

## **TEXPROCIL**

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### **TEXPROCIL welcomes Package for the MSME sector**

The Hon'ble Prime Minister, Shri Narendra Modi announced a MSME support programme today to revive the sector. 12 new programmes have been announced. Interest subvention on pre-shipment and post –shipment finance for exports by MSMEs has been increased from 3% to 5%.

Welcoming the announcement, Shri Ujwal Lahoti, Chairman of The Cotton Textiles Export Promotion Council (TEXPROCIL) said, “These measures will provide a much needed support and encouragement to the MSME sector which contributes significantly to the textiles exports”.

Under the package, GST-registered MSMEs will get 2% interest rebate on incremental loan upto Rs. One Crore. A web portal has been launched through which MSMEs can avail of loans up to Rs. One Crore.

The portal will enable principal approval of loans up to Rs 1 crore for MSMEs from Small Industries Development Bank of India (SIDBI) and 5 Public Sector Banks (PSBs) - State Bank of India, Bank of Baroda, Punjab National Bank, Vijaya Bank and Indian Bank.

The MSME sector accounts for about 45% of manufacturing output and around 40% of the total exports. One of the problems being faced by the MSMEs is in getting bank finances.

The announcements has certainly come as a huge relief for the MSME sector as majority of them being in the informal sector find it extremely difficult to raise funds for their business activities as credit appraisal is a major challenge”, according to the Chairman, TEXPROCIL .