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## AN EMPIRICAL ANALYSIS OF ROLE AND IMPORTANCE OF STATE INSTITUTIONS IN DEVELOPMENT OF BACKWARD INDUSTRIAL AREAS OF RAJASTHAN

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### ABSTRACT

The idea of industrial estates was conceived in order to promote small scale industries and provide employment to a large number of people as well as to supplement the existing programme of rural development. An industrial estate in a simple sense may mean a planned location or area provided with factory accommodation along with infrastructural facilities of water, transport, electricity, banks, post offices, canteen, watch and ward, common service facilities. A better working condition is provided in the factories leading to increase in the productivity. In many cases it helps small units to make use of each other's services and thus effect economies in production.

In India a large number of industrial estates have been developed in various parts of the country during successive Five-Year Plans. The Government of India has launched a nation-wide construction programme of industrial estates to provide institutional support and guidance for speedy industrialisation of the country. In Rajasthan industrial estates were planned during the First Five-Year Plan period. In course of the implementation of successive Five-Year Plans in Rajasthan, a good number of industrial estates has also been established in different locations of the State. Over the years, these institutions both in India and in Rajasthan have gained much importance. A huge amount of money has been invested on industrial estates and they are considered prime institutions for development and decentralisation of industries. The present study, therefore, is an attempt to find out the role played by these institutions in the industrialisation programme of the country in general and that of Rajasthan in particular.

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**Keywords** –Rajasthan State Industrial Development and Investment Corporation (RIICO), Jaipur (Rajasthan) ,SIDBI, RFC, Backward Industrial Areas

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## 1. INTRODUCTION

There is no single definition of backwardness but generally backwardness of a region may be attributed to

*(i) Lack of infrastructure and*

*(ii) Lack of industrial development.*

It has been observed that the rate of development in certain areas is very fast due to some locational advantages with high degree of industrialization while other areas lag behind, termed as backward leading to increase the regional inequality. Regional inequalities in the simple term arise due to faster growth of some regions, while others remain behind the former and lagging in terms of growth of industry, employment and other economic activities offering high rate of return. According to *Gunner Myrdal* who has rightly observed that, ***“inequality and the trend towards rising inequality stand as a complex of inhibitions and obstacles to development and consequently there is an urgent need for reversing the trend and creating greater equality as a condition for speeding up development.”***

There are certain other important features of the concept of backwardness which need to be made clearer. The areas identified as backward must have following three key characteristics:

- 1. They must have potential for development;*
- 2. There must be some inhibiting factor which prevents this potential from being realised,*
- 3. There must be a need for special programmes to remove or mitigate the inhibiting factor and realise the full potential for development*

In India a huge disparity or imbalance exists between the various states or regions as some states are more developed while some others remain less advanced and backward, even within the same State, some regions are more developed and some others are primitive in certain respects. Therefore, for faster economic development consistent with reduction of regional disparities, industrialisation has been thought to be the most effective strategy being reflected in Industrial Policy Resolutions (IPRs) and successive Five Year- Plans of the country. It is evident from the DPR- 1956, which says, ***“in order that industrialisation may benefit the economy of the country as a whole, it is important that disparities in levels of development between different regions should be progressively reduced.”***

Keeping in view the specific problems confronted with by each of the backward areas, ***“in the Indian context it was recognized that the policy of ‘pure equalization’ may not prove to be the best policy but the policy towards ‘greater equalization’ is more rewarding and suited under the prevailing conditions.”***



## 2. STATEMENT OF THE PROBLEM

**Rajasthan** is the largest State in India, Geographically constituting 10.4 per cent of the total geographical area of India. Topographically, deserts in the State constitute large chunks of the land mass, where the settlements are scattered and the density of population is quite low. It is administratively divided into 7 divisions, 33 districts, 244 tehsils, 249 panchayat samities and 9,168 gram panchayats

The State government, India Government IDBI, RIICO, RFC and DIC's also providing help in the form of Land allotment, concessions, rebates, financial assistance, training, raw material and technical guidance so to promote the industrialization in Rajasthan specially in backward region The entrepreneurship development institute and at National and State Level Industrial and Investment corporations organize special programmes not only to cater special requirements of existing women entrepreneurship but also to indentify new entrepreneurs to start new ventures in backward area.

## 3. OBJECTIVES OF THE STUDY

- To conceptually study the Backward industrial areas.
- To empirically analyze the facts behind the role and importance of state institutions in development of backward industrial areas of Rajasthan
- To suggest remedial measures for better utilization of state institutions in development of backward industrial areas of Rajasthan

## 4. RESULTS AND ANALYSIS

For the proper and planned development of backward area industries in the Rajasthan State, Central and State Government have set up the following Institutions/Organisations in the State to provide institutional assistance on different aspects,

**TABLE NO 1**  
**LIST OF VARIOUS CENTRAL AND STATE INSTITUTIONS FOR DEVELOPMENT OF BACKWARD INDUSTRIAL AREAS**

S.no	Name of Institution	Central / State
1	Ministry of Commerce and Industry	Central
2	Department for Promotion of Industry and Internal Trade	Central
3	Small Industries Development Corporations (SIDCO)	Central
4	National Small Industries Corporation ( NSIC)	Central



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5	Ministry of micro, small & medium enterprises	State
6	Rajasthan State Industrial Development and Investment Corporation (RIICO)	State
7	Rajasthan Financial Corporation(RFC)	State
8	Small Industries Services Institute (SISI)	State
9	Khadi & Village Industries Commission, Jaipur ( KVIC)	State
10	District Industries Centers (DIC)	State
11	Rajasthan Consultancy Organisation (RAJCON)	State

Few state institutions which are relevant with the objectives of the study are illustrated briefly below:

#### **4.1 RAJASTHAN STATE INDUSTRIAL DEVELOPMENT AND INVESTMENT CORPORATION (RIICO)**

It is an apex organization engaged in fostering growth of industrialization in the state. The Mission of RIICO is to catalyze planned industrialization in Rajasthan. It keeps pace with the industrialization process by providing complete and innovative support services to industries - industrial infrastructure, finance, consultancy and other industry related assistance. RIICO has 26. Regional Unit Office in Rajasthan, besides one Unit Office Delhi. The Rajasthan State Industrial and Mineral Development Corporation Limited (RIMDC) was incorporated in 1969 to promote industrial development in the State through providing infrastructure facilities setting up of industrial projects both in joint sector and public sector, making available financial assistance to the industrial units by way of direct participation in share capital and underwriting of shares. The exploration of mineral resources of the state was also part of its activities. With effect from 1st November, 1979 as a sequel to transfer of mineral activities to newly formed Rajasthan State Mineral Development Corporation Ltd. The functions of this corporation were confined to developing the industrial areas and for providing infrastructure facilities, term loans, equity underwriting, seed capital, interest free loans under the sales-tax scheme and central/state subsidy.

**RIICO had two subsidiary companies:**

- **Rajasthan Communications Ltd. (RCL) and**
- **Rajasthan Electronics Ltd. (REL)**, which has been closed, and are now redounded, its assets have been transferred to Instrumentation Limited, Kota. It used to produce TV sets earlier.



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## ROLE OF RIICO IN PROMOTION OF WOMEN BACKWARD INDUSTRIAL AREAS IN RAJASTHAN

- a) **Providing with loans facility:** Under the re-finance scheme provided by the Industrial Development Bank of India, the RIICO extends term loans to every industrial unit up to a maximum limit of R.2.5 crores.
- b) **Contribution in share capital of companies:** The RIICO provides economic assistance to companies by contributing to the share capital. Every year, it purchases shares worth crores of rupees.
- c) **Interest free loans:** The RIICO provides interest free loans to industrial units to meet their sales-tax liability.
- d) **Extends loan facility in association with RFC :** In association with Rajasthan Finance Corporation (RFC), the RIICO extends loan facility to industrial units. Sometimes it associates with commercial banks also in disbursement of loans.
- e) **Distribution of capital investment grants for setting up new units:** On behalf of the State Government, the corporation distributes capital investment grants to entrepreneurs who intend to set up new industrial units.
- f) **Providing with seed capital:** Seed capital is provided to experienced entrepreneurs to set up industrial units in the State. There is a limit of Rs.15 Lakhs in the case of providing seed capital.
- g) **Promotion of industrial enterprises:** The Corporation promotes industrial enterprises in association with private entrepreneurs. Such enterprises are known as joint sector enterprises or enterprises promoted with State assistance. Every year the Corporation promotes a good number of enterprises.
- h) **Software Zone:** A software premises was developed with the Cooperation of Rajasthan Electronics and Instrumentation Limited. It is proposed to set up a gold jewellery zone and an export promotion zone for handicrafts and garments, near Sanganer airport in the near future.
- i) **Campaigning towards industrial development:** The Business Promotion Unit of Corporation, in association with the RFC and Directorate of Industries, has initiated a campaign for industrial development in the state. This has motivated the original residents of Rajasthan and Non-Resident Indians to set up industries in Rajasthan.
- j) **Providing with technical and managerial services:** The RIICO provides technical and managerial services to entrepreneurs wherever necessary. Such services include: providing with technical information relating to project to be set up, brief outline of the projects, project reports about technical and economical viability, marketing research



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report, financial and managerial consultancy etc. This way it extends various kind of technical assistance to entrepreneurs in setting up new industries in the State.

- k) Merchant banking services:** The RIICO acts as merchant banker on the basis of approval granted by Security and Exchange Board of India (SEBI). It acts in different capacities as Issue Manager, Consultant, Underwriter and Advisor to companies that subscribe capital from the public, through the issue of shares and debentures.
- l) Rehabilitation of sick units:** The RIICO, in association with the RFC, take steps for rehabilitation of sick industrial units. It also operates special plants of rehabilitation in association with the Industrial Reconstruction Bank of India.
- m) Special concessions to entrepreneurs in allotment of lands:** The RIICO offers concessions to special category of entrepreneurs in the allotment of land. The concessions are granted in the following ways:
1. 50% concession to SC/ST category of entrepreneurs, subject to a maximum of 4000 square meters of land.
  2. 15% concession to handicapped category, subject to a maximum of 2000 square meters of land.
  3. 10% concession to women entrepreneurs subject to a maximum of 2000 sq. meters of land.
  4. 20% concession to those who set up industries in the field of electronics, subject to a maximum of 2000 square meters of land.
  5. 25% concession to widows of defense personal, subject to a maximum of 2000 square meters of land.
- n) Industrial Area and Other Scheme:** Till March-end 2010, as many as 284 industrial areas have been developed by RIICO. During 2010-2011, some new industrial estates were developed and other existing industrial areas were expanded further. Special attention has been given to strengthen the infrastructure facilities in industrial areas like Bhiwadi; Neemrana, Lalsot, Phulera, Shahpura, Malviya Nagar, Sitapura, Bindayaka (Jaipur) etc. in the recent past. Neemarana, which is located on National Highway No. 8, is being developed as a show-window of Rajasthan. Social infrastructure facilities are being developed in all the potential industrial areas.

Growth-centres are being developed at Abu Road, Bikaner, Jhalawar and Dholpur at present. During 1997-98, development work of growth centre at Hamirgarh, Bhilwara was also undertaken. Four districts, viz., Sirohi, Barmer, Churu and Jaisalmer have been declared as 'No Industry Districts' (NIDs). Their development work is in progress. Export Promotion Industrial Park (EPIP) has been developed at Abu Road, Bikaner, Jhalawar and Dholpur at present. During 1997-98, development work of growth centre at Hamirgarh, Bhilwara was also undertaken. Four



districts, viz., Sirohi, Barmer, Churu and Jaisalmer have been declared as ‘No Industry Districts’ (NIDs). Their development work is in progress. Export Promotion Industrial Park (EPIP) has been developed at Sitapura, South of Jaipur near the Sanganer airport. The second EPIP is being developed at Boranada (Jodhpur). As indicated earlier the corporation is developing through REIL a Software Technology Park at Kanakpura, Jaipur. An Electronic Hardware Park at Kukas (Jaipur) and Gold Jewellery Complex at Sitapura (Jaipur) are also being established.

RIICO has initiated a new scheme of ‘Udyog Shri’, the objective of which is to attract professionals who possess knowledge and experience and entrepreneurial ability to participate in the process of industrial development through their own ventures. RIICO would provide equity participation in the share capital of these projects, which would be thrust areas of high returns. The aforesaid discussion indicates that RIICO is playing the role of a catalytic for industrial development by developing infrastructural facilities in an industrial area, by providing financial assistance, specially in the form of term-loans; by trying to attract investors through industrial campaigns and by preparing project-profiles and reports. Rajasthan is on the threshold of a turn around in industrial development and all efforts are made to expedite the process of infrastructural development as a precondition for further growth in future. Problems of power, water and transport and communications must be attended to in right earnest and as speedily as possible. There must be genuine efforts towards industrial liberalization.

**TABLE NO. 2**  
**LONE SCHEME FOR YOUNG GENERATION MALE & FEMALE**  
**ENTERPRENEURS**

<b>1.</b>	<b>Name of the Scheme</b>	<b>LOAN SCHEME FOR YOUNG/FIRST GENERATION ENTERPRENEURS</b>
<b>2.</b>	<b>Purpose of Loan</b>	For setting up a new project (excluding real estate projects) covering investing in land, buildings, plant and machinery, miscellaneous fixed assets, margin money for working capital etc.
<b>3.</b>	<b>Loan Limit</b>	Maximum term loan of Rs. 1000.00 lakhs.
<b>4.</b>	<b>Promoters’ Contribution</b>	Minimum 20% of the project cost.
<b>5.</b>	<b>Security margin</b>	Minimum 20% Collateral Security of appropriate amount to be taken to make up for the short fall in minimum security margin 20%.
<b>6.</b>	<b>Interest Rate</b>	Prevailing Interest Rate
<b>7.</b>	<b>Repayment Period</b>	7-8 years in quarterly installments including moratorium of



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		1-2 Years.
8.	Rebate on Timely Payment	As per prevailing Policy.
9.	Processing free, Service Charges and upfront Fee	@ 0.1%, 0.15% and 0.25% respectively on the loan amount.
10.	Eligibility Criteria/Norms	1. a) The promoter should have Technical/Professional degree in any field. OR b) Any individual promoter whose project/product is recognized from National Innovation Foundation/ any other similar institution of repute in country or abroad. OR C) Promoter having experience of at least 5 years in the related field irrespective of their qualification. 2. Promoter who already has any manufacturing unit with investment (project cost) of Rs. 100.00 lakhs and above, shall not be eligible under this scheme.

**SOURCE :** Loans & scheme from RIICO (2007-2012)

## 4.2 RAJASTHAN FINANCIAL CORPORATION

After discussing the RIICO it's obvious that the other financial corporation the state of Rajasthan is the RFC. Which is the *Rajasthan Financial Corporation*. This body was set up in the 1955 as a statutory corporation under the state Financial Corporation Act, 1951. This corporation has played a major role in the industrialization of Rajasthan, because more than 90% of industrial projects have been established in the state in the category of tiny, small time and medium sector for which this corporation had been established. Had the RFC not be established probably so many of industrial sectors would not have seen the light of the day. It should be kept in mind that no one would like to give loans to small and medium sectors, for the fear of repayment of loans.

This obviously means that people who had entrepreneur acumen, but lack of financial of financial funding, would have power be able to establish their business therefore the RFC was excel send for then and this corporation put a number of people on their feet, who in turn given employment to others this was also an inspiration, for a number of people to take up the



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challenge of starting their own business from a small scale and later they could venture to something bigger.

If the state of Rajasthan did not have the RFC entrepreneurs would have to take loans from money lenders, who would charge them an exuberant rate of interest and beside they would have to either mortgage their gold or property. In such circumstances very few entrepreneurs would take up the step of setting up industries. The Corporation is continuing to work as a Catalyst of development for translating into practice the industrial policies and priorities of the Central and the State Governments as also for providing and improving upon immediate assistance in the planned and balanced development of industries in the State, particularly in the small and tiny sectors.

Since, it's very inception, the Rajasthan Financial Corporation has been striving incessantly towards its Goal - that of extending a helping hand to varied entrepreneurial section of society for their financial requirements. A Goal, ultimately aimed at spurring up the process of industrialization of its parent State. For the fulfillment of its prime objective it operates various loan schemes for the tiny, small and medium scale industries, many of them tailor-made for specific entrepreneurial classes. Ever prepared to adopt as well as to adapt itself to the changing industrial needs, RFC has over the period, widened its network, multiplied its numerous schemes and added multifold to its policies and incentives, liberalizing them with the need of the hour. Be a party to the grand task of industrialization of the State of Rajasthan and avail of any of our loan schemes.

The general superintendence, direction and management of the affairs and business of the Corporation vests with the Board of Directors, consisting of representatives of the State Government, SIDBI, Public Sector Banks, LIC, Insurance companies and other Institutions owned and controlled by Central Government/ State Govt. and other genuine share holders.

The Chairman and Managing director aided by Executive Director, General Managers, Deputy General Managers and Departmental heads in HO. and Branch Managers in the field execute the policies of the Corporation. The Corporation has expanded into 37 Branches and 5 Sub Offices in 33 Districts of the State. These Branches are duly equipped to function as entrepreneurial guidance centers and exercise considerable delegated authority in regard to sanction, documentation and disbursement of financial assistance.

The Corporation has established a Business Promotion Cell and an entrepreneur Guidance Cell at HO, which provides assistance, and guidance to the entrepreneurs. The Corporation grants term loan up to Rs. 2000 lacs to limited companies and Co-operative societies and up to Rs. 800 lacs to proprietary and partnership concerns. Existing industries having Net Worth up to Rs. 30.00 Crores (paid up capital + Free reserve) are eligible for financial assistance



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under the provisions of the SFC's Act. The Corporation also provides short-term line of credit facilities to good borrowers for acquiring fixed assets and to meet out their working capital requirements. The financial assistance is also made available by the Corporation for the following activities, which have been approved by IDBI under the provisions of Section 2(c) (XIII) of the SFC's act.

- Acquiring Electro-medical equipment for professional use by medical practitioner.
- Hospitals and Nursing Homes.
- Hotels, Restaurants and tourism related activities.
- Setting up consultancy ventures by qualified professionals.
- Quality control facilities.
- Service Industries like Washing, Cleaning, Ornamenting etc.
- Providing engineering, technical, financial management, marketing or other services or facilities for industry.
- Providing medical, health or other allied services.
- The research and development of any concept, technology, design process or product.
- Development, maintenance and construction of roads.
- Construction of commercial complexes, sales outlets and show rooms and community centers (including marriage halls) as a part of the hotel business.
- All activities related to information technology sector including Cyber Cafe E-telecommunication portal services etc.

**a. SCHEME FOR FINANCIAL ASSISTANCE by RFC**

**1. Eligibility Criteria:** All project mentioned hereunder at (a) to (e) set up by Women Entrepreneur having minimum promoter share of 51% would be eligible for assistance under the scheme.

- a) New projects in tiny and small-scale sector for manufacture preservation or processing of goods. (Tiny Enterprises would include all industrial unit and service industries (except Road Transport Operators) satisfying the investment ceiling prescribed for tiny enterprise viz. Rs. 5.00 lakh)
- b) Existing tiny and small scale industrial units and service enterprises as mentioned above (including those which have availed of MUN assistance earlier), undertaking expansion, modernization, technology upgradation and diversification.
- c) Sick units in the tiny and small-scale sector including, service enterprises as mentioned above, which are considered potentially viable. All industrial activities and service activities (except Road Transport Operators) in the SI Sector.



- d) Projects which avail of any margin money or seed / special capital assistance under the schemes of Central / State Governments, State Financial Corporations and / other state level institutions or banks (except state Investment Subsidy) are not eligible for assistance under this scheme.

**2. Project cost**

- a) New Project not to exceed Rs. 10.00 lakhs (including margin money for working capital)
- b) Existing units and service Enterprises Outlay on expansion / modernization, technology upgradation or diversification or rehabilitation should not exceed Rs. 10.00 lakh per project.

**3. Promoter's Contribution:** 10% of the project cost

**4. Rate of interest:** Prevailing rate of interest as applicable from time to time.

**5. Debt Equity Ratio:** 1.857: 1

**6. Period of repayment:** The loan will be repayable over a period not exceeding 10 years including moratorium of 3 years.

**7. Security Collateral:** Security for atleast 25% of sanctioned amount of term loan in addition to the first charge of the fixed assets.

**8. Application fee under the scheme:** the application fees shall be charged 50% for loan upto Rs. 5.00 lakhs.

**b. LATEST SCHEME LAUNCHED BY RFC TO PROMOTE FIRST GENERATION MALE AND FEMALE ENTREPRENEURS**

**Yuva Udyamita Protsahan Yojana :**

The State Govt. has announced in State Budget that RFC will launch a Scheme in the name and style of "Yuva Udyamita Protsahan Yojana" for providing term loans for projects with costs ranging between Rs. 25 lakh to Rs. 100 lakh at minimum rate of interest and on easy terms & conditions with a view to promote entrepreneurship amongst the youth. Accordingly, the Corporation has prepared this new scheme for providing financial assistance during 2013-14, who are at least ITI / Graduate and have innovative ideas but are not in a position to establish their own ventures because of lack of financial resources. The proposed Scheme has been framed with the objective to also incubate the youth in the realization of their innovative but feasible ideas / concepts and to support the same right upto the production stage. The eligible applicants would be required to apply on-line upto 31st May 2013.

**Salient features of the Scheme:**

1. That the persons upto the age of 35 (only those born on or after 01.04.1978) and qualified ITI or Graduate shall be eligible to apply under the scheme. Preference will be given to the first generation entrepreneurs.



2. All types of projects shall be eligible under the scheme for loans between Rs. 25 lakh to Rs. 90 lakh, as promoter contribution has to be at least 10% of project cost, maximum loan can be Rs. 90 lakh.
3. Eligible persons would participate in a competition to win the loans on merits of their projects. It is expected that about 10,000 or more applications may be received. The application form will be simple and only brief write-up (maximum 1.50MB) either in Hindi or in English will be required to be uploaded.
4. In first stage of competition, an independent external panel of eminent persons in the field of commerce, finance, banking and industry will select the winners. RFC will finalize this panel and COSIDICI will be associated.
5. Applications will be selected on the strength of their concept and may be awarded initial prize of Rs. 5,000/- each by 31st July 2013. On submission of DPR (detailed project report) / Business Plans, they will be eligible for a further sum of Rs. 10,000/- as hand holding money. These DPRs will be further processed and loan sanction /documentation will be completed and disbursement will be made accordingly.
6. Rate of interest on loan and Repayment period: @13.50%. However, if project is implemented within the time period allowed and quarterly installments of principal sum and interests are also repaid timely then 6% rebate will be allowed on quarterly basis. Effective Rate of interest will then be @7.50% p.a. (i.e.13.50%-6%=7.50%). Repayment period will be 7 years including moratorium period of 12 months from date of first disbursement (i.e. date of execution of loan documents).
7. Promoters contribution: At least 10% of the cost of the project depending on merits of the project.
8. No loan application fee (Rs. 100/- per lac) and processing charges (0.5% of loan amount) shall be charged by the Corporation under this scheme (giving further relief on an average of Rs. 54,000/- per case in loan of Rs. 90 lac).
9. To support and mentor all these entrepreneurs, a dedicated group of RFC officials will be available. For this purpose, the existing office facilities at Udyog Bhawan will be utilized. Likewise, RFC will open Facilitation Centres at all Divisional Headquarters and at Bhiwadi /Delhi / Barmer to facilitate these entrepreneurs.
10. No collateral security will be taken. RFC shall also provide hand-holding support to the selected prospective entrepreneurs in obtaining allotment of land from RIICO and other facilities/clearances from different government departments facilities/clearances from different government departments.

### 4.3 SMALL INDUSTRIES SERVICES INSTITUTE (SISI), JAIPUR



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The Small Industries Service Institute in the State of Rajasthan was set up at Jaipur on the 14th of January, 1958 to provide technical, economic, managerial and marketing consultancy services, to promote entrepreneurship, to assist new entrepreneurs as well as existing industrial units to run their Small Scale Enterprises (SSEs) successfully and to help implement the policies of the Government of India for promotion of Small Scale Industries. The services of the Institute are almost free of cost, except some services, for which some nominal charges are levied.

The Institute has its Workshop at Jaipur since 1961 where common facility services are provided to small scale units, on nominal charges.

The main functions of the Institute can be summed up under the following points:

- \* Interface between the Central and State Governments.
- \* Technical support services and consultancy services.
- \* Entrepreneurial Development Programmes.
- \* Developmental efforts.
- \* Promotional Programmes.
- \* Export Promotion Liaison.

#### **4.4 NATIONAL SMALL INDUSTRIES CORPORATION LTD., (NSIC), JAIPUR**

The National Small Industries Corporation was formed and registered at Delhi under the Components Act, 1956 in February, 1955 as a Government Company for promotion and development of small-scale industries. It has been engaged mainly in the following activities:

- (i) Supply of both imported and indigenous machines to Small-Scale units on hire-purchase basis;
- (ii) Enlistment of small units for participation in the Stores Purchase Programmes of the Central and State Government and other institutions,"
- (iii) Supply and distribution of certain types of raw materials, stores and components, including import of raw materials under its additional licences and IRMAC scheme,"
- (iv) Internal marketing of small industries' products, mainly through consortia approach;
- (v) Export marketing of small industries' products adopting a 'single window' approach by providing a series of facilities to its export associates;
- (vi) Co-operation with other developing countries in setting up small-scale projects on turn-key basis,'
- (vii) Development of prototypes of machines, equipment, and tools, at its prototype Development and Training Centres at New Delhi, Rajkot, Howrah and Madras;
- (viii) Provision of basic and advanced training in various trades in the PDTC,'
- (ix) Provision of common facilities at the PDTCs, and initial production of certain machines, as incidental to training;



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- (x) Development and upgradation of technologies, particularly for projects based on wastes, etc.," and
  - (xi) Implementation of Science and Technology Schemes entrusted to the Corporation by NCST.

National Small Industries Corporation Ltd., (NSIC), New Delhi, a Government of India undertaking has its branch at Jaipur. The Corporation provides Marketing and Financial Assistance to SSI units in the following manner :-

- Registers small scale industrial units under single point registration scheme of DGS&D. This registration enables SSI units to participate in the Central Government Stores Purchase Programme. The SSI units registered with NSIC are entitled for exemption of security deposits and earnest money, free supply of tender forms and price preference upto 15% over the products of large scale industries.
- Works as Government Export House for small scale units intending to export their products.
- Provides machinery (indigenous as well as imported) on Hire Purchase to SSI units on easy installments.

#### **4.5 DISTRICT INDUSTRIES CENTERS (DIC)**

The District Industries Centers (DIC's) programme was started in 1978 with a view to provide integrated administrative framework at the district level for promotion of small scale industries in rural areas. The DIC's are envisaged as a single window interacting agency at the district level providing service and support to small entrepreneurs under a single roof. DIC's are the implementing arm of the central and state governments of the various schemes and programmes. Registration of small industries is done at the district industries centre and PMRY (Pradhan Mantri Rojgar Yojana) is also implemented by DIC. The organizational structure of DICS consists of General Manager, Functional Managers and Project Managers to provide technical services in the areas relevant to the needs of the district concerned. Management of DIC is done by the state government.

The main functions of DIC are:

- (1) To prepare and keep model project profiles for reference of the entrepreneurs.
- (2) To prepare action plan to implement the schemes effectively already identified.
- (3) To undertake industrial potential survey and to identify the types of feasible ventures which can be taken up in ISB sector, i.e., industrial sector, service sector and business sector.
- (4) To guide entrepreneurs in matters relating to selecting the most appropriate machinery and equipment, sources of its supply and procedure for importing machineries.



- (5) To provide guidance for appropriate loan amount and documentation.
- (6) To assist entrepreneurs for availing land and shed equipment and tools, furniture and fixtures.
- (7) To appraise the worthness of the project-proposals received from entrepreneurs.
- (8) To help the entrepreneurs in obtaining required licenses/permits/clearance.
- (9) To assist the entrepreneurs in marketing their products and assess the possibilities of ancillarisation.
- (10) To conduct product development work appropriate to small industry.
- (11) To help the entrepreneurs in clarifying their doubts about the matters of operation of bank accounts, submission of monthly, quarterly and annual returns to government departments.
- (12) To conduct artisan training programme.
- (13) To act as the nodal agency for the district for implementing PMRY (Prime Minister Rojgar Yojana).
- (14) To function as the technical consultant of DRDA in administering IRDP and TRYSEM programme.
- (15) To help the specialized training organizations to conduct Entrepreneur development programmes.

In fine DIC's function as the torch-bearer to the beneficiaries/entrepreneurs in setting up and running the business enterprise right from the concept to commissioning. So the role of DIC's in enterprise building and developing small scale sector is of much significance.

## **5. CONCLUSION**

It may be stated that in the Indian setting where poverty and unemployment are widely prevalent, the development of broad-based entrepreneurship need not be over-emphasized. No doubt the development banks have initiated certain measures for the development of broad-based entrepreneurship in the country. But in a country where the industrial activity was considered as hereditary occupation and trading and financing backgrounds remained for a long time almost an exclusive source of entrepreneurship, what the development banks have been doing in the direction of broad-based entrepreneurship development can be considered as nominal. The development banks should identify, on their own, the individuals with entrepreneurial traits and motivate them into entrepreneurial career by providing suitable training and other inputs necessary to set up industrial establishments. The contribution of development banks to the growth of small entrepreneurship in rural and backward areas has been negligible. The entrepreneurship development programmes (EDPs) conducted by development banks are, by and large, urban-oriented and, therefore, the entrepreneurship is still emerging from urban and metropolitan centers. In order to foster the growth of broad-based entrepreneurship in the country, the development banks should necessarily make a dent into the



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rural areas and identify the potential entrepreneurs and develop in them the traits/abilities required for entrepreneurial success.

The idea of industrial estates was conceived in order to promote small scale industries and provide employment to a large number of people as well as to supplement the existing programme of rural development. An industrial estate in a simple sense may mean a planned location or area provided with factory accommodation along with infrastructural facilities of water, transport, electricity, banks, post offices, canteen, watch and ward, common service facilities. A better working condition is provided in the factories leading to increase in the productivity. In many cases it helps small units to make use of each other's services and thus effect economies in production.

In India a large number of industrial estates have been developed in various parts of the country during successive Five-Year Plans. The Government of India has launched a nation-wide construction programme of industrial estates to provide institutional support and guidance for speedy industrialisation of the country. In Rajasthan industrial estates were planned during the First Five-Year Plan period. In course of the implementation of successive Five-Year Plans in Rajasthan, a good number of industrial estates has also been established in different locations of the State. Over the years, these institutions both in India and in Rajasthan have gained much importance. A huge amount of money has been invested on industrial estates and they are considered prime institutions for development and decentralisation of industries. The present study, therefore, is an attempt to find out the role played by these institutions in the industrialisation programme of the country in general and that of Rajasthan in particular.

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