CHAPTER –IV
PROMOTIONAL AGENCIES AND PROGRAMS–AN OVERVIEW

4.1 Introduction

Government has recognized the important role of entrepreneurs in the industrial development of the country, especially through the small scale industries (SSIs). SSIs are essential for Indian economy in terms of employment generation, foreign exchange earnings, and its share in industrial output, and contribution to national income. The government of India and state governments provides a number of special facilities and incentives. The incentives not only motivate entrepreneurs to set up industries in the small scale sector, but also strengthen the entrepreneurial base in the economy. The new entrepreneurs face a number of problems on account of inadequate infrastructure facilities and other support services. The government offers a package of services through its specialized institutions and motivates entrepreneurs to take advantage of the various facilities and establish enterprises and flourish. This package includes assistance in obtaining finance, help in marketing, technical guidance, training, and technology up gradation etc. It is hoped that institutional incentives would play a key role in the promotion of small enterprises and ensure their self-sustained growth.

4.2 All India Institutions

In order to facilitate the growth of small scale sector, the central and state governments have created an elaborate institutional framework in the country. The institutions providing assistance to small scale industries are broadly classified as “All India Institutions “State Level Institutions” and “Fund-Based Institutions”. The All India Institutions have been discussed in sub-section

A. Small Scale Industries Board

SSI Board is the apex non-statutory advisory body constituted by the Government of India to render advice on all issues pertaining to the SSI sector. It provides a forum to its members for interaction to facilitate co-operation and inter-
institutional linkages and to render advice to the Government on various policy matters, for the development of the sector. The Board was first constituted in 454. Its term is for two years. The Board was last constituted on 18th January 2003, with 101 members and held its 48th meeting on 17 January, 2004.

B. Ministry of Small Scale Industries

The process of liberalization and market reforms has created wide-ranging opportunities of the development of small scale industries. At the same time, changing world scenario has thrown up new challenges to the very existence of this sector. The need of the hour is to suitably strengthen the sector so that it could adapt itself to the changed environment and face the challenges boldly and effectively. The implementation of policies and various programmes/schemes for providing infrastructure and support services to small enterprises is undertaken through its attached office, namely the Small Industries Development Organization (SIDO), statutory bodies/other organizations like Khadi and Village Industries Commission (KVIC) & Coir Board, National Small Industries Corporation (NSIC) and three training institutes- National Institute of Small Industry Extension Training (NISIET), Hyderabad, Indian Institute for Entrepreneurship (IIE), National Institute for Entrepreneurship and Small Business Development (NIESBUD)

C. Small Industry Development Organization (SIDO)

The Office of the Development Commissioner (Small Scale Industries) is also known as the Small Industry Development Organization (SIDO). It is an apex body, established in 454, for assisting the Ministry in formulating, coordinating, implementing and monitoring policies and programmes for the promotion and development of small scale industries. It has over 60 offices and 21 autonomous bodies under its management, including Tool Rooms, Training Institutions and Project-cum-Process Development Centers etc. Functions of such main bodies are as follows:
1) Small Industries Service Institutes (SISIs) are operational one in each state. They provide technical support and consultancy services, conduct entrepreneurship development programmes, and export promotion and liaison activities. Emphasizes is also placed on implementation of programmes on modernization, energy conservation, quality control / upgradation and pollution control for the benefit of entrepreneurs.

2) Regional Testing Center (RTC) provides Testing facilities for product quality upgradation.

3) Tool Rooms/Tool Design Institutes (TRs/TDI) assist SISIs in technical upgradation, and provide good quality tooling by designing and producing tools, moulds, jigs & fixtures, components, etc.

4) Product-cum-Process Development Centers (PPDCs) look into their specific problems and render technical service.

5) Central Footwear Training Institutes (CFTIs) develop footwear designing to promote exports.

6) Sub-Contract Exchanges for Ancillary Development (SCXs) register and create database of the spare manufacturing/service capacity of SSI; create database of requirements of large/medium units and match the requirements with the spare capacity available with small units; and arrange Buyer-Seller Meets, organize vendor exhibitions, seminar, workshops for large-small units coordination, quality upgradation, export promotion, etc and facilitate flow of data on vendor development. Thus, the main services rendered by DC SSI office are:

1) Advising the Government in policy formulation for the promotion and development of small scale industries.

2) Providing techno-economic and managerial consultancy, common facilities to small scale units.

3) Providing facilities for technology upgradation, modernization, quality improvement and infrastructure.
4) Developing Human Resources through training and skill up gradation.
5) Providing economic information services.
6) Maintaining a close liaison with the Central Ministries, Planning Commission, State Governments, Financial Institutions and other Organizations concerned with development of Small Scale Industries.
7) Evolving and coordinating policies and programmes for development of Small Scale Industries as ancillaries to large and medium scale industries.
8) Monitoring of Prime Minister Rozgar Yojna (PMRY) Scheme.

D. National Small Industries Corporation (NSIC)

The National Small Industries Corporation Ltd. was set up in 1995 with a view to promoting, aiding and fostering the growth of small scale industries in the country with focus on commercial aspects of these functions. NSIC continues to implement its various programmes and projects throughout the country to assist the SSI units. The Corporation has been assisting the sector through the following Schemes and activities:

a) Composite Term Loan Scheme

To promote small-scale sector, NSIC has launched a Composite Term Loan Scheme for the benefit of existing and prospective entrepreneurs to acquire land and building, machinery and equipment and working capital under one roof to the tiny units.

b) Hire Purchase Scheme

Supply of indigenous and imported machinery and equipment on easy financial terms with special focus on women entrepreneurs, weaker sections, handicapped and ex-servicemen and SC/ST entrepreneurs

c) Equipment leasing

It is done mainly to facilitate SMEs to expand their capacities or diversify and/or upgrade their technology according to the needs of the market.

d) Working Capital Finance
This Scheme aims at augmenting working capital of viable and well managed units, on selective basis in case of emergent requirements to enable them to pay-off their purchase of consumable stores, spares and production related overheads particularly electricity bills, statutory dues.

**e) Raw Material Assistance**

It facilitates availability of scarce raw material either through the domestic market or by importing.

**f) Marketing Support Programme**

NSIC has been trying to act as a major agency to bring SMEs closer to various Governmental purchasing agencies, with the intention of creating confidence in the purchasing agencies about SMEs, and their capabilities to supply goods and services of requisite quality, economic prices and adherence to agreed delivery schedules.

**g) Tender Marketing**

It participates in bulk local/global tender on behalf of Small Scale Industries/Enterprises. It is aimed at assisting SSIs with the ability to manufacture quality products but which lack brand equity & credibility or have limited financial capabilities.

**h) Integrated Marketing Support**

NSIC has been operating an Integrated Marketing Support Programme in which bills pertaining to supplies made by small scale units to eligible purchasers are discounted by NSIC up to a certain specified limit.

**i) Government Stores Purchase Programme**

The units registered with the Corporation for participation in government purchase programme are considered at or with individual purchase organizations and derive all the benefits like free supply of tender forms, exemption from payment of earnest money, security deposits, etc.

**j) Technology Up gradation**
Excellent technical support is provided to SSIs/SMEs through five NSIC Technical Service Centers. These centers have been recognized by Council of Scientific and Industrial Research for in-house R&D. NSIC has set up a Technology Transfer Centre. The latest information is provided to on-line connections and networks of computers on matching technology seekers and technology providers are arranged through the Technology Transfer Centre.

**k) Software Technology Parks**

NSIC has set up a NSIC-STP Complex under Software Technology Parks of India (STPI). Software Technology Parks facilitates small scale units to establish their units for the 100% export of software and also act as the major point to activate software exports directly through NSIC. NSIC-STP Complex at Okhla, New Delhi is one of such Parks set up by the National Small Industries Corporation under the Software Technology Parks of India to promote small entrepreneurs in software development. NSIC-STP provides high speed better communication facilities through VSNL/SATCOM networks, built-up office space, and uninterrupted power supply, back-up power through DG sets, a modern business centre and other administrative support.

**l) Exports**

NSIC is providing a complete package of export assistance, testing facilities, pre-shipment credit facility, export incentives etc. apart from exposure to the products of SSEs in trade fairs, buyer and seller meets etc. The Corporation has been endeavoring to increase share of Indian industries in purchases to United Nations Organization, it being the largest single buyer in the world.

**E. The Khadi and Village Industries Commission (KVIC)**

The Khadi and Village Industries Commission (KVIC) is a statutory body created by an Act of Parliament in April 1945. The KVIC is supposed to do the planning, Promotion, organization and implementation of programmes for the development of khadi and other village industries in the rural areas in coordination with other Agencies engaged in rural development wherever necessary.
F. Coir Board

Coir Board is a statutory body established by the Government of India under a legislation enacted by the Parliament namely Coir Industry Act 453 for the promotion and development of Coir Industry in India as a whole.

G. Training Institutes

There are three National Level Training Institutes. These are: National Institute of Small Industry Extension Training (NISIET), Hyderabad, which undertakes operations ranging from training, consultancy, research and education, to extension and information services National Institute for Entrepreneurship and Small Business Development (NIESBUD), New Delhi, which conducts national and international level training programmes in different fields and disciplines. Indian Institute of Entrepreneurship (IIE) Guwahati was established to act as a channel for entrepreneurship development with its focus on the North East.

4.3 State Level Institutions

State Level Institutions execute different promotional and developmental projects/schemes and provide a number of supporting incentives for development and promotion of small scale sector in their respective States. These are executed through State Directorate of Industries, who has District Industries Centers (DICs) under them to implement Central/State Level schemes. The State Industrial Development Corporations also look after the needs of the small-scale sector. The major institutions have been explained in sub-section

A. State Industrial Development Corporations (SIDCS)

Incorporated under the companies Act 456 SIDC’s were set up in different states as wholly owned companies for promoting industrial development in their respective states. The main functions of SIDC’s are as follows

1) Providing term finance to all small, medium and large industrial enterprises set up in state.
2) Underwriting and directly subscribing to shares, and debentures of debentures of industrial enterprises being set up in the state.
3) Preparing feasibility studies, conducting market surveys and motivating private entrepreneurs to set up their industrial ventures in the state.
4) Collaborating with private entrepreneurs to set up industrial ventures in joint and assisted sector.
5) Implementing scheme of ‘Industrial Development Bank of India’ of seed capital in the state.

B. State Directorate of Industries (SDIS)

Under the constitution of India promotion and development of small scale industries is a State subject. Therefore, the primary responsibility for implementation of policies and programmes of assistance rests with the Directorate of Industries in each State. It acts under the overall guidance of SIDO and concerned Central institutions. It performs both regulatory and developmental functions. It functions through a network of District Industries offices, industries offices and extension offices at district sub-division and block level respectively. The main functions of Directorate of Industries are as follows:

1) Registration of small scale units
2) Providing financial assistance
3) Distributing scarce and indigenous raw materials to industrial units
4) Granting essentiality certificates for import of raw material
5) Establishing industrial estates and industrial co-operatives
6) Developing industrial infrastructure
7) Undertaking industrial surveys and collecting information
8) Arranging concessions and incentives for industries.
9) Overall administration of village and small scale industries.
10) Maintaining liaison with other agencies for industrial development.
C. District Industries Centers (DICS)

The DICs came into existence in the year 1978. The realization of the need to make the district as a focal point of industrial planning and development crystallized in the establishment of DICs. The DICs are considered as an institutional innovation to assist small scale industrial units at three important stages viz., pre-investment, investment and post -investment stages. They are also considered as a single window of clearance for industrial units.

Announcing the Industrial Policy Statement of 1977, Mr. George Fernandez, the then Union Minister of Industries made the following statement in the Parliament. In each district there will be one agency to deal with all the requirements of small and village industries. Under the single roof of DIC, all the services and support required by small and village entrepreneurs will be provided. These will include economic investigation of the district raw materials and other resources, supply of machinery and equipment, provision of raw materials, arrangement for credit facilities, an effective step for marketing and a cell for quality control, research and extension.

The DIC therefore is expected to provide all the services and facilities to entrepreneurs under a single roof for setting up small and village industries. There are three important functions, which the DICs could discharge profitably. The DICs should act as a data bank, an information bank and a dissemination centre, for giving prompt up-to-date and reliable information to anybody trying to set up a small scale unit and the information would not only be with regard to licensing procedures but also about what is in the realm of feasibility and what is not.

Another area is regulatory work of registration, deregistration, monitoring and utilization of credit, raw materials, processing of cases regarding supply of machinery on hire purchase, marketing assistance, etc. The third aspect in which the DICs can play an effective role is with regard to interlink ages with different institutions such as electricity department, department of water works, municipality/ panchayat, town planning, commercial banks, etc. The DICs should
function in a close coordination with all agencies related to industrial development at the district level. To ensure this, there should be a single line of command operating from the DIC for the entire field staff connected with industrial promotion activities.

**Functions of District Industries Centers:**

1) To survey existing, traditional and new industries, raw materials and human resources; to identify schemes and make market forecasts for different items; to prepare sample techno-economic feasibility reports and offer investment advice to entrepreneurs;

2) To assess the machinery and equipment requirements of small scale, tiny and village industries; indicate the locations where machinery and equipment for different plants may be available for entrepreneurs, to liaison with research institutions and arrange for the supply of machinery on hire purchase basis;

3) To arrange for training of entrepreneurs of small and tiny units and liaison with small scale industries service institute, small scale industrial extension training institute and other institutions, to keep abreast of research and development in selected product lines and quality control methods

4) To ascertain the raw material requirements of various units, their sources and prices and to arrange for their bulk purchases and distribution to entrepreneurs;

5) To liaison with lead banks and other financial institutions, appraise applications, monitor the flow of industrial credit in the district, and arrange for financial assistance to entrepreneurs;

6) To organize marketing outlets, to liaison with government procurement agencies, convey market intelligence to entrepreneurs, organize market surveys and market development programs;
7) To give particular attention to the development of Khadi and Village and other cottage industries, to liaison with State Khadi and Village Industries Board and organize training programs for rural artisans;

8) To provide immediate aid required by entrepreneurs in respect of power supply, licenses required under municipal and health departments and Factories Act for establishment of industries;

9) To assist entrepreneurs in allotment of work sheds or sites required for establishment of industries in industrial estates;

10) To help in arranging hundred percent loans to educated unemployed belonging to scheduled castes, scheduled tribes and socially or economically backward communities for starting industries under special employment schemes;

11) To help in extending suitable technical training to rural youth to pursue self-employment schemes;

12) To assist in arranging grant of central and state government concessions and interest free sales tax loans, to provide capital for purchase of plant and machinery, construction of buildings and allotment of sites to new industrialists;

13) To assist entrepreneurs of small-scale units in establishing industries collectively by formation of industrial cooperatives; each of the DIC is headed by one General Manager; who is responsible for the overall coordination and development of small scale industries including village industries in the district, and ensures the implementation of action plans

14) Drawn up for promoting and developing small scale, cottage and village industries in the district the general manager is the king pin of the DIC program. He has to provide leadership to the team operating under him. He should be an effective instrument in initiating the massive program of small industrialization; identification of growth centers in the district. Four functional managers assist the general manager. They look after four disciplines viz.,
Economic Investigation-Information & Infrastructure (EI&II), Credit, Raw Materials & Marketing and Village Industries & Training (VI&T). They are to be assisted by three project managers and a number of extension officers.

**Table -4.1**

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**Source:** commissioner of industries, Hyderabad

The original pattern of central financial assistance was 100 percent nonrecurring grant towards the cost of the DIC building, vehicles, furniture and equipment; 100 percent grant to meet expenditure on RIP/RAP promotional schemes as per the availability of funds; recurring grant to meet-up to 75 per cent of the expenditure on establishment, subject to a ceiling of Rs.3.50 lakh per DIC per annum and 100 per cent loan assistance as per the availability of funds under the central budget. From 1979-80 onwards a new pattern of central assistance was introduced under which the central and state governments are to share the expenditure on 50:50 basis on each financial component of the program, viz., (i) onetime non-recurring grant for capital expenditure, (ii) recurring establishment grant, promotional schemes and loans. The ceiling of central assistance is fixed at Rs.2.50 lakh per DIC in respect of non-recurring and recurring grants for
establishment expenditure. There is no ceiling on central grants for promotional schemes and loans. The ceiling on central assistance per DIC was later raised to Rs.3 lakh and from 1985-86 onwards it is Rs.4 lakh. In the case of union territories 100 per cent assistance is to be provided by the central government. Thus, the liberal financial assistance provided by the central government is responsible for the rapid progress made in establishing the DICs by the State Government. The centre has taken a decision that the DICs should be transferred to the States, which was planned to come into effect from April 1, 1992. Thereafter, the role of the centre in relation to the DICs was envisaged as providing support services and back staffing. Activities such as research studies, strengthening information centre’s, training programs and conducting periodic review meetings at regional level will be shouldered by the centre.

In this design the states are expected to take a leading role in operational sing innovative approaches for Promoting village, tiny and small scale enterprise through field level institutional mechanisms. Thus, the rationale behind establishing the DICs is to make the district a focal point of industrial development. The DICs are supposed to assist the growth of industry in the district with special emphasis on cottage, village and small scale industries. They are expected to provide a host of services in order to facilitate the growth of small scale industry.

4.4 Fund-based institutions

Of all the elements that go into a business, credit is perhaps the most crucial. The best of plans can come to naught if adequate finance is not available at the right time. SSIs need credit support not only for running the enterprise & operational requirements but also for diversification, modernization/ up gradation of facilities, capacity expansion etc. In respect of SSIs, the problem of credit becomes all the more critical when ever any episodic event occurs such as a large order, rejection of consignment, inordinate delay in payment etc. In general, SSIs operate on tight budgets, often financed through owner's own contribution, loans
from friends and relatives and some bank credit. Government of India recognized the need for a focused credit policy for SSIs in the early days of promotion of SSIs and RBI has been instrumental in devising a multi-stage approach/financial system for credit dispensation to different sectors of the economy, for example, agriculture, industry, exports, SSIs etc. This section focuses on the role of SIDBI, SFCs and commercial banks in granting credit to small scale and tiny sector from sub-section

A. Small Industries Development Bank of India (SIDBI)

The SIDBI was established in 1949 as the apex refinance bank. The SIDBI is operating different programmes and schemes through 5 Regional Offices and 33 Branch Offices. The financial assistance of SIDBI to the small scale sector is channelized through the two routes – direct and indirect.

1. Indirect assistance

A. SIDBI’s financial assistance to small sector is primarily channelized through the existing credit delivery system, which consists of state level institutions, rural and commercial banks.

B. SIDBI provides refinance to and discounts bills of Primarily Lending Institutions (PLI).

C. The assistance is available for

1. Marketing of SSI product
2. Setting up of new ventures
3. Availability of working capital
4. Expansion
5. Modernization
6. Human resource development
7. Diversification of existing units for all activities
2. Direct Assistance

1. The loans are available for new ventures, diversification technology upgradation, modernization and expansion of well run small scale enterprises. Assistance is also available for private sector.

2. Small scale sector is eligible for maximum debt-equity ratio of 3:1

3. Foreign currency loan for import of equipment are also available to export oriented small scale enterprises.

4. SIDBI also provide venture capital assistance to the entrepreneurs for their Innovative ventures if they have a sound management team, long term competitive advantage and a potential for above average profitability leading to attractive return on investment. New Initiatives of SIDBI

1. Two Subsidiaries viz. SIDBI Venture Capital Limited and SIDBI Trustee Company Limited formed to oversee Venture Capital.

2. Technology Bureau for Small Enterprise formed to oversee Technology

3. Transfer, Match making Services, Finance Syndication and facilitating Joint Ventures

4. SIDBI Foundation for Micro Credit has been launched to provide financial assistance to the poor and to meet emerging needs of the micro finance sector especially in rural areas.

B. Commercial Banks

Credit requirement of SSIs is basically of two types – long term loans and working capital. Commercial banks with their extensive network of branches operating nationwide are primary channel for working capital requirement. Banks are required to compulsory ensure that defined percentage (currently 40%) of their overall lending is made to priority sectors as classified by RBI. These sectors include agriculture, small industries, export etc. The inclusion of small industries in this list makes them eligible for this earmarked credit. With the liberalization of the Indian economy, greater emphasis was placed on meeting the credit needs of SSIs. This was manifest through the following initiatives taken by RBI.
Credit for tiny sector has been earmarked within overall lending to small industries. In order to ensure that credit is available to all segments of SSI sector, RBI has issued instructions that out of the funds normally available to SSI sector, 40% be given to units with investment in plant and machinery up to Rs.5 lakhs, 20% for units with investment between Rs.5 lakhs to Rs.25 lakhs and remaining 40% for other units.

The share of credit to tiny sector out of the total credit available to SSIs is continuously increasing, from 30% in the year 495 to 51% in 2003. It is also found that in 499 the entire credit share of tiny sector was allocated to units with investment in plant and machinery up to Rs. 5 lakhs. Similarly, in the year 2000 the slice of credit received by tiny sector was directed towards units having investment in plant and machinery up to Rs. 25 lakhs.

1. Public sector banks have been advised to operational is more specialized
2. SSI branches at centers where there is a potential for financing many SSI borrowers. As on March 2002, 391 specialized SSI branches are working in the country.
3. 'Single Window Scheme' was extended to all districts to meet the financial requirements (both term loan & working capital) of SSIs.
4. Laghu Udyami Credit Card (LUCC) Scheme was launched by Public Sector Banks for providing simplified & borrower friendly Credit facilities to SSI, tiny enterprises retail traders & artisans.
5. Composite loan limit was enhanced to Rs.50 lakhs from Rs.25 lakhs.
6. Limit on collateral free loans was increased to Rs.25 lakhs in deserving cases.

C. State Financial Corporation’s (SFCS)

State Financial Corporation Act 1951 was brought into force to enable all the state governments (except Jammu and Kashmir) to set up State Financial Corporations as regional development banks. Presently following assistance is provided to small scale and medium scale entrepreneurs or units:
1. Providing long term finance to industrial enterprises having sole proprietary, partnership, company and co-operative society form of business organization.

2. Subscribing equity and debentures of industrial enterprises.

3. Providing financial assistance to small and medium enterprises engaged in Service sector.

4. Provide working capital loans and meeting various short-term needs of their clients. Working Capital is the amount obtained by subtracting current liabilities from current assets. Micro Credit scheme has emerged as a powerful tool for empowering the poor to alleviate their poverty. Micro credit programme envisage extending small loans to poor entrepreneurs for undertaking income generating enterprises, which have the potential to make a dent on poverty. Primary lending institutes includes State Financial Corporations, State Industrial Development Corporation, Commercial Banks, State cooperative Banks, and Regional Banks etc. Venture Capital refers to the risk capital supplied to growing entrepreneurs for long term purpose.

4.5 Initiatives of the Ministry of Micro, Small and Medium Enterprises (MSME) in recent years:

A. Promulgation of MSMED Act, 2006

A significant achievement of the Government is the enactment of the ‘Micro, Small and Medium Enterprises Development Act, 2006’, which aims to facilitate the promotion and development and enhance the competitiveness of MSMEs. The Act has come into force from 2nd October 2006 and it fulfills a long-cherished demand of this sector. Apart from giving legal strength to the definitions of micro, small and medium enterprises, this Act also contains penal provisions relating to the delayed payment to these enterprises.
B. Khadi and Village Industries Commission Act, 1956

The Khadi and Village Industries Commission Act, 1956 has been comprehensively amended in 2006, introducing several new features to facilitate professionalism in the operations of the Commission as well as field-level formal and structured consultations with all segments of stakeholders. A new Commission has also been constituted in July 2006.

C. Prime Minister’s Employment Generation Programme

A national level credit linked subsidy scheme, namely, ‘Prime Minister’s Employment Generation Programme (PMEGP)’ was introduced in August 2008 by merging erstwhile PMRY and REGP schemes of this Ministry with a total plan outlay of Rs.4485 crore towards margin money subsidy for generating an estimated 37.38 lakh additional employment opportunities during the four terminal years of XI plan (2008-09 to 2011-12). An amount of Rs.250 crore has also been kept towards backward – forward linkages.

Under this programme, financial assistance is provided for setting up of micro enterprises each costing upto Rs.10 lakh in service sector and Rs.25 lakh in manufacturing sector. The assistance is provided in the form of subsidy upto 25 per cent (35 per cent for Special category including weaker sections) of the project cost in rural areas while it is 15 per cent (25 per cent for Special category including weaker sections) for urban areas. During 2009-10, disbursements were made in 39,335 cases utilising Rs.742.76 crore as margin money subsidy. The estimated employment generation is for 4.42 lakh persons. An amount of Rs.906 crore including Rs.836 crore margin money subsidy has been provided in BE 2010-11 for assisting 60,000 units for creation of around 6 lakh additional employment opportunities.

D. Promotional Package

In March 2007, the Government announced a comprehensive Package for the Promotion of Micro and Small Enterprises, which comprises of several proposals/schemes having direct impact on the promotion and development of the
micro and small enterprises, particularly in view of the fast changing economic environment, wherein, to be competitive is the key of success. These, inter alia, include credit and fiscal support, cluster-based development, infrastructure, technology and marketing support. Capacity building of MSME Associations and support to women entrepreneurs are the other important features of this Package.

E. Task Force on MSMEs

A Task Force under the chairmanship of the Principal Secretary to Prime Minister was constituted to address the issues of MSME sector. The Task Force submitted its Report in record time and has made recommendations in the areas of credit, marketing, labour, rehabilitation and exit policy, infrastructure, technology, skill development, taxation and development of MSMEs in the North-East and Jammu & Kashmir. A large number of recommendations have been implemented and several other recommendations are at an advanced stage of implementation. A Council on MSMEs under the chairmanship of Hon’ble Prime Minister has been constituted to lay down the broad policy guidelines and review the development of the MSME sector. For ensuring timely/ speedy implementation of the recommendations of the Task Force and follow-up on the decisions of the Prime Minister’s Council on MSMEs, a Steering Group under the chairmanship of Principal Secretary to the Prime Minister has also been constituted.

F. 4th All India Census of MSMEs

The Quick results of 4th All India Census of MSMEs (2006-07), which was launched in May 2008, were released during 2009-10. The results reveal that there are 2.61 crore MSMEs in 2006-07, providing employment to about 6 crore persons. Of the total MSMEs, 28% are in the manufacturing segment and 72% in the services segment. This is the first Census after the enactment of the MSMED Act, 2006 and includes, for the first time, medium enterprises.
G. Enhanced Credit Flow to the MSE Sector

For strengthening the delivery of credit to the MSEs, the Government announced a ‘Policy Package for Stepping up Credit to Small and Medium Enterprises (SME)’ in August 2005 for doubling the credit flow to this sector within a period of five years. This has resulted in a significant increase in the credit flow from Public Sector Banks (PSBs) to the micro and small enterprises (MSE) sector — with the outstanding credit of public sector banks increasing from Rs.1,02,550 crore at the end of March 2007 to Rs.2,78,398 crore at the end of March 2010. With constant monitoring and efforts made by the Government, the credit flow from Public Sector Banks (PSBs) to the MSE sector has registered a growth of 47.4%, 26.6% and 45.4% during 2007-08, 2008-09 and 2009-10 respectively — higher than the stipulated 20% in the Policy Package.

H. Credit Guarantee Scheme

The Government has set up a Credit Guarantee Fund to provide relief to those micro and small entrepreneurs who are unable to pledge collateral security in order to obtain loans for the development of their enterprises. For making the scheme more attractive to both lenders as well as borrowers, several modifications have been undertaken which, inter alia, include (i) enhancement in the loan limit to Rs.100 lakh, (ii) enhancement of guarantee cover from 75% to 85% for loans up to Rs.5 lakh; (iii) enhancement of guarantee cover from 75% to 80% MSEs owned/operated by women and for loans in the North East Region (NER), (iv) reduction in one-time guarantee fee from 1.5% to 1% and annual service charges from 0.75% to 0.50% for loans up to Rs.5 lakh, (iv) reduction in one-time guarantee fee for NER from 1.5% to 0.75%, etc.

As a result, the scheme has been able to overcome the initial inhibition of bankers and is steadily gaining in acceptance. Further, efforts made to enhance the awareness have led to increasing the coverage from 68,062 proposals (for loans of Rs.1705 crore) at the end of March 2007 to 4,37,465 proposals (for loans of Rs.18,165 crore) at the end of October 2010. The Government is making
concerted efforts to further enhance the awareness of the scheme throughout the country for enhancing the coverage of the Scheme.

I. National Manufacturing Competitiveness Programme

The Government has launched an all-India campaign under the National Manufacturing Competitiveness Programme (NMCP) for the MSMEs, which has ten specific components aimed at improving their processes, designs, technology and market access. These components seek to introduce the best elements of industrial competitiveness in the MSME sector, which has often been unable to afford such practices and techniques. The ten components of the scheme are as under:

1. Building Awareness on Intellectual Property Rights for MSME;
2. Scheme for Providing Support for Entrepreneurial and Managerial Development of SMEs through Incubators;
3. Enabling Manufacturing Sector be Competitive through Quality Management Standards (QMS) and Quality Technology Tools (QTT);
4. Mini Tool Rooms under PPP mode;
5. Marketing Assistance/support to MSEs (Bar Code);
6. Lean Manufacturing Competitiveness Programme for MSMEs;
7. Promotion of Information & Communication Tools (ICT) in Indian MSME sector;
8. Design Clinics Scheme for MSMEs;
9. Marketing Assistance and Technology Upgradation Scheme for MSMEs; and
10. Technology and Quality Upgradation Support to MSMEs.

J. MSE-Cluster Development Programme (MSE-CDP)

The Programme is being implemented for holistic and integrated development of micro and small enterprises in clusters through Soft Interventions (such as diagnostic study, capacity building, marketing development, export promotion, skill development, technology upgradation, organizing workshops, seminars,
training, study visits, exposure visits, etc.), Hard Interventions (setting up of Common Facility Centers) and Infrastructure Upgradation (create/upgrade infrastructural facilities in the new/existing industrial areas/ clusters of MSEs). The guidelines of the MSE-Cluster Development Programme have been comprehensively modified in February 2010 to provide higher support to the MSMEs. The scope of the scheme includes:

1) Preparation of Diagnostic Study Report with Government of India (GoI) grant of maximum Rs.2.50 lakh (Rs.1 lakh for field offices of the Ministry of MSME).

2) Soft Interventions like training, exposure, technology upgradation, brand equity, business development, etc with GoI grant of 75% of the sanctioned amount of the maximum project cost of Rs 25 lakh per cluster. For NE & Hill States, Clusters with more than 50% (a) micro/ village (b) women owned (c) SC/ST units, the GoI grant will be 90%.

3) Detailed Project Report (DPR) with GoI grant of maximum Rs 5 lakh for preparation of a technical feasible and financially viable project report.

4) Hard Interventions in the form of tangible assets like Common Facility Centre having machinery and equipment for critical processes, research and development, testing, etc. for all the units of the cluster with GoI grant up to 90% of the cost of project of maximum Rs 15 crore.

5) Infrastructure Development with GoI grant of up to 80% of the cost of project of Rs 10 crore, excluding cost of land.

Exhibition Centers by Associations of Women Entrepreneurs of women owned micro and small enterprises with GoI assistance @ 40% of the project cost. Over 460 clusters have been undertaken for various cluster development interventions (i.e., diagnostic study, soft interventions, and hard interventions) and 126 proposals (including 28 for upgradation of existing industrial estates) have been taken up for infrastructure development under the scheme.
K. Credit Linked Capital Subsidy Scheme

To make the Credit Linked Capital Subsidy Scheme (CLCSS) more attractive, the following amendments were made with effect from 29 September 2005: (a) the ceiling on loans has been raised from Rs.40 lakh to Rs.1 crore; (b) the rate of subsidy has been raised from 12 per cent to 15 per cent; (c) the admissible capital subsidy has now been based on the purchase price of plant and machinery, instead of the term loan disbursed to the beneficiary unit; and (d) the practice of categorization of MSEs in different slabs on the basis of their present investment for determining the eligible subsidy has been dispensed with. Further, the ambit of Scheme was enlarged in 2009-10 to include 201 new technologies, including 179 technologies relating to Pharmaceutical sector. The coverage under the Scheme has shown considerable increase and up to October 2010, 10,952 MSEs have benefited Under the Scheme with the total subsidy sanctioned amounting to Rs.514.13 crore.

L. Entrepreneurship and Skill Development

In line with the overall target set by the Prime Minister’s National Council on Skill Development, the Ministry has taken up skill development as a high priority area. Under the Entrepreneurship/Skill Development Programmes conducted by various organizations of the Ministry of MSME, about 3.5 lakh persons were trained during 2009-10 which is an increase of more than 33% over previous year. To further expand the coverage of training programmes, a new component under the scheme of ‘Assistance to Training Institutions’ has been added to, inter alia, provide assistance to the training institutions/centers established by Partner Institutions (PIs) of National Level Entrepreneurship Development Institutes (EDIs) and franchisees of National Small Industries Development Corporation (NSIC) Further, the Ministry of MSME provides all such trainings to disadvantaged sections of the society like the trainings for SCs/STs, free of cost. A number of programmes are also being organized for
women and other weaker sections of the society free of cost, besides providing a monthly stipend of Rs.500/- per month during the entire Period of training

**M. Rajiv Gandhi Udyami Mitra Yojana**

The scheme aims to promote and support establishment of new micro and small enterprises through handholding of potential first generation entrepreneurs, who have already successfully completed Entrepreneurship Development Programme (EDP)/ Skill Development Programme (SDP) / Entrepreneurship-cum-Skill Development Programme (ESDP) of at least two weeks’ duration, or have undergone vocational training from ITIs. One of the main objectives of handholding is to guide and facilitate the potential entrepreneurs in dealing with various procedural and legal hurdles and completion of various formalities which are required for setting up and running of enterprise successfully and to save them from harassment at the hands of various regulatory agencies for want of required compliances. It is not only increase the proportion of potential entrepreneurs trained under various EDPs/ SDPs/ ESDPs/ Vocational Training (VT) in setting up their enterprises, more importantly, it will also enhance survival / success rate of newly set up enterprises.

As a component of this scheme, the Ministry has recently launched a MSME Call Centre (known as ‘Udyami Helpline’) with a toll-free number 1800-180-6763. The Udyami Helpline, inter alia, provides basic information on how to set up an enterprise, various schemes being implemented for the promotion of MSMEs, accessing loans from banks and further contacts for obtaining detailed information.

**N. Performance and Credit Rating Scheme**

To sensitize the MSE sector on the need for credit rating and encourage the MSEs to maintain good financial track record enabling them to earn higher rating for their credit requirements, the Government in April 2005 launched the ‘Performance and Credit Rating Scheme’. The implementation of the scheme is
through National Small Industries Corporation (NSIC). Reputed Rating Agencies have been empanelled by NSIC from which the MSEs can the one to be engaged by it for obtaining the rating. The Ministry of MSME subsidizes the cost of rating by sharing 75% of the fee charged by the Rating Agency, subject to a ceiling of Rs.40,000.

O. National Small Industries Corporation

To provide an opportunity for first generation entrepreneurs to acquire skills for enterprise building and to incubate them to become successful small business owners, NSIC has setup 47 training-cum-incubator centers (TICs) under PPP mode. NSIC has also launched a B2B Web portal to provide marketing facilities to national and international MSMEs for business to business relationship. The MSME Info Call Centre of NSIC has been made functional to provide information about the schemes and activities being implemented for the benefits of MSMEs. Further, NSIC has established a Marketing Intelligence Cell in May 2010, which shall provide database and information support to the MSMEs on marketing of their products/services.

P. Khadi Reform Development Programme (KRDP)

In order to revitalize and reform the traditional khadi sector with enhanced sustainability of khadi, increased artisans welfare, increased incomes and employment opportunities for spinners and weavers with lesser dependence on Government grants, a Khadi Reform and Development Programme was formulated by the Ministry of MSME in consultation with Khadi and Village Industries Commission (KVIC), Asian Development Bank (ADB), Department of Economic Affairs (DEA) and Price Waterhouse Coopers (PWC). This programme is proposed to be implemented in 300 selected khadi institutions willing to undertake the identified reforms. The DEA has arranged a sum of US$ 150 million equivalent to Rs.717 crore (approx.) from ADB to be given to KVIC as grant in four tranches over a period of 36 months. After completion of procedural formalities, and signing of necessary agreement and announcement by ADB, the
first tranche of Rs.96 crore was released to KVIC in February, 2010. the second tranche of Rs.42 crore has been earmarked in BE 2010-11.

Q. Market Development Assistance (MDA) Scheme

The scheme has been introduced w.e.f. 01.04.2010 and envisages financial assistance @ 20% on value of production of khadi and polyvastra which will be shared among artisans, producing institutions and selling institutions in the ratio 25:30:45. The scheme has been introduced on the basis of recommendation of several committees constituted during the past few decades and after running several pilot projects in the past. The need had arisen because Khadi production so far was not based on market demand or performance and the rebate system did not benefit the spinners and weavers. Also KVIC was constrained to devote most of its resources for administration of rebate; to the detriment of its remaining responsibilities regarding development of the sector. MDA seeks to rectify this imbalance and provide flexibility/ freedom to the khadi institutions to take innovative measures to improve its marketing infrastructure such as renovation of outlets, training sales persons, computerization of sales, design improvement, publicity, discount to customers, improved equipments of production, training of artisans and capacity building so that khadi can attract more customers not just because of discount, but because of its quality design and appeal. Most importantly, for the first time a definite share of 25% of MDA has been earmarked for spinners and weavers which will give them a prominent role in the entire khadi chain of activities. An amount of Rs.345.05 crore has been earmarked to be incurred during 2010-11 and 2011-12 as MDA.

R. Work shed Scheme for Khadi Artisans

Under this scheme, assistance is provided for construction of Work sheds for Khadi artisans for better work environment. Around 38,000 work sheds are targeted to be constructed between 2008-09 and 2011-2012 at a total cost of Rs.127 crore approximately, involving financial assistance of Rs.95 crore as grant to KVIC from Government of India’s budgetary sources. Financial assistance for
establishment of work shed has been provided to 5951 artisans in 2009-10. In BE 2010-11, an amount of Rs.20 crore has been earmarked for assisting 10,000 artisans under this scheme.

S. Scheme for Enhancing Productivity & Competitiveness of Khadi Industry and Artisans

The scheme aims to provide financial assistance to 200 of the ‘A+’ and ‘A’ category khadi institutions of which 50 institutions would be those which are managed exclusively by beneficiaries belonging to Scheduled Castes/Scheduled Tribes to make them competitive with more market driven and profitable production by replacement of obsolete and old machinery and equipment. The total cost of the scheme is Rs.84 crore involving financial assistance of Rs.71.14 crore as grants to KVIC from Government of India’s budgetary sources between 2008-09 and 2011 -2012. 20 khadi institutions were assisted with financial assistance of Rs.2.23 crore under this scheme in 2009-10. An amount of Rs.21 crore has been earmarked in BE 2010-11 for assisting 60 khadi institutions under this scheme.

T. Scheme for Rejuvenation, Modernization and Technological up gradation of Coir Industry

Under the scheme, assistance is provided to spinners and tiny household sector for replacement of outdated ratts/ looms and for constructing work sheds so as to increase production and earnings of workers. In 2009-10, 296 spinning units and 410 tiny household units have been assisted under this scheme and a target for assisting 320 spinning units and 880 household units has been fixed for 2010-11 with the budget allocation of Rs.21 crore. During 2010-11 (up to Sept.2010), Rs.4.88 crore has been released by the Ministry.

U. Scheme of Fund for Regeneration of Traditional Industries (SFURTI)

This Scheme was launched in 2005 for regeneration of traditional industries identified clusters in khadi, village industries and coir sectors with a view to make these industries more productive and competitive and increases the employment
opportunities in rural and semi-urban areas. The objective of the Scheme is to establish a regenerated, holistic, sustainable and replicable model of integrated cluster-based development of traditional industries in khadi, village and coir sectors. So far 105 clusters (khadi – 29, Village Industries – 50 and Coir - 26) have been taken up under SFURTI and production has been started in 72 clusters. Cluster interventions will be completed in remaining 33 clusters providing employment to around 16000 rural artisans in 2010.

V. Mahatma Gandhi Institute for Small Industrialization (MGIRI)

A national level institute named MGIRI has been established at Wardha, Maharashtra as a society under Societies Registration Act, 1860 by revamping Jamnalal Bajaj Central Research Institute has in association with IIT, Delhi for strengthening the R&D activities in khadi and village industry sectors. The main objectives of the institute are as under:

1) To accelerate small industrialization for sustainable village economy so that KVI sector co-exists with the main stream.
2) Attract professionals and experts to Gram Swaraj
3) Empower traditional artisans
4) Innovation through pilot study/field trials
5) R&D for alternative technology using local resources

During 2010-11, it is proposed to initiate action on and holding support to 68 model enterprises in bio-processing, chemical, energy, rural crafts and solar garments sets and 21 machines/processes/services would be improved.

W. National Board for MSMEs

The Government has set up for the first time, a statutory National Board for Micro, Small and Medium Enterprises so as to bring together the representatives of different sub-sectors of MSMEs, along with policy-makers, Bankers, trade unions and others in order to move towards cohesive development of the sector. The deliberations and directions of the National Board will go a long way to guide and develop enterprises in this sector to become more competitive and self-reliant.
X. Fiscal Benefits

The Government has worked towards enhancing the level of fiscal incentives available for micro and small enterprises. Under the General Excise Exemption Scheme, exemption limit has been raised from Rs.1 crore to Rs.1.5 crore (in 2007-08 budget) and the turnover eligibility limit to avail the exemption benefits has been enhanced from Rs.3 crore to Rs.4 crore (in 2005-06 budget). Further, with effect from 1st April 2005, small service providers having a turnover of up to Rs.4 lakh has been exempted from service tax. This Exemption limit has been gradually raised to Rs.10 lakh in the subsequent budgets. In order to encourage small and medium enterprises to invest and grow, the surcharge on all firms and companies with a taxable income of Rs.1 crore or less has been removed with effect from 1st April 2007. The turnover limit for tax audit and for the purpose of presumptive taxation of small businesses has been enhanced to Rs.60 lakh with effect from 1st April 2010. To ease the cash flow position for small-scale manufacturers, they have been permitted to take full credit of Central Excise duty paid on capital goods in a single installment in the year of their receipt. Further, they have also been permitted to pay Central Excise duty on a quarterly basis, rather than monthly basis.

4.6 Promotional measures in the study area

In study area following measures have taken to development of small industries with the help and assistance of various state government central government agencies

A. Industrial Infrastructure Facilities

In the Taluk, for catalyzing new Investment Opportunities, industrial infrastructure facilities like developed industrial plots and power is required.

Based on the identified investment opportunities in the Taluk, for developing industrial plots about 69 acres of land is required. Developed industrial plots shall have internal roads, storm water drainages, water supply distribution network, power supply distribution network and street lighting. It is
suggested that, vacant land in the Raichur Growth Centre could be used for this purpose. The total cost of development of industrial areas / estates is estimated at Rs. 2.59 cr.

Based on the identified investment opportunities in the Taluk 3.17 MW additional power is required. The cost of power generation and transmission is estimated at Rs.12.66 cr. For Raichur taluk lower cost for power transmission is considered while computing the above cost.

B. Capacity Building (CB) & Industrial Promotion Activities (IPA)

In the Taluk, capacity building (CB) and industrial promotional activities may be taken up for catalyzing new investment opportunities. The suggested activities under CB & IPA comprise:

1) Entrepreneurship Awareness Programmes (EAP), Industrial Campaigns and Sensitization Programme.
2) Entrepreneurship Development Programme (EDP)
3) Special Entrepreneurship Development Programme (SEDP).
4) Skill Development Training Programme (SDTP) - covering emerging areas of service sector like retailing, paramedic & technicians, financial services, construction activities apart from repair & servicing of electrical / electronic / automobiles and other equipments.
5) Management Development Programmes (MDP) for new units.
6) Export Training Programme (ETP).
7) Consultancy & Mentoring Services
8) Market Intelligence Report Preparation
9) Trade Fair, Buyers’/Sellers’ Meet
10) MIS and e-commerce.

The District Industries Centre (DIC) could be the nodal agency to facilitate CB and IPA. These programmes could be conducted through RUDSETI or reputed NGOs / Consultants.
The total cost of CB & IPA is estimated Rs. 75.25 lakhs, which may be fully funded by the government. Details of Cost of Facilitation Plan for catalyzing new investment opportunities for the Taluk are given in Table – 4.2.

**Table-4.2**

**Requirement of Funds for Capacity Building and Industrial Promotional Programmes (2006-11)**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Details</th>
<th>Candidates / Programme</th>
<th>No. of Programmes</th>
<th>Total Candidates</th>
<th>Duration (Days)</th>
<th>Amount (Rs. lakhs) Unit cost</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A</strong></td>
<td><strong>Capacity Building</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Entrepreneurship Awareness (EAP)</td>
<td>150</td>
<td>10</td>
<td>1500</td>
<td>1</td>
<td>1.00</td>
<td>10.00</td>
</tr>
<tr>
<td>2</td>
<td>Entrepreneurship Development Programme (EDP)</td>
<td>50</td>
<td>10</td>
<td>500</td>
<td>20</td>
<td>0.75</td>
<td>7.50</td>
</tr>
<tr>
<td>3</td>
<td>Special Entrepreneurship Development Programme</td>
<td>25</td>
<td>5</td>
<td>125</td>
<td>7</td>
<td>0.50</td>
<td>2.50</td>
</tr>
<tr>
<td>3</td>
<td>Skill Development Training Programme (SDTP)</td>
<td>25</td>
<td>7</td>
<td>175</td>
<td>7</td>
<td>0.50</td>
<td>3.50</td>
</tr>
<tr>
<td>4</td>
<td>Management Development Programme (MDP)</td>
<td>30</td>
<td>5</td>
<td>150</td>
<td>3</td>
<td>0.60</td>
<td>3.00</td>
</tr>
<tr>
<td>5</td>
<td>Export Training Programme (ETP)</td>
<td>25</td>
<td>5</td>
<td>125</td>
<td>2</td>
<td>0.75</td>
<td>3.75</td>
</tr>
<tr>
<td><strong>Total – A</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30.25</td>
</tr>
<tr>
<td><strong>B</strong></td>
<td><strong>Industrial Promotional Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Consultancy &amp; Mentoring services</td>
<td>Lumpsum @ Rs. 1.00 lakh per annum</td>
<td>5.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Market Intelligence Report</td>
<td>Lumpsum @ Rs. 1.00 lakh per annum</td>
<td>5.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Trade Fair, Buyers’ / Sellers’ Meet, etc.</td>
<td>Lumpsum @ Rs. 5.00 lakh per annum</td>
<td>25.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4 MIS – E-Commerce Lumpsum @ Rs. 2.00 lakh per annum 10.00

<table>
<thead>
<tr>
<th>Total - B</th>
<th>45.00</th>
</tr>
</thead>
</table>

GRAND TOTAL (A+B)  75.25

Sources: Central Statistics Office, M/o SPI.

C. Phased requirement of Funds

The Facilitation Plan for catalyzing new investment opportunities in Raichur taluk is suggested to be implemented during 2006-11. Phased fund requirement of credit from financial institutions for implementing establishing identified units is given in Table- 4.3.

Table –4.3
Phased Requirement of Funds - SSI & Tiny Units
Rs.in lakhs

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of units</td>
<td>503</td>
<td>1,007</td>
<td>1,510</td>
<td>1,511</td>
<td>504</td>
<td>5,035</td>
</tr>
<tr>
<td>Emp.(Nos.)</td>
<td>131</td>
<td>263</td>
<td>394</td>
<td>395</td>
<td>132</td>
<td>1,315</td>
</tr>
<tr>
<td>Equity*</td>
<td>242.61</td>
<td>485.23</td>
<td>727.84</td>
<td>727.84</td>
<td>242.61</td>
<td>2,426.13</td>
</tr>
<tr>
<td>Credit</td>
<td>363.92</td>
<td>727.84</td>
<td>1,091.76</td>
<td>1,091.76</td>
<td>363.92</td>
<td>3,639.20</td>
</tr>
<tr>
<td>Total</td>
<td>606.53</td>
<td>1,213.07</td>
<td>1,819.60</td>
<td>1,819.60</td>
<td>606.53</td>
<td>6,065.33</td>
</tr>
</tbody>
</table>

Source: District Industry centre * including subsidy if any.

Phased fund requirement for developing industrial infrastructure facilities and capacity building & industrial promotion activities for establishing identified units is given in Table- 4.4
Table – 4.4
Phased Requirement of Funds – Infrastructure, Capacity Building and Industrial Promotional Activities

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006-07</td>
<td>2007-08</td>
</tr>
<tr>
<td>Industrial Infrastructure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial Area &amp; Estates</td>
<td>77.82</td>
<td>77.82</td>
</tr>
<tr>
<td>Power</td>
<td>253.25</td>
<td>253.25</td>
</tr>
<tr>
<td>Sub – Total</td>
<td>331.07</td>
<td>331.07</td>
</tr>
<tr>
<td>Capacity Building &amp; Industrial Promotion Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity Building</td>
<td>5.85</td>
<td>6.35</td>
</tr>
<tr>
<td>Indl. Promotional Activities</td>
<td>9.00</td>
<td>9.00</td>
</tr>
<tr>
<td>Sub – Total</td>
<td>14.85</td>
<td>15.35</td>
</tr>
<tr>
<td>Grand Total</td>
<td>345.92</td>
<td>346.42</td>
</tr>
</tbody>
</table>

Source: District Industry Centre

D. Karnataka State Financial Corporation:

Karnataka State Financial Corporation (KSFC) is a state level financial institution extending assistance the industries. KSFC has assisted 276 units during 2000-01 to 2004-05. During the period KSFC has sanctioned Rs.2684 lakhs loan and disbursed an amount of Rs.2347 lakhs. KSFC has assisted 112 units during 2000-01 and about 40 units during next four years. The loan sanctioned during 2000-01 was Rs.630 lakhs and reduced to Rs.463 lakhs during 2004-05. Similarly amount disbursed was reduced from Rs.538 lakhs to Rs.305 lakhs during the period. The details are given in Table – 4.5.
Table – 4.5
Financial Assistance Extended by KSFC in Raichur District
[Rs. in lakhs]

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Year</th>
<th>No. of units assisted</th>
<th>Loan sanctioned</th>
<th>Loan disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2000-01</td>
<td>112</td>
<td>630.02</td>
<td>537.71</td>
</tr>
<tr>
<td>2</td>
<td>2001-02</td>
<td>42</td>
<td>452.86</td>
<td>336.73</td>
</tr>
<tr>
<td>3</td>
<td>2002-03</td>
<td>39</td>
<td>614.44</td>
<td>607.49</td>
</tr>
<tr>
<td>4</td>
<td>2003-04</td>
<td>41</td>
<td>523.27</td>
<td>560.85</td>
</tr>
<tr>
<td>5</td>
<td>2004-05</td>
<td>42</td>
<td>463.12</td>
<td>304.57</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>276</td>
<td>2683.71</td>
<td>2347.35</td>
</tr>
</tbody>
</table>

Source: KSFC, Raichur

KSFC has assisted 295 units during 31.04.2000 to 31.01.2006, of which 110 units are food & beverages followed by transportation vehicles – 55 nos. other services 50 units, miscellaneous products 27 units and general engineering 25 units. The details of category wise financial assistance provided by KSFC during 31.4.2000 to 31.1.2006 are given in Table –4.6.

Table – 4.6
Financial Assistance Extended in Raichur District
During 01.04.2005 TO 31.01.2009
[Rs. in lakhs]

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Units (Nos.)</th>
<th>Loan sanctioned</th>
<th>Loan disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Food and Beverages</td>
<td>110</td>
<td>1880.65</td>
<td>1630.72</td>
</tr>
<tr>
<td>2</td>
<td>Textile based</td>
<td>4</td>
<td>37.50</td>
<td>28.77</td>
</tr>
<tr>
<td>3</td>
<td>Wood and wood based</td>
<td>6</td>
<td>35.06</td>
<td>23.61</td>
</tr>
<tr>
<td>5</td>
<td>Printing and Stationery</td>
<td>2</td>
<td>6.00</td>
<td>6.00</td>
</tr>
<tr>
<td>6</td>
<td>Rubber and plastic based</td>
<td>4</td>
<td>8.00</td>
<td>8.00</td>
</tr>
<tr>
<td>7</td>
<td>Basic metal and metal products</td>
<td>9</td>
<td>57.90</td>
<td>40.45</td>
</tr>
<tr>
<td>8</td>
<td>General Engineering / Mechanical products</td>
<td>25</td>
<td>22.55</td>
<td>3.00</td>
</tr>
<tr>
<td>9</td>
<td>Transport and equipments</td>
<td>55</td>
<td>206</td>
<td>210.22</td>
</tr>
</tbody>
</table>
Table – 4.7

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Taluk</th>
<th>No. of units</th>
<th>Loan sanctioned</th>
<th>Loan disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Deodurga</td>
<td>2</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>Lingsugur</td>
<td>2</td>
<td>32.80</td>
<td>40</td>
</tr>
<tr>
<td>3</td>
<td>Manvi</td>
<td>5</td>
<td>98</td>
<td>85</td>
</tr>
<tr>
<td>4</td>
<td>Raichur</td>
<td>6</td>
<td>110</td>
<td>95</td>
</tr>
<tr>
<td>5</td>
<td>Sindhanur</td>
<td>4</td>
<td>114.15</td>
<td>77.50</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>19</td>
<td>362.95</td>
<td>303.50</td>
</tr>
</tbody>
</table>

Source: KSFC

KSFC has assisted about 19 units during 2005-06 (up to 31.1.2006) involving sanction of loan of Rs.363 lakhs and loan disbursement of Rs.304 lakhs. KSFC has assisted 6 units in Raichur taluk involving sanction of loan of Rs.110 lakhs and disbursement of Rs.95 lakhs. Loan sanctioned in District was highest in Sindhanur taluk (Rs.114.15 lakhs) and lowest in Deodurga taluk (Rs.8 lakhs). The units assisted (6 nos.) by KSFC in Raichur taluk account for 31%, loan sanctioned 30% and loan disbursed 31% to the respective District total. The taluk-wise details of KSFC assistance during 2005-06 are given in Table 4.7.

E. Small Scale Industries

In Raichur District there are 7,317 tiny and SSI units with a aggregate investment of Rs.15, 622.58 lakhs and employment to 31,185 persons as on 31.1.2006. As per the District Industries Centre the category-wise details of units are given in the table-4.8
### Table – 4.8
Category-Wise Tiny & SSI Units in Raichur District

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Units (Nos.)</th>
<th>Investment (Rs. lakhs)</th>
<th>Employment (Nos.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Food and Beverages</td>
<td>936</td>
<td>2169.81</td>
<td>3990</td>
</tr>
<tr>
<td>2</td>
<td>Textile based</td>
<td>1138</td>
<td>2493.78</td>
<td>4796</td>
</tr>
<tr>
<td>3</td>
<td>Wood and wood based</td>
<td>868</td>
<td>1999.12</td>
<td>3711</td>
</tr>
<tr>
<td>4</td>
<td>Leather and leather based</td>
<td>236</td>
<td>336.77</td>
<td>1005</td>
</tr>
<tr>
<td>5</td>
<td>Printing and Stationery</td>
<td>312</td>
<td>582.15</td>
<td>1337</td>
</tr>
<tr>
<td>6</td>
<td>Rubber and plastic based</td>
<td>28</td>
<td>69.88</td>
<td>120</td>
</tr>
<tr>
<td>7</td>
<td>Chemical &amp; allied units</td>
<td>27</td>
<td>194.72</td>
<td>116</td>
</tr>
<tr>
<td>8</td>
<td>Glass and Ceramics</td>
<td>188</td>
<td>303.07</td>
<td>806</td>
</tr>
<tr>
<td>9</td>
<td>Basic metal &amp; allied units</td>
<td>63</td>
<td>139.54</td>
<td>265</td>
</tr>
<tr>
<td>10</td>
<td>General Engg./Mech. Ind.</td>
<td>393</td>
<td>935.05</td>
<td>1695</td>
</tr>
<tr>
<td>11</td>
<td>Electrical &amp; Electronics</td>
<td>235</td>
<td>519.92</td>
<td>1008</td>
</tr>
<tr>
<td>12</td>
<td>Automobiles</td>
<td>85</td>
<td>188.04</td>
<td>364</td>
</tr>
<tr>
<td>13</td>
<td>Transport &amp; equipments</td>
<td>6</td>
<td>13.27</td>
<td>25</td>
</tr>
<tr>
<td>14</td>
<td>Job work / servicing</td>
<td>1602</td>
<td>3524.03</td>
<td>6848</td>
</tr>
<tr>
<td>15</td>
<td>Other services</td>
<td>557</td>
<td>1224.05</td>
<td>2354</td>
</tr>
<tr>
<td>16</td>
<td>Misc. products</td>
<td>643</td>
<td>929.38</td>
<td>2745</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>7317</strong></td>
<td><strong>15622.58</strong></td>
<td><strong>31185</strong></td>
</tr>
</tbody>
</table>

**Source:** District Industries Centre,

In Raichur taluk there were 2,478 tiny & SSI units as on 31.03.2001, which increased to 2,902 units as on 31.01.2006, registering a growth of 17%. In the Taluk, tiny & SSI units have the aggregate investment of Rs.41.72 cr and provided employment to 10,655 persons as on 31.03.2001 which increased to Rs.60.02 cr and 12,351 persons respectively as on 31.01.2006. During the above period, there is a growth of 44% in terms of total investment by tiny & SSI units and 16% in terms of employment. The details are given in Table-4.9
Table – 4.9

Tiny & SSI Units– Taluk & District Trend
[Units & Employment: Nos.   Investment: Rs. Lakhs]

<table>
<thead>
<tr>
<th>Taluk</th>
<th>Units 31.03.2001</th>
<th>Up to January 2006</th>
<th>% increase in</th>
</tr>
</thead>
<tbody>
<tr>
<td>--------------</td>
<td>-------</td>
<td>-------</td>
<td>-----</td>
</tr>
<tr>
<td>Deodurga</td>
<td>329</td>
<td>884.7</td>
<td>1604</td>
</tr>
<tr>
<td>Lingsugur</td>
<td>1039</td>
<td>2458.45</td>
<td>4677</td>
</tr>
<tr>
<td>Manvi</td>
<td>825</td>
<td>1831.02</td>
<td>3726</td>
</tr>
<tr>
<td>Raichur</td>
<td>2478</td>
<td>4172.24</td>
<td>1065</td>
</tr>
<tr>
<td>Sindhanur</td>
<td>1201</td>
<td>2729.06</td>
<td>5477</td>
</tr>
<tr>
<td>TOTAL</td>
<td>5872</td>
<td>12075.4</td>
<td>2613</td>
</tr>
</tbody>
</table>

Source: District Industries Centre, Raichur

In Raichur district average investment per unit has increased marginally from Rs. 2.06 lakhs as on 31.03.2001 to Rs.2.14 lakhs as on 31.01.2006. Average employment per unit has reduced from 4.46 persons to 4.26 persons and average employment per lakh investment has reduced from 2.16 persons to 2 persons during the above period.

In Raichur taluk average investment per unit has increased from Rs. 1.68 lakhs as on 31.03.2001 to Rs.2.07 lakhs as on 31.01.2006. Average employment per unit has reduced from 4.30 persons to 4.26 persons and average employment per lakh investment has reduced from 2.55 persons to 2.06 persons during the above period. The details are given in Table – 4.10.
Table – 4.10
Investment & Employment Analysis in Tiny & SSI Sector

<table>
<thead>
<tr>
<th>Taluk</th>
<th>31.03.2001</th>
<th>Upto January 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Avg. Invst./unit Rs.lakhs</td>
<td>Avg. Emp./unit</td>
</tr>
<tr>
<td>Deodurga</td>
<td>2.69</td>
<td>4.88</td>
</tr>
<tr>
<td>Lingsugur</td>
<td>2.37</td>
<td>4.50</td>
</tr>
<tr>
<td>Manvi</td>
<td>2.22</td>
<td>4.52</td>
</tr>
<tr>
<td>Raichur</td>
<td>1.68</td>
<td>4.30</td>
</tr>
<tr>
<td>Sindhanur</td>
<td>2.27</td>
<td>4.56</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2.06</td>
<td>4.45</td>
</tr>
</tbody>
</table>

Source: District Industries Centre, Raichur

In the District, 1,445 tiny and SSI units have come up during last 5 years, with a additional investment of Rs. 35.47 cr and employment to 5,046 persons.

In the District highest number of units has come up in Raichur taluk (30%) and lowest number of units in Manvi taluk (12%). Similarly, highest investment from tiny and SSI units are in Raichur taluk (52%) and lowest investment in Deodurga taluk (7%). The employment generated is also follows the similar trend.

In Raichur taluk 424 units, have come up (30%), with a investment of Rs. 1,830 lakhs (52%) and provided employment to 1,670 persons (34%) during last five years. It may be observed that, Raichur taluk is preferred location than other taluks in Raichur district for establishing the project. Details are given in the Table – 4.11
Table – 4.11
Tiny & SSI Units Established during last 5 Years

<table>
<thead>
<tr>
<th>Taluk</th>
<th>Additions during last 5 years</th>
<th>% to the total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Units</td>
<td>Invst. (Rs.lakhs)</td>
</tr>
<tr>
<td>Deodurga</td>
<td>180</td>
<td>264.72</td>
</tr>
<tr>
<td>Lingsugur</td>
<td>289</td>
<td>469.11</td>
</tr>
<tr>
<td>Manvi</td>
<td>292</td>
<td>596.45</td>
</tr>
<tr>
<td>Raichur</td>
<td>424</td>
<td>1829.88</td>
</tr>
<tr>
<td>Sindhanur</td>
<td>260</td>
<td>386.95</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1445</td>
<td>3547.11</td>
</tr>
</tbody>
</table>

Source: District Industries Centre, Raichur

F. Large and Medium Industries

In the undivided Raichur District there were 20 large and medium industries (LMIs) accounting for 2% to the State total of 1,086 units. These units had an investment of Rs.652 cr. accounting for 4% to the State total.

In Raichur district, there are 7 large and medium units, accounts for less than 1% to the State total of 1,086 units. LMIs in the District provide employment to 7,057 persons, accounting for 2% to the State total. Raichur district has the gold manufacturing unit, the only one in the country. Out of seven LMIs in the District two are PSUs, 5 are private in sector. Out of 5 LMIs in private sector two are involved in vegetable oil processing, one involved in petro chemicals and another in cotton spinning. Out of 7 LMIs in the District, 6 are located in Raichur taluk. The list of LMIs in Raichur District is given in Table-4.12.
Table-4.12
Large & Medium Scale Industries in Raichur District

<table>
<thead>
<tr>
<th>Sl No</th>
<th>Name of the Unit &amp; Address</th>
<th>Products manufactured</th>
<th>Employment in No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hutti Gold Mine Co. Ltd., Hutti, Lingsugur Taluk</td>
<td>Gold</td>
<td>4018</td>
</tr>
<tr>
<td>2</td>
<td>Karnataka Power Corporation Ltd., Shakthinagar, Raichur</td>
<td>Electricity</td>
<td>2414</td>
</tr>
<tr>
<td>3</td>
<td>Raichur Solvents, Raichur</td>
<td>Edible Oil</td>
<td>68</td>
</tr>
<tr>
<td>4</td>
<td>General Oilseeds Growers Co-op. Society Ltd., Raichur</td>
<td>Oilseeds Processing</td>
<td>74</td>
</tr>
<tr>
<td>5</td>
<td>Farook Anwar Co., Raichur</td>
<td>Edible Oil</td>
<td>99</td>
</tr>
<tr>
<td>6</td>
<td>Mysore Petro Chemicals Ltd., P.B. No.34, Raichur</td>
<td>Petrochemicals Processing</td>
<td>156</td>
</tr>
<tr>
<td>7</td>
<td>Vishal Cotton Spin Ltd., Deosugur Indl. Area, Raichur</td>
<td>Cotton Processing</td>
<td>228</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>7057</strong></td>
</tr>
</tbody>
</table>

Source: District Industries Centre, Raichur.

G. Projects Cleared by HLC & State SWA Projects cleared by HLC during last three years

In the last five years, High Level Committee (HLC) has approved six projects for implementation in Raichur District, accounting for 3% of the State total of 191 projects these projects have aggregate investment about Rs. 14,854 cr., accounting for 12% to the State total of Rs. 1, 20,221 cr. And provide employment to about 7,959 persons, accounting for 1% to the State total of 6.47 lakhs persons.

The major projects approved by HLC for Raichur District constitutes manufacturing of pig iron and integrated steel plant. In addition, few projects are in the field of power generation and ore palletizing. All the projects cleared by
HLC for Raichur District are proposed to be established in Raichur. This indicates preference of industrialists to establish their unit near large urban agglomeration. The details of the projects approved are given in Table 4.13.

Table 4.13
Major Projects Cleared by HLC

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name &amp; Address of the unit</th>
<th>Local</th>
<th>Project / Production</th>
<th>Investment (Rs.in crores)</th>
<th>Employment in Nos.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Alok Finvest (P) Ltd., New Delhi.</td>
<td>Raichur Growth Centre</td>
<td>Pig Iron Plant</td>
<td>481.00</td>
<td>270</td>
</tr>
<tr>
<td>2.</td>
<td>Hampi Petro Chemicals Ltd., Bangalore.</td>
<td>Raichur Growth Centre</td>
<td>Coke oven-cum-48 MW power Plant</td>
<td>573.00</td>
<td>357</td>
</tr>
<tr>
<td>3.</td>
<td>Ispat Industries</td>
<td>Raichur</td>
<td>Integrated Steel Plant</td>
<td>7144.00</td>
<td>3000</td>
</tr>
<tr>
<td>4.</td>
<td>Surana Industries Ltd.,</td>
<td>Raichur Growth Centre</td>
<td>Integrated Steel Plant</td>
<td>562.09</td>
<td>1350</td>
</tr>
<tr>
<td>5.</td>
<td>Southern Port Terminals Pvt. Ltd.,</td>
<td>Raichur District</td>
<td>Integrated Steel Plant</td>
<td>4805.57</td>
<td>2000</td>
</tr>
<tr>
<td>6.</td>
<td>BMM Ispat Ltd.,</td>
<td>Raichur Ind. Area</td>
<td>IMPTA Iron Ore Pelletizing Plant</td>
<td>233.90</td>
<td>355</td>
</tr>
</tbody>
</table>

Source: Annual Report 2012-13

As mentioned above, two projects which were cleared by HLC during 2000-01 are yet to be implemented. The implementation of the above projects, may take two to three years duration. The projects have good scope for developing engineering industries, service sector units and building material units.

H. Projects Cleared by State SWA

In the last five years, Single Window Agency (SWA) has approved twelve projects for implementation in Raichur district, accounting for 1% to the total
projects in the State. These projects have aggregate investment about Rs. 30,754 lakhs (2%) and provide employment to about 1,744 persons (1%).

The particulars of projects cleared by State Level Single Window Agency during last three years are given in Table-4.14.

<table>
<thead>
<tr>
<th>Year</th>
<th>Raichur District</th>
<th>State</th>
<th>Percentage to State</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Units</td>
<td>No. of Units</td>
<td>Investment (Rs. In lakhs)</td>
</tr>
<tr>
<td>2000-01</td>
<td>4</td>
<td>291</td>
<td>12169</td>
</tr>
<tr>
<td></td>
<td>7903</td>
<td>445450</td>
<td>9</td>
</tr>
<tr>
<td>2001-02</td>
<td>4</td>
<td>103</td>
<td>45852</td>
</tr>
<tr>
<td></td>
<td>12374</td>
<td>203938</td>
<td>3</td>
</tr>
<tr>
<td>2002-03</td>
<td>2</td>
<td>95</td>
<td>32072</td>
</tr>
<tr>
<td></td>
<td>3002</td>
<td>180667</td>
<td>2</td>
</tr>
<tr>
<td>2003-04</td>
<td>-</td>
<td>164</td>
<td>11145</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>389347</td>
<td>1.5</td>
</tr>
<tr>
<td>2004-05</td>
<td>1</td>
<td>202</td>
<td>10902</td>
</tr>
<tr>
<td></td>
<td>4975</td>
<td>452476</td>
<td>1</td>
</tr>
<tr>
<td>2005-06</td>
<td>1</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>2500</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
<td>855</td>
<td>16,718,78</td>
</tr>
</tbody>
</table>

Source: District Industries Centre, Raichur

In Raichur district, SWA since inception has approved 30 projects, of which 28 projects are proposed to be located in Raichur taluk and two in Deodurga taluk. Out of approved 30 projects, only six projects are implemented (20%) and eight projects are under implementation (27%). Four major power projects each of 4.5 MW based on bio-mass from Rice mills have been cleared for establishment at Raichur. It could be observed that after implementation of 8 projects, total projects implemented still account for less than 50% of the projects approved by SWA.
SWA approved projects, in Raichur district comprise mainly cotton spinning, oil extraction & solvent extraction plant, bio-mass power projects, building materials, foundry units etc. These units are likely to outsource their requirements from general engineering units. Apart from this, service sector units, have scope for tie up with the approved projects after implementation.

I. Sick Units

In Raichur district 142 units were reported to be sick as on 31st March 2005, of which 23 units have been declare sick and 14 units rehabilitated. The Margin Money assistance of Rs.8.08 lakhs is extended to four units and other concessions were extended to eight units. In addition to the above, 4 units were identified as sick during 2005-06. The rehabilitation proposal is being worked out for seeking approval for task force.

The reasons for sickness in tiny and SSI units are similar to the other sick units in the State. Some of the reasons for sickness could be due to lack of demand, marketing problems, shortage of working capital, high electric tariff, management problems, delay in release of subsidy etc.,

J. Subsidy Release

The Department of Industries & Commerce has sanctioned 915 lakhs subsidy to 305 units in Raichur District up to 31.8.2005. The subsidy amount of Rs.258 lakhs has been released to 166 units and balance amount of Rs.657 lakhs is yet to be released as on 31.8.2005.

In the District, subsidy amount of Rs.35.12 lakhs has been sanctioned to 11 poultry units, of which Rs.13 lakhs is released to 3 units as on 31.8.2005. Similarly, subsidy amount of Rs.17.33 lakhs was sanctioned to 10 brick units, of which 2.34 lakhs is released to 3 units as on 31.8.2005. The subsidy amount of Rs.136 lakhs was sanctioned to 50 self financed units other than poultry and brick units, of which 4.67 lakhs has been released to six units as on 31.8.2005.
District Industries Centre has given certificate for entry tax exemption to 4 units during 2004-05. In the District, 21 units were assisted for interest subsidy under modernization and technical upgradation scheme.

**K. PMRY Details:**

District Industries Centre is Nodal Agency for implementation of Prime Minister’s Rozgar Yojana (PMRY). The target for PMRY during the year 2004-05 was 780 candidates, of which 1,344 cases were recommended for Banks. Banks have sanctioned loan to 662 persons and disbursed amount to 532 persons. Banks have sanctioned loan amount of Rs. 325.9 lakhs to 662 persons and disbursed amount of Rs. 246.82 lakhs to 532 persons in the District.

In Raichur taluk 303 cases have been sanctioned loan of Rs. 150 lakhs and disbursed loan amount of Rs. 111.40 lakhs to 268 units. The loan amounts sanctioned accounts for about 46% and loan amount disbursed 45% to the respective District total. The details are given in the Table –4.15.

**Table – 4.15**

*Details of PMRY Scheme in Raichur District (During 2004-05)*

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the taluk</th>
<th>Target</th>
<th>Applications received</th>
<th>Cases recommended to banks</th>
<th>Cases sanctioned</th>
<th>Amount disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No.</td>
<td>Amoun.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No.</td>
<td>Amoun.</td>
</tr>
<tr>
<td>1</td>
<td>Deodurga</td>
<td>50</td>
<td>249</td>
<td>95</td>
<td>46</td>
<td>53.25</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>29</td>
</tr>
<tr>
<td>2</td>
<td>Lingsugur</td>
<td>100</td>
<td>406</td>
<td>176</td>
<td>93</td>
<td>48.15</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>65</td>
</tr>
<tr>
<td>3</td>
<td>Manvi</td>
<td>125</td>
<td>725</td>
<td>175</td>
<td>117</td>
<td>23.10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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*Sources:* Annual Report 2004-2005
4.7 Conclusion

The operational strategy of government is primarily focused on industrialization, with special emphasis on small sector. In order to accelerate the small industries development Government at the Central and State levels have set up a number of development agencies / institutions. The apex institution is Small Scale Industry Board. The Ministry of Small Scale Industries was set up. The ministry implements policies and various programmes/schemes for providing infrastructure and support services to small enterprises through its attached office under the constitution of India promotion and development of small scale industries is a State subject. Therefore, the primary responsibility for implementation of policies and programmes of assistance rests with the Directorate of Industries in each State.
Reference

Datey V.S. (2001), Taxmann’s Practice Manual to small Scale Industries, Taxmann Allied Services (P) Limited
Panda, S.C., Entrepreneurship Development, New Delhi Anmol Publications
SIDBI’s Annual Reports on Small Scale Industries.
The Office of the Development Commissioner (Small Scale Industries) functioning within the Ministry of Small Scale Industries is located at the following address: Development Commissioner (Small Scale Industries), A-Wing, 7thFloor, Nirman Bhavan, New Delhi 110011
URL: www.laghu-udyog.com
The Office of SISI in Delhi
The Office of the National Small Industries Corporation Ltd (NSIC) The National Small Industries Corporation Ltd. NSIC Bhavan, Okhla Industrial Estate, New Delhi 110020
Headquarters of Office of the Commissioner for Khadhi and Village Industries is in Mumbai. The information regarding it is as follows: The head office of SIDBI Northern Regional Office


