

GUIDELINES OF “SCHEME FOR ASSISTANCE TO TRAINING INSTITUTIONS”

1. BACKGROUND

- 1.1.** The Micro, Small and Medium Enterprises (MSMEs) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and contribute enormously to the socio-economic development of the country.
- 1.2.** The Ministry of Micro, Small and Medium Enterprises (MoMSME) promotes the development of micro and small enterprises in the country with the objective of creating self-employment opportunities and upgrading the relevant skills of existing and potential entrepreneurs. In order to promote establishment of new enterprises and creation of new entrepreneurs MoMSME has been implementing various schemes and programmes.
- 1.3.** Entrepreneurship development is one of the key elements for promotion of micro and small enterprises, particularly, the first generation entrepreneurs. Entrepreneurship, and resultant creation of employment and wealth, is a major means for inclusive development. Hence, entrepreneurship development has been one of the priorities in countries the world over.
- 1.4.** In order to ensure that young entrepreneurs are encouraged and suitably equipped to go into new ventures, the Government has been providing assistance for establishment of Training Institutions/ Entrepreneurship Development Institutes (EDIs) for imparting entrepreneurship and skill development training. These EDIs have been providing entrepreneurship and skill development training to the first generation entrepreneurs and helping and supporting them in the establishment of their enterprises. Government makes consistent and concerted efforts to accelerate and promote entrepreneurship by providing support for strengthening of training infrastructure as well as programme support.
- 1.5.** MoMSME has set up three National level Entrepreneurship Development Institutes namely National Institute for Micro, Small and Medium Enterprises (NIMSME), Hyderabad; National Institute for Entrepreneurship and Small Business Development (NIESBUD), Noida and Indian Institute of Entrepreneurship (IIE), Guwahati to undertake the task of entrepreneurship and skill development on a regular basis.
- 1.6.** MoMSME has also been supporting the efforts of State Governments/ Union Territories, Industry Associations, Financial Institutions, Technical/ Management Institutions, other Non-Governmental Organisations (NGOs), etc. for establishment of new training institutions as well as strengthening of the infrastructure of existing training institutions.

2. SCHEME FOR ASSISTANCE TO TRAINING INSTITUTIONS

The Scheme envisages financial assistance for establishment of new institutions (EDIs), strengthening the infrastructure of the existing EDIs and for supporting entrepreneurship and skill development activities. The main objectives of the scheme are development of indigenous entrepreneurship from all walks of life for developing new micro and small enterprises, enlarging the entrepreneurial base and encouraging self-employment in rural as well as urban areas, by providing training to first generation entrepreneurs and assisting them in setting up of enterprises. The assistance shall be provided to these training institutions in the form of capital grant for creation/strengthening of infrastructure and programme support for conducting entrepreneurship development and skill development programmes.

3. ASSISTANCE UNDER THE SCHEME

3.1 Assistance to National level EDIs

3.1.1 Eligibility

- (i) Assistance may be provided under the scheme for creation or strengthening/expansion of infrastructure, including opening of new branches/centres and meeting revenue deficit, if any, to national level EDIs [presently 3 namely - National Institute for Micro, Small and Medium Enterprises (NiMSME), Hyderabad; National Institute for Entrepreneurship and Small Business Development (NIESBUD), Noida and Indian Institute of Entrepreneurship (IIE), Guwahati].

3.1.2 Scale of assistance

- (i) Amount of assistance will not exceed the actual amount required for creation or strengthening/expansion of the infrastructure and meeting the revenue deficit etc. of the national level EDIs.

3.2 Assistance to Other EDIs (other than National level EDIs)

3.2.1 Eligibility

- (i) Assistance may be provided under the scheme to proposed new EDIs or existing EDIs for creation or strengthening/expansion of their infrastructure. The central assistance under this scheme would be only catalytic and supplementary to the contributions and efforts of the other stakeholders e.g. the concerned Institute, States/UT Governments and other developmental agencies/NGOs/Institutions etc.
- (ii) The applicant Institution should possess clear title on the land required for setting up of the proposed / existing institute. In case the land is obtained on lease hold, the tenure of the lease deed should be for at least 30 years.
- (iii) The financial assistance will be for specific needs of each case for construction of building, purchase of training aids/equipments, office equipments, computers and for providing other support services e.g. libraries/data bases etc. The costs of land,

construction of staff quarters etc. would not qualify for calculation of matching grant from the Central Government.

3.2.2 Scale of assistance

- (i) Maximum assistance under the scheme will be restricted to Rs. 150 lakh in each case. However, for State level EDIs sponsored by the concerned State/UT Government in the North Eastern region (including Sikkim) or Union Territories of Andaman & Nicobar and Lakshadweep Islands, the maximum assistance would be Rs. 270 lakhs or 90 percent of the project cost, whichever is less.
- (ii) Institutions which have been earlier provided capital grant under the scheme, may seek further grant for the purposes mentioned above. However, the maximum assistance shall be limited to Rs 150 lakh [Rs. 270 lakhs for State EDIs in NE Region (including Sikkim) or Union Territories of Andaman & Nicobar and Lakshadweep Islands], including the grant released to them earlier.
- (iii) Assistance under the scheme will be on matching basis, not exceeding 50 percent [90 percent for State level EDIs in NE Region (including Sikkim) or Union Territories of Andaman & Nicobar and Lakshadweep Islands] of the project cost (excluding cost of land and working capital). The balance 50 percent of the matching contribution (10 percent for State level EDIs in NE Region or Union Territories of Andaman & Nicobar and Lakshadweep Islands) should come from the concerned Institute, State/UT Government, public funded institution(s), NGOs/Trusts/ Banks/Companies/ Societies/ Voluntary organizations etc.
- (iv) The contribution of the State/UT Government/ other agencies should be in the form of non refundable contribution/grant. The participation of the State Government/other agencies by way of loan to the institution shall not be admissible for the purpose of calculating assistance under this scheme.

3.2.3 Other Conditions

- (i) All the proposals would be routed through the State/UT Government concerned and would require recommendation of the State/UT Government concerned. The State/UT Governments will examine the proposals, including the purpose, requirement, suitability of the proposed location, possible linkages with nearby industrial clusters and likely benefits etc., before recommending the proposals for assistance under the scheme. The State/UT Government would also examine the financial estimates for the proposals and give its clear recommendation regarding the amount of central assistance under the scheme.
- (ii) Central government may nominate any officer, not below the rank of Under Secretary of Govt of India, as its representative on the Board of Administration or any other equivalent body, responsible for the management of the EDI. It would be the responsibility of the concerned EDI to invite such nominated officer to all meetings of the Board of Administration (or equivalent).
- (iii) The assistance under the scheme shall be released, in full or part, only after the applicant organization has either utilized its own part of matching contribution or deposited its share/in the designated Bank account or issued sanction order for release of the same in case of State/UT Government. In case, where first installment (50%) of the assistance is released on the basis of sanction order of

State/UT Government, the second installment (50%) of the assistance under the scheme shall be released only after the matching contribution from the State/UT Government has been received.

- (iv) The assisted EDI shall be required to complete the construction within the given time-frame and shall have to furnish the utilization certificate of the assistance sanctioned within the period prescribed in the sanction letter.
- (v) The assisted EDI shall not dispose of or lease out or create any charge over the assets created by utilizing the assistance provided under this scheme, without written permission from the MoMSME.
- (vi) The assisted EDI shall not change the form or the basic character of the EDI, without prior approval of MoMSME. The charter of the assisted EDI indicating its objects, shall not be amended without written permission of the Ministry of MSME.
- (vii) The assisted EDI shall be required to carry out a minimum set of activities and programmes every year, as prescribed by the Government.
- (viii) The financial assistance provided under this scheme would be of non-recurring and capital nature. Under no circumstances grant funds provided under the scheme would be used to pay salaries and allowances etc. for the institute's faculty, staff or administrators.
- (ix) The accounts of the assisted EDI shall be audited every year and the assisted EDI shall be required to submit annual report along with financial statement to the MoMSME, at least for a period of five years after receipt of the financial assistance. The annual reports on implementation of the scheme would include the details of construction activity, procurement of machinery/ equipment etc. during the period under report. The annual reports must contain details of the activities undertaken by the Institute during the period under report, along with the audited accounts. The report would also include the details of participants/ trainees undergoing training, as well as the details of successful entrepreneurs who have set up their enterprises
- (x) The assisted EDI shall be required to maintain a fixed assets register of equipments/assets procured by utilizing grant funds for verification by Ministry of MSME at any time.
- (xi) In case of failure to utilize the sanctioned funds within time or its misuse, misappropriation or diversion or violation of any one or more of the conditions mentioned above, the Government will be entitled to recover the entire assistance amount with interest, in addition to taking such other legal and/or penal action, as deemed necessary.
- (xii) Central government may also prescribe such other conditions, as deemed necessary, before sanction/release of assistance.

3.3 Assistance for Training Programmes

3.3.1 Eligibility

- (i) Assistance may be provided under the scheme to following Training Institutions, for conducting Entrepreneurship Development Programmes (EDPs) and Entrepreneurship cum Skill Development Programmes (ESDPs) and Training of

Trainers (ToTs) programmes in the areas of Entrepreneurship and/or Skill Development.

- (a) National level EDIs (including branches),
 - (b) Training Institutions established by Partner Institutions (PIs) of national level EDIs,
 - (c) Training/Incubation centres of NSIC,
 - (d) Training cum Incubation Centres (TICs) set up by Franchisees of NSIC and
 - (e) Other Training institutions with proven professional competency, capacity and experience, approved under the scheme.
- (ii) Assistance would normally be provided for short term courses/training programmes (non residential) only, i.e. ESDPs for 1 to 3 months (100 to 300 hours of training inputs), EDPs for 2 weeks (72 hours of training inputs) and ToT programmes (300 hours of training inputs). EDPs/ESDPs/TOTs of shorter/ longer duration may, however, be considered/ sanctioned, with the approval of Secretary (MSME), after recording justification for the same.
 - (iii) The financial assistance provided under this scheme would be of recurring and revenue nature.
 - (iv) Central government may prescribe such other conditions, as necessary, before sanction/release of assistance.

3.3.2 Scale of assistance

- (i) The concerned training institution would be free to decide the training fee for various training programmes viz. EDP/ESDP/ToT being conducted by it. However, the assistance under the scheme would depend on the duration of the training programme (number of hours of training inputs) and would be limited to following rates or actual fee charged, whichever is less: -

Particulars	Maximum assistance per trainee per hour (Rs)
SC/ST/Physically Handicapped (PH) /North Eastern Region (including Sikkim), Union Territories of Andaman & Nicobar and Lakshadweep Islands (NER+)	
District Head Quarter (HQ)	60/-
Urban areas other than District HQ	50/-
Rural areas	40/-
Others	
District HQ	50/-
Urban areas other than District HQ	40/-
Rural areas	30/-

- (ii) Assistance for Training of Trainers (ToTs) programmes would be provided @ Rs 60 per trainee per hour.

- (iii) The trainees would be expected to make their own arrangement for travel and stay during the training period. In case the residential facility is provided by the Training Institution, it may charge the same from the trainee. It would be permissible to dovetail the assistance under this scheme with facilities/benefits available under schemes of other Ministries/ Departments/ State/UT Governments etc. for reimbursement of travel, boarding and lodging expenses and stipend etc. However, it would be the responsibility of the Training Institution to ensure that there is no duplication and assistance for the same purpose is not claimed under more than one scheme.

3.3.3 Other conditions

- (i) The proposals for seeking assistance under the scheme for organising training programmes (EDPs/ESDPs/ToTs) will be submitted to the Screening Committee through the concerned national level EDIs/NSIC by the PIs and Franchisees of EDIs/NSIC and directly in other cases. In case the proposal is submitted through EDIs/NSIC, they shall examine the proposal(s) and give their recommendations on the same. The Screening Committee shall then consider the proposal(s), keeping in mind suitability of the proposal, competency, capacity and experience/past performance of the Training Institution, availability of funds etc. and forward the proposals, along with its recommendations to Secretary (MSME) for approval.
- (ii) After approval, the Ministry shall place the required funds with the national level EDIs/ NSIC (in case training programme is organized by them or by their PIs/franchisees). The concerned EDI/NSIC shall, in turn, release the funds to the concerned PIs/franchisees, on successful completion of the training programme(s) and furnish the Utilization Certificate to the Ministry. The concerned EDI/NSIC shall also be responsible for ensuring the quality of inputs as well as certifying the actual participation of trainees in the training programme. Utilization certificate in respect of training programmes conducted by the EDIs/NSIC shall be furnished by them directly on successful completion of training programmes. In other cases funds would be released to the concerned Training Institution on reimbursable basis after successful completion of the training programme.
- (iii) The Screening Committee shall also lay down the criteria for examining the competency, capacity and experience of the applicant Training Institution.
- (iv) Central Government and/or the concerned national level EDI/ NSIC may also conduct such further checks or verifications through its own offices or through an independent agency, as deemed necessary.
- (v) In case it is found subsequently that assistance has been claimed falsely or fraudulently or assistance for the same item/activity has been claimed under some other scheme also, the Government will be entitled to recover the entire assistance amount with interest, in addition to taking such other legal and/or penal action, as deemed necessary.

4. APPLICATION PROCEDURE

The applications under the scheme shall be submitted to the Director, MoMSME (Room No. 268, Udyog Bhawan, New Delhi 110 107) who shall process the applications and submit

them to the Screening Committee, set up under para 5 below, for consideration. The Screening Committee shall examine all the proposals received under the scheme and submit its recommendations to Secretary (MSME). After approval of Secretary (MSME), the admissible assistance shall be released/approval shall be conveyed, to the applicant organisation.

5. SCREENING COMMITTEE

The composition of the Screening Committee will be as under:

- | | | |
|------|---|--------------------|
| i. | Joint Secretary, Ministry of MSME | - Chairman; |
| ii. | Economic Adviser, MoMSME | - Member |
| iii. | Industrial Adviser/Joint Development Commissioner
from Office of Development Commissioner (MoMSME) | - Member; |
| iv. | Director/Under Secretary, IF Wing (MoMSME) | - Member; |
| v. | Director, MoMSME | - Member Secretary |

6. MONITORING AND EVALUATION

The progress of the scheme shall be regularly monitored by the Screening Committee/Secretary (MSME) from time to time. The overall impact of the scheme shall be got evaluated by an independent agency at the end of XI plan period or earlier, if required.