

# EDM

LECTURE 01

SURESH KUMAR

# **CONCEPT/MEANING AND ITS NEED**

Entrepreneurship is the process of setting up one's own business as distinct from pursuing any other economic activity, be it employment or practicing some profession. The person who set-up his business is called an entrepreneur.

The output of the process, that is, the business unit is called an enterprise.



### **SVO Analogy**

- Entrepreneurship is regarded as one of the four major factors of production, the other three being land, labor and capital.
- The term 'entrepreneurship' (derived from the verb 'entreprendre' meaning 'to undertake')
- There is a tremendous pressure to continually develop new products, explore new markets, update technology and devise innovative ways of marketing and so on.

# ENTREPRENEURSHIP

- Entrepreneurship as a systematic, purposeful and creative activity of identifying a need, mobilizing resources and organizing production with a view to delivering value to the customers, returns for the investors and profits for the self in accordance with the risks and uncertainties associated with business.

# CHARACTERISTICS OF ENTREPRENEURSHIP

- **Systematic Activity:** It is a systematic, step-by-step and purposeful activity. It has certain temperamental, skill and other knowledge and competency requirements that can be acquired, learnt and developed, both by formal educational and vocational training as well as by observation and work experience.
- **Lawful and Purposeful Activity:** Purpose of entrepreneurship is creation of value for personal profit and social gain.

- **Innovation:** From the point of view of the firm, innovation may be cost saving or revenue-enhancing. Entrepreneurship is creative in the sense that it involves creation of value.
- **Organization of Production:** Production, implying creation of form, place, time personal utility, requires the combined utilization of diverse factors of production, land, labor, capital and technology. Entrepreneur, in response to a perceived business opportunity mobilizes these resources into a productive enterprise or firm.

- **Risk-taking:** As the entrepreneur contracts for an assured supply of the various inputs for his project, he incurs the risk of paying them off whether or not the venture succeeds. Thus, landowner gets the contracted rent, capital providers get the contracted interest, and the workforce gets the contracted wages and salaries. However, there is no assurance of profit to the entrepreneur.



# NEED

An entrepreneur plays an important role in industry development and overall national development.

- **Capital Formation** – To mobilize public savings for productive utilization of national resources for overall economic growth of country.
- **Per Capita Income Improvement** – They convert resources into goods and services to produce income.

- **Entrepreneurial Culture Development** – They motivate many persons to become entrepreneurs which is in the interest of the nation.
- **Employment Generation** – They create employment for themselves as well as for people at large.
- **Balanced Regional Growth** – The entrepreneur creates opportunity for growth of different places creating overall regional development.

- **Economic Independence** – Entrepreneurship creates opportunity for self sustainment and self reliance for region and country as a whole.
- **Social Development** – The entrepreneurship development creates opportunity for roads, schools, hospitals, markets, banks, schools, etc thereby creating social development.
- **Competitive Market** – Entrepreneurs start small industries and manufacture goods and services at competitive prices by breaking monopolistic activities of big business organizations.

- **Utilization of local resources** – The raw materials available in nation are utilized by entrepreneurs for manufacturing goods and services.
- **Backward and forward linkages** – One industry creation becomes a central figure for various related activities and industries. These forward and backward linkages create overall development.

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LECTURE 02

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# QUALITIES OF ENTREPRENEUR

1. RISK TAKING – Successful entrepreneurs are ready to risk time and money on unknowns but they manage resources, plans accordingly.
2. SELF BELIEF – Successful entrepreneurs believe in themselves and are confident for whatever project they undertakes.
3. HARD WORK – Entrepreneurs work hard to achieve their goals.

4. ADAPTABILITY – Entrepreneurs should be adaptable to the changing needs of the market.
5. CREATIVE – Entrepreneurs generally takes old or new business ideas and revolutionize them with their creativity.
6. INTUITIVE – Successful entrepreneur keeps track on changing market and use their intelligence to create their own path.

7. AUTHORITATIVE – Entrepreneurs are authoritative in taking decisions to achieve their specific goals.
8. LEADERSHIP – Successful entrepreneurs are good leaders as they confidently manages their human resources.
9. MOIVATED – Entrepreneurs are strongly self motivated towards the completion of their goal.
10. MENTAL ABILITY – Entrepreneurs should be capable of analyzing any situation prior to taking decisions.



# FUNCTIONS OF ENTREPRENEURS

- PERCEIVING OPPORTUNITY – The entrepreneurs are quick to find out any opportunity that can lead to any business idea.
- ANALYSING – Entrepreneurs are capable to analyze the product and process. That is why they are capable to take risks.
- SELECTION – Entrepreneurs selects the best suitable process to achieve best profitable product.

- **ORGANISING** – Entrepreneurs organizes all the resources into a successful process to achieve the desired product and business loop.
- **CO-ORDINATION** – Successful entrepreneurs coordinates efficiently between all the factors of production to achieve maximum profit and least cost of production.
- **DEALING** – Successful entrepreneurs deals efficiently with all the abiding agencies like licensing authorities, Government, Suppliers, Retailers, etc.

- PROMOTION – Entrepreneurs promote its product and brand name efficiently in the market.
- EMPLOYMENT – Entrepreneurs generate employment opportunity for human resource.
- PRICING – Entrepreneurs carefully fix their pricing policies to meet the market competition.
- DISTRIBUTE – Entrepreneurs work out efficient distribution of the product into the market and make them readily available to consumers.
- TAXES & LIABILITIES – Entrepreneurs timely manage their taxes, dividends and keep up their name in the market.
- SOCIAL SERVICE – Entrepreneur directly or indirectly serve the society and leads to overall development.

# **BARRIERS IN ENTREPRENEURSHIP**

There are following barriers in entrepreneurship:

1. The improper and poor management of resources due to incompetence and inexperience.
2. The production problems like poor planning, breakdowns, labour issues, wastage of raw materials, high rate of defects, etc.
3. The improper and heavy investment decisions in land, building, increase in overheads, borrowing at higher interests, etc.

4. The changing market issues like stiff competition, inefficient sales staff, poor quality products, recession, etc.
5. The different financial issues like long credit periods to retailers, diversion of short term funds to long terms, investments in unwanted assets, etc.
6. The lack of attitude towards business development and not paying attention to core issues.
7. The dishonest or fraud from partners, legal frauds related to machine or material.

8. The natural or man-made disasters or accidents.

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# EDM

LECTURE 03

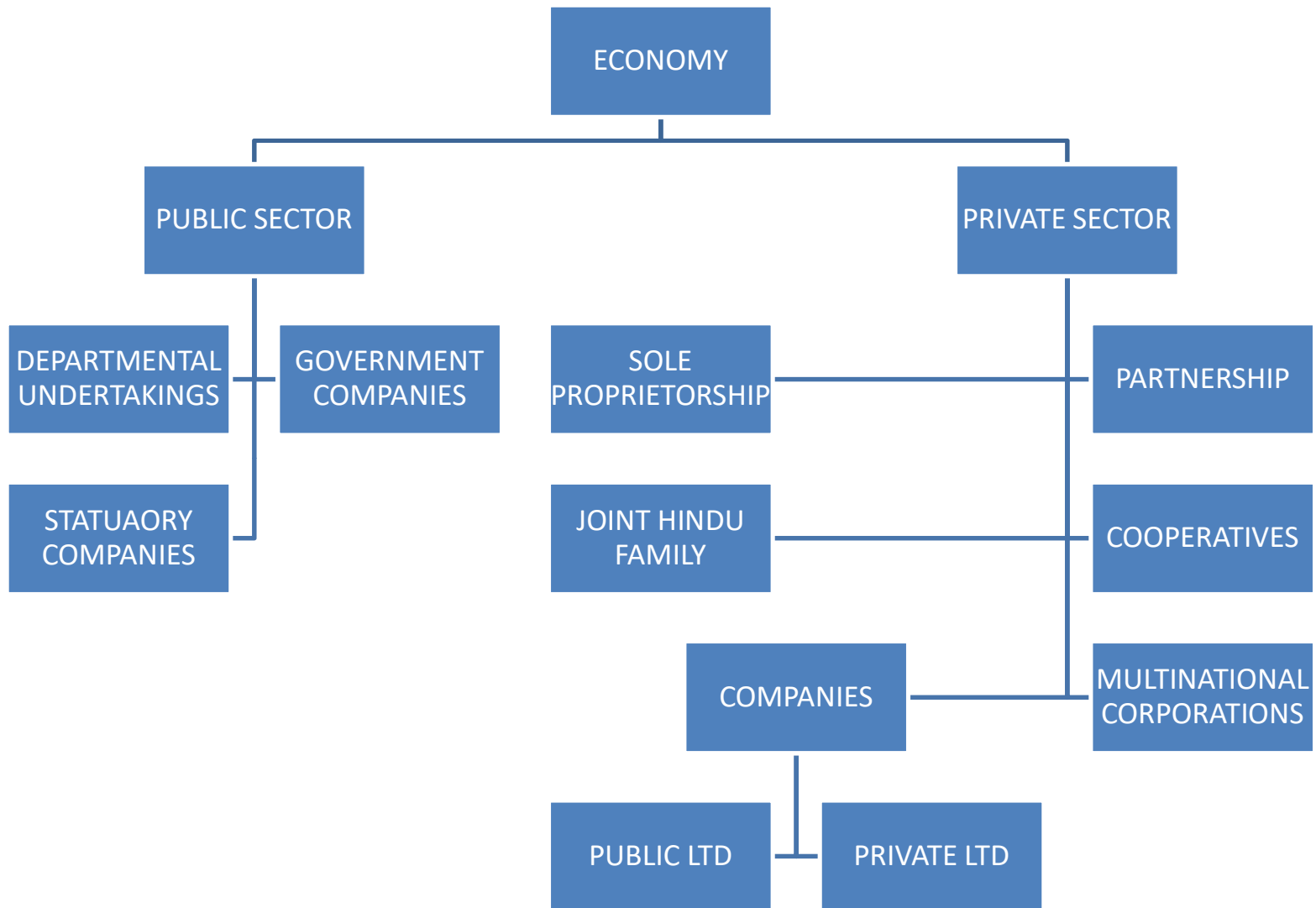
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# **PARTNERSHIP FORMS**

To start a business or is interested in expanding an existing one, an important decision relates to the choice of the form of organisation. The most appropriate form is determined by weighing the advantages and disadvantages of each type of organisation.

Various forms of business organisations from which one can choose the right one include:

- (a) Sole proprietorship,
- (b) Joint Hindu family business,
- (c) Partnership,
- (d) Cooperative societies, and
- (e) Joint stock company.



BASIS OF COMPARISON	SOLE PROPRIETORSHIP	PARTNERSHIP	JOINT HINDU FAMILY BUSINESS	COOPERATIVE SOCIETY	COMPANY
FORMATION	Minimal legal formalities, easiest formation	Registration is optional, easy formation	Less legal formalities, exemption from registration, easy formation	Registration compulsory, greater legal formalities	Registration compulsory, lengthy and expensive formation process
MEMBERS	Only owner	2-50	At least two persons for division of family property, no maximum limit	At least 10 adults, no maximum limit	Minimum Private-2 Public Company-7 Maximum Private Company-200 Public Company-unlimited
CAPITAL CONTRIBUTION	Limited finance	Limited but more than sole proprietorship	Ancestral property	Limited	Large financial resources
LIABILITY	Unlimited	Unlimited and joint	Unlimited ( <i>Karta</i> ), Limited (Other members)	Limited	Limited
CONTROL AND MANAGEMENT	Owner takes all decisions, quick decision making	Partners take decisions, consent of all partners is needed	Karta takes decisions	Elected representative, i.e., managing committee takes decisions	Separation between ownership and management
CONTINUITY	Unstable, business and owner regarded as one	More stable but affected by status of partners	Stable business, continues even if <i>karta dies</i>	Elected representative, i.e., managing committee takes decisions	Stable because of separate legal status

## FACTORS AFFECTING SELECTION

FORM OF ORGANISATION		
FACTORS	MERITS	DEMERITS
Availability of capital	Company	Sole proprietorship
Cost of formation	Sole proprietorship	Company
Ease of formation	Sole proprietorship	Company
Transfer of ownership	Company (except private company)	Partnership
Managerial skills	Company	Sole proprietorship
Regulations	Sole proprietorship	Company
Flexibility	Sole proprietorship	Company
Continuity	Company	Sole proprietorship
Liability	Company	Sole proprietorship

# SOLE PROPRIETORSHIP

- Sole trader is a type of business unit where a person is solely responsible for providing the capital, for bearing the risk of the enterprise and for the management of business. *J.L. Hansen*
- The individual proprietorship is the form of business organisation at the head of which stands an individual as one who is responsible, who directs its operations and who alone runs the risk of failure. *L.H. Haney*

Sole proprietorship is a popular form of business organisation and is the most suitable form for small businesses, especially in their initial years of operation. Sole proprietorship refers to a form of business organisation which is owned, managed and controlled by an individual who is the recipient of all profits and bearer of all risks.

This form of business is particularly common in areas of personalised services such as beauty parlours, hair saloons and small scale activities like running a retail shop in a locality.



# JOINT HINDU FAMILY BUSINESS

It refers to a form of organisation wherein the business is owned and carried on by the members of the Hindu Undivided Family (HUF). It is governed by the Hindu Law. The basis of membership in the business is birth in a particular family and three successive generations can be members in the business. The business is controlled by the head of the family who is the eldest member and is called *karta*. All members have equal ownership right over the property of an ancestor and they are known as *co-parceners*.

# PARTNERSHIP

Partnership is the relation between persons competent to make contracts who have agreed to carry on a lawful business in common with a view to private gain. *L H Haney*

Partnership is the relation which subsists between persons who have agreed to combine their property, labour or skill in some business and to share the profits therefrom between them. *The Indian Contract Act 1872*

Partnership serves as an answer to the needs of greater capital investment, varied skills and sharing of risks.

# COOPERATIVES

Cooperative is a form of organisation wherein persons voluntarily associate together as human beings on the basis of equality for the promotion of an economic interest for themselves. *E. H. Calvert*

Cooperative organisation is “a society which has its objectives for the promotion of economic interests of its members in accordance with cooperative principles. *The Indian Cooperative Societies Act 1912*

The cooperative society is compulsorily required to be registered under the Cooperative Societies Act 1912. The process of setting up a cooperative society is simple enough and at the most what is required is the consent of at least ten adult persons to form a society. The capital of a society is raised from its members through issue of shares. The society acquires a distinct legal identity after its registration.

The cooperatives can be consumer, producer, marketing, credit, housing societies and farmer based.

# JOINT STOCK COMPANY

A company is an association of persons formed for carrying out business activities and has a legal status independent of its members. A company can be described as an artificial person having a separate legal entity, perpetual succession and a common seal. The company form of organisation is governed by The Companies Act, 2013. As per section 2(20) of Act 2013, a company means company incorporated under this Act or any other previous company law.

The shareholders are the owners of the company while the Board of Directors is the chief managing body elected by the shareholders. Usually, the owners exercise an indirect control over the business. The capital of the company is divided into smaller parts called 'shares' which can be transferred freely from one shareholder to another person (except in a private company).

<b>BASIS</b>	<b>PUBLIC COMPANY</b>	<b>PRIVATE COMPANY</b>
MEMBERS	MINIMUM-7, MAXIMUM-UNLIMITED	MINIMUM-2, MAXIMUM-200
MINIMUM NUMBER OF DIRECTORS	THREE	TWO
INDEX OF MEMBERS	COMPULSORY	NOT COMPULSORY
TRANSFER OF SHARES	NO RESTRICTION	RESTRICTION ON TRANSFER
INVITATION OF PUBLIC TO SUBSCRIBE TO SHARES	CAN INVITE THE PUBLIC TO SUBSCRIBE TO ITS SHARES OR DEBENTURES	CAN NOT INVITE TO PUBLIC TO SUBSCRIBE TO ITS SECURITIES

# EDM

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# ENTREPRENEURIAL SUPPORT SYSTEM

The challenging environment creates the need of entrepreneurial support in various ways as follows:

1. Selection of Project
2. Implementation of Project
3. Sources of Raw Material
4. Financial Assistance
5. Technical Assistance
6. Marketing Techniques
7. Training
8. Preparation of Project Report

## For this purpose there are following institutions:

NSIC-National Small Industries Corporation

NRDC-National Research Development Corporation

DC- Office of Development Commissioner

MSME-Micro, Small and Medium Enterprises

SIDBI- Small Industries Development Bank of India

NABARD-National Bank for Agriculture and Rural Development

TBI-Technology Business Incubator

STEP-Science and Technology

Entrepreneurs Park

NIESBUD-National Institute of Entrepreneurship and Small Business

HARDICON LTD

SISIs-Small Industries Service Institutes

SIDO-Small Industries Development Organizations

SSIB-Small Scale Industries Board

EGB-Entrepreneurship Guidance Bureau

SIETI-Small Industry Extension Training Institute



# NSIC

1. To develop small scale units are ancillary units to large scale industries.
2. To provide machines and equipment's to SISIs on hire-purchase basis.
3. To help enterprises to participate in the stores purchase programme of the Central Government.
4. To assist small industries in marketing their products.
5. Provides training to workers of SISIs in various trades.
6. To import and meet the requirement of components and parts to actual small scale users in specific industries.
7. Undertakes construction of industrial estates.
8. Purchases huge quantity of important raw materials and distribute the same to SISI at reasonable rates.
9. Develops prototype machines and equipment's to pass on to SISIs for commercial production.

# NRDC

1. To promote, develop, nurture and commercialize innovative, reliable and competitive technologies from R&D institutes through value addition and partnership.
2. To sensitize R&D institutions and industry about technologies that needs to be developed and commercialize.
3. Publication of S&T Magazines Invention Intelligence.
4. To provide incentive to scientists.
5. To provide IPR consultancy.
6. To Protect inventions through IPR.
7. For Technology development programme for priority projects.
8. For export of technology.

# DC

1. Entrepreneurship development.
2. DC implements various schemes for MSEs to face the challenges of Globalization, through technology up gradation.
3. DC ensure better flow of credit to MSEs.
4. DC launched MSE-CDP for holistic development of selected MSEs.
5. DC provides marketing assistance to MSME through various programs and schemes.

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LECTURE 05

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# MSME

- (i) a micro enterprise, where the investment in Plant and Machinery or Equipment does not exceed one crore rupees and turnover does not exceed five crore rupees
- (ii) a small enterprise, where the investment in Plant and Machinery or Equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees
- (iii) a medium enterprise, where the investment in Plant and Machinery or Equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees

# FUNCTIONS

The Government for the purposes of facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises works in following ways:

1. Development of skill in the employees
2. Management and entrepreneurs
3. Provisioning for technological upgradation,
4. Marketing assistance or infrastructure facilities
5. Cluster development of such enterprises
6. Strengthening backward and forward linkages

# SCHEMES

1. Prime Minister Employment Generation Programme and Other Credit Support Schemes
  1. [Prime Minister Employment Generation Programme\(PMEGP\)](#)
  2. [Credit Guarantee Trust Fund for Micro & Small Enterprises \(CGTMSE\)](#)
  3. [Interest Subsidy Eligibility Certificate \(ISEC\)](#)
2. Development of Khadi, Village and Coir Industries
  1. [Science and Technology Scheme](#)
  2. [Market Promotion & Development Scheme \(MPDA\)](#)
  3. [Revamped Scheme Of Fund for Regeneration Of Traditional Industries \(SFURTI\)](#)
  4. [Coir Vikas Yojana \(CVY\)](#)
3. Technology Upgradation and Quality Certification
  1. [Financial Support to MSMEs in ZED Certification Scheme](#)
  2. [A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship \(ASPIRE\)](#)
  3. [National Manufacturing Competitiveness Programme \(NMCP\) Intellectual Property Rights \(IPR\)](#)
4. Marketing Promotion Schemes
  1. [International Cooperation](#)
  2. [Marketing Assistance Scheme](#)
  3. [Procurement and Marketing Support Scheme \(P&MS\)](#)
5. Entrepreneurship and skill Development Programme
  1. [Entrepreneurship Skill Development Programme \(ESDP\)](#)
  2. [Assistance to Training Institutions \(ATI\)](#)
6. Infrastructure Development Programme
  1. [Micro & Small Enterprises Cluster Development \(MSE-CDP\)](#)
7. Scheme of Information, Education and Communication

# SIDBI

- Small Industries Development Bank of India (SIDBI) set up on 2nd April 1990 under an Act of Indian Parliament, acts as the Principal Financial Institution for Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector as well as for co-ordination of functions of institutions engaged in similar activities
- To facilitate and strengthen credit flow to MSMEs and address both financial and developmental gaps in the MSME eco-system



# FUNCTIONS OF SIDBI

- Indirect Lending- Based on multiplier effect/ larger reach in financing the MSME sector and is undertaken through Banks, SFBs, NBFCs, MFIs and New Age Fintechs.
- Direct Lending- Aims to fill the existing credit gaps in the MSME sector and is undertaken through demonstrative and innovative lending products, which can be further scaled up by credit delivery ecosystem.
- Fund of Funds- Boosts entrepreneurship culture by supporting emerging startups through the Fund of Funds channel.
- Promotion and Development- Promoting entrepreneurship and handholding budding entrepreneurs for holistic development of MSME sector through credit-plus initiatives.
- Facilitator- Playing a facilitator through roles like Nodal Agency for the MSME oriented Schemes of the Government.
- Technology Upgradation- Initiates steps for technology exchange, transfer and modernization of existing units.
- Schemes- It extends financial schemes like National Equity Fund, Mahila Udyam Nidhi and Mahila Vikas Nidhi, etc.
- Employment Promotion- It promotes employment generating industries especially in semi-urban areas to stop rural-urban migration.

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# NABARD

NABARD (National Bank for Agriculture and Rural Development) came into existence on 12 July 1982 with an initial capital of Rs.100 crore, its' paid up capital stood at Rs.14,080 crore as on 31 March 2020. Consequent to the revision in the composition of share capital between Government of India and RBI, NABARD today is fully owned by Government of India. Its vision is to become Development Bank of the Nation for Fostering Rural Prosperity. It operates throughout the country with its 28 regional offices and one sub-office located in the Capitals of all the states/UTs and having its headquarter based in Mumbai.

# FUNCTIONS

1. Loans for Food Parks and Food Processing Units in Designated Food Parks Loans to Warehouses, Cold Storage and Cold Chain Infrastructure
2. Credit Facilities to Marketing Federations
3. Rural Infrastructure Development Fund
4. Direct Refinance to Cooperative Banks
5. Supporting Producer Organisations
6. More Direct Finance
7. Alternative Investment Funds
8. Long Term Irrigation Fund
9. Pradhan Mantri Aawas Yojana - Grameen (PMAY-G)
10. Swachh Bharat Mission-Gramin (SBM-G)
11. Micro Irrigation Fund
12. Short Term Finance
13. Long Term Finance

# NIESBUD

The National Institute for Entrepreneurship and Small Business Development is a premier organization of the Ministry of Skill Development and Entrepreneurship, engaged in training, consultancy, research, etc. in order to promote entrepreneurship and Skill Development.

# FUNCTIONS

1. To standardize and systemize the processes of selection, training, support and sustenance of potential and existing entrepreneurs.
2. To support and motivate institutions/organizations in carrying out training and other entrepreneurship development related activities.
3. To serve as an apex national level resource institute for accelerating as well as enhancing the process of entrepreneurship development, to measure the impact of the same within different strata of the society.
4. To provide vital information and support to trainers, promoters and entrepreneurs by organizing research and documentation activities relevant to entrepreneurship and skill development.
5. To create a holistic environment to train the trainers, promoters and consultants in diverse areas of entrepreneurship and skill Development.
6. To offer consultancy nationally/internationally for promotion of entrepreneurship and small business development at national and international level.
7. To provide national/international forums for interaction and exchange of ideas for policy formulation and its refinement at various levels. To share experience and expertise in entrepreneurship development across national frontiers to create awareness on it at national level.
8. To interchange international experience and expertise in the field of entrepreneurship development for mapping its development at international levels too.

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LECTURE 07

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# HARDICON LTD

The Company was set by the Government in 1985 as a Technical Consultancy Organization (TCO) and a joint venture of Public Sector Banks, Financial Institutions and State level Institutions, with IFCI as a lead Institute having 26 % shares followed by IDBI and ICICI with 12.5 % each. IDBI transferred its 12.5% equity shares to SIDBI in 2009. The Company was initially set up to ensure growth of SME and MSME Sector by providing low-cost industrial consultancy solution. Post liberalization and considering operations outside boundaries of Delhi and Haryana, the name of the Company was rechristened as **HARDICON** Limited in the year 2003 for PAN India operations and Company shifted its Registered Office from Sonipat to Delhi in the year 2010.



# FUNCTIONS

- Techno Economic Viability (TEV) Study
- Business & Assets Valuation
- Lenders' Independent Engineering (LIE)
- Project Appraisal & Corporate Advisory
- Training & Skill Development (TSD)
- Corporate Social Responsibility and Market Impact Assessment (CSR & MIA)
- Training for Entrepreneurship Development Program
- Project Management Consultancy (PMC)

# COMMERCIAL BANKS

A commercial bank is a kind of financial institution that carries all the operations related to deposit and withdrawal of money for the general public, providing loans for investment, and other such activities. These banks are profit-making institutions and do business only to make a profit. The two primary characteristics of a commercial bank are lending and borrowing.

**Commercial banks in India are broadly classified into three categories:**

- 1. Public Sector Banks:** The term “public sector banks” refers to a situation where the majority equity stake in the banks is held by the government. Public sector banks include the State Bank of India and its Associates, Nationalized Banks (including Industrial Development Bank of India Ltd (IDBI) since December 2004), and Regional Rural Banks.
- 2. Private Sector Banks:** They are the banks in which individuals and corporations are the majority shareholders. In India, banks were nationalized in two phases, in 1969 and 1980. In 1993, the Reserve Bank of India (RBI), the regulating body for all the country’s banking organizations, allowed many new commercial banks in India to start operations. Some of the major commercial banks in India that were given licenses are ICICI Bank, HDFC Bank, Axis Bank, Yes Bank, and Kotak Mahindra Bank. Private sector banks are recognized as the banks for the new generation, providing innovative products, better IT support systems, and competitive pricing for their products.
- 3. Foreign Banks:** They are the final category of banks that serve as an important segment of the commercial banking sector. They are headquartered outside India and they operate from their wholly-owned subsidiaries or branches in the country. The foreign banks include Royal Bank of Scotland, Bank of America, Barclays Banks, Deutsche Bank, etc.

# FUNCTIONS

- **Accepts deposit :** The bank takes deposits in the form of saving, current, and fixed deposits. The surplus balances collected from the firm and individuals are lent to the temporary requirements of the commercial transactions.
- **Provides loan and advances :** Another critical function of this bank is to offer loans and advances to the entrepreneurs and business people and collect interest. For every bank, it is the primary source of making profits. In this process, a bank retains a small number of deposits as a reserve and offers (lends) the remaining amount to the borrowers in demand loans, overdraft, cash credit, short-run loans, and more such banks.
- **Credit cash:** When a customer is provided with credit or loan, they are not provided with liquid cash. First, a bank account is opened for the customer and then the money is transferred to the account. This process allows the bank to create money.
- **Discounting bills of exchange:** It is a written agreement acknowledging the amount of money to be paid against the goods purchased at a given point of time in the future. The amount can also be cleared before the quoted time through a discounting method of a commercial bank.
- **Overdraft facility:** It is an advance given to a customer by keeping the current account to overdraw up to the given limit.
- **Purchasing and selling of the securities:** The bank offers you with the facility of selling and buying the securities.
- **Locker facilities:** A bank provides locker facilities to the customers to keep their valuables or documents safely. The banks charge a minimum of an annual fee for this service.
- **Paying and gathering the credit:** It uses different instruments like a promissory note, cheques, and bill of exchange.

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LECTURE 07

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# SFCs

The State Finance Corporations (SFCs) are an integral part of institutional finance structure of a country. Where SEC promotes small and medium industries of the states. Besides, SFC help in ensuring balanced regional development, higher investment, more employment generation and broad ownership of various industries.

At present in India, there are 18 state finance corporations (out of which 17 SFCs were established under the SFC Act 1951). Tamil Nadu Industrial Investment Corporation Ltd. which is established under the Company Act, 1949, is also working as state finance corporation.

- ANDHRA PRADESH STATE FINANCIAL CORPORATION
- ASSAM FINANCIAL CORPORATION
- BIHAR STATE FINANCIAL CORPORATION
- DELHI FINANCIAL CORPORATION
- GUJRAT STATE FINANCIAL CORPORATION
- MAHARASHTRA STATE FINANCIAL CORPORATION
- HARYANA STATE FINANCIAL CORPORATION
- HIMACHAL PRADESH FINANCIAL CORPORATION
- JAMMU AND KASHMIR STATE FINANCIAL CORPORATION
- KARNATAKA STATE FINANCIAL CORPORATION
- KERALA FINANCIAL CORPORATION
- MADHYA PRADESH FINANCIAL CORPORATION
- ORISSA STATE FINANCIAL CORPORATION
- PANJAB FINANCIAL CORPORATION
- RAJASTHAN FINANCIAL CORPORATION
- TAMIL NADU INDUSTRIAL INVESTMENT CORPORATION LTD
- UTTAR PRADESH FINANCIAL CORPORATION
- WEST BENGAL FINANCIAL CORPORATION

# FUNCTIONS

The various important functions of State Finance Corporations are:

- (i) The SFCs provides loans mainly for the acquisition of fixed assets like land, building, plant, and machinery.
- (ii) The SFCs help financial assistance to industrial units whose paid-up capital and reserves do not exceed Rs. 3 crore (or such higher limit up to Rs. 30 crores as may be notified by the central government).
- (iii) The SFCs underwrite new stocks, shares, debentures etc., of industrial units.
- (iv) The SFCs grant guarantee loans raised in the capital market by scheduled banks, industrial concerns, and state co-operative banks to be repayable within 20 years.

# TCOs

Technical Consultancy Organizations provide a complete set of consultancy service to small and medium enterprises, individual entrepreneurs, Government Departments and agencies, various state level institutions, commercial banks etc. They provide consultancy services and counsel small scale units in preparation of techno-economic feasibility reports, market survey, modernization and diversification programmes, revival of sick units, etc. Over 18 TCO's are functioning in various states of India.



# Functions

- Conducting surveys on industrial potential
- Preparing project profiles
- Undertaking techno-economic appraisal of projects
- Carrying out market research
- Providing technical and managerial assistance to entrepreneurs, assistance in modernization
- Technology up gradation and rehabilitation programs
- Organizing information cell and data bank
- Concerning industrial and economic activities and provide these to entrepreneurs
- Development of industry clusters
- Vocational training
- Offering merchant banking services
- Offering consultancy for export oriented enterprises

# MAJOR TCOs

- KITCO LTD (Kerala)
- APITCO LTD (Andhra Pradesh)
- GITCO LTD (Gujarat)
- HIMCON LTD (Himachal Pradesh)
- ITCOT Consultancy and Services Ltd (Tamil Nadu)
- UPICO LTD (U P Industrial Consultants Ltd)

# KVIB

The Khadi and Village Industries Commission (KVIC) is a statutory body established by an Act of Parliament (No. 61 of 1956, as amended by act no. 12 of 1987 and Act No.10 of 2006. In April 1957, it took over the work of former All India Khadi and Village Industries Board.

# FUNCTIONS

- The KVIC do planning, promotion, organisation and implementation of programs for the development of Khadi and other village industries in the rural areas.
- It develops reserve of raw materials and implements for supply to producers, creation of common service facilities for processing of raw materials as semi-finished goods and provisions of facilities for marketing of KVI products.
- Training of artisans engaged in these industries.
- To promote the sale and marketing of khadi and/or products of village industries or handicrafts, the KVIC may develops linkages with established marketing agencies.
- KVIC is also charged with the responsibility of encouraging and promoting research in the production techniques and equipment employed in the Khadi and Village Industries sector.
- It facilitates for the study of the problems relating to Khadi and other village industries including the use of non-conventional energy and electric power with a view to increasing productivity, eliminating drudgery and otherwise enhancing their competitive capacity.
- KVIC is entrusted with the task of providing financial assistance to institutions and individuals for development and operation of Khadi and village industries.
- KVIC guides village industries through supply of designs, prototypes and other technical information. In implementing KVI activities, the KVIC may take such steps as to ensure genuineness of the products and to set standards of quality.
- The KVIC may also undertake directly or through other agencies studies concerning the problems of Khadi and/or village industries for the development of Khadi and village industries.

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LECTURE 09

SURESH KUMAR

# DIC

The concept of District Industries Centre came in New Industrial Policy on 23.12.1977. It becomes an agency for the promotion of small scale, village and cottage industries. In each district, one agency was created to deal with all the requirements of small and village industries.

# FUNCTIONS

- Economic Investigation
- Plant and Machinery
- Research, Education and Training
- Raw Materials
- Credit Facilities
- Marketing Assistance
- Cottage Industries
- Technical Support in Project Preparation
- Priority in Power Supply
- Promotion of New Industrial Estates
- Sick Unit Revitalization
- Product Standardization
- State Incentive Scheme

# TBI

- Technology Business Incubator is an initiative of Department of Science and Technology, Govt of India to promote the concept of growth through innovations and applications of technology and strategies especially for small industries.



# FUNCTIONS

- Market Survey
- Business Planning and Training
- Organizing Management and Technical Assistance
- Assistance in Obtaining Statutory Approvals
- Information on Product Ideas
- Arranging Legal and IPR Services
- Work Space for a Limited Period
- Using facilities of Host Institute (HI) at Nominal Charges

# EDM

LECTURE 10

SURESH KUMAR

# SCIENCE AND TECHNOLOGY ENTREPRENEURS PARK (STEP)

The Science & Technology Entrepreneurs Park (STEP) programme was initiated to provide a re-orientation in the approach to innovation and entrepreneurship involving education, training, research, finance, management and the government.

A STEP creates the necessary climate for innovation, information exchange, sharing of experience and facilities and opening new avenues for students, teachers, researchers and industrial managers to grow in a trans-disciplinary culture, each understanding and depending on the other's inputs for starting a successful economic venture.

STEPs are hardware intensive with emphasis on common facilities, services and relevant equipments. The department has so far catalyzed 15 STEPs in different parts of the country, which have promoted nearly 788 units generating annual turnover of around Rs. 130 crores and employment for 5000 persons. More than 100 new products and technologies have been developed by the STEPs / STEP promoted entrepreneurs. In addition, over 11000 persons have been trained through various skill development programmes conducted by STEPs. STEPs are autonomous bodies registered as societies under the Societies Registration Act.

# FUNCTIONS

- It offers facilities such as nursery sheds, testing and calibration facilities, precision tool room/central workshop, prototype development, business facilitation, computing, data bank, library and documentation, communication , seminar hall/conference room , common facilities such as phone, telex, fax, photocopying. It offers services like testing and calibration, consultancy.
- Training, technical support services, business facilitation services, database and documentation services, quality assurance services and common utility services .

## **BEHAVIOURAL SCIENCE**

### **ORGANISATIONAL BEHAVIOUR**

- “Organisation Behaviour is a field of study that investigates the impact that individuals, groups and structure have on behaviour within organisations, for the purpose of applying such knowledge toward improving an organisation’s effectiveness.”(Stephen P. Robbins)
- “Organisation behaviour is the study of human behaviour in organisational settings that interface between human behaviour and the organisation and the organization itself.”(Moorhead/Griffin)
- “Organisation behaviour is a branch of the social science that seeks to build theories that can be applied to predicting, understanding and controlling behaviour in work organisations.”(Ramon J Aldag and Arthur P Brief)

### **INDIVIDUAL BEHAVIOUR**

- The individual level includes each individual person within an organization. Each individual acts differently which affects group dynamics and the organization as a whole. If there are a lot of happy and efficient individuals, the work environment will be an efficient and productive one. However, if there are a lot of negative and disgruntled individuals, it can create a toxic environment.
- It is impossible for a company to study each individual employee’s behavior; however, it is important for a company to create guidelines and expectations that will attract employees with desirable behaviors. For example, a company may hire employees based on their personality or how they answer behavioral based interview questions. At the same time, companies can help influence individual behavior. They do this by creating a code of conduct, establishing policy and procedure guidelines, and by developing incentives and consequences.

At the individual level of analysis, organizational behavior involves the study of

- Diversity
- Attitudes
- Job Satisfaction
- Personality

- Values
- Emotions and Moods
- Perception
- Motivation
- Learning

## **GROUP BEHAVIOUR**

- The group level includes any groups within an organization. Groups can range in size from two people working together, to a large group with dozens or hundreds of members. As we just discussed, individuals can affect a group and a group can affect an organization. And at the same time, a group can affect individuals and an organization can affect a group.

At the group level of analysis, organizational behavior involves the study of

- Group dynamics
- Intra and intergroup conflict and cohesion
- Leadership
- Power
- Norms
- Interpersonal communication
- Networks
- Roles



# **Intellectual Property Rights**

# Objectives of the seminar

- To know about importance of intellectual property rights (IPRs) and patent.
- To understand the procedures of protecting different kinds of intellectual properties (IPs).
- To clarify doubts, misunderstanding and uncertainties about the IPs and IPRs.



# Introduction, IP and IPR

- *Intellectual Property (IP)* - is a property created by a person / persons using his / her own intellect for ultimate use in commerce and which is not available in the public domain.
- Examples of IP are, an invention relating to a product or process, a new design of an article, a literary or artistic work and a trademark (a word, a symbol and / or a logo, etc.),

## Introduction continue ..

- *Intellectual Property Right (IPR)* is the statutory right granted by the Government, to applicant(s) or owner(s) of an intellectual property (IP) to exclude others from exploiting the IP commercially for a given period of time, in lieu of the discloser of his/her IP in an IPR application.

# Importance of IPRs in general

## **Why should an IP be protected?**

- IP is an assets and can be exploited by the owner for commercial gains
- IP owner can stop others from manufacturing and selling products and services which are dully protected by the IP owner
- IP owner can sell and/or license the IP for commercial gains

## Importance of IPRs cont. ..

- IP can be used to establish the goodwill and brand value in the market.
- Inventor, creator or author of an IP can mention about the IP in his/her resumes and thus show their competence
- IPR certificate establishes legal and valid ownership about an intellectual property

## Kinds of IPRs

*IPRs* are protected in accordance with the provisions of the corresponding legislations of a country. In India, IPRs can be *protected* and *monopolized* under the provisions of different Acts, mainly, for example,

1- The Patent Act, 1970, 2- The Designs Act, 2000, 3- The Trade Mark Act, 1999, 4- The Geographical Indications of Goods Act, 1999, 5- The Copyright Act, 1957, 6- Protection of Integrated Circuits Layout and Designs Act, 2000, 7- Protection of Plant Varieties and Farmers Rights Act, 2001, and also Trade Secret

## Kinds of IPRs Cont. ..

- **Patent** (to protect technologies - The Patent Act)
- **Trade Mark** (to protect words, signs, logos, labels -The Trade Mark Act)
- **Design** (to protect outer ornamental configuration -The Designs Act)
- **Geographical Indications (GI)** (to protect region specific product -The Geographical Indications of Goods Act)
- **Copyright** (to protect literary and artistic work -The Copyright Act)

**All kinds of IPRs are territorial rights**

# Patent

- ***Patent*** is an exclusive monopoly right granted to an applicant/patentee by the Govt., for a limited period to practice the ***invention*** (manufacture, use and sale), in lieu of the information (best known method) disclosed to the Govt. with regard to an ***invention***.
- The Patent confers rights to the patentee to exploit the patent for commercial gains and also to stop others from manufacturing, and selling the patented products/process.

## Patent continue ..

- An ***invention*** in **general** means a new discovery, relating to a product (machine) or process, even to an existing module or idea.
- An **invention** according to Indian Patent Act [Section 2(1)(j)] means:
  - i- a **new** product or process;
  - ii- involving an **inventive step**; and
  - iii- Capable of **industrial application**.



## Patent continue ..

### **Therefore any:**

- product (e.g. device, machine, composition)
- process (used for preparing a tangible product), is patentable;

### **Only if the product or process is:**

- new (novel)
- involving an inventive step (non-obvious) and is
- of industrial use (useful)

# Patent Continue ..

## *Procedure for grant of a patent?*

- Filing a patent application along with the required documents,
- Publication of the patent application (**18 months publication**),
- Filing a request for examination,
- Filing a **pre-grant opposition** by an interested person,
- Examination of the patent application based on the turn of the request for examination,
- Filing reply to comply with the requirements of the objections raised by the patent office,
- Attending hearing, if any,
- Acceptance or rejection of the patent application,
- Publication grant of the patent application,
- Filing a **post-grant opposition** by an interested person,
- Grant of patent

## Patent Continue ..

- **Documents required to file a patent application**
  - Application form (Form 1),
  - Specification (Form 2),
  - Drawings (if needed to describe the invention clearly and sufficiently),
  - Undertaking under section 8 (form 3),
  - Declaration of inventorship (Form 5, in case complete specification is filed after provisional),
  - Document to claim priority (in case of a conventional application), and
  - Power of Authority (if the patent application is filed through a patent attorney)

## Patent Continue ..

### Patent specification; two types

#### 1. **Provisional Specification** -comprises mainly little

- description regarding the invention,

#### 2. **Complete specification** –comprises

- i. Description and
- ii. Claims

- i. **Description**(*technology section*)

- Describes the BEST MODE, in detail, which the inventor considers for practicing the invention

- Enables others skilled in the art to make and use the invention without undue experimentation

## Patent continue ..

### ii. **Claims** (*legal section*)

- KEY to all patents
- Protects legal rights of the patentee
- Defines the legal boundaries of the granted exclusive rights, i.e., determines exactly what the inventor is entitled to exploit commercially and exclude others from practicing (making, using, selling, importing and/or offering for sale) inventor's invention.

## Patent Continue ..

### *Who can apply for a patent?*

- A true and first inventor who holds the rightful ownership in the invention
- A person who is an assignee/legal representative of the first and true inventor
- A legal heir of the first and true inventor in case of demise of the true and first inventor.

## Patent Continue ..

### *Where to file a patent application?*

- **Patent Office Delhi** -The States of Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand, National Capital Territory of Delhi and the Union Territory of Chandigarh.
- **Patent Office Mumbai**-The States of Gujarat, Maharashtra, Madhya Pradesh, Goa, Chhattisgarh, the Union Territories of Daman & Diu and Dadra & Nagar Haveli.

## Patent Continue ..

- **Patent Office Chennai** -The States of Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and the Union Territories of Pondicherry and Lakshadweep.
- **Patent Office Kolkata** -Rest of India (States of Bihar, Orissa, West Bengal, Sikkim, Assam, Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh and Union Territory of Andaman and Nicobar Islands)



## Patent Continue ..

- ***Term (life) of a patent***

The term of the patent according to the amended Patent Act is **20 years** from the date of patent.

- ***Govt. fee for filing a patent application***

- The Government fee in India for filing a patent application is as follows;
- 1. Individual -Rs.1600/-,
- 2. Other than individual, like MSME -Rs. 4000/-, and
- 3. Pvt. and / or Public Ltd. Company -Rs. 8000/-

## Patent Continue ..

### **Opposition of a patent** - Section 25 of the Patent Act

- a) Applicant – wrongly obtained the invention ....
- b) Publication before priority date of patent application.
- c) Prior claiming
- d) Invention publicly known
- e) Obvious – no inventive step
- f) No invention as per the Patent Act

## Patent Continue ..

### **Opposition of a patent ..**

- a) Invention not described clearly and sufficiently
- b) Undertaking under sec. 8, about foreign filing
- c) Convention application not filed in 12 months
- d) No disclosure about source or geographical origin
- e) Anticipation – traditional knowledge

## Patent Continue ..

### ***Revocation of a patent***

- Yes, a patent can be revoked, at any time, on the similar grounds as applicable in case of an opposition. The revocation application is to be filed at the office of the Intellectual Property Appellate Board (IPAB) established by the Govt. of India under the provisions of the amended Patent Act.

## Patent continue ..

- ***What is PCT and how is a PCT application initiated?***
- Patent Cooperation Treaty (PCT) is an International treaty which provides facility, to an applicant of the member country, to file a single patent application and designate the countries in which the applicant wants to protect the invention. This is known as international phase of the patent application filed under PCT.

## Patent continue ..

- *Where can a PCT application be filed?*
- A PCT application can be filed by the applicant either at the national receiving office in his/her own country or at the office of international Bureau (WIPO), Geneva.
- The applicant can claim the date of filing as the priority date in other countries during national phase entry.

## Patent continue ..

### **What is not patentable?**

- An invention contrary to well established natural laws, for example perpetual motion, gravitational force etc..
- An invention contrary to laws of public health and morality, for example, toxic drugs, food items, drinks, etc..
- Mere discovery of scientific principles or formulations of an abstract theories or mere discovery of any living thing or non-living substance occurring in nature.

## Patent Continue ..

### **What is not patentable cont. ..?**

- Mere discovery of any new property or new use for known substance unless the efficacy of that substance is increased or mere use of a known process or machine
- Substance obtained by mere admixture resulting only in the aggregation of the properties of the components - no new product
- Mere arrangement or rearrangement of the known devices working independently in a known manner



## Patent Continue ..

### **What is not patentable cont. ...?**

- A method for agriculture and horticulture
- Any methods of treatment of human beings, or animals
- Plants and animals in whole or any part thereof other than microorganism
- A mathematical or business method or a computer program per se or algorithms
- A literary, dramatic, musical, artistic work, etc.

## Patent Continue ..

### **What is not patentable cont. ..?**

- A mere scheme or rule or method of performing mental act or method of playing game
- A presentation of information
- Topography or integrated circuits
- An invention relating to the traditional knowledge
- An invention relating to Atomic Energy (Sect. 4)



THANK YOU