

NEWS LETTER

A Monthly News Bulletin

AIM

Alliance of Indian MSMEs

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Indian MSME's are undisputed growth drivers of the economy, be it contribution to GDP or in terms of exports, and play an important role in terms of employment generation.

MSMEs are an integral part of Urban - Rural balance and they are poised for a transition and transformation during 2020.

Technology adoption has taken a higher altitude to foster innovation and growth especially staying connected to customers.

The Narendra Modi government two months ago announced the 'Atmanirbhar' stimulus package to reboot India's micro, small and medium enterprises (MSMEs) sector, which was recently reclassified on the basis of turnover and investment.

Some of the key policy initiatives of Government of India

1. Atmanirbhar Bharat.
2. Liquidity support loan and equity infusion support to help MSMEs expand size and capacity.
3. Government procurement of Rs 200 Crs from MSMEs with a commitment to clear invoices in 45 days.
4. Creation of online platform - GEM, for listing of products/ Business for direct international trade between buyers and sellers.

With effect from July 1, 2020 as per the latest redefinition, a micro enterprise is reclassified as one in which the plant and machinery investment does not exceed one crore rupees and turnover does not exceed five crore, a small enterprise would be that in which investment shouldn't exceed ten crore with turnover up to fifty crore and in a medium enterprise the investment shouldn't exceed Rs 50 crore with turnover at Rs 250 crore.

Cabinet Committee on Economic Affairs (CCEA)

Cabinet approves Upward revision of MSME definition and modalities/ road map for implementing remaining two Packages for MSMEs (a) Rs 20000 crore package for Distressed MSMEs and (b) Rs 50,000 crore equity infusion through Fund of Funds

Fully paved way for Energising the MSME Sector through entire gamut of 'Atmanirbhar Bharat Package'

Posted On: 01 JUN 2020 5:43PM by PIB Delhi

MSMEs play an important role in the Indian economy so much so that they contribute around 30% of the GDP, 45% of exports, 14% women led entrepreneurs (out of which 60% in rural areas) employing close to 120 Million people

While the current stimulus will ensure adequate flow of credit, a major bottleneck that the MSME sector is facing, the fact remains that this is not entirely a novel initiative. The majority of the MSME sector comprises of the micro players which simply do not have the experience or resources, to use bank finance or engage in product promotion to ensure adequate returns. Real stimulus is possible only if credit flow is discernible.



The COVID-19 pandemic is having a massive impact on the business community and as a result industry's future landscape is bound to transform. Every crisis has two sides – a challenge and an opportunity.

There is some concern about the restrictions being imposed by state governments and municipalities without any warning, creating uncertainty and making it difficult for businesses to plan their operations. The efforts should be towards containing these lockdowns to the minimum possible area. It is important to maintain the balance between lives and livelihoods. Business continuity can be allowed wherever hygiene protocols are being followed to prevent contagion.

This challenging period with business disrupted due to reduced mobility and opportunities to directly meet customers coupled with the abrupt suspension of all business travel has significantly impacted avenues for sales.

The future is or what it used to be, we need to define: New Normal and Next Normal: while we deliberate between life and livelihood.

Dinesh Rai, Founder Chairman, AIM



The 'Atmanirbhar Bharat Abhiyaan' is being hailed as major fiscal policy and relief measure package to assuage India's economic predicament amidst the pandemic with specific emphasis on MSME revival.

I hope few of the policy initiatives would boost the morale of MSMEs and enable them to bounce back

Arunachalam Karthekeyan

Founder and Board of Director

AIM Bags - The iRise project The iRISE project will implement capacity building activities improving the market development and quality of rooftop PV systems in India. Special focus will be given to the qualification of solar installers - "Suryamitra"

A small successful example of how India can be the next global manufacturing destination – and also be Atma Nirbhar Bharat!

Shared by Shobhana Prakash, Entrepreneur @ RMC Electronics



During this global pandemic, India can make that “Quantum jump” and “play a big role in the Global supply chain” as desired by PM Modi – provided the Government speeds up the promised “bold reforms to create a Atma Nirbhar Bharath”. But it is also up to the Indian manufacturing industry, especially SME’s, to proactively target to get a pie of this huge opportunity.

RMC Electronics is one such small industry based in Bangalore, supplying a very niche but demanding segment : Electronic components – primarily RESISTORS. This company is a good example of how India could really become the next Global manufacturing destination – by just replicating and augmenting, the successful attempts of RMC Electronics, with both backward and forward integration of the supply chain.

The ingredients of this success story is simple : a committed collaboration of 3 parties, under the Government’s Make In India initiative :

- a tiny SME, RMC Electronics, manufacturing electronic components, specifically Resistors, with a passion and drive to build a niche for itself (the main protagonist).
- 2 large renowned MNC’s, committed to sourcing at least 70% from India, for their Indian projects as well as international ones.
- India’s largest PSU (Public sector undertaking).

Make in India was launched in September 2014 – and this collaborative effort began in 2016. After 3 years of consistent

collaboration between RMC and the MNC’s, import substitution components, worth millions, were successfully developed.

There were many things that contributed to the success of this collaboration : In the electronics world – and this may well be true of other sectors as well – compliance testing, both electrical and environmental are very crucial. The Government launched the Defence 30% Offset program more than a decade ago – but very few companies have been able to avail that opportunity – as compliance testing is not being anchored by any Indian agency! Nor are MNC’s and large Indian corporates being given the freedom to get their own testing done. RMC’s compliance testing was done at a Bangalore-based Indian Lab, in record time and was most importantly PAID for as development cost by the MNC customers! Such was their commitment to support the Make-in-India initiative!

RMC now has a 10 year contract with these MNC’s – which means : assured Orders, assured jobs for our workers for the next 10 years.

And our is not the only example – between these 2 MNC’s more than a 100 Indian companies directly - and even more indirectly, would have benefitted – and saved the Indian exchequer, millions of dollars!

So the bottom line – YES, India can make that “quantum jump” economically! YES, India can be Atma Nirbhar! And YES, India can be the next Global manufacturing destination!

What is required is : Collaboration, Institutional support, very bold, futuristic and most importantly speedy reforms – and a strong cohesive MOVEMENT – between Industry, the Indian Government and the International manufacturing community.

TIPS FOR MSME

STAY POSITIVE

STAY CONNECTED

PLAN & PRIORITIZE

FOCUS AND POSITIVES

UPDATE SKILL SETS

LEVERAGE ON TECHNOLOGY

MAINTAIN YOURS AND MACHINE’S HEALTH

TIME TO LEARN AND START TESTING

BE READY FOR RAMP UP

FOCUS ON STANDARDS

Board Meeting for the year 2019-20



4th Board Meeting was held in 14th March 2020 at AIM office

Decision to support German Federal Ministry for Education and Research (BMBF) sponsored SINADE project in identifying Nagpur Engineering Cluster as a Partner

The Annual General Meeting (AGM)

The Annual General Meeting (AGM) of the AIM was held on the 29th June 2020 under the Chairmanship of Shri Dinesh Rai, Chairman AIM through video conferencing

Shri Dinesh Rai welcomed the participants and set tone for the Executive Committee Meeting by discussing on the COVID 19 situation and the Impact on MSMEs, Government initiatives to support in sustaining MSMEs and how MSMEs and MSME organisations can work together to support Labour who are employed in the MSMEs.

Shri Dinesh Rai, Chairman AIM, informed the members that AIM will give feedback to the Government of India to energize the MSME sector which has been adversely affected by the Covid19 pandemic.

Shri Karthikeyan, Director AIM, informed the founder members about the two important developmental projects being initiated by AIM i.e. cluster development of MSMEs and Solar Energy project for generating electricity in households.

List of the Board of Directors and Special Invitee participated in the AGM:

1. Shri. Dinesh Rai, *Founder Chairman, AIM*
2. Smt. Shobhana Prakash, *Board of Director, AIM*
3. Shri. Anurag Aggrawal, *Board of Director, AIM*
4. Shri. Arunachalam Karthikeyan, *Founder and Board of Director, AIM*
5. Shri. B C Bhartia, *Board of Director, AIM*
6. Shri. R S Goswami, *Founder and Board of Director, AIM*
7. Dr. Shri. Ashok Nagar, *Special Invitee*

Forth Coming Activities (Sep-Dec) Capacity Building Webinars

- **Leadership**
 - Emotional Management (EM)
 - Leadership in adversity
 - Enhancing Team Effectiveness in Adversity (TEA)
 - Managing Family Business in Current Scenario
 - Enhancing Effectiveness in Decision Making (EEDM)
- **TPM for SME**
 - Productivity
 - Quality
 - Cost Reduction,
 - Zero Breakdown
 - Zero Defects
 - Inventory Reduction,
 - People Engagement
- **GST Consulting**

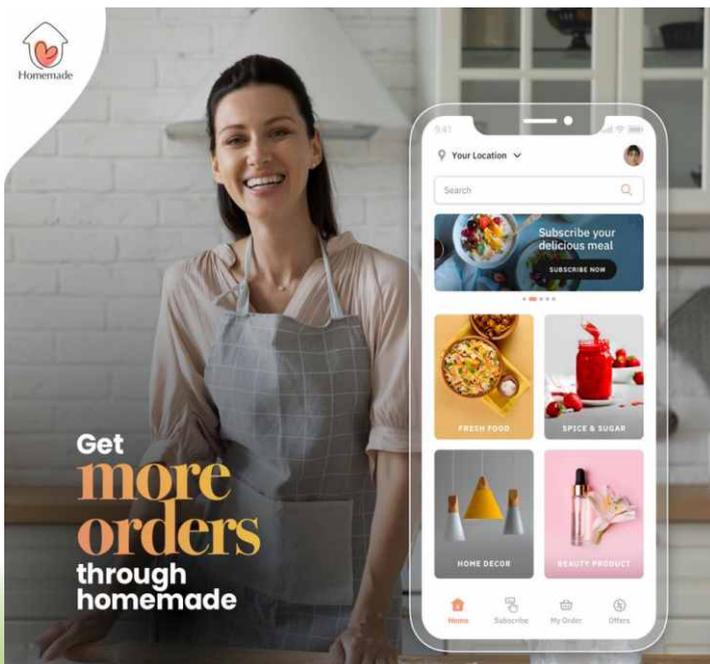
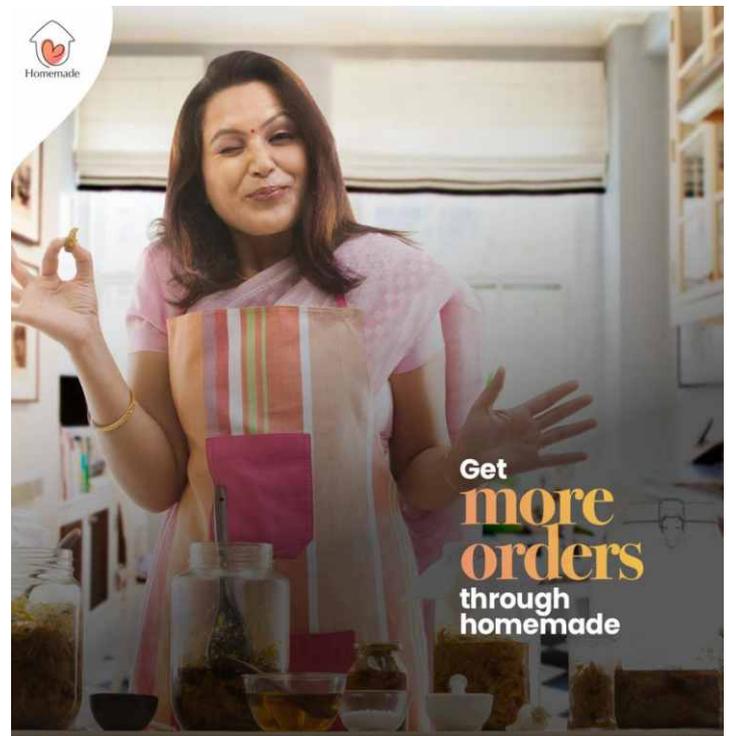


Mr V K Shukla has been inducted in AIM Family as Advisor – Skill Development & Vocational Education

MSME's are rethinking on the way they were conducting Businesses, this pandemic has enabled them to identify the need to enhance their online web presence, email marketing, Social Media presence and other web based applications, some of them are leveraging on what's up/ SMS Promotions.

Few Entrepreneurs are honing process innovations by partnering with technology players and even looking at crowd sourcing solutions through cluster approach to improve their overall competitiveness as well as resilience.

EMPOWERING ENTREPRENEUR SERIES



HomeMade is first mobile based platform that will provide opportunity for every product made at home to be sold across India. Homemade shall promote and sell Freshly made Food, Bakery and Preserved Food, Beauty Products, Home Decor and Apparels from it mobile application.

Designed and developed fully in India, from our office in Noida, HomeMade will empower housewives who have great skills and passion to create these items.

ALLIANCE OF INDIAN MSMES

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