

FM Nirmala Sitharaman launches new fund for MSMEs

Synopsis

The fund, co-sponsored by Exim Bank and Sidbi, was formed as per a 2020 union budget announcement but its launch was delayed due to Covid-19 and ensuing lockdowns over the last and current year.



UP's ODOP scheme to aid in identification of "champion sectors" among MSMEs.

Uttar Pradesh's 'One District One Product' (ODOP) programme will aid in effective identification of "champion sectors" amongst **MSMEs** under the 'Ubharte Sitaare Fund', union finance minister **Nirmala Sitharaman** said on Saturday as she launched the "ambitious" alternate investment fund for MSMEs in the state capital.

The fund, co-sponsored by **Exim Bank** and **Sidbi**, was formed as per a 2020 union budget announcement but its launch was delayed due to **Covid-19** and ensuing lockdowns over the last and current year. With a corpus of Rs 250 crore with a green shoe option of Rs 250 crore, the fund will look at investing in certain identified MSMEs by way of equity and equity-like products to boost presence of such enterprises in the export market.

"Some developed countries like Germany have tried this where they have identified champion sectors and tried to support and handhold them, give them the necessary technology and fund infusion which made a league of a difference for many of these champion sectors. For Ubharte Sitaare, largely the principle is being followed similarly," said Sitharaman.

She said UP, which has the highest number of MSMEs in the country has facilitated the identification of such "champion" sectors already through its ODOP programme that aims to encourage district-wise specialised products, some which are also GI-tagged, through credit support and marketing assistance.

In the absence of such a programme, the identification of these sectors for Sidbi and Exim officials would have been "discretionary" and "painful", the FM said, saying this is why the state justified the launch of the fund.

Sitharaman also attended a programme held to mark the transfer of Rs 5,100 crore securitisation loan by the Punjab National Bank for the Ganga Expressway, which is the second-longest expressway coming up in the northern Indian state. "That, which had to be done in the last six decades is being attempted to be completed within 4-5 years requires extraordinary commitment and effort which the CM is showing," the FM said, talking about the pace of infrastructure creation under the Yogi government in UP.

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ONE ALSO MADE A CALLED REVELATION ABOUT HOW SHE WAS RESISTANT ABOUT THE defence corridor being brought up in UP, considering it is not best known for its industrial climate, but was "proud" of the work the CM had carried out in the project.

The FM also expressed her contentment with a public sector bank like PNB coming forward to fund the project in part, saying while public sector banks are known to be "riskaverse" due to being held accountable to various agencies, it is due to the PM's singular effort, that there is no interference in the functioning of the banks in the last 3-4 years.