

# **REVISED GUIDELINES OF “SCHEME FOR ASSISTANCE TO TRAINING INSTITUTIONS”**

## **1. BACKGROUND**

**1.1.** The Micro, Small and Medium Enterprises (MSMEs) sector is highly vibrant and dynamic sector of the Indian economy. 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 institutions 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 a vast network of institutions to undertake the task of training for skill development on a regular basis such as, National Institute for Micro, Small and Medium Enterprises (NIMSME), Hyderabad, Mahatma Gandhi Institute for Rural Industrialisation (MGIRI), Training cum Incubator Centres (TICs) of National Small Industries Corporation (NSIC), Central Tool Rooms (Technology Centres), training centres of MSME Development Institutes, Khadi and Village Industries Commission (KVIC) and Coir Board.

## **2. SCHEME FOR ASSISTANCE TO TRAINING INSTITUTIONS (ATI)**

The objective of the ATI Scheme is to strengthen capacity for training for Skill Development, entrepreneurship, undertaking research and studies on MSME related issues, providing training to staff of DICs and related Government institutions dealing with MSMEs and strengthening overall capacity of National Institutions under Ministry of MSME to undertake these trainings. Under Skill India Programme, skill training is being given in accordance with the modules approved by the National Skill Qualification Framework (NSQF). The objective of the scheme is to build capacity both physical infrastructure and Human Resource (HR) in National Level Institutions under Ministry of MSME to undertake skill development. National Institute for MSME (NIMSME) is a premier National Level Institution for MSMEs. There are number of State Level Entrepreneurship Development Institutions working on MSMEs issues. One of the objectives of the scheme is to enable NIMSME and select State Level Entrepreneurship Development Institutions to work on MSME related issues and undertake studies in partnerships. State and Central Government Departments have large staff for providing support to MSMEs. The scheme also proposes to improve capacity of staff working in District Industries Centres and Industries Departments in States.

## **3. ASSISTANCE UNDER THE SCHEME**

### **3.1 Assistance to Training Institutions of Ministry of MSME (MoMSME)**

#### **3.1.1 Eligibility**

Assistance may be provided under the scheme for creation or strengthening/expansion of infrastructure, including opening of new branches/centres to training institutions of Ministry of MSME and for meeting revenue deficit, if any, of National Institute for Micro, Small and Medium Enterprises (NIMSME).

#### **3.1.2 Scale of assistance**

Amount of assistance will not exceed the actual amount required for creation or strengthening/expansion of the infrastructure of the training institution and meeting the revenue deficit, etc. of NIMSME.

### **3.2 Assistance to State Level EDIs**

#### **3.2.1 Eligibility**

(i) Assistance may be provided under the scheme to existing State Level EDIs (Entrepreneurship Development Institutes) i.e. owned and controlled by a State Government/UT for developing capabilities in undertaking studies and research on MSME related issues.

(ii) 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.

(iii) Financial assistance under the scheme will not be available, henceforth, for setting up of a new EDI. However, the proposals approved or committed earlier would be processed for financial assistance in accordance with the pre-revised guidelines.

### **3.2.2 Scale of assistance**

(i) The maximum assistance under the scheme to a State level EDI will be restricted to Rs.250 lakh in each case. This grant would be utilised for development of physical infrastructure, equipment, faculty training and development of capability in undertaking studies and research on issues related to MSME sector. This grant would be over and above the grant, if any, received by that institution earlier under the ATI scheme.

(ii) For the purpose of grant under this category, an EDI owned and controlled by a State Government / UT would be selected as recommended by the State Government. The selected state level EDI will have to enter into a partnership agreement (or, MOU) with NIMSME to formulate and implement the approved proposal.

### **3.2.3 Other Conditions**

(i) All the proposals would be routed through the State/UT Government and would require recommendation of the State/UT Government.

(ii) 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. In the event of delay in completion of the project, extension of time limit will have to be obtained from Ministry of MSME with justifications.

(iii) 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.

(iv) 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.

(v) 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.

(vi) The assisted EDI shall be required to maintain a fixed assets register of assets/equipments procured by utilizing grant funds for verification by Ministry of MSME at any time.

(vii) 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.

(viii) Central Government may also prescribe such other conditions, as deemed necessary, before sanction/release of assistance.

### **3.3 Assistance for undertaking research and studies**

(i) Assistance may be provided to support institutions and individual experts for undertaking research and studies on MSME related issues. For major research projects, the maximum grant would be up to Rs.15 lakhs. The grant could be utilised for items like, equipment, books and journals, hiring of services, field officers, contingency travel and field work.

(ii) The Screening Committee in MoMSME headed by Joint Secretary (SME) would consider the proposals and make recommendations for sanction of grant in each case.

(iii) Approval of Secretary will be sought for sanction of grant.

(iv) Application for grant should be submitted to DS (EDI) in the Ministry of MSME in the prescribed Proforma.

(v) Detailed guidelines for grant of research and studies would be issued separately.

### **3.4 Assistance for establishing MSME Chair**

(i) Annual grant may be provided under the scheme to academic and research institutions of repute like, IITs and IIMs for establishing MSME Chair for undertaking studies and research on MSME issues.

(ii) A committee in MoMSME consisting of Secretary (MSME), Joint Secretary (SME), Additional Secretary and Financial Advisor and Additional Secretary and Development Commissioner (MSME) would consider the proposals and make recommendations for sanction of grant in each case.

### **3.5 Assistance for Training Programmes**

#### **3.5.1 Eligibility**

(i) Assistance may be provided under the scheme to conduct training programmes in the areas of Skill Development to the following Training Institutions: -

(i) NIMSME, (ii) NSIC, (iii) KVIC, (iv) Coir Board, (v) Tool Rooms/ Technology Centres, and (vi) MGIRI.

(ii) The financial assistance under this scheme would be of recurring and revenue nature.

(iii) Central Government may prescribe such other conditions, as necessary, before sanction/release of assistance.

#### **3.5.2 Scale of assistance**

(i) Assistance for skill development programmes under the scheme would be provided based on the duration of the NSQF compliant training programmes (number of hours of training inputs). The first installment of the grant would be released in advance and the balance on reimbursement basis limited to the following rates:

Category I Courses: Rs 38.50 per head per hour of training

Category II Courses: Rs 33.00 per head per hour of training

Category III Courses: Rs 27.50 per head per hour of training

(ii) Assistance for Training of Trainers (ToTs) programmes would be provided @ Rs.60 per trainee per hour (or, the rate prescribed under the common norm/NSQF, whichever is less).

(iii) Assistance for other types of training programmes would be decided based on actual requirement in each case.

(iv) The total amount of assistance to be considered for release as per the above rate will include the cost of overheads such as, motivation camps for selection of eligible trainees, charges towards hiring of space and equipment (if any), electricity/water, stationary, man hour cost of deployment of project personnel, post training follow-up activities, etc.

(v) 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 (subject to common norms/NSQF). 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.

### **3.5.3 Other conditions**

(i) The national level training institutions of MoMSME will submit their proposals directly to MoMSME. The Screening Committee shall 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 training institutions. On successful completion of the training programme(s), the concerned institution shall furnish the Utilization Certificate to the Ministry. The concerned institution shall also be responsible for ensuring the quality of inputs as well as certifying the actual participation of trainees in 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 institutions 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 scheme envisages consideration of proposals under Paras 3.1 to 3.5 above from national and state level EDIs, training institutions of MoMSME, academic institutions of repute, etc. The proposals for grant of financial assistance under the scheme shall be submitted to the Deputy Secretary/Director, MoMSME, Udyog Bhawan, New Delhi 110011. The proposals for assistance under paras 3.1, 3.2, 3.3 and 3.5 above shall be processed for submission 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. It is clarified that private training institutions/NGOs are not covered under the scheme for assistance for infrastructure support and training programmes.

#### **5. SCREENING COMMITTEE**

The composition of the Screening Committee will be as under:

- i. Joint Secretary (SME), Ministry of MSME - Chairman;
- ii. Economic Adviser (Finance) or his representative, MoMSME
- iii. Representative of Development Commissioner (MSME)
- iv. Deputy Secretary/Director, MoMSME - Member Secretary
- v. DG, NIMSME (for the component 3.3: research and studies)

#### **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 the Fourteenth Finance Commission Cycle i.e., 2019-20.

—