

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 4860
TO BE ANSWERED ON 26/03/2018

ESTABLISHMENT OF FIIF FOR MSMEs

4860. SHRI ANTO ANTONY:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Committee on MSME Policy in its report has recommended for the establishment of a financial institution and an Innovation Fund for supporting the MSME sector in the country;
- (b) if so, the details thereof and the response of the Government thereto; and
- (c) the steps taken by the Government in this regard so far ?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE)
FOR MICRO, SMALL & MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): Yes, Madam.

(b) & (c): The Committee on MSME policy in its Report has recommended the establishment of MSME-centric Non Banking Finance Companies to serve MSME customers primarily to finance their receivables and book debts. The Reserve Bank of India has already launched the Trade Receivables Discounting System, a digital platform where MSMEs can get access to capital by auctioning their trade receivables.

The Committee also suggested that an MSME Innovation Fund with initial corpus size of Rs. 1000 crore be set up to provide financial incentive for development of innovative ideas and improvement in processes and techniques.

The Government encourages innovation in the MSME sector through schemes and programmes like Lean Manufacturing Scheme, SME incubator scheme, ZED certification scheme and a Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE) etc.
