

UNIT-6 INSTITUTIONAL SUPPORT

NATIONAL SMALL INDUSTRIES CORPORATION (NSIC)

NSIC offers a package of assistance for the benefit of small-scale enterprises.

1. ***Single point registration:*** Registration under this scheme for participating in government and public sector undertaking tenders.
2. ***Information service:*** NSIC continuously gets updated with the latest specific information on business leads, technology and policy issues.
3. ***Raw material assistance:*** NSIC fulfils raw material requirements of small-scale industries and provides raw material on convenient and flexible terms.
4. ***Meeting credit needs of SSI:*** NSIC facilitate sanctions of term loan and working capital credit limit of small enterprise from banks.
5. ***Performance and credit rating:*** NSIC gives credit rating by international agencies subsidized for small enterprises up to 75% to get better credit terms from banks and export orders from foreign buyers.
6. ***Marketing assistance programme:*** NSIC participates in government tenders on behalf of small enterprises to procure orders for them.

SMALL INDUSTRIES DEVELOPMENT ORGANIZATION (SIDO)

SIDO is created for development of various small scale units in different areas. SIDO is a subordinate office of department of SSI and ARI. It is a nodal agency for identifying the needs of SSI units coordinating and monitoring the policies and programmes for promotion of the small industries. It undertakes various programmes of training, consultancy, evaluation for needs of SSI and development of industrial estates.

The activities of SIDO are divided into three categories as follows:

(a) *Coordination activities of SIDO:*

- (1) To coordinate various programmes and policies of various state governments pertaining to small industries.
- (2) To maintain relation with central industry ministry, planning commission, state level industries ministry and financial institutions.
- (3) Implement and coordinate in the development of industrial estates.

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(b) *Industrial development activities of SIDO:*

- (1) Develop import substitutions for components and products based on the data available for various volumes-wise and value-wise imports.
- (2) To give essential support and guidance for the development of ancillary units.
- (3) To provide guidance to SSI units in terms of costing market competition and to encourage them to participate in the government stores and purchase tenders.
- (4) To recommend the central government for reserving certain items to produce at SSI level only.

(c) *Management activities of SIDO:*

- (1) To provide training, development and consultancy services to SSI to develop their competitive strength.
- (2) To provide marketing assistance to various SSI units.
- (3) To assist SSI units in selection of plant and machinery, location, layout design and appropriate process.
- (4) To help them get updated in various information related to the small-scale industries activities.

- **SMALL INDUSTRIES SERVICE INSTITUTES (SISI)**

The small industries service institutes have been set up in state capitals and other places all over the country to provide consultancy and training to small entrepreneurs both existing and prospective.

The main functions of SISI include:

- (1) To serve as interface between central and state government.
- (2) To render technical support services.
- (3) To conduct entrepreneurship development programmes.
- (4) To initiate promotional programmes.

The SISIs also render assistance in the following areas:

- (1) Economic consultancy/information/EDP consultancy.
- (2) Trade and market information.
- (3) Project profiles.
- (4) State industrial potential surveys.
- (5) District industrial potential surveys.
- (6) Modernization and in plant studies.
- (7) Workshop facilities.
- (8) Training in various trade/activities.

STATE SMALL INDUSTRIES DEVELOPMENT CORPORATIONS(SSIDC)

(Karnataka State Small Industries Development Authority KSSIDC in Karnataka State)

The State Small Industries Development Corporations (SSIDC) were set up in various states under the companies' act 1956, as state government undertakings to cater to the primary developmental needs of the small tiny and village industries in the state/union territories under their jurisdiction. Incorporation under the companies act has provided SSIDCs with greater operational flexibility and wider scope for undertaking a variety of activities for the benefit of the small sector.

The important functions performed by the SSIDCs include:

- To procure and distribute scarce raw materials.
- To supply machinery on hire purchase system.
- To provide assistance for marketing of the products of small-scale industries.
- To construct industrial estates/sheds, providing allied infrastructure facilities and their maintenance.
- To extend seed capital assistance on behalf of the state government concerned provide management assistance to production units.

DISTRICT INDUSTRIES CENTERS (DIC)

The District Industries Centers (DIC's) programme was started in 1978 with a view to provide integrated administrative framework at the district level for promotion of small scale industries in rural areas. The DIC's are envisaged as a single window interacting agency at the district level providing service and support to small entrepreneurs under a single roof.

The main functions of DIC are:

- (1) To prepare and keep model project profiles for reference of the entrepreneurs.
- (2) To prepare action plan to implement the schemes effectively already identified.
- (3) To undertake industrial potential survey and to identify the types of feasible ventures which can be taken up in ISB sector, i.e., industrial sector, service sector and business sector.
- (4) To guide entrepreneurs in matters relating to selecting the most appropriate machinery and equipment, sources of its supply and procedure for importing machineries.

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- (5) To provide guidance for appropriate loan amount and documentation.
- (6) To assist entrepreneurs for availing land and shed equipment and tools, furniture and fixtures.
- (7) To appraise the worthness of the project-proposals received from entrepreneurs.
- (8) To help the entrepreneurs in obtaining required licenses/permits/clearance.
- (9) To assist the entrepreneurs in marketing their products and assess the possibilities of ancillarization.
- (10) To conduct product development work appropriate to small industry.
- (11) To help the entrepreneurs in clarifying their doubts about the matters of operation of bank accounts, submission of monthly, quarterly and annual returns to government departments. (12) To conduct artisan training programme.
- (13) To act as the nodal agency for the district for implementing PMRY (PrimeMinister Rojgar Yojana).
- (14) To function as the technical consultant of DRDA in administering IRDP andTRYSEM programme.
- (15) To help the specialized training organizations to conduct Entrepreneur development programmes.

TECHNICAL CONSULTANCY SERVICES ORGANIZATION OF KARNATAKA (TECSOK).

TECSOK is a professional industrial technical and management consultancy organization promoted by the government of Karnataka and other state level development institutions way back in 1976. It is a leading investor-friendly professional consultancy organization in Karnataka. TECSOK undertake the assignment in the field of

- Technical and market appraisal of projects.
- Industrial potential surveys.
- Fact-finding and opinion reports.
- Corporate planning.
- Collection and collation of information.
- Impact assessment.
- Evaluation of schemes and programmes.
- Asset evaluation.
- Infrastructure development project proposal.
- Event management and publicity campaigns, and
- Organizing seminar and workshops.

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Other TECSOK activities:

- Guidance in product selection and project identification.
- Market survey and market development advice.
- Consultancy for agro-based industries of a nodal agency of the government of India.
- Diagnostic studies and rehabilitation of sick industries.
- Environment impact assessment studies environment management plans and propagation of cleaner production techniques.
- Energy management and audit.
- Valuation of assets for mergers and takeovers.
- Infrastructure development project reports.
- Port tariff study and related areas.
- System study and software development.
- Management studies, company formation, corporate plan, enterprise restructuring etc.
- Designing and organizing training programme.

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SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)

For ensuring larger flow of financial and non-financial assistance to the small scale sector, the government of India set up the Small Industries Development Bank of India (SIDBI) under Special Act of Parliament in 1989 as a wholly owned subsidiary of the IDBI. The SIDBI has taken over the outstanding portfolio of the IDBI relating to the small scale sector.

The important functions of IDBI are as follows:

- (1) To initiate steps for technological upgradation and modernization of existing units.
- (2) To expand the channels for marketing the products of SSI sector in domestic and international markets.
- (3) To promote employment oriented industries especially in semi-urban areas to create more employment opportunities and thereby checking migration of people to urban areas.

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KARNATAKA INDUSTRIAL AREAS DEVELOPMENT BOARD (KIADB)

The Karnataka industrial areas development board is statutory board constituted under the Karnataka industrial area development act of 1996. Since then it is in the business of apportioning land for industries and gearing up facilities to carryout operations. The KIADB now acquires and provides developed land suited for industrialization, by drawing up well laid-out plots of varying sizes to suit different industries with requisite infrastructure facilities. The facilities include roads, drainage, water supply etc. The amenities such as banks, post offices, fire stations, police outposts, ESI dispensaries etc are also provided. It also plans to initiate the provision of common effluent treatment plants wherever necessary.

KARNATAKA STATE FINANCIAL CORPORATION (KSFC)

The KSFC was established by the government of Karnataka in 1956 under the state financial corporation act 1951 for extending financial assistance to set up tiny, small and medium scale industrial units in Karnataka. Since 1956 it is working as a regional industrial development bank of Karnataka. KSFC has a branch office in each district; some districts have more than one branch.

KSFC give preference to the projects which are

- (i) Promoted by technician entrepreneur.
- (ii) In the small-scale sector.
- (iii) Located in growth centers and developing areas of the state;
- (iv) Promoted by entrepreneurs belonging to scheduled castes and scheduled tribes, backward classes and other weaker sections of society.
- (v) Characterized by high employment potential.
- (vi) Capable of utilizing local resources; and
- (vii) In tune with the declared national priorities.

Loan Schemes of KSFC

KSFC has evolved loan schemes for extending financial assistance to industrial concerns promoted by rural artisans, weaker sections of society, disabled entrepreneurs, exservicemen, women entrepreneurs and others.

The various loan schemes of KSFC are given below:

- (1) Composite loan scheme
- (2) Disabled entrepreneurs loan scheme.
- (3) Scheduled cast and scheduled tribe's loan scheme.
- (4) Ex-service men loan scheme.
- (5) National equity fund scheme.
- (6) Mahila Udyama nidhi loan scheme.
- (7) Single window loan scheme.
- (8) Transport loan scheme.
- (9) Computer loan scheme.
- (10) Modernization loan scheme.



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- (11) Diesel generator loan scheme.
- (12) Equipment finance loan scheme.
- (13) Tourism related activities loan scheme.
- (14) Hospital/nursing / medical store loan scheme.
- (15) Electro-medical equipment loan scheme.
- (16) Assistance for acquiring indigenous or imported second-hand machinery.
- (17) Qualified professionals loan scheme.
- (18) Scheme of assistance for acquisition of ISO 9000 series of certification.
- (19) Hotel /mobile canteen loan scheme.
- (20) Industrial estate loan scheme.
- (21) Loan scheme for office automation.
- (22) Loan scheme for training institution.
- (23) Loan scheme for private software technology parks.
- (24) Loan scheme for commercial complexes.
- (25) Industrial estate loan scheme.
- (26) Loan scheme for ready-built office/construction of new office building.
- (27) Loan scheme for acquisition of land/building/commercial space.
- (28) Loan schemes for marketing related activities.