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Government of India
Ministry of Micro, Small and Medium Enterprises
Office of the Development Commissioner (MSME)
(NBMSME Division)

7th Floor, “A-Wing”
Nirman Bhawan, New Delhi – 110 108
Dated: 31st July, 2015

Subject: Minutes of the Twelfth Meeting of the National Board for Micro, Small and Medium Enterprises (NBMSME) held on 10th July, 2015 at Vigyan Bhawan, New Delhi.

A copy of the minutes of the Twelfth Meeting of the National Board for Micro, Small and Medium Enterprises (NBMSME) held on 10th July, 2015 at Vigyan Bhawan, New Delhi, is enclosed. The minutes may also be accessed at our website www.dcmsme.gov.in.

It is requested that discrepancy, if any, in the minutes may be intimated within a fortnight.

Encl: as above

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To
1. PS to Hon’ble Minister (MSME)/ Hon’ble Minister of State (MSME)/ all Members, NBMSME / PSO to Secretary (MSME), PS to SS & DC (MSME) and Special Invitees for NBMSME as per list.
2. AS&FA (MSME) / JS (MSME)/ JS (ARI)/ EA (BNN)/ EA (SC)/ Director (AD), Udyog Bhawan, New Delhi.
3. ADC(MPS)/ DDG(GS)/ JDC(SRS)/ JDC(SB)/ AIA(SS)/ EA(KSS)/ Director (AM)/ Director(RCT)/ Director(RKR)/ Director(HA)/ Director(OPM)/ Director(UCS)/ Director(SVS)/ Director(SKS) , O/o the DC (MSME), New Delhi.

Copy to:
SENET Division, O/o the DC (MSME)
Minutes of 12th Meeting of National Board for Micro, Small and Medium Enterprises (NBMSME) held on 10.07.2015 at Vigyan Bhawan, New Delhi.

12th Meeting of National Board for Micro, Small and Medium Enterprises (NBMSME) was held under Chairmanship of shri Kalraj Mishra, Hon’ble Minister, and MSME on 10.07.2015 at Vigyan Bhawan, New Delhi. List of participants is appended (Annex-A). The meeting started with a welcome by Secretary (MSME).

2. The Hon’ble Minister of State in his opening remarks greeted distinguished guests and said that the agenda of the meeting include the Government vision as per Prime Minister’s ‘Make in India’ drive. He said that when we think of ‘Make in India’ or GDP contribution or the quantum of employment generation etc. it is the MSME sector which always comes in as the focal point of discussion. So it is the time to take some major steps to resolve the issues that MSME sector faces, which in turn will give boost towards achieving the aim & objective of India’s development. He expressed concerns about the unorganized sector which has not been able to get benefits of the Schemes of the Government due to not being included in EM Filing. He stressed on the establishment of “Technology Bank” for the benefit of the potential as well as the existing entrepreneurs. He thanked the Hon’ble Prime Minister for Launching “MUDRA BANK”. He also mentioned that online registration will very soon be simplified by adopting the ‘AADHAR UDYOG’ as per the recommendations of the Kamath Committee.

3. The Hon’ble Minister (MSME) who is the Chairman of the Board welcomed Vice Chairman, Secretary, SS & DC, Members, Special Invitees of the Board and other dignitaries and mentioned that the growth of the economy is MSME driven and MSMEs are doing better than large industries. He said that agriculture and industry are the two wheels in development of India. The envisaged Indian manufacturing hub will make India more competitive in global world. He stressed upon the importance of MSME manufacturing in Prime Minister’s vision of ‘Make in India’. According to him manufacturing excellence should be more qualitative and pollution-free to make the product ‘zero effect and zero defect’. He emphasized on enhancement of the capacity of MSMEs which will be helpful in employment generation. He stressed on the need of a MSME friendly Banking
Sector and continued focus on skill development and Entrepreneurship development being done through PPP mode. He thanked Development Commissioner (MSME) for undertaking systematic skill mapping of the different districts of the country. He also focused on cluster development, Public Procurement Policy, Defence Offset Policy, Digital Employment Exchange, revamped SFURTI and establishment of new tool rooms etc. He informed the Board about the new ASPIRE Scheme under which the business oriented Livelihood Incubation Centres would be established for nurturing the innovation at the grassroots level.

4. Hon’ble Minister of Industry, Govt. of Madhya Pradesh informed that the MSMEs are the spinal cord of the country and that the views of Members, Special Invitees and Associations are very valuable. She informed that the Madhya Pradesh Govt. has taken many steps to facilitate the MSME sector i.e., implementation of Progressive Industrial Policy, online registration, 15% of capital subsidy and 5% interest subsidy, 20% land premium for MSMEs in each industrial area, CM Yuva Yojna & CM Udyami Yojna, Incubation centres, exemption of nine labour laws, creation of Venture Capital Fund and online NOC for pollution etc. Hon’ble Minister suggested that the problem of delayed payment needs to be taken up in for early action besides stressing upon the enhancement of investment limit for MSMEs, setting up of incubation centre in other parts of M.P., expediting provision of seed capital for new entrepreneurs, ensuring better implementation of Public Procurement Policy, need for Committee to be formed to ease the procedure of cluster, enhancement of the cap for CLCSS from Rs. 1 cr. to Rs. 3 cr. and setting up of a new Tool Room in other cities of M.P. She also requested to have a decentralized system with respect to MSE-CDP, ASPIRE & SFURTI to get the maximum benefit out of these Schemes at the lowest level.

5. Hon’ble Minister of Industry, Govt. of Odisha pointed out that MSMEs are doing better than large industries but they are neglected. He said that to develop the States, MSMEs are the only way out as compared to mega projects because the small units have positive externalities. As per him the MSMEs are very cooperative; furthermore, the bank debts are created mainly by large units not by MSMEs. He informed that the Government of Odisha is fully implementing the Public Procurement Policy in the State. He suggested that real assessment of units should be done while raising the capital limit for MSME (as per the MSMED Act, 2006), and also for raising the limit under PMEGP. While informing about the
success of online EM Filing in Odisha, he put light on the existence of the system of online distribution of the subsidy. He requested for the conversion of IED of Odisha into National Institute of Entrepreneurship (NIE) and also for the establishment of 5 business oriented Livelihood Incubation Centres under the ASPIRE Scheme.

6. Hon’ble Minister of Industry, Govt. of U.P. stressed the need to facilitate the Handicraft Artisans on domestic markets as well as international markets by organizing the buyer-seller meets regularly. He demanded for the setting up of Expo Hubs at Lucknow and in ASEAN countries and Dubai etc. for easy availability of buyers at international markets. He requested for the establishment of an EXPO-MART in the state’s capital near airport to make exports easier. He suggested making the rate of interest on MSME loans at par with that on agricultural loans. He requested for action on the Cluster particularly those in which infrastructure is ready but function is yet to start. He also requested to have a PMEGP budget for the State on the basis of the potential and population of the State and to do the monitoring of the PMEGP Scheme through State Advisory Committee at the district level. He also requested to have a provision of more subsidies to the Food processing enterprises established in the rural area.

7. Shri B.K.Hariprasad, Hon’ble Member of Parliament (RS) reminded the statement of the First Prime Minister of Independent India i.e. ‘Industrialize or perish’ and requested to protect the ancillary units in existence in and around the large units at various places of the country. He also requested to protect the artisans of the tribal areas of the different States so as to let the micro level units to grow and employment generated. This according to him should cover the khadi & village industries. He also expressed his concern about the way the banking system is working in the MSME segment and requested the banking system to help the MSME sector to address their issues properly.

8. Chief General Manager, Reserve Bank of India, informed that initiative have been taken for the betterment of the situation which are faced by the sector. Furthermore, the credit facility has grown in the last three year by 23% in the MSME sector. She informed that training of officers has been initiated at upto the level of branch manager on regular basis where specialist trainer, industry association and industry of excellence are invited to discuss how to get the better result in connection with the credit facilities under the various financial schemes of the ministry of MSME like PMEGP, CGTMSE, CLCSS etc. A Cluster based Town
Hall programme is also organized by the Reserve Bank of India and after the online tracking facility of the loan applications it is expected to have a better result.

9. The Chairman & MD, SIDBI elaborately explained in detail the procedure of the MUDRA BANK which according to him is based on the concept of funding the unfunded and banking the unbanked -so as to have maximum credit delivery to the micro level enterprise, particularly those at the bottom level of pyramid. MUDRA Card will be the revolutionary aspect which has already been conceived, by means of which micro units would be able to address their problems as per their need.

10. Principal Secretary, Industry, Govt. of Tamil Nadu suggested that the entry barrier to the sector should be lifted by constituting a Committee for the MSME and by announcing the reward of Rs. 100 Crore as grant to the states achieving the said reduction of entry barrier level either in the form of Scheme orientation programme or some other means. He added that there should be an integration of the MSMEs having the potential of utilizing the Foreign Direct Investment (FDI) in the near future so that area of focus could be directed at ancillary-units development in that region.

11. President (TANSTIA) expressed concerns about the delayed payment and requested for the establishment of a Facilitation Centre for timely disposal of the issue of delayed payment. He also requested for the enhancement of central excise limit from Rs.1.5 cr. to Rs.5 Crore.

12. National President, Bhartiya Majdoor Sangh said that there must be a provision of marketing in the new policy of MSME and start-up development by having the awareness programmes launched at the ground level.

13. Chairman, Federation of Industry & Commerce of North Eastern Region (FINER), informed that the industrial policy for NER has been suspended by DIPP on 31.12.2014. He requested that the Ministry of MSME may take the matter with DIPP for revoking the suspension for the betterment of MSMEs in NER. He demanded that a new Task Force may be constituted by the government in line with PM's Task Force on MSMEs (2009). He also asked for a New Company Act exclusively for MSMEs. He also raised the issue of early implementation of GST, criteria for NPA, more effective role of Associations, provision of mechanism for conversion of lease hold land allotted to MSMEs into free hold land etc.
14. President (CODESSIA) requested the Board that under defence offset policy-existing defence related enterprise should be enlisted.

15. Secretary (Industries), Andaman & Nicobar Island, expressed the problems regarding need of raw material and marketing of the product in regards and requested to have a portal where the products could be displayed for sale at the Govt. level. The need for the establishment of Tool Room in A&N Island was demanded by her for the benefit of the unemployed educated youth of the area.

16. Chairman (SME-Chapter-PHD CCI) thanked for the consideration of amendment for definition of MSMEs and expressed concerns over the credit availability by the banks.

17. National Secretary General (LUB) said that import from China is adversely affecting the MSMEs of India. He also talked about 5% interest subsidy for MSME lending and relaxation of NOC norms for pollution for MSMEs. He emphasized on the need for labour reforms and called for setting up of a National Commission for MSMEs with judicial power.

18. President (TMI GROUP) expressed concern over MSMEs not getting finance to close the viability gap, and NSDC being the funding agency for meeting the viability gap grant. He asked for the constitution of a State level MSME Board with top seven states.

19. President (ASMKI) requested to have a MSMEs road map for the ease of doing business within the set up of the concerned Inter-Ministerial Committee.

20. President, All India Confederation of Small & Micro Industries Associations (AICOSMIA), requested to encourage National level Industry Associations to organize periodic seminars/conferences by financial support from the Government and get them telecast in TV and media channels for creating awareness on the policy, Schemes of Ministry of MSME.

21. Chairman (MCCCCI) suggested having better delivery system which will ultimately solve the loopholes of the Schemes.

22. National President & Founder, AIMA suggested that there should be a provision for Lady Entrepreneurs in Public procurement Policy 2012. As per him need for a nod from Pollution control board for small scale enterprises should be
23. President (DICCI) asked for the provision of 4% purchase preference with reference to SC/ST to be implemented properly. He stressed the necessity of following the Revival & Rehabilitation scheme of MSME, Govt of Maharashtra.

24. Director General (India SME Forum) opined that there should be a framework for the implementation of Make in India plan (i) one for existing entrepreneurs and (ii) for the start-up. It is also necessary for arming local associations with the introduction of flatted factory system and to give level playing field to the lady entrepreneurs.

25. Co-Chairman (ASSOCHAM) thanked for simplification of online filing of EM through AADHAR UDYOOG and requested for the enhancement of the MSME limits. He called for increasing the excise exemption limit from Rs.1.5 cr. To Rs.5 cr., enhancing of service tax limit from Rs. 10 lakh to Rs. 20 lakh, taking cognizance of turnover limits, giving teeth to IFC and on the need for promoting the smaller clusters.

26. President & Director General (ICC) stressed the need for promoting the ancillary units, providing assistance to the NIITs and IITs to develop entrepreneurship by utilizing the available resource in their campus.

27. National President (IIA, MSME) requested that the data centre for MSME should be developed and that SIDBI should be given the charge of financing MSME units directly.

28. President (KASSIA) suggested increasing the level of investment limit under CLCSS from Rs. 1 crore to Rs. 5 crore.

29. President (AWAKE) requested that any upfront investment in stall part in the trade fairs by SMEs participating in the international trade fairs should be exempted.
30. Chairperson (CWEI) suggested setting up manufacturing hub in the region where the production is taking place with the provision of facilities for Geographical Indication registration.

31. Among the Special Invitees Shri Anil Gupta, Ms Manjula Mishra, Shri Sunil Rama, Shri Shishir Kumar Poddar, Shri Rajesh Kumar Sharma, Ms Swati Sharma, Shri Amit Gupta and Shri Rajnish Goenka suggested abolition of leasehold concept, protection from imports, sharing government revenue with MSMEs, Establishment of Mahila udyami Commission, insurance Scheme for MSMEs and collection of quarterly data on delayed payments etc. In view of the shortage of time (it was already past 2:30pm) the Secretary suggested that discussion may continue during lunch. He also offered to give separate time slots to anyone interested continuing the discussion further.

The meeting ended with Vote of Thanks to the Chair.
Annex-A

List of Participants for 12th Meeting of the National Board for Micro, Small and Medium Enterprises (NBMSME) held on 10.07.2015 (Friday) at Hall No. - 3, Vigyan Bhawan, New Delhi:-

1. Shri Kalraj Mishra, Hon’ble Union Minister (MSME) / Chairman of the NBMSME.
2. Shri Giriraj Singh, Hon’ble Minister of State (MSME) / Vice-Chairman of the NBMSME.
4. Shri Bhagwat Saran Gangwar, Hon’ble Minister in Charge of MSME, State of Uttar Pradesh.
5. Shri Jogendra Behera, Minister-in-Charge of MSME, State of Odisha.
6. Shri B.K. Hariprasad, Hon’ble Member of Parliament (Rajya Sabha).
7. Dr. Anup K. Pujari, Secretary, Ministry of MSME, New Delhi.
8. Shri Amrendra Sinha, SS&DC (MSME) and Member Secretary of NBMSME.
9. Shri Jagmohan Singh Raju, Principal Secretary, Industry, Representative of Hon’ble Minister in Charge of MSME, State of Tamil Nadu.
10. Shri John Tlangtinrhuma, Director (commerce & Industries), Representative of Hon’ble Minister in Charge of MSME, State of Manipur.
11. Smt Rashmi Krishnan, Secretary (Industries), Representative of Lt.Governor Andaman & Nicobar Island (UT).
12. Smt. Reetu Jain, Director, Representative of Secretary, Department of Industrial policy & promotion, New Delhi.
13. Dr. Ajay Negi, Director, Representative of Secretary, Ministry of Food Processing Industries, New Delhi.
14. Smt Madhavi Sharma, Chief General Manager, Reserve Bank of India, Mumbai.
15. Dr. K. Shivaji, CMD, SIDBI, Mumbai.
16. Dr. S. Saravanavel, CGM, NABARD, Mumbai.
17. Shri Jatin Govil, Joint General Manager, ICICI Bank corporate office, Mumbai.
18. Dr. Avinash K Dalal (Nallawala), National President, All India MSME Association (AIMA), Mumbai.
19. Shri Nalin Kohli, President, Association of Small & Medium Knowledge Industries (ASMKI), New Delhi.
20. Shri Rishabh Kothari, Chairman, MCC Chamber of Commerce and Industry, Kolkata.
21. Shri O.P. Mittal, General Secretary, Laghu Udyog Bharti, New Delhi.
22. Shri Sudarshan Sareen, National President, All India Confederation of Small and Micro Industries, New Delhi.
23. Smt. Sushma Morthania, Director General, India SME Forum, Mumbai.
24. Shri R.S. Joshi, Chairman, Federation of Industry & Commerce of North-Eastern Region (FINER), Guwahati.
25. Shri Muthusami C., President, Tamil Nadu Small & Tiny Industries Association (TANSTIA), Chennai.
26. Shri Milind Kamble, Chairman, DICCI, Pune.
27. Shri Mangnirish Pai Raiker, Co-Chairman, SME Chapter, ASSOCHAM, New Delhi.
28. Shri Tapan K. Bhattacharya, President-Director, Indian Chamber of Commerce (ICC), Kolkata.
29. Shri E.K. Ponnuswamy, President, Coimbatore District Small Industries Association (CODESSIA), Coimbatore.
30. Shri Ashok Saigal, Chairman, SME Chapter, CII, New Delhi.
31. Shri Sanjay Bhatia, Chairman, SME Chapter, FICCI, New Delhi.
32. Shri Vishwa Nath, Chairman, SME Chapter, PHDCCI, New Delhi.
33. Shri V.K. Dikshit, President, Karnataka Small Scale Industries Association (KASSIA), Bengaluru.
34. Smt. Jyothi Balakrishna, President, Association of Women Entrepreneurs of Karnataka (AWAKE), Bengaluru.
35. Smt. Shashi Singh, Chairperson, Consortium of Women Entrepreneurs of India (CWEI), New Delhi.
36. Shri T. Murlidharan, Chairman, TMI Group, Hyderabad.
37. Shri Manish Goel, National President, IIA.
38. Shri Baij Nath Rai, National President, Bhartiya Majdur Sangh, 24 Pargana.

Special Invitees:

39. Shri Ashwani Kumar, CMD, Dena Bank, Mumbai.
40. Shri Anil Gupta, Lucknow.
41. Smt. Manjula Mishra, Greater Noida.
42. Shri Sunil Rama, Bulandsahar.
43. Shri Rajnish Goenka.
44. Shri Shishir Kumar Poddar, Ranchi.
45. Shri Rajesh Kumar Sharma, Hamirpur.
46. Smt. Swati Sharma, Raipur.
47. Shri Amit Gupta, Lucknow.
48. Shri Jyoti prakash Jaiswal
49. Shri Atul Mukhi
50. Dr. Ajay Narang

Officers of Ministry of MSME and office of DC (MSME) also attended the meeting.