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Thanks to red tape, MSMEs & SMEs unable to expand

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INDORE: Micro, small & medium enterprises (MSMEs) and small & medium enterprises (SMEs) are suffering from red-tapism in state. Lack of credit finance, high interest rate and poor credit rating are some of the other challenges being faced by them.


While talking to TOI on the sidelines of MP industry & SME summit which was held by SME Chamber of India here on Wednesday, director of a city-based pharma firm, Dr Darshan Kataria shared his experience, "I had applied for a subsidy scheme under credit linked capital subsidy scheme (CLCSS) in 2009 through the state-owned lender SIDBI for capital subsidy to the tune of Rs 15 lakh as we wanted to undertake technical upgradata of our firm. When I approached them a few years later, their curt reply was that they have not received any such application from me. When I furnished the proof of my application, they started telling me that the time had already lapsed for the scheme. I met the regional director of RBI a couple of times in this connection, but with no luck," said Dr Kataria. Dr Kataria is not the only victim. Managing director of a city-based information technology firm Juncture Technologies,

Ruchi Singh is ambitiously trying to expand her business. "However, I'm unable to do so due to lack of funds and other problems," she said.

Indore is far ahead of Surat, when it comes to investments in fixed deposit. However, it was lagging behind Surat in terms of investment in mutual funds. Lack of awareness among investors about the importance of putting their money in mutual fund is a deterrent, said an official of Edelweiss, which has adopted the district for creating awareness on these lines.

For a local entrepreneur, Umang Shah, costly land has made it difficult for setting up an industry. A Dubai-based entrepreneur, Mustafa Taher Ali said that he was looking for opportunities in India to invest funds to the tune of Rs 2,000 crore. "But I'm unable to find out in which SME I should be investing." President of Association of Industries MP (AIMP), Hemant Mehtani said, "The role of government officials should be to act as facilitators rather than dictators."

Assistant general manager at Exim Bank Nirmal Vaid said, "We've recently launched a scheme, technologies and innovation & infra development for financing SMEs. We can go for direct finance in foreign currencies for export-oriented SMEs."

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