



## **ABSTRACT**

Micro, Small and Medium Enterprises Department - Announcement made by the Hon'ble Minister (Rural Industries) on the floor of Assembly - Relaxation of the educational qualification, enhancing the ceiling from Rs.50 lakh to Rs.75 lakh and extending 10% additional Capital Subsidy to SC / ST and Differently Abled under New Entrepreneur - cum - Enterprise Development Scheme (NEEDS) - Orders - Issued.

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### **MICRO, SMALL AND MEDIUM ENTERPRISES [D(2)] DEPARTMENT**

G.O. (Ms.) No.47

Dated: 01.10.2021

திருவள்ளூர் ஆண்டு 2052  
பிலவ வருடம், புரட்டாசி-15

Read:

1. G.O. (Ms) No.49, Micro, Small and Medium Enterprises (D2) Department, Dated 29.10.2012.
2. G.O. (Ms) No.13, Micro, Small and Medium Enterprises (D2) Department, Dated 24.4.2018.
3. G.O. (Ms) No.30, Micro, Small and Medium Enterprises (D2) Department, Dated 01.10.2018.
4. G.O. (Ms) No.70, Micro, Small and Medium Enterprises (D2) Department, Dated 3.11.2020.
5. Announcement made by Hon'ble Minister for Rural Industries on 02.09.2021 on the floor of the Assembly.
6. From the Industries Commissioner and Director of Industries and Commerce letter Rc. No.6738/ NEEDS/ 2021, Dated 06.09.2021.

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### **ORDER:**

In the G.O. first read above, the New Entrepreneur-cum-Enterprise Development Scheme (NEEDS) was devised and



formulated as a special scheme for 5 years (2012-2017) to assist educated youth to become first generation entrepreneurs in conceiving, planning, initiating and launching a manufacturing or service enterprises successfully. On successful completion of the training programme, they will be assisted to get term loan from Banks / Tamil Nadu Industrial Investment Corporation Limited (TIIC) to setup manufacturing or service enterprises with margin money assistance.

2. In the G.O. second read above, orders have been issued extending the implementation of New Entrepreneur-cum-Enterprise Development Scheme (NEEDS) for a further period of five years from 2017-18 to 2021-22. It is also ordered therein for enhancing the minimum project cost from Rs.5.00 lakh to Rs.10.00 lakh and maximum project cost from Rs.100.00 lakh to Rs.500.00 lakh under New Entrepreneur cum Enterprise Development Scheme (NEEDS). However, subsidy component is restricted to Rs.25 lakh.

3. In the G.O. third read above, orders have been issued enhancing the maximum cap on the 25% Capital Subsidy granted on the value of project cost from Rs.25.00 lakh to Rs.30.00 lakh under New Entrepreneur-cum-Enterprise Development Scheme (NEEDS) in tandem with the Capital subsidy scheme under MSME Policy 2008.

4. In the G.O. fourth read above, dated 03.11.2020, orders have been issued for enhancing the maximum cap on the 25% Capital Subsidy granted on the value of project cost under New Entrepreneur-cum-Enterprise Development Scheme (NEEDS) from the existing limit of Rs.30.00 lakh to Rs.50.00 lakh.

5. During the Demand No.44 of MSME Department for the year 2021-22 on the Floor of Assembly on 02.09.2021, the Hon'ble Minister for Rural Industries has made the following Announcement:-

“புதிய தொழில்முனைவோர் மற்றும் தொழில் நிறுவன மேம்பாட்டுத் திட்டத்தின் (NEEDS) கீழ் பயன் பெறத் தேவையான கல்வித் தகுதியை பண்ணிரெண்டாம் வகுப்பு எனத் தளர்த்தியும் தனி நபர் முதலீட்டு மானியத்தை ரூ.50 இலட்சத்திலிருந்து ரூ.75 இலட்சமாக உயர்த்தியும் வழங்கப்படும். மேலும் இத்திட்டத்தின் கீழ் பட்டியல் இனம் / பழங்குடியினர் மற்றும் மாற்றுத் திறனாளி தொழில்முனைவோருக்கு 10 விழுக்காடு கூடுதல் முதலீட்டு மானியம் வழங்கப்படும்”.



6. In the letter sixth read above, the Industries Commissioner and Director of Industries and Commerce has sent a proposal as follows:-

- i) The educational qualification prescribed Vide G.O. (Ms.) No.49, MSME (D2) Department, dated 29.10.2012, for availing assistance under NEEDS are Degree / Diploma / ITI / Vocational Training from a recognised institution. As per the existing norms, those studied and passed HSC in vocational stream are availing assistance under NEEDS. Those studied in HSC under academic stream may also be included.
- ii) As per MSME policy 2021 released recently, capital subsidy for small and medium enterprises and thrust sectors has been fixed at 25% of the plant and machinery and the maximum cap enhanced to Rs.150.00 lakh. Since the project cost allowed under NEEDS is Rs.500.00 lakh which classifies the enterprise as Small Enterprise, First generation entrepreneurs assisted under NEEDS justifiably deserve the assistance on par with the assistance extended to erstwhile established entrepreneurs being assisted under MSME Policy, 2021. Hence, the maximum limit of capital subsidy under NEEDS may also be enhanced from Rs.50.00 lakh to Rs.75.00 lakh.
- iii) In line with the MSME policy 2021, the maximum cap on the additional capital subsidy at the rate of 10% of the project cost may be fixed at Rs.10.00 lakh. The additional capital subsidy may be sanctioned and disbursed in a single installment after the commencement of commercial production / service verifying the actual capital expenditure incurred. The enhanced subsidy may encourage the bankers to consider the projects proposed by the promoters from these deprived categories applicants and it may also lessen the burden of repayment.

7. The Industries Commissioner and Director of Industries and Commerce has requested the Government to issue orders for relaxing the educational qualification, enhancing the ceiling from Rs.50 lakh to Rs.75 lakh and to extend 10% additional capital subsidy to SC / ST and Differently Abled under New Entrepreneur - cum - Enterprise Development Scheme (NEEDS).



8. The Government after careful examination decided to accept the above proposal and accordingly issue the following orders:-

- i) A pass in HSC is included as an eligible educational qualification for availing assistance under NEEDS.
- ii) The maximum cap on individual based subsidy under NEEDS is enhanced from Rs.50 lakh to Rs.75 lakh.
- iii) 10% additional subsidy over the capital subsidy (25% + 2.5%) of the eligible project cost is extended to the projects promoted by SC/ST and Differently-abled candidates. In case of partnerships, the additional capital subsidy will be extended only if majority of the partners are of SC / ST category. The additional capital subsidy will be sanctioned and disbursed in a single installment after the commencement of commercial production/ service verifying the actual capital expenditure incurred.
- iv) This order shall take retrospective effect from 02.09.2021.

9. This order issues with the concurrence of Finance Department vide its U.O. No.6/DS(NS)/Finance(Industries)/2021, dated 15.09.2021.

**V. ARUN ROY**  
**SECRETARY TO GOVERNMENT**

To  
The Industries Commissioner and  
Director of Industries and Commerce,  
Guindy, Chennai-32.  
The Accountant General (A&E), Chennai-18.  
The Pay and Accounts Officer, Chennai - 8.

**Copy to:**

Hon'ble Chief Minister's Office, Chennai-9.  
The Special Personal Assistant to Minister for Rural Industries,  
Chennai-9.  
The Personal Assistant to Secretary to Government,  
MSME Department, Chennai-9.  
The Finance (Ind/BG.I/BG.II) Department, Chennai-9.  
Stock file / Spare copy.

**// FORWARDED BY ORDER //**

*N. P. Prasad*  
**UNDER SECRETARY TO GOVERNMENT**

10/11/21