

## **MSME Development Institute, Mumbai**

Minutes of State Level Advisory Board Meeting held under the Chairmanship of Shri Vijay Singhal, IAS, Development Commissioner (Inds), Govt. of Maharashtra, on 27.09.2016 at MSME-DI, Mumbai

1. The meeting started with initial welcome and introduction. The list of members and invitees present is at Annexure-1.
2. Agenda wise proceedings are as follows:
  - 1.0 Minutes of the last meeting held on 05.09.2015 were placed for confirmation. The Member Secretary / Director, MSME-DI, Mumbai informed that the duly approved minutes were circulated to all members and invitees and also uploaded on the Institute's website immediately after the meeting. There were no comments from members / invitees. The minutes were confirmed.
  - 2.0 The Chairman reviewed the Action Taken Report submitted by the Member Secretary/Director, MSME-DI, Mumbai and advised Members / Invitees to contact him in case of any difficulty in certain issues mentioned in the Action Taken Report. The representative of CII submitted that CII is going to organize special seminar in November 2016 which was to be organized as discussed in the last meeting.

### **3.0 MSME-DI, Mumbai and other offices of M/o.MSME.**

Director, MSME-DI, Mumbai briefed about recent initiatives taken by O/o.DC(MSME) New Delhi, for the benefit of MSMEs. The initiatives such as Udyog Aadhaar, MSME Databank, MyMSME App, ZED Certification Scheme and National SC / ST Hub were specially brought to the notice of the House. The Chairman advised all the Members and Invitees to communicate these initiatives to their members and all concerned. He was very keen about the MSME Databank and emphasized its importance with respect to creation of authentic database of MSME Units.

The Representative of SIDBI mentioned initiatives taken under Stand Up India. The details are available on the website of SIDBI.

### **4.0 Points by All India MSME Association.**

#### **4.1 *Compulsory Registration of all MSMEs.***

In response, the Chairman mentioned that the MSME Databank would serve the purpose. He further advised representatives of all Associations to communicate their members the information of Udyog Aadhaar and MSME Databank. The Member Secretary/Director MSME-DI, Mumbai informed that as per the directives, Government benefits will be given to the units which have entries in MSME Data Bank

#### **4.2 *Definition as per International Laws: Definition as per international norms :***

The point is coming under the purview of National Board for MSMEs and AIMSMEA is the member of National Board. He was advised to take up the issue in the National Board.

**5.0 Points by Maharashtra Chamber of Commerce Industries & Agriculture (MACCIA) :**

**5.1 *Formation of New Corporation in line with existing corporation in UP, Gujarat viz. Laghu Udyog Nigam.***

The Chairman asked the purpose of formation of the Nigam. The representatives of MACCIA submitted that the Nigam has some powers to look into the problems of MSME units. The Chairman advised Member Secretary to get details of Laghu Udyog Nigam formed in the states like UP and Gujarat.

Meantime, Chairman mentioned that a dedicated cell is under consideration of Govt. of Maharashtra for capacity building, skill upgradation, short courses and other useful services for MSMEs.

**5.2 *Funding Scheme for Working Capital for MSMEs***

It was advised to give a write-up by MACCIA in the matter.

**5.3 *Issue of Sickness Certificate to MSMEs.***

The Chairman wanted a detailed write-up from MACCIA regarding the issue.

**5.4 *Restarting of State Finance Corporation (MSFC).***

The Chairman informed that action has been already initiated in the matter. He further informed that MD, MSSIDC is holding the charge of MD, MSFC. MD, MSSIDC, was also present in the meeting.

**5.5 *Rescheduling & Rehabilitation of NPA Units:***

In response, Director, MSME-DI, Mumbai submitted that Ministry of MSME, has given instructions through RBI to all Banks about the Framework for Revival and Rehabilitation of MSME Units. It was also brought to the notice that all Banks have to form a Committee wherein Director, MSME-DI, will be a Member and stressed accounts will be identified for remedial measures by the Banks before the accounts becoming NPA.

**5.6 *Interest Subsidy for Importing Machinery.***

A detailed note is to be submitted by MACCIA, for forwarding it to DGFT.

**5.7 *Manpower Placements – Recruitment Industry.***

**5.8 *VAT on unmanufactured tobacco sold in small packets.***

For Point No.5.7 & 5.8, the Chairman advised to study impact of GST. He further advised to prepare a representation for forwarding it to concerned Departments, if necessary.

**5.9 *Problems of Textile Industry***

The Representative of Ministry of Textiles, mentioned the Schemes like Yarn Bank, Cluster Scheme and other measures for the benefit of Textile Industry. The Textile Ministry is planning to conduct Seminars in the State at different locations for dissemination of information.

5.10 *Issues related to procedural delays at MIDC*

The main issues were about Labour Cess, Advance Taxes levied before Building Completion, Stamp Duty, Absence of circulation of guidelines at district level etc. MACCIA Members wanted a separate meeting with the CEO, MIDC which was agreed upon by the Chairman. It was also advised that MACCIA may write a letter to the CEO, MIDC through the Chairman for getting an appointment and discussing issues in his presence.

5.11 *Issues pertaining to MSEDL*

The issues could not be taken up due to absence of Representatives from MSEDL. The Chairman advised to get write-up for forwarding the same to the concerned department and further advised to ensure their presence in the next meeting.

5.12 *Participation of existing coal beneficiation plants installed by private companies in Special e-auction of coal.*

The Chairman advised to take up the matter with Ministry of Coal through him. A detailed note is expected from MACCIA.

5.13 *Problems of Industries in Sangamner Industrial Estate.*

The issues were common and related to MIDC. It would be covered in 5.10.

5.14 *Taxation Issues of Small & Medium Scale Industries*

Impact of GST is yet to be studied. However, in case of any specific problem, the Association can approach Chairman with detailed note.

**6.0 Point by: Ahmednagar Auto & Engineering Association (AAEA), Ahmednagar**

**6.1** *Energy Tariff Issue of Ahmednagar Auto & Engg Association.*

The Representative from Ahmednagar Auto & Engineering Association (AAEA), Ahmednagar were not present in the Meeting. The Director, MSME-DI, Mumbai / Member Secretary explained that there are Common Facility Centers being set up under MSE-CDP Scheme of DC (MSME) New Delhi. The common facility centers are for MSME Units. He has received representations from AAEA and other Cluster Members that CFCs are being charged electricity tariff as per commercial rates, wherein they claim that they should be charged as per industrial rates. The issue was further supported by MACCIA and Technical Advisor, MIDC. The Chairman appeared convinced about the submission and informed that he would take up the matter with the concerned department.

**7.0 Points by: Bombay Small Scale Industries Association (BSSIA), Mumbai.**

**7.1** *Issue of Professional Tax:*

The President, Bombay Small Scale Industries Association (BSSIA) submitted that the Professional Tax should be on the basis of Income Slab. The Chairman desired detailed note for taking up the issue with the Department of Finance.

7.2 *Proposal to arrange SLAB on Quarterly Basis:*

Member Secretary/Director, MSME-DI, Mumbai submitted that the SLAB meetings are organized as per the statutory guidelines issued by O/o.DC (MSME) New Delhi and MSME-DI has to organize the meetings on six monthly basis as per the existent provisions.

8.0 **Points by: Akola Industries Association, Akola (The representative was absent)**

8.1 *Approach Road from MIDC Akola to Shivni-Shivapur Rail Terminus*

8.2 *Delay in getting new Power Connection from Mahavitaran*

8.3 *Provision of Online Follow Up facility by Service Providers like MIDC, MSEDL, ESIC etc.*

8.4 *Opening of Additional Regional Office of MIDC at Akola*

8.5 *Issues regarding Labour Cess in Construction*

8.6 *Operationalization of Fire Station at Akola Industrial Area*

8.7 *Reg. Fire Safety Cess being charged*

8.8 *Finding new sources for water supply to Akola Industrial Area*

8.9 *Development Charges charged by MIDC*

8.10 *Proposal not to charge stamp duty as per ready reckoner while transferring Industrial Land /Industry*

*The issues from 8.1 to 8.10 are related to MIDC and can be taken up as per directions at 5.10*

8.11 *To provide energy connection to MSMEs who have 200 HP Power Load approved by Mahavitaran*

The Member Secretary submitted that the issue had come in the SLAB Meeting held in May, 2014 and the earlier limit of 50 HP was raised to 107 HP. The representative of MSEB had expressed in the meeting that due to technical reasons it was not possible to raise it beyond 107 HP. MACCIA representatives submitted that they could explain the subject with possibilities to the concerned officers in separate meeting.

9.0 **Points raised by Federation of Indian Chamber of Commerce & Industries (FICCI)**

9.1 *Banking for key manufacturing sector in LIBOR.*

The representative of FICCI was absent and the issues were taken up by the representative of CII. The chairman inquired about the LIBOR. It was submitted by CII that LIBOR meant London Inter Bank Offer Rates. LIBOR is a benchmark rate that some of the world's leading banks charge each other for short-term loans. It stands for Intercontinental Exchange London Interbank Offered Rate and serves as the first step to calculating interest rates on various loans throughout the world. In response the Chairman advised to discuss the matter separately with RBI.

9.2 *Strict Adherence of Loan Application register*

9.3 *Rate charged by Bank from MSMEs should not be more than 2% the base rate*

9.4 *Recommendations on Credit / Procedures for Banks / Institutions*

9.5 *Custom Procedures*

9.6 *Proper functioning of DGFT Website*

9.7 *Land related issues*

9.8 *Inspection*

9.9 *Labour Laws*

While noting down the above point numbers from 9.2 to 9.9 on record, the Chairman informed to take up the issue of non-functioning of DGFT website to DGFT Mumbai Office and advised to visit "Aaple Sarkar" web portal for initiatives taken by Govt. of Maharashtra in respect of simplification of rules and procedures concerning to labour laws and inspections etc.

## 10 **Points raised by: Marathwada Association of Small Scale Industries (MASSIA)**

10.1 *Issue of Power supply of industries situated in Gut Areas :*

President, MASSIA, mentioned that industries are facing issue of load shedding in Gut Areas. The Chairman advised to take up the issue to local authorities under intimation to him.

10.2 *Implementation of Delayed Payment Act :*

Attention was drawn to the cases of delayed payment in the MSE Facilitation councils. The Chairman informed the house that Government has empowered Joint Director of Industries to chair the facilitation council hearings and instructions have been issued to expeditiously to dispose of the cases.

The representatives of various Associations were mentioning that the large scale buyers and Government Departments were not following the provisions of the delayed payment act and were delaying the payments much beyond 45 days. In response, Director, MSME-DI, Mumbai requested representatives of Associations to bring to notice of their members to write Udyog Aadhaar number on Invoices / Bills sent to Buyers. The disclosure of MSE status by vendors / suppliers to buyer will reduce the problem.

10.3 *Extending Credit period for VAT payment :*

10.4 *VAT not paid by Supplier :*

The Chairman said that he would look into point no.10.3 & 10.4 after receipt of detailed representation.

10.5 *Clarity on need of provisional registration of the unit.*

In response the Chairman said that provisional registration is not required and necessary changes were brought to the notice of all concerned.

11.0 **Points by All India Association of Industries, Mumbai (The representative was absent)**

11.1 *Erroneous Sickness Data*

11.2 *Banking Service Charges*

11.3 *Uniform Rate of Interest*

11.4 *CGTMSE*

12.0 **Points by : Chamber of Small Industry Association (COSIA) (Representative of COSIA was absent)**

12.1 *Issues related to MIDC*

12.2 *Suggestions for Ease of Doing Business*

The issues raised by AIAI & COSIA were looked in to by the Chairman while taking the note. The issues were already addressed while covering other points.

13.0 **Any other issue with the permission of the Chair.**

During the meeting, the following issues were also raised :

- a) All India MSME Association (AIMSMEA) – Reservation for Women Entrepreneurs in Public Procurement Policy and inclusion of Entrepreneurs in ESIC Scheme.
- b) CII and other Associations were requesting for raising the limit of NPA norms from 90 days to 180 days.

The Chairman observed that the above issues were related to policy matter and advised them to raise such issues at policy formation forums. He would help in recommending the issues, if supported by convincing justifications.

- c) MASSIA requested for 30% reservation instead of 10% in MIDC in respect of Delhi Mumbai Industrial Corridor (DMIC) Project. The Chairman agreed to look into the matter and asked the association to send detailed note in this regard.
- d) Bombay Small Scale Industries Association brought the present condition of JDI Office at Chunabhatti to the notice of Chairman. The Chairman informed that arrangements are being made for relocating the Office in close proximity of the present office.
- e) MASSIA expressed the concern about the delay in possession of Br.MSME-DI Office at Aurangabad. Director, MSME-DI, Mumbai informed that the matter was pending at the end of MIDC Aurangabad and he had already taken up the issue with the concerned authorities. In case of inordinate delay, he will take the issue to CEO, MIDC through the Chairman.
- f) Vice President, MEDC, mentioned that due to assistance from MSME-DI, Mumbai, some women entrepreneurs have been benefitted from Public Procurement Policy.
- g) It was advised by the Chairman to submit issues related to other departments on separate pages for forwarding them to concerned authorities.
- h) In addition to above issues Chairman advised to visit to **MAITRI** portal for getting information of ease of doing business. The MAITRI portal has been setup to disseminate maximum information about investment in the state.
- i) **The Chairman informed that Maharashtra was ranked as Number One in “Ease of Doing Business” in the study conducted by National University of Singapore in 2016. This was applauded by the Members and Invitees.**

The meeting ended with the vote of thanks.

**MSME-DEVELOPMENT INSTITUTE, MUMBAI-72.**

**STATE LEVEL ADVISORY BOARD MEETING**

**Date of Meeting : 27<sup>th</sup> Sept., 2016 Venue: MSME-DI, Mumbai.**

**ANNEXURE-1**

**ATTENDANCE SHEET**

<b>Sr.No.</b>	<b>Name &amp; Designation</b>	<b>Organization Represented</b>
01	Shri Vijay Singhal, IAS Development Commissioner (Inds.), Govt. of Maharashtra & Chairman, SLAB	Development Commissioner (Industries), Govt. of Maharashtra
02	Shri Shivaji R. Daund, IAS Managing Director	Maharashtra Small Scale Industries Development Corporation (MSSIDC)
03	Mohan Sangavikar, Assistant General Manager	Reserve Bank of India, Financial Inclusion & Development Department, Mumbai Regional Office, Mumbai
04	Shri G.S. Awsekar	Indo German Tool Room, Aurangabad
05	Shri J.B. Nayak	Institute of Design of Electrical Measuring Instruments (IDEMI)
06	Mrs. P.P. Nachane Secretary	IDEMI
07	Shri K.J. Bhosale	Khadi Village Industries Commission (KVIC)
08	Shri T.R. Sharma, Dy. Director	MSME-Testing Center, Mumbai
09	Shri D.R. Johari, Assistant Director	MSME-Development Institute, Nagpur
10	Shri Milind V. Ogale Dy. Chief Fire Officer, MIDC, Fire Service	Maharashtra Industrial Development Corporation (MIDC)
11	Shri Sanjay Korabu, Technical Advisor, MIDC	MIDC
12	Shri Kulkarni P.P. Executive Engineer	MIDC
13	T. S. Narayanan, NPC, Mumbai	National Productivity Council (NPC)
14	Shri S.K. Ramteke, Chief Manager – Purchase	Hindustan Petroleum Corporation Limited, Mumbai
15	Prof. Rakesh Mok	Indian Institute of Technology, Bomba
16	Ms. Chand Kureal Dy. General Manager, SIDBI	Small Industries Development Bank of India (SIDBI)
17	Shri Naresh Kumar, Director, Regional Office, Ministry of Textiles	Regional Office, Ministry of Textiles

18	Shri S. Domse, Asstt. Director, RV-TYC	Textile Commissioner Office
19	Shri Nandakumar K. Co-Chair Sub-Committee, EODB	Confederation of Indian Industries (CII), Mumbai
20	Shri Santosh Mandlecha	Maharashtra Chamber of Commerce & Industries & Agriculture (MACCIA).
21	Shri Vishwas S.	MACCIA.
22	Shri Bankim Mistry, President	Bombay Small Scale Industries Association (BSSIA)
23	Dr. Avinash Dalal	All India MSME Association (AIMA, MSME)
24	Ms. Madhuri Patil Dy. Secretary, MACCIA, Mumbai	MACCIA
25	Ms. Meenal Mohadikar, Vice President, MEDC	Maharashtra Economic Development Council (MEDC)
26	Ms. Chaitali Chavan, Asstt. Editor, Udyogini Pratistan	Amhi Udyogini Pratistan
27	Ms. Shikha Chauhan	India SME Forum
28	Shri Ashok Kharatmal National Advisory Committee Member,	National SC/ST Hub, Govt. of India.
29	Shri Vijay Lakurwale President	Marthwada Association of Small Scale Industries & Agriculture (MASSIA)
30	Shri Nilesh P. Dusane	MACCIA, Nashik
31	Shri Narayan Pawar, Secretary	MACCIA
32	Shri S.K. Thote, HOD Co-ordination	Maharashtra Center for Entrepreneurs Development, Aurangabad
33	Shri R.B. Gupte, Director, MSME-DI, Mumbai & Member Secretary SLAB	MSME-DI, Mumbai
34	Shri Shivaji Patil, ISS Dy. Director, MSME-DI, Mumbai & Coordinator, SLAB	MSME-DI, Mumbai



### List of Members / Invitees Absent

01	National Small Industries Corporation
02	Coir Board
03	Convenor, State Level Bankers' Committee, Bank of Maharashtra
04	Chamber of Small Industry Associations (COSIA)
05	Federation of Indian Chamber of Commerce & Industries (FICCI)
06	Dalit Indian Chamber of Commerce & Industries (DICCI)
07	Akola Industries Association (AIA)
08	Vidarbha Industries Association (VIA)
09	All India Association of Industries (AIAI)
10	Grahak Panchayat
11	Maharashtra Electricity Distribution Company (MEDCL)
12	Director General of Foreign Trade (DGFC)