



## **ABSTRACT**

Micro, Small and Medium Enterprises - "NEW ENTREPRENEUR - CUM - ENTERPRISE DEVELOPMENT SCHEME (NEEDS)"-Modifications to the existing norms in the Scheme and the Guidelines - Extension of period of implementation of the Scheme for the next five years 2017-22 - Approved - Orders issued.

### **MICRO, SMALL AND MEDIUM ENTERPRISES (D2) DEPARTMENT**

G.O.(Ms) No. 13

Dated : 24.04.2018

திருவள்ளூர் ஆண்டு 2049  
விளம்பி வருடம் சித்திரை, 11.

Read:

1. G.O.(Ms) No.49, Micro, Small and Medium Enterprises (D2) Department, dated 29.10.2012.
2. From the Additional Chief Secretary / Industries Commissioner and Director of Industries and Commerce, Letter Rc.No.24292/NEEDS/2016, dated 04.07.2016.

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### **ORDER:**

In the Government order first read above, the New Entrepreneur - cum - Enterprise Development Scheme (NEEDS) was devised and formulated as a special scheme to assist educated youth to become first generation entrepreneurs. The scheme aims to provide training to young 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. The scheme and the guidelines of this scheme was approved to be implemented in the 12<sup>th</sup> Five Year Plan (2012-17).

2. The Additional Chief Secretary / Industries Commissioner and Director of Industries and Commerce, after having a discussion with stakeholders to critically analyze the performance of the NEED Scheme so as to enhance the productivity has proposed for extension of implementation of NEED Scheme for further five year period from 2017 - 2022 for aspiring entrepreneurs. Accordingly he has also proposed certain modifications / alterations for the existing norms in the G.O. and the guidelines for the Scheme approved in the G.O. (Ms.) No.49, Micro, Small and Medium Enterprises (D2) Department, dated 29.10.2012 in the reference first read above in terms of extension of the period of implementation, training programme, course content, partnership firm,

Project cost and Financial Target disbursement of subsidy etc. for better implementation of the scheme.

3. The Government after careful consideration, approve the Modifications / Alterations as detailed below to the existing guidelines provided in the Government Order first read above.

Sl. No.	Existing norms	Modification
i.	<p><b>Para 3 of G.O. :-</b></p> <p>Accordingly, the Industries Commissioner and Director of Industries and Commerce has sent a proposal along with the draft guidelines in respect of the scheme, namely, New Entrepreneur cum Enterprise Development Scheme (NEEDS) for aspiring entrepreneurs during the 12<sup>th</sup> Five year plan (2012-17).</p>	<p>Accordingly, the Industries Commissioner and Director of Industries and Commerce has sent a proposal for extension of implementation of NEEDS during the 13<sup>th</sup> Five Year Plan 2017-2022, for aspiring entrepreneurs.</p>
ii.	<p><b>Annexure I to G.O.</b></p> <p><b>Guidelines:</b></p> <p><b>Para:6 Duration of Training Programme and Batch size</b></p> <p>Duration of the EDP Training programme will be for one month which includes 2 weeks theoretical training, 1 week for market survey and 1 week for preparation of Project Report.</p> <p>A total of 1000 entrepreneurs are proposed to be trained per year during the next 5 years from the year 2012-13 onwards, at an average of 40 Batches comprising of 25 trainees.</p>	<p>The training will be for three weeks of 5 working days for each week. In the first week (will last for 5 working days - 30 Hrs) the candidates will be taught on Basics of Entrepreneurship and the methodology to conduct market survey. During the next week of 5 days, the candidates will be assisted in preparing a bankable business plan and will be guided in approaching the financial institution for credit. In the third week of 5 days, modules on financial management, personnel management, taxation rules and Government norms and procedures will be conducted.</p> <p>A total of 1000 entrepreneurs are proposed to be trained per year during the next 5 years from the year 2017-18 onwards, at an average of 40 Batches comprising of 25 trainees.</p>

iii.	<p><b>Para:7 Course content</b></p> <p>The Entrepreneurship Development programme has the following Six Components:</p> <ol style="list-style-type: none"> <li>1. Behavioral Components.</li> <li>2. Business Opportunity Guidance</li> <li>3. Business plan Preparation.</li> <li>4. Management issues.</li> <li>5. Laws regulating the small Business.</li> <li>6. Environment scanning- An overview of the engineering Support institutions.</li> </ol>	<p>The Entrepreneurship Development programme has the following Components:</p> <ol style="list-style-type: none"> <li>1. Basics of Entrepreneurship.</li> <li>2. Business Plan Preparation.</li> <li>3. Modules on Financial Management, Personnel Management etc.</li> <li>4. Taxation Rules.</li> <li>5. Laws relating to small Business.</li> </ol>
iv.	<p><b>Para 8 (f) Partnership firms</b></p> <p>Subject to satisfying the eligibility criteria by all the partners, partnership concerns may be considered for assistance under the scheme. However, EDP training will be provided to only one of the partners authorized by other partners in such cases</p>	<p>Subject to satisfying the eligibility criteria by all the partners, partnership concerns will also be considered for assistance under the scheme. <b><i>The contribution of the individual partners will also be considered in the project cost.</i></b> However, EDP training will be provided to only one of the partners authorized by other partners for partnership concern.</p>
v.	<p><b>Para 11 (i) Project cost</b></p> <p>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 Rs1.00 Crore, subsidy component will be restricted to Rs.25 lakh.</p>	<p>The minimum project cost will be above Rs.10.00 lakh and the maximum project cost will be <b><i>Rs.5.00 crore.</i></b> For projects costing more than Rs1.00 Crore, subsidy component will be restricted to Rs.25 lakh.</p>
vi.	<p><b>Para 15; Financial Target for TIIC / District Industries Centre:-</b></p> <p>The annual subsidy target will be distributed among TIIC: DICs / SIDBI at the ratio of 33:67</p>	<p>The annual subsidy target will be distributed among TIIC: DICs / SIDBI at the ratio of <b><i>20:80</i></b></p>

<p><b>vii.</b></p>	<p><b>Para 20</b>  <b>Operation of the Scheme</b>  <b>xii) disbursement of subsidy</b></p> <p>On receipt of subsidy claim raised by the Bank/ TIIC, General Managers, DIC/ RJD, Chennai/ CMD, TIIC will release the subsidy to Bank/TIIC branch in instalments depending on the project size as indicated below:</p> <p>a. For project costs upto Rs.50 lakhs, subsidy will be released in 2 instalments, i.e. 50 % on sanction of loan and 50% later, after verifying the capital expenditure actually incurred by the beneficiary.</p> <p>b. For the project cost exceeding Rs.50 lakhs, subsidy will be released in 3 instalments i.e. 50% on sanction of loan and the remaining amount in two instalments of 25% each, after verifying the capital expenditure actually incurred by the beneficiary.</p>	<p>On receipt of subsidy claim raised by the Bank / TIIC, General Managers, DIC/ RJD, Chennai/ CMD, TIIC will release the subsidy to Bank / TIIC branch in instalments depending on the project size as indicated below:</p> <p>a. For project costs upto Rs.50 lakhs, subsidy will be released in 2 instalments, i.e. 50 % <b>on receipt of formal sanction order and after ensuring the disbursement of minimum 25% of the sanctioned term loan by the financial institution</b> and 50% after verifying the capital expenditure actually incurred by the beneficiary <b>by making joint verification by the Industries and Commerce Department along with bank officials..</b></p> <p>b. For the project cost exceeding Rs.50 lakhs, subsidy will be released in 3 instalments i.e. 50% on sanction of loan and the remaining amount in two instalments of 25% each, after verifying the capital expenditure actually incurred by the beneficiary <b>by making joint verification by the Industries and Commerce Department along with Bank officials.</b></p>
<p><b>viii.</b></p>	<p><b>Tripartite Agreement Para 10:</b></p> <p>The final instalment subsidy amount will be released only after date of commencement of production / rendering of services, after verifying the capital expenditure actually incurred by the beneficiary as on the date of commencement of production jointly by the Government and Bank officials.</p>	<p>The final instalment subsidy amount will be released only after verifying the capital expenditure actually incurred by the beneficiary <b>by making joint verification by the Industries and Commerce Department and bank officials.</b></p>

4. This order issues with the concurrence of Finance Department vide its U.O.No.18481/Ind/2018, dated 20.04.2018.

(BY ORDER OF THE GOVERNOR)

**DHARMENDRA PRATAP YADAV**  
**SECRETARY TO GOVERNMENT**

To

The Principal Secretary / Industries Commissioner and  
Director of Industries and Commerce,  
Guindy, Chennai-32.

The Principal Secretary / Chairperson and Managing Director,  
Tamil Nadu Small Industries Development Corporation Limited,  
Guindy, Chennai-32.

The Principal Secretary / Director,  
Entrepreneurship Development and Innovation Institute-Tamil Nadu,  
Guindy, Chennai-32.

The Principal Secretary / Chairman and Managing Director,  
Tamil Nadu Industrial Investment Corporation Limited, Chennai-35.

The Accountant General (A&E/ Audit), Chennai-18 (By Name)

All Pay and Accounts Officers / Treasury Officers.

All District Collectors.

The Convenor, State Level Bankers Committee, Indian Overseas Bank, Chennai-6.

All sections in Micro, Small and Medium Enterprises Department, Chennai-9.

**Copy to:-**

The Chief Minister's Office, Chennai-9.

The Special Personal Assistant to Minister  
(Rural Industries), Chennai-9.

The Finance (Industries) Department, Chennai-9.

Stock file / Spare copy. (C.No.4632/D2/2017)

**// FORWARDED BY ORDER //**

  
**SECTION OFFICER**

  
24/4.