

# Survival Kit Roll Out Webinar 1 27<sup>th</sup> Oct , 2020



# Broad coverage

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- ▶ What does the program encompass
- ▶ The program
  - ▶ State wise schemes
  - ▶ Central schemes
- ▶ Roll out
- ▶ Business plan formats

# Context - MSME

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- ▶ Liquidity – the immediate crisis
- ▶ Forced to make company survival decisions based on limited information and unknowns
- ▶ Uncertainty around externalities (e.g. suppliers, lenders and shareholders etc.) potentially creating additional business and other types of risks
- ▶ Disrupted, restricted workforce – fearful, remote and less productive
- ▶ Are there any government schemes we can access ?

# What does the program entail...1

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- ▶ CII members can access information on the current government – state and central , schemes
- ▶ Webinars to roll out the basic schemes
- ▶ Educate applicants on how to address issues in the respective application – formats , data , business plans , forecasts
- ▶ Helpdesk

# What does the program entail ...2

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- ▶ Formation of a core team
- ▶ Roles and responsibilities
- ▶ Collation and updation of schemes
  - ▶ Scheme managers
  - ▶ Contact numbers
- ▶ Application process
  - ▶ Application modalities
- ▶ Feedback mechanism

# The program - Preparation of a survival kit

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- ▶ Centre Schemes
- ▶ State Wise Schemes
- ▶ Prepare formats and a – To Do manual
- ▶ A helpline phone number and email id
- ▶ Boundary conditions in the initial phase

# Communication on the tool kit

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## Webinar series – Fortnightly series

- ▶ Webinar 1 – Introduction
- ▶ Webinar 2 – Central schemes
- ▶ Mini Webinars - Separate state wise schemes
- ▶ Webinar 3 – Based on Feedback from members

# Construct of Webinar 1

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- ▶ Introduction to the help desk
  - ▶ What kind of support can you expect ?
- ▶ Basic information of your organization
- ▶ Articulating your business situation
- ▶ Basic schemes



# Communication on the tool kit – Help Desk

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- ▶ Set up an email help desk
- ▶ A phone help desk
- ▶ Open house
- ▶ Feedback
- ▶ Preparation of feedback for the scheme managers
- ▶ Link from the CII website

# Portal on the CII website

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- ▶ Link to the various schemes
- ▶ General information
  - ▶ Formats
  - ▶ Application forms ( English , Hindi and vernacular as reqd)
  - ▶ Contacts of the scheme administrating departments
  - ▶ Key personnel
- ▶ Collation of resources available
  - ▶ Guidelines and links

# Construct of Webinar 2

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- ▶ Central schemes – MSME classification
  - ▶ MSME
  - ▶ MeiT Y
  - ▶ Aatmanirbhar
  - ▶ Make in India
  - ▶ Swatch Bharat
  - ▶ ...And others

# Individual state wise webinars

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- ▶ CII will coordinate sessions with state wise
  - ▶ Industry development departments
  - ▶ Startup Missions / Startup promotion departments
  - ▶ Sector wise schemes
  - ▶ State CM schemes
  - ▶ Centre coordinated schemes
  - ▶ Focus on vernacular

# Roll out

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- ▶ Webinar 1
- ▶ Pre – launch activity
- ▶ Collation of centre and state wise data
- ▶ Formats
- ▶ To Do text
- ▶ Helpdesk details
- ▶ Resourcing

# Central MSME Schemes – Basic Themes

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- ▶ Prime Minister Employment Generation Programme and Other Credit Support Schemes
- ▶ Development of Khadi, Village and Coir Industries
- ▶ Technology Upgradation and Quality Certification
- ▶ Marketing Promotion Schemes
- ▶ Entrepreneurship and skill Development Programme
- ▶ Infrastructure Development Programme
- ▶ <https://msme.gov.in/all-schemes>

# Some of the schemes...1

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## ₹20,000 Crores Subordinate Debt for Stressed MSMEs



2 lakh MSMEs likely to benefit; functioning MSMEs including stressed & NPAs are eligible



Govt. to provide a support of ₹4,000 Cr. to CGTMSE\*

\*Credit Guarantee Fund Trust For Micro And Small Enterprises)



CGTMSE will provide partial credit guarantee support to Banks up to 65%



Promoters of the MSME to be given debt by banks, which will then be infused by promoter as equity in the unit



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## ₹50,000 Cr. Equity Infusion for MSMEs through Fund of Funds



Fund of Funds (FoF) with Corpus of ₹10,000 crores to be set up



To provide equity funding for MSMEs with growth potential & viability



FoF will be operated through a Mother Fund & few daughter funds



Fund structure to help leverage ₹50,000 cr of funds at daughter funds level



Will encourage MSMEs to get listed on main board of Stock Exchanges



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# Some of the schemes...2

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## Existing and Revised definition of MSMEs



### EXISTING MSME CLASSIFICATION CRITERIA

Criteria : Investment in Plant & Machinery or Equipment

Classification	Micro	Small	Medium
Mfg. Enterprises	Investment <Rs. 25 lac	Investment <Rs. 5 cr.	Investment <Rs. 10 cr.
Services Enterprise	Investment <Rs. 10 lac	Investment < Rs. 2 cr.	Investment <Rs. 5 cr.

### REVISED MSME CLASSIFICATION

Composite Criteria : Investment And Annual Turnover

Classification	Micro	Small	Medium
Manufacturing & Services	Investment < Rs. 1 cr. and Turnover < Rs.5 cr.	Investment <Rs. 10 cr. and Turnover < Rs.50 cr.	Investment < Rs. 20 cr. and Turnover < Rs.100 cr.

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## ₹3 lakh Crores Collateral-free Loans for Businesses, MSMEs



Emergency Credit Line to MSMEs from Banks & NBFCs up to 20% of entire outstanding credit as on 29.2.2020



Borrowers with up to ₹25 crore outstanding & ₹100 crore turnover to be eligible



45 lakh units to resume business activity & safeguard jobs; scheme can be availed till 31st Oct 2020



Loans to have 4 year tenor with moratorium of 12 months on Principal repayment



Interest to be capped; No guarantee fee, no fresh collateral. 100% credit guarantee cover to Banks & NBFCs on principal & interest

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# Some of the schemes...3

## #AatmaNirbharBharatAbhiyan



### Realising the Dream of Self-Reliant India



Global tenders to be disallowed in Govt procurement tenders upto ₹200 crores



Necessary amendments of General Financial Rules will be effected



This will be a step towards self-reliance & boost Make in India



Will also help MSMEs to increase their business



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## #AatmaNirbharBharatAbhiyan



### Other Interventions for MSMEs



MSME receivables from Gov and CPSEs\* to be released in 45 days

\*CPSEs: Central Public Sector Enterprises



E-market linkage for MSMEs to be promoted to act as a replacement for trade fairs & exhibitions



Fintech to be used to enhance transaction based lending using the data generated by e-marketplaces



Govt has been continuously monitoring settlement of dues to MSME vendors from Govt & Central Public Sector Undertakings



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# More schemes to be announced this week ...

## MORE FINANCIAL SUPPORT TO MSMEs under AatmaNirbhar Bharat

Loans worth Over 1 Lakh Crore Disbursed  
under Emergency Credit Line Guarantee  
Scheme (ECLGS)



Loans worth over ₹1.5 lakh crore  
sanctioned & ₹1,02,246.77 crore  
disbursed (as on 18th Aug.'20)



Public Sector Banks disbursed  
**₹56,483.41 crore**



Private Sector Banks disbursed  
**₹45,762.36 crore**



Top lenders are SBI, Canara Bank,  
PNB, BOI, UBI & HDFC Bank Ltd



वित्त मंत्रालय  
MINISTRY OF  
FINANCE

my  
GOV  
मेरी सरकार



# Basic Business Models to be articulated

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- ▶ Explanation of the current situation
- ▶ Key information required
- ▶ What is the general requirement of most schemes?
  - ▶ Financial
  - ▶ Business
  - ▶ Market
  - ▶ Forecast
  - ▶ Expansion

# The 9 building blocks of a business model

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- ▶ Customer segments
- ▶ Value Propositions
- ▶ Channels
- ▶ Customer relationships
- ▶ Revenue Streams
- ▶ Key Resources
- ▶ Key activities
- ▶ Key partnerships
- ▶ Cost Structure

# Customer Segments

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- ▶ Mass Market
- ▶ Niche Market
- ▶ Segmented
- ▶ Diversified

# Value propositions

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- ▶ Newness
- ▶ Performance
- ▶ Customization
- ▶ Design Brand
- ▶ Price
- ▶ Accessibility
- ▶ Usability

# Channels

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- ▶ How are we reaching our customer segments today ?
- ▶ How are the channels integrated ?
- ▶ Which ones work best ?
- ▶ Which are the most cost efficient ?
- ▶ How are we aligning to the customer routines ?

# Customer relationships

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- ▶ One to one assistance
- ▶ Self service
- ▶ Automated services
- ▶ Communities
- ▶ Co-creation



# Revenue Streams

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- ▶ Asset sale
- ▶ Usage fee
- ▶ Subscription fees
- ▶ Lending / leasing / renting
- ▶ Licensing
- ▶ Brokerage
- ▶ Advertising



Fixed



Dynamic

# Key resources

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- ▶ Physical
- ▶ Intellectual
- ▶ Human
- ▶ Financial

# Key Activities

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- ▶ Production
- ▶ Problem solving
- ▶ Platform / Network

# Key Partnerships

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- ▶ Optimization and economies of scale
- ▶ Reduction of risk and anxiety
- ▶ Acquisition of particular resources and activities

# Cost Structure

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## ▶ Approaches

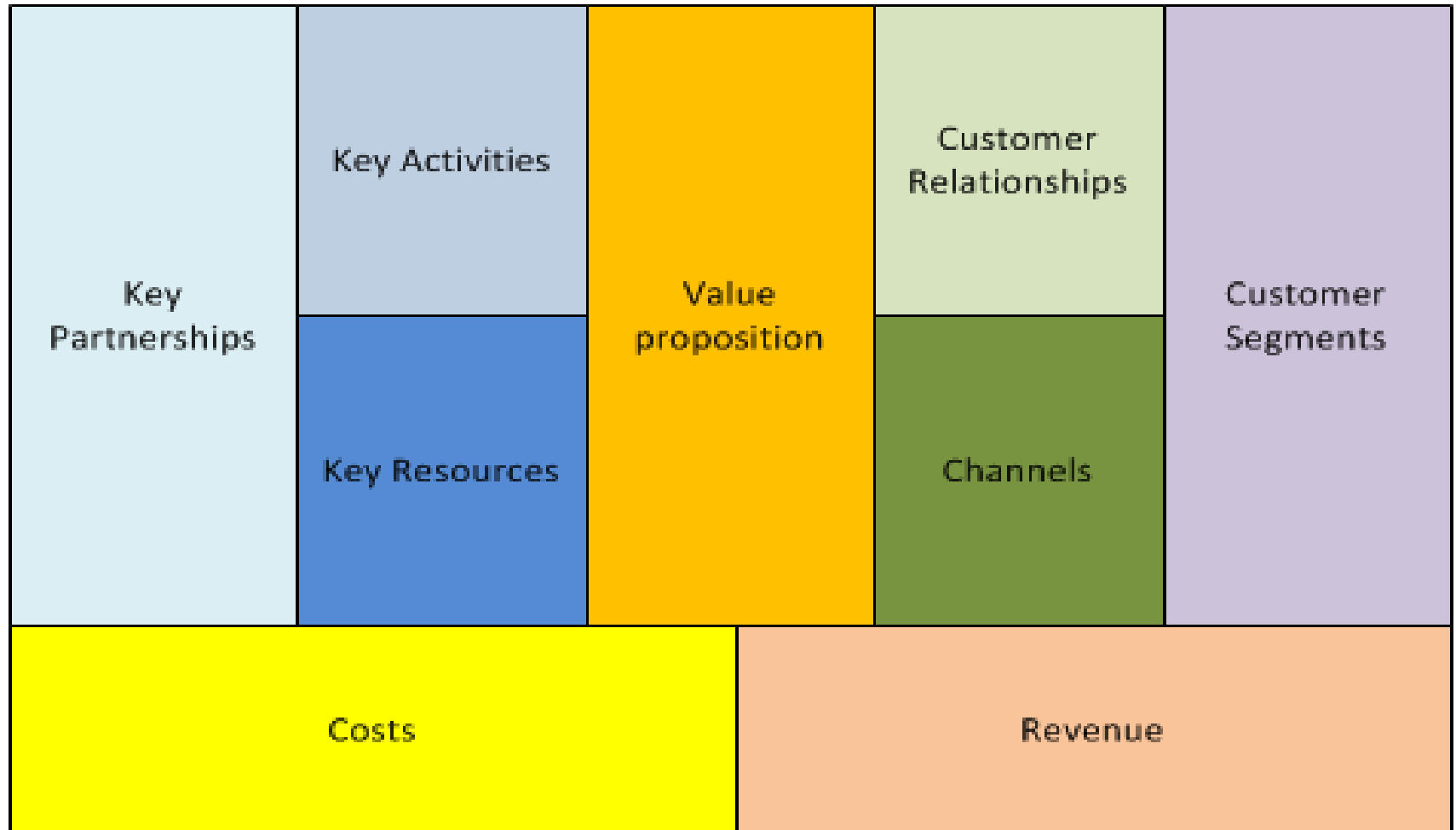
- ▶ Cost driven
- ▶ Value Driven

## ▶ Characteristics

- ▶ Fixed costs
- ▶ Variable Costs
- ▶ Economies of scale
- ▶ Economies of scope

# The business model

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# Way forward

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- ▶ Help desk active from Nov 1<sup>st</sup>
- ▶ Updated schemes
  - ▶ Eg. Interest waiver scheme
- ▶ Sessions by scheme managers
  - ▶ Compendium of schemes
  - ▶ Website links
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