

The survival of the fittest is the ageless law of nature, but the fittest are rarely the strong. The fittest are those endowed with the qualifications for adaptation, the ability to accept the inevitable and conform to the unavoidable, to harmonize with existing or changing conditions.

EDITORIAL

Karnataka State Industrial Times

The Weekly Voice of Karnataka Entrepreneurs

Survival of the fittest despite being the smallest

Small and Medium Enterprises have to put up a fight with their larger, mainstream counterparts during every second of their existence. The challenge to be faced is towering. But the satisfaction on accomplishing anything is tremendous. That is the beauty of the game. Today SMEs have become an important source of growth for any country. They have the potential to contribute significantly to the country's economy, provided they have sufficient funding and essential infrastructure. Unfortunately, the main challenge before Indian SMEs is not getting enough financial support for growth and innovations.

Making financial concerns easier to deal with surely provides respite for any SME. Borrowing isn't an easy task for these Lilliputians. At times, it is effectively impossible for many SMEs to borrow money at all because the price of credit is too high. Financial institutions like banks, co-operative societies and SME associations play a vital role in this area. The goal is to increase financial help, venture capital opportunities and offer strategic help to SMEs like access to international markets and vendors.

One of the reports from the Organization for Economic Co-operation and Development (OECD) says that banks avoid financing certain types of SMEs, particularly startups, very young firms that typically lack sufficient collateral and firms whose activities offer a possibility of high returns but at a substantial risk of loss.

If SMEs cannot gain access to finance through the regular system, they may not start a business or simply go out of business, a potential loss to the economy. The other danger is that they will abandon the formal system altogether and operate in the informal economy, sidestepping taxes and regulations, and thus not making a full contribution to economic growth and job creation.

In such a scenario, government and government aided banks can play an important role by supporting the SME sector, measuring the SME financing gap, educating SMEs on the range of financing options available to them to bridge this gap.

On the other hand, large companies can help SMEs with the venture capital options and access to the international markets. In turn, it is the responsibility of SME associations to work towards this by taking large companies into confidence.

In order to assess the success of such actions, government should look at bringing necessary national policies and relevant checks.

After all, did not David win over a certain Goliath with innovative thinking?

- K. Altaf

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Spotlight

'Knowledge Series' to help series of MSMEs

■ CCI SERVICE

MSMEs provide employment to around 69 million people, through 26 million units. Moreover, MSMEs account for around 45 per cent of the country's manufacturing output. In recognition of this contribution, Dun & Bradstreet Learning Solutions teamed up with Central Bank of India to serve the specific needs of the MSME community.

Dun & Bradstreet India, in association with Central Bank of India, has initiated the 'Knowledge Series' program focused on development of MSMEs. The platform invited notable leaders from the industry to provide insights on critical aspects like employment opportunities, technological innovations and fund raising in the MSME

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Dun & Bradstreet

sector. The panel discussion on 'Role of Entrepreneurship and Bank Credit for development of MSMEs' was the key highlight of the seminar. The event was attended by over 100 regulators, MSMEs representatives and senior leaders from Central Bank of India.

The Bank has designated additional 142 branches as Specialized MSME branches taking the total number of specialized branches to 202. MSME portal was introduced in the Bank's website incorporating all our lending schemes and simplified Common Application



Central Bank of India

The event also marked the celebration of Central Bank of India completing 100 years of service to the nation. Central Bank of India will be conducting the centenary celebration on its foundation day, the 21st December 2011. The Bank has undertaken several initiatives during the year to promote inclusive growth through financial inclusion & contribution in economic development of the nation. MSMEs provide employment to around 69 million

Form. The interactive sessions were not only educative but also enabled a dialogue amongst various participants that will eventually create a robust ecosystem in the rapidly evolving Indian MSME landscape. Key note addresses were made by Rajeev Chawla, President, Faridabad Industries Association, P K Jain, Chairman and Managing Director, Malt India Pvt Ltd and Sanchita Majumdar, Assistant General Manager, SIDBI, New Delhi.

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