



ABSTRACT

Micro, Small and Medium Enterprises – Unemployed Youth Employment Generation Programme – Introduction of New Scheme – Orders – Issued.

Micro, Small and Medium Enterprises (D2) Department

G.O.(Ms).No. 80

Dated: 30.07.2010

Read:

The Industries Commissioner and Director of Industries and Commerce, Rc.No. 3111/DIC3/2010, dated 16.04.2010.

ORDER:

Micro, Small and Medium Industries Policy 2008, has a vision to promote ten lakh direct and indirect employment opportunities during Eleventh Plan period. The objective is to create employment opportunities particularly to the vulnerable sections of the society and rural people with a view to ensuring inclusive development.

2. In his letter read above the Industries Commissioner and Director of Industries and Commerce has sent a proposal for introduction of a new scheme, namely “Unemployed Youth Employment Generation Programme”. The scheme aims to mitigate the unemployment problems of socially and economically weaker sections of the society, particularly among the educated and unemployed to become self employed by setting up Manufacturing / Service / Business enterprises by availing loan upto the maximum of Rs.5 lakhs, Rs. 3 lakhs and Rs. 1 lakh respectively, with subsidy assistance from the State Government upto 15% of the project cost. This scheme was also announced on the floor the Assembly during Micro, Small and Medium Enterprises Demand for 2010-11.

3. The Government, after careful consideration, approve the scheme of “Unemployed Youth Employment Generation Programme” as appended to this order for implementation from the year 2010-11 onwards. The Government also agree to provide a sum of Rs.17.00 crores for the year 2010-11 towards state’s assistance for the above scheme.

4. This order issue with the concurrence of Finance department vide its U.O.No. 38360/Ind/2010, dated 29.07.2010.

(BY ORDER OF THE GOVERNOR)

**P. SELVAM,
ADDITIONAL CHIEF SECRETARY TO GOVERNMENT.**

To

The Industries Commissioner and Director of Industries and Commerce, Chennai-5

The Accountant General, Chennai-6/18 (By Name)

All Pay and Accounts Officer / Treasury Officers.

All District Collectors.

All Secretaries to Government, Chennai-9.

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 and Animal Husbandry),
Chennai-9.

Stock file / Spare copy.

//FORWARDED BY ORDER//

SECTION OFFICER

ANNEXURE

UNEMPLOYED YOUTH EMPLOYMENT GENERATION PROGRAMME

1. Preamble

Hon'ble Chief Minister released an exclusive Policy for the development of Micro, Small and Medium Industries in the State viz. "Micro, Small and Medium Industries Policy 2008" on 22.02.2008, with the objective of targeting a sustained annual growth rate of over 10% for Micro, Small and Medium Industries and thereby creating 10 lakh direct and indirect employment opportunities during the XI Plan period. In order to achieve the above objective, Government have announced a bouquet of incentive schemes in the Micro, Small and Medium Industries Policy for creation of infrastructure facilities and to provide subsidy assistance, marketing and technical support for the growth of Micro, Small and Medium Industries in the State.

The Government, with a view to create employment opportunities to the socially and economically backward strata of the society as envisaged in the Micro, Small and Medium Industries Policy, has formulated the Unemployed Youth Employment Generation Programme (UYEGP). The scheme is intended to mitigate the unemployment problems of socially and economically weaker sections of the society, particularly among the educated and unemployed to become self employed by setting up Manufacturing / Service / Business enterprises by availing loan upto the maximum of Rs. 5 lakhs, Rs. 3 lakhs and Rs. 1 lakh respectively, with subsidy assistance from the State Government upto 15% of the project cost.

2. Objectives :

1. To generate employment opportunities for the educated unemployed in their native places itself, by setting of self employment ventures in Micro enterprises in Manufacturing Service and Business sectors.
2. Preventing mass migration from rural areas to urban areas due to unemployment.
3. To provide livelihood opportunities to the marginalized people in rural and urban areas.
4. To facilitate provision of collateral free advances under Credit Guarantee Trust for Micro, Small Enterprises (CGTMSE) dovetailing under Unemployed Youth Employment Generation Programme.

3. The Parameters of the Unemployed Youth Employment Generation Programme scheme:

i) Nodal Agency :

The Commissionerate of Industries and Commerce is the Nodal Agency at State level to implement the scheme across the state.

ii) Areas of Operation:

The scheme is applicable to all areas in the State including rural and urban areas.

iii) Implementing agencies:

District Industries Centre (DICs) of the concerned Districts and the Office of the Regional Joint Director of Industries and Commerce in respect of Chennai District will be the implementing agencies for the Scheme.

4. Eligibility Criteria

- i) Any individual, above 18 years of age.
- ii) The family income of the beneficiary along with the spouse shall not exceed Rs.1,50,000/- per annum, as declared by the applicant duly certified by the Notary Public / Oath Commissioner.

5. Preference :

Preference will be given to weaker sections including women, minorities, transgender, physically challenged persons. The number of Scheduled Caste / Scheduled Tribes beneficiaries should not be less than 19% (18+1), 30% for Backward Classes (BCs) and 20% for Most Backward Classes and Denotified Communities (MBC & DCs). In case, Scheduled Caste / Scheduled Tribes / Backward Classes / Most Backward Classes and Denotified Communities candidates are not available, District Industries Centres will be competent to consider other categories of candidates under Unemployed Youth Employment Generation Programme. The preference given under various categories will not be carried over to the next financial year.

6. Maximum Project cost:

Rs. 5.00 lakhs for manufacturing sector, Rs.3.00 lakhs for service sector and Rs.1.00 lakh for business sector.

7. Promoter's Contribution:

10% for General Category as owner's contribution.

5% for special category (viz. Scheduled Caste / Scheduled Tribes / Backward Classes / Most Backward Classes / Minorities / Women / Ex-servicemen / Physically Challenged / Transgender) as owners' contribution.

8. Subsidy:

Subsidy at rate of 15% of the project cost will be sanctioned to the beneficiaries.

9. Activities covered:

All economically viable manufacturing, service and business activities excluding direct agricultural operations like raising crop etc.,

10. Training:

7 days training in Entrepreneur Development Programme to be conducted by Entrepreneur Development Institute (EDI) of Government of Tamil Nadu is mandatory. However, the training shall be completed within 12 months from the date of selection by the District Task Force Committees (DTFCs).

11. Target / per year

Manufacturing	-	5,000 beneficiaries
Service	-	3,000 beneficiaries
Business	-	2,000 beneficiaries
TOTAL	-	10,000 beneficiaires

12. How to apply:

The scheme will be advertised through print and electronic media. The beneficiary can submit application along with project profile, at the respective District Industries Centre with copies of certificates in proof of educational qualification, nativity, community, Ex-servicemen (wherever applicable) and proof for physically challenged. The beneficiaries can also file their applications through online.

13. Selection of Beneficiaries:

Beneficiaries will be selected through interview process by the District Task Force Committee headed by the General Manager of the concerned District Industries Centre.

14. Task force Committee

Chairman : General Manager, District Industries Centre

Members : Lead bank
 District Manager, Tamil Nadu Adi Dravidar Housing and
 Development Corporation Limited (TAHDCO)
 District Coordinators from Leading Banks in the Districts
 Representative from District Micro, Small and Medium
 Enterprises Associations
 Representative from National Small Industries Corporation Limited /
 Micro, Small and Medium Enterprises-Development Institute
 District Employment Officer
 Representative of Project Officer, District Rural Development
 Agency
 Representative of Project Officer, Magalir Thittam.

15. Project sanction:

Project will be sanctioned by financing branches of the Banks as per techno-economic viability.

16. Financial Institutions:

All Nationalised Banks, Private Sector Banks and Tamil Nadu Industrial Co-operative Bank.

17. Collateral:

No collateral is required.

18. Amount of the Bank Loan:

Banks sanction and release 90-95% loan of the project cost. (Including Government subsidy of 15%)

19. Rate of interest:

Normal Bank rate of interest.

20. Repayment period:

Repayment Schedule shall be for 5 years after an initial moratorium period of 6 months or date of commencement of project whichever is earlier.

21. Defaulter

Should not be a defaulter to any nationalized bank / financial institution / Co-operative bank. Further, a person already assisted under other subsidy linked Government schemes would not be eligible under this scheme.

22. Operation of the Scheme

- Project proposals in the prescribed application format with relevant details will be invited from the unemployed / potential beneficiaries at District level through pre-selection motivation campaigns, walk in Interviews by the District Industries Centres.
- The applications received by District Industries Centres will be scrutinized and shall be placed before the Task Force Committee at least once in a month.
- The Selection will be based on the experience, qualification, skill, viability of the project, marketability etc.,
- The selected applications will be sent to the bank branches to the total numbers not less than 125% of the target fixed by the Industries Commissioner and Director of Industries and Commerce from time to time.
- The bank branches shall call for personal interview with the applications to provide subsequent provisional sanction by them. The provisional sanctions shall be intimated to the concerned District Industries Centres.
- The District Industries Centres shall arrange for compulsory Entrepreneur Development Programme training for a period of seven days by the Entrepreneur Development Institute and on completion, Entrepreneur Development Institute will issue training certificates.
- After successful completion of Entrepreneur Development Programme training, the beneficiary will deposit the Promoter's Contribution with the bank. Thereafter, the bank will disburse the 1st installment of the bank finance to the beneficiary on production of the training completion certificates.
- The respective disbursement advices should be forwarded to District Industries Centres along with the subsidy claims.
- The Tamil Nadu Government subsidy amount should be drawn by the Industries Commissioner and Director of Industries and Commerce and disbursed to all the Districts where it will be deposited with the lead district Bank and they will act as District Level Nodal Bank. Interest accrual, if any, shall be adjusted against sanction of the contingency fund.
- On receipt of Subsidy claim raised by the financing branch duly countersigned by the General Manager, District Industries Centre, District Nodal Bank will release the subsidy to financing bank branches.
- The subsidy will be deposited in a Term Deposit Receipt (TDR) for 3 years at the financing bank branch level in the name of the beneficiary. No interest will be paid on the Term Deposit Receipt and no interest will be charged on loan amount equal to the amount of Term Deposit Receipt.

- The subsidy will be credited to the borrowers' loan account after 3 years from the date of first disbursement to the borrower by the bank.
- In case, the banks advance goes "bad" before the three year period, due to reasons, beyond the control of the beneficiary, the subsidy will be adjusted by the Bank to liquidate the loan liability of the borrower either in part or full.
- The total subsidy amount shall be obtained through Government sanction in the formal Government Order and necessary subsidy appropriations shall be made to all the districts with relevance to their targets to be allotted by the office of Industries Commissioner and Director of Industries Commerce during the beginning of the Financial Year.

23. Marketing Support:

As a marketing support for the products produced by Unemployed Youth Employment Generation Programme units, Exhibitions, Buyer-Seller meet etc., will be arranged by General Manager, District Industries Centres to promote their products.

24. Physical Verification:

With respect to follow up and to know the impact of the scheme and to ensure proper utilization of Government subsidy, 100% physical verification will be conducted by respective General Manager, District Industries Centres / Regional Joint Director, Chennai.

25. Review & Monitoring:

The progress of the Scheme will be reviewed by the District Collector at the Bankers Standing Committee, District Level Co-ordination Committee (DLCC) / District Level Review Committee (DLRC) 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 Additional Chief Secretary to Government, Micro, Small and Medium Enterprises Department will also review the State level performance of the Unemployed Youth Employment Generation Programme Scheme on quarterly basis as the Chairman of the Committee.

26. Backward & Forward Linkages:

As a support service, funds will be provided by Industries Commissioner and Director of Industries and Commerce in Government of Tamil Nadu for Backward & Forward Linkages under the scheme.

27. Publicity:

Seminars to be conducted in each district for creating awareness of Unemployed Youth Employment Generation Programme in the area in the form of pre-selection motivation campaigns / Walk-in-interviews.

28. Funds:

Training / Contingency Expenses per beneficiary will be sanctioned as indicated below:-

1.	Stipend for Trainees	Rs. 500.00
2.	Fee for Training Institutions	Rs. 750.00
3.	Contingency Fund	Rs. 250.00

Besides this, fund will be sanctioned for publicity expenses towards State Level Workshop, District Level Workshop, District Level awareness compasson and Printing and Publicity charges for the scheme.

The contingency fund will be utilized for the following activities:-

1. Printing of forms.
2. Stationery.
3. Correspondence.
4. Petrol, Oil and Lubricants.
5. Hiring of transport.
6. Preparation of project profiles.
7. Organising workshops.
8. Course fee for attending Regional Level workshops.
9. Ten percentage of the contingency fund will be apportioned to Central Office.

**P. SELVAM,
ADDITIONAL CHIEF SECRETARY TO GOVERNMENT.**

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SECTION OFFICER

