

MSME Ministry to introduce single-page registration form Seeks to do away with 'prior experience' norm for start-ups under Public Procurement Order

NEW DELHI, 18 September 2015: The Government is making a concerted bid to ease norms for doing business for Micro, Small and Medium Enterprises (MSME) sector by seeking to redefine MSMEs through a hike in investment limits in plant and machinery, introduce a single page registration form and doing away with the 'prior experience' clause under the Compulsory Public Procurement Order for such units.

This was stated here today by **Dr. Anup K. Pujari, Secretary , Ministry of MSME, at the FICCI-CMSME Summit 2015 under the theme, 'Make in India: MSME Perspective'.**

Dr. Pujari said a Bill to enhance the investment limits for micro, small and medium enterprises has been introduced in the Lok Sabha. The investment limits in plant and machinery for the micro enterprises is proposed to be raised to Rs 50 lakh, of small enterprise to Rs 10 crore and medium enterprise to Rs 30 crore. The existing limit are Rs 25 lakh, Rs 5 and Rs 10 crore respectively.

The proposed amendment to the MSMED Act comes in the wake of changes in price index and cost of inputs consistent with the emerging role of the MSMEs in various global value chain. The Ministry is also set to introduce a one-page form for registration of MSMEs to reduce paperwork and eliminate ambiguous wordage in the registration form.

Dr. Pujari said that the Ministry has been persistently trying to advise the Central and State Governments not to expect 'prior experience' in procurement from start-ups. Procurement agencies could well ask such enterprises to provide warranties on their products which were longer than those with 'prior experience'.

The Secretary said that MSMEs, on their part, should communicate to the Ministry in crisp, unambiguous language to elicit precise responses.

The inaugural address by **Mr. Kalraj Mishra, Union MSME Minister** was transmitted to the delegates through a video recording.

Mr. Mishra said that the difficulties faced by MSMEs in carrying out their business and the way these could be addressed should be communicated to the Ministry post the Summit and assured full support for their redressal.

Mr. Sanjay Bhatia, President, FICCI-CMSME and MD, Hindustan Tin Works Ltd., in his remarks, pointed out that a number of initiatives have already been undertaken by the Government to ease business environment for Indian industry, including MSMEs. However, a lot more can be done towards simplifying ease of doing business conditions for MSMEs, such as availability of modern and facilitating infrastructure, review of the existing regulatory framework and

undertake planned phasing out of obsolete procedures and introduction of self-certification and third-party certification in various laws, a standard procedure be followed for the period of renewal of licence from Pollution Control Board throughout the States. There is also a need to increase number of years for renewal period from five to ten years for green Industry, three to seven years for orange industry and from two to five years for red industry, minimize Inspector Raj and simple, introduce easy to understand information packages on regulations and related inspection procedures which should be made easily accessible and simplified labor law procedures that are both employee and employer friendly.

Mr. R. Narayan, Vice-President, FICCI-CMSME and Founder & CEO, Power2SME, said as India prepares for a new era of manufacturing, it is important to ensure that MSMEs are a crucial part of this transformation. The Make in India initiative has identified 25 thrust sectors including MSMEs where it is believed that these sectors can compete with global manufacturing volumes. This is a positive step for manufacturing MSMEs, as more dependence on domestic sourcing will benefit them directly and open up a whole new market for them.

Dr. Arbind Prasad, Director, General, FICCI, who moderated the session, pointed out that a lot is consistently being done by the government to support the upcoming entrepreneurs and help them grow from the status of micro to small, medium and ultimately large enterprises. To support this idea, the need of the hour is not only to depend upon the schemes and policies of the government but also to develop and strengthen MSMEs with new innovative products & business processes. Also, Public Private Partnership (PPP) mode should be encouraged so that the incentives of the government can be better utilised as there is a significant share and major role of the private entity along with the government in these partnerships.

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