

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

UNSTARRED QUESTION NO:2416

ANSWERED ON:08.12.2011

CONTRIBUTION OF NSIC

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

- (a) whether National Small Industries Corporation (NSIC) has set up projects in various developing countries during the last three years and the current year;
- (b) if so, the details in this regard, project-wise and country-wise;
- (c) the contribution of NSIC to the growth of SSI sector during the said period; and
- (d) the steps taken by the Government to increase the participation of NSIC in SSI Sector?

Answer

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

(a)&(b): National Small Industries Corporation Ltd., (NSIC), a public sector undertaking under this Ministry has set up three projects in South Africa during the last three years. The details of project set up by NSIC in South Africa are as under:

Year	Description of goods/projects	Year of Installation & Commissioning
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2008-09	Toilet Role Making Plant (with M/s. SEDA, South Africa)	January 2009
	Exercise Note Book Manufacturing Plants (with M/s. KZN-DED, South Africa)	March 2009
2009-10	Plastic Injection Moulding Machine (with M/s. SMTDC, South Africa)	July 2009

(c): The activities undertaken by NSIC for development and growth of MSME sector in the country are at Annexure I.

(d): In order to strengthen the NSIC and to make it an apex organization for coordination of marketing support programmes for MSMEs, the Government has decided to provide an equity support of Rs. 300 crore to NSIC in three years, as under:

Year	Amount
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2011-12	Rs. 155 crore (provided in BE 2011-12)
2012-13	Rs. 75 crore
2013-14	Rs. 70 crore

Annexure – I referred to in reply to part (c) of Lok Sabha Unstarred Question No. 2416 for answer on 08.12.2011.

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 ten banks (i.e. United Bank of India, UCO Bank, Oriental Bank of Commerce, Central Bank of India, Bank of Maharashtra, YES Bank, AXIS Bank, Karur Vysya Bank, HSBC and Chinatrust Commercial Bank) 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 23 countries a 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. 35 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.