PREFACE AND ACKNOWLEDGEMENT

The industrial sector of the country forms the backbone of India's economy. Small Scale industrial sector contributes to around 40% of the production and more than 50% of India's export earnings. The advantages of small scale industries over large and medium industries viz. low capital, lower overheads, high employment to capital employed ratio make this sector quite competitive in the present environment of liberalisation. These industries have been the most appropriate to take on the full benefits of India's economic reforms. Thus Small scale industries play a pivotal role in the economic development of India, Promotion and development of small-scale industries has been accorded very high priority in planned economic growth of the country.

Manipur and Assam are small states which lie in the North east corner of India and are endowed with vast natural resources, but are handicapped by the fact that the greater part of its vast land resources constitute hills and as a result the transport system is underdeveloped. Large scale-industries require huge capital outlays.

On the other hand, small-scale industry which are labour intensive and does not require massive capital investment is the appropriate industry for less developed states like Manipur and Assam.

The main hurdles in the growth of small-scale sector in the state of Assam and Manipur are the non-availability of adequate finance, lack of infrastructure, lack of modern marketing practices for pushing the sale of their products.
Since Manipur is a very small and less developed state of India, there is no large-scale industry, whatever it has done is in terms of small-scale industry.

The present research study has its primary focus on financial management in the small-scale industries of Assam and Manipur.

The study has been divided into six chapters. The first chapter is introductory dealing with recent Research studies, main objectives, methodology etc. The conceptual framework, incorporating important issues concerning the development of small-scale sector such as industrial scenario of Assam and Manipur, regional imbalances, need of small scale industries in Manipur and Assam. Concept and definition of small-scale industries, capital structure in small-scale industries, capital structure in small-scale sector, important developments in the credit and monetary policy etc, constitute the subject matter of chapter II.

The subsequent six chapters are devoted to the critical analysis of the empirical data collected in the field survey in the form of intensive case studies in depth of 150 small-scale industrial units in Manipur and Assam. Chapter IV in this group deals with the problems and working of 150 small-scale units while the chapter V deals with the working of small scale Industrial Development Banks of India and Assam Financial Corporation.

The last chapter titled "Suggestion and conclusion" highlights the summary of main findings contained in the preceding five chapters of empirical validity of the objectives given in chapter one in the light of empirical analysis. Some suggestions and recommendations flowing out of the main findings and observations in the course of the study have also been briefly outlined in the last chapter. In this respect I have
received unstinted co-operation and guidance from many quarters. I take this opportunity to express my heart-felt gratitude to each and every one of them.

Dr. N. Tejmani Singh, Assistant Professor, Department of Commerce, Manipur University, Canchipur, Imphal because of whose sympathetic care and able guidance, I have been able to complete this study. I am inarticulate and words failed miserably to express my deep and sincere gratitude to him. His selfless devotion, inquisitiveness, innovative ideas, thought provoking comments, scholarly competence, capacity to inspire, imbibing self confidence, parental care and friendly attitude kept me enlightened and have all accounted for the completion of this work. I feel, it has been both a pleasure and a privilege to work under the guidance of Dr. N. Tejmani Singh. He has been a source of inspiration and strength to me in completing this thesis.

I also wish to share my gratitude to Dr. Ganga Prasad Prasain, Associate Professor, Head of Department, Manipur University for showering his help, his timely encouragement and co-operation in ways which I needed most. He has also been a source of strength and motivation throughout and has always spent time to discuss the progress of this work at various stages.

I am also indebted to my teacher Dr. Kh. Dhiren Meitei, faculty member, Commerce Department, Manipur University for having extended his help and the encouragement to complete this study. I owe a lot to him.

I am thankful to the authorities of Assam Financial Corporation, Small Industrial Development Bank of India, Indian Bank, State Bank of India, Indian Institute of Entrepreneurs of Assam and Manipur who responded me well, Assam University, Irangmara, Guwahati University, Ulubari and specially Manipur
University for allowing me to make use of their libraries and providing me the necessary data and information to carry out my study scholarly.

I am particularly indebted to my loving mother, Thodam Ongbi Binashakhi Devi and my loving friend M. Dhanachandra Meitei for all the support they have given from time to time - whenever I stood in need. Despite their tires and avocations I feel wonderful in the ways they have shared their time and rendered all the financial assistance needed to complete this research work.

I will be failing in my duty if I do not mention my word of thankfulness and extend gratitude to Mrs. Ganga Prasad Prasain for her invaluable hospitality, support and kindness that smoothed me in all the means and ways during the study period.

Again, my thanks are due to Shri Ibohal Singh for doing an immaculate job for computer typing the thesis.

Last, but certainly not the least, I convey my sincere gratitude again to the respondents without whose co operation the study would not have been possible.

Date 27.12.2002.

(THOUDAM PRABHA DEVI)