



EASTERN INDIA MSME MEET 09

on

20th January 2009

at

Chanakaya Hall, Swosti Plaza, Bhubaneswar

Programme Schedule

&

Background Paper

Organizer

Chamber of Small Industry Associations

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Support





Eastern India MSME Meet 2009
20th January 2009 **Bhubaneswar**

Inaugural Session

11.00 a.m .to 12.30 p.m.

National Anthem

Welcome Address –

Shri. P. S. Agwan, Honorary General Secretary, COSIA

Felicitation of His Excellency the Governor of Orissa Shri. Murlidharji Bhandare

at the hands of Shri. M. R. Khambete, President, COSIA

Welcome to Guests of Honour and presenting flowers to them

Shri. P. S. Agwan, Honorary General Secretary, COSIA

Lighting of Traditional Lamp

at the hands of His Excellency the Governor of Orissa Shri. Murlidharji Bhandare

Opening Remarks -

Shri. M. R. Khambete, President, COSIA

Release of Special Issue of TISA Magazine of COSIA to mark the event

at the hands of His Excellency the Governor of Orissa Shri. Murlidharji Bhandare

Address by Guest of Honour

Shri. Anand Paranjape, MP [Lok Sabha] & Member, National Board for MSME, Govt. of India

COSIA Entrepreneurship Appreciation Awards Presentation

at the hands of His Excellency the Governor of Orissa Shri. Murlidharji Bhandare

Address by Guest of Honour

Hon'ble Shri. Biswabhusan Harichandan, Rural Development, Industries, Law

Address by Chief Guest,

His Excellency the Governor of Orissa Shri. Murlidharji Bhandare

Vote of Thanks

Smt. Sujata Soparkar, Committee Member of COSIA & Honorary General Secretary, TSSIA

National Anthem

Subject to changes as per the directives of the Office of the Governor of Orissa



Session I

12.30 to 01.30 p.m.

Subject: Finance to MSME Sector in Global Financial Crisis

Welcome & Opening Remarks	Shri. Sumant Mathure Committee Member – COSIA
Presentation on the subject	1. Shri. Amit Behera, M. D., Oripol Industries Ltd; Orissa 2. Capt. Haren Mahapatra, President, OASME, Orissa 3. Shri. K. Parthasarathy, Secretary, ASIUTOP, Pondicherry
Response and Guidance	1. Shri. M. Narendra, Executive Director, Bank of India 2. Shri. K. S. Singhwan, CGM, Eastern Zone, SIDBI
RBI Stimuli & Concluding Address	Shri. Kaza Sudhakar, Regional Director, RBI
Vote of Thanks	Shri. Jayraj Pai, President, KSIA, Mengluru

Session II

2.30 to 3.30 p.m.

Subject: Exploring Business Opportunities amongst MS Sector in India

Welcome & Opening Remarks	Smt. Sujata Soparkar, Com. Member – COSIA & Hon. General Secretary – TSSIA, Maharashtra
Presentation on the Subject	Shri. Hemant Sharma, IAS, Director of Industries, Orissa Director, MSME Development Institute Shri. Ravindra Prabhudesai Chairman & M. D., Pitambari Group of Industries, Maharashtra
Open House	One representative { Assam Bihar Chhattisgarh Jharkhand Orissa West Bengal from each State
Chairman's Concluding	Shri. P. Kumar, President, ICSI, Kolkata
Vote of Thanks	Shri. Pravin Mistry, Branch Chairman, COSIA



Session III

3.30 to 4.30 p.m.

Subject: Labour Reforms for MSME Sector

Opening Remarks & Presentation	Shri. P. S. Agwan, Hon. General Secretary, COSIA
Open Session :	One representative from each State { Assam Bihar Chhattisgarh Jharkhand Orissa West Bengal
Chairman's Conclusion	Capt. Haren Mahapatra, President, OASME, Bhubaneswar
Vote of Thanks	Dr. Madhu Gupta, Hon. Joint Secretary , COSIA

Concluding Session :

4.30 to 5.00 p.m.

Subject: Passing Resolutions

Opening Remarks	Shri. Vinod Tibrewala, Vice President - COSIA
Recognition & Presentation of Mementos to MSME Associations at the hands of COSIA President	Shri. Pravin Mistry to compere.
Presentation of the Resolutions	Shri. P. S. Agwan, Hon. General Secretary, COSIA
Response from the Delegates	One representative from each State { Assam Bihar Chhattisgarh Jharkhand Orissa West Bengal
Concluding of the Meet	Shri. M. R. Khambete, President, COSIA
Vote of Thanks	Shri. Dilip Salvekar, Secretary General, COSIA



Policy of Orissa for joint projects :

Industries Department, Government of Orissa, headed by commissioner-cum-Secretary to Government, oversees & formulates policies for the promotion & development of Micro, Small & Medium Enterprises [MSME] in the State. Directorate of Industries, Orissa is located at Cuttack and is responsible for implementation of various plans & programmes for development of MSME Sector. Directorate of Industries is supported by 31 DICs in 30 revenue districts.

State formulates Industrial Policies from time to time depending on its priorities, intermediate goals and objectives, the latest being Industrial Policy Resolution – 2007. However, there is no specific policy of the State for joint projects in the field of MSME Sector. A new policy package for MSME Sector is on anvil.

Thrust or Preference Areas :

Thrust sectors, as defined, in the IPR – 2007 are :

Sector	Minimum Capital Investment [Rs. In crore]	Employment [Direct]
Agro-Processing	25.00	100
Automobiles	300.00	500
Auto-Components	50.00	200
Textile	50.00	500
Apparel	10.00	500
Ancillary & Down Stream	10.00	100

Similarly, priority sectors as per IPR – 2007 for the State include :

- i. IT and IT enabled service
- ii. Tourism related
- iii. Bio-technology
- iv. Petroleum, Chemicals & Petro-chemicals
- v. Pharmaceuticals
- vi. Handicraft, Handloom, Coir and Leather products
- vii. Gem stone cutting and polishing
- viii. Sea food Processing
- ix. Fly ash & Blast furnace slag based industries utilizing a minimum of 25% by weight as base raw material.
- x. Industry other than mineral extraction industry, which exports more than 50% of its total turn over, certified by EPM.
- xi. Units not qualifying for “Thrust Sector” status for not meeting minimum capital investment criteria.

Technology Required & Other Such Details :

State has already attracted Rs. 281,142.28 crore investment primarily for mineral based industries. There is a strong need for sectoral broad basing. For the purpose, State needs Technical Assistance in terms of development of Institutional framework, capacity building of manpower through exposure to best practices, handholding support etc for development of Ancillary & Downstream enterprises, arresting sickness of existing enterprises, promoting induced clusters etc.

Shri. Ashok Dalwai, IAS
Commissioner cum Secretary to Orissa Govt., Industry & Mines Department,
Orissa Secretariat, Bhubaneswar – 751 001, State – Orissa



Global Financial Crisis

Credit delivery to Micro and Small Enterprises RBI Measures : Stimulus – I

In the context of the global developments and the knock on effects in the domestic credit markets, RBI has taken several measures to enhance credit delivery to the employment intensive micro and small enterprises [MSE] Sector.

Specifically, the following initiatives for assisting this sector have been taken by RBI: (a) In terms of circular DBOD. No.BP.BC.58/21.04.048/2008-89 dated October 13, 2008 banks were advised to consider restructuring the dues of SMEs where warranted and also continue to disburse loans against the sanctioned limits.

(b) Prudential guidelines on restructuring of advances have also been issued vide circular DBOD. No. BP.BC.37/21.04.132/2008-89 dated August 27, 2008 which harmonises the prudential norms over all categories of debt restructuring mechanisms (other than those restructured on account of natural calamities).

(c) To face the problems arising out of the current economic downturn, it has been decided vide our circular DBOB.No.BP.BC.No.93/21.04.132/2008-09 dated December 8, 2008, that as a one time measure, the second restructuring done by banks of exposures [Other than exposures to commercial real estate, capital market exposures and personal / consumer loans] upto June 30, 2009 will also be eligible for exceptional regulatory treatment.

(d) The Reserve Bank vide its circular No. MPD.BC.309/02.01.2009/2008-09 dated November 3, 2008 introduced a special refinance facility under section 17(3GB) of the Reserve Bank of India Act, 1934, under which scheduled commercial banks [excluding RRBs] are provided refinance from the Reserve Bank equivalent to upto to 1.0% of each bank's NDTL as on October 24, 2008 at the LAF repo rate upto a maximum period of 90 days. Banks have been encouraged to use this facility for the purpose of extending finance to micro and small enterprises vide circular no. MPD.BC.311/02.01.009/2008-09 dated November 18, 2008.

(e) Banks have been advised to contribute an aggregate amount of Rs. 2000 crore to the Micro, Small & Medium Enterprises [MSME] [Refinance] Fund with SIDBI in advance on the basis of the banks' projected shortfall in achievement of sub-target of 10% for lending to Weaker Section category as on the last reporting Friday of March, 2009.

(f) RBI has provided a refinance limit of Rs. 7000 crore to SIDBI for incremental on lending to the sector directly and through banks, NBFCs and SFCs.

In order that the problems faced by the MSE sector are addressed proactively by banks and steps taken for timely restructuring, holding on operations and additional facilities etc., we advise that SLBC convenors may immediately organize special meetings of SLBC where representatives of MSE sector are invited to facilitate exchange of views and arrive at concrete measures in the interest of the sector and the banking system. The details of the RBI restructuring guidelines can be explained and disseminated in these meetings.

4. Further, in terms of our circular IECD/5/08.12.01/2000-01 dated October, 16, 2000 (reiterated on May 30, 2003, vide circular No. IECD.No.20/08.12.01/2002-03).

i. While sanctioning / renewing credit limits to their large corporate borrowers enjoying working capital limits of Rs. 10 crore and above from the banking system), banks were advised to fix separate sub-limits, within the overall limits, specifically for meeting payment obligations in respect of purchases from SSIs either on cash basis or on bill basis.

ii. The size of such sub-limits to be decided taking into account the projected purchases by corporate borrowers from the SSIs during a year in relation to their total purchases and other relevant factors.



iii. Further, with a view to ensuring availability of adequate balance in the account for meeting the payment obligations to SSI units, banks were advised to ensure that sale proceeds / other receipts of the borrower are credited to this account on a pro rata basis.

5. Banks were also advised to closely monitor the operations in the sub-limits, particularly with reference to their corporate borrowers' dues to SSI units by ascertaining periodically from their corporate borrowers, the extent of their dues to SSI suppliers and ensuring that the corporates pay off such dues before the 'appointed day' / agreed date by using the balance available in the sub-limit so created. The instructions provided that if, at any time, the sub-limit is exhausted there is no bar on such payments being made from the other segment of the working capital limit. Similarly, if no payments are due to SSI Suppliers, and the sub-limit remains unutilized / partly utilized, banks were free to allow their corporate borrowers to operate this limit for meeting other working capital expenses.

6. We advise that the above instructions, mutatis mutandis, will be applicable to all MSEs to take care of payment obligations of large corporate borrowers to MSEs. Accordingly, 'appointed day' will have the meaning as defined at Sec.2 (b) of the MSMED Act, 2006. Banks are advised to adhere to these instructions meticulously.

7. The SLBC convenor banks may also take up, with the concerned authorities, issues which are not credit related but which are coming in the way of smooth flow of credit to the MSE sector. Every Regional Office / Zonal Office of all banks should closely monitor the flow of credit to MSEs and also institute a help desk at key centres.

8. A report on the measures initiated by each bank may be forwards to us by the end of December 2008.

[Courtesy - RBI]

Global Financial Crisis

Stimulus – II : Govt. gives India Inc more room to grow

Shot In Arm for Housing, Exports & India

The government on Friday announced the second and final installment of its fiscal stimulus package. Complementing monetary easing by the Reserve bank of India, the Centre enhanced the spending power of states with specific measures to boost credit availability. It offered additional sops to exporters and the small scale sector, besides raising the level of protection for the cement and steel sectors.

Credit availability has been hiked in a variety of ways – the interest ceiling on external commercial borrowings has been removed; the cap on foreign institutional investments in the domestic corporate debt market has been jacked up by two and a half times from \$6 billion to \$15 billion; a special purpose vehicle is being created to lend to non-banking finance companies to the tune of Rs. 25,000 crore; the Indian Infrastructure Finance Company is being permitted to raise another Rs. 30,000 crore by means of tax-free bonds, and states are allowed to borrow an additional Rs. 30,000 crore from the market. Public sector banks will also be given additional capital to the extent of Rs. 20,000 crore over the next two years, so they can lend roughly 10 times as much.

The latest measures, which come less than a month after the first package was unveiled on December 7, are aimed at benefiting housing, NBFCs that lend to infrastructure and financing of commercial vehicles. Announcing the measure, Planning Commission deputy chairman Montek Singh Ahluwalia said: "By no measure can we insulate our economy from slower growth when the external factors are of such enormous magnitude. However, we will be able to manage 7% growth this fiscal through these measures."

[Source – Economic Times – 3rd January 2009]

Double Impact : Centre, RBI Fire on all Cylinders

India stepped into the New Year in a positive mood. RBI has cut its key lending rate to an 8-1/2 year low, and the government has taken more steps to fire up the economy. The two pronged attack is set to boost confidence and put growth back on the fast track. The road ahead is tough, but India's up for the challenge.



Credit Where it's Due

<p>Measure :</p> <ul style="list-style-type: none"> • Cash reserve requirement reduced to 5%. • Repo rate reduced to 5.5% • Reverse repo rate cut to 4% • FII limit in corporate bonds hiked to \$15 billion • Banks to get capital support of Rs. 20,000 cr over two years. 	<p>Impact :</p> <ul style="list-style-type: none"> • Rs. 20,000 crore more freed for banks to lend. Higher liquidity ensured. • Signal to banks to reduce rates further. • Hint to banks to not park idle funds with RBI • Corporates encouraged to raise funds at reasonable rates. • Banks touching the minimum 51% govt-holding threshold to get access to more capital, allowing them to raise more funds from the market.
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Support System :

- Integrated townships allowed to tap ECB
- States to release land for low and middle-income housing
- Infrastructure NBFCs can access ECB from multilateral and bilateral financial institutions.
- States allowed to access market for borrowing about Rs. 30k cr.
- FII investment limit in Re-denominated instruments raised to \$15b
- CVD exemptions on cement, TMT bars withdrawn
- IIFCL allowed to raise Rs. 30,000 cr through tax free bonds
- PSU banks to be recapitalized b Rs. 20,000 cr over 2 years.

Home & Corporate loans to get cheaper

RBI cuts key rates for fourth time in 4 months

Home loan and corporate borrowers have something to cheer about early in the year. Interest rates on home and other loans, particularly for corporates, are set to fall soon. The Reserve Bank of India [RBI] has cut its key policy rates by one percentage point, signaling a reduction in bank's lending rate.

This time, banks that many corporates still see as reluctant to lend have reacted swiftly. Union Bank of India was the first to announce a 25-75 basis point cut in deposit rates across maturities on Friday night. Allahabad Bank too announced that it would cut its prime lending rate by 75 basis points to 12.5%. Other banks are expected to follow suit over the next few days, after they have reduced their deposit rates.

Private banks, however, may wait a while before they decide to cut rates, according to officials in these banks. The consensus among bankers is that interest rates could go down by 50-100 basis points at best. A further cut in lending rates will make cheaper credit available to borrowers and boost demand. Friday's package will also give firms under stress – including those in real estate – an opportunity to restructure their loans.

In a policy move co-ordinated with the Central government's stimulus package, RBI on Friday reduced its repo rate – The rate at which banks borrow from RBI – from 6.5% to 5.5%. The reverse repo – The rate RBI pays to banks for parking funds with it – was slashed by 1% to 4%, the lowest ever. The cash reserve ratio – the slice of deposits that banks need to park with RBI – has also been reduced by 50 basis points to 5%.

This is the fourth time since early October 2008 that the central bank has eased its monetary policy stance, after having adopted a tight policy since October 2004. The liquidity infused into the financial system through these measures amounts to Rs. 3,00,000 crore. With Friday's move another Rs. 20,000 crore will be available for lending.

According to Chanda Kochhar, CEO designate, ICICI Bank, interest rates are likely to see a fresh correction. "Interest rates are likely to fall between 0.5% and 1%. In the past, banks had to wait for bulk deposit rates to come down. However, bulk deposit rates have already started falling."



Draft Resolutions for the consideration of the Meet

(Before finalization of Draft by the Pre-Meet Meeting of the Presidents of MSME Associations in Eastern India)

1. Global Financial Crisis :

Action Plan for Central and State Governments vis-à-vis Banks.

Resolved that this Eastern India MSME Meet 2009 congratulate Hon. Dr. Manmohan Singh, the Prime Minister of India and the Union Govt. of India for their timely action to announce Bail-out Packages to the Industry Sector in general during last month to tide-over the situation arising out of Global Financial Crisis.

Resolved further that the Declared Bailout Package needs additional measures and strict implementation by the Govt. Authorities and Bankers. A special care be taken for the Micro and Small Enterprises for enhancing their power to combat with Global Financial Crisis and the Union Ministry of MSME in the Govt. of India and their counterparts in every state, should ensure that whatever has been declared reaches urgently to the Micro and Small Enterprises.

Resolved also that the following Action Plan be accepted and implemented by the Govt. of India / all State Govt. and Banks in connection with the combat with the Global Financial Crisis and its repercussion on MS Sector in India.

Action plan :

A] Financial Measures:

Though Finance to MS Sector falls in "PRIORITY", day by day other segments in PRIORITY are progressively consuming the share of MS Sector. The Banks have failed, as pointed out in RBI Report, in fulfilling their task to finance Micro and Small Enterprises adequately. Every year their share is reducing. Not only this, this finance is too dear, the interest rate being highest i.e. 13% or 14%. The lowering of the Interest Rate seems to be a farce. Therefore it must be ensured that ---

1. Twenty per cent of the total credit available be reserved and disbursed to MS Sector. RBI to ensure that Banks achieve their targets in time.
2. The finance to Micro and Small Enterprises should be at the rate two per cent below PLR.
3. Banks be directed to provide 40% of total turnover as Working Capital instead of 20% at present since this is dried up in paying the statutory dues like Excise, VAT, Octroi etc.
4. Currently banks are not accepting payment obligations from other banks when two parties negotiate payment by letter of credit despite the same being secured loan for the banks. Mostly in foreign trade, purchase of capital equipment this mode is adopted. Banks should discount such letters of credit.
5. All loans be without collateral but be linked with Credit Guarantee Scheme.

B] Law Measures:

1. All Micro and Small Enterprises are governed by MSMED Act, 2006 which stipulates the Credit Period [Payments to be made to Micro and Small Enterprises by others including Govt. and Public Sector] of 'SIXTY DAYS' only. Govt. and particularly Ministry of MSME should ensure that provisions relating to payment under MSMED Act, 2006 are strictly followed by all Govt. Departments and Public Sector Units including that of State Govts. and Local –self-governments. This should also be observed by private sector too.

2. All the Govt. Departments, Public Sector Units and Semi-Govt. Organizations should be directed to make their minimum 25% purchases from Micro and Small Enterprises. This is being a part of Purchase Policy under MSMED Act, 2006 must be implemented in its true spirit. It should be mandatory.

C] Administrative Measures:

Following administrative measures will provide breathing period to Micro and Small Enterprises.

1. The Micro & Small Enterprises be allowed to make payment of duties like Excise, Customs, Service Tax etc. by further one month from the current due dates.



2. Penalties and Penal Interest may not be charged for late payments by one month.
3. Delayed Payment of Employers Contribution to various Welfare Funds at least by three months be permitted without interest and penalties.

2. Labour Reforms for Micro & Small Enterprise:

Resolved that the recommended Law, namely “**Small Enterprises (Employment Relations) Act**” of Second National Commission on Labour, be enacted by the Govt. of India for the labour Reforms for MSME Sector, so as to ensure through its provisions-

1. Compliance of the said Act by way of self declaration by the CEO of MSME.
2. Unless there is a written complaint no Inspector should visit the premises of the entrepreneurs.
3. All forms to be filled and registered to be maintained be drastically simplified for ease of understanding & compliance.
4. The unit employing less than 50 workers should be exempted from the provisions of Labour Laws.

3. MSMED Act, 2006 :

1) Micro / Small Definition:

Resolved that while congratulating the Govt. of India for enacting MSMED Act, 2006 for MSMEs in India, there needs to be an amendment in the Definition of Micro so also Small Enterprise. Along with limit of Investment in Plant & Machinery, a **TURNOVER LIMIT of Rs. 10 crs. for Micro and Rs. 50 crs. for a Small Enterprise** in Manufacturing sector be added to prevent backdoor entry of Large Enterprises in the Micro and Small Sector.

2) Purchase Policy:

Resolved that it should be mandatory by Law itself for all the Depts., Corporations, Boards and Mandals of Central, States' and Local-self Govt. Bodies to purchase minimum 25% of their requirement from the Micro and Small Enterprises only. The Micro and Small Enterprises be exempted from earnest money deposit. There should be 5% reservation for Women Entrepreneurs. The State and District Associations of Micro and Small Enterprises should be given representation on the committees formulating / amending purchase policies.

3) Separate Secretary & Development Commissioner for MS Sector in States:

Resolved that in every State there should be a separate Secretary as well as a Development Commissioner for Micro & Small Enterprises

4. GST Policy & Implementation :

Resolved that in principle we welcome the proposal of Goods & Service Tax as it will be the only Indirect Tax at Centre. However experience of Cenvat at Centre and VAT at States is otherwise. Many indirect taxes are not merged with VAT and still the industries and citizens are paying all these taxes alongwith VAT resulting in heavy and complex taxation. For instance industries are still paying Central Sales Tax, Counter Veiling Duty, Special Additional Duty, Octroi, Cess etc. This has affected the competitiveness of micro and small industries.

We strongly demand that there should be only and only one Indirect Tax and that can be GST. All other taxes must be merged with GST.

We also strongly demand that even at the State level also there must be only one Indirect tax and the Union Govt. should ensure this aspect.

5. Road Map for Exploring Business Opportunities amongst Ms Sector in India.

According to the Govt. survey, 90% of the enterprises in India are either Micro or Small contributing 8% to GDP and the largest sector, next to Agriculture, providing employment to more than 4 crs. persons. The total number of Micro and Small Enterprises is 1.3 crs.

A large number of Traditional / Informal / Formal / Natural / Modern Industrial clusters are seen functioning in every part of India. Similarly we have many Associations and Chambers of Micro and Small Industries Associations all over India Every such organization is playing useful role as per their strength and need and



resources. One common factor and quality is found in each one of them that they are for the betterment of the industrial and economic progress of their area of operations and that is the binding force everywhere.

The term Economic Cooperation, though normally taken to mean cooperation and business at International level, can be exploited for exploring Business Opportunities amongst the entire Micro and Small Enterprises Sector in India which produces nearly 50% of the total production, in manufacturing sector. In an Open Economy and very soon having a legal frame of Limited Liability Partnership Act, it is a high time for all the Associations and Chambers serving the cause of Micro and Small Enterprises should join hands together to Explore Business Opportunities amongst their MS Members in India. There are no disadvantages, but many advantages only, mainly – This Process and Mechanism will develop....

- a) A continuous Dialogue amongst MS Enterprises resulting in exchange of ideas & close relations with each other spreading to the entire area of operations.
- b) Frequent visits to each other to boost the business possibilities, joint-cooperation, joint-projects and collaborations.
- c) Internal Outsourcing through clusters.
- d) Technology Transfer to backward areas to bring them into main stream.
- e) Possibilities of Group Marketing with the aid of Associations' Exhibitions.
- f) Better understanding to tackle any particular issue at various levels.

Most importantly this will automatically lead to unity of MSMEs in India for the Global Competitiveness.

Proposed Road Map for this purpose can be as below.

1. Inviting Presidents and Secretaries as an "Invitee Members" on the Managing Committee of Associations.
2. Arranging pure Business Meets by the Associations at least once in a year.
3. Exchange of Magazines, Bulletins of the Association on complimentary basis.
4. Exchange of Business Delegations with each other.
5. More telephonic communication between the office-bearers, particularly secretaries, at least once in a month to know current affairs.
6. Reserving an appropriate space [say one page] in the Magazine / Bulletin of the Organization to publish internal trade enquiries, project enquiries and like matters.
7. Sending invitations of various functions and events to each other.
8. To appoint one Member to develop relations with other MSME Association as an Ambassador.
9. Exchange of study tours whenever possible & needed.
10. Updating about industrial scenario with each other by emails and other communication systems.



Industry Scenario – Last Year & New Year

	Flashback 2008	What 2009 could bring
Rupee steadies after slump	<ul style="list-style-type: none"> The rupee fell to an all time low, crossing Rs. 50 to a dollar before clawing back to current Rs. 48.4 levels, after breaking the Rs. 40 mark in April. Exporters did not gain from a weaker rupee because they had signed forward contracts at higher levels, leaving them with speculative currency losses. A fall in global oil prices helped, but a huge outflow of foreign capital from the stock markets hit sentiments. Foreign investors pulled out more than \$5 billion in April –June. 	<ul style="list-style-type: none"> The rupee is expected to be range bound between Rs. 48 and Rs. 50 to the US dollar for most of 2009
Growth hiccups	<ul style="list-style-type: none"> Gross Domestic product [GDP] grew by 7.8% per cent in the first six months of 2008-09 – down from the 9 % level of the past few years. Industrial growth contracted by 0.4% in October. Exports plunged 12%, while excise duty collections fell 15% in November. The fiscal deficit is yawning, curbing the government's elbow room to spend for growth. 	<ul style="list-style-type: none"> GDP growth could slip below 7%, say some think-tanks, Reserve Bank expects GDP growth in 2008-09 at 7.5 to 8%. Second half of 2008/09 will see the pinch of slower exports and weaker domestic demand.
Humpty – Dumpty Sensex	<ul style="list-style-type: none"> The Bombay Stock Exchange's benchmark index, plunged 52.5% through 2008, the biggest fall in a single year, as the global financial meltdown triggered by bad home loans in the US crippled growth across the planet. Long-term investors smelled a buying opportunity as the Sensex fell to a price-to-earnings multiple of around 12.5%. 	<ul style="list-style-type: none"> Experts expect the Sensex to rise from the current 9,300 levels to touch 14,000 by the end of 2009. But investors may stay cautious. Lower interest costs and a fall in commodity prices could lower costs and improve corporate margins, blessing shares. Companies in the banking, consumer goods and power sectors are expected to do well while software, automobiles, metals and consumer durables are not so hot.
Benign inflation ahead	<ul style="list-style-type: none"> Headline inflation measured by wholesale prices peaked to 12.72% in August. Government measures and tighter money markets brought inflation down to current 6.6% levels. 	<ul style="list-style-type: none"> Economists expect the inflation rate to fall substantially from current levels to below 4% by mid 2009. Sliding global oil prices are a big help in controlling inflation. A good winter crop (rabi) is expected to bring down inflation in sensitive food articles.



COSIA BRIEF

The Chamber of Small Industry Associations [COSIA] is a National Chamber of Micro and Small Enterprises functioning since the year 1990. COSIA's Central Office is at TSSIA House, Thane and Branch Office is at Empire Estate, Chinchwad, Pune – 39. Almost all Small Scale Industries' Associations in Maharashtra and every State level MSME Association in other States in India are associated with COSIA.

Mission Statement:

MS unity for Global competitiveness and endeavour for 'Power-India' through progress of Micro and Small Enterprises with excellence and Global outlook.

Membership Spread Over:

As an Umbrella Institution COSIA has majority Members of Local, District, Regional and State Level Associations of MSMEs and Chamber of Industries and Commerce. COSIA has also Individual Company Members both in Micro and Small Sector. The total Membership of COSIA is 2100 which includes 376 MSME Associations all over India. Thus COSIA has its presence through its membership plus the TISA Magazine almost in every State of India except in very remote areas like Andaman & Nicobar.

COSIA's Road Map for Mission Statement:

After the enactment of MSMED Act, 2006 by the Govt. of India a sea change has taken place not only in the outlook of the Govt. towards the Development of MSME Sector on the background of Global Competitiveness but also the Policies of the implementation have been rightly amended with progressive outlook. To fight for the global competitiveness it would be a Herculean Task for individual MSME and hence unity at the National level is the need of the our. Keeping in mind the changed scenario a Road Map has been prepared after a careful thought by the COSIA Committee in order to achieve the fulfillment of its mission. This Road map is for the three years to start with which is as below -

- I. **Western India MSME Meet** was held at THANE on 13th January 2007.
States' Participation: Maharashtra, Gujarat, Goa, Madhya Pradesh, Chhattisgarh, Karnataka, Delhi, West Bengal, Union Territory Daman,
Chief Guest was Late Prakash Paranajpe, then M.P. & Member, National MSME Board.
Guest of Honour was Shri. Sanjeev Kaushal, then Joint Secretary, MSME, Govt. of India.

- II. **Southern India MSME Meet** was held on 1st June 2008 at Mangaluru.
States' Participation: Andhra Pradesh, Karnataka, Kerala, Tamilnadu, Union Territory Pondicherry, Delhi, Goa, Maharashtra.
Chief Guest was Shri. Oscar Fernandes, Union State Minister [Independent Charge] for Labour, Govt. of India, New Delhi.
Guests of Honour were Smt. Devaki Muthukrishnan, Director of RBI, Bengluru.
Shri. Amulya Charan, CMD, Tata Power Trading Co., Mumbai
Dr. Ashok Sahu, Advisor, Ministry of Labour, Govt. of India, New Delhi.
Shri. K. L. Rao, Director, MSME, Development Institute, Bengluru,
Shri. M. Narendra, then CGM of Corporation Bank, Mengluru.



COSIA's TISA Magazine

TISA [Torch of Indian Small Industry Associations] is owned by COSIA and is a monthly magazine of entire Micro & Small Enterprises Sector in India. The Special Numbers of TISA on the subjects like Foreign Trade, Budgets, Power, Regional Meets were appreciated even by Ministry of MSME. This Magazine is a source of knowledge, knack and key for bringing Micro and Small Enterprises in India in the COSIA stream-the Brand Identity of Indian MSME Sector.

COSIA Entrepreneurship Appreciation Awards :

To salute to the excellent performance and contribution by Micro so also Small Enterprises COSIA has initiated Entrepreneurship Appreciation Award in the year 2007. A separate Award Committee evaluates the Entry Forms and recommends the names to the Committee of COSIA for their final decision. The entry forms are routed through from the local affiliated associations who send it to the Award Committee of COSIA. These Awards are presented at the time of State / Regional conferences of Micro and Small Enterprises. Two Awards, one for Micro Sector and one for Small Sector, in each state are presented. Such Awards have been presented in the last Southern India MSME Meet. These Awards are in the form of a Memento, Citation and Traditional Felicitations.

Advisory Cell & Training Wing :

COSIA has a separate Advisory Cell for the healthy development of Micro and Small Industries at its head office. Experts from various fields are involved in providing vital advice to the needy entrepreneurs. Mainly it deals with the subjects pertaining to the Foreign Trade, Finance & Taxation, Marketing & Exhibitions.

COSIA has formed a Training Wing which mainly conducts Entrepreneurship Development Programmes for the youth. So far COSIA has organized seven such programmes with the assistance of local Director of Industry, MSME Development Institute and Bankers. Through these programmes COSIA has successfully trained 150 budding entrepreneurs. Now COSIA has a plan to commence a separate Entrepreneurship Development Wing for Women.

Foreign Delegations :

COSIA has a separate Machinery and Committee to deal with the Foreign Delegations and also to Organise International Study Tours for the benefits of Indian Small Industries and Exporters.

COSIA had such tours to Senegal [South Africa] and China in recent years. COSIA has also received the delegations from both these countries plus Japan.

Service of Certificate of Origin:

This is a very vital service provided through the Sister Organisation at Thane namely Thane Small Scale Industries Association [TSSIA]. COSIA in this case, provides the necessary policy guidance to TSSIA.

Government Recognition :

COSIA is well recognized by the Govt. of India and representatives of COSIA are being nominated on following committees –

1. Central Excise
2. Maharashtra State VAT Committee
3. MSME Development Institute Committee
4. Railway Consultative Committee at Thane, Maharashtra
5. Advisory Committee of SIDBI for Western Region
6. ESIC Advisory Committee at Mumbai
7. State Udyog Mitra of Maharashtra



COSIA'S Achievements

- MSMED Act, 2006 – legislation for the progress of Micro and Small Enterprises in India.
- No permission of an Electrical Inspector for installation and running of DG Set upto 200 KW.
- No Collateral upto the loans of Rs. 50 lacs.
- Extension of credit linked capital subsidy scheme upto 2012.
- 4% cut in Excise by the Govt. of India and Reservation of 20% of the total Credit Available in the Market for MSME Sector in the present Global Financial crisis.

Future Meets

Sr.	Region / Area	Participating States
1	Seven Sisters	Manipur, Meghalaya, Tripura, Sikkim, Arunachal Pradesh, Mizoram and Nagaland
2	Northern India	Uttar Pradesh, Uttaranchal, Hariyana, Punjab, Jammu & Kashmir, Delhi, Rajasthan, Himachal Pradesh
3	All India	All States and Union Territories

COSIA Committee

President	Shri. M. R. Khambete	Hon. Treasurer	Shri. S. K. Patel
Vice-President	Shri. Vinod Tibrewala	Branch Chairman	Shri. Pravin Mistry
Vice-President	Shri. A. D. Shah	Com. Member	Shri. Tarit Guha
Vice-President	Shri. J. B. Mehta		Smt. Sujata Soparkar
Hon. Gen. Secretary	Shri. P. S. Agwan		
Hon. Jt. Secretary	Dr. Madhu Gupta		

Secretariat :

Secretary General	Shri. Dilip Salvekar
Executive Secretary	Shri. Eknath Sonawane