

Government mulls innovation fund to boost R&D in micro, small & medium enterprises: Kalraj Mishra

2-day Global R&D Summit 2014 gets under way

NEW DELHI, November 12, 2014. The government proposes to launch an innovation fund exclusively for Micro, Small and Medium Enterprises (MSMEs) to encourage and promote new knowledge-driven ventures and programs. This would help in fostering entrepreneurship in rural areas, amongst women, and SC/STs. The fund would also cover activities of the khadi, village and coir sectors.

This was stated here today by **Shri Kalraj Mishra, Minister of Micro, Small & Medium Enterprises, Government of India**, while inaugurating the two-day **'Global R&D Summit 2014'** on the theme **'Next Gen Innovations through Interdisciplinary Research'**. The summit is being organized by FICCI in association with the Department of Science & Technology, Government of India.

Shri Mishra said that the new Sfurti scheme launched by his ministry has helped in providing start-up funds for small and new ventures. This was in keeping with the government's desire to promote innovation in industry and make India a global R&D hub in the coming years.

The minister said that the 15 new technological research centers for high end research to be set up with the help of the World Bank will devise new production techniques and push India's products in the world market. They will also make India an ideal destination of 'Make in India' policy launched by the new government.

Shri Mishra said that engineers involved in the MSME sector greatly assisted in the Mangalayan spaceship project which has done our country immense proud. He said we are continuously working towards skill development by introducing and implementing biometric system. Not only in terms of technical advancement support but we are equally focusing on the social problems of our country by promoting women and SC/ST entrepreneurship, especially in the rural and tribal areas.

The MSME sector is the nursery of entrepreneurship and has been recognized worldwide as the engine of growth. The MSMEs also have a vital role in the dispersal of industries and generation of employment and opportunities. There is also a need to boost export in the every sector and we need to upgrade our R&D and Marketing strategy to make the MSME produce globally competitive and acceptable products.

The Minister said the micro, small & medium enterprises contribute nearly 8% of the country's GDP, 45% of the manufacturing output and 40% of the exports. They provide the largest share of employment after agriculture. They are the nurseries for entrepreneurship and innovation. He said the Ministry has a number of programs to help and assist the entrepreneurs and small businesses. National institute for Entrepreneur and small business development , national institute for micro, small and medium enterprises, Indian institute of entrepreneurship and the development commissioner all help in this direction. Ministry MSME encourages and honors innovation and enterprises.

He said FICCI, as an institution, has been very proactive in working with the government to develop policies that reflect this shift in the economy model and to be the voice of the industry in communicating its demand and expectations to the government. I have no doubts that India will be called the best knowledge hub of the globe and

with a proactive Government and a responsible industry.

On the occasion, the Minister felicitated the winners of FICCI R&D Awards. The awards were bagged by Defence Research and Development Laboratory (DRDL) of DRDO for developing the Aakash Missile Systems and Perfint Healthcare for designing Maxio, the flagship product of Perfint is a multifunctional, interactive robotic system specifically designed to allow clinicians visually plan, execute, and validate interventional procedures on a single system and is being used by radiologists around the world for biopsy, drug delivery.

Dr. (Ms.) Jyotsna Suri, President-elect, FICCI and Chairperson & Managing Director, Bharat Hotels Ltd., emphasized that India has to dedicate more funds and time to its Research & Development programs. The recent success of the Mars Orbiter Mission speaks volumes of the R&D capabilities and given appropriate funds it is capable of scaling up its innovative productivity.

Dr. Suri said that the government has to play a vital role in promoting the R&D potential in India. There are certain policies in place which unfortunately are bound by tedious regulations. There is also a lack of awareness of the government policies. Most entrepreneurs are unaware that the government provides a weighted tax deduction of 200% on expenditure other than land and building. Over the last 10 years, only a Rs. 1000 crore have been deducted. The government therefore must first simplify its policies and then via a massive campaign increase the awareness of its benefits to entrepreneurs across the country.

Mr. George Sibley, Counselor for Economic Affairs and Environment, Science and Technology, The U.S Embassy, India, stated that R&D is envisioning the new products that the market would need and innovate and develop such products. He said that the technological advancements have helped in averting mass destruction during floods and droughts as well. But the advancements has led to climate change and there was a need to re-double the efforts to prevent the environment from any more harm. There would be a demand for low cost renewables and technology that manages global warming better and this required a thrust in R&D.

Dr. Sarjerao Bhaurao Nimse, General President, Indian Science Congress Association, said that the scientific community needs to support the Prime Minister's ambitious vision of 'Make in India'. Earlier, not much importance was given to R&D but now the stress is on developing innovative technologies. There was an immediate need to invest in research to develop knowledge and this knowledge must be converted into patents so that the investment is able to generate revenue. Industry, he said, must support laboratories and fund the R&D programs.

Mr. Cornell Buckralee, Adviser to the Minister, Ministry of S&T, Trinidad & Tobago, said that investing in R&D and building intellectual capacity is must for fostering R&D. He added that his country was emphasizing on R&D, and was organizing science festivals, science week and science forums in the country to promote it adequately. To strengthen science and technology enhanced collaboration among stakeholders was needed.

Mr. S. Radhakrishnan, Outstanding Scientist, Directorate of Industry Interface, Defence Research and Development Organization (DRDO), Government of India, said that DRDO was working relentlessly towards developing technology that could be adopted and adapted both by the defence and civilian sectors. DRDO has come with many innovations for defence; one such was the bio-digester, which was a bio-toilet designed for defence personnel who were posted at places that lacked the basic necessity. However, after the successful completion of the project, it was realized that it was a viable option for rural India as well and was replicated in various parts of the

country.

Mr. A S Kiran Kumar, Distinguished Scientist, Indian Space Research Organization, said that in the last five decades, India made use of its indigenous talent and available resources to bring about developments that could address the problems of the country. He added that now with India making giant strides in science and technology such as the successful launch of the Mangalayan spaceship project, many countries such as the US are attracted to have joint missions with India.

The session moderator **Mr. Shalendra Porwal, Co-Chairman, FICCI S&T/Innovation Committee and Managing Director & CEO, Battelle Science and Technology India Pvt. Ltd,** urged the Minister to continue initiatives as the Innovation Fund as the R&D sector lacked finance and was in dire need large amount of investment.

While presenting the concluding remarks and vote of thanks, **Dr. Makarand Phadke, Chairman, FICCI National Committee on S&T/Innovation & Sr. VP-Innovations, Reliance Industries Ltd.,** said that it was time for convergence of diverse and inter-dependent ideas to develop novel products and services to further the technological advancement in the country.

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