-7 per cent in New Zealand, 16.6 per cent in Spain and 11 per cent in UK," it said.
IOSCO noted that impediments such as fear of losing ownership and relatively high regulatory costs discourage SMEs from raising funds from capital markets.
To address the issues, most jurisdictions surveyed have been reviewing their respective regulatory frameworks and taking specific initiatives to facilitate SME access to capital markets, IOSCO said in the report. The findings are based on a survey of member jurisdictions, including India.

Going by the survey, bank loans are the primary source of financing for publicly as well as privately held SMEs in most jurisdictions, followed by equity finance, venture capital and other related governmental and international funds.
"Capital markets also offered other funding alternatives, including equity financing via listing on alternative exchange boards, issuance of debt securities, crowd funding, Sukuk funds, securitisation and government initiatives that encourage private investment," it added.
(The Economic Times, July 10th, 2015)

MSME Board deliberates on sector-specific issues

The National Board for Micro, Small & Medium Enterprises chaired by Union Minister Kalraj Mishra met to discuss issues related to the MSME sector, including revision of the definition of MSMEs, framework for revival and rehabilitation of MSMEs, among others.
At the meeting, Mishra said the MUDRA Bank will prevent small entrepreneurs from exploitation at the hands of money lenders and will instill new confidence in them. He also said that the MSME Ministry is going to be a major plank in the government's Make in India initiative.
The Minister also mentioned that the web portal Digital Employment Exchange for industry launched recently will go a long way in enabling industrial units to find suitable manpower and job seekers to find suitable jobs.
(Millennium post, July 12th, 2015)

Flipkart, Snapdeal, Amazon and others tie up with NBFCs to provide sellers easy loans

To encourage more sellers to join their online channels, e-commerce majors including Flipkart, Snapdeal, Amazon and eBay are tying up with non-banking lenders for extending loans to those keen to sell products through these online marketplaces. Several new-age non-banking finance companies (NBFCs) like Capital Float, Neo-Growth and Capital First, as well as online finance companies such as Lendingkart and loan facilitators like SMEcorner, are tying up with e-commerce players to offer sellers quick and hassle-free loans.
"Small businesses struggle to get loans. With e-commerce becoming more main stream, it is encouraging several entrepreneurs to set up businesses online," SMEcorner founder andchief executive Samir Bhatia said. SMECorner has tied up with Snapdeal, Flipkart, eBay, Paytm, among other e-commerce players to play a catalyst role to secure easier loans for sellers, he said.
It has also partnered with several leading NBFCs. Lendingkart, which recently raised $10 million from PE funding has also tied up with Flipkart, Snapdeal and Amazon to offer easier loans to sellers who want funds in excess of Rs 1 lakh. According to a recent study by the Union MSME ministry, only 6 per cent small businesses get finance from organised lenders, indicating the difficulty of small businesses to get loans. In May, the nation's largest lender State Bank of India also jumped on to the bandwagon and tied up with Amazon India to help ecommerce sellers access easy loans.
Securing loans for sellers is high on priority for the competing online marketplaces
(Economic Times, July 13th, 2015)

Planned IP regime to boost 'Make in India'

The Government said it has formulated a multi-pronged strategy to develop an intellectual property (IP) regime in the country to promote creativity and give a fillip to its 'Make in India' initiative.
This includes introducing a 10% rebate on online filing of applications and documents, allowing e-filers the facility of using debit cards, credit cards and internet banking as well as giving a 50% concession in fees for MSMEs to encourage them to innovate and seek protection for their inventions (MSMEs account for 45% of total industrial production and 38% of India's GDP).
Also, an additional 1,033 plan posts have been created, including 666 posts for patents and designs and 367 posts for trademarks and geographical indications at various levels, a commerce and industry ministry statement said. Already, recruitment is underway.

Patent and trademarks examiners are also being taken on contract to deal with the backlog, it added.
In addition, to cater to the immense flow of the papers filed, a single central server at the Indian Patent Office, Delhi is in place.
Since India has a unique intellectual property office wherein there are four patent offices and five trademark offices, there is need for strong intra-office connectivity, the statement said.
(Finance Express, July 14th, 2015)

MoU to boost handicraft exports

A memorandum of agreement (MoA) was signed among the Indian Institute of Entrepreneurship (IIE), the Export Promotion Council for Handicrafts (EPCH) and the National Centre for Design and Product Development (NCDPD) at New Delhi on July 16 to achieve a common objective of capacity enhancement of handicraft exporters, manufacturers, artisans in north eastern region and to provide design inputs and marketing opportunities to entrepreneurs in the handicraft sector. The MoU was signed by Manoj K Das, Director of IIE, Rakesh Kumar, Executive Director of EPCH and RK Shrivastava, Executive Director of NCDPD.
The IIE Guwahati focusses on small and micro enterprises development and entrepreneurship development by undertaking the training, research and consultancy activities.
(The Assam Tribune, July 19th, 2015)

No plans to introduce FDI in e-commerce retail: Sitharaman

The government has made it clear that it has no plans to bring in foreign direct investment (FDI) in e-commerce retail, parliament was informed on July 22, 2015.
"No such proposal is under the consideration of the government," Commerce and Industry Minister Nirmala Sitharaman said in a written reply in the Rajya Sabha on whether the government plans to introduce FDI in e-commerce retail.
"The term 'e-commerce retail' has not been defined in the extant FDI policy. However, as per the extant FDI policy, e-commerce activities refer to the activity of buying and selling by a company through the e-commerce platform," she added.
Ealier this month, Sitharaman met with industry and states' representatives on opening up the e-commerce sector to FDI.
It was agreed then that the states would give their views on the matter within 15 days.
"The government of India invited states to discuss the issue of FDI in e-commerce in B2B and B2C and also bringing in the FDI in multi-brand retail," Haryana Finance Minister Captain Abhimanyu said.
"But one consensus between the states and the Centre was that whatever decision is taken, it must be taken after good deliberation and after engagement with stakeholders at the state level and after assuring ourselves that the interests of the consumers, small retailers as well as Small and Medium-sized Enterprises sector are protected," he added.
India allows 100 percent FDI in business-to-business (B2B) e-commerce, but not in B2C companies selling directly to consumers.
Jammu and Kashmir Industries Minister Chander Prakash said that "We have to be careful while introducing FDI in e-commerce". Some states, including Tamil Nadu, are opposed to FDI in retail and e-commerce.
(SME Times, July 23rd, 2015)

7 PSU banks miss small sector lending targets

As many as seven state-owned banks including the country's largest lender State Bank of India (SBI) have failed to meet the set targets on lending towards the micro, small and medium enterprises (MSME) sector.
Keeping in mind Prime Minister Narendra Modi's increased focus on this sector, the finance ministry has asked public sector banks to increase their focus on the MSME segment. Sources reckon that the slowdown in credit outgo is due to the rising non-performing assets (NPAs), which have increased to 5.43% at the end of March 2015 from 4.72% in March 2014.
Besides SBI, Bank of India, Allahabad Bank, Indian Bank, Corporation Bank, Oriental Bank of Commerce and UCO Bank are also lagging in meeting their targets in disbursing credit to the MSMEs.

All public sector banks have been asked by the finance ministry to register a 10% annual growth in the number of MSME loan accounts and increase annual credit growth to the sector to 20%. "We are monitoring this area to ensure that on one-hand targets are met and on the other there are no fresh slip- pages," said a senior official at a large public sector bank.
The MSME sector contributes about 8% to the country's GDP. The 12th five-year plan underlined that a sum of ` 24,000 crore was required for the sector to emphasise growth.
Meanwhile, the recently launched Mudra Bank is also expected to facilitate funding of the sector. With a corpus of ` 20,000 crore, the bank would target the small entrepreneurs and help in "funding the unfunded."
(Hindustan Times, July 24th, 2015)

Chamber seeks industrial estates for MSMEs

The Centre should consider developing industrial estates exclusively for MSMEs, with transport, power, water, road etc, and adequate support from budgetary allocation, according to FICCI-Confederation of Micro, Small and Medium Enterprises (FICCI-CMSME).
The chamber, which presented an action agenda paper titled 'Ease of Doing Business: Recommendation for the MSME Sector' to the Prime Minister's Office, has also suggested that State Governments should look into developing 'flatted factories' with a 'plug and play' concept.
"The Centre should incentivise States for building flatted factories at existing industrial estates, at least in urban areas, for MSMEs," it added.
"The process of land acquisition remains cumbersome and long drawn…. There is an urgent need for a stable land policy that balances interest of all stakeholders. Industry needs confirmed availability of land at an affordable rate over the long term," said the paper.

Affordable housing

The chamber also suggested steps to boost affordable housing complexes for workers near industrial areas, by compulsorily allocating 20 per cent land of industrial belt for low-cost housing, fast-tracking change of land use for housing purposes, and reducing land registration charges for affordable housing to 20 per cent of the rates applicable in other cases.
The Centre can also consider allotting a 'rented accommodation' to MSMEs in an industrial area, giving the option of purchase after a stipulated time, it added.

Labour laws

As regards labour laws, the chamber suggested reduction in overtime wages and productivity-linked bonus, a single form for compliance, and deposit of Provident Fund and Employees' State Insurance (ESI). "MSMEs should be allowed to deposit PF and ESI towards employer's contribution only. The contribution from employees should not be the responsibility of the employer," it added.
(Business Line, July 29, 2015)

ARTICLE

FICCI-CMSME views on the draft Small Factories

(Regulation of Employment and Conditions of Services) Bill

BY SANJAY BHATIA*

The draft Small Factories (Regulation of Employment and Conditions of Services) Bill has specified some concrete steps to promote development of Indian MSMEs which is under consideration of the Government. FICCI-CMSME welcomes this initiative of the Government for considering to bring out a Small Factory bill that will bring out the small factories from the ambit of 14 legislations/Statues like Factory Act, Minimum Wages Act, Payment of Wages Act, Industrial Dispute Act, (State) Shops & Establishment Act, Employees State Insurance Act, etc. as all these would be covered for small factories in this bill separately keeping in mind interest of Small factories.

Though the bill has covered almost all the aspects but has left the coverage of the service providers. As the service sector is as important as it also struggles with similar man-power issues, the Service Sector must be considered under small factories act as well. Accordingly appropriate change has to be made in the name of the bill.

Threshold limit for defining Small Factory has been kept to upto 40 workers this needs to be increased to minimum 50.

Currently, any factory having 10 or more persons with the aid of power or wherein 20 or more workers without aid of power working on any day in the preceding 12 months, wherein manufacturing process is being carried, comes under the Factories Act which provides Health and Safety Provisions and the factory owner needs to comply with certain procedures and have to deal with number of Inspectors. With this bill, we presume that even if a factory having 2 workers it will be subject to inspection. This will lead to further increase in inspector raj than eliminating Inspector Raj. MSMEs had been requesting to increase the current limit from 10 workers with power to 50 workers with power for eliminating Inspector Raj, this move will further lead to harassment of small factories who have been currently out of the ambit of Inspection/procedures. Hence, it is recommended that a threshold limit should be defined on the number of workers for inspector visit.

Addition to it the small factories act is applicable only for upto 40 employees. For service providers like contractor have to deploy more than 40 people for short time contract work and completion of contract they will discontinue the manpower deployment till further requirement. Hence, short term contract labour hired for specific time limit for a task should not be considered for counting under the number of employees defined in the bill.

Simplification of procedures (documentation) : *MSMEs Sector needs a more simplified Labour Law / Act compliance procedure as a "**easy to fill & file**" exercise. Presently it is too cumbersome and needs to be done every month. This will reduce lot of documentation and maintaining of records. The bill still talks about record keeping. We hope that paper work/ records would be brought down to bear minimum.*

Special provisions for start-ups which include restricted visits of labour inspector: *Special consideration & exemption provisions need to be included particularly for startup companies as they face many uncertain variables such as attrition, authorized & unauthorized absence etc. Frequent & repeated interference in the name of enforcement will only de motivate MSME's in general & startups in particular in following the compliance procedures. Hence it is only desirable from all stake-holders point of view that inspection in the name of enforcement be restricted / avoided for MSMEs. In addition, this should be avoided totally during the year ending, especially in March, when SMEs are under extreme pressure of work.*

Under the Social Security section, Provident Fund & Health Insurance is taken into account which is a welcome step, however, we suggest that existing EPFO & ESI norms should be applicable here & units having less than 20 employees should be exempted from PF & ESI. Addition to this, we suggest the following for consideration:

- Introduction of combined electronic format for compliance and deposit of single amount for PF & ESI: A single form for both ESI & PF should be introduced in order to save time & efforts, all the compliance requirements be moved & made available online. This will encourage & ensure timely & effective compliance. ESI & PF coverage documentation should also be simplified.
- A single window mechanism should be created and the MSMEs should be allowed to deposit a single amount for PF & ESI towards employer's contribution. The contribution from employee should not be the responsibility of the employer. As in most cases the employee does not want to contribute & the compliance burden of the employee also comes under the employer. The single window clearance will eliminate the various personnel from social security organisations chasing the employers.

Several clearance is also required to run a factory like, fire, pollution, etc. all these aspects should also be included in the bill and these could be done through single window mechanism for small factories in true sense.

Simple Procedure & Freedom for Termination Action – Simplification and flexibility in engagement and deployment of labour would help MSMEs. In cases of Indiscipline like Poor Performance / Misuse of Facilities / Misbehavior during working hours, Low Attendance, Absenteeism without Permission etc., the employer should be allowed to take an appropriate action against such employee including termination wherever required settlement of all employee dues such as Salary, other benefits, PF, Gratuity etc..

Wages: As long as a SME meets the statutory laws such as Minimum Wages Act, ESI, PF, etc. wages should commensurate with productivity so that efficient workers are adequately compensated and MSMEs can become competitive. In addition, Over Time wages which is double than the normal wage currently needs to be brought down to reasonable level and also there is need to review the number of hour of overtime allowed which is based on quarterly basis, this would lead to better utilization of experienced worker and will lead to competitiveness, capacity of a small factory. This would, make the SME more productive and competitive, especially for the manufacturing sector.

Legal Redressal: Many of the problems faced by the MSMEs are a result of a lack of clear understanding of the laws or rules by the officers of the enforcement depts. This leads to avoidable litigation with resultant expenses to both the manufacturer and the Govt.

In cases where a Govt. dept. causes an industry to seek legal redressal against an order of such dept., and if the court rules in favour of the industry, the cost of legal action should be reimbursed by the Govt. This will ensure that frivolous and unjust demands are not made by anyone in the Govt.

Registration: In clause 6(2) it is stated "after the receipt of an application under sub-section 1, the registering officer, on being satisfied about the correctness of the statement, shall register the small factory and issue the certificate of registration and LIN to the employers, This leaves an ambiguity as there should be prescribed documents required rather than statement for registration purpose and if all the document are in place there has to be a time frame for registration and if within the time frame no query or certification is received it should be deemed to be registered. Hence, the discretion vested in the registering officer being satisfied needs to be deleted and stated that if all the documents are in place the Registering Officer will issue the Registration Certificate and LIN to the Small Factory.

Clause 6(3) there is a provision stating "the Registration certificate shall be prominently displayed at the small factory and shall be renewed at such, intervals as may be prescribed in this respect." This should not be mandatory and it should be left with the small factory owner to decide whether to display or not. But what needs to be considered is that the small Factory owner should print its registration number in their letter heads, invoice etc. as this would also help them link with the MSMED Act 2006 provision and help the small factory owners in terms of delayed payment clause.

Trainee: Clause 15(2) provides – "A young person may be permitted to work in a small factory as a trainee but only with a written authorization of the chief Inspection." This provision does not hold good as the young person criteria is already defined and also the onus of the age proof lies with the employers. Hence, this provision only encourages inspector Raj and Small Factory owners should be free to engage young person as trainee. However, do's and don'ts for a trainee could be clearly laid out for the employer to comply with. However, the onus for the authenticity of the document submitted by the employee to prove his age should be on him and not on the owner.

Under the chapter – special provision, clause 15 deals with prohibition of employment of children and young person. The bill that allows taking young person as trainee with the authorization of chief inspector contradicts and provides only confusion. Hence, it should be either allowed or not allowed.

Employer Action towards the Employee: Sub Clause 3 of clause 10, it is recommended the word in the presence of another person. Here another person needs to be defined.

***** *Mr. Sanjay Bhatia, President, FICCI-CMSME and MD, Hindustan Tin Works Pvt Ltd*

FICCI CMSME

Empowering MSMEs

FICCI - Confederation of Micro, Small and Medium Enterprises (CMSME)

INVITING MEMBERSHIP

FICCI CMSME and IDBI Bank Partnership

Offering concession of 100 bps on interest rates and charging only 0.10% processing fee from members

Other Membership Benefits

- Free consultation & faster availability of credit & finance @low cost
- Decrease in raw material cost
- Create brand and increase revenue /leads through web presence
- Lead generation at low cost through digital advertising
- Cost-effective & useful MSME Insurance

For more details contact:

Hemant Seth/ Deepesh Sharma

FICCI- CMSME, Federation House, 1, Tansen Marg, New Delhi 110 001

Tel: 91-11-23487307/ 23487260; Email: cmsme@ficci.com

SVKM'S NMIMS Deemed to be UNIVERSITY

SCHOOL OF BUSINESS MANAGEMENT

Centre of Family Business & Entrepreneurship Management

Grow your family business with professional skills

GET THE BEST OF BOTH WORLDS

Undergraduate	MBA
• Commerce • Economics • Manufacturing • Engineering • Chemical • Architecture • Textile	• Strategy • Marketing • Finance • Human Resource Management • Projects

ENROLL YOUR CHILD INTO THE INTEGRATED MBA- PROGRAM FOR FAMILY BUSINESS

Introducing a program that grooms your child to take on the Family Business right after 12th

To meet with Prof. Seema Mahajan, Director (Center of Family Business & Entrepreneurship) in person, please call Tel: 022- 4235 5555

Key features:

- International Exchange Program
- Peer to Peer learning
- Designed to meet Global Standards
- Extremely focused & rigorous Pedagogy
- Exposure to world class Business Practices

V. L. Mehta Road, Vile Parle (W), Mumbai 400 056. Tel.: 022 4235 5555 Email: enquiry@nmims.edu

http://www.nmimssbm.org/academics/programs/integrated-mba-family-business/

Connect with us: /NMIMS.India /NMIMS_India /NMIMSedu

APPRENTICE PROTSAHAN YOJANA

GOVERNMENT OF INDIA
MINISTRY OF LABOUR & EMPLOYMENT
DIRECTORATE GENERAL OF EMPLOYMENT & TRAINING

Ministry of Labour & Employment has started a new scheme "Apprentice Protsahan Yojana (APY)" on 16.12.2014 to support manufacturing units and other establishments by reimbursing 50% of the stipend paid to apprentices by Government of India for the first two years of training for one lakh apprentices to be engaged by establishments covered under the Apprentices Act, 1961 upto 31.03.2017.

KEY FEATURES OF THE SCHEME

- Support to manufacturing units and other establishments covered under the Apprentices Act, 1961 in the form of sharing of 50% of stipend by Government of India.
- From FY 2015-16, Government of India's share of the stipend will be credited directly into the bank accounts of apprentices.
- Employers having six or more employees can avail the benefits of the scheme.
- Stipend for the first two years of apprenticeship will be shared.
- Sharing of 50% of stipend by Government of India for two apprentices per establishment.

POINTS OF CONTACT (Statewise)

States	Address
Delhi, Haryana, Rajasthan, Himachal Pradesh, Punjab, Chandigarh, Jammu & Kashmir	The Regional Director, Regional Directorate of Apprenticeship Training (RDAT) 3rd Floor, A-Wing, New CGO Bldg. NH-IV, Faridabad – 121001 Ph. No. 0129-2413890, 2421973, 9968294966 E-mail: rdatfbd@nic.in
Uttar Pradesh, Madhya Pradesh, Chhattisgarh, Uttrakhand	The Regional Director, Regional Directorate of Apprenticeship Training (RDAT) ATI Campus, P.O. Udyog Nagar, Kanpur-208022Ph. No. 0512-2296088, 2225072, 8765170013 E-mail: rdatkanpur@gmail.com
Maharashtra, Gujarat, Daman & Diu, Goa, Dadra & Nagar Haveli	The Regional Director, Regional Directorate of Apprenticeship Training (RDAT) VN Purav Marg, Sion, Mumbai-400022 Ph. No.: 022-24051602 / 24055748 / 24052049 , Fax No.: 022-24057519 E-Mail: rdatmum@nic.in
Andhra Pradesh, Telangana, Karnataka	The Regional Director, Regional Directorate of Apprenticeship Training (RDAT) ATI-EPI Campus Ramanthapur, Hyderabad-500013 Ph. No.: 040-27031783, Fax No.: 040-27038264, 09701203815 E-Mail: rdat_hyd@yahoo.co.in
West Bengal, Bihar, Jharkhand, Tripura, Assam, Meghalaya, Sikkim, Arunachal Pradesh, Manipur, Mizoram, Nagaland, Odisha	The Regional Director, Regional Directorate of Apprenticeship Training (RDAT) MSO Building 'E' wing, 1st Floor, D.F. Block Sector-1, Salt Lake City, Kolkata-700064 Ph. No.: 033-23340364, 23210331, Fax No. 033-23210322 E-mail: rdatkolkata_er@yahoo.in
Tamilnadu, Kerala, Andman & Nicobar Islands, Lakshadweep, Puducherry	The Regional Director, Regional Directorate of Apprenticeship Training (RDAT) CTI Campus, Guindy, Chennai-600032 Ph. No.: 044- 22500091, Fax No.: 044-22500989, 09444158766 E-Mail: rdatchn@nic.in

For more details please visit website http://dget.nic.in/content/innerpage/apprenticeship-training-scheme-ats.php or contact Dy.Director General (AT) / Director (AT) at 011-23718106, 23720792