

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:4130

ANSWERED ON:15.12.2009

NATIONAL FUND FOR UNORGANISED SECTOR

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

- (a) whether the National Commission for Enterprises has recommended for creation of a National Fund and Development Bank for the unorganised sector;
- (b) if so, the reaction of the Government in this regard; and
- (c) the time by which separate fund for the unorganised sector is likely to be created?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a) to (c) The National Commission for Enterprises in the Unorganised Sector (NCEUS) in its report on 'Financing of Enterprises in the Unorganised Sector' had proposed the creation of a National Fund for the Unorganised Sector (NAFUS). In this regard the Small Industries Development Bank of India (SIDBI) has set up a Special Cell for providing re-finance to banks for further on-lending to micro/ unorganised sector. Up to 1st December 2009, SIDBI has disbursed Rs 1500 crore to 10 banks for on-lending to micro/ unorganised enterprises. Further, it has been decided that the operations of Special Cell may be monitored by an Advisory Group comprising members from Ministry of MSME, Department of Financial Services and other concerned departments/agencies. An evaluation of this arrangement may be done after a year to review its effectiveness and a separate body for this purpose may be considered if this mechanism is not found appropriate.