

Minutes of the 17th Meeting of the National Board of MSME (NBMSME)

The 17th Meeting of the National Board of MSME (NBMSME) was held on 23rd March, 2022 at India Habitat Centre, Lodhi Road, New Delhi under the Chairmanship of Hon'ble Union Minister (MSME).

2. The meeting started with the keynote address of **Secretary (MSME)**. He informed in detail about the activities and schemes of the Ministry of MSME. Secretary (MSME) highlighted the contribution of the MSME sector. He mentioned that the constructive suggestions made in the earlier meetings of NBMSME had resulted in the implementation of various initiatives for the development and promotion of the MSME sector.

3. **Hon'ble Minister of State (MSME)** and Vice-Chairman of the NBMSME informed the members about the recent initiatives of the Government to promote the development of the MSME Sector, specifically to deal with the adversities of the pandemic. He deliberated upon the important Aatmanirbhar Bharat announcements.

4. The members were apprised with a detailed Power Point Presentation in connection with the various activities, performance and achievements pertaining to the Ministry of MSME and Office of DC-MSME, along with the way forward to be taken up in due course of time in the light of the Budget Announcements 2022-23.

5. **Additional Secretary & Development Commissioner** and Member-Secretary NBMSME requested the members regarding their views on the agenda points. The member-wise main points of the deliberations are as follows:-

6. **Dr. Beesetti Venkata Satyavathi, Member of Parliament (Lok Sabha)** commended the enhanced budgetary provision on a year-on-year basis for the MSME sector focusing on technological upgradation, procurement from women and SC/ST MSEs under Public Procurement Policy. She expresses the need to focus on to the periphery and implementation of the schemes like CLCS at the grass root level. Further, she requested for the establishment of a Facilitation Centre and training centre at Visakhapatnam and Tirupati for the benefit of the MSME sector.

7. **Shri Vishnu Kumar** informed the members about the existence of a Facilitation Centre in Vijaywada, but due to lack of staff, the Centre has not been taking cases. He requested for setting up Facilitation Centres in Tirupati and Visakhapatnam. He cited the issues arising in the Covid period, e.g. escalation in prices, issues related to ESI, GST, PF, etc. Further, in the light of provisions of SEBI rules, he stated that external credit agencies should be instructed to carry mandatory audits during the next financial year itself to avoid any inconvenience during availing the financial benefits by the MSMEs from the Financial Institutions. He advised to provide some power to the NBMSME members for taking up some matters of urgent need at the local level for the benefit of the MSME sector. Further, he requested for the reconsideration of the Government policy in respect of 30% fly ash free availability on account of raw materials for the benefit of more than 20,000 fly ash brick

manufacturing units. He highlighted the need for the NBMSME meeting to be organized regularly.

8. **Dr. J. R. Bangera** suggested that banks may be requested for 60 Months repayment provision for GECL loans and private banks should not charge higher rates of interest than Scheduled Banks. Further, he stated that Facilitation Centres should be created in each district for quicker disposal of delayed payment cases. He requested for separate provisions of registration for the Manufacturing, Service and Trading units. Besides, he requested for the removal of CIBIL for CMR Rating for MSEs and waiving of charges for OD and OGC renewal in respect of processing of documents.

9. **Dr. Teena Sharma** underscored the need to focus on financial inclusion for women. She requested for the NBMSME meetings to be held regularly and for seating places for NBMSME members with dedicated officers to discuss various issues in connection with MSME sector related issues. Further, she highlighted the need for creating Facilitation Centres, especially in Delhi. She also requested for allocation of Programmes among Industry chambers to propagate the activities and schemes of the Ministry of MSME

10. **Shri Sampat Toshniwal** requested that MSMEs of Indian Origin only should be allowed to avail benefits under the Public Procurement Policy and export value should not be allowed to be deducted from the total turnover for the purpose of categorization on Udyam portal. He suggested that Prabhat Kumar Committee's recommendations should be implemented. Besides, his suggestion was to exclude medium sector from the ambit of MSMEs. He opined that the merger for Manufacturing and Services for the purpose of definition should be reconsidered and for services sector the ceiling should be lower. He recommended the creation of a separate "Nano" category and stated that a holistic Policy should be formulated under the Ministry of MSME.

11. **Shri M. Mohanasundaram** mentioned the need for technology, credit and marketing support, especially for the Tiny or Nano enterprise. Further, all loans to Tiny or Nano enterprises, should be through CGTMSE. He also mentioned about the need to revisit the NPA norms.

12. **Shri Baldevbhai Govindbhai Prajapati** opined that due to the fixed date of 29th February, 2020, implementation of ECLGS had become limited. He suggested the revival of interest subvention scheme. He observed that the rise in NSIC raw material rate had adversely affected MSMEs. He opined that the PLI scheme should be inclusive of MSME sector and a Skill Development Scheme is needed.

13. **Harjinder Kaur** stressed on the need for a standardized Bank Guarantee format and the need to ban foreign consortium. She highlighted the need to define women entrepreneurs for availing collateral free loans and the need for digitalization.

14. **Shri Ravindra Dattatreya Vaidya** stated that under the CGTMSE Scheme, MSEs are made to pay for the poor performance of Member Lending Institutes. To address this

issue, expenses of the Guarantee Trust Funds should be borne by the Central Government. Performance of companies with a turnover of Rs. 500 crore which are to register on TReDS should be monitored. For participation in tender without EMD, Udyam registration may suffice, and NSIC registration may not be required. Registration on GEM Portal is easier for traders than for manufacturers. Similar registration should be there for both. Changes in GST rules creates stress for MSME units. Additional working capital limit extent of GST payment in the last year should be allowed for MSME units on similar lines of ECLGS. If payment is delayed by large scale buyers they should be penalized.

15. Shri Pradeep Kishan Rao Peshkar suggested that Cluster Development Programme should be for Services sector. CIBIL record for the period of COVID for Micro units are to be assessed to avoid issues related to NPA. He reiterated that the National Board meeting should be well in time.

16. Smt. Anju Singh requested for the introduction of a Special Scheme for Women entrepreneurs. She stressed on the need for timely reimbursement for exhibitions done by industry associations in cooperation with the MSME-DIs.

17. Shri Ravi Kumar, Director, Government of Sikkim stated that for North-Eastern and hilly States, there is a need to reduce the mandatory requirement of number of enterprises under SFURTI and MSE-CDP. He highlighted the need for establishing more Tool Rooms/ Extension Centres by the Ministry of MSME. He requested for the establishment of centralized market in the North Eastern Region (NER).

18. Shri Rakesh Gupta opined that the steel sector does not fit into the definition of MSMEs and therefore, requested for consideration of a separate category. Regarding delayed payments, he suggested that in case MSE units get the favourable decision by Dy. Commissioner or regional officer, then there should not be a provision for challenge to appeal to higher court. In order to facilitate MSME, the Board members should be placed in the Committee of Finance to put forward the issue therein the committee for consideration. The Board members should be issued identity cards and the details of all members should be shared with all other members.

19. Smt. Smita Yashwant Ghaisas stated that schemes should reach rural areas. She mentioned that NBMSME members should be fixed with responsibilities to ensure the reach and implementation of schemes at the village level.

20. Shri Prabhat Keshari Mishra said that PMEGP loan are less effective in the State of Odisha because of the issues of collateral security. This issue needs to be addressed. He requested for linking of skill development schemes with the existing Infrastructure for ITI and ITC and a 15% Price Preference. He stated that the recommendations of One Man Committee of Prabhat Kumar Committee should be implemented.

21. Shri Naresh Chandra Pareekh requested for frequent meetings of NBMSME on a quarterly basis or to appoint Nodal Officers in the Ministry before whom issues can be put forth.

22. Mrs. Rashmi Mishra requested that the Ministry may collaborate to work in the Paraphlegic Centre in Pune. Further, she requested for introduction of KVIC products in CSD Canteen of Ministry of Defence. She also suggested that for women empowerment an MoU may be signed between M/oDefence and M/oMSME.

23. Shri Yogesh Mehta, who represented Hon'ble MP Shri Lalwani, Member Lok Sabha, stated that the Ministry of MSME may launch a scheme to establish industrial area or units which can buy the land on subsidized rates. The Ministry of MSME and Ministry of Finance may discuss regarding Capital Gains Tax benefit when MSME units purchase to housing property for industry purpose. Further, he recommended setting up of industrial processing parks for Pulses.

24. Shri Robin Balackei raised the problems in availing bank loans under PMEGP scheme in the State of Manipur and other areas of North Eastern State and Hilly Areas.

25. Shri Narayan Rane, Hon'ble Union Minister and Chairman NBMSME thanked all the members of the NBMSME and the other officials of the Central Government and the State Government. He observed that there was a long gap of four years since the 16th meeting. He affirmed that the meeting will be organised within the timeline and he would also be available on all the office days from 02:00PM to 06:00PM, except Saturdays and Sundays to meet the member of the NBMSME. He observed that the budget provisions of the Ministry of MSME are very low whereas the requirement of the MSME sector is large. He pointed out the achievements of the MSME sector in terms of its contribution to GDP, Exports, employment generation and in making the country AatmaNirbhar. He stated that he expected the data to reflect further increases. Referring to the pandemic and its effect, he suggested that the members should study the enterprises which closed down in the Chinese economy and think of grabbing an opportunity to establish such enterprises here in the sector of MSME and consequently, contribute to the Indian economy. He instructed officers of the Ministry to take suitable action well before the next meeting regarding the suggestions that were made by the members.

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

List of Participants**Members of NBMSME or their representatives**

1. Shri Narayan Rane, Hon'ble Union Minister(MSME) and Chairman (NBMSME)
2. Shri Bhanu Pratap Singh Verma, Hon'ble Minister of State(MSME) and Vice-Chairman (NBMSME)
3. Dr. Beesetti Venkata Satyavathi, Member of Parliament and Member (NBMSME)
4. Shri Shankar Lawani, Hon'ble Member of Parliament and Member (NBMSME)
5. Shri B.B.Swain, Secretary(MSME) and Member(NBMSME)
6. Shri Shailesh Kumar Singh, AS&DC(MSME) and Member-Secretary (NBMSME)
7. Shri P.Vishnu Kumar Raju, Member(NBMSME)
8. Dr. Teena Sharma, Member(NBMSME)
9. Shri Baldevbhai Govindbhai Prajapati, Member(NBMSME)
10. Shri Kashi Nath Singh, Member(NBMSME)
11. Shri Robi Blackei, Member(NBMSME)
12. Shri Pravat Keshri Mishra, Member(NBMSME)
13. Smt Smita Yashwant Ghaisas, Member(NBMSME)
14. Ms. Anju Singh, Member(NBMSME)
15. Ms Harijinder Kaur, Member(NBMSME)
16. Mrs Rashmi Mishra, Member(NBMSME)
17. Shri Hirannya Pandya, Member(NBMSME)
18. Shri Anil Kumar Sharma, Executive Director(RBI)and Member(NBMSME)
19. Shri Sampat Toshniwal, Member(NBMSME)
20. Shri M. Mohanasudaram, Member(NBMSME)
21. Dr. J.R Banger, Member(NBMSME)
22. Shri Ravindra Dattatreya Vaidya, Member(NBMSME)
23. Shri Rakesh Gupta, Member(NBMSME)
24. Shri Naresh Chandra Pareek, Member(NBMSME)
25. Shri Pradeep Kishan Rao Peshkar, Member(NBMSME)
26. Shri Rajeev Saxena, Joint Secretary,(Representative Ministry of Finance), Member, (NBMSME)
27. Shri R.B Ramakrishnan, (Representative NABARD), Member(NBMSME)
28. Shri M.Ravi Kumar, Director(Representative Govt. of Sikkim) Member (NBMSME)
29. Smt R. Vinodhriya, Director, (Representative Govt. of Karnataka) Member (NBMSME)
30. Shri Ram Singh, Dy. Director,(Representative DPIIT), Member(NBMSME)
31. Dr. S.S.Acharya, GM (representative SIDBI), Member(NBMSME)

Other participants present:

1. Shri Vinai Kumar Saxena, Chairman , KVIC
2. Smt. Mattoo J.P.Singh, ADG(PIB), MoMSME
3. Smt. Alka Arora, Joint Secretary, and CMD NSIC
4. Shri Ateesh Kumar Singh, Joint Secretary, MoMSME
5. Shri D.P.Srivastava, Dy. Director General, O/o DC(MSME)
6. Dr. Ishita Ganguli Tripathy, Additional Development Commissioner, O/o DC, MSME
7. Shri P.Palanivel, Dy. Director General, MoMSME
8. Smt. Sonia Pant, Additional Development Commissioner, O/o DC(MSME)
9. Shri Vinamra Mishra, Director, MoMSME
10. Shri U.C Shukla, Director, O/o DC(MSME)
11. Dr. O.P.Mehta, Director(MSME), O/o DC(MSME)