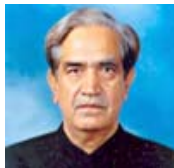


The Hon'ble Union Minister of State for Finance, Shri Namo Narain Meena delivered a Speech at the National Awards Function held at Scope Convention Centre, Scope Complex, Lodhi Road, New Delhi on February 15, 2013. The function was organized by the Council of State Industrial Development and Investment Corporations of India (COSIDICI) to give COSIDICI' National Awards 2013 to "Outstanding Entrepreneurs" financed by SLFIs to their respective field. Following is the text of the Speech of Shri Meena Ji, MOS (Finance) made on the occasion:



“It gives me great pleasure to present the **Council of State Industrial Development and Investment Corporations of India (COSIDICI)** Excellence Awards to Entrepreneurs and units in the MSME Sector. At the outset, I would like to congratulate all the award winners for their achievements. These awards promote the spirit of competition amongst entrepreneurs and recognize their distinct role in socio-economic development. I also congratulate COSIDICI for instituting these awards. I am sure that these awards would inspire other entrepreneurs to perform even better in the days ahead.

The history of State Level Financial Institutions comprising **State Financial Corporations (SFCs) and State Industrial Development Corporations (SIDCs)** is more than four decades old. These were set up with the prime objective of financing and promoting small and medium enterprises for achieving balanced regional growth, catalyzing investment, generating employment and widening the ownership base of industry by fostering entrepreneurship. The State Level Financial Institutions have helped decentralise economic development and have created employment opportunities by assisting artisans, crafts persons, MSE units and most importantly, the first generation entrepreneurs. This has helped in entrepreneurial development, employment generation and balanced regional development across the country.

The COSIDICI established in 1976, has been playing a creditable role and has produced the desired impact on the growth of this sector. It has been acting as a clearing house for sharing of experiences by member corporations across states, disseminating information of common interest among them and providing them with a common platform for development of the MSME sector.

World over, the Micro Small and Medium Enterprises have been recognized as engines of economic growth. The role of MSMEs in the economic and social development of our country is well established. The MSME sector is a nursery of entrepreneurship, often driven by individual creativity and innovation. Thus, MSMEs are important for the national objectives of growth with equity and inclusion. The MSME sector contributes about 9 per cent of the country's GDP, 45 per cent of the manufactured output and 40 per cent of its exports. The MSMEs provide employment to over 60 million persons through more than 26 million enterprises with a lower labour to capital ratio. The overall growth in the MSME sector has been much higher than in the large industries over the last five years. Although Indian MSMEs are a bedrock for innovation and despite being a diverse and heterogeneous group they face some common challenges with regard to access to institutional credit, collateral requirements, equity capital, etc.

In furtherance of the objective of augmenting the flow of institutional credit to MSMEs, the Government of India has initiated several measures to provide relief and stability to MSMEs, especially in the aftermath of the recent economic downturn. The thrust of the government has been to create an overall enabling environment using appropriate legal and fiscal instruments, to incentivize the transition of MSMEs from the unorganized to the organized sector as well as for their corporatization as entities. It has also initiated steps to encourage higher investments for innovative and knowledge based ventures as well as for research and development through greater partnership between the industry and academic institutions.

The promulgation of the Micro, Small and Medium Enterprises Development Act, 2006 to provide an enabling environment for development of the MSMEs in the country was one of the major policy initiative. Further, a Task Force under the chairmanship of the Principal Secretary to Prime Minister was constituted to address the issues of the MSME sector. The Task Force has made several recommendations which are at various stages of implementation. A Public Procurement Policy for MSMEs has been devised. The policy sets a goal for government departments and PSUs to reach, over a stipulated period, a target of at least 20% of their annual volume of purchases from micro and small enterprises (MSEs). A dedicated portal, to address the needs of budding entrepreneurs, new entrepreneurs as well as existing MSMEs by providing all necessary information under single platform for setting up of MSME enterprises has been developed.

Specialized branches of banks, named **Small-B** branches have been opened for benefit of first generation entrepreneurs who possess limited knowledge on finance related issues. The **Small-B** branches have been conceptualized to extend venture debt to angel invested entrepreneurs. These would be exclusive branches dealing with such financing and would not be handling normal banking transactions. A venture capital fund for Rs.5,000 crore has also been established which will be a fund of funds. SME exchanges dedicated for trading the shares of small and medium scale enterprises (SMEs) who, otherwise, find it difficult to get listed in the main exchanges have been launched. A comprehensive policy for nursing and rehabilitation of sick MSME units and more particularly to prevent sickness has been devised.

State Level Financial Institutions are undoubtedly the most suitable institutions at the grass-root level to dispense credit to the decentralized sector in the rural, semi-urban and backward regions of the States and have immense potential for accomplishing the national objective of decentralized economic development and ensuring inclusive growth.

I once again congratulate **COSIDICI** for instituting these awards and I am confident that down the years these awards will be looked upon as a benchmark of excellence in the MSME Sector”.

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