

# FDI can be explored in NBFCs to strengthen them for extending support to MSMEs- Shri Nitin Gadkari

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Shri Nitin Gadkari, Union Minister for MSME and Road Transport and Highways today held meetings via video conferencing with the representatives of Council of Leather Export, FICCI- 'NBFC Program' and IMC Chamber of Commerce and Industry on impact of COVID-19 on MSMEs.

During the interaction, the Minister mentioned that for providing much needed impetus to the MSME sector to deal with the current economic instability the government has announced Special Economic Package: Aatmanirbhar Bharat Abhiyan. He further explained the various support measures which have been announced for MSMEs including changes in definition of MSMEs to provide the required support to the sector. He has added that definition of medium enterprises has been further revised by increasing the investment and turnover limit basis inputs from related stakeholders.

Addressing the representatives of Council of Leather Export, the Minister mentioned that the proposal for establishing leather cluster nearby to Agra Ring Road may be submitted. These industrial clusters may develop smart cities, smart villages and other infrastructure to help the people working in leather sector of Agra. He added that the permission from Ministry of Aviation may be explored for using private airline for the purpose of sending export products.

Shri Gadkari said that the need of the hour is to fight the war against COVID-19 pandemic while continuing the economic activity. The Minister further mentioned that the pandemic can be a blessing in disguise, and we need to utilize this opportunity. He emphasized on usage of PPE (masks, sanitizer etc.) and advised to maintain social distancing norms.

He mentioned that special focus is required to reduce imports from other countries. He added that Ministry of MSME is working on two booklets to cover details about last three year's export and import.

The Minister opined that strengthening of NBFCs, state cooperative banks, district cooperative banks, credit societies etc is required to extend support to MSMEs during this challenging time. Further, FDI can be explored in NBFCs to strengthen them, which will lead towards greater support to MSMEs.

Some of the questions asked and the suggestions given included: Including traders as MSMEs, inclusion of Medium enterprises in the M/o MSME order dated 02.11.2018 related to timeline of 45 days for payment to MSMEs, incorporating digital KYCs in case of NBFCs, push required from RBI to change master KYC notification encouraging use of contact list KYC, including cotton spinning in the eligibility list of Interest Subvention Scheme, permission for cargo flight in Kanpur, reducing imports and utilizing domestic capacity, need of labour reforms to bring change in MSME sector, etc.

Shri Gadkari responded to the questions from representatives and requested for sending suggestions and assured all the help from the government.

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