

21<sup>st</sup> Jan. 2015

## Memorandum on MSME issues to Hon'ble Shri. Subhasji Desai, Industry Minister, Govt. of Maharashtra.

### Part I - Issues for priority action

#### [1] MIDC related points –

**a. Jurisdiction:** MIDC is the Special Planning Authority. However, the areas of MIDC and mainly the roads and related infrastructure is being handed over to the local Municipal Corporations at the instance of the State Govt. This has created number of problems for all the stakeholders. It is essential that MIDC should be wholly in charge of MIDC Industrial Areas.

**b. Transparent Allotment:** This has been sorely lacking with the result that genuine entrepreneurs have been left by without needed land for expansion. We suggest that the plots in MIDC should be mainly for manufacture sector.

We also suggest that one representative of respective Industry Association/ MSME Association be included in the Land Allotment Committee.

**C. Developed Plots:** MIDC has been handing over plots which are not “developed” in any sense of the term. All plot Allotments henceforward must be after levelling the land, providing roads, streetlights, storm-water drains/nullahs, sewage drains etc

A one-time amnesty for payment of penalty for non-completion of minimum factory construction must be given in respect of all those areas where land allotments were made without any basic infrastructural facilities in the initial period.

In fact all the plots should be developed on the line of plug in policy as suggested by the Govt. of India so that the entrepreneur can commence his business very next day.

**d. Stamp Duty on Industrial Plots in MIDC-** The Stamp Duty is recovered as per the valuation and price mentioned in the ready reckner even though the Industrial Plots are in MIDC Areas. The MIDC has valued the plots and declared the rates officially everywhere. It is unfortunate that the Govt. does not recognize its own valuation to charge the stamp duty. It is essential that in such cases MIDC valuation be considered to calculate the Stamp Duty and not the rates in ready reckner.

Similarly, the development charges hike also needs a reconsideration.

#### **e. Encroachments in MIDC and Satellite Mapping -**

Encroachment is the biggest issue in MIDC Areas. It happens on vacant plots. The plots allotted for services like showrooms, garages, scrap shops etc. needs a strict regulation as at times the encroachment also happens on the roads. For example at TTC, Industrial Area nearly 300 acres of land

## *Silver Jubilee Year*

is being encroached by slums and unauthorized shops. We suggest that all such encroachment should be removed and the available land should be allotted to the industries.

We also suggest satellite mapping of MIDC areas so that any encroachment can be removed as and when it occurs.

**[2] Strengthening of Udyog Setu** - To facilitate registration and licensing of the industries under various Acts, Udyog Setus are being formed. It is essential to strengthen this system to facilitate ease in Doing Business.

**Udyog Setu is a single window system.** An entrepreneur can submit his applications required for various permissions to Udyog Setu. Udyog Setu is to approach all the concerned departments and ensure that in a stipulated time the applicant gets all permissions. This system is indeed helpful to the small entrepreneurs and therefore it must be effectively implemented.

**[3] Mathadi Act** – The Mathadi Act is enacted for the benefits of unprotected workers in the wholesale markets like Food grains, Textile, Iron, APMC and so on. However, it is forcefully implemented in industrial areas also and has created a nuisance to the entrepreneurs. Therefore, a clear Notification be issued that Mathadi Act is not applicable to the MSMEs.

**[4] Minimum Wages implementation** – There should be a distinctive separate minimum wage for the MSMEs. The present system of determining the minimum wages needs a total revamping. While constituting the Committees for the minimum wages there should be representative of MSME Organization like COSIA and no individual entrepreneur be appointed in its personal capacity on these committees. While fixing the minimum wages the productivity factor and skill factor be also considered.

**[5] LBT & Octroi** – Both these taxes be removed forever immediately as being promised by the Govt.

**[6] Empowerment of MSME Facilitation Councils:** - Recovery powers be granted to MSME Facilitation Councils after giving its decision. Experience indicates that such decisions are not observed by the big buyers and inspite of favourable decision, the small entrepreneur does not get his dues. To serve the objective of the MSMED Act itself such powers to MSME Facilitation Councils are therefore essential.

**[7] Purchase Policy of State Govt.-** The Govt. of India has declared Public Procurement Policy Order which makes it imperative to have 20% purchases from the Micro & Small Enterprises by all Central Ministries and Public Sector Enterprises. It has also directed the State Govts. to issue such purchase policy order for the respective States. The Govt. of Maharashtra should issue such order to support the MSMEs in the State.

Sd/-

P.S. Agwan  
Hon. General Secretary

21<sup>st</sup> Jan. 2015

## Memorandum on MSME issues to Hon'ble Shri. Subhasji Desai, Industry Minister, Govt. of Maharashtra.

### Part II- Other Issues

- [1] **DMIC Project** – Delhi Mumbai Industrial Corridor Project is very important even for the Maharashtra. Thane, Pune, Nashik, Dhule and Aurangabad Districts will be benefitted due to this project. Smart cities are also expected in it. However, still no detail information about the State Govts. participation and its planning is available. MIDC is being appointed as a nodal agency. The Industry Ministry may arrange a meeting on this specific project only to brief the development of it and have an interaction with MSME Associations in Maharashtra.
- [2] **Property Tax** – The rate of Property Tax to the MSE enterprise should be Minimum and it should be less than the rate of Property Tax on residence.
- [3] **One Authority for Pollution Control** –There should be only one authority to deal with pollution control since even the local self authorities are also enforcing their orders a separately.
- [4] **Electricity Rate** – The rates of electricity for the industries are highest in Maharashtra State. At least a relief by waiver of electricity duty may be provided.
- [5] **Transport infrastructure** – At many MIDC areas very poor or no bus service is available. For instance Additional Ambarnath, Kurkhumb etc. A periodic circular bus service is essential for the growth of MSMEs.
- [6] **Frivolous ULP Cases in Labour Court**- Off late, Labour unions have started lodging fictitious/frivolous complaints with Labour Commissioners and before the genuineness of complaint is verified or confirmed cases are filed in court. Unless Labour Commissioner / Police investigate and confirm genuineness of complaint, courts should not entertain ULP Cases – necessary amendments in ULP Act be initiated.
- [7] **NOC from Labour Commissioner for Plot transfer**- In case of the MIDC land “transfer” is effected by MIDC itself in a tri-partite Agreement and is always to another industrial unit. No NOC from Labour Commissioner be insisted for plot transfers. This is essential for ease in Doing Business.
- [8] **Private Industrial Parks** - There are many industries outside MIDC Areas also particularly in private industrial parks officially allowed by Govt. of Maharashtra. The development of such parks is being affected due to number of reasons. A huge investment of the small entrepreneurs is being locked up in such parks. An appropriate support may be provided to such parks for the cause of MSMEs.
- [9] **Indian Boiler Rules** – The third party inspection under these rules will provide ease of Doing Business. The Govt. may appropriately change the rules and system accordingly.

# CHAMBER OF SMALL INDUSTRY ASSOCIATIONS



ESTD.YEAR 1990

Member, National Board for MSMEs [2010-2012]

REGD.NO.11-67185

*Silver Jubilee Year*

- [10] Mandatory Monthly Meeting:** To be conducted by each Regional Officer with office-bearers of the respective Industry Associations. The meeting must be minuted and the Minutes circulated within 5 working days of the Meeting. Similarly, the meetings of Udyog Mitra at all levels must be held periodically. The decisions taken at such meetings should be implemented by all the Govt. Departments appropriately.
- [11] IT Area at Wagle Industrial Estate-** 15 Meter road criteria in Wagle Industrial estate area for IT Hardware & IT Software is being prescribed. The Wagle Industrial Area is the first and oldest in Maharashtra. The whole industrial estate is being developed on the criteria's and standards which were applicable six decades ago. Most of the roads in this industrial area are having width of 9 meters. In the year 2013 it has been decided that for IT areas in this industrial estate the width of the road shall be 15 meters which is not possible. Therefore, this condition may be reconsidered.
- [12] IT Hardware list** – This list needs modification. The Communication and Power Protection relays, SCADA (Supervisory Control and Data Acquisition) Panels should be included in this list.

Sd/-

P.S. Agwan  
Hon. General Secretary