Chapter Three

AN OVERVIEW OF SMALL SCALE INDUSTRIES

3.1 Introduction

3.2 Role of Small Scale Industries in the Economy of India

3.3 General Characteristics and Advantages of Small Scale Industries
   3.3.1 Employment Potential
   3.3.2 Low Capital Outlay
   3.3.4 Skill Formation
   3.3.5 Limited Import Intensity
   3.3.6 Export Potential
   3.3.7 Short Gestation and Decentralization
   3.3.8 Balanced Regional Development
   3.3.9 Better Distribution of Wealth
   3.3.10 Provide Opportunities for Development of Technology

3.4 Need for Study

3.5 Definition of Small Scale Industry

3.6 Problem of Small Scale Industries
   3.6.1 Problem of skilled manpower
   3.6.2 Inadequate credit assistance
   3.6.3 Irregular supply of raw material
3.6.4 Absence of organized marketing
3.6.5 Lack of machinery and equipment
3.6.6 Absence of adequate infrastructure
3.6.7 Competition from large-scale units and imported articles
3.6.8 Other problems:

3.7 National Small scale Industries Corporation (NSIC)
3.8 Industrial Development Bank of India (IDBI)
3.9 Small Industrial Development Bank of India (SIDBI)
3.10 Industrial Finance Corporation of India (IFCI)
3.11 National Bank for Agriculture and Rural Development (NABARD)
3.12 State Financial Corporations (SFCs)
3.13 Commercial Banks
3.14 National Institutes for Micro Small and Medium Enterprises (NIMSME)

Hyderabad, Andhra Pradesh

3.15 National Institute for Entrepreneurship and Small Business Development (NIESBUD) Noida, UP
Chapter Three

AN OVERVIEW OF SMALL SCALE INDUSTRIES

3.1 Introduction

Man has always engaged himself into various economic activities. In fact the various needs of the civilized society are met with such economic activities. Being a basic need, food production or agricultural activity was dominant till 17th century. Role of manufacturing was very limited then. The entire scenario changed after industrial revolution. A shift from agriculture to manufacturing and at a later stage from manufacturing to services has become one of the parameters to measure the development of a country. The manufacturing industry is a cultural revolution of mankind through its secondary activity. It is primarily concerned with the processing of materials and semi finished products for man’s use, whereas the primary activities are concerned with agriculture, forestry, fishing, mining and animal rearing, etc. Thus manufacturing industry makes new things by changing the form of the material, extracted directly from the physical realm and simultaneously makes them more useful to man by adding new utility values to them. Manufacturing industries not only process raw material in their natural form but process synthesis of different semi-finished materials. This processing and altering of a material makes it more valuable. It has been clearly defined that “manufacturing is the processing of raw materials to enhance its value” (Robinson, 1969). In the predominantly agrarian setting of the country like India, the agro-based manufacturing industries absorb the surplus rural population which provides it with a dependable means of livelihood.

In India manufacturing industries alone account for about 30% of the industrial outlay of the nation by producing employment opportunity to slightly more than one-third of its total industrial labour force. Nearly 70% of our people depend on agricultural wealth. As agriculture does not provide work to cultivator round the year, they have to remain idle during the off season and so the industries
could offer partial employment. The part time employment during the off season can help the cultivator to substantially supplement the agricultural income. Thus the manufacturing industries occupy the strategic and significant position in the national economy of India. Manufacturing may be done on different scales – large, medium or small. Depending upon the nature of population, the role played by each of these scales is different.

Small scale industries play a very vital role in the country’s economy despite the phenomenal growth in the large- scale sector. In fact the small scale sector is playing a crucial role in the growth of many national economies the world over and is considered to be the engine of growth in those countries.

The types, characteristics and spatial pattern of these small scale industries vary from one region to the other. Further, their role in the economy also differs from one area to another. Because of these variations, they become topics of detailed analysis and research. The present investigation is one such attempt in this direction. It is apt to begin the discussion with an analysis of the role of small scale industries in the economy of India.

### 3.2 Role of Small Scale Industries in the Economy of India

Paucity of capital, excessive dependence of agriculture and abundant supply of manpower are the characteristic features of many developing countries in Asia. Small scale industries are not only intensive but also do not demand massive capital resources, and so they are more suitable to the developing and agrarian country as they help to reduce the pressure on land (Ramachandra Gowda, 1998).

In the changing scenario of world economy, these countries are forced to utilize the available resources in the best possible way. Consequently, these nations have realized that dependence on agriculture alone is insufficient and the manufacturing and service sectors are to be developed. The demographic and social set up of many of these countries is favorable for medium or small scale manufacturing activity. This is particularly true for India.
India is an emerging economy with a population of more than one billion. Nearly 40% of the population lives below the poverty line and 70% of the population is dependent on the agriculture for sustenance. The economic reconstruction of India depends on the balanced growth of economy in the fields of agriculture and industry. Because capital and acquaintance have been scarce in India, the Government of India has encouraged alternatives to agriculture and heavy industries, like small-scale industries, which can operate on limited resources. A small-scale industry can be operated by an entrepreneur without needing sophisticated machinery and modern technology. These small-scale industrial units can be established in semi-urban and rural areas where the infrastructure is underdeveloped. The objective is to use local raw material for raising production with the help of local skills. Small-scale industries provide employment without affecting the main occupation agriculture of illiterate people in rural areas in India. The other advantages of small-scale units are that these units need short gestation period in establishment, are less dependent on imported raw material and machinery and help in meeting a substantial part of demand of consumer goods. These units also help in solving the problem of regional disparities in economic growth (Gyan Prakash, 1991).

In recent years, the small-scale sector in India has emerged as a progressive and decentralized sector on its own. Small-scale industries have made a significant contribution to employment generation in the non-agricultural sector in India. The data available from the Ministry of Small-scale Industries, Government of India (Annual Report 1999-2000) indicates that there has been an excellent growth in small scale industries in India in recent years. The number of SSI units in India has increased from 2 million in 1991-1992 to 3 million in 1998-1999. The value of production in these units has increased from Rs.1786 billion to Rs.5275 billion in 1998-1999. The volume of employment in small-scale sector has increased from 12.98 million in 1990-1991 to 17.158 million in 1998-1999. The growth of
employment in small sector is significantly large in small sector than other organized sector in India. Sickness or financial distress in small-scale sector is however of great concern to the Government of India and the entrepreneurs. The number of sick units has increased from 221,472 in 1991 to 306,221 in 1999 (Reserve Bank of India, 1999-2000). The magnitude of sickness in last 9 years has prompted Reserve bank of India the Government of India to take certain policy initiatives to eradicate sickness. The problem however still persists.

In 2005, there were 1.7 million registered small scale industrial units in India, while the unregistered units numbered to 10.2 million. Put together, these units employed about 28.3 million workers. From 2006, the Government of India has formulated a common policy for micro, small and medium scale enterprises (MSME). In 2006-2007 there were 27.3 million registered micro, small and medium enterprises with about 59.5 million workers. The growth rate of small scale industries however varies from earlier period to present day. In 2011-2012 the micro, small and medium enterprises provided employment to about 60 million persons through 26 million enterprises (Economic survey, 2011-2012).

3.3 General characteristics and Advantages of Small Scale Industries

In contrast to the large scale manufacturing, the small scale industries have a number of varied characteristics which may be discussed here.

The small scale industries of India have a decisive role to play in the economic development of the country. The policy of promontory rapid growth of small scale industries both in the modern as well as traditional sectors is also due to a great extent their complementarily to large scale industrial manufacturing units (Siddhartha, 1998). They differ from large scale manufacturing in terms of employment, capital, trade, skill and the role in rectifying regional imbalance.
3.3.1 Employment Potential

The labour investment ratio is high in the case of small scale industries. In general, these units provide more employment than the same amount of capital invested in large-scale industries. Further seasonal unemployment is a chronic problem in an agrarian society like India. These unutilized rural labour can be utilized productively in small scale industries.

3.3.2 Low Capital Outlay

Small scale industries need low capital investment. In such cases of manufacturing activities, where there is scarcity of capital and economizing capital is essential small scale is the only effective solution. Because of this many such industrial units have been started with an investment of Rs. 25 lakhs to up to Rs.5 crore, that too obtained as loan from banks.

3.3.4 Skill Formation

Small scale industries produce a variety of goods. It does not require any sophisticated skill and managerial talent of engineers, technicians, and accounts, etc. However it may require minimum skills in the relevant manufacturing activity of a product.

3.3.5 Limited Import Intensity

The small scale industries do not use heavy or sophisticated machineries. These units are not very much dependent upon imported machinery from abroad. These units often depend upon indigenous technology and utilize local resources.

3.3.6 Export Potential

The small scale industries produce labour intensive products at a comparatively low cost. Some of the traditional goods like embroidery on bed sheets, table cloths, leather work, other works of art, metal works, etc have great
demand in developed countries. The value of exports of products of these units has increased from Rs. 393 crore in 1973-1974 to Rs 2387.5 crore in 2009-2010. Thus this industrial output occupies a considerable share in the India exports and is a major source for earning foreign exchange.

3.3.7 Short Gestation and Decentralization

The small scale industries have a very short gestation period. The time lay between investment and return in the case of small industries is very short and as such the project would give quick returns. These small scale industries prove to be more productive because new innovations or changes as per consumer choices can be brought about more easily and in short time.

3.3.8 Balanced Regional Development

In India there is a marked concentration of industries in a few large cities of different States like Mumbai, Kolkata, Chennai, Bangalore, Kanpur, Ahmedabad, Coimbatore, Baroda and Jamshedpur. People migrate from rural and semi urban areas to these highly developed centers in search of employment and sometime to earn a better living which ultimately leads to many evil consequences of overcrowding, pollution, creation of slums, etc. This problem of Indian economy is better solved by small scale industries which utilize local resources and brings about dispersion of industries in the various parts of the country thus promoting balanced regional development.

3.3.9 Better Distribution of Wealth

The decentralization of industries in the small scale sector secures an even distribution of income and wealth. This disparity is the direct result of disproportionate ownership of asset by a small percentage of the population as well as due to imbalances in regional development. This is mainly due to the fact that small scale industries are widespread as compared to large industries and are having
Large employment potential. Large scale industries tend to concentrate large wealth in a few hands which is undesirable in a socialistic pattern of society. Further, small scale industry will not create slums, housing problems, sanitation, disease and squalor as in the case of large industries.

3.3.10 Provide Opportunities for Development of Technology

Small scale industries have tremendous capacity to generate or absorb innovations. They provide ample opportunities for the development of technology and technology in return, creates an environment conducive to the development of small units. The entrepreneurs of small units play a strategic role in commercializing new inventions and products. It also facilitates the transfer of technology from one of the other. As a result, the economy reaps the benefit of improved technology.

3.4 Need for Study

The small scale industrial sector plays a pivotal role in the Indian economy in terms of employment. Today, the small scale industrial sector accounts for about 8 percent of the gross domestic product, 45 percent of the manufacturing output and 40 percent of its exports. The micro, small and medium enterprises provide employment to about 60 million persons through 26 million enterprises (Economic Survey, 2010-2011). The need to promote the small scale sector particularly agro based, traditional and cottage industries has been recognized by the Government. Many steps had been taken to this end, by giving capital subsidies, excise tax exemptions and other concessions to small scale industries depending upon the amount of investment, the volume of sales and in some cases the choice of technology. Apart from this, many schemes have been developed like Indira Awas Yojana and Rozgar Yojana and Rural Employment Generation programme (REGP) in 2008. These schemes aim at empowering the first generation entrepreneurs up to
Rs. 10 lakhs to set up service enterprises and up to Rs. 25 lakhs to set up manufacturing enterprises.

In recent years the Micro, Small and Medium Enterprises (MSME) sector has consistently registered higher growth rate compared to the overall industrial sector with its agility and dynamism. The sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession. Thus, micro, small and medium enterprises are important for the national objectives of growth with equity and inclusion. Taking the points discussed so far, the present study is intended to study the small scale industries at a District level. At this juncture, it is essential to attempt a definition of small scale industry.

3.5 Definition of Small Scale Industry

Defining small-scale industry is a difficult task because the definition of small-scale industry varies from country to country and from one time to the other in the same country depending upon the pattern and stage of development, government policy and administrative set up of the particular country.

Every country has set its own parameters in defining small-scale sector. Generally, small-scale sector is defined in terms of investment ceilings on the original value of the installed plant and machinery. But in the earlier times the definition was based on employment.

For example in Germany all enterprise employing less than 300 employees are considered as small scale enterprises, while in East Africa and Philippines, all firms with less than 100 employees are considered as small scale enterprises (United Nation, 2005). In Nigeria the Central bank in 1990 defined small scale enterprises as any business with an annual income/asset of less than N 500, 000. The Federal Government small scale industry development plan 1980 defined small scale enterprise as any manufacturing process or service, with a capital not exceeding N 150,000 in manufacturing and equipment alone. The Federal ministry
of industries defined it as those that have not more than N 150,000 including working capital to set up.

The Fiscal Commission, Government of India, New Delhi, 1950, for the first time defined a small-scale industry as one which is operated mainly with hired labour of usually 10 to 50 hands.

Fixed capital investment in a unit has also been adopted as the other criteria to make a distinction between small-scale and large-scale industries. This limit is being continuously raised upwards by government.

The Small Scale Industries Board in 1955 defined Small-scale industry as a unit “employing less than 50 employees if using power and less than 100 employees if not using power and with a capital asset not exceeding Rs. 5 lakhs.” The initial capital investment of Rs. 5 lakhs has been changed to Rs. 10 lakhs for small industries and Rs. 15 lakhs for ancillaries in 1975. Again this fixed capital investment limit was raised to Rs. 15 lakhs for small units and Rs. 20 lakhs for ancillary units in 1980. The Government of India in 1985, has further increased the investment limit to Rs. 35 lakhs for small-scale units and 45 lakhs for ancillary units. Again the new Industrial Policy in 1991, raised the investment ceilings in plant and machinery to Rs. 60 lakhs for small-scale units and Rs. 75 lakhs for ancillary units.

During 1997, on the recommendation of Abid Hussain committee, the Government has raised the investment limit on plant and machinery for small scale industrial units and ancillaries from Rs. 60/75 lakh to Rs. 3 crore and that for tiny units from Rs. 5 lakh to Rs. 25 lakh. The investment limit on plant and machinery was reduced from Rs. 3 crore to Rs. 1 crore for small scale units in 2000. However the investment ceiling for tiny industries remained unchanged to Rs. 25 lakh.
According to the provision of Micro, Small and Medium Enterprise Development (MSMED) Act, 2006, the limit for investment in small manufacturing enterprises is more than Rs. 25 lakh but does not exceed Rs. 5 crore.

3.6 Problem of Small Scale Industries

In spite of the advantages and relevance of small scale industries, these are also a number of problems faced by them. The following are some of the major problems faced by small scale industries in India.

3.6.1 Problem of skilled manpower

The success of a small enterprise revolves around the entrepreneur and its employees, provided the employees are skilled and efficient. Inefficient human factor and unskilled manpower create innumerable problems for the survival of small industries. Non-availability of adequate skilled manpower in the rural sector poses problem to small-scale industries.

3.6.2 Inadequate credit assistance

Adequate and timely supply of credit facilities is an important problem faced by small-scale industries. This is partly due to scarcity of capital and partly due to weak creditworthiness of the small units in the country. Though there are many agencies which provide financial support to this sector, in reality conditions set for the sanction of a loan become a major barrier for capital investment.

3.6.3 Irregular supply of raw material

Small units face severe problems in procuring the raw materials whether they use locally available raw materials or imported raw materials. The problems arise due to faulty and irregular supply of raw materials. Non-availability of sufficient quantity of raw materials, poor quality, increased cost, foreign exchange crisis and
above all lack of knowledge of entrepreneurs regarding government policy are the other few hinderances for small-scale sector.

3.6.4 Absence of organized marketing

Another important problem faced by small-scale units is the absence of organized marketing system. In the absence of organized marketing, their products compete unfavorably with the quality of the product of large-scale units. They also fail to get adequate information about consumer's choice, taste and preferences of the type of product. The above problems do not allow them to stay in the market.

3.6.5 Lack of machinery and equipment

Small-scale units are striving hard to employ modern machineries and equipment in their process of production in order to compete with large industries. Most of the small units employ outdated and traditional technology and equipment. Lack of appropriate technology and equipment create a major stumbling block for the growth of small-scale industries.

3.6.6 Absence of adequate infrastructure

Indian economy is characterized by inadequate infrastructure which is a major problem for small units to grow. Most of the small units and industrial estates found in towns and cities are having one or more problems like lack of power supply, water and drainage problem, poor roads, raw materials and marketing problem. Thus absence of adequate infrastructure adversely affects the quality, quantity and production schedule of the enterprises which ultimately results in under-utilization of capacity.
3.6.7 Competition from large-scale units and imported articles

Small-scale units find it very difficult to compete with the product of large-scale units and imported articles which are comparatively very cheap and of better quality than small units product.

3.6.8 Other problems

Besides the above problems, small-scale units have been of constrained by a number of other problems also. They include poor project planning, managerial inadequacies, old and orthodox designs, high degree of obsolescence and huge number of bogus concerns. Due to all these problems the development of small-scale industries could not reach a prestigious stage.

In order to overcome some of these problems and encourage the development of small scale industries, the Government of India has undertaken a number of measures. These include setting up of various bodies for the promotion of small scale industries. Similarly the financial support is also extended by the Government to the small scale industries through varies agencies. The following account provides a brief note in this regard.

3.7 National Small scale Industries Corporation (NSIC)

The National Corporation Small Scale Industries was set up in 1955 with a view to promoting, aiding and fostering the growth of small scale industries in the country. The NISC offers a package of assistance for the benefit of small scale industries.

It facilitates a single point registration scheme to these industries so that they can participate in the tenders floated by the government and other public sector undertakings. It further helps the entrepreneurs with latest and updated information on business leads, technology and policy issues. It also tries to fulfill the raw material requirement by offering raw material on convenient and flexible terms.
Better credit terms through banks, promoting export orders for foreign buyers and extension of subsidies are also undertaken by National Small Scale Industries Corporation.

Raising sufficient capital in the foremost task for small scale industries. Financial support for the development of small scale industries are provided by all India financial institutions, viz. Industrial Development Bank of India (IDBI), Small Industrial Development Bank of India (SDBI), Industrial Finance Corporation of India (IFCI), National Bank for Agriculture and Rural Development (NABARD), State Financial Corporations (SFCs), Commercial Banks, Cooperative Banks and Regional Rural Bank (RRBS).

3.8 Industrial Development Bank of India (IDBI)

The Industrial Development Bank of India was established on 1964 under an Act of Parliament as a wholly owned subsidiary of the Reserve bank of India. In 1976 the ownership of IDBI is transferred to the Government of India. The IDBI is the apex financial institution and besides providing financial assistance on consortium basis, the major function of coordination between the various institutions is also looked after by the bank. It also provides refinance facility to the eligible financial institutions including term loan. The bank sanctions the financial assistance to the industrial concerns engaged in the manufacture or processing of goods, mining, transport generation and distribution of power etc.

IDBI is the leader in the Indian Capital Market. It has both regulatory and development functions. The role of IDBI in the market is to promote and develop industries as per the planned projection of the Government to provide technical and assistance for the expansion and modernization of the industry and for rediscount and refinance facilities to financial institutions. IDBI as the leader in the market coordinates guides and monitors the credit facilities by all India and State level financial institutions and development corporations. It undertook the responsibility
the promoting and financing the small and cottage industries and also the import-
export trade of the country until separate bodies namely Exim Bank and Small
Industries Development Bank of India (SIDBI) were set up.

Financial assistance to small scale industrial units from the IDBI is
channelized mainly through the SFCs and commercial banks. The IDBI replenishes
the financial resources of these primary lending agencies by providing refinance to
them.

3.9 Small Industrial Development Bank of India (SIDBI)

The Small industries Development Bank of India is being set up as a
subsidiary to the IDBI. The SIDBI is expected to take the overall activities of IDBI
related to the promotion and development of small scale industries. The SIDBI is
operating different programmes and schemes through 5 regional offices and
33 branch offices. It commenced direct and indirect financial assistance to small
scale industries.

In the case of direct assistance, SIDBI has a number of schemes such as
project finance scheme, marketing scheme, etc and thus helps infrastructural
development, technology development, finance syndication and facilitating joint
ventures.

In the indirect assistance, SIDBI extends refinance of loans to small scale
sector by Primary Lending Institutions (PLIs). At present, such refinance assistance
is extended to 892 PLIs and these extend credit through a network of more than
65,000 branches all over the country.

The SIDBI’s efforts have resulted in the increased flow of credit to small
scale industries sector. In the case of tiny units, nearly 90% of the projects have
received a financial assistance upto Rs 5 lakh per project. Similarly SIDBI has
extended financial support to the tune of Rs 19 crores to the women entrepreneurs.
SIDBI also concentrates development of small scale industries in the Backward regions. Altogether a sum of around Rs 755 crore has been given under this refinance scheme to projects in the backward regions.

3.10 **Industrial Finance Corporation of India (IFCI)**

IFCI was set up for the purpose of assisting the medium and long term projects for capital expenditure on projects, expansion, and modernization and technological upgradation etc. It plays promotional and developmental role, particularly in relation to the small and medium scale entrepreneurs. It provides term loans and foreign currency loans to the industrial units engaged in both processing and preservation of various type of goods.

3.11 **National Bank for Agriculture and Rural Development (NABARD)**

Like the IDBI, the NABARD also provides refinance to commercial banks cooperative bank and RRBs for providing financial assistance to small scale industrial units.

3.12 **State Financial Corporations (SFCs)**

The State Financial Corporations were set up mainly to finance small and medium industrial units through an act in 1957. Their area of operation is generally restricted to the concerned State.

In almost every State, a SFC has been set up by the respective State Government. The SFCs provide medium and long, term loans to small scale industries units engaged in manufacturing, processing and preserving of goods and maintenance, repair, testing and servicing. The financial assistance provided by the SFCs is only for the acquisition of fixed assets, like land, building, plant and machinery for new units and for renovation, expansion, modernization and diversification of existing units. Since IDBI is the custodian of SFCs, financial assistance is provided through refinance from the IDBI.
The SFCs have played an important role in the evolution and growth of small medium industries in their respective States. They provide financial assistance to industrial units by way of term loans, direct subscription to equity, guarantees etc. The funds for lending under single window scheme by SFCs should be placed along with SIDBI. In the case of term loan, 80% could be given by SFC and 20% by bank. In case of working capital which may be sanctioned at the same time as term loan, the proportion could be reversed, i.e. 80% by bank and 20% by SFC.

3.13 Commercial Banks

The commercial banks in India are categorized into National banks, Scheduled bank, foreign banks, etc. They indulge in varied activities such as acceptance of deposits, offering loans for different purposes and are even allowed to collect taxes on behalf of the institutions and central Government.

The banks are required to compulsory ensure that a defined percentage (currently 40%) of their overall lending is made to priority sectors as classified by RBI. These sectors include agriculture, small scale industries, export etc. The inclusion of small scale industries in this list make them eligible for this earmarked credit.

As a measure for improving credit flow to the sector by the commercial banks, it was restricted that only small scale industrial financing will be included in priority sector as a part of their development scheme.

All the commercial banks will have to fix self-targets for financing to small scale industries so as to reflect a higher disbursement for the preceding year. Even among the small scale industries there are various units with different capital investment. To ensure that credit is available to all these units it has been made almost mandatory for these commercial banks that out of the total credit allotted for small scale industries, 40% is to be given to units with less than Rs 5 lakh capital,
20% for units having 5 to 25 lakhs capital and the rest to units with more than Rs 25 lakh capital.

The discussion made so far has brought to light the various steps taken by the Government to promote and finance the small scale industries. In addition to these steps, a number of Institutes are set up by the Central and State Governments to provide training for establishment and running of micro, small and medium enterprises (MSME) in the country. It is apt to have a brief account on some of these institutes here.

3.14 National Institutes for Micro Small and Medium Enterprises (NIMSME) Hyderabad, Andhra Pradesh

The institute was shifted to Hyderabad in 1962 and was renamed as Small Industry Extension Training (SIET) Institute.

The NIMSME institute in the field of MSME is playing a major role in fostering the progress of MSME towards success and prosperity. The main function of this institute is to assist the Government in formulating polices for small enterprises and help the practicing and potential entrepreneurs through a host of services like research, consultancy, information, training and education. The institute is a training ground for senior technocrats, bureaucrats and banks that come to the institute to gain expertise and knowledge in order to equip themselves with latest practices and streamline their operations. The institute is also imparting through 28 partner institutes spread across the country. The institute focuses on many training programmes such as

- Lending strategies for micro, small and medium enterprises
- Development of Agro enterprises in rural areas
- Business Development plan for micro, small and medium enterprises
▪ Micro, small and medium enterprises and balanced regional development and
▪ Innovative strategies for small medium enterprises

It also provides training on communicative skills for finance executives.

3.15 National Institute for Entrepreneurship and Small Business Development (NIESBUD) Noida, UP

This institute was set up in 1983. It was mainly established to coordinate and oversee the activities of various institutes/agencies involved in entrepreneurship development. It has 34 partner Institutes.

There are a number of regional Entrepreneurship Institutes or centres distributed in various part of the country. Some of these include.

a. India Institute of Entrepreneurship, Guwahati, Assam.

b. Entrepreneurship Development Institute of India Ahmedabad, Gujarat (EDII)

c. Centre for Entrepreneurship Development (CED), Gadhinagar, Gujarat.

d. Center for Entrepreneurship and small Business Management, Ajmer, Rajasthan. (Maharshi Saraswati University)

e. Enterprise Development Institute Kolkata, West Bengal (EDI)

f. Institute of Entrepreneurship Development, Bhubaneswar, Orissa

g. Centre for Entrepreneurship Development, Karnataka

h. Centre for Entrepreneurship Development (CEDMAP) Bhopal, Madhyapradesh.

60
The account given so far has analysed the varied characteristics, problems and financial support of small scale industries in India. In order to understand the status, development of problems of Small Scale Industries at meso level, Theni District in Tamilnadu has been chosen for the present study and this is discussed in the subsequent chapter.