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Small Biz › SME › ECLGS extension a plus in Budget, but interest subvention, lack of opportunity in PLI are big misses

ECLGS extension a plus in Budget, but interest subvention, lack of opportunity in PLI are big misses

Vijay Kalantri, Chairman of MVIRDC World Trade Center Mumbai, welcomes the increase in allocation for ECLGS to provide fresh loans to MSMEs. He, however, adds that only borrowers with a sound repayment record could access fresh funds under this scheme. "MSMEs who are struggling to repay loans because of poor economic conditions are unable to benefit from this scheme. Therefore, the government could provide incentives such as subsidies on raw material cost, temporary waiver of dues such as electricity charges, rent, lower interest cost etc. to MSMEs," he adds

Pradeep S Mehta, Secretary General of CUTS International highlighted that while steps to support the rural economy and MSMEs are in the right direction, the budget should also have focused on addressing existing inefficiencies. "For instance, MSMEs have largely been excluded from the production linked incentive schemes and face significant barriers in availing benefits directed to them. The budget proposes to leverage the potential of data and technology across pillars, to reduce information asymmetry, foster

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Engineering sector to benefit as low customs duty on steel scrap to help MSMEs extended: MVIRDC World Trade Center



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New Delhi, Feb 2 (KNN) The continuation of low customs duty on steel scrap will ensure cheap availability of raw material for MSMEs, especially in the engineering sector, said Dr. Vijay Kalantri Chairman, MVIRDC World Trade Center Mumbai commenting on the union budget 2022-23.

Showing appreciation for the increase in allocation for the ECLGS, he pointed out a bottleneck that only borrowers with a sound repayment record could access fresh funds under this scheme.

"MSMEs who are struggling to repay loans because of poor economic conditions are unable to benefit from this scheme. Therefore, the government could provide incentives such as subsidies on raw material cost, temporary waiver of dues such as electricity charges, rent, loan interest cost etc. to MSMEs," he added.

MVIRDC World Trade Center Mumbai called the union budget a revolutionary budget with thrust on futuristic sectors such as circular economy, green energy, digital banking and digital currency.

"The government has rightly allocated the increase in tax revenues to the much needed infrastructure sector, with special focus on transportation and transferring more resources to state governments," he stated.