

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 281
TO BE ANSWERED ON 03.02.2022

FINANCIAL ASSISTANCE TO MSMEs DURING COVID

281. SHRI RAJENDRA DHEDYA GAVIT:
DR. SHRIKANT EKNATH SHINDE:
SHRI UNMESH BHAIYYASAHEB PATIL:
SHRIMATI APARUPA PODDAR:
DR. HEENA GAVIT:
DR. KRISHNA PAL SINGH YADAV:
DR. SUJAY RADHAKRISHNA VIKHE PATIL:

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

- (a) whether it is a fact that the Government has taken a decision to infuse 50,000 crore into Micro, Small and Medium Enterprises (MSMEs) in these COVID-19 times as equity through fund of funds;
- (b) if so, highlights thereof and number of MSMEs likely to be benefited;
- (c) the extent to which this has helped in expansion and increase in capacity of MSMEs; and
- (d) the amount of funds infused under the above fund so far and number of MSMEs benefited out of it, State-wise?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NARAYAN RANE)

- (a): The Government of India has launched Self Reliant India (SRI) Fund, a fund of funds which aims to extend growth funding to MSMEs.
- (b): The highlights of SRI Fund are as under:
 - To provide funding support to Daughter Funds for onward provision as growth capital through equity, quasi-equity and debt (as permitted under relevant SEBI guidelines).
 - To support faster growth of MSMEs and thereby ignite the economy and create employment opportunities.
 - To support MSMEs to graduate beyond the MSME bracket and become National/International Champions.
 - To support MSMEs which help making India self-reliant by producing relevant technologies, goods and services.
 - Daughter Funds which are interested in investing in MSMEs shall be empanelled.
 - 20% of the funds invested in MSMEs shall be provided by SRI Fund.
 - MSMEs as per the definition given in the MSMED Act shall be eligible provided, after assessment, they are found viable, have a positive growth trajectory, and have a defined business plan for growth. Previous 3 years CAGR will be considered.
 - Non Profit institutions, NBFCs, financial inclusion sector, micro credit sector and other financial intermediaries shall not be eligible for consideration.

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Assuming an average investment of Rs. 10.00 Crore per MSMEs, approximately 5000 MSME are likely to be benefited.

(c): The financial support under this scheme intends to increase the financial capacity of viable MSMEs for growth to expand their business and become National/International Champions.

(d): The scheme is being implemented by a special purpose vehicle named “NSIC Venture Capital Fund Limited”. As informed by NSIC Venture Capital Fund Limited, a Commitment of Rs.1,080 crore has been approved so far.
