

'MUDRA Bank to address financial needs of MSMEs'

Giriraj Singh, MoS, said his team is working on simplifying the regulations

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The Centre has sought to address the financial needs of the Micro Small and Medium Enterprises (MSME) by creating the MUDRA Bank formed with a huge corpus of ₹20,000 crore, according to Giriraj Singh, Minister of State for MSME, Government of India.

He also said the Government was seeking to enhance the financial ceiling for eligibility to be classified as MSME so that more units could be brought under the ambit of MSME.

Speaking at the inauguration of the Intec 2015, the five day International Machine Tools & Industrial Trade Fair organised by the Coimbatore District Small Industries Association (Codissia) here on

Friday, the minister said the Government was focused on the development of the MSME sector in view of the pivotal role it played in employment generation.

The nearly 5.77 crore MSMEs employed a close to 14 crore people and their share of the country's manufacturing output was nearly 40 per cent and their share of exports also was substantial. The government was keen to improve the competitive edge of the MSME sector and increase their share of the GDP and employment generation.

Lauding the role of Coimbatore in the promotion of MSME sector, Giriraj Singh said, "Coimbatore is a Motherland of MSME." He said Prime Minister Narendra Modi established a new institution



Minister of State for Micro, Small and Medium Enterprises Giriraj Singh (left) takes a look at a stall after inaugurating 'INTEC 2015', an International Industrial Trade Fair at Coimbatore **M PERIASAMY**

for 'financial inclusion' of the micro and small units - the MUDRA (Micro Units Development and Refinance Agency) Bank on April 8 with a corpus of ₹20,000 crore to support micro and small units.

The beneficiaries have been divided into three categories for extending assistance, in the first are those who

would be provided loans up to ₹50,000, in the second category are people who would be extended loans between ₹50,000 up to ₹5 lakh and beneficiaries eligible for loans above ₹5 lakh up to ₹10 lakh come in the third category.

Giriraj Singh, referring to the plethora of rules that sti-

fled the growth of the MSMEs, said his department was trying to simplify the rules. Another major issue that confronted the MSMEs was the ceiling on investment in plant and machinery / equipment for manufacturing / service enterprises to be categorised as MSMEs.

The department was trying to increase the investment limit under various slabs. For instance, the investment limit for micro enterprises at present stood at ₹5 lakh which the government wants to hike to ₹50 lakh. For small enterprises, the limit was ₹5 crore that the GoI wants to double and the limit for medium enterprises was at present ranged from ₹5 crore up to ₹10 crore that the Government wanted to be increased to ₹10 crore to ₹30 crore.

The government also plans to create 500 incubation centres and establish 15 new tool rooms with 3D technology.