CHAPTER - 4

A PROFILE OF NON-FINANCIAL INSTITUTIONS
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Introduction

Small industry is a term usually used for companies operating on relatively smaller establishments. The definition of small-scale industries differs from country to country, but usually it is based on the index of investment in plant and machinery. In India, if the investment in plant and machinery is up to Rs 10 million, then it is called as small-scale industry.

The importance of small-scale industries has been realized by one and all. They not only help in providing employment opportunities to many, but also help in balanced regional development. They play a vital role in development of entrepreneurship utilizing the local resources and hence lead to equitable distribution of income and wealth.

Since small scale entrepreneur alone or a small group of entrepreneurs usually runs industries the availability of finance is a matter of concern for them. These entrepreneurs face the problems of insufficient ownership capital to start up and run a business enterprise. The measures to overcome the problem of insufficiency of funds are as follows:

(a) Rent a building
(b) Purchase of second hand machineries
(c) Keep inventory level low
(d) Making credit purchases and effective cash sales
(e) Hire a machinery
(f) Substitute equipments by labour

Though all the above-mentioned methods reduce the requirement of capital yet they further create problems in their own unique way respectively. Hence, the lack of availability of
finance affects the growth and development of small-scale industries.

In a developing country like India, SSI plays a vital role and hence holds a prominent place in the five-year plans. In conformity with the plans, SSIs have been given the privilege of priority sectors of the economy and have received active encouragement from government, banks and financial institutions.

**Supporting Institutions**

The Ministry of Small-Scale Industries is the administrative Ministry in the Government of India for all matters relating to small-scale and village industries. It designs and implements policies and programmes through its field organizations and attached offices for promotion and growth of small industries. The Department of Small-Scale Industries and Agro and Rural Industries were created in 1991, in the Ministry of Industry to exclusively formulate the policy framework for promoting and developing small-scale industries in the country. The Department initiates appropriate policy measures, programmes and schemes for the promotion of SSIs. The policy measures include the setting up of a network of institutions to render assistance and to provide a comprehensive range of services and common facilities for SSIs. The range of services cover consultancy in techno-economic and managerial aspects, training, testing facilities and marketing assistance through the agencies created for the specified functions. A host of other Central/State government departments, promotional agencies, autonomous institutions, non-government organizations,
supports these activities and so on, which provide support to SSIs in different ways. The department monitors the progress and evaluates performance of the sector at the Central level.

The implementation of policies and various programmes/schemes for providing infrastructure and support services to small enterprises is undertaken through Small Industries Development Organisation (SIDO), Khadi and Village Industries Commission (KVIC) and Coir Board, National Small Industries Corporation (NSIC) and three training institutes—National Institute of Small Industry Extension Training (NISIET), Hyderabad [now named as National Institute of Micro, Small and Medium Enterprises], National Institute for Entrepreneurship (NIE), Guwahati, and National Institute for Entrepreneurship and Small Business Development (NIESBD), New Delhi.

To give due importance to the small-scale sector, a strong institutional network has been evolved for the promotion of small industries in the country. The institutional network can broadly be classified as shown below:

A. Central Level Institutions

B. State Level Institutions

C. Other Agencies
### A. Central Level Institutions

**Table - 4.1**

List of Non-financial Institutions Promoted by Central Government

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Non-financial Institution</th>
<th>Abbreviation</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Small-scale Industries Board</td>
<td>(SSIB)</td>
</tr>
<tr>
<td>2</td>
<td>Khadi and Village Industries Commission</td>
<td>(KVIC)</td>
</tr>
<tr>
<td>3</td>
<td>Small Industries Development Organization</td>
<td>(SIDO)</td>
</tr>
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<td>4</td>
<td>Development Commissioner</td>
<td>(SSI)</td>
</tr>
<tr>
<td>5</td>
<td>National Small Industries Corporation Ltd.</td>
<td>(NSIC)</td>
</tr>
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<td>6</td>
<td>The National Science and Technology Entrepreneurship Development Board</td>
<td>(NSTEDB)</td>
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<td>7</td>
<td>National Productivity Council</td>
<td>(NPC)</td>
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<tr>
<td>8</td>
<td>National Institute for Small Industry Extension and Training</td>
<td>(NISIET)</td>
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<tr>
<td>9</td>
<td>National Institute for Entrepreneurship and Small Business Development</td>
<td>(NIESBUD)</td>
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<tr>
<td>10</td>
<td>Indian Institute of Entrepreneurship</td>
<td>(IIE)</td>
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<tr>
<td>11</td>
<td>Entrepreneurship Development Institute of India</td>
<td>(EDII)</td>
</tr>
<tr>
<td>12</td>
<td>Small Industries Development Bank Of India</td>
<td>(SIDBI)</td>
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<tr>
<td>13</td>
<td>Industrial Development Bank of India</td>
<td>(IDBI)</td>
</tr>
<tr>
<td>14</td>
<td>National Bank for Agriculture and Rural Development</td>
<td>(NABARD)</td>
</tr>
<tr>
<td>15</td>
<td>Small Scale Industries Board</td>
<td>{SSIB}</td>
</tr>
<tr>
<td>16</td>
<td>Housing and Urban Development Corporation Ltd.</td>
<td>(HUDCO)</td>
</tr>
<tr>
<td>17</td>
<td>Export Credit Guarantee Corporation of India Limited, Bangalore</td>
<td>ECGC</td>
</tr>
</tbody>
</table>
A brief profile of Central sponsored promotional institutions is presented below.

1. **Small-scale Industries Board (SSI Board)**

The SSI Board was constituted in 1954 to facilitate the coordination and inter-institutional linkages for the development of the SSI sector. The Board is an apex advisory body constituted to render advice to the government on all issues pertaining to SSI sector. The office of the Development Commissioner (Small-Scale Industry) serves as the secretariat for the board. The Union Industry Minister is the Chairman of the Board, and the State Industry Ministers, select Members of Parliament, secretaries of various departments of the Central Government, financial institutions, public sector undertakings, industry associations, and eminent experts in the field are the members. The Board broadly operates in the following areas.

   a. Policies and programmes
   
   b. Development of industries in a specific region such as the North East
   
   c. Ancillary development, quality improvement, and marketing assistance
   
   d. Credit facilities, taxation, and modernization
   
   e. Industrial sickness.

2. **Khadi and Village Industries Commission (KVIC)**

The KVIC is a statutory body created by an Act of Parliament (No. 61 of 1956 and amended by Act No. 12 of 1987). It is entrusted with planning, promotion, organization and implementation of the programme for the development of Khadi and other village industries in the rural areas in coordination
with other agencies engaged in rural development wherever necessary. KVIC's functions also comprise building a reserve of raw materials and implements for supply to producers’ creation of common service facilities for processing of raw materials as semi-finished goods, and provision of facilities for marketing of KVIC products apart from organization of training of artisans engaged in these industries and encouragement of cooperative efforts amongst them. KVIC is entrusted with the task of providing financial assistance to institutions or persons engaged in the development and operation of khadi and village industries, and guiding them through supply of designs prototypes and other technical information.

3. Small Industries Development Organization (SIDO)

The Small and Medium Enterprises (SME) sector is one of the fastest growing industrial sectors all over the world. Many countries of the world have established a SME Development Agency (SMEDA) as the nodal agency to coordinate and oversee all government interventions in respect of the development of this sector in India. Small Industries Development Organization (SIDO) functions as the nodal development agency for small industries under the Ministry of SSI.

The SIDO was established in 1954 on the recommendations of the Ford Foundation. Over the years, it has acted as an agency for advocacy, handholding and facilitation for the small industries sector. It has over 60 offices and 21 autonomous bodies under its management. These autonomous bodies include tool rooms, training institutions, and project-cum-process development centres. SIDO provides a wide
spectrum of services to the small industries sector. These include facilities for testing, tool mending, training for entrepreneurship development, preparation of project and product profiles, technical and managerial consultancy, assistance for exports, pollution and energy audits, and so on. SIDO provides economic information services and advises the government in policy formulation for the promotion and development of SSIs. The field offices also work as effective links between the Central and the State governments.

**Services Provided by the SIDO**

The main support services provided by SIDO and its associate institutions are listed below:

a. **Entrepreneurship Development and Management Training:** SISIs are organizing a variety of Entrepreneurship Development Programmes (EDPs) and Management Training Programmes under the guidance of SIDO. Besides, the National Institute for Entrepreneurship and Small Business Development (NIESBUD) and the National Institute of Small Industry Extension and Training (NISIET), which are under the administrative control of SIDO, also organize various EDPs and devise training aids and materials for regular trainers. These programmes aim at identifying entrepreneurial capabilities and motivating and training entrepreneurs to enable them to set up their industrial units with confidence. In addition, special courses are organized for targeted groups of entrepreneurs.

b. **Extension and Training Services:** Every year, SIDO provides guidance and assistance on technical, economic, managerial, and other matters to over 0.2 million units and entrepreneurs.
all over the country. The workshops attached to the SISIs/branch SISIs undertake different types of job works from SSI units and provide services at nominal rates.

c. **Skill Development:** Training in technical skill development is provided to technicians and workers at 42 workshops attached to SISIs spread over different locations in the country. The other testing centres, tool rooms and training centres, tool design institutes also impart training in different technical trades to upgrade the skills of workers and artisans in the SSI sector.

d. **Entrepreneurship Development Institutes (EDIs):** With a view to promoting entrepreneurship, a new scheme was introduced during the eighth plan. This scheme was launched by SIDO in 1992-93 and was aimed at strengthening the training infrastructure in the EDIs. A grant up to Rs 5 million per EDI was provided for purposes such as construction/maintenance of building, preparation of training aids, library documentation, computer installation and so on. The objective has been that EDIs should train ED trainers, motivators, potential entrepreneurs and beneficiaries identified under PMRY. SIDO has so far provided assistance to 14 such EDIs in the country.

e. **Preparation of Project Profiles:** SIDO prepares and updates about 1,000 project profiles on various product groups annually. These are supplemented by industrial potential/feasibility reports on a product-wise basis. Information on markets and technology is also collected, assessed and disseminated. Project profiles contain detailed information on the product manufacturing process, market potential, quality control and standards, investment requirements, sources of
raw material and machinery suppliers, profitability and so on. Project profiles have been compiled for different products by SIDO, in an industry group-wise manner, for the benefit of entrepreneurs.

**f. Plant Modernisation Studies:** Detailed in-plant studies are undertaken for particular small-scale units located in dense industry clusters to identify the present use of process/technology and prepare programmes for modernisation.

**g. Marketing Support:** The marketing promotional scheme operated by SIDO involves two main activities: imparting training in packaging technology and promoting participation of SSIs in domestic and international trade fairs.

**h. Collection of Data:** Under a scheme entitled "Collection of the Status on SSI units", SIDO updates its database by organising sample surveys, industrial censuses and other field studies. SIDO also processes and interprets data, prepares the Index of Industrial Production (IIP), as well as develops profiles and reports on SSIs, supplies monthly statistics on the production of select items, which are collected through sample surveys of SSI units for inclusion in IIP, published by the Central Statistical Organisation. SIDO has brought out a publication covering summary information on various facets of the SSI sector.

**i. Prime Minister's Rozgar Yojana (PMRY):** SIDO has been operating a Self-Employment Scheme for the Educated Unemployed Youth (SEEUY) while promoting the setting up of business ventures in industry and services. The SEEUY was subsumed in PMRY during 1993. PMRY aims at providing employment to more than 1 million people through the setting up of 0.7 million micro enterprises by (unemployed) educated
youths. The scheme also seeks to associate reputed NGOs in its implementation throughout the country.

j. **National Awards:** SIDO has been providing three national awards for out-standing SSI entrepreneurs since 1983. In addition, special recognition awards have also been instituted State-wise for small entrepreneurs from 1984 onwards. Quality awards for manufacturers of quality products of consumer interest in 15 select groups of industries (in the SSI sector) are also being provided. Further, two special national awards, one each for women entrepreneurs and for SC/ST entrepreneurs are provided every year. The objectives of the awards are to encourage small entrepreneurs to innovate, upgrade quality, expand market, and modernise.

k. **Prototype Development and Training Centre:** The objectives of these centres are:

- To impart practical and classroom training in several industrial trades with special training programmes for rural artisans and weaker sections of the society;

- To develop prototypes of machines, tools, and import substitutes, which are passed on to manufacturing units for commercial production;

- To provide common facilities in areas such as testing, machining, casting, electroplating and so on;

- To take up production of machines, partially or fully, as per market acceptability; and

- To design tailor-made crash programmes for entrepreneurs and industrialists, to keep them abreast with the latest in technology.
SIDO Schemes

SIDO operates a number of schemes for the SSI sector. Some of those are given below.

a. **Credit Linked Capital Subsidy Scheme for Technology Upgradation:** Under this scheme, capital subsidy at 12 per cent upto Rs 4.8 lakh on loans taken for technology upgradation is provided to individual SSI units.

b. **Credit Guarantee Scheme:** Under this scheme, collateral-free loan upto a limit of Rs 25 lakh is provided to individual SSI units.

c. **ISO 9000 / ISO14001 Certification Reimbursement Scheme:** Under this scheme, the expenses for acquiring Quality Management System (QMS) ISO 9000 certification/environment management (EMS) ISO 14001 certification to the extent of 75 per cent or Rs 75,000, whichever is lower is reimbursed to individual SISIs/ancillary/tiny/SSSBSE units.

d. **Subsidy on Space Rent:** Under this scheme, full subsidy on space rent and shipment of exhibits of SSI units is provided to individual SSI units.

e. **Single Point Registration Scheme of NSIC:** Under this scheme, 358 items are reserved for exclusive purchase from SSI by the Central Government. Other facilities include tender documents without any cost, exemption from earnest money and security deposit, and 15 per cent price preference in Central Government purchases of individual SSI units. Project limit upto Rs 1 lakh for business and Rs 2 lakh for other activities subsidy and margin money upto 20 per cent of
project with balance as loan; subsidy for NE twice that of rest of India for entrepreneurs and SSIs.

f. **Integrated Infrastructure Development (IID):** Assistance upto 40 per cent or Rs. 2 crore, whichever is less, is provided for setting up industrial estates for SSI units. For NE, assistance is 80 per cent or Rs. 4 crore for State Governments /industry associations/ NGOs.

4. **Development Commissioner (SSI)**

The office of the Development Commissioner Small Scale Industries DC (SSI) is directly under the Union Ministry of Industry and is a nodal agency formulating, coordinating, and monitoring the policies and programmes for promotion and development of Small-scale industries in the country. The Office of the Development Commissioner (Small-scale industries) is an attached office of the Ministry of SSI, and is the apex body to advise, coordinate, and formulate policies and programmes for the development and promotion of the Small-scale sector. The office also maintains liaison with Central Ministries and other Central/State government agencies/ organizations and financial institutions. It maintains close links with all the agencies including State governments. It provides a comprehensive range of facilities and services including consultancy in techno-economic and managerial aspects, training, common processing and testing facilities, tooling facilities, marketing assistance, etc., to the small-scale units. DC (SSI) provides all its services through a network of SISIs, branch institutes, extension centres, regional testing centres, Product and process Development Centres, Footwear Training Centres and Production Centres.
Services of DC (SSI)-General:

The Main Services Rendered by the DC (SSI) Office are:

- Advising the Government in policy formulation for the promotion and development of small-scale industries.
- Providing techno-economic and managerial consultancy, common facilities, and extension services to small-scale units.
- Providing facilities for technology upgradation, modernization, quality improvement and infrastructure.
- Developing Human Resources through training and skill up-gradation.
- Providing economic information services.
- Maintaining a close liaison with the Central Ministries, Planning Commission, State Governments, Financial Institutions and other Organizations concerned with development of Small-scale Industries.
- Evolving and coordinating Policies and Programmes for development of Small-scale Industries as ancillaries to large and medium scale industries.
- Monitoring of PMRY Scheme.

The activities/functions of each of the institution are as follows:

a) Small Industries Service Institutes (SISIs)

SISIs are operational throughout the country to provide consultancy and training to small entrepreneurs both existing and prospective.

The main functions performed by SISIs are as follows.

- Interface between Central and State governments
- Technical support services and consultancy services
• Entrepreneurship development programmes
• Developmental efforts
• Promotional programmes
• Export promotion and liaison activities
• Ancillary development.

Reports prepared by SISIs have been emphasizing the implementation of programmes on modernization, energy conservation and quality control/up-gradation and pollution control for the benefit of entrepreneurs.

**Sub-contract Exchanges (SCXs):** Sixteen Sub-contract Exchanges have been established in the major SISIs in the country with the objective of promoting ancillarization.

The activities of these exchanges are to;
• Register spare capacities available in SSI and tiny units;
• Identify the items required by large units on a regular basis and match with spare capacity available;
• Promote interaction between small and large units;
• Organize vendor development programmes, exhibitions, and promotional programmes; and
• Establish networking linkages with other SCXs in the country for flow of information.

**b) Regional Testing Centres (RTCs)**

Four RTCs at Chennai, New Delhi, Mumbai, and Kolkotta have been useful in spreading quality awareness amongst industrial units through systematic testing and by rendering technical consultancy services. These centres are equipped with modern sophisticated machinery and equipment for testing
mechanical, chemical, metrological, and electrical products. They are accredited to the Bureau of Indian Standards, Pollution Control Board, and others. RTCs have been supporting eight Field Testing Stations that provide testing services to SSI units in different product lines and are located at Dehradun, Jaipur, Bhopal, Kolhapur, Hyderabad, Bangalore, Pondicherry, and Changanacherry.

c) HTI-Programme Objectives

- Technology up-gradation of Hand Tool SSI clusters at Jallandhar (Punjab) and Nagaur (Rajasthan) by adopting energy efficient and clean technology and other measures.
- Strengthening of Institutional structure and capacity building of CIHT, Jallandhar, and HTDDTC, Nagaur.
- Strengthening of policy framework to promote replication of energy efficient technologies demonstrated.
- Developing an international marketing strategy and support measures for export promotion to enhance the export share of SSI units in the world market.

d) Small Entrepreneurs Promotion and Training Institute (SEPTI), Tiruvalla

The erstwhile Production Centre for Electronic Motors was renamed as Small Entrepreneurs Promotion and Training Institute (SEPTI), Tiruvalla, in the year 1992-93, with a view to conduct specialized skill oriented Entrepreneurship Development Programmes for educated unemployed youths. The Institute has been equipped with Electronic Laboratory, Computer Lab, CNC Lab, HEA Lab, AC and R Lab, General
Engineering Workshop, EPABX and four training halls with Audio-Visual aids.

To develop the techno-managerial capabilities of the educated unemployed youth, the Institute, since its inception, has been conducting skill oriented EDPs in various trades like General Engineering, Motor Rewinding, Household Electric Appliances, A/C and Refrigeration etc. The Institute generally conducts 16 EDPs in two phases every year. Apart from these, the Centre has also introduced certain diploma and PG Diploma courses in Computer Science varying from 3 months to 12 months duration on a self-sustaining basis. The Centre also organises training for TRYSEM and PMRY beneficiaries.

e) Tool Rooms and Tool Design Institute (TR/TDI)

These form the heart of the engineering industry. Given the huge investments needed, SSI units cannot afford to invest in individual tool rooms. The SIDO, with overseas assistance from countries like Denmark, Germany, and internal agencies like UNIDO and ILO, set up Tool Room Centres having sophisticated machines with the latest technology to help SSI units in obtaining quality tools. Initially, Tool Room Centres were located at Hyderabad, Ludhiana, Kolkata, Jalandhar and Nagpur. New tool rooms have been set up with Indo-German and Indo-Danish collaboration at Aurangabad, Indore, Ahmedabad, Bhubaneshwar, and Jamshedpur.

The activities of the TR/TDI are

- Designing/manufacturing of dyes / tools, jigs, fixtures, gauges, tool components, and so on;
- Providing service facilities for the manufacture of tools, heat treatment, testing, and so on;
- Training tool and die makers;
- Organizing short-term / part-time courses for entrepreneurs and
- Undertaking product-cum-process development work in specific industry groups.

f) Central Footwear Training Institutes (CFTIs)

CFTIs, earlier known as Central Footwear Training Centres, support SSI units in the leather and footwear industries at Agra, Chennai, Kolkata and Mumbai. Modernization of existing CFTIs is underway at Chennai and Agra with UNDP funds of Rs. 90 million.

The objectives of CFTIs are:
- Training of manpower for the footwear industry and
- Developing design and new types of footwear to promote export.

g) Product-cum-Process Development Centres (PPDCs)

Six PPDCs have been established and are providing services to SSIs at Ferozabad (for glass industry), Kannauj (for essential oils), Meerut (for sports goods), Ramnagar (for electronic industry), Mumbai (for electrical measuring instruments) and Agra (for foundry and forging).

The main functions of PPDCs are as follows:
- To serve as research and development institutions in areas of dense industry clusters
- To look into the specific problems of industry
• Product design and innovation
• To develop new processes and upgrade the existing level of technology
• To act as centres of excellence in the concerned field
• To render technical support services
• Manpower development and training.

5. National Small Industries Corporation Ltd. (NSIC)

The NSIC, established in 1955 by the Government of India, provides vital services for the promotion of SSIs. Its main objective is to promote, aid, and foster the growth of SSIs in the country. With its various programmes and projects to assist the SSI sector in the country, the NSIC continues to remain at the forefront of industrial development.

For over four decades of transition and growth in the SSI sector, the NSIC has provided strength to the sector through a progressive attitude of modernization, up-gradation of technology, quality consciousness, strengthening linkages with large and medium-scale enterprises and boosting exports of products from small enterprises.

Some of the main services provided by the NSIC are described below.

a) Machinery and Equipment (Hire-Purchase Scheme)

Under this scheme, indigenous and imported machinery (the value of which would not exceed Rs 30 million inclusive of the value of machinery and equipment already installed) on easy financial terms is supplied to first-generation entrepreneurs,
women entrepreneurs, weaker sections, physically challenged and ex-servicemen.

b) Machinery and Equipment (Lease Scheme)

Under this scheme, 100 per cent finance to facilitate SSIs in diversification and technology up-gradation is provided and tax rebate on full-year rentals is also provided.

c) Financial Assistance Scheme

Under this scheme, five financial centres in at New Delhi, Mumbai, Ahmedabad, Bangalore, and Goa provide finance to SSIs for marketing, bills discounting, raw-material purchases, and export activities.

d) Assistance for Procurement of Raw Material

- Supply under the off-the-shelf basis scheme
- Import of raw materials
- Providing scarce materials on priority basis
- Supplies through NISC depots/godowns

e) Marketing Assistance

The objectives of the marketing programme of NSIC are the following.

- Ensure fair margin to producers of goods
- Standardization and quality control with testing facilities
- Market products under a common brand name
- Provide publicity to SSI products
- Upgrade technology by supplying sophisticated machinery and equipment
f) **Government Store Purchase Programme**

Eligible SSIs (those competent to execute government orders) are registered under the Single Point Registration Scheme of the NSIC. Bona fide SSI units registered with the Directorate of Industries/District Industries Centres are enlisted under this scheme and become an important source of supplies to Central and State governments, public sector undertakings, and others.

The units registered under the Single Point Registration Scheme with the NSIC are given the following facilities.

- Issue of tender forms/sets free of cost
- Advance intimation of tenders issued by DGS and D
- Waiver of security deposit up to the monetary limit for which the unit is registered
- Issue of competency certificate in case the value of an order exceeds the monetary limit, after due verification

In addition, these units also get other facilities such as consideration of price preference up to 15 per cent on merit over the price quoted by large units and the procurement as per the reserved list.

**g) Technology Transfer Centre (TTC)**

To upgrade technology in the changed economic scenario following reforms, NSIC has established a TTC at Okhla (Delhi). At the enterprise level, the primary concern is to assist small-scale enterprises in technology acquisition, adoption and upgradation through its technology information and promotion services.
The services offered to industries include the following.

- Information dissemination on technology, business, and investment opportunities
- Matching of business partners and search for technology worldwide
- Training, consultancy, and technology evaluation
- Technology transfer programmes, such as technology missions/delegations and expositions
- Facility for a reference library publications periodicals/catalogues)
- Setting up a network to access database

6. The National Science and Technology Entrepreneurship Development Board (NSTEDB)

The board was established in 1982, by the Government of India under the aegis of Department of Science and Technology. NSTEDB is an institutional mechanism to help promote knowledge-driven and technology-intensive enterprises. The Board, with representations from socio-economic and scientific ministries / departments, aims at converting "job-seekers" into "job-generators" through Science and Technology (S&T) interventions.

The major objectives of NSTEDB are;

- To promote and develop high-end entrepreneurship for S&T manpower as well as self-employment by utilizing S&T infrastructure and by using S&T methods;
- To facilitate and conduct various informational services relating to promotion of entrepreneurship;
• To network agencies of the support system, academic institutions and R & D organizations to foster entrepreneurship and self-employment using S & T with special focus on backward areas; and
• To act as a policy advisory body with regard to entrepreneurship.

7. National Productivity Council (NPC)

The NPC is an autonomous institution functioning under the overall supervision of the Ministry of Industry, Government of India. The primary objective of NPC is to act as a catalyst in enhancing the productivity of all sectors of the economy, including industry and agriculture. NPC is administered by a tripartite Governing Council (GC), which has equal representation from the government, industry and trade unions. The Council has the Minister for Industry, Government of India, as its ex-officio President and is chaired by the Secretary for Industrial Development. The Director General of NPC is the Chief Executive Officer, dealing with the day-to-day management of the council.

NPC is active in the field of consultancy and training and has a number of specialized divisions to provide tailor-made solutions to agriculture and industry. These divisions, manned by trained consultants, deal with the issues related to industrial engineering, plant engineering, energy management, human resource development, informal sector, agriculture, and so on. NPC has, on its rolls, about 200 professionals specializing in various fields.

NPC's head office is in New Delhi. It has Regional Directorates in almost all the State capitals. This kind of
structure makes it possible for the council to take up assignments with all-India coverage. Owing to its tripartite constitution, NPC is called in to take up sensitive assignments like manpower assessment, wage fixation, time and motion studies, and so on. NPC also coordinates the Annual Productivity Awards instituted by the Ministry of Industry and the Ministry of Agriculture for various sub-sectors of the economy.

NPC is a member of the Asian Productivity Organization (APO), Tokyo, an umbrella body of all productivity councils in the Asian region. NPC plays host to a number of conferences, seminars and workshops of APO and nominates suitable persons from different organizations in India for APO training courses abroad.

In an effort to channelize the expertise of NPC to the small-scale and informal sector, SIDBI has entered into a tie-up with the council. The collaboration aims at promoting the concept of productivity in small industry clusters and enhancing the technology level of small units.

8. National Institute for Small Industry Extension and Training (NISIET)

Set up in the early 1950s in Hyderabad, the NISIET has been imparting training to entrepreneurs, managers and various development functionaries of State governments, financial institutions, and other agencies. NISIET organizes about 45 national level and 15 international level programmes every year. It also acts as an important resource and information centre for
small units and undertakes research and consultancy for small industry development.

The NISIET since its inception, has taken gigantic strides to become the premier institution for the promotion, development and modernization of the SME sector. As an autonomous arm of the Ministry of Small Scale Industries, the Institute strives to achieve its avowed objectives through a gamut of operations ranging from training, consultancy, research, and education to extension and information services.


The National Institute for Entrepreneurship and Small Business Development (NIESBUD), New Delhi, is an autonomous body under the administrative control of the Office of the DC (SSI). The NIESBUD is an apex body established by Ministry of Industries, Govt. of India, in 1983, for coordinating, training, and overseeing the activities of various institutions / agencies engaged in Entrepreneurship Development particularly in the area of small industry and small business.

The policy direction and guidance to the Institute is provided by its Governing Council whose Chairman is the Minister of SSI. The Executive Committee, consisting of Secretary (Small Scale Industry and ARI) as its Chairman and Executive Director of the Institute as its Member Secretary, executes the policies and decisions of the Governing Council through its whole-time Executive Director.

The Institute conducts about 28 National and 5 International Training Programmes every year. Besides, the
Institute undertakes research studies, consultancy assignments, development of training aids, etc.

10. **Indian Institute of Entrepreneurship (IIE)**

To undertake training, research and consultancy activities in the small industry sector focusing on entrepreneurship development, the Indian Institute of Entrepreneurship (IIE) was established in the year 1993 at Guwahati by the erstwhile Ministry of Industry (now Ministry of Small Scale Industry), Government of India as an autonomous national institute. The institute started its operations from April 1994 with North East Council (NEC), Government of Assam, Arunachal Pradesh, and Nagaland; and SIDBI as other stakeholders.

Its Board or Management provides the policy direction and guidance to the Institute and its Chairman is the Secretary to the Government of India, Minister of Small Scale Industries. Chairman, NEC, heads the governing council of the institute and the Secretary, SSI and ARI and Govt. of India heads the Executive Committee.

**Objectives**

- To organize and conduct training for entrepreneurship development.
- To evolve strategies and methodologies for different target groups and locations and conduct field tests.
- To identify training needs and offer training programmers to Government and non-Government organizations engaged in promoting and supporting entrepreneurship.
• To document and disseminate information needed for policy formulation or implementation related to self-employment.

• To identify, design, and conduct training programmes for existing entrepreneurs.

• To prepare and publish literature related to entrepreneurship and industrial development.

• To organize seminars, workshops, and conferences for providing a forum for interaction and exchange of views by various agencies and entrepreneurs.

• To conduct research for generating knowledge to accelerate the process of entrepreneurship development.

• To act as a catalyst for development of self-employment/entrepreneurship, industry/business.

• To evolve, design, and help in the utilization of various media for creating entrepreneurship

11. Entrepreneurship Development Institute of India (EDII)

The Entrepreneurship Development Institute of India, Ahmedabad, is an autonomous non-profit institution, set up in 1983, sponsored by financial institutions, such as Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), Industrial Credit and Investment Corporation of India (ICICI), and State Bank of India (SBI). The Government of Gujarat has also provided assistance for the setting up of EDII.

EDII has been spearheading an entrepreneurship movement throughout the nation in the belief that entrepreneurs need not necessarily be born; they can be developed through well-conceived and well-directed activities. In
consonance with this belief, the objectives of the EDII are as follows:

- Augment the supply of trained entrepreneurs through training.
- Generate a multiplier effect on opportunities for self-employment.
- Improve managerial capabilities of small-scale industries.
- Contribute to the dispersal of business ownership and thus expand the social base of the Indian entrepreneurial class.
- Contribute to the creation and dissemination of new knowledge and insight into entrepreneurial theory and practice through research.
- Augment the supply of trainer motivators for entrepreneurship development.
- Participate in institution-building efforts.
- Sensitize the support environment to facilitate potential as well as existing entrepreneurs to establish and manage their enterprises.
- Promote micro enterprises at the rural level, inculcate the spirit of entrepreneurship amongst youth, collaborate with similar organizations in India and other developing countries to accomplish the above objectives.

**The training programmes of the EDII are**

- Entrepreneurship in education;
- Micro-finance and micro-enterprise development;
- Performance and growth of existing entrepreneurs; and
- Performance improvement of ED institutions and ED programmes.
The educational environment and policy framework offer opportunities for sustainable self-employment to ensure the contribution of the workforce to the industrial economy. Entrepreneurship, self-employment, and enterprise creation thus provide a solution to the crisis of both unemployment and disguised unemployment. With this in view, the EDII has designed and successfully implemented several national and international training programmes and workshops for the academic community and for youth.

EDII organizes training programmes on Informal Micro Credit Delivery Systems (IMCDS) and management for strengthening the participating NGOs in the area of informal credit. To strengthen NGOs through building their managerial capabilities, the EDII has launched a programme on the sustainability of NGOs through better management. It also provides a platform to NGOs and bankers with the objective of facilitating the access of the poor to credit.

The small industry sector is required to gear up to face the challenges of liberalization and globalization. The EDII in 1984 initiated performance improvement programmes in anticipation of the need for management strategy and growth-oriented awareness and competencies. These programmes focus on functional management inputs and strategic techniques, thereby channelizing entrepreneurial competencies to rejuvenate enterprises.

The institute conceptualizes and designs several strategic programmes through innovative training techniques and updated information and documentation. It regularly organises
trainers' meets of ED organizations to facilitate experience sharing.

EDII has supported the creation of centres for entrepreneurship development and institutes of entrepreneurship development in various States to achieve institutionalization of ED activities.

12. Small Industries Development Bank of India (SIDBI)

For ensuring larger flow of financial and non-financial assistance to the small scale sector, the government of India set up the Small Industries Development Bank of India (SIDBI) under Special Act of Parliament in 1989 as a wholly owned subsidiary of the IDBI. The SIDBI has taken over the outstanding portfolio of the IDBI relating to the small-scale sector. The important functions of IDBI are as follows:

- To initiate steps for technological upgradation and modernization of existing units.
- To expand the channels for marketing the products of SSI sector in domestic and international markets.
- To promote employment oriented industries especially in semi-urban areas to create more employment opportunities and thereby check the migration of people to urban areas.

The SIDBIs financial assistance to SSIs is channeled through the existing credit delivery system comprising state financial corporations, state industrial development corporations, commercial banks, and regional rural banks. In 1992-93 it introduced two new schemes. The First is equipment finance scheme for providing direct finance to existing well-run...
small-scale units taking up technology up-gradation / modernization and refinance for resettlement of voluntarily retired workers of NTC. The other new scheme was venture capital fund exclusively for small-scale units, with an initial corpus of Rs. 10 crore. SIDBI also provides financial support to national small industries corporation (NSIC) for providing leasing, hire-purchase, and marketing support to the industrial units in the small scale sector.

13. Industrial Development Bank of India (IDBI)

The Industrial Development Bank of India is the tenth largest bank in the world in terms of development. The National Stock Exchange (NSE), The National Securities Depository Services Ltd. (NSDL), Stock Holding Corporation of India (SHCIL) are some of the institutions which have been built by the IDBI. The IDBI is a strategic investor in a plethora of institutions, which have revolutionized the Indian Financial Markets. The IDBI Bank, promoted by the IDBI Group, started in November 1995 with a branch at Indore with an equity capital base of Rs. 1000 million.

The IDBI is vested with the responsibility of co-ordinating the working of institutions engaged in financing, promoting and developing industries. It has evolved an appropriate mechanism for this purpose. IDBI also undertakes /supports wide-ranging promotional activities including entrepreneurship development programmes for new entrepreneurs, provision of consultancy services for small and medium enterprises, upgradation of technology and programmes for economic upliftment of the underprivileged.
The IDBI has played a catalyst role in the industrial development of India. It encompasses a wide spectrum of activities. The IDBI can finance all types of industrial concerns covered under the provisions of the IDBI Act. With over three decades of service to the Indian industry, the IDBI has grown substantially in terms of size of operations and portfolio.

**Developmental Activities of the IDBI**

In fulfillment of its developmental role, the Bank continues to perform a wide range of promotional activities relating to developmental programmes for new entrepreneurs, consultancy services for small and medium enterprises, and programmes designed for accredited voluntary agencies for the economic upliftment of the underprivileged. These include entrepreneurship development, self-employment, and wage employment in the industrial sector for the weaker sections of society through voluntary agencies, support to Science and Technology Entrepreneurs' Parks, Energy Conservation, and Quality Testing Centers for small industries.

**Technical Consultancy Organizations**

With a view to making available, at a reasonable cost, consultancy and advisory services to entrepreneurs, particularly to new and small entrepreneurs, the IDBI, in collaboration with the other All-India Financial Institutions, has set up a network of Technical Consultancy Organizations (TCOs) covering the entire country. TCOs offer diversified services to small and medium enterprises in the selection, formulation and appraisal of projects and their implementation.
14. National Bank for Agriculture & Rural Development (NABARD)

The National Bank for Agriculture & Rural Development (NABARD) came into Existence on 12th July 1982 by an Act of Parliament. Its objective is providing focused and undivided attention to the development of rural India. The NABARD mission statement underscores "to promote sustainable and equitable agricultural and rural prosperity through effective support, related services, institution development and other innovative initiatives".

The NABARD at present has 28 regional offices at the state capitals, a sub-office at Port Blair and 376 district development offices. The NABARD is an apex institution accredited with all matters concerning policy, planning, and operations in the field of credit for agriculture and other economic activities in rural areas. It is an apex refinancing agency for the institutions providing investment and production credit for promoting the various developmental activities in rural areas. It takes measures towards institution building for improving absorptive capacity of the credit delivery system, including monitoring, formulation of rehabilitation schemes, restructuring of credit institutions, training of personnel, etc. It coordinates the rural financing activities of all the institutions engaged in developmental work at the field level and maintains liaison with Government of India, State Governments, Reserve Bank of India, and other national level institutions concerned with policy formulation. It also prepares, on annual basis, rural credit plans for all districts in the country. These plans form the base for annual credit plans of all rural financial institutions. It further
undertakes monitoring and evaluation of projects refinanced by it. It promotes research in the fields of rural banking, agriculture and rural development.

**Functions:** The functions of NABARD are highlighted below:

1. **Credit Support:** At its core business, NABARD provides credit support that suits every activity in rural India. It refines commercial, co-operative, and regional banks for lending to farm activities (minor irrigation, animal husbandry, farm mechanization, forestry, fisheries, land development, horticulture, plantation, and medicinal crop) and non-farm activities (rural industries, artisans, handicrafts, handlooms, rural housing, rural tourism, and so on). Refinance is provided by NABARD for both long-term investment credit as well as short-term production credit for crop rearing and working capital for non-financial activities. NABARD has introduced several innovations in the rural credit domain.

2. **Self Help Groups:** More famously called as SHG are groups of homogeneous members who voluntarily collaborate mainly to overcome financial difficulties. With the mere beginning of just 500 SHGs in 1992, the programme boasts of as many as 62,010 groups in the year 2005-06 alone.

3. **Rural Infrastructure Development Fund:** It is very important to have proper infrastructure for agriculture, industry and overall economic development. Moreover, infrastructure also provides basic amenities that improve the quality of life of people at large. NABARD has sanctioned funds under RIDF for improvement of rural connectivity through road network & bridges, power, and development of social sector.
4. **Watershed Development:** With the entire country facing the problems of water scarcity, NABARD was engaged in perfecting its experiments in creating a sustainable effective solution to the water harvesting techniques in rural India.

5. **Tribal Development & WADI Approach:** With over 8% of the population comprising tribal, largely dependent on forests, livestock, and agriculture, NABARD found holistic approach by addressing production, processing, and marketing of the product with WADI as the core of the programme.

6. **Attracting youth to rural non-farm sector:** NABARD has formulated several schemes like Assistance to Rural Women in Non-Farm Development (ARWIND), Assistance for Marketing of Non-Farm Products of Rural Women (MAHIMA), Development of Women Through Area Programme (DEWTA) for providing support to women in rural areas.

7. **District Rural Industries Project (DRIP):** The objective of DRIP is to create sustainable employment opportunities in rural areas.

8. **Rural Entrepreneurship Development Programme (REDP):** REDP is a promotion programme to motivate and train educated unemployed rural youth to set up their enterprises.

9. **Marketing:** A number of marketing interventions have been made for marketing of rural non-farm products since marketing is a key factor in the success of any programme. With the support of NABARD under its various promotional programmes like rural haats, rural marts, participation in fairs, exhibitions, etc., artisans and entrepreneurs get larger
market to showcase their talents and products to urban markets.

10. **Rural Innovation Fund**: In association with Swiss Agency for Development and Cooperation (SDC), the NABARD has constituted the NABARD-SIDC Rural Innovation Fund (RIF) to support innovative projects in farm, non-farm and microfinance sector leading to creation of employment opportunities for the poor. Institutions, corporate bodies, financial institutions and individuals can avail funding support for activities involved in development of new products, processes, prototypes, technology etc. which have the poor in their focus.

15. **Small Scale Industries Board (SSIB)**

The SSI Board is the apex non-statutory advisory body constituted by the Government of India in 1954 to render advice on all issues pertaining to the SSI sector. The minister-in-charge of the SSI ministry is the Chairman of the Board. Members of the Board, include State Industries Ministers, selected Members of Parliament, Secretaries of various departments of the Central Government, Heads of Financial Institutions, representatives of Industry Associations, and Eminent Experts.

The SSI Board provides to its members a forum for interaction to facilitate co-operation and inter-institutional linkages and to render advice to the Government on various policy matters.
16. Housing and Urban Development Corporation Ltd. (HUDCO)

The HUDCO, as a wholly owned company of the Government of India, was incorporated in April 1970 as a private limited company and, subsequently, converted into public limited company in 1986. Though HUDCO's primary objective is to provide assistance for urban social sector infrastructure and the creation of housing facility, of late, the Corporation has undertaken activities to create infrastructure for the SSI sector. HUDCO also extends assistance for the promotion of building material industries, besides imparting consultancy, training and technical assistance in related matters.

17. Export Credit Guarantee Corporation of India Limited (ECGC)

The Export Credit Guarantee Corporation of India Limited (ECGC) is a company wholly owned by the Government of India. It provides export credit insurance support to Indian exporters and is controlled by the Ministry of Commerce. Government of India had initially set up Export Risks Insurance Corporation (ERIC) in July 1957. It was transformed into Export Credit and Guarantee Corporation Limited (ECGC) in 1964 and to Export Credit Guarantee of India in 1983.

The Export Credit Guarantee Corporation of India is 51 years old. It was setup with the primary objective to provide export credit insurance and trade related services to exporters. ECGC of India Ltd, was established in July, 1957 to strengthen the export promotion by covering the risk of exporting on credit. It functions under the administrative control of the Ministry of Commerce and Industry, Department of Commerce, and
Government of India. It is managed by a Board of Directors comprising representatives of the Government, Reserve Bank of India, banking, and insurance and exporting community. ECGC is the fifth largest credit insurer of the world in terms of coverage of national exports. The present paid-up capital of the company is Rs.900 crore and authorized capital Rs.1000 crore.

**Functions**
- Provides a range of credit risk insurance covers to exporters against loss in export of goods and services
- Offers guarantees to banks and financial institutions to enable exporters to obtain better facilities from them
- Provides Overseas Investment Insurance to Indian companies investing in joint ventures abroad in the form of equity or loan.

**Role**
- Offers insurance protection to exporters against payment risks
- Provides guidance in export-related activities
- Makes available information on different countries with its own credit ratings
- Makes it easy to obtain export finance from banks / financial institutions
- Assists exporters in recovering bad debts
- Provides information on credit-worthiness of overseas buyers.
- Cooperation agreement with MIGA (Multilateral Investment Guarantee Agency), an arm of World Bank.
**MIGA provides**

1. Political insurance for foreign investment in developing countries.
2. Technical assistance to improve investment climate.
3. Dispute mediation service. Under this agreement protection is available against political and economic risks such as transfer restriction, expropriation, war, terrorism and civil disturbances, etc.

**B. State Level Institutions**

Karnataka is considered as one of the most deserved industrial locations for setting industries in the country. The State has been consistently pursuing progressive outlook to meet the changing needs of its economy and industry. Karnataka is also considered as one of the states comprising large public sector industrial undertakings, large privately owned industries like steel, sugar, textiles, etc., In recent times, Karnataka has emerged as the leader in IT & BT and knowledge based industrial sector, making rapid strides in IT & computer related industries; and biotechnology with a strong research and development base. The State has a number of traditional cottages, Handicrafts, Micro Enterprises like Handlooms, Power looms, silk weavers, Khadi and Village Industries, etc.

With all these, the State also felt the urgency of providing stimulus measures for industries and service sector to combat the ill effects of the financial crisis prevailing globally. The State is committed to initiate certain measures to provide temporary relief to the industry and service sector to overcome the present situation.
Karnataka Government with an objective of increasing GSDP, strengthening the manufacturing sector, generation of additional employment in different sectors, to promote diversified Industrial base and to reduce regional imbalances and also to increase the share of exports from Karnataka in the national exports, has taken up a number of initiatives like the New Industrial Policy 2009-2014, the State Special Economic Zone Policy 2009, the Suvarna Karnataka Textile policy, and Karnataka Mineral Policy.

The main mission of Industrial Policy 2009-14 is:

1) To create environment for robust industrial growth.
2) To ensure inclusive industrial development in the State.
3) To provide additional employment for about 10 lakh persons by 2014.
4) To enhance the contribution of manufacturing sector to the State’s GDP from the current level of 17% to 20% by the end of policy period.

In order to achieve the above mission, the following strategies are being adopted:

1. Classification of the taluks of the State into four zones depending on backwardness of the taluks and based on broad guidelines of Dr. D.M. Nanjundappa Committee Report on Redressal of Regional imbalances.

2. Thrust on provision of world-class infrastructural facilities for industries with active participation of private sector/industry.

3. Implementation of the Suvarna Karnataka Development Corridor programme (SKDCP) through length and
breadth of the State and develop industries at the potential locations along the corridor.

4. Development of sector-wise industrial zones for optimal utilization of local, natural, and human resource so as to minimize migration of people to urban centres.

5. Simplification of land acquisition procedures with emphasis on inclusive development.

6. Safeguarding the socio-economic interest of both farmers and investors while acquisition of land.

7. Preferential treatment for MSME sector enabling to meet the global challenges

8. Attractive employment and performance linked package of incentives and concessions to attract investment to backward regions and to provide advantage to MSME sector.

B. State Level Institutions

Table - 4.2
List of Non-financial Institutions Promoted by Karnataka State Government

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Non-financial Institution</th>
<th>Abbreviation</th>
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<tbody>
<tr>
<td>1.</td>
<td>Directorate of Industries</td>
<td>DIs</td>
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<tr>
<td>2.</td>
<td>District Industries Centres</td>
<td>DICs</td>
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<tr>
<td>3.</td>
<td>State Industries Development / Industrial Investment Corporation</td>
<td>SIDCs/SIICs</td>
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<tr>
<td>4.</td>
<td>State Small Industrial Development Corporations</td>
<td>SSIDCs</td>
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<td>5.</td>
<td>Technical Consultancy Organizations</td>
<td>TCOs</td>
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<td>6.</td>
<td>Karnataka Industrial Area Development Broad</td>
<td>KIADB</td>
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<td>7.</td>
<td>Non Governmental Organizations</td>
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<td>8.</td>
<td>Export Promotion Councils</td>
<td>EPCS</td>
</tr>
<tr>
<td>No.</td>
<td>Institution Name</td>
<td>Acronym</td>
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<tr>
<td>9</td>
<td>Karnataka Udyog Mitra</td>
<td>KUM</td>
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<tr>
<td>10</td>
<td>Karnataka Leather Industries Development Corporation Limited</td>
<td>LIDKAR/ KLIDCL</td>
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<tr>
<td>11</td>
<td>Government Tool Room and Training Centre</td>
<td>GTTC</td>
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<tr>
<td>12</td>
<td>Science and Technology Entrepreneurs Parks</td>
<td>STEPs</td>
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<td>13</td>
<td>Rural Development and Self Employment Training Institutes</td>
<td>RUDSETIs</td>
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<tr>
<td>14</td>
<td>Khadi and Village Industries Commission</td>
<td>KVIC</td>
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<tr>
<td>15</td>
<td>Karnataka State Coir Development Corporation Ltd</td>
<td>KSCDCLTD</td>
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<tr>
<td>16</td>
<td>Karnataka State Coir Co-operative Federation Ltd</td>
<td>KSCCFLTD</td>
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<td>17</td>
<td>Rajiv Gandhi Institute for Steel Technology</td>
<td>RGIST</td>
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<td>18</td>
<td>Artisan Training Institutes</td>
<td>ATIs</td>
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<td>19</td>
<td>Vishweshwaraiah Industrial Trade Center</td>
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<td>20</td>
<td>Karnataka Centre for Technology Up-gradation</td>
<td>KCTU</td>
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<td>21</td>
<td>Center for Entrepreneurship Development of Karnataka</td>
<td>CEDOK</td>
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<td>22</td>
<td>Technical Consultancy Services Organization of Karnataka</td>
<td>TECSOK</td>
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<tr>
<td>23</td>
<td>Association of Women Entrepreneurs of Karnataka</td>
<td>AWAKE</td>
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<td>24</td>
<td>Karnataka State Women Development Corporation</td>
<td>KSWDC</td>
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<td>25</td>
<td>Karnataka State Small Scale Industries Association, Bangalore</td>
<td>KASSIA</td>
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<tr>
<td>26</td>
<td>Karnataka Silk Industries Corporation Limited</td>
<td>KSIC</td>
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<tr>
<td>27</td>
<td>The Karnataka State Handicraft Development Corporation</td>
<td>KSHDC</td>
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<tr>
<td>28</td>
<td>Karnataka Institute for Leather Technology</td>
<td>KILT</td>
</tr>
</tbody>
</table>

A brief profile of the State sponsored promotional institutions is presented below:
1. Directorate of Industries (DIs)

At the State level, the Commissioner/Director of Industries implements policies for the promotion and development of small scale, cottage, medium and large-scale industries. The Central policies for the SSI sector serve as guidelines but each State evolves its own policy and package of incentives. The Commissioner / Director of Industries in all the States/UTs, oversee the activities of field offices, i.e., the District Industries Centres (DICs) at the district level.

2. District Industries Centres (DICs)

In order to extend the promotion of small-scale and cottage industries beyond big cities and State capitals to the district headquarters, the DIC programme was initiated in May 1978, as a centrally sponsored scheme with the objective of developing small, tiny and cottage sector industries in the country. DICs were also established with the aim of generating greater employment opportunities especially in the rural and backward areas in the country. These centres provide support facilities/concessions/ services in widely dispersed rural areas and other small towns. There were 430 centrally approved DICs, which covered almost all the districts of the country (except the metropolitan cities) at the time of the withdrawal of the Central sponsorship in 1993-94. At present, DICs operate under respective State budgetary provisions.

DICs extend services of the following nature:

- Economic investigation of local resources
- Supply of machinery and equipment
- Provision of raw-materials
• Arrangement for credit facilities
• Marketing
• Quality inputs
• Consultancy and extension services.

3. State Industrial Development/Investment Corporation (SIDCs/SIICs)

SIDCs/SIICs, set up under the Companies Act, 1956, as wholly owned undertakings of the State governments act as catalysts for industrial development in respective States. SIDCs play an important role by developing land providing industrial infrastructural facilities in the form of ready made factory sheds and developed plots together with facilities like roads, power, water supply, drainage, and other amenities. Set up primarily for providing assistance to medium-and large-scale industries, SIDCs/SIICs also extend assistance to the small-scale sector by way of term loans, subscription to equity, and promotional services. Presently, there are 28 SIDCs in the country, of which 11 also function as SFCs and are therefore, termed Twin-Function IDCs.

4. State Small Industrial Development Corporations (SSIDCs)

SSIDCs established under the Companies Act, 1956, as State government undertakings, cater to the needs of the small, tiny, and village industries in their respective State/Union Territory. Being operationally flexible, SSIDCs undertake a variety of activities for the benefits of the SSI sector. Some of the important activities undertaken by SSIDCs include:

• Procurement and distribution of scarce raw materials;
• Supply of machinery to SSI units on hire-purchase basis;
• Assistance for marketing of products;
• Construction of industrial estates, provision of allied infrastructure facilities, and their maintenance;
• Extending seed capital assistance on behalf of State government; and
• Providing management assistance to production units.

5. Technical Consultancy Organizations (TCOs)

TCOs were set up by the all-India financial institutions during the 1970s and 1980s (in association with State-level financial/development institutions and commercial Banks) to cater to the consultancy needs of small and medium industries and new entrepreneurs.

TCOs provide a total package of consultancy services to small and medium scale enterprises, individual entrepreneurs, government departments and agencies, various State level institutions, commercial banks, and other institutions for activities relating to industrial Development and financing. Though the initial trust of the TCOs was focused on pre-investment studies, over the years, they have diversified their services to include:

• Preparing project profiles and feasibility studies;
• Undertaking industrial potential surveys;
• Identifying of potential entrepreneurs and provision of technical and management assistance to them;
• Undertaking market research and surveys for specific products;
• Carrying out energy audit and energy conservation assignments:
• Project supervision and wherever necessary, rendering administrative assistance;
• Taking up assignments on a turnkey basis;
• Undertaking export consultancy for export oriented projects based on modern technology;
• Offering management consultancy services especially for diagnostic study of sick units and their rehabilitation programmes; and
• Conducting entrepreneurship development programme and skills up-gradation programmes.

6. Karnataka Industrial Areas Development Board (KIADB)

The Karnataka Industrial Areas Development Board is statutory board constituted under the Karnataka Industrial Area Development Act of 1996. Since then it is in the business of apportioning land for industries and gearing up facilities to carryout operations. The KIADB now acquires and provides developed land suited for industrialization, by drawing up well laid-out plots of varying sizes to suit different industries with requisite infrastructure facilities. The facilities include roads, drainage, water supply etc. The amenities such as banks, post offices, fire stations, police outposts, ESI dispensaries, etc., are also provided. It also plans to initiate the provision of common effluent treatment plants wherever necessary. Since inception and up to the end of 31.3.2009, KIADB has acquired an extent of 78,652 acres of land for various purposes.
KIADB has acquired an extent of 7,105.25 acres of land for formation of Industrial area and in favour of single unit complex during the period from 1.4.2008 to 31.3.2009. The details are as under.

1) Industrial area 3841.06 acres
2) Single Window unit complex 3264.19 acres

An amount of Rs. 1292.34 crore has been so far spent for payment of compensation and Rs. 242.00 crore has been spent for providing infrastructure facilities in the Industrial areas during 2008-09.

During this year 693 units have been allotted 1713 acres of land in various Industrial areas.

KIADB has acquired a land of 39,297 acres out of which 21,987 acres had been developed till March 1996. Developed industrial plots had been allotted to 7,882 units.

KIADB has also taken up implementation of “Suvarna Karnataka Development Corridor Project”. The process of identification of land for the project and selection of project management consultant started.

Application forms for the allotment of land may be obtained from the executive member, KIADB Bangalore or General Manager, DIG of concerned district or from the Zonal office of KIADB located at Mysore, Mangalore, Dharwad, Gulbarga, Bidar, Hassan, and Belgaum. Applications duly filled must be accompanied by:

- A brief project report
- Details of constitution of the company
- Provisional registration certificate
- EMD of Rs. 5007 per acre, subject to a maximum of Rs. 1,00,007 along with 20%, 15% and 5% of the land cost for various districts.

On receipt of applications for all districts other than Bangalore, a discussion with the promoters regarding the project will be held in the concerned district headquarters. The district level allotment committee will take a decision on allotment of land to the SSI units.

In case of Bangalore, the screening committee comprising of executive member of KIADB, Director of SISI, Chief Advisor of TECSOK to discuss the project and make necessary recommendation to a sub-committee. The sub-committee will in turn allot the land. Once land is allotted, the remaining payment should be made within six months of the date of issue of allotment letter.

The industry should he started after obtaining the necessary license / clearance / approval from the concerned authorities. Plans for the proposed factory/building or other structure to be erected on the allotted sites are executed only after prior approval of the board. On being satisfied that the land is not being put to the prescribed use, the board reserves the right to re-enter and take possession of the whole or any part of the land. If necessary, the leasehold rights on the allotted land may be offered as security in order to obtain financial assistance from the government or corporate bodies. However, prior permission of the board has to be obtained for creating second and subsequent charges of the land.
7. Non-Governmental Organizations (NGOs)

Besides the Central and State governments and autonomous bodies, there has been an emergence of NGOs in different States to provide financial assistance, information, training, marketing support, legal advice, and so on to SSIs. The 1991 SSI policy of the Government of India favoured assistance to SSIs through NGOs. A few training programmes for unemployed youth to help set up industries under the PMRY, have been assigned by State governments to some NGOs. In the preset scenario, the role of NGOs is assuming importance for assistance to entrepreneurs particularly under micro-financing activities.

a. Sub-contract Exchanges set-up by NGOs

Under the programme of ancillary development, sub-contracting exchanges have been set-up.

A sub-contracting exchange is a store-house of data with regard to the capacities of the small-scale units in terms of products manufactured/services rendered, idle capacities available on particular processes/machines on the one hand, and, on the other, storing data with regard to the requirements of the buyers, which could be product/components/sub-assemblies/services. The exchange also stores data about the specifications, class of accuracy, quantities, and so on in the above cases. The main objectives of these sub-contracting exchanges are as follows:

- To register capacities of manufacturing or services available with the small-scale and tiny units.
- The collection, analysis, storage, and organization for rapid retrieval of information and data on the existing

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production capacities and capabilities of small-scale enterprises.

- To obtain details of items required regularly by other large units which in turn can be manufactured in the small-scale sector.
- Assistance to potential ancillaries in organizing potential clusters and associations and in negotiating agreements with parent firms.
- To obtain details of items regularly required by other large undertakings which could be manufactured in the small-scale sector.
- To match the requirement of large undertakings with the spare capacity available with SSI units.
- To arrange buyer-seller meets/vendor development programmes to display the items/products required by large undertakings/organizations and to discuss specifications and other requirements with the small-scale unit participants at such meets.
- To set up a data bank to provide the necessary information to SSI units, large industries, government agencies, and others.
- To assist in developing the export promotion in this area.
- To conduct programmes this will help SSI units in promoting their products.

b. Setting up of SCXs by Industrial Associations

The Government of India operates the scheme to assist industrial associations/NGOs in setting up sub-contracting exchanges throughout the country. NGOs/industry associations having suitable building and other infrastructure are required to
prepare a project profile of the proposal giving details about their operation, member industries in nearby areas, and so on. The proposals are to be sent to the office of DC (SSI), Nirman Bhawan, duly recommended by the respective State Government and the Director of Small Industries Institute of the respective region.

c. Sub-contract Exchanges for Ancillary Development

SCXs are centres for technical information, promotion, and match making for industrial sub-contracting and ancillarisation between large and small enterprises aiming at optimal utilisation of the manufacturing capacities of the affiliated industries.

While large enterprises are geared by their managerial and marketing strategies and mechanisms towards all forms of industrial collaboration with other enterprises, small enterprises are not equipped to promote such collaboration, and thus, deserve special attention and assistance in this area. It is evident that small enterprises, particularly in the prevailing context of global sourcing, are most in need of support services given their limited expertise in entering new markets and their generally higher risk aversion compared to large transnational corporations. Institutional support mechanisms are thus needed which will help them to acquire the necessary information on, and access to, upgraded technology, sources of finance, new markets, foreign licenses and so on, and to establish long-term industrial cooperation agreements.

UNIDO provides technical assistance to developing countries for establishing and operating SCXs. It assists in setting up a roster of subcontractors, ancillaries and main
contractors. UNIDO also advises governments on how to create a favourable environment and develop policies and programmes for the promotion of industrial subcontracting and ancillarisation using industrial legislation. In the framework of its programme, UNIDO has been surveying, designing, and developing standard instruments and methods for the development of industrial subcontracting and ancillarisation.

d. Testing Centres Set-up by NGOs

Under the scheme initiated in 1994-95, a one-time grant-in-aid to industry associations (maximum limit of Rs 20 lakh) is provided on a matching contribution basis by the State government for the purchase of machinery and equipment needed for the setting up of testing centres. The purpose of the scheme is to establish counseling-cum-testing facilities for raw materials, components, and products (as per standards). The scheme is expected to help small-scale industries to obtain ISI certification and improve the quality of standardized products. The scheme has been modified to include the existing quality of marketing centres run by the State governments for the modernization of facilities. The centres so assisted are located at Hubli, Gadag, Bangalore, Imphal, and Gangyal.

8. Export Promotion Councils (EPCs)

In order to overcome problems in the marketing of SSI products in the overseas markets, it is considered desirable to adopt a consortium. The export promotion councils for different industries make efforts to promote the exports of their member units through direct marketing, developing vendor relations, opening respective sales outlets abroad, and so on, as a
collective export marketing strategy. The activities of different councils are targeted to increase the exports from the sector.

SSI units get access to export-related services from the councils. Some of the councils obtain bulk purchase orders from foreign buyers and distribute these among member units for supply to the council for onward export. This process ensures export orders to every member unit and thereby facilitates the timely delivery of goods abroad. For such a service, the councils charge a nominal fee from member units. The EPCs also offer a package of other services to existing as well as new members by providing information on the developments taking place in the international arena. They keep the members informed of the changes with regard to export-import policies and procedures, customs and excise duty rules, and so on. Besides, trade enquiries and tender notices are circulated among members in order to assist them to avail of business opportunities for augmenting overall exports.

9. Karnataka Udyog Mithra

KUM was established with a main objective of providing escort services to entrepreneurs for establishment of Industrial ventures in the State. It also acts as Secretariat for State Level Single Window Agency Meeting. KUM organizes various publicity propaganda programmes, Investors Meet, Road-shows Trade delegations to attract the Investors not only within the State but from abroad.

As a part of investment promotion activities, KUM organized Investors Meet at Raichur on 08.04.2007. KUM has
also participated in the following exhibitions during 2007-08 to attract more investment into the State.

1. India International Trade Fair, during November 2007, at New Delhi,
2. Excon 2007, during November 2007, at Bangalore,
3. Pravasi Bharathiya Divas, during January 2008, at New Delhi,

"Karnataka Diaspora Cell" – An exclusive cell to attract investment and provide information to the people of Karnataka origin (PKOs) and non-resident Kannadigas (NRKs) has been setup.

During 2008-09, a delegation led by Hon'ble Chief Minister and Hon'ble Minister for Large and Medium Industries visited United State of America and United Kingdom. Business meets were held at Manchester (UK), Washington, New York, Chicago, Atlanta, and San Francisco.

Similarly, a delegation led by Hon'ble Minister for Large and Medium Industries visited China, Japan, and Korea. Business meets were held at Seoul (Korea) and Shangai (China).

**Pravasi Bharathiya Divas**: Karnataka Udyoga Mitra also participated in Pravasi Bharathiya Divas held during January 2009 at Chennai. KUM has participated in National and International Seminars / Exhibitions like IITF, Pravasi Bharatiya Divas etc. A Large number of foreign delegates from various
foreign countries visited Karnataka to explore avenues for investment and Trade.

As the Secretariat for State Level Single Window Agency, KUM was instrumental in approving 728 Large and Medium Projects in the State with an investment of Rs. 10309.92 crores and with an employment opportunity to 349665 persons.

Karnataka Udyog Mitra also acts as a secretariat for State Level Single Window Clearance Committee (SLSWCC) under the Chairmanship of the Hon’ble Minister for Large & Medium Industries, Government of Karnataka which clears projects with investments between Rs.3.00 crores to Rs.50.00 crores. SLSWCC during 2008-09 has approved 310 projects with a total investment of Rs. 5181.62 crores. These projects are likely to create employment to 1.35 lakh people.

10. Karnataka Leather Industrial Development Corporation Limited : (LIDKAR)

Karnataka Leather Industries Development Corporation Ltd., (LIDKAR) was established by Government of Karnataka in the year 1976, keeping in view the objectives of overall development of Leather Industry in Karnataka and upliftment of Socio-economic conditions of SC Leather Artisans in the State. Since then, the Corporation has been implementing various programmes under developmental and commercial activities.

The Corporation keeping in view the Development of socio-economic conditions of SC Leather Artisans has been implementing various programmes under developmental activities. The Corporation has assisted more than 25,000
Artisans so far by providing construction of Living cum worksheds, construction of common facility Centres, Training programmes, distribution of wayside cabins, etc., at the end of the year 2008-09.

The Corporation under Commercial activities has been extending Marketing Assistance for the products made by Artisans and SSI units.

So far the Corporation assisted 1200 Artisans and more than 100 SSI units under Marketing Assistance scheme.

11. Government Tool Room and Training Centre (GTTC)

GTTC is a leading Tool room and Training Centre in India. It trains youths from tool room machanics to Tool Engineers. It organizes long term and short-term training courses viz., Diploma in Tool and Dye making course, diploma in tool design, M.tech in Tool design and diploma in Electronics and telecommunications. Short term courses on software are also provided.

Government Tool Room and Training Centre was established in the year 1972 at Bangalore as a Joint venture between Government of Karnataka and India. Apart from short-term courses, the GTTC offers the Long-term courses are Diploma in Tool and Dye making, Diploma in Electronics and Communication Engineering Diploma in Precision Manufacturing, Diploma in Mechatronics Post-Diploma in Tool Design, and M.Tech in Tool Engineering. Short-term courses includes Auto CAD, CNC, Master CAM, CNC, Machinist, Metrology, SPM, Laser Machinist, etc. It also involves in production of Hi-tech...
components and tool making. Research and Development activities also undertaken in tools, dyes and moulds, components for aero-space, defence, railways, and other electronic industries.

GITC has developed Tools components for the prestigious customers viz., ISRO, ADA, HAL, NAL, ISTRAC, VSSC, TVS, TOYOTA group and BHEL, etc. GTTC has main centers at Bangalore and Mysore with sophisticated precision tool room equipments. At present 10 sub-centres have been established with assistance of State Government at Hassan, Mangalore, Gulbarga, Belgaum, Dandeli, Hospet, Hubli, Harihar, Koodalasangama & Maddur. 3 Centres at Kanakapura, KGF, and Lingasur have been operational from the current year. An amount of Rs. 57.00 lakhs has been released to GTTC for up-gradation of existing GTTC Sub-Centres.

During the year 2007-08 funds have been released to GTTC towards up-gradation of the training center at Maddur, building construction, purchase of tools and accessories for training purpose and towards course fee for SCP/TSP.

12. Science and Technology Entrepreneurs Parks (STEPs)

The scheme of Science and Technology Entrepreneurs Park (STEP) mainly aims at targeting the young engineers and professionals coming out of engineering colleges, technical and management institutions with a view to motivate them and assist them in becoming "entrepreneurs" to take up industrial ventures. STEP provides facilities for up-gradation of skills and transfer of technology. 14 Science and Technology Entrepreneurs Parks (STEPs) have already been set up and
functioning. 4 New STEP Centres have been approved for Kodagu, Kolar, Haveri, and Bellary Districts. An amount of Rs. 1.67 lakhs has been released to NMAM Institute of Technology, Karkala, and Rs. 3.00 lakhs to BEC Institute, Bagalkot during the current year 2008-09.

A sum Rs.8.22 lakhs has been released to the following STEPs during 2007-08.

1. MAM Institute of Technology Udupi District Rs. 1.48 lakhs
2. Basaveshwara Engineering College, Bagalkote Rs.2.00 lakhs.
3. Sri Jaya Chamarajendra College, Mysore Rs.2.5 lakhs
4. STJ Institute of Technology, Rani Bennur, Haveri Rs.0.24 lakhs
5. JSS Mahavidyapeta, Bangalore Rs.1.00 lakh
6. UBDT Engineering College, Davanagere, Rs.1.00 lakh.

13. Rural Development and self employment Training Institutions (RUDSETIs)

As per the Industrial policy 2001-06, it was proposed to establish a Model RUDSETI centre. The rural development and self employment Training institutes are being established in coordination with the Banks with an objective of preparing the rural youths to have their own Industrial / service ventures by imparting Training and guidance.

So far, there are 29 RUDSETIs functioning in 24 districts. It is also proposed to establish RUDSETIs at Bangalore (U), Chikkaballapur, Hassan, and Coorg District.
Under this programme the Government is extending 50% cost of the project subject to a maximum of Rs. 20.00 lakhs for creation of Infrastructure for a RUDSETI. From the year of establishment, from 2 to 3 years, 50% of the project cost subject to a ceiling of Rs. 5.00 lakhs shall be borne by government as recurring expenditure.

During 2008-09 Rs. 10.00 lakhs has been released to RUDSETI at Raichur and Rs. 15.00 lakhs to VIBSETI (Vijaya Bank) at Haveri.

14. **Khadi and Village Industries Board**

The main objective of the KVIB is to give priority for Khadi and Village Industries in rural areas in developing and regulating Khadi sector and to provide assistance for the cottage Industries to generate employment opportunities to improve upon the economic status of the rural artisans.

The main activities of the organization are

1. Rural employment generation programme (Margin money scheme).
2. Interest subsidy scheme.
3. Product development, design intervention and packaging.
4. Khadi development (Rebate & incentives)
5. Technical up-gradation (Improved charakas)
7. Implementation of Prime Minister employment generation programme
8. Bee-keeping
During the year 2006-07, under the Khadi sector, Rs. 2390 lakhs of Khadi products were produced with a cumulative employment generation of 19720.

KVIB has got a Sales outlet of Khadi and Village Industries Products at Hampi for the improvement of the Craft Bazaar at Hampi during the year 2006-07.

Khadi Institutions are having 19,700 spinners and weavers throughout the State. KVIB is helping Khadi Institutions by providing them improved New Model Charakas under technical up-gradation. 5000 Charakhas will be provided in the current year 2006-07. Rs. 162.50 lakhs has been released to KVIB for this purpose. Rs. 300.00 lakhs has been released to KVIB towards Rebate & Incentives as on March end. In addition to this Rs. 442.00 lakhs has been released to KVIB under Modernization Technology Training Scheme.

**Rebate on retail sale of Khadi products:** In order to promote the production and sale of Khadi and thereby to create more and more employment opportunities in Khadi sector, the Central as well as State Government have announced normal rebate of 10% by GOI and 5% by GOK on retail sale of Khadi products throughout the year and special rebate 10% by GOI and GOK for 108 days. Towards this programme the GOK has released an amount of Rs. 300.00 lakhs to KVIB Performance for the year 2008-09 under Khadi sector.
Table - 4.3
Performance of KVIB

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Industry</th>
<th>Production</th>
<th>Retail sales</th>
<th>Whole sales</th>
<th>Employment (in Nos.)</th>
<th>Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Cotton</td>
<td>513.30</td>
<td>566.00</td>
<td>253.35</td>
<td>5341</td>
<td>195.60</td>
</tr>
<tr>
<td>2.</td>
<td>Silk</td>
<td>426.25</td>
<td>311.25</td>
<td>159.05</td>
<td>729</td>
<td>167.90</td>
</tr>
<tr>
<td>3.</td>
<td>Woolen</td>
<td>324.90</td>
<td>263.20</td>
<td>46.25</td>
<td>6650</td>
<td>133.15</td>
</tr>
<tr>
<td>4.</td>
<td>Polyester</td>
<td>108.50</td>
<td>143.60</td>
<td>42.35</td>
<td>662</td>
<td>42.75</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1372.95</td>
<td>1284.05</td>
<td>501.00</td>
<td>13382</td>
<td>539.40</td>
</tr>
</tbody>
</table>

During the year 2008-09, KVIB has organised 13 District Level Exhibitions at Dharwar, Bagalkot, Tumkur, Bangalore (Urban), Kodagu, Gulbarga, Ramnaga, Bidar, Chitradurga, Davanagere, Hassan, Udupi and Mangalore, and 1 State Level Exhibition conducted at Koppal District. Besides in 28 Districts 54 Awareness Programmes have been conducted very successfully.

15. Karnataka State Coir Development Corporation Ltd (KSCDCL)

The Corporation was established with the main objective of developing Coir sector in the State. The main functions of the Corporation are to:

1. carry on the business of developing, promoting, and stabilizing the coir and coir based and coconut based industries in Karnataka

2. support, protect, maintain, increase, and promote the production and sale of coir, coir products and coconut products
3. implement scheme of the Government of Karnataka or the Government of India for the development of coir and coconut based industries.

4. generate rural employment to women (including SC/STs) by providing training and engaging in production of coir products in the coir complexes.

5. undertake and promote research and development of coconut, Coir and its products. At present the Corporation is having 11 defibering units, 3 curled Coir units, and 104 production centers for the production of yarn, rope, curled coir, coir mattings, and Foot mats in rural areas providing employment opportunities.

Majority of them belongs to SC/ST, minorities, women and backward classes. About 2000 coir workers are working in different production centres of the Corporation. It is having 16 sales outlets in addition to mobile van for marketing of the products. The corporation is organizing training programmes for rural youths, majority of them are women beneficiaries, to improve upon the skills and would be later inducted into the production activities of the Centre. The Corporation promotes Self Help Groups for Husk collection. The Corporation has been identified as an implementing agency for implementation of the cluster under SFURTI scheme in Channapatna Cluster location.

During 2007-08 sales up to Rs.405.88 lakhs and production up to Rs.262.00 lakhs has been achieved, providing employment to 1450 persons. Rs.146.02 lakhs has been released towards various programmes, construction of shed at Udutadi, Shikaripuri Taluk etc.
Table - 4.4
Achievement of KSCDCL for the year 2008-09

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Target</td>
</tr>
<tr>
<td>1.</td>
<td>Production</td>
<td>500</td>
</tr>
<tr>
<td>2.</td>
<td>Sales</td>
<td>560</td>
</tr>
<tr>
<td>3.</td>
<td>Employment</td>
<td>870</td>
</tr>
</tbody>
</table>

**Distinct Exhibitions- Suvarana Karnataka:** During the period of celebration of “Suvarna Karantaka” year, as a strategy to promote rural employment generation and new marketing avenues for the produce of the Khadi and Village Industries, Tiny and Small Scale Industrial units, the Department proposed to organize District Industrial Exhibition “Kala Vaibhava” in all districts.

**Single Window Agency Meetings and Rehabilitation of sick units:**

SWA Meeting has been regularly conducted at Districts and during the year 176 such Meetings are held. Land / Shed allotments, Power sanction, and sick unit rehabilitation programmes are being considered in these Meetings.

During the year 2005-06, 562 SSI units have been identified as sick units and 70 units have been considered for rehabilitation. Further, sale tax arrears of Rs. 15.69 lakhs have been deferred for repayment.
16. Karnataka State Coir Co-operative Federation Ltd (KSCCFL)

The Federation was established in the year 1961 with the main objective of developing coir sector in the state through Co-operative movement. Its main objective is to assist and support primary coir Co-operative societies, provide training, marketing coir products, Technical guidance & implementation of ICDP & Govt. sponsored schemes in coir sector. The Federation is having 17 Sales outlets and 20 production units in different parts of the State. The Federation has provided employment to about 1200 persons in rural area out of which 90% are women. There are 52 coir primary Co-operative societies affiliated to the Federation. The manufacturing products are coir fibre, coir yarn, curled rope, fibre mats; different types of mattings; geo textiles; etc.

During 2008-09, the Federation has produced products worth Rs. 125.07 lakhs and made sales turn-over of Rs. 256.96 lakhs, and provided employment to 1200 persons.

17. Rajiv Gandhi Institute for Steel Technology (RGIST)

RGIST is an Autonomous Institute, which is registered as a Society under KSR Act 1960 with Registration No.395: 2004-05. The institute has been started by the support of Government of Karnataka, JSW Steel Limited, and other Steel and Allied Industries. The main objectives of the Institute are:

1. Providing Technical and Management Training to present and prospective employees of Steel and its Allied Industries.

2. Conducting formal Diploma, Degree and PG Courses in Engineering field related to Steel Manufacture, Mining, Management, Safety etc.
3. Carrying out Research Activity in Iron and Steel Manufacturing and its Upstream and Downstream Industrial Processes and other related areas. Rs. 10.00 lakhs released so far.

18. Artisan Training Institutes & Chamarajendra Technical Institute (ATIs)

Department has 19 ATIs which are currently functioning in the district and CTI at Mysore. In these Institutes training in trades like general engineering, carpentry, leather & bronze are being imparted. In order to have a quality training programme it has been proposed to replace and modernize machineries and equipments. Electrification and repairs to buildings have also been undertaken.

19. Visveswaraiah Industrial Trade Centre (VITC)

VITC is a registered society set up in 1965 with the main function of Trade and export promotion. It is engaged in conducting programmes in export management / export awareness / export documentation and allied assistance for the community of exporters. Also trade promotion activities are taken up in the form of participation in exhibitions and trade fairs both within the State and outside the State and abroad.

VITC has organized the following programmes during the year 2008-09

1. Export Awareness programmes have been conducted at Bidar, Sagara, and Bangalore wherein 165 beneficiaries participated

2. Export Training Programmes are conducted in association with the local DIC/Chamber of Commerce/
3. Export Management Training programmes at Bangalore – 3 programmes have been conducted wherein 82 candidates participated.

4. Seminars / Workshops / Interaction Meets – 4 workshops conducted-190 candidates participated.

5. Interaction Meeting of concerned Government Departments / Organizations related to exports with exporters in Districts.

VITC Camp office at Hubli has been established on 10th February 2009 to inculcate export culture amongst all industries/ traders at District Level.

Trade Promotion activities like Participation in IITF Pragathi Maidan, New Delhi, from 14th to 27th November 2008, arranging exhibitions for Women and SC/ST Entrepreneurs / artisans within the State and outside the State, Trade related Information through NCTI, New Delhi, etc., were all arranged during the year. In addition as per the Karnataka Export Promotion Policy (2002-07) vide para 18 (a) provides for Market Development Assistance (MDA) scheme as a measure of Trade Promotion. The scheme includes financial support for visit of Trade Delegations to other countries, participation in International Trade Fairs / Exhibitions, Market Survey Reports, Publicity in foreign media etc. Delegations of China, USA, and Santigo were given as per MDA. During the year, a sum of Rs. 190.00 lakhs has been released to VITC
Export Awards

State Level Export Awards were instituted for focus sectors of the State viz., IT, BT, food processing, precision engineering, electronics and communication, garments & machine tools, arts and crafts, coffee, leather, gem and jewelry, silk, and mineral and mineral based products. Action has been already initiated to present the Export Awards for the year 2005-06 and 2006-07 to the leading exporters of the State.

The Government of Karnataka had introduced the State Awards for the best performance in exports from 1992-93 as one of the important steps towards recognizing the efforts of exporters.

Kalavybhava Exhibitions

The Department is also arranging District Level Kala Vybhav Exhibitions in association with District Administration. For this purpose, every year Rs. 3.50 lakhs is earmarked to every District for this purpose. During the year 2008-09 a sum of Rs. 29.50 lakhs has been released to 9 Districts.

20. Karnataka Council for Technology Up-gradation (KCTU)

Technology up-gradation initiatives are implemented through the Karnataka Council for Technology Up-gradation. Karnataka Council for Technological up-gradation has commenced functioning from 1996. KCTU is a Joint venture of Government of India, Government of Karnataka, and Industries Associations. It functions as a Nodal Agency for Technology Transfer to MSEs. The Council functions under the Chairmanship of the Commissioner, Industrial Development,
and Director of Industries and Commerce, Government of Karnataka.

The main objectives of the KCTU are to enhance competitive status of SME's; catalyze technology up-gradation through acquisition, adoption, and modernization; and to reduce cost of productivity, quality improvement to make the SME's products more competitive both nationally and internationally. It assists the SME's to obtain ISO 9001/14000 or any other nationally and internationally recognized Certification. The Council is a Nodal Agency for creating awareness and it provides assistance for registration of Intellectual Property Rights, guidance in Plant Layout, diversification, modernization, and expansion.

26 Programmes / activities were undertaken by KCTU during 2008-09 in association with different associations like CLIK, FKCCI AWAKE, SJCE Step, etc. In total 1178 beneficiaries are covered under different programmes.

The important programmes are:

1. Seminar on Embedded Technologies in association with CLIK at Bangalore - 50 beneficiaries.

2. Institutional Initiatives for MSME Empowerment in association with FKCCI, FIEO, EXIM Bank at Hotel Capitol, Bangalore - 45 beneficiaries.

3. Seminar on Application and Opportunities in Nano Technologies for SMEs MSME DI, Bangalore at MSME-DI hall, Bangalore.

4. IPR and Knowledge Network workshop at Gubbi, Tumkur, in association with Channabasaveswara Institute of Technology - 100 beneficiaries.
5. Interaction meets on ISO Awareness and Technology upgradation in association with Bijapur District, SSI Association and MSME DI.


During the year 2008-09, 26 Industrial units are sanctioned subsidy for acquiring ISO series certification. The Department has released an amount of Rs. 10.00 lakhs during 2008-09.

In addition to above, KCTU is a nodal agency to implement two projects under MSE-CDP. They are Common Facility Centre for Auto Cluster at Hubli and Common Facility Centre for Food Cluster, Gulbarga.

**Auto Cluster Hubli –Dharward:**

The total project cost of the project is Rs.485.00 lakhs.

- GOI contribution is Rs. 339.50 lakhs 70%
- GOK contribution is Rs. 97.00 lakhs 20%
- SPV contribution is Rs.48.50 lakhs 10%

GOK has released its entire share of Rs. 97.00 lakhs during 2008-09 and the amount is deposited in the “No Lien Account” opened at SBM, Vidhana Soudha Branch, Bangalore.

ATI Hubli Building has been handed over to SPV by Joint Director, District Industries Centre, Dharwad, as per G.O. No. CI 07 ID 07 dated: 25-02-2008.
CFC for Food Cluster at Gulbarga

The total project cost is Rs. 23.00 lakhs
The GOI contribution is Rs. 15.70 lakhs
The GOK contribution is Rs. 5.00 lakhs
SPV contribution is Rs. 2.30 lakhs

Government of Karnataka has sanctioned and released Rs. 5.00 lakhs, which has been deposited in a no lien account opened at SBM, Vidhana Soudha Branch, Bangalore, by KCTU. SPV has collected its share of Rs. 2.30 lakhs and deposited in No lien Account on 19.2.2009.

ATI Building, Gulbarga has been allotted to SPV for setting up of CFC. As per G.O. dated: 17.2.2009, the DIC, Gulbarga has handed over the possession of Building to SPV.

The Purchase Committee has been formed under the Chairmanship of the Director, DIC, Gulbarga. The Purchase Committee has initiated the action for purchase of machinery by calling quotations.

21. Centre for Entrepreneurship Development of Karnataka (CEDOK)

CEDOK was established with an objective to contribute for the development and disbursal of Entrepreneurship by conducting various EDP’s and Skill Development programmes to expand the social and economic base of entrepreneurial class.

The institute has conducted the following programmes during the year.
a. PMRY Entrepreneurship Development Programmes - 11352 beneficiaries.
b. EDP for Food Processing activities - 213 beneficiaries.
c. EDP programmes for sujala - 2948 beneficiaries.
d. Coir sector EDP. - 191 beneficiaries

e. Faculty Development programme - 53 beneficiaries

f. Stake holders meeting - 1148 members.

g. Workshop on opportunities on Medicinal & aromatic plants - 111 beneficiaries.

h. Skill -EDP for SHG members - 257 beneficiaries

i. Diamond cutting & polishing - 90 beneficiaries.

j. Other programmes - 3015 beneficiaries.

In order to have follow up on the beneficiaries trained, the
questionnaire has been designed and regular follow up meetings
were organized to ensure good results. The Institute also signed
an MOU with Coir Board, Cochin, to organize specific EDPs and
coir activities. In addition to this, an MOU is also signed with
Visweswaraya Technology University, Belgaum, for the
establishment of Entrepreneurship Development Cell in
engineering colleges and to train the faculties and students. It is
also involved in Kaigarika Vikasa scheme in organizing various
training programmes in North Karnataka. An amount of Rs.
20.00 lakhs was released to CEDOK.

Main functions of CEDOK:

1. To augment the supply of entrepreneurs through
   education, training, and research

2. To produce multiplier effect on opportunities for self-
   employment

3. To improve the managerial capabilities of small
   entrepreneurs
4. To contribute to the dispersal of entrepreneurship and thus expand the social base of the entrepreneurial class in urban/ rural areas

5. To be centre of learning for trainer-motivation on entrepreneurship development.

6. To contribute to the growth of entrepreneurship cultures, spirit, and entrepreneurship developing countries.

The institute has conducted the following programmes during the year 2008-09:

1. One day Entrepreneurship Awareness Programme

2. 2 days Entrepreneurship Awareness Programmes on Cluster Development

3. 3 days Entrepreneurship Awareness Camp (EAC) for students

4. 4 2/4 weeks skill based EDP

5. EDP for PMEGP beneficiaries

During the year 2008-09, an amount of Rs. 35 lakhs has been released to CEDOK as Administrative grant.

22. Technical Consultancy Services Organization of Karnataka (TECSOK)

TECSOK is a professional, industrial, technical, and management consultancy organization promoted by the government of Karnataka and other state level development institutions way back in 1976. It is a leading investor-friendly professional consultancy organization in Karnataka. Its various activities are investment advice, procedural guidance, management consulting, mergers and acquisition, process
reengineering studies, valuation of assets for takeovers, impact assessment of socio-economic schemes, critical infrastructure balancing, IT related studies, detailed feasibility studies, and reports.

The TECSOK with its pool of expertise in varied areas can work with new entrepreneur to identify a product or project. In addition to this, the TECSOK sharpens the project ideas through feasibility studies, project reports, market surveys, and sources of finance, selection of machinery, technology, costing and also providing turnkey assistance. To help entrepreneurs to face the global competition TECSOK facilitates global exposures, updated technology, market strategies, financial restructuring and growth to improve profitability of an industry.

TECSOK can identify sickness in existing industry and facilitate its turn around. TECSOK has expertise in rehabilitation of sick industries by availing rehabilitation packages offered by the government and financial institutions. In addition, it offers expert professional services to various institutions and departments of the state and central government.

TECSOK undertakes the assignment in the field of

- Technical and market appraisal of projects,
- Industrial potential surveys,
- Fact-finding and opinion reports,
- Corporate planning,
- Collection and collation of information,
- Impact assessment,
• Evaluation of schemes and programmes,
• Asset-evaluation,
• Infrastructure development project proposal,
• Event management and publicity campaigns, and
• Organizing seminar and workshops.

TECSOK has over 25 well-experienced engineers in different disciplines, MBAs, economists, and finance professionals. It has business partnerships with reputed national and multinational consultants and out sources expertise for professional synergy. TECSOK has an exclusive women's cell, which conducts training and education programmes, exhibitions for promotion of products, and services provided by women entrepreneurs; and offers escort services to women entrepreneur. TECSOK has many publications. "Kaigarika Varthe" a monthly is published by TECSOK. In addition, it publishes "Guide to Entrepreneurs" and "Directory of Industries" on a regular basis.

**Focused Consultancy Areas of TECSOK**

**Promotion of agro based industries:** TECSOK is recognized nodal agency by the Ministry of Food Processing Industries, Government of India, for project proposal to avail grant and loan assistance under the special schemes.

**Energy management and audit:** Thrust is given to use non-conventional energy sources for which both state and central governments are offering incentives. TECSOK has been recognized as a body to undertake energy audit and suggest energy conservation measures. TECSOK undertakes studies and
project proposal for availing assistance from the Indian Renewable Energy Development Authority (IREDA).

Environment and Ecology: TECSOK undertakes assignments relating to environment education, environment impact assessment, environment management plan, and pollution control measures. TECSOK has joined hands with Karnataka cleaner production center (KCPC) to provide total consultancy support in the area of environment.

Human Resource Development: TECSOK designs and organizes business development programmes, management development workshops, skill development programmes and in-house training packages. It undertakes programmes, of empowerment of women entrepreneurs and organization of self-help groups. In order to encourage local entrepreneurs TECKSOK organizes awareness campaigns and motivation programmes in taluks and districts throughout Karnataka.

Other TECSOK Activities:

- Guidance in product selection and project identification.
- Market survey and market development advice.
- Consultancy for agro-based industries of a nodal agency of the government of India.
- Diagnostic studies and rehabilitation of sick industries.
- Environment impact assessment studies, environment management plans, and propagation of cleaner production techniques.
- Energy management and audit.
- Valuation of assets for mergers and takeovers.
- Infrastructure development project reports.
• Port tariff study and related areas.
• System study and software development.
• Management studies, company formation, corporate plan, enterprise restructuring, etc.
• Designing and organizing training programme.

The following are the ongoing promotional schemes during 2008-09 under the budgetary support from the Department of Industry and Commerce amounting to Rs. 25.00 lakhs.

1. Entrepreneur Guidance, Counseling motivation of entrepreneurs throughout the State-2,750 beneficiaries over the past 4 years.

2. Preparation of Project Feasibility Reports, Appraisals, Profiles and Monitoring of establishment of industrial units including handholding support- 378 reports over the past 4 years.

3. Skill development / EDPs were provided to 400 beneficiaries.

4. For promotion of Agro Food Processing Industries, 15 proposals have been submitted to Ministry of Food Processing Industry of GOI for availing financial assistance.

5. Coordinated in preparing proposals for Cluster Development initiatives


7. Preparation of Potential plan for District Industries Centres – Shimoga, Bangalore (R), Bidar, Haveri.

9. Expert Counseling for promotion of Agro Food Processing industries and other thrust sector Industries were extended to 360 entrepreneurs.

10. EAPs/EDPs/Skill Development Programmes organized to 450 Entrepreneurs. Rs. 20.00 lakhs have been released so far in the year 2006-07.

11. Consultancy camps in 13 Most Backward Taluks have been organised and indepth study reports of 156 existing units in these 13 Most Bankward Taluks have been prepared under Kaigarika Vikas Scheme.

12. Technical Notes/ Reports, Information supply, Data support to Entrepreneurs and Govt. Departments /Organizations / other Agencies.

23. Association of Women Entrepreneurs of Karnataka (AWAKE)

Association of women entrepreneurs of Karnataka is today one of India’s premier institutions for women totally devoted to entrepreneurship development. Established in 1983 AWAKE’S success has been recognized worldwide. AWAKE is an affiliate of women’s world banking, New York.

AWAKE is a registered society. It is exempt from income tax under sections 12A and 80G of the income tax act India.

Activities of AWAKE

Business Counselling Centre

The portal entry into AWAKE is the Business Counseling Centre. It is an innovative, pioneer activity with a unique methodology developed by AWAKE, where entrepreneur guides
entrepreneurs. During the year 3180 women counseled. This one to one B.C. (Business Counselling) takes place with a vague business idea of starting a business and seeks support from AWAKE to convert their ideas into profitable ventures. The following are some of the innovative programmes organized during the year 2008-09.

1. Awareness program on packaging industry.
2. Awareness on business opportunities in IT Sector.
7. EAP and motivation towards the income generation program has been made for 1, 226 participants at Hubli, Mysore, Yalahanka and at AWAKE.
8. EDP had been undertaken for 168 participants at AWAKE and CRPF Bangalore.

Exhibition and Marketing Centre

The success of an entrepreneurial activity depends on the networking and establishing market linkages. During the year 2008-09, the various exhibition conducted/facilitated by the AWAKE at different places are Rotary Mela (Bangalore), Anveshna Fest (Bangalore), Nandini Uthsav (Bangalore), Consumer Expo, IITF (Delhi), Chinnara Mela (Bangalore), SARUS exhibition (Bangalore), Entrabiente-2009 (Bangalore), National Consumer Fair (Bangalore), Kala Vaibhava (Davangere), Gram Shree Mela (Pune), Khadi Mela (Bangalore), Women's Day Out (Bangalore). 466 exhibitors have participated in these exhibitions.
24. Karnataka State Women's Development Corporation (KSWDC)

The Karnataka State Women's Development Corporation was established in the year 1987 under Companies Registration Act 1956 with an authorized share capital of Rs.10 crores in the beginning. This was raised to Rs.15 crores in the year 2002. The paid up capital of the Company is 12.34 crores, out of which Rs.2.84 crores has been provided by the Government of India and Rs.9.50 crores by the Government of Karnataka. KSWDC is a limited company by Shares Incorporated under the Companies Act, 1956. The registered office of the Corporation is at 6th floor, Jayanagar Shopping Complex, 4th Block, Jayanagar, Bangalore – 560011.

The Objectives of the Corporation are:

- To promote schemes for 'sustained income generating activities' among women's groups and women from the weaker sections of the society. Priority shall be given to single woman, and women belonging to households eligible for assistance under the Integrated Rural Development Project
- Identification of women entrepreneurs (individuals, co-operatives, associations, etc.)
- Preparation of a shelf of viable projects and providing technical consultancy services
- Facilitating the availability of credit through banks and other financial institutions through the scheme of margin money assistance.
- Promotion of marketing of products/goods manufactured or produced through tie-up arrangements with State Level Marketing Organizations
- Promoting and strengthening of Women's Co-operatives and other Organizations
- Arranging and training of beneficiaries in the concerned trade, project formulation, and financial management through existing institutions such as Women's Polytechnics and ITIs
- The activities of the Corporation shall only cover those sections of women who qualify for assistance under the Integrated Rural Development Project.

The Various Schemes Available in KSWDC

Udyogini Scheme

A truly innovative scheme, sanctioned by the Government of Karnataka during the year 1997-98. Udyogini assists women in gaining self-reliance through self employment, especially in the trade and service sector. Udyogini empowers women by providing loans through Banks and other financial institutions; it also provides a subsidy from the Corporation for undertaking business activities / micro enterprises. Loans are arranged through financial institutions like commercial banks, district co-operative banks, and RRBs. The scheme has gone a long way in preventing women entrepreneurs from private borrowing at higher rates of interest. KSWDC provides a subsidy @ 30% of the loan sanctioned for widows, destitute, disabled women, and women belonging to SC / STs, or Rs.10,000, whichever is less. In case of the general category women, the subsidy is @ 20% of the loan or Rs.7,500, whichever is less. An expenditure Rs. 285.82 lakhs has been made by the end of March 2008 and 2,605 women have been benefited.
Marketing Assistance Scheme

Marketing Assistance scheme was sanctioned by the Government of Karnataka during 1997-98. Under this scheme, KSWDC is providing marketing facility by organizing exhibitions at the District Level and the State Level.

The State Level exhibition and District Level exhibitions are organized at Bangalore and every district headquarter each year. To organize an exhibition and the sale of products at the district level, the Corporation provides Rs.25,000 to 35,000 as a grant to the Asst. Directors/Deputy Directors of WCDD and A 3-day exhibition cum sale of products is organized at the district level. The Corporation also organizes a six-day State level exhibition cum sale once in a year in Bangalore. These exhibitions prove to be an efficient platform for the interaction of the Women Entrepreneurs and potential customers. These exhibitions, besides promoting good sales, provide a forum for marketing of their products.

The Scheme Started in 1997-98

Following are the objectives of the scheme.
➢ To create Marketing avenues and linkages
➢ To organize exhibitions cum sales throughout the State for the products manufactured by women entrepreneurs

The products for sale in the exhibition are broadly categorized into
1. Garments
2. Handicrafts
3. Goods Items
4. Miscellaneous
State Resource Centre

To carry out evaluation of Govt. schemes implemented by Women's Development Corporation; to promote research on gender issues; to organise gender and product development workshops; to establish a library and to provide counseling centre for women; to establish a data bank for the Corporation; to provide assistance to the scholars who want to conduct studies in woman development; and to bring out quarterly WDC's Newsletter, a State Resource Centre for Women has been established at Women's Development Corporation, Bangalore during 1995-96. Since 2003-04, the counseling centre at KSWDC premises is being run by an NGO called IDF.

➢ Established in the year 1995-96
➢ Target for 2007-08: Physical 3660; Financial Rs.37.36.00 lakhs: Beneficiaries – 3768.

Women's Training Programme

Under this training programme, various skill-oriented training activities are organized for needy women, widows, destitute, and physically handicapped women. These programmes are conducted through Government and Quasi Government Technical Institutions and with NGOs having good track records. It includes EDP and EAP concepts covering women empowerment, gender issues, women's rights, women's laws, health aspects, Government programmes, market assistance, etc.

The duration of training varies from one month to 6 months depending upon the craft. Women belonging to SC / ST are selected according to reservation norms giving widows and
destitute priority. In selected courses, a stipend of Rs. 300/- per month is paid. Beneficiaries vary from educated unemployed to degree or diploma holders. The age limit prescribed is 18-45 years. These programmes are instrumental in assisting self-employment and wage employment and also providing computer Training throughout the state in all the taluks to 2,500 women by spending 240.24 lakhs. The training includes software skills like Financial Accounting (Tally) and Soft skills training. At the end of the march 2008 it has been made an expenditure of Rs300.00 lakhs and reached the 5099 beneficiaries.

**Urban Stree Shakti Scheme**

Urban Stree Shakti Schemes are implemented in urban areas and cities in Karnataka by forming women Stree shakti groups covering poor, needy and physically handicapped women either engaged in small business activities or keen on establishing small business activities through groups that enable them to become self reliant and improve their economic and social status.

This scheme will be implemented by KSWDC in a phased manner covering 75000 to 100000 women forming about 5000 groups comprising 15-20 women each. On formation of a group, an amount of Rs.5000 will be released to establish a Revolving Fund for the group. The total budget outlay for this scheme is Rs.2.50 crore. Other schemes are E-women programme, Aasare, Devadasi Re-infrastructure programme, etc.

**25. Karnataka Small Scale Industries Association (KASSIA)**

KASSIA is a premier voluntary state level non Government Institution of Small Scale Industrialists. It is a registered body
under the Karnataka Societies Registration Act and is functioning on democratic lines with regular Annual General Body Meetings, election of Council Members and Office Bearers and adhering to the constitutional Bye-law and conventions.

It is managed by a Council of Management consisting of President, Vice President, the immediate Past President (Ex-officio Member) and 37 members directly elected by the General Body. Past Presidents and Special Invitees are also part of the system.

It is primarily responsible for policy formulation and imparting guidance and direction to the affairs of the Association.

A permanent Secretariat looks after the implementation of policies and day-to-day administration, under the guidance of the Office Bearers. KASSIA is an ISO-9001-2001 certified organization.

**Role and Objectives:**

- To promote the development of Small Scale Industries.
- To provide facilities for exchange of information, experience, and interest among the Small Industries.
- To co-operate with industrial, business, educational and research institutions, and other organizations in the collection and exchange of information pertaining to Small Industries.
- To undertake professional, technical, and management consultation services.
- To organize studies, survey, and research projects.
➢ To establish common service facilities for its members.
➢ To further the cause of small industries by holding consultations with Union and State Governments and other bodies.
➢ To conduct and participate in National and International Exhibitions and Trade Fairs.
➢ To derive the advantages of collective action which member-units may not be able to accomplish individually.
➢ To publish books, news-papers, periodicals, pamphlets or any other publications of interest to the SSI Sector.
➢ To establish trade centers, display centers, sub-contracting exchanges and other promotional institutions for the benefit of small scale sector.
➢ To undertake activities incidental to the attainment of the objectives and towards healthy development of small scale industries.

26. Karnataka Silk Industries Corporation Limited (KSIC)

The silk weaving factory in Mysore, presently owned by KSIC, was established in the year 1912 by the Maharaja of Mysore province. Initially the silk fabrics were manufactured & supplied to meet the requirements of the royal family and ornamental fabrics to their armed forces.

The unit was started with 10 looms and gradually increased to 44 looms over a period. The looms and preparatory machines were imported from Switzerland and was the first of its kind in India. After India gained Independence the Mysore state Sericulture Dept. took control of the silk weaving factory.
In 1980 the Silk weaving factory was handed over to Karnataka Silk Industries Corporation Ltd., a Govt. of Karnataka enterprise and is popularly known as **KSIC**. The take over was enthused by effecting modernization & expansion assisted by the **World Bank** to the tune of Rs. 27.30 crores integrated under Karnataka sericulture project.

**Brief on Product**

KSIC is the only organization in the country commanding the entire gamut of silk production right from reeling of cocoons to the weaving of pure silk fabric of various shades and designs, all under one roof. KSIC uses only high quality pure natural silk and 100% pure gold zari. The zari never tarnishes and will look fresh even over a long period of usage. KSIC is the only organization to give guarantee for its zari saree in the form of embroidered code No. which is unique to each saree.

**27. The Karnataka State Handicraft Development Corporation (KSHDC)**

KSHDC is implementing various programmes for the development, promotion, and marketing of handicrafts, procuring directly from the artisans. During the year, 250 beneficiaries have been assisted by providing raw-material and other incentives. Worth Rs. 220.00 lakhs of goods were produced in the Centres and cumulative employment for 3270 families was provided.

The Corporation is a nodal agency for handicrafts promotion programmes in the State. KSHDC is implementing various programmes for the development, promotion, and
marketing of handicrafts, procuring directly from the artisans. The Corporation has 13 craft complexes and 1222 living cum work sheds. The following are the programmes organized during the year:

1. Subsidy on raw material (Silver & Zinc) to Bidri ware artisans
2. Rebate on sale of Handicrafts
3. Domestic Export Promotion and Exhibitions
4. All India Handicrafts Week Celebration (state Award)
5. Supply of sandal wood to Artisans at Concessional rate.
6. State Level exhibition at Bangalore

During the year 2006-07, the Corporation has conducted the following training programmes:

- Training–design and technical development workshops to 150 artisans at Mysore Sagar, Kinhal, Channapatna, and Navalgund
- Mirror Embroidery (In Bellary District at Tumti, Srikantapura, C.J. Halli and Mithical Thandas) 80 Artisans training under KVY scheme
- Technical Development Training at Sirsi in wood carving for 30 Artisans.
- The Corporation has organized Craft Exposure study tours to improve and diversify the designs of craft A sum of Rs. 25.00 lakhs was released to KSHDC.
- During 2007-08 Rs.40.00 lakhs has been released to KSHDC towards subsidy on raw materials and infrastructural facilities craft complex, upgradation of technology, rebate sales and training facilities to candidates.
Advisory Committee for Artisans: For the first time in the State, for the development of Handicraft sector in Karnataka, an advisory committee has been constituted in January 2005. The first meeting of the Advisory committee was held on 21.5.2005. The Committee has assured that the raw-materials would be made available to artisans through forest department and KSHDC, Bangalore.

Handicrafts Awards: Kushala Kala State Awards –2004-05 for excellence in various segments of traditional handicrafts would be proposed to organize during July/ August 2006. Craft persons born and residing in Karnataka for last 15 years are eligible. So far 85 applications are received from artisans and last date for receiving application is extended to 15.5.2006. Each state awardee and Merit certificate holder will be given a cash award of Rs. 25,000/- and 5,000 /- respectively.

Urban Haat: GOI has evolved a scheme called “Urban Haat” to be established in Prime locations in the State to enable the artisans to sell their products directly to the consumers. It is planned to have 40 to 50 stalls in the artisans’ complex and exhibition halls to cater the requirement of artisans and to sell their products by organizing weekly exhibitions. Ministry of Textiles, GOI provides 70% of the cost of project subject to a maximum of Rs. 210.00 lakhs and the remaining 30% of the project cost up to Rs. 90.00 lakhs shall be borne by the State Govt and implementing agencies.

During the year 2005-06 proposals are received from Tumkur, Shimoga, U.K. Dharwad, Gulbarga and Bagalkot towards establishment of “Haats”. During the year 2006-07 the
last instalment of Rs.8.30 lakhs has been released for the establishment of Urban Haat at Mysore. Proposals for the establishment of Urban Haat at Managalore and Bagalkote, has been received. During 2007-08, the proposals have been recommended to Govt. of India for the establishment of Urban Haat at Koodalasangama, in Bagalkote district and establishment of Urban Haat at Natural Resort in Mangalore district. During 2008-09 a sum of Rs.30.00 lakhs has been released to KSHDC towards Developmental activities.

The Corporation has made a sales turn over of Rs. 3580.00 lakhs during the year 2008-09.

During the year 2008-09 an amount of Rs. 90.00 lakhs has been released under this scheme for the establishment of Urban Haat at Pilikula Nisarga Dhama, Mangalore in Dakshina Kannada District.

28. Karnataka Institute of Leather Technology (KILT)

The Karnataka Institute of Leather Technology (KILT) is an autonomous registered society promoted by the Government of Karnataka. Established in 1983 at Bangalore, KILT has been instrumental in imparting quality training in the manufacturing process of leather goods apart from designing and R&D – playing a key role in developing skilled manpower.

As an initiative in training in the realm of leather technology, from the Government of Karnataka, KILT is furthering the cause of creating a talented and industry ready resource pool. KILT became an autonomous institution in 1996.
The institution has made significant strides in the areas of product designing and development, cost efficiencies and enhanced effectiveness of raw material usage, etc. In addition to developing new designs on a consistent basis, KILT has been proactive in initiating the execution of specific customer orders, thus providing students the much needed industry orientation.

On the cards, it has an ambitious plan to establish an Export Facilitation Centre for Leather Technology through which KILT proposes to augment infrastructure and facilities. This project will address the skill up-gradation needs of manpower for the export sector, encourage entrepreneurship, and, most importantly, function as incubation centres for the leather industry.

The main objective of the institute is to offer 3½ years Diploma course in Leather Technology and short-term courses in leather garments, Foot-wear and Leather goods manufacturing. The Institute also provides assistance in design development of Leather articles and R&D programmes. While the primary mandate of Karnataka Institute of Leather Tecnology is to furthering quality and pragmatic training, the institution is leveraging its experience to do more.

Today, KILT is the face of the leather technonlogy in Karnataka going beyond the realm of merely imparting skills, to interfacing with industry for accelerating the growth of this sector. At KILT, the activities are oriented to achieving the following objectives.

1. To develop manpower and skills in leather technology.
2. To provide quality education and specialized practical training in leather technology.

3. To provide in-plant training and industry oriented courses.

4. To motivate incumbents to take up self-employment ventures.

5. To provide common facilities and infrastructure for use by individuals and industries in leather sector.

6. To provide assistance in Computer Aided Design (CAD) and data development.

7. To co-ordinate with leather based industries in product development and modernization of equipment.

8. To provide placement assistance to students and trainees.

9. To provide Quality control and Material Testing facilities to manufacturers.

Karnataka Institute of Leather Technology (KILT) is committed to providing training in leather technology through courses that have widespread recognition and reflect the latest in knowledge and skills. To this end, KILT has signed an MoU with Central Leather Research Institute (CLRI), Chennai the scope of the agreement covering the following areas:

1. Technical guidance from CLRI to KILT in developing quality manpower.

2. Periodic review of training programmes and assistance in selection and evaluation of candidates.

3. Training for KILT staff at CLRI.

4. Accreditation of various certificate and diploma courses offered by KILT.
All programmes offered by KILT have been designed and developed in close consultation with CLRI. Scientists from CLRI assess and offer advice on courses on a periodic basis, in line with the MoU. This agreement with CLRI is pivotal to refining the training programmes and in elevating KILT to a center of excellence for the design, manufacture, research and development of leather goods.

Also, programmes offered by KILT have the recognition of the All India Council for Technical Education (AICTE). Karnataka Institute for Leather Technology is now synonymous with training in Leather Technology in the State. At KILT, the endeavour is to provide the best of infrastructure and maintain the highest standards in terms of faculty so that our students derive maximum benefit. A pronounced industry focus, innovative training methods, handpicked faculty and most importantly an institution that has a broad interface with the leather sector give our students that special advantage.

Apart from training the students on strong fundamentals, the various programmes at KILT also provide ample opportunities for students to work on specific orders from industry. These projects act as powerful interactive learning tools that bring the complex and dynamic realities of the shop floor into the classroom. These innovative and path breaking methods provide students with the skills, insights, and self-confidence required to meet the interdisciplinary demands of real business situations.

All courses from KILT are designed to enable the learner to take up specific roles on completion of the training programme.
To meet the varied learning needs and objectives, all courses are broadly classified into three categories - Diploma Programme, Short term Courses and Fast Track Programme.

The Institute has so far trained 350 students in Diploma in Leather Technology. Leather goods training has been imparted to 26 candidates. 99 students have undergone training in manufacture of Leather shoes. 36 candidates have been given 10 months diploma course in manufacturing of Leather garments. Further, 6 months certificate course was given to 51 candidates in designing and pattern making, cutting clicking and stitching. 10 months certificate course has been conducted for 10 candidates in coordination with Women Development Corporation.

During the year 2005-06, 39 beneficiaries were undergoing training in Diploma in leather technology and 36 beneficiaries in short term courses. For the year 2006-07, budget of Rs.8.00 lakhs have been allocated to impart training to 12 candidates in each of the training programs. These courses are implemented in line with the norms of Central Leather Research Institute, Chennai and their co-ordination. The various components of the schemes include cost towards raw material, consumables and accessories, stationeries, expert and guest lectures, administrative expenditure, industrial unit visits, and maintenance expenditure. Courses are implemented in line with the norms of Central Leather Research Institute, Chennai and their co-ordination. The various components of the schemes include cost towards raw material, consumables and accessories, stationeries, expert and guest lectures, admini-
strative expenditure, industrial unit visits and maintenance expenditure. During the year 2008-09, an amount of Rs.40.00 lakhs have been released to KILT towards training programmes under leather technology and to meet the Administrative expenditure.

C. Other Agencies

Table - 4.5
List of Other Agencies extending Non-financial Services

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<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Agency</th>
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<tbody>
<tr>
<td>1.</td>
<td>Confederation of Indian Industry (CII)</td>
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<tr>
<td>2.</td>
<td>Federation of Indian Chambers of Commerce and Industry (FICCI)</td>
</tr>
<tr>
<td>3.</td>
<td>PHD Chamber of Commerce and Industry (PHDCCI)</td>
</tr>
<tr>
<td>4.</td>
<td>Associated Chamber of Commerce and Industry of India (ASSOCHAM)</td>
</tr>
<tr>
<td>5.</td>
<td>Federation of Indian Exporters Organization (FIEO)</td>
</tr>
<tr>
<td>6.</td>
<td>World Association for Small and Medium Enterprises (WASME)</td>
</tr>
<tr>
<td>7.</td>
<td>Federation of Associations of Small Industries of India (FASII)</td>
</tr>
<tr>
<td>8.</td>
<td>Laghu Udyog Bharati (LUB)</td>
</tr>
<tr>
<td>9.</td>
<td>Indian Council of Small Industries (ICSI)</td>
</tr>
<tr>
<td>10.</td>
<td>Council of Scientific and Industrial Research (CSIR)</td>
</tr>
</tbody>
</table>

In addition to the Central and State government agencies, industry associations also impart institutional support to the small-scale sector. Industry associations provide SSIs with a common platform to raise industry-related issues and to initiate co-operative efforts for promoting the sector. The government's
policies, in recent years, have stressed the increasing role of the industry associations in setting up common facilities and other co-operative ventures in areas of technology, marketing, and other support services. Some of the major associations and the services provided by them are given below.

1. **Confederation of Indian Industry (CII)**

   In 1895, five British engineering firms formed the Engineering and Iron Trade Association (EITA). EITA was renamed the Indian Engineering Association (IEA) in 1912. With the Swadeshi Movement gaining momentum, a group of indigenous entrepreneurs formed the Engineering Association of India (EAI) in 1942. IEA and EAI were merged in 1974 to form the Association of Indian Engineering Industry (AIEI). The 1980s ushered in an era of competiveness and liberalization and AIEI was renamed the Confederation of Engineering Industry (CEI). In 1992, the name was again changed to the Confederation of Indian Industry (CII), which reflected the extension of the confederation's coverage.

   The Confederation of Indian Industry works to create and sustain an environment conducive to the growth of industry in India, partnering industry and government alike through advisory and consultative processes. CII is a non-government, non-profit, industry-led and industry-managed organization, playing a proactive role in India's development process. It is India's premier business association, with a direct membership of over 4,800 companies from the private as well as public sectors, including SMEs and MNCs, and indirect membership of over 50,000 companies from 253 national and regional sectoral associations.
As a facilitator, CII catalyses change by working closely with the government on policy issues, enhancing efficiency and competitiveness and expanding business opportunities for industry through a range of specialized services and global linkages. It also provides a platform for sectoral consensus building and networking. Major emphasis is laid on projecting a positive image of business, assisting industry identify and execute corporate citizenship programmes.

With 41 offices in India, 15 overseas in Afghanistan, Australia, Austria, Belgium, China, France, Japan, Israel, Italy, Malaysia, Russia, Singapore, South Africa, UK, and USA, and institutional partnerships with 216 counterpart organizations in 94 countries, CII serves as a reference point for Indian Industry and the international business community.

The main objectives of CII are to provide information, apart from advisory, consultative and representative services to industry and the government. CII is represented on major policy-making bodies concerned with the industry. It also organizes industry exhibitions, specialized sectoral trade fairs, and the 'India Engineering Trade Fair'. Apart from these, CII also plays an important role in promoting international industrial cooperation.

2. Federation of Indian Chambers of Commerce and Industry (FICCI)

Established in 1927, FICCI represents India's industry and trade with a network of over 400 chambers and associations. It has business interaction and information exchange arrangements with apex business bodies in 65 countries. FICCI
is closely involved with Central and State governments to suggest and mould business-friendly policies. FICCI is the nodal organization in India for the International Chamber of Commerce (ICC), Confederation of Asia-Pacific Chamber of Commerce and Industry (C:\CCI) and SAARC Chamber of Commerce and Industry. It established the Indian Ocean Rim Business Centre as part of the Indian Ocean Initiative. As part of international business promotion activities, the chamber has set-up joint business councils, which provide a platform for promoting trade, investment, and technology flows.

3. PHD Chamber of Commerce and Industry (PHDCCI)

Established in 1905, PHDCCI (Progress, Hormony, Development Chamber of Commerce and Industry) represents northern India serving trade and industry in eight states and the Union Territory of Chandigarh. The chamber provides a common platform for meetings of representatives of trade, business, and industry with senior government officials both at the State and Central government level. It operates through expert committees and task forces where members representing various interests pool knowledge and experience for the overall benefit of the business community.

In November 1995, Small Industries and Business (SIB) Help Line was launched by the PHDCCI with a view to assisting and supporting the small-scale sector. The SIB Help Line has 289 SSI units and 11 association members and it assists by way of information to entrepreneurs and by acting as a forum for interaction with banks, FIs and other bodies connected with the small-scale sector. The chamber also organizes commercial
training programmes in cooperation with the Konrad-Adenauer Foundation (KAF) of Germany.

4. Associated Chamber of Commerce and Industry of India (ASSOCHAM)

Established in 1920, ASSOCHAM represents a cross-section of business, industry, services and professions located in all regions of the country. Among these are constituent chambers and associations comprising their members in different segments of business and industry. The current thrust of ASSOCHAM is on "infrastructure for accelerating economic growth". Productivity, quality, and competitiveness are the central agenda of ASSOCHAM's professional services.

5. Federation of Indian Exporters Organization (FIEO)

Set up by the Ministry of Commerce, Government of India, in October 1965, FIEO represents the Indian entrepreneurs' spirit of enterprise in the global market. FIEO has kept pace with the country's evolving economic and trade policies, and provided supporting thrust to India's expanding international trade. As an apex body of Indian exports promotion organizations, FIEO works as a partner in the Indian export promotion process.

FIEO's member organizations, comprising largely of export houses, trading houses, star trading houses, super star trading houses and consultancy exporting firms, contribute 72 per cent to the total exports of India. Exports by FTEO members comprise a wide range of consultancy services, manufactured products (including those of the SSIs), and so on. The activities
of its members also include manufacturing, international trading, investment, and joint ventures abroad.

FIEO forges strong links with counterpart organizations in several countries, as well as international agencies to enable direct communication and interaction between India and world businessmen. It is registered with UNCTAD as a national non-governmental organization, and has access to information/data originating from international organizations. In addition, it has bilateral arrangements for exchange of information as well as for liasoning with several overseas chambers of commerce and trade and industry associations.

6. **World Association for Small and Medium Enterprises (WASME)**

The World Association for Small and Medium Enterprises (WASME) founded in 1980, has emerged as the largest professionally managed global non-governmental organization with members and associates including national governments, chambers of commerce and industry, small business authorities and associations, banks and financial institutions and training and consultancy agencies in 112 countries serving micro, small and medium enterprises. WASME is managed by a competent secretariat and works out of its own building at Noida (close to New Delhi), supported by professionals in information services, economic research, marketing, technology transfer, and other specialised subjects. Permanent representatives in Washington DC, Vienna, Paris, Bangkok, Geneva, Brussels and Kuala Lumpur serve it.

It has a governing body comprising representatives drawn from chambers of commerce, and banks and financial institutions, Small Business Development Corporations, Department of Small Industries in various governments, and so on. WASME organises international SME convention annually. Among other activities, WASME's focus is on ensuring business cooperation amongst enterprises of the developing countries by facilitating technology transfer, training, and marketing.

The facilities provided by WASME include:

1. Information on promotion of SMEs in member countries.
2. Providing opportunities for marketing of products.
3. Facilitating contacts with sources offering latest technologies, equipment and services for SMEs and
4. Identification of facilities for training of entrepreneurs, managers and production personnel.

Some of the thrust areas of WASME activities include technology transfer, training, maintaining a roster of expert consultants, organising or sponsoring seminars/ workshops/ conferences, acting as a clearing house of information relating to
SMEs, undertaking special studies and research on areas of relevance to SMEs and strengthening or assisting in the setting up of associations of SMEs and/or women entrepreneurs.

7. Federation of Associations of Small Industries of India (FASII)

The Federation of Associations of Small Industries of India, set up in 1959 represents associations of small industries and individual SSI units. The main objectives of FASII are:

1. To promote the development of small-scale, tiny, and cottage industries,
2. To cooperate with industrial, business, educational, and research institutions in collecting and exchanging information pertaining to the small industries sector,
3. To undertake professional, technical, and management consultation services,
4. To undertake studies, surveys, and research assignments,
5. To further the cause of small industries by interacting with Union and State governments and other bodies,
6. To establish and operate trade centres, display centres, sub-contract exchanges and other promotional institutions for the benefit of the small-scale sector, and
7. To establish test centres, laboratories, and common facility centres for the SSI sector.

In this direction, the federation offers services such as organizing meetings/conferences, liaisoning with policy makers, analysis and interpretation of policies, and taking up member's difficulties with the concerned department/organization for redressal.
8. **Laghu Udyog Bharati (LUB)**

Laghu Udyog Bharati was established in 1995. The main objective of the organization is to promote and safeguard the interest of the small-scale industry. Entrepreneurial training, support for technology up-gradation, and marketing are within the extended scope of its activities. Laghu Udyog Bharati has its representation on the National and State level government bodies connected with SSIs.

9. **Indian Council of Small Industries (ICSI)**

The Indian Council of Small Industries, founded in 1979 represents around 1,500 associations of the decentralized sector. The major objectives of the council include extending help to small, tiny, and cottage enterprises and artisans. In the process, the ICSI aims at enhancing the contribution of the SSI sector in the overall growth of the Indian economy. The major functions of ICSI are consultancy, information dissemination, entrepreneurship development, training, research, and so on. ICSI represents the cause of its member enterprises by giving suggestions for appropriate policy-making. The council follows the consortium approach to provide market-related services and extends facilities relating to the testing centre and quality control outlets.

10. **Council of Scientific and Industrial Research (CSIR)**

CSIR has set up a large number of Regional Research Laboratories all over the country, which are developing new processes for the manufacture of industrial products on a commercial scale. These agencies act as pillars of support for the promotion and growth of the small-scale industries in India.
Conclusion

As is mentioned at the beginning of the chapter, a strong institutional network has been evolved for the promotion of small industries in order to give due importance to the small-scale sector in the country. The institutional network is broadly classified into Central Level Institutions, State Level Institutions, and Other Agencies. A detailed discussion on the above-mentioned institutions is already presented. **Thus the objective of studying the evolution, growth, organization, structure, resources of Non-financial institutions in India with special reference to Karnataka along with the purpose with which they are started has been accomplished.**

The analysis of the performance and problems of entrepreneurs in the study area has been presented in the next chapter.
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