Chapter-6

SUMMARY AND SUGGESTIONS

• Summary:

1. Generation of idea.

2. Entrepreneurship promotion-the concept.

3. Source and processing of data.

4. Scope, period, objectives & assumptions.

5. Layout of subject matter-chapterology.

6. Factors affecting entrepreneurship.

• Findings and suggestions – body text in brief.

• Whether the study achieved its objectives?

• What motivates entrepreneurship promotion?

• Scope of future research in, and collateral, areas.
P. N. Misra’s study on “development banks and the new entrepreneurship in India” gave birth to an idea to study not only the relationship between ‘development banks and the entrepreneurship’ but also the role and contribution of the former in the promotion of the later. The concept of development banks (DBs) needs new look in the present context and requirements of the industrial sector and how DBs contribute in the promotion of entrepreneurship (with or without the adjective – the new). Misra meant development banks as “specialised financial institutions” though the Report on Development Banking in India does not concur with this view. He covered three development banks (which he called as specialised financial institutions) IFCI, ICICI and IDBI in his study in 1985. Presently there are six such banks including one (IDFC) started in 1998. Since 1985 much water has flown down the stream through the concept and its contents. A fresh look at the problem, therefore, is needed. Development banks are the banks, which provide long-term finance and other services, to the large and medium-scale industries (new or running). Entrepreneurship promotion, for the purpose of this study, means and includes:

- The creation of new enterprises viz. Start of new projects (Includes the established entrepreneurs starting new enterprise).

- The expansion or diversification of existing enterprises.

- The modernisation of the old and the existing plants/industrial units.

- The rehabilitation and revival of the closed and/or sick industrial units.
• Making the facilities available for working capital/seed capital/short-term loans or loans to meet pressing/current needs of any industrial/manufacturing unit/activities of any of the above mentioned categories.

• Making available conducive environment (economically, legally and politically) and providing infrastructure and allied services (with or without charges).

IDBI's Report on Development Banking in India (2000-01) states that 'development banks' and 'specialised financial institutions' are different institutions and it listed 11 national level (All-India Financial Institutions - AIFIs) and 46 State level financial institutions. The 11 national level financial institutions included five All-India Development Banks (AIDBs); three specialised financial institutions (SFIs) and three investment institutions. Five AIDBs are IDBI, IFCI Ltd., ICICI Ltd., SIDBI and IIBI; three investment institutions are LIC, UTI and GIC and three SFIs are IFCI Venture Capital Funds Ltd. (former RCTC), ICICI Venture Ltd. (erstwhile TDICI Ltd.) and Tourism Finance Corporation of India Ltd. State level financial institutions include State Financial Corporations (SFCs) and State Industrial Development Corporations (SIDCs). Having mentioned it, the researcher need not repeat that development banks (DBs or AIDBs) and specialised financial institutions (SFIs) are different set of institutions and not the same as claimed by Misra.

The scope of study is restricted to the development banks (except IDFC which started in 1998-99) and covers pre and post liberated industrial policy (started in 1991) period from 1990 to 2001 (11 years). Without compromising with the authenticity of the data, with objective modifications in the form of tabulation and classification, it has been taken from various issues of the IDBI's Report on Development Banking in India. A number of statistical tools/formulae were applied to concise the data for the purposes of interpretation and analysis. The overall picture of all the development banks have been taken for inter-institution and inter-item comparison so as to facilitate the different ratios and percentages and the inter-factor contribution (positive or negative) to assess the issues involved in its entirety.

Care has been taken to ensure that no error creep in while tabulating and processing the massive data. Still the researcher craves for apology of any such error.
The following objectives were set for the study:

- To know the contribution of development banks (IDBI, IFCI, ICICI, SIDBI & IIBI) in the promotion (and not the development which is the growth from within) of entrepreneurship between 1990-91 and 2000-01.

- To know the relationship between the assistance rendered by the development banks and the entrepreneurship promotion, if any.

- To analyse the contributing factors for promotion of entrepreneurship and to do inter-factor comparison and its reason;

- To know how the assistance of development banks to various sectors of the industry affects the entrepreneurial promotion; and

- To find out if there was any correlation between the industrial policies, programmes and projects of the government and of the development banks and the growth of entrepreneurship with its economic and social relevance in the present context. If so its extent and magnitude?

Because the DBs’ assistance is for productive/industrial use, the study presumes that every type of assistance leads to the entrepreneurship promotion. Because the disbursement of assistance sanctioned is based on progress of the projects financed, there is always a gap between sanctions and disbursements. It also causes difference in figures in different reports pertaining the data of the same period and reflects the delay/time gap in transmission and processing of data/information and its accounting and reporting. It needs repetition that the study is for the ‘promotion of entrepreneurship’ and not for the ‘promotion of entrepreneur’ and includes new as well as the established entrepreneurs/enterprises. It is assumed that every type of assistance/service extended by the development banks is measurable in terms of money. Overlooking the impact of inflation on various factors or the economy or the industrialisation during the period under study, the study presumes that every action of an individual or of the state or of its limbs is based on sound economic considerations.
The DBs provide not only the financial assistance but also extend a host of other managerial, technical, training, research/surveys, consultancy and advisory services which the DBs provide free of cost though incur expenditures in procuring and extending these services. DBs also create favourable environment/conditions by providing free services which it procured at cost. Managerial, technical and advisory functions of DBs help in the promotion of entrepreneurship. Money (spent on making these services available) is the only measuring unit used in this study. Various incentives, subsidies, project and programmes created and provided by the government and the DBs also promote entrepreneurship – the spirit of starting industrial (ad)venture. Hence, the study is based on the data of such assistance/expenses – sanctions and disbursements made by the development banks for various purposes/sectors/segments. The rate of entrepreneurial growth is not always uniform in different regional, sectors and periods. Therefore, the classification of assistance (sanctions and disbursements) in various industries is made on the basis of yearly total, scheme-wise, industry-wise, sector-wise and purpose-wise assistance. An attempt is made for inter-institutional and inter-item comparison vis-à-vis the total annual assistance and comparative contribution of various DBs in the promotion of entrepreneurship. The study does not cover State-wise assistance and its outcome/results and, therefore, has rightly been confined to “with special reference to India”. It does not include the State level financial institutions and their assistance in the entrepreneurship promotion which is another cause of calling this study as ‘with special reference to India. The DBs execute some schemes/assistance through state level financial institutions. But the sanctions and disbursements on these schemes has been considered at DBs level and not at the level of state financial institutions which execute these schemes.

The thesis adopts rational and scientific chapterology that cannot be re-schemised. Chapter one deals with review of literature, why this study, objectives and importance of the study and its research methodology. The concept of ‘development banks’ and ‘entrepreneurship promotion’ has different connotations historically and in the present context and, therefore, the same has been dealt with separately in second chapter with passing reference in the first page of this chapter. It needs no emphasis that the governmental and organisational policies and programmes affect the rate and direction of the entrepreneurship promotion. This constitutes the role (cog in the
machine) and contribution (the cog of machine in operation, its indispensability). A separate chapter (Chapter 3) is devoted for this purpose. The heart and body of the thesis is ‘the study’ itself and its findings. It is given in “results and analysis” and “interpretation and discussion.” These two chapters i.e. chapter 4 and chapter 5 contain all this body beautiful of the study. In addition, an attempt is made, in the present chapter (chapter 6) to summarise the thesis and its findings and conclusions and to make certain suggestions to deal with the problems favourably.

One has to bear in mind that, apart from the contribution of the DBs, many factors affect promotion of entrepreneurship in any economy. These factors were not dealt with elsewhere in this thesis and are being given herein.

The other factors affecting the promotion of entrepreneurship may be: (a) personal (age, qualification and technical education of the entrepreneur – existing or prospective – caste, marital status, religion, education), (b) family background, other economic factors (community, family business, ancestral property, basic business skills, relatives’ business), (c) political climate and support (social and political contacts, law and conventions of business, policies and procedures of the state, approval and institutional assistance, social participation and recognisance, political stability and motivation, financial stability and support, services and infrastructures) and (d) economic factors (home and international trade climate, condition of the market and demand, situation and stability of capital market operation and structure, project consultancy, guidance and appraisal) and socio-economic factors (legitimacy of the undertaking, work-force and their attitude, unionism and economic ideologies, legal framework and structure and concern of the governmental agencies etc. etc).

Causes of slow growth of entrepreneurship made it necessary that the government should come forward to promote it through various legislation, policies, programmes and projects by providing infrastructure and creation of environment conducive to such growth. The various institutions were incorporated to facilitate the entrepreneurial growth. The various institutions provide specialised assistance and/or create proper environment and infrastructure for its promotion. The development banks are one of these institutions, which play active role and contribute their mite in the promotion of
entrepreneurship even in the providing of such infrastructure and congenial environment. This study deals with this aspect also.

The role of entrepreneur in the economic development of any country is a settled question not open for debate. The entrepreneurship promotion helps create capital, it improves per capita income, provides employment, creates material upliftment with improved standard and quality of life, makes innovations/inventions and technological advancements possible, helps balanced regional development and manages/mitigates disasters and their consequences/severity with speedy help and rehabilitation and override curse of backwardness ignorance and poverty.

The summary of institution-wise findings and suggestions are given in the following paras:

The total sanctions and trends of sanctions in IDBI have shown increasing outlays which continues more or less in the same pattern in the disbursements. However, the growth rate is more in sanctions if compared with disbursements. In various schemes, the growth rate has been modest. Direct assistance in the form of rupee loan was modified and supplemented by direct bill discounting from 1995-96 from which year the rate of rupee loans showed marginal decline. The rate of assistance showed considerable increase upto 1995-96 and, with erratic jumps, it had modest increase in the subsequent years. New projects/products/portfolios started in the late 90's, which provided variety of services by IDBI. Bill rediscounting became rare due to the possibility of misuse of the financial assistance. The loans to or investments in financial intermediaries was not the favoured scheme and gradually assistance in this scheme declined considerably. The IDBI also started the portfolio of guarantees for the loans and deferred payments to facilitate the imports by entrepreneurs. It gave boost to the entrepreneurial development in medium and large-scale industrial projects. With the opening up of the economy, the new products and the processes came to India and the indigenous entrepreneurs had international exposure making them more progressive, cost, and competitive conscious.

It may be suggested that the schemes be monitored constantly and the DBs open newer and newer portfolios so that the entrepreneurship emerges the global challenges
It is pleasing to note that the IDBI has been assisting the sectors as per the government policies and programmes. The traditional industries are giving ways to the new sector of production and the increasing DBs' assistance shows the awareness of the entrepreneurs to take up the industrial activities in the light of emerging needs and challenges. The trends of sanctions and disbursements show that the IDBI has increased assistance in the industries in IT, services and infrastructures sectors. The sugar, chemicals and road transportation attracted decreasing assistance because the industries in these sectors had direct correlation with the demand and government's import and export policy. It may be added that the sugar industry deserves a better deal because it is labour intensive and based on the agriculture produce which can neither stored for long nor it can be exported.

The role of IDBI in the promotion of entrepreneurship may be gauged from the fact that major part of its assistance was in the private sector. In some years (1994-95, 1997-98) it exceeded 90%. The share of assistance in the public sector increased notable only in 2000-01. Starting from about 60% in 1990-91 it increased up to more than 70% in 1999-00 with a slight decline in 2000-01 (61%). However, for 2000-01, assistance to public sector remained less than 20%. The percentage of sanctions as well as disbursements showed steady increase. It is indicative of the fact that the IDBI has contributed a lot in the entrepreneurship promotion in the private sector. Excluding the public sector its contribution exceeds 90% (except in 2000-01). It needs no explanation that the private entrepreneurship is driven with the hope and desire for profit. It is unimaginable to maintain an unprofitable enterprise. The rate of assistance shows the growth of entrepreneurship, which speaks of the return on investment and repaying capacity. It is also evident that the assistance in revival of sick units has been decreasing. This proves the fact that rate of enterprise failure is declining considerably.

Working capital assistance started only in 1995-96 and it continued growing over the years. It leads to the conclusion that economic viability of the projects undertaken by the entrepreneurs is good. With marginal increase in 2000-01, the assistance in rehabilitation was considerably low. The assistance for expansion and diversification show increasing trends in sanctions as well as disbursements. It proves that the entrepreneurs are keeping pace with the growing technology. The figures for purpose-
wise disbursements are not available in case of IDBI and, therefore, it is not possible to assess the utilisation of the assistance for the various purposes.

The contribution of IFCI in the promotion of entrepreneurship attracts attention. The total allocations in sanctions and disbursements have shown increase except in the last couple of years, which is because of government's disinvestment policy being implemented gradually. The trend values of disbursement, however, show a favourable picture. This is indicative of the massive assistance of the IFCI in the promotion of entrepreneurship in India. There is overall decline in the last three years' assistance but the allocation in the private sector showed steady and considerable increase, which shows the contribution of the IFCI in the promotion of entrepreneurship. The total direct assistance of IFCI increased over the years with minor fluctuations in the sanctions in various portfolios. The underwriting and indirect finance showed more contribution than the direct. It leads to the conclusion that the role of IFCI is that of the 'incorporator' of the new industrial venture. This gives, in turn, rise to the entrepreneurship promotion. Short-term or corporation loans of IFCI give rise to the direct creation of entrepreneurship. This scheme started only in 1995-96 and with the only exception of 2000-01, it showed growing contribution in this section of the industrial activity. The portfolio of underwriting was stopped in the new century which leads to the conclusion that the entrepreneurs do not find favour with the IFCI's participation in the affairs of the venture started by the entrepreneurs. This can only be because of favourable outcome of the venture. The industry-wise assistance has been as per the memorandum and objectives of IFCI with minor adjustments of requirements of the time so as to make surplus funds available to the better yields' projects. The infrastructure and exploration (oil, minerals etc.) has not been the area of preferred choice of IFCI's assistance. In these industries the assistance of the corporation showed declining trends in sanctions as well as disbursements. The assistance in the public sector has been less than 5%, which indicates that more than 95% of IFCI's assistance went for the promotion of entrepreneurship in the private sector. Almost in all years, the assistance of IFCI to the private sector has been around 90%. Sanction was as high as 99.38% and disbursement about 92% in the private sector in 1999-00. However, for 2000-01 (about 8%) the assistance to sector other than public sector has been more than 95% during the entire
period of study. Thus, the role and contribution of IFCI in the promotion of entrepreneurship has been highly favourable.

If it were taken from the angle of sector-wise allocation of assistance one would notice that assistance of IFCI continuously decreased over the years in the public sector. It means that the assistance increased in the private sector assisting the promotion and growth of entrepreneurship. The contribution in the private sector is in the range of 90% of its total assistance in all the years under study. Over the years the assistance of IFCI decreased in the new projects. It shows the assistance needed in either modernisation or diversification or rehabilitation of the existing enterprises. Consideration of these heads shows that IFCI assisted the rehabilitation of running enterprises only upto 1995-96. No assistance was given for rehabilitation thereafter. It leads to the conclusion that there was no failure of the projects or the projects, for profitable operations, diversified their operations. Expansion and diversification took major share of the assistance but it continued decreasing in the successive years. So is the case of modernisation and rehabilitation as explained above. The increased allocation was in the head ‘others’. It means that the major assistance was in the form of working capital or short-term loans. This shift in the policy boosts the entrepreneurial ventures. The rate of growth is many folds in this purpose which is sufficient to prove its viability and popularity. The percentage growth in the assistance in ‘others’ head has been 375.

The total growth rate in the assistance by ICICI continued growing in the successive years though the rate of growth has not been the same. It was as high as 56% in 1994-95 and as low as 3.5% in the very next year. Nevertheless, contribution of the ICICI in the entrepreneurship promotion is evident from the fact that the growth rate continued it positive momentum.

In direct contribution in the assistance in the form of rupee loan was the maximum and ever increasing during the period under review. In 1995-95 there was apparent decline in the total outlay but it was due to the start of new portfolio of short term/corporate loans in these years which showed sudden spurt till the scheme was abolished in the new century. Credit on the assets was the scheme in operation till 1994-95 wherefore, on account of NPAs, no assistance was granted against this head. Under
loan guarantees, the ICICI assisted several of the entrepreneurs as is evident from the assistance extended over the years, which multiplied in the successive years. Debentures and equity leasing was another head/scheme under which the assistance was extended to the entrepreneurs directly. The role of ICICI has been growth oriented during the period under review and judicial scrutiny.

It is alleged that ICICI extends loans and other financial assistance only to the large-scale enterprises. It is difficult to support or deny the allegation with the secondary data upon which the study is based. There is scope of further study on this aspect of the role of ICICI in the promotion of entrepreneurship (in or outside India).

Industry-wise there is mixed trends of assistance the ICICI extended. It needs further look whether the institution followed the government policies or extended help only on consideration of economic viability of the project financed. It, however, need be noticed that motto of the ICICI has been ‘let the sleeping dogs lie’ and prime consideration of the institution has been to promote the entrepreneur who has a newer and effective project at hand and needs assistance. Food and rubber products and the services attracted the minimum assistance.

ICICI gave maximum boost to the entrepreneurial promotion in certain sectors. More than 80% of its assistance went to the private sector in the initial years. Public sector attracted less than 20% of the assistance except in the years 1998-99 and 1999-00 (22.55% and 25.35%). One important fact to note in case of ICICI is that it is the only institution which gave maximum case to the safe investments i.e. investments in the public sector. The trend value of the entrepreneurship promotion in the successive years in case of ICICI has been 37531.1 as compared to the public sector which was 10913.4. The entrepreneurial growth rate was about 60% in case of the private entrepreneurs.

ICICI granted maximum assistance for the growth of new entrepreneurship. Major portion of its assistance went to creation of new projects. It started with modest figure of Rs.5015 million and reached Rs. 87142 millions in 2000-01. It stopped financing the equipment and the reason attributed was the scope of misuse of funds. In rehabilitation, it needed not much finance as is revealed in the figures. It is due to the reason that there were less failures of entrepreneurs. More and more entrepreneurs
required finance for expansion and diversification which shows that the assistance was being used in the right direction and the output was favourable for the continuance of the projects. Funds for modernisation and balancing equipment was another major area where increasingly financial assistance was pumped. The direct assistance showed multiple increase in the volume and rate which suggests that the money was being generated by investing money even on borrowed funds. The buoyancy of the mood of entrepreneurs shows that there was climate favourable for the entrepreneurship promotion.

SIDBI was established primarily for promoting the small-scale sector as per the budget proposals made in 1988-89 budget. Its thrust has been mainly on technological upgradation and modernisation of small enterprises/entrepreneurs and their expansion for promotion of employment even at the cost of borrowed seed capital or working capital and providing factoring or leasing services etc.

The total assistance continued increasing in each successive year and so also the disbursements. The rate of growth of sanctions and disbursements also remained encouraging except in the case of disbursements in 2000-01. The percentage growth rate of the assistance for the creation of entrepreneurship has been 59 over the period under study. Considering the need of small-scale sector, SIDBI stated many portfolios after mid-90's. Assistance in the rupee loans grew from meagre Rs. 84 million in 1990 to Rs. 3292 million in 2000-01. But for the year 2000-01, the foreign currency loans show that the small scale sector is aware of the import of latest technology and manufacturing processes. SIDBI made no direct subscription to the entrepreneurs. Bill rediscounting and financial assistance to the intermediaries was discourage to check misuse of the assistance.

The industries in the iron and steel, fertiliser, cement and transport equipment sectors got the minimum assistance because of the fact that these industries were not in the small sector. In rest of the industries the role of the bank has been progress oriented. Service industry got many-folds assistance, being in small sector exclusively and labour intensive. Entrepreneurs starting textile units, metal products and machinery were the
maximum beneficiaries. Precisely speaking the role of SIDBI has been in tune with the organisational policies that were made in line with the state policy.

Real contribution of the bank is in assisting the establishment of new enterprises. More than 80% of its assistance went to the establishment of new projects. Expansion and diversification continued a consistent level whereas modernisation, with negligible fall in some years, showed steady increase in the growth. The assistance in rehabilitation shows that there were a few failure in the entrepreneurs. The indirect assistance in the group of ‘others’ made noticeable impact on the entrepreneurial map. The trend was in favour of ‘others’. The purpose-wise disbursement was consistent in new projects, fluctuating in expansion and diversification, increasing in modernisation and almost consistent in rehabilitation. The growth rate in purpose-wise analysis was very good in all areas except in the new project which was due to the minus figures in the last two years.

The role of IIBI has been growth oriented. The bank was primarily established for helping the sick units initially. It attained multi-character role only in 1997-98. The assistance extended by it has to be seen in light of these facts.

For the reasons given above role of the IIBI has been not outstanding up to 1996-97 where the assistance was nominal and its disbursement around 50% of the sanctions. In the last about four years its operations expanded resulting in utilisation of resources for the promotion in different sectors, regions and purposes. The schemes and states got varied priority by IIBI.

In the later half of the 90s short term loans got priority, rupee loan continued to dominate the assistance and direct subscription in equity or preferential shares were more in 2000-01 (more than half of its total sanctions). The bank did not provide any assistance in the form of foreign currency. The industry-wise assistance had a mixed performance during the period under judicial scrutiny in sanctions as well as disbursements (for details please consult relevant tables).

The sector-wise allocation of sanctions and disbursements has been satisfying in the sense that about 90% of its assistance went to the promotion of private
entrepreneurship and help to the public sector was around 10%. The growth rate is the minimum in case of private entrepreneurship (1977). The disbursements were about 85% in favour of private enterprise and rest in the public and other sectors.

Upto 1999 the thrust area of IIBI was the establishment of new enterprises that showed sudden decline in 1999-00 with no assistance to the new enterprise in 2000-01. Modernisation and balancing equipment accounted for increasing assistance in the successive years. IIBI had created a head in the form of 'distress call' called correcting imbalance in current position. It appears that the entrepreneurs started depending on this head increasingly. It is indicative of the short-term requirements as well. The bank also provided certain unproductive loans such as meeting resource gaps, start-up expenses and repayment of pressing liabilities. However, these schemes do not find favour with the management of the bank as is apparent from the data given in the table. The disbursement for various purposes is not in tune with the sanctions and indicates towards the leg period and release of sanction on the basis of progress of the projects financed.

The overall and inter-institutional comparison can be made from the data available in the appendix. There can be another comparison i.e. item based for different institutions. The later endavour has not been made in this thesis because of many constraints – time being the most important.

The total assistance of IDBI and ICICI increased steadily over the period under study. In case of IFCI it increased continuously from 1990-91 to 1997-98 and declined marginally in the next year and continued falling in the next two years (upto 2000-01). The total assistance of SIDBI and IIBI also increased in the successive years with negligible decline in some years. The total assistance of all the DBs increased in the successive years.

As has been mentioned in the limitations (re. chapter - 1) that (a) DBs do not provide financial assistance alone but also the services and indirect assistance which may, or may not, be free of cost to the beneficiaries; and (b) every service, free or otherwise, is measurable in terms of money, an attempt is made to quantify the services rendered by the development financial institutions/development banks in terms of money spent in their procurement. Creation of infrastructure, providing training and managerial
services, extending consultancy and collaboration, trade and advisory services etc. are measured in terms of money spent on them. For providing information about such services a separate table is given in appendix to assess the sector in which the assistance is granted by which of the institutions.

Creation and maintenance of infrastructure gives direct incentive and boost to the entrepreneurship. Therefore, its assessment is all the more essential for proper appreciation of the role and contribution of the development banks in the entrepreneurship promotion. Two dimensional tables (given in the appendix) details the sanctions and disbursement by main DBs in the infrastructure creation. This assistance is provided by the DBs to the entrepreneurs (existing or prospective) free of cost. The figures are the amount spent by the DBs in making these services available to the entrepreneurs. It shows that electricity generation takes big chunk of the total assistance in the first half of the decade under study. In the later years it is telecommunication and roads/ports/bridges which were thought necessary for proper industrial growth even in the backward regions of the country.

IDBI and ICICI are the main contributories in the creation of the infrastructure which accounted for more than 75% of the total direct spendings of the DBs. The disbursements of these spendings were to the lower side in the initial beginning which picked up in due course of time. It is probably due to the progress of the projects directly financed by these institutions which alternatively depended upon the governmental decisions. Alongwith this table is the supplementary table showing the number of projects directly assisted by the (main) DBs during 2000-01 and the amount spent by the DBs in this connection. The table includes not only the infrastructure but also the enterprises which these DBs directly financed. The details overlook the regions but show the sector/industry in which these these projects were working. The table is relevant for the purpose of entrepreneurship promotion in the area where there is no participation of any one else (private or public).

**Whether the study achieved its objectives:**

The research studies are not endeavours in vacuum but are intentional deliberations and efforts for achievement of certain pre-determined objectives. If these
objectives are achieved (in part or full) the study is useful otherwise it is mere wastage of time and energy and a parasite on the exchequer.

This study is aimed at knowing the contribution of the development banks in the promotion of entrepreneurship, to ascertain whether there was any relationship between assistance and the entrepreneurship promotion (linear or multiple and negative or positive), what factors (apart from the DBs' assistance) contribute in the promotion of entrepreneurship and whether there was any correlation between industrial policies, programmes and projects of government and DBs and the entrepreneurship promotion.

The study has analysed the role and contribution of all the development banks in India in the promotion of entrepreneurship. Apart from the contribution of all individual DBs, an attempt was made for inter-institutional and inter-item/sector comparison over the period under study for better understanding of the functioning of the various factors affecting the entrepreneurship promotion. Stated in nut-shell it is enough to mention that the role and contribution of development banks in entrepreneurship has been positive, consistent and satisfactory over these years. The DBs have to work within the framework of the State policy and State polity and institutional policies and programmes cannot transcend State’s policies and polity. The various bases of classification and comparison makes the thesis an interesting reading - the researcher believes. There is non-linear relationship between the assistance rendered by the DBs and the entrepreneurship. This relationship is positive and not exactly in the ratio of doze of assistance. The industrial policies, programmes and the projects of the government and the procedures, schemes, departmental policies of the development banks have direct relationship with the entrepreneurship promotion. Such programmes, policies etc. create an environment for the entrepreneurs to grow and prosper. The legal framework helps in moulding these programmes, policies etc. in the direction in which the State wants it.

The other contributing factors for the promotion of entrepreneurship and their interse comparison has only been theoretically made for want of proper data. The researcher ensured not to cross the restraints of the objectives of the study and scope of the topic.
For this purpose there is scope for further study which may include whether these factors can be favourably manipulated and if so how, with what effect and rate. The study of this may encompass the whole gamut of determinants of the entrepreneurial growth at a given time and within the controllable set of circumstances. Even a study for single factor effecting entrepreneurship will be of immense help to the economy for better planning and co-ordination of various resources in the welfare state like ours. Such an endeavour will also help in the long term planning not only at institutional level but also at the level of the entire economy. It will have to be based on the primary data collected with verifiable inbuilt machenism.

The various contributing factors affecting the promotion of entrepreneurship, not included elsewhere in this thesis, may be listed as under:

- Motivational reasons:

  The motivational reasons affecting the promotion and growth of entrepreneurship may be educational and technical qualifications of self or of the family member/relative/partner, temperament and family background, assistance available and sought (of family, friends, government, of financial institutions, society and its values, customs and traditions and social order prevailing at a particular point of time), availability of various inputs, technology, ready market nearby, skilled work-force and techno-managerial-personnels, chances of success (profit, appreciation and social recognance). These reasons also include family and political background and support or its hope, social and cultural factors, locational advantage etc. etc.

- Personal ambitions:

  The personal ambitions are the driving force for the rational animal called the man. A man may be called a bundle of hopes and ambitions. The ambitions inspiring the person to start an enterprise may be the desire to earn, to continue family business, create an independent source of living for the self and the family, desire of better quality of life for self or the
children, personal and social recognance, respect and prestige and creative and ego satisfaction.

- Facilitating reasons: -

The facilitating reasons motivating the promotion of entrepreneurship may include knowledge of the prospective entrepreneur, his inspiration, association, experience in any industrial activity or in its diversification and allied activity, advice and influence of the friends and family members, adaptability, industrial relations, political stability and social order.

- Compelling reasons: -

In the materialistic race of modern day world, there is question of survival which is possible only through satiation of material wants. In the struggle for survival unemployment or in case of question of survival or for the continuance of family business drives a man to start an industrial venture. If one is in some employment, the stagnation or dissatisfaction may lead to entrepreneurship. Use of idle time, skills or funds may help in promoting entrepreneurship. It is also possible that one takes up a family business on the sudden death of its head, in case of family partition/settlement and regional migration for some good reason.

- Subsidies and incentives: -

Subsidies are the financial temptations awarded by the State or its instrumentalities inspiring the prospective or/and established entrepreneurs to start a new venture in which the state or the economy has implied interest and the state lends a helping hand. Such facilities may be direct financial assistance or provision of certain facilities which, but for the incentives, would have costed the entrepreneurs financially. Infrastructure creation, subsidised power and raw material availability, tax connections, technical or managerial assistance
• Social, political and economic environment: -

Socio-economic and political environment has direct bearing on the entrepreneurship promotion. If the social order and smooth working of various social institutions is in operation it is congenial environment for the growth of entrepreneurship. Political unrest leads to the uncertainty of the government policies and legislations, in which situation industrial activity comes to a grinding halt. Economic recession, depression and boon have direct bearing on the economic and industrial activity and the entrepreneurship.

• Psychological reasons: -

The psychological reasons affecting the entrepreneurial growth are: need for achievement; withdrawal of status respect and governmental influence. The withdrawal of status respect works as an incentive to regain the lost prestige and popularity. The influence in the government helps in the facilitating factors to override the procedural delays in starting any industrial project. Need for achievement is the social as well as psychological necessity for any individual to progress materialistically.

Scope of future research in the area: -

As mentioned in the initial pages of this thesis, enough work has been done on the subject. But there is, still, dearth of a comprehensive study on the subject for the last about fifteen years which would pin-point the virus of entrepreneurship promotion to be handled with care. And which, if nurished, would lead to the industrial growth in the direction set by the State’s plans. The problems of financial institutions vis-à-vis the new entrepreneurs, the problems of new entrepreneurs in getting assistance, the problems peculiar to the entrepreneur under joint sector, the determinants of policy formation, why the assistance of development banks fails to achieve the desired/aimed results, the state’s policies and entrepreneurship promotion, the institutional policies and the entrepreneurial development, fund managements of the banks, the utilisation and appraisal of assistance are the major areas in which further studies can be undertaken. This study is based on
the secondary data but primary surveys can be conducted for in-depth study area-wise, or regarding the sick units' why and what, individual appraisal and evaluation of various schemes of the development banks, study of any single development bank or of a particular state or a particular aspect such as sick units and their revival or rehabilitation so on and so forth. There is no dearth of the areas where meaningful research can be undertaken.

Complementing the efforts of development financial institution at all India level it is wise to through a word of caution that their efforts are not yielding the results expected of such assistance and, therefore, an introspection is required above the statutory audit.

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