

## Government Orders of Interest to Citizens



### GOVERNMENT OF TAMILNADU

#### ABSTRACT

Adi Dravidar Welfare – Economic Development of Adi Dravidars – Formation of two Industrial Estate one at Mudalipalayam in Coimbatore District and another at Ingur in Erode District – Orders issued – Review meetings conducted for effective implementation of the scheme - Modified – Orders – issued.

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#### ADI DRAVIDAR ANDTRIBAL WELFARE (SCP.1) DEPARTMENT

G.O. (Ms.) No.110  
Dated:30.12.2002

Read the following:-

- 1.G.O.(Ms.) No.165, AD&TW Department, dated 25.7.92.
2. G.O.(Ms.)No.21, AD&TW Department, dated 1.2.93.
3. G.O.(Ms.)No.133, AD&TW Department, dated 7.7.95/
4. G.O.(Ms.) No.137, AD&TW Department, dated 24.7.95.
5. G.O.(Ms.)No.209, AD&TW Department, dated 1.12.95.
6. G.O.(Ms.)No.75, AD&TW Department, dated 6.9.2000.
7. G.O.(Ms.) No.60, AD7tw Department, dated 28.6.2002.
8. From the Managing Director, TIIC Ltd. Lr.No.HO / DGM / Projects/2002-2003 dated 19.9.2002.
9. From the Managing Director, TAHDCO Lr.No.H5/8235/98 dated 1.10.2002.

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ORDER:-

In G.O. (Ms.) No.165, AD&TW Department, dated 15.7.92, the Government have formulated a scheme for establishing two knitwear based industrial estates, exclusively for the benefit of Adi Dravidars one each at Mudalipalayam in Coimbatore District and another at Ingur in Erode District for creation of a class of entrepreneurs among the SCs who are at the bottom of the economic layer.

2. In G.O. (Ms.) No.21, AD&TW Department, dated 1.2.93, the Government have constituted a Selection Committee with the following officials:-

1. (i) Secretary to Government, Adi Dravidar and Tribal Welfare Department, Chairman.
2. (ii) Managing Director, Tamil Nadu Adi Dravidar Housing and Development Corporation (TAHDCO), Chennai.
3. (iii) Director of Adi Dravidar Welfare, Chennai.
4. (iv) Director of Tribal Welfare, Chennai.
5. (v) Managing Director, Industrial and Technical Consultancy Organisation of Tamil Nadu limited (ITCOT)
6. (vi) A representation from Small Scale Industries.
7. (vii) A representation from Tamil Nadu Industrial Investment Corporation (TIIC)
8. (viii) A representation from Industries Promotion Corporation of Tamil Nadu (SIPCOT)
9. (ix) A representation from South Indian Textile Research Association, Coimbatore (SITRA)

3. The Managing Director, TAHDCO was also directed to advertise through leading dailies inviting application from the eligible Scheduled Caste people of Tamil Nadu in the prescribed form.

4. Subsequently in the G.O. (Ms.)No.133, AD&TW Department, dated 7.7.95, orders pertaining to the mode of pattern of financial assistance, unit cost, collateral security and to individual projects in respect of the establishment of the knitwear based industrial estates at Mudalipalayam and Ingur.

5. The pattern of financing the projects was confined to the following :-

Term loan from TIIC	: 60%
Promoter's contribution	: 10%
State Capital Subsidy	: 15%
State Government's Contribution to	: 5%
Share Capital (From SCA)	
TAHDCO margin money	: 10%

6. The cost of the unit was ranging from Rs.21 lakhs to Rs.130 lakhs. Also in the G.O. it was ordered that the Government would provide for collateral security in the form of Government Guarantee to TIIC of 15% of project cost or Rs.15 lakhs whichever is lower.

7. As regards Industrial Units at Mudalipalayam out of the 100 sheds 54 beneficiaries have availed the loan assistance from the TIIC. For another 20 persons loans sanctioned have lapsed and 26 selected beneficiaries are in the waiting list. At Ingur 200 sheds have been constructed and are ready for allotment.

8. Lack of interest in starting industrial units, reluctance on the part of beneficiaries to repay the loan and confining the allotment only to the knitwear industry alone held up the successful implementation of the scheme.

9. To resolve the problems in the implementation of the scheme, it was reviewed by the Government at the highest level and a series of meetings were held with the

concerned authorities. Based on the meetings, it was decided to receive the fresh proposals from the Managing Director, TAHDCO and TIIC.

10. Accordingly the proposals from the Managing Director, TAHDCO and TIIC have been received by the Government . Government examined the proposals in detail and they issue the following orders in modification of the earlier orders issued in respect of selection, counselling of beneficiaries , pattern of assistance, collateral security and Self help groups formation.

#### **Selection and Counselling :-**

The Government direct that the Managing Director, TAHDCO should release advertisement calling for applications through one English and one Tamil daily. These applications shall be received and processed by TIIC adopting the procedure presently being followed. While sanctioning loans to entrepreneurs, TIIC may hold workshops/seminars wherein the applicants may be invited and the scope can be explained to them in detail before submitting proposals to TIIC for sanction of loans.

The selection of beneficiaries shall be undertaken by the Branch Selection Committee and Head Office Screening Committee of TIIC as the case may be in accordance with the existing norms prescribed by TIIC for the selection of beneficiaries.

Managing Director, TIIC is directed to ensure that the selection of 200 beneficiaries for the Ingur Industrial Estate and 46 beneficiaries for the Mudalipalayam Industrial Estate shall be taken up by TIIC based on the financial viability of the project, network, expertise of the promoter, willingness and capability of the entrepreneurs to undertake commercially viable project. The present system of selection through Committee constituted by the Government in the G.O. second read above gets superseded.

After the selection of beneficiaries TIIC shall get prior clearance of the Government for the list of the beneficiaries so selected before sanctioning loan applications.

#### **Self Help Groups :-**

The Government direct that while selecting the beneficiaries, Managing Director, TIIC should encourage Self Help Groups to undertake suitable projects based on their experience. Even groups of men who form a cohesive unit can also be encouraged.

#### **Project cost :-**

The present guidelines on project cost which ranges between 21 lakhs to 130 lakhs may be revised to suit the need based requirement of each individual project selected by the entrepreneurs/Self help groups. Only viable projects having good demand among the general public such as production of masala powder, pickles, chips, processed food and other useful consumer items should be brought under the purview of the scheme as it would be easier for the entrepreneurs/Self Help Groups to market their products both in the local market and also in the adjoining districts. Such of those projects considered with a focus on business economics, should be encouraged.

Restricting the economic activity only to knitwear is thus removed. The types of the units to be allowed in Mudalipalayam and Ingur are expanded to cover financially viable and potentially marketable projects in different sectors including knitwear.

**Pattern of assistance :-**

The pattern of assistance will be as follows for all projects in all sectors.

Term loan assistance from TIIC	: 60%
State Capital Subsidy	: 15%
TAHDCO Margin money	: 10%
State Government's Contribution	: 5%
Share Capital(from SCA)	
Promoter's Contribution	: 10%

**Collateral Security :- (Government Guarantee)**

The Government will provide for collateral security to TIIC at 15% of the project cost or Rs.15 lakhs whichever is lower.

**Market Study :-**

The Managing Director, TAHDCO in consultation with Managing Director, TIIC should conduct upcountry market study of the existing products. Since Tiruppur is a major export centre, the existing Exporters Association could be used for getting marketing tie-up to help the entrepreneurs/Self Help Groups to export those products.

**Allotment of sheds :-**

The Government further direct that the Managing Director, TAHDCO shall examine the allotting of the existing sheds at Mudalipalayam and Ingur either on leasehold basis or on rental basis instead of on outright sale basis since this will reduce the loan liability of the beneficiaries to a great extent.

11. The Managing Director, TIIC, Managing Director, TAHDCO, are directed to follow the above orders scrupulously.

12. This order issues with the concurrence of Finance Department vide its U.O.Note No.4935/FS/P/2002, dated 8.11.2002.

P. SELVAM,  
SECRETARY TO GOVERNMENT.

(BY ORDER OF THE GOVERNOR)

To

The Managing Director,TAHDCO,Chennai-101.  
The Commissioner, Adi Dravidar and Welfare , Chennai-5  
The Managing Director, TIIC Ltd, Chennai-35.

The Managing Director, Industrial and Technical Consultancy Organisation of Tamil Nadu Limited, 50 A Greams Road, Chennai-6.

The Managing Director, Industries Promotion Corporation of Tamilnadu, (SIPCOT), Chennai-8.

The Managing Director, South Indian Textile Research Association, Coimbatore.

The Managing Director, Tamilnadu Small Scale Industries Association, 10, CPT Road, Guindy, Chennai-32.

The Accountant General, Chennai-600 018.

The Accountant General, Chennai-600 035.

The Handlooms, Handicrafts, Textile and Khadi Department, Chennai-9.

Copy to :-

Finance Department, Chennai-9.

Adi Dravidar & Tribal Welfare (OP.I/MEC) Department , Chennai-9.

Private Secretary to Secretary to Government, Adi Dravidar and Tribal Welfare Department, Chennai-9.

The Senior Personal Assistant to Minister (Adi Dravidar & Tribal Welfare), Chennai-9.

/Forwarded/By Order/

SECTION OFFICER.