

UP govt may fund sick MSME units to prepare their revival plan

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Lucknow: UP government is likely to float a new scheme under which it will financially help sick MSME units prepare a revival plan.

In a budget discussion with the Lucknow Management Association on Tuesday, additional chief secretary (MSME) Navneet Sehgal said that many of the sick MSME units in the state were in such a state that they did not even have funds to prepare a detailed project report for their revival. "To help out these units, the state is considering a proposal to pay for hiring consultants to prepare their revival plans," he said. Sehgal said that the 2021-22 budget, presented on Monday, had a strong focus on infrastructure development and generation of employment, especially for women. "We have covered every segment with schemes that will provide ease of living. This can be achieved by creating infrastructure like irrigation facilities, piped water supply etc," he said.

During the discussion, LMA member Arvind Mohan praised the budget for its significant thrust on infrastructure. Almost doubling the capital expenditure, he said, worked to create an opportunity for allowing transition to growth after the impact of the Covid-19 pandemic on the economy. Mohan said that the participation of women in UP's economy is about 17% which the state should try and improve and is already addressing it through schemes launched in the budget. "Another aspect that we could look at is creation of cold chains and storage infrastructure. A lot of grain is being wasted due to lack of proper storage facilities," he suggested.

Another member Rajat Mehra said that this was possibly the "boldest budget" of the government till now. "Any other government would have been forced into a corner due to the increase in borrowing and shrinkage in revenue after the pandemic but this government has been audacious in this budget. Realising that private investment may not be coming in, the government has sharply increased expenditure and this will definitely propel the economy," he said.

Mehra added that the only disappointing bit about the budget was the lack of any funds or planning for improvement of infrastructure in industrial states. He also added that a relief in fuel and power rates, especially for small business units, would have not made a significant dent in the government's earning but would have gone a long way in helping micro and small businesses.