

CHAMBER OF SMALL INDUSTRY ASSOCIATIONS

Member, National Board for MSMEs [2010-2012]

ESTD.YEAR 1990

Silver Jubilee Year

REGD.NO.11-67185

COSIA/030/12/14/083

3rd Dec. 2014

Shri. B.H. Anil Kumar,
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Ministry of MSMEs,
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Namaskar,

Subject:- Suggestions on Draft Scheme of Fund for Promoting Innovation, Entrepreneurship and Agro Industry.

The Chamber of Small Industry Associations [COSIA], celebrating its Silver Jubilee Year, is a National Chamber of MSMEs. The Draft Scheme of Fund for Promoting Innovation, Entrepreneurship & Agro Industry has been discussed amongst the Office Bearers of COSIA and has welcomed the initiative of Ministry of MSMEs in this respect. We would like to make following suggestions on it.

- 1. Objectives:-** It has been mentioned that the main objective is to create new job, reduced unemployment and promote entrepreneurship culture in India. We are of the opinion that the main objective of the said fund has been clearly expressed by the Finance Minister in his speech and that is to promote 'Innovation, Entrepreneurship & Agro Industry'. We suggest that there should not be departure from the said main objective. All other objectives will be subsidiary or secondary, we feel.
- 2. Programme Components:-** It has been suggested to create a frame work of Start-up promotion through SIDBI. We suggest that alongwith SIDBI all the public banks may also be involved as there is a binding on them to provide finance under priority sector which includes Start-up promotion also.
- 3. Livelihood Incubation Centres:-** We welcome the involvement of MSME Associations for setting up the Incubation Centres and suggest that the MSME Associations which are and were members of National Board for MSMEs since its establishment may be involved in setting up such centers.
- 4. Period of Incubation:-** The period of Incubation may be upto 15 months maximum.

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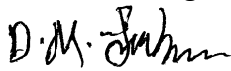
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5. **Funding pattern for partner institutions:-** We suggest that the partner institutions be provide Rs. 5 lakhs per innovative idea selected for further development and Rs. 5 lakhs for its commercialization. We also suggest that the Patent/ IP, if any, should be with the partner Institutions.
6. **Governing Council:-** We suggest that the MSME Associations either on the National Board or on the Advisory Committee under the MSMED Act, may also be co-opted on the Governing Council.
7. **Funding Pattern:-** To our opinion the funds suggested for item Capacity Building and Engagement of Consultants and that for administrative cost are at higher side. For Capacity Building and Engagement of Consultants the funds may be restricted to Rs. 10 crores only. Similarly, the administrative cost may be limited to Rs. 8 Crores only. More funds be earmarked for Start-Ups. Therefore, we suggest funding pattern as below:

Sr. No.	Item	Amount (Rs in Crore)
1	Creation, updation and maintenance of database of the Technology Centre network.	2
2	Capacity Building including Exposure Visits and Engagement of Consultants	10
3	Fund of Funds for Start-Ups to be managed by SIDBI	75
4	Fund for setting up of Incubation Centers by NSIC	40
5	Fund for setting up of Technology Incubation Centre by Partner Institutions	65
6	Administrative cost [@10% of the items under (4) & (5) above]	8
7	Total	200

Kindly consider above suggestions before finalizing the scheme. Please acknowledge the receipt of this letter.

Thanking you,
With warm regards,



Dilip Salvekar,
Secretary General