CHAPTER -3

REVIEW OF LITERATURE

In order to understand issues, problems and all other relevant information’s associated with financing of Small Scale Industries and also other studies made by other institutions and other experts a detailed survey of related literature was conducted. The abstracts of a few literatures are given below:

T.K.Lakshman\textsuperscript{1}, Cottage and Small Scale Industries indicates that the state and central Government has no doubt setup a number of agencies to meet the short-term and long term credit needs of the small producers and handloom weavers. But to make effective flow of credit to the small producer and to avoid duplication of functions and overlapping of the producers as its members lending activity, not only a proper streamlining of these agencies is necessary but also a sound co-operative structure with a large number of small. Besides, the small producer needs enlightenment on the importance of maintaining good accounts and business integrity in order to enhance his credit worthiness and to facilitate the lending institutions to take quick decisions.

Vishnu Varshney\textsuperscript{2}, opines that VC organisations in India need a regulatory framework. the most critical success factors for VC industry are; fundamental economic growth and capital market development and he further suggests that venture capital practitioners must be cautious and authentic and they should not repeat the mistakes of our counterparts in the U.S. (In the companies the venture capital industry in the U.S. was virtually destroyed by unreasonable expectations, inadequate private capitalisation, lack of management experience and widespread misunderstanding of venture investment disciplines) and he was confident enough to say that a better organised venture capital industry will be a major force behind our nation’s economic growth and development in the new millennium and to make India as the world’s richest nation.

\textsuperscript{1}T.K.Lakshman, cottage and small scale industries in Mysore, A case study of their pattern and role in the contract of developing economy. Rao and Raghavan, Mysore 1996.

\textsuperscript{2}Vishnu Varshney, President and CEO, Gujarat Venture Finance Ltd, Seminar on Venture Capital Financing modern eras most dynamic impetus of growth.
Meir Khan\(^3\) in his article “Financial Institutions and Markets” reveals that, the venture capital firms are the aristocrats to start up financing provided by specialised institutions that come mainly from pension funds, insurance companies and non-profit institutions and these funds can improve the odds by being very picky. They are searching for the next crop of raising stars of corporate America and they have backed success stories like Intel, Apple computer, Microsoft, Genentech and Federal expenses.

Ashok Kumar\(^4\) in his article “Industrialisation in India” opines that entrepreneurship is emerging from caste groups but is the case of non-traditional manufacturing activity it is the forward caste group who are experimenting with new ventures. Thus the process of rural industrialisation is not progressing fast due to certain bottlenecks like lack of effective demand for the products of these units, lack of technical help, lack of financial help, lack of proper guidance from the part of Central and State agencies.

He further says that all the states should initiate agrarian reforms in the right earnest for releasing the untapped potential in rural areas. Therefore, the rural industrialisation programme should be blended as an integral part of the rural development programme.

PandyanCheela\(^5\) in his article “Potential for Small Scale Industries in the Software sector-SIDBI” explores that, the change in the VC segment is tremendous when composed to the previous years and the older financial institutions have reacted proactively to the resolution that is taking place in the country. Financial institutions like SIDBI have started a special fund for the technology area. The government has also eased the investment norms for venture capital funding by removing the ceiling of 40 percent imposed on investment by VCFs. These initiatives taken by the government makes it clear that government also is in favour of the VCs and it has made it an easy playing in the field for them.


\(^4\) Ashok Kumar, “Rural Industrialisation in India. (A strategy for Rural Development), Vittal Publications, ND, 1989

Dr. A.K. Mishra\textsuperscript{6} observes that, in India institutionalisation of finance for such opportunities and ventures as venture capital has no doubt accelerated this process. However, there are bottlenecks that have to be overcome before venture financing can be setup on a firm footing in India. It is now essential for government and VCC’s to take a review and resolve the issues that could come in the way of growth of this industry on sound and professional lines. If operational hurdles that at present hinder progress of the industry are removed, venture capital could become more than a more buzz world and he further confirms all these can go a long way in harnessing the entrepreneurial skill of India, pushing it in the right direction and raising it to new technological heights. In his study of small industries of Madurai, Subramaniam suggested that not security but the prospects and ability of entrepreneurs to grow should be the criteria for loans. He opined that a systematic evaluation of the various support systems organised by the Government for entrepreneurs was still needed.

Sharma\textsuperscript{7} conducted a comparative study of the promotion of small enterprises by institutions and agencies in the developing countries of Asia. He identified that the policy for promotion of small industries was defective and this led to lack of integration, organisation and exclusiveness. He did not find any co-ordination among the various support organisation to evolve an appropriate and integrated approach.

Deshpande\textsuperscript{8} studied 90 entrepreneurs from Marathwada region to find out the entrepreneurial settings and various steps necessary in the preparatory stage. He conducted that Government incentives like central subsidy, development of industrial areas and development of infrastructure had initiated and accelerated the process of industrialisation and encouraged some people to take up entrepreneurship. But he also noticed that only the upper stratum of the society availed most of the economic benefits created for the society by the Government agencies to develop the small scale industrial entrepreneurship.

\textsuperscript{6} Dr. A.K. Mishra, Assistant Professor, IIM-Lucknow, in a working paper “Venture Capital Life Issues, Options and Strategies
\textsuperscript{7} Sharma, S.V.S. Small entrepreneurs' development in some Asian countries: A comparative study, New Delhi; Light and publishers, 1979.
\textsuperscript{8} Manohar Deshpande U, Entrepreneurship of small scale industries; concept, growth and management, New Delhi; Deep and Deep Publications, 1982.
Choudhary\textsuperscript{9} conducted a study to find out the characteristics associated with the success in urban small entrepreneurship. The data was collected around the twin cities of Hyderabad and Secunderbad of Andhra Pradesh. The Chi-square test was used for analysing the data. The following conclusions were made from the study; (i) Promotion of job-oriented educational facilities up to the college level; (ii) Creation of environment conducive to industry and business; (iii) Machinery to promote and encourage small entrepreneurs; and (iv) Creation of awareness about the facilities offered by the Government.

Datta\textsuperscript{10} opined that multiple agencies were the major problems with non-synchronized support system for new ventures and hence he suggested single window clearance system.

Sharada\textsuperscript{11} in a study of women entrepreneurs in India, pointed out the recent boost in Governmental involvement through different official and non-official agencies at the state as well as the central levels through various schemes, programmes and training for the women entrepreneurs, and the study stated that this kind of support was needed for the development of entrepreneurship among women and the support system was ineffective.

The studies by Haskins and Hubert\textsuperscript{12}, Good and Dinis showed evidences that most of the individuals were not aware of the institutional support available for creation and development of small firms, furthermore, when they are aware, often they were not inclined to make use of it these studies revealed that individuals were usually isolated from official sources of assistance by a variety of more familiar sources of help and advice in which they had more confidence and which are more regularly used. These sources included family and friends, business acquaintances, members of the firm, professional advisers, including banks, accountant, lawyers and officers with


\textsuperscript{11} Sharada, K.D, Entrepreneurship of Women in India, Khadi Gramaudyog, 1989, Vol.35, No.6, pp.269-270
entrepreneurs having to maintain daily contacts. Only after making use of these sources, the entrepreneur started searching for more specific information in the “official” sources of support and advice.

including banks, accountant, lawyers and officers with entrepreneurs having to maintain daily contacts. Only after making use of these sources, the entrepreneur started searching for more specific information in the “official” sources of support and advice.

Khanka\textsuperscript{13} studied 50 Small scale entrepreneurs in a notified backward region of the Kumaun division of Uttar Pradesh regarding the emerging performance level and problems of entrepreneurship. A guiding assumption of this study was that true display of the entrepreneurial role and attributes could be well seen only in the case of small scale entrepreneurs. The study brought under its purview entrepreneurial setting, entry into entrepreneurship, financing of entrepreneurship, entrepreneurial performance and their problems. He laid stress on the policy implications to provide liberal incentives and concessions to the entrepreneurs to encourage, promote and strengthen the small units in backward areas.

Rahim\textsuperscript{14} conducted a study of 200 entrepreneurs belonging to Muslim community in Bellary district of Karnataka. The study made an attempt to know the impact of Government policies on entrepreneurship development in particular and industrial development in general. It was observed that entrepreneurship in the Bellary district among Muslim community had been promoted by non-governmental factors and the role of developmental institutions in developing and promoting entrepreneurship was not very effective.

Clay\textsuperscript{15} referring to institutional support, pointed out that often these were inadequate criteria used to measure the success of the policies directed towards small firms. These inadequate criteria probably led to an inadequate allocation of public resources and to


deeper situations of unemployment and regional asymmetries. These authors observed that: (a) most individuals turned into a self-employment situation with or without Governmental intervention; and (b) intervention policies were ineffective in the assistance to the development of small firms sector.

A study conducted by the Centre for Entrepreneurship Development\textsuperscript{16}, Ahmadabad identified the constraints of women entrepreneurs such as traditional values, social and family responsibilities, lack of confidence in dealing with various institutions, problems of obtaining finance and technical know-how and inability to migrate to places offering better infrastructural facilities. The centre found in the course of conducting EDPs that the training helped women to overcome the above said barriers.

Kumpatala\textsuperscript{17} conducted a study to examine whether the district industries centre and other sector departments were able to meet their stated objectives of providing training, credit, marketing and general guidance to the beneficiaries under TRYSEM. The main finding of the study were that (i) the training programme was too brief and duration was too short leading to no practical utility but involving the eligibility for loan facility; (ii) timely loan was not available; (iii) there was very little demand in the local market for products; (iv) the loan recovery was too low; and (v) the training imparted by the DIC and the Block development office to fulfil the targets and these institutions had no contribution towards motivating beneficiaries.

Giriappa\textsuperscript{18} undertook an evaluation study in Dakshina Kannada district of Karnataka to assess the contribution of Self-Employed and Educated Unemployed Youth (SEEUY) schemes towards industrial development with the specific objectives of studying the nature of self-employment, performance of the units and the analysis of problems. The sample of 400 units accounting for 12 per cent of total beneficiaries during 1983-1986 was selected. The study showed that at the break-even point, about 23.00 per cent of SEEUY beneficiaries suffered poor and inadequate income realisation. Infrastructure,

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\textsuperscript{17} Jayalakshmi, Kumpatala, Role of DIC in TRYSEM,SEDME, 1987, vol.XIV, No. 4, pp. 1-10.
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finance, marketing and linkage problems were responsible for unsuccessful performance of the nits that resulted in mis-utilisation of loans and defaulter.

Raju\(^\text{19}\) examined the type of assistance available to printers in Andhra Pradesh. The major assistance provided for small scale units were as follows: (i) provision of machinery on hire-purchase basis; (ii) provision of factory sites/buildings; (iii) provision of credit facilities; (iv) incentives; (v) supply of scarce raw materials at controlled prices; (vi) marketing assistance; and (vii) technical assistance and training of persons at various levels. It was found that the assistance provided for purchase of machinery was inadequate and there was a delayed procedural formality in obtaining financial assistance. The training content was found to be virtually non-existent. He observed that these problems could be overcome when extension work took the facilities to the doorsteps of the entrepreneurs at least in the initial stages.

The study by Premaleela\(^\text{20}\) related to the growth of entrepreneurship among women and also problems and prospects of women entrepreneurs. A sample of 250 entrepreneurs from three districts of Karnataka covering Bangalore, Shimoga, and Hassan was selected for the study. It was observed that majority of the entrepreneurs had took up entrepreneurial activities with influence, motivation and support from their family member in addition to individual initiative. The study indicated that women entrepreneurs were doing well in terms of investment, capacity utilisation, employment generation, sales turnover and perception of stability. The study also revealed that lack of timely and adequate finance was the major cause of the enterprises turning to be non-starters. She concluded that apart from governmental and other institutional support women entrepreneurs must prepare themselves to compete in a highly competitive market with good quality and prices, which would go a long way in the success of their endeavours. She suggested that entrepreneurial training programme should impart skills from the viewpoint of enhancing entrepreneurial education, personality and risk bearing capacity.


Prakasam\textsuperscript{21} evaluated the perceived problem of the SSI promoting agencies. The problem consisted of delay in sanction of loan undue procedural delay and rejection of loan application. He suggested that involving the bankers in SSIs right from the planning stage itself could rectify the above problem.

Chakraborty\textsuperscript{22} evaluated the training programmes of Entrepreneurial Motivation Training Centre [EMTC] with particular reference to industrial backward district of Darrang and Sonitpur. It was noted that the EMTC officers were to be trained in modern methods of training so that they could select proper entrepreneurs for proper training. He concluded that there was need for the co-operation and co-ordination among various departments, banks and financial institutions to make the EMTC scheme a success.

Dutta\textsuperscript{23} analysed the effectiveness of training provided by Small Industries Service Institute [SISI] in the creation of awareness about entrepreneurial opportunities and also organising EDPs. He stressed the need for creation of raw material supply facilities at the district level, improvement of the facilities in the industrial estate for supporting and sustaining the entrepreneurs’ zeal. He identified that the marketing was one of the problems for the entrepreneurs and the training programme should focus on this problem.

Govindappa and Shrinivasa\textsuperscript{24} undertook a study of 40 small scale engineering units of Davanagere city of Karnataka. The main objective of the study was to know the socio-economic background of entrepreneurs, factors that influenced, to evaluate the performance and to identify the problems of the units. The findings of the study were as follows: (i) respondents of small scale industries belong to a wide variety of castes; (ii) 95.00 percent of the respondents had previous experience which was the most single factor promoting them to entrepreneurship; (iii) a majority of respondents showed


\textsuperscript{22} Chakraborty, EMTC- Its Experience in Developing Entrepreneurship: A Case of Darrang EMTC, in Mali, 1999, pp. 127-129.

growth in investment, turnover, employment and expansion of the unit; (iv) the problems faced by the respondent were marketing, labour turnover and absenteeism; and (v) the help from the institutional agencies was inadequate.

J.S. Sani and S.K. Dhameja\textsuperscript{25} both strongly felt that entrepreneurs’ needs of informal financial assistance from their relatives and friends and other private financiers. But they had also indicated that the amount raised through such a source was very less and they faced difficulties like security and repayment of principal amount and paid much higher rates of interest in arranging this assistance.

They were of the opinion that if term loan and working capital loan are given to the entrepreneurs in time with less cumbersome documentation and procedural formalities, financial problems of Small Scale Industries, can be solved to a greater extent. It is therefore recommended that policy formulators, financial institutions and bank should evolve innovative financial schemes so as to reduced dependence of entrepreneurs on non-institutional finance.

V.G. Patel\textsuperscript{26} describes that entrepreneurship development inputs, finance and infrastructure facilities must be treated as necessary package while removing various bottlenecks in the small enterprise (promotion) environment. Such a package calls for sound and timely institutional and organisational arrangements and effective co-ordination among institutional agencies to avoid frustration and delays.

Halder and Singh\textsuperscript{27} states that Lending Institutions should follow a set of rules while granting loans, where private finance may be influenced by personnel relations and considerations between the money lender and the borrower, institutional agencies have vast funds at their disposal and can substantially meet short, medium and long term needs of rural sector. This is not in the case of private finance. Private finance is mainly governed by personal profit motive and therefore is more often exploitative in nature. The consequences is that

\begin{thebibliography}{9}
\bibitem{26} V.G. Patel, EDII, Ahmadabad, Entrepreneurship Development Programme in India and Its Relevance to the Developing Countries, Gyanganaga Printings Pvt, Ltd. 1987.
\end{thebibliography}
private finance can be costly, irregular and inadequate, while institutional finance is relatively cheaper and more reliable, can be made available for a variety of agricultural operations, covering the whole range from sowing to harvesting and marketing of agricultural produce, as also for purchase of various agricultural inputs like seeds and fertilizers. Institutional agencies have the resources to employ and train experts in various agricultural operations enabling them to provide proper guidance to cultivators on account of the above considerations. Institutional finance to agricultural and rural sector of the economy is superior to private finance.

Anderson's social capital has been applied in a variety of context, the nature; role and application of social capital in an entrepreneurial context have not been extensively explored. The nature of social capital presents a conceptual puzzle in that is to be both glue, which forms the structure of networks. Studies have pointed out that social capital is a productive resource facilitating individual action, business operation and that it creates value. Social capital extends its benefits to different levels of relationships, ranging from individuals, individual firms to societies to even nations. At the firm level it is observed that small manufacturers obtain credit easily when they have rich endowment of social capital. From an entrepreneurial perspective, risk spreading and knowledge enhancing conditions of social capital should be examined. While management needs structure, entrepreneurship thrives on process, ambiguity and action and rationality. This leads entrepreneurs to continuously network as they pursue and react to new realities.

Kellye and Raydell's entrepreneurship among women is growing at a very rapid pace. This statement is supported by the fact that the growth rate of women-owned firms in the US is more than double that of male-owned firms. At the same time there is an increase in Hispanic-owned firms. The authors say that the most frequently confronted problems an entrepreneur faces is that of obtaining credit and financing the business, and it was entrepreneur faces is that of obtaining credit and financing the business, and

initiatives in business activities are influenced by family, social and cultural environment to a greater degree as compared to males. This tends to make the women more dependent on the environment to conduct most accounts and finance related business activities like securing loans, obtaining credit etc. the result of this study supports the claim that women tend to need outside assistance primarily since they lack adequate education and experience.

Kumaran micro-finance or financial services for the poor is one of the instruments for poverty reduction. This is also one of the best vehicles in bringing the often wide gap between the formal financial sector and the informal or indigenous systems which exists in many countries. In India, a large proportion of micro-finance activity is carried out through self-help groups (SHGs). SHGs are member-owned, used and managed local-level institutions, through which, women regularly save money and route these savings as loans among the members. Since February 1992, NABARD has successfully developed and operationalized the concept of SHGs and their linking with banks for economic empowerment of the rural poor by improving their access to the formal credit sector.

With the competence and enthusiasm shown by various partners, the programme of micro-credit dispensation has turned into social movement as well. In this context, the author of this study has documented the experience in SHGs with respect to the structure and function of SHGs and also the role of SHGs promoting agencies in effective management of micro-enterprises.

David Oates based on his study feels that there is shortage of small business support agencies in the UK to help SSIs. Some of them are sponsored by Central Government, but increasingly they are regional initiatives combining the resources of local government and the private sector. There are for example, some 300 local enterprises

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agencies spread throughout the country offering free advice to small business. They normally have access to the kind of expertise that small firm lacks.

A sample survey conducted by Ramakrishnan\(^2\) in Delhi about entrepreneurship in small scale industries indicates that there is need to weed out people who seen assistance from Government and Government agencies with an interest to speculate in the business. The author observes that there is always the danger of attracting those who wish to earn with the least effort. Such speculative entrepreneurs who enter small scale industries in the quest of making fast money should not be encouraged. The small scale industries development institutions such as KSSIDC or DIC etc. should identify people in the low and middle income groups with some education and experience in specific lines in manufacturing activities. There is need to identify and encourage as well as develop entrepreneurial ability in such people.

Pareek\(^3\) based on his study feels that there is need to analyse the role of various agencies, particularly the financial institutions, in meeting the vital needs, of finance of the small industrial sector. His study of this aspect is topical as well as interesting to x-ray the widely published role of financial institutions in extending credit to small scale industries and to highlight the problems faced by entrepreneurs. Rajasthan, the second largest state of the Indian republic and known for the entrepreneurship for marwarien was formed through the integration of nineteen erstwhile princely states and three chief ships in 1949, for granting assistance and developing small scale industries in an integrated and phased programme all over India.

According to Vasant Desai\(^4\) inspite of phenomenal growth of small scale industries in the post independence period, the Government has not succeeded in big way ensuring the entry of potential entrepreneurs from varied social backgrounds into the manufacturing line. In view of their large employment potential in rural areas, the new

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32. Ramakrishna, P. New Entrepreneurship in small scale industry in Delhi, New Delhi Economic and Scientific Research Foundation: July 1975.
industrial policy of 1978 has assigned an important role to the development of village and cottage industries in those areas. To achieve this objective, the focal point of development has been shifted from cities to small towns.

Ashok Ray\textsuperscript{35} observes that the good banker is easier to recognise than to define, and therein lies the need for highlighting the problems of and findings on bank finance to small units and making recommendations for reducing the risk component by using the ocean’s razor yet ever watching out for the operation of Murphy.

A sample survey conducted by Ram Dawar\textsuperscript{36} indicate that the major part of the assistance provided by the NSIC has gone for the machinery and equipment imported from a few countries from which the corporation could obtain lines of foreign exchange credit. That indicate the operation of the hire-purchase schemes has made a great impact on the economy of the country by helping the creation of lakhs of jobs in the thousands of units assisted under them. The SSIs have started their hire-purchase schemes to provide machines to comparatively smaller units and give preference to educated unemployed and technocrats.

A sample survey was conducted by BedabatiMohanty\textsuperscript{37} to find out the quantum of production in different types of small scale industries and to estimate the effect of different factors like capital, labour and raw material on production. He has made an attempt to find out the cost structure in different types of small scale industries and profits earned by them. He has also tried to find out (i) the extent of investment, source of finance and capital output ratio in different types of small scale industries, (ii) the extent and pattern of employment and capital labour ratio in different types of small industries, (iii) the structure of marketing of the products of small scale industries, (iv) find out the extent of utilization of capacity by the small scale industries. He has suggested that formation of some sort of

\textsuperscript{34} Dr. Vasant Desai, Problems and Prospects of small scale industries in India, Bombay, Himalaya Publishing House, 1983.
\textsuperscript{36} Dr. RamDawar, Institutional finance to small scale industries. New Delhi, Deep and Deep Publications, 1986.
\textsuperscript{37} BedabatiMohanty. Economics of small scale industries, New Delhi, Ashish Publishing House, 1986.
co-operative among the industrialists will probably help in solving the raw material crisis to some extent. The time and energy wasted by the entrepreneurs in running to the District Industries Centres could be avoided by formation co-operatives.

Mishra and Kushal Sharma\(^\text{38}\) in their study ‘ organisational requirements of village and SSIs’, observe that the entrepreneurs badly suffering as they had not their won organisations to protect their interests. It was also observed that voluntary organisations were also not there to guide and support them. On paper there were a number of government organisations to support the village and small-scale industry but their functioning was no quite satisfactory. It required a lot of change in its structure and style of functioning. So many bottlenecks existed at field level which hampered the proper growth and expansion village and small-scale industries.

Abdul Aziz and HemalathaRao\(^\text{39}\) in their work “Ownership change in small scale enterprises the Karnataka case” observe that financial institutions have certain task for them in ensuring effective change of ownership. The financial institutions should help the new owner in the matter of negotiations with the old owner by bringing them together. The guideline is that wherever the sale of the unit cannot be prevented, it should be the duty of financial institutions to help the old and the new owners in the transfer of the ownership of the unit. However, even the enterprises which are not in the red have gone out for sale- the reasons in their case for sale are the migration of the old owners, disputes between the partners leading either to outright sale of the unit or inclusion/exclusion of the partners. Keeping these broad criteria in view, the policy making body may proceed to identify the potential seller of small-scale units.

Sami Uddin\(^\text{40}\) in work on “Entrepreneurship Development in India” states that changes in consumption and production would take care of the development of the right type of the entrepreneurship in the country. According to him at present there is no proper co-ordination between the promotional agencies like DICs and Banks. Banks do not give priority to entrepreneurs recommended by DICs. Banker feels that DICs are not

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38. S.N. Mishra and Kushal Sharma, Organisational requirements of village and small scale industries, Mittal Publications, Delhi, 1986


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examining all aspects of economically viable projects. The lead bank prepares a district plan while DIC prepares an Action plan. But the linkages between these two are not strong and effective. Bankers prefer subsidy-oriented schemes for security reasons. In case Khadi and Village Industries (KVI) sector the linkage between KVIC and State KVIB is poor. In many states the linkage between KVIB and DICs is no way better; DICs officials have passive interests about KVI schemes.

Hassan\textsuperscript{41} based on a study of working of BITCO states that, all round effort is required to be put in by all industrial and other developmental agencies of the state as well as Central Government to hasten-up the growth of SSIs. The main role, however, will be that of district industries centre (DIC). Lack of entrepreneurial ability is one of the main reasons for slow industrial growth. For this the DIC, SISI, and BITCO must conduct such courses in the district in collaboration with over development agencies like financial institutions and banks. In order to enable individual entrepreneur to secure institutional finance and other facilities, bankable project report could be prepared for the items suggested to be manufactured in the district.

AjitKanitkar\textsuperscript{42} indicates that to recognize the strengths of the ‘apprenticeship’ mode of entry into an entrepreneurial activity, such as training of rural youth in self-employment (TRYSEM) there is need to orient the programme toward village. The perceived negative image of the bankers in the minds of rural entrepreneurs, to make clients perceive that bankers are their best friends is a great challenge for the developmental banks, especially those operating in rural India. A venture capital of different quality is required for these micro-enterprises and there needs to be a totally different orientation in financing such units. There is an urgent need to have a pool of consultants to advice these units. Here also a new and innovative approach would be required to work out the consulting requirements of the sector.

\textsuperscript{40} Sami Uddin, Entrepreneurship Development in India. 
\textsuperscript{41} M.I.Hassan, Consultancy projects and entrepreneurs, Delhi, Mittal Publications, 1993. 
\textsuperscript{42} AjitKantikar, Grass routes entrepreneurship, entrepreneurs and micro-enterprise in rural India-Delhi-Bangalore, New Age International Publishers Ltd, 1995.
Ajmer Singh Malik\textsuperscript{43} states that to get financial assistance through district industries centres required a long time as the other organisations such as banks are not under the control of DIC. Although the programmes taken up in the village and small industries sector have to some extent contributed to the development of rural industrial sector that indicate by entrusting the administrative agency with meagre amount of funds for rural industrial development, programmes are not going to achieve the desired success in this area. What is needed is a systematic approach for planning, organising and the effective implementation of the rural industrial developmental programmes. Therefore the contents of the rural industrial development programmes will have to be redesigned and framed in the light to present physical and economic conditions prevalent in India.

**CONCLUSION**

The literature survey ultimately indicates that there is need to study the role played by institutional agencies after the introduction of new economic policy in 1991. After 1991, the government constituted number of expert committees to suggest ways and means ensuring the success of entrepreneurship in the country because of the huge potential which SSIs have. The ongoing policy changes revealed that there is need to study the implementation of directives lay down by the committees in the post liberalisation period and the perception of entrepreneurs about availing financial assistances through such institutions.

The literature ultimately indicated the gap, the gap relates to accessing the role played by the supporting financial system more than one decade of introduction of new economic policy of the country.

\textsuperscript{43} Ajmer Singh Malik, Concept and strategy of rural industrial development, Delhi, M.D. Publications Pvt. Ltd. 1995.