

**CENTRAL SECTOR SCHEME OF FINANCIAL ASSISTANCE FOR ON-BOARD  
SHIP TRAINING FOR INDIAN MERCHANT NAVY CADETS/TRAINEES.**

**[EFFECTIVE FROM 01.03.2015]**

**1. BACKGROUND :**

The Scheme is intended to facilitate the deck/nautical cadets & trainee marine engineers of the Indian Maritime Universities and its affiliated colleges/institutions who have already completed their onshore/theoretical/class-room training in the years 2010, 2011 & 2012; but have not been able to finally complete, so far, their respective mandatory on-board ship training for want of shipboard training berths/slots. The on-board training enables them to complete their respective training (sea time) prescribed for the completion of their respective maritime training courses and eventually qualify for appearing for the first level of their given certificates of competency [CoC] examinations for becoming, consequently, maritime officers [nautical / engineering] i.e. employment ready.

1.1 The scheme is meant to provide financial support to the cadets of Indian Maritime University and its affiliates for the batches who have passed out/completed their on-shore class room training in the years 2010,2011 & 2012 but were not able to get on-board ship training due to non-availability of berths in Indian flagships. This has resulted in gap in supply of trained cadets and has also resulted in loss of employment opportunity for these trainees. The employment potential of these cadets can be enhanced through training on foreign flagships. It is understood that the foreign flagship would provide additional berths for on-board training, if the cost of training is reimbursed to the ship-owners for providing such training.

**1.2 Time duration of the Scheme:**

The duration of the scheme will from 2014-17(remaining period of the 12<sup>th</sup> Plan period) and 2017-18 (for cadets admitted in 2016-17)

Review of this scheme will be done at the end of 12<sup>th</sup> Plan.

## 2. OBJECTIVES AND COVERAGE:

- 2.1 This Scheme aims to cover such backlog of candidates of the years 2010, 2011 & 2012 of the following maritime training courses of Indian Maritime University and its affiliated colleges, who have undergone on shore classroom training but have not received on-board ship training :
- 2.1.1 Diploma in Nautical Science [DNS].
  - 2.1.2 Bachelor of Nautical Science [B.Sc. – Nautical].
  - 2.1.3 Bachelor of Marine Engineering [B.E. (ME)] / Graduate Marine Engineer [GME]/ Diploma in Marine Engineering [DME].
- 2.2 This Scheme seeks to facilitate such cadets/trainees [as defined in para 2.1 above] to find shipboard training slots on ships of foreign merchant shipping companies.
- 2.3 The cost of such on-board ship training, under this Scheme, is proposed to be covered through a Govt. of India grant; to the tune of 30% of the total training cost subject to a maximum of ₹ 3,00,000 [ ₹ three lakh only], **whichever is less**, irrespective of the total cost of training. The remaining cost of this training will be covered through loans that such cadets/trainees may avail from any Bank or any Financial Institution or any designated bank or from personal savings. Besides, the trainees belonging to SC/ST/OBC & Minority categories could obtain loan from the respective Finance and Development Corporations (FDCs) working under the Ministries of Social Justice, Tribal Affairs, Minority Affairs, Government of India as per their eligibility on the basis of approved terms and conditions of these corporations.
- 2.4 While the grant component will be released by the Directorate General of Shipping (DGS), Govt. of India, from out of funds allocated for the purpose by Ministry of Shipping, the Designated Bank / other nationalized banks/ Financial Corporations will consider the applications of such eligible cadets/trainees for the loan element thereof on the basis of the eligibility of the trainees and their terms and conditions.



### 3. ELIGIBILITY :

- 3.1 The Cadets should have successfully completed, their onshore/classroom/theoretical training, in any of the maritime training courses i.e., DNS / B.Sc. [Nautical] / B.E. [ME], GME/DME , in the years 2010, 2011, 2012, from IMU or any one of its affiliated colleges to be eligible to receive the grant-in-aid.
- 3.2 Only such cadets/ trainees who have completed on shore training in 2010,2011,2012 but have not received any on-board ship training till now , will be eligible.
- 3.3 The registered Recruitment and Placement of Sea-farers (RPS) service providers (who is pre approved by DGS, will select eligible candidates as per list displayed by DGS on their website) on behalf of the foreign ship-owners/managers/representatives, through a screening process as deemed fit by them for final selection of eligible cadets for on-board ship training in their respective ships. After final selection of the cadets the training cost will be paid directly to the ship owner.

### 4. FUNDING PATTERN:

- 4.1 The scheme will be funded by the Ministry of Shipping. The Ministry of Shipping, Govt. of India will open a new sub-head of account, in the name of 'Financial Assistance for Training' in the already existing Budgetary object Heads of DGS to finance this Scheme. Funds will be released by the Ministry of Shipping, Govt. of India, to the DGS, Govt. of India, under this head of account of Plan Funds, to be disbursed as Grants-in Aid to eligible cadets.
- 4.2 The Ministry of Shipping, GOI through DGS will consider extending a grant-in-aid to every such eligible applicant selected by RPS under the Scheme, upto 30% of total cost of training or a maximum of ₹ 3 lakh, per candidate/applicant, whichever is less, irrespective of the total cost of training under Plan Funds.

- 4.3 The grant pertaining to an eligible cadets, after due approval, will be released in six-monthly equal tranches electronically in the escrow accounts and transfer to the training provider on monthly basis by the designated bank under intimation to the DGS. The first instalment of the grant will be released only after the cadet/ trainee has provided proof of obtaining loan to DG (Shipping). The amount pertaining to a six month period will be released at the start of that six month period in advance.

5. **GENERAL PROVISIONS:**

- 5.1 In view of the above mentioned, the scheme is divided in two components as follows:-

- i) **Grant Component:-** The grant component of the scheme, which is to be borne by DG (S) Govt. Of India will be a total grant to the tune of 30 % of the total training cost subject to a maximum of Rs. 3,00,000/- (Rs. Three Lakhs only), **whichever is less**, irrespective of the total cost of on-board sea training, per cadet.
- ii) **Loan Component:-** The loan component plus personal savings will cover the remaining part of the cost of training, over and above, the amount of grant given to a cadet. The cadet will raise this amount on his own either through the bank directly, or through his/ her own resources or in case of special categories through respective Finance Development Corporation of the concerned ministries (viz. NSFDC-for SC cadets; NSTFD for ST cadets; NBCFDC for OBC cadets and NMDFC for Minority Cadets) Or by way of any combination of above said resources.

- 5.2 The prospective cadet will apply online for the grant to DG (S) in the prescribed proforma (Annexure-I). The DG (S) will scrutinize the application and verify the details from IMU admission register. After due diligence and verification of credentials of the cadets DG (S) will display a list of eligible cadets on its website.



- 5.3 The training providers [as approved by DG (S), and whose list will also be displayed on the website of DG (S) ] may adopt a selection criteria of their own to select the cadets for on board sea training from among the eligible cadets [whose list is already displayed on the website of DG (S) ] and finally convey to DG (S) the names of such short listed candidates who have finally been found eligible for selection for on board sea training on their respective ships.
- 5.4 The finally selected cadets as per para 5.3 above will open an escrow account with the designated bank as per terms and conditions laid down by the designated bank. DG (S) will verify the eligibility of the trainee and forward the loan applications of the selected and eligible cadets (as per para 5.3 above) to the designated bank / Finance Corporations as the case may be. In case the cadets want to raise the loan component of the training cost from their own resources, they would have to deposit this component in the escrow account **before** the matching grant is released in their escrow account by DG (S).
- 5.5 After depositing the loan component in the escrow account of the designated bank of the cadet/ bank/ FCs DG (S) will release the matching grant component in the respective escrow account and the designated bank will thereafter release the total training cost (grant component + loan component) to the training providers.
- 5.6 The grants will be released at the start of every six monthly period of training *in advance, however the disbursement to the training provider will be made on monthly basis directly* and at the end of *each month* of training, the training provider shall provide the following certificates to DG (S):-
- a) The Utilization Certificate in respect of their grant component
  - b) Satisfactory completion of training certificate in respect of the cadet
- 5.7 The next tranche of the grant shall only be released once the above two certificates are received by DG (S), in each case.
- 5.8 The DG (S) shall enter into a MoU with the respective Finance Development Corporations to achieve State Channelising Agency (SCA) Status. This will help DG (S) and the Finance and Development Corporation to get the educational loans in respect of the weaker section

of the society disbursed directly through DG (S) on the terms and conditions set out by the respective Finance Development Corporation. The money/ such loan raised through Finance & Development Corporations will be disbursed directly into the respective escrow account of the cadet in the designated bank.

5.9. DG (Shipping) will facilitate loans for candidates from Designated Bank provided the candidate is so interested.

5.10. The detailed guidelines in respect of operation of this scheme will be issued by DG (S) separately.

## 6. REVIEW AND MONITORING:

6.1 The progress of implementation of the scheme will be reviewed by the Steering Committee consisting of the following:

- a) Secretary (Shipping) – Chairperson
- b) Spl. Secretary & Financial Advisor (Shipping) - Member
- c) Joint Secretary (Shipping) - Member
- d) DG (Shipping) or his representative – Member
- e) VC, IMU or his representative – Member
- f) Representative FOSMA/ MASSA – Member
- g) Director, MOS (IMU Div.) – Convener

The Committee may invite expert(s) as a special invitee as and when deemed necessary.

6.2 The Ministry of Shipping and/ or Director General (Shipping) will make monitoring arrangements for the scheme as necessary.

6.3 The Committee may recommend to the MOS addition or deletion of any institution/RPS licensee based on their performance. For the purpose, the committee may take into account the recommendation of the concerned bodies having the administrative control over such institutions.

6.4 The Committee may periodically review the performance of all the stake holders. **The Committee may also recommend appropriate modification in the scheme, by way of guidelines, as and when required.**