Bengal's Entrepreneurship Genious – Khagendra Chandra Das

MSME-Development Institute
Kolkata
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From the Desk of the Head of Institute:

The financial year began with another bout of pandemic. This time it is much more virulent, widespread and deadly! The industry was just recuperating from the situation last year. It has started gearing up to make up the losses it incurred last year. But the second wave once again derailed the process. Medical system is on verge of collapse. People are running pillar to post for basic medical facilities. These serious successive blows to economy will cost all of us very dearly!

At this crucial juncture, all we can do is to stand firm, keep our cool and wait for the conducive environment to come. We need to follow the safety norms strictly. There should not be any lacuna in maintenance of Covid safety protocols.

The RBI on 5th of May, 2021 announced measures to ensure liquidity and provide support to small businesses that have been hit by the second wave of Covid.

It allowed re-opening of one-time restructuring for individuals and MSMEs till September 30. In cases where individual borrowers and MSMEs have availed restructuring of loans that provided a moratorium of less than two years, banks are being allowed to modify the moratorium period up to two years.

For MSMEs restructured earlier, banks are allowed to review working capital sanctioned limits based on a reassessment. The imposition of lockdown across several states has hurt small businesses the most. It is felt that support to small businesses is crucial, as they are major job creators.

Addressing members of the Merchants’ Chamber of Commerce & Industry in Kolkata, Hon’ble Minister of Finance and Corporate Affairs Mrs. Nirmala Sitharaman said, “You will withstand this challenge also; 2019 was about liquidity, 2020 was about Covid, but 2021 shall not be about Covid, in spite of the second wave. I want to assure you.”

We that assurance and hope that more such supportive steps will be taken by the Government to safeguard the interest of MSMEs of India.

Krishnadas Bhattacharyya

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Editorial:

A grim situation faces the entire country as the 2nd wave of the Covid 19 pandemic rages across the states and Union Territories of India. The fresh surge in cases is likely to have an adverse impact on the nascent economic recovery as uncertainty looms large over the growth outlook of the economy.

West Bengal too is in the grip of this severe pandemic and the medical infrastructure is overwhelmed by the rising number of daily infections and deaths coupled with oxygen shortage and shortage of medical accommodation. The state Govt has pulled in all its resources to tackle the situation in the best possible manner. The Covid 19 vaccination programme has been given utmost importance along with providing medical and health care services to the people of the state.

In the financial field, the Monetary Policy Committee of RBI has kept the policy repo rate unchanged at 4 per cent and the reverse repo rate at 3.35 per cent. It has retained the growth forecast for the economy at 10.5 per cent for this fiscal.

The RBI has also decided to open an on-tap liquidity window of Rs 50,000 crore with tenures of up to three years at the repo rate till March 31, 2022, to boost liquidity and ensure credit flow support for COVID-19-related healthcare infrastructure and services. Under the scheme, banks can provide fresh lending support to a wide range of entities including vaccine manufacturers; importers/suppliers of vaccine and priority medical devices; hospitals and dispensaries; and pathology labs and diagnostic centres. They will also provide finance to manufacturers and suppliers of oxygen and ventilators; importers of vaccines and COVID-related drugs and COVID-related logistics firms.

For MSMEs, borrowers of up to Rs 25 crore loans, which were not considered for restructuring earlier, will now be considered so till September 31, 2021.

As the entire economy fights to preserve life and livelihood, we at MSME DI Kolkata reaffirm our commitment to the MSME sector and continue to reach out to this sector through our CHAMPIONS portal, wherein time bound replies are given and actions taken as per the queries received from the MSME entrepreneurs.

Due to Covid related restrictions, we regret the delay caused in the issue of this edition of the Newsletter.

We also deeply mourn the untimely demise of our staff member, Sri Moloy Ghosh (MTS), who left us on 4th May, 2021 after a brief period of illness. We pray for the departed soul and extend our heartfelt condolences to the bereaved family.

Wish all our readers a safe and healthy life and courage and grit to cope up with the current crisis period.

Wishing all our readers a happy reading!
RBI allows loan restructuring for individuals, MSMEs hit by fresh COVID-19 wave

RBI allowed re-opening of one-time restructuring for individuals and MSMEs till September 30. In cases where individual borrowers and MSMEs have availed restructuring of loans that provided a moratorium of less than two years, banks are being allowed to modify the moratorium period up to two years.

“Is TReDS solving working capital woes for 6.3 crore MSMEs?”

Webinar by Financial Express

One of the biggest growth challenges faced by the majority of around 6.3 crore MSMEs in India is payment delays from their buyers for the goods sold. To unlock MSMEs' cash stuck in outstanding invoices, the RBI had set up the electronic platform TReDS to facilitate invoice financing through banks, non-banking financial companies, and other financial institutions. However, it is now important to understand how smooth has been the liquidity flow so far in the MSME ecosystem due to TReDS platform and how capital or time-efficient the solution has been. Find out answers to these questions and more in this webinar.
Special Session with Mrs. Nirmala Sitharaman, Hon’ble Minister of Finance & Corporate Affairs, Govt. of India on Sustaining Growth Momentum during Covid Times

A special session on ‘Sustaining Growth Momentum during COVID times with Mrs. Nirmala Sitharaman, Hon’ble Minister of Finance & Corporate Affairs, Govt. of India was organized by Merchants’ Chamber of Commerce & Industry, Kolkata on 20.04.2021 at Crystal Room of Hotel Taj Bengal. On receipt of official request from Merchants’ Chamber of Commerce & Industry, Kolkata, Sri S. Mukhopadhyay, Asst Director, MSME-DI, Kolkata has attended the Special Session. Welcome Address was given by Shri Aakash Shah, President, MCCI. Shri Vinay Sahasrabuddhe, MP, Rajya Sabha & President, ICCR was present as Guest of Honour.

Mrs. Nirmala Sitharaman, Hon’ble Minister of Finance & Corporate Affairs, Govt. of India spoke on the theme. She assured industry that despite a raging second wave of infections, 2021 will not be about Covid-19, and the economic revival will continue.

Addressing members of the Merchants’ Chamber of Commerce & Industry in Kolkata, Sitharaman said, “You will withstand this challenge also; 2019 was about liquidity, 2020 was about Covid, but 2021 shall not be about Covid, in spite of the second wave. I want to assure you.”

Citing the “cordial” relations between the Reserve Bank of India and the Centre, the FM said the central bank and the government have always worked together to benefit the economy and the country.

Pointing to the steps taken by the government, she said, “Revival was happening, is happening and will continue to happen.”

Sentiments don’t fall so rapidly, the minister added. There should be complete trust between the government and industry and vice versa to sustain growth, she said, while talking about “Sustaining growth momentum during Covid times”.

“I appeal to you to trust and have confidence in the government. There must not be disturbances in the continuity, which leads to mistrust or distrust. Industry should have faith and feel that the government is accessible,” she said.

She was categorically mentioning the role of MSME and consideration of her Ministry on every minute feedback from this sector. She was mentioning the rapid action taken by Finance Ministry to implement Atmanirvar Bharat, Garib Kalyan Yojana and MSME credit during pandemic era. She was interacting with many MSME entrepreneurs on GST, delayed payment and credit issues.
Webinar on Entrepreneurship and innovation under ‘SEED-BIZ’

An E-conference on Seed-BIZ – orientation programme on business planning was organized by Centre for Incubation consultancy and entrepreneurship (CICE), St. Xavier’s University, Kolkata on 27.04.2021. Father Dr. J. Felix Roj, Vice-Chancellor, St. Xavier’s University, Shri Pravat Kumar Bez Baruah, Chairman, Tea-Board of India, Shri S. Mukhopadhyay, Asstt. Director, MSME-DI, Kolkata, were present in the programme as guest speaker. Various eminent speakers from Industry & Business world were presence to speak on the subject. Various eminent speakers from Industry & Business world were presence to speak on the subject.

Welcome address was given by Father Dr. J. Felix Roj, Vice-Chancellor, St.Xavier’s University, Shri Pravat Kumar Bez Baruah, Chairman, Tea-Board spoke as chief guest and formally inaugurate the programme. Shri S. Mukhopadhyay, Asstt. Director, MSME-DI, Kolkata being a special guest talked on importance of creativity and innovation and MSME scheme on entrepreneurship and incubation. Speakers from St. Xavier’s University, Kolkata, All India Technologies Ltd. and Hard Rock Café, Kolkata spoke in details on business planning. This programme will continue to identify business plan from the university students and they will be guided to prepare innovative business plan in next one month. There were 80 participants attended in this E-conference.

E-seminar on Empowering MSME, New Age Financing Options by ICC

E-seminar on Empowering MSME, New Age Financing Options Budgetary Announcement under Stand-Up India Scheme was conducted by ICC, Kolkata on 30.04.2021. In the beginning welcome address was delivered by Dr. Ranabir Gupta, Member, ICCNEXXT, Stand-Up scheme and Newly announced SWAS and AROP scheme of SIDBI was explained by Mr. P.S. Manoj, DGM, SIDBI, keynote address was given by Mr. Kalengada Nanaiah, MD, Equifax and special address was given by Mr. Sitanath Mukhopadhyaya, Asstt. Director, MSME-DI, Kolkata. The meeting was continued with plenary session on MSME financing options by various experts from industries, banks and stock exchanges. The programme was attended by more than 70 participants.
Bengalis are perceived as singularly unsuited for doing business. The term ‘Bengali entrepreneur’ was perceived as a contradiction in terms. Although second to none as far as intellectual abilities or educational/professional attainments go, the bhadralok Bengalis are considered to be devoid of entrepreneurial drive. The ones straying into trade and industry are either those with not-so-honourable credentials or real gentlemen, who may have done better confining themselves to the less murky world of Rabindra Sangeet, Satyajit Ray, Coffe House and football.

This is most unfortunate given the great history of entrepreneurship Bengalis actually have, going back to Dwarkanath Tagore or even Rani Rashmoni. No less visionary an industrialist was Rajendra Nath Mookerjee, whose engineering firm, Martin & Co, was at the turn of the 20th century executing major water-works stations, feeder railways and building projects all over India – including Kolkata’s magnificent Victoria Memorial.

Equally significant were the various Bengali industrial ventures born out of the Swadeshi movement during the early part of last century: Bengal Chemicals & Pharmaceuticals, Calcutta Chemical Company, Bengal Immunity, Bengal Lamps, Bengal Waterproof, Bande Mataram Match Factory, Banga Laxmi Cotton Mills, etc.

The promoters in these were largely men with impeccable educational backgrounds. Bengal Chemicals’ founder, Prafulla Chandra Ray, had a chemistry doctorate from the University of Edinburgh. Bengal Waterproof’s Surendra Mohan Bose and Bengal Lamps’ Kiran Shankar Roy were fired by nationalistic zeal, even while studying at Berkeley and Oxford, respectively. Rajendra Nath Mookerjee was an engineer, who, in fact, presided over the Indian Science Congress session in 1921.

‘Udyami Bangla’ wishes to show case some of these Entrepreneurs, who defied the common notion that Bengalis, cannot do business. We started with paying our tribute to Acharya Prafulla Chandra Ray. On this edition, we will be paying our tribute to the ‘Bengal’s Entrepreneurship Genious’, Khagendra Chandra Das.

It is our humble feat to motivate the upcoming generations of West Bengal to focus on entrepreneurship.
Almost a century ago, at a time when Indian markets were being dominated by British-made goods, an Indian entrepreneur rose to take a bold step against it. Although his name is lost in the annals of history today, he was one of the few pioneers of the Swadeshi movement who stood up to threaten the colonial hold on Indian economy, with home-grown Swadeshi products. A revolutionary, a chemist, an entrepreneur and a mentor, this man was behind the research, development and marketing of one of the most prominent FMCG products, the Margo soap that today has risen into a popular brand in itself.

Khagendra Chandra Das was an Indian entrepreneur and proprietor of the Calcutta Chemical Company. Under his leadership, the company became one of the most well-known Swadeshi businesses and was well-known for Margo and a number of other products.

It is easy enough for people to forget, or for more recent generations to not know at all, that at a point of time, Bengal (and particularly Calcutta) was perhaps the most important commercial centre in the country. It was the hub for the surrounding jute and tea industries, a port from where the British used to conduct their trade with China, and the starting point for a number of great business houses in the country. This added to the already cosmopolitan nature of Calcutta, which boasted of numerous business communities within its environs including the Marwaris, Punjabis, British, Chinese, Baghdadi Jews and, perhaps less notably, Bengalis themselves.

**The Renaissance of Bengali Industry: The Swadeshi Movement**

Lord Curzon’s decision to partition Bengal in 1905 had unwittingly set into motion a chain of events that would change the face of the national movement. Rather than looking for the political means to protest the decision of the Viceroy, the people of Bengal looked to a new kind of strategy – economics. By promoting Swadeshi (or locally produced goods), they hoped to bolster national pride and economy.
manufactured) products, Bengal sought to hit the British government where they felt it would hurt the most – in their coffers.

Economic boycott was preferred to constitutional agitation, as scores of people set fire to British-made cloth and took to donning indigenous products. The movement cut across barriers of class and even sex, as women were often the leaders of such agitations.

In such a climate, Bengal also witnessed a unique event - the establishment of indigenous industry. With the dissemination of greater scientific knowledge to the people of Bengal, there emerged from the rank-and-file a number of individuals who set up companies in Bengal to meet the growing demand for Indian-made products. These included Bengal Chemicals and Pharmaceutical Works, Bengal Potteries, Bande Mataram Match Factory, Duck Back Waterproof etc.

An interesting illustration was the case of one such entrepreneur, K.C. Das (not to be confused with the famous Calcutta sweet-maker), who was the son of Indian judge Rai Bahadur Tarak Chandra Das and Mohini Devi, herself an important figure in the Swadeshi Movement and a stalwart in Gandhian circles in Bengal. Coming from an already politically conscious family, K.C. Das, who at the time was a lecturer, became influenced by the strain of revolutionary thought that was in vogue in Bengal, and was said to have been involved in the planning and execution of numerous acts of revolutionary terror at the time. His father was advised by an English friend to send his son overseas to study in order to prevent his arrest and possible incarceration. Taking the advice of his friend, he sent his son abroad.

K.C. boarded a ship in 1904 and set sail en route to the West Coast of the United States, holding a scholarship that was provided by the Indian Society for the Advancement of Scientific Industry. He, along with a group of other Indian students, first enrolled at the University of California, Berkeley, but in 1907 transferred to rival Stanford University, citing better opportunities and instruction as the reason. During this period, he and another student, S.M. Bose, started the California Branch of the Indian Independence League, which would have links with the Ghadar Party in later years.

In 1910, K.C. Das and S.M. Bose graduated with degrees in Chemistry – possibly the first Indians to graduate from Stanford University (in Chemistry at least!). Subsequently, as the story goes, Das and Bose went over to Japan in order to study the science of pharmaceuticals and waterproofing respectively. They returned to India and established two companies that would become famous in Bengal as well as in India for Swadeshi products. Bose set up Bengal Waterproof Ltd., which would eventually be renamed ‘Duckback’, famous till date for the production of rubber and latex products, in particular the Duckback Hot Water Bottle.

In 1916, K.C. Das, along with B.N. Maitra and R.N. Sen, founded the Calcutta Chemical Company, a pharmaceutical company that would become one of the foremost symbols of Swadeshi enterprise in Bengal. It became famous throughout India for two of its product lines – the neem products for the masses (the most famous example being Margo Soap), and lavender products for more upmarket clientele (Lavender Dew Powder being the most well-known example).

‘CalChemiCo’ was a highly successful company through most of the 20th century, and it was propped up largely by the hardwork and ideals of K.C. Das, who used his foreign education and entrepreneurial spirit to propel the Swadeshi cause forward. Up until his
death, he would manage the company’s affairs himself, and was lauded by his contemporaries for his unwavering dedication to the promotion of Bengali enterprise. It was said by his family members that it was at his funeral that they truly understood the full magnitude of his determination, where hundreds of people unknown to the family had shown up for the service. It turned out that on his regular morning walks around the lake in South Calcutta, K.C. would often encounter Bengali youths hanging around with nothing to do. When he asked them why they were whiling away their time, they said, “It is because we do not have chakri (service, or employ).” He would retort by saying, “What do you mean? Why would you want to be in service? That would make you a servant. You must go and make your own way in the world, start something of your own, no matter how small. I will fund it myself.” These same men would then turn up at the funeral service to pay their last respects to the man who showed them the way out of idle living and into the realm of entrepreneurship.

Like this, K.C. funded numerous young Bengalis and, no matter how small their business ambitions were, gave them support along their journey. These young men often became nothing more than hawkers or street vendors, but they were proud that the enterprise was their own. Such was the spirit of Bengali enterprise that individuals like K.C. Das fostered. Somewhere along the way, Bengal faltered, and the decades of Left rule sapped the spirit out of a state, which, once upon a time, was at the forefront of business activity.

Bengal’s apparent resurgence as a business destination would be heartening to a populace whose economic prospects seemed largely bleak for most of the second half of the 20th century. Greater investment and cooperation by the state government will go a long way in giving Bengal back some of its lost glory. But the true testament to the vision of individuals like K.C. Das, S.M. Bose and others will be the day when the spirit of entrepreneurship in Bengal will make a comeback, and we wait for that day with bated breath.
Amidst Covid Gloom, KVIC Blooms; Generates Highest Ever Employment under PMEGP; MSME Minister Shri Nitin Gadkari Hails Performance

In a year marred by the economic despair surrounding the Covid-19 pandemic, Khadi and Village Industries Commission (KVIC) has just recorded its best ever performance in job creation under the Prime Minister’s Employment Generation Program (PMEGP). In FY 2020-21 ending March 31, that was largely affected by the nationwide lockdown, KVIC disbursed Rs. 2188.78 crore to create a whopping 5,95,320 jobs under PMEGP, the highest ever since its launch in 2008. In 2020-21, KVIC established 74,415 projects across the country.

Hon’ble Minister for MSME, Shri Nitin Gadkari lauded the achievement of KVIC and said that creation of local jobs would provide livelihood to lakhs of people, in turn, bolstering the country’s economy.

In year 2020-21, against the margin money disbursement target of Rs. 2,120.81 crore, KVIC doled out Rs. 2,188.78 crore and achieved 103.2% of the target, nearly 14% more than margin money disbursed in 2019-20. In setting up of new projects and employment generation, KVIC achieved 106.2% of the target.
KVIC Chairman Shri Vinai Kumar Saxena attributed this achievement to the Hon’ble Prime Minister’s clarion call for “Aatmanirbhar Bharat” and “Vocal for Local” and constant guidance and support of MSME Minister Shri Nitin Gadkari.

The government’s thrust to local manufacturing has prompted many youths, women and distressed people to take up self-employment activities under PMEGP.

Two major decisions by KVIC regarding timely execution of applications also helped the cause. First, the timeframe for scrutinizing and forwarding the applications to the banks by its state directors reduced from 90 to 26 days. Second, monthly coordination meetings with the banks were started at different levels which has also helped timely disbursal of loans to the beneficiaries.

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<th>YEAR</th>
<th>No of Projects Established</th>
<th>Margin Money Disbursed (Rs crore)</th>
<th>Employments Created</th>
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<td>74,415</td>
<td>2188.78</td>
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<td>2019-20</td>
<td>72,612</td>
<td>2149.75</td>
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<td>2018-19</td>
<td>73,427</td>
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**Credit Guarantee Scheme for Subordinate Debt (CGSSD) extended upto 30.09.2021**

Government of India announced creation of ‘Distressed Assets Fund- Subordinate Debt for Stressed MSMEs’ on 13th May, 2020, under the AtmaNirbhar Bharat Package.

Accordingly, a scheme viz. ‘Credit Guarantee Scheme for Subordinate Debt was approved by the Government on 1st June, 2020 and the scheme was launched on 24th June, 2020 to provide credit facility through lending institutions to the promoters of stressed MSMEs viz. SMA-2 and NPA accounts who are eligible for restructuring as per RBI guidelines on the books of the Lending institutions. This scheme was to remain in operation till 31.03.2021.

In order to keep the avenues of assistance to stressed MSME Units open, the Government has decided to extend this scheme for six months from 31.03.2021 to 30.09.2021.
SOILSAATHI: LIGHTWEIGHT IOT SOIL TESTING DEVICE

DESCRIPTION:
- Lightweight (approximately 100 gm) chemistry analyzer with an ability to test 22 parameters in soil & water and advise fertilizer requirement based on crop and agro-climatic condition.
- Battery operated, GPS enabled and connected to cloud.
- Brings soil testing to the field from the laboratory
  - Make real time advisory feasible.
  - Pilot results:
    - Reduced input cost by 40%
    - Increased yield by 30%

BIODEGRADABLE PACKAGING MATERIAL FROM AGRICULTURE RESIDUE

DESCRIPTION:
- New technique converting agro-residue into value-added materials like cellulosic pulp which is raw material for several applications like making paper, tableware, bioethanol, fabrics etc
- The solvent system developed by them makes the recovery system far less intensive than existing technologies
- The produced pulp can then be used by tableware manufacturers, paper mills, fabric industry etc. The lignin has its application in the ceramics and binders industries

SPECIFIC PROBLEM CATERED TO
- Environmental Pollution
- Health issues due to burning of agriculture residue

Source:
We mourn the untimely demise of our colleague
Shri Moloy Ghosh
May his soul rest in peace