



TECNIA INSTITUTE OF ADVANCED STUDIES

Approved by AICTE, Ministry of HRD, Govt. of India Affiliated To Guru Gobind Singh Indraprastha University, Delhi

INSTITUTIONAL AREA, MADHUBAN CHOWK, ROHINI, DELHI- 110085

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Dated – March 26, 2011

EVENT : INDUSTRIAL VISIT - NSIC
Date : March 26th, 2010
Day : Friday
FACULTY INCHARGE : Mr Sachin Sabharwal
No of Students : 70 - MBA
Location : Okhla Industrial Estate, New Delhi

OBJECTIVE:

Bridge the gap between the theory and actual practices of entrepreneurship. Provide real life exposure to students about industrial working. To update the students of Management Programme on emerging concepts of Entrepreneurship Development and creating sustainable entrepreneurship development in the area of ICT especially first generation entrepreneurs. Nurturing the innovative ideas to commercially viable business prepositions.

CORPORATE HOUSE: NSIC, Okhla Industrial Estate
New Delhi

COMPANY PROFILE:

National Small Industries Corporation Ltd. (NSIC), an ISO 9001-2008 certified company, has been working to fulfill its mission of promoting, aiding and fostering the growth of small scale industries and industry related micro, small and medium enterprises in the country. Over a period of five decades of transition, growth and development, NSIC has proved its strength within the country and abroad by promoting modernization, upgradation of technology, quality consciousness, strengthening linkages with large medium enterprises and enhancing exports - projects and products from small enterprises.

NSIC operates through countrywide network of offices and Technical Centres in the Country. To manage operations in African countries, NSIC operates from its office in Johannesburg, South Africa. In addition, NSIC has set up Training cum Incubation Centre & with a large professional manpower, NSIC provides a package of services as per the needs of MSME sector.



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NSIC carries forward its mission to assist small enterprises with a set of specially tailored schemes designed to put them in a competitive and advantageous position. The schemes comprise of facilitating marketing support, credit support, technology support and other support services.

Marketing : Marketing, a strategic tool for business development, is critical to the growth and survival of small enterprises in today's intensely competitive market. NSIC acts as a facilitator to promote small industries products and has devised a number of schemes to support small enterprises in their marketing efforts, both in an outside the country. These schemes are briefly described as under:

Consortia and Tender Marketing: Small Enterprises in their individual capacity face problems to procure & execute large orders, which inhibit and restrict their growth. NSIC accordingly adopts Consortia approach and forms consortia of units manufacturing the same products, thereby easing out marketing problems of SSIs. The Corporation explores the market and secures orders for bulk quantities. These orders are then distributed to small units in tune with their production capacity. Testing facilities are also provided to enable units to improve and maintain the quality of their products conforming to the standard specifications.

Single point Registration for Government Purchase: NSIC operates a single Point Registration Scheme under the Government Purchase Programme, wherein the registered SSI units get purchase preference in Government purchase programme, exemption from payment of Earnest Money Deposit etc.

- Issue of tender sets free of cost.
- Advance intimation of tenders issued by DGS&D.
- Exemption from payment of earnest money.
- Waiver of security deposit up to the monetary limit for which the unit is registered.
- Issue of competency certificate in case the value of an order exceeds the monetary limit, after due verification.



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B2B Web Portal for Marketing : NSIC Infomediary is a Business-to-Business (B2B) Portal that has been established to give online services for small and medium time importers, exporters and service providers in India. The portal is an initiative to provide business opportunities to small businesses, firms and small scale units to expand further. Thus, anyone involved in business activities and wants to utilize the strength and visibility of Internet can join NSIC Infomediary. Those who look for promotion and prospect for their trade and products/services can also join NSIC Infomediary.

Marketing Intelligence : Collect and disseminate both domestic as well as international marketing intelligence for the benefit of MSMEs. This cell, in addition to spreading awareness about various programmes / schemes for MSMEs, will specifically maintain database and disseminate information.

Exhibitions and Technology Fairs: To showcase the competencies of Indian SSIs and to capture market opportunities, NSIC participates in select International and National Exhibitions and Trade Fairs every year. NSIC facilitates the participation of the small enterprises by providing concessions in rental etc. Participation in these events exposes SSI units to international practices and enhances their business prowess.

Buyer-Seller meets: Bulk and departmental buyers such as the Railways, Defence, Communication departments and large companies are invited to participate in buyer-seller meets to enrich small enterprises knowledge regarding terms and conditions, quality standards, etc required by the buyer. These programmes are aimed at vendor development from MSMEs for the bulk manufacturers.

Credit Support: NSIC facilitates credit requirements of small enterprises in the following areas

Financing for procurement of Raw Material (Short term)

NSIC's Raw Material Assistance Scheme aims at helping Small Enterprises by way of financing the purchase of Raw Material (both indigenous & imported). The salient features are

1. Financial Assistance for procurement of Raw Materials upto 90 days.
2. Bulk purchase of basic raw materials at competitive rates.
3. NSIC facilitates import of scarce raw materials.
4. NSIC takes care of all the procedures, documentation & issue of letter of credit in case of imports.

Financing for Marketing Activities (Short term)

NSIC facilitates financing for marketing activities such as Internal Marketing, Exports and Bill Discounting.

Finance through syndication with Banks

In order to ensure smooth credit flow to small enterprises, NSIC is entering into strategic alliances with commercial banks to facilitate long term / working capital financing of the small enterprises across the country. The arrangement envisages forwarding of loan applications of the interested small enterprises by NSIC to the banks and sharing the processing fee.

Performance and Credit Rating Scheme for small industries

To enable small enterprises to ascertain the strengths and weaknesses of their existing operations and take corrective measures to enhance their organizational strength. NSIC is operating a Performance and Credit Rating Scheme through empanelled agencies like ICRA, ONICRA, CRISIL, FITCH, CARE and SMERA. Small enterprise has the liberty to choose any of the rating agencies

Institute is rated as "A" Category Best Business School by latest AIMA - Business Standard & Business India Publications Surveys & Included in Top 100 B – Schools & IT -Schools by Dalal Street Investment Journal



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empanelled with NSIC. Rating agencies will charge the credit rating fee according to their policies. The benefits to small enterprises are as follows:

- An independent, trusted third party opinion on capabilities and credit worthiness of small enterprises.
- Good rating to enhance the acceptability of the small enterprise with Banks. FIs, customers and buyers.
- Facilitate prompter credit decisions from Banks on proposals of SSI units.
- 75% of the credit rating fee subject to a maximum of Rs. 25,000/- will be reimbursed to the small enterprise having a turnover upto Rs.50 lakh by way of grants.
- 75% of the credit rating fee subject to a maximum of Rs. 30,000/- will be reimbursed to the small enterprise having a turnover above Rs.50 lakh to Rs.200 lakh by way of grants.
- 75% of the credit rating fee subject to a maximum of Rs. 40,000/- will be reimbursed to the small enterprise having a turnover above Rs.200 lakh by way of grants.

Technology Support

Technology is the key to enhancing a company's competitive advantage in today's dynamic information age. Small enterprises need to develop and implement a technology strategy in addition to financial, marketing and operational strategies and adopt the one that helps integrate their operations with their environment, customers and suppliers.

NSIC offers small enterprises the following support services through its Technical Services Centres and Extension Centres

1. Advise on application of new techniques
2. Material testing facilities through accredited laboratories
3. Product design including CAD
4. Common facility support in machining, EDM, CNC, etc.
5. Energy and environment services at selected centres
6. Classroom and practical training for skill upgradation

Infomediary Services

Information today is becoming almost as vital as the air we breathe. We need it every minute of our working lives. With increase in competition and melting away of international boundaries, the demand for information is reaching new heights. NSIC, realizing the needs of MSMEs, is offering Infomediary Services which is a one-stop, one-window bouquet of aids that will provide information on business, technology and finance, and also exhibit the core competence of Indian SMEs.

Software Technology Parks

NSIC Software Technology Parks (STPs) facilitate small enterprises in setting up 100% export-oriented units for software exports. They also act as nodal point to activate software exports directly through NSIC. These STPs extend support in terms of the requisite infrastructure to the small enterprises to start business operations with a minimum lead time. The scheme is governed by STPI regulations of the Ministry of Information Technology, Government of India. NSIC established the first STP at Okhla, New Delhi in 1995 and second in Chennai in 2001. Several small enterprises have taken advantage of these parks and contributed export earnings to the exchequer.



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Incubation of unemployed youth for setting up of New Micro & Small enterprises

This programme facilitates setting up of new enterprises all over the country by creating self-employment opportunities for the unemployed persons. The objective of this scheme is to facilitate establishment of new small enterprises by way of providing integrated services in the areas of training for entrepreneurial skill development, selection of small projects, preparation of project profiles/reports, identification and sourcing of plant, machinery and equipments, facilitating sanction of credit facility and providing other support services in order to boost the development of small enterprises in manufacturing and services sectors.

International Cooperation

NSIC facilitates sustainable international partnerships. The emphasis is on sustainable business relations rather than on one-way transactions. Since its inception, NSIC has contributed to strengthening enterprise-to-enterprise cooperation, south south cooperation and sharing best practices and experiences with other developing countries, especially those in the African, Asian and Pacific regions. The features of the scheme are:

- Exchange of Business / Technology missions with various countries.
- Facilitating Enterprise to Enterprise cooperation, JVs, Technology Transfer & other form of sustainable collaboration.
- Explore new markets & areas of cooperation:
- Identification of new export markets by participating in sector- specific exhibitions all over the world.
- Sharing of Indian experience with other developing countries

International Consultancy Services

For the last five decades, NSIC has acquired various skill sets in the development process of small enterprises. The inherent skills are being networked to offer consultancy services for other developing countries. The areas of consultancy are as listed below:



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1. Capacity Building
2. Policy & Institutional Framework
3. Entrepreneurship Development
4. Business Development Services

Insurance of Export Credit for Micro and Small Enterprises

NSIC is facilitating micro and small enterprises to insure their export credits by entering into strategic alliance with Export Credit Guarantee Corporation of India Limited (ECGC). MSEs would be helped in insuring their export credits through any office of the Corporation, located all over the country. This arrangement is made to strengthen promotion of exports from small enterprises.

Learning Outcome :

An industrial visit was organised on **25th March, 2011** for the students of Management Programme.

The bus reached at 11:00 am at the NSIC premises in Okhla Industrial Estate, New Delhi. Students were welcomed by the Visit In charge-NSIC with light refreshment.

The session was started with a presentation about NSIC to the students which was very informative and emphasized on the concept of entrepreneurship, advantages and disadvantages, and measures to avoid small business failures.

Preparation of Business Project Report was also explained by the in charge of NSIC and it provides the information relating to setting up a new business unit from the very first stage of idea generation.

Students also visited Incubation Centre where they were informed about the various ventures which they can start with a meager capital and work space requirements. Some of the projects in which they can be indulged are Cement Brick Making project, Milk producing project, Biscuit making project, Wax candle manufacturing project, Flour mill project, Socks making etc. They also got to know about how they can be helped by the NSIC in arranging the capital requirement through a bank loan upto Rs. 25 lakhs without any guarantee and very less paper work. They also ensure them that after starting the project the person can also get help in marketing of the produce in domestic and international market.

The visit was very interactive and informative for upcoming young entrepreneurs. The students were very much motivated to start their own venture after completing their studies rather than going for searching jobs which was the motive of NSIC.