

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:628

ANSWERED ON:24.11.2011

NATIONAL SMALL INDUSTRIES CORPORATION

Majhi Shri Pradeep Kumar;Patel Shri Kishanbhai Vestabhai

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the role assigned to the National Small Industries Corporation (NSIC) for promoting the growth of Small Scale Industries (SSIs);
- (b) the details of the various schemes and Memorandum of Understandings (MoUs) entered into by NSIC during each of the last three years and the current year for SSI sector;
- (c) whether an agreement for setting up of vocational training centre for construction sector at Jakarta has been signed by NSIC;
- (d) if so, the details thereof and the current status of the project;
- (e) whether the said training centre has become operational; and
- (f) if so, the details thereof?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

(a) & (b): National Small Industries Corporation Ltd. (NSIC), a Public Sector Undertaking under the administrative control of the Ministry of Micro, Small and Medium Enterprises (MSME) was established in 1955. NSIC has been engaged in promoting, aiding and fostering the growth and development of MSMEs in the country. To enhance the competitiveness of MSMEs, integrated support through marketing, technology, credit and support services is provided by NSIC under its various schemes. The schemes and activities undertaken by NSIC for development and growth of MSME sector in the country are at Annexure. In order to extend the benefits of the various schemes and increasing its reach, NSIC has entered into Memorandum of Understanding (MoU) with various industry associations so that information about the schemes and their benefits can be extended to larger number of MSMEs through them. MoUs have been entered into with 57 Industry Associations out of which 4 have been signed during 2010-11.

(c) to (f): Yes, Sir. An agreement between NSIC and Ministry of External Affairs (MEA) was signed on 10th July, 2003 for setting up of Vocational Training Centre (VTC) for the construction sector at Jakarta, Indonesia. The project was set up during 2004-05 by NSIC on turnkey basis which included supply of plant & machinery, installation & commissioning at site and providing training to counterpart (local) trainers. After establishment and becoming functional in 2004, the centre was run by NSIC experts for a period of six months. Training to local trainers was also imparted during the above period. Subsequently, this Vocational Training Centre was handed over to Govt. of Indonesia.

Annexure

Annexure referred to in reply to parts (a) and (b) of Lok Sabha Unstarred Question No. 628 for answer on 24.11.2011.

A note on the various schemes and activities of NSIC

(i) Tender Marketing Scheme: The Corporation participates in bulk global tender enquiries and local tenders of Central & State Government and Public Sector Enterprises on behalf of small scale units. It is aimed to assist MSMEs with ability to manufacture quality products but which lack brand equity & credibility or have limited financial capabilities. Under this scheme, the Corporation has identified large number of items for which it actively participates in tenders of these Departments and Enterprises. On receipt of the orders, Corporation farms out these orders to the units on whose behalf it has quoted.

(ii) Consortia Marketing Scheme: MSMEs in its individual capacity faces problem very often to procure & execute large orders, which inhibits and restricts the growth of MSMEs. NSIC, accordingly adopted Consortia Approach and built groups/consortia of units manufacturing same products, thereby easing out marketing problem of MSMEs. The Corporation explores market and secures orders for bulk quantities. These orders are then farmed out to small units in tune with their production capacity.

(iii) Government Store Purchase Programme: The Government is the single largest buyer of a variety of goods. With a view to increase the share of purchases from the small scale sector, the Government Stores Purchase Programme was launched in 1955-56. NSIC registers micro and small enterprises (MSEs) under Single Point Registration scheme for participation Government Purchases.

(iv) Raw Material Assistance Scheme: The Scheme aims at helping Small Scale Industries/Enterprises by way of financing the purchase of Raw Material (both indigenous & imported). This gives an opportunity to MSMEs to focus better on manufacturing quality products.

(v) Credit Facilitation to MSMEs through Tie-up arrangements with Commercial Banks: One of the major challenges faced by micro, small & medium enterprises is inadequate access to finance due to lack of financial information and non-formal business practices. In this regard, NSIC facilitates MSMEs in preparing their loan proposals and sanction of loans from commercial banks. NSIC has entered into tie-up arrangements with several banks for sanction of term loan and working capital facilities.

(vi) Technological Facilitation to MSMEs through NSIC Technical Service Centres (NTSCs) : NTSCs provide common facility and support services through its various branches and Extension Centres in the area of material testing, machining, EDM, CNC facility, energy and environment services, classroom, practical training for skill upgradation, etc.

(vii) Infomediary Services: NSIC is providing information services with respect to tender and trade information, technological resources in India and abroad, national and international leads, joint ventures opportunities, Government schemes/programmes, large data base with respect to MSMEs etc. These are on-line facilities provided by NSIC to its members. In addition, NSIC has launched its web portal which is available at www.nsicindia.com and www.nsicpartners.com which contain information about 2,50,000 Indian MSMEs and also information about its counterpart organizations in 28 countries for B2B facilitation.

(viii) Training-cum-Incubators: Incubation i.e. providing hand holding support to MSMEs in selection and operation of selected enterprises is one of the best ways to nurture entrepreneurship. NSIC has set up three such Training-cum-Incubator Centres (TIC) at New Delhi, Howrah and Guwahati for providing hands on training to small enterprises. In addition to its own TIC, NSIC has started leveraging the resources available in the private sector by setting up NSIC -Training-cum-Incubation Centre (NSIC-TIC) in the Public-Private Partnership (PPP) mode to provide hands on training to MSMEs throughout the country. 43 such NSIC-TIC have been set up under PPP Mode.

The following Plan Schemes of the Ministry of Micro, Small and Medium Enterprises are also implemented by NSIC

(i) Marketing Assistance Scheme: NSIC is implementing the scheme on behalf of M/o MSME. NSIC acts as a facilitator to promote marketing efforts and enhance the competency of the small enterprises for capturing the new market opportunities by way of organizing/ participating in various domestic & international exhibitions/trade fairs, buyers-seller meets, intensive campaigns/ seminars and consortia formation.

(ii) Performance & Credit Rating Scheme: NSIC is implementing the scheme on behalf of M/o MSME. The Scheme aims to create awareness amongst micro and small enterprises (MSEs) about the strengths and weakness of their existing operations and to provide them an opportunity to enhance their organizational strengths and credit worthiness. The rating under the scheme serves as a trusted third party opinion on the capabilities and creditworthiness of the small enterprises. An independent rating by an accredited rating agency has a good acceptance from the Banks/Financial Institutions, Customers/Buyers and Vendors