

A Study on Institutional Finance to Entrepreneurs through TIIC

Suresh L

MBA, Department of Management Studies
Bharath Institute of Science and Technology,
Selaiyur, Chennai, Tamil Nadu 600 073
Bharath Institute of Higher Education and Research

ABSTRACT

Entrepreneurship is one of the growing concepts, which is emerging due to economic development of our country. Now-a-days most the entrepreneurs tend to start the business concern in all over India. But only thing is finance is major problem. The Tamil Nadu Industrial Investment Corporation (TIIC) to promote entrepreneurship, they fulfill entrepreneur needs and expectations. In this study shows the role of TIIC institutional finance to entrepreneur's development.

Key Words: Institutional finance, TIIC, Entrepreneurship, TIIC Schemes.

1. INTRODUCTION

Entrepreneurship is one of the emerging concepts, which decide not only the economic development but also the social sustainability of the country, encouragement of entrepreneurship is the only substitute to provide employment opportunities, taking away the regional imbalances and promoting the life styles of the educated youth particularly to the economically down society. Tamil Nadu Industrial Investment Corporation was set up by the government; it is also provided lending loans and training & Development of new entrepreneurs. Its provided various schemes and sanctioned more number of amounts to the developing entrepreneurs society. So this study explore about the TIIC role and faster development.

2. INSTITUTIONAL FINANCE

Finance is to industry what blood is to human body and the lending financial institutions act as blood banks to the large and medium scale sectors. The transfusion of blood entrols the recipient but does not impoverish the donor. To have financial support from institutional sources is not only essential for the growth of industry but is perhaps even necessary for its very survival. When finance is easily available, industrial development can be accelerated as the participation of new entrepreneurs in economic activities depends on up the sources of access to funds on reasonable lands and conditions. Hence, institutional finance is very essential for every one of business organization.

TAMIL NADU INDUSTRIAL INVESTMENT CORPORATION (TIIC)

Tamil Nadu Industrial Investment Corporation is a premier financial institution incorporated in 1949 as a company under the companies act. The faster Industrial Development of Tamil Nadu. It provides financial assistance to small scale and medium scale industrial units. TIIC also

provides financial assistance to professionals and transport vehicle operations, and purchase of land, machinery and construction of buildings.

SCHEMES OF TIIC

S. NO	SCHEMES
1.	Term Loan
2.	Term Loan and working capital assistance under single window scheme
3.	Lease financing for machinery or equipments
4.	Merchant Banking & other financial services
5.	Soft Loan schemes
6.	General Schemes a). Term Loan Assistance
7.	Equipment Refinance Schemes
8.	Generator Scheme
9.	Single Window Scheme
10.	Mahila Udhaya Nidhi Scheme
11.	Refinance Scheme for Technology Development and Modernisation
12.	Technology Development fund Schme
13.	Soft Loan Scheme
14.	Marketing Assistance scheme
15.	Hire purchase scheme & Lease financing Scheme
16.	Capital Subsidy Scheme

Source: TIIC Chennai

TABLE NO 1**LOANS PROVIDED BY TIIC**

S. NO	SCHEMES	SUBSIDY
1.	Loans Provided	Terms Loan assistance upto Rs.300 Lakh to private or public companies.
2.	Proprietary/Partnership concern	Rs. 120 Lakh
3.	Leasing and Hire Purchase	Maximum – 250 Lakh
		Maximum – 5.00 Lakh
4.	Additional capital subsidy for select category of entrepreneurs	50% of subsidy/ maximum 2 Lakh in SC entrepreneurs

Source: TIIC Chennai

TABLE NO 2

EXCLUSIVE SUBSIDY SCHEMES FOR MSMEs TAMIL NADU

NAME OF SUBSIDY SCHEME	NO. OF UNITS	DISBURSED AMOUNT (RS. IN LAKH)	NO. OF UNITS	DISBURSED AMOUNT (RS. IN LAKH)	NO. OF UNITS	DISBURSED AMOUNT (RS. IN LAKH)
Capital subsidy to all MSMEs upto 15% on value of plant and machinery subject to maximum of Rs.3.75 Lakh & special capital subsidy to Thrust sector enterprises 15% on plant and machinery subject to maximum of 30Lakh	1107	4500.00	1441	5039.71	729	2645.00
Low tension power Tariff (LTPT) subsidy at aa flat rate of 20% for first 3- years.	1371	600.00	1130	600.00	307	252.38
Generator subsidy at 25% of the generator set of 320 KVA capital subject to maximum of Rs. 5 Lakh to MSMEs.	781	724.15	1801	2179.04	582	680.00

Source: TIIC Chennai

TABLE NO 3

SANCTION AND DISBURSEMENT OF FINANCIAL PERFORMANCE OF TIIC

YEAR	AMOUNT SANCTIONED	AMOUNT DISBURSED	RECOVERY
2005-06	350.30	247.34	336.61
2006-07	457.03	321.33	369.78
2007-08	488.79	377.28	378.14
2008-09	538.37	416.22	380.84
2009-10	668.13	570.27	494.88
2010-11	939.25	735.58	710.81
2011-12	800.97	702.93	774.11
2012-13	969.53	789.05	888.62
2013-14	1125.00	950.00	950.00

Source: TIIC Chennai

TABLE NO 4

The above table indicates the Sanction and disbursement of financial performance of TIIC, in the year of 2005-06, sanctioned amount Rs. 350.30 Crore and disbursed amount to Rs. 247.34

and Recovery amount Rs.336.61. in the year of 2006-07, sanctioned amount Rs. 457.03 Crore and disbursed amount to Rs. 321.33 and Recovery amount Rs.369.78. in the year of 2007-08, sanctioned amount Rs. 488.79 Crore and disbursed amount to Rs. 377.28 and Recovery amount Rs.378.14. in the year of 2008-09, sanctioned amount Rs. 538.37 Crore and disbursed amount to Rs. 416.22 and Recovery amount Rs.380.84. in the year of 2010-11, sanctioned amount Rs. 668.13 Crore and disbursed amount to Rs. 735.58 and Recovery amount Rs.710.81. in the year of 2011-12, sanctioned amount Rs. 800.97 Crore and disbursed amount to Rs. 702.93 and Recovery amount Rs.774.11. in the year of 2012-13, sanctioned amount Rs. 969.53 Crore and disbursed amount to Rs. 789.05 and Recovery amount Rs.888.62. in the year of 2013-14, sanctioned amount Rs. 1125 Crore and disbursed amount to Rs. 950.00 and Recovery amount Rs.950.00.

3. CONCLUSION

Entrepreneurship is the growing concept due to youth and general category entrepreneurs. It promotes employment generation, to eradicate poverty, eliminate unemployment problem, and growth GDP as well as economic development of the country. The Tamil Nadu Industrial and Investment Corporation (TIIC) is one of the pillars of entrepreneurship. It is promote youth entrepreneurs, SC/ST entrepreneurs and women entrepreneurs. The credits limit up to 10 – Crore in each district. Hence, the Tamil Nadu Industrial Investment Corporation Ltd, to involve the credit facilities to promote entrepreneurship carriers.

4. REFERENCES

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