

Volume IV, Issue I

# SPECTRUM

Special issue on  
SMALL SCALE INDUSTRIAL UNIT



published by  
THE DEPARTMENT OF ECONOMICS  
DISPUR COLLEGE, GUWAHATI

Fourth Year, First Issue  
November, 2008, Vol. IV

# SPECTRUM

## Issue on Small Scale Industrial Unit

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**SPECTRUM : Vol. IV, Nov' 2008**

An annual journal devoted to the study of the various fields of  
Economic Development in Assam

Department of Economics

Dispur College

Dispur, Guwahati (Assam)

Pin - 781006

Layout Design : Kuldip Medhi

Composing : Deepali

Printed at : FSC Infotech  
Guwahati - 22

Price : Rs. 30/-

**Prof. Tabu Ram Taid**


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Dispur College

**MESSAGE**

*It is heartening to know that the department of Economics, Dispur College, is bringing out its departmental journal **Spectrum** once again, with small-scale industries as its theme this year. Ours is an economically backward state so the role of small-scale industries in strengthening our economy can hardly be overemphasized. I hope the **Spectrum** will throw adequate light on different aspects of the theme including its prospects and problems.*

Chandan Nagar,  
Beltola, Guwahati  
November 15, 2008

  
(T. R. Taid)



**Dr. Nareswar Sarma**

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### MESSAGE

*It gives me immense pleasure that Economics Department of Dispur College will publish the 4th issue of 'SPECTRUM' by the end of this month. This academic journal has already achieved a particular position under the continued effort of Dr. Reeta Sarma U.P. Probably this issue will emit importance on the Industrial Development.*

*Though, Assam along with N.E. India possesses plenty of natural resources, minerals, water bodies, hills, forests, wild lives etc. this region has still remained industrially backward. The reasons for backwardness may be the centre's negligence, lack of communication, lack of technology, expertisation, traditional background, lack of entrepreneurship and finally the insurgency and terrorism etc.*

*The most vital factor is the large scale migration of population from neighboring countries and exploitation of resources including land grab.*

*However, there are enormous scopes for industrial development, based on local resources, which can provide livelihood for several lakhs of unemployed educated youth.*

*Some of the important arena for industrial developments are tea, oil, coal, cement, wood, hard board, paper, sugar, jute, rice, silk, food process, baking, fruit, chemicals, pharmaceuticals, cane & bamboo, synthetics, plastic dyes, fertilizer, recycling of scraps and wastes, iron works, glasses and many more for cottage industries.*

*'SPECTRUM' will carry the information relating to present development which will help and guide the next generation.*

*I wish for the best of all.*

(Dr. Nareswar Sarma)

**Dr. Amar Saikia**

Principal

Dispur College



### MESSAGE

*The Fourth issue of "SPECTRUM" is going to be published soon which delights me. The name of magazine itself tells a lot. In the first, second and third issues of it, we can have a glimpse of the economy, society of the tea industry of Assam, entrepreneurship development and tourism. This issue will try to give on the broad spectrum of small scale industrial unit. I am of the hope that "SPECTRUM" will be the treasures of knowledge and information.*

November 20, 2008

(Dr. Amar Saikia)



**Dr. Reeta Sharma**

Selection Grade Lec.

HOD Deptt. of Economics

Vice Principal



## EDITORIAL

*SPECTRUM* has crossed the third year of its birth. Due to shortage of finance, this Vol. IV of *SPECTRUM* will be small in size. In this vol., an attempt has been made to highlight Indigenous Small Scale Industries of Assam as well as small scale unit of present era. Inspired by the former principal Dr. Nareswar Sarma, the birth of this research journal took place. Students of the department of Economics were taken to Hajo to study the existing problem and prospects of bell-metal industry, bamboo and cane udyog etc. at Guwahati. North Eastern Region is very much famous in cottage and small scale industry. Assam, one of the North-East states is famous for various cottage and small scale industries since ancient age. Full of resources, Assam has tremendous scope for small scale udyog to grow. It was only the source of living for many. Since ancient period, our country was self dependent. At the advent of the colonial rule, indigenous industries were endangered due to the flow of foreign goods into the native market. Assam's Silk Muga and Endi have occupied an unique position since ancient age till today. Silk clothes were imported and exported through Silk Route to the middle east and south east Asia. Assam has tremendous scope to grow varieties of industries like agro based, forest based, metal based, goldsmith bell metal, katari udyog etc. In this globalised economy, small scale units like computer assembling, software, hardware, floriculture, horticulture, food processing, tourism, travel agency have

gained priority. Thus, the role of such industry can help the economy. Growth of small scale unit will create new entrepreneurs. Entrepreneurs can grow the economy of a developing country and a backward state. Keeping all these in mind, this Journal has made a small attempt to focus on various issues related to small scale industry. Although, this has been a multi-disciplinary effort, it is not possible to cover as wide a subject as small scale industry in such a small endeavour.

I take this opportunity to thank Dr. Amar Saikia, Principal, for his co-operation, valuable support, and encouragement. I, on behalf of the deptt. of Economics extend our sincere thanks to Dr. Nareswar Sarma Sir for his encouraging message. My thanks goes to Prof. J. R. Jaid Sir for his co-operation and beautiful message. Thanks to Dr. Manjaree Sharma for her sincere co-operation. Thanks to all the persons whose resourceful articles have made Vol. IV of *SPECTRUM* to take birth. Long live Spectrum. I wish Spectrum all success.

*Reeta Sharma*

November 20, 2008

(Dr. Reeta Sharma)



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## কৰঙাৰ ঐতিহ্যপূৰ্ণ কমাৰ শিল্প উদ্যোগ তথা কটাৰী উদ্যোগ

ড° ৰীতা শৰ্মা

মূৰব্বী অধ্যাপিকা

অর্থনীতি বিভাগ, উপাধ্যক্ষা

অসমৰ বুৰঞ্জীপ্ৰসিদ্ধ চহৰ যোৰহাটৰ পৰা পাঁচ কিলোমিটাৰ দূৰত্বত অৱস্থিত কৰঙা। টোকলাইত অৱস্থিত পৃথিৱীৰ প্ৰথম চাহ গৱেষণা কেন্দ্ৰৰ পৰা কৰঙাৰ দূৰত্ব মাত্ৰ ৩ কিঃমিঃ আৰু মৰিয়নী ৰেল জংচনৰ পৰা ৯ কিঃমিঃ।

আই.আই.বি.এমৰ (IIBM) ফেকাল্টি (Faculty) শ্ৰীঅভিজিত শৰ্মা ডাঙৰীয়াই কটাৰী উদ্যোগৰ বিষয়ে মোক কৈছিল আৰু তেতিয়াৰ পৰাই বুৰঞ্জী-প্ৰসিদ্ধ এই উদ্যোগটো মোৰ চোৱাৰ ইচ্ছা হৈছিল। যোৱা ২০-১০-০৮ তাৰিখে শিৱসাগৰ



বাণিজ্য মহা-বিদ্যালয়ৰ অৱসৰ-প্ৰাপ্ত মূৰব্বী অধ্যাপিকা (অসমীয়া বিভাগ) শ্ৰীৰেণু দেৱীৰ লগত যোৰহাটৰ কৰঙা ভ্ৰমণ কৰিলো। এই উদ্যোগৰ ইতিবৃত্ত আৰু বৰ্তমান উদ্যোগটিৰ অৱস্থা আৰু সমস্যাৰ বিষয়ে কমাৰ শিল্পীসকলৰ মুখত যি শুনিছিলো, তাকেই কিছু লিপিবদ্ধ কৰিবলৈ প্ৰয়াস কৰিম।

আহোম ৰজাৰ দিনৰ এই প্ৰসিদ্ধ উদ্যোগটো স্বাধীনতাৰ ৬০ বছৰৰ পাছতো







সমবায়খনে এই উদ্যোগটো উন্নত আৰু সম্প্ৰসাৰিত কৰাৰ লগতে উঠি অহা বহুত যুৱকক ব্যৱসায়টোৰ প্ৰতি আকৰ্ষিত কৰিব পাৰিলেহেঁতেন।

কৰঙা অঞ্চলত কেইবাগৰাকীও কমাৰশিল্পৰ লগত জড়িত কমাৰশিল্পীক লগ পালো। তাৰে ভিতৰত, শ্ৰীদুৰ্লভ বৰুৱা আৰু তেওঁৰ সহ-কাৰিকৰসকল। দিলীপ কলিতা, শিৱ কলিতা, ৰমেন কলিতা ইত্যাদি। আটাইকেইগৰাকীৰ নাম উল্লেখ কৰিব নোৱাৰিলো। ভকতচেউনী, হাজৰিকাগাওঁ, গড়আলিৰ আশে-পাশে মুঠ ২০-৩০ ঘৰমান অসমীয়া কমাৰ শিল্পীয়ে এই ক্ষুদ্ৰ উদ্যোগটো চলাই জীৱিকা নিৰ্বাহ কৰিছে। তেওঁলোকে বাপতি-সাহোন এই শিল্পটো চলাই আছে কিন্তু তেওঁলোকৰ সতি-সন্ততিসকলে এই ব্যৱসায় চলাব যে পাৰিব তেওঁলোক আশাবাদী নহয়। শিক্ষা-দীক্ষা লাভ কৰাৰ পিছত এই অঞ্চলৰ যুৱকসকলক প্ৰয়োজনীয় প্ৰশিক্ষণ, উৎপাদন, কেঁচামাল সংগ্ৰহ, বিপণন আদিত চৰকাৰৰ ক্ষুদ্ৰ উদ্যোগ বিভাগে সহায় আগবঢ়ালে হয়তো এই বাপতি-সাহোন শিল্পটো আধুনিকীকৰণ হ'ব আৰু নিবনুৱাসকলে সংস্থান পোৱাৰ আশা কৰিব পাৰি।

কেঁচামাল যোগান সম্পৰ্কে সোধাত জানিব পাৰিলো কমাৰশিল্পীসকলে যোৰহাটৰ কেএগপট্ৰিৰ বেপাৰীৰ পৰা লোহা প্ৰতি কুইণ্টলত ৪০০০.০০ টকাকৈ কিনে। প্ৰতি কিল' লোহাৰ দাম ৪০.০০ টকা। লোহাৰ গুণাগুণ সম্পৰ্কে এইবুলি জনালে যে লোহা দুই প্ৰকাৰৰ, কেঁচা লোহা আৰু পকা লোহা। কেঁচা লোহাৰ গুণগত মানদণ্ড কম আৰু ইয়াৰ পৰা তৈয়াৰ কৰা সামগ্ৰীবোৰ বেছি মজবুত নহয়। পকা লোহা উন্নত মানদণ্ডৰ বাবে পকা লোহাৰ সামগ্ৰীবোৰ মজবুত আৰু উন্নত মানদণ্ডৰ। সেইদৰে আজিকালি মটৰ গাড়ীৰ স্প্ৰিঙৰ পৰা তৈয়াৰী দা মজবুত আৰু ধাৰ উঠে বুলি জানিবলৈ দিয়ে।

কৰঙাৰ লো সামগ্ৰীৰ বজাৰ আৰু চাহিদা সম্পৰ্কে জানিলো। মূলতঃ কৰঙা কমাৰশিল্পত উৎপাদিত সামগ্ৰীবোৰ কৃষিকাৰ্যত ব্যৱহাৰ হোৱা সঁজুলি, ধানখেতি আৰু শাক-পাচলিৰ বাবে পথাৰ চহোৱা বা মাটি উলিওৱা সময়ত ব্যৱহৃত সকলো সঁজুলি তেওঁলোকে উৎপাদন কৰে কিন্তু কুঠাৰখন তেওঁলোকৰ শালত নহয়। অসমৰ চাহবাগানত কৰঙা উদ্যোগৰ পৰাই যোগান ধৰি অহা বুলি জনালে। ইয়াৰ উপৰি প্ৰতিঘৰ মানুহৰ ঘৰত ব্যৱহাৰ হোৱা লোৰ সামগ্ৰী আৰু খেলা-ধুলাৰ সামগ্ৰী কিছুমানো তৈয়াৰ কৰে বুলি কমাৰসকলে জনালে।

পাইকাৰী হাৰত বিক্ৰীত লাভ কম। কমাৰসকলে নিজে যোৰহাট আৰু ওচৰৰ বজাৰত সামগ্ৰীসমূহ বিক্ৰী কৰেগৈ। একোজন যোগালাকী ৮০ টকাৰ পৰা ১৫০ টকালৈ

বানচ দিব লাগে। সকলো দি মাহে ৪-৫ হাজাৰ মান টকা হাতত থাকেগৈ। বেছিভাগ কাৰিকৰে গাওঁৰ অভিজ্ঞ কমাৰশিল্পীৰ অধীনত কাম শিকি পিছত নিজাকৈ ব্যৱসায়ো কৰিছে। পুৰণি কমাৰশালৰ ভাটী তেওঁলোকে এতিয়াও ব্যৱহাৰ কৰে। সাধাৰণতে আঘোণ মাহ আৰু চাহগছৰ পুলি ৰোৱা সময়ত বিক্ৰী ভাল হয়। বহুকেইখন চাহবাগিছাত নিয়মিত লোৰ পৰা উৎপাদিত সামগ্ৰীৰ যোগান ধৰি আহিছে।

দুৰ্লভ বৰুৱা এগৰাকী দক্ষ কমাৰশিল্পী। তেখেতৰ তত্ত্বাৱধানত গাওঁৰ বহু লোকে কমাৰশালত সামগ্ৰী তৈয়াৰ কৰা কাম শিকিছে। দুৰ্লভ বৰুৱাই জনালে যে তেখেতৰে ঘৰৰ কাষৰ নিজা মাটি ভকতচেউনী গাওঁত ২০০৭ চনত স্বৰ্ণজয়ন্তী ৰোজগাৰ আঁচনিৰ আন্তঃগাথনি শিতানত যোৰহাট গ্ৰামোন্নয়ন অভিযান কেন্দ্ৰৰ অধীনত (DRDA) যোৰহাট কমাৰ শিল্প কেন্দ্ৰ স্থাপন হয়। এই কেন্দ্ৰত মুঠ ৪খন ভাটীশাল, ২টা গ্ৰাইণ্ডিং মেচিন ক্ৰমে (এক অশ্বশক্তি, দহ অশ্বশক্তি)ৰ আৰু ২টা কাটিং মেচিন যোগান ধৰা হয়। ঘৰটোৰ দীঘ আয়তন ক্ৰমে ৩০ ফুট আৰু ৪৮ ফুট হ'ব বুলি শিল্পীজনে ক'লে। এই কমাৰশালখন যন্ত্ৰপাতিৰ যোগান ধৰি উদ্বোধন কৰিলে যদিও আজি পৰ্যন্ত হেনো মেচিনসমূহ চলাই কেন্দ্ৰটোত কাম আৰম্ভ নহ'ল। কাৰণ সোধাত তেওঁলোকে জনালে যে মেচিনসমূহ চলাবলৈ প্ৰশিক্ষকৰ ব্যৱস্থা কৰা নাই বাবে সকলো অচল হৈ পৰি আছে। কমাৰ শিল্পীসকলে ক্ষোভেৰে জনালে — এই কেন্দ্ৰটো কাৰ্যক্ষম কৰিবৰ বাবে প্ৰয়োজনীয় আৰু যাৰতীয় সুবিধাসমূহ যেনে ইন্ধন, পানীযোগান, মেৰামতি, বিজুলীৰ ব্যৱস্থা সম্পৰ্কে একো নিৰ্দেশনা নাই। MSME বামুণীমৈদাম, গুৱাহাটীৰ দ্বাৰা আয়োজিত এটা প্ৰশিক্ষণ ব্যৱস্থা ২০০৮ চনত ছেপ্টেম্বৰ মাহত আয়োজন কৰা হৈছিল। কিন্তু ইংৰাজী ভাষাত কেৱল Theoretical প্ৰশিক্ষণ দিয়া বাবে প্ৰশিক্ষণ গ্ৰহণ কৰা কমাৰশিল্পী কেইজনৰ বুজাত অসুবিধা হ'ল। তদুপৰি যন্ত্ৰসমূহ চলাব পৰা একো প্ৰশিক্ষণ ব্যৱস্থা আয়োজন কৰা নহ'ল। কমাৰশিল্পী দুৰ্লভ বৰুৱাই বৰ্তমান পুৰণা পদ্ধতিতেই সেই ঠাইত প্ৰশিক্ষণ আৰু উৎপাদনকাৰ্য চলাই আছে।

কমাৰশিল্পৰ পুৰণি কালৰ এই প্ৰসিদ্ধ উদ্যোগটো বহুতে কৰঙাৰ কটাৰী উদ্যোগ বুলিও কয়। যদি সকলো প্ৰয়োজনীয় সা-সুবিধাৰে প্ৰশিক্ষণ, আধুনিকীকৰণৰ ব্যৱস্থা কৰি কাৰ্যক্ষম কৰা হয়, উঠি অহা যুৱক-যুৱতীসকলে এই ব্যৱসায়ৰ প্ৰতি আকৰ্ষিত হ'ব আৰু বহুতো লোহাৰ সামগ্ৰী স্থানীয়ভাৱে উৎপাদন কৰি ৰাজ্যৰ চাহিদা পূৰণ কৰিব পৰা যাব। ●



## MOBILE THEATRE : CAN IT BE TERMED AS AN INDUSTRY ?

Dr. Rani Mudiari Deka.

Mobile theatres are popularly known as the 'Bhramyamaan theatre' in Assam. It is a popular mode of entertainment, especially for the rural people. The history of Assam's mobile theatre dates back to four decades ago. In 1963, Achyut Lahkar along with his brother Sada Lahkar initiated the journey of mobile theatre in the state by opening Nataraj theatre at Pathsala, a suburban area of Barpeta district. As suggested by its name, mobile theatre groups travel from one place to another across the state to perform drama. However this is the basic feature of a mobile theatre all over the world. But the uniqueness of Assam's mobile theatre is that along with the artists and other workers it carries everything needed for drama, starting from musical/lighting instruments to the stage, tent house and other settings. The theatre groups start their journey from the month of August/September and travel up to mid-April ceaselessly. They perform 3/4 nights in a place and then move to another place as per their schedule prepared beforehand. A theatre group travels as per the invitation given by the local organizations of various places. In fact, contract has been signed in between the theatre group and the inviting committees. A group gets invitation from at least 75 to 80 organisations from different places in a year.

By performing drama, mobile theatre entertains the people of the state. At present there are more than 40 mobile theatre groups in Assam. It is learnt that mobile theatres have more

than 15 million viewers all over the state. All the groups belong to the private sector. Though belongs to the category of performing arts, mobile theatres are different from the amateur theatres. They possess the characteristic of commercial enterprises. The producer behaves like a true entrepreneur. He opens the theatre group, invests money, employs artists and other workers, pays remunerations, arranges the other necessary equipments, make coordination, installs innovative ideas, bears the risks, faces uncertainty, and earns profits.

To open a new venture a producer requires a minimum of Rs.50 lakhs as the fixed capital excluding the salary of the artists and workers. Besides its own office the producer requires some fixed assets such as folding stage (2), tent for the temporary auditorium (1), mike set (1), sound system (as required), musical instruments (as required), lighting equipments (as required), generator set (2), chairs (1500), gallery (1 for 1500 viewers), truck (2), bus (1), car/mini vehicle (optional), cooking equipments and other utensils (as required), practice performance hall at original place (1), lodging accommodation for the artists (as required), etc. Besides, working capitals are necessary for day to day expenditures. The producer procures capital both from internal and external sources. He invests his own capital and procures from family members and friends. He takes loans from banks too. A huge portion comes as advance from the inviting committees/organisations. Though it differs from one to another, a minimum of Rs.40,000/has to be given as advance to a theatre group for 3 nights by an inviting committee. Thus the group earns at least  $40,000 \times 75 = \text{Rs.}30,00,000$ /as advance in a year. However, it does not indicate to its net profit.

One of the significant roles played by these theatre groups in the state is that they are providing employment to at least 4000 people, both artists and non-artists. A group employs at least



120 persons for a year. For some big group it becomes more than 150. A theatre group requires male and female actors, dancers, music artists both vocal and instrumental, light- technicians, sound technicians, managers, representatives, both skilled and unskilled workers for stage settings, cooks, drivers, helpers, etc. The remunerations differ person to person according to their qualifications and nature of works.

Another glaring feature of these theatre groups is their indirect contribution towards the society. The profit earned by the inviting organization through mobile theatre is used for developmental works, especially in the rural areas. Construction of school building, village library, youth club, sports club, cultural centre, community temple or prayer house, purchasing books for library, furniture for school, sports items, musical instruments for cultural centre, other community assets, etc. are some of the works done with the excess fund gained by inviting mobile theatre.

Assam has a rich cultural heritage. In the field of performing arts, mention may be made of putala nach, ojhapali, dhulia-bhaoria, etc. Besides, we have ankiya bhaona gifted by Sri Sankardeva five hundred years ago. Modern Assamese drama Ires also enriched our culture. Mobile theatre is an imperative addition to this tradition. It provides a platform to our budding artists not only in the field of drama but also in music, dance and other form of fine arts essential for stage show. A theatre group needs at least four dramas a year. Thus, 40 theatre groups need simply 160 dramas. Accordingly, not less than 100 dramas are written for these groups. And we have got a new class of playwright along with the famous ones. Besides, there are a lot more lyrics as well as dance dramas are prepared for each and every mobile theatre group every year. Most of the theatre groups publish an annual in house journal for which thought provoking articles are contributed by several authors. All these are great

contributions towards Assamese literature.

There was a time when mobile theatre groups were confined basically in the villages. But, nowadays, they have covered almost all the cities in the state. In other words, mobile theatre groups' arena has been widened. Like viewers they have got their critics, advisors as well as well wishers too. Though, Assam's mobile theatres were started in an experimental basis, it has become able to reach a full-fledged form with its unique features. It has occupied the lion's share in the field of entertainment business of the state. Today, the state of Assamese cinema is very deplorable. On the contrary, mobile theatres are doing well in regards to business and artistic performance. Critics have identified mobile theatres as Rs.20 crore business industries. But, they have not been recognized as industrial units by the theatre. The state's industrial policy does not cover mobile theatres. Therefore, they are deprived of getting any kind of government assistance. People associated with this industry feel that if the government gives recognition, they will be benefited. At least they can approach to the government for any kind of assistance. They can approach to banks not only as a business unit but also as priority sector units from the small scale industrial arena. Like other cultural industry, the business of the mobile theatres is also very delicate. Basically they are cultural units, so, in the name of making profit they should not lost their basic identity. Unfortunately, the critics have pointed their fingers to this aspect. They have suggested that the government should prepare some policy resolutions for screening the mushroom growth of mobile theatre by providing them industrial identity along with necessary rules and regulations.

The concept of cultural economics or cultural industry is yet to develop in our country. The basic idea is to look culture differently keeping aside from the economy. But the fact is that



culture is an indispensable part of the economy. There is a general consensus that commercialization of culture is unethical. But the truth is that every business has its own ethics. So, there will be no harm if mobile theatres do business. On the other hand, the government is needed to rethink about our cultural resources. It is the duty of a government to adopt proper policy for better utilization of all kind of resources. The mobile theatres should not be kept aside. If there can be a corporation for financing the films, why not the same kind for an emerging area like the mobile theatre? They have already developed their own identity by occupying a significant place in the state's economy through their contributions. Therefore, there should not be any hesitation on the part of the government to give the mobile theatre their deserving recognition by declaring them as industrial units. ●

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## SME FINANCING

**Ajoy Mitra**

*Dept. of Commerce*

Small & Medium Enterprises (SME) act as propellants of the Indian economy in terms of their contribution to the country's gross domestic product, exports, employment generation and encouraging entrepreneurship. This crucial sector faces tremendous challenges in the post liberalization era both from the domestic and international markets. In such a scenario, it is imperative to ensure the growth and long term viability of SMEs through smooth flow of credit to this sector.

Though the SME sector contributes about 40 per cent of the country's domestic production, and almost 50 per cent of India's total exports, their growth is mired due to lack of adequate financing in the country.

SMEs produce about 8,000 products in India and create around 50% of jobs in the manufacturing industry. Many SME products are also used as input material for bigger industries, e.g., Textile and Auto auxiliary industries, which are successful due to their input material suppliers. With the inclusion of the service sector in the definition of SMEs, the latter will need more finances. Not only special banks like SIDBI, but even the main PSU and private banks will be required to lend money to SMEs under various sectors.

Infact, in a globalised business scenario Indian SMEs have a large untapped growth potential provided they can prove themselves competitive which would require investments in new technologies and business methods like ICT (Information and



Communication Technologies). Banks, on the other hand, would stand to gain in lending to SMEs by widely dispersing their credit risk (as the lending quantum to SMEs is small and their numbers very large compared to large corporates) apart from tapping a high growth area for their credit growth, so as to optimize their earning potential.

This is where rating agencies play a role. SMERA and CRISIL are able to really provide answers to the SMEs' problems with their ratings. One of the SMEs' main concerns in financing is also their inability to negotiate competitive interest rates on loans due to their low credit ratings. Since SMERA & CRISIL ratings not only takes financial capabilities into consideration but also the technical and managerial capabilities of the SME firms, their credit ratings reflect the actual & comprehensive assessment of the SME repayment abilities. This substantially upgrades the SME credit risk ratings making way for higher willingness by banks to lend to these units apart from charging lower interest rates.

Financial Institutions tend to be risk averse and conservative in respect of SMEs. SME entrepreneurs are at times deficient in financial skills and are unable to formulate and push through bankable proposals. They do not maintain regular books of accounts and therefore don't evoke full confidence of the creditors.

SMEs need to set up effective linkages with credit agencies and venture capitalist through e-enabled channels to procure adequate and timely finance. This will go a long way in fostering entrepreneurship in the country.

Any business which is profitable gets the finance from banks. Banks source their money from the people and are accountable to give back appropriate returns to their creditors and shareholders.

Credit Ratings and Basel II norms will bring efficiency in bank financing by linking availability and pricing of loans to the inherent credit risk of the SME borrower entity. This will make way for higher financing opportunities for the SMEs which enable them fructify their expansion and Technology Upgradation plans.

The best option from the SME point of view will be to make available the equity option to the SMEs by having a special national stock exchange for the upcoming / companies. Making such alternative financing available will also help SMEs in getting more finance from banks by improving their debt-equity ratio. Currently, high debt-equity ratio is one of the major handicaps for SMEs in seeking adequate finance from banks

Bigger and listed organizations have access to even international funds in the forms of equity, FCCBs, FII and FDI. SMEs have to mostly depend on bank lending and even the equity market is out of their reach. In the UK, the concept of Alternative Investment Market (AIM) under the LSE to access capital market by way of equity is available to the SME entrepreneurs. In India, however, the SMEs have to solely be dependent on bank lending and that too mainly on the Public Sector Banks.

For sustainable double digit growth rate, innovative financing methods will have to be created, particularly for the SMEs. The SMEs may be allowed access to Capital Market by way of a concept similar to AIMs. If an SME company like Noida Toll Bridge can get access to equity funds at the AIMs market of LSE, why can't the same be done within India itself? Though India's experimentation has not been so successful with OTCEI, with the changing scenario and with much transparency and demutualization of equity, the problems concerning the liquidity of the same have been resolved through electronic based trading and by doing away of the risk of signature default. We can contemplate restarting the OCTEI for the smaller companies with



less trading charges and exemption from STTs. We should also encourage the habit of more mutual funds, venture funds, and pension & insurance funds for SME financing.

### **Direct Finance to SME:**

1. In line with the Policy Package for Stepping up Credit to Small and Medium Enterprises (SME), the Reserve Bank of India (RBI) has already issued guidelines to the public sector banks to ensure 20 per cent year-on-year growth in credit to the SME. Action has also been initiated to operationalise other elements of the said Policy Package. Implementation of these measures will be closely monitored by the RBI and the Government.

2. The Small Industries Development Bank of India (SIDBI) will scale up and strengthen its credit operations for micro enterprises and cover 50 lakh additional beneficiaries over five years beginning 2006-07. Government will provide grant to SIDBI to augment SIDBI's Portfolio Risk Fund for this purpose.

3. Government will also provide grant to SIDBI to enable it to create a Risk Capital Fund (as a pilot scheme in 2006-07) so as to provide, directly or through intermediaries, demand-based small loans to micro enterprises.

4. SIDBI's direct lending operations will be expanded by increasing the number of branches from 56 to 100 in two years beginning 2006-07, with a view to catering to the credit needs of more clusters of micro and small enterprises (MSEs).

5.1 The eligible loan limit under the Credit Guarantee Fund Scheme will be raised to Rs.50 lakh. The credit guarantee cover will be raised from 75 per cent to 80 per cent for micro enterprises for loans up to Rs.5 lakh. Accordingly, to strengthen the Credit Guarantee Fund, the corpus of the Fund will be raised from Rs.1189 crore as on 01 April 2006 to Rs.2500 crore over a period of five years (with contribution by the Government and

SIDBI in the existing ratio of 4:1).

5.2 Moreover, to encourage public sector banks and public financial institutions to contribute to the corpus of the Fund, the feasibility of allowing deduction of their contributions to the Fund for income tax purposes would be examined.

5.3 The Fund will continue to be maintained with and managed by the Credit Guarantee Fund Trust for Small Industries (CGTSI). The Trust will be renamed as "Credit Guarantee Fund Trust for Micro and Small Enterprises" (CGTMSE).

### **Indirect Finance to SME :**

Indirect finance to SME includes the following important items:

i. Financing of agencies involved in assisting the decentralised sector in the supply of inputs and marketing of outputs of artisans, village and cottage industries.

ii. Finance extended to Government sponsored Corporation/organisations providing funds to the weaker sections in the priority sector.

iii. Advances to handloom co-operatives.

iv. Term finance/loans in the form of lines of credit made available to State Industrial Development Corporation/State Financial Corporations for financing SSIs.

v. Funds provided by banks to SIDBI/SFCs by way of rediscounting of bills

vi. Subscription to bonds floated by SIDBI, SFCS, SIDCS and NSIC exclusively for financing SSI units.

vii. Subscription to bonds issued by NABARD with the objective of financing exclusively non-farm sector.

viii. Financing of NBFCS or other intermediaries for on-lending to the tiny sector.



ix. Deposits placed with SIDBI by Foreign Banks in fulfillment of shortfall in attaining priority sector targets.

x. Bank finance to HUDCO either as a line of credit or by way of investment in special bonds issued by HUDCO for on-lending to artisans, handloom weavers, etc. under tiny sector may be treated as indirect lending to SSI (Tiny) Sector.

### Recent Developments:

One of the landmark development in SME / SSI / MSE sector is the passing of **THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006** (MSMD Act, 2006). The Act brings all small / tiny / medium industry into one umbrella and for the first time "Industry" gets the recognition of "Enterprise". Worldwide, the Micro and Small enterprises (MSEs) have been accepted as the engine of economic growth. The MSEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. In India too, the MSEs play a pivotal role in the overall industrial economy of the country. It is estimated that in terms of value, the sector accounts for about 39% of the manufacturing output and around 33% of the total export of the country. Further, in recent years the MSE sector has consistently registered higher growth rate compared to the overall industrial sector. The major advantage of the sector is its employment potential at low capital cost. As per available statistics, this sector employs an estimated 31 million persons spread over 12.8 million enterprises and the labour intensity in the MSE sector is estimated to be almost 4 times higher than the large enterprises. ●

## FLORICULTURE INDUSTRY : ITS PROBLEMS, STRATEGIES AND MEASURES

**Dr. Monalisa Choudhury**

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### INTRODUCTION :

Floriculture or flower farming as it is popularly called is a discipline of Horticulture. Floriculture includes cultivation of flowering and ornamental plants for sales or for use as raw materials in pharmaceutical sector. Officially floriculture began in the late 1800's in England where flowers were grown in large estates.

Floriculture industry in India is in its infant stage. The Indian Climate is best suited for floriculture cultivation. The states like Karnataka, Rajasthan, Andhra Pradesh, Tamil Nadu are prominent in Floriculture.

The climate of North Eastern India is also best suited for the floriculture cultivation. The hilly states of north eastern region is not only famous for production of different types of flowers but also for orchids of different varieties.

### FLORICULTURE INDUSTRY OF INDIA VIS-A-VIS NORTH EASTERN REGION

The North Eastern region including Assam, Meghalaya, Mizoram, Nagaland, Tripura, Manipur, Arunachal and Sikkim have conducive climate for Floriculture industry. The soil of the region is also very suitable of floriculture cultivation.

The Indian Floriculture industry have done a total business of Rs 8174 lakhs in India in 2005 which have increased to 10117



lakhs in April 2006. Though the climate and soil of North Eastern Region is suited for this industry yet the contribution to the national production shared by the region is quite negligible. More than 50% of the floriculture production comes from Karnataka, Andhra Pradesh, Tamil Nadu, West Bengal, Maharashtra and Rajasthan. Floriculture in India is being viewed as a high growth industry. According to a report of The Agricultural and Processed Food Export Development Authority (APEDA) the total area under flower crops in India is estimated around 34,000 hectares. Of which 24,000 hectares are under traditional flowers like marigold, jasmine aster, rose, chrysanthemum and tuberose and 10,000 hectares under modern flowers like coronation, rose, gerbera, gladiolous, anthurium.

#### PROBLEMS OF FLORICULTURE INDUSTRY:

Though India is being viewed as having a varied production base for floriculture industry yet the progress of the industry is not encouraging. This is due to the following:

1. The greatest difficulty lies in marketing of these products due to infrastructural problems. At times difficulty arises in marketing the products due to transportation bottlenecks, bad interior roads, lack of refrigerated vans, storage facilities etc.
2. Moreover, such products have a unorganized domestic market.
3. The farmers out of the fear of their products getting perished sale the same at a lower price which divert them from concentrating in such cultivation.
4. The price of the products vary due to the unorganized market and lack of proper regulation of such markets.
5. Moreover, the export marketing of such products are also not encouraging. The existing number of flights during the peak season is not sufficient for export purpose. Moreover,

non availability of air space in major flights create a hurdle in exporting such products. This is because air operators prefer heavy consignments.

6. Another important problem of this industry is the lack of cold storage facilities adjacent to the airports especially in the North Eastern Region.

#### STRATEGIES AND MEASURES:

Though the floriculture industry is beset with a numerous problems yet such can be solved in a much extent by taking the following measures:

1. The government should provide a reduction of import duty on planting material and equipment.
2. Air freight should be reduced to a reasonable level. Sufficient cargo space should be provided in airlines.
3. Co-operative florist organization should be established at regional level. Moreover, well regulated market should be established through the government agencies like National Horticulture Board etc.
4. Government should recruit certain agencies or institution to plan and monitor effective quality control measures right from production to post harvesting, transportation and storage of such products.
5. Moreover, refrigerated vans should be provided at subsidized rates to the farmers for bringing the products to the far away markets to get fair prices.

#### GOVERNMENTAL ASSISTANCE TO FLORICULTURE INDUSTRY:

The government of India has offered many incentives for the upliftment of the floriculture industry. The government has provided tax benefits to the new export oriented floriculture



companies. Subsidy on air freight for export of cut flowers and tissue cultivated plants is allowed by the government. Import duties have been reduced on cut flowers, flower seeds, tissue cultivated plants etc. Moreover, direct subsidy upto 50% to the pre-cooling and cold storage is available as well as subsidy for using packaging material is provided by The Agricultural and Processed Food Export Development Authority (AFEDA). Further, refinance assistance is available from NABARD to the number of hi-tech units at reasonable rates.

### CONCLUSION:

The Indian Floriculture industry has been shifting from the traditional flowers to cut flowers for export purpose. This have given impetus to the Indian Entrepreneurs for establishing export oriented floriculture units under varied climatic condition. Though the Indian Floriculture Industry is viewed as a sunrise industry yet the Indian share in the international market of flowers is negligible. However, India has a blooming future as far as floriculture, is concerned. Enormous genetic diversity, varied agro climatic conditions, versatile human resources etc offer India a unique scope for judicious employment of existing resources and exploration of avenues yet untouched.

### REFERENCE :

<http://www.ficciagroindia.com/general/floriculture-ind.htm> ●

## GANDHI'S VIEW ON KHADI AND VILLAGE INDUSTRIES

**Dr. Pranita Sarma**  
*Senior Lecturer*

India is a land of villages. Majority of her people live in rural areas. So the real potential for development lies in these villages. It was Gandhi who could identify and estimate the development potential contained in our rural society in the form of man and materials that is the ideal combination of human and natural resources essential for a planned development. Based on this concept, Gandhi stressed the need for rural development to be achieved through Khadi and village industries. Moreover, Gandhi advised people to take up any kind of physical labour, such as, spinning, weaving, carpentry, scavenging etc. Gandhi took spinning through charkha to be the fittest and most acceptable sacrificial body labour.

Gandhi advocated the Khadi and Village Industries for the upliftment of the rural masses. For him, Khadi and Village Industries is not an end in itself but a means for the all-around socio-economic development of rural India. For him Khadi and Village Industries can be considered to be the most suited occupational area for the millions living in Indian villages. For Gandhi, Khadi represented the symbol of economic freedom and equality. On the other hand, our economists were more crazy after the western model which is much against the wishes of Gandhi. Gandhi always thought of such industries, a suitable for India which could give maximum employment to its toiling millions. Therefore, he was of the opinion of installing a network of cottage industries in India instead of the big industries. In this connection, he gave maximum importance to the spinning wheel (charkha) and



the khadi. He described charkha as "the symbol of non-violent economic self-sufficiency" and khadi as "the first indispensable step towards the discharge of Swadeshi dharma towards society and also as a necessary and the most important corollary of the principle of Swadeshi. Through Charkha and Khadi, Gandhi actually wanted to give employment to the millions of his countrymen who were thrown out of employment.

This emphasis on Khadi as an emblem of Swadeshi adversely affected the cotton industry of Great Britain and many employees of the Lancashire of textile industry were throughout of employment. This apparently went contrary to Gandhi's Sarvodaya, but Gandhi justified his action on the argument that his call for swadeshi and consequently for Charkha or Khadi was not inspired by any hatred against anyone, rather it was inspired by his deep love for his countrymen, specially the poor millions. He was sorry that his call for Khadi had adversely effected the workers of Lancashire textile industry, but his immediate dharma towards his countrymen left no way out for him.

From the foregoing discussion, we find that Gandhi believed that the economics of heavy industries had no place for the dignity and value of man. He said that Indian economy should not follow the western pattern and should be job oriented. We have seen that Gandhi had been often criticized by many intellectual in India for his effort to revive cottage and village industries in modern times. It was said that he was putting back the clock of progress. It has been argued that Gandhiji was of against the development of sciences and technology. But for Gandhi, the supreme consideration is man. He did not want science and machinery to produce goods and starve men. He said that the only condition was that rich mechanical power must be available to every villages, who wanted to use it. He wanted that science and technology which would bring peace and harmony amongst the mankind. He always tried to minimise the gap between rich and poor. ●

## ENTREPRENEURIAL DEVELOPMENT PROGRAMME (EDP) AND ITS IMPORTANCE

**Tribeni Barkotaky**

*Lecturer, Deptt. Commerce*

Entrepreneurial Development Programme (EDP) was started in India for first time in the 7<sup>th</sup> five year plan with an object for developing entrepreneurial talent. It is a systematic task for encouraging, motivating and providing systematic knowledge to the prospective entrepreneur. EDP is designed to identify persons with entrepreneurial abilities and train them to start new enterprise.

There is always a controversy whether entrepreneurs are born or made. But from various examples we can infer that entrepreneurs are not necessarily born, they can be developed through education, training and experience. Entrepreneur can learn entrepreneurial skills from their own experience or traditionally or informally from family business. EDP can provide formal training to the prospective entrepreneur. EDP provides following informations and knowledge –

- How to develop new business idea ?
- How to setup a new enterprise ?
- What are the procedure for starting a business ?
- How to prepare project report ?



e) Information regarding various financial institutions and procedure for getting financial assistance etc.

An entrepreneur has to possess some qualities or competencies. The important qualities of an entrepreneur are –

- a) Hard worker –
- b) Highly optimistic
- c) Good Organiser
- d) Innovator
- e) Creative thinker
- f) Foresight
- g) Independent

David McClelland of Harvard University conducted a live year experimental study in one of the districts of Andhra Pradesh in collaboration with Small Industries Extension and Training Institute (SIET), popularly known as 'Kakinada Experiment'. It has found that entrepreneurial qualities are not necessarily hereditary rather it can be developed through suitable training. Thus it becomes necessary to provide necessary training and motivate prospective entrepreneurs. A great deal of emphasis has been given to EDP, so that entrepreneurs can start their own business in a systematic way. The importance of EDP can be discussed in the following way:

- a) EDP is a strong tool for economic development and industrialisation.
- b) EDP ensures prospective entrepreneurs to start their enterprise.
- c) EDP can help potential entrepreneurs to receive various incentives, subsidies and infrastructural facilities from government and other agencies.

d) EDP provides number of opportunities for self employment.

e) EDP can guide new entrepreneur in selecting site and technology.

### **Industries initiating E.D. Programme**

In India, E.D.P. was initially started by the organisations like National Institute of Small Industry Extension Training (NISIET), National Institute Small Business Development (NISBUD), and Entrepreneurship Development Institute of India (EDII) in the year 1985.

In the North-Eastern Region, the NER Centre of NISIET initiated E.D programme with the sponsorship of North-Eastern Council (NEC), Industrial Development Bank of India (IDBI), Industrial Credit and Investment Corporation of India (ICICI) and various state Government of North-Eastern Region.

In Assam in 1973, late Sarat Chandra Sinha former Chief Minister of Assam was the pioneer who had initiated to open Entrepreneurship Motivation Training Centre (EMTC) in nine districts of Assam. Later on all these centres amalgamated with District Industries centre. The NER Centre of the National Industries of Small Industry Extension Training (NISIET), North-Eastern Industrial and Industrial & Technical Consultancy Organisation (NEITCO) and North-Eastern Technical Consultancy Organisation (NECON) started EDP in North Eastern region.

The different other organisations are also conducting EDP in this region are – Indian Institute of Entrepreneurship (IIE), National Small Industries Corporation (NSIC), Small Industries Service Institute (SISI), Assam Industrial Development Corporation (AIDC), District Industrial Center (DIC), State Institute of Rural Development (SIRD). Besides these agencies, various Fi-



financial Institutions and N.G.O.s are also conducting EDPs.

The following types of E.D. programme are being conducted by different organisation :

- a) Awareness programme for educated youth.
- b) Motivational programme for budding entrepreneur.
- c) Training programme for self employment.
- d) E.D.P. for technically qualified people.
- e) Rural E.D.P. for rural youth.
- f) E.D.P. for woman.
- g) Product Specific Entrepreneurship Development Programmes.
- h) Enterprise Management Programme.
- i) Awareness Programme for school/college/and university students.

Thus E.D.P. can create an entrepreneur with skills and knowledge, who in turn provide employment to others. The in-born talent, qualities can be modified or improved through E.D.P. An efficient, skill entrepreneur is an asset for a nation. So the importance of E.D.P. has been realised in all developed and developing country. ●

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## "RURAL INDUSTRIALISATION THROUGH KHADI AND VILLAGE ENTERPRISES"

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The role of Small Scale and Cottage Industries in which the Khadi and Village Industries have major share assumes much greater importance in the nation as well as in the state. Since Khadi and Village Industries are more intimately related to village people and village community they are the most effective instruments of rural industrialisation, manpower absorption and justice promotion in the country. It is estimated that this sector has been contributing about 30 percent of the gross value of output produced in the manufacturing sector and employment generation by this sector is more than five times as compared to the large sector.

'Khadi' means any cloth woven on handloom in India from cotton, silk or woolen yarn handspun in India or from a mixture of any two or all of such yarn. And "Village Industries" means any industry located in rural area which produces any goods or renders any service with or without the use of power and in which fixed investment per head of any artisan or a worker do not exceed Rs.50,000/-. Thus, Khadi sector provides a range of diverse products ranging from hand-oven and hand-spun textile of cotton, silk, woolen and polyvastra and various village industry products.



In order to ensure proper growth of Khadi and Village Industries Commission Act was passed in 1956 and accordingly Khadi and Village Industries Commission (KVIC) was established in 1957. The KVIC operates through 30 state boards and thousands of institutions and cooperatives. During 2002-03, the total sales of the KVIC network was estimated as Rs.10,000 crore. At present 115 industries are functioning under the purview of KVIC. These industries are categorized under seven big groups as follows :—

- (1) Mineral base industries, (2) Forest base industries, (3) Agro base industries, (4) Polymer and Chemical base industries, (5) Engineering and Non-conventional energy, (6) Textile industries, (7) Service industries.

In Assam (with a peculiar setting of economy), these industries played an important role in pushing up the growth rate in the development of the rural economy and in solving the peculiar problem of unemployment, resource mobilisation, mobilisation of capital, mobilisation of skill workforce, regional dispersal of industries, removal of regional imbalances through development of entrepreneurship environment. Today with the emergence of the modern small scale industries this sector has come to occupy a pivotal position in the process of rural industrialisation by process of rural industrialisation by producing output worth Rs.561340.38 lakhs and generating employment of 46.88 lakhs persons in KVI in 2000-2001. The responsibility of Khadi and Village Industries Commission/Board towards rural industrialisation is in a planned manner. The Assam State Khadi and Village industries Board has to organise, develop and regulate Khadi and Village industries. The Govt. and the cooperatives are made responsible for mass implementation of the various programmes of their development. Intensive and sincere efforts is made to provide improved infrastructure facilities like development of land, road, water supply, housing, education and managerial quality of entrepreneurs in

rural areas on easy terms. Khadi and Village Industries adopting modern management techniques are providing liberal grant like "Margin Money Scheme" and cluster development programmes for the development of entrepreneurship on sound lines during the last fifty years. The KVIC has launched common brand names for KVI products to make the KVI product globally competitive through quality driven brands. "Sarvodaya" brand is launched for village industry products, "Khadi" for khadi products and "Desi Aahaar" in for organic products. With these efforts of KVIC, Khadi and Village Industries transfer much greater amount of total income and wages to the rural people and show a quite commendable position in terms of productions sales, employment and earnings in the state economy. ■







## ROLE OF SSI SOLVING UNEMPLOYMENT PROBLEM

**RUPAMONI TALUKDAR**

*Dept of Economics*

*Morning shift*

Unemployment has become a crucial problem among the youths of Assam as well as in India. With the change in govt. policies there is reduction in the employment generating capacities in the govt. sector and since the industrial growth is not such which can support the unemployed, the situation becomes more acute. Development of industries plays an important role in accelerating growth and solving the problem of unemployment. Promotion and development of small industries is considered vital for ameliorating the source of unemployment with less capital investment is ultimately linked with the development of entrepreneurship.

Unemployment specially among the educated youths has come up as the major problem in Assam. Every year, the colleges and the universities produce a large number of qualified persons which are not absorbed gainfully in the service sector. Since the govt. cannot provide employment opportunities to these educated youths they can be absorbed through the growth of small industries like floriculture, fruit preservation & processing handmade paper and products, fast food business, computer packaging etc. In this context, it would be better if during the course of education and training in college and universities, emphasis is given for proper motivation for self employment along

with minimum procedural know-how necessary for starting a venture for self employment. If our students are given such entrepreneurial education they would be motivated to go for self employing ventures which would enable them to become job givers rather than job seekers.

Small scale industries play a key role in industrialisation of developing countries as they provide large scale employment and have a comparatively higher Labour Capital ratio, they have a shorter gestation period and relatively smaller markets to be economic. But most of the states including Assam have remained underdeveloped today because of the dearth of entrepreneurship. To be a successful entrepreneur, a person should have some qualities like enthusiasm to establish his status, risk taking attitude, tendency to change traditional method of works, self confidence, quick and perfect decision making capacity, strong urge to create newness etc.

Assam is full of natural resources. If the entrepreneurial skills among the youths can be developed through motivation so that they can go for self employment the resources can be utilised properly and the problems of unemployment can be solved to some extent. I have mentioned some institution for entrepreneurship development training. These are ministry of Microsmall and Medium Enterprises (M.S.M.E). Government of India, Indian Institution of entrepreneurship development I.I.E.D (Lalmati, Guwahati, 37 NH by pass, Guwahati). Khadi and village Industries commission also offer such training

Research should be initiated to generate about the Entrepreneurship Development Programmes (E.D.Ps) and EDP should be included in the curriculum of +2 level and in other professional institution women entrepreneurs should be encouraged. Involvement of NGO in large numbers should be encouraged. Entrepreneurship training should be given in a scientific way so



that trainees can have a very clear cut concept regarding the identification of product, project preparation investment marketing quality maintenance, designing, technique of production, skill development as well as personality development, attitude motivation, source of finance, investment etc.

We are proud that economics and commerce department of Dispur College is running a certificate course on entrepreneurship development under Guwahati University sponsored by U.G.C under the guidance of IIED since 2005-06 and many students are benefited from this programme. ■

## BELL-METAL INDUSTRY IN ASSAM

**Ms. Tulika Choudhury**

*Department of Economics*

*Morning Shift*

The bell-metal industry of Assam is a traditional cottage industry. Sarthebari of Barpeta district is the main centre of this hereditary cottage industry. Titabar in Jorhat district, Raha in Nagaon district, Lakhimpur and the Sibsagar are also the centres for manufacture of hand-made bell-metal wares. Among the cottage industries of Assam the position of bell-metal industry is next to handloom industry. History says that bell-metal industry is the very old industry in Assam. Bell-metal industry was started before the reign of Kumar Bhaskar Barman. Once, in the 17<sup>th</sup> century, Kumar Bhaskar Barman of Kamrup sent a gift of a massive Bhortal to Harshavardhana of Kanouj. From this fact, one can find out that how this industry is old.

The industry produces various types of utensils like 'kahi' (rice-plate), 'saria' (bowl), 'glass', 'spoon', 'bati' (small bowl), 'baan bati', 'taal', 'lota', 'bota', 'small plate' etc. and various decorative items like watch etc. with the help of simple tools and equipments.

The place where the bell-metal works are done called as Garshal or workshop. In a workshop minimum 5 persons work together. Among these 5 (five) workers, 1 (one) is known as Ojha kahar who has all simple tools and equipments needed to produce products and the other 4 (four) are known as pali or bhaiga Ojha kahar must possess some special qualities because



he is the main organiser of the workshop or Gorsal. The total income of one workshop is decided among the 5 workers. Ojha kahar gets one and half part of total income and the other 4 pali workers get equal parts from the rest of the income. Cinders are used for Gorshal or workshop. Cinders are generally supplied by local people. The quality of cinder should be good. Most of the kahar (manufacturer of bell-metal wares), buys cinders from market which are supplied by local people of Kukurmara, Palashbari, etc.

Old bell-metal (bhanga-kah) are used as raw-material for making goods, old bell-metal are purchased from fancy-bazar, Guwahati but mainly supplied from Pakistan, Delhi etc. In a day, generally from 30 to 40 plates can be made in a workshop.

At present, the price of raw material that is the market prices of old bell-metal is Rs.480/- per kg. But the market prices of product started from Rs.700 per kg. Prices vary from product to product. It shows that this industry is a profit-oriented industry. But this traditional industry is suffering from certain problems which are can mention as follows :-

(i) The bell-metal industry is facing competition from aluminium, plastic and stainless steel industry which are very alluring. The prices of these goods are less than the bell-metal wares. So, the industry suffers from lack of demand. The demand for the products arises only on certain occasions like marriage and other religious and social rituals.

(ii) There is no definite supply of raw-materials at a reasonable price to this industry. Without regular supply of raw-materials an industry can not survive for long-period.

(iii) This industry has not been modernised/ due to lack of finance and technical know-how. Workers are less-efficient due to lack of training.

(iv) No specific plan or policy are made for the development of industry by the Government.

For the development of this bell-metal industry one "Common Facility Service Centre" has established at Sarthebari. This centre provides some modernised common facilities to the bell-metal artisans.

Khadi and Village Industries Board is helping in the marketing of the products of this industry. Besides, the Small Industries Development Bank of India (SIDBI) has decided to boost the bell-metal industry at Hajo. The Bank has planned to help to improve the design, production and marketing of bell-metal products in big- way.

Under Co-operative Department, the "Assam Samabai Kahar Sangha Limited" was established in 1933 at Sarthebari. It was registered in 1939 in Co-operative Department.

For the development of the bell-metal industry in Assam, Government of Assam should provide adequate finance, regular supply of raw-materials and proper marketing facilities, training facilities to the artisans. ■



## ROLE OF AN ENTREPRENEUR IN EFFECTIVE COMMUNICATION

Rosie Patangia  
*Lecturer in English,  
(Morning shift)*

Communication, whether oral or written, is all about understanding. An entrepreneur can communicate effectively by following this seven-step process:

### Step 1: What and why ?

The first step of an entrepreneur is to consider what the objective of his communication is and why he has to communicate the message. Is he aiming to give information, to persuade, to request, to inform?

### Step 2: To select channel

The next step of an entrepreneur is to consider what channel of communication would be appropriate. He should consider the relationship between the sender and the recipient as well as the recipient's background knowledge, culture and experience.

### Step 3: To select and coding technique:

Encoding is choosing the manner in which he would send his message. For example, the language he chooses, an angry or soft voice, harsh tone or courteous tone. An entrepreneur has to consider why the communication is happening. Is it urgent, serious, dangerous, emotive, informative?

### Step 4: To consider barriers

The entrepreneur must consider all possible barriers that may influence the recipient's understanding of the message. Is the communication likely to achieve the desired aims in the given circumstances?

### Step 5: To send message

Having considered all these aspects, the entrepreneur may now send his message.

### Step 6: To check for understanding

After sending the message, the entrepreneur must check whether the recipient has understood the message as he intended.

### Step 7: To obtain feedback from recipient

The entrepreneur must obtain feedback from the recipient so that he knows if his communication has been effective. If the message is not understood, rather than blame the recipient, the entrepreneur can ask himself why the communication failed and how it could be improved in order to be effective. Some questions he can ask himself are:

- Did his expressions create confusion or misunderstanding?
- Was his timing poor?
- Was his message too long so that the main points were lost?
- Were his tone and manner appropriate?

### NON-VERBAL COMMUNICATION SKILLS

Here are some ways in which an entrepreneur can improve his non-verbal communication skills:

1. To be honest, especially when communicating emotions.
2. To use a firm, friendly handshake when meeting new people.



3. To maintain eye contacts with his entire audience.
4. To reinforce his words with tones and gestures.
5. To be aware of his posture.
6. To use appropriate gestures to support his points.
7. To imitate the posture and appearance of people he wants to impress.
8. To show respect for speakers and listeners.
9. To touch people only when appropriate and acceptable.
10. To smile genuinely, as fake one would be obvious. ■

## A VISIT TO CITRONELLA OIL EXTRATION UNIT

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*B.Com 1st Year, (Mor)*  
*Student of EDP*

The site is at Baghmari about 6 K.M. from Biswanath Chariali Town in eastern direction and adjacent to N.H.-52.

**ABOUT THE CROP :** Citronella (*Cymbopogon Winterianus*) is an important essential oil obtained from perennial grasses called Citronella. The Oil is used for perfuming soaps, detergents, cosmetics, agarbattis and for mosquito repellent creams. The Oil is also used to isolate citronellol, geraniol. These are in turn converted into Hydroxyl Citronellol, synthetic menthol and esters of geraniol and Citronellol. These components are used for making several blended perfumes.

**CLIMATE AND SOIL :** Warm and humid climate with medium rainfall and humidity not less than 40% is suitable for the crop. It is cultivated in organically rich soil, free water logging.

**TIME AND METHOD OF PLANTING :** The crop is planted during pre-monsoon season (March-May). It is planted in row method in tri-angular pattern.

**HARVESTING AND WITHERING OF GREEN HERBS :** Green herbs of citronella leaves contain oil. Hence the citronella is harvesting at maximum foilage stage. It must be witted for 12-24 hours. Withering helps the removing extra moisture and results in increasing intake capacity of distillation unit.



**DISTILLATION** : Distillation unit intakes more than 7 quintal of green stainless steel with hydro-steam distillation technique is used. Annually 60 metricton per hactre fresh herb in yield and average recovery is 0.6%.

**PRODUCTION** : The unit extract 3600 kg. of oil per year using 10 hactre land (=75 Bighas). It is sold at Rs.400/- per kg. (prevailing market price).

**INVESTMENT & RETURN** : The total estimated investment in the project is Rs.16,32,000/- of which 20% is by the promotor Mr. Churamoni Sarmah and other 80% through term loan. Estimate return is Rs. 6,00,000/- per year.

**GLOBAL SCENARIO** : Global demand of Citronella oil is 6500 metricton and production is 1800 metricton. India produces about 600 metricton annually which is insufficient to meet its domestic requirement of more than 1050 metricton. (global scenario source : Internet).

#### **ADVANTAGES TO SOCIETY :**

Creates avenues of employment generation in rural sector.  
Creates sense of entrepreneurship among unemployed educated youth.

Sets example of better utilization of land resources in terms of high productivity per unit area per unit time.

A project for producing various product of Citronella oil is under establishment in Amingaon, Ghy by Mr. J.K.Gupta.

## **PROFILE OF THE SSI SECTOR IN NORTH EASTERN REGION**

A statement showing estimated number of SSI units, fixed investment, production and employment in Northeast region of the country for the year 2005-06 is given below

### **Estimated number of SSI units, fixed investment, production And employment in NE Region:**

Name of the State	No. of Units	Fixed Investment (Rs. in Crore)	Production (Rs. in Crore)	Employment
Sikkim	436	13.38	52.80	1,673
Arunachal Pradesh	1,490	36.81	82.50	4,630
Nagaland	17,221	459.30	642.40	74,677
Mizoram	55,972	416.83	836.90	1,58,914
Manipur	13,149	148.51	246.10	30,183
Tripura	28,410	333.45	548.20	64,763
Meghalaya	26,637	176.38	572.80	79,975
Assam	2,28,024	1,364.20	5,840.60	5,09,601
Total	3,70,903	2,935.50	8,822.30	9,2,2743

Source: Annual Report 2006-2007, Ministry of Small Scale Industries

Compiled by -  
Ajoy Mitra



## TO KNOW ABOUT

1. Micro and Small Enterprise contributed around 39 percent of the country's manufacturing output and 34 percent of export in 2004-05. This sector provides employment to 29.5 million people in the rural area and urban areas of the country during 2005-06.
2. There are 27,913 SSI units in assam and provided employment to 1,31,099 persons till the end of 2006-07.
3. New units Established from 2005 to 2006 as follows :-

1	Agro based	317	371
2	Forest based	89	102
3	Textile based	671	827
4	Chemical based	64	64
5	Engineering based	529	686
6	Mineral based	63	45
7	Leather	111	140
8	Electronic based	256	7
9	Rubber/Plastic	19	19
10	Miscellaneous	18	18
Total		2137	2350

Number of Small Scale Industries Registered Under Directorate of Industries and Commerce.

Year :	2005	2006
Total :	2137	2360

Source : Statistical  
Hand Book, 2007  
DIC, ASSAM

Compiled by - Dr. Reeta Sharma



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