

## Atta Deep Bhav!

Dec 15<sup>th</sup>, 2001  
USA

Dear Friends,  
Jai Bheem.

“Atta Deep Bhav!” is a new monthly news article starting from May 15<sup>th</sup> 2001 and will come to you every 15<sup>th</sup> day of the month. As the name means, “Be Thy Own Light!” this is the article for Indian Buddhist students who are willing to follow the path of “Atta Deep Bhav!” in life. We are pleased and honored to start this article for the following objectives.

### Objectives:

*To encourage as many Indian Buddhist students as possible, to get a good job in the United States of America and overseas.*

*To give them an overview of the trends around and the coming opportunities.*

To achieve these objectives, we have an earnest and sincere desire to give correct, complete and very useful information about the current career trends in any field, mainly focussing on Computer and Information Technology.

### First few Lines from our Desk...

To every single Buddhist student in India, we wish to convey through this article that though we work here, very far from India, we care for you all. We will do our best possible to provide you with good information. But one very important thing you all need to keep in mind: It is you who should take a deep and enthusiastic interest to make your own individual career dreams true. It is you who needs to strive hard to achieve success.

Finally, with the thought that the heart of every Buddhist student will beat in sympathy for every other Buddhist student and with the hope that you will share this information with as many Buddhist students as possible.

Depending upon the suggestions and response from the readers, we are wholeheartedly open for making changes but within the framework of making this article a powerful source of right career related information for Indian Buddhist students.

(Get online source of Atta Deep Bhav! at: <http://www.ambedkar.org/adb/>)

With much Metta,  
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## Atta Deep Bhav!

### Thus Spoke Ambedkar:

**My religious conversion is not inspired by any material motive. This is hardly anything I cannot achieve even while remaining an Untouchable. There is no other feeling than that of a spiritual feeling underlying my religious conversion. Hinduism does not appeal to my conscience. My self-respect cannot assimilate Hinduism. In your case change of religion is imperative for worldly as well as spiritual ends.**

**Do not care for the opinion of those who foolishly ridicule the idea of conversion for material ends. Why should you live under the fold of that religion which has deprived you of honor, money, food and shelter?**

**Dr. B. R. Ambedkar**

### Small Scale Industries (SSI):

In this issue we are addressing some very promising topic of Entrepreneurship and Small Scale Industries. The fact that our society doesn't have and it doesn't create entrepreneurs is true like sunshine. But in future, since the number of Govt. jobs are going to be limited and with the population growth India has, its going to be more and more tough to get jobs. Our youth is frustrated and continuously discouraged by the scenario. But even in this scenario, we, the youths of this society, are not giving any thought to try some new paths. Having your own business does look like a good solution. This gives you new areas of growth and solves the current problem of shortage of jobs. But this requires more heart and courage, dedication and hard work, imagination and capital and many more such things. This is not really that hard if you are ready to put in your sweat and blood. Govt. of India has many programs and schemes, which are just not used by us. Many of us lack the information about these programs and many thinks that's its too much of paperwork and... things like that. We thought that we might be of helpful for at least providing the information about these programs.

Govt. of India has created a new Ministry on 14<sup>th</sup> October 1999, "The Ministry of Small Scale Industries & Agro and Rural Industries". This is responsible for policy formulation, promotion, development and protection of small-scale industries. It also monitors the implementation of these policies. Below is some information from Govt. of India, Ministry of SSI & ARI, released Fact-Sheet.

"The small-scale sector has grown phenomenally during the last three decades and the sector has played and has potential to play a vital role in the fulfillment of our socio-economic objectives.

| Year    | No. of SSI Units<br>(In Lakhs) | Production<br>(Rs. Crores) | Employment<br>(In Lakhs) | Export<br>(Rs. Crores) |
|---------|--------------------------------|----------------------------|--------------------------|------------------------|
| 1993-94 | 23.84                          | 2,41,648                   | 139.38                   | 25,307                 |
| 1994-95 | 25.71                          | 2,93,990                   | 146.56                   | 29,068                 |
| 1995-96 | 27.24                          | 3,56,213                   | 152.61                   | 36,470                 |
| 1996-97 | 28.57                          | 4,12,636                   | 160.00                   | 39,248                 |
| 1997-98 | 30.14                          | 4,69,377                   | 167.20                   | 44,436                 |
| 1998-99 | 31.21                          | 5,27,575                   | 171.58                   | 49,481                 |

(Source: <http://pib.nic.in/archieve/factsheet/fs2000/ssiagr.html>)

The total number of small-scale units in the country in 1998-99 was 31.21 lakh, compared to 30.14 lakh in 1997-98. Value of production of small-scale units in 1998-99 aggregated to Rs. 5,27,515 crore. The volume of employment in the small scale stood at 171.6 lakh as of end-March 1999. Exports from the SSI Sector accounted for about 35 per cent of the country's total exports. In 1998-99, SSI exports valued at Rs. 49,481 crore, increased by 11.4 per cent over 1997-98."

Govt. of India projects this progress of small-scale industries as the commitment towards socio-economic objectives. But we need to ask our selves a question: How much the percent of the figures in the above table are really benefiting us? The answer to this question clearly suggests that we need to come up and grab our share in the above piece of bread.

We will try to give some information about small-scale industries below and provide you with many pointers for more information.

There are four different segments of SSI. These are:

**Small Scale Industrial Undertaking:** An industrial undertaking in which the investment in fixed assets in plant and machinery whether held on ownership terms on lease or on hire purchase does not exceed Rs 1 Crore.

**Ancillary Industrial Undertaking:** An industrial undertaking which is engaged or is proposed to be engaged in the manufacture or production of parts, components, sub-assemblies, tooling or intermediates, or the rendering of services and the undertaking supplies or renders or proposes to supply or render not less than 50 per cent of its production or services, as the case may be, to one or more other industrial undertakings and whose investment in fixed assets in plant and machinery whether held on ownership terms or on lease or on hire-purchase, does not exceed Rs 1 Crore.

**Tiny Enterprise:** Investment limit in plant and machinery in respect of tiny enterprises is Rs 25 Lakhs irrespective of location of the unit.

**Women Entrepreneur:** A Small Scale Industrial Unit/ Industry related service or business enterprise, managed by one or more women entrepreneurs in proprietary concerns, or in which she/ they individually or jointly have a share capital of not less than 51% as Partners/ Shareholders/ Directors of Private Limits Company/ Members of Cooperative Society.

Small Scale Service & Business (Industry related) Enterprises (SSSBs): SSSBs industry related service/ business enterprises with investment up to Rs 500,000 in fixed assets, excluding land and building, are called Small Scale Service/ Business Enterprises (SSSBs). This limit has been raised to Rs.10 Lakhs w.e.f. September 2000.

**The SSI Product Groups:** There are about twenty-one major industry groups in the small-scale sector. These are listed below:

- Food Products
- Chemical & Chemical Products
- Basic Metal Industries
- Metal Products
- Electrical Machinery & Parts
- Rubber & Plastic Products
- Machinery & Parts Except Electrical goods
- Hosiery & Garments - Wood Products
- Non-metallic Mineral Products
- Paper Products & Printing
- Transport Equipment & Parts
- Leather & Leather Products
- Miscellaneous Manufacturing Industries

- Other Services & Products
- Beverages, Tobacco & Tobacco Products
- Repair Services
- Cotton Textiles
- Wool, Silk, Synthetic Fiber Textiles
- Jute, Hemp and Mesta Textiles
- Other Services

A survey of indices of industrial production (IIP) maintained for these major industry groups reveals what the sunrise industries are and on what segments the sun has set. SSI units produce an amazing variety and type of products. Over 7500 products are known to be manufactured in this sector. Even in a particular product, there would exist a wide range of qualities or specifications catering to different market segments, particularly in consumer/household products. Small Scale sector has emerged as a major supplier of mass consumption items like

- leather and leather goods
- plastic and rubber goods
- ready-made garments
- hosiery goods, sheet metal goods
- stationery items
- soap and detergents
- domestic utensils
- toothpaste and toothpowder
- safety matches
- preserved foods and vegetables
- wooden and steel furniture
- paints and varnishes etc.,

Among the sophisticated items mention may also be made of

- Television sets
- Calculators
- Microwave components
- Plastic film capacitors
- Carbon film registers
- Electro-medical equipment
- Electronic teaching aids
- Digital measuring equipment
- Air-conditioning equipment
- Optical lenses
- Drugs and pharmaceuticals
- Electric motors
- Pesticide formulators
- Photographic sensitized paper
- Razor blades
- Collapsible tubes, etc.

**SSI Industry Clusters:** Small industries have tended to concentrate in the vicinity of large industries or in metropolises and big cities. The pull of the market, availability of physical and social infrastructure facilities and skilled labour has been major considerations. The setting up of

large public sector / private sector undertakings in some places has encouraged growth of small scale industries in those areas (e.g. Bangalore, Rourkela, Ranchi, etc.), manufacturing ancillary products and providing auxiliary services. Over the years small units have exhibited significant growth in some new towns and cities. Government Support Programs, Entrepreneurship, Raw material availability, improved infrastructure, increasing demand and a lot of other factors have contributed to this phenomenon. A major aspect of "spatial concentration" of SSI is that clusters of certain product lines have come up. The clusters of some selected industries in some areas are indicated below.

| <u><b>Product Group -</b></u>      | <u><b>District/Region</b></u>                 |
|------------------------------------|---|
| • Woollen & Cotton Hosiery -       | Tirupur, Ludhiana, Calcutta, Delhi            |
| • Sports Goods -                   | Meerut, Jullundhur                            |
| • Handtools -                      | Jullundhur, Nagaur                            |
| • Glass and Ceramics -             | Khurja, Farukkabad                            |
| • Locks -                          | Aligarh                                       |
| • Scientific Instruments -         | Ambala, Ajmer                                 |
| • Safety Matches -                 | Sivakasi                                      |
| • Bicycles & Parts -               | Ludhiana                                      |
| • Brass Parts -                    | Jamnagar                                      |
| • Diesel Engines and Parts -       | Kolhapur, Agra, Rajkot, Coimbatore, Ghaziabad |
| • Electronics -                    | Bombay, Pune, Bangalore, Delhi                |
| • Domestic Electrical Appliances - | Bombay, Delhi                                 |
| • Wall Clocks -                    | Morvi   |

**Setting Up SSI Unit:** Setting up a new unit is a big challenge. The overriding reason for anyone to think of establishing a SSI unit can be summarized in one word - OPPORTUNITY. If one can see an opportunity to provide a product or service in a manner to generate sufficient surplus, then one way is to start up a SSI unit.

Project Selection: It all begins with an Idea. However, ideas need to be filtered through a multi-layer sieve. This model is shown in the following flow:

- Does the idea fire up your motivation?
- Is it a viable business proposition in your area?
- Does it match the needs of your clientele?
- Check it out with basic market research
- Test it out at market place
- Consult with the experts
- Look out for competition in the field
- Is it a sunrise industry?
- Your business opportunity
- Project conceptualization

Once the ideas are screened and a viable business opportunity emerges the project has to be conceptualized in all its dimensions. The 4 Ps of Project Conception is:

- PRODUCT (Shape, Size and Nature)
- PROCESS (Technology to produce the product)
- PLACE (Location of Plant)
- PARTNER (Technological or Financial Collaborator)

**Process Selection:** Choices of process technology emerge once the product is finalized. While checking out on a process technology, the following things need to be considered with utmost care:

- Whether process requires very high level of skilled workers or complex machines?
- Whether process requires large quantities of water and/or power?
- Whether any process or product patent needs to be honored while utilizing the selected process technology
- Any special pollution or environmental regulations
- Finally, the appropriateness to the Indian environment and conditions

**Arranging Finance:** No SSI unit can take off without monetary support. This need for finance can be classified into following types:

- Long and medium term loans
- Short term or working capital requirements
- Risk Capital
- Seed Capital/Marginal Money
- Bridge loans

Financial assistance in India for SSI units is available from a variety of institutions. Other than all major nationalised banks, the important ones are

- SIDBI: Small Industries Development Bank of India (refinance and direct lending)
- SFCs: State level Financial Corporation e.g. Delhi Financial Corporation
- NSIC: National Small Industry Corporation
- Small Industry Development Corporations of various states
- Commercial/Co-operative Banks
- DIC: District Industry Center

**SSI Registration:** The main purpose of Registration is to maintain statistics and maintain a roll of such units for the purposes of providing incentives and support services. Units would normally get registered to avail some benefits, incentives or support given either by the Central or State Govt. The regime of incentives offered by the Center generally contains the following:

- Credit prescription (Priority sector lending), differential rates of interest etc
- Excise Exemption Scheme
- Exemption under Direct Tax Laws
- Statutory support such as reservation and the Interest on Delayed Payments Act

**SSI Schemes:** Small Industries Development Organisation (SIDO) operates a number of schemes for the SSI sector. At a glance these are:

- **Credit Linked Capital Subsidy Scheme for Technology Upgradation** – Capital subsidy @ 12% up to Rs. 4.8 lakhs on loans taken for technology upgradation – (for individual SSIs)
- **Credit Guarantee Scheme** – Collateral free composite loans up to a limit of Rs.25 lakhs – (for individual SSIs)
- **ISO-9000 Certification Reimbursement Scheme** – Costs of obtaining ISO-9000 Certification are reimbursed to the extent of 75% or Rs.75,000/-, whichever is lower – (for individual SSIs)

- **Participation in International Fairs** – Full subsidy on space rent and shipment of exhibits of SSI units – (for individual SSIs)
- **Purchase and Price Preference Policy** – This is administered through the Single Point Registration Scheme of NSIC. Under this, 358 items are reserved for exclusive purchase from SSI by Central Government. Other facilities include tender documents free of cost, exemption from earnest money and security deposit and 15% price preference in Central Government purchases – (for individual SSIs)
- **Prime Minister's Rozgar Yojana (PMRY)** – Project limit up to Rs. 1 lakh for business and Rs.2.00 lakhs for other activities, subsidy and margin money up to 20% of project with balance as loan. Subsidy for NE twice that of rest of India – (for entrepreneurs, SSIs)
- **UPTECH Scheme** – For promoting technology upgradation in clusters for a group of SSI units of one industry
- **Integrated Infrastructure Development (IID Scheme)** – Assistance up to 40% or Rs.2.00 Crores, whichever is less for setting up industrial estates for SSI units. For NE, assistance is 80% or Rs.4.00 Crores – (for State Governments/industry associations/ NGOs)
- **Mini Tool Rooms** – Assistance up to 90% or Rs.9.00 Crores, whichever is less for setting up new Mini Tool Rooms. For upgradation of existing Tool Rooms, assistance is 75% or Rs.7.5 Crores – (for State Governments)
- **Testing Centers** – Assistance up to a 50% or Rs.50 lakhs, whichever is less for setting up Testing Centers – (for industry associations)
- **Sub-Contracting Exchanges** – One time grant for procurement of hardware and thereafter matching grant on tapering basis at 50%, 30% and 10% of running expenses, not exceeding Rs. 1.25 lakhs, Rs. 0.75 lakhs and Rs. 0.25 lakhs respectively during the initial three years, subject to a ceiling of Rs. 1.57 lakhs per exchange – (for industry associations)
- **SSI MDA** – The scheme offers funding up to 90% in respect of to and fro air fare for participation by SSI Entrepreneurs in overseas fairs/trade delegations. The scheme also provide for funding for producing publicity material (up to 25% of costs) Sector specific studies (up to Rs. 2 lakhs) and for contesting anti-dumping cases (50% up to Rs. 1 lakh) – (for individual SSIs & Associations)
- **Assistance to Entrepreneurship Development Institutes** – For strengthening training infrastructure in EDIs, assistance up to 50% or Rs. 50 lakhs whichever is less – (for State Governments)

Friends, if you need more information please visit (<http://www.smallindustryindia.com/>). This site has much more vital information about SSI.

JaiBheem and All the Best!

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