FACTORING – A FINANCING RELIEF FOR MSME IN INDIA

KAVITA CHAVALI*; C.KISHAN RAO**

*Alliance University, Bangalore.
**Alliance University, Bangalore.

ABSTRACT

Factoring is one of the oldest forms of financing for companies. It has come a long way with the changes brought in by the recommendations made by Kalyan Sundaram Committee constituted by the Reserve Bank of India. In its present format, factoring is unable to be the most preferred solution for firms. The paper focuses on the conceptual framework, process and procedures and problems and the role of factoring as a financing option especially to Micro Small and Medium Enterprises (MSME). To bring in vibrancy in this financing option, there are amendments which are planned like abolition of stamp duty to make it an attractive financing option to entrepreneurs.