

Ministry to give Incentive on VC funding for MSMEs

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The Ministry of MSME has been facilitating venture capital / risk capital assistance to micro, small and medium enterprises (MSMEs) by way of creation of separate funds for the purpose. Small Industries Development Bank of India (SIDBI)'s wholly owned subsidiary, 'SIDBI Venture Capital Ltd. (SVCL)' provides venture capital assistance to MSMEs under two funds - an exclusive Information Technology (IT) fund and an SME Growth Fund.

In addition, Technology Information, Forecasting and Assessment Council (TIFAC) under the Ministry of Science and Technology along with SIDBI have set up TIFAC-SIDBI Revolving Fund for Technology Innovation to provide venture capital (VC) assistance for demonstrating and scaling up of technology innovations by first generation entrepreneurs or existing MSMEs. SIDBI also provides VC assistance to MSMEs by way of contributions to the corpus of various VC funds. In order to provide risk capital support to MSMEs, the Government has created a 'Risk Capital Fund' with SIDBI under which risk capital assistance is provided to MSMEs.

The Ministry is implementing various schemes / programmes for the promotion and development of MSMEs and enhancing their competitiveness. The major schemes include Credit Guarantee Scheme, Credit Linked Capital Subsidy Scheme, Performance and Credit Rating Scheme, Cluster Development Programme and National Manufacturing Competitiveness Programme.

This information was given by the Union Cabinet Minister of Micro Small and Medium Enterprises, Shri Virbhadra Singh in a written reply to a question in the Rajya Sabha , yesterday.