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**F. No. 08(01)/2015/NBMSME**  
**Government of India**  
**Ministry of Micro, Small and Medium Enterprises**  
**Office of the Development Commissioner (MSME)**  
**(NBMSME Division)**

**7<sup>th</sup> Floor, "A-Wing"**  
**Nirman Bhawan, New Delhi – 110 108**  
**Dated: 12<sup>th</sup> May, 2015**

**Subject: Minutes of the Eleventh Meeting of the National Board for Micro, Small and Medium Enterprises (NBMSME) held on 10<sup>th</sup> March, 2015 at Vigyan Bhawan, New Delhi.**

A copy of the minutes of the Eleventh Meeting of the National Board for Micro, Small and Medium Enterprises (NBMSME) held on 10<sup>th</sup> March, 2015 at Vigyan Bhawan, New Delhi, is enclosed. The minutes may also be accessed at our website [www.dcmsme.gov.in](http://www.dcmsme.gov.in).

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

***Encl: as above***



**(Samarendra Sahu)**

**Additional Development Commissioner**

**Tel: 011-23061847**

**Fax: 011-23061017**

**E-mail: [ssahu@nic.in](mailto:ssahu@nic.in)**

**To**

1. PS to Hon'ble Minister (MSME)/ Hon'ble Minister of State (MSME)/ 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)/ JDC(RKP)/ JDC(SRS)/ JDC(SB)/ AIA/ Director (AM)/ Director(RCT)/ Director(RKR)/ Director(HA)/ Director(OPM)/ Director(UCS)/ Director(BNS)/ Director(SVS)/ Director(RKP), O/o the DC (MSME), New Delhi.

**Copy to:**

SENET Division, O/o the DC (MSME)

**Minutes of 11<sup>th</sup> Meeting of National Board for Micro, Small and Medium Enterprises (NBMSME) held on 10.03.2015 at Vigyan Bhawan, New Delhi.**

1. 11<sup>th</sup> Meeting of NBMSME was held under Chairmanship of Hon'ble Minister, MSME on 10.03.2015 at Vigyan Bhawan, New Delhi. List of participants is appended.
2. At the outset Special Secretary & Development Commissioner (MSME) welcomed Chairman, Vice Chairman, Members, Special Invitees of the Board and other dignitaries. He said that 11<sup>th</sup> meeting of the National Board for Micro, Small and Medium Enterprises (NBMSME) is the first meeting after reconstitution of Nation Board for MSME. The National Board is 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 covers Hon'ble Prime Minister's vision viz., Make in India, Zero defect – Zero effect, Skill Mapping and Skill Development. He focused that the PM's vision would be beneficial for existing and new industries from the MSME sector. He also informed that the skill mapping and skill development are being done by the Ministry State-wise and District-wise with cluster approach as per the demand of district. He requested for suggestions from all participants.
3. Secretary (MSME) also outlined the various issues of the agenda. He mentioned that the PM's vision on Make in India will be supported by State Governments with the help of Associations and MSME organizations for better implementation of the Policies and Schemes of the Ministry.
4. Shri Giriraj Singh, Hon'ble Minister of State, in his opening remarks greeted distinguished guests and said that the agenda of meeting is a government vision as per the PM's Make in India drive. He said that the maximum contribution in development of India is from the MSME sector. The matter of timely availability of credit from banks is a major issue faced by this sector. He requested to develop some model for MSMEs from all participants and assured that the Ministry would consider the same for appropriate action. He also mentioned that online registration for EM-2 filing should be done by States. For skill development, the Tool Room may play an important role effectively and efficiently. The concept of Zero Effect, Zero Defect and skill mapping should be systematized by the



Department to enhance the success rate of the policies and programmes of the Ministry. Lady Entrepreneurs should also be promoted in a system involving technical and financial assistance to them.

5. The Hon'ble Minister (MSME) Shri Kalraj Mishra who is the Chairman of the Board welcomed Vice Chairman, Secretary, SS & DC, Members, Special Invitees of the Board and other dignitaries. He mentioned that 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. He envisaged that the proposed Indian manufacturing hub would make India more competitive in the global space. As per him, the development of country is not possible without the growth of MSME manufacturing sector. He stressed that the Make in India vision for MSME manufacturing should be linked to better quality and a pollution free environment to make the system aligned to the zero effect and zero defect drive. He emphasized on enhancement of the capacity of MSMEs which will be helpful in employment generation. He said that the schemes of the Ministry are very effective in development of MSME sector. He also stressed that the bankers should be friendly and should take risk for lending to MSMEs. He emphasized that the programme of skill development to develop the Entrepreneurship quality among MSMEs should be done through PPP mode. The skill mapping should be done connecting it to climate change, availability of raw material, demand of product, Environment etc. across the country. He also focused on cluster development, public procurement policy, defence offset policy, latest technology etc. Hon'ble Minister (MSME) suggested on creation of action groups under NBMSME for better implementation of the agenda.
6. Sri Subhash Rajaram Desai, Hon'ble Minister Industry, Govt. of Maharashtra, pointed out that MSMEs are doing better than large industries but they are neglected. He said that to develop the State, MSMEs are the only wayout as compared to the mega projects because the small units are promoting the development of people of adjoining areas. The MSMEs are very cooperative. Most of the bank debts are created by large units not the MSMEs. He assured that the Maharashtra Govt. will implement the Public Procurement Policy in the State very soon. He has given some suggestion on how real assessment of the unit should be done, on raising the capital limit for MSMEs, on clearing the pending pending proposal of clusters by the Ministry, on monitoring the financial set up and on holding regular meetings with Associations etc.

7. Sri Bhagwat Saran Gangwar, Hon'ble Minister Industry, Govt. of U.P. stressed the need to facilitate the Handicraft Artisans in domestic markets as well as international markets by organizing the buyer – seller meets regularly. He requested for setting up of Expo Hub at Lucknow, in ASEAN countries and in Dubai for easy availability of buyers from international markets. He emphasized on providing free internet facility to Mahila Udyamis and carrying out awareness programmes on MSME policy among women. He requested for action on the Clusters, particularly those for which infrastructure is ready but functioning has not yet started.
8. Smt. Yashodhara Raje Scindia, Hon'ble Minister Industry, Govt. of Madhya Pradesh thanked for inviting the Govt. of Madhya Pradesh to be part of National Board on MSMEs. She suggested that the format of NBMSME should be changed and separate bodies may be setup to give suggestions. She informed that the MSMEs are spinal cords of the country. She pointed out that the views of Members, Special Invitees and Associations are very valuable. The NBMSME platform provides an interaction between Government and Associations to sort out the problem of MSME sector. She informed that the Madhya Pradesh Govt. has taken many steps to facilitate the MSME sector i.e., implementation of Industrial Progressive Policy, online registration, 15% of capital subsidy, CM Yuva Yojna & CM Udyami Yojna, incubation centres, exemption from nine labour laws, creation of Venture Capital Fund, online NOC of pollution, defence manufacturing policy, submission of EM - 1 & 2 returns, online land database, exemption of mandi tax etc. The Hon'ble Minister suggested that the problem of delayed payment needs to be taken up in Industry Facilitation Council (IFC) now Micro and Small Enterprise Facilitation Council (MSEFC) for early action and also called for enhancement of investment limit for MSMEs, for setting up of incubation centre in other parts of Madhya Pradesh, for provision of seed capital for new entrepreneurs, for better implementation of Public Procurement Policy, Cluster Development, for freeing the cost of tender form, for changing definition as per inflation, for enhancing the Cap for CLCSS from Rs. 1 cr. to Rs. 3 cr. and for setting up of a new Tool Room in another city of Madhya Pradesh, etc.



9. Shri Mangurish Pai Raiker, Co-chairman, SME Chapter, ASSOCHAM, demanded that the procedure of EM filing should be streamlined and be eased out for the benefit of MSMEs. The investment limit for MSMEs should be enhanced. He called for increasing the excise exemption limit from Rs. 1.5 crore to Rs. 5 crore, 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.
10. Shri O. P. Mittal, General Secretary, Laghu Udyog Bharti, Jaipur, opposed the suggestion to increase the investment limit of Micro Sector from Rs. 5 cr. to Rs. 10 cr. He also called level playing field for MSME sector, 5% interest subsidy from bank in MSME lending. He suggested that the NOC for pollution should be relaxed for MSMEs. He emphasized the need for labour reform and for setting up of a National Commission for MSMEs with quasi judicial power, etc.
11. Dr. S. Saravanavel, CGM, NABARD, raised the issue of covering the Regional Rural Banks (RRBs) as MLIs under CGTMSE. He also suggested that the micro, small and medium enterprises should be treated separately. On this issue, SS & DC (MSME) intervened by saying that the some RRBs has already been included in MLIs of CGTMSE and those RRBs and cooperative banks which are not following the regulation of Reserve Bank of India (RBI) may not be included as MLIs because of high risk.
12. Dr. K. Shivaji, CMD, SIDBI, suggested that the scale of operation of MSMEs may be increased in the market along with technology adoption as per requirement and creation of funds for financing them. He also suggested that trade receivables market should be developed to take care of this.
13. Shri C. M. Rajamane, President, Karnataka Small Scale Industries Association (KASSIA), Bangalore, emphasized the need for encouraging foreign investment in India for MSMEs. He suggested that RBI should allow the individual lending from outside the country. He also called for a Defence Procurement Policy and speedy revision for definition of MSMEs. He emphasized that the excise payment date on 5<sup>th</sup> of every month should

be changed to 20<sup>th</sup> of every month, bank guarantee to the tune of 100% in NSIC purchases should be laid down and also enhancement of power of the Delayed Payment Act is necessary.

14. Dr. Atya Nand, Deputy Secretary, Ministry of Food Processing Industry informed that the skill mapping of food processing industries has been done across the country.
15. Shri R. S. Joshi, 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 of suspension for the betterment of MSMEs in NER. He demanded that a new task force may be constituted by the government in line of PM's Task Force on MSMEs (2009) and New Company Act may also be tuned for betterment of MSMEs. He called for early implementation of GST, changing criteria for NPA should to 6 month, more effective roles of Association, provision of mechanism for conversion of land to MSMEs and allowing conversion of lease hold land held by MSMEs to free hold land.
16. Shri Sudarshan Sareen, President, All India Confederation of Small & Micro Industries Associations (AICOSMIA), requested to Government to encourage National level Industry Associations through financial support to organize periodic seminars/conferences and enable coverage in TV and media channels for creating awareness on the policy, schemes of Ministry of MSME.
17. Secretary (MSME) said that the Ministry of MSME is going to announce the action groups as per the direction of Hon'ble Minister (MSME) and Chairman of NBMSME. The action groups of Association are being set up for early resolution of the issues and problems of MSME Sector as per their expertise in the particular subject.
18. SS & DC (MSME) in his closing remark informed that the action groups have been set up as desired by Hon'ble Minister (MSME) under different

subject to look after the issues and problem raised and faced by the MSME sector. He announced the Action Groups as under:

- (i) Implementation of Decision taken
- (ii) Knowledge Industry
- (iii) Defence Industry
- (iv) Technical Textile Industry
- (v) Food Processing Industry
- (vi) Electronic Industry
- (vii) Foundry & Forging Industry

19. The meeting ended with Vote of Thanks to the Chair.

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## Annexure

### **List of Participants for 11<sup>th</sup> Meeting of the National Board for Micro, Small and Medium Enterprises (NBMSME) held on 10.03.2015 (Tuesday) at Hall No. - 4, Vigyan Bhawan, New Delhi.**

1. Shri Kalraj Mishra, Hon'ble Union Minister (MSME) / Chairman of the NBMSME.
2. Shri Giriraj Singh, Hon'ble State Minister (MSME) / Vice-Chairman of the NBMSME.
3. Smt. Yashodhara Raje Scindia, Hon'ble Minister in Charge of MSME, State of Madhya Pradesh.
4. Shri Bhagwat Saran Gangwar, Hon'ble Minister in Charge of MSME, State of Uttar Pradesh.
5. Shri Subhash Rajaram Desai, Hon'ble Minister in Charge of MSME, State of Maharashtra.
6. Shri Madhav Lal, Secretary, Ministry of MSME, New Delhi
7. Shri Amrendra Sinha, SS&DC (MSME) and Member Secretary of NBMSME.
8. Shri Vivek Kumar Dewangan, Commissioner (Commerce & Industries) Representative of Hon'ble Minister in Charge of MSME, State of Manipur.
9. Shri Kumar Jayant, Secretary (MSME) Representative of Hon'ble Minister in Charge of MSME, State of Tamil Nadu.
10. Shri Bkityaque Ahmed, Director, Representative of Secretary, DIPP, Ministry of Commerce and Industry, New Delhi.
11. Ms. Anuja Bapat, Director, Representative of Secretary, Ministry of Labour and Employment, New Delhi.
12. Dr. Atya Nand, Dy. Secretary, Representative of Secretary, Ministry of Food Processing Industries, New Delhi.
13. Dr. K. Shivaji, CMD, SIDBI, Mumbai
14. Dr. S. Saravanel, CGM, NABARD, Mumbai
15. Shri T. M. Bhasin, Chairman, Indian Banks' Association, Chennai
16. Dr. Avinash K Dalal (Nallawala), National President, All India MSME Association (AIMA), Mumbai.
17. Shri Nalin Kohli, President, Association of Small & Medium Knowledge Industries (ASMKI), New Delhi.
18. Shri Rishabh Kothari, Chairman, MCC Chamber of Commerce and Industry, Kolkatta.
19. Shri O. P. Mittal, General Secretary, Laghu Udyog Bharti, New Delhi.
20. Shri Sudarshan Sareen, National President, All India Confederation of Small and Micro Industries, New Delhi.
21. Ms. Sushma Morthania, Director General, India SME Forum, Mumbai.



22. Shri R. S. Joshi, Chairman, Federation of Industry & Commerce of North-Eastern Region (FINER), Guwahati.
23. Shri Muthusami C., President, Tamil Nadu Small & Tiny Industries Association (TANSTIA), Chennai.
24. Shri Milind Kamble, Chairman, DICCI, Pune.
25. Shri Mangurish Pai Raiker, Co- Chairman, SME Chapter, ASSOCHAM, New Delhi
26. Shri Tapan K. Bhattacharya, President-Director, Indian Chamber of Commerce (ICC), Kolkatta.
27. Shri E. K. Punnuswamy, President, Coimbatore District Samall Industries Association (CODESSIA), Coimbatore.
28. Shri Kavi Arora, Chairman, SME Chapter, CII, New Delhi.
29. Shri Sanjay Bhatia, Chairman, SME Chapter, FICCI, New Delhi.
30. Shri Vishwa Nath, Chairman, SME Chapter, PHDCCI, New Delhi.
31. Shri C. M. Rajamane, President, Karnataka Small Scale Industries Association (KASSIA), Bangalore.
32. Ms. Revathi Venkatraman, Past President/ Board Member, Association of Women Entrepreneurs of Karnataka (AWAKE), Bangalore.
33. Ms. Shashi Singh, Chairperson, Consortium of Women Entrepreneurs of India (CWEI), New Delhi.
34. Shri T. Murlidharan, Chairman, TMI Group, Hyderabad.
35. Mrs. Sushma Paul Berlia, Co-Promoter and President, Apeejay Sty and Svrn Group, Gurgaon.
36. Shri Krishan Khanna, Founder Trustee, iWatch, Mumbai.
37. Shri Baij Nath Rai, National President, Bhartiya Majdur Sangh, 24 Pargana.

**Special Invitees:**

38. Shri Ashwani Kumar, CMD, Dena Bank, Mumbai.
39. Shri Anil Gupta, Lucknow.
40. Ms. Manjula Mishra, Greater Noida.
41. Shri Suneel Rama, Bulandsahar.
42. Smt. Mithilesh Agarwal, Kaimganj, Farrukhabad.
43. Shri Shishir Kumar Poddar, Ranchi.
44. Shri Rajesh Kumar Sharma, Hamirpur.
45. Smt. Swati Sharma, Raipur.
46. Shri Amit Gupta, Lucknow.
47. Ms. Uma Readdy, Bangalore.

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