CHAPTER-IV

INSTITUTIONAL SUPPORT FOR MSMEs

In the previous chapter regulatory framework for MSMEs, the evolution of industrial policies was studied. It started from general policies relating to industries, then the small scale industries and finally the micro, small and medium industries. These policies cannot be fulfilled without the support of the institutional system governing MSMEs.

The Institutional support system is necessary to provide all help needed by the small scale industries, as small industries lack information about the existing support systems developed by the Central Government as well as the State Governments. They also lack the technical and managerial skills, strong financial background, knowledge about Government sponsored infrastructural facilities, subsidies and tax incentives. These institutions include Government owned agencies, statutory corporations, semi-autonomous and autonomous organisations. In our country, these authorities and agencies are Government sponsored organisations and entrusted with sufficient powers to regulate and promote SSIs in specific areas of activities. Basically, the institutional support system is necessary at three stages of the enterprise development. They are:

a) Inception or promotion of a business or industrial unit.

b) Day to day management or routine management and

c) Expansion and diversification.¹

The Ministry of Small Scale Industries is the nodal Ministry for formulation of policy, promotion, development, protection and coordination of central assistance for the promotion and development of small scale industries in India. This Ministry

designs and implements the policies through its field organisations for the promotion and growth of small scale industries. The Ministry also performs the functions of policy advocacy on behalf of small scale industries (SSI) sector with other Ministries/Departments. The Ministry was bifurcated into two separate ministries, viz.,

a) Ministry of Small Scale Industries (SSI) and

b) Ministry of Agro and Rural Industries (ARI)

The Ministry of Small Scale Industries designs policies, programmes, and schemes for the promotion and growth of SSIs. The Small Industries Development Organisation (SIDO), also known as the Office of the Development Commissioner (SSI) which is attached to this ministry is responsible for implementing and monitoring various policies and programmes formulated.

The Ministry of Agro and Rural Industries is the prime agency for coordination and development of Village and Khadi industries, tiny and micro enterprises in both urban and rural areas. The various policies, programmes and schemes related to agro and rural industries are implemented by the ministry with the help of its various bodies. The ARI Division looks after the administration of two statutory bodies called the Khadi and Village Industries Commission (KVIC), Coir Board and a newly created organisation called Mahatma Gandhi Institute of Rural Industrialisation (MGIRI). They also supervise the implementation of the Prime Minister's Employment Generation Programme (PMEGP).

The Ministry of Small Scale Industries (SSI) and the Ministry of Agro and Rural Industries (ARI) were merged together to form the Ministry of Micro, Small and Medium Enterprises. This Ministry is duly assisted in its efforts by Office of the Development Commissioner (MSME) {O/o DC (MSME)}; the Khadi and Village Industries Commission (KVIC); the Coir Board; the Mahatma Gandhi Institute for
Rural Industrialization (MGIRI); the National Small Industries Corporation (NSIC) Ltd. and the three autonomous national level entrepreneurship development/training institutes, viz.;

a) National Institute for Micro, Small and Medium Enterprises (NI-MSME), Hyderabad;

b) National Institute for Entrepreneurship and Small Business Development (NI-ESBUD), NOIDA and

c) Indian Institute of Entrepreneurship (IIE), Guwahati.

The Government formulated the Micro, Small and Medium Enterprises Development Act, 2006 and established the National Board for Micro, Small and Medium Enterprises (NBMSME) and made rules there under in the year 2006. This Board examines the factors affecting promotion and development of MSMEs and reviews policies and programmes from time to time relating to these enterprises, from time to time and makes recommendations to the Government in formulating the policies for the growth of MSMEs.

The Government of India constituted the National Commission for Enterprises in the Unorganised Sector (NCEUS) to examine the problems of the enterprises in the unorganized/informal sector. The Commission has made recommendations to provide technical, marketing and credit support to these enterprises. The various policies and schemes of Government assistance for the development of rural industries insist on the utilisation of local resources and raw materials and locally available manpower. These are translated into action through various agencies, departments, corporations, etc., all coming under the purview of the industries department. All these are primarily concerned with the promotion of small and rural industries. Some of the support measures and programmes meant for the promotion of small and rural industries are discussed in the following paragraphs:
The State Governments also execute different promotional and developmental projects and schemes to provide number of supporting incentives for development and promotion of MSMEs in their respective states. These are executed through the State Directorate of Industries, which has District Industries Centers (DICs) under it to implement the central/state level schemes.

4.1 OFFICE OF THE DEVELOPMENT COMMISSIONER (MICRO, SMALL AND MEDIUM ENTERPRISES)

The Office of the Development Commissioner (Micro, Small and Medium Enterprises) {O/o DC (MSME)} [earlier known as O/o DC (SSI)], assists the Ministry in formulating, coordinating, implementing and monitoring different policies and programmes for the promotion and development of MSMEs in the country.

In addition, it provides a comprehensive range of common facilities, technology support services, marketing assistance, etc., through its network of 30 Micro, Small and Medium Enterprises Development Institutes (MSME-DIs); 28 Branch MSME- DIs (Br. MSME-DIs); 7 Field Testing Stations (FTSs); 4 MSME Testing Centres (MSMETCs); 2 MSME Training Institutes (MSMETIs) and 1 MSME – Technology Development Centre - Hand Tools (MSME-TDC-Hand Tools). The O/o DC (MSME) also operates a network of Tool Rooms and Technology Development Centres (including 2 Footwear Training Institutes) which are autonomous bodies registered as Societies under the Societies Act. The Office implements a number of Schemes for the MSME sector, the details of which have been duly incorporated in. The organisations, agencies, banks or financial institutions which render support to the working and growth of MSMEs are classified under these headings: ²

² http://www.laghu-udyog.com
In the Indian context, the institutional support systems include three dimensions:

a) Support system developed by the Central Government,

b) Support system developed by the State Government and

c) Non-Government Support System.

4.2 SUPPORT SYSTEM DEVELOPED BY THE CENTRAL GOVERNMENT:

National Board for Micro, Small and Medium Enterprises (NBMSME)

In pursuance of the MSME Development Act, 2006, the National Board for Micro, Small & Medium Enterprises consisting of a total of 47 members have been constituted. The 20 non-official members on the Board represent industry associations of MSMEs from all over the country while the other 27 members comprise Members of Parliament, Ministers of six State Governments, representatives of RBI, Banks etc. The main agenda of the Board is to solve the various issues relating to development of MSMEs and come out with remedial measures which are undertaken in consultation with the concerned departments/ agencies.³

Khadi and Village Industries Commission (KVIC).

The Khadi & Village Industries Commission (KVIC), established under the Khadi and Village Industries Commission Act, 1956, is a statutory organisation engaged in promoting and developing khadi and village industries for providing employment opportunities in rural areas, thereby strengthening the rural economy. The KVIC has been identified as one of the major organisations in the decentralized sector for generating sustainable rural non farm employment opportunities at low per capita investment. This also helps in checking migration of rural population to urban

³ http://dcmsme.gov.in.
areas in search of employment opportunities. New reform programmes are undertaken which aim at revitalizing the khadi sector for enhanced sustainability of khadi; increasing incomes for spinners and weavers; increasing employment; enhancing artisan’s welfare and gradually enabling khadi institutions to stand on their own feet.

In order to strengthen the R&D activities in khadi and village industry sectors, a national level institute namely ‘Mahatma Gandhi Institute for Rural Industrialization (MGIRI)’ has been established at Wardha, Maharashtra in association with IIT, Delhi by revamping the erstwhile Jamnalal Bajaj Central Research Institute. A brief account of these organisations is given below:

**Mahatma Gandhi Institute for Rural Industrialisation (MGIRI)**

The national level institute namely Mahatma Gandhi Institute for Rural Industrialization (MGIRI) has been established at Wardha, Maharashtra, to strengthen the R&D activities in khadi and village industry sectors. The main functions of the Institute are to improve the R&D activities under rural industrial sector through encouraging research, extension of R&D, quality control, training and dissemination of technology related information.

**Coir Board**

The Coir Board is a statutory body established under the Coir Industry Act, 1953 for promoting overall development of the coir industry and improving the living conditions of the workers engaged in this traditional industry. The activities of the Board for development of coir industries, include undertaking scientific, technological and economic research and development activities; developing new products & designs; and marketing of coir and coir products in India and abroad. It also promotes co-operative organisations among producers of husks, coir fibre, coir yarn and manufacturers of coir products; ensuring remunerative returns to producers
and manufacturers, etc. The Board has promoted two research institutes namely; Central Coir Research Institute (CCRI), Kalavoor, Alleppey, and the Central Institute of Coir Technology (CICT), Bengaluru for undertaking research activities on different aspects of coir industry, which is one of the major agro based rural industries in the country.  

**Small Industries Development Organisation (SIDO)**

The SIDO established in 1954 was created for development of various small scale units in different areas. It is a subordinate office of department of SSI and ARI and a nodal agency for identifying the needs of SSI units, coordinating and monitoring the policies and programmes for promotion of the small industries. Over the years, it has seen its role evolve into an agency for advocacy, hand holding 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. The SIDO provides a wide spectrum of services to the small industries sector. These include facilities for testing, tool making, training for entrepreneurship development, preparation of project and product profiles, technical and managerial consultancy, assistance for exports, pollution and energy audits etc. The SIDO provides economic information services and advises Government in policy formulation for the promotion and development of SSIs. Consequent to the increased globalization of the Indian economy, small industries are required to face new challenges. The SIDO has recognised the changed environment and is currently focusing on providing support in the fields of credit, marketing,
technology and infrastructure to SSIs. Global trends and national developments have accentuated SIDO’s role as a catalyst of growth of small enterprises in the country.\

The Institutions/Centres administered by SIDO

The SIDO has promoted the following institutes and centres and is responsible for their management.

Small Industries Service Institutes (SISI)

The institute functions under the Ministry of SSI, Government of India and it provides services such as preparation of project reports, training programmes in different activities, extending technical assistance and offering guidance on Industrial policy of Government of India. It is a pioneer organisation, to develop small scale industries through counseling, consultancy/training. It also assists the industries in marketing the products and acquiring quality standards. SISI also provides various types of extension services and assistance in setting up of units, promoting and developing product and services by the Small Scale Industries. The small industries service institutes have been set up in state capitals and other places all over the country to provide consultancy and training to small entrepreneurs both existing and prospective. At present the SIDO has been administering 28 SISIs and 30 branch SISIs working in different parts of the country.\(^6\)

Product-cum-process Development Centres

These have been promoted to provide specific service to different types of small scale units concentrated in different locations. These centres are responsible for

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serving as research and development institutions in areas of dense industry clusters, to encourage product design and innovation, to develop new processes and upgrade the existing level of technology, to act as centres of excellence in respective areas and to provide technical and managerial support services.

**Regional Training Centres (RTCs):**

These centres are located in major cities and are responsible for quality awareness programme among the small units. For this purpose, they are engaged in systematic testing and technical consultancy services. These centres are also responsible for assisting field testing stations which are expected to provide testing services to SSI units.

**Establishment of Training Institutes**

The SIDO also controls the affairs of NISIET (Hyderabad), NIESBUD (New Delhi) and integrated training centre (Industries) at Nilokheri. These institutions are responsible for arranging training facility to entrepreneurial trainers.

**National Small Industries Corporation Limited (NSIC)**

The National Small Industries Corporation (NSIC) Ltd. was established by the Government as a Public Sector Company in 1955. The main function of the corporation is to promote, aid, and foster the growth of micro and small enterprises in the country, generally on a commercial basis. It provides a variety of support services to micro and small enterprises catering to their different requirements in the areas of raw material procurement; product marketing; credit rating; acquisition of technologies; adoption of modern management practices, arranging for business partners, ensuring technology transfer programmes through missions, delegations and expositions etc.7

7 http://www.nsic.co.in.
The Technical Service Centres (TSCs), established by NSIC are functioning in different parts of the country, providing diverse technical support to the small scale sector.

**Entrepreneurship Development Institute of India:**

Entrepreneurship development and training is one of the key elements for the promotion of micro, small and medium enterprises, especially for creation of new enterprises by the first generation entrepreneurs. In order to inculcate the entrepreneurial culture amongst the first generation of entrepreneurs on a regular basis, the Ministry has set up three national Entrepreneurship Development Institutes viz; National Institute for Micro, Small and Medium Enterprises (NI-MSME) at Hyderabad, National Institute for Entrepreneurship and Small Business Development (NIESBUD) at NOIDA (Uttar Pradesh) and Indian Institute of Entrepreneurship (IIE) at Guwahati, as autonomous societies. These institutes are engaged in developing training modules; undertaking research & training; and providing consultancy services for entrepreneurship development & promotion of MSMEs, including enhancement of their competitiveness.

**National Institute for Micro, Small and Medium Enterprises (NI-MSME).**

The National Institute of Micro, Small and Medium Enterprises was established with the mission of promoting the growth and development of MSMEs through services in the areas of policy, entrepreneurship, technology, information, education, management and extension. The institute was originally set up as Central Industrial Extension Training Institute in 1960 as a department under the Ministry of Industry and Commerce, Government of India. Much later, in 1984, it was conferred the status of a National institute. The NIMSME, since its very inception has made immense contribution to the development of MSMEs and entrepreneurship in India as well as other developing countries. NIMSME has designed specialized and need-based programmes, workshops and seminars in tune with the current developments in policy
and the economy. NIMSME has been providing unstinted support, in terms of offering services like research, consultancy, information, training and extension not only to enterprises but also to concerned developmental agencies. It deserves all appreciation for its outstanding work and contribution to MSMEs, the demand for more such institutes in the country is gathering momentum.  

**National Institute for Entrepreneurship and Small Business Development (NIESBUD)**

NIESBUD is an apex body established by Ministry of Micro, Small & Medium Enterprises. The Government of India 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. Its main activities are to evolve effective training strategies and methodology, standardising model syllabi for training various target groups, formulating scientific selection procedure, developing training aids, manuals and tools, facilitating and supporting Central/State/Other agencies in organising entrepreneurship development programmes, conducting training programmes for promoters, trainers and entrepreneurs and undertaking research and exchange experiences globally.  

**Indian Institute of Entrepreneurship (IIE)**

The Indian Institute of Entrepreneurship (IIE) was established in the year 1993 in Guwahati by the erstwhile Ministry of Industry (now the Ministry of Micro, Small and Medium Enterprises), Government of India as an autonomous national institute with an aim to undertake training, research and consultancy activities in small and micro enterprises focusing on entrepreneurship development. The main objectives of the institute are to organize and conduct training for entrepreneurship development,

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9 [http://niesbud.nic.in](http://niesbud.nic.in)

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to evolve strategies & methodologies for different target groups & locations & conduct field tests, to identify training needs and offer training programmers to Government and non-Government organisations engaged in promoting and supporting entrepreneurship etc.\textsuperscript{10}

**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 for promotion, financing and development of the SSI sector and for coordinating the activities of other institutions. It is the principal financial institution for the promotion, financing and development of industry in the small, tiny and cottage sectors and for co-ordinating the functions of the institutions engaged in similar activities. Over the years SIDBI has striven to fulfill the role enshrined in its charter by formulating and reorienting its policies, gearing up operations and enlarging the profile of its promotional and developmental activities aimed at facilitating entrepreneurial entry and strengthening the small scale sector to enable them to meet the emerging challenges. From being a mere traditional refinancing institution, it has emerged stronger in meeting the varied requirements of the SSI sector by exploring new areas and seeding option for the future growth, like launching new financial products and instruments and support service programmes. It has also devised tailor-made schemes for direct lending to small scale sector so as to supplement the efforts of Primary Lending Institutions (PLIs), which includes State Financial Corporations (SFCs), State Industrial Development Corporations (SIDCs),

\textsuperscript{10} http://iie.nic.in/aboutus.html.
Scheduled Commercial Banks (SCBs) both in the public and the private sector. State Co-operative Banks, scheduled urban co-operative banks and regional rural banks

**SIDBI - Venture Capital Ltd.**

SIDBI has also encouraged the growth of the venture capital industry for hi-tech SME units in India by promoting 13 State / regional level funds and setting up an all India Venture Fund.

**National Institute for Small Industry Extension Training (NISIET)**

The NISIET, since its inception in 1960 by the Government of India, has taken gigantic strides to become the premier institution for the promotion, development and modernisation of the SME sector. An autonomous arm of the Ministry of Small Scale Industries (SSI), 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.

**4.3 SUPPORT SYSTEM DEVELOPED BY THE STATE GOVERNMENT:**

**District Industries Centers (DIC):**

The Department of Industries & Commerce is the anchor department as far as development of industries is concerned. This department is responsible for formulating and implementation of industrial policies in the State. The Directorate of Industries and Commerce (DIC) which has its headquarters at Bangalore, has a network of District Industries Centers in all the 27 Districts. The Directorate of Industries & Commerce is the first State Government Department in the country to get the ISO Certificate which affirms the quality, efficiency, productivity and service standards. The mission of the Department is to provide prompt and efficient services

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to the entrepreneurs/industrialists for smooth and time-bound implementation and operation of industrial projects and schemes.  

**Karnataka Udyog Mitra (KUM)**

Karnataka Udyog Mitra is a single point contact for investors. The investors may contact Karnataka Udyog Mitra for any information on Karnataka, its advantages, potential, finance, infrastructure, statutory requirements and so on. KUM interacts with investors in detail and helps them to understand the advantages and unique features of Karnataka and also its business environment. KUM also coordinates the visit of investors, both national and international to the State, arranges meetings with other departments / agencies. It provides information on land, building regulations, tax regime, incentives etc., to enable investors to firm up with their investment decisions. Investors are also facilitated by KUM to obtain necessary clearances/approvals from the Government departments/agencies for their projects. Investors get information on policies and procedures from KUM. This Nodal Agency closely monitors the implementation of projects.  

**State Industrial Investment Corporations (SIIC)**

The Corporation undertakes to sanction long term loans to medium and large industries, setting up of industries under joint sector, investment in industries and extending other facilities.

**State Small Industries Development Corporations (SSIDC)**

In the State of Karnataka SSIDC is known as the Karnataka State Small Industries Development Authority (KSSIDC)

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12  http://www.kssidc.kar.nic.in/dic.in.
13  www.kum.in
The State Small Industries Development Corporations (SSIDC) were set up in various states under the companies’ act 1956, as state government undertakings to cater to the primary developmental needs of the small tiny and village industries in the state/union territories under their jurisdiction. Incorporation under the companies act has provided SSIDCs with greater operational flexibility and wider scope for undertaking a variety of activities for the benefit of the small sector, such as procuring and distributing the scarce raw materials, supplying machinery on hire purchase system, providing assistance for marketing of the products of small-scale industries, constructing industrial estates/sheds, providing allied infrastructure facilities and their maintenance and to extend seed capital assistance on behalf of the state government concerned etc.14

14 http://www.kssidc.kar.nic.in.
Small Scale Industries Board (SSIB)

The Government of India constituted a board, namely, Small Scale Industries Board (SSIB) in 1954 to advice on the development of small scale industries in the country. The SSIB is also known as Central Small Industries Board. The range of development work in small scale industries involves several departments /ministries and several organs of the central/state governments. Hence, to facilitate co-ordination and inter-institutional linkages, the small scale industries board has been constituted. It is an apex advisory body constituted to render advice to the government on all issues pertaining to the development of small-scale industries.\(^1\)

Karnataka Council for Technological Upgradation (KCTU):

KCTU is a joint venture of Central, State Governments and Industry Associations. It has been set up to fulfil the long felt needs of technological inputs to the MSMEs of Karnataka and to highlight on investment opportunities. It functions as a nodal agency for technology transfer and as a facilitator. Its primary objective is to enhance the competitive status of MSMEs of Karnataka through technological upgradation, catalysing technology upgradation of MSMEs through acquisition, adoption and upgradation of modern technology and to facilitate MSMEs to plan for their modernisation and diversification growth.\(^2\)

Karnataka Industrial Areas Development Board (KIADB)

The Karnataka Industrial Areas Development Board is a 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

\(^1\) [http://dcmsme.gov.in/archive/sidoboard.htm](http://dcmsme.gov.in/archive/sidoboard.htm).

\(^2\) [http://www.kctu.in](http://www.kctu.in).
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.\footnote{http://www.kiadb.in.}

**Visvesvaraya Industrial Trade Centre, Bangalore**

The centre offers guidance to small Industries for export of their products and also participates in different exhibitions on behalf of industries. The centre also conducts training programme on ‘Export Procedure’ for the benefit of prospective/potential exporters, apart from conducting buyer – seller meets. It also provides escort services, helps in redressal of grievances and assists in implementation / co-ordinating the implementation of other export promotion schemes.

**Karnataka State Financial Corporation (KSFC)**

The KSFC was established by the government of Karnataka in 1956 under the state financial corporation act 1951 for extending financial assistance to set up tiny, small and medium scale industrial units in Karnataka. Since 1956 it is working as a regional industrial development bank of Karnataka. KSFC has a branch office in each district; some districts have more than one branch.

KSFC extends lease financial assistance and hire purchase assistance for acquisition of machinery/equipment/transport vehicles. KSFC has a merchant banking department which takes up the management of public issues like underwriting at shores, project report preparation, deferred payment guarantee, and syndication of loans, bill discounting and similar tasks.

**Technical Consultancy Services Organisation of Karnataka (TECSOK)**
TECSOK is a professional industrial technical and management consultancy organisation promoted by the government of Karnataka and other state level development institutions way back in 1976. It is a leading investor-friendly professional consultancy organisation 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.

4.4 NON-GOVERNMENT SUPPORT SYSTEM:

Besides the Central Government and the State Government agencies, there are some Non-Governmental agencies that are also supporting the cause of small scale industries in the country. These agencies include Non-Government organisations and industry associations. They provide a common platform to voice SSI needs and initiate co-operative efforts. Government policies have stressed the increasing role of these associations and NGO’s in setting up common facilities and other cooperative ventures in technology, marketing and other support systems. Some of these major associations are as follows:

India SME Technology Services Ltd.

India SME Technology Services Ltd. (ISTSL) provides a platform where micro, small and medium enterprises can tap opportunities at the global level for acquisition of new and emerging technology or establish business collaboration. Their mission is to render professional services for technology transfer and attendant support services in order to enhance market competitiveness of micro, small and medium enterprises and promote sustainable development.18

Credit Guarantee Fund Trust for Micro and Small Industries

A Credit Guarantee Fund Scheme for small industries was launched by the Government and the SIDBI set up the Credit Guarantee Fund Trust for Small Industries (CGTSI), to implement the credit guarantee fund scheme for micro and small enterprise in August 2000 to ensure better flow of credit to micro and small enterprises by minimising the risk perception of banks/ financial institutions in lending without collateral security.

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

It was established in 1979 to help tiny, cottage and small industries and artisans of rural areas. Membership of ICSI constitutes about 1500 associations of the decentralized sector. Its main functions are information dissemination, entrepreneurship development, consultancy and managerial support, training and research.
**Laghu Udyog Bharti (LUB)**

It was founded in 1995 to promote and safeguard the interest of tiny and small scale industries. It has been given representation on the national and the state level government bodies responsible for the development of SSIs. It is also responsible for undertaking entrepreneurial training, providing support for technology upgradation and marketing services.

- **Federation of Associations of Small Industries of India (FASII)**
  - It was promoted in 1959 to represent the problems of SSIs with the Government and liaising with other agencies involved in promotion of SSI sector. Its objectives are as follows:
    - to promote the development of small scale, tiny and cottage industries;
    - to cooperate with industrial business, educational institutions in collecting and exchanging information pertaining to the small scale sector;
    - to undertake professional, technical and management consultation services;
    - to undertake studies, surveys and research assignments;
    - to further the cause of small industries by interacting with Union and State Governments and other bodies;
    - to establish and operate trade centres display centres, sub-contracts exchanges and other promotional institutions for the benefit of the small scale sector and
    - to establish test centres, laboratories and common facility centres for the SSI sector.
World Association Of Small And Medium Enterprises (WASME)

The World Association for Small and Medium Enterprises was founded in 1981 to ensure business cooperation among its members. Its membership represents chamber of commerce, small industries development corporations, financial institutions and commercial banks and other State Government agencies of developing countries. It facilitates technology transfer, manpower training, maintaining a register of experts/consultants, organising seminars and conferences and acts as a clearing house of information and marketing services etc.

Federation of Indian Chambers of Commerce and Industry (FICCI)

The FICCI was established in 1927 as the national agency through which the chambers of commerce and trade association in India could crystallize their views on current economic problems. It serves as the coordinating agency for the commercial and industrial interests as represented by various chambers of commerce and trade associations. The Federation maintains very close relations with the Union Government and is also represented on over 65 advisory committees appointed by the Government and other leading organisations.

Small and Medium Business Development Chamber of India (SME Chamber of India)

The chamber puts all its efforts for the development and growth of MSMEs by organising various activities to accomplish its objectives. The Chamber provides information and guidance to new and existing entrepreneurs in effectively managing and growing their business. The Chamber has developed key strategies to promote and support the MSME sector. The Chamber also gives importance to and encourages MSMEs to adopt innovative ideas and concepts for the promotion of their business. The Chamber organises many Seminars, Conferences, Workshops and Training
Programs and other trade promotional activities to educate & create awareness among MSMEs.

The Chamber recognises successful entrepreneurs by conferring National & International Level MSME and Entrepreneurship Excellence Awards for their outstanding achievements in the fields of Manufacturing, Services, International Trade, Finance, Agro & Food Processing, IT and IT Enabled Services, Telecommunication, Research, Technology Development and other sectors.\footnote{http://www.smechamberofindia.com/PDF/SME_brochure.pdf.}

**Associated Chambers of Commerce and Industry Of India (ASSOCHAM)**

Assocham is another apex organisation like FICCI to which some of the older chambers of commerce are affiliated. It was founded in December 1920. It seeks to make the businessmen’s voice heard and to ensure that their views are taken into account in the moulding of the nation’s economic life. It also undertakes persuasive activities directed at the administrative departments and to the law makers with a view to acquainting themselves with the view point of the members.\footnote{http://www.smallindustryindia.com; b) S. Krishnamurthi, “Guide to Micro, Small and Medium Enterprises Policy, Rules and Regulations”, 3rd edn. (Orient Publishing Company, 2008), Pp.431-435.}

**Confederation of Indian Industry (CII):**

It was created in 1992 by changing the name of Confederation of Engineering Industry. It is responsible for advisory, consultative and representative services to industry and the Government. It has been given representation on major policy formulating bodies, related with the industry. It also works like a nodal agency for international industrial cooperation.

**Federation of Indian Exporters Organisation (FIEO):**
This is an apex organisation set up by the Ministry of Commerce in the year October 1965. It represents the Indian entrepreneur’s spirit of enterprise in the global market. The Federation performs activities of common nature such as sending trade delegations abroad and inviting trade delegations from foreign countries, sponsoring commodity and market surveys and collection and dissemination of commercial intelligence. It provides facilities for settlement of trade disputes arising in the course of foreign trade and advises Government on all matters relating to export trade.

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

NABARD was setup in 1982 to promote integrated rural development. Since then, it has been adopting a multi-pronged, multi-purpose strategy for the promotion of rural business enterprises in the country. Apart from agriculture, it supports small industries, cottage and village industries, and rural artisans using credit and non-credit approaches. It offers counseling and consultancy services and organises training and development programmes for rural entrepreneurs.

**Rural Small Business Development Centre (RSBDC)**

It is the first of its kind set up by the world association for small and medium enterprises and is sponsored by NABARD. It works for the benefit of socially and economically disadvantaged individuals and groups. It aims at providing management and technical support to current and prospective micro and small entrepreneurs in rural areas. Since its inception, RSBDC has organized several programmes on rural entrepreneurship, skill upgradation workshops, mobile clinics and trainers training programmes, awareness and counseling camps in various villages of North India.

Thus the above mentioned organisations have been set up and are steadily working towards the development of small industries. The entrepreneurs would indeed
be benefited, provided they benefit from the services provided by these organisations. The assistance provided ranges from setting up of the business unit, financing, training, procuring of raw materials, purchase of plant and machinery, marketing of their products, selling, and exporting their products. It is seen that the Government of India and the Government of Karnataka are indeed setting up these agencies to help the entrepreneurs, to motivate them in setting up more units which will not only help them but also help the economy. They want to create more of job providers than job seekers. The entrepreneurs should make use of the facilities provided by the Governmental organisations and agencies in order to grow economically and become more competitive globally.