

**AN EVALUATION OF THE ROLE OF DIC'S IN EDP PROGRAMME AND
PROMOTION OF SME'S IN DAKSHINA KANNADA**

Sonal Steevan Lobo *

Karthik M **

*Lecturer, St Aloysius College (Autonomous) Mangalore, sonallobo@ymail.com

**Lecturer, St Aloysius College (Autonomous) Mangalore, kulalkarthik@yahoo.in

ABSTRACT

The small and medium enterprises (SMEs) today constitute a very important segment of the Indian economy. In order to protect, support and promote small enterprises and to help them become self-supporting, a number of protective and promotional measures have been Undertaken by the Government of India .One of the measure that has adopted by the Government of India is establishing the District Industrial Centers (DIC'S). The DIC's played major role in providing institutional hand to the budding entrepreneurs. India is a land where the cost of the labour is not expensive; this places high remark in the growth of the SSI's. The paper reflects on assistance from DIC in the promotion of entrepreneurs.

Keywords: DIC, Entrepreneur, Promotion, Economy

Introduction:

Micro, Small & Medium Enterprises (MSMEs) in India enjoy a distinct position in view of their contribution to the socio-economic development of the country. The following points highlight their contribution. Small industries in India account for 95 per cent of the industrial units in the country. There are about 13 million SMEs in the country, manufacturing about 8,000 products, Accounting for 60 percent of India's exports and contribute almost 40 per cent of the gross industrial value- added product manufacturing. Small industries are the second largest employers of human resources, after agriculture. They generate more number of employment opportunities per unit of capital invested compared to large industries. They are, therefore, considered to be more labour intensive and less capital intensive. That is why small scale industries have become an invaluable boon for a labour- surplus country like India.

Significance of the Study

The Government of India has given considerable importance to Small and medium enterprises in all national plans of India. In order to promote small enterprises a number of promotional measures have been undertaken by the Government. The primary objective of the Small Scale Industrial Policy during the nineties was to provide more vitality and growth-impetus to the sector to enable it to contribute its mite fully to the economy, particularly in terms of growth of output, employment opportunities and exports. The sector has been substantially delicensed. Further efforts would be made to deregulate the sector with a view to on its growth potential, reposing greater faith in small and young entrepreneurs.. To improve access to the latest information, automation of the Ministry of SSI Office of DC (SSI), Directorate of Industries and District Industries Centers have been set up.

Role of DIC

District Industries Centers is the institution at the district level which provides all the services and support facilities to the entrepreneurs for setting up small and village industries. DIC identification suitable schemes for SMEs, preparation of feasibility reports, arranging for credit, machinery and equipment, provision of raw materials and other extension services are the main activities undertaken by these centers.

Objectives of the Study

The following objectives were framed for the study:

- To trace the Socio- economic back ground of the SMEs in general.
- To analyse the role of DIC in the promotion of SMEs in the study area.

- To identify the problems faced by the DIC implementing agencies and beneficiary entrepreneurs and to offer suggestions for the growth & development of SMEs.

Hypotheses of the Study

The following hypotheses are formulated and tested:

- There exists no uniformity about the opinion of SMEs regarding various business constraints faced by them.
- The business performance of SME entrepreneurs has significantly improved after registering in DIC.
- There exists close association between the location of SME's location and their positive perception about the DIC's performances.
- There is no close association between the location of SME's and their negative perception about the DIC's performances

Research Methodology

The present research is descriptive and analytical based on empirical observations and a comprehensive survey. Both primary and secondary data were collected tabulated, classified, analysed and interpreted Primary data has been collected from the respondents through schedule questionnaire. Secondary data has been collected from the books, journals, magazines, Annual reports and websites.

Area of the Study

Dakshina Kannada District is a part of India and is located between Mumbai and Cape Camarin. It has 2 distinct geographical regions, viz The coastal region consisting of Mangalore taluk with coastal line of 60 Kms. The malnad region consisting of Belthangady, Puttur, Sullia, and Bantwal taluks. Kannada, Tulu, and Konkani are the languages spoken in the dist

Review of Literature:

A detailed review of literature has been made to find out the research gap and to identify the relevant researchable issues for the study. It is essential for a researcher to review the related literature to have a clear knowledge about the subject and understand the research gap in order to draw the scope for the study. **Sharma (1990)** in his article titled "Role of NABARD in Small-Scale Industries" pointed out that the prosperity of the country especially the rural areas, depended on the harmonious growth and development not only of agriculture but also of small-scale industries. **Shetty (1990)** in his article entitled "District Industries Centre Programme- An Appraisal" critically analysed the various programmes of DICs. The study revealed that the

DIC's were not fully manned as per the restructuring norms and DIC functionaries got more involved in regulating rather than promotional work. Proper information, guidance, extension and training services for setting up small-scale industries were not available and units were facing difficulties in obtaining inputs like raw materials. **Delip R. Shah (1990)** in his study entitled "Boosting Rural industries Through DIC, A case study" suggested that the tempo of rural industrialization could be boosted by reducing the gap between the schemes of DIC and their actual operation. **Umesh C. Patnaik (1990)** in his study "Contribution of DIC Programme to SSI in India", pointed out that after launching DIC programme, the growth rate of SSI sector was less, particularly in the case of export and employment generation.

Role of District Industries Centre (DIC) In The Promotion of SMES – An Opinion Survey

The Indian economy has entered a phase of high growth in the recent years, after a long period of low growth. Since economic growth itself is not sufficient to achieve economic development, the concern of policy makers seems to have shifted towards making the growth inclusive a process wherein employment is at its core. In India, Micro Small and Medium Enterprises (MSMEs) play an important role in employment generation. After reforms the protection MSE enjoyed from government has been abolished and exposed MSMEs into greater market competition the present study explores- present situation in SME sector and the researcher examines the trends and patterns of the SME, the policy changes with the aim to improve the competitive strength of small firms through DIC and highlight the problems facing by SME to approach these policies to get benefit out it.

Analysis and Interpretation

1. Socio-Economic Profile

Small and medium-sized entrepreneurs (SMEs) support a substantial part of the economic activities of the region, thus socio-economic impacts of SMEs are significant. The SMEs' contribution to the national economy results in social benefits. In this sub section the socio-economic profile sample SMEs entrepreneurs in the study area is discussed.

The following table indicates the block and gender- wise distribution of sample SMEs units..

TABLE 1

GENDER- WISE DISTRIBUTION OF RESPONDENTS

| Gender | Name of the Taluk | | | | | Total |
|--------|-------------------|-----------|-----------|-------------|----------|------------|
| | Mangalore | Bantwal | Puttur | Belthangady | Sullia | |
| Male | 65(30.95) | 50(23.80) | 50(23.80) | 30(14.28) | 10(4.76) | 205(97.61) |
| Female | 05(2.38) | 00(0.0) | 00 | 00(0.0) | 00(0.0) | 05(2.38) |
| Total | 70(33.33) | 50(23.81) | 50(23.81) | 30(14.29) | 10(4.76) | 210(100) |

Source: Primary Data

The table 1 explains the relationship between the block –wise and gender of the entrepreneurs. Out of the 210 respondents surveyed 4.76 per cent of the entrepreneurs are located in Sullia block. Followed by 33.33 per cent of sample units are located in Mangalore, it was observed that 30.95per cent units are owned by male and 2.38 per cent by female entrepreneurs. Similarly 23.81 per cent in Putuur and Bantwal. Further it has been observed that 97.61 per cent SMEs are owned by male entrepreneurs.

TABLE 2
AGE-WISE DISTRIBUTION OF THE RESPONDENTS

| Age | Name of the Taluk | | | | | Total |
|----------------|-------------------|-----------|-----------|-------------|----------|------------|
| | Mangalore | Bantwal | Puttur | Belthangady | Sullia | |
| Below 25 years | 04(1.90) | 0(0.00) | 02(0.95) | 01(0.47) | 00(0.00) | 07(3.33) |
| 25-40 years | 45(21.42) | 30(14.28) | 32(15.23) | 20(9.52) | 05(2.38) | 132(62.85) |
| Above 40 years | 21(10.00) | 20(9.52) | 16(7.61) | 09(4.28) | 05(2.38) | 71(33.80) |
| Total | 70(33.33) | 50(23.81) | 50(23.81) | 30(14.29) | 10(4.76) | 210(100) |

Source: Primary Data

The above table explains the relationship between the block-wise and age of the entrepreneurs. Out of the 210 respondents who were below 33.33 percent of SME entrepreneurs in Mangalore 23.80 percent of in Bantwal and Puttuur are aged between 25-40 years.

TABLE 3
COMMUNITY- WISE DISTRIBUTION OF RESPONDENTS

| Community | Name of the Taluk | | | | | Total |
|-----------------|-------------------|-----------|-----------|-------------|-----------|------------|
| | Mangalore | Bantwal | Puttur | Belthangady | Sullia | |
| Forward caste | 28(13.33) | 15(7.14) | 18(8.57) | 10(4.76) | 04(1.90) | 75(35.71) |
| Backward caste | 42(20.00) | 35(16.66) | 32(15.23) | 18(8.57) | 05(2.38) | 132(62.85) |
| Scheduled caste | 00(0.00) | 00(0.00) | 00(0.00) | 02(0.95) | 01(0.47) | 03(1.42) |
| Total | 70(33.33) | 50(23.81) | 50(23.81) | 30(14.29) | 10((4.76) | 210(100) |

Source: Primary Data

The above table inferred that there was relationship between block-wise and community of the entrepreneurs. It has been observed that 13.33 percent of respondents of Mangalore belong to Forward caste and 20 percent of respondents belong to backward caste community

TABLE 4
EDUCATIONAL QUALIFICATION WISE DISTRIBUTION OF RESPONDENTS

| Educational Qualification | Name of the Taluk | | | | | Total |
|---------------------------|-------------------|-----------|-----------|-------------|----------|------------|
| | Mangalore | Bantwal | Puttur | Belthangady | Sullia | |
| Secondary | 00(0.00) | 00(0.00) | 00(0.00) | 00(0.00) | 00(0.00) | 00(0.00) |
| Higher secondary | 00(0.00) | 04(1.90) | 02(0.95) | 02(0.95) | 01(0.47) | 09(4.28) |
| Graduate | 52(24.76) | 31(14.76) | 40(19.04) | 27(12.85) | 09(4.28) | 159(75.71) |
| Post Graduate | 11(5.23) | 06(2.85) | 01(0.47) | 00(0.00) | 00(0.00) | 18(8.57) |
| Diploma | 07(3.33) | 09(4.28) | 07(3.33) | 01(0.47) | 00(0.00) | 24(11.42) |
| Total | 70(33.33) | 50(23.81) | 50(23.81) | 30(14.29) | 10(4.76) | 210(100) |

Source : Primary Data

Table 4 reveals that 75.71% of the total population are graduate , 11.42% of the population are diploma holders and 8.57% of them are Post graduates.

II. Business Profile

The dynamic growth and expansion of SMEs one of the defining trends of the past decade in India, and all indications are that it will continue unabated. In this sub-section of the study a brief profile of the business activities carried by the SME entrepreneurs in Dakshina Kannada district has been portrayed. The following table indicates industry wise classification of Sample SMEs surveyed in D.K district.

TABLE 1
INDUSTRY WISE CLASSIFICATION OF SAMPLE SMEs

| SL.NO | Type of Industry | No of respondents | Percentage |
|-------|----------------------------|-------------------|------------|
| 1 | Textile-based industry | 68 | 32.38 |
| 2 | Match Box industry | 45 | 21.43 |
| 3 | Engineering-based industry | 30 | 14.29 |
| 4 | Agro-based industry | 36 | 17.14 |
| 5 | Miscellaneous industries | 31 | 14.76 |
| | TOTAL | 210 | 100 |

Source: Primary Data

The above table reveals that 32.38 per cent of the sample SMEs are categories under textile-based , 21.43 per cent are part of match box industry, 17.14 per cent of SMEs are part of agro-based industry segments, 14.76 per cent fall under miscellaneous industries category and 14.29 per cent are engineering based industry segment. Thus, it has been cleared that majority i.e. 32.38 per cent of Sample SMEs are part of textile-based industry segment.

TABLE 2
OPINION SURVEY ON PREVIOUS WORK EXPERIENCE

| SL No | Opinion | No of respondents | Percentage |
|-------|---------|-------------------|------------|
| 1 | Yes | 147 | 70.00 |
| 2 | No | 63 | 30.00 |
| | Total | 100 | 100 |

Source: Primary data

Table 2 indicates that the 70 per cent of the entrepreneurs have gained previous work experience in their entrepreneurial business ventures and 30 per cent of SMEs do not have any work experience.

TABLE 3
NATURE OF WORK EXPERIENCE IN THE INDUSTRY

| SL No | Work experience | No of respondents | Percentage |
|-------|-----------------------|-------------------|------------|
| 1 | In same industry | 118 | 80.27 |
| 2 | In different industry | 29 | 19.73 |
| | Total | 147 | 100 |

Source: Primary data

Table 3 inferred that out of 147 entrepreneurs who had said that they had gained previous work experience in entrepreneurial skills, 80.27 per cent of SMEs have work experience in the same industry and remaining 19.73 per cent of the have gained work experience in a different industry. The ensuing table describes the respondents' opinion on the factors that Motivated SMEs to become an entrepreneur.

TABLE 4
FACTORS MOTIVATED TO BECOME ENTREPRENEURS

| SL No | Entrepreneur | No of respondents | Percentage |
|-------|-------------------|-------------------|------------|
| 1 | Parent's Business | 30 | 47.62 |
| 2 | Unemployment | 19 | 30.16 |
| 3 | DICs assistant | 14 | 22.22 |
| Total | | 63 | 100 |

Source: Primary Data

Table 4 illustrates that the 47.62 per cent of the entrepreneurs are influenced by their parent's business, 30.16 per cent of SMEs are unemployment youth and remaining 22.22 per cent of respondents have been motivated by DIC to start their own business venture. The close proximity of raw material suppliers, equipment suppliers, component producers, sub-contractors and final goods producers, together with a combination of both intense rivalries among firms and cooperation in producers' associations drive the whole cluster forward and its selection by potential entrepreneurs.

III. Problems Faced by SMEs

The SME sector today faces competitive environment owing to: (a) liberalisation of the investment regime during the 1990s, favouring foreign direct investment (FDI); (b) the formation of the World Trade Organisation (WTO) in 1995, forcing its member-countries (including India) to drastically scale down quantitative and non-quantitative restrictions on imports, and (c) domestic economic reforms. Under the current paradigm of neo liberalism, labour market rigidity is considered as a barrier to the overall growth of the economy. Labour market flexibility (a cost cutting strategy) is often prescribed to enhance productivity.

Table 1 depicts that among 31.79 per cent entrepreneurs have said that they were facing marketing competition from large entrepreneurs. Followed by it and 23.84 per cent of SMEs have opined that competition from small entrepreneurs is very critical for their survival. Followed by 18.54 per cent of SMEs are facing price control issues, 15.89 per cent of SMEs are facing transport problem and remaining 9.94 per cent of the entrepreneurs have opined that their marketing problems are more related to promotion, quality feasibility and other area related.

From the study it has been concluded that majority i.e., 31.79 per cent entrepreneurs have said that they are facing marketing competition from large entrepreneurs. For decades, the most dominant constraint facing the small enterprise sector has been “access to loan finance, adequately and timely”. This is despite clear instructions from the Reserve Bank of India (RBI) and the Ministry of Finance to encourage flow of funds (through what is called achieving ‘priority sector’ lending targets) from the commercial banks to small enterprises.

TABLE 1
NATURE OF MARKETING PROBLEMS FACED BY SME ENTREPRENEURS

| SL No | Problems | No of respondents | Percentage |
|-------|--------------------------------------|-------------------|------------|
| 1 | Competition from Large Entrepreneurs | 67 | 31.79 |
| 2 | Competition From Small Entrepreneurs | 50 | 23.84 |
| 3 | Price control | 39 | 18.54 |
| 4 | Transport | 33 | 15.89 |
| 5 | Others | 21 | 9.94 |
| | Total | 210 | 100 |

Source: Primary Data

TABLE 2
PROBLEMS OF RAW MATERIAL PROCUREMENT ISSUES FACED BY SME ENTREPRENEURS

| Sl.No | Problems | No of respondents | Percentage |
|-------|------------------------|-------------------|------------|
| 1 | High Prices | 46 | 22.12 |
| 2 | Scarcity | 38 | 17.95 |
| 3 | Transport | 33 | 15.71 |
| 4 | Low quality | 42 | 19.86 |
| 5 | Others | 28 | 13.46 |
| 6 | Imported raw materials | 23 | 10.90 |
| | total | 210 | 100 |

Source: Primary Data

Table 2 inferred that the nature of raw-material procurement issues faced by the sample SMEs. In order of analysis 22.12 per cent of the entrepreneurs have said that a high price of raw

material in the market is the major issue. Another 19.86 per cent of SMEs complain about low quality of raw material available in the market, 17.95 per cent of SMEs are facing issues like scarcity in the supply of raw materials and 15.71 per cent of SMEs are incurring heavy transportation expenses. Followed by 13.46 per cent of the entrepreneurs in textile industry are facing problems in acquiring enough raw materials due to quota allocation and its related issues. Rest of the 10.90 percent of SMEs facing issues related to imported raw material supply in the market. Thus, it could be concluded that 22.12 per cent of the entrepreneurs have said that high prices of raw material in the market is the major issue faced in case of raw-material procurement process. Despite a good growth rate and increasing job opportunity based small scale industries are facing labor shortage. According to industry sources, good farming conditions prevalent in Karnataka are also considered as one of the reasons of short supply of labor. Labor that comes from villages are now busy with farming since for the last two to three years sufficient rainfall in the state has given a boost to farmers.

TABLE 3
NATURE OF LABOUR RELATED PROBLEMS FACED BY SME ENTREPRENEURS

| SL.NO | Problems | No of respondents | Percentage |
|-------|-------------------------------|-------------------|------------|
| 1 | Absenteeism | 35 | 16.55 |
| 2 | Turnover | 30 | 15.31 |
| 3 | High wage rate | 33 | 15.71 |
| 4 | Indiscipline | 28 | 13.46 |
| 5 | Frequency of work Stoppage | 25 | 11.78 |
| 6 | Training cost | 23 | 10.94 |
| 7 | Unionization | 19 | 9.12 |
| 8 | Others | 17 | 8.13 |
| | | 210 | 100 |

Source: Primary Data

Table 3 lists labour-related problems faced by the sample SMEs in the study area. It has been observed that 16.55 per cent of the entrepreneurs have opined that absenteeism of labour is major constraint faced by them. Followed by it, 15.71 per cent of SMEs have said that their labour demand high wages and 15.31 per cent of SMEs complain about heavy labour turnover. Among the 13.46 per cent of the entrepreneurs' complain about indiscipline behaviour of their labour, 11.78 per cent of SMEs complain about frequency stoppage of work, 10.94 per cent of SMEs incurring heavy training cost on unskilled/fresh labour forces. Remaining 9.12 per cent of the entrepreneurs have opined that unionization is very severe in their workplace and 8.13 percent of MSMEs face other issues related to their labour face. Much of the potential of small firms to

grow and nurture innovativeness is shaped by the kind of infrastructure, both physical and economic, available and can be accessed at reasonable costs. Unfortunately, the ramifications of Infrastructural constraint faced by small firms remains one of the most neglected areas of enquiry.

TABLE 4
NATURE OF TECHNICAL AND MANAGERIAL GUIDANCE PROBLEMS FACED BY ENTREPRENEURS

| SL.No | Problems | No of respondents | Percentage |
|-------|---|-------------------|------------|
| 1 | Non availability of skilled workmen | 87 | 41.38 |
| 2 | Ineffective consultancy service provided by government agencies | 65 | 31.03 |
| 3 | Non availability of professional managers | 58 | 27.59 |
| TOTAL | | 210 | 100 |

Source: Primary Data

Table 5.21 shows that the 41.38 per cent of the entrepreneurs opinion that non-availability of skilled workmen is a major issues faced by their industrial block. Followed by it, 31.03 per cent of the entrepreneurs expressed that there is ineffective consultancy service in their region block and remaining 27.59 per cent of SMEs have said that non-availability of professional managers is another major drawback that hinders their business progress. It has been found that majority i.e., 41.38 per cent of the entrepreneurs said that non-availability of skilled workmen is a major issue faced by their industrial block.. The results were crossed with a hypothetical statement.Ho: There exists no uniformity about the opinion of SMEs regarding various business constraints faced by them.

IV. Nature of Assistance from Received DIC

With the recent pronouncement of the ‘landmark’ MSMED Act, 2006, the Indian government has explicitly recognized the dynamic role to be played by the SMEs in an increasingly globalised world. The clear thrust of the recent policy initiatives has been three-fold: i) enhance competitiveness through encouraging an innovative ethos amongst firms and being quality

conscious; ii) increase links with multiple stakeholders with a view to benefiting from networks both nationally and globally; and iii) strive for a larger market presence beyond the domestic. The policy attaches importance to networking with stakeholders both upstream and downstream in the entire global value chain, from raw material procurement to processing/ manufacturing and then to marketing and finally to customer services. DIC's function as the torch-bearer to the beneficiaries / entrepreneurs in setting up and running the business enterprise right from the concept to commissioning. So the role of DIC's in enterprise building and developing small scale sector is of much significance.

TABLE 1
OPINION ON SURVEY ON ASSISTANCES AVAILED FROM DIC

| SL.NO | Opinion | No of respondents | Percentage |
|-------|----------------------------|-------------------|------------|
| 1 | Have Aailed DIC Assistance | 161 | 76.67 |
| 2 | Not Aailed DIC Assistance | 49 | 23.33 |
| Total | | 210 | 100 |

Source: Primary Data

From the Table 5.24 it has been inferred that the 76.67 per cent of the entrepreneurs are getting DIC assistance and remaining 23.33 per cent of SMEs are not getting DIC assistance.

TABLE 2
NUMBER OF ASSISTANCE AVAILED FROM DIC

| SL.NO | NUMBER | No of respondents | Percentage |
|-------|---------------|-------------------|------------|
| 1 | Only one | 37 | 22.92 |
| 2 | More than one | 124 | 77.08 |
| Total | | 161 | 100 |

Table 2 shows that 77.08 per cent of the entrepreneurs have got more than one assistance from DIC and 22.92 per cent of SMEs have got only one DIC assistance.

TABLE 3
OPINION OF SMEs' ABOUT SUBSIDY RECEIVED AS MEMBER OF DIC

| SL.NO | NUMBER | No of respondents | Percentage |
|-------|----------------------|-------------------|------------|
| 1 | Received Subsidy | 145 | 69.05 |
| 2 | Not Received Subsidy | 65 | 30.95 |
| Total | | 210 | 100 |

Source: Primary Data

From Table 3 it has been inferred that out of 210 entrepreneurs surveyed 69.05 per cent of SMEs have received financial support and subsidy through DIC and the remaining 30.95 per cent of SMEs did not receive any financial subsidy.

TABLE 4
ENTREPRENEURS OPINION ON ATTENDING TRAINING PROGRAMS ORGANIZED BY DIC

| SL.NO | OPINION | No of respondents | Percentage |
|-------|--------------|-------------------|------------|
| 1 | Attended | 135 | 65.20 |
| 2 | Not Attended | 75 | 35.80 |
| Total | | 210 | 100 |

Source: Primary Data

Table 4 represents that 65.20 per cent of the entrepreneurs had attended training programs organized by the DIC for their technical, managerial and marketing skill enhancement remaining. On the contrary 35.80 per cent of SMEs did not attend any training programs organized by DIC.

FINDINGS, SUGGESTIONS AND CONCLUSION

Introduction

The small and medium enterprises (SMEs) today constitute a very important segment of the Indian economy. The development of this sector came about primarily due to the vision of our late Prime Minister Jawaharlal Nehru who sought to develop core industry and have a supporting sector in the form of small scale enterprises. SME sector has emerged as a dynamic and vibrant sector of the economy. Today, it accounts for nearly 35 per cent of the gross value of output in the manufacturing sector and over 40 per cent of the total exports from the country. In terms of value-added, this sector accounts for about 40 per cent of the value-added in the manufacturing sector. The sector's contribution to employment is second highest next to agriculture.

Findings

The major findings of the Study are briefly summarised as follows:

I. Socio-Economic Profile

- From the study it has been observed that 97.61 per cent SME units are owned by male entrepreneurs. Further it has been inferred that out of the 210 respondents 62.85 per cent are aged below 25-40 years old.
- It has been concluded that majority i.e., 62.85 per cent SSI entrepreneurs belong to backward community. From the detailed analysis it has been concluded that majority i.e., 75.71 per cent of the entrepreneurs are graduates in D. K district

II. Business Profile

- It has been clearly inferred, 70 per cent of the entrepreneurs have gained previous work experience in their entrepreneurial business ventures. Further it has been observed that 80.27 per cent of SMEs have work experience in the same industry.
- The study confines that 47.62 per cent of the entrepreneurs are influenced by their parent's business. It has been clearly inferred that majority i.e., 31.90 per cent of SMEs said that they chose a particular industry, for reason is existence/no-existence of similar industries in the Neighborhood.

III. Problems Faced by SMEs

- From the study it has been concluded that majority i.e., 31.79 per cent entrepreneurs have said that they are facing marketing competition from large scale entrepreneurs
- It has been found that 16.55 per cent of the entrepreneurs have opined that absenteeism of labour is major constraint faced by them.
- It has been found that majority i.e., 41.38 per cent of the entrepreneurs opine that non-availability of skilled workmen is a major issue faced by their industrial block.
- With the help of reliability analysis, there exists no significant association between the SMEs entrepreneurs' opinion on the operational problems faced by them in the conduct of their business. The nature of problems differs from one geographical cluster (block) to the other.

IV. Nature of Assistance Received from DIC

- It has been found that 76.67 per cent of the entrepreneurs are availing DIC assistance. From the detailed analysis it has been concluded that 77.08 per cent of the entrepreneurs have got more than one kind of assistance from DIC and 69.05 per cent of SMEs have received financial support and subsidy through DIC..

- It has been found that 65.20 per cent of the entrepreneurs had attended training programs organised by the DIC for their technical, managerial.

Suggestions

India's SME sector has to continue as 'growth sustaining sector' for the developing economy of India. Following suggestions have come forth from the day-to-day live experiences of innovative SME entrepreneurs. These suggestions expect serious and apt attention and action on the part of government of India and the institutions of Research and development whose initiative and commitment would decide future growth of SME innovations and future prospects of Indian SMEs 'going global'.

I. Suggestions to Government Agencies and Policy Makers

- Its role mainly lies in creating and maintaining 'enabling environment' for SME innovations. Innovative SMEs which survive first five years in their respective business lines want no tax relief. They would rather prefer 'single major tax' to be paid once instead of several taxes, through several forms at several offices.
- Government should allow enough time and scope to the SMEs for concentrated efforts towards innovations. Innovation in MSME clusters in India suffers primarily from lack of access to technology, financing, skills, mentors and effective, collaborative ecosystems. These issues have to feasibly and efficiently tackle by the government agencies.
- Government / Public R&D institutions also Defense laboratories should become 'SME friendly' and should be given a definite target programme to enhance innovative capabilities of the SMEs.
- Government exhibition should provide scope for SMEs at relatively low charges.

Conclusion

SMEs in India are considered as growth Engine of Economy. It is the second largest employer and significant contribution to Exports and GDP of the nation. The Government is committed to promote the growth of SMEs and to enhance their competitiveness. Local small-and-medium enterprises (SMEs) are essential because they can help alleviate poverty by increasing income levels and creating jobs. SMEs are expected to be labour-intensive compared to the big businesses. Governments in developing nations should thus promote the growth of SMEs in order to avoid monopolistic and oligopolistic markets with the right kind of policies and regulatory frameworks. From the current study it has been observed that the limited availability of technological, human, financial, and management resources on the one hand, and the weaker capability and bargaining power of SMEs on the other hand, are amongst the most crucial

barriers that must be overcome when it comes to dealing with actors in their external environment, including suppliers, clients, the labour market, development agencies, and fund providers. As a corollary to this scenario, specific initiatives and policies to support small firms were increasingly seen to be implemented in the last decade of the twentieth century.

In India, the Ministry of Industry and the Department of Science and Technology (DST), along with other agencies, introduced specific programmes for SMEs and cluster development in the recent past, which are directed towards networking their needs and demands with knowledge institutions. The authors conclude the study by stating that the SMEs development strategy should be coordinated and monitored at the central level through a lean, but high level institution and progress should be reviewed jointly by public and private sector. SMEs need business services to improve their competitiveness (i.e. information, consulting, training, accounting, legal, advertising and marketing, courier services, technical and technology services, including testing for standards and certification requirements abroad, product upgrading, etc.). The overall analysis of data and study clearly shows that there is a marginal growth and development of SME sector in the study area.

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