

Ministry of Small Scale Industries

OUTCOME BUDGET 2007-08

EXECUTIVE SUMMARY

The development and promotion of small scale industries is primarily the responsibility of the respective State/Union Territory (UT) Governments/Administrations. The Central Government, however, supports and supplements the efforts of the State Governments/UT Administrations through various schemes/programmes relating to credit, performance and credit rating, infrastructural development, technology upgradation, marketing, entrepreneurial development, etc. These are implemented across the country.

Budget Allocation for the Ministry of Small Scale Industries has been increased from Rs.469.93 crore in 2006-07 to Rs.530 crore in 2007-08. The budgetary allocation is utilized for the implementation of various plan schemes implemented by DC(SSI), NSIC and the M/o SSI.

The Central Government constantly assesses and monitors the impact of liberalisation/globalisation and changing economic scenario on the growth and development of economy, including that of small scale industries (SSIs) in the country. Measures taken by the Government from time to time for the promotion and development of small scale industries and to enhance their competitiveness have helped these enterprises to compete in the global as well as the domestic market, as is evident from their growth in terms of number of units and contribution to national production, employment generation and exports.

Government has put in place several measures to help small enterprises. These include schemes of assistance for technology upgradation, infrastructure development, cluster development, adoption of modern management practices, marketing, etc. Further, steps have been taken to enhance credit flow to the SSI units, sensitise them to matters relating to global trade liberalisation and facilitate information dissemination through the use of information technology. To facilitate cost reduction, design, process-modification and product diversification to make the Indian SSI products competitive, the Central Government has modernised its Process-cum-Product Development Centres (PPDCs) and Tool Rooms. In addition, the field offices of Small Industries Development Organisation (SIDO), i.e., Small Industries Service Institutes (SISIs) have set up Technology Resource Centres (TRCs) to advise and enable the SSIs to upgrade themselves so as to compete in the global market.

With a view to improve the contents, delivery, mechanism, implementation, etc. of the Schemes, evaluation studies were recently conducted/are being conducted of the following schemes/subject of the Ministry of SSI.

- (i) Integrated Infrastructural Development (IID) Scheme;
- (ii) Credit Guarantee Fund Scheme;
- (iii) Credit Linked Capital Subsidy Scheme

- (iv) Studies of SISIs/Br. SISIs;
- (v) Functioning of PPDC Meerut;
- (vi) Causes of incidence of sickness in the Small Enterprise Sector
- (vii) National Programme for the Development of Lock Industry
- (viii) National Programme for the Development of Toy Industry

For the efficient disposal of Right to Information (RTI) requests the Central Public Information Officers/Appellate Authorities under the RTI Act have been nominated by the Ministry. Apart from this, the Information Facility Counter (IFC) has been working under the Ministry of SSI.

A Gender Budgeting Cell has been created in the Office of Development Commissioner (Small Scale Industries).

Chapter I

Introductory note

Ministry of SSI

1 Other Schemes (Plan Scheme)

1.1 International Cooperation Scheme

International Cooperation Scheme is an ongoing Scheme of the Ninth Plan, which is continuing in the Eleventh Five Year Plan (2007-2012). Technology upgradation, modernization and promotion of exports from SSI sector are the important objectives of the Scheme.

The Scheme encompasses following activities:-

- i. Participation by Indian SSI/SEs in exhibitions, fairs and buyer-seller meets with international component.
- ii. Deputation of SSI/SE business delegations to other countries for exploring new areas of technology infusion/upgradation, facilitating joint ventures, improving market of SSI/SE products, foreign collaborations etc.
- iii. Holding international conferences and seminars on topics and themes of interest to SSI/SE.

1.1.2. Surveys, Studies and Policy Research

Under the scheme, studies are entrusted to independent agencies, institutions, consultancy firms etc., with financial assistance from the Ministry. The main objectives of the scheme are – (i) to regularly/periodically collect relevant and reliable data on various aspects and features of micro, small and medium enterprises (MSME), (ii) to study and analyse, on the basis of empirical data or otherwise the constraints and challenges faced by MSME as well as the opportunities available to them in the context of liberalisation and globalisation of the economy, and (iii) to use the results of these surveys and analytical studies for policy research and designing appropriate strategies and measures of intervention by the Government.

1.1.3. National Entrepreneurship Development Board (NEDB)

This is an ongoing scheme from the Ninth Plan, which was continued in the 10th Plan. The main objective of the scheme is to promote entrepreneurial climate and inculcate entrepreneurial values among the students and to motivate students to take up entrepreneurship as a career. Recent review of the scheme shows that continuation of the NEDB has become unnecessary and the efficacy of the individual scheme components has not been optimal. Government has, therefore, decided to abolish the NEDB and recast the scheme contents/components with a view to sharpening their focus and improving their impact. Therefore, for the Eleventh Plan no allocation is proposed for the ongoing National Entrepreneurship Development Board (NEDB) scheme. Rather, the

scheme is being replaced by a new scheme to be now known as the Scheme of “Promotion and Hand-holding of Micro and Small Enterprises”.

1.1.4. Training Institutions

(a) Strengthening of Training Infrastructure of Existing and New Entrepreneurship Development Institutes.

Entrepreneurship development is one of the key elements for promotion of Micro and Small Enterprises, particularly, the first generation entrepreneurs. Hence, entrepreneurship development has been one of the priorities in countries world over. Governments make consistent and concerted efforts to strengthen and revitalize the promotion of entrepreneurship. The Ministry of Small Scale Industries promotes the development of small scale industries in the country with the objective of creating self-employment opportunities and upgradation of management and technical skills of existing and potential entrepreneurs. The scheme of Entrepreneurship Development Institutes (EDIs) was launched in 1992-93 to provide financial assistance for strengthening training infrastructure of the existing and new entrepreneurship development institute at State/UT level. The scheme envisages providing financial assistance to State-level existing and proposed institutions meant for supporting entrepreneurship development and self employment activities training, consultancy and research in tune with the policy measures announced by the Government of India on promoting and strengthening of micro and small enterprises. The Central assistance is expected to be only catalytic and supplementary to the contributions and efforts of the States /UT Governments and other agencies, namely, institutions engaged in entrepreneurship development, technical educations institutions, management institutions and financial institutions, and is expected to augment the existing entrepreneurship development training capacity in the country. The financial assistance provided is only catalytic and supplementary to the contributions and efforts of the State/UT government and other agencies involved in the programme. The financial assistance is for specific needs like building, training aids/equipment and other support services, on matching basis, i.e. 50% of the cost, restricted to Rs.100.00 lakh, in each case.

(b) National Institute of Small Industry Training (NISIET), Hyderabad.

NISIET, formerly known as Central Industrial Extension Training Institute (CIETI), was set up in 1960 at New Delhi as a Department of Central Government under the Ministry of Commerce and Industry. Its main objective was to provide training to the personnel of the Central Small Industries Organisation as well as the Departments of Industries of the State Governments. Subsequently, in 1962, it was shifted to Hyderabad and converted into an autonomous society. In 1984, the Institute was renamed as National Institute of Small Industry Extension Training (NISIET). NISIET’s role has benefited not only the Indian micro, small and medium enterprises (MSMEs) but also those in other developing countries and helped in promoting self-employment and enterprise development. The Institute is constantly evolving with time, modifying its focus with the emerging needs of MSMEs and providing them solutions in the form of consultancy, training, research, and education.

The academic activities of the Institute are organized through centers of excellence focusing on specific needs of the SMEs. The Institute is self sufficient in meeting its recurring expenditure through internal resource generation from 2001-02 onwards. However, the Institute continues to receive grant for meeting the capital expenditure.

(c) National Institute for Entrepreneurship and Small Business Development (NIESBUD), Noida

NIESBUD was set up in 1983 as an apex institution in the field of entrepreneurship development to promote, support and sustain entrepreneurship and small business through training, education, research and consultancy services. The major activities of the Institute include, evolving model syllabi for training various target groups, providing effective training strategies, methodology, manuals and tools, facilitating and supporting Central/State Governments and other agencies in executing programmes of entrepreneurship and small business development; maximizing benefits and accelerating the process of entrepreneurship development; conducting programmes for motivators, trainers and entrepreneurs which are commonly not undertaken by other agencies and organising activities which help in developing an entrepreneurial culture in the society. The Institute helps other Entrepreneurship Development Institutions in various ways, such as developing syllabi in entrepreneurship for different target groups, training of faculty and developing training aids. During April, 2004, the Institute has shifted to its new campus at Noida, Uttar Pradesh.

The revenue grant to the Institute is being progressively reduced and it being encouraged to attain self-sufficiency at least to meet its revenue expenditure.

d. Indian Institute of Entrepreneurship (IIE), Guwahati

The Indian Institute of Entrepreneurship (IIE) was set up at Guwahati in 1993. It took over NISIET's NER Centre from 1st April 1994. Over a period of 12 years, the Institute has expanded its canvas not only in terms of geographical coverage but also diversifying into various areas of the activities related to socio-economic development. The Institute organises training programmes and undertakes research and consultancy services in the field of promotional small industry and entrepreneurship. Having developed the competency, professional expertise in entrepreneurship development and management, the Institute has diversified its field of training into various sectors and it can rightly be termed as a Centre for MSME Development in North-Eastern Region.

New Scheme

1.2 .1 Promotion and Hand-holding of Micro and Small Enterprises

World over, micro and small enterprises (MSEs) are recognised as an important constituent of the national economies, contributing significantly to employment expansion and poverty alleviation. Therefore, promotion of entrepreneurship, handholding of first – generation entrepreneurs and enhancement of competitiveness of operating MSEs are important, particularly for developing economies, especially in the context of rapid changes brought about by globalisation.

With these objectives, the Government of India has been implementing several schemes and programmes. One of these, termed the 'National Entrepreneurship Development Board (NEDB) Scheme', included components like assistance for setting up 'Entrepreneurship and Business Development Centres (EBDCs)' to encourage students to adopt entrepreneurship as a career option, setting up business incubators to help start-up businesses of first generation entrepreneurs; and for organising workshops/seminars/conferences, etc., to deliberate on issues relating to entrepreneurship development.

Recent review of this initiative shows that continuance of the National Entrepreneurship Development Board has become unnecessary and the efficacy of the individual scheme components has not been optimal. Government has, therefore, decided to abolish the NEDB and rename and recast the scheme contents/components, with a view to sharpening their focus and improving their impact. The scheme, to be now known as the Scheme of "Promotion and Hand-holding of Micro and Small Enterprises", will have the following components and will be implemented in tandem with the relevant existing schemes and programmes:

- (i) Assistance to eligible Universities, Colleges, National Institutes of Technology, revitalised Industrial Training Institutes and Polytechnics operating in public-private partnership mode, etc., for establishment of **Entrepreneurship and Business Development Centres (EBDCs)** – to facilitate **initiation** and education **of college students in entrepreneurship as a career option;**
- (ii) Entrepreneurship Development Programme (EDP) in Backward/Rural Areas and EDP for Scheduled Caste / Scheduled Tribe / Minority Category Trainees;
- (iii) Assistance to existing Entrepreneurship Development Institutes (EDIs) at the National and State levels, mature EBDCs, capable association of MSEs / SSIs, Special Purpose Vehicles (SPVs) set up for cluster development involved in entrepreneurship development and Central/State Government/Public Sector Enterprises involved in promotion and development of MSEs, to set up **Cells for Support and Promotion of MSE (CSPMSE)**, through hand-holding and mentoring of the successful trainees of the EDPs/SDPs by facilitating their access to programmes/schemes like the Rural Employment Generation Programme (REGP), Pradhan Mantri Rozgar Yojana (PMRY) and other schemes **thus integrating and leveraging the existing programmes/schemes;**
- (iv) Organising workshops/ seminars/ conferences relating to entrepreneurship development and promotion of SMEs; and
- (v) Assistance [drawing upon or leveraging the funds and other provisions of the Small Industrial Cluster Development Programme (SICDP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), etc., as] to Lead Agencies to build their own technical capacity to function as effective institutions for promoting cluster development of established first generation MSEs.

The above components of the proposed new scheme have been worked out after detailed consultations with the stockholders. EFC/SFC note for approval of this scheme is under preparation.

For this scheme, a provision of Rs.7.50 crore has been made in BE:2007-08.

1.3 SMALL INDUSTRIES DEVELOPMENT ORGANISATION (S.I.D.O.)

Most of the programmes and schemes of the Ministry of Small Scale Industries for the development of micro, small and medium enterprises are implemented through Small Industries Development Organisation. SIDO an attached Office of the Ministry of Small Scale Industries is headed by an Additional Secretary & Development Commissioner (Small Scale Industries). The major activities of SIDO include the following:-

- SIDO is an apex body for assisting in policy formulation and coordinating and monitoring implementation of Schemes/programmes for promotion of MSMEs.
- SIDO liaises with the Central Ministries, Planning Commission, State Governments, financial institutions, voluntary agencies and other organizations.
- SIDO provides a comprehensive range of facilities and services, tooling facilities, marketing assistance, etc. through a network of:-
 - 30 Small Industries Service Institutes, SISIs, and 28 Branch Small Industries Service Institutes (Br. SISIs)
 - 4 Regional Testing Centres, (RTCs) and 7 Field Testing Stations (FTSs).
 - 10 Tool Rooms and 2 Central Footwear Training Institutes, CFTIs
 - 6 Product-cum-Product Development Centres, (PPDCs)
 - Credit Guarantee Fund Trust to operate Credit Guarantee Scheme.

SIDO provides secretarial assistance to the Small Scale Industries Board which is chaired by the Minister (SSI&ARI).

SIDO has been playing a constructive role in strengthening MSME sector by providing it with a number of support services through various schemes and programmes.

These include techno-economic and managerial consultancy, assistance for establishing Integrated Infrastructural and Common Facility Centres, Consultancy and Financial Assistance for Technology Upgradation and Modernisation, human resource development and quality testing facilities through a variety of schemes/programmes. It is gradually orienting itself into a Technology Resource Hub through the web and computer networking.

1.4 MAJOR PROGRAMMES /SCHEMES

Recognizing the enormous contribution of the micro and small enterprises (MSEs) in industrial production, providing widely disbursed employment, equitable regional development as also their locational flexibility and adaptability in the face of the competition, a major promotional package for the sector has been formulated which, inter alia, include issues concerning i) Legislative back up; ii) Credit support iii) Fiscal

measures; iv) Support for cluster based development v) Technological and Quality Upgradation Support, vi) Marketing Support vii) Support for Entrepreneurial and Managerial Development viii) Empowerment of Women owned enterprises; and ix) Strengthening of Data Base of MSME Sector. After examining the issue in detail and with the approval of Planning Commission, the following Central Sector Schemes (modified and merged) are implemented:-

1.5 QUALITY OF TECHNOLOGY SUPPORT INSTITUTIONS AND PROGRAMMES

This Scheme consists of the following sub-components:-

1. Tool Rooms & Technical Institutions;
2. Credit Linked Capital Subsidy Scheme;
3. ISO 9000/14001 reimbursement Scheme;
4. Various Schemes formulated under NMCP viz. National Programme on Application on Lean Manufacturing, Promotion of ICT in Indian manufacturing sector, Mini Tool Rooms, Technology and Quality Upgradation Support for SMEs.
Support for Entrepreneurial and Managerial Development of SMEs, Design Clinic Scheme, Enabling Manufacturing Sector to be Competitive through Quality Management, Marketing Support/Assistance to SMEs, etc. These Schemes are being designed to enhance the competitiveness and efficiency of the units. Vertical Shaft Brick Kiln (VSBK) and Technology Mission are the other two components of this Scheme.

1.5.1 Tool Rooms & Technical Institutions

The Tool Room Scheme consists of equipping 10 existing Tool Rooms and a component Scheme of Central Assistance to States for setting up Mini Tool Rooms. These Tool Rooms & Training Centres provide production, training and consultancy services in the areas of tool engineering, i.e., facilities for production of tools, moulds, dies, jigs & fixtures, etc., and providing skilled manpower to industry. These services help the industry become more productive & competitive.

The plan Scheme also consists of funding the activities of the following field institutions by way of upgradation of equipment and machinery:

- (1) Electronic Service & Training Centre, Ram Nagar, Uttarakhand;
- (2) Centre for Development of Glass Industry, Firozabad;
- (3) Process-cum-Product Development Centre, Meerut, U.P.
- (4) Process-cum-Product Development Centre, Agra, U.P.
- (5) Fragrance and Flavour Development Centre, Kannauj, UP;
- (6) Institute for Design of Electrical Measuring Instruments, Mumbai, Maharashtra
- (7) Central Institute of Tool Design, Hyderabad, Andhra Pradesh

1.5.2 Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Upgradation

The Credit Linked Capital Subsidy Scheme (CLCSS) aims at facilitating technology up-gradation by providing upfront capital subsidy to SSI units, including agro & rural industry units (within the functional purview of the Ministry of Agro and Rural Industries) in addition to institutional finance (credit) availed of by them from banks, for modernisation of their production equipment (plant and machinery) and technology, both existing SSI units registered with the State Directorates of Industries, and new SSI units which have set up their facilities with the appropriate eligible and proven technology. The Scheme provided for 15% capital subsidy to SSI units including tiny units, on institutional finance availed of by them for induction of well established and improved technology in selected sub sectors/products approved under the schemes. The ceiling on loans under the scheme is Rs. 1.00 crore

1.5.3 ISO 9000/14001 reimbursement

ISO-9000 Reimbursement Scheme envisages reimbursement of charges for acquiring ISO-9000/14001 to the extent of 75% of the cost, subject to a maximum of Rs.75, 000/-. All SSI units with permanent registration are eligible to avail of the Scheme. The Scheme provides one-time reimbursement.

1.6. PROMOTIONAL SERVICES INSTITUTES AND PROGRAMMES

Sub-components of this Scheme are as follows:-

SIDO Officers' Training Programme, SISIs (includes provision for Workshops/Training), RTCs/FTSs/Testing Centres by Industry Associations, MDP/EDP/Skill Development (includes for women; weaker sections and minorities; National Award (Entrepreneur & Quality); Vendor Development Programme for Ancillarisation; Support for Entrepreneurial & Management Development of SMEs; Scheme for Conduct of Tailor made courses for new entrepreneurs through select business Schools, Technical Institutes, etc.; Scheme to support 5 select universities/colleges to run 1200 entrepreneurs clubs; Scheme for capacity building, strengthening of data base and advocacy by industry/enterprises associations, Land & building fro Office accommodation and residential accommodation in backward areas.; Training-cum-Product Development Centre, TDPCs' Advertising & Publicity; SENET Project; Publicity & Exhibition includes participation in 25 exhibitions and marketing facilitation for women.

1.7 MSME CLUSTER DEVELOPMENT PROGRAMME:

The Sub-components of this Scheme are as under:-

1. Cluster Development Programme (including IID subsumed)
2. MSME Growth Poles

Cluster Development Programme (including IID subsumed)

Clusters are defined as a Sectoral and geographical concentration of micro, small and medium enterprises with inter-connected production system leading to firm/unit level specialisation and developing local suppliers of material inputs and human resources. Availability of the local market, inter-mediaries for the produce of the cluster is also a general characteristics of the cluster.

The IID Scheme has been subsumed in the SICDP and all the best features of the IID scheme will be covered under the cluster development.

In March 2006, the guidelines of the Small Industries Cluster Development Programme (SICDP) have been modified with a view to broad –basing the Scheme and enabling extensive interventions in selected industrial clusters in areas like technology upgradation, marketing, infrastructural upgradation, credit facilitation, establishment of Common Facility Centres, attainment of quality certification, etc. The Ministry is also servicing an Empowered Group of Ministers to synergise and oversee the on-going cluster development programmes of various Ministries for which we have received Prime Minister's in – principle approval. Currently, various measures of interventions are being implemented in 83 clusters spread all over the country.

1.8 MSME Growth Poles

National Commission for enterprises in the unorganized sector (NCEUS) has formulated a pilot scheme of setting up 5 growth poles for the unorganized enterprises. These five pilot projects are in Chhattisgarh, Rajasthan, Kerala, West Bengal and Uttaranchal. The DPRs likely to be finalized in 2007-08 and recommendations of the Commission likely to be submitted to Government for implementation. Growth Pole projects in other states are also likely to be set up in 2007-08.

1.9 CREDIT SUPPORT PROGRAMME:

This Programme consists of the following Schemes:-

1. Credit Guarantee Scheme
2. Augmentation of Portfolio Risk Fund under Micro finance Programme
3. Trade Related Entrepreneurship Assistance Development Programme for Women (TREAD)

1.9.1 Credit Guarantee Scheme

The Government introduced the Credit Guarantee Fund Scheme for Small Industries in May, 2000 with the objective of making available credit to SSI units, particularly tiny units, for loans up to Rs. 25 lakh without collateral/ third party guarantees. The Scheme is being operated by the Credit Guarantee Fund Trust for Small Industries (CGTSI) set up jointly by the Government of India and SIDBI. The Scheme provides for collateral free credit facility (term loan and / or working capital) extended by eligible lending institutions to new and existing SSI units/ Small Scale Service and Business (industry related) Enterprises (SSSBs) including Information Technology and Software Industry up to Rs. 25 lakh per borrowing unit. The guarantee cover is up to 75% of the credit subject to maximum guarantee limit of Rs. 18.75 lakh. The member lending institutions (MLI) availing of guarantee from the Trust have to pay a one-time guarantee fee of 1.5% of the credit facility (comprising term loan and / or working capital) sanctioned by the lending institution to the borrower and annual service fee of 0.75% per annum on the amount of credit facility extended by the MLI, which is covered under the scheme.

1.9.2 Augmentation of Portfolio Risk Fund under Micro finance Programme

Under the Portfolio Risk Fund (RCF) Govt. of India will provide funds for Micro Finance Programme to SIDBI. This fund would be used for security deposit requirement of the loan amount from the MFIs/NGOs. The MFIs/NGOs may avail the loan from the SIDBI for further lending on the support of the security deposit.

1.9.3 Trade Related Entrepreneurship Assistance Development Programme for Women (TREAD)

The Scheme envisages economic empowerment of women through trade relating training, information and counselling/extension activities related to trade, products, services, etc. .Government grant up to 30% of the total project cost, as appraised by lending institutions, which would finance the remaining 70% as loan assistance to the applicant women. Training organisations viz., EDIs, NISIET and NGOs conducting training programmes for empowerment of women beneficiaries identified under the Scheme are provided a grant upto maximum limit of Rs.1 lakh. Training Institutions are provided need-based Government grant upto Rs.5 lakh per project for field surveys, research studies, evaluation studies, designing of training modules, etc.

1.10 MARKETING DEVELOPMENT ASSISTANCE PROGRAMME:

- 1.** Export Promotion and MDA Scheme
- 2.** National Campaign for Investment in Intellectual Property
- 3.** Marketing Support/Assistance to SMEs

Export Promotion and MDA Scheme

The Plan Scheme consists of assistance for:-

- (1) Participation in International Exhibitions/Fairs.
- (2) Training Programmes on Packaging for Exports.
- (3) Market Development Assistance for SSI exporters (SSI-MDA).

These activities help the units in better exposure and facilitate marketing of their products.

National Campaign for Investment in Intellectual Property

The project envisages enhancing awareness about the Intellectual Property Rights (IPR) to enable MSME to make informed decisions about protecting their ideas and business strategies, effective utilisation of IPR tools by MSME for technology upgradation & enhancing competitiveness, providing access to technical facilities and expertise for value addition to their business and financial assistance on grant of patent.

Marketing Support/Assistance to SMEs

Selection of units owned by women entrepreneurs will be identified, motivate and assist them to participate in exhibition under SIDO. Stall for showcasing their products at global markets and try to obtain business etc. For successful international marketing of products in their retail market, bar coding is an essential requirement. To promote adoption of bar coding of products by the MSEs, a scheme of reimbursement of 75% of the one time registration cost for bar coding is under operation. To encourage MSEs to adopt the practice of bar coding on a large scale, 75% of the annual fees (recurring charged by EAN India) will also be reimbursed as subsidy for the first three years.

1.11 UPGRADATION OF DATA BASE

This Scheme consists of the following sub-components:-

- (1) Collection of Statistics
- (2) Quinquennial Census

The Associations of MSEs do not have adequate capacity to collect and interpret data relating to changes in the marketing scenario, owing to the limited availability of funds and absence of expertise in the matter. As a result, their articulation of views on specific issues concerning their product groups leaves much to be desired to strengthen their role and increase their efficiency, it is proposed that financial assistance for the secretarial and advisory/extension services of 10 selected national associations may be provided annually to the extent of Rs.5.00 lakh to Rs.20,00 lakh depending upon the size and reach of the Association. The beneficiary associations will be required to provide the regular manpower at their own cost and office space and also bear 50% of the cost of modernization of their special and equipment and training of their personnel.

Micro & Small Enterprises (MSEs) - Salient Features

The MSEs continue to play an important role in the Indian economy. The sector generates cost effective, widespread employment, thus addresses the problem of poverty and fostering inclusive growth.

According to estimates, based on the Third All-India Census of SSI (reference year 2001-02), there are about 123.42 lakh MSEs (2005-06) in the country accounting for more than 39 per cent of the total industrial production in the manufacturing sector. It provides employment to about 294.91 lakh persons (2005-06), which is second only to the agriculture.

The MSE sector has, over the years, generally recorded higher growth rate than the industry sector as a whole. Indicative physical targets and achievements in respect of production, employment and exports are given below:-

Sr. No.	Parameters	2002-03	2003-04	2004-05		2005-06		2006-07
		Actual	Actual	Target	Achievement	Target	Achievement	Target
1.	Production* (Rs. Crore)	314850	364547	4,29,548	4,29,796	4,93,405	497886	5,66,404
2.	Employment (in lakh persons)	260.21	271.42	275.73	282.57	284.53	294.91	293.33

***Production at 2001-02 prices**

1.12 National Commission for Entrepreneurs in Unorganised Sector (NCEUS)

The Commission was set up by the Government as an advisory body and a watchdog for the informal sector with a view to fulfilling the commitment made under the Common Minimum Programme of the United Progressive Alliance Government. The Commission has been given a term of 3 years, till 19.9.2007. The Commission will recommend measures considered necessary for bringing about improvement in the productivity of enterprises in unorganized sector, generation of large scale employment opportunities on a sustainable basis, particularly in the rural areas, enhancing the competitiveness of the sector in the emerging global environment, linkage of the sector with institutional framework in areas such as credit, raw material, infrastructure, technology upgradation, marketing and formulation of suitable arrangements for skill development. NCEUS has formulated a Pilot Projects of Growth Poles (based on PURA principles) for the enterprise in the Unorganised Sector.

1.13 NATIONAL SMALL INDUSTRIES CORPORATION LTD.

National Small Industries Corporation Ltd., (NSIC), an ISO 9001 certified company, since its establishment in 1955, has been working to fulfill its mission of promoting, aiding and fostering the growth of small scale industries and industry related small scale services / business enterprises in the country. Over a period of five decades of transition, growth and development, NSIC has proved its strength within the country and abroad by promoting modernization, upgradation of technology, quality consciousness, strengthening linkages with large and medium enterprises and enhancing exports of projects and products from small enterprises. With a set of specially tailored schemes, Corporation is facilitating small enterprises in enhancing their competitiveness.

NSIC operates through 7 Zonal Offices, 26 Branch Offices, 15 Sub-Offices, 5 Technical Services Centres, 3 Extension Centres and 2 Software Technology Parks and two foreign offices Dubai and Johannesburg (South Africa).

NSIC carries forward its mission to assist small enterprises with a set of specially tailored schemes designed to put them in a competitive and advantageous position.

Schemes of the Corporation

To enhance the competitiveness of small enterprises NSIC provides integrated support services under Marketing, Technology, Finance and other Support services.

Marketing Assistance

Marketing, a strategic tool for business development is critical to the growth and survival of small enterprises in today's intensely competitive market. NSIC acts as a facilitator to promote the products of small enterprises and has devised a number of schemes to support small enterprises in their marketing efforts, both in and outside the country. These schemes are briefly described as under:-

- **Raw Material Distribution:** NSIC has made arrangements with bulk manufacturers like M/s. Steel Authority of India Ltd. (SAIL), M/s. Rashtriya Ispat Nigam Ltd. (RNIL), M/s. National Aluminium Company Ltd. (NALCO) and Sterlite group for procuring raw materials like Steel, Aluminium, Zinc and Copper etc. These arrangements are aimed to provide the raw material alongwith financial assistance as per the requirements of small enterprises.

NSIC has also opened godowns at Tarapur, New Delhi, Faridabad and Silvassa to facilitate the small enterprises to make available the required material at ease, to bring down their inventory cost and also arranging to provide them closer to their works. In addition through such arrangements the benefit of economies are also availed by the small enterprises.

- **Consortia and Tender Marketing:** Small Enterprises in their individual capacity face problems to procure & execute large orders, which inhibit and restrict their growth. NSIC accordingly adopts Consortia approach and forms consortia of units manufacturing the same products, thereby easing out marketing problems of small enterprises. The Corporation explores the market and secures orders for bulk

quantities. These orders are then distributed to small enterprises in tune with their production capacity.

- **Single Point Registration for Government Purchase:** NSIC operates a Single Point Registration Scheme under the Government Purchase Programme, wherein the registered small enterprises get purchase preference in Government Purchase Programme, exemption from payment of Earnest Money Deposit etc. The small enterprises registered under this scheme get the following facilities :

- Issue of tender sets free of cost.
- Advance intimation of tenders issued by DGS&D.
- Exemption from payment of earnest money.
- Waiver of security deposit up to the monetary limit for which the enterprise is registered.
- Issue of competency certificate in case the value of an order exceeds the monetary limit, after due verification.

- **Exhibitions and Technology Fairs:** To showcase the competencies of Indian small enterprises and to capture market opportunities, NSIC participates in select International and National Exhibitions and Trade Fairs every year. NSIC facilitates the participation of the small enterprises by providing concessions in rental etc. Participation in these events exposes small enterprises to international practices and enhances their business prowess.

- **Buyer - Seller Meets:** Bulk and departmental buyers such as Railways, Defence, Communication departments and large companies are invited to participate in buyer-seller meets to enrich small enterprises knowledge regarding terms and conditions, quality standards, etc required by the buyer. These programmes are aimed at vendor development from small enterprises for the bulk manufacturers.

- **Export of Products and Projects:** NSIC is a recognized Export House and exporting products and projects of small enterprises of India to other countries. The major areas of operation are:
 - Export of products such as handicrafts, leather items, hand tools, pipes / fittings, builders' hardware etc.
 - Supply of Small Industry projects on turnkey basis.
 - Export of IT solutions from India.

- **Seminars & Intensive Campaigns**

Intensive campaigns and seminars are organized all over the country to disseminate/propagate about the various schemes for the benefit of the small enterprises and to enrich the knowledge of small enterprises regarding latest developments, quality standards etc.

Technology Support

Technology is the key to enhancing a company's competitive advantage in today's dynamic information age. Small enterprises need to develop and implement a technology strategy in addition to financial, marketing and operational strategies and adopt the one that helps integrate their operations with their environment, customers and suppliers.

NSIC offers small enterprises the following support services through its Technical Services Centres and Extension Centres:

- Advising on application of new techniques
- Material testing facilities through accredited laboratories
- Product design including CAD
- Common facility support in machining, EDM, CNC, etc.
- Energy and environment services at selected Centres
- Practical training for skill upgradation

Financing Schemes

NSIC facilitates financing for small enterprises in the following manner:

Meeting credit needs of Small Enterprises through tie-up arrangements with Banks

One of the major challenges faced by small enterprises is inadequate access to finance due to lack of financial information and non-formal business practices. In the year 2005-06, NSIC launched a new scheme for facilitating sanction of loans for small enterprises from commercial banks. NSIC has entered into tie-up arrangements with seven banks (i.e. United Bank of India, UCO Bank, Oriental Bank of Commerce, Central Bank of India, Bank of Maharashtra, YES Bank and UTI Bank) for sanction of term loan and working capital facilities to the small enterprise as per their requirement. Such arrangements facilitate smooth credit flow to small enterprises.

Financing for procurement of Raw Material (Short term)

NSIC supports small enterprises by procuring and supplying raw materials like Steel, Aluminium and Copper etc. along with financial assistance as required by the small enterprises.

Financing for Marketing Activities (Short term)

NSIC facilitates financing for marketing activities by discounting the bills of small enterprises for supplies to the Government Department / undertakings and reputed public limited companies.

Performance & Credit Rating Scheme for Small Enterprises

NSIC had formulated the “Performance & Credit Rating Scheme” for small enterprises, which was launched on 7th April, 2005 by Shri P. Chidambaram, Hon’ble Union Finance Minister and Shri Mahabir Prasad, Hon’ble Union Minister of SSI & ARI.

NSIC is the implementing agency and operating the scheme through accredited rating agencies i.e. CARE, CRISIL, D&B, FITCH, ICRA, ONICRA and SMERA. The fee to be paid by the small enterprises for the rating is subsidized by the Government to the extent of 75% upto a maximum of Rs. 40,000/-. The scheme has become quite popular now and getting good response from the small enterprises.

The rating serves as a trusted third party opinion on the unit’s capabilities and credit worthiness. A good rating enhances the acceptability of the rated unit in the market and also facilitates them to make access to credit quicker and cheaper and thus help in economizing the cost of credit.

Support Services

Infomediary Services

Information plays a vital role in the success of any business. Recognizing the importance of information and its relevance to small enterprises, NSIC provides Infomediary Services to small units. Besides hosting a website (www.nsic.co.in), NSIC hosts sector specific portals for focused information dissemination. Under this scheme, small enterprises can become members and avail a number of value added services.

Software Technology Parks

NSIC-Software Technology Parks (STPs) facilitate small enterprises in setting up 100% export-oriented units for software exports. They also act as nodal point to activate software exports directly through NSIC. These STPs extend support in terms of the requisite infrastructure to the small enterprises to start business operations with a minimum lead time. NSIC established the first STP at Okhla, New Delhi in 1995 and second in Chennai in 2001. Several small enterprises have taken advantage of these parks and contributed export earnings to the exchequer.

Chapter II

M/O SMALL SCALE INDUSTRIES (including O/O DC(SS)I) (Rs. In crore)

Sr. No	Name of Scheme/Programme	Objective Outcome	Outlay 2007-08(Rs.Crore)			Quantifiable Deliverables/Physical Outputs	Projected Outcome	Processes/ Timeline	Remarks / Risk Factors
1	2	3	4			5	6	7	8
			4(i)	4(ii)	4(iii)				
			Non - Plan Budget	Plan Budget(Inclusive NER Provision)	Complementary EBR				
1	Secretariat Economic Services	To provide for establishment related expenses for the Ministry of SSI and Ministry of ARI	4.58	0	0	Self explanatory	Self explanatory	Self explanatory	
2	Development Commissioner for small scale industries 9 Including library)	To provide for establishment related expenses for the O/o DC (SS)	9.89	0	0	Self explanatory	Self explanatory	Self explanatory	

3	Development of small Scale Industries -NSIC Other Grants	Performance & Credit Rating of Micro and Small Enterprises	0.00	10.00	0.00	3000 units will be rated under the scheme	Rating facilitates micro & small enterprises in getting credit from the banks at competitive terms and with ease. Rating also helps in improving their operational and marketing performance	On going scheme	
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	Marketing Assistance Scheme	Promotion and Development of markets for the products of Micro and Small Enterprises.	0.00	10.00	0.00	<p>1. Organization of 5 No. of exhibitions</p> <p>2. Participation in 45 exhibitions.</p> <p>3. To organise 15 Buyer Seller Meets</p> <p>4. Conducting 150 Marketing Promotion Seminars</p> <p>5. To conduct 150 intensive campaigns</p> <p>6. To conduct 70 Marketing / Entrepreneurship skill dev. programmes targeting 2500 candidates.</p>	<p>Enhance competitiveness of micro and small Enterprises by facilitating them to participate in exhibitions to market their products.</p> <p>Participation in these events provides micro and small enterprises an exposure to the national and international market.</p> <p>Organising Buyer Seller Meets to augment vendor development skills in micro and small enterprises. this also helps in improving marketing of the products of micro and small enterprises.</p> <p>Marketing promotion seminars to create awareness of various plan schemes</p> <p>Intensive campaigns are organized in both rural and urban region to have maximum reach.</p>	On going scheme	
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	Sub Total		0.00	20.00	0.00				
4	Promotion of small Scale industries(SISI including provision for tool rooms)	a. To meet salary and establishment related expenditure of SSIs. b. upgradation of workshops to Mini Tool Rooms/Modernisation of workshops	40.94	0.00	0.00	Establishment related expenditure	Establishment related expenditure		
5	Quality of Technology Support Institutions & Programmes(tool room, CLCSS, ISO)		0	160.00	0				

i	Tool Rooms & Tech. Institutions	a. R&D projects and skill development in 7 institutions b. To improve access of SMEs to tooling facilities for enhancement of their efficiency. C.Training, consultancy job works in the field of manufacture and development of footwear.	0.00	49.23	0.00	a. Training of 19300 persons b. Benefiting 3300 units c. 95 New Machines would be acquired	a. The availability of trained technical person will enhance the efficiency of SMEs and equip trainees to set up their own enterprises. b. Advanced tools, dies and moulds produced by the tool rooms will enhance the productivity of MSEs. c. The inductio	On going scheme	
ii	Credit Linked Capital Subsidy Scheme	Technological Upgradation of SSI units.	0.00	85.00	0.00	Cover 1400 units	Technological upgradation and modernisation of the SMEs will enhance their efficiency, improve quality of products, boost exports and generate employment.		
iii	ISO 9000/14001 Reimbursement	Reimbursement of expenditure on ISO 9000/140001 certification	0.00	10.00	0.00	Benefiting 2300 units	The SSI will adopt better managerial practices which will enhance productivity. Will also help in marketing, including exports		

v	Energy Conservation Programme	Assisting MSMEs in Energy Conservation	0.00	0.02	0.00				
vi	NMCP (Lean Mnfg., MTR, ICT, Tech&Qlty. Management Support, Design clinic, Enabling mfg. sector competitiveness. thr. qlty. mgt, mktg. asst/SMEs								
a.	National Programme on Application on Lean Manufacturing	To increase competitiveness in the manufacturing sector.	0.00	2.00	0.00	Token Provision	Competitiveness in the manufacturing sector of SMEs will increase.		
b	Promotion of ICT in Indian Manufacturing Sector	To increase competitiveness in the manufacturing sector.	0.00	2.00	0.00	Token Provision	Competitiveness in the manufacturing sector of SMEs will increase.		
c	Mini Tool Rooms proposed to be set up by Ministry of SSI	To increase competitiveness in the manufacturing sector.	0.00	2.00	0.00	Token Provision	Competitiveness in the manufacturing sector of SMEs will increase.		
d	Technology and Quality Upgradation support for SMEs	To increase competitiveness in the manufacturing sector.	0.00	2.00	0.00	Token Provision	Competitiveness in the manufacturing sector of SMEs will increase.		

e	Support for Entrepreneurial and Managerial Development of SMEs	To increase competitiveness in the manufacturing sector.	0.00	2.00	0.00	Token Provision	Competitiveness in the manufacturing sector of SMEs will increase.		
f	Design Clinic Scheme to bring design expertise to the Manufacturing sector	To increase competitiveness in the manufacturing sector.	0.00	2.00	0.00	Token Provision	Competitiveness in the manufacturing sector of SMEs will increase.		
g	Enabling manufacturing sector to be competitive through quality management standard and quality technology tools	To increase competitiveness in the manufacturing sector.	0.00	2.00	0.00	Token Provision	Competitiveness in the manufacturing sector of SMEs will increase.		
h	Marketing Assistance/SMEs and technology upgradation activities - Ministry of SSI in co-operation with TIFAC/CSIR	To increase competitiveness in the manufacturing sector.	0.00	1.00	0.00	Token Provision	Competitiveness in the manufacturing sector of SMEs will increase.		
vi	VSBK & Technology Mission	Adoption of vertical shaft kiln technology.	0.00	0.75	0.00	About 7 units to be assisted to transform from existing conventional technology to VSBK technology.	Adoption of Vertical Shaft Kiln Technology will enhance the technology of traditional brick industry.		
Sub Total			0.00	160.0	0.00				

				0					
6	Promotional Services Institutions & Programmes		0.00	30.00	0.00				
i	SIDO Officers' Training Programme	Training of SIDO Officers	0.00	0.50	0.00	Training for 400 officers	Continuous in-service training will help SIDO officers in updating their knowledge and improve the quality of their services	On going scheme	
ii	SISIs (includes provision for Workshops/ Trg.)	a. To meet salary and establishment related expenditure of SSIs. b. upgradation of workshops to Mini Tool Rooms/Modernisation of workshops	0.00	5.00	0.00	Salary for SSIs in NER etc.	Establishment related expenditure	On going scheme	

iii	RTCs/FTSs/Testing Centres by Industry Associations	Provide material and product testing facilities to SMEs .	0.00	4.00	0.00	28000 testing jobs	Testing of materials and products will result in quality output and enhance their marketability. It will also lead to higher financial self-sufficiency of the Testing Centres. The RTCs/FTSs will be equipped with the latest equipment/machinery to meet th	On going scheme	
iv	MDP/EDP/Skill Development	EDPs/MDPs for the prospective and existing entrepreneurs.	0.00	6.42	0.00	1400 Nos. of EDPs and 400 Nos. of MDPs benefiting 1,10,000 persons	The EDPs strengthen entrepreneurial motivation/skills of unemployed persons and prepare them better to set up enterprises. Will make available trained manpower and enhance the efficiency of SMEs.The MDP will help SSI entrepreneurs in adopting better m	On going scheme	
v	National Award (Entrepreneur & Quality)	To award entrepreneurs for excellent performance and R&D activities and to encourage MSEs for producing quality	0.00	1.60	0.00	56 awards	Award will encourage MSEs entrepreneurs for excellent performance and to undertak R&D activitieis and also to produce quality products.	On going scheme	

		producing quality products.							
vi	Vendor Development Programme for Ancillarisation	To conduct vendor development programmes for ancillarisation.	0.00	1.15	0.00	30 VDPs	The VDPs help in bringing the SSIs and the medium/large industry face to face, the capabilities of the SSIs are displayed to facilitate the outsourcing by large/medium industries. This helps in marketing of SMEs products.	On going scheme	
vii	Scheme for Conduct of Tailor made courses for new entrepreneurs through select business Schools, Technical Institutes, etc. (Package)	To Conduct Tailor made courses for new entrepreneurs through select business Schools, Technical Institutes, etc.	0.00	0.65	0.00	1500 entrepreneurs	Will encourage educated youth to start self-employment venture/SME units and will be instrumental in employment generation.	New Scheme	
viii	Scheme to support 5 select universities/colleges to run 1200 entrepreneurs clubs.	To support select universities/colleges to run entrepreneurs clubs.	0.00	1.13	0.00	5500 entrepreneurs	Will be helpful in exchange of technologies/developing marketing potential, employment generation and also the entrepreneurial skill of	New Scheme	

							educated youth.		
ix	Scheme for capacity building, strengthening of data base and advocacy by industry/enterprises associations .(Package)	Capacity building, strengthening of data base and advocacy by industry/enterprises associations .	0.00	1.30	0.00	5 Associations on pilot basis	The Associations will build up capacity to collect and interpret market related data there by having an assess on fast changing economic & market scenario on regular basis. The linkages and coordination with these associations will enable government to	New Scheme	
x	(a) Land & Building for Office accommodation and residential accommodation in backward areas. (b) Training-cum-product Development Centre,TPDCs.(Package)	To provide land & building for office accommodation and residential accommodation in backward areas and for Training-cum-product Development Centre,TPDCs.	0.00	3.00	0.00	a. Building for 2 SISIs b. building for 3 TPDCs	Independent buildings will increase the efficiency of SISIs/TDPCs	New Scheme	

xi	Advertising & Publicity	To meet the expenditure for the wide publicity of SIDO programmes.	0.00	2.25	0.00	Inform public at large of the activities and facilities of this office	Advertisements are intended to give wide publicity to the EDPs/MDPs conducted by the SISIs in the field and other activities of this office	On going scheme	
xii	SENET Project	Networking of field offices.	0.00	2.00	0.00	LAN/leased line for 10 SISIs	Net working of field offices will enhance the delivery of services to small scale industries and improve their productivity.		
xiii	Publicity & Exhibition	To give exposure to SMEs to international markets by participation in trade fairs.	0.00	1.00	0.00	100 SMEs	The SSIs get exposure to international markets by participation in trade fairs.		
Sub Total			0.00	30.00					
7	MSME Cluster Development Programmes and MSME Growth Poles.		0.00	68.00	0.00				

i	Cluster Development Programme (including IID subsumed)	Cluster Development Programme and to create infrastructure facilities to facilitate the establishment of MSMEs.	0.00	63.00	0.00	15 new clusters and 10 infrastructure works	The holistic approach in cluster development will improve the production practices and efficiency of the units in the cluster. Better infrastructure will lead to higher productivity and employment	On going scheme	
ii	MSME Growth Poles of NCEUS	implementation of growth pole projects	0.00	5.00	0.00	2 growth poles	Creation of employment opportunities and enhancement of competitiveness and productivity in Unorganised sector based on PURA Principles.	New Scheme	
Sub Total:			0.00	68.00	0.00				
8	Credit Support Programme(credit guarantee, micro-finance, Women enterprise promotion, SCSP, TSP, Minority Component		0.00	208.00	0.00				
i	Credit Guarantee Scheme	To provide collateral free credit against guarantee to SMEs	0.00	190.00	0.00	Guarantee cover for 30000 SMEs	Higher confidence level of Banks for lending. Better credit flow to small and micro sectors.	On going scheme	

ii	Augmentation of Portfolio Risk Fund under MFP	To provide loan to micro finance institutions.	0.00	17.00	0.00	4.5 lakh micro units	Improved availability of finance to micro units will help setting up of new units and generate employment.		
iii	TREAD	Economic Empowerment of Women	0.00	1.00	0.00	5000 entrepreneurs	The scheme will empower the rural and urban women through their own small and tiny enterprises.		
Sub Total:			0.00	208.00	0.00				
9	MDA Programme		0.00	4.00	0.00				
i	Export Promotion & MDA Scheme	Encourage SMEs to achieve excellence in packaging and more exports from SMEs.	0.00	1.40	0.00	a. 25 training programmes for packaging b. Benefits 100 SMEs.	Encourages SMEs to achieve excellence in packaging and more exports from SSIs.	On going scheme	
ii	National Campaign for Investment in Intellectual Property		0.00	2.50	0.00	4 pilot studies, 10 seminars, 10 awareness programmes, 10 training courses	Enhance awareness about IPR and protect ideas/business strategies of SMEs.	On going scheme	
iii	Marketing Support/Assistance to SMEs		0.00	0.10	0.00	Benefit 100 SMEs	Encourages SMEs to obtain Bar Coding .	New Scheme	
Sub Total:			0.00	4.00	0.00				

10	Upgradation of Data Base		0.00	20.00	0.00				
i	Collection of Statistics	Data Collection, State Govt./U.Ts.	0.00	5.50	0.00	Salary component		On going scheme	
ii	Quinquennial Census	Collection of statistics and information on MSMEs by CSO through Annual Surveys and quinquennial census.	0.00	14.50	0.00	Database for policy making	The reports of the surveys and the census will help in formulation of various policies and programmes for the promotion and development of micro small and medium enterprises.	New Scheme	
Sub Total:			0.00	20.00	0.00				
11	Investment in Public enterprises -NSIC		0.00	0.00	0.00				
12	Other Schemes		0.00	7.50	0.00				

i	International Cooperation Scheme	Technology infusion and upgradation, modernization of the SSI sector and promotion of its exports	0.00	2.00	0.00	20 events to be organised. (i) Participation by Indian SSI /SEs in exhibition, fairs and buyer-seller meets with international components (ii) Deputation of SSI/SE Business delegations to other countries for exploring new areas of technology infusion/upgradation, facilitating joint ventures, improving markets of SSI/SE products, foreign collaboration etc. (iii) Holding international conferences and seminars on topics and themes of interest to SSI/SE.	Procurement of new export orders, technology transfers, formation of joint ventures, finding buyers & suppliers by SSI units, which participate in the events under the scheme.	31.3.2008	Dependent on the proposals received from various organisations.
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ii	Survey, Studies and Policy Research	To surveys/ studies conducted through reputed independent agencies, on various problems related to SSI & ARI sector	0.00	0.50	0.00	4 surveys / studies are to be conducted during 2007-08	The results of these studies will provide focused inputs in policy formulation and redesigning schemes / programmes for better efficacy.	On going scheme	The whole process of selection of agencies, finalization of terms of reference etc. takes long time.
iii	Training Institutions (a)Entrepreneurs Development Institutions	Financial assistance to strengthen the infrastructure at existing and to set up new EDIs at state level.	0.00	5.00	0.00	Providing financial assistance to 5 EDIs for infrastructure development training aids, etc.	The financial assistance provided by the Central Government is supplementary to the contributions and efforts of the State Governments and other eligible Institutions. The assisted EDIs are expected to develop entrepreneurship for promotion of Small Scale Industries.	on going scheme	Demand Driven

	(b) National Institute of Small Industry Extension Training (NISIET), Hyderabad	NISIET is an autonomous organization under M/o SSI which provides entrepreneurship development training, trainer's training, consultancy to promote SSI Sector.				456 training programmes to be conducted by NISIET (220), NIESBUD (66) and IIE, Guwahati (170).	Entrepreneurship development	On going scheme	
	(c) National Institute for Entrepreneurship and Small Business Development (NIESBUD), Noida	Assistance to NIESBUD.							
iv	Indian Institute of Entrepreneurship (IIE, Guwahati)	To incur expenditure for development of North Eastern Region and Sikkim				To conduct 170 training programmes. Physical output are included in Plan schemes of Training Institutions of Ministry of SSI	Entrepreneurship development	On going scheme	

13	Promotion and Hand-holding of Micro and Small Enterprises	Promote entrepreneurial climate and inculcate entrepreneurial values among the students and to motivate them to take up entrepreneurship as a career; to provide hand holding and mentoring support to potential entrepreneurs; to facilitate EDP training of first generation potential entrepreneurs including training of trainees belonging to SC/ST/minority categories; to support seminars / workshops relating to entrepreneurship development and promotion of	0.00	7.50	0.00		Set up one EBDC. Handholding support to 7500 entrepreneurs for setting up of Enterprise through cell for support and promotion of MSEs. To support EDP training of 20,000 entrepreneurs in rural/backward areas, to support seminar/ conferences relating to promotion of SMEs and to support capacity building of associations and other Institutions in the field of SMEs.	EFC/SFC note for the scheme under preparation, consultations with stakeholders completed detailed modalities for implementation of the scheme worked out.	This is a new scheme contemplated for implementation during 11th Plan.
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		SMEs; and to assist Lead Agencies to build their technical, managerial and intellectual capabilities.							
14	Credit Guarantee Scheme		0.00	0.00	0.00				

15	National Commission for Enterprises in Unorganised Sector (NCEUS)	NCEUS, an advisory body set up to study and make recommendations on problems of enterprises in the unorganised sector.	0.00	5.00	0.00	Detailed project reports of five Pilot projects on Growth poles from five states are likely to be presented in 2007-08 & will be implemented by NCEUS/ M/o SSI. Pilot projects in other states also likely to be introduced.	Creation of employment opportunities & enhancement of competitiveness and productivity in Unorganised sector based on PURA Principles	Project appraisal to be done as per department of expenditure guidelines	NCEUS has constituted task force to deliberate on issues identified for immediate intervention in the action plan of the Commission and make appropriate recommendations
	Grand Total	NER provisions have included under the schemes	55.41	530.00	0.00				

i	Tool Rooms & Tech. Institutions	To incur expenditure for the development of North East Region and Sikkim	0.00	5.00	0.00	Physical outputs are included in the respective Plan Scheme.	<p>a. The availability of trained technical person will enhance the efficiency of SMEs and equip trainees to set up their own enterprises.</p> <p>b. Advanced tools, dies and moulds produced by the tool rooms will enhance the productivity of MSEs.</p> <p>c. The induction of new machines will help them to keep pace with the technological advancements and meet the needs of the industry.</p>	On going scheme	
ii	Credit Linked Capital Subsidy Scheme	To incur expenditure for the development of North East Region and Sikkim	0.00	8.50	0.00	Physical outputs are included in the respective Plan Scheme.	Technological upgradation and modernisation of the SMEs will enhance their efficiency, improve quality of products, boost exports and generate employment.		

iii	ISO 9000/14001 Reimbursement	To incur expenditure for the development of North East Region and Sikkim	0.00	1.00	0.00	Physical outputs are included in the respective Plan Scheme.	The SSI will adopt better managerial practices which will enhance productivity. Will also help in marketing, including exports		
iv	NMCP (Lean Mfg., MTR, ICT, Tech&Qlty. Management Support, Design clinic, Enabling mfg. sector competitiveness. thr. qlty. mgt, mktg. asst/SMEs								
a.	National Programme on Application on Lean Manufacturing	To incur expenditure for the development of North East Region and Sikkim	0.00	0.20	0.00	Token Provision	Competitiveness in the manufacturing sector of SMEs will increase.	New Scheme	
b	Promotion of ICT in Indian Manufacturing Sector	To incur expenditure for the development of North East Region and Sikkim	0.00	0.20	0.00	Token Provision	Competitiveness in the manufacturing sector of SMEs will increase.		

c	Mini Tool Rooms proposed to be set up by Ministry of SSI	To incur expenditure for the development of North East Region and Sikkim	0.00	0.20	0.00	Token Provision	Competitiveness in the manufacturing sector of SMEs will increase.		
d	Technology and Quality Upgradation support for SMEs	To incur expenditure for the development of North East Region and Sikkim	0.00	0.20	0.00	Token Provision	Competitiveness in the manufacturing sector of SMEs will increase.		
e	Support for Entrepreneurial and Managerial Development of SMEs	To incur expenditure for the development of North East Region and Sikkim	0.00	0.20	0.00	Token Provision	Competitiveness in the manufacturing sector of SMEs will increase.		
f	Design Clinic Scheme to bring design expertise to the Manufacturing sector	To incur expenditure for the development of North East Region and Sikkim	0.00	0.20	0.00	Token Provision	Competitiveness in the manufacturing sector of SMEs will increase.		
g	Enabling manufacturing sector to be competitive through quality management standard and quality technology tools	To incur expenditure for the development of North East Region and Sikkim	0.00	0.20	0.00	Token Provision	Competitiveness in the manufacturing sector of SMEs will increase.		

h	Marketing Assistance/SMEs and technology upgradation activities - Ministry of SSI in co-operation with TIFAC/CSIR	To incur expenditure for the development of North East Region and Sikkim	0.00	0.10	0.00	Token Provision	Competitiveness in the manufacturing sector of SMEs will increase.		
Sub Total			0.00	16.00	0.00				
16.20	Promotional Services Institutions & Programmes								
i	SIDO Officers' Training Programme	To incur expenditure for the development of North East Region and Sikkim	0.00	0.05	0.00	Physical outputs are included in the respective Plan Scheme.	Continuous in-service training will help SIDO officers in updating their knowledge and improve the quality of their services	On going scheme	
ii	SISIs (includes provision for Workshops/ Trg.)	To incur expenditure for the development of North East Region and Sikkim	0.00	1.35	0.00	Physical outputs are included in the respective Plan Scheme.	Establishment related expenditure		

iii	MDP/EDP/Skill Development	To incur expenditure for the development of North East Region and Sikkim	0.00	0.70	0.00	Physical outputs are included in the respective Plan Scheme.	The EDPs strengthen entrepreneurial motivation/skills of unemployed persons and prepare them better to set up enterprises. Will make available trained manpower and enhance the efficiency of SMEs. The MDP will help SSI entrepreneurs in adopting better management practices for higher efficiency.		
iv	National Award (Entrepreneur & Quality)	To incur expenditure for the development of North East Region and Sikkim	0.00	0.15	0.00	Physical outputs are included in the respective Plan Scheme.	Award will encourage MSEs entrepreneurs for excellent performance and to undertake R&D activities and also to produce quality products.		
v	Vendor Development Programme for Ancillarisation	To incur expenditure for the development of North East Region and Sikkim	0.00	0.10	0.00	Physical outputs are included in the respective Plan Scheme.	The VDPs help in bringing the SSIs and the medium/large industry face to face, the capabilities of the SSIs are displayed to facilitate the outsourcing by large/medium industries. This helps in marketing of SMEs products.		

vi	Scheme for Conduct of Tailor made courses for new entrepreneurs through select business Schools, Technical Institutes, etc. (Package)	To incur expenditure for the development of North East Region and Sikkim	0.00	0.07	0.00	Physical outputs are included in the respective Plan Scheme.	Will encourage educated youth to start self-employment venture/SME units and will be instrumental in employment generation.	New Scheme	
vii	Scheme to support 5 select universities/colleges to run 1200 entrepreneurs clubs.	To incur expenditure for the development of North East Region and Sikkim	0.00	0.13	0.00	Physical outputs are included in the respective Plan Scheme.	Will be helpful in exchange of technologies/developing marketing potential, employment generation and also the entrepreneurial skill of educated youth.	New Scheme	
viii	Scheme for capacity building, strengthening of data base and advocacy by industry/enterprises associations .(Package)	To incur expenditure for the development of North East Region and Sikkim	0.00	0.15	0.00	Physical outputs are included in the respective Plan Scheme.	The Associations will build up capacity to collect and interpret market related data there by having an assess on fast changing economic & market scenario on regular basis. The linkages and coordination with these associations will enable government to have timely effective policy and supportive measures.	New Scheme	

ix	(a) Land & Building for Office accommodation and residential accommodation in backward areas. (b) Training-cum-product Development Centre, TPDCs. (Package)	To incur expenditure for the development of North East Region and Sikkim	0.00	0.30	0.00	Physical outputs are included in the respective Plan Scheme.	Independent buildings will increase the efficiency of SISIs/TDPCs	New Scheme	
Sub Total				3.00					
16.2 1	MSME Cluster Development Programmes and MSME Growth Poles .			6.80					
i	Cluster Development Programme (including IID subsumed)	To incur expenditure for the development of North East Region and Sikkim	0.00	6.30	0.00	Physical outputs are included in the respective Plan Scheme.	The holistic approach in cluster development will improve the production practices and efficiency of the units in the cluster. Better infrastructure will lead to higher productivity and employment	On going scheme	
ii	MSME Growth Poles of NCEUS		0.00	0.50	0.00	Physical outputs are included in the respective Plan Scheme.	Creation of employment opportunities and enhancement of competitiveness and productivity in <u>Unorganised sector</u>	New Scheme	

							Unorganised sector based on PURA Principles.		
Sub Total:			0.00	6.80	0.00				
16.2 2	Credit Support Programme(credit guarantee, micro-finance, Women enterprise promotion, SCSP, TSP, Minority Component			21.20					
i	Credit Guarantee Scheme	To incur expenditure for the development of North East Region and Sikkim	0.00	19.40	0.00	Physical outputs are included in the respective Plan Scheme.	Higher confidence level of Banks for lending. Better credit flow to small and micro sectors.	On going scheme	
ii	Augmentation of Portfolio Risk Fund under MFP	To incur expenditure for the development of North East Region and Sikkim	0.00	1.70	0.00	Physical outputs are included in the respective Plan Scheme.	Improved availability of finance to micro units will help setting up of new units and generate employment.		
iii	TREAD	To incur expenditure for the development of North East Region and Sikkim	0.00	0.10	0.00	Physical outputs are included in the respective Plan Scheme.	The scheme will empower the rural and urban women through their own small and tiny enterprises.		

Sub Total:			0.00	21.20	0.00				
16.2 3	MDA programmes		0.00	0.00	0.00				
16.2 4	Upgradation of Data Base			2.00					
i	Collection of Statistics	To incur expenditure for the development of North East Region and Sikkim	0.00	0.60	0.00	Physical outputs are included in the respective Plan Scheme.	Encourages SMEs to achieve excellence in packaging and more exports from SSIs.	On going scheme	
ii	Quinquennial Census	To incur expenditure for the development of North East Region and Sikkim	0.00	1.40	0.00	Physical outputs are included in the respective Plan Scheme.	The reports of the surveys and the census will help in formulation of various policies and programmes for the promotion and development of micro small and medium enterprises.	New Scheme	
Sub Total:			0.00	2.00	0.00				
16.2 5	Promotion and Hand Holding of Micro & Small Enterprises		0.00	0.75	0.00		Provision for NER		
16.2 6	National Commission for Enterprises in Unorganised Sector (NCEUS)		0.00	0.50	0.00				
16.2 7	National small Industries corporation		0.00	0.00	0.00				

Grand Total		0.00	49.00	0.00				

CHAPTER III

Reforms and Measures & Policy Initiatives

NEW INITIATIVES DURING 2006-07

3 Micro Small And Medium Enterprises Development (MSMED) Act, 2006

The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 seeks to facilitate promotion and development and enhancing competitiveness of these enterprises. It provides the first-ever legal framework for recognition of the concept of “enterprise” (comprising both manufacturing and services) and integrating the three tiers of these enterprises, namely, micro, small and medium. Apart from clear and more progressive classification of each category of enterprises, particularly small, the Act provides for a statutory consultative mechanism at the national level with wide representation of all sections of stakeholders, particularly the three classes of enterprises; and with a wide range of advisory functions. Establishment of specific Funds for the promotion, development and enhancing competitiveness of these enterprises, notification of schemes/programmes for this purpose, progressive credit policies and practices, preference in Government procurements to products and services of the micro and small enterprises, more effective mechanisms for mitigating the problems of delayed payments to micro and small enterprises and simplification of the process of closure of business by all three categories of enterprises are some of the other features of this legislation.

3.1 National Manufacturing Competitiveness Programme (NMCP)

The Government with an objective to support the manufacturing sector, particularly the Small and Medium Enterprises (SMEs) in their endeavour to become competitive, announced in 2005-06 formulation of “National Competitiveness Programme” (NMCP) The design of the scheme was to be worked out by the National Manufacturing Competitiveness Council (NMCC) in consultation with the industry”.

Accordingly, the five year NMCP, as finalised by NMCC was accepted by the Government and announced for implementation in the Budget 2006-07, which comprised of ten component schemes, which, inter alia, include the schemes for Application of Lean Manufacturing, Design Clinic, Promotion of ICT in manufacturing sector, Setting up Mini-Tool Rooms, Technology & Quality Management support for SMEs, Entrepreneurial & Management Development of SMEs, Encouragement of Quality Management standards and Quality Technology Tools, National campaign for investment in Intellectual Property, SMEs & Technology Up-gradation Activities and Marketing Support/Assistance to SMEs. Its implementation will be in the PPP mode.

3.2 Package For Promotion Of Micro And Small Enterprises (MSEs)

The micro and small enterprises (MSEs) have a vital role in the socio-economic development. Nearly 39 per cent of the gross manufacturing output and 34 per cent of the exports is from SMEs. Segment provided gainful employment to 29.5 million people. In view of its employment generating capability, the National Common Minimum Programme of the Government describes the small scale industries as “the most employment-intensive segment”. This segment is next to agriculture as employment provider. The Government is also conscious of the challenges and opportunities that the MSEs face in wake of the fast changing global economic scenario. Accordingly, in order to assist the MSEs in fully harnessing their potential by enhancing their competitiveness to face the challenges of stiff competition (both in the domestic and global market) and in availing opportunities generated by trade liberalization, the Government in its NCMP declared that a “major promotional package” will be announced for this segment to provide full support in the areas of credit, technological up-gradation, marketing and infrastructure up-gradation in major industrial infrastructure.

In fulfilment of the assurance in the NCMP, the package has been formulated which, inter alia, include issues concerning (i) legislative back up; (ii) credit support; (iii) fiscal measures; (iv) support for cluster based development; (v) technological and quality up-gradation support; (vi) marketing support; (vii) support for entrepreneurial and managerial development; (viii) empowerment of women owned enterprises; (ix) strengthening of Prime Minister’s Rozgar Yajana and (x) strengthening of data base for MSME Sector.

3.3 Reservation/De-Reservation of Products for Manufacture in the Small Scale Sector

The Policy of Reservation of Products for exclusive manufacture in SSI was started in 1967. The objective of Reservation was Socio-economic development, by way of development and promotion of small units all over the country to meet the challenges of regional industrial imbalances, employment generation through self-employment ventures, increased productivity, etc. The objective of de-reservation was for providing opportunities for technological upgradation, promotion of exports and economies of scale, in order to encourage modernisation and enhance the competitiveness of SSIs, in view of the liberalisation and globalisation of the economy.

Items were reserved/de-reserved in accordance with Section 29(B) of the Industries (Development & Regulation) Act, 1951, which, inter alia, provides for the constitution of an Advisory Committee under the chairmanship of the Secretary (SSI), with the Secretary (Department of Industrial Policy and Promotion), the Secretary (Commerce), the Advisor (VSI) of the Planning Commission and the Additional Secretary & Development Commissioner (SSI) as Member-Secretary. The decisions are taken by the Government after considering the recommendations of the Advisory Committee, which has so far met 26 times. The Advisory Committee makes its recommendations on the basis of the laid down procedure in the I(D&R) Act, 1951 which relates to the economy of scale, the level of employment, the possibility of encouraging and diffusing entrepreneurship in industry, the prevention of concentration of

economic power to the detriment of the common interest and any other issue which the Committee may think fit.

This committee has met 26 times, so far, the last meeting of the committee having been held on 24 October 2006. During the year 2006-07, 180 items reserved for manufacture in small scale industries have been de-reserved. As on date there are 326 items reserved for exclusive manufacture in small scale sector.

3.4 National Commission on Enterprises Unorganised Sector.

Set-up of Pilot Projects for Growth Poles:

The Commission has already initiated the setting up of 5 Pilot Projects in Chattisgarh, Rajasthan, Kerala, West Bengal and Uttaranchal. The DPRs are likely to be finalized in 2007-08 and recommendations of the Commission likely to be submitted to Govt. for implementation.

3.5 National small Industries Corporations

The targets, set in the outcome budget for the year 2006-07 have been further distributed to the Branch Offices of NSIC. Monitoring of the progress on each scheme is being done at Head Office level on monthly basis. The progress on various schemes is also being reported to Ministry of SSI on monthly basis. The corporation has adopted the role of facilitator. The various measures undertaken by NSIC to improve its operational performance resulted in the Corporation's achieving operating profit in the year 2005-06 after five years of continuance losses.

Further, corporation has taken some new initiatives in the recent past, which inter-alia include:

3.5.1 Insurance of Export Credit for small enterprises under strategic alliance between NSIC and ECGC:

NSIC has entered, recently, into an arrangement with Export Credit Guarantee Corporation of India Ltd. (ECGC) for facilitating small enterprises to insure their export credits. Small enterprises would be helped in insuring their export credits through any office of the Corporation, located all over the country. This arrangement shall strengthen promotion of exports from small enterprises.

3.5.2 Reaching out to Small Enterprises

For the purpose of reaching out to the small enterprises, NSIC, during the year 2006-07, signed MoUs with various industry associations located all over the country. The details / information about the schemes of the Corporation is being disseminated through the offices of the industry associations. This arrangement with the industry association / federation shall facilitate small enterprises in getting the services of the Corporation at their doorstep.

3.5.3 Establishment of Business - Incubator

NSIC has set up a Technology Business Incubator for the IT sector in the premises of NSIC-Technical Service Centre at Okhla, New Delhi. Infrastructure facilities like ready to move in

space, hardware, software etc. have been provided in the IT incubator. These facilities are available to the IT Incubator occupants, which include first generation entrepreneurs, start-up entrepreneurs having viable business project, individuals aspiring to venture into new projects. Once the IT incubates' projects are ready for commercialization, the marketing services, legal services, advisory services are also provided to them.

NSIC is also setting up an Incubator for Enterprise Establishment at Okhla, wherein projects depicting appropriate technology for small entrepreneurs would be displayed in working condition. This would provide an exposure to the new entrepreneurs desirous of setting up projects in the country.

The prospective entrepreneurs would also get practical training on the machineries. The delegates from different developing countries, visits NSIC, would also get live demonstration of the projects that they are interested in sourcing from India.

3.5.4 New infrastructure projects to facilitate SMEs in marketing their products

NSIC is establishing a Marketing Development-cum-Business Park at Okhla, New Delhi, New Delhi and also developing an Exhibition-cum-Marketing Development Business Park at Hyderabad. A Laghu Udyog Mart is also being set up at Okhla, New Delhi by utilizing the available space and erecting sufficient number of hangers for exhibition purposes.

After completion of these projects, adequate infrastructure facilities shall be provided to the micro, small & medium enterprises at economical rates. This will help them in enhancing their marketing avenues by way of capturing new markets and expanding existing market.

CHAPTER IV: Review of past performance

Ministry of Small Scale industries ,O/o DC(SSl)

Statement of Outlays & Outcomes/Targets & Actual Achievement (2005-06)

Sl. No	Name of Scheme/ Programme	Objective/Outcome	Outlay 2005-06 (Rs. Crore)	Quantifiable Deliverables/Physical Outputs	Processes/ Timeline	Achievements w.r.t.to Col.(5) as on 31.03.2006	Remarks
1	2	3	4	5	6	7	8
1	SIDO						
	PLAN SCHEMES						
i)	Promotion of SSI's	i) Publicity	12.91	Issue of about 800 advertisements by various field offices for conducting EDP & MDP for SSI Entrepreneurs.	On going scheme	(ii) 1160 advertisements by the field offices regarding EDP, MDP Programmes.	Target Achieved.
		ii) SENET project		Installation of LAN/leased line for 10 SISIs		(I) LAN/Leased Line for 10 SISIs- funds allotted	Target Achieved.
ii)	Science & Technology & Research & Development	R&D projects and skill development in 7 Institutions	11.20	i) 7 institutions under SIDO would provide training to about 3600 trainees in various skills.	On going scheme	(I)3627 trainees	Target Achieved.

	(Research Institutions)			ii) In the process, about 5000 SSI units would be benefited with skill development.		(ii) benefiting 2173 units	Low achievement due to flood in Mumbai
				iii) About 40 new machines would be acquired for these institutions		(iii) 40 new machines	Target Achieved.
iii)	Training & Manpower Development (Training Institutions)	i) EDP/MDPs for the prospective and existing entrepreneurs ii) Training of SIDO officers	6.59	i) 1320 EDPs will be conducted.	On going scheme	(I) 1353 EDPs	Target Achieved.
				ii) 400 MDPs will be conducted.		(ii) 368 Management Development Programmes	Target Achieved.
				(iii) 30 National Awards		(iii) 27 National Awards	Only 27 entrepreneurs were found eligible for the award.
				iv) 475 persons will be trained in the 2 CFTIs.		(iv) 1199 Trainees	Target Achieved.
				v) 400 SIDO Officers will be trained in a variety of areas including general administration, quality, marketing, exports, IPR, credit delivery etc.		(v) 360 SIDO Officers	Target Achieved.

iv)	Subcontracting Exchange for Ancillary Development	Setting up Sub-contracting Exchanges and Ancillarisation	1.00	ii) About 10 Sub-Contracting Exchanges will be set up.	On going scheme	(ii) setup of 5 Sub-contracting Exchanges	Proposals were received from 5 NGOs/Industry Associations only.
v)	Tool Rooms	To improve access of SSIs to tooling facilities for enhancement of efficiency of SMEs	25.50	(I) 6500 trainees	On going scheme	(I) 8788 trainees	Target Achieved.
				(ii) 300 units		(ii) 3267 units	Target Achieved.
				(iii) 70 new machines		(iii) 95 new machines	Target Achieved.
vi)	Marketing Assistance & Export Promotion	Marketing Assistance & Export Promotion	2.30	i) About 200 SSI beneficiaries.	On going scheme	(I) 212 units participated in Trade Fairs	Target Achieved.
				(ii)18 National Awards		(ii)15 National Awards	Only 15 entrepreneurs were found eligible for the award.
				ii) About 166 units under MDA		(iii) 68 units under MDA	Low achievement because of deficiencies in the applications received from units.

				iii) About 25 Training Programmes on packaging for exports.		(iv) 16 Training Programmes on packaging for exports	Sanctions for training programmes were issued. SISIs could not organise the programmes due to non-availability of faculty.
vii)	Testing Centres	Provide material and product testing facilities to SSI units	4.05	i) RTCs and FTSs will conduct about 26500 testing jobs for SSIs.	On going scheme	(I) 33650 testing jobs	Target Achieved.
				ii) 206 new machines..		(ii) 111 new machines	Low achievement due to procedural delays like inadequate response from equipment suppliers and time taken for retendering.
				iii) 4 new Testing Centres to be set up by Ind. Associations.		(iii) Nil Nos.. of Testing Centres	No proposals received from States/UTs
viii)	Technology Ugradation	i) Reimbursement of expenditure on ISO 9000 certification.	27.00	i) 4000 SSI units..	On going scheme	(I) 4101 SSI units	Target Achieved.

		ii) Upgradation of workshops to Mini-Tool Rooms		ii) 8 SISI workshops will be upgraded into Mini-Tool Rooms.		(iii)8 workshops	Target Achieved.
		iii) Cluster Development		iii) 25 new clusters.		(Iv) 27 new clusters.	Target Achieved.
				iv) 32 awareness programmes		(ii) 16 awareness programmes	Low achievement due to procedural delays viz. late issue of sanctions due to queries from IF Wing
ix)	CAD/CAM,CENTRE,CHENNAI		0.10	0	0	0	Scheme dropped
x)	Integrated Infrastructural Development Scheme	To create infrastructure facilities to facilitate the establishment of small/tiny units.	26.97	Grant/sanction New Centres – 32/8 Upgradation 10/12.	On going scheme	Grant/sanction New Centres – 20/5 Upgradation 14/8	Low demand from States/UTs
xi)	Collection of Statistics	Data collection State Govt. U.T	4.50	Statistics on SSI from all States	On going scheme	-	

	(a) Credit Guarantee Fund Scheme	To provide collateral free credit against guarantee to small and micro enterprises.		(i) 11000 units provided guarantee cover.	On going scheme	(i) 12727 unit provided guarantee cover.	Target achieved.
xii)	(b) Micro Finance Programme	Financial assistance to micro units through SIDBI	184.50	(ii) 1.66 lakh micro finance beneficiaries	On going scheme	(ii) 1.45 lakh micro finance beneficiaries	Lower utilisation of funds by the SIDBI in the under served States
xiii)	Credit Linked Capital Subsidy for Technology Upgradation	Technological Upgradation of SSI units	18.00	800 SSI units.	On going scheme	701 SSI units.	With the upward revision in the ceiling on loan amount and rate of capital subsidy under the CLCSS, the average loan size has gone up. Hence the capital subsidy disburses per unit was higher. Thus, while the number of unites benefited were marginally less the target, the financial performance in term of aggregate subsidy disbursed was higher than originally budgeted under the scheme. An amount of Rs.

							7.94 had been re-appropriated for meeting the additional requirement under the CLCSS.
xiv)	Lump-sum provision of NER		36.07				
	Total of SIDO		360.69				

Statement of Outlays & Outcomes/Targets (2006-07)(As per the Outcome Budget (2006-07) and Upto date Actual Achievement							
Sl. No.	Name of Scheme/ Programme	Objective/Outcome	Outlay 2006-07	Quantifiable Deliverables/Physical Outputs	Processes/ Timeline	Achievement w.r.t. Col.(5) as on 31.12.2006.	Remarks
1	2	3	4	5	6	7	8
SIDO							
PLAN SCHEMES							
i)	Promotion of SSIs (SISI)	i) To meet salary and establishment related expenditure of SISIs Hqr. office	10.04	There are 15 SISIs/ Br. SISIs where expenditure is met from Plan Budget.	On going scheme	NA	
		ii) Upgradation of SISI workshops		Purchase of machines/equipment for the workshops attached with the SISIs.		(I) 5 workshops	
		iii) Publicity		Issue of about 750 advertisements by various field offices for conducting EDP & MDP for SSI Entrepreneurs.		(ii) 850 advertisements by the field offices regarding EDP, MDP Programmes.	
		iv) SENET project		Installation of LAN/leased line for 10 SISIs		Sanction to 10 SISIs already issued.	

Sl. No.	Name of Scheme/ Programme	Objective/Outcome	Outlay 2006-07	Quantifiable Deliverables/Physical Outputs	Processes/ Timeline	Achievement w.r.t. Col.(5) as on 31.12.2006.	Remarks
1	2	3	4	5	6	7	8
ii)	Science & Technology & Research & Development (Research Institutions)	R&D projects and skill development in 7 Institutions	16.85	<p>i) 7 institutions under SIDO would provide training to about 8000 trainees in various skills.</p> <p>ii) In the process, about 4500 SSI units would be benefited with skill development.</p> <p>iii) About 35 new machines would be acquired for these institutions</p>	On going scheme	<p>(I)5712 trainees</p> <p>(ii) benefiting 3461 units</p> <p>23 Machines</p>	
iii)	Training & Manpower Development (Training Institutions)	<p>i) EDP/MDPs for the prospective and existing entrepreneurs</p> <p>ii) Training of SIDO officers</p>	8.00	<p>i) EDPs will be conducted to train about 70000 persons.</p> <p>ii) About 8500 persons will be trained under MDPs.</p> <p>iii) About 950 persons will be trained in the 2 CFTIs.</p> <p>iv) About 350 SIDO Officers will be trained in a variety of areas including general administration, quality, marketing, exports, IPR, credit delivery etc.</p>	On going scheme	<p>(I) 60700 persons</p> <p>(II) 4855 persons</p> <p>(iii) 8280 Trainees</p> <p>(Iv) 296 SIDO Officers</p>	

	Training Programmes	Trade Related Entrepreneurship Assistance and Development for Women (TREAD)	1.00	About 6000 women are likely to be benefited	On going scheme	640 beneficiaries	Demand driven/ Poor response of NGOs/SHGs might affect the achievements under this Scheme.
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Sl. No.	Name of Scheme/ Programme	Objective/Outcome	Outlay 2006-07	Quantifiable Deliverables/Physical Outputs	Processes/ Timeline	Achievement w.r.t. Col.(5) as on 31.12.2006.	Remarks
1	2	3	4	5	6	7	8
iv)	Subcontracting Exchange for Ancillary Development	Setting up Sub-contracting Exchanges and Ancillarisation	1.08	i) SISIs will organise about 40 Vendor Development Programmes.	On going scheme	(I) 9 Vendor Development Programme	
				ii) About 10 Sub-Contracting Exchanges will be set up.	On going scheme	(ii) setup of 1 Sub-contracting Exchanges	Demand driven
v)	Tool Rooms	To improve access of SSIs to tooling facilities for enhancement of efficiency of SMEs	24.84	i) Tool Rooms will conduct - short and long term training courses for training of about 9500 trainees.	On going scheme	(I) 9426 trainees	
				ii) About 2500 SSI units would be serviced.		(ii) 3023 units	
				iii) About 60 new machines will be installed in 10 Tool Rooms.		55 machines	
vi)	Marketing Assistance & Export Promotion	Marketing Assistance & Export Promotion	2.60	i) About 200 SSI beneficiaries.	On going scheme	(i) 62 SSI units.	
				ii) About 100 units under MDA		(ii) 35 units.	
				iii) About 33 Training Programmes on packaging for exports.		3 Training Programmes	33 programmes have been sanctioned to 27 SISIs.

Sl. No.	Name of Scheme/ Programme	Objective/Outcome	Outlay 2006-07	Quantifiable Deliverables/Physical Outputs	Processes/ Timeline	Achievement w.r.t. Col.(5) as on 31.12.2006.	Remarks
1	2	3	4	5	6	7	8
vii)	Testing Centres	Provide material and product testing facilities to SSI units	4.05	i) RTCs and FTSs will conduct about 27000 testing jobs for SSIs.	On going scheme	(I) 21431 jobs testing	
				ii) About 150 new machines will be installed in RTCs/FTSs.		(ii) 40 Machines	
				iii) 4 new Testing Centres to be set up by Ind. Associations.		(iii) Nil Nos.. of Testing Centres	Demand driven
viii)	Technology Upgradation	i) Reimbursement of expenditure on ISO 9000 certification.	55.47	i) About 3750 SSI units will be benefited with reimbursement.	On going scheme	(I) 1785 SSI units	Demand driven. The achievement might be affected in case of lower response from SSIs.
		ii) Upgradation of workshops to Mini-Tool Rooms		ii) About 10 SISI workshops will be upgraded into Mini-Tool Rooms.		(ii) 6 workshops	

		iii) Cluster Development		iii) Development of about 10 new clusters.		(Iii) 4 projects including 3 CFC and diagnostic study of 104 clusters already taken -up..	Demand driven
				iv) About 35 awareness programmes will be conducted on energy conservation.		(Iv) 3 awareness programmes	Demand driven
Sl. No.	Name of Scheme/ Programme	Objective/Outcome	Outlay 2006-07	Quantifiable Deliverables/Physical Outputs	Processes/ Timeline	Achievement w.r.t. Col.(5) as on 31.12.2006.	Remarks
1	2	3	4	5	6	7	8
ix)	Integrated Infrastructural Development Scheme	To create infrastructure facilities to facilitate the establishment of small/tiny units.	17.00	About 20 existing IIDs/Industrial Estates will be upgraded and about 10 new IID Centres established.	On going scheme	New IID Centres established – Three	Three proposals for upgradation are in the pipeline.
x)	Collection of Statistics	Data collection State Govt. U.T	3.95 4.00 0.30	Statistics on SSI from all States.	On going scheme	-	
xi)	(a) Credit Guarantee Fund Scheme	To provide collateral free credit against guarantee to small and micro enterprises.	106.00	About 20000 units to be provided guarantee cover.	On going scheme	(i) 20707 unit provided guarantee cover.	Demand driven. Low response of units might affect achievements.

	(b) Micro Finance Programme	Financial assistance to micro units through SIDBI	29.28	About 3.25 lakh beneficiaries will be assisted with micro-finance.	On going scheme	(ii) 1.14 lakh micro finance beneficiaries	
xii)	Credit Linked Capital Subsidy for Technology Upgradation	Technological Upgradation of SSI units	55.10	About 950 SSI units involving credit of about Rs. 500 Crore.	On going scheme	(I) 1333 units	Demand driven. Achievement will partly depend upon the initiative of MSEs.
	Total of SIDO		339.56				

Sl. No.	Name of Scheme/ Programme	Objective/Outcome	Outlay 2006-07	Quantifiable Deliverables/Physical Outputs	Processes/ Timeline	Achievement w.r.t. Col.(5) as on 31.12.2006.	Remarks
1	2	3	4	5	6	7	8
	<u>Provision for North Eastern Region and Sikkim</u>	To incur expenditure for the development of North Eastern Region and Sikkim					
	Small Industries Service Institutes	To incur expenditure for the development of North Eastern Region and Sikkim	1.45	Physical outputs are included in the plan scheme of Promotion of SSIs	On going Scheme		
	Training and Manpower Development	EDPs/MDPs for the prospective & existing entrepreneurs of NER	0.58	I) EDPs will be conducted to train 6000 persons	On going schemes	I) EDPs conducted to train 1800 persons	
I) MDPs will be conducted to train 1000 persons				I) MDPs conducted to train 250 persons			
Training of SIDO Offices of NER		Physical Outputs are included in the plan scheme of training & manpower development above.		Physical Outputs are included in the plan scheme of training & manpower development above.			

	Trade Related Entrepreneurs Development for Women(TREAD)	To incur expenditure for the development of North Eastern Region and Sikkim	0.11	Physical outputs are included in the plan scheme of Trade Related Entrepreneurs Development for Women(TREAD)	On going Scheme	Physical Outputs are included in the respective plan scheme above.	
Sl. No.	Name of Scheme/ Programme	Objective/Outcome	Outlay 2006-07	Quantifiable Deliverables/Physical Outputs	Processes/ Timeline	Achievement w.r.t. Col.(5) as on 31.12.2006.	Remarks
1	2	3	4	5	6	7	8
	Subcontracting Exchange for Ancillary Development	To incur expenditure for the development of North Eastern Region and Sikkim	0.12	Physical outputs are included in the plan scheme of Subcontracting Exchange for Ancillary Development	On going Scheme/demand driven	Physical Outputs are included in the respective plan scheme above.	
	Tool Rooms	To incur expenditure for the development of North Eastern Region and Sikkim	4.50	Physical outputs are included in the plan scheme of Tool Rooms	On going scheme	Physical Outputs are included in the respective plan scheme above.	
	Marketing Assistance Scheme & Export Promotion	To incur expenditure for the development of North Eastern Region and Sikkim	0.02	Physical outputs are included in the plan scheme of Marketing Assistance Scheme & Export Promotion	On going scheme	Physical Outputs are included in the respective plan scheme above.	

	Technology Upgradation	To incur expenditure for the development of North Eastern Region and Sikkim	7.46	Physical outputs are included in the plan scheme of Technology Upgradation	On going scheme.	Physical Outputs are included in the respective plan scheme above.	
	Integrated Infrastructural Development Scheme	To incur expenditure for the development of North Eastern Region and Sikkim	2.00	Physical outputs are included in the plan scheme of Integrated Infrastructural Development Scheme	On going scheme	Physical Outputs are included in the respective plan scheme above.	

Sl. No.	Name of Scheme/ Programme	Objective/Outcome	Outlay 2006-07	Quantifiable Deliverables/Physical Outputs	Processes/ Timeline	Achievement w.r.t. Col.(5) as on 31.12.2006.	Remarks
1	2	3	4	5	6	7	8
	Collection of Statistics of Small Scale Industries	To incur expenditure for the development of North Eastern Region and Sikkim	0.50	Physical outputs are included in the plan scheme of Collection of Statistics of Small Scale Industries	On going scheme	Physical Outputs are included in the respective plan scheme above.	
	Credit Guarantee Scheme for SSI Sector	To incur expenditure for the development of North Eastern Region and Sikkim	12.10	Physical outputs are included in the plan scheme of Credit Guarantee Scheme for SSI Sector	On going scheme	Physical Outputs are included in the respective plan scheme above.	
	Micro Finance Programme	To incur expenditure for the development of North Eastern Region and Sikkim	3.00	Physical outputs are included in the plan scheme of Micro Finance Programme	On going scheme	Physical Outputs are included in the respective plan scheme above.	
	Credit Linked Capital Subsidy Scheme	To incur expenditure for the development of North Eastern Region and Sikkim	6.71	Physical outputs are included in the plan scheme of Credit Linked Capital Subsidy Scheme	On going scheme	Physical Outputs are included in the respective plan scheme above.	
	Total (NER)		38.55				

CHAPTER – IV

A. Performance of Other Schemes (Plan Schemes) during the year 2005-06

(Rs Lakh)

Name of the Scheme	Objective/ Outcome	BE 2005-06	Financial Achievement (2005-06)	Quantifiable Deliverables	Achievements w.r.t. Col.(5)	Remarks
1.	2.	3.	4.	5.	6.	7.
12. OTHER SCHEME						
Survey, Studies and Policy Research	To get surveys/studies conducted through reputed independent agencies on various problems related to SSI & ARI Sector	50.00	22.59	10 studies to be conducted	2 Studies were completed and one new study was awarded.	The guidelines of the scheme were revised during the year leaving little time to conduct more studies.
International Cooperation Scheme	Technology infusion and upgradation, modernization of the SSI sector and promotion of its exports	100.00	120.00	15 events to be organised	22 events organised	
National Entrepreneurship Development Board (NEDB)	Grant to reputed organization engaged in entrepreneurship development for organizing workshop, conducting studies, setting up incubators, setting up of EBDCs, etc.	50.00	59.61	To set up 2 Entrepreneurship and Business Development Centre (EBDCs)	2 EBDCs were set up. Grant was given for conducting workshops to 6 organisations	
Training						

Institutions						
(a) Entrepreneurship Development Institutions (EDIs)	Financial assistance to strengthen the infrastructure of existing EDIs and to set up new EDIs at State level.	200.00	215.90	To provide assistance to 4 EDIs.	Financial assistance provided to 3 existing EDIs and for setting up 5 new EDIs	
(b) National Institute of Small Industry Extension Training (NISIET), Hyderabad	Assistance to NISIET for augmenting infrastructure facilities	50.00	94.87	To conduct 226 training programme to cover 7969 participants	Conducted 277 programmes covering 9466 participants.	
(c) National Institute for entrepreneurs hip and Small Business Development (NIESBUD), Noida	Assistance to NIESBUD for meeting revenue deficit and capital expenditure	70.00	27.00	To conduct 31 training programme to cover 470 participants	Conducted 33 programmes covering 773 participants.	
Indian Institute of Entrepreneurship (IIE), Guwahati	To incur expenditure for the development of North Eastern Region and Sikkim	137.00	147.00	To conduct 148 programme to cover 3775 participants	Conducted 149 programme covering 4996 participants	
National Commission for Enterprises in	NCEUS, an advisory body set up to study and make recommendations on	300.00	296.00	Reviewing the status of Unorganised Sector in India and identifying the	NCEUS succeeded in preparing a draft report on "Social Security for Unorganised workers"	Some Growth Poles projects are under consideration in consultation with

<p>the Unorganised Sector (NCEUS)</p>	<p>problems of enterprises in the Unorganised sector</p>			<p>constraints faced by Enterprises. being the</p>	<p>and Unorganised Workers Social Security Bill” highlighting its features and means to achieve besides National Policy on street vendors in the year 2005-06 which could finally be presented to the Hon’ble Prime Minister in 2006-07. Steps to set up Growth Poles in State based on Finance Minister’s Budget Speech also initiated in 2005-06.</p>	<p>the State Governments</p>
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B. Performance of Other Schemes (Plan Schemes) during the year 2006-07 (upto December, 2006)

(Rs Lakh)

Name of the Scheme	Objective/ Outcome	BE 2006-07	Financial Achieve- ment April- Decemb er 2006	Quantifiable Deliverables	Achievements w.r.t. Col.(5)	Remarks
1.	2.	3.	4.	5.	6.	7.
Survey, Studies and Policy Research	To get surveys/studies conducted through reputed independent agencies on various problems related to SSI & ARI Sector	200.00	7.66	15 studies to be conducted	14 subjects of surveys/studies have been selected. Out of which letter for awarding 4 studies issued to consultants.	Agencies for conducting further 10 studies relating to M/o ARI, Coir Board, KVIC are being finalized by the organizations concerned.
International Cooperation Scheme	Technology infusion and upgradation, modernization of the SSI sector and promotion of its exports	175.00	77.00	20 events to be organised	31 events approved out of which 16 events already organised	
National Entrepreneurship Development Board (NEDB)	Grant to reputed organisations engaged in entrepreneurship for organizing workshop, conducting studies, setting up incubators, setting up of EBDCs etc.	100.00	26.03	To set up 3 Entrepreneurship and Business Development Centres (EBDCs) and one Incubator, organizing 3 workshops.	Grants-in-aid for one existing incubator was released.	It has been decided to drop the scheme in its present form.

Training Institutions						
(a) Entrepreneurship Development Institutions (EDIs)	Financial assistance to strengthen the infrastructure of existing EDIs and to set up new EDIs at State level.	250.00	85.00	To provide assistance to 5 EDIs for infrastructural development, training aids, etc.	Financial assistance provided to one existing EDI.	In principal approval to the tune of Rs.200.00 lakh (approx.) for setting up of new EDIs and for development of infrastructure of existing EDIs have been issued. Funds, however, will be released after complying conditions by the EDIs.

Name of the Scheme	Objective/ Outcome	BE 2006-07	Financial Achieve- ment April- December 2006	Quantifiable Deliverables	Achievements w.r.t. Col.(5)	Remarks
1.	2.	3.	4.	5.	6.	7.
(b) National Institute of Small Industry Extension Training (NISIET), Hyderabad	Assistance to NISIET for augmenting infrastructure facilities	135.00	95.34	392 training programmes to be conducted by NISIET, NIESBUD and IIE for training 9380 persons.	Conducted 131 programmes covering 4221 participants.	
(c) National Institute for entrepreneurship and Small Business Development (NIESBUD), Noida	Assistance to NIESBUD for meeting revenue deficit and capital expenditure	30.00	19.00		Conducted 57 programmes covering 1333 participants.	
Indian Institute of Entrepreneurship (IIE), Guwahati	To incur expenditure for the development of North Eastern Region and Sikkim	150.00	48.50		Conducted 142 training programme covering 5647 participants	

<p>National Commission for Enterprises in the Unorganised Sector (NCEUS)</p>	<p>NCEUS, an advisory body set up to study and make recommendations on problems of enterprises in the unorganised sector</p>	<p>3287.00</p>	<p>296.00</p>	<p>Studies and initiation of 5 pilot projects on growth poles for unorganized enterprises</p>	<p>i) Social Security to Unorganised Workers bill presented to Hon'ble Prime Minister ii) National Policy on Urban Street Vendors presented to MOS, M/o UPA. iii) State Govt. of W.B., Rajasthan, Kerela, Uttaranchal, have been advised to prepare DPR on Growth Poles.</p>	<p>Some growth poles projects are under consideration in consultation with the State Governments.</p>
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Chapter IV- (NCEUS) -Review of Past performance for the Year 2005-06 and from 1/4/06 to 31/01/07.

During the year 2005-06, out of total actual expenditure, Rs. 74 lakhs has been incurred by the Commission on Professional Services for reviewing the status of Unorganised Sector in India and identifying the constraints being faced by the Enterprises.

The Commission has submitted Report and Recommendation on National Policy on urban street vendors to the Hon'ble Minister of state for Urban Employment and Poverty Alleviation on 05/05/06.

The Commission has also submitted a report on Social Security for Unorganised Workers to the Hon'ble Prime Minister on 16/05/06.

During the period 1/04/06 to 31/01/07, actual expenditure of Rs. 1.58 crores incurred on Professional Services. First installment of grants has been released to 5 State Govts. viz. Rajasthan, Uttaranchal, Kerala, West Bengal and Chhatisgarh for Detailed Project Reports for Growth Pole. Inception reports from Rajasthan & Kerala region have been received and examined by technical expert groups.

The Commission is in consultation with other State Govts. also to ascertain the constraints being faced by Unorganised Sectors and to make appropriate recommendations.

NCEUS

Outcome Budget 2006-07

(Rs. Crore)

Sl. No.	Name of the Scheme	Objective/Outcome	BE 2006-07	Financial Achievement April-December 2006	Quantifiable Deliverables	Achievements w.r.t Col (6) as on December 2006	Remarks
1	2	3	4	5	6	8	9
	National Commission for Enterprises in the Unorganised Sector	NCEUS, an advisory body set up to study and make recommendations on problems of enterprises in the unorganised sector	32.87	2.96	Studies and initiation of 5 pilot projects on growth poles for unorganized enterprises	i) Social Security to Unorganised workers bill presented to Hon'ble Prime Minister ii) National Policy on urban street vendors presented to MOS, M/o UPA. iii) State Govt. of W.B., Rajasthan, Kerela, Uttaranchal, have been advised to prepare DPR on Growth Poles.	

National Small Industries Corporation

IV .Performance under Plan Schemes for the year 2005-06

(Rs. Lakh)

Sl.	Name of Scheme/ Programme	Objective/ Outcome	B.E. 2005-06	Financial Achievement (2005-06)	Quantifiable Deliverables	Achievements w.r.t. Col (5)	Remarks
1.	1	2	3	4	5	6	7
1.	Investment (Equity Share Capital)	Establishment of Marketing cum Business Development Centre at Okhla	1500.00 (R.E. 1500.00)	1500.00	Award of contract for construction	Contract was awarded to M/s RITES Ltd. for implementing the project.	
2.	Other Grants		1000.00 (R.E.1280.00)	1276.00			
		Assistance in Hilly Areas (No. of units)	50.00 (R.E.50.00)	50.00	200 units will be assisted in J&K and Hilly Areas	241 small enterprises assisted in tender marketing, raw material assistance, information support and create awareness of various schemes for their development	
		Rating of small-scale industries (No of units)	700.00 (R.E.580)	450.00	1800 units will be rated under Performance and Credit rating Scheme.	Total 1026 applications were received out of which 671 units were rated.	
		Technology Business	75.00	49.50	1 incubator – 10 units are	IT Incubator with	

Incubators	(R.E.50.00)		expected to be incubated	the capacity to incubate 10 small enterprises has been established at Okhla	
Beneficiary Units					
Mentoring and Advisory Services (Man months)	75.00 (R.E.25.00)	25.00	285 man months of assistance to be provided to small enterprises in their initial stage of development	148 man months of assistance provided to small enterprises	

Sl.	Name of Scheme/ Programme	Objective/ Outcome	B.E. 2005-06	Financial Achievement (2005-06)	Quantifiable Deliverables	Achievements w.r.t. Col (5)	Remarks
1.	1	2	3	4	5	6	7
		Laghu Udyog Mart	0.00 (R.E.475.00)	601.90	It will provide assistance to small enterprises in capturing new markets and expanding existing markets.	Letter to commence the execution of work has been issued to M/s CPWD.	
		Development of N.E. Region	100.00 (R.E.100.00)	16.00	Assistance will be provided to 200 small enterprises in NER	. Training programs were imparted to 194 candidates from NER in various fields at NSIC Technical Services Centre – Howrah and Guwahati.	
		Previous year deficits of PRIDE, Okhla	0.00 (R.E.0.00)	83.60			
3.	Marketing Assistance Scheme	Promotion and development of markets for products of SSI sector	1150.00 (R.E.820.00)	1004.00	1. Organisation of Exhibitions 10 Nos. 2. Participation In 40 Exhibitions 3.To Organize 12 Nos. Of Buyer Seller Meets 4.To Conduct 110 Nos. Of Intensive Campaigns.	1.Organized 6 Exhibitions 2.Participated In 40 Exhibitions 3.Organized 17 Nos. Of Buyer Seller Meets 4.Conducted 334	

					<p>5.To conduct 100 Nos. of Marketing Promotion Seminars</p> <p>6. Consortia Formation – 8 Nos</p> <p>Marketing assistance will be provided to 240 small enterprises in NER</p>	<p>Nos. Of Intensive Campaigns.</p> <p>5.Conducted 130 Nos. of Marketing Promotion Seminars</p> <p>6. Consortia Formed – 8 Nos</p> <p>733 Nos. of small enterprises were assisted in tender marketing.</p>	
4.	Reimbursement of Expenditure of NTSCs	Capacity building of NTSCs so as to enhance their functions for training in skill upgradation and provide common facility services to small enterprises.	450.00 (R.E.400.00)	400.00	<p>4425 candidates to be trained.</p> <p>2435 small enterprises to be served through common facilities.</p>	<p>Imparted skill upgradation training to 4803 candidates</p> <p>2523 small enterprises availed services through common facilities.</p>	
		TOTAL	4200.00 (R.E.4100.00)	4180.00			

(Rs.in lakh)

S. No	Name of Scheme/ Programme	Objective/ Outcome	B.E. 2006-07 (Rs. in lakh)			Quantifiable Deliverables	Achievements W.r.t. Col. No. 5 as on 31.12.07	Remarks/ Risk Factors
			4(i)	4(ii)	4(iii)			
			Non-Plan Budget	Plan Budget	Financial Achievements up to 31.12.07			
1	Investment (Equity Share Capital)	1. Establishment of Marketing Development cum Business Park at Okhla 2. To develop Marketing	0.00	1500.00	1500.00	Approval of building plan by statutory bodies, detailed engineering estimation, invitation of bids. Award of contract	Approval of conceptual plan communicated to M/s. RITES and advance payment for executing the project released to M/s. RITES. Master plan submitted to MCD for approval and to Forest Deptt for their clearance. - The total cost of the project is Rs.75.00 crore, - The Schedule date of completion of the project is by 2008. - The expenditure incurred at the beginning of the year is Rs.15.00 crore. - The expenditure planned to be incurred during the year 2007-08 is Rs. 5.00 crore. Request for proposal (RFP) document for the development of	

		and Exhibition Centre at NTSC- Hyderabad					Marketing and Exhibition Centre at NTSC-Hyderabad has been finalized and limited offers from reputed PSUs and CPWD are being invited for appointing executing agency. - The total cost of the project is Rs.24.09 crore, - The Schedule date of completion of the project is by 2008. - The expenditure planned to be incurred during the year 2007-08 is Rs 10.00 crore.	
2	Other Grants		0.00	1845.00	1073.42			
i)	Assistance in Hilly Areas (No.of units)		0.00	50.00	23.32	200	238	
ii)	Rating of small-scale industries (No. of units)		0.00	970.00	500.00	1800	2104	2104 applications have been received for rating under the scheme. As of Dec., 2006, rating has been assigned to 1231 units
iii)	Technology Business Incubators (Beneficiary Units)		0.00	50.00	0.00	Setting up of incubator for Small enterprises establishment	Setting up of the project at Okhla, New Delhi is under progress	

						at NTSC Okhla		
iv)	Mentoring and Advisory Services (Man months)		0.00	25.00	0.00	200	32	The scheme is under implementation in 5 pilot sectors. The response to the scheme is not encouraging.
v)	Laghu Udyog Mart		0.00	500.00	388.10	Completion of the project.	<ul style="list-style-type: none"> - The work has been awarded to CPWD. - Necessary clarifications to the queries raised by MCD on the master plan have been furnished by CPWD. Approval by MCD is under process. - Electrical work has already commenced. - The total cost of the project is 9.90 crore. - The Scheduled date of completion of the project is by year 2007. - The expenditure planned to be incurred during the year 2007-08 is Rs 9.90 crore. 	
vi)	Small Enterprise Establishment Program		0.00	50.00	0.00	Conducting 20 programs with 200 entrepreneurs		The scheme has not been approved by the Govt.
vii)	Development of NER and Hilly		0.00	200.00	162.00	300	737	

	Areas							
3	Marketing Assistance Scheme		0.00	950.00	710.11			
i)	Trade Fairs and Exhibitions:							
	a. Organization					5	4	More events are being organised/ conducted in the forthcoming months. Target set for the year is expected to be achieved by March, 2007.
	b. Participation					45	21	
ii)	Buyer Seller Meets					15	5	
iii)	Intensive Campaigns					130	264	
iv)	Marketing Promotion Seminars					100	112	
v)	Consortia Formation					6	1	
vi)	Marketing Assistance in NER.					300	1327	
	Reimbursement of Expenditure of NTSCs		0.00	200.00	151.44			
i)	Number of trainees					4900	3249	Target set for the year is expected to be achieved by March,07.
ii)	Number of SSI units served under common facility services					2700	1902	
	Total		0.00	4495.00	3434.97			
	Internal & Extra Budgetary Resource			6200.00	1590.00			

CHAPTER V

(I) Details of the financial review covering overall trends in expenditure from 2003-04 to 2005-06,

Budget Estimates 2006-07, Revised Estimates 2006-07, Budget Estimate 2007-08 and expenditure

upto Dec., 2006 are indicated below:-

	Major	Actuals 03-04		Actuals 04-05		Actuals 05-06		BE 06-07		RE 06-07		Actual upto Dec.,06		BE 07-08	
		Plan	NP	Plan	NP	Plan	NP	Plan	NP	Plan	NP	Plan	NP	Plan	NP
	Revenue	314.81	49.29	331.20	50.55	382.69	52.07	452.33	53.91	452.33	54.89	235.94	30.28	530.00	55.41
	Capital	20.00	0.00	15.00	0.00	15.00	0.00	14.00	4.00	14.00	0.00	15.00	0.00	0.00	0.00
	Total	334.81	49.29	346.20	50.55	397.69	52.07	466.33	57.91	466.33	54.89	250.94	30.28	530.00	55.41
1. Secretariat - Economic Services	3451	0.00	4.10	0.00	3.81	0.00	3.84	0.00	4.48	0.00	4.48	0.00	2.07	0.00	4.58
Small - Scale Industries															
2. Development Commissioner for Small - Scale Industries (Including Library)	2851	4.03	8.10	4.63	8.30	2.15	8.83	6.54	9.46	5.99	9.66	0.52	6.30	0.00	9.89
3. Development of Small Scale Industries - NSIC	2851	18.13	1.21	18.87	0.00	26.80	0.00	26.45	0.00	26.45	0.00	7.90	0.00	18.00	0.00
	6851	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Promotion of Small - Scale Industries Schemes *	2851	78.30	35.88	98.75	38.44	133.81	39.40	222.72	39.97	232.25	40.75	98.82	21.91	0.00	40.94
	3601	4.38	0.00	2.89	0.00	4.00	0.00	4.00	0.00	4.00	0.00	3.99	0.00	0.00	0.00

	Major	Actuals 03-04		Actuals 04-05		Actuals 05-06		BE 06-07		RE 06-07		Actual upto Dec.,06		BE 07-08	
	Head	Plan	NP	Plan	NP	Plan	NP	Plan	NP	Plan	NP	Plan	NP	Plan	NP
16.03 Trade related Entrepreneurs Development programme	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.00	0.11	0.00	0.00	0.00	0.00	0.00
16.04 Subcontracting Exchange for Ancillary Development	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.03	0.00	0.00	0.00	0.00	0.00
16.05 Tool Room	2552	0.00	0.00	0.00	0.00	0.00	0.00	4.50	0.00	4.50	0.00	0.00	0.00	0.00	0.00
16.06 Marketing Assistance & Export Promotion	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.02	0.00	0.00	0.00	0.00	0.00
16.07 Testing Centres	2552	0.00	0.00	0.00	0.00	0.00	0.00	7.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16.08 Technology upgradation	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.46	0.00	0.00	0.00	0.00	0.00
16.09 Integrated Infrastructure development Scheme	2552	0.00	0.00	0.00	0.00	0.00	0.00	2.00	0.00	5.00	0.00	0.00	0.00	0.00	0.00
16.10 collection of Statistics of small scale Industries	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.50	0.00	0.00	0.00	0.00	0.00
16.11 Credit Guarantee Scheme for SSI Sector	2552	0.00	0.00	0.00	0.00	0.00	0.00	12.10	0.00	14.40	0.00	0.00	0.00	0.00	0.00
16.12 Micro Finance Programmes	2552	0.00	0.00	0.00	0.00	0.00	0.00	3.00	0.00	3.00	0.00	0.00	0.00	0.00	0.00

16.13 Credit linked capital subsidy	2552	0.00	0.00	0.00	0.00	0.00	0.00	6.71	0.00	2.95	0.00	0.00	0.00	0.00	0.00
16.14 Other Grants - NSIC	2552	0.00	0.00	0.00	0.00	0.00	0.00	2.00	0.00	2.00	0.00	0.00	0.00	0.50	0.00
16.15 Market Assistance Scheme	2552	0.00	0.00	0.00	0.00	0.00	0.00	1.50	0.00	1.50	0.00	0.00	0.00	1.50	0.00
	Major	Actuals 03-04		Actuals 04-05		Actuals 05-06		BE 06-07		RE 06-07		Actual upto Dec.,06		BE 07-08	
	Head	Plan	NP	Plan	NP	Plan	NP	Plan	NP	Plan	NP	Plan	NP	Plan	NP
16.16 Training Institutions	2552	0.00	0.00	0.00	0.00	0.00	0.00	1.50	0.00	1.50	0.00	0.00	0.00	1.50	0.00
16.17 Training programmes	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.58	0.00	0.58	0.00	0.00	0.00	0.00	0.00
16.18 Survey and Studies for policy research	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00
16.19 Quality of Technology Support Institutions & Programmes	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.00	0.00
16.20 Promotional Services Institutions & Programmes	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	0.00
16.21. MSME Clusters Development Programmes & MSME Growth Poles	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.80	0.00
16.22. Credit Support Programme	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.20	0.00
16.23 MDA Programme	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16.24 Upgradation of Data Base	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	0.00

16.25 Promotion of Hand Holding of Micro & Small Enterprises	2552	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.75	0.00
16.26.National Commission on Enterprises in the Unorganised /Informal Sector	2552	0.00	0.00	0.00	0.00	0.00	0.00	3.30	0.00	1.00	0.00	0.00	0.00	0.50	0.00
Total	2552	0.00	0.00	0.00	0.00	0.00	0.00	46.85	0.00	46.00	0.00	0.00	0.00	53.85	0.00

Chapter VI

Review of Performance of Autonomous Organisations

Ministry of SSI has established 3 National Entrepreneurship Development Institutes, namely, the National Institute of Small Industry Extension Training (NISIET) at Hyderabad; the National Institute for Entrepreneurship and Small Business Development (NIESBUD) at Noida; and the Indian Institute of Entrepreneurship (IIE) at Guwahati as autonomous societies. These institutes are engaged in development of training modules, undertaking research and training and providing consultancy services for entrepreneurship development in the micro and small enterprises.

The working of these institutes is given in Chapter-I. Physical and financial performances of the 3 national Entrepreneurship Development Institutes for the year 2005-06 and 2006-07 (April-December, 2006) is given in Chapter-IV. Projections for 2007-08 are given in Chapter-II of the Outcome Budget 2007-08.

Review of performance of the autonomous bodies under the administrative control of Office of DC(SSSI) are being done by their Governing Councils regularly and all of them have shown improvement over the years. The details are enclosed.

Office of the Development Commissioner (SSI)

Performance of Autonomous Institutions (Upto Dec'06)

S. No	Institutes	Cash Cost Rec. (%)		Trainees Trained (Nos.)		Units Assisted (Nos.)		Budget Utln. (Rs. Lakh)	
		05-06	06-07 (upto Dec)	05-06	06-07 (upto Dec)	05-06	06-07 (upto Dec)	05-06	06-07 (upto Dec)
Tool Rooms									
1.	IGTR, Aurangabad	121	125	1091	1071	332	241	290	280
2	CTTC, Bhubaneswar	136	142	2913	3241	144	187	350	300
3	IDTR Jamshedpur	134	120	1186	1443	615	485	250	300
4	IGTR, Indore	80	99	1332	1312	224	229	220	220
5	CTR, Ludhiana	100	100	627	576	338	258	250	173
6	CIHT, Jalandhar	56	51	181	304	1645	1190	341	300
7	IGTR, Ahmedabad	88	92	532	624	332	173	200	200
8	CTTC, Kolkata	89	95	602	758	187	114	160	200
9	TRTC, Guwahati	48	42	104	97	-	13	150	48
Research Institutes									
1	CITD, Hyderabad	118	134	2877	2402	503	356	270	130
2	ESTC, Ramnagar	110	119	981	856	128	80	50	83
3	PPDC, Agra	57	53	243	233	283	309	200	300
4	IDEMI, Mumbai	67	99	1065	739	1259	1287	200	230
5	PPDC, Meerut	93	89	444	356	117	160	125	25
6	FFDC, Kannauj	77	75	3255	1149	643	546	45.74	Nil
7	CDGI, Ferozabad	45	14	54	Nil	536	390	79	50
Training Institutes									
1	CFTI, Agra	109	139	287	412	64	143	115.40	Nil
2	CFTI, Chennai Chennai	83	95	912	7868	27	60	100	Nil