
UNIT 7 SUPPORTING WOMEN ENTREPRENEURS

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Appendix 1 Women Entrepreneur Association

7.1 INTRODUCTION

This Unit will discuss the measures taken by the government to enable to enable the entrepreneur

especially small scale and industrial sectors. Not only entrepreneurs in general this Unit also

discusses the role of different agencies, like government, NGOs and Business Development Providers to encourage women to become entrepreneur.

7.2 OBJECTIVES

After studying this Unit, you would be able to

- discuss the role of government, NGOs and BDP to enable women to become entrepreneur;
- discuss the government policy toward developing and promoting small-scale industry and small-scale business;
- explain the role of the various Central Government and State Government bodies and other autonomous bodies in assisting the implementation of small-scale industry and small-scale business; and
- discuss the various rules, regulations and procedures relevant for small-scale industries and small-scale business.

7.3 ROLE OF GOVERNMENT AND ORGANIZATIONS/ INSTITUTIONS

This section discusses the roles of government as well as different organizations and institutions to support and sustain the activities as Women Entrepreneurs. This section is drawn from the report prepared by Hina Shah titled as Creating Enabling Environment for Women's Entrepreneurship in India for Economic and Social Commission for Asia and the Pacific (ESCAP), South and South West Office as published as Development Papers 1304, May 2013.

7.3.1 Role of the Central Government

The overall policy of the government will provide direction to others.

Several policy initiatives have been taken by the government in terms of regulatory, promotional, credit and representational policies for entrepreneurs at large but very few such schemes are

specifically targeting women entrepreneurs. The Government Policies are discussed in later section of this Unit. The Government of India has enacted the National Policy for the Empowerment of Women, 2001. As a result, various schemes and plans for the encouragement of women entrepreneurs have been launched but their execution at different stages has been lagging and the impact on ground needs to be closely assessed/ monitored. Base on the above discussion, the policies for women's entrepreneurship should follow a comprehensive approach rather than be piecemeal. They should encourage subsector clusters by providing infrastructure facilities and services, such as training and banking to MSMEs. The Government needs to ensure the availability of credit for fixed assets and working capital, focusing on timeliness and adequacy in a gender-sensitive manner. Government may also consider providing income tax rebates and tax reliefs to women entrepreneurs can be introduced. Income tax rates should be reduced by 2 per cent for women. There is a need for evaluating the policies in regular intervals. There is a need to periodically evaluate the impact of MSME-related policies on the success of women-owned businesses and the extent to which such businesses take advantage of these policies. Good practices should be disseminated and shared broadly. Along with good practices, successful women entrepreneur's life narratives have to be documented and it has to be widely disseminated. Government should encourage the women entrepreneurs to use the various schemes provided by the Government. All government policies should be gender sensitive. Along with government policies, government should take necessary steps to provide required amenities at the Industrial area like crèche facilities, transportation and police booths. Government also should ensure the safety of the women entrepreneurs during their mobility. Industrial areas should be lightened properly during night time. Connecting roads should be made. There should be 24 hrs public transportation facility ensuring safety of the women passengers during their night travel. Apart from the above suggestion, the government should support the women entrepreneurs to participate in the international, national and local trade fairs, exhibitions and conferences. Such activities should be organized regularly. Incentives to women for entry in MSME sector as entrepreneurs should be offered. During international and national trade fairs, government may consider providing travel grants as well as safe accommodation. This will encourage more women entrepreneurs to participate in the trade fairs to exhibit their products. Government may encourage NGOs to disseminate the government programmes and policies among entrepreneurs. Government may also ask NGOs to facilitate Entrepreneurs to

avail government's programmes. The procedures and formalities should be simplified for registration of business, financial and legal assistance, subsidies, concessions, relief etc, from different government and non-governmental departments.

7.3.2 Role of the state governments

The State government is very significant role to play to facilitate and encourage women entrepreneurs. It has to ensure the availability of training to women entrepreneurs. It has to set up skill upgradation centres to upgrade the knowledge on latest technologies to improve the product quality. State Governments may tie up with technical institutes and Engineering colleges to provide technical training and to inform latest technologies in their field. Transfer of technology from the research institutes to the entrepreneurs should be ensured. Commercializing local innovation would be more appropriate for women entrepreneurs. State government should create "one-stop shops" for Government services/schemes/programmes for women entrepreneurs.

7.3.3 Role of Business Development Service (BDS) Providers

Women in business should be offered soft loans and subsidies. Financial institutions should provide more working capital assistance to women-headed MSMEs. BDS Providers should make provision of micro credit system for women-led enterprises at the local level. The weaker section could raise funds through various schemes and incentives provided by the government to develop entrepreneurs in the state. (Such as, Prime ministers RozgarYojana, The Khadi and Rural village industries scheme, etc.)

All-India forums for women entrepreneurs should be established to discuss the issues and grievances faced by women in their businesses. There are many State level Women Entrepreneurs forum. These forums may be integrated and make it as all India forum. Local NGOs and government functionaries may encourage women entrepreneurs to register any one of this forum to get necessary support. Forums may regularly inform the women entrepreneurs on the government schemes and programmes and bank and other financial institutions policies. Such forums should enact in giving suitable decisions in favour of women entrepreneurs and take a strong stand against any policy or measure that obstruct women's economic empowerment and women's entrepreneurship.

Awareness for women business development at all levels i.e., at government, BDS support and at entrepreneurial level, is lacking. Efforts are to be made to supplement existing network to improve access of women and to reduce barriers to their entry into business.

7.3.4 Role of Supporting Organizations

There is a need for greater transparency and renewed efforts to increase awareness of existing regulations, and support mechanisms. Among other means, this could be achieved by publishing various women MSMEs laws and rules in local languages and by allowing the sale of such booklets and related applications. Periodic open forums of various regulatory departments such as excise, license, registrar, industrial schemes, tax departments, and directorate of industries should be widely disseminated among women entrepreneurs to create conducive environment. Training institutions should look ahead and provide training for their staff, update their curricula, and facilities in line with the times and to better meet pressing and evolving demands.

Subsector-specific support should be created at district level for women entrepreneurs. Such mechanism should be autonomous and work independently of the government, with focused strategy of intervention, after identifying the key constraints for a specific subsector. It is suggested that NABARD and SIDBI take the initiative to draw the attention of the operating managements of the banks to create a potentially growing and profitable business segment. To overcome the technical deficiency at the branch level, the lead bank office in the district should establish a women cell to provide specialized assistance to all the branches.

7.3.5 Access to Finance

Banks and financial institutions offer excellent financial schemes for women entrepreneurs. This was discussed in detail in the Course MGSE-020 Gender and Financial Inclusion. But, there is a lack of wider awareness among women entrepreneurs about such schemes. A re-evaluation of the way women business clients are treated might alleviate much gender-related problems experienced by women. In the Course MGSE-020, there are detailed discussion on Banks and Financial Institutions and their operations. Unit 1 in the MGSE-020 discussed the need for inclusive financial services. Learners may benefit to recollect those points. There is a need to have large number of awareness workshops/camps in different centres to introduce financial

schemes available to women and to formulate a strategy to avoid discrimination, especially in small centres.

Banks should have collateral-free lending, set quotas to women entrepreneurs for lending, as well as guarantee scheme for zero-collateral lending. Safe lending should be replaced by priority lending for women. Consortia (group) lending for women should be made available. Banks should keep regular monitoring of women entrepreneurs' loans and helping women entrepreneurs to develop project. Banks having considerable lending to women should be offered incentives.

Every girl should have a bank account; it should be made mandatory because it will make them eligible for bank loans in the future. Women business loans should have lower interest rates. International capital should be made available, and regulations need to be simplified.

As we have already discussed in the Course MGSE-020, The Reserve Bank of India (RBI) has set up a Khan Commission in 2004 to look into strategies for financial inclusion and the recommendations of the commission were incorporated into the mid-term review of the policy (2005–06). In the report, RBI exhorted the banks with a view of achieving greater financial inclusion to make available a basic "no-frills" banking account. As we have seen in the earlier section regarding the efforts of the government to provide affordable and accessible loans to poor and marginalized, the financial inclusion in India is first featured in 2005. When it was introduced, that, too, as a pilot project in the Union Territory (UT) of Pondicherry by K C Chakraborty, the then chairman of the Indian Bank in the Mangalam Village in the Union Territory of Pondicherry, it became the first village in India where all households were provided banking facilities. In addition to this, KYC (Know your Customer) norms were relaxed for people intending to open accounts with an annual deposits of less than Rs. 50,000. General Credit Cards (GCC) were issued to the poor and the disadvantaged with a view to help them to access easy credit. In January 2006, the Reserve Bank permitted commercial banks to make use of the services of non-governmental organizations (NGOs/SHGs), micro-finance institutions and other civil society organizations as intermediaries for providing financial and banking services. These intermediaries could be used as business facilitators (BF) or business correspondents (BC) by commercial banks. The bank asked the commercial banks in different regions to start a 100% financial inclusion campaign on a pilot basis. As a result of the campaign, States and U.Ts like

Pondicherry, Himachal Pradesh and Kerala have announced 100% financial inclusion for all in all districts.

The above example is encouraging. The Union as well as State governments should take measures to take 100 percent financial inclusion and making everyone to access banks. This will help women entrepreneur to access banks to get low interest finance for their entrepreneurial activities.

7.3.6 Access to Market

The government and NGOs to take measures to access market by women entrepreneurs. Women Entrepreneurs are also may come under different categories. Based on production capacity and product details, they need different types of market facilities. Government is organizing trade fairs regularly to display the products of entrepreneurs. In trade fairs, government should take steps to allocate certain quota to women to access markets. Whenever government organize international trade fairs, they should encourage women entrepreneurs to participate by proving assistance like travel fare and safe accommodation. Whenever government purchases goods, they should procure certain percentage goods from women entrepreneur. To ensure the quality of products produced by the women entrepreneurs, testing labs should be accessible to women. Government may start mobile testing labs to test consumable products.

7.3.7 Access to Infrastructure and social service

Infrastructure is important component in entrepreneurship. Measures like connecting rural roads to urban areas, cold storage facilities for agro based products are important. Accessing public transport to transport the end products to the urban market is also very important. Due to the lack of cold storage facilities, most of the agro based products becoming waste and women agro entrepreneurs are not able to get benefit of producing the same. Implementation of infrastructure must be accompanied by policies that encourage women to engage in income-generating activities, including education, training and extra benefits such as child care facilities. Government can set some priorities for women entrepreneurs for allocation of industrial plots, sheds and basic infrastructure/amenities. Investments in infrastructure networks and education for women should be encouraged. Implementation of infrastructure must be accompanied by policies that encourage women to engage in entrepreneurial activities. Waiver on stamp duty and registration charges for Women to create their properties should be offered. Infrastructure

advantages to women entrepreneurs should be promoted by both public and private sector in form of “special zones”. It would reduce her burden of developing her infrastructure

7.3.8 Access to Technology

The establishment of technology centres that provide assistance to women entrepreneurs is greatly needed. Universities and technical colleges should be given a greater role in the development and dissemination of technologies in conjunction with women enterprises.

To upgrade technologies in the women entrepreneurship development, credit should be made available on a preferential basis to women business units that want to modernize. The need exists for the adaptation of technology to local needs of women enterprises for appropriate research and for the dissemination of information.

7.3.9 Other Measures to Foster an enabling environment for Women Entrepreneurs

Removing socio cultural barriers

In India socio cultural norms and practices determines the role of women in both public and private spheres. Bring the attitudinal change and making the society to realize the potential of women is important. For this, Both government and NGOs are important role to play. Government and NGOs may conduct gender training at various places and various levels will bring some change in the society towards women. Introducing courses like gender sensitization programmes at school and college level will bring change in the mindset of younger generation. Documenting best practices and successful entrepreneurs and disseminating the same will bring the change. This will also show the potential of women. Along with that there is a need for society to ensure the safety of women while they travel. Identifying potential entrepreneurs and convincing the family is also important. Sometimes family may have required resources to support potential women entrepreneurs. But they may reluctant spend on women due to gender. This can be changed by providing necessary training to the family to change the attitudes towards women.

Training needs requirement

The study conducted by Hina Shah titled as Creating Enabling Environment for Women’s Entrepreneurship in India for Economic and Social Commission for Asia and the Pacific

(ESCAP), South and South West Office as published as Development Papers 1304, May 2013 provides a clear picture of the types of difficulties women entrepreneurs face at the conception, inception and operation stages of enterprise building. These difficulties could be solved if a package of need-based training covering product selection, market and investment information, training in management and behavioural skills and competencies could be developed and offered. Women intending to start business should be encouraged to participate in business-training courses. The professional education and training should start from school level. Women must be educated and trained to acquire the skills and knowledge in all the functional areas of business management. Vocational training should be provided by Government and private institutions, specifically for women, as an option to college education, especially in non-traditional areas. Vocational training for women needs to be associated with complementary programmes combining it with management and entrepreneurial training, which could further stimulate women's interests in creating enterprises. An awareness programme should be conducted on a mass scale among women about the various areas to conduct business.

- Skill development should be done in women's polytechnics and industrial training institutes. Skills can be put to work in training-cum-production workshops. Women entrepreneurship should be promoted through education by introducing Entrepreneurship as a subject after 8th grade.

7.3.10 Role of NGOs

NGOs are important role to play. NGOs are very closely working with community and they know the situation at local level. As far as India is concerned, government considered NGOs as important players in the development process. NGOs are given significant role in five year plans to be part of the government to execute the plans. In this process, NGOs may disseminate the government schemes, programmes and strategies among Entrepreneurs. They can also identify the potential entrepreneur's in their working area and facilitate them to contact government and other financial institutions to get necessary support to start enterprises.

7.3.11 Role of FLO (FICCI Ladies Organization)

FLO can work in conjunction with the Government and other agencies to establish a National Women Entrepreneurship Fund. It can also operate women entrepreneur guidance and training cells across its many chapters. It may undertake gender-sensitization training for various agencies. It needs to be stated that women in India represent about 49 per cent of the country's total human resources. Unless women contribute more economically, the country cannot progress. Their participation and contribution to the overall development of the country should be facilitated.

Check Your Progress Exercise 1

- Note:** i) Use this space given below to answer the question.
ii) Compare your answer with the one given at the end of this Unit.

1. Do you think government role is significant to encourage women to become entrepreneur? State the reasons.

7.4 NATIONAL AND STATE LEVEL INSTITUTIONS SUPPORTING WOMEN ENTREPRENEURS

The following National and State level organizations/Institutions supporting Women Entrepreneurs.

1. Federation of Indian Women Entrepreneurs (FIWE)

It is the outcome of resolution passed in 4th International Conference of Women Entrepreneurs held at Hyderabad. It was founded in 1993. FIWE interacts with various women's associations in the country to facilitate members' involvement in a range of activities.

2. Small Industries Development Bank of India (SIDBI)

It is an institution established at the national level to provide facilities for small-scale industries. As a part of developing small industries by women entrepreneurs, SIDBI has introduced specific schemes for women.

3. Khadi and Village Industries Commission (KVIC)

It is established under the Khadi and Village Industries Commission Act, 1956, as a statutory organization engaged in promotion and development of khadi and village industries to provide employment opportunities in rural areas and for women entrepreneurs.

4. Micro, Small and Medium Enterprises Development Organisation (MSME-DO)

It is the apex body for assisting the Government in formulating, coordinating, implementing and monitoring policies and programmes for MSMEs in the country. MSME-DO provides a comprehensive range of common facilities, technology support services, marketing assistance, entrepreneurial development support among others, to women entrepreneurs.

5. National Bank for Agriculture and Rural Development (NABARD)

NABARD is an autonomous financial institution which provides liberal credit to rural women entrepreneurs.

6. International Centre for Entrepreneurship and Career Development (ICECD)

ICECD is a registered trust which has been involved in training women entrepreneurs for MSME development in large scale over the last 25 years. It has extended its operations internationally and has supported women entrepreneurs in over 55 countries.

7. National Small Industries Corporation

National Small Industries Corporation launched schemes for women Entrepreneurs to encourage more women to come forward as entrepreneurs. The details of the Schemes discussed in the section Policies and Schemes.

The following section is IGNOU Unit of the Course MS-93 Management of New and Small Enterprises, Unit 3 titled as “Institutional Interface for Small Scale Enterprises”.

7.5 GOVERNMENT POLICY –INDUSTRIAL POLICY RESOLUTIONS AND OTHER DEVELOPMENTS

Major Environment

After attaining independence in 1947, India adopted economic planning as a method to achieve economic development. The pattern of planning that came to be accepted was of a mixed economy, meaning thereby that industrial units in the public and private sector would both be operating to meet the goals of economic development. The mixed nature of economy meant that on crucial areas the policy of the Government was decisive and changes therein were of great

relevance to industrial units. In the field of industry, Government's objectives and intentions were announced through six successive industrial policy resolutions (IPR)/Statements. These resolutions were announced in 1948, 1956, 1977, 1980, 1990 and 1991. In 1997, there was a major upward revision in the investment limit in Plant and Machinery for the purpose of defining SSI and Tiny Sector units. The limit was brought up to Rs. 3 crore. However, the limit was brought down to Rs. One crore from December 1999, which is still continuing. In August 2000 comprehensive Policy Package for SSIs and Tiny Sector was announced, which has had a remarkable impact on the development of this Sector. Keeping in view the provisions of this Policy Package, with effect from October 2001, the investment ceiling in Plant & Machinery in respect of 41 items covering two broad groups of Hosiery and Hand Tools was enhanced to Rs. 5 crores. (You will find a summary of IPRs/Statements/Comprehensive Policy Package in Appendix A).

It may be noted that a separate Ministry of Small-Scale Industries & Agro & Rural Industries (SSI & ARI), came into being in October 1999. However, the Ministry was bifurcated into two separate ministries namely, Ministry of Small Scale Industries and Ministry of Agro and Rural Industries on 1st September, 2001. The range of functions of the Ministry include the setting up of a network of institutions to render services of a varied nature like, techno-economic and managerial aspects, training, testing facilities, marketing assistance, etc. The implementation of policies and various programmes/schemes for providing infrastructure and support services to small enterprises is undertaken through Ministry's Attached Office, namely Small Industry Development Organization (SIDO), and National Small Industries Corporation (NSIC) Ltd. Further the various activities are also supported by a host of other Central/State Departments, Agencies and Autonomous Institutions all over the country. It must be added that the

government policy and activities of the different interfaces institutions have covered SSE in addition to SSI.

IPR 1948

The industrial sector in 1948 was not different from the one existing in pre-1947 days and hence the SSI sector meant mainly rural industrial units, small jobs cum repair shops, units making agricultural implements, a few urban small units and handloom units weaving cloth. The greatest economic significance of these units to the Indian economy was their employment potential. It was this potential which called for a protection through policy and the main thrust of IPR 1948 as far as small scale was concerned was protection.

IPR 1956

The second IPR was announced against the background of a bolder second five year plan, with a long term strategy for industrial and economic development. As to the SSI sector, the resolution envisaged a dual role viz. (i) manufacture of consumer goods such as cloth and (ii) manufacture of components for the newly established industry as part of the program for long term industrial development. Thus to the earlier emphasis of protection was added development. Industrial policy for SSI aimed at "Protection plus Development". IPR 1956 in a manner initiated the modern SSI in India.

IPR 1977

The next IPR was announced after a lapse of 2 decades. During the preceding decades, two major problems had been witnessed. First was the lopsided industrial development – large, medium and small scale industries had become more of urban phenomena and the other was large scale unemployment – the issue of urban and rural, educated and uneducated unemployment had started becoming difficult.

This situation led to a renewed emphasis on promotion of typical employment generation small-scale industry, located in rural area and small towns. As a formula it was proposed that for small scale unit ideally the scale of output should be small, location semi urban /rural and technology, labor intensive.

This was the IPR, which assigned a positive role to SSI in terms of wage employment of workers and self-employment of the entrepreneur, and which therefore, offered a wider scope to policies and programmes for SSI development. To the earlier thrust of protection (IPR 1948), development (IPR 1956) this resolution added promotion, the SSI sector was thus, to be protected, developed and promoted.

IPR 1980

This IPR re-emphasized the spirit of IPR 1956 with its strategy of large scale, high technology and heavy investment based key or basic industry. Nevertheless, the SSI sector remained as perhaps the best sector for generating wage and self-employment based opportunities in India.

IPR 1990

This IPR was announced during June 1990. Its basic aim was to introduce measures of economic liberalization and simplified rules and procedures with a view to enhancing the technological base of industry and accomplishing higher levels of output. It gave a special emphasis on the SSI/SSE sector where employment opportunities were likely to be high. In order to enable the ssi units to update their technology, the investment limit of SSI was raised to Rs.60 lakhs.

Industrial Policy Statement of 1991

The Industrial Policy measures announced in 1991 contained a special thrust on the promotion and strengthening of Small, Tiny and Village Industries. The investment limit for tiny industries was raised to Rs. 25 lakhs. In addition, locational conditions were withdrawn. Equity

participation by other industrial undertakings was permitted up to a limit of 24% of the shareholdings in SSIs. This was done with a view to boost the ancillarisation and strengthening of the capital base of the SSI units. Steps were taken to include services in the SSI sector. A new scheme of Integrated Infrastructural Development for SSIs was brought into being with the participation of State Governments and Financial Institutions. A pro-active role for Non-Government Organizations and Industry/Trade Associations was also mooted. Besides the above measures, steps were initiated to bring about substantial deregulation and simplification of roles and procedures.

To protect the interests of SSIs and to improve their viability, measures taken by the Government, from time to time, include reservations of items for manufacture exclusively by this sector, revision of investment ceiling in the definition, modernization, technology up gradation and market assistance. 812 items are currently reserved for exclusive manufacture in the SSI sector. However, there is no regulation or restriction on marketing the reserved items by large industries. The reservation of products for exclusive manufacture by SSIs is reviewed regularly. The Government has also been extending preferences in respect of purchase of items manufactured by SSIs. In the recent-post-reform period, a number of new steps have been initiated by the Government with regard to foreign direct investment, establishment of growth centres, export promotion, marketing etc.

Comprehensive Policy Package for SSIs and Tiny Sector 2000

As already mentioned, with a view to provide more focused attention on the development of SSI, the Government of India created a new Ministry of Small Scale Industries & Agro and Rural Industries in October 1999. Immediately after the formation of the Ministry, a Mission for the Millennium giving a blue print for small scale and village industries was announced. To carve

out a road map for this sector in the New Millennium, the Hon'ble Prime Minister A.B. Vajpayee constituted a Group of Ministers under the Chairmanship of Shri L.K. Advani, the Home Minister of India. The Group of Ministers came out with a Comprehensive Policy Package for the Small Scale and Tiny Sector based on the Interim Report of the S.P. Gupta Study Team constituted by the Planning Commission. The provisions of the Comprehensive Policy Package are given below:

SSI SECTOR

Policy Support: The policy package clearly stated that to support the sector, the following policy measures would be in place. (i) The investment limit for the SSI sector to continue at Rs. 1 crore; (ii) To bring out a specific list of hi-tech and export oriented industries requiring substantial investment and raise the investment limit in their case up to Rs. 5 crores; (iii) The Limited Partnership Act to be drafted quickly and got enacted.

Fiscal Support: Raising of excise duty exemption from Rs. 50 lakhs to Rs. Crore.

Credit Support: (i) Raising of the composite loans limit from Rs. 10 lakhs to Rs. 25 lakhs; (ii) Small Scale Service and Business (Industry Related) Enterprises (SSSBs) with a maximum investment of Rs. 10 lakhs to qualify for priority lending; (iii) Under the National Equity Fund Scheme, the project cost limit to be raised from Rs. 25 lakhs to Rs. 50 lakhs. The soft loan limit to be retained at 25% of the project cost subject to a maximum of Rs. 10 lakhs per project. Assistance under the NEF to be provided at a service charge of 5 % per annum; (iv) Revision of eligibility limit of Rs. 10 lakhs; (v) Task Force (set up by the Deptt. Of Economic Affairs) to suggest revitalization/restructuring of the State Finance Corporation; (vi) Recommendation of 20% of the projected turnover as working capital (as suggested by Nayak Committee) to the financial institutions and banks.

Infrastructural Support: (i) Integrated Infrastructure Development (IID) Scheme to progressively cover all areas in the country with 50 per cent reservation for rural areas; (ii) Regarding upgrading the Industrial Estate, which are languishing, the Ministry of SSI &ARI to draw up a detailed scheme for the consideration of the Planning Commission; (iii) A Plan Scheme for Cluster Development to be drawn up; (iv) Funds available under the non-lapsable pool for the North-East to be used for Industrial Infrastructure Development, setting up of incubation centres, for Cluster Development and for setting up of IIDs in the North-East region including Sikkim.

Technological Support and Quality Improvement: (i) Capital Subsidy of 12% for investment in technology in select sectors; (ii) Encouraging of Total Quality Management; (iii) Scheme of granting Rs. 75,000 to each units for opting ISO-9000 Certification to continue for the next six years i.e. till the end of the 10th plan. (iv) Setting up of incubation Centres in Sunrise Industries to be supported; (v) TBSE set up by SIDBI to be strengthened so that it functions effectively as a Technology Bank. And to get it properly networked with NSIC, SIDO (SENET Programme) and APCTT; (vi) SIDO, SIDBI and NSIC to jointly prepare a Compendium of available technologies for the R&D institutions in India and abroad and circulate it among the industry associations for the dissemination of the latest technology related information; (vii) Commercial Banks to be requested to develop Schemes to encourage investment in technology up gradation and harmonies the same with SIDBI; (viii) One time Capital Grant of 50% to be given to Small Scale Associations which wish to develop and operate Testing Laboratories, provided they are of international standard.

Marketing Support: (i) SIDO to have a Market Development Assistance (MDA) Programme, similar to one obtaining in the Ministry of Commerce & Industry; (ii) Vendor Development

Programme, Buyer-Seller Meets and Exhibitions to take place more often and at dispersed locations.

Streamlining Inspections/Rules and Regulations: (i) To minimize harassment to Small Scale Sector a Group to be set up to recommend within 3 months, as a means of streamlining inspections. This will include repeal of laws and regulations applicable to the sector that have since become redundant; (ii) Self-certification to be progressively encouraged in lieu of inspections and inspection to be prescribed only on receipt of specific complaint or selection of unit for sample check or for audit and safety purposes.

Entrepreneurship Development: Capacity building in the SSI sector, both for entrepreneurs as well as workers, to be given top priority.

Facilitating Prompt Payment: (i) Task Force, set up by RBI to go into the question of strengthening and popularizing factoring services, without recourse to the SSI suppliers; (ii) RBI is being requested to take up with the banks, the question of sub-allocating overall limits to the large borrowers specifically for meeting the payment obligations in respect of purchases from the SSIs, either on cash basis or on bills basis.

Rehabilitation of Sick Units: RBI is being requested to draw up revised guidelines for the rehabilitation of currently sick but potentially viable SSI units. Such guidelines should be detailed, transparent and non-discretionary.

Promoting Rural Industries: (i) “Deendayal Hathkarga Protsahan Yojna” having a total financial implication of Rs. 447 crores to support the Handloom Sector and to provide comprehensive financial and infrastructural support to weavers; (ii) A new comprehensive package to strengthen Khadi and Village Industries that will further upgrade the skills of Khadi Workers.

Improving Data Base: A fresh Census of Small Scale Industries to be conducted covering inter-alia, the incidence of sickness and its causes.

Activity 1

Visit a bank which finances small entrepreneurs. Try to meet at least 2 prospective entrepreneurs there. Discuss with them the current policy and find out if they find the measures adequate. What, according to them, are the gaps in support provided?

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TINY SECTOR

Policy Support: (i) Investment limit for the tiny sector to continue at Rs. 25 lakhs; (ii) Under the Prime Minister's Rozgar Yojna, which finances setting up of micro enterprises and generates employment for the educated unemployed, the family income eligibility limit of Rs. 24,000 per annum being revised to Rs. 40,000 per annum.

Credit Support: (i) Recommendation of 20% of the projected turnover as working capital (as suggested by Nayak Committee) to the financial institutions and banks; (ii) The national Small Industries Corporation to continue to give composite loans upto Rs. 25 lakhs to the Tiny Sector and continue to charge one per cent concessional interest rate; (iii) SIDBI to continue to give concessional rate of refinance to the tiny sector; (iv) Under the National Equity Fund Scheme, 30 per cent of the investment to be earmarked for the Tiny Sector.

Infrastructure Support: (i) Under Integrated Infrastructure Development (IID) Scheme 50 per cent of the plots to be earmarked for the tiny sector (as against 40 per cent done earlier); (ii) Under the National Programme for Rural Industrialization, cluster development to be taken up by KVIC, SIDO, SIDBI and NABARD. The major beneficiaries of Cluster Development Programme will be Tiny Sector Units. The sponsoring organization for each cluster will provide for design development, capacity building, technology intervention and consortium marketing.

A cluster Development Fund to be created under the plan.

Technological Support: Under the Scheme of Capital Subsidy of 12 per cent for investment in technology up gradation in select sectors, preference to be given to the Tiny Sector.

Marketing Support: Preference to be given to the Tiny Sector while organizing Buyer-Seller Meets, Vendo Development Programmes and Exhibitions.

Policy Initiatives on Small-Scale Industries in 2002-03

- (i) Fifty one items were deservd in May 2002;
- (ii) In the Union Budget 2002-03, income tax exemption was granted to the income of the Credit Guarantee Fund Trust for Small Industries for 5 years.
- (iii) In the Union Budget 2002-03, the general SSI Excise exemption Scheme has been extended to air guns, air rifles and air pistols (not covered under the Arms Act, 1959); articles of apparel, knitted or crocheted; marble and Bengal lights.
- (iv) National Awards for scheduled commercial banks were constituted by the Ministry of Small Scale Industries for best performance in terms of lending to SSIs. The first ever Awards were given away in the 3rd SSI Convention on August 28, 2002.

(v) A Biotechnology Cell has been created in the Ministry of SSI under the Chairmanship of Development Commissioner (small scale industries) to facilitate the development and promotion of biotechnology based industries in the small scale sector.

(vi) For technology up gradation and quality improvement in SSI sector, the scope of the on going ISO 9000 reimbursement scheme has been enlarged to include reimbursement and of expenses for ISO 14001 Environment Standard with effect from October 28, 2002.

Activity 2

Visit an entrepreneur who has just set up a unit to find out the type of financial assistance received by him. Determine also the policy resolution under which he got the assistance

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7.6 THE ADMINISTRATIVE AND INSTITUTIONAL SET UP

Government policy resolutions and programmes based on the same need a proper administrative and institutional set up. Right from the time of IPR 1948, this has engaged the mind of the

Government. As such the following set up helps the SSI sector and for its operations SSI is divided into two major groups: (i) The Small Industry Development Organization (SIDO); (ii) the Non-SIDO. The latter was described by different terms like unorganized, informal or non-urban, depending upon the Development Commissioner-Small Scale Industry (DCSSI). The SIDO assists the Ministry of implementation of policies and programmes for promotion and development of the small-scale sector. It also provides a comprehensive range of common facilities, technology support services, marketing assistance etc., through its network of 30 Small Industries Service Institutes (SISI) 28 Branch Institutes, 2 Extension Centres, 4 Regional Testing Centres, 2 SEPTI at Ettumanoor and Thiruvalla and 7 Field Testing Stations.

At the level of State there is Director of Industry (DI) or Industries Commissioner (IC). Within the States, at the district level the District Industry Centre (DIC) is an important extension in the field of industry. For any individual intending to obtain information and help in district based towns or villages, DIC is easily the best office. DIC has managers to help small entrepreneurs in the areas of raw material marketing and infrastructure.

In case of small units in the unorganized sector, there are autonomous Boards such as Khadi and Village Industry Commission, Handloom Board, Power-loom Board, Silk Board, Coir Board and All India SSI Board. These boards help units in respective industry in areas like establishment, operations-mainly raw materials, technical help, marketing help and design. It must be remembered that a small unit working either under SIDO or Non-SIDO set up is governed by the Central Government Policies on issues such as excise differential, price preference or marketing assistance. It is for administrative purposes, among others, that these units are placed under different organizations. As such, all such industrial units are under the purview of boards and the assistance they provide.

In addition to the above organizations whose purview is overall, at the level of the state, separate agencies deal with specific problem areas as follows:

Infrastructure Development Corporation provides assistance for plots/industrial sheds, water, power and road; **Financial Corporation** provides term loans to entrepreneurs. For small entrepreneurs there is a separate Financial Corporation. Thus, in Gujarat, the Gujarat State Financial Corporation provides term loan up to Rs. 90 lakhs, while for term loans exceeding this amount there is the Gujarat Industrial Investment Corporation. This set up exists in many other states.

Assistance for raw material, plant and machinery is provided by a separate corporation viz.

Small Industry Corporation.

State also has technical consultancy organizations to advise and solve problems faced by the entrepreneurs. These entrepreneurs may be large, medium or small.

Some States have programmes for preparing or training entrepreneurs. Some national institutions are also involved in designing and solve problems faced by the entrepreneurs. These entrepreneurs may be large, medium or small.

Some States have programmes for preparing or training entrepreneurs. Some national institutions are also involved in designing and imparting such training programmes. Prominent among these are the Entrepreneurship Development Institutes in Ahmadabad, Bangalore and Bhopal and National Institute of Entrepreneurship and Small Business Development.

Activity 3

Looking at the spread and population dispersion of the country, do you think and institutional set up upto district level is adequate to meet the needs of promotion of small scale industries in our country? Comment and give justification for you answer.

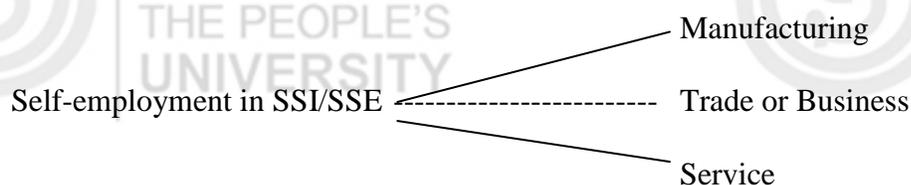
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7.7 INDUSTRIAL POLICY IN OPERATION

An entrepreneur who wishes to set up a small unit of his own may however, like to know how the industrial policy is actually implemented. In other words, how will his unit come under the purview of industrial policy at different stages. For this we should firstly lay bare the entrepreneurial process and then suggest a tentative framework for establishing linkage between some of the following areas.

Information: An enterprise can be seen from the point of view of an entrepreneur or the institution of the interface. Since, in this unit our focus is mainly on the institutions of the interface, we shall place greater emphasis on their activities. The foremost area is information and in the first place it should enable an individual to make a choice as between different self-employment opportunities. The opportunities for self-employment are represented by means of a diagram as below:



Information on self-employment based opportunities in any one of the above areas should be available from the following institutions:

- (1) Director of Industry of the State or District Industries Centre.
- (2) State Financial Corporation particularly their Small Business Cell.
- (3) Nationalized Commercial Banks, their Small Business/Enterprise Department.
- (4) State Directorate of Cottage Industries (For details see Appendix C).

In addition to the above some state has published, from time to time, list of Bankable Schemes for SSE. These are indeed very small enterprises or service establishments and are meant essentially for self-employment of the individual. A few such Bankable Schemes include Detergent Soap/Powder, Hair Oil, Washing Soap, Carpentry Shop, Diesel Oil Engine Service-cum-Repair Shop etc. for rural areas. For urban locations the list would include Xeroxing centre, beautician's Shop, TV service centre, furniture-designing centre etc.

The objective in providing such lists is that, very often the persons desirous of taking up self-employment as a positive career alternative, lack basic information on what alternatives are actually available. Taking the length and breadth of the country, its vast rural and backward areas lack of relevant information would seem to be a basic lacuna. One of the activities of the interface institutions therefore, is collecting and disseminating information.

Other Institutions: The major objective of Government Policy with regard to the small-scale sector-both small scale industry and other small business has been employment. The policy and a variety of measures of Central as well as State Governments aim at promoting these enterprises. You would have noted the role played by the infrastructure institutions in handing out the information. This may be regarded as the starting point. It would enable an individual to choose from among alternatives. But an enterprise is not all information. In establishing the

same, regardless of size, the individual needs other resources too, and one of the most important of these resources is finance. Finance is described as the backbone of an enterprise. Let us describe the various financial institutions, which can help a small enterprise.

Small Industrial Development Bank of India (SIDBI)

The Small Industries Development Bank of India- the apex bank for small-scale industries- extends assistance to SSI units through various schemes. The immediate thrust of SIDBI is on:

- (i) initiating steps for technological up gradation and modernization of existing units;
- (ii) expanding the channels for marketing the products of SSI Sector in domestic and overseas markets;
- (iii) Promotion of employment oriented industries especially in semi-urban areas to create more employment opportunities and thereby checking migration of population to urban and cosmopolitan areas.

SIDBI has various schemes to provide assistance to almost all projects in the SSI Sector. Minimum contribution by promoters prescribed under the schemes usually varies between 10% to 25%. The Debt Equity ratio up to 3:1 is normally applicable under the refinance schemes in respect of loan amount up to Rs. 10 lakhs and up to 2:1 above Rs. 10 lakhs. Term loan is repayable within such period, which is fixed after taking into account the profitability and debt servicing capacity of the project. Interest rate is generally linked to size of the loan under various schemes of assistance. The activities of SIDBI are given under “Appendix E – Major Schemes”.

Activity 4

Visit the SIDBI branch in you city and contact the loan disbursement officials. Collect

information on the type of enterprises they have financed. What are the criteria they use to evaluate applications for assistance?

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Finance for SSI/SSE

With reference to the sector of small enterprises-both industry and business-All India Financial Institutions do not have a direct role to play. Finance as an important resource is provided mostly by State based Institutions. Two such Institutions carry out this activity at the level of a State in India (i) the State Financial Corporation-an autonomous State-based Institution and (ii) Nationalized commercial banks. One could add to these a third set of Institutions-the Cooperative Banks. These are either location based i.e. residents of a location have formed a Cooperative Bank or industry/trade based. Examples of the latter could be Weavers' Cooperative bank or Fishermen's Cooperative bank etc. Prior to nationalization of commercial Banks, their field of activity was mainly collecting deposits from the public and extending short-term loans to business and industry. The whole activity was of a supportive character with some promotional element. After the nationalization of banks, two most important changes took place. One; the objectives of policies and procedures underwent many significant changes-banking became more and more of a service industry and two; with an extensive programme of opening branches these services became available almost everywhere in the country. The promotional

objective in the new framework is on creating new openings in self-employment, small industry and enterprises. The localized and activity based cooperative banks have added to this.

The help that the banking institutions extend to the small sector lies in two major area, term loan of a small amount for setting up a small enterprise and working capital i.e. funds required for day-to-day running of an enterprise. A typical programme of extending financial assistance by a nationalized bank would include the following and may be grouped under 'financing of small business activities:

- Finance to Retailers
- Finance to Transport Operators
- Finance to Professional and Self-employed individuals
- Finance to Business Enterprises

Among the above there is no upper limit on the amount of finance given for transport operators, professional and Self-employed individuals. The letter can include the most extensive type of activities such as pathological laboratories, eye clinics, computer based data processing services etc. Financial limits generally apply in the category of retail traders and business enterprises.

The loans are given for (a) acquiring or repairing business, premises; (b) purchase of furniture, fittings, equipment's and vehicle accessories; and (c) for meeting the cost of vehicle inclusive of cost of spares with sales tax, insurance and registration. Cash credit facilities are provided for meeting working capital requirements. Small businesses are known to borrow from non-institutional sources (i.e. zamindars, local money lenders etc., at higher rate of interest. Such loans can be liquidated with the help of bank funds.

Offices of the nationalized commercial banks have a department or cell devoted to small business and detailed information including the forms and applications and conditions for the loan are given in them.

An important aspect of the activities of the cooperative banks should be added here. Most of the lending of such banks are based on personal knowledge of the borrowers. Security, guarantee and such other questions are not emphasized very much. This is so because the area of operation of such banks is a small town, a particular trade or activity and hence the management has fairly detailed knowledge and information about the borrower. Due to this several small borrowers have been able to start many a self-employment oriented activity.

The borrower must, however, bear in mind one very important aspect in dealing with bank. He must fully understand the terms and conditions under which a loan is sanctioned and the true implications of these on his business/service/manufacturing unit. In some cases, the financial institutions themselves explain these implications to the borrower, which represent the true kind of promotional activity. Against the background of vast unemployment in the country among the urban, rural, educated, uneducated – and the urgent need to provide solution to this through schemes of self-employment, financial institutions and banks are getting equipped with several promotional extension programme and literature. It is in the interest of the potential borrower to avail of such programmes and promotional literature so that he is better equipped to utilize the borrowed funds.

A manufacturing, trading or servicing unit will need merchandise and raw material of all kinds. In addition to this a manufacturing unit would require some machines, tools and equipment's. In case of all the three types of activities the foremost requirement would be land and building.

Save for the individual who is using his own premises, the rest would have to locate their

activities somewhere else. For manufacturing the business units open plots or sheds may be available from (a) State Industrial Development Corporation (in some states these are known as Infrastructure Development Corporation); (b) local authorities i.e. Panchayats and Municipalities; or (c) private estate development authorities. The first category of institutions is a well-established institutional arrangement. Open plots or built-up sheds are available either on down or total payment or under the hire-purchase scheme. Payment of installments over a given period will end in ownership of the shed by the occupant.

Another important requirement would be machines, tools and equipments – in technical jargon, plant and equipment. This facility, along with the building, enables you to undertake and carry on your manufacturing operations.

With regard to plant and machinery, the National Small Industries Corporation (NSIC) and its branches offer these on hire-purchase terms. In terms of the existing practice of one of the states, the hire-purchase scheme of NSIC operates actually through the loan sanctioned by the State Financial Corporation. A part of the loan-which is the cost of plant and machinery, is treated as part of the hire-purchase scheme.

In the same way the state based small industries corporation has schemes to meet raw material requirements of small manufacturing units, particularly scarce and/or imported raw materials.

With regard to the latter-imported raw material-in some case the linkages may be found in two important corporations like State Trading Corporation and Minerals and Metals Trading Corporation. But such linkages may not generally be relevant with reference to typical small self-employment based units.

Markets for the Products

Manufacturing small units face the difficulty of marketing their products mainly because of two reasons. In the first place there are several lines in which products of large and small units have to compete with each other in the market. In such situations the latter always suffer and in order to help such units, in selected product lines, special purchase programmes have been announced by the government. These programmes extend subsidy to SSI products so that they can compete with some strength. Such lists should be with the Director of Industry of state, the state small industry corporation and the district industry centres. In some states a list of state-based product is also available.

The recent emphasis of policy is to encourage both small-scale industry and small business and trade, which provide self-employment opportunities in the first place. Small businesses have limited requirement of plant, machinery and tools and most of the financial requirements are met by nationalized commercial banks. Most of the banks have announced liberalized loan schemes, entrepreneur schemes, equity fund scheme, and composite loan scheme for artisan based village and cottage industries. As an illustration we give below outline of what a liberalized loan scheme would be offering.

Financing Scheme of Commercial Banks

Nationalized commercial banks operating in India generally provide finance to small-scale industries on concessional terms. The broad parameters of any such financing scheme are given below:

1. Eligibility

- Any individual, proprietary concern, partnership firm, Joint Hindu Family concern, cooperative society, Private Limited Company or any other registered association that can qualify under the definition of small-scale industry.

2. Bank Finance and Facilities

Purpose of Bank Finance	Facilities
<p>A. To meet the capital cost of project for acquisition of land, building, plant and machinery, technical know-how etc.</p> <p>(i) In case fully payment is to be made at the time of purchase</p> <p>(ii) in case the supplier is willing to accept payment in instalments spread over a long time</p>	<p>(i) Term Loan (Term Loans are normally repayable over a period of 5-7 years including an initial moratorium of 6 to 12 months depending upon the expected cash accruals, gestation period etc. The borrower is required to provide margin money.</p> <p>(ii) Deferred payment Guarantee</p>
<p>B For meeting working capital requirements</p> <p>(i) For purchase of raw materials</p> <p>(ii) For stocking of raw materials up to reasonable limit to meet normal consumption requirements</p>	<p>(i) Guarantee to supplier for the bills for supply of raw materials drawn by him (Letter of Credit); or Direct payment to the supplied</p> <p>(ii) Cash Credit against raw materials (CC Limit)</p>
<p>C For goods-in-process to suit the production</p>	<p>Cash Credit against goods-in-process</p>

schedule	
D For stocking of finished goods up to reasonable levels for meeting delivery schedule/off-the-shelf delivery	Cash credit against finished goods
E Financing of Receivables	<ul style="list-style-type: none"> - Cash credit against book debts/usance bills - cash credit against supply bills drawn on Government Departments - Demand Bills and Cheque purchasing facility - Usance Bills discounting facility - Discounting of usance bills drawn on buyers under the IDBI's Bill rediscounting Scheme (to the manufacturers of capital equipment for effecting sale on deferred terms)

Concept of Limited Liability Partnership

Limited Liability Partnership (LLP) is another form of business organization, which is proposed to be brought into effect through an Act of Parliament. LLP permits individual partner to be shielded from joint liability created by another partner's business decision or misconduct. Such an entity would provide the flexibility of a partnership and limiting at the same time, the owner's liability with respect to the LLP. The Naresh Chandra Committee-II, which has examined at

length the case of LLP, feels that in the first instance, LLP should be made available to the firms providing professional services only. This will encourage Indian professionals to participate in the international business community without apprehension of being subject to excessive liability. As regards extending the scope of LLP to trading firms and/or manufacturing firms, in the Committee's view there is no special advantage that small private companies or SSI units might derive from being an LLP, especially in light of the fact that the Committee itself is recommending a considerable easing of regulation on private companies, specially Small Private Companies (SPCs).

Trade-Industry Association

Apart from statutory and autonomous institutions and development corporations, there are several trade-industry and business associations, which provide information and support to industrial and business unit. To start with the main focus of these activities was large industrial and business Units but along with recent development and emphasis on small units these institutions have also broadened their activities. Thus, presently every industry and major product lines have an association. The product line may be engineering, chemical or plastic. You will find a local, state level and regional or national level organization to represent business interests of the members. Such associations through periodic seminars or meetings release information on the state of the particular industry, its problems and prospects of growth, which could be used by small units owners and those who want to take to the line. A national level organization like All India Manufacturers' Organization (AIMO) has panels or sub-groups on every manufacturing industry such as metal based, plastics, chemicals etc. While these organizations easily provide a platform for representing problems to the relevant authorities they have slowly begun to recognize their development-cum-promotional role. Government policies,

in recent years, have stressed the increasing role of Industry Associations in the setting up of common facilities and other ventures in the area of technology, marketing and other support services. Industry Associations also impart institutional support to the small-scale sector. Some of the major associations are as under:

- (i) Confederation of Indian Industry (CII);
- (ii) Federation of Indian Chamber of Commerce and Industry (FICCI);
- (iii) PHD Chamber of Commerce and Industry (PHDCCI);
- (iv) Associated Chamber of Commerce and Industry of India (ASSOCHAM);
- (v) Federation of Indian Exporters Organization (FIEO);
- (vi) World Association for Small & Medium Enterprises (WASME);
- (vii) Federation of Associations of Small Industries of India (FASII);
- (viii) Consortium of Women Entrepreneurs of India (CWEL);
- (ix) Laghu Udyog Bharati (LUB);
- (x) Indian Council of Small Industries (ICSI).

Some Publications

- (i) Ladhu Udyog Samachar – provides information on Institutional Services, Policies and Programmes; incentives and facilities to SSIs.
- (ii) Industry Profiles – help to take investment decisions with regard to items to be produced and data to prepare Project Reports.

Activity 5

Visit a SSI entrepreneur to find what assistance he is getting in marketing his product.

Also try to explain the policy of the supporting institution for the same.

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7.8 SUMMING UP

Based on the above discussion, you may now come to know the role of government and institutions to provide support to women to become entrepreneurs. The second section of this Unit will bring you the overview of the policy and institutional support environment facing the small entrepreneur, should be in a position to locate itself as surrounded by an environment. This environment consists of policies and authorities, institutions and corporations aiming at providing infrastructural inputs and resources and a host of industry-trade-business based voluntary associations. Their policies, measures and programmes are relevant to an enterprise. A set of acting and interacting forces could be perhaps visualized by each unit with reference to its activities and decision. It should now be possible for us to understand the nature and concept of institutional interface between the enterprise and the institutional set up.

7.9 GLOSSARY

Micro Small and Medium Enterprise: A.1. The Government of India has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 in terms of which the definition of micro, small and medium enterprises is as under:

(a) Enterprises engaged in the manufacture or production, processing or preservation of goods as specified below:

(i) A **micro enterprise** is an enterprise where investment in plant and machinery **does not exceed Rs. 25 lakh;**

(ii) A **small enterprise** is an enterprise where the investment in plant and machinery is **more than Rs. 25 lakh but does not exceed Rs. 5 crore;** and

(iii) A **medium enterprise** is an enterprise where the investment in plant and machinery is **more than Rs.5 crore but does not exceed Rs.10 crore.**

In case of the above enterprises, investment in plant and machinery is the original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification [No.S.O.1722\(E\) dated October 5, 2006.](#)

(b) **Enterprises engaged in providing or rendering of services** and whose investment in equipment (original cost excluding land and building and furniture, fittings and other items not directly related to the service rendered or as may be notified under the MSMED Act, 2006 are specified below.

(i) A **micro enterprise** is an enterprise where the investment in equipment **does not exceed Rs. 10 lakh;**

(ii) A **small enterprise** is an enterprise where the investment in equipment is **more than Rs.10 lakh but does not exceed Rs. 2 crore;** and

(iii) A **medium enterprise** is an enterprise where the investment in equipment is **more than Rs. 2 crore but does not exceed Rs. 5 crore.**

7.10 ANSWERS TO CHECK YOUR PROGRESS EXERCISE

Check Your Progress Exercise 1

1. Several policy initiatives have been taken by the government in terms of regulatory, promotional, credit and representational policies for entrepreneurs at large but very few such schemes are specifically targeting women entrepreneurs. The Government Policies are discussed in later section of this Unit. The Government of India has enacted the National Policy for the Empowerment of Women, 2001. As a result, various schemes and plans for the encouragement of women entrepreneurs have been launched but their execution at different stages has been lagging and the impact on ground needs to be closely assessed/ monitored. Base on the above discussion, the policies for women's entrepreneurship should follow a comprehensive approach

rather than be piecemeal. They should encourage subsector clusters by providing infrastructure facilities and services, such as training and banking to MSMEs. The Government needs to ensure the availability of credit for fixed assets and working capital, focusing on timeliness and adequacy in a gender-sensitive manner. Government may also consider providing income tax rebates and tax reliefs to women entrepreneurs can be introduced. Income tax rates should be reduced by 2 per cent for women. There is a need for evaluating the policies in regular intervals. There is a need to periodically evaluate the impact of MSME-related policies on the success of women-owned businesses and the extent to which such businesses take advantage of these policies. Good practices should be disseminated and shared broadly. Along with good practices, successful women entrepreneur's life narratives have to be documented and it has to be widely disseminated. Government should encourage the women entrepreneurs to use the various schemes provided by the Government. All government policies should be gender sensitive. Along with government policies, government should take necessary steps to provide required amenities at the Industrial area like crèche facilities, transportation and police booths. Government also should ensure the safety of the women entrepreneurs during their mobility. Industrial areas should be lightened properly during night time. Connecting roads should be made. There should be 24 hrs public transportation facility ensuring safety of the women passengers during their night travel. Apart from the above suggestion, the government should support the women entrepreneurs to participate in the international, national and local trade fairs, exhibitions and conferences. Such activities should be organized regularly. Incentives to women for entry in MSME sector as entrepreneurs should be offered. During international and national trade fairs, government may consider providing travel grants as well as safe accommodation. This will encourage more women entrepreneurs to participate in the trade fairs to exhibit their products. Government may encourage NGOs to disseminate the government programmes and policies among entrepreneurs. Government may also ask NGOs to facilitate Entrepreneurs to avail government's programmes. The procedures and formalities should be simplified for registration of

business, financial and legal assistance, subsidies, concessions, relief etc, from different government and non-governmental departments.

7.11 REFERENCES AND FURTHER READINGS

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7.12 QUESTIONS FOR REFLECTION AND PRACTICE

1. Discuss the development of the policy towards SSI through the different industrial policy resolutions. What do you think is the major feature of the Comprehensive Policy Package 2000 with respect to SSI?
2. Describe the administrative set up of the SSI sector.
3. What is the role of SIDBI? Discuss.
4. How do trade industry associations, in the context of SSI's facilitate development?
5. Examine the role of Central, State as well as NGOs in promoting women entrepreneurship.

Appendix 1 Women Entrepreneur Associations

The efforts of government and its different agencies are supplemented by NGOs and associations that are playing an equally important role in facilitating women empowerment. List of various women associations in India is provided in the table below.

Details of Women Entrepreneur Associations in India

Sl.No	Association Name	Website
1.	Federation of Indian Women Entrepreneurs(FIWE)	http://www.fiwe.org
2.	Consortium of Women Entrepreneurs(CWEI)	http://www.cwei.org/
3.	Association of Lady Entrepreneurs of Andhra Pradesh	http://www.aleap.org/index.html
4.	Association of Women Entrepreneurs of Karnataka (AWAKE)	http://awakeindia.org.in/
5.	Self-Employed Women's Association (SEWA)	http://www.sewa.org/
6.	Women Entrepreneurs Promotion Association (WEPA)	--
7.	The Marketing Organization of Women Enterprises (MOOWES)	--
8.	Bihar Mahila Udyog Sangh Bihar Mahila Udyog Sangh	http://www.biharmahilaudyogsangh.com/
9.	Mahakaushal Association of Woman Entrepreneurs (MAWE)	http://www.maweindia.com/
10.	SAARC Chamber Women Entrepreneurship Council	http://www.scwec.com/index.htm
11.	Women Entrepreneurs Association of Tamil Nadu (WEAT)	--

12.	TiE Stree Shakti (TSS)	http://www.tiestreeshakti.org/
13.	Women Empowerment Corporation	http://www.wecindia.org