

# ENTREPRENEURSHIP AND BUSINESS DEVELOPMENT IN INDIA



*Edited by*  
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# An Evaluation of Prime Minister's Employment Generation Programme (PMEGP) in Shimoga District

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## INTRODUCTION

India is the second most populous country in the world. The employment problem exists more in this country, so that one of the measures to curb unemployment, is to provide opportunities for self-employment by encouraging unemployed youth to start industries. The encouragement should be in the form of loans, subsidies, grants concessions, infrastructure, tax exemptions, supply of raw materials etc. Because of the LPG has thrown open most of the industrial sectors to large companies. In the process, the liberalized policy would pose certain challenges as well as opportunities to the small scale sector entrepreneurial development programs, rural and urban development. In the present millennium. India has many problems for establishing large scale industries so that the government has announced a number of schemes, plans, programs for improving the self-employment entrepreneurs, rural and urban development, providing employment which provides wonderful opportunities for rural expansion.

Following are some of the rural employment programs in India:

- Prime Minister's Employment Generation Programme (PMEGP)
- Programme For Promotion Of Village Industry Cluster -Rural Industry Service Centre (RISC) for Khadi And Village Industry
- Agri Clinics And Agri Business Centers Scheme
- Mahatma Gandhi National Rural Employment Guarantee Scheme (MNGREGA)
- Rajiv Gandhi Udyami Mitra Yojana

## PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP): AN OVERVIEW

Ministry of Micro, Small and Medium Enterprises (MoMSME) has launched a new credit linked subsidy programme called Prime Minister's Employment Generation Programme (PMEGP) on 61<sup>st</sup> anniversary of Indian Independence by merging the two schemes that were in operation till 31.03.2008 namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas. PMEGP will be a central sector scheme to be administered by the Ministry of MSME. The subsidy levels, the cost limit of projects or units that could be established under PMRY which was extended to rural areas as well in 1994 - 95, were quite low and unattractive compared to those available to the beneficiaries in REGP. While the maximum subsidy admissible was Rs.12500 and the maximum cost of project that could be established was Rs.5 lakh under PMRY, the maximum subsidy that was admissible was Rs.4 lakh and the maximum cost of project that could be established was Rs.25 lakh under REGP for a beneficiary belonging to General

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category. There were more attractive programmes for creation of self employment opportunities being operated by many State Governments. Recovery rates of loans under PMRY were also considerably less than those under REGP. PMEGP improves upon the subsidy levels and cost limits of projects compared to those available so far under PMRY and ensures that the attractiveness of REGP is not diluted in any way while simultaneously strengthening the selection process, implementation and monitoring mechanism.

The subsidy levels under PMEGP are as under:

TABLE I: SUBSIDY LEVELS UNDER PMEGP

Categories of Beneficiaries under PMEGP	Owner's Contribution	Rate of Subsidy (of Cost of Project)	
		Urban	Rural
Area			
General	10%	15%	25%
Special (including SC/ STs/ OBCs/ Minorities/ Women, Ex-servicemen, Physically Handicapped, NER, Hill and Border Areas)	05%	25%	35%

Sources: <http://kvic-regppmegp.in/index.html>

The upper limit of the cost of project that could be setup in the manufacturing sector is Rs.25 lakh while that in the business/service sector is Rs.10 lakh. There are no ceiling limits of annual income in respect of beneficiaries while a minimum educational qualification of VIII standard pass will be required for beneficiaries in respect of projects costing more than Rs.10 lakh in manufacturing sector and more than Rs.5 lakh in business/service sector. The beneficiaries would be identified, inter alia, with the help of Panchayats, Special Awareness Camps and will be provided with a mandatory Entrepreneurship Development Programme (EDP) training with the duration of two to three weeks. The scheme envisages electronic tracking of applications, 100 per cent verification of projects/units that will be established and model project profiles have been updated in association with banks. The scheme will be implemented at the national level through Khadi and Village Industries Commission (KVIC), an organization created under an Act of Parliament reporting to MoMSME which will place the funds of Government subsidy with the participating banks which in turn will disburse the same to the beneficiaries on receipt of applications and their own contribution 'upfront' in accordance with the guidelines of the scheme. While KVIC has been given the overall responsibility for implementing PMEGP at the national level, it will directly do so in respect of the targets for rural areas, as defined in the KVIC Act, through its State Offices and State Khadi and Village Industries Boards (KVIBs). Implementation of PMEGP in urban areas and other rural areas will be done through the State Governments {District Industries Centres (DICs)}. The newly introduced Rajiv Gandhi Udyami Mitra Yojana of MoMSME can also be tapped for providing handholding support to the beneficiaries under PMEGP. Budget Estimates 2008-09 have provided Rs.823 crore for PMEGP which includes Rs.83 crore towards Backward and Forward linkages including EDP training, publicity, marketing support, e-tracking of applications, physical verification of projects and so on. An estimated 6.17 lakh additional employment opportunities are targeted to be generated in 2008-09. The estimated total outlay for subsidy under PMEGP is Rs.4485 crore in addition to Rs.250 crore earmarked for providing Backward and Forward linkages to the micro enterprises between 2008 - 09 to 2011 - 2012 leading to an estimated generation of around 37.38 lakh additional employment opportunities. The scheme will be got independently reviewed after two years of its implementation.

## PROFILE OF SHIVAMOGGA DISTRICT

Shivamogga District, a place known for its scenic beauty, lush green forests, eye catching waterfalls and cool climate is situated in the Malnad region bounded by Sahyadri ghats at a mean elevation of 640 AMSL in the western part of Karnataka. Shivamogga district is spread over an area of 8477 Sq. Kms with a forest area of 2.27 Lakh Hectares. At present Shivamogga has 9779 number of units with an investment of Rs.11715.90 lakhs, employing 41000 persons. In Shivamogga most number of industries is agro based and automobile based industries. In Shivamogga the foundry units are the very successful industries for producing quality products. Here some of the industries are exporting their products that have obtained ISO Certification. In rural areas traditional units are available like blacksmiths, leather crafts, pottery, stone cutting, handlooms, agarbathis etc. In Shivamogga nearly 13,126 artisans are spread over the entire district under various crafts. It brought a number of awards a vital role in development of SSI in Shivamogga district.

## PROFILE OF DIC, SHIVAMOGGA

The DICs programmed was launched in 1978 as per the Industrial Policy Resolution 1977 for the promotion of cottage and small scale Industries which are widely dispersed in rural and small towns. The District Industries Centre would be designated as Nodal Agency at the district level for the implementation of self employment programmes and self-help groups. Global information center would be set up at all DICs at district headquarters for the benefit of entrepreneurs. Industry relevant skill would be identified and training programmed would be profiled to one lakh educated unemployed youth for taking self-employment ventures and wage employment. These centers are the focal point providing under single roof, all the services and support required by the small scale and village entrepreneurs. They serve as an integrated administrative framework at the district level for industrial development.

## FACTS AND FIGURES OF DISTRICT INDUSTRIAL DEVELOPMENTS IN SHIVAMOGGA

TABLE I(A): DISTRICT INDUSTRIAL FIGURES (31-03-2010)

Sl. No.	Particulars	Number	Investment (Rs. in Crores)	Employment Generation
01.	Large Scale Industries	08	1039.00	6,262
02.	Medium Scale Industries	03	23.00	681
03.	Tiny and Small Scale Industries	12583	212.00	48,245

Sources: Records of DIC, Shivamogga (2010)

The establishment of DIC has been much appreciated by small entrepreneurs who now have a more accessible agency, closer to their establishment, which provides access to the government system and at least theoretically has a set of functions which are very useful. The concept of District Industries Centre came during the year 1977, when government of India announced the new industrial policy on 23-12-1977. But, the program was initiated from 1<sup>st</sup> May 1978. DIC's were setup all over the country for it laid special stress on the development of small scale, village and cottage industries and indicated that the District Industries Centre would be the main focus agency for the promotion of small scale, village and cottage industries. In each District, one agency was created to deal with all requirements of small and village industries.

TABLE 2(B): KARNATAKA INDUSTRIAL AREAS DEVELOPMENT BOARD (KIADB)-INFRASTRUCTURE DEVELOPMENT IN SHIVAMOGGA DISTRICT

Sl. No.	Place	Development Areas (in Acres)	Development /Neveshanaa Nirmana Sankya /Number	Neveshanaa hanchike No.
01.	Machenahalli, Shivamogga Taluk	381	136	136
02.	Mandalli Kollur, Shivamogga	42	33	33
03.	Auto Complex, Shivamogga	20	234	234
04.	Nedige, Shivamogga Taluk	98	35	35
05.	Sanda Shikaripura	70	Progress	-
06.	Food Park	100	Progress	-
07.	I.T. Park	41	Progress	-

Source: Records of DIC, Shivamogga (2010)

TABLE 3(C): KARNATAKA STATE SMALL INDUSTRIES DEVELOPMENT CORPORATION LTD (KSSIDCL)

Sl. No	Place	Expansion (in Acres)	Development of Buildings	Distribution of Building	Niveshanna Nirmana	Niveshana Hanchikee
01.	Sagara Road, Shivamogga	30	99	99	81	81
02.	Mandali-Kollur, Shivamogga	10	20	19	37	31
03.	Bhadravathi	05	20	20	05	01
04.	Sagara	14.21	40	40	99	99
05.	Hosanagra	4.8	-	-	36	31
06.	Shiralakoppa	5.00	06	6	06	06

Source: Records of DIC, Shivamogga (2010)

## PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME

### PMEGP-A Brief Profile

Prime Minister's Employment Generation Programme (PMEGP) has been announced on 15th August, 2008 and launched in place of REGP Scheme. Exclusive website for PMEGP Scheme has also been launched on 24th September, 2008. Prime Minister's Employment Generation Programme (PMEGP) is a credit linked subsidy programme of Government of India. It has been introduced by merging the two schemes, namely, Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP). The scheme was launched on 15th August, 2008. Government of India has approved the introduction of a new credit linked subsidy programme (PMEGP) by merging the two schemes that were in operation till 31-03-2008 namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation employment opportunities through establishment of micro enterprises in rural as well as urban areas. The scheme will be implemented by Khadi and Village Industries Commission (KVIC), a statutory organization under the administrative control of the Ministry of MSME as the single nodal agency at the National level. At the state level, the scheme will be implemented through state KVIBs directories, state (KVIBs) and DICs [District Industries Centers] and banks. The government subsidy under the scheme will be routed by KVIC through the identified banks for eventual distribution to the beneficiaries / entrepreneurs in their bank a/c. The implementing Agencies, namely KVIC, KVIBs and DICs will associate reputed non-government organization (NGOs) / reputed autonomous institutions / self help groups (SHGs) / National Small Industries Corporations (NSIC) / Udyami Mitra Empanelled under Rajiv Gandhi Udyami Mitra Yojana (RGUMY), Panchayati Raj institutions and other relevant bodies in the implementation of the scheme, especially in the area of identification of beneficiaries, of area specific viable projects, and providing training in entrepreneurship development.

### Objectives of PMEGP

- To generate employment opportunities in rural as well as in urban areas of the country through setting up of new self employment venture / projects micro enterprises.
- To bring together widely dispersed traditional artisans / rural and urban unemployed youth and gives them self-employment opportunities to the extent possible at their place.
- To provide continuous and sustainable employment to a large segment of traditional and prospective artisans and rural and urban employed youth in the country so as to help arrest migration rural youth to urban areas.

### Proposed Estimated Targets under PMEGP

The following estimated targets have been proposed under PMEGP during the four years, i.e., from 2008-09 to 2011-12.

TABLE 3: PMEGP TARGET FROM 2008-12

Year	Employment ( in Nos)	Margin Money (Subsidy)(Rs. Crore)
2008-09	616667	740.00
2009-10	740000	888.00
2010-11	962000	1154.40
2011-12	1418833	1702.60
<b>Total</b>	<b>3737500</b>	<b>4485.00</b>

Source: [http://karnatakaindustry.gov.in/functions\\_directorate.html](http://karnatakaindustry.gov.in/functions_directorate.html)

Note:

1. An additional amount of Rs.250 crore has been earmarked for backward and forward linkages.
2. To begin with, the targets would be distributed between KVIC (including State KVIBs) and State DICs in the ratio of 60:40 to ensure comparatively greater emphasis to micro enterprises in rural areas. The margin money subsidy would also be allocated in the same ratio. DICs will ensure that at least 50% of the amount allocated to them will be utilized in the rural areas.
3. The annual allocation of targets would be issued State-wise to the implementing agencies.

### Criteria for Distribution of Targets under PMEGP

The following are the broad suggested criteria for distribution of state-wise targets:

- Extent of backwardness of State;
- Extent of unemployment;
- Extent of fulfillment of targets under PMRY and REGP in 2007-08;
- Extent of recovery of loans under PMRY and REGP in 2007-08;
- Population of State/Union Territory; and
- Availability of traditional skills and raw material.

Prime Minister Employment Generation Programme: The said scheme is implemented by DIC, KVIC and KVIB. District level Task Force Committee headed by Deputy Commissioner will select the eligible beneficiaries.

Target for the year 2011-12 is indicated below:

TABLE 4: PMEGP TARGET FOR 2011-12 IN THE SHIVAMOGGA DISTRICT

Agency	Target		
	Project	Margin Money	Employment
KVIC	577	808.19	5,770
KVIB	577	808.19	5,770
DIC	770	1,077.58	7,700
<b>Total</b>	<b>1,924</b>	<b>2,693.96</b>	<b>19,240</b>

Source: [http://karnatakaindustry.gov.in/functions\\_directorate.html](http://karnatakaindustry.gov.in/functions_directorate.html)

Government of India has not released backlog subsidy amounting to Rs.35.39 crores, request has been made for release of backlog margin money and also to clarify for calling fresh applications in the current year.

## REVIEW OF LITERATURE

Review of few important works is made in the following paragraphs which are relevant to the objectives of the present study.

S.M. Pattanaik<sup>1</sup> (1988) explained the role of small scale industries in developing and developed countries and how the Indian industrial policy helps the small scale industries. M. Gangadhara Rao Odeyer, D.Heggade, P.S Yadapadithaya<sup>2</sup> (1993) in their work *Industrial Economy* discussed how the Karnataka economy was developed as well as problems and prospects of industry's role of DIC's in development of small scale industry's and rural entrepreneurship and also small scale industries exports and industrial finance development program etc. Devendra Thakur and Shiv Shankar Prasad<sup>3</sup> (1994) in their book *Small Scale Industries* highlighted that small scale industries is a significant segment of the Indian economy. and analyzed milestone of SSI development in India, contribution of SSI in various sector; basic theories of SSI units, problems and prospects of small scale industry and small scale industries during five year plans. B.Manoharan and P.Selvamoorthy<sup>4</sup> (2010) in their article stated that small scale industries are small in term but play a significant role in the Indian economy and industrialization. Jagadish R Raiyani<sup>5</sup> (2010) in his work *Performance Analysis of SSI's In India* described Small Scale units in India has e merged as a dynamic and vibrant sector of the economy, why because small scale units contribute substantially to the production, exports and employment in India. S K Chaudhury<sup>6</sup> (2010) in his article described today globalization is a major driver that has impacted nearly every business, and the small and medium enterprises (SMEs) sector is no exception.

C. Paramasivan<sup>7</sup> (2010) in his work *Economics Of Small Scale Textile Industries : A Micro Study* described small scale industries play a key role in our economic development which provides more employment opportunities, mobilization of small amount of capital, process of industrialization utilization of local recourses and reduce the regional imbalance of the country. K.Vetrivel S. Iyyampillai and S. Janaki Radha Krishnan<sup>8</sup> (2010) in their study, stressed the possibility for alleviation of poverty through SSI units and discussed clearly that today government has set up many programs to encourage new entrepreneurs by the way of financial assistance, training programs through the industrial promotion agencies in order to generate employment opportunities which would be the result in eradication of poverty. Arti Singh (2010) in her paper<sup>9</sup>, studied the necessity of the SSI's in developing countries like India, and explains the employment opportunities and exports contribution, role and achievements of SSI's during five year plans.

### OBJECTIVES OF THE STUDY

- To study and evaluate the performance of DIC in the Shivamogga District;
- To examine and analyze the PMEGP performance and its employment generation to be rural and urban areas in the Shivamogga;
- To understand the benefits of PMEGP towards the rural mass; and
- To offer suggestions to improve better services to reach PMEGP to larger number of need people of Shivamogga District

### SCOPE OF THE STUDY

The present study focuses on PMEGP Scheme, its performance, benefits, employment generation and its progress in the Shivamogga district. It covers the issues of rural development, employment generations and utilization of the subsidies/Money Margin provided by the Government of India along with State and District wise achievements. The study covers the progress of PMEGP in Shivamogga District covering all the seven Taluks.

### SAMPLING DESIGN

This study has adopted Stratified Sampling method, where it has taken the Shivamogga District covering all the seven Taluks (Only the subsidies and achievements in terms of employment generations to the rural areas in all the taluks are taken.

### PERIOD OF THE STUDY

The period of three years has been covered for the purpose of study. (2008-09 to 2010-11)

### METHODOLOGY USED

The present study is based on primary and secondary data. Primary data are collected through the personal interview with the employees, face-to-face interaction with the beneficiaries of PMEGP schemes both in rural and urban areas in Shivamogga District. Secondary data are collected from various books, journals, magazines, research articles, newspapers, online sources, Reports of DIC, KVIC, Department of Industrial Policy and Promotion Board (DIPP), Karnataka State Industrial and Infrastructure Development Corporation Limited (KSIIDCL), Karnataka Industrial Areas Development Board (KIADB), Karnataka State Small Industries Development Corporation Limited (KSSIDC), Center for Entrepreneurship Development of Karnataka (CEDOK) Dharwad, REGP/PMEGP Report, Department of Industries and Commerce, India and Directorate of Employment and Training.

### STATISTICAL TOOLS AND TECHNIQUES

The present study has used only the statistical tables which provides the data about the target and achievements of employment opportunities and employment generation in both rural and urban in the selected area of the study for the analysis on the specified period as mentioned in the scope of the study and analysis and interpretation of the statistical data has been done systematically.

## ANALYSIS AND EVALUATION OF PMEGP IN KARNATAKA STATE

PMEGP in Karnataka state is performing well and it is very clear from the following table, which indicates that REGP in 2007-08 achieved 58,885 employment opportunities all over Karnataka state covering all districts, villages and remote villages in across the nation. During 2011 February it is ranked in top ten states in the effective utilization of the Margin Money/Subsidies provided by the Government and provided the employment opportunities to the rural people.

TABLE 5: RURAL EMPLOYMENT GENERATION PROGRAMME (REGP)

REGP-Annual Progress Report-2007-08 (Target and Achievement)							
Sl. No.	State/UT	Initial Target			Achievement		
		No. of Projects	Mm (Rs. Lakhs)	Employment (Nos)	No. of Projects	Mm (Rs. Lakhs)	Employment (Nos)
01.	Karnataka	2,041	2,587.00	43,081	2,228	3,315.64	58,855

Source: Records of DIC, Shivamogga-2011

TABLE 6: ANNUAL PROGRESS REPORT-2007-08

Rural Employment Generation Programme (REGP)						
State/Ut Kvi Boards Performance-2007-08						
Sl. No.	State/UT	No. of Projects	M.M (Rs. Lakhs)	Prodn. (Rs. Lakhs)	Sales (Rs. Lakhs)	Employ. (Nos)
01.	Karnataka	1,407	1,670.56	8,770.44	10,963.05	30,070

Source: Records of DIC, Shivamogga-2011

TABLE 7: BEST PERFORMANCE STATES IN RESPECT OF MARGIN MONEY UTILIZATION AS ON 28.02.2011

Sr. No	Name of the State	% of performance in MM
01.	Jammu and Kashmir	158.53
02.	Bikaner	119.91
03.	West Bengal	108.20
04.	Vishakapattinam	114.13
05.	Karnataka	123.13
06.	Tamilnadu	112.82
07.	Maharashtra	102.82
08.	Gujarat	142.68
09.	Madurai	104.41
10.	Haryana	114.73

Source: Records of DIC, Shivamogga-2011

TABLE 8: PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP) IN SHIVAMOGGA (2010-II)

Sr. No	Name of Taluks in Shivamogga District	Total Achievements (Employments in No's)	Money Margin (in Lakhs)	Achievements (Employments in No.)	
				Rural	Urban
01.	Shivamogga	29	57.58	09	24
02.	Bhadravathi	27	40.91	10	21
03.	Thirthahalli	11	23.89	12	00
04.	Sagara	15	34.99	10	05
05.	Soraba	05	3.85	06	00
06.	Shikaripura	07	15.39	06	02
07.	Hosanagara	01	0.50	01	00
Total		95	177.10	54	52

Source: Records of DIC, Shivamogga, (2010)

The PMEGP in the Shivamogga district has achieved more than its expectations. The Money margin sanctioned by the Government is about 106 lakhs, but actual achieved is 193.16 lakhs by the year end 2010-11.

TABLE 9: LOANS SANCTIONED BY BANK FOR PMEGP SCHEME SHIVAMOGGA DISTRICT FOR THE YEAR 2010-2011

Sl. No.	Name of the Agency	No. of Applications Received	No. of Applications Sanctioned by Bank			Disbursement Made by the Banks
			No. of Projects	Loans Sanctioned Amounts	MM (Rs. Lakhs)	Loans Disbursed Amounts
1	2	3	4		5	6
01.	DIC Agency	201	106	685.41	193.16	309.22

Source: Records of DIC, Shivamogga (2010)

TABLE 10: PERFORMANCE OF PMEGP SHIVAMOGGA DISTRICT FOR THE YEAR 2010-2011

Sl. No.	Name of the Agency	2010-11 Target			Achievements		
		No. of Projects	MM in Rs.	Emp.	No. of Projects	MM in Rs.	Emp.
1	2	3	4	5	6	7	8
01.	DIC Agency	28	35.56	260	95	177.10	684

Source: Records of DIC Office, Shivamogga (2010)

TABLE 11: SHIVAMOGGA DISTRICT TARGET FOR THE PMEGP IN THE YEAR 2010-II

Sl. No.	Name of the Agency	Target	Subsidy (Rs. in Lakhs)	Employments in No.
1	2	3	4	5
01.	DIC Agency	28	35.56	260
02.	Khadhi Board	18	26.67	180
03.	KIVC	18	26.67	180
Total		64	88.90	620

Source: Records of DIC Office, Shivamogga, (2010)

TABLE 12: PMEGP ACHIEVEMENTS' IN THE SHIVAMOGGA DISTRICT IN THE YEAR 2010-II

Sl. No.	Name of the Agency	Application Received	Banks Recommend the Applications	Loan Beneficiaries	Loan Sanctioned	Margin Money	Employment in No.
1	2	4	5	6	7	8	9
01.	DIC Agency	201	149	106	685.41	177.10	659
02.	Khadhi Board	30	29	14	53.20	15.10	62
03.	KIVC	91	62	37	300.50	103.90	286
Total		322	240	157	1039.11	296.10	1007

## LIMITATIONS OF THE STUDY

The limitations of the study are:

- The present study is only limited to DIC, Shivamogga District
- The study is dependent upon the information provided by the DIC and KVIC units Shivamogga;
- The study is based only on secondary data;
- No statistical tools and techniques are used to analyze the data.

## FINDINGS, SUGGESTIONS AND CONCLUSION

The following are the major findings of the study:

- PMEGP scheme is performing well when compared to other programmes for the rural and urban development;

- The performance of PMEGP in employment generation, is increased twice that of the stipulated target (i.e.106 lakhs, but actual achieved is 193.16 lakhs);
- DIC is providing more support to the small scale industries, rural development through the different agency like KIVC, KVIB and DIC under new industrial policy 2009-14 and PMEGP;
- PMEGP program is working beyond the expectation of the government, the number has increased from 28 to 95 in terms of physical target;
- 684 employment opportunities were generated during the year 2010-11;
- The subsidy/margin money sanctioned by the government is 106 in lakhs, but actual achieved is 177.10 margin money; and
- DIC is playing a vital role in increasing the employment opportunities to the rural and urban people through the PMEGP program in the Shivamogga;

## SUGGESTIONS

- The District Industrial Centre (DIC) of Shivamogga must to take the necessary steps for attracting more rural people to reach PMEGP scheme 100% in employment generation;
- DIC has to open an entrepreneurship Development Institute in Shivamogga which helps in the generation of self employment in the District.
- DIC has to take necessary measure for solving problems of the implementing the PMEGP schemes to rural and urban area in Shivamogga District;
- Continuous observation of the DIC agency units and monitoring of those industries is helpful for their development.
- DIC has to provide more facilities to the existing and old industries and help in more employment generation;
- Development of few more industrial estates helps to create better infrastructural facilities to the SSI and other agencies helping the rural development; and
- Government should provide many facilities and support to the DIC to make use of these facilities and support optimally is necessary for rural developments.

## CONCLUSION

Small is beautiful like small scale industries are in term but play significant role in the Indian economy. It is acknowledged by the government that, along like agriculture, small scale industry is an important segment of the Indian economy. Small scale industry is widely recognized as a powerful instrument for socio economic growth and balanced sectoral development. The SSI sector as dynamic sector and engine of growth for present millennium.

Shivamogga has more number of the casting, foundry and automobile based industries, so there is a wide opportunity for agro – based industries and IT and BT industries. Shivamogga has good infrastructural facilities and huge human resources to start an industry, so many of the industries are attracted to invest in Shivamogga. In Shivamogga SSI units are facing few problems but the DICs schemes and programmes are helpful to overcome those problems and at the same time the existing SSI units are having wide opportunities to develop their units in Shivamogga district.

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