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Role of SIDBI in Promotional and Development Activities

Dr. Raj Kumar Thathera

Lecturer,

Department of E.A.F.M., Govt. Dungar College, Bikaner

Abstract - In this paper, the role of SIDBI in promotional and development activities has been studied. The promotional and development activities of the bank are crystallized into Micro Enterprises Promotion Programmes (MEPPs), Entrepreneurship Development Programme (EDPs), Management Development Programmes viz., Small Industries Management Programme (SIMAPs) and Skill-cum-Technology Upgradation Programme (STUPs), Cluster Development Programmes and various other initiatives of the bank.

To achieve, the objective of the study, secondary sources of data have been used. The major sources of secondary data were various Annual Reports of SIDBI for the period under study and SIDBI P&D Manual. P&D activities of the bank have been analyzed with the help of mean and growth rates for the period of 1990-91 to 2015-16. The overall study revealed that the number of units promoted under MEPPs, EDPs, SIMAPs, STUPs supported by bank since inception have increased during study period.

Keywords -SIDBI, P&D, MEPPs, SIMAPs, STUPs, EDPs etc.

I. INTRODUCTION

Promotional and Development (P&D) Activities to the MEME sector has always been an integral part of bank's activities. P&D activities pursued by SIDBI since inception creates new avenues and cater to growth and welfare especially of rural poor and women. As an apex financial institution, SIDBI meets the varied development needs of the MSME sector through its wide range of promotional & development activities. The objects behind P&D activities of the bank are to strengthen the micro, small and medium enterprises sector to make them globally competitive, economic development of poor through self-employment as well as promotion of micro enterprises.

SIDBI adopts a 'credit plus' approach wherein besides credit the bank also provides grant support for the promotion and development of the sector to make it strong, vibrant and competitive.

II. Promotional & Development (P&D) Initiatives by SIDBI

India has embarked upon a new dawn under the stewardship of Hon'ble Prime Minister with a mission to create a Brand India through 'Make in India', Leveraging, demographic dividends and promoting inclusive growth through 'Skill India'. The world has responded to this passion and its keen to forge partnership in every sphere of economic development. Besides empowering the nation, the 'Skill India' movement is going to cater to the professional requirement of the globe.

It has been recognized that P&D activities of the bank act as a catalyst through its significant contribution in the overall growth of MSME sector in India. Thus a strong need was felt to make requisite change in the existing schemes to enhance credibility of the bank's P&D activities. The important P&D activities are mentioned:

- Micro Enterprises Promotion Programme (MEPPs)
- Entrepreneurship Development Programme (SIMAPs)
- Management Development Programmes :
 - Small Industries Management Programmes (SIMAPs)
 - Skill-cum-Technology Upgradation Programmes (STUPs)
- Cluster Development Programmes
- Other Initiatives of bank:
 - MSMDE Advisory Centres.
 - Capacity Building of Regional Rural Bank (RRBs)/Urban Co-operative Banks (UCBs)
 - Quality Management
 - Marketing Activities,

Micro Enterprises Promotion Programme (MEPPs):

Micro Enterprises Promotion Programme earlier known as Rural Industrial Programme is a unique approach for providing benefit to rural entrepreneurs. The programme lays emphasis on stimulating and guiding the potential entrepreneurs in setting up of industrial enterprises in rural areas. The programme attempts to mitigate the problems such as rural unemployment, underutilization of technical expertise and resources for development of viable and self-sustaining micro and small enterprises in India. The MEPPs of SIDBI of a comprehensive Business Development Service (BDS) Programme designed to provide information, training, credit technology support and marketing of products for promoting rural enterprises. The MEPPs are normally of 3 years duration and will be further extended because of performance of the implementing Agency (IA). The main role of IA is to inculcate professional input among entrepreneurs and to help them in project identification and

implementation. A brief profile of the beneficiaries under MEPPs conducted through SIDBI is given Table-1.

Table - 1: The MEPPs Supported by SIDBI

Year	MEPPs since Inception	%age change
1995-96	2700	-
1996-97	3950	46.30
1997 -98	4500	13.92
1998 -99	5419	20.42
1999-00	6022	11.13
2000-01	7100	17.90
2001-02	8485	19.51
2002-03	10800	27.28
2003-04	13651	26.40
2004-05	17376	27.29
2005-06	22400	28.91
2006-07	26000	16.07
2007-08	29600	13.85
2008-09	32600	10.14
2009-10	35000	7.36
2010-11	37000	5.71
2011-12	38000	2.70
2012-13	39000	2.63
2013-14	40300	3.33
2014-15	41500	2.97
2015-16	42000	1.20
Mean	22066.81	-

Source: Compiled from various Annual Reports of SIDBI

Table-1 shows that the number of units promoted under Micro Enterprises Promotion Programmes since inception by SIDBI from 2700 units in 1995-96 to 42000 units in 2015-16. The growth in MEPPs was highest (46.30 percent) in the year 1996-97 and lowest (1.20 percent) in the year 2015-16. The bank supports 22067 units on an average for the period of under study.

Entrepreneurship Development Programme (EDPs)

Entrepreneurship development is regarded as a key element of small industry promotion entrepreneurship can be developed by training which results in development of skill and enhancement of managerial capabilities of small entrepreneurs. The bank's support to EDPs aims at building and nurturing a reservoir of entrepreneurs, while creating a cadre of motivated entrepreneurs and promotion of self-employed ventures capable of generating employment opportunities, especially in far-flung and rural areas targeting less privileged sections of the society like women, minorities and SC/ST.

The bank undertakes EDPs for the MSME entrepreneurs through its Rural Development Self Employment Training Institute (RUDESTI) at Ujire, Entrepreneurship Development Institute of India (EDII) at Ahmedabad, Technical Consultancy Organizations (TCOs) and NGOs. The EDPs supported by SIDBI are shown in Table-2.

Table 2: The EDPs supported by SIDBI

Year	EDPs since Inception	%age change
1996-97	623	-
1997 -98	743	19.26
1998 -99	884	18.98
1999-00	1098	24.21
2000-01	1317	19.95
2001-02	1581	20.05
2002-03	1709	8.10
2003-04	1943	13.69
2004-05	2083	7.21
2005-06	2230	7.06
2006-07	2376	6.55
2007-08	2561	7.79
2008-09	2661	3.90
2009-10	2732	2.67
2010-11	2831	3.62
2011-12	2894	2.23
2012-13	2906	0.41
2013-14	3027	4.16
2014-15	3097	2.31
2015-16	3191	3.03
Mean	2124.35	-

Source :Compiled from various Annual Reports of SIDBI

Table 2 shows that the Entrepreneurship Development Programme conducted by the bank increased from 623 programmes in 1996-97 to 3191 in 2015-16. The growth in EDPs was highest (24.21 percent) in the year 1999-00 and lowest (0.41 percent) in the year 2012-13. The average number of EDPs support by bank is 2124 over the period.

Management Development Programmes (MDPs):

In the present scenario Managerial Inefficiency and lack of adequate skill have been found a major shortcoming in the growth of MSMEs. In this regard SIDBI introduced two schemes under Management Development Programmes for removing the weaknesses of HRD in MSME sector namely, Small Industries Management Programmes (SIMAPs) and Skill-cum- Technology Upgradation Programmes (STUPs). To strengthen the institutional network of MSME sector, SIDBI Provides support to different specialized management and technology institutions for conducting SIMAPs and STUPs. The total number of management programmes (both SIMAPs and STUPs) conducted by the bank since inception provides benefit to about 41850 participants at the end of financial year 2016. Both these programmes are explained below.

Small Industries Management Programmes (SIMAPs):

These programmes aim at developing entrepreneurs through training like industrial managers to assist small entrepreneurs of the MSME sector. Thus the programme serves the dual objective by providing second line industrial managers to the MSME sector and by providing professional qualification to young graduates for productive employment. SIMAP

provides training to unemployed graduates, diploma holders and industry sponsored candidates for enhancing capabilities and making them professionally competent.

It is a 14 week intensive programme with a mix of class room and on the job training. The topics included essentially cover information, knowledge and skills pertaining to the management of MSME units e.g. financial and operational management, inventory control, marketing and publicity, effective business communication, leadership skills, banking operations, public relationship, legal aspects etc. The training methodology could include case studies, group discussions, visit to institutions and factories, field assignment etc.

The SIMAPs supported by the bank are shown Table - 3.

Table 3: SIMAPs supported by SIDBI

Year	SIMAPs since Inception	%age change
1995-96	93	-
1996-97	120	29.03
1997 -98	130	8.33
1998 -99	148	13.85
1999-00	180	21.62
2000-01	199	10.56
2001-02	219	10.05
2002-03	240	9.59
2003-04	260	8.33
2004-05	265	1.92
2005-06	270	1.89
2006-07	276	2.22
2007-08	281	1.81
2008-09	284	1.07
2009-10	288	1.41
2010-11	292	1.39
2011-12	295	1.03
2012-13	297	0.67
2013-14	299	0.67
2014-15	300	0.33
2015-16	302	0.67
Mean	240	

Source: Compiled from various Annual Reports of SIDBI

Table 3 shows that the number of Small Industries Management Programme supported by the bank since Inception increased from 93 programmes in 1995-96 to 302 programmes in 2015-16. The bank supports 240 programmes on an average for the period under study. The growth in SIMAPs was highest (29.03 percent) in the year 1996-97 and lowest (0.33 percent) in the year 2014-15.

Skill-cum-Technology Upgradation Programme (STUPs):

The objective of STUPs is to enhance the existing skill and competence to improve the performance of MSME units. The programme determines ways to strengthen Process Improvements, technological development among MSME units. Thus programme laid emphasis on upgrading the technology profile of the existing micro, small and medium

enterprises. The programme concentrates more on specific areas like product and process, technology, industrial design rather than on general topics. The STUPs supported by SIDBI in Table 4.

Table 4: STUPs supported by SIDBI

Year	STUPs since inception	%age change
1995-96	238	-
1996-97	338	42.02
1997 -98	460	36.09
1998 -99	529	15.00
1999-00	677	27.98
2000-01	803	18.61
2001-02	902	12.33
2002-03	1074	19.07
2003-04	1241	15.55
2004-05	1302	4.92
2005-06	1351	3.76
2006-07	1389	2.81
2007-08	1429	2.88
2008-09	1460	2.17
2009-10	1475	1.03
2010-11	1488	0.88
2011-12	1504	1.08
2012-13	1519	0.99
2013-14	1542	1.49
2014-15	1550	0.52
2015-16	1560	0.65
Mean	1135	-

Source :Compiled from various Annual Reports of SIDBI

Table 4 shows that the STUPs conducted by the bank increased from 238 in 1995-96 to 1560 programmes in 2015-16. The average number of STUPs supported by the bank, in 1135 over the period. The growth in STUPs was highest (42.02 percent) in the year 1996-97 and lowest (0.52 percent) in the year 2014-15.

Cluster Development Programme (CDPs) :

The primary goal of the bank is technology upgradation of the MSEM units and to extend its benefits to large number of industries. The bank has initiated number of steps for providing development support to MSME units. Under the CDPs a new approach was followed for improving the technical capabilities and competitiveness among MSME Units. Cluster Development Programmes have been introduced in homogeneous clusters of industries to improve the technical and marketing skills of participants.

SIDBI has supported more than 90 Cluster Development Programmes (CDPs) in various clusters all over India. The paradigm shift in the Bank's CDPs during the last few years is basically from technology centric methodology to a more comprehensive cluster development approach which includes management practices, establishment of marketing linkage, product design development, skill upgradation in different technical trades etc. about 12000 MSMEs/artisans/entrepreneur have been benefited from these initiatives.

Other Initiatives of the Bank:

In addition to above mentioned P&D activities, the bank also concentrates some other relevant initiatives:

- **MSME Advisory Centres :**

SIDBI has set up MSME Advisory Centres (MACs) for guiding new/existing entrepreneurs regarding availability of schemes of commercial banks, government subsidies/benefits, provide borrowers with debt counseling, answering, queries raised by banks etc. more than 10000 MSMEs have benefited through MACs.

- **Capacity Building of Regional Rural Banks (RRBs)/Urban Co-operative Banks (UCBs)**

RRBs/Tire-II Banks like RRBs/UCBs/DCBs play an important role in providing credit to micro and small enterprises due to their proximity and presence in the rural/semi urban and remote areas. SIDBI initiated a project in Financial Year 2012-13 focused at capacity building of Tier-II banks viz RRBs/UCBs/DCBs with an object to enhance the credit flow to micro enterprises sector. Under the project, SIDBI extends capacity building support to these banks, which includes SIDBI sharing its methodology/software of lending, to micro enterprises and arranging for training of staff of thesebank in this area.

Quality Management:

In 1992-93, the bank emphasized on creating quality consciousness among MSME units. To achieve this, SIDBI organized a campaign in collaboration with Confederation of Indian 'Industry (CII) on 'Total Quality Management' and ISO-9000 series certification for small entrepreneurs. The basic objective is to educate and make the entrepreneurs aware about the importance of quality management.

Marketing Activities:

Since inception, SIDBI has focused in attention on marketing problems of the MSME units. These units are unable to sell their products due to lack of finance required for advertising and promotion of product. To overcome this problem, SIDBI established Marketing, Finance and Development Department (MFDD) in 1996 as its nodal department for providing market related support to various micro, small and medium units. The bank provides support through organizing various trade fairs, exhibitions at national and international levels, sponsoring marketing studies etc. to provide market related information at concessional rates to MSMEs.

During Financial Year 2015-16 the bank supported 67 important exhibitions/seminars/events benefitting more than 12000 MSME entrepreneurs.

Thus P&D activities of the bank played an important role in developing entrepreneurs by inculcating desired skills through its financial support to various management area/technology institutions. Thus P&D activities of SIDBI not only cater the existing needs of the MSMEs but also help in creating employment opportunities in the country.

III. Findings

The number of units promoted under micro enterprises promotion programme since inception by SIDBI increased from 2700 units in 1995-96 to 42000 in 2015-16. The bank supported 22067 units on an average for the period under study. The growth in MEPPs was highest (46.30 percent) in the year 1996-97 and lowest (1.20 percent) in the year 2015-16. The EDPs conducted by the bank also increased from 623 programmes in 1996-97 to 3191 programmes in 2015-16. The bank supported 2124 EDPs on an average over the period of study. The growth in EDPs was highest (24.21 percent) in the year 1999-00 and lowest (0.41 percent) in the year 2012-13.

The number of SIMAPs supported by the bank since inception has increased from 93 programmes in 1995-96 to 302 programmes in 2015-16. The bank supported 240 programmes on an average for the period under study. The growth in SIMAPs was highest (29.03 percent) in the year 1996-97 and lowest (0.33 percent) in the year 2014-15. The STUPs conducted by the bank increased from 238 programmes in 1995-96 to 1560 programmes in 2015-16. The average number of STUPs supported by the bank was 1135 over the period. The growth in STUPs was highest (42.02 percent) in the year 1996-97 and lowest (0.52 percent) in 2014-15.

IV. Conclusion

The promotional and development activities organized through the bank revealed that the number of enterprises promoted under (MEPPs) since inception by the bank were more as compared to (EDPs). The level of growth of MEPPs was more than that of EDPs. Further, the (STUPs) conducted through the bank since inception registered higher growth rate as compared to (SIMAPs). The enterprises promoted under these programmes lead to creation of employment opportunities for millions of masses. In addition, the Cluster Development Programmes and other initiatives taken by the bank in the form of environment and quality management support, marketing related activities in the form of product promotion etc. also showed remarkable results.

V. References

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