

BRIEF NOTE ON BUDGET ESTIMATE FOR 2016-17

OF MSME DEPARTMENT

VILLAGE & SMALL ENTERPRISES

The village and small enterprises sector includes village and micro, small & micro enterprises (MSME). The sector has the potential for employing a large number of people with low capital investment. It also plays a vital role in the process of decentralization of industrial activities in the State. With a number of large industrial projects in the pipeline, the emphasis is on promotion and development of ancillary and downstream industries, establishment of functional industrial complex and generation of employment. The contribution of village Industries sector towards economic development has been tremendous. It plays a vital role in socio economic development of artisans and for creating employment opportunities. MSME segment deserves high priority. The state Govt. has been making all out efforts to create conducive atmosphere, level playing ground and policy support to enable the MSMEs to achieve high levels of production export and employment.

VILLAGE & SMALL SCALE INDUSTRIES SECTOR

STATE PLAN SCHEMES

Industrial Exhibitions, Fairs and Publicity (Rs.30.00 lakh)

The objective of the scheme is to facilitate participation in Exhibitions/ Fairs at District, State and National level to support MSMEs & to explore their market avenues. The main objective of the scheme is to create general awareness among the prospective Entrepreneurs and the marketing facilities. Besides, artisans can improve their technical know-how by participating State level and International Trade Fair along with interaction on different models of manufacturing goods and items displayed in the Fair. An amount of Rs.30.00 is proposed in the Annual Plan: 2016-17 out of which flow of funds to TSP is Rs.3.00 lakh.

Financial Assistance for Road shows for Micro, Small and

Medium Enterprises (Rs.30.00 lakh)

Road Shows are to be organized at different locations (State and outside)

for attracting the investors to the State as well as promotion of ancillary and downstream industries & other focused activities. Besides, the entrepreneur gets exposure visits to outside the State for gathering technical experiences for developing the MSME sector in the State. An amount of Rs.30.00 lakh is proposed in the Annual Plan: 2016-17.

District Level Entrepreneurship Development

Programme and Celebration of Entrepreneurship

Development Week

(Rs.90.00 lakhs)

District Level Entrepreneurs Development Programme is meant to identify the local talent and to sensitize and motivate them for building their entrepreneur career. In order to facilitate the process of setting of ventures, it is essential for building the capacity of prospective entrepreneurs. Besides, entrepreneur's week is an annual programme celebrated across the State to familiarize the objective of the different industrial schemes/ programmes of the Government. An amount of Rs.90,00 lakh is proposed in the Annual Plan: 2016-17 for this scheme out of which flow of funds to TSP & SCSP are Rs.3.00 lakh and 2.00lakh respectively.

Implementation and Monitoring of Single Window under

Directorate of Industries

(Rs.200.00 lakh)

The objectives of Single Window are to provide required services to the investors to promote & broad-base the industrial development in the State, In order to achieve the objectives, up-gradation of institutional infrastructure at Directorate and DICs is required to fulfil the mandate of Odisha Industries Facilitation Act, 2004 and Odisha Industries (Facilitation) Rules, 2015. An amount of Rs.200.00 lakh is proposed in the Annual Plan: 2016-17 out of which flow of funds to TSP & SCSP are Rs.2.00 lakh and Rs.1.00 lakh respectively.

State Share for MSE Cluster

Development Programme

(Rs.150.00 lakh)

Cluster development is one of the proven instruments for growth and

sustenance of the industrial units. Development of Micro & Small Enterprises Clusters with support under MSECDP of GoI is a matching grant manner. Rs150.00 lakh is required for the purpose as State Share gap funding of project cost and GoI grant &SPC contribution. An amount of Rs.150.00 lakh towards State share is proposed in the Annual Plan: 2016-17 out of which flow of funds to TSP & SCSP are Rs.5.00 lakh and Rs.3.00 lakh respectively.

Incentive for Food Processing, Industries & Capacity

Building of the Entrepreneurs (New) (Rs.590.00 lakh)

Implementation of various provisions under Odisha Food Processing Policy, 2013 through administration of incentives like Capital Investment Subsidy, Interest Subsidy, Rebate on Land, Electricity, Duty Exemption, Reimbursement of Quality Certification, Entry Tax Exemption, setting up of Mega Food Park, Cost of DPR, VAT Reimbursement for setting up Food Processing industries in Mega Park are essential for promotion of Food Processing Industries. An amount of Rs.590.00 lakh is proposed in the Annual Plan: 2016-17.

Formation of Regional Industries Centre (Rs.10.00 lakh)

Strengthening of Regional Industries Centres located at major industrial zones i.e. Rourkela, Sambalpur, Rayagada, Dhenkanal & Kalinganagar(Jajpur) is to facilitate investment as per mandate of IPR 2007. A sum of Rs.10.00 lakh is proposed in the Annual Plan: 2016-17.

State Initiative for Micro & Small Enterprise Cluster

Development Programme (Rs.50.00 lakh)

To facilitate need-based and flexible interventions for overall improvement of the MSE Clusters as per notified guidelines vide Notification No. I-SI-5/2010.IND-14824/I dated 29.09.2010 is required to leverage GoI funds for development of clusters. A sum of Rs.50.00 lakh is proposed in the Annual

Plan: 2016-17.

Restructuring of District Industries Centers (DICs) (Rs.50.00 lakh)

Face-lifting of DICs and capacity building of manpower are taken up with schematic support as per approval in Industries Department letter No. IX-SI-64/09-3266/I dated 29.09.2010. For restructuring the DICs, a sum of Rs50.00 lakh is proposed in the Annual Plan: 2016-17 out of which flow of funds to TSP & SCSP are Rs.2.00 lakh and Rs.1.00 lakh respectively.

Youth innovation fund facility/ Encourage (New)

Innovation in Production Process/

Technology by Young Entrepreneurs (Rs.50.00 lakh)

To motivate & support the young entrepreneurial talent of the State and support innovative ideas/ technology / projects in various fields so as to increase productivity, profitability, access to market & generation of employment, a sum of Rs.50.00 lakh is proposed in the Annual Plan: 2016-17.

Biju Atma Nijukti Yojana (BANY) (Rs. 1000.00 lakh)

The scheme has been designed to provide employment to unemployed youth by promoting micro enterprises by the unemployed poor. It relates to the setting up of the self-employment ventures for industries, services and business sector. It is proposed to promote 20,000 Industrial/ Service /Business enterprises under the programme annually with potential to generate 40,000 employment opportunities. The scheme envisages flow of investment of Rs. 560.00 crores to rural areas and Rs. 260.00 crores to urban areas (Average project cost assumed Rs. 4.00 lakh per enterprise)

Venture Capital Investment in Startups (New) (Rs.1000.00 lakh)

Venture capital plays a pivot role through the Nationalized Bank for

development and growth of innovative entrepreneurs of the State. Venture capital activity of the financial institutions like IDBI, OSFC, OSIC & ICICI etc. in the private sector is debt instrument of funding. Venture capital has developed as a result of the need to provide non-connectional, risky finance to new ventures. Venture is an investment in form of equity/ quasi-equity and sometimes debt-or conditional, made in new or untried concepts, promoted by a technically or professionally qualified entrepreneur. An amount of Rs.1000.00 lakh is proposed in the Annual Plan: 2016-17.

Subsidy in Shape of FA against various incentives

payment to MSME units under IPR - 2015. (New) (Rs.100.00 lakh)

IPR-2015 declared on 24.08.2015 provides various fiscal incentives to MSMEs. In order to cater the need of funds, a new scheme is suggested for incorporation, a sum of Rs.100.00 lakh is proposed in the Annual Plan: 2016-17.

Subsidy in Shape of FA against various incentives

payment to MSME units provisions under IPR 2007 and earlier IPRS (New) (Rs.849.93 lakh)

MSMEs which have made fixed capital investment during IPR-2007 i e upto 24.08.2015- date of declaration of IPR-2015 will require fiscal support measures under the IPR 2007 and also under earlier IPR as applicable. Keeping the same in view, various provisions has been amalgamated and a new scheme is suggested to provide various incentives under the earlier Policies, a sum of Rs.849.93 lakh is proposed in the Annual Plan: 2016-17.

Subsidy in shape of FA against CIS to micro and

small enterprises under MSMED policy. (Rs.200.00 lakh)

To support the Micro Small Enterprises Capital Investment subsidy @10% of fixed capital investment is being provided under MSMED policy 2009. Women, SC, ST & Technical Degree and Diploma holder are supported

with CIS @,12 of FCI. An amount of Rs.200.00 lakh is proposed in the Annual Plan: 2016-17 out of which flow of funds to TSP & SCSP are Rs.2.00 lakh and Rs.3.00 lakh respectively

Coir Enterprise Development

(Rs.10.00 lakh)

In order to promote the coir, the scheme specifically aimed at rehabilitation of skilled artisans by providing margin money assistance for availing institutional finance, promote Coir Enterprises by individual artisans/ entrepreneurs, an amount of Rs.10.00 lakh is proposed in the Annual Plan: 2016-17.

Promotion of Coir Industry

(Rs.45.00 lakh)

To provide financial assistance for running the Govt. Coir training centres, margin money assistances for availing institutional finance, promote coir enterprise by individual artisans/ entrepreneurs, financial assistance for conducting Entrepreneurs Development Programme, Coir Field training Centres, infrastructure assistances to Coir Self Help Groups Coir-Coop-Society, Exposure visit for the coir artisans/ Trainees and also participation of coir units in different Exhibitions for marketing of coir products etc., an amount of Rs.45.00 lakh is proposed in the Annual Plan: 2016-17 out of which flow of funds to SCSP is Rs.2.00 lakh.

Coir Cluster Development Programme

(Rs.20.00 lakh)

It is a newly introduced scheme for sustenance of 72 Self Help Groups (SHGs) having 1,080 women artisan members for capacity building, skill up-gradation and Common Fund for Commodities (CFC). Besides, new clusters will be developed with need based intervention, an amount of Rs.20. 00lakh is proposed in the Annual Plan: 2016-17.

Rebate on Sale of Khadi Cloth

(Rs.24.99 lakh)

This scheme is introduced to provide subsidy to Khadi Societies of the State through the Odisha Khadi and Village Industries (OK&VI) Board on sale of khadi and poly-vastra products. The State Government provides 10% rebate on retail sale of khadi and poly vastra products every year. A sum of Rs.24.99 lakh is proposed in the Annual Plan: 2016-17 out of which flow of funds to

SCSP is Rs.1.50 lakh.

Grants to OK&VI Board

(Rs.125.00 lakh)

For revival of Khadi activities in the State, Government impressed upon to input terms of machineries and equipment, support towards Establishment of work sheds, for providing working *capital* support, establishment of raw material and spare parts, bank, capacity building of OK&VI Board functionaries, Khadi Society, changes in system, integration of IT, exposure visits of artisans, promoting model Khadicentres and revival of Silver Plant at Choudwar a sum of Rs.125.00 lakhs is proposed in the Annual Plan: 2016-17.

Market Development Assistance for Coir Industries

SS OF CSP Scheme.

(Rs. 5.00 lakh)

For providing financial Assistancess to primary coir co. op. society and odisha co. op coir corporation as per guideline of Coir Board of GOI under MDA schemes towards State Share,a sum of Rs.5,00 lakh is proposed in the Annual Plan: 2016-17.

Token Provision

(Rs.16.00 lakh)

Apart from the above schemes a token provision of 0.16 lakh is proposed for the following schemes @0.01 per scheme towards token provision in the Annual Plan 2015-16.

- i. Loans to OSIC
- ii. Loans to OSFC
- iii. Grants to to PSUs
- iv. Financial Assistance for setting up of Science and Technology Park.
- v. Establishment of Plastic Park
- vi. BijuPattnaik Centre of Excellency for Entrepreneurship Development.
- vii. Odisha Mission of Food Processing
- viii. Self-Employment programme
- ix. Joint programme work for development of Slat Industries.
- x. Improvement of Salt Industries
- xi. Financial Assistance to conduct ShilpaAdalat under IPR
- xii. Development of Khadi& Village Industries Cluster under SFRUTI-ss of csp

- xiii. Development of Coir Cluster under SFURTIS S of csp Schemes.
- xiv. Restructuring and strengthening of OCCC Ltd
- xv. Financial Assistant for Establishment of Livelihood Business Incubator / Technology Business Incubator / Other Incubators (New)
- xvi. Coir Enterprise Development.

Implementation of Cement (Quality Control) Order

2003 of Government of India

(Rs 34.00 lakh)

The Cement Quality Control prohibits manufacture, sale and distribution of cement in the State, which does not conform to the specified standard and do not bear the INT mark. The State Government is the appropriate authority to implement the above order. There are six Testing laboratories under DEP&M which are located at Cuttack, Rourkela, Angul, Berhampur, Bolangir and Balasore. To provide full testing facility for cement these laboratories need to be upgraded, modernized Testing Laboratories accredited because samples of cements are required to be tested. An amount of Rs 34.00 lakh is proposed in the Annual Plan: 2016-17.

Export Promotion and Publicity

(Rs 175.00lakh)

For organization of events like Trade Fairs/Vendor Development Programmes /Buyer Seller meets on IITF pattern, permanent structure of IITF model is contemplated by Government to be constructed at Bhubaneswar with all facilities to attract the National and International businessmen to the State of Odisha and engage them in State Export Business activities to a large extent. A sum of Rs 175.00 lakh is proposed in the Annual Plan. 2016-17.

Upgradation of Testing Laboratories

(Rs 111.00 lakh)

There are six testing laboratories under the DEP&M, Odisha which are located at Cuttack, Rourkela, Balasore, Berhampur, Bolangir and Angul to impart testing services to the Industries and Government organizations located throughout the State. Up-gradation and Modernization of the above

laboratories would help the Micro & Small Enterprises and Government organizations of the State to provide better quality products and services to the entire State by utilizing the testing services of the upgraded and modernized testing laboratories. An amount of Rs 111.00 lakh is proposed in the Annual Plan: 2016-17 and out of which flow to TSP & SCSP are Rs17.00 lakh and Rs 14.00 lakh respectively.