Subject: Minutes of the Tenth Meeting of the National Board for Micro, Small and Medium Enterprises (NBMSME) held on 17th December, 2013 at Vigyan Bhawan, New Delhi.

A copy of the minutes of the Tenth Meeting of the National Board for Micro, Small and Medium Enterprises (NBMSME) held on 17th December, 2013 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 please be intimated within a fortnight.

Encl: as above.

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To
1. PS to Hon’ble Minister (MSME) / Vice-Chairman / all Members, NBMSME / PSO to Secretary (MSME), PS to 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) / IA / JDC (RKP) / JDC (SRS) / JDC (SB) / Director (Admn.), O/o the DC (MSME), New Delhi.

Copy to:
SENET Division, O/o the DC (MSME),
Minutes of 10th Meeting of National Board for Micro, Small and Medium Enterprises (NBMSME) held on 17.12.13 at Vigyan Bhawan, New Delhi.

10th Meeting of NBMSME was held under Chairmanship of Hon’ble Minister, MSME on 17.12.13 at Vigyan Bhawan, New Delhi. List of participants is appended.

At the outset Development Commissioner (MSME) welcomed Chairman, Vice Chairman, Members, Special Invitees of the Board and other dignitaries. He said that the National Board for Micro, Small and Medium Enterprises (NBMSME) was constituted to advise the government on all policy matters relating to the development of MSME sector. He was of the view that the discussion on Main Agenda “Public Procurement Policy for Micro and Small Enterprises” would be beneficial to the sector and also informed that the current procurement policy for MSEs which supercedes the earlier policy opens up a vast market for MSEs.

Shri K H Muniyappa, Hon’ble Minister, who is the Chairman of the Board, in his opening remarks greeted distinguished guests and requested for suggestions from all participants and assured that the Ministry would consider the same for appropriate action.

The Hon’ble Minister also outlined the various facets of MSME sector. He mentioned that growth of the economy is MSME driven and MSMEs are doing better than large industries. But they have to compete internationally for which elements of competitiveness require a thrust. He emphasized on development of common clusters, technology training centres, training centres on PPP Mode, etc. He also stressed on quality and competitiveness in exports and also called for the MSMEs to emulate China in these aspects.

Development Commissioner (MSME) in his presentation informed that the new procurement policy is mandatory and will have to be adopted in 3 years time. He also emphasized that the percentage stipulation of 20% is the minimum and the PSUs are welcome to go above that. Every PSU, according to him, has to come out with an Annual Procurement Plan. He flagged the issue of the subcategory of 4% for SC & ST and informed that PSU Banks are not disclosing this subcategory. He requested banks to do that necessarily. He also requested the PSUs to choose a nodal person and also inform the complete product profile and suppliers’ profile. He informed that letters have been written to all Chief Ministers and all Chief Secretaries to come out with similar policy in their states.
He also explained the working of a software developed by office of DC(MSME) for search of suppliers, products, buyers which is hosted in the National Portal. He also highlighted the progress of NMCP, Design Clinic Scheme, Bar Code Scheme, etc.

Shri Mohan Suresh, Managing Director, M/s. Technospark Industries requested the Chairman to pursue with Hon’ble Chief Minister of Karnataka for implementation of procurement policy in his state.

The representative of FISME complained that each department has its own system of product certification which is creating problems. He also pointed out that every PSU have their niche suppliers and only when they back-out, then only they come to others. He also highlighted the issue of fluctuation in raw material prices and the glaring difference between international rate and domestic rate.

Shri B. P. Shashidhar, President, KASSIA, Bangalore, emphasized the need for a monitoring Cell for Vendor Development Programme necessitating the registration of Vendors. He also called for uniform tax structure and called for payment within stipulated time. He emphasized the need for procurement Policy at the State level.

Shri R. Shiv Kumar, President, FKCCI, Bangalore, requested to fix a meeting with the PSUs of Karnataka as they are not buying from MSEs there.

Shri Venketa K. Reddy brought to the attention of the Chair the insistence of banks for collaterals and the problem of delayed payments. He highlighted the electricity problem in Kolar District of Karnataka and requested for subsidy for the solar energy sector. He requested for hand holding in creation of publicity for cottage industry.

Ms. Pushpa Chopra, President, Bihar Mahila Udyog Sangh emphasized the need for marketing support through Melas, buyer-seller meets, provisions of boarding, lodging facilities to women entrepreneurs for attending international exhibitions. She requested for appointing a officer to take care of women’s concerns. She brought out the issue of cheap Chinese imports, inflation, skill development and lack of awareness about the cluster development initiatives.

Shri Hansraj Ahir, Member of Parliament, called for penal action for not adhering to the new procurement policy. He also highlighted the issue of coal, iron-ore and bauxite supply. He called for uniform rate of electricity for MSEs across states. He also took note of the challenge of Chinese imports.
Shri Raghavindra emphasized the need of bringing in more and more States under the ambit of procurement policy. He also raised the issue of raw material prices and requirement of an anti-dumping policy.

Shri Mohd. Shafiulla, President, Sir M. Visvesvaraya District Industrial Welfare Association, Kolar, stressed the importance of special programme especially for SC, ST & Minorities for a backward district like Kolar.

Ms. Latha Girish, President, Peenya Industry Association raised the issue of Vendor Registration and setting up of a Vendor development cell.

Shri J.B. Surana of Precision Granites Pvt. Ltd., Bengaluru, brought to the notice of the Chair the many challenges faced by Granite Industry. He requested for a revamp in the licensing system for the industry in the new foreign trade policy.

Shri Ravi Kapoor, Joint Secretary, Ministry of Commerce & Industries, New Delhi, informed about the availability of NIC-portal through which all tenders of the State Governments are carried out. He also informed that an e-procurement cell of Ministry of Finance takes care of all tenders for Central Government. According to him, anti-dumping cases require at least 12-18 months to revoke but we have safeguards which lead to immediate relief. As far as granite industry is concerned, he opined that they should prepare a case and forward it to Department of Commerce.

Ms. P. Saudamini, President, Confederation of Women Entrepreneurs, Hyderabad emphasized the need for a special cell for women entrepreneurs and requested for including women in the 4% subcategory in the procurement policy. She also raised the collateral issue from the banks while availing loans faced by entrepreneurs.

The representative of Indian Industry Association highlighted the unwillingness of CPSUs to take supply from new MSMEs, delayed payments issue, lack of finance and proper information, simplified registration procedure, subsidy for capital expenditure, etc.

The representative of Chairman, SME Chapter, PHDCCI, New Delhi, emphasized the importance of consortia formation and mentoring in marketing products. He also called for expanding the reach of NMCP.
Shri Milind Kamble, Chairman, Dalit Indian Chamber of Commerce & Industries called for strong intervention in the delayed payment issue and procurement policy being made an integral part of tender document.

Ms. Madhavi Sharma of RBI informed that if banks are insisting on collateral for below Rs. 10 lakhs loans from MSEs, the matter should be taken up with appropriate authorities. As far as NPA norms are concerned, they are bound by international requirements. As per her, the solution lies in developing the factoring services.

Shri H. P. Kumar, Chairman & MD, NSIC, New Delhi informed that they are working all over the country in procuring raw materials for MSMEs. He emphasized on having more and more VDPs and working with the associations.

Shri N.K. Maini, Deputy Managing Director, SIDBI, informed about the intervention through a line of credit under delayed payment Act. He emphasized that leading industrial associations should take up the case of unwillingness of PSUs in taking new MSEs as suppliers. He also informed the need of creation of a Factoring Guarantee Fund which can undertake factoring without recourse. According to him the banks can also do in house factoring.

Development Commissioner (MSME) emphasized the need for model Associations for all these problems.

Secretary (MSME) in his closing remark also emphasized that if the associations are strong, policy level problems are less. Government can only support the associations. Benchmarking of issues are to be taken up with Associations. He agreed in principle to the call for a separate Cell for women and procurement policy being made a condition in the tender document. He informed the gathering about the creation of an Indian Innovation Fund, putting in place Legal Framework for factoring services and creation of 15 new tool rooms.

The meeting ended with Vote of Thanks to the Chair.

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List of Participants for 10th Meeting of the National Board for Micro, Small and Medium Enterprises (NBMSME) held on 17th December, 2013 (Tuesday) at Hall No. - 4, Vigyan Bhawan, New Delhi

1. Shri K.H. Muniyappa, Hon’ble Minister of State (Independent Charge) MSME / Chairman of the NBMSME.
2. Shri Gunreddy Vekateshwar Reddy, Vice-Chairman of the NBMSME.
3. Shri Hansraj G. Ahir, Member of Parliament (Lok Sabha), New Delhi
4. Shri Madhav Lal, Secretary, Ministry of MSME, New Delhi
5. Shri Amrendra Sinha, AS&DC (MSME) and Member Secretary of NBMSME.
6. Shri Anil Kumar Choudhary, Joint Director (I&C Department) Representative of Hon’ble Minister-in-charge of Micro, Small Scale Enterprises, Chandigarh, Haryana
7. Shri Ravi Kapoor, Joint Secretary, Ministry of C&I.
8. Shri Shakti Singh, Assistant Director, Representative of Secretary, Ministry of Food Processing Industries, New Delhi.
9. Shri N.K. Maini, Deputy Managing Director, SIDBI
10. Ms. Madhavi Sharma, Representative, RBI, Mumbai
11. Ms. P. Soudhamini, President, COWE, Hyderabad
12. Ms. Pushpa Chopra, President, Bihar Mahila Udyog Sangh, Patna
13. Ms. Rama Devi S., Representative of President, Emerg, Bangalore.
14. Shri Milind Kamble, Chairman, DICCI, Pune
15. Shri Ganga Dharan N, Representative of President, KTSID, Kannur, Kerala
17. Shri Parmod Miglani, President, Indian Industries Association, Lucknow
18. Ms. Pratibha Gohani, Representative of President, FINER, Guwahati
19. Ms. Latha Girish, President, Peenya Industries Association, Bangalore
20. Ms. Archana Goutam, Representative of Gems and Jewellery Export Promotion Council, Mumbai
21. Representative of Chairman, SME Chapter, FICCI, New Delhi
22. Representative of Chairman, SME Chapter, ASSOCHAM, New Delhi
23. Representative of Chairman, SME Chapter, PHDCCI, New Delhi
24. Shri P. Murugesan, MD, M/s SAARC Tool Tech. Pvt. Ltd., Coimbatore
25. Ms. Pratibha Devi, Bangalore
26. Shri Praveen Chopra, New Delhi
27. Shri Mukesh Galav, Secretary, Hind Mazdoor Sabha, New Delhi
Special Invitees:

28. Shri Udai Pratap Singh, CEO, KVIC, Mumbai
29. DR. H. P. Kumar, Chairman & MD, NSIC, New Delhi
34. Shri Mohan Suresh, MD, M/s. Technospark Industries, Bangalore.
35. Shri Manish Kalani, Secretary, All India Manufacturers Association, Indore.
36. Shri Jayyaa N. Shetty, Chairman, Jay Vidya Shikshan Prasark Mandal, Pune.
37. Shri B. P. Shashidhar, President, KASSIA, Bangalore.
38. Bommasandra Industrial Association, Bommasandra Indl. Area, Hosur Road, Bangalore.
39. Shri R. Shiv Kumar, President, Federation of Karnataka Chambers of Commerce & Industry, K.G. Road, Bangalore.
40. Shri D Gandhi Kumar, Federation of Indian Small & Medium Enterprises (FISME), New Delhi.
41. Ms. Shanti Baleshwar, 60/4, Sanvid Nagar, Telephone Chauraha, Kanadia Road, Indore, Madhya Pradesh.
42. Shri Biswanath Bhattacharya, President, Federation of Small & Medium Enterprises (FOSME), 23, R. N. Mukherji Road, Kolkata.
43. Shri Jagjeeth Singh Sethi, MD, Hardware Care Links (J) Pvt. Ltd, Bangalore.
44. Shri L.S. Narayan Reddy, No. 450, Brindavana, 4th Main, H.M.T. Layout Anand Nagar, Bangalore.
45. Shri Mihir Subohdbhai Shah, A/203, Krishna Tower, Anand Nagar Road, Shyamal Cross Road Satellite, Ahmedabad.
46. Shri L. Krishnamurthy, Vishwa Building, Chikkanna Layout, Nelamangala Town Bangalore Rural District.
47. Shri J.B. Surana, Precision Granites Pvt. Ltd., 2nd Phase Bommasandra Industrial Area, Anekal Taluk, Bengaluru.

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