

# NEWS LETTER

A Monthly News Bulletin

**AIM**<sup>®</sup>

Alliance of Indian MSMEs

[www.aimsmes.in](http://www.aimsmes.in)

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Budget 2021 is poised to encourage investments and Support Atmanirbhar Abhiyan, while the Budget has widely recognized the MSME Sector, We deeply appreciate the Finance Minister for the same amid global and Economic Uncertainty.

**Dinesh Rai IAS (Retd)**

*Founder Chairman*

*The Alliance of Indian MSME's ( AIM)*



Indian MSME's hold an immense potential for the Economy as a whole in the months to come. The hybrid version of both Digital and Physical infrastructure hold the key

for the Sustainable Environment of MSME's.

**Arunachalam Karthekeyan**  
*Founder & Director of Board*

## BUDGET 2021

The first ever digital only budget presented by Nirmala Sitharaman has widely been acknowledged to be one of a kind, with its significant outlays and concerns about fiscal debt. While its big boost to healthcare spending and divestment goals have been the highlights, what is also present is a major increase in the outlay for MSMEs.

The Union budget 2021 has allocated Rs.15,700 crores towards the MSME sector, double the amount from Budget 2020. A significant part of this outlay, Rs.10,000 crores, has been allocated to the existing Emergency Credit Line Guarantee Scheme (ECLGS), which was introduced by the government in the initial stages of the pandemic to help revive MSMEs. The government has also proposed to allocate ₹300 crore towards the establishment of new technology centres for the MSME units. Among the other segments, entrepreneurship and skill development programmes for the MSMEs witnessed higher allocation.

The Budget also announced multiple provisions aiming to enhance the competitiveness of MSME products. These include rationalising of customs duty on many products of sectors like steel industry, textiles, fisheries, precious metals and stones; as well as calibration of customs duty rates on chemicals to encourage domestic value addition and to remove inversions. According to the Federation of Indian Micro and Small & Medium Enterprises (FISME), reduction in Customs Duties on steel and ferrous and non-ferrous scrap is a major direct benefit to the MSMEs as it will help reduce the raw material prices.

## Status of ECLGS Scheme

The Emergency Credit Line Guarantee Scheme, which has also received additional outlay during the Union budget 2021, was notably announced by the Modi government in May to support small businesses disrupted by the pandemic and the following lockdown. As of 29 January, Member lending institutions (MLIs) including public and private sector banks and non-banking financial companies (NBFCs) have sanctioned 76.6 percent of the Rs 3-lakh-crore Scheme (ECLGS). This is up from the sanctioned loan amount of Rs 2,14,083 crore to 90,57,300 borrowers as of January 8, 2021. The scheme was amended in November to focus on entities in 26 stressed sectors, and also made it eligible for accounts with credit outstanding of more than Rs 50 crore and up to Rs 500 crore to raise credit.

Budget 2021 has recognised the greater relevance of both MSMEs and the digital sector. The Rs 15,700 crore allocation will be instrumental in helping the sector re-emerge after the pandemic induced lockdown. With an emphasis on infrastructure, digital, and capacity building, Budget 2021 will not only encourage investment and support the Atmanirbhar Abhiyan, but also improve the quality of life for citizens of across the country with planned expenditure on education, infrastructure, and healthcare systems.



## Key Highlights for the MSME sector

- A proposed capital expenditure of ₹15,700 crores was announced for the Micro, Small and Medium Enterprises (MSME) sector in the Union Budget 2021-22.
- Reduction in Customs Duty on semis, flat and long products of non-alloy, alloy, stainless steels, copper recyclers.
- Duty on steel scrap has been exempted until 31st March, 2022. ADD and CVD has been revoked for certain steel products.
- To rationalize duty on raw materials, nylon chain has been made par to polyester and other artificial fabrics.
- Duty on steel screws and plastic builder wares has been increased from 10 to 15 percent.
- To promote exporters of garments, leather and handicraft items that are primarily made by MSMEs, the budget has announced the withdrawal of exemptions on imports of some types of leathers, as they are manufactured domestically in quality and quantity.
- The creation of a special framework for debt resolution for MSMEs was announced. To get faster resolution on cases, the NCLT framework will also be strengthened, including implementation of the e-Courts system.
- NBFCs to be allowed to extend invoice financing to MSMEs to enhance their economic and financial stability.
- The last day for incorporating a start-up eligible for claiming tax holiday is extended to March 31, 2022.
- Capital gains tax exemption (arising on sale of the residential property) available upon investing in eligible start-ups is extended up to March 31, 2022.
- The e-invoicing regime is about to start for more than 5 crore turnover companies from April 2021.
- Setting up of 7 textile parks as part of the MSME package.
- Leveraging TReDS to facilitate investment.

# NSIC and Airtel join forces to accelerate Digital Transformation of Indian MSMEs

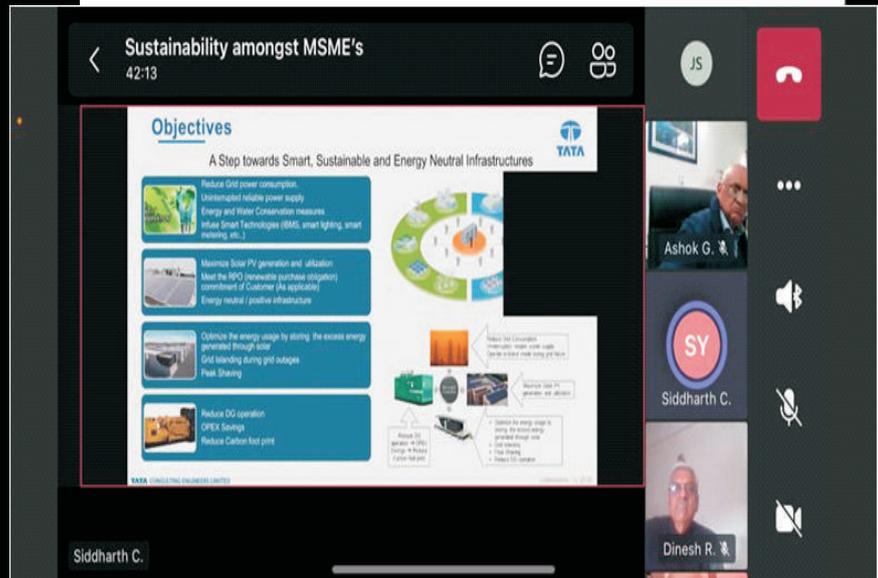
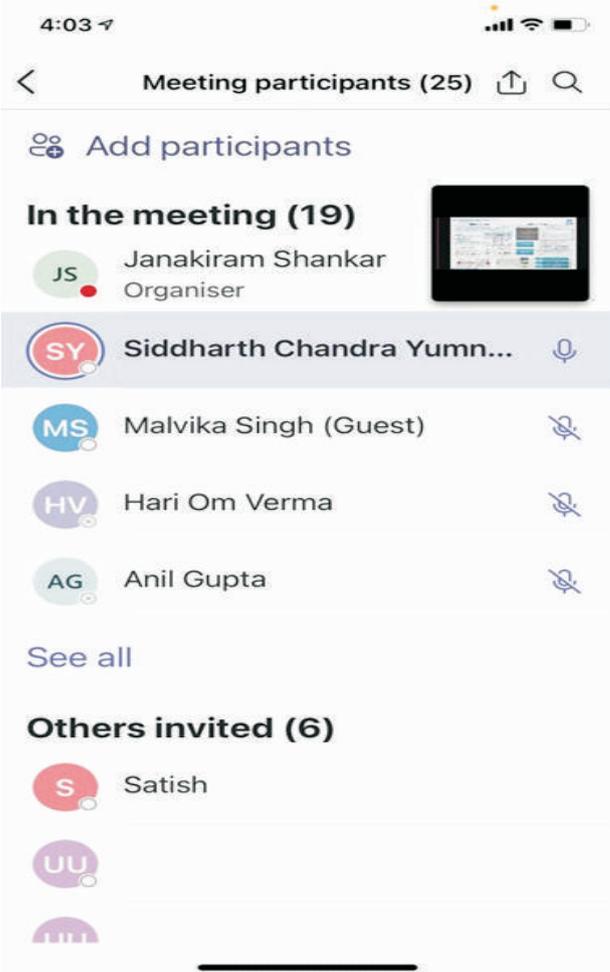
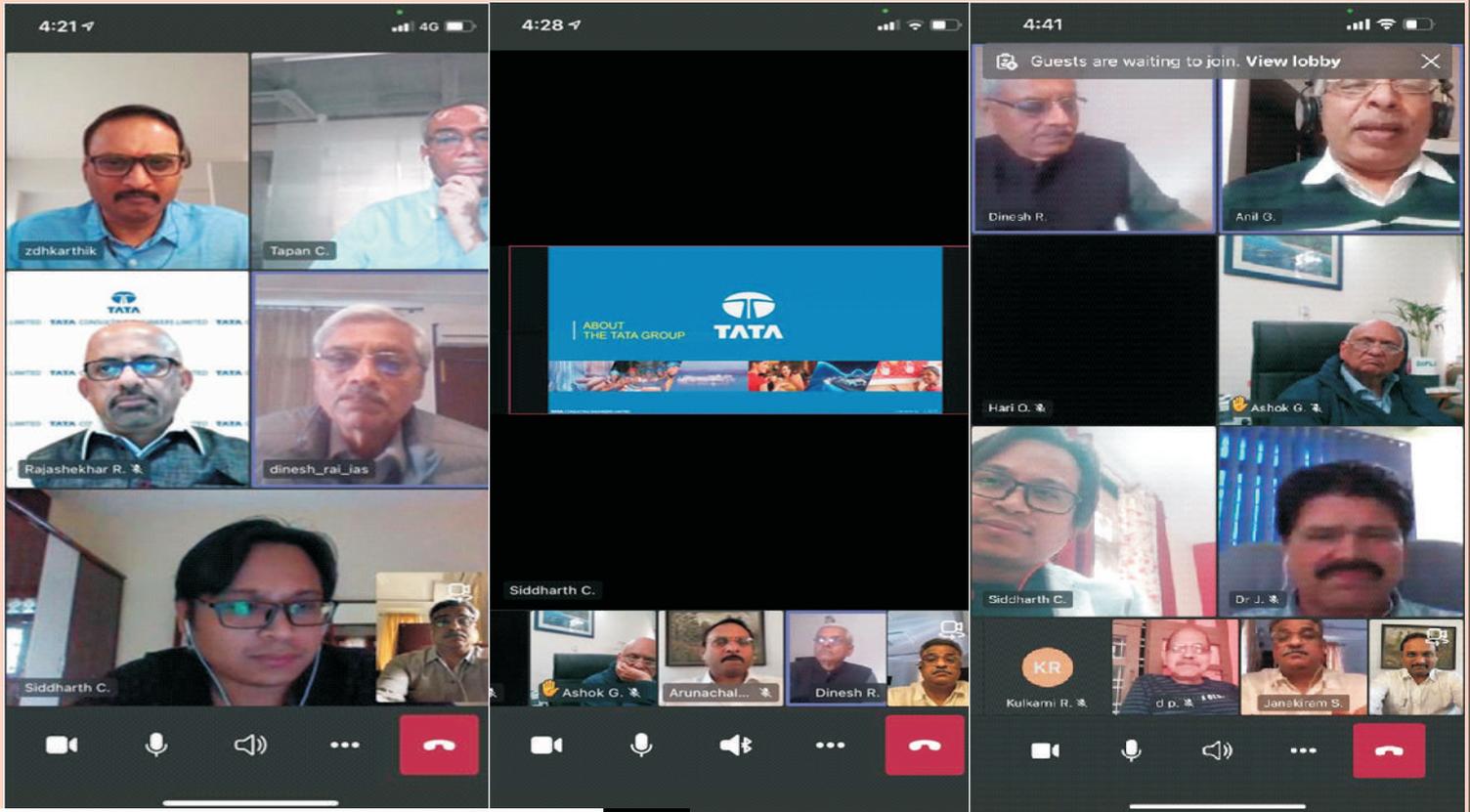


Bharti Airtel is stepping up initiatives to accelerate the digital transformation of Micro, Small and Medium Enterprises

(MSME) in India by partnering with National Small Industries Corporation (NSIC), A Government of India Enterprise having its mission “to promote and support MSME sector by providing integrated support services encompassing Marketing, Technology, Finance and other services”. Airtel announced an alliance with NSIC to make it easier for millions of small and medium businesses get access to Airtel's Connectivity, Conferencing, Cloud, Security, and Go-to-Market solutions. This partnership with NSIC envisages digital transformation of this critical sector as key to the Government's vision of 'AtmaNirbhar Bharat' for enabling MSMEs to scale up faster by ways of adopting digital ways of doing business. Sh. P. Udayakumar, Director (Planning & Marketing), NSIC said “These solutions will be available through NSIC’s online portal [www.msmemart.com](http://www.msmemart.com) as well as through NSIC’s field offices across the country under NSIC’s Aggregation vertical offering ICT Enabled Digital Services. This partnership with Airtel is envisaged to serve multiple ICT needs of MSME sector for sustained growth and increased productivity.” MSMEs are an important growth engine of the Indian economy. With over 60 million business units, the sector contributes to 29% of India’s GDP, 40% of exports and employs over 110 million people. These businesses are looking for reliable, secure connectivity and digital platforms that will add to their efficiency and competitiveness.

# ACTIVITIES OF THE MONTH JANUARY & FEBRUARY 2021

## Meeting with Tata Consulting Engineers towards framing a roadmap on Sustainability Initiatives for MSME's



### AIM Innovation Hub

AIM in partnership with Innomantra Consulting is in the process of Series of Innovation programs towards Leading Systematic Innovation to Amplify Growth.

# 2nd Board Meeting of AIM On 6th Feb. 2021



## ELCINA : AIM : Interactive Session for Collateral Free Loans Under CGTMSE Scheme



The interactive session was addressed by  
Mr. Dinesh Rai, IAS, Former Secretary, Ministry of MSME, & Founder Chairman- Alliance of Indian MSMEs, (AIM)  
Mrs. Shobhna Prakash, Chairperson, ELCINA Micro & Small Industries Forum (EMSIF), EMSIF & Member of Board AIMMD, RMC Electronics Pvt. Ltd.  
Mr. Arunachalam Karthikeyan, Founder & Board of Director, AIM  
Ms. Vijayalakshmi Gopi, Managing Partner, Artha Capital  
Ms. A K Bhooma, Asst. General Manager, Canara Bank

# MEMBER SPOTLIGHT- SUCCESS STORY

Shri HARI OM VERMA– Managing Director of Ramani Precision Machines (P) Ltd. started his own Small Scale Enterprise in the year 1991,

Shri Verma adopted Technology Development by his own experiences which are Very Economical and of High Quality. For the last 24 Years Shri Verma is working on the motto of "100% - Make In India", which is the present vision of our honorable Prime Minister, Sh. Narendra Modi Ji.

Shri Hari Om Verma has two Development Centres, working for Multinational Companies and even Exporting the 100% Made in India High Technology Equipment to Germany, UK, Switzerland, Mexico, Brazil, Finland, Taiwan, Dubai etc.

Ramani Precision Machines (P) Ltd., is an ISO 9001:2015 Certified Company.

The company is primarily engaged in the manufacturing, supplying and exporting of Industrial Machines like Automatic Fillet Rolling Machines, Automatic Caulking Machines, FF Receivers, Automatic Wire Winding Machines, Spring Coiling Machines, Gang Drilling Machines and many more. In addition to this, the company has set a strong foothold in Germany, United Kingdom, Dubai etc. They are channel partner of Yaskawa Robots Japan.

Apart from the above RAMANI's have designed, developed and innovated automatic Pasting and Segmentation machine for friction plates. These plates are used in 2 wheelers and 4 wheelers for braking. The conventional methods for manufacturing these plates is very laborious and causes raw material wastage.

The projects, undertaken and implemented with efficiency, speed & economy as per the time schedule. are widely supplied to Automotive Industry, Air Conditioning Industry, Lighting Industry, Mass Production Machining, Materials Testing, Material Handling and Transfer Systems Engineering. They have developed Special Purpose Machines for American as well as Japanese reputed organizations, who are setting up their new projects in India. Last but not the least, they have been able to establish and maintain long-term relationship with their esteemed clients.

## COVID Crisis

The company also took up commissioning of Unique Machine during COVID -19. Denso Marston Ltd. UK had ordered a machine, whose design was unique. Ramani took the challenge and machine was ready packed in the month of March 2020 but could not be shipped due to Covid-19 problems. To build up the confidence of their customer, Ramani sent their team to UK on 27th August 2020 after getting COVID test clearance. The team worked at the UK customer factory and successfully commissioned the machine for production with un-believable results.

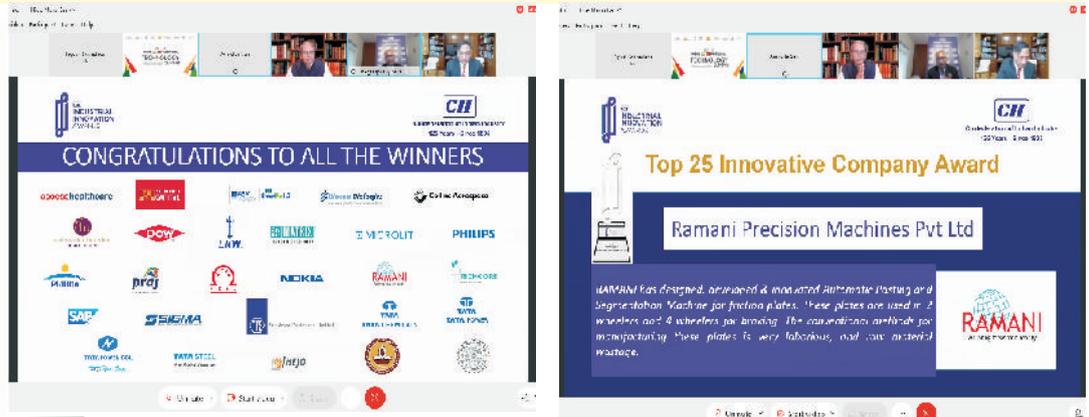
## Awards and Accolades:

International Business	Stevie GOLD Award – USA , being selected as the Top manufacturing Company in category – SMALL
CII– Industrial Innovations Award – 2020	Selected as One of the 25 Most Innovative Companies of India
QCI	Quality Champion Silver Award – 2020 by Quality Council of India

Shri Verma's achievements also include

2000	National Award by Prime Minister of India Sh. Atal Bihari Vajpayee Ji
2001	Republic Day Award from Commissioner of Ambala
2014	INDIA'S TOP-100 SME's Award by Shri KalrajMishraJi& Smt. Sumitra Mahajan.
2016	INDIA'S TOP-100 SME's Award by Shri KalrajMishraJi& Shri Suresh Prabhu

Shri Hari Om Verma can be contacted @ Ramani Precision Machines Private Limited, Plot no.162, Sector 82, JLPL Industrial Area Mohali-160055, District S.A.S. Nagar, Punjab Tel:91-0172-2920262





**AIM**  
(ALLIANCE OF INDIAN MSMEs)  
&  
**ARTHA CAPITAL MANAGEMENT, CHENNAI**  
(CREATING LEGACY & BEYOND)



**CONDUCTS MEGA CREDIT DRIVE**  
(TAMILNADU & KARNATAKA BASED SME & MSME COMPANIES)

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Tel: 044 4319 2057 / 2188, Email: [info@artha-cap.in](mailto:info@artha-cap.in)

# START UP INDIA

Start-ups and incubators can apply online for support under the ₹1,000-crore Startup India Seed Fund Scheme (SISFS) which would become operational from April 1.

The Scheme aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry and commercialization. Rs. 945 Crore corpus will be divided over the next 4 years for providing seed funding to eligible startups through eligible incubators across India. The scheme is expected to support about 3600 startups.

Startup India Seed Fund Scheme (SISFS) aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry and commercialization. This would enable these startups to graduate to a level where they will be able to raise investments from angel investors or venture capitalists, or seek loans from commercial banks or financial institutions.

## Measures for businesses/startups including MSMEs -

- Rs 3 lakh crore Emergency Working Capital Facility for Businesses, including MSMEs.
- Rs 20,000 crore Subordinate Debt for Stressed MSMEs.
- Rs 50,000 crore Equity infusion for MSMEs through Fund of Funds.

# FORTHCOMING ACTIVITIES

Capacity Building Programmes (Online format)

## AIM: ACMA: INNOMANTRA: VDA

Amplifying Innovation :The Power of Ideas Redefines the Success of Products or Services.

**TANSTIA : AIM** : Interactive Session for for Collateral Free Loans under CGTMSE Scheme 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)

## Total Productivity Management

Six Big Losses- Productivity through - Zero Breakdown, Zero Defects, Set up time

# AIM<sup>®</sup>

*Wishes You*

HAPPY

# HOLI

