FICCI CMSME

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NEWSLETTER

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FICCI - Confederation of Micro, Small and Medium Enterprises (CMSME)

Empowering MSMEs

Confederation of Micro, Small and Medium Enterprises (CMSME) established in December 2013 with a vision to empower Indian MSMEs and build their competitiveness is an affiliated body under the umbrella of the Federation of Indian Chambers of Commerce and Industry (FICCI), an apex Chamber of Commerce & Industry of India. FICCI has tie ups with over 300 industry associations and chambers worldwide.

What we do……

- Provide a holistic grid to connect MSMEs with mentors, incubators & accelerators and assist them through capacity building programs & services
- Help MSMEs explore different government schemes
- Deliberate on policy issues that impact performance of the MSME sector and provide effective channels to communicate issues and concerns to government at the center and states as well as to other regulatory bodies and banks
- Provide regular interface between Industry, Government and regulators through workshops, round tables and representations and interactive sessions with to create an enabling environment for further growth of the sector

Areas of focus……

- Policy Consultation with Government
- Marketing & Quality Standards including Packaging
- Finance
- Technology & Innovation
- Legal & Taxation
- Procurement
- Environment
- Start-up & Entrepreneurship

Services & Benefits…..

Services	Benefits to Members
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Quality	Improve quality & standard through expert training programmes @ discounted rates
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Resource Conservation & Management	Enhancement in competitiveness and cost saving through resource optimization, sustainable use of the resources (raw material, energy, water etc.) and effective management of wastes generated (Energy, Water, etc Audits at competitive rates)
Advisory Services through External Experts	Insurance, Exports, Taxation, Financing, etc
Access to CMSME CONNECT Portal with B2B Facility **www.ficcicmsmeconnect.in**	Connect with other CMSME Members and Explore Business possibilities

Opportunities……

1 Networking - Platform to interact amongst members, state & central governments - Platform to meet global business and political leaders - Participation in seminars, training programmes, conferences and meeting - Platform to network with industry leaders	10% discount for CMSME members on participation Fee of FICCI events *(applicable only on the fee component charged by FICCI)*
2 Business Services - Opportunity for participating in Sectoral delegations both in India and Overseas - Participation in trade fairs and exhibitions - Develop business through buyer-seller meets - Government Notification Updates - Connect with other CMSME Members and Explore Business possibilities	10% discount for CMSME members on participation Fee of FICCI events *(applicable only on the fee component charged by FICCI)*
3 Knowledge series	Free Access to Policy Papers, Studies & Surveys, MSME Newsletters

Membership

Membership Categories

- **Associate Membership**: For enterprises involved in profit making activities in manufacturing/services
- **Organisation Membership**: For Non-Profit Industry Associations involved in growth and development of MSME sector.

Both categories have two options: 1) Patron Membership: This is a lifetime membership of CMSME and as a privilege member, Patron Member gets an opportunity to be a part of Executive Committee of CMSME **(2) Annual Subscription**: Annual Membership remains valid for one year and follows Financial Year i.e. April – March. As the year closes on March 31, all annual memberships with CMSME subscribed anytime during the year, become due for annual renewal.

How to Apply for Membership

- **Online Application:** Link: http://ficci-cmsme.in/membership/member-login.asp Membership can be applied at the above link by selecting 'New Registration'. After a brief registration, one will receive an auto generated email in inbox (sometimes in spam folder) of registered email ID containing login-ID & Password for CMSME Membership. The above link may again be visited and now log-in can be done with the details received to registered email ID to complete the profile for Membership.

- **Offline Application:** One can always apply offline by submitting Membership Form along with other necessary documents to the Secretariat. For forms you may contact FICCI-CMSME secretariat.

Membership Fee

There are two components in the fee structure of CMSME Membership and applicable GST (18%) is levied on both components. **(1)** One-time Admission Fee: Admission Fee needs to be paid at the time of enrolment of Membership **(2)** Subscription Fee: Annual Subscription Fee is based on Annual Turnover of Organisation in the immediate completed last Financial Year. If the enrolment is done during October - March, the annual subscription fee is reduced to 50%. Patron Membership Subscription Fee is not dependent on Annual Turnover.

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MSME NEWS UPDATE

1. **Nod to industry in agri zones**

Industrialists can now set up units in agricultural zones outside the industrial estates in Haryana. To boost industrial production, the government has come out with a new policy for the setting up of the industrial clusters and units in the agricultural zones across the state.

A major concession seems to have been extended to the entrepreneurs intending to set up "Red category" (polluting) industry as the policy allowed the setting up of this industry in the high, medium and low potential zones (except hyper potential zone). Besides, general warehouses can now be set up in addition to agricultural warehouses.

Currently, the industrial policy does not allow industrial units in agricultural zones in the hyper and high potential zones while there are strict guidelines for the setting up of these units in medium and low potential zones.

AK Singh, Principal Secretary, Town and Country Planning Department, said to check the haphazard growth of industrial units outside the industrial estates of the Haryana State Industrial Infrastructure Development Corporation and the HSVP, there was a need to formulate a policy regarding the grant of change of land use permissions in the agriculture zones.

The Tribune, August 02, 2021

2. **MSME liquidity line set to widen as more NBFCs start 'factoring'**

Parliament's clearance to The Factoring Regulation (Amendment) Bill, along with a government plan to mandate companies with over Rs 250-crore annual turnover to register on the TReDS (Trade Receivables Discounting System) platform, will significantly boost funding availability for MSMEs, lower interest costs and improve cash management, industry sources said. Currently a handful of NBFCs and banks were providing funding to MSMEs against their receivables. Factoring law amendments have been cleared in both Houses of Parliament in the current session. This will enable nearly 9,000 NBFCs to participate in the factoring market instead of just seven now. Improved participation by NBFCs in the factoring market will enhance liquidity for MSMEs and lower their interest costs.

Factoring is a transaction where an entity (like MSME) sells its receivables (dues from a corporate) to a third party (a 'factor' like a bank or NBFC) for immediate funds. Banks and NBFCs provide finance against these receivables, enabling availability of ready funds for the MSMEs. This is done on an online TReDS platform initiated by the Reserve Bank of India (RBI). TReDS facilitates financing and discounting of MSME trade receivables through multiple financiers.

"Only in India, factoring could be done by the banks or NBFCs that have a factoring licence — those who do over 50 per cent of business through factoring. Now, all NBFCs have been allowed to do factoring business, irrespective of proportion of income from factoring. This, therefore, brings liquidity into factoring business, which was deprived of it as only largely banks and few NBFCs could participate in it," said an expert.

NBFCs' lending to MSMEs is typically against the balance sheet strength of these smaller companies, leading to interest rates that can be higher than 16 per cent. But in the case of funding against receivables (or factoring), the NBFC is taking a risk on the customer of the MSME who is larger corporate, leading to lower (nearly halving) interest costs, he said.

The Finance Ministry also plans to accept suggestion of a Parliamentary panel studying the impact of Covid-19 on MSMEs that it should be made mandatory for CPSEs with turnover of over Rs 250 crore to register on TReDS platform, a senior government official said. “As on 31.12.2020, of 4,599 companies having turnover of more than Rs 500 crore, as identified by the Ministry of Corporate Affairs, 1,461 companies have registered themselves on TReDS platform. 170 CPSEs and 3,903 MSMEs registered with these CPSEs have also been onboarded on the platform. Totally, 11,690 MSMEs have on-boarded,” the Department-related Parliamentary Standing Committee on Industry noted in its report on MSMEs last week.

“The Committee recommends that the registration should be made mandatory for all CPSEs having a turnover of more than Rs 250 crore (from Rs 500 crore at present) as it would enlarge the ambit of TReDS,” it said. Every tax invoice raised by GST-registered MSMEs should reflect automatically on the TReDS platforms.

The legal changes have also enabled intermediaries to register a factoring transaction on the Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) portal instead of the existing practice of banks doing assignment in CERSAI one by one. With 3,000-5,000 factoring transactions in a single day, assignment entry onto CERSAI has been time consuming so far.

“Now the change in Factoring Act has permitted intermediaries like us to register the factoring unit directly on the CERSAI portal … this will reduce the lead time on operating on the portal from days to few minutes and hours. This makes the process faster, efficient and reduces chances of duplicity of transactions,” said the expert.

The Indian Express, August 03, 2021

3. 433 clusters okayed under SFURTI

As many as 433 clusters have been approved to benefit about 2.5 lakh artisans since 2014 under the revamped Scheme of Funds for Regeneration of Traditional Industries (Sfurti), Parliament was informed. The MSME ministry is implementing the scheme with the view to organising traditional industries and artisans into clusters to make them competitive.

The Asian Age, August 10, 2021

4. Public sector banks report sharp slippages in MSME loans in Q1

In a visible sign of stress in the MSME portfolio, public sector banks reported a sharp jump in fresh slippages in their small business loan book during the first quarter of FY22. The second wave of the pandemic appears to have further impacted small businesses, severely curtailing their repayment ability. The country’s largest lender State Bank of India posted its highest ever quarterly net profit at ₹6,504 crore in Q1FY22. However, fresh slippages of the state-owned lender jumped more than four times to ₹15,666 crore in the first quarter of the current fiscal against ₹3,637 crore of slippages in the year-ago quarter. Over 40 per cent of SBI’s total slippages in Q1 or ₹6,416 crore came from the MSME sector.

Similarly, other major PSU banks like Bank of Baroda, Indian Bank, Punjab National Bank and Union Bank of India have all witnessed a substantial jump in fresh slippages from the MSME sector. Nearly 59 per cent of Indian Bank’s fresh slippage in Q1FY22 at ₹4,204 crore came from the MSME sector while in the case of Canara Bank, MSME sector accounted for 58 per cent of the total slippage of ₹4,253 crore during the said period.

In its Financial Stability Report (FSR) for July, the Reserve Bank of India had cautioned that banks face the prospect of a rise in non-performing loans, particularly in their small and medium enterprises (SME) and retail portfolios. “Within the domestic financial system, credit flow from banks and capital expenditure of corporates remain muted. While banks’ exposures to better rated large borrowers are declining, there are incipient signs of stress in the micro, small and medium enterprises (MSMEs) and retail segments,” the report noted.

On a year-on-year basis, the overall slippages of all public sector banks collectively jumped more than four times to ₹53,914 crore in Q1FY22 from ₹13,188 crore in Q1FY21. SBI, PNB, Union Bank of India, Bank of Baroda and Canara Bank are among the top five banks with highest fresh slippages collectively accounting for 75 per cent of the total slippages in the first quarter. In its bid to ease the stress in MSME portfolio of banks and NBFCs, the RBI has been introducing various restructuring schemes. Since 2019, the RBI permitted restructuring of temporarily impaired MSME loans (of size upto ₹25 crore) under three schemes. Accordingly, public sector banks have collectively restructured loans worth ₹56,866 crore under the restructuring scheme of January 2019, February 2020 and August 2020.

“Despite the restructuring, stress in the MSME portfolio of PSBs remains high,” the central bank said in its FSR. The current spike in fresh slippages comes in the backdrop of significant increase in credit disbursement to the MSME sector during 2020-21 aided by the Emergency Credit Line Guarantee Scheme (ECLGS). Launched in May 2020, the ECLGS aims to provide collateral-free and government-guaranteed loans to MSMEs and other entities affected by the pandemic. The government has since extended the scope of the scheme from time to time through ECLGS 2.0, 3.0 and 4.0 to cover more sectors of the economy.

According to SIDBI-TransUnion Cibil’s quarterly report ‘MSME Pulse’, strong rebound in credit demand, accompanied by equally strong credit supply and ECLGS support, has led to growth in the credit outstanding amount of MSME sector to ₹20.21 lakh crore, with a YoY growth rate of 6.6 per cent. “In FY21, the country disbursed loans worth ₹9.5-lakh crore to MSME sector; higher than ₹6.8-lakh crore in FY20. This sharp jump in MSME lending was supported by the Atmanirbhar Bharat scheme of ECLGS which provided 100 per cent credit guarantee to lenders,” the report said.

The Hindu Business Line, August 13, 2021

5. **Two MSME parks’ construction near Noida gains momentum; see ₹2,345 crore investment**

Construction of two micro, small and medium enterprise (MSME) parks near Noida has gained momentum with 812 investors buying lands at the proposed sites to set up units at a cost of ₹2,345 crore, Uttar Pradesh government officials said. The proposed companies in these parks- coming up along the Yamuna Expressway in Sectors 29 and 32- are expected to create employment for almost 43,000 people, the officials said. The parks are being developed by the Yamuna Expressway Industrial Development Authority (YEIDA) as a model to boost the MSME sector, they said.

The development follows Uttar Pradesh Chief Minister Yogi Adityanath's consent three years ago for setting up the MSME parks in Gautam Buddh Nagar district, to boost micro, small and medium scale industries in the state, the officials said. "The two MSME parks are coming up in YEIDA's Sectors 29 and 32 where land has been allotted to 812 investors. A total of 239.61 acres of land has been allotted. "The investors have invested ₹2,345.40 crore to set up companies which will have an expected 42,801 employment opportunities," said Shailendra Bhatia, nodal officer, YEIDA Investment Cell.

Bhatia, also the additional CEO of YEIDA, added that of the allotted 812 land plots, 760 are bigger than 4,000 square metre in area while the rest smaller than 4,000 square metre. He said all the entrepreneurs who have procured land in the park have started construction of their units and major companies have started building their factories. They include Swastik Industries, United Logistics, Syria Impex, DR Auto Industries, Ranexa Medical, Shree Balaji Printing, and Gapdec Infratech Ltd. In a statement, the UP government said there will be a wide variety of companies at the parks making readymade garments, auto parts, food processing and printing units. "The government will get revenue through GST on the products of these companies," it added.

The MSME parks will provide facilities like business and shopping centres, incubation centres, hotels and restaurants, hostels, office blocks, health and fire stations, according to the statement. A certification lab will also be set up. The parks will also feature storehouses, container and truck terminals, railway siding infrastructure, and fuel stations, it stated.

These parks will be followed by establishment of similar parks in Agra, Kanpur, Moradabad, Varanasi, Azamgarh and Gorakhpur, which boast of presence of several MSMEs even today, the state government said. "The parks will herald a new era of development in Uttar Pradesh," it remarked. According to official statistics, the MSME sector is second only to agriculture in UP in terms of employment generation. UP's MSME units constitute 14.2 per cent of the total MSMEs in the country and have been exporting goods worth more than ₹1.14 lakh crore annually for the last three consecutive years, according to the statement.

The Hindu Business Line, August 17, 2021

6. **Govt notifies RoDTEP rates, guidelines**

The commerce ministry announced guidelines and rates of the long pending Remission of Duties and Taxes on Exported Products (RoDTEP) scheme for 8555 export items for a cost of ₹12500 crore to the exchequer. Though the scheme for exporters which replaced the ongoing Merchandise Exports from India Scheme (MEIS) came into effect on 1 January, the rates had not been finalized yet. According to commerce ministry, the RoDTEP rates will vary from 0.5-4.3% of export value and will include sectors like marine, agriculture, leather, gems and jewellery, automobile, plastics, electrical, electronics and machinery. However, exporters in sectors like steel, pharmaceutical, chemicals have been kept out of the scheme. Products manufactured or exported at export-oriented units and special economic zones have been excluded from the scheme for the time being.

While most animal products including milk and freshwater fish will get RodTEP rate of 0.5%, agri items such as tomatoes and onions will get benefits at 4% rate. Textile items such as saree and shirting fabrics will get the highest benefit at 4.3% of export value. The government separately notified Rebate of State and Central Levies and Taxes (RoSCTL) Scheme for garment exporters. Both RoDTEP and RoSCTL will remain in effect for three years till March 2024. Both the schemes together will cost the government ₹19,400 crore for FY22. Government has budgeted ₹13,000 crore for both the schemes in FY22 budget announced in February.

The scheme's rates are much lower than MEIS rates with lesser budget allocation. Engineering Export Promotion Council of India chairman Mahesh Desai said while it is a relief that the RoDTEP rates have been announced, the rates have not taken into account the taxes embedded in their raw material like steel in the engineering products in a large number of cases. "RoDTEP rates, therefore, only partially compensate for the un-rebated taxes while a huge portion of the taxes on the raw-material stage will be exported abroad," he added.

An expert said the notification specifies that value capping per unit of export product may be prescribed if required and would operate under the overall budget ceiling. "The export industry would hope seamless transition into new scheme with equitable benefit," he added. According to existing rules, goods and services tax (GST) and customs duties for inputs required to manufacture export products are either exempted or refunded. However, certain duties are outside the ambit of GST, and are not refunded to exporters, such as value-added tax on transportation fuel, mandi tax and duty on electricity for manufacturing.

RoDTEP has created a mechanism to reimburse such central, state and local taxes, which are not being refunded under any other scheme. The refund would be credited to an exporter's ledger account with the customs and will be used to pay basic customs duty on imported goods. The credits can also be transferred to other importers. The rebate will have to be claimed as a percentage of the Freight on Board value of exports. A monitoring and audit mechanism, with an information technology-based risk management system has been put place in to physically verify the records of the exporters.

RoDTEP is based on the principle that taxes and levies borne on exported products must either be exempted or remitted to exporters. The new scheme is not like the MEIS, which was an export incentive scheme, and is considered to be in violation of multilateral trade rules and has been challenged by the US at the World Trade Organization.

Mint, August 18, 2021

7. Ubharte Sitaare Fund: Rs 250-crore export-oriented fund for MSMEs launched

Union finance minister Nirmala Sitharaman launched the Ubharte Sitaare Fund (USF) for export-oriented small and mid-sized companies and startups in Lucknow. Sitharaman had announced the fund in her Budget speech in 2020 in the backdrop of constraints faced by small and mid-sized companies in realising their export ambitions, stating that micro, small and medium enterprises (MSMEs) were important to keep the "wheels of the economy moving". The fund, jointly sponsored by Exim Bank and SIDBI, has a size of Rs 250 crore with a green shoe option of Rs 250 crore. The fund will invest by way of equity, and equity-like products, in export-oriented units, both in the manufacturing and services sectors.

Stating that the ambitious programme was to support the champion sectors, she said some developed countries like Germany have already tried this by identifying, supporting and hand-holding the champion sectors and giving them necessary technology and fund infusion. Ubharte Sitaare largely follows the same principal, she said, adding that induction of tech will itself bring a big difference to the small and medium units.

"A project that was tailormade for MSMEs to identify champions among them and also support them now also gets the additional benefit of UP's one-district-one-product (OPOD) programme. UP has already completed the identification process of every product in every district, and also the champions in the state. So UP justifies the launch of Ubharte Sitaare programme," she said, adding that this will help Sidbi to extend the credit and technology facility and boost capacity to go to the market to raise funds.

The FM highlighted the efforts taken by the government to provide a boost to the MSME sector in the country, including the launch of the production-linked incentive scheme and noted that the USF would make investments in export-oriented small and mid-sized companies by way of equity and equity-like products, and thereby help script a new paradigm of growth in exports. The initiative would play a catalytic role in contributing to the growth of the identified companies and would also have downstream benefits such as growth and diversification of India's exports, impetus to brand India, and employment generation.

Harsha Bangari, deputy managing director, India Exim Bank, said India Exim Bank has developed a robust pipeline of over 100 potential proposals and supported several companies across a diverse range of sectors. SIDBI chairman & manging director Sivasubramanian Ramann highlighted several initiatives that have been taken in the recent past for the benefit of MSMEs in the country, more so in the state of Uttar Pradesh.

Financial Express, August 22, 2021

8. **MSMEs can now access 9,000 factors to monetise their pending bills: Sitharaman**

Finance minister Nirmala Sitharaman said the recently enacted factoring regulations have raised the number of factors from nine to 9,000 as micro, small and medium enterprises (MSMEs) can now approach several non-banking financial companies (NBFCs) to monetise their pending receivables. Referring to the Factoring Regulation (Amendment) Bill that was passed in the monsoon session of Parliament, Sitharaman said the legislation aimed to benefit several MSMEs supplying goods and services to large companies and wait for months to get payments.

Hindustan Times, August 22, 2021

9. **PSBs to push co-lending with NBFCs, digital, agri financing under Ease 4.0 Index**

Co-lending with non-banking firms, digital, agriculture financing, and technological resilience for 24x7 banking are expected to be part of Ease 4.0 Index, a reform agenda for 2021-22 for public sector banks, sources said. Launched in January 2018, Enhanced Access and Service Excellence (Ease) is the common reform agenda for all public sector banks (PSBs) aimed at institutionalising clean and smart banking. Ease 4.0 reforms agenda for financial year 2021-22 is likely to be unveiled by Finance Minister Nirmala Sitharaman, sources said.

She is expected to declare the results of Ease 3.0 Index for 2020-21, they said, adding that PSBs would be rated on various indexes for the year. Sources said, this year PSBs will focus on introducing and promoting new analytics-based offers to existing retail customers like pre-approved car loans, EMI offers on e-commerce purchases and also for existing MSME customers. Such offers will be based on bank transactions, income tax and GST returns, transactions on e-commerce portals, and other operational data, they added.

As per the proposed reform agenda, banks will leverage partnerships with third parties, including agritech firms and strive to automate processing and sanction of agricultural loans based on field visit, borrower interaction, and risk assessment in states with digitised land records. Under the co-lending model with non-banking finance companies, banks will take 80 per cent exposure, while NBFCs will provide customer service and grievance redressal.

The Finance Minister is scheduled to meet heads of PSBs to review financial performance of the lenders and progress made by them to support the economy battered by COVID-19 pandemic. Given the importance of the banking sector in generating demand and boosting consumption, sources said the meeting with MDs and CEOs of PSBs is considered important. The Finance Minister is going to review progress made by banks to promote schemes including Emergency Credit Line Guarantee Scheme (ECLGS) and PM Street Vendor's AatmaNirbhar Nidhi (PM SVANidhi) unveiled by the government under series of stimulus packages since March last year.

Mint, August 23, 2021

10.Export credit: Key interest subsidy scheme to be extended

The government is considering a proposal to extend the validity of the interest equalisation scheme for exporters by 2-3 years from the September 30 deadline, a senior official told. Any such move will lend predictability to the policy regime and continue to support Covid-hit exporters with cheaper credit at a time when they are striving to reap benefits of a resurgence in global demand for merchandise.

Under the scheme, large manufacturing and merchant exporters get an interest subsidy of 3% on pre-and post-shipment rupee credit for the outbound shipment of 416 products (tariff lines). However, manufacturing MSMEs get a 5% subsidy on such credit to ship out any product. The government has budgeted Rs 1,900 crore for the scheme for FY22, compared with Rs 1,600 crore (revised estimate) for FY21. “The commerce ministry is in talks with the finance ministry on this issue. A Cabinet note will be floated very soon,” the official said. However, the government may reduce the subvention rates to suit current realities, given that interest rates have declined substantially from the levels when the scheme was rolled out.

The scheme, introduced in 2015, was initially valid up to March 2020. Its validity was then extended periodically, along with that of the foreign trade policy, up to September 2021. The scheme has been an effective instrument for exporters, especially the small ones, struggling to cope with a cash crunch in the aftermath of the Covid-19 outbreak. Having witnessed a 7% year-on-year drop in FY21, the country’s goods exports have staged a rebound this fiscal. Exports in the first four months of this fiscal rose to $130.8 billion, recording a jump of 75% year on year and 22% from the pre-pandemic level (same period in 2019), as orders from key western markets poured in and global commodity prices remained elevated.

Of course, export growth was subdued even before the pandemic – outbound shipments rose about 9% in 2018-19 but again shrank by 5% in 2019-20. So only a sustained uptick over the next 2-3 years would help recapture the lost heights. Sustained credit push will help exporters benefit from a rise in external demand. However, inadequate credit flow to exporters has been a nagging issue for the past three years before the recent pick-up. Export credit under the priority sector grew 18.3% as of June 19 from a year before, driven by a favourable base and growing demand in light of the latest surge in exports.

The International Monetary Fund revised up its predictions of global trade volume growth by a sharp 130 basis points for 2021 to 9.7% and 50 basis points for 2022 to 7%. India is set to benefit from the expected rise in global trade prospects once its supply side gains traction. The government has already set an ambitious merchandise export target of $400 billion for FY22, against $291 billion last fiscal. Keeping up the flow of cheaper credit remains critical to materialising the target.

Financial Express, August 23, 2021

11.Rs 524 crore to build infra for MSMEs in four TN districts

The Small Industries Development Bank (SIDBI) will provide Rs 524 crore to Tamil Nadu government for the welfare of micro, small, and medium enterprises (MSMEs) in the State. The fund would be utilised for providing basic infrastructure like water and housing facilities for industries in Krishnagiri, Kancheepuram, Coimbatore, and Thoothukudi districts, as per a government communique.

A letter-of-consent was issued by SIDBI chairman and managing director, Sivasubramanian Raman in the presence of Chief Minister M K Stalin in the Assembly. “Thrust shall be given to clusters in sectors or sub-sectors that directly benefit MSMEs in the State and bring them to a level wherein they emerge vibrant, higher on the value chain, and become sustainable.

SIDBI shall also examine supporting soft-infrastructure issues in select clusters relating to technology, skilling or upskilling, energy efficiency, market, and credit connect. A pilot has been launched in Ambattur leather cluster,” Raman said in a statement. The project-specific moderately priced loan assistance under SIDBI Cluster Development Fund (SCDF) will be extended to the State government for upgrading MSME clusters and for developing new industrial infrastructure in Tamil Nadu.

SCDF has been setup with the support of RBI to support the hard infrastructure facilities in clusters across India. The fund is envisaged to support setting up, upgrading, and renovating MSME infrastructure in areas other than agriculture.

The New Indian Express, August 27, 2021