



# NABARD NON-FARM NEWS

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## DEVELOPMENT INITIATIVES

### 1. MAHALAXMI SARAS - 2005

#### **NABARD assisted Rural Artisans explore Mumbai market**

NABARD has been supporting market related promotional interventions for sustenance of the rural enterprises. Towards this end, NABARD has introduced grant support for rural marketing outlets, sponsored design development programmes, organised major marketing events at New Delhi (Dilli Haat), Kolkata (Swabhumi), Lucknow (Lucknow Mahotsav), Aurangabad (Ellora - Aurangabad Festival) Pune (NABARD Mahotsav) and Chandigarh (Gramin Udyami Mela). Continuing these initiatives, NABARD sponsored participation of rural artisans in "MAHALAXMI SARAS 2005" organised by the Government of Maharashtra and Government of India from 23 December 2005 to 03 January 2006 at Bandra Reclamation, Mumbai. NABARD provided Rs.5.00 lakh as grant assistance for sponsoring 25 stalls and accommodation for the artisans from across the country. In addition to this, the participating artisans were reimbursed their travelling and miscellaneous expenses.

#### **Artisans and the Product Profile**

Ninety five artisans representing 24 States involving 46 agencies participated in the festival. Out of the 95 artisans, 27 were women artisans. As many as 68 different kinds of items like bamboo and wood craft from Sikkim, embroidery items from Kashmir and Karnataka, golden grass, terracotta and dokra from Orissa, phulkari from Punjab, rice husk and coconut shell products from Tamil Nadu and West Bengal, horn work and hand made cards from Uttar Pradesh and Uttaranchal, cashew and spices from Maharashtra, sarees and dresses from Assam, Madhya Pradesh, Maharashtra, Manipur and Uttaranchal, bidri and sisal fibre from Karnataka, dry flowers from Nagaland and Uttaranchal, wood crafts from

Karnataka, Chhattisgarh, Sikkim and Gujarat, etc., were showcased and sold in the exhibition.

#### **The Pageant**

The Exhibition was inaugurated by the Hon'ble Chief Minister of Maharashtra Shri Vilasrao Deshmukh. The distinguished guests present during the inaugural session include Shri R.R.Patil, Hon'ble Deputy CM, Shri Vijaysingh Mohite Patil, Hon'ble Minister for Rural Development and other Ministers and Secretaries of Govt. of Maharashtra, Dr. Y.S.P. Thorat, MD and Dr. R. Balakrishnan, ED, NABARD.



Shri Vilasrao Deshmukh Hon'ble Chief Minister of Maharashtra lights the lamp to mark the inauguration of "MAHALAKSHMI SARAS" 2005.

Dr. R. Balakrishnan Executive Director, NABARD is also present on the dais.

Dr. Y.S.P. Thorat, Managing Director, NABARD visited the NABARD sponsored stalls on 23 December 2005 and interacted with the artisans. While appreciating the efforts of the Department, he advised the staff to focus and broaden



Dr. Y.S.P. Thorat, Managing Director, NABARD Prof. Howard Jones, Reading University, U.K. interacting with artisans at SARAS Fair.



Bamboo products from Sikkim displayed in one of the NABARD sponsored stalls.

the market linkage efforts and take the artisans to the next level of quality and perfection. Prof. Howard Jones of Reading University also visited the exhibition.

The exhibition had drawn the attention of a large number of people. On an average 10,000 people visited the exhibition during the weekdays and about 50,000 during the weekends. Many exporters and wholesale dealers also visited the exhibition and gave suggestions on design, colour modification, product diversification etc. and placed orders.

**Impact and outcome**

The total sales registered were of the order of Rs.28.81 lakh in 12 days, which formed 72.5% of the goods brought by the artisans. Artisans from eight agencies could dispose of the entire stock brought. Many artisans were able to procure export orders. Firm orders worth Rs.16.79 lakh have been procured by artisans while in other cases the artisans supplied samples for future market linkages. The event facilitated learnings on the following aspects:

- suitability of the product to tastes of the market and sentiments of the clients
- importance of product and design diversification
- importance of colour combinations
- mix of chic and ethnic
- importance of value addition to suit elite markets
- appropriate pricing (elite can pay), pricing for bulk orders - what to include, pricing keeping in view the bargaining nature of customers in such fairs
- negotiation skills
- importance of providing proper packaging and delivery services
- importance of advertisements and publicity
- what products to be brought for which type of fairs
- importance of presentation and showcasing the products, display and using space effectively
- how to send and receive goods - formalities involved
- skill development needs for design, colour and product diversification.
- ideas for promotion of activities/ livelihood for members and SHGs
- exchange of products for sale

Many artisans exchanged the left over products for sale in their respective areas. Many of them also probed possibilities of alternative income generation during the exhibition like photography and selling of “Kahwa” - the Kashmiri tea. The artisans from Jammu & Kashmir got orders for the kahwa and the Samovar kettle in which it is prepared.

**Publicity and Media Coverage**

One stall was devoted to depicting NABARD's various initiatives under Farm Sector , Non-Farm sector and other important initiatives. Wide coverage was given for the event in the print and electronic media.

**Acknowledgements**

DPD-NFS acknowledges the patronage received and is thankful to all those involved directly or indirectly with the event and made it a grand success.

**SUCCESS STORY**

**SWAROJGAR CREDIT CARD SCHEME**

Devarayaneri is a village on the Thanjavur-Trichy Main Road, 10 KMs from the Tiruverumbur Branch of Indian Bank where the families of Narikuravars are being rehabilitated by the Tamil Nadu State Government. The Government has given them Pattas of the land in the colony to enable them settle down at one place and rehabilitate them.

The Narikuravars often travel to places like Goa, Mathura, Varanasi, New Delhi, Sabarimala and other religious centres to participate in Trade Fair, Exhibitions and Melas. They borrow funds from money lenders at the rate of 10% per month to undertake these trips and to buy raw material and whatever profit they make goes in to the hands of money lenders by way of interest.

The SCC Scheme has become a boon to some of these people. Tiruverumbur branch of Indian Bank has given loans to 10 members of the Narikuravars under Swarojgar Credit Card Scheme. Each beneficiary has been given a Cash Credit of Rs.30,000/-. The beneficiaries have volunteered to open SB and RD accounts for saving Rs.1000/- per month. The Development Commissioner (Handicrafts), Salem has also recommended the above loans. In addition to this, a training programme for Narikuravars on designing and making export quality ornaments was also arranged through M/s. Skill Share International, a voluntary organisation functioning at New Delhi

**WORKSHOPS/SEMINARS/CONFERENCES**

**1. Round Table on Rural Habitat**

A Round Table interaction was organised at NABARD HO, Mumbai on 03 October 2005, the “World Habitat Day” which was inaugurated by the Managing Director, NABARD and attended by Executive Director, Shri Balakrishnan and Chief General Managers, S/ Shri P.L. Behera and A.K.Garg, representatives from National Housing Bank, Commercial Banks and NGOs working in the field of housing. The following problems on financing for rural housing emerged from the deliberations :

- ◆ Non-availability of clear title deeds for land in case of ancestral property owned by joint families/ more than one individual
- ◆ Difficulty in obtaining tangible marketable securities for housing loans from the beneficiaries settled in government / panchayat lands
- ◆ Higher cost on account of stamp duty towards creation of simple/ registered mortgage
- ◆ Higher rates of interest for rural housing and other service charges by the financial institutions in addition to the interest amount.

A Working Group on Rural Habitat was constituted with CGM, SBI, LHO, Mumbai as the Chairman and representatives from National Housing Bank, State Bank of India, Bank of India, Union Bank of India, Bank of Maharashtra, Development Alternatives and NABARD as members to go into the issues inhibiting flow of credit for rural habitat development. The first meeting of the Working Group on Rural Habitat was held on 27 December 2005 at SBI, Local Head Office, Mumbai.

## 2. Workshop on Building upon the micro-finance experience : “Enabling the rural poor to access sustainable habitat and livelihoods”

A two-day workshop on issues related to “Enabling the rural poor to access sustainable habitat and livelihoods” was organised by NABARD at BIRD, Lucknow on 9 and 10 November 2005, in association with **basin**-South Asia Regional Knowledge Platform and Development Alternatives, New Delhi, with participation by NGOs/mFIs, housing finance institutions, commercial banks, SDC and Ministry of Rural Development. In his inaugural address, Dr. R. Balakrishnan, Executive Director, dwelt on issues relating to shortage of housing stocks, the enormous financial requirement, need for area-specific and people-specific technological innovations, training and skill upgradation of masons, carpenters, etc., developing building material centres locally, economising through cluster approach, extension of the concept of housing to habitat, complementary role of micro finance for the banking system and the need to provide credit at cheaper interest rates. The workshop brought out the need for better institutional collaboration, knowledge building, policy research and advocacy, etc.

### POLICY INITIATIVES

#### 1. Credit Linked Capital Subsidy Scheme (CLCSS)- Inclusion of PLIs

NABARD as a nodal agency for implementation of CLCSS has decided to include all cooperatives and RRBs as PLIs. All ROs have, therefore, been advised to execute General Agreement with all Cooperative Banks and RRBs in their jurisdiction to implement the CLCS scheme by 31 December 2005. HO has written to Priority Sector Departments of Commercial Banks for executing General Agreement with NABARD.

The approved list of well Established and Improved Technologies under CLCSS are given below :

- i. Bio-tech Industry
- ii. Common Effluent Treatment Plant
- iii. Corrugated Boxes
- iv. Drugs and Pharmaceuticals
- v. Dyes and Intermediates
- vi. Industry based on Medicinal and Aromatic plants
- vii. Plastic Moulded / Extruded Products and Parts/ Components
- viii. Rubber Processing including Cycle/Rickshaw Tyres
- ix. Food Processing (including Ice Cream manufacturing)
- x. Poultry Hatchery & Cattle Feed Industry
- xi. Dimensional Stone Industry (excluding quarrying and mining)
- xii. Glass and Ceramic Items including Tiles
- xiii. Leather and Leather Products including Footwear and Garments.
- xiv. Electronic Equipment viz. Test, Measuring **& Assembly /Manufacturing**, Industrial Process Control, Analytical, Medical, Electronic Consumer and Communication equipment, etc
- xv. Fans & Motors Industry
- xvi. General Light Services (GLS)
- xvii. Information Technology (Hardware)
- xviii. Mineral Filled Sheathed Heating Elements
- xix. Transformer/Electrical Stampings/Laminations/Coils/

- Chokes including solenoid coils
- xx. Wires & Cable Industry
- xxi. Auto Parts and Components
- xxii. Bicycle Parts
- xxiii. Combustion Devices/appliances
- xxiv. Forging & Hand Tools
- xxv. Foundries - Steel and Cast Iron
- xxvi. General Engineering Works
- xxvii. Gold Plating and Jewellery
- xxviii. Locks
- xxix. Steel Furniture
- xxx. Toys
- xxxi. Non-Ferrous Foundry
- xxxii. Sport Goods
- xxxiii. Cosmetics
- xxxiv. Readymade Garments
- xxxv. Wooden furniture
- xxxvi. Mineral Water Bottle
- xxxvii. Paints
- xxxviii. Agricultural Implements and Post Harvest Equipments
- xxxix. Beneficiation of Graphite and Phosphate
- xl. Khadi and Village Industries
- xli. Coir and Coir Products
- xlii. Steel re-rolling **and /or pencil ingot making**
- xliii. Zinc Sulphate
- xliv. Welding Electrodes
- xl. Sewing Machine Industry

#### 2. Promotional Scheme of DC(H) in association with SIDBI

##### Collateral free loans to artisans

Under the Scheme of Credit Guarantee Fund Trust for Small Industries (CGTSI ) of SIDBI, credit guarantee is provided up to 75% of the credit facility extended by the Member Lending Institutions (MLIs ) subject to a guarantee cap of Rs.18.75 lakh for a loan cap of Rs.25 lakh, provided, the entire credit facility is extended without any collateral security. To avail this facility, MLIs have to pay the following guarantee fee to CGTSI :

- A one time guarantee fee at specified rate (2.5% at present ) of the credit facility sanctioned (term loan and / or working capital loan) shall be paid upfront.
- The annual service fee at specified rate ( 1% p.a at present) on the outstanding amount to the debit of the borrowers' accounts covered under the Scheme as on 31 March every year shall be paid within 60 days.

The Office of the Development Commissioner (Handicrafts) has come up with a promotional scheme linked to the above scheme of CGTSI in order to alleviate the problem of collateral security or third party guarantee and to remove impediments in flow of credit to handicrafts sector. **Under the scheme of DC (Handicrafts), the guarantee fee and annual fee to be paid by MLIs will be paid by the Office of the DC Handicrafts to CGTSI on behalf of the member banks.** This new scheme will benefit MLIs directly as they need not pay the one time guarantee fee and the annual fee to CGTSI. It is expected that this will facilitate more credit flow to handicrafts sector, without the hassles of securing collateral.

**3. Small Scale Industries where investment in plant and machinery is enhanced upto Rs 500 lakh.**

The maximum investment limit in plant and machinery in respect of small scale industries engaged in the manufacture of certain hosiery, handtools, stationery, drugs and pharmaceutical items and certain items of sports goods, as detailed below, has been enhanced from Rs.100 lakh to Rs.500 lakh vide Government of India Gazette notifications No.S.O.1013(E) dated 9 October 2001, No. S.O.655(E) dated 5 June 2003 and No. S.O.1109 (E) dated 13th October 2004.

**List of Industries which are classified under SSI unitshaving investments in Plant and Machinery more than Rs.100 lakh but not more than Rs.500 lakh**

No.	Name of the items
1	Cotton cloth knitted
2	Cotton vests knitted
3	Cotton socks knitted
4	Cotton undergarments knitted
5	Cotton shawls knitted
6	Other cotton knitted wears
7	Woollen cloth knitted
8	Woollen vests knitted
9	Woollen socks knitted
10	Woolen scarves knitted
11	Woolen undergarments knitted
12	Woolen caps knitted
13	Woollen shawls knitted
14	Woolen gloves
15	Woolen mufflers knitted
16	Other woolen knitted wears
Art Silk / Man made Fiber Hosiery	
17	Synthetic knitted socks and stocking
18	Synthetic knitted under wears such as vest, briefs and drawer
19	Synthetic knitted outer wears such as jersey slipovers, pullover, cardigans and jackets
20	Synthetic knitted children wear such baby suits, knickers, frock underwear and outerwear
21	Synthetic knitted fabrics except high pile fabric made by sliver knitting, and synthetic knitted blankets
22	Synthetic knitted swim wear such as trunk and costume
23	Synthetic knit wear such as scarf, muffler, shawl, cap ties, blouse and jeans
24	Synthetic knitted shirt, T-shirt, collar shirt and sports-skirts
25	Synthetic knitted hose
26	Synthetic knitted gas mantle fabric
27	Other synthetic knitwear
Hand Tool Items	
28	Hacksaw frames
29	Pliers
30	Screw drivers
31	Spanners

No.	Name of the items
32	Hammers
33	Anvils
34	Wood working saws
35	Wrenches
36	Knives and shearing blades (all types including those of metal, paper, bamboo and wood for manual operations)
37	Nail pullers
38	Chisels
39	Pincers
40	Wire cutters
41	Other hand tools for blacksmith, carpentry, hand forging, foundry, etc.
Stationery Sector	
42	Writing inks and fountain pen inks
43	Ball point pens
44	Fountain pens
45	Pen nibs
46	Fountain pens and ball pens components excluding metallic tips
47	Pencils
48	Hand stapling machine
49	Paper pins
50	Carbon paper
51	Typewriter ribbon for mechanical typewriters
52	Hand numbering machines
53	Pencil sharpeners
54	Pen holders
Drugs and Pharmaceuticals Sector	
55	Para amino phenol – Indl. Grade
56	Pyrazolones
57	Benzyl benzoate
58	Niacinamide
59	Paracetamol
60	Methy parabens and sodium salt starting from para hydroxy benzoic acid
61	Ethyl parabens and sodium salt starting from para hydroxy benzoic acid
62	Propyle parabens and sodium salt starting from para hydroxy benzoic acid
63	Calcium gluconate
64	Aluminium hydroxide gel
Sports Goods	
65	All Types of sports nets
66	Shuttle cocks
67	Hockey sticks
68	Protective equipments for sports like pads, gloves, etc. – soft leather goods
69	Dumb – bells and chest expanders
70	Cricket and hockey balls
71	Foot ball, volley-ball and basket ball covers

**Source :** RBI Circular No BPD(PCD)/MC.No 8/09.09.01/2004-05 dated 11 August 2005.

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