



## **ABSTRACT**

Micro, Small and Medium Enterprises – Schemes - Announcement made by Hon'ble Minister (Finance and Human Resources Management) during the Budget Speech 2023-2024–Implementation of Annal Ambedkar Business Champions Scheme' (AABCS) from 2023-2024 onwards - Necessary modalities / guidelines for implementation of the scheme and sanction of funds - Orders - Issued.

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

**G.O.(Ms.) No.33**

**Dated: 12.05.2023**

திருவள்ளூர் ஆண்டு 2054  
சோபகிருது வருடம், சித்திரை 29

### **Read:**

Announcement made by Hon'ble Minister (Finance and Human Resources Management) during the Budget Speech 2023-2024 on 20.03.2023.

### **ORDER:**

The Hon'ble Minister for Finance and Human Resources Management during the Budget Speech 2023-2024 (para 44) has made the following announcement:-

"It is seen that the share of persons from Scheduled Caste and Scheduled Tribe communities who avail various entrepreneurship promotion subsidies from the Government is very low. In order to promote economic development of SC/ST entrepreneurs, a new scheme called 'Annal Ambedkar Business Champions Scheme' (AABCS) will be launched in the coming financial year. The new scheme will provide 35 percent capital subsidy and offer 6 percent interest subvention for loans to procure machineries and equipment. A sum of Rs.100 crore is allocated for this scheme in the Budget Estimates 2023-2024".

2) In order to implement the above announcement and to increase the number of SC/ST entrepreneurs thereby promote the economic development of SC/ST communities in the State, the Government issue orders for the implementation of "Annal Ambedkar Business Champions Scheme" (AABCS) from the year 2023-2024 onwards with the following guidelines / modalities:-

**GUIDELINES / MODALITIES**

- i) The 'Annal Ambedkar Business Champions Scheme' shall be implemented with a financial allocation of Rs.100 Crore during 2023-2024 and within the respective budget allocations for the subsequent years.
- ii) Annal Ambedkar Business Champions Scheme shall be implemented by the Micro, Small and Medium Enterprises Department through the Industries Commissioner and Director of Industries & Commerce (ICDIC). The Industries Commissioner and Director of Industries and Commerce shall be assisted by FaMeTN, Entrepreneurship Development and Innovation Institute and StartupTN with manpower and other resources for implementing the Scheme.
- iii) The beneficiaries shall be persons belonging to SC/ST communities. Enterprises supported under the scheme shall be 100% owned by persons belonging to SC/STs. The enterprises may have any legal personality allowed to conduct business for profit as per prevailing laws which include sole proprietorship, partnership and company.
- iv) The scheme will cover new entrepreneurs and existing entrepreneurs.
- v) The scheme can support both new enterprises and expansion of existing enterprises.
- vi) Eligible enterprises can be business enterprises in the areas of manufacturing and services. Trading related projects which are above the threshold of assistance under the existing Unemployed Youth Employment Generation Programme (UYEGP) scheme will also be covered.
- vii) The age limit for beneficiaries will be 55 years.
- viii) There shall be no minimum educational qualification for beneficiaries.
- ix) Annal Ambedkar Business Champions Scheme will provide 35% capital subsidy on the Eligible Project Cost, not exceeding Rs.1.5 Crore.

- x) Eligible Project Cost shall include all investments of a capital nature and will include land, plant, machinery, testing equipment and computing devices, Cost of land may be taken into account for the purposes of calculating subsidy which should not exceed 20% of the total project cost. Vehicles shall be considered as part of project cost only in cases where the vehicle is integral to the business process as in the case of taxi and lorry business, earth moving equipment, bore well drilling, sanitary service equipment like, Jet Roding machines etc.,
- xi) Further, 6% interest subvention will be given for loans sanctioned under "Annal Ambedkar Business Champions Scheme". Interest subvention will be given to loans sanctioned by scheduled Commercial Banks, Co-Operatives Banks, Tamil Nadu Industrial Investment Corporation and Non Banking Financial Company (NBFCs) during the tenure of the loan not exceeding 10 years. Working capital sanctioned for the project shall also be eligible for interest subvention for a period not exceeding two years. Interest subvention will be upfront and given to the Banks.
- xii) The capital subsidy sanctioned will be provided frontend to the extent necessary to constitute margin money requirement for credit linkage.
- xiii) "Annal Ambedkar Business Champions Scheme" will cover projects without credit linkage also. But in such cases, capital subsidy will be released back ended.
- xiv) There will be no bar on the beneficiary to claim additional capital subsidy from schemes operated by agencies not controlled by Government of Tamil Nadu. This will include Credit Linked Capital Subsidy Scheme (CLCSS) of Union Government, schemes of Coir Board, etc.,
- xv) Retired bankers will be hired on honorarium basis in all districts to act as Credit Mentors and to liaison with banks. The honorarium paid shall not exceed Rs.1,00,000/- per month per district. Their services may be used by Adi Dravidar and Tribal Welfare Department also for their credit linked schemes.
- xvi) NGOs can be hired for outreach activities among tribal communities to fetch applications and their expenses will be reimbursed, not exceeding Rs.5 lakh per NGO in a year.

- xvii) Entrepreneurship Development Training will be given to all beneficiaries by Entrepreneurship Development and Innovation Institute, as done in the case of New Entrepreneur-cum- Enterprise Development Scheme (NEEDS)
- xviii) For these projects and entrepreneurs that require special training, Entrepreneurship Development and Innovation Institute will have partnerships with reputed management and technical institutions and organise customised training or pay the fees of their ongoing short term management programmes not exceeding Rs.1 lakh per candidate. Entrepreneurship Development and Innovation Institute may choose to partner with the top 50 NIRF ranked management institutes shortlisted for Fee Reimbursement Scheme under National SC/ST Hub Scheme or other reputed management / EDP institutions like Bharatidasan Institute of Management, Trichy and Entrepreneurship Development and Innovation Institute, Ahmedabad.
- xix) This training will be given even for prospective applicants or their wards where subsidy applications are under process. Convergence with existing training schemes of Government, including Tamil Nadu Skill Development Corporation (TNSDC) will also be implemented for this purpose.
- xx) The mentoring network created by Startup-TN will be utilised for providing continuous mentoring support to the beneficiaries in new and technically sophisticated sectors.
- xxi) In case of traditional and well established sectors, mentoring network will be organised by FaMeTN in partnership with industry associations, academic institutions and senior entrepreneurs.
- xxii) FaMeTN will also empanel chartered accountancy firms at regional level to answer the doubts of new entrepreneurs regarding accounting and compliance filings.
- xxiii) The existing District Level Sanctioning Committee (DLSC), headed by the District Collector for NEEDS Scheme shall serve as the Sanctioning Committee for subsidy and interest subvention under the Scheme, subject to additional members being added as hereunder. The General Manager, District Industries Centre of the concerned District shall place the proposals with recommendations to the District Level Sanctioning Committee (DLSC). The Industries Commissioner and Director of Industries and Commerce shall have the

power to review and modify any decisions of the District Level Sanctioning Committee (DLSC) or to bypass the District Level Sanctioning Committee (DLSC) in exceptional circumstances. For sanctions under this scheme, the District Adi Dravidar Welfare Officer (DADWO) and Project Officer in Integrated Tribal Development Project (if available) will be made members of the District Level Sanctioning Committee (DLSC). The District Level Sanctioning Committee (DLSC) shall have at least two members representing SC/ST industry associations and if not available, private entrepreneurs or social workers belonging to the SC/ST community may be nominated by the General Manager, District Industries Centre.

- xxiv) Other Departments which seek to promote SC/ST entrepreneurs through their customised schemes may also apply for funding assistance under Annal Ambedkar Business Champions Scheme like in the case of scheme to eliminate manual scavenging by Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB). In such cases, Industries Commissioner and Director of Industries and Commerce can directly accord sanction based on the recommendation of the implementing Department, without referring to the District Level Sanctioning Committee (DLSC).
- xxv) On the expiry of one year of implementation of the scheme, a performance audit of 5% of the beneficiaries shall be conducted through an independent agency.
- xxvi) In order to assist the District Industries Centre in data gathering and application processing, a data entry operator can be engaged in each District Industries Centre on outsourcing basis, on a salary not exceeding Rs.20,000/- per month which include the outsourcing agency's profit and taxes.
- xxvii) A sum of Rs.50 lakhs can be provided for publicity which will include the newspaper advertising, online advertising and supporting industry associations to organise outreach camps.
- xxviii) The Industries Commissioner and Director of Industries and Commerce is authorised to issue necessary detailed guidelines for the scheme, if deemed necessary.
- xxix) A State Level Steering Committee for the scheme shall be constituted with the Secretaries of Finance, Micro, Small and Medium Enterprises, Adi Dravidar and Tribal Welfare

Departments, Industries Commissioner and Director of Industries and Commerce, Commissioner of Adi Dravidar Welfare and Commissioner of Tribal Welfare. This Committee will review the scheme once in a quarter and suggest necessary modifications, if necessary.

3) The Government sanction a sum of Rs.100 Crore (Rupees one hundred crore only) for the implementation of the "Annal Ambedkar Business Champions scheme" (AABCS) during 2023-2024.

4) The scheme will be implemented retrospectively with effect from 01.04.2023.

5) The Industries Commissioner and Director of Industries and Commerce is authorized to draw and disburse the funds sanctioned in para-3 above for implementing "Annal Ambedkar Business Champions Scheme" (AABCS).

6) The amount sanctioned in Para-3 above shall be debited to the following head of accounts:-

"2851-00-Village and Small Industries-102-Small Scale Industries-State's Expenditure-NJ-Annal Ambedkar Business Champions Scheme (AABCS)"

Head of Account	Amount
308-Advertising and Publicity-01- Advertisement Charges. (DPC:2851 00 102 NJ 308 01)	Rs.50,00,000/-
309-Grants-in-Aid-04-Grants for Debt Servicing. (DPC:2851 00 102 NJ 309 04)	Rs.14,56,00,000/-
309-Grants-in-Aid-09-Others. (DPC:2851 00 102 NJ 309 09)	Rs.76,00,000/-
311-Subsidies-01-Individual Based Subsidies (DPC:2851 00 102 NJ 311 01)	Rs.80,00,00,000/-
333-Payments for Professional and Special Services - 04- Contract Payment (DPC:2851 00 102 NJ 333 04)	Rs.4,18,00,000/-

7) Necessary additional funds of Rs.100.00 Crore will be provided by way of Re-appropriation as detailed below:-

(Rupees in Thousands)

S. No.	Head of Account	B.E. 2023-2024	Re-appropriation amount	After Re-appropriation
1.	2851-00-102-DK 309 04	100,00,00	(-) 100,00,00	0
2.	2851-00-102-NJ 308 01	0	(+) 50,00	50,00
3.	2851-00-102-NJ 309 04	0	(+) 14,56,00	14,56,00
4.	2851-00-102-NJ 309 09	0	(+)76,00	76,00
5.	2851-00-102-NJ 311 01	0	(+) 80,00,00	80,00,00
6.	2851-00-102-NJ 333 04	0	(+) 4,18,00	4,18,00
	<b>Total</b>	<b>100,00,00</b>	<b>0</b>	<b>100,00,00</b>

8. This order issues with the concurrence of Finance Department vide its U.O. No.188/ADS(GKT)/Finance(Ind)/2023, dated 12.05.2023 with ASL No.109 (One Hundred and Nine), dated 12.05.2023.

(IFHRMS ASL No.2023050109)

**(BY ORDER OF THE GOVERNOR)**

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

To  
The Secretary to Government,  
Adi Dravidar and Tribal Welfare Department,  
Secretariat, Chennai-9.  
The Industries Commissioner and  
Director of Industries and Commerce,  
Guindy, Chennai-32.  
The Director,  
Adi Dravidar and Tribal Welfare Directorate,  
Chepauk, Chennai-600005.

The Director,  
Tribal Welfare Directorate,  
Chepauk, Chennai-600005.

The Director,  
Entrepreneurship Development and Innovation Institute,  
Guindy, Chennai-32.

The Mission Director,  
Tamil Nadu Startup and Innovation Mission (TANSIM), Chennai.

The Managing Director,  
FaMe TN, Guindy, Chennai-32.

The Pay and Accounts Officer, Chennai-5.

The Accountant General, Chennai-18/35.

Copy to:

The Office of the Hon'ble Chief Minister, Chennai-9.

The Senior Personal Assistant to Hon'ble Minister (Finance and HRM),  
Chennai-9.

The Senior Personal Assistant to Hon'ble Minister (MS&ME),  
Chennai-9.

The Senior Private Secretary to Secretary to Government,  
Micro, Small and Medium Enterprises Department, Chennai-9.

The Micro, Small and Medium Enterprises (B/OP) Department,  
Chennai-9.

The Finance (Ind/BG-II/Ways&Means) Department, Chennai-9.

Stock File / Spare Copy. (C. No.2759/D2/2023)

**// FORWARDED BY ORDER //**

*N. Srinivasan*  
12.05.2023.

**SECTION OFFICER**

*S*  
12/05/2023