

DISTRICT INDUSTRIES CENTRE, TIRUCHIRAPPALLI
SALIENT FEATURES OF NEW ENTREPRENEUR CUM ENTERPRISE DEVELOPMENT SCHEME
(NEEDS)

I. Objectives of the Scheme:

- To provide educated youth entrepreneurship training to make them as entrepreneur.
- To assist them in project preparation and in getting financial assistance with 25% subsidy and 3% interest subvention.
- To provide them with a reservation of 25% in allotment of plots / sheds in SIDCO estates subject to availability.

II. Target Group:

Educated youth with any Degree, Diploma, ITI / Vocational Training from recognized Institutions, aspiring to become entrepreneurs.

III. Nodal / Implementing Agencies:

Component of the Scheme	State Level Nodal Agency	Implementing Agencies	
		State Level	District Level
Selection of beneficiaries	Commissionerate of Industries and Commerce, Chennai	Commissionerate of Industries and Commerce, Chennai	General Manager of District Industries Centre
Entrepreneurship Development Programme	EDI, Chennai	EDI, Chennai	EDI, Chennai
Arranging for Term Loan	Commissionerate of Industries and Commerce, Chennai.	Commissionerate of Industries and Commerce, Chennai / TIIC	General Manager of District Industries Centre / Branch Manager, TIIC
Allotment of Plots/Sheds in SIDCO Industrial Estates	TANSIDCO, Chennai	TANSIDCO, Chennai	Branch Manager, SIDCO

IV. Eligibility criteria:

1.	Age	21 to 35 years for General category Entrepreneurs 21 to 45 years for Special Category Entrepreneurs (Women / SC / ST / BC / MBC / Minorities / Ex-Servicemen / Transgenders / Differently abled persons)
2.	Academic Qualification	Degree, Diploma, ITI / Vocational Training from recognized Institutions.
3.	Place of residence	Should be a resident of Tamil Nadu State for not less than 3 years
4.	Income ceiling	No income ceiling for assistance for setting up projects under this scheme
5.	Eligibility of Partnership firms	Subject to satisfying the eligibility criteria by all the partners, partnership concerns may be considered for assistance under the scheme. EDP training will be provided to only one of the partners.

6.	Other conditions	<ul style="list-style-type: none"> ❖ Assistance is available only for new projects sanctioned specifically under the NEEDS. ❖ Entrepreneurs who have already availed assistance PMRY, REGP, (PMEGP), UYEGP), (TAHDCO) or any other scheme of Government of India or State Government will not be eligible . ❖ Any applicant/entrepreneur who has availed loan for economic activity under Self Help Group/other group activity will also be not eligible. ❖ The applicant should not be a defaulter to any Commercial Bank / TIIC.
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V. Activities covered:

All economically viable manufacturing and service activities are eligible under this scheme subject to appraisal for its viability as per the guidelines of TIIC / Bank. Priority will be given to projects which are eco-friendly, accord importance to energy conservation and are export oriented.

VI. Selection of beneficiaries:

The beneficiaries under the scheme will be selected by a District level Task Force committee with

- o District Collector as Chairman
- o General Manager, DIC as Member - Convener,
- o Lead Bank Manager
- o Branch Manager of Banks / TIIC
- o Branch Manager, TANSIDCO,
- o District Manager, TAHDCO,
- o District Employment Officer and
- o Representatives of
 - Entrepreneurship Development Institute (EDI),
 - Micro, Small and Medium Enterprises - Development Institute (MSME-DI) and
 - Local Micro, Small and Medium Enterprises (MSME) Association as members.

VII. Project Cost:

- The minimum Project Cost will be above Rs.5.00 Lakhs and the maximum Project Cost will be Rs.1.00 Crore.
- For projects costing more than Rs.1.00 crore, subsidy component will be restricted to Rs.25 lakhs
- Project cost will include capital expenditure and margin money for working Capital.
- Projects without capital expenditure are not eligible.
- Self financed projects will not be eligible.

VIII. Promoter's Contribution:

- 10% of the Project Cost for general category entrepreneurs.
- 5% of the Project Cost in case of special category entrepreneurs (BC / MBC / DNC / SC / ST / Women / Minorities / Ex-Servicemen / Transgenders / Differently abled Entrepreneurs).

IX. Subsidy:

- 25% of the Project Cost subject to a ceiling of Rs.25.00 lakhs.
- Following expenses will not be considered for subsidy :
 - a. Cost of rented/leased building
 - b. Technical know-how
 - c. preliminary/ pre-operative expenses
 - d. working capital margin

X. Interest Subvention:

Enterprises financed by TIIC

Will be extended loan with 3% interest rebate which will be reimbursed to TIIC on a quarterly basis. TIIC should send their claim to Industries Commissioner on completion of every quarter.

Enterprises financed by Banks

A back-ended interest subsidy at the rate of 3% will be provided to enterprises financed by Banks on a quarterly basis during the entire repayment period. The Banks / Financial Institutions should send their claim to the concerned General Manager, District Industries Centre on completion of every quarter.

XI. Financial Institutions:

- Tamil Nadu Industrial Investment Corporation Limited (TIIC Ltd.)
- All Commercial Banks including Regional Rural Banks (RRB), Small Industries Development Bank of India (SIDBI).

XII. Collateral Security:

- Collateral security will be decided as per Bank / Tamil Nadu Industrial Investment Corporation Limited (TIIC) guidelines.
- Loans may also be covered under Credit Guarantee Fund Trust Scheme for Micro and Small Enterprises (CGT-MSE) Scheme.

XIII. Operation of the Scheme:

- Applications received by District Industries Centre will be scrutinized and shall be placed before the Task Force Committee.
- The selected applications will be sent to the bank / Tamil Nadu Industrial Investment Corporation Limited (TIIC) branches .
- The bank / TIIC branches shall assess the potentiality and will issue provisional sanction to eligible beneficiaries under intimation to GM, DIC.
- DIC shall arrange for compulsory EDP training by the EDI.
- On completion of training EDI will issue training certificates.
- Subsequently, the beneficiary will Deposit the Promoter's Contribution with the bank/ TIIC.
- The bank / TIIC will disburse the 1st installment of the loan to the beneficiary under intimation to GM,DIC along with the subsidy claim.
- On receipt of subsidy claim raised by the Bank / TIIC, the GM,DIC / CMD, TIIC will release the subsidy to Bank / TIIC branch in installments depending on the project size as indicated below:

For project costs upto Rs.50 lakhs, subsidy will be released in 2 installments, i.e. 50 % on sanction of loan and 50% later, after verifying the capital expenditure actually incurred by the beneficiary.

For the project cost exceeding Rs.50 lakhs, subsidy will be released in 3 installments i.e. 50% on sanction of loan and the remaining amount in two installments of 25% each, after verifying the capital expenditure actually incurred by the beneficiary.

- The subsidy amount will be credited in beneficiary's term loan account.
- The Bank will release subsidy after conducting joint inspection with DIC representative.
- The Banks / TIIC should submit an utilisation certificate for the actual amount of subsidy utilised in respect of each beneficiary enterprise then and there.
- The entrepreneur has to execute a Tripartite Agreement before the release of subsidy to be signed by the Beneficiary, GM,DIC and the Branch Manager of Bank / TIIC.
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XIV. Review & Monitoring:

- The progress of the scheme will be reviewed by the District Collector at the District Level Bankers' meetings conducted periodically with the bankers.
- At the State level, the progress of the scheme will be monitored by the State Level Bankers Committee (SLBC).
- The Industries Commissioner & Director of Industries & Commerce will periodically review the progress of the scheme at the State Level.

ANNEXURE
LIST OF ACTIVITIES INELIGIBLE FOR ASSISTANCE

1. Any activity directly connected with agriculture.
2. Sericulture (Cocoon rearing), Animal Husbandry like Pisciculture, Piggery, Poultry etc.,
3. Manufacturing of Polythene carry bags of less than 40 microns thickness and manufacture of carry bags or containers made of recycled plastic for storing, carrying, dispensing or packaging of food stuff.
4. Sugar.
5. Distilleries, Brewery and Malt Extraction.
6. Units utilizing Molasses/rectified spirit/de-natured spirit as raw material for manufacture of potable alcohol.
7. Fertilizer manufacture and blending (Except bio-fertilizers).
8. Mining and Quarrying Ores, minerals etc. [Excluding polishing, cutting, crushing, etc. of mined ores / minerals].
9. Aluminium, Iron and Steel Smelting [Excluding foundries].
10. Manufacturing of intoxicant items like Beedi / Pan / Cigar / Cigarette etc.,
11. Saw Mills.
12. Cement.
13. Calcium Carbide.
14. Slaughter House.
15. Re-packing .of.Drugs./ Medicine / Chemical, without any processing or value addition.
16. Azoic / Reactive Dyes.
17. Firecrackers.
18. Industries manufacturing and or utilizing Ozone depleting substances.
19. Industries involving hazardous activities / classified as "Red category" by Tamil Nadu Pollution Control Board / Central Pollution Control Board.
20. Cyanide.
21. Caustic Soda.
22. Potassium Chloride.
23. Nylon, Rayon & Polyester Fibre manufacturing. [Excluding manufacture of downstream products from Nylon, Rayon & Polyester Fibre].
24. Real Estate.
25. All types of Business activities.