



Param Pujya Dr. Babasaheb Ambedkar Smarak Samiti's

Dr. Ambedkar Institute of Management Studies & Research

Deeksha Bhoomi, Nagpur - 440010 (Maharashtra State) INDIA

NAAC Accredited with 'A' Grade

Tel: +91 712 6521204, 6521203, 6501379

Email: info@daimsr.in

Entrepreneurship Development

Sub Code- MBCIV-2

Unit – IV

Prepared by- Dr. Dipesh Uike

Program Objectives

PO1: Apply knowledge of management theories and practices to solve business problems.

PO2: Foster Analytical and critical thinking abilities for data-based decision making.

PO3: Ability to develop value based leadership ability.

PO4: Ability to understand, analyze and communicate global, economic, legal, and ethical aspects of business.

PO5: Ability to lead themselves and others in the achievement of organizational goals, contributing effectively to team environment.

Program Objectives

PO6: Ability to evaluate a business idea and formulate a feasible business plan.

PO7: Recognize the need for and have the orientation and ability to engage in an independent & lifelong learning in a dynamic business environment.

PO8: Ability to appraise and explain societal and environmental aspects of business.

Course Objectives Of ED

- **CO1- Develop** solutions for the problems faced by women entrepreneurs.
- **CO2-Illustrate** different methods of generating business ideas.
- **CO3- Justify** the importance of business plan in starting a new business.

Course Objectives Of ED

- **CO4- Explain** project appraisal with example.
- **CO5- Classify** feasibility study and inspect their role in setting up a printing business.
- **CO6-** Entrepreneurs should be socially responsible. **List** the motives.

UNIT IV: Entrepreneurial Support system :

Activities and objectives of institutions supporting entrepreneurs: Small Industries Development Bank of India (SIDBI), NABARD, NSIC (National Small Industries Corporation), Khadi & Village Industries commission, Micro Small and Medium Enterprises; Classifications of enterprises, Characteristics and objective of MSME, Role of MSME in Economic Development, Problem Faced by MSME, Steps of Starting SSI/MSME"s and Measures taken by government for the promotion of MSME"s, Corporate Social Responsibility, Social Responsibility of Entrepreneurs.

Unit Objectives

- Explain the activities and objectives of institutions supporting entrepreneurs, discuss the functions of SIDBI.
- Discuss the role of NABARD and NSIC in emergence of enterprise.
- Explain the role of KVIC, Introduce the MSME. Discuss the classification of enterprise.
- Explain the Characteristics and objective of MSME, Role of MSME in Economic Development.
- Outline the problems faced by MSME.
- Discuss the Steps of Starting SSI/MSME"s and Measures taken by government for the promotion of MSME"s.
- Explain the CSR with respect to the entrepreneurs.

Small Industries Development Bank of India (SIDBI)

- Small Industries Development Bank of India (SIDBI) set up on 2nd April 1990 under an Act of Indian Parliament, acts as the Principal Financial Institution for Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector as well as for co-ordination of functions of institutions engaged in similar activities.

A SIDBI PLUS Approach

- With a focus to creating value and building a supportive financial infrastructure for the growth and development of the MSME sector in the country, SIDBI has adopted a SIDBI PLUS Approach and propagated institutions building by way of formation of a network of strong associates and subsidiaries that have become instrumental in realising the inclusive growth targets.

Contd....



Nurturing Startups

- **SIDBI has been managing the following Funds for Start-ups:**
- **Fund of Funds for Start-ups**
- Under Start-up India Action Plan of Government of India
- Corpus – Rs.10,000 crore (to be built over 14th & 15th Finance Commission cycles).
- **ASPIRE Fund**
- Launched in October 2016
- Corpus – Rs.60 crore (proposed to be enhanced to Rs.310 crore)
- **India Aspiration Fund**
- Launched on August-2015
- Corpus of Rs. 2000 crore

Source: https://www.sidbi.in/Nurturing_Start_Ups_Overview.php

Financial and Non Financial Assistance

Financial	Non Financial
Assistance through Banks, NBFCs, SFBs	Advisory / Handholding Services (Certified Credit Counsellors)
Smile	Entrepreneurship Development Programmes
Equipment Finance Scheme under SMILE (SEF)	Skill-cum-Technology Development Programme
Receivable Finance Scheme	Small Industries Management Programmes
Service Sector Financing	Micro Enterprises Promotion Programmes

Source: https://www.sidbi.in/Helping_MSME_Overview.php

National Bank for Agriculture and Rural Development (NABARD)

- NABARD came into existence on 12 July 1982 by transferring the agricultural credit functions of RBI and refinance functions of the then Agricultural Refinance and Development Corporation (ARDC). It was dedicated to the service of the nation by the late Prime Minister Smt. Indira Gandhi on 05 November 1982.
- Set up with an initial capital of Rs.100 crore, its' paid up capital stood at Rs. 5,000 crore as on 31 March 2016. Consequent to the revision in the composition of share capital between Government of India and RBI, NABARD today is fully owned by Government of India.

Finance

Direct Finance	Refinance
Loans for Food Parks and Food Processing Units in Designated Food Parks	Short term
Loans to Warehouses, Cold Storage and Cold Chain Infrastructure	Long term
Credit Facilities to Marketing Federations	Eligible schemes for Refinance under Off Farm Sector
Rural Infrastructure Development Fund	
Long Term Irrigation Fund	

Source: <https://www.nabard.org/content1.aspx?id=8&catid=8&mid=488>

GOVT. SPONSORED SCHEMES

Farm Sector

- Dairy Entrepreneurship Development Scheme
- Capital Investment Subsidy Scheme for Commercial Production Units for organic/ biological Inputs
- Rural Godowns , Agriculture Marketing and Infrastructure Grading Standardisations
- Agriclinic and Agribusiness Centres Scheme
- Solar Schemes, Agricultural Marketing Infrastructure
- National Livestock Mission, GSS- Complaints received from Public
- Sugar Package, Interest Subvention Scheme, Pending List

Source: <https://www.nabard.org/content1.aspx?id=23&catid=23&mid=530>

National Small Industries Corporation (NSIC)

- National Small Industries Corporation (NSIC), is an ISO 9001-2008 certified Government of India Enterprise under Ministry of Micro, Small and Medium Enterprises (MSME). NSIC has been working to promote, aid and foster the growth of micro, small and medium enterprises in the country.
- Mission: “To promote and support Micro, Small & Medium Enterprises (MSMEs) Sector” by providing integrated support services encompassing Marketing, Technology, Finance and other services.
- Vision: “To be a premier Organization fostering the growth of Micro, Small and Medium Enterprises (MSMEs) Sector”.

Schemes of NSIC

- Marketing Support.
- Consortia and Tender Marketing
- Single point Registration for Government Purchase
- MSME Global Mart B2B Web Portal for MSMEs
- Marketing Intelligence
- Exhibitions and Technology Fairs
- Buyer-Seller meets
- Credit Support
- Financing for procurement of Raw Material (Short term)
- Financing for Marketing Activities (Short term)

Technology Support

- NSIC offers small enterprises the following support services through its Technical Services Centres and Extension Centres:
- Advise 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
- Classroom and practical training for skill upgradation

Source: <http://www.nsic.co.in/Corporate/AboutUs.aspx>

International Consultancy Services

For the last five decades, NSIC has acquired various skill sets in the development process of small enterprises. The inherent skills are being networked to offer consultancy services for other developing countries. The areas of consultancy are as listed below:

- Capacity Building
- Policy & Institutional Framework
- Entrepreneurship Development
- Business Development Services

Source: <http://www.nsic.co.in/Corporate/AboutUs.aspx>

Khadi and Village Industries Commission (KVIC)

- The Khadi and Village Industries Commission (KVIC) is a statutory body established by an Act of Parliament (No. 61 of 1956, as amended by act no. 12 of 1987 and Act No.10 of 2006. In April 1957, it took over the work of former All India Khadi and Village Industries Board.

Objectives

The broad objectives that the KVIC has set before it are...

- The social objective of providing employment.
- The economic objective of producing saleable articles.
- The wider objective of creating self-reliance amongst the poor and building up of a strong rural community spirit

Functions

- The KVIC is charged with the planning, promotion, organisation and implementation of programs for the development of Khadi.
- Its functions also comprise building up of a reserve of raw materials and
- implements for supply to producers,
- creation of common service facilities for processing of raw materials as semi-finished goods and
- provisions of facilities for marketing of KVI products
- promote the sale and marketing of khadi and/or products of village industries or handicrafts,
- the KVIC may forge linkages with established marketing agencies wherever feasible and necessary.

Schemes

- Modified Market Development Assistance (MMDA)
- Interest Subsidy Eligibility Certificate Scheme (ISEC)
- Workshed Scheme
- Strengthening of Weak Institutions

Micro, Small & Medium Enterprises (MSME)

- Definitions of Micro, Small & Medium Enterprises In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two Classes:
 - 1. Manufacturing Enterprises- he enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation) Act, 1951) or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use. The Manufacturing Enterprise are defined in terms of investment in Plant & Machinery.
 - 2. Service Enterprises:-The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment..

The limit for investment in plant and machinery / equipment for manufacturing / service enterprises

Manufacturing Sector

Enterprises	Investment in plant & machinery
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees

Service Sector

Enterprises	Investment in equipments
Micro Enterprises	Does not exceed ten lakh rupees:
Small Enterprises	More than ten lakh rupees but does not exceed two crore rupees
Medium Enterprises	More than two crore rupees but does not exceed five crore rupees

Source: <https://msme.gov.in/know-about-msme>

Schemes

- **Prime Minister Employment Generation Programme and Other Credit Support Schemes**
- Prime Minister Employment Generation Programme(PMEGP)
- Performance and Credit Rating Scheme
- Credit Guarantee Trust Fund for Micro & Small Enterprises (CGTMSE)
- **Development of Khadi, Village and Coir Industries**
- Science and Technology Scheme
- Market Promotion & Development Scheme (MPDA)
- Revamped Scheme Of Fund for Regeneration Of Traditional Industries (SFURTI)
- **Technology Upgradation and Quality Certification**
- Financial Support to MSMEs in ZED Certification Scheme
- A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE)

Source: <https://msme.gov.in/all-schemes>

Contd....

- **Marketing Promotion Schemes**
- International Cooperation
- Marketing Assistance Scheme
- Marketing Assistance & Technology Upgradation (MATU)
- **Entrepreneurship and skill Development Programme**
- Assistance to Training Institutions (ATI)
- **Infrastructure Development Programme**
- Micro & Small Enterprises Cluster Development (MSE-CDP)

Problems Faced By MSME

- **MSME entrepreneurs are facing several problems i.e.**
 - (i) lack of adequate capital,
 - (ii) Poor infrastructure
 - (iii) Access to modern technology
 - (iv) Access to markets
 - (v) Getting statutory clearances related to power, environment, labour etc. etc. etc.

Corporate Social Responsibility

- Homes and Walts defined CSR as “a continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.”
- **CSR Strategy**
- Reaction
- Defense
- Accommodation
- Proaction

Assessment Questions

Q1: What is SIDBI plus approach?

Answer: Students should be able to elaborate the following points:

- About SIDBI
- Give examples
- Its associates

Q.2 What are the government sponsored schemes of NABARD?

Answer: Students should be able to elaborate the following points:

- » About NABARD
- » Different schemes such as
- » Agriculture
- » Sugar packaging
- » Dairy etc.

Q3: What is CSR? Give examples

Answer: Students should be able to elaborate the following points:

- About CSR
- Its need
- Companies examples

References

- https://www.sidbi.in/About_SIDBI.php
- <https://www.nabard.org/content.aspx?id=2>
- <http://www.nsic.co.in/Corporate/AboutUs.aspx>
- <http://www.kvic.org.in/kvicres/aboutkvic.html>
- <https://msme.gov.in/know-about-msme>
- <http://pib.nic.in/newsite/PrintRelease.aspx?relid=123934>
- Entrepreneurial Development by Dr. S.S.Khanka, First Revised Edition, S. Chand Publications, Pg. 753