Chapter - IV

INSTITUTIONAL ASSISTANCE FOR WOMEN ENTREPRENEURS IN MICRO ENTERPRISES
Institutional Support for Women Entrepreneurship Development

This chapter explains the institutional assistance available to entrepreneurs at district, state and central levels in India. To encourage women entrepreneurs several self-employment, skill development, entrepreneurship development programmes have been implemented. However, there are lack of awareness and therefore lack of reach of various programmes to women. It is necessary that these programmes reach them by means of proper propagation.

Desai (1987) views that Entrepreneurship Development Programme is essential to motive the potential entrepreneurs to enable them to prepare economically viable and technically feasible project and to enhance their skills in enterprise building. To promote better employment avenues for women to make them economically independent and self-reliant government has set-up Women’s Development Corporations in all the states and Union Territories in 1986-87. The process is to identify women entrepreneurs, to facilitate the availability through banks and other financial institutions, promote women’s corporations and to arrange training through existing institutions such as women’s polytechnics and industrial training institutes. The entrepreneurs get plenty of support from number of government departments/institutions and other support organizations.
Institutions Assisting Entrepreneurship Development

National Level

Entrepreneurship Development Institute of India (EDII)

EDII is a national organization sponsored by all-India financial institutions and the Government of Gujarat. It has emerged from the Centre for Entrepreneurship Development of the Gujarat Industrial and Technical Consultancy Organization. It conducts research, training and institution building activities for encouraging the participation of backward region and special target groups in entrepreneurship. Its entrepreneurship development programme consists of:

i. Selecting potential entrepreneurs.

ii. Achievement motivation training

iii. Product selection and project report preparation.

iv. Business Management training.

v. Practical training and work experience.

vi. Post training support and follow up.

Technical Consultancy Organization (TCOs)

Access to high quality consultancy service improves the operational efficiency of entrepreneurs. All India financial institutions have set up 17 TCOs to provide industrial consultancy and training to entrepreneurs. These organizations provide a comprehensive package of services to small entrepreneurs. The main functions of TCOs are as follows:
a. Identification of industrial potential,
b. Conduct pre-investment studies and prepare project report and feasibility studies.
c. Undertake techno-economic survey,
d. Undertake market research and
e. Identify potential entrepreneurs and provide them with technical and managerial assistance.

The National Institute for Entrepreneurs and Small Business Development (NIESBUD)

NIESBUD was established in 1983 by the Ministry of Industry, Government of India. It is an apex body for co-ordinating and over seeing the activities of various institutions/agencies engaged entrepreneurship development particularly in the area of small-scale industry. It started functioning from July 6, 1983.

Small Industries Development Organization (SIDO)

SIDO is a policymaking, coordinating and monitoring agency for the development of small-scale entrepreneurs. It maintains a close liaison with government, financial institutions and other agencies, which are involved in the promotion and development of small-scale units. It provides a comprehensive range of consultancy services and technical, managerial, economic and marketing assistance to SSI units. It has a network of 25 Small Industries Service Institute 20 branch SISIs, 41 Extension Centres, four Regional Testing Centres, one Product and Process Development Centre, three Footwear Training Centres and Five Producing Centres.
Indian Investment Centre (IIC)

The IIC is an autonomous, non-profit service organization financed and supported by the Government of India. It is concerned with the importance task of promoting mutually rewarding joint ventures between Indian and foreign entrepreneurs.

The Centre acts as a clearinghouse for informing on economic conditions, laws, producers, government regulations and specific opportunities for investment in India. It offers objective advice on investment conditions in the light of industrial priorities and policies of the Government of India, and on focussing suitable Indian patterns for prospective foreign investors. It functions as link between Indian and foreign parties and assists them in coming together for fruitful collaborations and formulating the terms of joint ventures participation. Its services are tailored to the needs of industrial corporations and furnished on entirely confidential basis.

National Alliance of Young Entrepreneurship (NAYE)

National Alliance of Young Entrepreneurs (NAYE) sponsored an Entrepreneurial Development Scheme with Bank of India in August 1972 on pilot basis. This scheme, known as BINEDS, is operative in the States of Punjab, Rajasthan, Himachala Pradesh, Jammu and Kashmir and Union Territories of Chandigarh and Delhi. NAYE entered into similar arrangements with a few other banks are described below:

1. Dena Bank-NAYE: For promoting ancillary units and small scale enterprises in Chennai.

The main objective of the scheme is to help young entrepreneurs in identifying investment and self-employment opportunities; securing proper arrangements for their training including development of their manufacturing capabilities; providing necessary financial assistance on the basis of properly prepared reports; securing package of consultancy services on appropriate terms and arranging for all possible assistance, facilities and incentives being extended by young entrepreneurs by Government and other institutions.

**Entrepreneurship Development Institute (EDI)**

The Entrepreneurship Development Institute of India (EDI) is the first of its kind in Asia and was set-up in May, 1983, by all India Financial Institutions, Industrial Development Bank of India, Industrial Credit and Investment Corporation of India, Industrial Finance Corporation of India and the State Bank of India. The Institute conducts results oriented Entrepreneurs Development Programmes, particularly in enterprises lacking regions, in a systematic and methodical manner, adjusting the same to suit the intellectual level and socio-economic background of target group. EDI is well established to promote small-scale industries in industrially backward and rural areas and for developing local and human resources. It strengthens motivation and sharpens awareness enabling one to use one’s skill more professionally and profitably. Special EDPs are conducted for target group, science
and technology graduates, women for rural self-employment and existing entrepreneurs.

**Khadi and Village Industries Commission (KVIC)**

The KVIC established by an Act of Parliament is mainly a service organization engaged in the promotion and development of Khadi and Village Industries in rural areas. The main objectives of the KVIC includes providing employment in rural areas, skill improvement, transport of technology, promoting self-reliance among the people and building up strong rural community base spirit and rural industrialization. The development programmes of KVIC are implemented through 30 State/Union Territy, Khadi and Village Industries boards, which are statutory organizations, 4,777 institutions and 30,080 co-operative societies. It also assists individual artisans/entrepreneurs through State/Union Territory KVI Boards.

**National Small Industry Extension Training Institute (NSIETI)**

The Small Industry Extension Training Institute (SIETI) Hyderabad was set up as an autonomous body in 1962 and was registered under the societies Registration Act. It is engaged mainly in training Central and State Government Officers who are entrusted with the responsibility of implementing the small industry development programmes. The institute conducts course in industrial management and area development techniques. It also conducts intensive course in certain of aspects of industrial management-in production management, financial management, cost accounting etc. The institute undertakes research in field, which are related to development of small industries.
National Small Industries Corporation Limited (NSIC)

The National Small Industries Corporation Limited (NAIC) was established in February 1995, as a government of India undertaking. Its objectives are to aid, council, and assists, finance, protect and promote the interest of the small industries in the country.

Financial Institutions and Entrepreneurs Development (FIED)

Financial Support is of great importance for setting up and smooth running of any enterprise. The role of financial institutions in project development since India’s Independence has been quite encouraging. They have played a decisive role in strengthening India’s economy. An integrated network of more than 60 institutions functioning at the all India level as also at state levels has set up not only to finance the project. In addition to there are several foreign financial institutions, which are providing funds to finance projects in developing as well developed countries. The agencies offering financial help are listed below:

National Financial Institutions

The structure of financial institutions operating at the national level is as follows:

1. Industrial Financial Corporation of India Ltd (IFCI)

   The IFCI set up in 1948, as a public corporation was restricted into a company in July 1993 provides medium and long-term finance to industries.

2. Industrial Credit and Investment Corporation of India Ltd. (ICICI)

   The ICICI was set up as a company in 1955 with support from the government and active participation of the World Bank. It has the primary objectives of meeting
the foreign exchange requirements of industrial concerns and for promoting medium and large industries in the private sector.

3. **Industrial Development Bank of India (IDBI)**

   Established in July 1964, the IDBI co-ordinates the activities of other financial institutions, supplements their resources to plan and promote the medium and the large industries.

4. **Industrial Reconstruction Bank of India (IRBI)**

   The IRBI established in 1985 on reconstitution of while Industrial Reconstruction Corporation of India (1971) functions both as a lending and a reconstruction agency and provides finance in term loans, in the form of the term loans underwriting guarantees.

5. **Small Industries Development Bank of India (SIDBI)**

   A wholly owned subsidiary of the IDBI (since 2 April 1990), the SIDBI is the main institution for developing and financing small-scale industries.

6. **Shipping Credit and Investment Company of India Ltd (SCICI)**

   Established in December 1986, the SCICI provides assistance in the form of rupee and foreign currency loans, underwriting guarantees, deterred credit to shipping companies and related industries.

7. **Life Insurance Corporation of India (LIC)**

   LIC was set up in 1956 as a public corporation. By law the LIC is required to invest not less than 75 percent of its funds in Central and State Government securities, the government guaranteed marketable securities and in the socially-oriented sector.
It provides large financial support to industry and plays an important role in capital market.

8. Unit Trust of India (UTI)

The UTI was set up in 1964 with the principal objectives of mobilizing public saving and channeling them into productive corporate investment. Since April 1986, UTI has started extending assistance to corporate sector in the form of term loans, equipment leasing, hire-purchases facilities and bill rediscounting.

9. General Insurance Corporation of India (GIC)

The GIC was founded when the management of general insurance business was taken over by the government in 1971 and subsequently nationalized in 1973. Besides investing in social-oriented sectors, GIC provides substantial assistance to industrial projects by way of term loans, subscription to equity capital and debentures and underwriting of securities.

Prime Minister’s Rozgar Yojana (PMRY)

The Scheme was launched on 2nd October, 1993 and was operative during Eighth Five Year Plan. Governments of India have since decided that the scheme will continue in the Ninth Five Year Plan. The objective of the scheme is to provide sustained employment to about 10 lakh educated unemployed youth in Micro Enterprises during the VIII Plan period through industry, service and business routes. Initially the scheme was implemented in urban areas (as defined in the 1991 census) during 1993-94 and from 1994 it is being implemented both in urban and rural areas throughout the country.
Under the scheme projects costing up to Rs. One lakh can be financed. Two or more eligible persons can form a partnership and get loan for higher project cost provided the share of each person in the project cost is Rs. One lakh or less subject to the condition that subsidy amount per borrower does not exceed Rs.7500/-. The Government of India provides subsidy at 15 per cent of the project cost subject to a ceiling of Rs.7, 500/- per entrepreneur. The beneficiary would have to contribute 5 per cent of the project cost as margin money.

The scheme envisages stipendiary training and other entrepreneurial development for borrower for a period of 15 to 20 working days for industry sector and 7 to 10 working days for service/business sector after loan is sanctioned. Training is compulsory component for industrial and service ventures.

The Ministry have also decided that from the financial year 1999-2000 projects up to a cost of Rs.2 lakh (other than business sector, where the limit continues at Rs.1 lakh) shall be financed and, in cases of youth forming partnership projects costing upto Rs.10 lakhs could be taken up. Under the scheme, preference is given to weaker sections including women. The scheme envisages 22.5% reservation for SC/ST and 27% reservation for Other Backward Classes (OBCs).

Youth between 18 years and 35 years who are metric passed or failed or ITI passed or undergone Government sponsored technical courses for a minimum duration of 6 months and whose annual family income does not exceed Rs.24, 000/- and upto Rs.24, 000/- per annum are eligible to be assisted under the scheme. In view of the extra-ordinary circumstances prevailing in the North Eastern Region the scheme has been recently (1998-99) revised by raising the age limit to 40 years,
income limit upto Rs.40,000 per annum and by covering all viable activities such as horticulture, piggery, poultry, fishing and small tea gardens. The applicant should also have been a permanent resident in the area at least for 3 years. The District/Block Level Task Forces after scrutiny sponsor the applications to banks.

The name of the beneficiaries approved by Task Force Committee will be considered for loans by the bank under PMRY Scheme. All cases received by the Branch Manager of the bank after recommendations by the Task Force Committee would be disposed of expeditiously. Bank would consider providing composite loan (working capital + term loan) to an extent of Rs.1 lakh. The rate of interest applicable to such loans under Reserve Bank of India Guidelines. Repayment schedules would range from 3 to 7 years after an initial moratorium of 6 to 18 months. The loans would not require any collateral guarantee. Only assets created out of the loan amount under the scheme would be hypothecated to the Bank. Beneficiary should not be defaulter to any nationalized bank, cooperative bank and financial institution. Recovery of the loan is the responsibility of the bank concerned.

**Prime Minister’s Integrated Urban Poverty Eradication Programme (PMIUPEP)**

The programme launched in November 1995 has two components involving bank credit viz., self-employment through setting up Micro Enterprises (SES) and Shelter Upgradation Scheme (SUS). The foremost objective of this programme was to attack the root causes of urban poverty in an integrated manner so as to eradicate poverty from targeted urban areas by the turn of the century. The programme was being implemented in over 400 Class II urban agglomerations and District-towns of North East, Sikkim, Jammu and Kashmir, Himachal Pradesh and Garhwal and Kaman
Regions of Uttar Pradesh with a population ranging between 50,000 and one lakh as per 1991 census.

The programme envisages under-employed and unemployed urban poor youth setting up small enterprises relating to servicing, petty business and manufacturing through skill development. The maximum project cost is placed at Rs. one lakh, with a subsidy of 15% of the project, subject to a ceiling of Rs. 7,500/- per beneficiary. The beneficiary was required to contribute 5% as margin money and 95% of the project cost will be given as loan.

Training is a compulsory component under SES Scheme. The programme envisaged financial support to the urban poor for shelter Up gradation with a loan component of Rs.10,000 to be arranged from HUDCO/any other financial institution including commercial banks subject to the condition that the beneficiary holds a title to the land. A subsidy of 25% subject to a ceiling of Rs.2,500/- per unit under SUS was also given.

Urban poor who had got education up to IX standard and were living below the "Urban Poverty Line" with an annual household income below Rs.11,850/- including those living in slums, pavement dwellers and street/destitute children were to be assisted under the slums, pavement dwellers and street/destitute children were to be assisted under the programme. There was no age limit or minimum educational qualification prescribed under the scheme.
Scheme of Urban Micro Enterprises (SUME)

The Scheme of Urban Micro Enterprises (SUME) introduced in 1990 aimed at assisting the urban poor in upgrading their skills and setting up self-employment ventures.

A subsidy was provided towards setting up the micro-enterprises up to 25% of the project cost with a ceiling of Rs.5000/- for SC/ST/Women beneficiaries and Rs.4000/- for general beneficiaries. The remaining amount of the project cost was available from banks as a loan upto a maximum of Rs.15,000/- for SC/ST/Women beneficiaries and Rs.12,000/- for general category beneficiaries. Thus, projects costing up to Rs.20,000/- in the case of SC/ST/Women beneficiaries and up to Rs.16,000/- in the case of other borrowers can be financed under the scheme. This scheme was applicable to all urban settlements.

Unemployed urban poor living below the poverty line (family income less than Rs.11,850/- per annum as per criterion of urban poverty during Eighth Plan), residing in metropolitan areas, cities and towns, not covered by IRDP for more than 3 years were eligible for assistance. The other conditions for eligibility were as under.

The applicant’s name should appear in the ration card given to him/her or to the family of which he/she is a member.

The applicant should have the necessary skill in the case of activities requiring skill and aptitude for undertaking the activity.

The applicant should not be a borrower from any bank/credit institution under similar schemes of the Government of India, State Governments or State-owned Corporations for assistance to the poorer sections of the society. A declaration to this
effect should be obtained along with the loan application. In respect of a loan for any other purpose from any bank/credit institutions, the applicant should not be a defaulter.

Banks are associated with the process of identification of borrowers. On receipt of applications sponsored by Task Force, banks are required to satisfy themselves regarding the viability and bank ability of the project. On being satisfied with its feasibility the banks sanction/disburse the loan and subsidy to the borrowers. No collateral/third party guarantee is necessary. They are responsible for deciding repayment schedule within a period of 3 to 5 years inclusive of grace period not exceeding 6 months and for affecting the recovery. They also monitor the maintenance of assets created as well as the activities of the borrowers.

**Swarna Jayanti Shahari Rozgar Yojana (SJSRY)**

A new unified Urban Poverty Alleviation Scheme called the "Swarna Jayanti Shahari Rozgar Yojana (SJSRY)" replaced the existing three schemes with effect from 1st December, 1997.

Assistance to individual urban poor beneficiaries for setting up gainful self-employment ventures. Under-employed and unemployed youth whose annual family income is below the poverty line and who have got education up to ninth standard are to be assisted under the Scheme The beneficiary shall be resident of the town for at least 3 years. Shall not be a defaulter to any Nationalized Bank, financial institution or Co-operative Bank.

Assistance to group of urban poor women for setting up of gainful self-employment ventures. This sub-scheme is called Development of Women and
Children in the Urban Areas (DWCUA). The scheme envisages special incentive to urban poor women who decide to set up self-employment ventures in a group. Such groups consisting of at least 10 urban poor women may take up any economic activity suited to their skill, training aptitude and local conditions and they are eligible for a subsidy of Rs.1, 25, 000/- or 50% of the cost of project whichever is less.

Training of beneficiaries, potential beneficiaries and other persons associated with the urban employment programme for up gradation and acquisition of vocational and entrepreneurial skills.

The percentage of women beneficiaries under SJSRY is not less than 30%. SCs / STs must be benefited at least to the extent of the proportion of their strength in the local population. A special provision of 3% is made for the disabled.

Subsidy shall be restricted to 15% of the project cost subject to maximum of Rs.7, 500/- per individual. If the unit is by a group of beneficiaries, the subsidy will be 15% of the project cost or multiple of Rs.7, 500/- per individual, whichever is less. The borrowers are required to bring in 5% margin money.

The scheme rests on foundation of community empowerment and therefore relies on establishing and promoting community structures/organizations to provide supporting and facilitating mechanism for local development.

**Differential Rate of Interest (DRI) Scheme**

The Scheme was introduced in 1972 by Government of India and implemented through all Scheduled Commercial Banks throughout the country. The scheme seeks to provide bank finance at a confessional rate of interest of 4 per cent.
annum to the weaker sections of the society for engaging in productive and gainful activities in order to improve their economic conditions.

The maximum amount of assistance per beneficiary available under the scheme for productive purposes is Rs.6,500/-. In addition to Rs.6,500/- a house loan of Rs.5,000/- per beneficiary can be granted under the scheme to the members belonging to SCs / STs provided they satisfy the income criteria of the scheme. Physically handicapped persons engaged in gainful activities can be granted financial assistance to the maximum extent of Rs.5,000/- per beneficiary for acquiring aids, appliances, equipment, etc. provided they are eligible for assistance under the scheme. This assistance is in addition to the loan of Rs.6,500/- available for productive endeavors.

During study tour of the Committee to various parts of the country, the officers of various Banks suggested some modifications/revisions in the guidelines of this scheme to suit the present circumstances. The Ministry in their reply stated that the State Level Banker's Committee (SLBCs) for the various States e.g., Tamil Nadu, Kerala, Karnataka, Punjab, Rajasthan, etc., in the recent past, suggested modifications in the DRI Scheme. Bank of Baroda and Punjab National Bank had also requested for a review of the DRI Scheme. The suggestions made by the SLBCs and the banks were of the following nature.

The present income ceiling stipulated in the DRI Scheme at Rs.6,400/- p.a. in rural areas and Rs.7,200/- p.a. in urban/semi-urban areas needs to be suitably raised. The quantum of loan fixed at Rs.6,500/- maximum per borrower may also be increased.
If the loan amount available under DRI Scheme cannot be increased, the beneficiaries under the DRI Scheme may be made eligible for assistance under the Government’s other sponsored programmes, continuance of DRI Scheme may be reviewed.

The aforesaid suggestions have been examined by the Reserve Bank of India/ Government of India. In so far as increase in income ceiling is concerned, the Government of India is not in favor of the same. Regarding increase in the quantum of loan, it may be stated that the loans granted under DRI Scheme carry a confessional rate of interest of 4% p.a. Considering the interest cost and transaction and service costs of servicing small loans and the raising deposits vis-à-vis, the return on DRI advance, the banks are required to subsidies the assistance granted under DRI Scheme. As such, Reserve Bank of India is not in favor of increasing the quantum of loan at the present rate of interest of 4% p.a. under DRI Scheme.

**Integrated Rural Development Programme (IRDP)**

With the main objective of improving the asset base of the poor and to involve the poor in the production/income generation processes of the economy, Integrated Rural Development Programme (IRDP) was initiated in 1978. IRDP was taken up initially in 2300 blocks and has been extended to all rural areas/blocks of the country since 2nd October 1980.

IRDP aims at providing income generating assets and self-employment opportunities for the rural poor. Assistance under IRDP is given to a target group of rural poor belonging to families Below Poverty Line (BPL), in the form of subsidy by the Government and term credit by financial institutions.
Under IRDP, assistance is given to target group, which consists of families of small and marginal farmers, agricultural labourers, rural artisans, etc. whose family income is below Rs.11, 000/- per annum. According to Annual Report of the Ministry of Rural Areas and Employment for the year 1998-99, the target group consists of families of small and marginal farmers, agricultural labourers and rural artisans etc. whose per capital monthly expenditure does not exceed the poverty line (ranging between Rs.216.65 and Rs.327.48 for different States/UTs) as estimated by the Planning Commission. The Planning Commission also estimates the population below the poverty line. The beneficiaries under IRDP are selected from the list of families below the poverty line, identified through a census (BPL Census). Currently, the Below Poverty Line census is being carried out in all the States and the revised poverty line will be used to categories BPL families.

50% benefits for SCs/STs, 40% for women and 3% for physically handicapped persons. Priority is also to be given to women headed households, assignees of surplus land, freed bonded labourers and acceptors of small family norm. However, this should not in any way adversely affect the safeguards provided for SCs/STs women and physically handicapped persons.

The flow of financial assistance (subsidy + credit) to the categories described above should be commensurate with the percentage of the physical coverage. The pattern of subsidy of project cost is 25% for small farmers' labourers, and rural artisans; and 50% for SCs/STs beneficiaries and physically handicapped persons.

Banks provide organizational and institutional support with the basic objective of enabling rural poor to cross the poverty line through additional employment and
income generation. They provide credit support to IRDP borrowers and also provide loans for acquisition of land under IRDP. Banks have been permitted to select the beneficiaries/borrowers from BPL list. They monitor and verify the end use of credit besides effecting recovery.

Banks actively participate in consultative arrangements for credit under IRDP. They are the members in various committees such as High Level Committee on Credit (HLCC), State Level Bankers’ Committee (SLBC), District Level Consultative Committee (DLCC). They provide Orientation Training Programmes for IRDP beneficiaries. They finalized targets in respect of IRDP under Service Area Plans (SAP). They fix realistic repayment schedules and provide for gestation period wherever required.

**Scheme of Liberation and Rehabilitation of Scavengers (SLRS)**

The scheme was introduced in 1993 and is continued in VIII five-year Plan. All Public Sector Banks except RRBs are implementing the Scheme. The objective of the scheme is to liberate and rehabilitate scavengers and their dependents from their existing hereditary and obnoxious occupation of manually removing night soil and filth and to provide them with alternative and dignified occupation. The scheme covers all scavengers and their dependents (both Scheduled Caste scavengers and non-Scheduled Caste scavengers) in the country.

Under the scheme, projects costing up to Rs.50000/- can be financed. Subsidy is available to borrowers at 50% of the project cost subject to a maximum of Rs.10000/-. The borrowers can also avail margin money assistance at 15% of the project cost at 4% rate of interest from State Scheduled Castes Development
Corporations. All loans up to Rs.6500/- will be treated as DRI loan at confessional rate of 4%. However, where the amount of loan exceeds Rs.6500/- the entire loan will carry interest as per RBI directive on interest rates. Security for the loan will be only hypothecation of assets created out of the loan/subsidy in favour of the banks. The State Scheduled Caste Development Corporation will have second charge / pari-passu charge over the assets to cover their margin money loan assistance. The loans shall be repaid within a period of 3 to 7 years (inclusive of grace period not exceeding 6 months) depending on the life of the assets created and repaying capacity of beneficiaries.

The State Scheduled Caste Development Corporation (SCDC) has been given the responsibility of identification of beneficiaries. Government of India has identified about 4 lakhs scavengers in the country and they are to be rehabilitated during the VIII Plan period. Role of banks is to receive the applications, which are sponsored by the National/State level SC/ST Financial and Development Corporation/District Level/Local level implementation agencies and scrutinizes/sanction and disburse loan.

**Self-Help Group (SHG)**

To promote rural women micro entrepreneurs the concept of self-help group based on the grameen bank modeled of Bangladesh was introduced, fully implemented and monitored by NABARD in India in rural areas since 1995. NABARD has been adopting all possible ways to support poor in general and women in particular in rural areas through refinancing of micro credit.
State level of Organizations Assisting Entrepreneurs in Tamil Nadu:

Industrial and Technical Constancy Organization of Tamil Nadu (ITCOT)

ITCOT was established in 1979 with a paid up capital of Rs.10m lakhs. It was sponsored by ICICI, ITCOT plays a lead role in entrepreneurship development. Its services to entrepreneurs include the preparation of project report, providing constancy services, conducting pre-investments studies, marketing potential surveys and EDPs to the new and established entrepreneurs.

Directorate of Industries of the State Governments

The small-scale industries are a State subject and therefore, the development and implementation of the schemes of assistance to SSIs is the Primary responsibility of the State Government. Directorates of Industries in each state do the work relating to the development of Industries in general and small-scale industries in particular.

State Small Industries Corporations (SSIC)

Many State Government has set up small Industries Corporations in order to undertake a number of commercial activities. The most important activities are distribution of scarce raw materials, supply of machinery on hire-purchase basis, constitutions and management of individual states, procurement of orders from Government Department, assistance in export marketing and in certain cases provision of financial, technical and managerial assistance to small enterprises.

Established in 1956 this institute is one in each state has been rendering very useful service to small-scale industries. The assistance rendered by the institute and it extension centres in Tamil Nadu may be listed as follows.
1. Technical Consultancy and Advisory Service

This relates to selection of profitable small enterprises, choice of appropriate machinery and equipment, appraisal of the technique of manufacture, processing of raw materials, adoption of recognized standards of testing, quality performance of the small industry products and encouraging small units to participate in Government stores purchase programme. The institute explores the possibility of setting up small-scale units to supply parts/components to large-scale industries.

2. Common Facility Service

This includes supply of design and drawings and provision of workshop facilities for the manufacture of dies, tools jigs and fixtures and components.

3. Training Facilities

Training in various aspects of industrial and business management is also provided for the benefit of small industrialists. A training course in small industry entrepreneurship and management to young engineers with emphasis on the practical aspects of small industries management is conducted. This has been instrumental in creating a new class of qualified entrepreneurs.

4. Testing Facilities

Economic information on the nature and extent of the market for specific product is collected and furnished to small industrialists at their request. The institute offers export promotion service by counseling on export procedures and trends in foreign markets (Government of India, 1998).
5. Centre for Entrepreneurs Development (CED)

CEDs that attained an independent status in 1979 have been manner. The CEDs activities have attained a status of movement in the field of entrepreneurship. With so much talk and development taking place in the field of entrepreneurship in the state, the fair sex has preferred to remain within the four walls of their homes though many of the crafts famous all over the world are the creations of women. Recognizing the need for creating entrepreneurship among women, CED initiated EDP for women in 1980, nearly a decade ago. In this one decade, the centre received overwhelming response from women.

Association of Women Entrepreneurs of Small Scale Industries (AWESSI)

Association of women entrepreneurs of small-scale industries was found in Ambattu in Chennai in 1984. Its goal is to promote protect and encourage women entrepreneurs and their interest in South India. To seek work and co-operate with the central and state government services and other government agencies and to promote for the further hence and protection of small-scale industries is the primary aim of the organization.

Tamil Nadu Small Industries Development Corporation (SIDCO)

In Tamil Nadu SIDCO is the state small Industries Corporation. It plays a lead role in developing small-scale sector. It provides the following facilities to small-scale units.
a. Provision of Constructed sheds/plots in industrial estates.

b. Assistance in producing some scarce key raw materials like iron and steel, paraffin wax, potassium chlorate, fatty acids, etc., through its various distribution centres.

c. Financial assistance in the form of subsides to industrial units in backward areas like Central Investment Subsidy, State Capital Subsidy, Interest Free Sales Tax Loans, Power Tariff Subsidy and Margin Money Assistance for the Rehabilitation of the sick small Scale Industries.

d. Marketing Assistance to Small Entrepreneurs.

State-Level Financial Institutional

State level financial Institutions may be grouped under two categories.

1. State Financial Corporations (SFCs)

The state financial corporations have been set up under the State financial Corporation Act, 1951 in order to provide assistance to medium and small-scale industries in their respective states.

2. State Industries Development Corporation (SIDCs)

The SIDCs have been set up under the Companies Act as wholly owned state undertaken to serve as catalyst agents in the industrialization process of their receptive states. Presently there are 28 SIDCs in the country, which provided assistance in the form of term loans, underwriting securities and direct subscription.
3. International Financial Institutions

Besides national and state-level financial institutions, there are several International-level financial institutions, which provide financial assistance for funding projects of great magnitude. Among them, important ones are.

1. World Bank
2. International Finance Corporation
3. International Monetary Fund
4. Asian Development Bank
5. Overseas Economic Co-operation fund

Overseas Economic Co-operation fund (OECD), for example, is a development finance institution of the Japanese government providing long-term, low-interest loans to assist developing countries.

Besides these, there are international institutions such as United Nations Development Programme (UNDP), United Nations Industrial Development Organisation (UNIDO), UNESCO, World Health Organisation, International labour Organisation, World Trade Organisation and other family members of the United nations provide finance, technical know how, equipment and manpower assistance in setting up development projects to reduce development needs in developing countries.

Commercial Bank and Entrepreneurial Development

Commercial banks have not confined themselves to mere extension of finance to small entrepreneurs but have genuine concern for their progress and development. They have now entered the challenging field of promoting new small-scale entrepreneurs through entrepreneurship development programmes. Commercial
Banks provide term finance and working capital advances. These are classified under cash credit, over drafts demand loans bills purchased/discounted/advanced against trade debts.

**State Bank of India (SBI)**

In order to accelerate the development of identifying backward areas by monitoring potential entrepreneurs to take up risky new ventures, the SBI launched EDPs, in 1978. Bank’s EDP consists of three phases. Initiation phase for creating awareness about entrepreneurial opportunities. Development phases through training programmes in development motivation and managerial skills. Support phase counseling, encouragement and infrastructural support for establishing and running an enterprise.

**Indian Bank-Entrepreneurial Services Cell**

The bank provides consultancy services to persons who are graduated from colleges and institutions of engineering technology and unemployed engineers, diploma holders and other graduates or business executives. The consultancy service right from identification of a project to its implementation and marketing is provided through the personnel of the bank and panels of expert specialists.

**United Commercial Bank**

The Bank has a cell in its head office at Calcutta to provide technical assistance/guidance to self-employed persons about feasibility of their projects. It also renders them advice in regard to source about availability of raw materials and marketing of their product.
Indian Overseas Bank’s Small Business aid Agency

If offers consultancy to professional, like doctors, engineers, lawyers to enable them to start their practice. The operations of this agency are presently restricted to Chennai city and Madurai, through the bank plans to establish similar agencies in other centres in use courses.

Entrepreneurship Development among Women

Indian economy is presently passing through the take of period. Hence it is paramount importance that modern science and technology be harnessed for economic development of the country. It is the crying need of the hour that the human capital accumulated in the county in the field of science and technology be put to productive use. It is through knowledge-based industries that our country can achieve economic self-reliance. According to Kaptan human resources, both men and women, of working age constitute the main strength of economic development of a nation. Women form an important segment of the labour and the economic role-played by them cannot be isolated from the framework of development as the role and degree of integration of women in economic development is always an indicator of women’s economic independence and social status. The government is therefore making planned efforts to inculcate the spirit of enterprise among women through many incentives and developmental programmes. These efforts are expected to spin good results with many more women taking to entrepreneurship. To promote entrepreneurship among women, access to modern machines, skills, training in the areas of potentially and economically viable projects should be made easy. Hence,
adequate arrangements have to be made for the supply of credit facility for women entrepreneurs in view of their growing needs.

Women constitute nearly half of the population of our country. Although a large number of women have taken up selected jobs especially at metropolitan centres, yet number of women engaged in different types of enterprises as compared to men is very less. Women certainly do not lack management of entrepreneurial skill but major handicaps in venturing out on their own and setting up of independent business enterprises are lack of awareness about various avenues open to them, knowledge about procedures involved in setting up of enterprises and lack confidence to operate them.

Devadas reveal that women’s contribution to national development is crucial. The process of development would be incomplete and lopsided, unless women are fully involved in it. Emancipation of women is an essential pre-requisite for economic development and social progress of the nation. Women must be recognized as a power in development of nation.

Mechanization and automation of many production processes have decreased the importance of man’s physical ability over women for performing a physical job. Further, it has not been scientifically proved that a woman is incomparable to a man either in skill or mental abilities. This has enabled women to take advantage of the industrialization process.

Entrepreneurship seems to be ideal for women seeking participation in the country’s economic development because of certain factors. Emergence of entrepreneurship is considered to be closely linked to social, cultural, religious and
psychological variables and these changes seem to have become acceptable norms in the context of women at work in the Indian situation today with more and more women participating in the economic development. Women also find microenterprise attractive because of low barriers to entry and the flexible nature of the work, which makes it easy to combine gainful employment with domestic responsibilities.

An entrepreneur is a person who has an enterprising quality with an eye on opportunities and a canny vision, commercial acumen and above all, a person who is willing to take risk because of the adventurous spirit within. They have long stories of trials and hardships; their task has been full of challenges. They have even encountered public prejudice and criticism. Family opposition and social constraints had to be overcome before establishing themselves as independent entrepreneurs.

Like men, women too are endowed with psychological qualities and managerial abilities that matter in successful entrepreneurship. The entrepreneurial qualities can be acquired and developed in individuals through proper training. Hence entrepreneurship development among women is not only possible but is vital importance. If proper facilities and environment are provided and women are exposed to new skills, with their natural instinct and aptitude they will do much better than men in entrepreneurial activities.

**District Level**

**District Industrial Centre (DIC)**

The Central and State Government in the past have taken various schemes for the development of small and silage industries. The schemes for establishment of
District Industries Centre (DIC) was introduced on 1st May, 1978 with the intention that under a single roof, an entrepreneur should be able to get necessary benefits and guidance about all related matters of industries. As on 1984, about 400 DICs have been set up throughout the country. The metropolitan cities of Delhi, Mumbai, Calcutta and Chennai have been kept outside the purview of the DIC programme.

**District Rural Development Agency (DRDA)**

In 1980 the integrated Rural Development Programme was extended to all the development block of the country. The targets set for IRDP was to assist on an average 600 families in a block from the identified target group, in a year and to assist at least 3,000 families during the Sixth Plan period. Following will be responsible for implementation of all a single agency which will be responsible for implementation of all programmes, viz., IRD, DPAP, DDP, TRYSEM, Special Livestock Production Programme and Programmes for women and children etc., so as to minimize administrative expenditure and result in better utilization of inputs including the personal. This agency established at the district level named as the District Rural Development Agency (DRDA)/ Society.

This chapter has been divided into three sections. The first section describes the institutions to entrepreneurs at the national level. Section two brings out the overview of state level supportive organizations and schemes. The third section provides an account of the institutions supporting at the district level. In fact all these institutions are totally supporting for the cause of promoting entrepreneurship most of the district level organizations are actually implementing the schemes of the central and state governments at the district taluk and panchayat levels.