

History of the scheme

CHIEF MINISTER'S ROZGAR YOJANA (CMRY).

The Chief Minister's Rozgar Yojana (CMRY) is a financial loan scheme, being operated by the EDC Ltd., as per directives of Government of Goa. The CMRY Scheme, which is formulated and duly approved by the Government, is based on the lines of the erstwhile Prime Minister's Rozgar Yojana, a Government of India Scheme, which was being operated by DITC, through the nationalised Banks. The CMRY Scheme was launched in April 2001, with the objective of providing self-employment opportunities to the unemployed persons. The need for formulating such a scheme was felt to reduce unemployment and also to help and encourage those who desire to start their own self employment ventures, but lack proper financial assistance. The Government took the initiative and directed EDC to operate the CMRY Scheme to provide loan assistance, at easy terms, without overloading the beneficiaries with unmanageable formalities.

The basic eligibility criteria for an unemployed person to avail benefit of the Scheme is that he/she should be between 18 to 40 years of age, passed Std.VIII, having family income of less than Rs.80, 000/- per annum, a resident of Goa for minimum 15 years and should not be a defaulter to any Bank, etc. All economically viable/legal activities, except dealing in alcohol and tobacco, are eligible for financial assistance under the scheme.

The Scheme:- The original Scheme (Pre-revised Scheme) provided for loan assistance of a maximum upto Rs.1,50,000/- @ 13% p.a. rate of interest(1% rebate for regular repayment) repayable in 6 to 8 years. The original Scheme also provided for project subsidy @ 15% of the project cost, limited to a maximum of Rs.15,000/-. The said subsidy is to be adjusted against the last balance of like amount. However, it was found that the response to the said Scheme was not as encouraging as expected.

The Government decided to revise the CMRY Scheme by making it more attractive and beneficiary friendly. As a result, the CMRY Scheme was revised w.e.f. 15th August 2003 and subsequently, certain additional modifications were carried out to the Scheme, w.e.f. 20th August 2004. Further, w.e.f. the financial year 2008-09, the loan limit under the scheme has been enhanced. The highlights of the existing 'Revised Scheme' (Brochure is at Annexure-II) with modifications are as follows:-

1. The lower limit of age eligibility has been reduced from 21 to 18 years.
2. The project cost limit which was enhanced from Rs.1.50 lakhs to Rs.2.00 lakhs, w.e.f. 15/08/2003 has been further enhanced to Rs.4.00 lakhs.

3. A new provision of higher project cost eligibility of Rs.4.00 lakhs has been made applicable to professionals and technically qualified persons, w.e.f. 15/08/2003. The said unit has been further enhanced to Rs.6.00 lakhs w.e.f. 2008-09.
4. The project subsidy has been dispensed with and instead, the Share Capital to Local Entrepreneurs and Self Employed Scheme 2003, of the Directorate of Industries, Trade & Commerce, Government of Goa has been made applicable to the CMRY beneficiaries. The said Scheme provided 50% of project cost as interest free loan, restricted to maximum upto Rs.2.00 lakhs for professionals and technically qualified persons, and upto Rs.1.00 lakh for others. Upon expiry of period of the said scheme, the Government vide notification dated 31/12/2008 has introduced Share Capital Assistance to Self Employed Scheme of DITC 2008 and has extended validity of the Scheme for another 5 years. Further, the share capital limit has been enhanced from Rs.1.00 lakh to Rs.2.00 lakh for non-technical beneficiaries and from Rs.2.00 lakh to Rs.3.00 lakh for professionals and technically qualified persons.
5. The rate of interest is reduced from 13% to 8% for the term loan exposure under CMRY. Similarly, the rate of interest to CMRY beneficiaries under the pre-revised Scheme has also been reduced from 13% to 8% w.e.f. 1/10/2003.
6. The repayment period has been enhanced from 6 – 8 years to 10 years. (5 years for transport sector beneficiaries).
7. The exemption from providing 3rd party guarantee for loans upto Rs.50, 000/- has since been enhanced to cover loans upto Rs.1, 00,000/-.
8. The income of the parents of the beneficiaries has been deleted from the income eligibility criteria for CMRY beneficiaries.
9. The procedure for loans upto Rs.25,000/- has been simplified.
10. CMRY applicants have been made eligible for additional loan under general schemes of EDC Ltd., for purchase of premises etc, if the approved project cost exceeds the CMRY limit.

Similarly, a separate Scheme is being implemented, as part of the CMRY Scheme, for the yellow/black motorcycle, autorickshaw and taxi operators. Existing yellow-black operators opting for replacement of their vehicles under the "Goa State subsidy for Yellow/Black Motorcycles, Yellow/Black Autorickshaws and Yellow/Black Taxis Scheme 2003" being operated by the Department of Transport, Govt of Goa, and other new entrants to the trade, are eligible for assistance under the 'CMRY Scheme for Yellow/Black taxi operators'. The repayment period for the said Scheme is 5 years.

A three member Appraisal Committee consisting of a representative of the Finance Department, EDC Ltd., and a Professional, has been constituted by the Government for proper appraisal of applications received under the Scheme.

A Task Force Committee (TFC) under the Chairmanship of the Vice-Chairman, EDC Ltd., or any other Director of EDC has been provided under the Scheme, to scrutinise the applications received for sanction of loans and to monitor implementation of the Scheme. Presently, the Chairman, EDC Ltd. Is the Chairman of the CMRY TFC.

Year-wise progress of the Scheme is at Annexure-II and the overall performance of the scheme as on 31/01/2008 is as follows:-

No. of units sanctioned	2742
No of units disbursed	2347
Amount sanctioned	Rs.30.14 crores
Amount disbursed	Rs.24.53 crores
Amount outstanding	Rs.13.71 crores
Recovery position	79.70%

A series of publicity and assistance camps have been organized in the past and continue to be organized all over Goa, to popularise the Scheme and to reach out to maximum number of eligible persons.

A separate CMRY Section under the Loans Department has been created in EDC Ltd. headed by Chief General Manager (Loans) and consisting of Officers and staff, for speedy disposal of applications under the Scheme and to ensure proper utilisation of the loan by the beneficiaries and timely recovery of the same. It is noteworthy to mention here that the average recovery under the Scheme, is in around 80%, which is quite satisfactory.
