

Annexure-8.43.

Study to find out Unidentified / Unrecognized Clusters of MSMEs in India in order to facilitate availability of banking outlets and credit flow in such clusters

Name of the Regional Office: THIRUVANANTHAPURAM

Sr. No	District	Location and Address of the unrecognized Cluster	Major Products Manufactured/ Services rendered	No. of Units, if available (approx.)			Total No. of Enterprises in the cluster	No. of bank's branches/outlets accessible to the cluster	Type of banking outlets i.e. BCs /Brick and Mortar Branches etc.	Distance of the cluster to nearest banking outlet (Approx. in Km)	Credit Linkages to banks (No of Micro, Small and Medium Enterprises linked to banks) (if, available)			Total No. of Enterprises in the Cluster linked to banks	Percentage of units linked to banks in the cluster*	Brief reasons for exclusion, if any
				Micro	Small	Medium					Micro	Small	Medium			
1	Ernakulam	South Vazhakulam, Aluva	Bamboo & Reed (Artisan)	52			52	9	Brick and Mortar	1 Km	1			1	1.92%	1. Credit requirement is not felt by the enterprise 2. Need for credit is not felt because of very limited scale of activity and work being done by entrepreneur himself. 3. Further, given the constraints in marketing, these micro entrepreneurs are not keen to expand business. 4. Being less educated, entrepreneurs are not having the know-how of modernization of the business, marketing of products and potential to innovate. 5. Dull market for traditional products as they are being replaced by plastic and other substitutes.
2	Ernakulam	Koonammavu	Rosary making (Micro family units)	53			53	7	Brick and Mortar Branches	1 km	1			1	1.87%	1. Need for credit is not felt because of very limited scale of activity and work being done by entrepreneur himself. 2. These are family units working from their houses as micro entrepreneurs, on part-time basis. Most of them are females doing this activity in their free time as an extra source of income in addition to other regular work such as house maid or in construction field / MGNREGA Scheme. 3. No investment is required for doing the activity in the present manner as the beads and other materials are supplied by the wholesale merchants and final products are also taken by them, paying a meager amount for fabricating them.

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3	Kozhikode	Cheruvannur near Feroke	Ferrosmith Engineering		31		31	6	Brick and Mortar	3-6 km		5		5	16.13%	1. Procedural bottle- necks like cumbersome and time consuming processing of loan applications. 2. Lack of effective communication and non-issue of written communications while rejecting loan proposals. 3. Alleged unsympathetic/non-supportive attitude of bankers. 4. Most of the units try to run the business rolling their own funds or seeking mutual financial assistance from peers or relatives.
4	Kozhikode	Pakkayil ward of Vatakara Municipality	dividers, windows, shelf, footwear shelf, roof decorations, garden pots, flower vase with design, ornamental figures, table, jars.	49			49	29	Brick and Mortar	2-3 km	9			9	18.37%	1. They are able to meet the funds requirement for the business by availing personal loans, gold loans and assistance from friends and relatives. They require bank credit at subsidized rates of interest (around 4%) similar to farm credit, although they are ready to offer collateral for loans. 2. Several substitutes which are cost effective are available in the market now. Hence they feel there is no scope for further expansion of the business in the current situation.