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15/DEC/17-15/JAN/18

THE i-G PRENEUR

Monthly on Latest updates for the Green MSME sector

FROM THE EDITOR'S DESK

The i-GPreneur is a monthly newsletter, which brings to readers the latest information that concerns the MSME sector on green entrepreneurship. This includes updates on government schemes, success stories of green entrepreneurs, detailed information on service providers, etc. In doing this, the newsletter aims to serve as a monthly resource for entrepreneurs and key stakeholders.

ABOUT US

"i-G Preneur" refers to entrepreneurs who take up innovation based-green entrepreneurship and thus establish eco-friendly micro and small enterprises (MSE's). TARA developed the "i-G Preneur" model under the Innovation - Science and Technology based Entrepreneurship Development (i-STED) programme of the National Science and Technology Entrepreneurship Development Board (NSTEDB), Department of Science and Technology (DST)

The specific objectives of the model are:

- To tap into fully developed technologies based on good market potential
- To identify gaps in innovation to market value chain
- To explore and promote entrepreneurial opportunities
- To improve working of existing enterprises

Currently three sectors are being supported:

- Eco-friendly building material solutions
- Eco-friendly processed fuel solutions
- Eco-friendly packaging solutions

WHO IS IT FOR ?

- **Potential and existing entrepreneurs:** for getting support to setup/scale up an enterprise
- **Technology Providers:** for opening new opportunities & replicating outreach
- **DIC, NABARD, KVIC, Banks & other Financial Institutions:** for strengthening consumer base & supporting enterprise development
- **Market aggregators:** for increased revenue
- **Distributors:** for enhancing market/ consumer base
- **Non profits dedicated to enable green entrepreneurship**

COVERSTORY

UNDERSTANDING

GST



SUPPORTED BY

National Science and Technology Entrepreneurship Development Board (NSTEDB),
Department of Science and Technology (DST), Government of India

www.i-gpreneur.com

UNDERSTANDING GST

Goods and Service Tax (GST) is an indirect tax levied on the supply of goods and services. GST Law which was introduced in India on 1 July 2017 has replaced many indirect tax laws that previously existed in India. The intent of the government in bringing about the GST is to have a uniform tax system. Earlier VAT rates and regulations differed from state to state, but GST with a uniform tax system across all the states changes this to a single tax depending on the kind of goods and services. In the GST, the taxes would be divided between the Central and State government.

BENEFITS OF GST TO MSME's :

- **Ease of starting a business** : Under the previous tax regime, if your business had operations across multiple states, you would need to register for VAT with each state's sales tax department. Under GST, the registration is centralized and the rules are uniform for all the states across the country. All you have to do is complete and submit an online form to obtain a GSTIN.
- **Market expansion** : Earlier nurturing a customer base outside the borders of one's home state was not conducive as the tax burden arising from inter-state sales was borne by their customers, increasing the costs and impacting their competitiveness. With implementation of GST, SME's can expand their customer base by undertaking inter-state sales as under GST burden of tax will be nullified because input tax credit will be transferred, irrespective of the location of the buyer and seller.
- **Reduction of tax burden on new businesses** : Earlier VAT registration and VAT payment was mandatory once a business crossed an annual turnover of Rs.5 lakhs in some States and Rs.10 lakhs in a few other States. Whereas the basic exemption limit under GST is Rs 20 lakh and Rs 10 lakh for special states (North eastern states), which will bring relief to a large number of small dealers and traders.
- **Easier filing and paying of taxes** : The entire process of GST (from registration to filing returns) is made online, This has been beneficial for start-ups especially, as they do not have to run from pillar to post to get different registrations such as VAT, excise, and service tax.
- **Elimination of distinction between goods and services**: Earlier businesses like restaurants or computer sales and service, which sell goods and provide services as a package, had to comply with both VAT and Service Tax regulations which created complexity for the business. With the introduction of GST, the distinction between Goods and Services will be gone thereby making compliance easier

- **Improved logistics and faster delivery of services** : Under the GST bill, no entry tax will be charged for goods manufactured or sold in any part of India which means that the logistics cost for manufacturers of bulk goods will get reduced significantly. As a result, delivery of goods at interstate points and toll check posts will be expedited.

DID YOU KNOW Composition Scheme:

Businesses with turnover <100 lacs in general states, J&K & Uttarakhand, and < 75 lacs in North Eastern states and Himachal Pradesh could opt for this Scheme. Under this scheme SMEs would be required to file summarized returns on a quarterly basis, instead of monthly returns
GST rate for composition scheme dealers has been set to uniform 1 % of turnover for traders as well as manufacturers.

SECTOR WISE BENEFITS

Eco-Friendly Processed Fuel solutions

- GST rate on pellets in India is 5%
- GST rate on Biomass briquettes reduced from 18% to 5% (GST council 6th Oct 2017)
- On the other hand, GST rate on LPG is 18%

Eco-friendly Packaging solutions

- GST rate on Paper waste or scrap reduced from 12% to 5% (GST council 6th OCT)

Ecofriendly Building Material solutions

- GST rate on Fly ash and Fly ash aggregate (with 90% or more fly ash content) reduced from 18% to 5% (GST council 10th Nov 2017)
- GST rate on Fly ash brick reduced from 12% to 5%.



GST RELATED HELP

GST Application software (GSTN)

Call centre: 0120-4888999

Email: helpdesk@gst.gov.in

CBEC Mitra Helpdesk:

Call centre: 1800-1200-232

cbecmitra.helpdesk@icegate.gov.in

STORIES

MEET THE CHANGE MAKERS

I-G PRENEUR OF THE MONTH

Aparna Gondhalekar is the owner of pellet manufacturing enterprise in Pune, Maharashtra. Leveraging two years of experience of working in a machine and tech service company, she started her own pellet manufacturing enterprise in 2016. Aparna now owns two pellet making machines and employs three more women to support the operations of her enterprise and hires 10-12 contractual staff per month, basis demand. She manufactures quality saw dust pellets - smokeless new age combustion fuel with calorific value of ~4700kCal and 5% ash content. These pellets are then sold to both commercial boilers of PepsiCo and Diageo as well as household kitchens along with clean cook stoves. Aparna, on an average, manufactures 800 tonnes of pellets every month and sells 95% of the produce at a cost of INR 8.5/kg Besides being a successful entrepreneur, she also doubles up as a voice on environmental issues. Aparna earns up to INR 45,000 a month, which is thrice of what she earned prior to setting up her own enterprise. Moreover, she plans to reinvest the profit from the current business and expand it by adding two more pellet machines in the near future.

"I aim to expand to five districts with a network of around 10 more women entrepreneurs and reach out to at least 100 rural households by 2020."

The impact of Aparna's enterprise goes beyond clean cooking fuel and women's economic well-being. It addresses the issue of indoor air pollution from cooking with traditional fuel like coal, cow dung cakes, wood twigs, etc. Her story showcases how local green enterprises act as drivers of transformational change towards a more green and inclusive economy.

GREEN ENTREPRENEUR
IN THE NEWS
(CLICK HERE)



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SERVICE PROVIDER OF THE MONTH

Gangotree Eco Tech are amongst the leading manufacturers and suppliers of a range of pelleting machines & stoves. Along with this, they provide repairing and maintenance service as well.

Technology solutions offered by Gangotree provide best input-output ratio (for every HP consumed by the machinery 7-8 kg should be the output). The solutions offered are 45 kg/hour (5 HP), 80 kg/hour (10 HP) and 175-225 kg/hour (20 HP). For rural areas where the market demand is low and power supply is erratic and unreliable 45 kg/hour (5 HP) is recommended and for peri-rural areas where power is available and demand is high 80 kg/hour (10 HP) machine is recommended. Manufacturing of this range is done as per the set industry norms and guidelines. Owing to this, the offered range is characterized by superior functionality, commendable service life and an impeccable resistance to corrosion.

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BIOMASS FUEL PELLETS



BIOMASS FUEL PELLETING MACHINE



DOMESTI PELLETE STOVE

SUPPORTED SECTORS



Eco-Friendly Processed Fuel solutions

- Biomass Pellets are a clean, cost effective, and a powerful replacement to coal, LPG, and other conventional cooking solutions
- Pelletizing technology involves conversion of biomass into a densified, uniform fuel that is cost-stable, promotes value out of waste generation and promotes economic benefits for individual customers and the nation.
- Ideal for small scale commercial and industrial as well as residential cooking requirements



Eco-Friendly Packaging solutions

- Recycled paper is paper made through recycling cotton fibers, paper & other fiber based materials. A good replacement for conventional mill made paper.
- India imports around 4 million tonnes of waste paper annually which is about 57% of its requirements. This could be drastically reduced by increasing present recovery and utilisation
- Moreover it has been estimated that recycling one ton of waste paper results in a saving of 70% raw material, 60% coal, 43% energy and 70% water, as compared to making virgin paper from wood



Eco-Friendly Building Material solutions

- Fly ash bricks are made using a combination of sand, fly ash and either lime, gypsum or cement. They are a powerful replacement for traditional clay bricks.
- If fly ash bricks were to substitute 5% of the total bricks produced in India, they would have a market size of 5 billion bricks annually.
- Fly ash bricks have many benefits over traditional fired clay bricks as they are uniform in shape, have low absorption of heat, high compressive strength and low water absorption, and is an economically viable option

WHY BE AN I-G PRENEUR

In a survey conducted in rural areas of Uttar Pradesh and Bundelkhand, it was observed that:

- Only **1 out of 15** micro entrepreneurs was able to access formal credit for setting up a new enterprise
- Only **9%** entrepreneurs reported having access to updated market information
- Only **34%** of entrepreneurs had access to required finance through family and/or friends
- Only **11%** of entrepreneurs consulted formal institutions for support
- As a result **35%** of enterprises close after 8 months of operation, failing to expand or upgrade their business.

SERVICES OFFERED

To help you be an i-G Preneur, we provide:



TECHNOLOGY

- Recommendation of an ideal technology package
- Support in technology assessment, procurement and installation



FINANCE

- Linkage with financial institutions
- Maintenance and monitoring support of enterprise operations.



MARKET

- Consumer identification and classification
- Support in setting up backward and forward market linkages
- Broadcasting and promotional support



CAPACITY BUILDING

- Technical-operational training for entrepreneur and team
- ILO certified "Start and Improve Your Business" training for entrepreneur
- Training on financial procedures for entrepreneur

UPDATES

UPCOMING EVENTS

CONTACT US

Register for events/support on:
igpreneur@devalt.org
Website: www.i-gpreneur.com
07703986066



30 JANUARY 2018

BIHAR Green Enterprise Mela

The event will witness participation from government stakeholders such as Bihar State Pollution Control Board, DIC etc. Here the entrepreneurs will get the opportunity to connect with technology providers, financing agencies, local NGOs, key stakeholders and existing entrepreneurs already established in the sector.

Who can apply: Potential entrepreneurs wanting to setup green Building Material enterprise in fly ash/paver sector

Methodology: Open group discussions, Q&A rounds, Interactive activities, technical info sessions



9-10 FEBRUARY 2018

JAMSHEDPUR

Workshop on manufacturing quality fly ash bricks

The technical workshop will cover factors that determine quality of bricks viz. quality, proportioning, handling and mixing of raw materials, handling and pressing of the mix and curing of the bricks. The workshop would focus on the existing procedures being followed, difficulties encountered, and recommended procedure to produce quality bricks conforming to BIS or equivalent International Standard.

Who can apply: Existing fly ash brick manufacturers

Training methodology: Technical sessions, Practical knowledge sharing exercises, Case studies, Interactive activities

RECENT EVENTS

3-6 JANUARY 2018, NAGPUR

IYB Training

The IYB Training conducted in Nagpur witnessed participation from existing entrepreneurs in the ecofriendly Building Material, Processed Fuel and Paper Recycling sectors.

The 4 day session entailed lectures on business modules, interactive business games, sector specific discussions and one to one dialogues.

9 JANUARY 2018, GHITORNI

Demonstration on Paper Recycling Technology and Product Making

The Demo session conducted in Ghitorni witnessed participation from potential women entrepreneurs, part of SHGs based out of Delhi and supported by World Vision India.

The exposure gave the women an opportunity to explore eco-friendly packaging solutions as a means for sustainable livelihoods.



15-17 FEBRUARY 2018

PUNE

ILO certified "Improve Your Business" Training of existing and potential enterprises in Maharashtra

Improve Your Business (IYB) Training is a modular training programme and can address the most urgent need for business management improvement. The basic IYB modules include marketing, buying, stock control, costing, record keeping and financial planning.

Who can apply: Emerging entrepreneurs running micro enterprises who want to sustain their businesses, increase sales and reduce costs.

Training Methodology: Case studies, Interactive activities like business games, discussions, class exercises, technical info sessions



THE **iG** PRENEUR

SUPPORTED BY

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Department of Science and Technology (DST), Government of India**

ABOUT TARA

The Society for Technology & Action for Rural Advancement (TARA) is an "incubation engine" of the Development Alternatives Group, which has been providing development solutions in India and elsewhere. TARA has been instrumental in developing & validating support systems, training and capacity building for key stakeholders across the value chain. With over 30 years of experience, TARA has secured a pioneer position in cluster development, entrepreneurship development, prototype development and validation on ground.

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