

**Round Table Session with Shri Rajiva Sinha, IAS, Principal Secretary,  
Department of MSME and Textile, Government of West Bengal.**

The Chamber organised a Round Table Session with Shri Rajiva Sinha, IAS, Principal Secretary, Department of MSME and Textile, Government of West Bengal on 13<sup>th</sup> June, 2013 at Hotel Hindusthan International, Kolkata.

Shri Ashok Aikat, President welcomed Shri Rajiva Sinha, IAS, Principal Secretary, Department of MSME and Textile, Government of West Bengal to the Round Table Session. The President thanked Shri Sinha for devising separate Policies for the MSMEs and the Textile sector of the State for the first time in recent years. Shri Aikat felt that the Policies are expected to help the MSMEs and the Textile sector in looking forward to a new frame-work for a faster pace of development of these two sectors. This is because the Government of India has also enunciated a National Manufacturing Plan and the Working Group on MSME has submitted a Report to the Government of India for implementation during the 12<sup>th</sup> Five Year Plan. Considerable inspiration and support may be taken from these.

Shri Sinha clarified that in place of a general incentive scheme, which has ended on 31<sup>st</sup> March, 2013, new Policies have been prepared by the State Government for various sectors of industry separately for the first time. Therefore, the stakeholders must understand the ground realities and support with the State Government for implementation of the programmes and schemes under these policies. Regarding the Government of India's programmes, he emphasised that these have a general approach, while the State Government's programmes are contextual and specific. In the circumstances, whatever support is possible from the Government of India, the same will be derived. However, the Chambers of Commerce also need to play an active role in the integration in this direction. He added that the Chambers of Commerce need to act as Knowledge Centres for the development of industry and provide valuable feed back from time to time.

Responding to the President's suggestion for creation of a neo-modern technology resource centre with design centre, business centre, testing centre, mini-trade fair facility etc., in collaboration with IIT, Kharagpur, Shri Sinha clarified that the concept is already under the active consideration of the State Government.

With regard to Shri Aikat's suggestion for providing incentives to MSME and Textile sector for export promotion specially to South East Asian and ASEAN countries, Shri Sinha emphasised that whatever support the industries need may be submitted to the State Government. Despite the fact that revenue realisations for the State from exports are low, in the national interest, the State Government will provide possible support.

Referring to the specific problem raised by Shri Aikat regarding mutation of land under the Industrial Park at Santoshpur, Shri Sinha mentioned the problem is likely to be sorted out by him at a forthcoming meeting on 18<sup>th</sup> June, 2013.

Responding to the President's suggestion on carrying out mutation under 'Single Window' concept, Shri Sinha clarified that this is a difficult proposition administratively. He highlighted the recent success of the State Government in application of a 'Single Gateway' concept at Howrah where a Cell has been set-up to take care of all problems relating to availability of land, mutation and conversion of land for industrial use. This has resulted in earning of huge revenue for the State Government because of execution of the procedures by the Cell at a faster pace.

He also agreed to take a note of the various suggestions that would emerge from the observations of the President and other members during the interactions.

The President then requested members to express their view points and suggestions for the development of MSME and Textile sectors.

Shri Sourabh Khemani, Co-Chairman, Industry Standing Committee of the Chamber enquired if it is possible for the State Government to introduce a scheme for technology up-gradation in MSMEs across the board, as is available under Technology Up-gradation Fund of the Government of India for MSMEs? Often it is not possible for small units to avail TUF Scheme. Hence, this request was made by Shri Khemani.

It was clarified by Shri Sinha that creation of a parallel TUF Scheme will do nothing more than increasing hurdles for the industrial sector. The demand should rather include the creation of a mechanism which would facilitate accessing of the resources for technological upgradation by industries under TUF Scheme. The bottlenecks, if any in the Government of India's Policy need to be identified and brought to the notice of the State Government. This will help the State Government to approach the Government of India and sort out the issues for smoother implementation of TUF Scheme.

Shri Khemani also emphasised that Urban Street Vendors are one of the key marketing channels for the products of the tiny and micro sectors in our State. Therefore, would it be possible to link this important channel with the marketing schemes of the Policies of MSME and Textiles ?

Shri Sinha observed that the Urban Street Vendors are heterogeneous groups and it is difficult to make them operate through an organised channel.

Shri Raghunath Dey, former President of the Chamber enquired if it would be possible for the State Government to reserve certain percentage of procurement of materials for the Government Departments and Public Undertakings exclusively from MSMEs and Textile units located within the State. He emphasised that this preferential treatment will considerably help the local units and has now become essential to protect these units as they have to bring raw materials from long distances in South India and Western India.

Shri Sinha clarified that the Government of India has a Reservation Policy in place which is not being effectively implemented. Presently, the Government of India is considering to strengthen the Policy and the MSME Policy is being revamped by including features such as the National Competitive Programme and Manufacturers' Competitive Programme. Industry can access previous Government Orders where such preferential policy were outlined from time to time. Shri Sinha emphasised that the MSMEs deserve the preferential treatment and if the areas where such preferences could be provided are identified and brought to his notice, he would try to help in this regard.

Shri S N Mitra, Co-Chairman, Food Processing & Agriculture Standing Committee of the Chamber pointed out that due to lack of information, entrepreneurs in the MSME generally cannot access the scope for value addition. Besides, they cannot afford to approach modern designers and engineers for value addition. Is it possible to develop a forum on a PPP mode which would help the MSMEs interact with these skilled personnel, he enquired.

Shri Sinha emphasised that the Chambers of Commerce can be the forum. If the Chamber develops such a forum, the State Government can support it officially. Information about the various technologies can be provided by the State Government.

Shri Vikram Tantia, President, Silk Association of India pointed out that despite a small raw material base, manufacturers of silk in our State are utilising skilled hands to produce value added silk products with raw materials from China, Bangalore, Bhagalpur etc. for exports, Cocoons for silk production are being illegally sold to China through our porous borders. A mechanism needs to be evolved to stop such clandestine dealings, he felt.

Shri Sinha opined that the problem of illegal trade cannot be resolved by imposition of restrictions through policy and has to be resolved by increasing competition through value addition. In this regard, he informed that two Textile Parks for Silk are being set up by the State Government, one would be established in Malda and a Printing Park at Hooghly. These are expected to effectively expand capacity for manufacture and solve the problems. If more Parks of this nature are necessary, the State Government would be pleased to consider the same. Further suggestions in this regard are welcome, he said.

Shri Sreemoy Banerjee, President, Bengal Hosiery Manufacturers' Association stated that in terms of the Zoning proposed in the Textile Policy, majority of the hosiery units will now be covered under Zone A where the incentive is minimum. The raw materials for hosiery have to be brought from South India. As a result, hosiery items will get out priced if incentives and exemptions from the State Government are not available. A special mechanism needs to be evolved to protect the interest of our Hosiery manufacturers located in Zone A.

In response, Shri Sinha emphasised that problems with hosiery or any other industry in West Bengal is that all of them are situated either within or in the vicinity of Kolkata and Hooghly. The Textile and MSME Policy has been compiled to break this concentration and bring about decentralisation. He suggested that a Note be prepared by the industry on the type of incentives that the hosiery sector deserves in Zone A and submit to the State Government for further refinement of the Draft Textile Policy.

Shri Ajit Khandelwal, senior Member of the Committee of the Chamber stated that one of the major constraints in growth of MSMEs is access to equity capital. The State Government could consider how the inflow of equity capital into this sector could be facilitated by providing suitable incentives to MSME-focused angel/venture capital funds as well as by creating awareness for the SME Exchanges/platforms.

Shri Sihna stated that Venture Capitals are a unique entity which cannot be disturbed. Interest subsidy has, therefore, been provided by the Textile Policy so as to attract more Venture Capital into Textile and MSME sectors where they were absent. In order to create awareness about the functioning of Venture Capitals in the SMEs, the Chamber could take necessary initiatives to enhance such knowledge through awareness programmes. In case, there are suggestions on any other changes in the incentives, a detailed proposal should be submitted to the Government.

Shri Rajkumar Agrawal, Chairman, Global Trade Standing Committee of the Chamber indicated that it is well known that the general tendency of Bankers to avoid sanction of credit to MSMEs is continuing. Besides, many units are unable to process the necessary documentation in large volume required by the Bankers. He enquired if it would be possible for the State Government to set up a Cell to guide new entrepreneurs in seeking finance from Banks ?

Shri Sinha clarified that the State Government can act as a facilitator and not as a trainer. It is due to lack of trust that extensive documentation is required by Bankers. If there are any loopholes in the task of documentation, these could be identified for simplification of the procedures. Over and above, CA and CS professionals may be empanelled by the State Government so that the MSME entrepreneurs can approach them regarding their problems in this regard.

The Government of India has laid a lot of emphasis on development of coir based industries in the MSME. In the programme of the Government of India, West Bengal has been included in a major way. However, compared to the other coastal areas where coconut is grown, production of coir based items have not developed here. Can the MSME Policy catalyse growth of coir based industries here, Shri S M Ghosh, Chairman & Managing Director, SMG - HAI Technocrats Pvt. Ltd., Kolkata enquired.

Shri Sinha emphasised that whatever incentive is available to cotton is also available to coir. In case any further help is required, the Chamber can make its suggestions.

Shri S S Kumar, Chairman, Industry Standing Committee of the Chamber observed that the Calcutta Leather Complex (CLC) being the largest leather complex in Asia, has been suffering due to the presence of green industries such as IT and ITeS. The presence of Leather industry and IT and ITeS in same place is incompatible. While speaking about the problems of the leather sector, Shri Kumar stated that due to the mismanagement of CETP (Common Effluent Treatment Plant), environment issues as well as manufacturing activities have been suffering badly. Shri Kumar stated that CLC has been designed for 500 relocated industries. There is hardly any space for the manufacturing of the final products like, bags, wallet, etc. Accordingly, Shri Kumar suggested that the Government may consider to procure more land and set up a dedicated park for these final products.

Responding to the issues raised by Shri Kumar, Shri Sinha stated that though the problems regarding functioning of CETP and existence of green industries are quite serious and needs immediate attention, however, the CLC is not under the direct purview of his Department. Shri Sinha, however, welcomed the proposal of setting up of an Industrial Park dedicated to the leather products. He extended the support of the State Government and assured that land and setting up of an infrastructure would not be a problem.

One of the Members present raised the issue on LAC cultivation, development and exports from Purulia and Bankura Districts. These are both poor and tribal areas and LAC (Shellac) growing and processing are important. Shri Sinha suggested to provide a detailed note on the proposal so that the State Government can look into the same.

Shri Sajjan Bhajanka, Sr. Vice-President of the Chamber moved the Vote of Thanks to Shri Sinha which was carried with appreciative acclamation.

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