

CHAPTER-4

SCHEMES OF DIC

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DIFFERENT SCHEMES OF D.I.C. SOLAPUR.

- 4.1 Self-employment to Educated Unemployed Youth SEEUY.
- 4.2 Seed Capital Assistance to Educated Unemployed - SCAEU or
Employment Promotion Programme - EPP
- 4.3 Margin Money Assistance to Tiny Sector Unit - MMATSU
- 4.4 National Equity Fund - NEF.
- 4.5 Prime-Minister's Rojgar Yojana - PMRY.

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DIFFERENT SCHEMES OF D.I.C., SOLAPUR.

Economic development of any country is depends upon industrialization. For industrial development at micro level i.e. district level, in December 1977, the Janata Government had started 'The District Industries Centre' scheme. Through this scheme, the development of industries in the district is possible. It was envisaged to establish one agency in each district called the District Industries Centre, mainly to provide and arrange a package of assistance & facilities for credit guidance, raw materials, training, marketing etc., to unemployed educated young entrepreneurs in general and custom services. So that they can set up small, village & cottage industries.

These services and facilities include the identification of a suitable scheme, the preparation of a feasibility report, arrangements for the supply of machinery and equipment, provision of raw materials, credit facilities and input for marketing and extension services, quality control, research & enterpreneurial training. For the development of industries & entrepreneurs, D.I.C. is having different schemes such as - SEEDY, EPP, MMAISU, NEF, & PMRY.

DIFFERENT SCHEMES OF ASSISTANCE OF D.I.C. SOLAPUR.

D.I.C., Solapur provides economical & other assistance to a entrepreneur under the following schemes.

- 1) SELF EMPLOYMENT TO EDUCATED UNEMPLOYED YOUTHS. (SEEUY)
- 2) SEED CAPITAL ASSISTANCE TO EDUCATED UNEMPLOYED. (SCAEU) is also known as EPP.
- 3) MARGIN MONEY ASSISTANCE TO TINY SECTOR UNIT.
- 4) NATIONAL EQUITY FUND - (NEF)
- 5) PRIME MINISTER'S ROJGAR YOJANA. (PMRY)
4. 1) SELF EMPLOYMENT TO EDUCATED UNEMPLOYED YOUTHS.

This scheme was started from 1983-84 & implemented only through nationalised banks

Main peculiarities -

- i) 100% of the Project Cost shall be made available by the Financial Institutions on the following lines.
 - A) For Industrial Ventures Rs. 35,000/- maximum.
 - B) For Service Ventures Rs. 25,000/- maximum.
 - C) For Business Ventures Rs. 15,000/- Maximum.
- ii) Rate of interest - 12%
- iii) Subsidy - 25%
- iv) No need of additional mortgage for debt.
- v) Special preference to Ladies & backward classes.

ELIGIBILITY -

- i) Minimum education - SSC/ITI pass. In case of non-matriculate, but ITI pass, the candidate must undertake either service activity or industrial activity.

- ii) Age - 18 to 35 years.
- iii) Annual family income below Rs. 10,000/-.
- iv) Unemployed or ready to leave the job for self employment.

This SEEUV scheme is closed from 31 March, 1994 and instead of it Prime Minister's Rojgar Yojana is started.

4. 2) SEED CAPITAL ASSISTANCE TO EDUCATED UNEMPLOYED - SCAEU OR EMPLOYMENT PROMOTION PROGRAMME (EPP)

This scheme is implemented through nationalized as well as co-operative banks and district banks.

MAIN PECULARITIES :

- i) 75% of the project cost shall be made available through financial institutions & 15% to 22 1/2% seed capital loan by state Government with low interest rate.
- ii) Seed capital as below shall be available.
 - 1) For project above Rs. 1 lakh 10%
 - 2) For project upto Rs. 1 lakh
 - a) For SC/ST/economically weaker 20% to 22 1/2%
 - b) For others 15%
- iii) Loan available to all industries & business except agriculture.
- iv) If need, bank can demand for guarantor & mortgage.
- v) Basic loan in this scheme can be taken by nationalized banks, State Financial Corporation or Urban Co-operative Banks.

ELIGIBILITY -

- i) Education minimum SSC/ITI pass. (Exemption for Scheduled Tribes & relaxable for physically handicapped.)
 - ii) Age : 18 to 40 years.
 - iii) Minimum 15 years residential of Maharashtra.
- Now-a-day there is stay on this scheme due to appeal of W.M.D.C. in High-court.

4. 3) MARGIN MONEY ASSISTANCE TO TINY SECTOR UNIT

This scheme has been started from 1979- 80. This scheme is also known as D.I.Cs Margin Money Scheme.

Main peculiarities

- i) Seed Money loan in the form of 20% of the total investment comprising of fixed capital investment.
(maximum Rs. 40,000/-)
- ii) For SC/ST. entrepreneurs assistance upto 30% subject to a maximum of Rs. 60,000/-
- iii) Loans shall be sanctioned & disbursed as per the procedure laid down under Maharashtra State Aid to Industries Act, 1960 and 1961.
- iv) Rate of interest is only 4%

ELIGIBILITY -

- i) SSI/Village/Cottage/Handicraft and some service industries with investment in plant and machinery not exceeding Rs. 2 lakhs.

- ii) Unit should be located at town/rural area with a population less than 1 lakh (as per 1971 census - Industries in Solapur city are not eligible.
- iii) Expansion/diversification of existing units satisfying above conditions will also be eligible if total existing proposal investment remain within Rs. 2 lakhs for plant & machinery.

4.4) NATIONAL EQUITY FUND -

This scheme started from 1989-90.

Main peculiarities -

- i) Equity loan available with minor rate of interest for small industries & tiny sector.
- ii) No need of guarantor or mortgage for this loan.
- iii) 7 years maximum time limit for repayment of loan & maximum 3 years facility to pay first installment.
- iv) No condition of age & educational qualification.
- v) The maximum limit of equity loan is Rs. 1,50,000/-
- vi) For 15% amount, there is only 1% rate of interest for 15 years.

ELIGIBILITY -

- i) Only new small industries or tiny sector and sick small industries which can be rehabilitate are eligible. For this certificate of bank is necessary.
- ii) Unit should be located at such place which population is less them 5 lakh. (Industries in Solapur city are not eligible)

- iii) Total project expenditure should not be excess than Rs. 10 lakhs.
- iv) Entrepreneur has to arrange minimum 10% of the loan.
- v) Equity loan available only through Nationalized banks.
- vi) Bank must refinance from I.D.B.I. Bank.

4.5) PRIME MINISTER'S ROJGAR YOJANA (PMRY)

This scheme is announced on 15th August, 1992 by Hon. Prime Minister of India. Shri. Narashihrao & implemented from 2nd October 1993 for urban area only. From 1st, April, 1994 it is also implemented for rural area. This scheme is the revised edition of SEEUY.

- 1) Objective : To encourage educated unemployed youth to undertake micro enterprises, through industries, service and business routes, for self employment and for generation of mass employment opportunities.
- 2) Implementing Agency : For Bombay Metropolitan area joint Director of Industries, B.M.R, Worli for rest of the area District Industries Centre.
- 5) Route reservation : Not more than 30% of the micro enterprises would be from the business sector.

Main peculiarities -

- i) Rs. 1 lakh loan under this scheme to entrepreneur.
- ii) Capital subsidy 15% (maximum Rs. 7,500/-)
- iii) 95% amount of estimated project Nationalize Banks &

Financial Institution & 5% Entrepreneur.

- iv) In partnership each entrepreneur will get Rs. 1 lakh loan.
- v) Repayment of loan - 3 to 5 years.
- vi) Special preference to ladies candidate.

ELIGIBILITY -

- i) Minimum education SSC/SSC fail candidates will be taken into consideration.
- ii) ITI pass or six month technical training in Government institution.
- iii) Age : 18 to 35 years.
- iv) Entrepreneur's annual income should not be excess than Rs. 2,4000/-
- v) Residential of three years where he is going to stand the unit.
- vi) The applicant should not be a defaulter to any credit institution.

The scheme will be monitored at District level by the District PMRY Committee, at State level by the State "PMRY" Committee and at Central level by the High powered committee under the Chairmanship of Secretary (SSI & A & RI) New Delhi.

This scheme will be implemented by the State Government through District Industries Centres and all promotional, financial and developmental agencies of State Government & Central Government.

The implementation of the scheme by DICs involves identification of beneficiary, selection of specific vocations, identification of the support system required by the beneficiary, escort services and a close liaison with banks and other local agencies concerned with industry, trade & service sectors.

DIC will collect the information from the banks and districts regarding number of applications sanctioned and loan disbursed category-wise and put up to district PMRY Committee for review. Problems of implementation, coordination which is to meet once in a month.

6) Special Feature : GOI have kept a special provision for Training/Infrastructure component at the rate of Rs. 2000/- per beneficiary of which Rs. 1500/- will be given to the State Government based on the confirmation of the no. of beneficiaries to whom loans have been sanctioned. However, amount equivalent to the 50% of the target will be given by GOI at the beginning of the year/common cement of the scheme.

The 25% of the amount is expected to be utilised for providing support for infrastructure development of the training institutes and an equal amount for carrying out market surveys & preparation of project profiles.

The state level PMRY Committee is envisaged to prepare the modules for training programmes for the beneficiaries.

STATISTICAL INFORMATION AS PER SCHEME FROM THE ESTABLISHMENT OF
D.I.C. SOLAPUR.

District Industries Centre, Solapur has been providing financial and other type of assistance to entrepreneurs in the Solapur District since 1979. The following table illustrate the aid of DIC Solapur to entrepreneurs at various scheme.

Table No. 4.1

LOAN SANCTIONED UNDER VARIOUS SCHEMES OF DIC, SOLAPUR

Year	DIC margin money scheme		SCAEV/EPP scheme		SEEUY (83-84)		NEF scheme		PMRY	
	No.of Beneficiaries	Loan (Rs. lakh)	No.of Beneficiaries	Loan (Rs. lakh)	No.of Beneficiaries	Loan (Rs. lakh)	No.of Beneficiaries	Loan (Rs. lakh)	No.of Beneficiaries	Loan (Rs. lakh)
1979-80	190	3.78	--	--	--	--				
1980-81	--	--	147	24.00	--	--				
1981-82	3	0.043	152	15.00	--	--				
1982-83	25	0.543	155	11.56	--	--				
1983-84	16	0.005	162	20.14	154	20.14				
1984-85	1	030	168	23.00	114	23.00				
1985-86	17	2.70	171	18.89	200	18.09				
1986-87	14	4.33	177	24.80	184	24.80				
1987-88	11	2.063	182	22.90	157	21.00				
1988-89	22	5.80	183	21.00	137	23.00				
1989-90	22	3.06	189	27.50	400	99.00	11	55.00		
1990-91	33	4.10	192	24.20	497	77.44	25	75.00		
1991-92	27	2.60	195	23.00	581	88.87	27	70.00		
1992-93	21	2.577	126	19.68	423	--	09			
1993-94	09	1.60	100	15.96	602	--	18		222	

Source : District Industries Centre, Solapur.

D.I.C. Solapur also conducts Training Programme of Entrepreneurship Development for entrepreneurs in Solapur District. From 1990-91 to 1993-94, D.I.C. Solapur trained 722 entrepreneurs in the district.

Table No. 4.2

ENTREPRENEURSHIP DEVELOPMENT TRAINING PROGRAMME OF D.I.C. SOLAPUR.

Sr.No	Year	No. Programme	No. Beneficiaries
1)	1990-91	5	240
2)	1991-92	5	150
3)	1992-93	5	150
4)	1993-94	6	182
Total -		21	722

Source - Annual Report of D.I.C. Solapur.

It also organises long-term training programmes of State Government for entrepreneurs.

Table No. 4.3

Long-term Entrepreneurship Training Programme of Maharashtra State under D.I.C. Solapur.

Sr.No	Year	No. Trainer	Units started of Trainer	Unit about to start of Trainer
1)	1989-90	24	9	2
2)	1990-91	26	6	8
3)	1991-92	27	9	18

Source - Annual Report of D.I.C. Solapur March 1992.