

# THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED

## CITIZENS' CHARTER

### **1. Introduction:**

The Tamilnadu Industrial Investment Corporation Limited (TIIC) is a Government Company incorporated under The Companies Act. TIIC is considered as one of the State Financial Corporations for extending financial assistance towards creation of fixed assets for starting new industrial units as well as for expansion, modernization and diversification of existing units as well as working capital term loan assistance. Lending to service sector projects like hospitals, hotels, convention centres, commercial complex etc., are also considered.

### **2. Type of Assistance:**

TIIC as a State Level Financial Institution, offers financial assistance to various manufacturing industries such as large, medium, small and micro industries including service sector under various schemes :

- Term Loans
- Term Loan and Working Capital Term Loans.
- Discounting of Bills of TNEB, TWAD, TNPL and RPLMSC.

#### **2.1. Schemes Operated :**

##### **a) SCHEME FOR ECONOMICALLY BACKWARD ENTREPRENEURS :**

Entrepreneurs Development Scheme (EDS) – New scheme for the economically weaker section entrepreneurs.

##### **b) New Entrepreneur cum Enterprise Development Scheme (NEEDS):**

Financial assistance under New Entrepreneur cum Enterprise Development Scheme (NEEDS) for Micro & Small Enterprises (MSEs) has been introduced by the State Government to enable educated youth to become first generation entrepreneurs. Financial assistance is provided through Banks / TIIC for eligible candidates under this scheme. Entrepreneurs are eligible for 25% capital subsidy and 3% interest subvention under the NEEDS.

**c) SCHEMES FOR MANUFACTURING ENTERPRISES**

- General Scheme for New and Expansion Project
- Micro Small Enterprises Funding Scheme (MSEF)
- Single Window Scheme (SWS)
- Equipment Finance Scheme (EFS)
- Revised and Restructured Technology Upgradation Fund Scheme (RRTUF) for Textile Industry
- Open Term Loan (OTL)
- Working Capital Term Loan (WCTL) for Manufacturing/Processing Industries and Job Order Industries
- Scheme for take over of high cost borrowers/Switchover Loan Scheme/Funding of second hand machinery (Imported and Indigenous)
- "TIIIC's Liquidity Stimulus Package" for easing difficulties of Micro, Small and Medium Sector Enterprises
- Solar Power Projects Scheme

**d) SCHEMES FOR SERVICE ENTERPRISES**

- Information Technology Scheme
- Hotel Scheme
- Hospital Scheme
- Commercial Complex / Convention Centres / Community and Marriage Halls
- Warehouse / Cold Storage
- Corporate Loan Scheme

**e) SCHEMES FOR POWER GENERATION**

- Wind Power Project (new & used)
- Generator Loan

**f) Short Term assistance by way of Bill Finance Scheme to**

- TANGEDCO suppliers
- TANTRANSCO contractors
- TWAD Contractors

- TNPL vendors

#### **g) SCHEMES FOR QUALIFIED PROFESSIONALS**

- My Doctor Scheme
- Doctor Plus Scheme

#### **h) TRANSPORT OPERATOR SCHEME**

- Auto Rickshaw Loan
- Tourist Cabs
- Heavy Public Carriers (Lorries)
- Omni Bus

For further details of the schemes, please click here :

<http://www.tiic.in/schemes.html>

#### **3. Eligible activities:**

The assistance of the TIIC is available to the concern engaged in or proposing to be engaged in:-

- Manufacturing, processing or preservation of goods
- Service sector
- Generation of electricity or any form of power including wind mills
- Setting up of nursing homes and purchase of electro medical equipments
- Hotels and Restaurants
- Purchase of public carrier vehicles for material / goods transportation and for transport of passengers.
- Facilities for preservation of marine products and food item including cold storage
- Commercial complex / storage godown / marriage hall / community hall
- Computer Training Institutions / I.T projects including I.T Parks

#### **4. Quantum of Loan Assistance:**

TIIC provides Term Loan assistance normally upto a maximum of Rs.1500 lakhs to Proprietary and Partnership concern. In respect of Limited Companies normally a maximum term loan assistance of Rs.3000 lakhs can be considered. However higher loan assistance may also be considered for bigger projects on a case to case basis.

The Board of TIIC has delegated appropriate powers for sanction of loans to the Branch Manager, Branch Sanction Committee and Regional Loan Sanction Committee, Executive Committee and the Board. Details of sanction

power are at Annexure.

#### **5. How to apply:**

For getting financial assistance from TIIC, one has to apply in the prescribed application and the applications are available in all the TIIC Offices. There are separate applications for certain schemes. Application for financial assistance to industrial units can also be downloaded from TIIC's website [http://www.tiic.org/appln\\_download.html](http://www.tiic.org/appln_download.html) and application is issued free of cost.

#### **6. Appraisal of Project by TIIC:**

TIIC appraises the project for its management capacity, technical feasibility, financial and economic viability while sanctioning loan. The applicant should satisfy TIIC regarding the scope for marketing and furnish the details of the cost of production, cash flow etc., to assess the pay back period and for assessing the various financial ratios / norms.

#### **7. Rate of Interest :**

For the interest rate structure for various loans, please click here : [http://www.tiic.in/int\\_rate.html](http://www.tiic.in/int_rate.html)

#### **8. Financial Norms:**

Following financial ratios are considered as favorable in appraisal of a project :

i) Debt Equity Ratio:

The maximum debt equity ratio (DER) for both small and medium enterprises shall be 2:1.

ii) Promoter's Contribution:

Promoter's contribution varies from 15% to 40% depending upon the scheme of assistance. It also depends on complying the DE ratio. A higher promoter's contribution will be fixed if the risk perception of the proposal is high.

iii) Collateral Security:

In addition to primary security of assets, collateral security is also stipulated based on the risk perception of the proposal.

iv) Repayment period:

Loan repayment is generally spread over a period of 3 & ½ years to 9 years with a moratorium ranging from 3 months to 2 years depending on the project and the cash flow projections.

**9. Subsidies from Government :**

TIIC is the implementing and nodal agency for various capital subsidies of State Government in respect of its assisted units. TIIC is also the nodal agency for select Central Government Subsidies like Credit Linked Capital Subsidy, Revised and operating agent for Restructured Technology Upgradation Fund (RRTUF) etc. in respect of its assisted units. TIIC gives subsidy bridge loans against eligible subsidies to the eligible units assisted by it, helping them to implement their projects on schedule. For details, please click here.

<http://www.tiic.in/incentives.html>

i) State Government Subsidy:

Following Incentives and Concessions provided by Tamilnadu Government :

- Capital Subsidy
- Additional Capital Subsidy select category of entrepreneurs viz Women/SC/ST/Physically Handicapped /Transgender Entrepreneurs
- Employment Intensive Subsidy
- Special Capital Subsidy to Thrust Sector Enterprises
- Subsidy for Agro based Enterprises
- New Entrepreneur cum Enterprise Development Schemes (NEEDS)
- 3% Interest Subvention Scheme
- Back-ended Interest Subsidy
- Generator Subsidy

ii) Central Government Subsidy:

- Credit Linked Capital Subsidy (CLCS) for Technology Upgradation of Small and Micro Industries
- Revised Restructured Technology Upgradation Fund (RR-TUF) Scheme for

Textile units & Jute Industries provided by Ministry of Textiles, New Delhi.

For further details, please click here. <http://www.tiic.in/incentives.html>

#### **10) Norms set up in TIIC for sanctioning loans :**

- Immediate issue of loan application to the applicant who requires in person and within 3 days by post.
- Immediate issue of acknowledgement for receipt of loan application form.
- Status of information about loan application within 5 days, if all the required particulars have been furnished with the application.
- Loan sanction within 18 working days by Branch Sanction Committee.
- Loan sanction within 25 working days by Executive Committee and RLSC.
- Loan sanction within 35 working days by Board.
- Simultaneous scrutiny of legal documents within 15 working days, if, within office and 4 weeks if external legal advise is needed.

#### **11) Requests for Loan:**

Time limit for compliance of request for inspection of assets:

- 10 working days for requests not involving valuation of asset
- 15 working days for requests involving valuation of assets

Time Limit for compliance of requests for loan disbursal:

- 10 working days for inspection of site, machinery and building by TIIC officials
- 15 working days for inspection of site, machinery and building by external agencies

Time Limit for compliance of other requests:

- 45 working days from the date of receipt of full particulars for consideration of change in management in fit cases
- 30 working days from the date of receipt of particulars for request for time for payment of dues.

#### **12) Complaints:**

- E-mail facility to receive complaints/suggestions

- Immediate acknowledgment for all complaints received
- Reply to complaints normally within 30 working days.

### **13) Guidance and help:**

- All 6 Regional Offices, 25 Branch Offices and 6 Field Offices in the State will guide and help the customers.
- For address and phone numbers of the Branch Offices, please click here <http://www.tiic.in/branch.asp>
- Separate Entrepreneurs' Guidance Cell functioning at the Head Office, Chennai, guide citizens and redress their grievances in all matters.
- Separate Business Development Officers at Head Office and Branch Offices to guide entrepreneurs.
- Records maintained for receipt and disposal of complaints at Head Office, Branch Offices and Regional Offices.
- For the enquiry from entrepreneurs, immediate reply on their request along with our other schemes is being sent from our Entrepreneurs Guidance Cell at Head Office and respective Branch Offices are also advised to follow it up.



## ANNEXURE

## DELEGATION OF SANCTION POWERS: EXISTING

(Rs. in Lakhs)

Sl. No.	Type of Loan	By Branch Manager		Branch Sanction Committee		RLSC		MD/CMD		EC		BOARD	
		Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed
I	Transport Loans	10	10	50	50	200	200	--	--	500	500	Above 500	Above 500
II	Term Loans (new clients)	--	--	75	100	200	400	--	--	500	600	Above 500	Above 600
III	Term Loan for existing clients *	--	--	125	150	300	600	--	--	500	800	Above 500	Above 800
IV	For clients of same group	--	--	150	200	500	800	--	--	1000	1200	Above 1000	Above 1200
V	Open Term Loan	--	--	50	75	100	150	--	--	--	--	--	--
VI	Bill Finance-TNEB	--	--	500	500 (No change)	3000	3000 (No Change)	NIL	NIL	--	--	Above 3000	Above 3000
VII	Bill Finance-TWAD	--	--	500	500 (No change)	3000	3000 (No Change)	NIL	NIL	--	--	--	(No Change)
VII I	Drawee Bill Scheme for new clients	--	--	50	50	100	150	--	--	300	300	Above 300	Above 300
IX	Drawee Bill for existing customers	--	--	75	75	150	150	--	--	500	500	Above 500	Above 500
X	NBFCs/Joint Finance/Consortium Finance/High Cost borrowing	--	--	--	--	--	--	--	--	--	--	All cases	All cases
XI	Business Space Rental Scheme	--	--	--	--	--	--	--	--	500	500	Above 500	Above 500
XII	Generator loan (for existing clients irrespective of outstanding)	10	10	100	100	200	200	--	--	500	500	Above 500	Above 500
XIII	Take over of Loan	--	--	--	--	--	--	--	--	500	500	Above 500	Above 500
XI V	WCTL	--	--	50	50	150	200 **	--	--	--	--	--	--

\* Existing customers complying with the following conditions:

- The unit is in standard category continuously for the last three completed years.
- The unit which have earned cash profit continuously for the last three completed years.
- The unit whose net worth is positive.

\*\* Separately approved by the Board on 21.08.2015

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