

GOVERNMENT SPONSORED PROGRAMMES

- ❖ The Government at Centre and State are implementing Programmes for alleviating poverty, providing gainful employment to various sections of the people viz. Men, women, youth by making available the required investment from the banking system.
- ❖ Subsidy is made available to the extent of 25%, 33 1/3% and 50% depending upon the level of income, category of people etc.

Some of the major Programmes being implemented in the Union territory of Puducherry are given below:

SGSY	:	Swarnjayanti Gram Swarozgar Yojana
PMRY	:	Prime Minister's Rozgar Yojana
SJSRY	:	Swarnajayanthi Shahari Rozgar Yojana
PADCO	:	Programme for Adi-Dravidars through "Puducherry Adi Dravidar Development Corporation"
BC Welfare	:	Programme for Backward Class People and Minorities through "Puducherry Backward Classes and Minorities Development Corpn. Ltd.,"
Women & PH Welfare	:	Programmes for Women and Physically Handicapped through "Puducherry Corporation for Development of Women and Handicapped Persons Ltd".
REGP	:	KVIC-Margin Money Scheme by KVIC & PKVIB
MUPSES	:	Motivation of Unemployed Persons to start self employed Enterprises Scheme

Swarnjayanti Gram Swarozgar Yojana (SGSY)

- ❖ This is a modified scheme, replacing IRDP and other sub-schemes.
- ❖ It came into existence during the Golden Jubilee year of Indian Independence, and the scheme derives its name to mark the occasion.

The salient features of this scheme are:

- ❖ It is a redesigned antipoverty programme, for generation of employment
- ❖ There would be shift from individual beneficiary approach to a cluster/group approach. To facilitate this process, Self-Help Groups (SHG) are formed.
- ❖ SHGs, which have demonstrated the potential of viable group, will be considered for revolving fund assistance initially after first grading and assistance for economic activities will be considered once the identified groups sustain its viability and pass through the second grading.
- ❖ The Group approach will focus on identification of a few specified viable key activities based on available local endowments and occupational skills of the members of the group.
- ❖ The credit flows and average level of investment per family will be enhanced.
- ❖ The programme will have greater participation of Gram Panchayats.
- ❖ For group of Swarozgaris (SHGs) the subsidy would be at 50 % of the cost the scheme subject a ceiling of Rs.1.25 lakhs. There will be no monetary limit on subsidy for irrigation Projects.
- ❖ Group Life Insurance for Swarozgaris is also ensured under the scheme.
- ❖ Scheme provides for creation of risk fund for the consumption credit requirement of the Swarozgaris.
- ❖ Except Mahe Block, SGSY scheme is implemented in all the blocks by DRDA, the Nodal Agency, through Block Development Offices and Banks. As many as 41 Commercial Bank Branches having Service Area Villages apart from the branches of Puducherry State Co-operative Bank are participating in the implementation of the scheme.

The performance of the Scheme is furnished as under:

Year	Target	Achievement
	Group	Group
2001-2002	67	31
2002-2003	100	108
2003-2004	65	76
2004-2005	65	62
2005-2006	100	64
2006-2007	100	95
2007-2008*	130	80

***up to January 2008**

Prime Minister's Rozgar Yojana (PMRY):

The salient features of the programme are as under:

- ❖ The Prime Minister's Rozgar Yojana (PMRY) has been designed to provide employment to educated unemployed youth by setting up of micro enterprises by the educated unemployed poor. It relates to the setting up of the self-employment ventures for industries, services and business in Rural and urban areas.
- ❖ The scheme covers all educated youth with the minimum qualification of VIII Standard (passed). Preference will be given to those who have been trained for any trade in Govt. recognized/ approved institutions for a duration of atleast 6 months.
- ❖ All educated unemployed youth between the age of 18 and 35 years on the date of receipt of application by the concerned DIC will be eligible for loan under the scheme in general with a 10 years relaxation for SC/ST/ Ex-servicemen /physically handicapped and women i.e. upto the age of 45.
- ❖ The Income of the beneficiary along with the spouse or the income of parents of the beneficiaries shall not exceed Rs Rs.100,000/- per annum
- ❖ All projects up to an outlay of Rs.2.00 lakh for business/service sector and Rs.5.00 lakhs for industry sector, loan to be of composite nature. Partnerships are also considered for projects up to Rs.10.00 lakhs subject to the maximum allowed up to the individual ceiling limits.
- ❖ Self Help Groups can be considered for assistance under the scheme provided 1)Educated Unemployed Youth satisfy the eligibility criteria laid down under the scheme to volunteer to form SHG to set up self- employed ventures(Common Economic Activity)
 1. No upper ceiling on project cost
 2. The subsidy ceiling for Self Help Group is Rs.15000/- per beneficiary subject to a maximum of Rs.1.25 lakh per SHG
 3. The exemption from collateral is limited to Rs.5.00 lakh per member of SHG to projects Under Industry sector and Rs.2.00 lakh per member of SHG under service and business Sectors
 4. Required margin money contribution (ie. Subsidy and margin to be equal to 20% of the project cost) should be brought in by the SHG collectively.
- ❖ 5% to 16.25% of the project cost to be brought as own contribution by the beneficiary.
- ❖ 15% subsidy on the project cost with a ceiling of Rs.12500/- per beneficiary.

- ❖ All projects under Industries, Services, Business and Agriculture are eligible excepting direct agricultural activities like raising crop, purchase of manure etc.
- ❖ Beneficiaries are to undergo compulsory training organized by DIC.
- ❖ Beneficiary should have been the resident of Puducherry for the previous three years.
- ❖ Reservation for SC/ST and OBC at 22.50% and 27% respectively.
- ❖ No collateral security is required under Industry Sector with project cost upto Rs.5.00 lakh or partnership projects under Industries sector the exemption limit for obtention of collateral security will be Rs.5.00 lakhs per borrower account. For units in Service and business sector no collateral for projects upto Rs.2.00 lakh. Exemption from collateral in case of partnership projects will also be limited to an amount of Rs.2.00 lakh per person participating in project.
- ❖ The exemption from collateral in respect of partnership projects in Industry sector will be Rs.10 .00 lakh per Borrowal account in Tiny sector.

The performance under PMRY is as given below:

(Amt. in Lakhs)

Year	Target	Achievement	
		Number	Bank Loan
1994-1995	470	476	211.20
1995-1996	500	513	222.13
1996-1997	500	502	214.11
1997-1998	500	505	220.61
1998-1999	550	560	229.81
1999-2000	550	481	180.52
2000-2001	625	419	162.00
2001-2002	450	427	177.62
2002-2003	550	477	194.38
2003-2004	750	567	232.48
2004-2005	650	512	226.37
2005-2006	650	512	221.73
2006-2007	750	470	204.51
2007-2008*	1100	411	187.54

*** up to January 2008**

Swarnajayanti Shahari Rozgar Yojana (SJSRY)

With a view to provide gainful employment to the urban unemployed or underemployed through encouraging the setting up of self-employment ventures or provision of wage employment, an urban poverty alleviation programme, namely, Swarna Jayanti Shahari Rojgar Yojana (SJSRY) was launched on 01.12.1997.

SJSRY consists of two major components, namely-

Setting up Micro-Enterprises (individual) (USEP)

Development of Women and Children in urban area (DWCUA)

The scheme is in operation in all the five Municipalities of UT of Puducherry.

1. Setting up Micro -Enterprises (individual) (USEP)

Eligibility - Annual family income of less than Rs. 11850/- at the 1991-92 prices.

Project Details

Maximum unit cost = Rs. 50,000/-

Subsidy = 15% of the project cost subject to a maximum of Rs. 7500/-

Margin money to be contributed by the beneficiaries = 5% of the project cost

2. Development of Women and Children in Urban Areas (DWCUA):

DWCUA aims at helping groups of urban poor women in taking up self-employment ventures.

- ❖ The group may consist of at least 10 women.
- ❖ The ceiling of subsidy under the scheme is Rs. 1.25 lakh or 50% of the cost of the project whichever is less.

The performance of the Scheme is furnished as under:

Year	Target		Achievement	
	Individual	Group	Individual	Group
2003-2004	625	45	360	32
2004-2005	730	70	607	68
2005-2006	730	70	600	90
2006-2007	738	70	472	35
2007-2008*	715	60	550	42

* up to January 2008

Programme for Adi-Dravidar through PADCO

The Puducherry Adi-Dravidar Development Corporation (PADCO) is implementing the welfare programme meant for Scheduled Caste persons. Under this scheme,, the Adidraavidar Community people living below the poverty line are identified every year and are assisted with the loan-cum-subsidy and Margin money scheme for viable Trades/Business/Professions and other economical activities under Self-employment scheme, so as to raise their economical standard of living.

The criteria for the assistance under the schemes are as follows:

- 1) 25% of the unit cost or Rs 10,000 which ever is less will be deposited with the concerned banks as margin money for a period of 3 years or till the recovery of the loan whichever is earlier and is refundable by the banks after maturity to the Corporation. The interest earned on the deposit is to be shared by the Corporation and the beneficiary on 50:50 basis
- 2) 50% of the unit cost or Rs.10,000 whichever is less will be released from the Special Central Assistance as subsidy which is not refundable by the beneficiaries
- 3) The remaining portion 50% of the unit cost or the entire balance amount of the unit cost will be released by the banks as loan at nominal rate of interest as prescribed by the Reserve Bank of India from time to time. Thus there will be no insistence on the beneficiaries contribution

Eligible criteria:

- ❖ The applicant must be Resident of Puducherry
- ❖ Hindu Scheduled Caste
- ❖ Their Annual Income should not exceed Rs.24000/-
- ❖ Age group of 20 to 50 years.

Performance of Banks under the Scheme is indicated as under:

Year	Target	Achievement	
		Number	Bank Loan(Rs. in lakhs)
1994-1995	600	630	22.05
1995-1996	600	566	23.83
1996-1997	600	463	25.36
1997-1998	600	493	19.73
1998-1999	700	506	27.37
1999-2000	650	484	22.86
2000-2001	650	668	32.69
2001-2002	650	668	65.58
2002-2003	650	688	85.73
2003-2004	650	603	42.36
2004-2005	650	524	36.80
2005-2006	650	494	62.79
2006-2007	1300	689	111.55
2007-2008 up to January 2008	1300	583	67.95

Programme for Backward Class People and Minorities:

- ❖ The Puducherry Backward Class and minorities Development Corporation limited was registered under the Societies Act on 31.03.1999 with the objective of bringing a holistic development of Backward Classes and Minorities in the Union Territory.
- ❖ The scheme envisages Margin Money Assistance/subsidy for the Backward Classes and minorities in the Union territory coupled Similarly, a series of training programme have been planned for this category in various trades like Typewriting, Shorthand, Computer orientation, Two-Wheeler Mechanism, etc.

The performance under the above scheme during last year is tabulated hereunder:

(Rs. in lacs)

Year	Target	Achievement	
		Account	Amount
1998-1999	3000	693	34.36
1999-2000	1000	649	44.48
2000-2001	1000	158	13.33
2001-2002	500	529	65.33
2002-2003	750	589	91.28
2003-2004	750	859	142.27
2004-2005	700	646	112.34
2005-2006	1000	772	78.56
2006-2007	1500	655	68.83
2007-2008*	1000	433	36.36

*** up to January 2008**

Rural Employment Generation Programme (REGP) of KVIC

Details of the Scheme are as follows:

- ✧ REGP (Margin Money Scheme) is applicable for new village industries only and the total project cost should not exceed Rs 25 lakhs.
- ✧ 25% of the project cost for the projects up to Rs.10 lakhs will be provided as margin money.
- ✧ For projects above Rs 10.00 lakhs and upto Rs.25.00 lakhs rate of margin money will be 25% of Rs.10 lakhs plus 10% of the remaining cost of the project
- ✧ Margin money grant will be at the rate of 30 % of the project cost up to Rs 10.00 lakhs and above this amount up to Rs.25 Lakhs, it will be 10% of the remaining cost of the project
- ✧ Only one person from one family is eligible for obtaining finance under the REGP
- ✧ All viable village industry products i.e. an industry located in rural area which produces any goods or renders any service with or without the use of power involving per capita fixed capital investment not exceeding Rs.50000/-. Areas outside the municipal limits with population not exceeding 20000 are deemed to be rural areas.
- ✧ Individuals (Rural artisans/entrepreneurs) for projects upto Rs.10.00 lakhs, Institutions, co-operatives, Trusts registered with KVIC/KVIB for projects upto Rs.25.00 lakhs. RBI has waived the registration from 14/03/1998.
- ✧ Maximum amount of Margin Money admissible would be Rs.2.50 lacs for General Category entrepreneurs and Rs. 3.00 lacs for weaker section entrepreneurs irrespective of the cost of the project. The above ceiling in margin money assistance is applicable for the projects sanctioned from 1.10.2003.
- ✧ For release of Margin Money both the State Office, KVIC, Chennai and the PKVIB, Puducherry will play their part and consequent to the decentralization of the REGP as above, the financing Banks need not send their claim for margin money amount to their nodal branch at Mumbai as hitherto done. Instead the margin money claim shall be made directly with Puducherry Khadi and Village Industries Board, Puducherry or with KVIC, Chennai as the case may be.
- ✧ For General Category the borrower's contribution has to be 10% and for SC/ST & other weaker sections the borrower's contribution has to be 5% of the project cost. For general category borrowers the quantum of loan is 90% and for SC/ST & other weaker sections the quantum is 95% of the project cost.
- ✧ **Ineligible item:** Khadi and Poly-vastra are kept out of its purview.
- ✧ **Other Modalities** - Project cost includes one cycle of working capital.
- ❖ The criteria of village industries, per capita fixed investment, own contribution and location of the unit to be ensured.
- ❖ For enhancement in credit limits no margin money assistance will be available.
- ❖ Marketing linkages through 15000 sales offices run by KVIC/KVIB and related organization would be available.
- ❖ Margin money to be credited to borrowers loan account after 2 years from the date of disbursement. In case an advance goes bad before two years, margin money will be adjusted to liquidate the loan account either in part or in full.

Motivation of Unemployed persons to start self employed enterprises scheme 2006 (MUPSES):

The details of the scheme is furnished as follows:

Objective	To encourage unemployed persons in the Union Territory of Puducherry to start self employment manufacturing or services sector enterprises such as mechanised laundry, beauty parlour (saloon), tailoring units, hygienic tea/coffee stalls, etc.
Implementing Agency	District Industries Centre
Eligibility Criteria	Self employment manufacturing or service with project cost of upto Rs.2,00,000 to be financed by banks/financial institutions
Subsidy	50% of the project cost excluding pre-operative and preliminary expenses will be granted as subsidy for projects not exceeding Rs.10,000/- 25% of the project cost excluding pre-operative and preliminary expenses to a maximum of Rs.25,000/- will be granted as subsidy for project cost exceeding Rs.10,000/- but less than Rs.2.00 lakhs. Only one member of the family is eligible to avail subsidy under the scheme.
Applicability	The scheme is applicable to PMRY beneficiaries as well as to other beneficiaries who are availing loan directly from the banks/financial institutions. The PMRY beneficiaries are eligible to avail subsidy under the scheme in addition to the subsidy released by Government of India under PMRY scheme. The scheme is also applicable to the beneficiaries who are availing loans under the schemes implemented by other departments/agencies viz. DRDA, PKVIB, Development Corporations/social welfare department etc such persons may opt for the scheme either implemented by the concerned department/agencies viz., DRDA, PKVIB, Development Corporations/Social welfare department, etc. or under this scheme implemented by the DIC.