## About Us

The i-GPreneur is a quarterly 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 quarterly resource for entrepreneurs and key stakeholders.
“i-G Preneur” refers to entrepreneurs who take up innovation based-green entrepreneurship and thus establish eco-friendly micro and small enterprises (MSMEs). 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), India.

Currently three sectors are being supported under Project i-STED:

- **Eco-friendly** Building Material
- **Eco-friendly** Processed Fuel
- **Eco-friendly** Packaging

To help you be an i-G Preneur we provide support services vis a vis Technology, Finance, Market, Capacity Building and Monitoring & Evaluation.

To know more about our project, visit [www.i-gpreneur.com](http://www.i-gpreneur.com)

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**Upcoming events**

**May 2018, Pune**

**ILO certified “Improve Your Business” Training of existing and potential enterprises in Maharashtra**

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

**Who can apply:** Emerging entrepreneurs running micro enterprises in our supported sectors 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 and field visits

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**June 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 and other interactive activities

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**June 2018, Lucknow**

**Green Enterprise Mela**

Green Enterprise Mela is a platform to create dialogue to promote the green building material sector in Lucknow. The event will witness participation from government stakeholders such as District Industries Centre, Udyog Bandhu, UP State Pollution Control Board, 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
The Union Budget 2018 comes against the backdrop of demonetization in November 2016 and the introduction of the Goods and Services Tax (GST) in July 2017. With these major announcements widely unsettling the economy, the country expected that the upcoming budget would ease some of the pain points exposed during this upheaval. If not entirely, budget 2018 has certainly delivered when it comes to giving a boost to MSMEs and recognizing the strain on the economy in terms of job creation. A budget of Rs 3794 crore has been allocated in this respect towards credit support, capital and interest subsidy as well as to spur innovation. This was done by providing tax relief and concessions, easing credit flows, enabling digitization and targeting labor intensive sectors for employment generation. This article discusses how the budget announcements can have an impact on MSMEs with respect to taxation and credit with a special section for the green MSME sector.

**Taxation:** One major boost to MSMEs in terms of taxation that the current Budget provides is to extend the benefit of reduced corporate tax that was lowered from 30% to 25% last year. Till 2017-18, this reduction was applicable only to companies with an annual turnover of up to Rs 50 crore. However, this year, this benefit has been extended also to companies with an annual revenue of up to Rs 250 crore. The intent behind this move is to benefit a wider base of MSMEs and leave them with a "higher investible surplus" which is expected to create more jobs. This would enable them to not only reinvest and expand, but also help them spend more on research and development, which is crucial for their competitiveness. Even though the step is welcome and will definitely benefit the sector, most of the small and micro enterprises in India are proprietorships and partnerships which are not covered under the policy. Therefore, this move may fall short of completely alleviating the problems of this sector.

**Credit:** Recognizing the need to ease cash flows and availing credit, the target for lending in the current budget under the MUDRA Yojna for 2018-19 is set at Rs 3.3 lakh crore which is a 35% increase from last year’s target of 2.44 Lakh crore. Such a big allocation in the Budget for the MUDRA Yojana* compliment earlier programmes such as the Prime Minister Employment Generation Programme and the Credit Guarantee Scheme for Micro and Small Enterprises. However, the scheme can benefit more MSMEs if the government decides to relax on eligibility criteria and extending subsidy beyond government schemes. Further in order to ease financing, the finance minister proposed to onboard public sector banks and corporates on TReDS platform (Trade Electronic Receivable Discounting System) as financiers. TReDS is an online platform which allows MSMEs to advance credit from financiers. This is done against a bill due to them from the buyer at a later date.

With more players on board as financing agents as per the RBI guideline, MSMEs will face an expanded market of lenders giving them more bargaining power over the lending (discounting) rate.
Additionally laying thrust on rural entrepreneurship and women empowerment, the Budget rightly addressed the critical issue of credit linkages for SHGs. It promised a quantum jump from the current Rs 5.61 billion bank-linked credit accessed by SHGs to an ambitious Rs 400 billion in 2018-19.

**Impact on Green sector:** The Green sector which includes waste recycling enterprises failed to receive any major benefits this budget season. With the implementation of GST, the recycling industry is seeing its third recession in recent times. Although the percentage of GST implemented on scrap material has now been revised, the initial 3 months had a significant impact on the value chain of recycling. While the paper recycling industry welcomed the cut in import duty on waste paper, they were disappointed that import duty exemption has not been extended to key raw materials such as wood logs, chips and pulp. Similarly, while a major chunk of the budget has been allocated for infrastructure development, there were no major announcements to benefit the Green Building Sector. However in lieu of the budget, in order to promote the use of agro-based pellets, the ministry of power has directed all coal based thermal power plants to use 5-10% blend of biomass pellets along with coal for power generation. This move is expected to boost the green processed fuel sector and expand its market. Overall the new budget for the coming financial year has, in most parts, turned out to be disappointing for the recycling industry where no specific incentives, subsidies or grants were announced. Nevertheless, it is hoped that the government steps in to promote the green sector considering its mandate to stimulate sustainable development.

In sum, the Union budget has aimed to facilitate a nurturing environment for the MSMEs to grow by focusing on core areas. However a strong and targeted focus on promoting green enterprises is needed in order for this sector to flourish in the face of never ending challenges. With a strong financial and technical base, and constant handholding support by the means of incentives and subsidies, the MSME sector will go a long way towards job creation and add to India’s growth trajectory.

* MUDRA is an institution set up by the government to provide funding to the non-corporate, non-farm sector income generating activities of micro and small enterprises whose credit needs are below Rs10 Lakh

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**The Fly Ash Brick Industry in India**

- Nedson Ng’oma  
  (Intern, DA; Student, Ramjas College)

A 2001 research paper by Sunil Kumar defined Fly Ash Bricks as alternatives to clay bricks that can be produced by a simple process of mixing, pressure-free molding and water curing. There has been an observed massive shift towards Fly Ash Bricks over the past years (Master Builder Magazine, 2016). This can be attributed both to its environmentally friendly attributes and implications.

A 2012 publication by the World Bank “Environmental and Social Benefits of Fly Ash Bricks” stated that Fly Ash Bricks had the potential of totally eliminating carbon emissions from India’s brick industry. This is because unlike clay bricks, Fly Ash
Bricks do not require kilns to produce their bricks. Estimates show that kilns emit around 70 million tons of carbon dioxide annually while Fly Ash Bricks are emission free. The Fly Ash Bricks are also an efficient way of disposing the fly ash that is produced as a byproduct in thermal power stations. In the absence of the bricks, the fly ash is dumped in ponds where it pollutes both the soil and the groundwater. Another prerequisite of the Fly Ash Bricks is the saving on valuable soil. The production of clay bricks uses up 540 million tons of clay annually. An example of this can be seen in Bihar where 30 million cubic meters soil is consumed by the brick industry annually. This lost land would have alternatively been used for the production of 7,000 tons of rice. Thus use of brick making via soil is making 1,10,000 people suffer due to loss of food grain (Devalt, 2016).

Despite the fact that one sixth of the annual brick production is composed of Fly Ash Bricks (World Bank, 2012), there is still a lot of room for expansion. To begin with, India has a lot of buildings in the pipelines and around 70% of them have not been completed (Anumita Roy Chowdhury, Centre for Science and Environment, 2015). These projects will ensure consistent demand for building material. To add to this, India also has numerous power plants across the country. All these plants are potential sources of fly ash, reducing search costs for inputs. According to industry estimates, only 60% of the available fly ash is being used. It therefore follows that there is room for more participants in the market. Furthermore, as the availability and quality of soil is bound to diminish, there will be higher demand of Fly Ash Bricks (World Bank, 2012). Secondly, due to its environmental desirability, the government of India’s policies have been centered on boosting the expansion of the industry. One of the many initiatives is the banning of the use of clay bricks within a 20 km radius of any thermal power plant (Mayank Agarwal, 2015). This will directly boost the industry as all the clay brick units within the radius will have to resort to Fly Ash Bricks. Thirdly, the geographical locations of the fly ash brick units reflect the untapped potential of the industry. Of the 1800 fly ash units in India, almost 50% of them are in AP and Telangana (CH. R. S. Sarma, 2015). Since construction activity is carried out nationwide, it is safe to say that there is room for expansion of the sector at least in the other states as well.

The fly ash brick industry has not been without its challenges. Transportation of fly ash from the thermal power plants to the fly ash brick making units has proven to be expensive (S.D. Khan, 2013). A suggestion to circumvent this problem is making the thermal plants set up their own fly ash brick making units near the station rather than setting up fly ash disposal mechanisms. (S.D. Khan, 2013). Another reason the industry has also not taken off is due to a misconception among the people regarding the quality of Fly Ash Bricks. The supposition that Fly Ash Bricks are of lower quality has hindered its expansion as most customers were not willing to use it. However, there has been gradual improvement on the matter as awareness has spread to stakeholders in the brick industry (Master builders, 2016).

In conclusion, the fly ash brick industry has potential to benefit all its stakeholders. The thermal power suppliers get a means of disposal, entrepreneurs have a potential opportunity of an enterprise to take up, consumers get cheaper and higher quality bricks and most importantly the government achieves emission reductions.
Government e-Marketplace

Government e-Marketplace (GeM) is an online portal launched in 2016 by the Ministry of Electronics and Information Technology to facilitate online procurement of common use goods & services required by various Government Departments / Organizations / PSUs. It is a totally paperless, cashless and framework driven e-commercial center that empowers acquisition of regular use merchandise and services with negligible human interface. GeM currently features more than 624,394 products and services and boasts of 21,610 buyer organizations and 97,398 sellers. (source: www.gem.gov.in)

With rampant corruption curbing efficient procurement of goods, it is expected that GeM will enhance transparency, efficiency and speed in public procurement. There are several other benefits that accrue to the government, sellers, industry and the economy. The sellers benefit as they have access to all government offices on a single platform with consistent and uniform purchase procedures. Additionally being an open platform, GeM offers no entry barriers to bonafide suppliers who wish to do business with the government. To register on GeM as a seller requires the following documents:

- Pan Card
- Aadhar card and aadhar registered phone number
- VAT/ TIN Number (if Applicable)
- Bank Account & Supporting KYC Documents
- Identity Proof
- Address Proof
- Cancelled Cheque Copy

To help entrepreneurs in the supported sectors under project i-STED (Ecofriendly Processed fuel, Paper recycling and Building Material sectors) register on GeM portal as sellers, we charge a nominal fee of Rs 200. For more information email on igpreneur@devalt.org or contact on 07703986066

Experts say..

“‘It’s early days for GeM and any mega transition of this magnitude is challenging,” said Prasanto K Roy, Vice-President, Nasscom (The National Association of Software and Services Companies)

“The government is confident and hopeful that it will be able to break through the “initial resistance” of companies.” – GeM official

“We are hoping to see an accelerated roadmap for software products and services on GeM,” - Prasanto K Roy, Vice-President, Nasscom

RECENT EVENT

Green Enterprise Mela, Bihar

The Green Enterprise Mela provided a platform that brought together various stakeholders from the government and private sectors to create dialogue to promote Fly Ash Bricks (FAB) in Bihar. The event witnessed key participation from:

Dr. Naveen Kumar
Bihar, State Pollution Control Board (BSPCB)

Mr. Pankaj Kumar
National Thermal Power Corporation Limited (NTPC)

Mr. Ravindra Prasad
Department of Industries, Government of Bihar

Dr. Aparna Dhawan
National Accreditation Board for Certification Bodies (NABCB)

Mr. Rajesh Kumar Sinha
State Bank of India
Meet the Changemakers

i-G PRENEUR OF THE MONTH

Kishore Kumar Choudhary is the managing director of Vidya Devi Building Material Production House, a unit of M/s Comfort Convenient Construction Pvt. Ltd. in Patna, Bihar.

His enterprise manufactures eco-concrete products like door & window frames, paver blocks and chequered tiles. The DA Group provided marketing support and technical training to the staff on mix design, and operation & maintenance of the machine to manufacture quality products. With an investment of INR 10 lakhs, the enterprise estimates a revenue of INR 42,00,000 per annum. Mr. Kishore Kumar Choudhary, the proud owner of the enterprise, sees a big market potential for such green products, given the rising environmental concern and scarce & costly wooden products. His endeavor has also created jobs, transforming the lives of six families.

The impact of Mr. Kishore’s enterprise goes beyond the concerns of inflating construction cost, it addresses the more important issue of protecting the environment. His story showcases how local enterprises can act as mediators in our path to a more green economy.

SERVICE PROVIDER OF THE MONTH

Sahjanand Fly Ash Bricks Plant Pvt. Ltd. are amongst the leading manufacturers and exporters of bricks-blocks-pavers making automatic machines. Buildwell is the brand of Sahjanand Fly Ash Bricks Plant Pvt. Ltd. located in Bhuj – Gujarat.

Technology solutions offered by Buildwell focus on providing an ecofriendly alternative to traditional burnt clay bricks. The product range starts from manual vibropress, semi hydraulic press, semi automatic hydraulic plant to fully automatic brick making plant. The offered range is characterized by high quality raw material and technology in observance with international quality standards.

Kishore Kumar
Owner of Building Material Production House
Patna, Bihar, India
For general/business enquiries, contact:
M: +91 7004031915,
+91 9334279170

Sahjanand Fly Ash Bricks Plant Pvt. Ltd.
Managing Director: Rajesh Bhatt
For general/business enquiries, contact:
M: +91-9825225363
buildwellflyashbrick@gmail.com
www.buildwellindia.com
Address: C-36, Katira shoppers city, RTO site, Bhuj (Kutch) Gujarat, India. Pin: 370 001
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.

Contact Us

TARA, B-32, Qutub Institutional Area, New Delhi 110048, India
Tel: 91 (11) 2654-4100, 2654-4200
Fax: 91 (11) 26851158
www.devalt.org; www.tara.in
http://i-gpreneur.com/

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