Chapter 4

THE EMERGENCE OF DISTRICT INDUSTRIES CENTRE (DIC)
CHAPTER- 4
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CENTRE (DIC)

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CHAPTER- 4
THE EMERGENCE OF DISTRICT INDUSTRIES CENTRE (DIC)

4.1 Introduction

In the bid to solve unemployment problem within a short span of ten years, Janata Party placed much more stress on the development of small and cottage industries. In its election manifesto (1977) this party clearly stated that, the objective of a just and egalitarian society can "become a realisable ideal only if one move towards the establishment of an economy in which agriculture and cottage and small industries have primary role, and are not sacrificed to big machines the only way to steer clear of the evils of capitalism and state capitalism and to ensure full employment and the decentralization of economic power is to follow the Gandhian percept that whatever can be produced efficiently by the decentralized industry should be so produced. This spirit must guide us in framing the nation's economic policy" (Janatha Party 1977).

In the light of the important role of the small scale sector in the Indian economy, the government in its Industrial Policy of 1977 has accorded a prestigious place to the development of small scale and cottage industries. The main thrust of this industrial policy was on the effective promotion of cottage and small industries widely dispersed in rural areas and small towns. In the past, there was a tendency to proliferate schemes, agencies and organizations, which have tended more to confuse the average small and rural entrepreneur than to encourage and help him. Under the Industrial Policy of the government there will be one agency in each district to deal with all the requirements of small and village industries. This will be called the District Industries Centre (DIC). In pursuance of the Industrial Policy Resolution, 1977, a programme for setting up DICs as an effective nodal agency for the promotion of cottage and small industries widely dispersed in rural areas and small towns. The DIC programme was started on 1st May 1978, as a centrally sponsored scheme. Under the programme each district was to have an agency to deal with all the requirements of small and village industries.
4.2. Origin of DIC

One of the basic programmes of assistance required by small entrepreneurs in the developing countries is a programme providing industrial extension service to transmit knowledge and skill to persons engaged in industrial activities. Such assistance is required in four main areas viz. economic, technical, management development and product improvement (UNIDO 1969) 3.

Economic assistance starts with the counselling required for pre-investment appraisals for example, assessing the prospects of a particular industry, selecting a location and estimating capital requirements and potential markets. After an enterprise is started, small entrepreneurs will continue to require assistance regarding credit, raw materials, labour, factory space, marketing, etc. Existing firms also needed such counselling to diversify their products and to improve their efficiency.

Technical assistance covers, principally guidance in choice of raw materials, machinery and tools, and their productive utilization. It includes advice on installation of machinery, on plant layout and on techniques of production, maintenance, repairs and testing.

Management development covers all aspects of business, such as obtaining finance, production planning and control, marketing of products etc. It includes advice on sources of credit, tools, costing, bookkeeping, advertising, publicity, subcontracting etc. Product Improvement covers improvement of design and standardisations.

In this context it is suggested that the SSI units will be in need of industrial extension services, which should be provided by the government. In view of the multifarious functions expected of an institution for the development of SSI and the speed and promptness with which services are expected to be rendered it is advisable to give such institutions maximum freedom and flexibility in their operations. In India, the district as a focal point of industrial development gained currency from the middle of 1970s.

Prior to the establishment of DICs, there was no agency exclusively to look after the development of industry except the district industries office with some supporting staff. However, in 1962 government introduced the Rural Industries Programme (RIP) and Rural Artisan Programme (RAP) in order to bring about industrial development in rural and backward areas in a phased manner. These
programmes could not achieve the desired effect and produced only partial results. The main reasons were that various agencies operating at the district level were not in a position to provide enough assistance to existing as well as potential entrepreneurs in establishing industrial units. This is due to the absence of necessary expertise with the district industrial promotion officers and lack of enough authority. As a consequence, small entrepreneurs were subjected to a lot of hardship and delay in conceiving and executing their industrial projects. They were forced to run from pillar to post to get various clearances / licences to establish a unit, which involved a lot of expenditure and time. This led to the realisation of the need for establishing an agency exclusively for assisting and promoting industries at the district level. The Small Industrial Extension Training Institute (SIET), Hyderabad, advised the Government of India during the 6th Plan period, to establish a strong developmental agency for industrial promotion at the district level, so that all problems of entrepreneurs could be tackled and solved under a single roof. Following the SIET report, the Government of India in the Industrial Policy Statement of 23rd December 1977 announced the establishment of District Industries Centre.

Announcing the Industrial Policy Statement of 1977, Mr. George Fernandes, the then Union Minister of Industries made the following statement in the Parliament: “That in each district there will be one agency to deal with all the requirements of small and village industries. This will be called District Industries Centre (DIC).

Under the single roof of DIC, all the services and support required by small and village entrepreneurs will be provided. These will include economic investigation of the district’s raw materials and other resources, supply of machinery and equipment, provision of raw materials, arrangement for credit facilities, and an ‘effective step for marketing and a cell for quality control, research and extension’ (Industrial Policy, 1977).

The DIC, therefore, is expected to provide all the services and facilities to entrepreneurs under a single roof for setting up small and village industries. Looking at the objectives of DICs there are three important functions, which the DIC could discharge effectively.

DICs should act as a data bank, an information bank and a dissemination centre, for giving prompt up-to-date and reliable information to anybody trying to set
up a small scale unit and the information should cover not only with regard to licensing procedures, but also about what is in the realm of feasibility and what is not.

Another area is regulatory work of registration, deregistration, monitoring and utilization of credit, raw materials, processing of cases regarding supply of machinery of hire purchase, marketing assistance etc.

The third aspect in which the DICs can play an effective role is with regard to inter linkages with different institutions such as electricity department, department of water supply, municipality / panchayat, town planning, commercial planning, etc. The DICs should function in close coordination with all agencies related to industrial development at the district level. To ensure this there should be a single line of command operating from the DIC for the entire field staff connected with industrial promotion activities and diffusion of direction and responsibility should be provided to enable DICs to adopt a result-oriented approach.

The DIC programme made rapid progress soon after its introduction by the Central Government. The state governments were quick in responding to the centre’s initiative and established DICs in a number of districts quite fast. This can be noted from table 4.1.

Table No 4.1

<table>
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<td>2004-05</td>
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Source: Commissioner of Industries, Government of India.
In 1978-79 there are 346 district industry centers in India. The number of DIC centers increased as increase in the district numbers in the country. DIC number was 382 in 1980-81, 422 in 1990-91, 430 in 2000-01. In 2009-10 the DIC unit number increased up to 574. In 1980-81 So far 574 DICs are established covering 574 districts. The four metropolitan cities of Delhi, Mumbai, Kolkata and Chennai are outside the review of the DIC programme. In various states the urban part of the capital city or the major industrial city is separated from rural parts. The DICs funded by the centre government. The tremendous progress in the establishment of DICs can be attributed to the funding policy of the Central Government.

4.3. Conceptualisation of DIC

A District Industries Centre is an institution at the district level which provides all the services and facilities to entrepreneurs at one place, so that they may set up small and village industries. It provides a focal point for the promotion of small, tiny, village and cottage industries and to offer all the services and support to decentralized industries under a single roof at the pre-investment and post-investment stages. The "District Industries Centres" (DICs) at the district headquarters make available all the facilities to entrepreneurs under one roof at pre-investment and post investment stages (Srivastava, 1981') 5. It provides the services and facilities like 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 and entrepreneurial training.

The District Industries Centre should also ensure that small industries continue to be viable. For this purpose, it provides all the facilities to the entrepreneur under one roof at the district and sub-district levels. Suitable powers have now been delegated by several departments of the state government to the District Industries Centre, so that an entrepreneur may get from one agency all the needed assistance. Efforts have been made to cover each district in the country with an industries centre. By the end of 1978-79, the number of approved DICs had gone up to 346. At the end of March 2010 the total number of DICs stands 574.
4.4. Rationale of DIC

There are several schemes for assisting rural entrepreneurs, and several government corporations, banks etc are involved in implementing schemes such as Seed Money Assistance, Scheme to Assist Educated Unemployed, Margin Money Assistance Scheme, Financial Assistance to Backward Class Entrepreneurs, Central Subsidy Scheme and Special Capital Incentive Scheme. The rural based entrepreneurs are often unaware of such schemes, and even if they are aware of them, the requirement of approaching different authorities and complicated procedures and endemic delay at each point have been causing considerable frustration. The rationale of DIC programme is that, by channeling assistance under all these schemes through the DICs, an entrepreneur is enabled to get full benefit of various schemes with a minimum effort and without delay.6

Today almost every country is aware of the possible causes and the honible consequences of regional disparities. India, with its politico-economic federal structure, is not free from regional disparities. Thus the Government of India in its Fourth and Fifth Five Year Plans have accepted the goal of regional development more clearly, and have taken steps for setting up agencies and formulating policies having greater spatial orientation (Seshadri.1991)7. The programme of District Industries Centre was launched, on 1st May 1978 to lessen the regional imbalance in the industrial development through dispersal of industries from urban areas to semi-urban and rural areas. Rural Industrialisation through the development of small scale industries has been the goal of development in India since a long time. Various Industrial Policies in the past emphasised development of small industries. However, institutional setup to promote rural industrialisation was highly uncoordinated and therefore, it cannot promote the task effectively. Thus there was a need to develop an integrated approach to promote rural industries through a single agency, which could provide all types of assistance from pilot survey to marketing of products for the entrepreneurs. Thus the DIC programme were initiated with a avowed objective of providing an integrated administrative framework at the district level to promote effective development of small industries widely dispersed in rural and semi-urban areas .8

In view of the large employment potential in rural areas, the new industrial policy has assigned an important role to the development of village and cottage
industries in those areas. To achieve these objectives the focal point of development has been shifted from cities to small towns. To implement this policy, the Government launched the DIC programme on 1st May 1978 to provide a focal point for the promotion of small, tiny, village and cottage industries and to offer all the services and support to the decentralised industries sector under a single roof at the pre-investment and post investment stages. The main thrust of the DIC programme is on the development of such industrial units as to create larger employment opportunities in rural and semi urban areas. As a part of ensuring people’s participation in the planning process, the Ashok Metha Committee recommended a two-tier Panchayath Raj structure – Zila Parishad at district level and Mandal Panchayath at Mandal (being a village cluster of 15000-20000 population) level which would provide opportunities for the elected peoples representatives to identify the needs and aspirations of the local people. As a complement to this, the process of decentralised administration began with the subject experts posted at district level, setting up of DICs having expertise leading to industrial matters and setting up of district planning units (Aziz Abdul 1989).

4.5. Functions of DIC
4.5.1 To survey existing, traditional and new industries, and raw materials and human resources; to identify schemes and make market forecasts for different items; to prepare sample techno-economic feasibility reports and other investment advice to entrepreneurs.
4.5.2 To assess the machinery and equipment requirements of small scale, tiny and village industries; to indicate the locations where machinery and equipment for different plants may be available for entrepreneurs to liaison with research institutions and arrange for the supply of machinery on hire purchase basis;
4.5.3 To arrange for training of entrepreneurs of small and tiny units and liaison with Small Industries Service Institute, Small Industrial Extension Training Institute and other institutions, to keep abreast of the latest research and development in selected product lines and quality control methods.
4.5.4 To ascertain the raw material requirements of various units, their sources and prices and to arrange for their bulk purchases and distribution to entrepreneurs.
4.5.5 To liaison with lead banks and other financial institutions, appraise applications, monitor the flow of industrial credit in the district, and arrange for financial assistance to entrepreneurs:

4.5.6. To organise marketing outlets, to liaison with government procurement agencies, convey market intelligence to entrepreneurs, organise market surveys and market development programmes.

4.5.7. To give particular attention to the development of Khadi and Village and other cottage industries, liaison with State Khadi and Village Industries Board and organize training programmes for rural artisans.

4.5.8. To provide immediate aid required by entrepreneurs in respect of power supply, licences required under municipal and health departments and Factories Act for the establishment of industries.

4.5.9. To assist entrepreneurs in allotment of work sheds or sites required for establishment of industries in industrial estates.

4.5.10. To help in arranging cent per cent loans to educated unemployed belonging to scheduled castes, scheduled tribes and socially or economically backward communities for starting industries under special employment schemes;

4.5.11. To help in extending suitable technical training to rural youth to pursue self employment schemes;

4.5.12. To assist in arranging grant of central and state government concessions and interest free sales tax loans, to provide capital for purchase of plant and machinery, construction of buildings and allotment of sites to new industrialists;

4.5.13. To assist entrepreneurs of small scale units in establishing industries collectively by formation of industrial cooperatives.

4.5.14. To arrange for the issue of guarantee deeds to new industries in respect of supply of electricity by giving rebate.

4.6. Objectives of DIC

It was realised that unless the process of industrialisation is well dispersed over the country and taken to the semi urban and rural areas, no real impetus to the economic development could be possible. The main objective of DIC programme for the development of the small industries have been to create large scale employment opportunities, to promote decentralisation and to disperse industries, to develop agro
based and ancillary industries, to improve the skills of artisans and quality of their products, to reduce the role of subsidies and to step up the production of economic goods and other essential articles having a large potential for exports. The small and rural industries have therefore been treated as among the nation's priority sectors. The District Industries Centre constitutes an institutional device to provide the industrial infrastructure at the door step of the entrepreneurs and to tackle the problems of small scale sector with an integrated approach.

4.7. Role of DICs

An underlying consideration for the present approach to decentralized industrial growth is that, small and tiny industries have the maximum employment potential and in a capital-scarce and labour-surplus economy, any meaningful approach to industrialisation should take into account the creation of new employment opportunities with a minimum capital outlay. The rural bias in the policy reflects government's anxiety to reverse the present trend of large scale migration of labour to urban centres as also to provide scope for utilisation of resources and skills available in rural areas for setting up employment-oriented ventures, partly or meeting local needs.

The DICs are being conceived as a single agency for making available all the necessary facilities under one roof so that an entrepreneur can avoid the complicated time-consuming process of getting various permissions and facilities from a large number of departments and financial institutions.

Another role assigned to DICs is that of providing entrepreneurial advisory services. Entrepreneurs intending to set up units in rural centres naturally should have information about the prospects and marketability and availability of raw material inputs etc. Guidance may be required in conducting feasibility studies and preparation of project reports. The rural centres are not served by technical/commercial consultants, and naturally the DICs are expected to provide these services to the prospective entrepreneurs who need such services.

The manager of the economic investigation department of a DIC is responsible for the survey of the position in respect of raw materials and human skills, for the identification of potential industries, for data collection on existing industries and for the preparation of sample techno-economic feasibility studies.
The manager of the machinery and equipment section assesses the requirement of the machinery and equipment needed by various small scale industries, including simple machines for village industries, he ascertains their sources of supply in the country, maintains list of prices and of suppliers, places orders on behalf of small entrepreneurs, and liaison with various research institutions for the provision of R&D technology.

The manager of the research, extension and training section ascertains the problems faced by small scale entrepreneurs in their production processes and methods and in the procurement of quality raw—materials, and keeps abreast of R&D in select product lines and quality control methods. He is also responsible for arranging training courses in production management.

The manager of the raw materials department ascertains the raw materials requirements of various units, their sources of supply and prices at which they are available, and arranges for their co-operative or bulk purchases.

The manager in charge of the credit section explains various credit schemes to entrepreneurs and helps them in filling up applications forms to financial institutions and acts as a liaison of application received from small units. He also monitors the flow of industrial credit in the district.

The manager for marketing organises market surveys and market development programmes, conveys market intelligence to entrepreneurs, organizes marketing outlets, and liaison with the Government procurement agencies.

The manager for cottage industry pays special attention to khadi and village industries, maintain liaison with the State Khadi Board, and similar organizations engaged in promoting these industries, and organises training programmes for rural artisans.

4 8. Works Programme of DIC

The DICs are expected to prepare development programmes, in accordance with the direction given by the Development Commissioner, Small Scale Industries.

The development programmes incorporated in the action plans, spell out the resources available, skills, demand estimates, input, requirements of credit, raw-materials and industrial accommodation. The action plans indicate the types of industries which can be encouraged to be undertaken by the entrepreneurs in an area,
target of new units to be set up, generation of employment, production and investment
in the new units. The details of other programmes such as entrepreneurial
development and training, assistance to sick units, supply of raw-material finances,
technical and technological inputs and marketing assistance are also incorporated in
the Action Plan.

4 9. DIC as a Co-ordinating Agency

The DICs which have been envisaged essentially as coordinating agencies
seek guidance from the existing agencies and utilise the expertise so gained for
service of small scale units (Desai Vasant, 1983) 10. The DICs are expected to develop
close linkage with the various organisations at central and state levels. In some states
the lead banks have already deputed their officers to act as Managers for credits in
DICs, while arrangements have also been made in several states to draw officers from
State Financial Corporations who act as managers. But in Maharashtra, DIC officers
are not on deputation from other agencies, but were appointed and promoted from the
industrial department itself. In order to have a close coordination with the Small
Industries Development Organization (SIDO) a branch of Small Industries Service
Institute (SISI) is situated at Mumbai so that DICs can be easily accessible to the
functions and programmes of SIDO.

From the above discussion it is observed that the DICs maintain a very close
link with the State as well as Central Level Organisations. These Organisations should
work hand in glove with DICs and provide all the necessary assistance to General
Manager of DICs, so that all inputs of these organisations are also made available to
the entrepreneurs under theDIC scheme.

4 10. Financial Assistance to DIC

The DIC programme continues to be centrally sponsored scheme during
Eleventh Plan Period.

Financial assistance of DIC programme:

At the initial stage of the DIC programme, the government of India had made
a provision of grant to the extent of Rs. 5 lakhs for each DIC to meet the non-
recurring expenditure i.e. construction of office building purchase of furniture, office
equipment and vehicles etc. As regards the recurring expenditure, the share of the
central government was limited to 75 per cent of the expenditure subject to a limit of Rs. 3.75 lakhs per DIC.

Under the new pattern of central assistance announced by National Development Council (NDC) the expenditure on the DIC programme including all components of recurring and non-recurring expenditure.

The incentive and other schemes taken up for implementation should be equally shared between the central and state governments on fifty-fifty basis.

From the above discussion it is clear that DIC scheme will continue as centrally sponsored during the Ninth Plan and it poses an important question about the Central Government Policy regarding the scheme in the subsequent Five Year Plans. It would be pertinent to mention that unless the central government is satisfied with the working of DICs, the scheme needs to be monitored and assisted at the Central level. In this way, central and state governments can mutually share and utilise their experiences in the implementation of DIC schemes. 14

4.11. Monitoring the Programme of the DIC

The DIC programme is monitored at district, state, regional and the central levels with a view to ensuring that each DIC works effectively to achieve the objectives for which it has been set up.

4.11.1. Central Level Coordination Committee

A Central coordination Committee has been set up with the Minister of Industries as its Chairman and the Development Commissioner (SSI) Ministry of Industries as its member secretary. It reviews the programmes, policies and formalities at central level in the light of experiences gained.

4.11.2. Regional Coordination Committee

Five regional committees have been founded in the country to provide coordination and exchange of information among the different states in the region. The entire country has been divided into five regions, and includes the states mentioned as under:

4.11.2.1. Northern Region: - Jammu and Kashmir, Punjab, Haryana, Himachal Predesh, Delhi and Chandigarh.
4.11.2.2. Eastern Region: - West Bengal, Bihar, Orissa, Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim, Andaman & Nicobar Islands.

4.11.2.3. Central Region: - Madhya Pradesh, Rajasthan and Uttar Pradesh.

4.11.2.4. Western Region: - Gujarat, Maharashtra, Dadra and Nagar, Haveli, Goa.

4.11.2.5. Southern Region: - Andhra Pradesh, Karnataka, Maharashtra, Tamilnadu, Pondicherry and Lakshadweep.

4.11.3. State Level Coordination Committee

Under DIC Scheme the States were advised to constitute state level coordination committees. Accordingly in Maharashtra State the state level coordination committee was constituted in 1978. In the state level committee, Minister of Industries acts as Chairman. The committee was formed to review the functioning of DIC schemes in the state, and formulate programmes at the state level and report to central government on the progress and problem encountered in the implementation of DIC scheme and solutions identified to enable the central government to review the progress of DIC scheme, from time to time (Development commissioner1985)\(^\text{16}\).

4.11.4. District Advisory Committee

At district level, District Advisory Committee headed by District Collector as Chairman was constituted in 1978 to provide suitable arrangement for effective coordination between the DICs and other state government departments, local bodies and non—official agencies. The committee was formed to review the DIC programme and make recommendations for implementation of DIC scheme.\(^\text{17}\)

4.11.5. Monitoring Cell at the State Headquarters

A special cell has been constituted in the state level with the main objective of reviewing the progress in various DICs in the state and ensuring adequate exchange of information, so that the experience gained by one DIC could be utilised by other DICs. The cell has to test the information of the DICs regarding the promotional activities as well as achievements. The outstanding achievements and problems are to be intimated to the State Level Coordination Committee.
4.11.6. Monitoring Cell at the Development Commissioner (SSI)

This cell has been constituted at the national level with a view to watch and guide in the implementation of the DIC schemes. The analysis of DIC scheme is made on the basis of monthly and annual progress reports, which are being sent by DICs and proper guidelines were issued to the state governments to ensure the proper implementation of DIC scheme. From the above discussion, it is observed that the central government has given great importance to DIC scheme. In order to make DIC effective, delegation of powers is required.  


In order to make DIC effective, arrangements are further made to have adequate delegation of powers from various agencies. For instance the powers for allotment of land, work sheds etc, have been given to DICs. The state government has already delegated administrative powers and some of the financial powers of the department of industries. The powers delegated to DICs may be broadly divided into three groups:

4.12.1. Administrative Powers

(a) For running the office of DIC and for efficient discharge of regulatory functions.
(b) To carry out effective promotional and developmental activities.

4.12.2. Financial Powers

(a) Powers of Head of Office in respect of financial matters.
(b) Powers for promotion and developmental activities.
(c) Powers under the provision of Import Trade.

4.12.3. Control Policy

(a) Powers under Indian cooperative societies.
(b) Miscellaneous including those delegated by other departments.

Almost all the states have delegated administrative and financial powers to the General Managers of DICs, but administrative and financial powers for the promotional and development activities have not been delegated adequately or formally over the states (SIDO 1985-86)

The adequate delegation of powers to the General Manager of DIC is important, so that entrepreneurs may not experience any delay in availing of the
assistance from DIC. Further adequate delegation of powers may develop more interest, enthusiasm and job satisfaction for managers of DICs; otherwise they may feel themselves as messengers and not managers.

4.13. Development of Linkages

The State Government has been advised to take initiative in developing linkages with State and Central Institution and take steps for coordinating their activities with those of the other bodies concerned with decentralised industrial sector. There should be a fuller integration of the DIC programmes, which will have an impact on the development of small and cottage industries. The Government of Maharashtra has issued instructions for reserving purchases of the Government Departments, Boards, Corporations, etc, exclusively from cottage and small industries in respect of 13 groups of items. It has also simplified procedures, so that no permission is required for establishing units involving an investment of less than Rupee one lakh. The DICs are actively engaged in developing linkages with programmes exclusively meant for artisans, e.g. the integrated rural Development Programme. To provide additional marketing outlets for the products of rural artisans and tiny units, the DICs have been involved in the establishment of rural marketing and service centers. The procedure and performance for obtaining small loans have been simplified to meet the requirements of most of the units.¹⁹

4.13.1. Training

To ensure that the functional managers in the DICs have a clear idea of their duties and that they effectively discharge their responsibilities, it has been proposed to conduct training programmes for them.²⁰ The first such training course for General Managers was arranged at Hyderabad and Ahmadabad. In order to ensure that the General Managers and Functional Managers have a clear idea of their duties and they effectively discharge their duties, special training programmes were organised by reputed organisations in the country. The training programmes included the communications of knowledge of the concept and policies of the DIC programme, behavioral sciences, and technical component of the respective disciplines of the Managers participating it.
4.13.2. Recommendations of the Working Group

The Working Group on the delegation of powers to District Industries Centres and linkages with Central and State Government organisations was set up at the Workshop on Industries Centre. This Working Group was comprised of: Secretaries of Industries from the State Government of Uttar Pradesh, Gujarat and West Bengal, and Representatives from the Department of Economic Affairs, Department of Supply, the Reserve Bank of India, National Small Industries Corporation and the Development Commissioner, Small Scale Industries. The Working Group held its first meeting in New Delhi on 23rd March 1978. Among its recommendations on the question of powers to be delegated to the DIC to finalise the sanction and disbursement of loans, it was decided, after considerable discussions of the various implications, to make the effective recommendations.

The project of new entrepreneurs should be appraised by officers of the DICs. If they are found to be viable and bankable the party's banker, if any, or the State Financial Corporations or both, if necessary, should be invited to the DIC to participate in the proceedings for their final clearance. If a project is cleared, the decision of the DIC should be accepted by all without any further scrutiny. If an entrepreneur does not have any banker, it should be the responsibility of the DIC to invite the bank in the district to join the proceedings for the purpose of a financial assessment of the project. And financial assistance should be extended, thereafter, by the participating bank or SFC or both, wherever necessary. The Working Group also recommended that the powers to sanction loans up to a total of Rs.2 lakhs, including the working capital, should be delegated to the district level officer by the banks and SFCs to ensure that no reference to an authority above all this level may be necessary to sanction and disburse loans up to these amounts.

Under the existing scheme of margin money, the Group recommended that a specific sum of money may be allotted by the concerned Director of Industries to the DICs to be utilised for margin, so that assistance to the extent of 10 per cent of the total investment, including fixed capital, of Rs.20000—whichever is less—may be disbursed to an entrepreneur by a DIC.

The Group further recommended that all the subsidy schemes, which were being implemented at the state level, should be made at the level of the DIC by a delegation of powers to the General Manager of DIC. Under the district industries
scheme, a Group on "Target Audience and Approach in Rural Areas" was formed, which held a workshop in Delhi. The terms of references of the Group were:

(a) To define the target audience under a DIC
(b) To review the existing facilities under the various programmes as backward areas of developments, rural artisans and rural industries projects for the target population and
(c) To suggest package of Assistance for the Target Audience.

In the area of financial assistance, Group suggested that:

(i) The nationalized banks may be asked to provide loans upto Rupees 1 lakh of the amount of investment in plant and machinery at 10 per cent interest without demanding any collateral security.
(ii) Loans advanced by banks to the target population may be recovered as areas of land revenue.
(iii) No collateral security should be demanded from the entrepreneurs for the state aid.
(iv) In a district in which a district industries centre has been set up, the deposit investment ratio of the nationalized bank should be 1:1.
(v) At the state levels 15 per cent of the funds of the nationalized bank should be earmarked for rural industrialisation.
(vi) The nationalized banks may be asked to operate the IDBI's refinance scheme on loans given to the tiny and small entrepreneurs.
(vii) Under the lead bank scheme, it may be made mandatory for banks in a district industries centre to adopt each block. For villagers which are located in interior, the nationalized banks in the districts may operate a mobile van scheme; each bank van may visit each village twice a week, collect deposits and advance loans to small and cottage industries.
(viii) The banks operating agricultural branches may be asked to give industrial loans to small and tiny entrepreneurs through such branches.

4.13.3. Linkage with other state level organisations

The DIC maintains a very close link with other state level organisations such as State Financial Corporations (SFC) and State Small Industries Development Corporations (SSIDC). These state level organisations work in close cooperation with the DIC and provide all the necessary assistance to their General Manager so that all
the inputs of these organisations are also made available to the entrepreneurs under the DIC.

The linkages among Government, State Financial Corporations (SFC), Small-Scale Industries Development Corporation (SSIDC), Bank, DIC and Small scale sector.

The function of the DICs is to help small industries and rural artisans in backward areas. So far various facilities for the development of small industries have benefited mainly the more well to do entrepreneurs who manufacture sophisticated items in the small scale sector. The DIC must help the weaker section of the community in rural and backward areas so that they may get all the assistance they need to set up village industries and improve their own economic condition.

4.14. Organisational Set up of DIC

The DIC scheme was started as a centrally sponsored scheme, but the responsibility for its implementation has been entrusted with state governments. Under the organisational set up suggested by Government of India, each DIC includes a General Manager who is assisted by seven Functional Managers to deal within the following subjects:

1. Economic Investigation
2. Machinery and Equipment
3. Research, Extension and Training
4. Raw-materials and Infrastructure
5. Credit
6. Marketing and Ancillary
7. Technical Officer

The number of functional managers was kept flexible keeping in view of the size, population and potentialities of various districts and this number varies from four to seven.
Organisation staff of Nasik DIC office is given in the table 4.2. District industrial centre, Nasik has total 30 posts. 22 posts are recruited and 8 posts are still vacant. The post of Manager, Industrial officer (Sr. and Jr grade) are vacant. The human resource are not full force. It affect on the efficiency of office. It is urgency to fulfill the vacant post.

4.15 Restructuring of the DIC

The organisational structure of DICs was reviewed during the year 1990 and it was decided to restructure their composition and functioning to make them more relevant to the area with effect from 1st April 2001.

In order to have an intensive review of the working of DICs and to make it the base for restructuring of DICs, a study was conducted by the Ministry of Industries, to collect information and views of all the state governments in respect of the performance and other promotional aspects of the DIC programme. The Study Team selected one from each from the Northern, Central, Western, Southern and Eastern regions of the country. The Study Team comprises of the representatives of the Ministry of Industries, Ministry of Commerce, Ministry of Rural and Reconstruction, RBI and Development Commissioner, Small ‘Scale Industries- The selected DICs
were Anantnag in Jammu and Kashmir, Alwar in Rajasthan, Surendemagar in Gujarat, Sundargarh in Orissa. It was, therefore, decided to modify the organisational structure of DICs. The restructured DICs would have a General Manager and four Functional Managers, of which there would be mandatory in the fields of

1. Economic Investigation
2. Credit and

The state Governments were free to appoint a fourth manager for any of the other areas such as raw materials, marketing, training, information and infrastructure, depending upon the specific requirements of each district.

In 1984, on the basis of the observation of Coordination Committee of the DICs, a more positive role was assigned to the DICs in the seventh plan, which emphasizes the need for greater delegation of powers to the DICs by the State Government particularly relating to raw materials, allotment of industrial sheds, power, margin money, investment subsidy and incentives. The DICs are being restructured to make them technically and professionally competent. With a view to enable the DICs to recruit project managers (Technical) and other functional managers of desired calibre etc. The ceiling on Central Assistance for establishment expenditure has been raised (Government of Maharashtra 2001).  

4.16. Performance of DIC

Efforts have been made to cover each district in the country with a District Industries Centre. The performance of the DIC during the last 30 years has been remarkable. Over the years the DICs have identified 79.84 lakh entrepreneurs; new provisional registration was done in the case of 444.77 lakhs, (2011) number of units established by providing credit of Rs.2716507 crores. The additional employment generated was of the order of 1012.59 lakhs. If these figures are to be believed, the performance of the DICs are excellent and it also indicated that the country has abundance of entrepreneurial and artisan talent.

4.17. Package of Assistance offered by DICs.

It is a matter of gratification that a DIC aims at providing all types of assistance as far as possible and practicable at pre-investment and post-investment stages at district level.
4.17.1. Assistance offered at Pre-Investment stages:

With the formation of DICs, the change took place in the mode of registration as the powers have been decentralised. At present the registration is granted by the DIC concerned.

4.17.11. Grant of Registration

With the establishment of DICs powers have been delegated to this agency to make a registration. Therefore, the primary function of DICs is to grant registration to the entrepreneurs, so that entrepreneurs can avail of the special incentives offered by government for the development of small scale industries.

The registration of small scale industries is done in two stages:

4.17.11.1 Provisional Registration

Provisional registration is accorded in order to enable an entrepreneur to take the necessary steps to bring the unit into existence. "Provisional Registration" is converted into a "Permanent Registration" after the unit provides satisfactory proof of its having come into existence. Government has introduced "Single Window System" to obtain all licences / clearances / certificates required for an industry within a prescribed time limit. The provisional registration is valid for one year which can be extended to two years by the intervals of six months. Total validity is three years. But the extension of period is subject to the production of satisfactory proof that the party is taking active steps to establish the unit but could not complete the same.

Provisional Registration may entitle the party to

(a) Apply for a shed in industrial estate and material for construction of shed.
(b) Apply to Corporation/ Municipal or Local authorities for permission to construct the shed for the establishment of the unit.
(c) Apply for power connection.
(d) Apply for financial assistance to banks and other financial institutions on the basis of project report as may be required by them.
(e) Apply to National Small Industries Corporations (NSIC) or other institutions for procuring machinery on hire purchase basis.
(f) Take other steps that may be necessary for the establishment of the unit.

4.17.11.2 Permanent Registration

When the party has taken all the steps to establish the unit, i.e. when the factory building is ready, power connection has been given, the machinery has been
installed etc., he may apply for the regular registration of the unit. Powers have been
delegated to DICs for issuing the Permanent Registration Certificates.

On the receipt of application from the unit-holder, the Manager of DIC
inspects the unit. On being satisfied that the unit is capable of production activity, a
"Registration" certificate is issued.

All registered units are required to submit half-yearly reports of the raw
materials received, stock in hand, production and sales to DIC. Failure to submit such
statements within the prescribed period may constitute adequate ground for refusing
to sponsor application for import/allocation of raw-materials (DIC 2001) 24.

SSI registration fees is in Maharashtra .Rs. 100 only.

The DIC has been empowered to de-register any unit if it fails to fulfill its
requirements. Thus a small scale unit already registered may be deregistered on any
one or more of the following grounds:

1. If the unit remained closed continuously for a period exceeding one year.
2. If the unit has been proved to have mis-utilised raw materials allocated to it.
3. If the unit failed/refused/avoided to give full and truthful information as
called by the registering authority from time to time and particularly the half yearly
report.
4. If the unit is found to be a subsidiary of or owned or controlled by medium
and large scale industries.
5. If the fixed investment in plant and machinery exceeds the fixed investment
ceiling prescribed in the definition of small scale industries. The orders for
deregistration are signed by the General Manager of DIC, where the unit is situated.
However, the General Manager is should send a show cause notice to the party and
give 30 days time for reply.

4.17.11.4 Grant of Registration for units intending to expand / diversify

The DIC has laid down a complete system of procedures for introducing any
kind of diversification or expansion in the units. Thus, according to those norms, a
unit which wants to expand by increasing the production of the item for which it is
already registered need not obtain any fresh registration or any endorsement on its
registration certificate unless it involves the additional plant and machinery and
consumption of additional scarce and imported raw materials. A unit which may
desire to diversify its production by addition of one or more item for which it was not
already registered will have to get its registration certificate duly endorsed for such items after technical inspection.

In case of an entrepreneur who intends to manufacture new products and has installed or proposes to install additional machinery and require scarce raw materials will have to apply to the DIC concerned.

4.17.13. Single Window System

Government has introduced "single window system" to obtain all clearances or certificates or licenses required for an industry within a prescribed time limit. It is expected that this will positively change the industrial scenario of the state rapidly.

An administrative committee has been constituted in every district with District Collector as Chairman. General Manager District Industries Centre, as Convener and with the district heads of all related departments as members. The committees facilitate timely issue of licenses and clearances and function as a single window for industry.

4.18 Financial assistance to SSIs through various schemes sponsored by DIC Nasik:

4.18.1 Prime Minister's Employment Generation Programme (PMEGP)

Ministry of Micro, Small and Medium Enterprises (MoMSME) has launched a new credit linked subsidy programme called Prime Minister's Employment Generation Programme (PMEGP) on 61st anniversary of Indian Independence by merging the two schemes that were in operation till 31.03.2008 namely Prime Minister's Rojgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) for generation of employment opportunities through establishment of micro enterprises in rural as well as urban areas. PMEGP will be a central sector scheme to be administered by the Ministry of MSME.25

The subsidy levels, the cost limit of projects or units that could be established under PMRY which was extended to rural areas as well in 1994-95, were quite low and unattractive compared to those available to the beneficiaries in REGP. While the maximum subsidy admissible was Rs.12500 and the maximum cost of project that could be established was Rs.5 lakh under PMRY, the maximum subsidy that was admissible was Rs.4 lakh and the maximum cost of project that could be established was Rs.25 lakh under REGP for a beneficiary belonging to General category. There were more attractive programmes for creation of self employment opportunities being
operated by many State Governments. Recovery rates of loans under PMRY were also considerably less than those under REGP. PMEGP improves upon the subsidy levels and cost limits of projects compared to those available so far under PMRY and ensures that the attractiveness of REGP is not diluted in any way while simultaneously strengthening the selection process, implementation and monitoring mechanism.

3. The subsidy levels under PMEGP are as under:

<table>
<thead>
<tr>
<th>Categories of beneficiaries under PMEGP</th>
<th>Owner’s contribution</th>
<th>Rate of Subsidy (of cost of Project)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>10%</td>
<td>Urban 15%</td>
</tr>
<tr>
<td>Special (including SC/ STs/ OBCs/</td>
<td>05%</td>
<td>Rural 25%</td>
</tr>
<tr>
<td>Minorities/ Women, Ex-servicemen,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physically Handicapped, NER, Hill and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Border Areas)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The upper limit of the cost of project that could be setup in the manufacturing sector is Rs.25 lakh while that in the business/service sector is Rs.10 lakh. There are no ceiling limits of annual income in respect of beneficiaries while a minimum educational qualification of VIII standard pass will be required for beneficiaries in respect of projects costing more than Rs.10 lakh in manufacturing sector and more than Rs.5 lakh in business/service sector. The beneficiaries would be identified, inter alia, with the help of Panchayats, Special Awareness Camps and will be provided with a mandatory Entrepreneurship Development Programme (EDP) training of a duration of two to three weeks. The scheme envisages electronic tracking of applications, 100 per cent verification of projects/units that will be established and model project profiles have been updated in association with banks. The scheme will be implemented at the national level through Khadi and Village Industries Commission (KVIC), an organization created under an Act of Parliament reporting to MoMSME which will place the funds of Government subsidy with the participating banks which in turn will disburse the same to the beneficiaries on receipt of applications and their own contribution ‘upfront’ in accordance with the guidelines of
the scheme. Budget Estimates 2008-09 have provided Rs.823 crore for PMEGP which includes Rs.83 crore towards Backward and Forward linkages including EDP training, publicity, marketing support, e-tracking of applications, physical verification of projects and so on. An estimated 6.17 lakh additional employment opportunities are targeted to be generated in 2008-09. The estimated total outlay for subsidy under PMEGP is Rs.4485 crore in addition to Rs.250 crore earmarked for providing Backward and Forward linkages to the micro enterprises between 2008-09 to 2011-2012 leading to an estimated generation of around 37.38 lakh additional employment opportunities. The scheme will be got independently reviewed after two years of its implementation.26

The DIC Nasik invited applications from educated un-employed youth and after necessary verification, the selected applicants were recommended to get their finance from the respective banks. In this context the progressive achievement under PMRY in Nasik district, from 2000-01 to 2010-11 are explained in the

Table No 4.3

Prime Minster Rojgar Yojana:

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Year</th>
<th>Beneficiaries</th>
<th>% To Total</th>
<th>Amount Disbursed in lakhs</th>
<th>% to Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2000-2001</td>
<td>450</td>
<td>8.06</td>
<td>452.87</td>
<td>12.31</td>
</tr>
<tr>
<td>2</td>
<td>2001-2002</td>
<td>387</td>
<td>6.93</td>
<td>302.12</td>
<td>8.21</td>
</tr>
<tr>
<td>3</td>
<td>2002-2003</td>
<td>659</td>
<td>11.80</td>
<td>442.14</td>
<td>12.02</td>
</tr>
<tr>
<td>4</td>
<td>2003-2004</td>
<td>869</td>
<td>15.56</td>
<td>552.95</td>
<td>15.03</td>
</tr>
<tr>
<td>5</td>
<td>2004-2005</td>
<td>712</td>
<td>12.75</td>
<td>457.51</td>
<td>12.43</td>
</tr>
<tr>
<td>6</td>
<td>2005-2006</td>
<td>961</td>
<td>17.20</td>
<td>580.35</td>
<td>15.77</td>
</tr>
<tr>
<td>7</td>
<td>2006-07</td>
<td>570</td>
<td>10.20</td>
<td>343.98</td>
<td>9.35</td>
</tr>
<tr>
<td>8</td>
<td>2007-08</td>
<td>850</td>
<td>15.22</td>
<td>450.5</td>
<td>12.24</td>
</tr>
<tr>
<td>9</td>
<td>2008-09*</td>
<td>14</td>
<td>0.25</td>
<td>11.46</td>
<td>0.31</td>
</tr>
<tr>
<td>10</td>
<td>2009-10*</td>
<td>114</td>
<td>2.04</td>
<td>85.87</td>
<td>2.33</td>
</tr>
<tr>
<td>11</td>
<td>Total</td>
<td>5586</td>
<td>100</td>
<td>3679.75</td>
<td>100.00</td>
</tr>
</tbody>
</table>

For 2000-2008 Prime Minister Employment Scheme
* PMEG Scheme from 2008-09

Source: DIC, Nasik, Annual Administrative Report 2000-01 to 2009-10
It is observed from Table that 5586 beneficiaries have got Rs. 3679 lakhs under Prime Minister Rojgar Yojana during 2000-01 to 2007-08 and Prime minister Employment Generation Scheme 2008-2010.

Graph 4.1

Prime Minister Employment Scheme

Under this scheme the project cost up to Rs. Five crore for manufacturing unit and Rs two crore for Service units is eligible. The beneficiary will be entitled for seed capital between 15 to 22.5 percent of the project cost. The maximum limit for seed capital in Rs. 1.5 lakhs in general cases and incase of project cost upto 1.00 lakh. 75 percent bank loan, 15 percent seed money and 10 percent own contribution. The district industries centre will sanction and disburse seed capital at 10 percent rate of interest.

4.18.2 Seed Money assistance to educated unemployed:

In order to reduce the un-employment in the educated masses, a scheme for them by way of seed money has been undertaken by the government of Maharashtra.

To encourage self employment venture amongst unemployed youths, Govt. has specially announced New Seed Money Scheme w.e.f.18.5.07 increasing project
cost limit from Rs.10 lakhs to 25 lakhs, reducing rate of interest on seed capital from 10% to 6%. A special rebate of 3% is admissible for regular repayment of seed capital.

Eligible educated unemployed gets 15% soft loan from D.I.C @ 6% as seed money loan for the project cost upto Rs.25 lakhs and the upper limit of seed money Rs.3.75 lakhs. In the interest of social justice, for all backward categories and handicapped youths, 20% seed money loan is eligible for the project cost upto Rs.10 lakhs.

The object of the scheme is to fill up the gap of the margin money for a bankable proposal of SSIs to the extent of 15 to 22.5 percent of the project cost. Any person, either male or female, within the age limit of 18 to 40 years, who has passed the SSC examination and holds the certificate from the Industrial Training Institute (ITI) is eligible for assistance under the Scheme.

The DIC Nasik sponsors the applications of the educated unemployed youth and sends them to, the Western Maharashtra Development Corporation (WMDC) for sanction. The banks provide 75 percent loan of the costs. The seed money is made available by the WMDC at a low rate of interest of 4 percent per annum.27

Table 4.12 indicates the details of seed money assistance to the educated unemployed under employment promotion programme.

Table 4.4

<table>
<thead>
<tr>
<th>Sr NO</th>
<th>Year</th>
<th>Total benefitted No.</th>
<th>Expenditure(Rs Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2000-01</td>
<td>24</td>
<td>8.2</td>
</tr>
<tr>
<td>2</td>
<td>2001-02</td>
<td>41</td>
<td>19.35</td>
</tr>
<tr>
<td>3</td>
<td>2002-03</td>
<td>36</td>
<td>10.42</td>
</tr>
<tr>
<td>4</td>
<td>2003-04</td>
<td>29</td>
<td>7.56</td>
</tr>
<tr>
<td>5</td>
<td>2004-05</td>
<td>21</td>
<td>8.63</td>
</tr>
<tr>
<td>6</td>
<td>2005-06</td>
<td>67</td>
<td>30.45</td>
</tr>
<tr>
<td>7</td>
<td>2006-07</td>
<td>51</td>
<td>27.79</td>
</tr>
<tr>
<td>8</td>
<td>2007-08</td>
<td>47</td>
<td>37.81</td>
</tr>
<tr>
<td>9</td>
<td>2008-09</td>
<td>47</td>
<td>39.17</td>
</tr>
<tr>
<td>10</td>
<td>2009-10</td>
<td>62</td>
<td>46.31</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>425</td>
<td>235.69</td>
</tr>
</tbody>
</table>

Source: DIC, Nasik, Annual Administrative Report 2000-2010

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Table reveals that the seed money assistance disbursed by the Banks on the recommendations of the DIC up to 25 lakhs. During 2000-01 to 2009-10 the amount Rs.235.69 lakhs and total beneficiaries are 425. Implementing the seed money assistance scheme in the district was quite satisfactory than that of expectation.

**Graph No 4.2**

Seed money assistance to the educated unemployed under employment

![Graph showing seed money assistance to the educated unemployed under employment from 2000-01 to 2009-10.](image)

Total beneficiaries are increased almost every year after 2005-06. The number of beneficiaries were decreased during the period 2000-2005. Expenditure amount was highest in the year 2009-10.

Seed Money Assistance Criteria is explained in the table 4.5
### Table No 4.5
Seed Money assistance criteria

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Extent of seed money assistance of the total project cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Project cost requiring investment</strong></td>
<td></td>
</tr>
<tr>
<td>more than Rs. 1 lakh</td>
<td>10 Percent</td>
</tr>
<tr>
<td><strong>B. Project cost requiring investment</strong></td>
<td></td>
</tr>
<tr>
<td>less than Rs. 1 lakh</td>
<td></td>
</tr>
<tr>
<td>1. If applicant belongs to SC / ST category</td>
<td>20 Percent</td>
</tr>
<tr>
<td>2. If applicant belongs to economic backward category</td>
<td>20 Percent</td>
</tr>
<tr>
<td>3. If applicant belongs to SC / ST and backward category</td>
<td>22.5 Percent</td>
</tr>
<tr>
<td>4. All other applicants</td>
<td>15 Percent</td>
</tr>
</tbody>
</table>

Source: Records of the DIC, Nasik, 2009-10

It is observed from Table that the seed money is given on the basis of project cost. It varies on the basis of caste of the applicant. Criteria A state that 10 percent seed capital assistance to those project cost is below 1 lakh. The assistance is up to 22.5 percent to SC or ST caste.

### 4.18.3 Seed money assistance to tiny units under DIC Loan Scheme:

DIC loan scheme - loan as 'Seed Money Assistance Scheme' was initially introduced as central government scheme in November 1977. The expenditure on this scheme is equally shared by the central and state government. The main objectives of the scheme are:

1. To provide financial assistance to tiny units in the form of seed money.
2. To promote small-scale and tiny industries in semi-urban and rural areas.
3. To increase employment opportunity in the said area.

Under this scheme, the seed money is given only to those SSI units, where investment in plant and machinery does not exceed Rs. 2 lakhs. Further, the assistance is given to the units in the rural areas, the population of which is less than 1 lakh. The extent of financial assistance is 20 percent of the total fixed investment of Rs.2 lakhs or 40,000, whichever is less. The entrepreneurs belonging to SC/ST are eligible for 30 percent margin money of the total fixed investment or Rs, 60000 whichever is less.
The rate of interest charged is 4 percent per annum. Table 4.6 gives the trend in growth of DIC's seed money assistance, bank advances and the number of tiny units assisted during 1990-91 to 2005-2006.

Table 4.6

Seed money assistance to tiny unit under DIC loan scheme:

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Year</th>
<th>No. of units assisted</th>
<th>DIC assistance (Rs Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2000-2001</td>
<td>13</td>
<td>2.14</td>
</tr>
<tr>
<td>2</td>
<td>2001-2002</td>
<td>4</td>
<td>0.82</td>
</tr>
<tr>
<td>3</td>
<td>2002-2003</td>
<td>7</td>
<td>1.41</td>
</tr>
<tr>
<td>4</td>
<td>2003-2004</td>
<td>6</td>
<td>1.14</td>
</tr>
<tr>
<td>5</td>
<td>2004-2005</td>
<td>3</td>
<td>0.92</td>
</tr>
<tr>
<td>6</td>
<td>2005-2006</td>
<td>5</td>
<td>1.48</td>
</tr>
<tr>
<td>7</td>
<td>2006-2007</td>
<td>5</td>
<td>1.54</td>
</tr>
<tr>
<td>8</td>
<td>2007-2008</td>
<td>6</td>
<td>1.86</td>
</tr>
<tr>
<td>9</td>
<td>2008-2009</td>
<td>8</td>
<td>2.03</td>
</tr>
<tr>
<td>10</td>
<td>2009-2010</td>
<td>11</td>
<td>3.12</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>68</td>
<td>16.46</td>
</tr>
</tbody>
</table>

Source: Annual Administrative Reports of DIC, Nasik, 2000-2010

It is evident from Table 4.6 that the DIC during 2000-01 disbursed seed money assistance of Rs. 2.14 lakh to 13 tiny units. In March 2010, the number of tiny units assisted and the seed money disbursed by DIC rose to 68 and Rs. 16.46 lakhs.

4.18.4 Subsidy given to Small scale Units (2000-2010)

The main object is to motivate and attract industry in the specific zone.
Table No 4.7
Subsidy given to Small scale Units

<table>
<thead>
<tr>
<th>Zone</th>
<th>Special Capital Grant</th>
<th>sales Tax gran</th>
<th>Excise return</th>
<th>Electricity charges return</th>
<th>Special capital Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>748.39</td>
<td>32.67</td>
<td>933.52</td>
<td>0</td>
<td>26.28</td>
</tr>
<tr>
<td>C</td>
<td>387.44</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>19.96</td>
</tr>
<tr>
<td>D</td>
<td>1309.21</td>
<td>10.63</td>
<td>0</td>
<td>546.91</td>
<td>29.04</td>
</tr>
<tr>
<td>D+</td>
<td>1211.73</td>
<td>0</td>
<td>0</td>
<td>460.43</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>3656.77</td>
<td>43.3</td>
<td>933.52</td>
<td>1007.34</td>
<td>95.28</td>
</tr>
</tbody>
</table>

Source: Annual Administrative Reports of DIC, Nasik, 2000-2010

Special capital is given to 3656.77 Lakhs to total zones out of its D (36 percent) and D+ (33 percent ) zones subsidy is more. 75 percent Sales Tax return subsidy is given B zone and 25 percent to D zone. Excise return subsidy is given to B zone (100 percent). Electricity charges return subsidy is given to only D+ zone. Special capital subsidy is received to all zone.30 percent subsidy received to D zone, 27 percent subsidy received to B zone, 21 percent subsidy received to C and D + zone.

4.18.5 Collective Incentive ,1993 Scheme up to 2009-10(Beneficiary), Package scheme of Incentives:

This scheme was started in 1993. The main object of this scheme was to avoid the centralisation of industries and to give special incentives for the starting the industry in other than metropolitan areas. Maharashtra is the first state in the country, which has implemented this scheme.

Under this scheme, talukas have been classified under the grades of A, B, C, D and D+, A grade industry does not get any Incentive, but under the B. C, D, and D+ grade industries will get special benefits such as

1. Exemption of sales tax
2. Stay on sales tax
3. Zero percent unsecured loan etc. 
4. Refund the Electricity duty, special capital subsidy.

Nasik DIC has assisted to receive Collective Incentive 1993 Scheme details are given in the table 4.8..
### Table No 4.8

#### Collective Incentive Scheme 1993 up to the year 2010.

<table>
<thead>
<tr>
<th>Zone</th>
<th>Application</th>
<th>Eligibility qualified for Special Capital Subsidy</th>
<th>Sales Tax incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No</td>
<td>Amount</td>
</tr>
<tr>
<td>B</td>
<td>1562</td>
<td>341</td>
<td>828.64</td>
</tr>
<tr>
<td>C</td>
<td>318</td>
<td>121</td>
<td>433.5</td>
</tr>
<tr>
<td>D</td>
<td>643</td>
<td>233</td>
<td>1529.87</td>
</tr>
<tr>
<td>D+</td>
<td>403</td>
<td>168</td>
<td>1277.52</td>
</tr>
<tr>
<td>Total</td>
<td>2926</td>
<td>863</td>
<td>4069.53</td>
</tr>
</tbody>
</table>

Source: DIC, Nasik. Annual Administrative Report 2000-01 to 2009-10

Total application received 2926 and incentives are given to only 919 units (31.4 percent) as a Sales tax incentives. The number of applicants are higher. But the number of beneficiaries are very less specially for the B zone.

### Graph No 4.3

Collective Incentive scheme

The above graph 4.4 gives the number of applicant and number of beneficiaries for the collective Incentive Scheme 1993 benefit.
4.18.6 Collective Incentive 2001 Scheme:

Package scheme of incentives 2001 zone-wise position of special capital subsidy March 2010. DIC Nasik has assisted to receive Collective incentive Scheme for the period 2000-2010 as below.

Table No 4.9
Collective Incentive Scheme 2001(For the year 2009 and 2010.)

<table>
<thead>
<tr>
<th>Zone</th>
<th>Application Rec</th>
<th>LOI factor</th>
<th>Eligible</th>
<th>Grant distributed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>No</td>
<td>Amount</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>No</td>
<td>Amount</td>
</tr>
<tr>
<td>B</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>C</td>
<td>847</td>
<td>11</td>
<td>637</td>
<td>1522.89</td>
</tr>
<tr>
<td>D</td>
<td>504</td>
<td>32</td>
<td>211</td>
<td>1767.59</td>
</tr>
<tr>
<td>D+</td>
<td>1203</td>
<td>20</td>
<td>893</td>
<td>4114.69</td>
</tr>
<tr>
<td>Total</td>
<td>2557</td>
<td>63</td>
<td>1741</td>
<td>7405.17</td>
</tr>
</tbody>
</table>

Source: DIC Nasik Administrative record 2000-2010

The total application received 2557 and grand distributed to 1345 units only. The 52 percent units received the benefits only. D+ zone received the 58.4 percent grants. B zone is not eligible to receive the grants.

Graph No 4.4
Collective Incentive 2001 Scheme
The graph 4.5 states the picture of Collective Incentive scheme 2001. It is not apply for the ‘B’ Zone. It is benifitted to only C, D and D+ zones. D + zone industrialist have taken the highest benefit of the Scheme.

4.18.7 DIC Loan Scheme up to 2010

DIC Nasik has given the Loan to the small scale industries during the period 2000 to 2010 is given in detail in the table 4.10

Table No 4.10
DIC Loan Scheme up to 2010

<table>
<thead>
<tr>
<th>Sr NO</th>
<th>Year</th>
<th>Total benifitted</th>
<th>Expenditure(Rs Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2000-01</td>
<td>5</td>
<td>0.553</td>
</tr>
<tr>
<td>2</td>
<td>2001-02</td>
<td>4</td>
<td>0.452</td>
</tr>
<tr>
<td>3</td>
<td>2002-03</td>
<td>6</td>
<td>0.633</td>
</tr>
<tr>
<td>4</td>
<td>2003-04</td>
<td>7</td>
<td>0.78</td>
</tr>
<tr>
<td>5</td>
<td>2004-05</td>
<td>6</td>
<td>0.668</td>
</tr>
<tr>
<td>6</td>
<td>2005-06</td>
<td>9</td>
<td>1.502</td>
</tr>
<tr>
<td>7</td>
<td>2006-07</td>
<td>3</td>
<td>0.9</td>
</tr>
<tr>
<td>8</td>
<td>2007-08</td>
<td>2</td>
<td>0.6</td>
</tr>
<tr>
<td>9</td>
<td>2008-09</td>
<td>2</td>
<td>0.55</td>
</tr>
<tr>
<td>10</td>
<td>2009-10</td>
<td>3</td>
<td>0.732</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>47</td>
<td>7.37</td>
</tr>
</tbody>
</table>

Source: DIC Nasik, Annual Administrative Report 2009-10,

DIC Nasik has given the loan to 47 units in the Nasik District. The total loan amount is Rs.7.37 Lakhs. The amount and number is very less.
Total 47 units has received the DIC loans during the period 2000 to 2010. The total amount distributed is 7.37 lakhs. It is very disappointing picture.

4.18.8 Handicraft Scheme:

Handicraft industries play an important role in the district economy of Nasik. Since these industries require small capital, they are within the reach of artisans with meager means. Being labour intensive, they create large-scale employment opportunities for rural artisans.

4.18.9 Entrepreneurial Development and Training (EDT) programme:

Entrepreneurs are not always born. They can be created through proper training. So, to promote entrepreneurship, it is essential to pursue a suitable entrepreneurial development programme. The DIC, Nasik has taken up such special programme for development of entrepreneurship in the district and it is called 'Entrepreneurial Development and Training Programme. The programme arrangement of training for the entrepreneurs. It also arranges for the payment of stipend of Rs, 100 per month for a period of six months during the gestation period of the unit. The programme further aims at restructuring the minds of the young entrepreneurs in such a way, so as to create the sense of hope and self-confidence among them.
Under the EDT programme, the DIC organises one week duration camps at different places in the district. These camps are organised with the collaboration of expert institutions. The achievement of the DIC in this regard is presented in Table 4.11.

**Table No 4.11**

Entrepreneurship Development Program (Amount in Lakh)

<table>
<thead>
<tr>
<th>Sr NO</th>
<th>Year</th>
<th>Open Category</th>
<th>SC</th>
<th>ST</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No</td>
<td>Amount</td>
<td>No</td>
</tr>
<tr>
<td>1</td>
<td>2000-01</td>
<td>110</td>
<td>0.65</td>
<td>21</td>
</tr>
<tr>
<td>2</td>
<td>2001-02</td>
<td>212</td>
<td>0.96</td>
<td>36</td>
</tr>
<tr>
<td>3</td>
<td>2002-03</td>
<td>355</td>
<td>1.2</td>
<td>96</td>
</tr>
<tr>
<td>4</td>
<td>2003-04</td>
<td>210</td>
<td>0.21</td>
<td>75</td>
</tr>
<tr>
<td>5</td>
<td>2004-05</td>
<td>142</td>
<td>0.134</td>
<td>44</td>
</tr>
<tr>
<td>6</td>
<td>2005-06</td>
<td>191</td>
<td>0.25</td>
<td>151</td>
</tr>
<tr>
<td>7</td>
<td>2006-07</td>
<td>976</td>
<td>1.3</td>
<td>100</td>
</tr>
<tr>
<td>8</td>
<td>2007-08</td>
<td>270</td>
<td>1.3</td>
<td>834</td>
</tr>
<tr>
<td>9</td>
<td>2008-09</td>
<td>44</td>
<td>1.3</td>
<td>1219</td>
</tr>
<tr>
<td>10</td>
<td>2009-10</td>
<td>119</td>
<td>2.3</td>
<td>120</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2629</td>
<td>9.604</td>
<td>2696</td>
</tr>
</tbody>
</table>

Source: DIC Nasik, Annual Administrative Report 2009-10

**Graph No 4.6**

Entrepreneurship Development Program (Amount in Lakh)
It is observed from Table that in the first half of the five years period from 2000-01 to 2009-10, the total number of entrepreneurs participated in the EDT camps was only 1375. In the next five years period between 2005-06 to 2009-10, the number of participants increased by 4507. The amount of stipend disbursed in the first and second half of the five years period was Rs. 229.58 lakh.

During the overall period under consideration, the total participants participated in these camps and the amount of stipend disbursed was 5882 and Rs. 229.58 lakh, respectively thus based on the facts presented, we may say that the performance of the DIC was not up to the mark. The ST category is negligence in Total scenario.SC category and open category has benefitted equally.

4.19 Conclusion

DICs play the role of a facilitator for promoting the growth of small scale units within the district. After a general review of the functions, role and importance of the DICs, the study goes on to evaluate the performance of DICs in Maharashtra Industrial estates and various schemes of DIC Nasik is observed. The role of DIC is very vital in the development of industrialization .In the next chapter various support system for the growth of small scale industry is studied.
References

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