

ROLE OF SIDBI IN PROMOTION OF DALIT ENTREPRENEURS**Dr. C. PARAMASIVAN****Assistant Professor and Research Advisor****&****S. RAJESHKANNA****Ph.D. (FT) Research Scholar & ICSSR Doctoral Fellow****PG & Research Department of Commerce****Periyar E.V.R College (A)****Tiruchirappalli – 23****ABSTRACT:**

Entrepreneurship is one of the key components of the socio-economic development of the country that makes employment opportunities, utilisation of local resources and mobilisation of money. There is a need for extending financial support to entrepreneurs so that they do not suffer from shortage of funds and, in turn, do not fall prey to sickness and ultimately closure. Dalit entrepreneurs are still slotted into their traditional occupations, which are manually based and really form of low level wage employment. These who do think of moving into self-employed ventures fail to do so out of fear of social pressure and potential loss of sub-caste networks that serve as sources of mutual insurance. Second to circumvent their disadvantages in building networks across social groups, Dalit entrepreneurs tend to strengthen their internal bonds and use these for economic purposes. This paper highlights the role of SIDBI in promotion of dalit entrepreneurs in India.

KEY WORDS: *Dalit Entrepreneurs, Institutional Assistance, SIDBI, SCs Subsidy Schemes*

INTRODUCTION:

Entrepreneurship is one of the key components of the socio-economic development of the country that makes employment opportunities utilisation of local resources and mobilisation of money. Hence there is a need of institutional assistance to promote the entrepreneurship. The institutional assistance procures from two different ways, first one is commercial banks and second one is other financial institutions. There is a need for extending financial support to entrepreneurs so that they do not suffer from shortage of funds and, in turn, do not fall prey to sickness and ultimately closure. With this view there is a need to understand the role of institutional assistance to entrepreneurs and it becomes an essential study to promote and develop the entrepreneurship in the country.

INSTITUTIONAL ASSISTANCE

In India entrepreneurship is one of the essential parts of the economic development which promotes the sustainable growth; so the government were established many financial and non financial institutions to promote the entrepreneurship. Finance is one of the essential requirements of any enterprise. Small entrepreneurs, therefore, need to know very clearly about the type and extent of their financial requirements. Integral to financial requirements is to know about the possible alternative sources from which finance can be availed of given the shortage or lack of entrepreneur's own funds/resources. The government of India, as a part of its policy of promotion of small-scale sector in the country, has set up a host of institutions to meet the financial requirements of small entrepreneurs. (Kanka. S.S. 2009). Institutional assistance to entrepreneurs in India may be grouped into two broad categories such as all India level institutions and state level institutions. Some of the all India level institutions are as follows;

- Industrial Finance Corporation of India Ltd (IFCI)
- Industrial Reconstruction Bank of India (IRBI)
- State Industrial Development Corporations (SIDC)
- Small Industries Development Bank of India (SIDBI)
- EXIM Bank
- Some of the state level institutions with respect to Tamil Nadu are as follows;
- Tamil Nadu Industrial Investment Corporation of India. (TIIC)
- Tamil Nadu Adi Dravidar Housing Development Corporation (TAHDSCO)
- Small Industries Promotion Corporation of Tamil Nadu (SIPCOT)
- District Industries Centre (DIC)

DALIT ENTREPRENEURS:

Dalits are the most backward caste group of Tamil Nadu. They are untouchable, and poverty, vulnerable people. They are socially, economically, politically backward. Dalits who owned a business are called Dalit entrepreneurs. Now – a – Days every Dalit entrepreneur remains as marginalized section of the society. Dalit owned enterprises are below average in India as per the report of MSME. Micro studies across India suggest that Dalit entrepreneurs are still slotted into their traditional occupations, which are manually based and really form low level wage employment. These who do think of moving into self-employed ventures fail to do so out of fear of social pressure and potential loss of sub-caste networks that serve as sources of mutual insurance. Second to circumvent their disadvantages in building networks across social groups, Dalit entrepreneurs tend to strengthen their internal bonds and use these for economic purposes. Now day's dalit entrepreneurs become emerging issues in the overall development of the country. Therefore there is a need of institutional assistance to dalit entrepreneurs in India.

INSTITUTIONAL ASSISTANCE TO DALIT ENTREPRENEURS:

Money is the only matter to promote the socio-economic conditions of the Dalits in the country. Hence, there is a need for specialized institutions to provide financial assistance to Dalits. Government of India is responsible to promote the socio-economic status of the Dalits in the country not for social development but for sustainable development. In India, various schemes and programme have been initiated and introduced to promote the Dalits. The following institutions are extending support to Dalits.

- NSFDC – National Scheduled Caste Finance and Development Corporation.
- TAHDSCO – Tamil Nadu Adi Dravidar Housing and Development Corporation.
- NCSC – National Commission for Scheduled Castes

REVIEW OF LITERATURE:

James Crabtree (2011), has analysed that those at the very bottom of India's caste system face not just the legacy of centuries of prejudice and injustice, but also real present day problems in starting and financing businesses. Now help may be at hand with launch of the country's first financial assistance in Dalit owned enterprises industries, a trade body representing Dalit business leaders.

Bureau,(2007), has reported that state financial corporation has been directed to increase lending to the scheduled caste entrepreneurs. The industrial infrastructure corporation shall allocate about 16.2 percent of number of plots to these entrepreneurs in the new industrial estate and in existing estates as a professional basis. However, a scheduled caste entrepreneur shall obtain the necessary clearances as a precondition for claiming such benefits.

Ruminakhanal,(2010), concluded that the micro finance is the financial services provided to the deprived group of Dalit people and small/micro entrepreneurs to help them in capturing self-employment opportunities and income generating activities. The micro finance denotes the services of

collection of savings from women, poor households and micro entrepreneurs, mobilization of loan collected from savings and seed money received from financial institutions.

Montek sing Aluwalia,(2012), has recommended that Dalit entrepreneurs set up a financial credit to finance business project of the society's weaker sections. DIIC has demanded that the government should increase the share of products made by Dalit's in its procurement to encourage more entrepreneurs. They also wanted that financial institutions should relax collateral norms for financing their projects.

EktaAnand,(2011), has revealed that the scheduled caste community entrepreneurs have been identified as the most disadvantaged group of Indian society and business activity requires special attention. The constitution also provides a number of safe guards to facilitate the implementation of directive. The state shall promote with social care the educational and economic interest of the weaker section of the people and in particular of the scheduled caste entrepreneurs and shall protect them from social injustice and all forms of exploitations.

Rajendra, (1999), made a study to examine the various kinds of assistance given by the institutions with the prime objective of identifying institutional assistance for the development of small scale industries of district. He concluded that the greatest problem faced by the Scheduled Caste entrepreneurs was non availability of adequate financial assistance. Moreover, the small enterprises also face new material, marketing technological and administrative problems. There were complicated procedures in availing loans from financial institutions and no co-ordination exists between the promotional institutions and government agencies.

Kaveri,(1998), in her study made an attempt to discuss issued related to bank finance to small scale industries. she concluded that owing to economic liberalization and financial sector reforms small scale industries have a bright future provided they remain economically viable. Modernizations are the need of the hour for which they will require increasing credit from the banking sector. Therefore, there should be cordial relationship between banks and borrowers. Moreover, there is need a for educating both, for timely and adequate flow of institutional credit to scheduled Caste entrepreneurs.

Ramesha,(1999), examined the trends in credit supplied to small scale industries by scheduled commercial banks (SCBs) and state financial corporation's (SFCs) and their interstate disparity. The study found that commercial banks continue to play an important role in financing. It sector has in a way failed to meet the increasing credit requirements of Scheduled Caste Entrepreneurs. The interstate disparity in the distribution of credit have also widened between 1989-90 and 1995-96.

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)

SIDBI was set up by an Act of parliament, as an apex institution for promotion, financing and development of industries in small scale sector and for co-ordinating the functions of other institutions engaged in similar activities. It commenced operations on April – 2, 1990 by Government of India. It was delinked from IDBI on march 27, 2000. It is the principal financial institution for promotion, financing and development of industry in the small scale sector. SIDBI is headed by the chairman & Managing Director. The SIDBI is operating different programmes and schemes through 5 Regional Offices and 33 Branch Offices. SIDBI extends direct/indirect financial assistance to SSIs, assisting the entire spectrum of small and tiny sector industries on All India basis. The range of assistance comprising financing, extension support and promotional, is made available through appropriate schemes of direct and indirect assistance from the SIDBI.

Objective:

Financing and development of the micro, small and medium enterprises (MSME) Sector and for co-ordination of the function of the institutions engaged in similar activities. Financial support is provided by way of refinance to eligible primary lending institutions.

Schemes in SIDBI:

- Women entrepreneurs
- Credit Guarantee fund scheme
- Scheme for Decentralised power
- loom sector
- Credit Linked Capital subsidy
- scheme for technology up gradation
- Integrated Infrastructural
- Trade Related Entrepreneurship Assistance and Development scheme
- Textile Industries Schemes
- Food Processing Industries scheme
- Leather Industry subsidy schemes
- Coin Industry spinning unit scheme
- Tiny/ House hold unit schemes

Table No.1 Financial Assistance sanctioned and disbursed by SIDBI**(Rs.in Crore)**

S. NO	YEARS	AMOUNT SANCTIONED	AMOUNT DISBURSED	PERCENTAGE (%)
1.	1990-91	2408.7	1838.5	76.3
2.	1991-92	2846.0	2027.4	71.2
3.	1992-93	2909.2	2146.3	73.7
4.	1993-94	3356.3	2672.7	79.6
5.	1994-95	4706.3	3389.8	72.1
6.	1995-96	6065.6	4800.8	79.1
7.	1996-97	6485.3	4584.7	70.6
8.	1997-98	7484.2	5240.7	70.2
9.	1998-99	8879.8	6285.2	70.7
10.	1999-00 (P)	10434.5	6994.5	67.0
11.	1999	5923.2	3112.0	52.5
12.	2000	4939.0	2747.1	55.6
	TOTAL	66,438.1	45,839.7	68.9

Source: SIDBI Annual Report 2013-14

Table No.1 shows the financial assistance sanctioned and disbursed by the SIDBI during the year 1990-91 to 2000.

In the year 1990-91, Rs. 2408.7 crore were sanctioned by SIDBI, of which Rs. 1835.5 crores were disbursed, which constitutes 76.3 percent of disbursement. In the year 1991-92, Rs. 2408.7 crores were sanctioned by SIDBI, of which Rs. 2027.4 crores were disbursed, which constitutes 71.2 percent of disbursement. In the year 1992-93, Rs. 2909.2 crores were sanctioned by SIDBI, of which Rs. 2146.3 crores were disbursed, which constitutes 73.7 percent of disbursement. In the year 1993-94, Rs. 3356.3 crores were sanctioned by SIDBI, of which Rs. 2672.7 crores were disbursed, which constitutes 79.6 percent of disbursement. In the year 1994-95, Rs. 4706.3 crores were sanctioned by SIDBI, of which Rs. 3389.8 crores were disbursed, which constitute 72.01 percent of disbursement. In the year 1995-96, Rs. 6065.6 crores were sanctioned by SIDBI, of which Rs. 4800.8 crores were disbursed, which constitutes 79.1 percent of disbursement. In the year 1996-97, Rs. 6485.3 crores were sanctioned by SIDBI, of which Rs. 4584.7 crores were disbursed, which constitutes 70.6 percent of disbursement. In the year 1997-98, Rs. 8879.8 crores were sanctioned by SIDBI, of which Rs. 5240.7 crores were disbursed, which constitutes 70.2 percent of disbursement. In the year 1998-99, Rs. 8879.8 crores were sanctioned by SIDBI, of which Rs. 6285.2 crores were disbursed, which constitute 70.7 percent of disbursement. In the year 1999.00 (p), Rs. 10434.5 crores were sanctioned by SIDBI, of which Rs. 6994.5 crores were disbursed, which constitutes 67.0 percent of disbursement. In the year 1999, Rs. 5923.2 crores were sanctioned by SIDBI, of which Rs. 3112.0 crores were disbursed, which constitutes 52.5 percent of disbursement. In the year 2000, Rs. 4939.0 crores were sanctioned by SIDBI, of which Rs. 2747.1 crores were disbursed, which constitutes 55.6 percent of disbursement. On the whole, Rs. 66,438.1 crores were sanctioned by SIDBI, of which Rs. 45839.7 crores were disbursed, which constitutes 68.9 percent of disbursement.

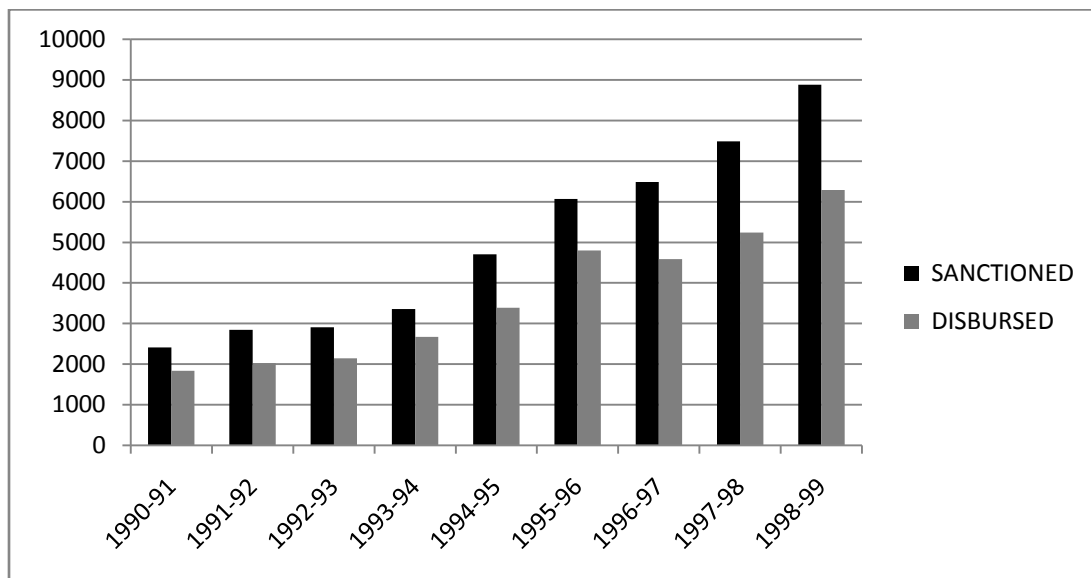


Table No. 2 Subsidy's to Scheduled Caste Entrepreneurs by SIDBI

(Rs.in Lakhs)			
S. NO	SCHEMES	SUBSIDYS TO GENERAL CATEGORY	SUBSIDYS TO SC ENTREPRENEURS
1.	Women entrepreneurs	30 – 80% of project cost	90% of project cost
2.	Credit Guarantee fund scheme	Rs.75% of loans provided Rs.80% of women entrepreneurs	90% of project cost
3.	Scheme for Decentralised power loom sector	200 – lakhs of capital ceiling Rs.20- Lakhs margin money subsidy	Additionally 5% increased
4.	Credit Linked Capital subsidy scheme for technology up gradation	15 – Lakhs project cost 8% - of project cost	50- lakhs
5.	Integrated Infrastructural Department Scheme	50% - of Rural Areas 80% - of central govtgrant Assistance	50% - of Rural Areas 80% - of central Govt assistance
6.	PMRY Scheme	30-80% of total project	85% - of project cost
7.	Trade Related Entrepreneurship Assistance and Development (TREAD)	30%- OF Total project cost	Exempted
8.	Textile Industries: Technology Up gradation fund scheme	80% - of the project cost	80% of the project cost
9.	Food processing Industries	25%- plant & machinery 50- Lakhs general areas 33.33% or up toRs. 75 Lakhs in Different areas.	50- Lakhs of Project cost
10.	Leather Industry : - Integrated Development of leather sector	30% - of cost plant & machinery for SSI. 20% of cost plant & machinery for other units.	Additionally 20%- for all units
11.	Coir Industry spinning unit	40%-of the project subject to a maximum of Rs.80,000.	80,000 of project cost
	Tiny / house hold unit	40% - of the project cost subject to a maximum of Rs. 2, 00,000.	80,000 of project cost
12.	Market Development assistance scheme for MSME Entrepreneurs.		100% of space Rent and economy

Source:www.SIDBI.co.in

Table No.2 indicate the subsidies available to general and SC category of the entrepreneurs.

As regards women entrepreneurs, 30-80 per cent of the project cost will be subsidy. But if the entrepreneur belongs to SC, 90% of the project cost will be subsidy. As regards credit guarantee fund scheme, Rs.75percent of loans are provided, Rs. 80percent of women entrepreneurs will get subsidy. But if the entrepreneur belongs to SC, 90percent of the project will be subsidy. As regards scheme for decentralized power loom sector, 200- lakhs of capital ceiling and Rs. 20-lakhs of margin money will be subsidy. But if the entrepreneur belongs to SC, additionally 5percent increase will be subsidy.

As regards credit linked capital subsidy scheme for Technology up gradation, 15-lakhs & 8percent of project cost will be subsidy. But if the entrepreneur belongs to SC, 50- lakhs will be subsidy. As regards integrated Infrastructural Development scheme 50percent of rural areas, 80percent of central government grant assistance will be subsidy. But if the entrepreneurs belong to SC, 50percent of rural areas & 80percent of central government assistance will be subsidy. As regards PMRY scheme, 30-80percent of total project cost will be subsidy. But if the entrepreneurs belongs to SC, 85percent of project cost will be subsidy. As regards Trade Related Entrepreneurship Assistance and Development scheme, 30 percent of total project cost, will be subsidy. But if the entrepreneurs belong to SCs they are exempted. As regards Technology up gradation Fund scheme, 80percent of the project cost will be subsidy. As regards Food Processing Industry, 25percent of Plant & Machinery and 50- lakhs general areas and 33.33percent or upto Rs. 75 lakhs in Different areas will be subsidy. But if the entrepreneurs belong to SC, 50- lakhs of project cost will be subsidy. As regards Leather Industry, 30 percent of cost plant & machinery for SSI and 20percent of cost Plant & machinery for other units will be subsidy. But if the entrepreneurs belong to SC additionally 20percent for all units will be subsidy. As regards coir industry, 40percent of the project cost & maximum of Rs. 80,000 will be subsidy. But if the entrepreneurs belongs to SC, 80,000 of project cost will be subsidy. As regards Tiny/House hold unit, 40percent of the project cost to a maximum of Rs. 2,00,000 will be subsidy. But the entrepreneurs belongs to SC, 80percent of project cost will be subsidy. As regards Market Development Assistance scheme, Exempted for general category. But the entrepreneurs belong to SC, 100 percent of Space Rent and Economy will be subsidy.

CONCLUSION:

Entrepreneurship is always concerned with the socio-economic development of the country which provides employment opportunities, income generation and utilisation of local resources. In India entrepreneurship is one of the emerging needs to attain the sustainable inclusive growth. With this effect, government has taken a lot of initiatives to promote the entrepreneurship through its various schemes, programmes and assistances. Through Both financial and non-financial institutions we established to promote the culture of entrepreneurship. Therefore entrepreneurship is a growing trend in India. Entrepreneurship among the Dalit is one of the new adventures to bring them as economically empowered people. In this regard financial institutions provide a special assistance to Dalit entrepreneurs with regard to subsidy, concession and rebate. SIDBI is one of the premier financial institutions in India which provides financial assistance to entrepreneurs. Dalit entrepreneurs are getting a additional subsidy from the SIDBI. But whether it really reaches to the Dalit entrepreneurs is a million dollar questions. Hence, there should be monitoring of the schemes to ensure and subsidies that reache Dalit entrepreneurs in time.

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