

**Manufacturing Sector :**

Enterprises	Investment in plant and machinery
Micro Enterprises	Does not exceed twenty five lakh rupees.
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees.
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees.

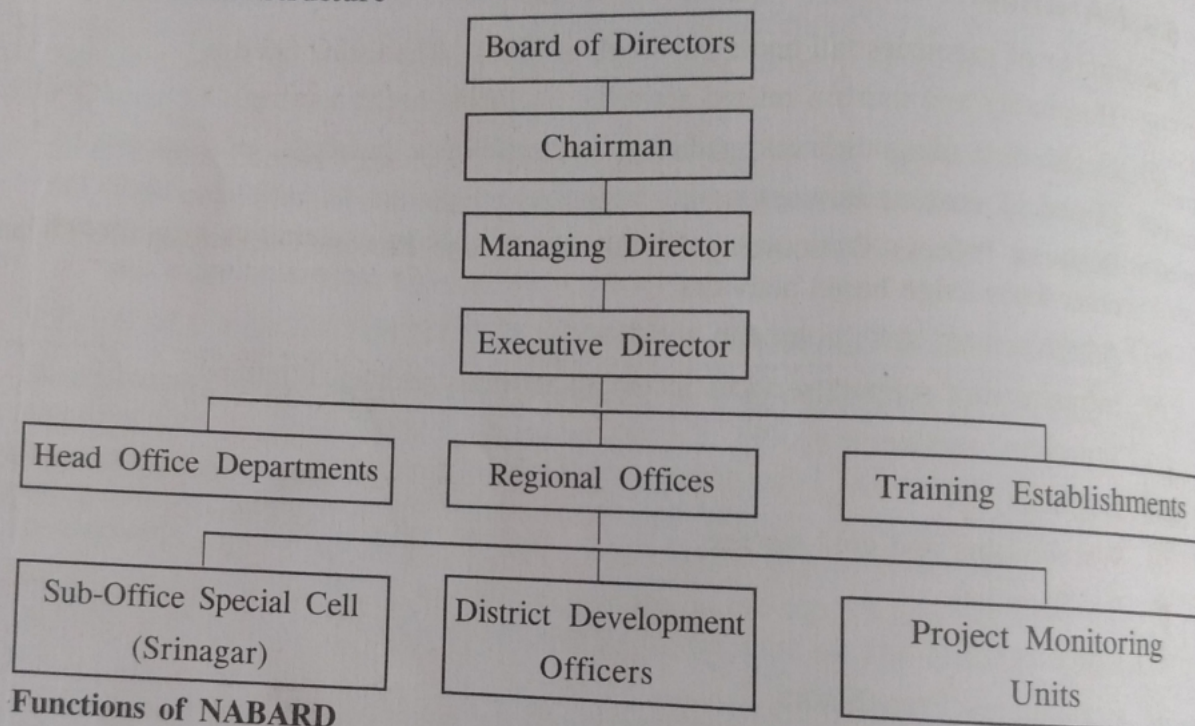
**Service Sector :**

Enterprises	Investment in equipment
Micro Enterprises	Does not exceed ten lakh rupees.
Small Enterprises	More than ten lakh rupees but does not exceed two crore rupees.
Medium Enterprises	More than two crore rupees but does not exceed five crore rupees.

office, located in the capitals of all the states/union territories. Each Regional Office [RO] has a Chief General Manager [CGM] as its head, and the head office has several top executives like the Executive Directors [EDs], Managing Directors [MDs], and the Chairperson. It has 336 district offices across the country, one sub-office at Port Blair and one special cell at Srinagar. It also has 6 training establishments.

NABARD's affairs are governed by a Board of Directors. The Board of Directors are appointed by the Government of India in consonance with NABARD Act.

### Organizational Structure



### Functions of NABARD

NABARD is the apex institution in the country which looks after the development of the cottage industry, small industry and village industry, and other rural industries. NABARD also reaches out to allied economies and supports and promotes integrated development. It has been given certain roles as follows :

- Serves as an apex financing agency for the institutions providing investment and production credit for promoting the various developmental activities in rural areas.
- Takes measures towards institution building for improving absorptive capacity of the credit delivery system, including monitoring, formulation of rehabilitation schemes, restructuring of credit institutions, training of personnel, etc.
- Co-ordinate the rural financing activities of all institutions engaged in developmental work at the field level and maintains liaison with Government of India, State Governments, Reserve Bank of India (RBI) and other national level institutions concerned with policy formulation.

#### ■ 6.8. NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT (NABARD)

National Bank for Agriculture and Rural Development is an apex development bank in India having headquarters based in Mumbai and other branches are all over the country. The NABARD was established in 1982.

NABARD operates throughout the country through its 28 Regional Offices and one Sub-



- (l) Ancillary industry tie-up with government undertakings.
- (m) Marketing information and assistance.
- (n) Attending problems related to SSI Registration/Bank loan/Marketing of production etc.
- (o) Linkage with research institutes for technological upgradation and innovation.
- (p) Skill development training through own workshop/organization like SISI.
- (q) Managerial capability improvement through training, workshop and seminars. Export assistance.
- (r) Standardisation of products.
- (s) Sick unit revitalisation.

### 6.3. STATE FINANCIAL CORPORATION'S (SFC'S)

State Financial Corporations were set up under the State Financial Corporation Act, 1951 for making a significant contribution to the industrial advancement of their respective states.

The main objective of SFCs is to provide medium and long term financial assistance to small and medium enterprises, particularly when normal banking accommodation is not available.

The SFCs do not normally lend more than Rs. 60 lakhs to a single concern. The prohibition is intended to ensure that the SFCs do not deviate from the main objective of their creation, namely, catering to the requirements of the small and medium-scale sectors. The large concerns can approach the all India financial institutions- IFC, IDBI and ICICI.

Loans or advances are granted primarily for the establishment of new industries or for expansion and development of existing industrial concerns. Loans to the new industrial concerns will be considered where a feasible scheme has been prepared and the initial capital has been collected by the prospective industrial unit. In case of existing industrial concerns loans are granted for the purpose of expansion or renovation of units. In both the cases, loans are granted for the purpose of acquiring tangible assets in the form of land, building, plant and machinery and other accessories. Foreign currency loans are granted for importing plant and machinery, other accessories and machine tools and technical know-how in special cases. With the exception of shipping, SFCs are now empowered to assist all industrial activities including mining, transport by ropeways and development of industrial areas.

#### Functions of State Financial Corporations (SFCs)

- (a) To provide loans for a period not exceeding 20 years to industrial units.
- (b) To underwrite the issue of stocks, shares, bonds or debentures by industrial concerns.
- (c) To make payment of capital goods purchased in India by these industrial units.
- (d) To subscribe to the share capital of the industrial units, in case they wish to raise additional capital.
- (e) To do all such acts as may be incidental of its duties under this Act.

headed by a General Manager who is assisted by four functional managers and three project managers.

The DICs are funded by State and Centre jointly. The schemes has now been transferred to the state from the year 1993 - 1994, funds not be provided by central government to state for running the DICs.

**Activities of District Industries Centres (DIC's) :**

- (a) Economic investigation
- (b) Plant and machinery
- (c) Research, education and training
- (d) Raw materials
- (e) Credit facilities
- (f) Marketing assistance
- (g) Cottage industries.

**Objectives of District Industries Centres (DIC's) :**

The important objectives of DICs are as follows :

- (a) Accelerate the overall efforts for industrialization of the district.
- (b) Rural development of rural industries and handicrafts.
- (c) Providing the benefit of the government schemes to the new entrepreneurs.
- (d) Centralization of procedures required to start a new industrial unit and minimization of the efforts and time required to obtain various permissions, licenses, registrations, subsidies etc.
- (e) Attainment of economic equality in various regions of the district.

**Functions of DICs**

- (a) Technical support for the preparation of project report.
- (b) Information on sources of machinery and equipment.
- (c) Priority in power supply/telephone connection.
- (d) Promotion of new industrial estates/growth centres.
- (e) Land/Shed in industrial estate.
- (f) Approval of project reports of special types.
- (g) Training through entrepreneurship development programme.
- (h) Assistance under state incentives scheme.
- (i) Allotment of raw materials.
- (j) Financial assistance under self employment schemes and through commercial banks.
- (k) Assistance under equipment leasing scheme through NSIC.



## ▪ 6.2. DISTRICT INDUSTRIES CENTRES (DIC'S)

The concept of District Industries Centre came during the year 1977, when Government of India announced the new industrial policy on 23.12.1977. It laid special stress on the development of small scale, village and cottage industries and indicated that the "District Industries Centre" would be the main focus agency for the promotion of small scale, village and cottage industries. In each district, one agency was created to deal with all the requirements of small and village industries.

To facilitate the process of small enterprise development, DICs have been entrusted with most of the administrative and financial powers. For the purpose of allotment of land, work sheds, raw materials etc., DICs function under the 'Directorate of Industries'. Each DIC is