Subject: Minutes of the Meeting of Ministers/Secretaries (MSME/Khadi/Coir) of all States/UTs held on 28.4.2017 at 10.00 AM at National Small Industries Corporation (NSIC) Exhibition Complex, NSIC Bhawan, Okhla Industrial Estate, New Delhi–110 020 - regarding

Sir/Madam,

I am directed to enclose a copy of minutes of the above said meeting held under the Chairmanship of Hon’ble Union Minister, MSME on 28.4.2017 (Friday) at 10.00 AM at National Small Industries Corporation (NSIC) Exhibition Complex, NSIC Bhawan, Okhla Industrial Estate, New Delhi–110 020 for information and necessary action.

Yours sincerely,

Encl: As above.

To

1. The Secretaries (MSME/Khadi/Coir) of all States/UTs
2. The Chairman, Coir Board, Coir House, M.G. Road, Kochi 682 016
3. The Chairman, Khadi & Village Industries Commission, Gramodaya, 3, Irla Road, Vile Parle (West), Mumbai, PIN-400 056. Maharashtra, India.
4. The Chairman & Managing Director, NSIC Bhawan, Okhla Industrial Estate, New Delhi
5. The Chairman, SIDBI, SIDBI Tower, 15, Ashok Marg, Lucknow - 226001, Uttar Pradesh
6. AS & FA/Joint Secretary (SME)/Joint Secretary (ARI), M/o MSME, Udyog Bhawan, New Delhi.
7. Joint Secretary (Technical)/ADC(SM)/ADC(PS)/DDG(PKM)/AIA(SS)/AIA(CS), JDC(SRS)/Dir (AM), O/o DC (MSME), New Delhi
8. The Director, Mahatma Gandhi Institute for Rural Industrialization, Maganwadi, Wardha, Maharashtra – 442 001
9. Director General, NIMSME, Lakshmi Narasimha Nagar Road, Krishna Nagar, Yousufguda, Hyderabad, Telangana 500045.

Copy for information to:-

1. PS to Minister of all States/UTs looking after MSME/Khadi/Coir with the request to kindly apprise the Hon’ble Minister
2. PS to Minister (MSME)
3. PS to MoS (HC)
4. PS to MoS(GS)
5. PPS to Secretary (MSME)
6. PS to AS & DC (MSME)
7. Director (SENET), O/o DC (MSME) with the request to upload the minutes on the website for information of Director, MSME-DIs.
Minutes of the meeting of the Ministers / Secretaries (MSME / Khadi / Coir) of all States / UTs on 28.04.2017

Venue: National Small Industries Corporation (NSIC) Exhibition Complex, NSIC Bhawan, Okhla Industrial Estate, New Delhi- 110020.

1. The list of participants is at Annex.

2. Secretary MSME welcomed the participants and thanked Union Minister (MSME) for his decision to organize the meeting at national level.

3. Hon’ble Minister MSME while welcoming the dignitaries in his inaugural address stressed upon various issues that should be looked into by various States/UTs in the interest of MSME sector. He informed that various State Governments had already established MSME Directorate and asked them to take the assistance of National Institute for Micro, Small and Medium Enterprises (NI-MSME) Hyderabad to get their employees trained. He raised a number of issues that required consideration by various State/UT Governments that included ease of getting various clearances/NOC for MSMEs, implementation of various schemes of the Ministry like SFURTI, ASPIRE, PMEGP, MSE-CDP for the benefits of MSMEs and working by State and Central Government collectively through establishing a common platform for dissemination of best practices.

4. H.E Lt. Governor, Sh. Jagdish Mukhi, A&N Administration in his address raised the issue of extending special package for A&N Administration at par with North Eastern States because the A&N Islands was categorized as industrially backward area and there were problems of manufacturing and local marketing. He raised the issues of establishing the office of NSIC at Port Blair, re-installment of regional office of KVIC at Port Blair, establishing a business incubator for value addition of coconut products at CIARI campus, Port Blair, and to raise present limit of margin money allocation of 10% to at least 50% of the total budget allocation for consideration of business/trading sector.

5. Hon’ble Minister of State, Government of Gujarat, Shri Rohit Patel talked about need for a joint mechanism of the State and Central Government authorities of MSME for faster and effective implementation of Central and States schemes, taking into consideration turnover per employee as one of the criterion with the upper limit of investment in plant and machinery in the definition of MSME and not to include the criterion of number of employees - labourers in isolation. Regarding Public Procurement Policy, he suggested
that importance to quality and quantity assurance of the received goods, material and services should be given in place of the lowest quotation (indicating quantum and quality of service, quality and specification of material and goods). For example in procurement of goods and services, instead of using the words “Agmark”, details on the required performance parameters, specifications and description of required goods and material should be specified. Independent laboratories (Private or Government) should check the performance and material according to the parameters and specifications. He suggested that the Central Government should contribute in different projects and schemes implemented by the State Government.

6. Hon’ble Industry and Commerce Minister of Haryana, Shri Vipul Goyal talked about overlap of the MSME schemes, implementation of clusters in a mission mode (say 100 clusters at a time) across India in both urban and rural areas, and setting up of Rural Incubation Centres. He also suggested that the definition of MSME should be based on turnover and not on plant and machinery. He talked about various schemes of Government of Haryana for the benefit of MSMEs including a dedicated mini Cluster Development scheme for promoting hard and soft infrastructure interventions, establishment of Advanced Training Centre at Faridabad and special emphasis on promotion of lean manufacturing and Zero Defect Zero Effect (ZED) scheme etc.

7. Hon’ble Minister for Commerce and Industries to the Government of Mizoram Shri H. Rohluna, in his address talked about upgrading District Industries Centres, the need for setting up an independent MSME Development Institute at Aizawl, problems in implementing PMEGP after making it online, formulating a proposal for setting up a Mini Technology Centre under the Scheme for the promotion of MSMEs in the North-East & Sikkim and capacity building activities under MSE-CDP.

8. Hon’ble Minister Commerce and Industries, Govt. of Manipur, Shri Th. Biswajit Singh, stated that the State Government was not having a separate MSME department and elaborated on the low achievement in PMEGP because of defective screening mechanism and non-approval of loan applications by bankers and lack of pre training of entrepreneurs. He talked about the training needs of the DIC, Technology Centre at Imphal, implementation of various schemes like ASPIRE, MSE-CDP and ‘Make in Manipur’ programme of the State Government.

9. Hon’ble Minister MSME Government of Odisha, Shri Jogendra Behera, emphasized on the need to establish Mini Technology Centres in the State. He also highlighted the need
for assistance required for Khadi artisans and Khadi institutions, provision of better infrastructure and training facilities, and implementation of various schemes more vigorously in the State.

10. Hon’ble Minister of Khadi & Village Industries including MSME, Government of Uttar Pradesh, Shri Satya Dev Pachauri stated that various new initiatives and schemes (including modernization and upgradation of DICs) have been initiated by the State Government for the financial year 2017-18 after the formation of new Government in U.P. especially for promotion and encouragement of MSME exports.

11. Hon’ble Minister Urban Development, Government of Uttrakhand, Shri Madan Kaushal, spoke about the newly approved Technology Centre at Sitarganj, need for a separate industrial policy for Himalayan Region States, assistance to DICs, besides strengthening the buyer-seller meets and emphasizing on women empowerment.

12. Shri Mansoor Husain, Vice Chairman, KVIB, J&K spoke about the establishment of a help desk under PMEGP and about other measures needed for making the scheme more result oriented in the State. He also drew attention towards the other measures required for promotion of Khadi and for ensuring marketing support in the State.

13. Hon’ble Minister of State (MSME) Shri Haribhai P. Chaudhary while thanking Hon’ble Minister MSME for organizing and complimenting all other dignitaries for attending the event, spoke about the importance of MSME database citing his own experience in Baroda where he could bring 4000 enterprises at one place and managed to save 15% cost with 25% increase in production in 3 months time. He felt there was a lot of work required to be done at the ground level in various States for benefiting the entrepreneurs towards “Ease of doing business” (including single window clearance/obtaining permissions from various agencies/ ensuring quality/ Skill Development/ Marketing/ procuring raw materials, etc.). He spoke about various initiatives taken by his Government for the MSMEs like establishment of new Technology Centres, enhancement of loan limit under CGTMSE, strengthening the Public Procurement Policy and fulfillment of needs of the country in three main areas of primary education, infrastructure and health.
14. After the inaugural comments, the Agenda items were taken up as follows:

**Agenda Item No. 1. Development and Growth of Micro, Small and Medium Enterprises (MSMEs), issues of separate MSME Department and MSME policies in the State and regulatory issues hampering the growth of MSMEs**

The agenda item was for information of all States / UT Governments and requesting them to focus on the development and growth of MSMEs. Some of the States such as West Bengal, Odisha, Andhra Pradesh and Rajasthan have come up with MSME Policies in their States. A few States have also got separate Department for MSMEs. The Government of India has already brought out the ‘One Man Committee Report’ to bring MSMEs to the foray for the development and growth of MSMEs. All States / UT Governments were requested to work in different major problem areas of MSMEs like availing of credit facilities, technology advancements, availability of skilled manpower, availability of infrastructure under the ease of doing business.

After discussions following measures were advised:

(a) M/o MSME may constitute a Committee having representation from M/o MSME and States/UTs to suggest the measures to reorient DICs for their effective functioning and implementation of schemes for promotion of MSMEs.

(b) States/UT Governments were advised to hold monthly coordination meeting with all concerned agencies viz. MSME-DIs/State Government MSME Departments / NSIC / Coir & Khadi Boards to sort out issues related to implementation of MSME schemes in their respective States.

**Agenda Item No. 2. Review of implementation of Prime Minister’s Employment Generation Programme (PMEGP)**

The agenda item was for information of the participants regarding delay in conducting of District Level Task Force Committee (DLTFC) Meeting for PMEGP, Achieving social targets of SC & ST under PMEGP, Constitution and conduct of District Level Advisory Committee (DLAC) meetings, Physical verification of PMEGP units, Issuing of Utilization Certificate by Implementing Agencies, Holding of State Level workshop and review meetings of Implementing Agencies and Banks and Non fulfillment of District Level Targets.

After deliberations on various issues in depth, following major decisions were taken:

(a) The District Level Task Force committee under PMEGP should be held at least once in every month on the first Monday of the month.
(b) District Level Advisory Committee Meeting (DLAC) through PMEGP must be held regularly in all the districts. It was observed that in some of the Districts, DLAC has not been constituted. Hence the Industry Secretaries should ensure that the District Collector constitutes the DLAC and regular meetings are held.

(c) States / UTs were requested to make all out efforts to ensure achievement of targets set for SC/ST under PMEGP, including the backlog for the previous years.

(d) Mandatory joint inspection by the Nodal Officer of the implementing agencies and the financing bank branch officials may be carried under PMEGP.

(e) Targets under PMEGP may be finalized in consultation with States and UTs. Principal Secretaries of the States / UTs were requested to take lead in reviewing the performance of the scheme.

(f) Bankers should inform reasons of rejection of applications under PMEGP to the applicants and concerned agencies. The reason for rejection needs to be analysed and the State Industry Secretaries will be provided access to this data.

Agenda Item No. 3. NIMSME, training of DIC staff and introduction of Udyog Bandhu

The participants noted the available facilities at NIMSME, Hyderabad and it was decided that State Governments may approach Ni-MSME Hyderabad for imparting training to officials of DIC/State Governments for bringing reorientation in the working of DICs for benefiting MSMEs.

Agenda Item No. 4. Promotion of Khadi and the various schemes of KVIC

Participants were apprised about various KVIC schemes of the Government available for the holistic development and promotion of Khadi in the country and all State/UT Governments were requested to encourage use of Khadi and facilitate KVIC in implementation of schemes.

Agenda Item No. 5. Implementation of Technology Centres System Programme and Review of Working of Existing Technology Centres

The participants were apprised about existing Technology Centres available in various States which are conducting various skill development training programmes based on the provision of well structured, modular, hands-on practically oriented training for the educated youth and technicians of industries. All courses are regularly updated to keep abreast with global technological advancements.

In this regard, following measures were suggested:
(a) Existing Technology Centres render their services and training on all India basis irrespective of the States in which these are located. States/UTs should take maximum benefits from the available ultra modern facilities at these centres.

(b) State/UT Governments in which new Technology Centres are being set up were requested to expedite outstanding clearances/approvals.

(c) All NER States including Sikkim were informed to avail of benefits of recently launched scheme of “Promotion of MSMEs in NE Region & Sikkim” for establishing Mini Technology Centres.

**Agenda Item No.6. Review of various schemes of the Ministry namely, SFURTI, ASPIRE, MATU, MAS, IC and PCRS**

The participants were briefed about objectives, implementation and progress of various schemes of the Ministry and were requested to make maximum use of these schemes for their benefit in the respective States/UTs. It was mentioned that only 19 States had availed LBI incubation Centres under ASPIRE and only 20 States had availed SFURTI Cluster scheme. States which have not availed were requested to make use of these schemes.

**Agenda Item No. 7. Review of schemes of CGTMSE and National Manufacturing Competitiveness Programme, namely, IPR, Design Clinic, Incubation Centre, Lean manufacturing, ZED, etc.**

The Participants discussed CGTMSE and National Manufacturing Competitiveness Programme in detail and following measures were decided.

(a) State Level Bankers Committee (SLBC) should discuss the progress of CGTMSE and also provide information on bank-wise beneficiaries of the scheme.

(b) State/UT Governments were requested to organise conferences on CGTMSE scheme and GST to create awareness about these amongst MSMEs.

(c) States/UTs were requested to create awareness amongst MSMEs to take benefits of various schemes of NMCP viz. Lean Manufacturing scheme, Design Clinic Scheme, Incubator and IPR, etc because it is observed that at present MSMEs in only very few States/UTs are taking the benefits of the schemes.

**Agenda Item No. 8. Use of Mahatma Gandhi Institute for Rural Industrialization (MGIRI) and its Research**

(a) Participants were apprised about facilities available at MGIRI and the research activities of the institute specifically low cost technologies developed by the Institutes to be used commercially.

(b) MGIRI was requested to contact Bihar Government for conducting a training programme on use of low cost technologies.
Agenda Item No.9.  Role of NSIC in the development of MSMEs

Participants were apprised about the role, schemes and facilities rendered by NSIC for promotion and development of MSMEs on all Indian basis. All State / UT Governments were requested to make use of various facilities and schemes rendered by NSIC in their jurisdiction.

Agenda Item No.10.  Discussion regarding One-Man Committee’s recommendations on MSME.

Participants were apprised that the Ministry of MSME has set up a ‘One Man committee’ with Shri Prabhat Kumar, former Cabinet Secretary, Govt. of India and also former Governor, Jharkhand as Chairman to make appropriate recommendations for a National Policy on MSMEs. The Committee submitted its report to the Ministry of MSME on 27.01.2017. It has been uploaded on the website of DC(MSME).

State/UT Governments were requested to study the recommendations of One Man Committee (OMC) on National Policy for MSMEs and send their comments to the M/o MSME within a month.

Agenda Item No.11.  Review of implementation of instructions regarding development of Coir Sector

Participants were informed about the various schemes of Coir Board for promotion and implementation of Coir sector throughout the country. They were also informed the use of the environment friendly products of coir industry being used in many Geo engineering practices aimed at protection of soil and invaluable natural resources. It was further informed that the products were widely used for agricultural and horticultural applications and the organic manure manufactured from coir pith had been found to be an effective alternative to chemical fertilizers.

In this regard, following measures were suggested to disseminate the schemes of coir sector and use of coir products.

(a) All State/UT Governments were requested to encourage use of Coir and coir products and promote coir sector schemes. Coir Geo textiles are used as a layer in construction of rural roads and mine dumping. The State/UT Governments can make use of it.
(b) Coir Board may consider supporting three to four pilot projects in Tamil Nadu.

Agenda Item No.12.  Udyog Aadhaar Memorandum (UAM)

State/UT Governments were advised to encourage registration on Udyog Aadhaar Memorandum (UAM) and MSME Data Bank of MSMEs in their jurisdiction. They may send suggestions to the M/o MSME to improve UAM.
Agenda Item No. 13. Implementation of National SC/ST Hub (NSSH)

Participants were apprised about the creation of National SC/ST Hub in the Ministry of MSME which was announced by the Finance Minister in his budget speech of 2016-17 with an outlay of Rs. 490 crore. The Hon’ble Prime Minister of India launched this Hub on 18.10.2016 with the following objectives:

i. To facilitate the MSEs owned by SC/ST entrepreneurs to fulfill the mandate given to CPSEs & central government departments / agencies for at least 4% procurement from such units.

ii. To provide professional support, adopt applicable Industry best practices and

iii. To leverage Stand-up India initiative to the SC-ST owned MSMEs.

State/UT Governments were requested to generate awareness amongst SC/ST units to send proposals under the National SC/ST Hub Scheme of M/o MSME.


State / UT Government were requested to implement the MSE-CDP in their States / UTs and send their suggestions for faster implementation of the scheme.

Agenda Item No: 15. Best Practices of various States for growth of SMEs

While appreciating the best practices of some of the State/UTs, as summarised in the agenda notes, it was suggested that States/UTs may send write-up on best practices for dissemination amongst them.

15. The meeting concluded with a vote of thanks to the Chair.

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Annex.

List of participants of Meeting of Hon’ble Union Minister (MSME) with Minister of States/UTs on 28.04.2017 at NSIC, New Delhi.

1. Shri Kalraj Mishra, Hon’ble Union Minister, MSME...In Chair.
2. Shri Haribhai Parathibhai Choudhary, Hon’ble Minister of State.
3. Shri Satya Dev Pachauri, Hon’ble Minister In-charge (MSME), Govt. of U.P.
4. Shri Rohit Patel, Hon’ble Minister of State, Industries, Govt. of Gujarat.
5. Th. Biswajit Singh, Hon’ble Minister, Commerce and Industries, Govt. of Manipur.
6. Shri H. Rohluna, Hon’ble Minister, Commerce and Industries, Govt. of Mizoram.
7. Shri Jagdish Mukhi, Lt. Governor, Andaman & Nicobar.
8. Shri. Jogendra Behera, Minister MSME, Minister of MSME, Govt. of Odisha.
9. Shri Vipul Goyal, Hon’ble Minister, Industries and commerce, Govt. of Haryana.
10. Shri Madan Kaushik, Hon’ble Minister of UD, Govt. of Uttarakhand.
11. Shri Mansoor Hussain Soharvardy, Vice Chairman, KVIB, Jammu & Kashmir.
12. Shri Vinay Kumar, Chairman (KVIC), Mumbai.
13. Shri C. P. Radhakrishna, Chairman (Coir Board), New Delhi.
14. Shri K.K. Jalan, Secretary (MSME), New Delhi.
15. Shri S.N. Tripathi, AS& DC (MSME), New Delhi.
16. Shri B.H. Anil Kumar, JS (ARI), M/o MSME, New Delhi.
17. Shri Manoj Joshi, JS (SME), M/o MSME, New Delhi.
18. Shri Nikunja Kishore Sundaray, JS (Tech.), O/o DC (MSME), New Delhi.
19. Shri Sanjay Kavl, Spl. Secretary (Industries), Govt. of Kerala, Thiruvanenthapuram.
20. Ms. Rashmi Singh, Secretary, Industries, Govt. of Andaman & Nicobar Administration.
21. Shri J.B Singh, Secretary, Industries, Govt. of Daman & Diu.
22. Shri Rajeev Kumar, Secretary, IC & E Department, Govt. of West Bengal.
23. Shri S. Siddharth, Principal Secretary (Industries), Govt. of Bihar.
25. Shri V.L. Kantha Rao, Principal Secretary, Govt. of Madhya Pradesh.
26. Shri L. Laker, Principal Secretary (Commerce), Govt. of Manipur.
27. Shri V. George Jenner, Spl. Secretary, Industries and Commerce, Govt. of Tripura.
28. Shri M.R. Sharma, Principal Secretary(MSME), Govt. of Tamilnadu.
29. Shri K. N. Damo, Dy. Resident Commissioner, Govt. of Arunachal Pradesh.
30. Shri P.W. Ingty, Addl. Chief Secretary & In-charge (Industries & Commerce), Govt. of Meghalaya.
31. Shri T.P. Singh, Dy. Commissioner of Industries, Govt. of Delhi.
32. Shri D. R. Parmar, Dy. Commissioner of Industries, Govt. of Gujarat.
33. Shri Arvind Rana, Dy. Commissioner (Industries), Govt. of NCT Delhi.
34. Shri Ahmed Nadeem, Commissioner of Industries, Govt. of Telangana.
Officials of NSIC and Ministry of MSME attended the meeting.