Subject: Minutes of the 14th Meeting of the National Board for Micro, Small and Medium Enterprises (NBMSME) held on 11th August, 2016 at Vigyan Bhawan, New Delhi.

A copy of the minutes of the 14th Meeting of the National Board for Micro, Small and Medium Enterprises (NBMSME) held on 11th August, 2016 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.

(Dr. O.P. Mehta)
Director (NBMSME)
Telefax: 011-23063363
E-mail: omehta@dcmsme.gov.in

To
All Members and Special Invitees, NBMSME.

Copy also to:
1. PS to Hon’ble Minister (MSME)/ Hon’ble Minister of State (GS)/ Hon’ble Minister of State (HC).
2. JS (ARI)/ JS (SME)/ EA, M/o MSME, Udyog Bhawan, New Delhi.
3. JS (NKS)/ DDG (GS)/ADC (AK)/ ADC (PS)/ ADC (SM)/ JDC (SRS)/ AIA (SG) O/o DC (MSME), New Delhi.
4. PSO to Secretary (MSME)/ PS to AS&DC (MSME), PS to SS&FA, O/o DC (MSME).
5. SENET Division, O/o the DC (MSME) with the request to kindly upload the soft copy of approved minutes on the official website appropriately.
MINUTES OF 14TH MEETING OF NATIONAL BOARD FOR MICRO, SMALL & MEDIUM ENTERPRISES HELD ON 11.08.2016 AT 10.00 A.M. AT VIGYAN BHAWAN, NEW DELHI

1. The list of participants is at Annex – A.

2. At the occasion, MSME Data Bank and Finance Facilitation Centre were launched by Union Finance Minister.

3. As regards the proceedings of the National Board Meeting, Secretary (MSME) initiated the discussion. He thanked the Hon'ble Ministers for the time and presence in the meeting and also welcomed all other Members of the National Board. He requested the Ministers from States to present their views.

4. Shri Jogendra Behera, Hon'ble Minister In-charge (MSME), Govt. of Odisha expressed his sincere thanks to the M/o MSME for organizing the 14th meeting of Board. He stated that Govt. of Odisha has implemented the rate contract, registration online in line with Udyog Aadhar to facilitate procurement by State Government agencies from local MSMEs. He talked of a new Start Up policy which is to be launched by Govt. of Odisha. He informed that e-Biz online portal has been introduced to get all statutory clearances within the time limit for the benefits of the investor/entrepreneurs. He mentioned that the availability of timely and adequate credit continues to be a major problem faced by the MSMEs. He urged upon the Government of India to inculcate right spirit among the Banking and Financial Institutions for adequate and timely flow of credit to MSMEs. The Minister requested for converting Institute of Entrepreneurship Development, Odisha to a National Institute for which proposal has been submitted to M/o MSME and requested the timely approval of 10 CFCs under MSE-CDP in the current financial year.

5. Shri Subhash Rajaram Desai, Hon'ble Minister, In-charge (MSME), Govt. of Maharashtra stated that MSME Data Bank and Financial Facilitation Centres were commendable initiative. He, however, desired that the size of PMEGP scheme needs to be enlarged. Regarding MSE-CDP, he expressed the opinion that scheme has been implemented in his State, however, there is a need to make it on fast track. He also felt the need for revival of MSMEs by issuing necessary directives to the Banks.

6. Shri Sanjay Pathak, Minister of Industry, Govt. of Madhya Pradesh in his address appreciated the efforts of M/o MSME for initiating online registration through UAM. Hon'ble Minister informed that in the year 2015-16, 48000 registrations were made through UAM which is two and a half times more than that of registration made prior to implementation of
UAM. Further, he informed that a target of registration for this year is about 1.00 lakh units through Department effective facilitation. He welcomed establishment of a Tool Room in the State. He opined that there is a need for skilled manpower for the MSMEs and fund should be made available to the State Government for this purpose. He expressed that under MSE-CDP, Exhibition Centres need to be set up and funds for diagnostic studies and soft intervention should be released immediately.

7. Shri Govindas Konthoujam, Hon'ble Minister of Industry & Commerce, Government of Manipur while referring to the MSE-CDP programme in the State, informed that six ID centres have been approved. He referred to the North East Industrial & Investment Promotion Policy (NEIIP), 2007 is suspended w.e.f. 01 December, 2014 and requested that the same needs to be restarted. He urged the need for a FFDC centre to be started in his State. Under MSE-CDP, there is need for timely release of funds for implementation of the projects. He pointed out that KVIC officials sitting in Manipur are not cooperating. Delay in release of funds is delaying the projects. He also referred to the 9 incubation centre approved by M/o MSME.

8. After the address by the Hon'ble Ministers, the Agenda was taken up and the Board was apprised of the progress on the various schemes. The Members appreciated the initiatives taken by the Ministry in implementation of the various schemes. Mr. Mlind Kamble, President, Dalit Indian Chamber of Commerce & Industry (DICCI) appreciated the guidelines framed on National SC / ST Hub.

9. During the course of the discussion, following comments were made by the Members

(i) Ms Jyothi Balakrishanan, President, Association of Women Entrepreneurs of Karnataka (AWAKE) suggested 30% reservation for women entrepreneurs in flatted factory. She also suggested 4% interest for women entrepreneurs in bank lending.

(ii) Shri Nalin Kohli, President, Association of Small & Medium Knowledge Industries (ASMKI) informed that though the CGTMSE scheme provides guarantee cover of Rs.1.00 crore loan, some banks insist for collateral security, such cases need to be brought to the notice of RBI.

(iii) Shri Anil Gupta, Premier Rolling & Forging Works (P) Ltd., UP opined that NPA of MSMEs is being publicised in a bad way despite the fact that NPA of MSMEs is very small compared to other industries.
(iv) Shri Vishwanath, Chairman, SME Chapter PHD Chamber of Commerce and Industry requested the RBI to advise banks not to publish the photographs of MSME units for their NPAs/default in payment.

(v) Shri Ashok Saigal, Chairman, SME Chapter, Confederation of Indian Industry informed that MSMEs are finding it difficult to get environmental pollution clearance. Under ZED Scheme, if a unit is getting silver standard then such unit should automatically be granted the environmental clearance. He also urged M/o MSME to take initiative to make ZED certificate globally accepted.

(vi) Shri A. Padmanabha, President, Karnataka Small Scale Industries Association (KASSIA), suggested that MSME-DI, Bangaluru office in Karnataka should be strengthened and trained to implement the policies and programmes of M/o MSME.

(vii) Shri R.S. Joshi, Chairman, Federation of Industry & Commerce of the North-Eastern Region (FINER), requested M/o MSME to organize a Bankers Conclave at Guwahati. He informed that in NER region, Credit Deposit ratio is very low. Entrepreneurship should be included in the curriculum in all the State Government run schools and colleges.

(viii) Shri O.P. Mittal, National General Secretary, Laghu Udyog Bharti (LUB) referred to the problem with ONGC on the Public Procurement Policy. According to him, ONGC is not clear whether the provision of 20% procurement is minimum or up to 20%. In this regard, AS & DC (MSME) clarified that as per the provisions, it is not less than 20% and the same can be clarified to ONGC.

(ix) President CODISSIA, Coimbatore desired that M/o MSME to facilitate setting up of warehouses across the country through NSIC to provide marketing support to MSMEs as the online marketing is growing rapidly and this will help large scale MSMEs to deliver products on time. Further, he pointed out that many MSMEs are moving towards sickness due to delayed payment. He suggested solution for delayed payment. Once the quality inspection report is received from PSUs, MSME can submit the bill and the nodal bank can release payment. PSUs will have to pay interest also. A corpus fund as security with a ratio of 80:20 (80% govt. & 20% MSME) be created. The bank will provide hassle free lending against this security.
All these suggestions were replied to by the officers concerned and it was desired that as far as possible they will be taken into consideration while making future policies of the Ministry.

10. Shri Giriraj Singh, Hon'ble MoS (MSME) mentioned that work needs to be done not only in the urban areas but we need to be more focussed on village industries because employment generation can only be happened in the areas of village industries.

11. Shri Hari Bhai Parathibhai Chaudhary, Hon'ble MOS (MSME) in his address requested the members of NBMSME to not only indicate the problems being faced by MSMEs but also suggest remedial measures that are practical and doable. He assured that their problems would receive utmost attention from all the three Ministers.

12. Hon'ble Union Minister of MSME, Shri Kalraj Mishra while closing the proceedings thanked the Members for their useful contribution to the meeting. He stated that he has always been in agreement of having more meetings of the National Board, as stakeholder's views and interests are foremost in the minds of the Ministry of MSME.

The meeting ended with a vote of thanks to the Chair.

******
List of Participants for 14th Meeting of the National Board for Micro, Small and Medium Enterprises (NBMSME) held on 11.08.2016 at Hall No.4, Vigyan Bhawan, New Delhi:-

1. Shri Kalraj Mishra, Hon'ble Union Minister (MSME)/Chairman of NBMSME
2. Shri Giriraj Singh, Hon'ble Minister of State (MSME)/Vice Chairman of NBMSME
3. Shri Haribhai Parathibhai Chaudhary, Minister of State (MSME), Govt. of India
4. Shri Govindas Konthoujam, Hon'ble Minister in Charge of MSME, State of Manipur
5. Shri Sanjay Pathak, Hon'ble Minister in Charge (MSME), Madhya Pradesh
6. Shri Subhash Rajaram Desai, Hon'ble Minister in Charge (MSME), State of Maharashtra
7. Shri Jogendra Behera, Hon'ble Minister in Charge (MSME), State of Odisha
8. Shri Amit Kumar Ghosh, Commissioner & Director of Industries UP on behalf of Shri Nitin Agarwal, Minister in Charge(MSME), Uttar Pradesh
9. Shri K.K. Jalan, Secretary to the Govt. of India, Ministry of MSME
10. Shri Surendra Nath Tripathi, Additional Secretary and Development Commissioner and Member Secretary of NBMSME
11. Shri Kuldip Singh Thalur, Dy. Residence Commissioner on behalf of Administrator, Andaman & Nicobar Island (UT)
12. Shri Zakaria Khan Yusufzai (DIPP), M/o Commerce & Industry Department of Industrial Policy and Promotion, Udyog Bhawan, New Delhi.
13. Dr. Saravanavel, Chief General Manager, NABARD
14. Shri Ramesh Dharmaji, Chief General Manager, SIDBI
15. Shri Jose J. Kattoor, Chief General Manager, Reserve Bank of India
16. Dr. Avinash K. Dalal (Nallawala) National President, All India MSME Association
17. Shri Nalin Kohli, President, Association of Small & Medium Knowledge Industries (ASMKI)
18. Shri O.P. Mittal, National General Secretary, Laghu Udyog Bharti (LUB)
19. Shri Sudarshan Sareen, National President, All India Confederation of Small and Micro Industries Association (AICSMIA)

20. Ms. Sushma Morthania, Director General, India SME Forum, Mumbai

21. Shri R.S. Joshi, Chairman, Federation of Industry & Commerce of the North-Eastern Region (FINER)

22. Shri C. Muthusami, President, Tamil Nadu Small & Tine Industries Association (TANSTIA)

23. Shri Manguirish Pai Raiker, Chairman, ASSOCHAM

24. Ms. Ruchi Priya Singh, Senior Executive, Indian Chamber of Commerce (ICC)

25. Shri V. Sundaram President, Coimbatore District Small Industries Association (CODISSIA)

26. Shri Ashok Saigal, Chairman, Confederation of Indian Industry, SME Chapter CII

27. Shri Vishwa Nath, Chairman, PHD Chamber of Commerce and Industry, SME Chapter-PHDCCI

28. Shri A. Padamanabha, President, Karnataka Small Scale Industries Association (KASSIA)

29. Ms. Jyothi Balakrishna, President, Association of Women Entrepreneurs of Karnataka (AWAKE)

30. Ms. Shashi Singh, Chairperson, Consortium of Women Entrepreneurs of India (CWEI)

31. Mrs. Sushma Paul Berlia, Co-Promoter and President, Apeejay Stya and Svran Group

32. Shri Krishan Khanna, Chairman, i-Watch, Mumbai

Special Invitees:

33. Shri Dinesh Rai, Noida

34. Shri Anil Gupta, Premier Rolling & Forging Works (P) Ltd.

35. Ms. Manjula Mishra, Chairperson, Women Entrepreneurs Working Group, IIA

36. Shri Suneel Rama

37. Smt. Swati Sharma

38. Shri Atul Mukhi
39. Dr. Ajay Narang
40. CA Mukesh Mohan Gupta
41. Shri Jyoti Prakash Jaiswal
42. Shri Raja M. Shanmugham
43. Shri Subhash Oswal Jain
44. Shri Ravindra Nath (CMD), NSIC
45. Shri P.L. Abrol, Executive Director on behalf of Shri Mangat Ram Sharma, Chairman, COSICI

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

*****