

# **THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED (TIIC)**

## **CITIZEN'S 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. Types 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
- Working Capital Term Loans
- Discounting of Bills of TNEB, TWAD and TNPL

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

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

Entrepreneurs Development Scheme (EDS) – 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 6% interest subvention for micro and small enterprises 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)
- Equipment Finance Scheme – Fast Track (EFS-FT)
- Open Term Loan (OTL)
- Flexi Working Capital Term Loan Scheme for all types of manufacturing and processing industries
- Working Capital Term Loan (WCTL) for Job Order Industries
- Scheme for take over of high cost borrowings and Switch over Loan Scheme
- Funding of second hand machinery (Imported and Indigenous)
- Corporate Loan Scheme
- Privileged Customer Scheme

**d) SCHEMES FOR SERVICE ENTERPRISES**

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

**e) SCHEMES FOR POWER GENERATION**

- Wind Power Project (new & used)
- Generator Loan
- Solar Power Projects Scheme

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

- TNEB suppliers / contractors
- TWAD Contractors
- TNPL vendors and service providers
- Greater Chennai Corporation Suppliers/Contractors

**g) SCHEMES FOR QUALIFIED PROFESSIONALS**

- My Doctor Scheme
- Doctor Plus Scheme
- Medical Practitioners Scheme
- Thulir Scheme

**h) TRANSPORT OPERATOR SCHEME**

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

**i) Funding of Working Capital needs of Contractors of State Government / State Government Agencies:**

Contractors Credit Scheme

**j) Industrial Infrastructure Initiative Scheme for purchase of SIDCO/SIPCOT Plots**

Interim loan is considered for purchase of SIDCO/SIPCOT Plots/ Sheds initially. This particular Scheme operates only up to the stage of providing fund by TIIC for payment of plot cost to SIDCO/SIPCOT and further follow up for implementation of the Project will be done under General Scheme by TIIC.

For further details of the schemes, please click here:

[tiic-scheme – The Tamilnadu Industrial Investment Corporation Limited](#)

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

The assistance of the TIIC is available to the concern engaged in or the concern proposes to engage in the following activities:

- 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 equipment
- 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 items including cold storage
- Commercial complex / warehouse/cold storage/ 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 up to a maximum of Rs.2700 lakhs to Proprietary and Partnership concerns. In respect of Limited Companies, normally a maximum term loan assistance of Rs.4100 lakhs can be considered. However, higher loan assistance may also be considered for bigger projects on a case to case basis.

The Board of Directors of TIIC has delegated appropriate powers for sanction of loans to the Branch Manager, Branch Sanction Committee, Regional Loan Sanction Committee and the Executive Committee. The details of sanction powers are given in the 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 Offices of TIIC. There are separate applications for certain schemes. Application for financial assistance to industrial units can also be downloaded from TIIC's website, [Applications Forms Download – The Tamilnadu Industrial Investment Corporation Limited \(tiic.org\)](http://tiic.org) and the 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 : [The Tamilnadu Industrial Investment Corporation Limited \(tiic.org\)](http://TheTamilnaduIndustrialInvestmentCorporationLimited(tiic.org))

**8. Financial Norms:**

At the time of appraisal of a project, the following financial ratios are considered as favourable:

i) Debt Equity Ratio:

The maximum Debt Equity Ratio (DER) for both Small and Medium Enterprises shall be 2:1. For loans up to Rs.10.00 lakhs DER is 3:1.

ii) Promoter's Contribution:

Promoter's contribution varies from 5% to 40% depending upon the scheme of assistance. It also depends on complying with the Debt Equity 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 and operating agent for Revised and Restructured Technology Upgradation Fund (RRTUF) etc., in respect of its assisted units. For details, please click here: [Government Subsidy Loan for Business \(tiic.org\)](http://tiic.org).

### i) State Government Subsidy:

The following Incentives and Concessions are provided by the Government of Tamilnadu :

- Capital Subsidy
- Special Capital Subsidy to Thrust Sector Enterprises
- Subsidy for Agro based Enterprises
- Additional Capital Subsidy to select category of entrepreneurs, viz., Women/SC/ ST/ differently abled/ Transgender Entrepreneurs
- Subsidy for promotion of cleaner and environment friendly technologies
- Employment Intensive Subsidy
- Capital Subsidy under New Entrepreneur-cum-Enterprise Development Scheme (NEEDS)
- 3% / 6% Interest Subvention Scheme
- Subsidy for Large/ Mega industries

### ii) Central Government Subsidy:

- Revised and Restructured Technology Upgradation Fund Scheme (RRTUFS) for Textile units & Jute Industries provided by Ministry of Textiles, New Delhi.
- Food processing Subsidy given by the Ministry of Food Processing Industries, New Delhi.

For further details, please click here [Central Subsidy – The Tamilnadu Industrial Investment Corporation Limited \(tiic.org\)](http://tiic.org)

**10) LEAD TIME set out in TIIC for sanctioning loans :**

- Lead time in working days for written enquiries and handling loan enquiries is 3 days in case of approval by the Branch Manager/ Regional Appraisal Head, 15 days for MD's approval and 35 days for HSC/Board's approval.
- Time gap prescribed between registration of Application and inwarding (with investigation fees) should not exceed 15 days.
- Loan sanction within 18 working days and for BFS cases, 7 working days by Branch Sanction Committee.
- Loan sanction within 25 working days by Executive Committee and RLSC and for BFS cases, it is 14 working days by RLSC.
- Loan sanction including BFS cases within 35 working days by Board.
- Loan sanction within 7 working days by Branch Manager
- Process for completion of Legal Documentation for cases involving only hypothecation/ with or without Fixed Deposits and for Bill financing cases is 2 days and 10 days for all other cases including subsidy, modification deeds etc.,
- Lead time for disbursement for cases involving no relaxation is 3 days for first disbursement and 2 days for subsequent disbursement.
- For cases involving valuation of assets/relaxation from competent authority viz., (i).By Branch Manager, it is 8 days for first disbursement and 7 days for subsequent disbursement, (ii).By Manager/Senior Manager-Project Department, it is 8 days for first disbursement and 7 days for subsequent disbursement, (iii). By BSC and RLSC, it is 14 days for first disbursement and 10 days for subsequent disbursement and (iv).By EC/Board, it is 30 days for first disbursement and 25 days for subsequent disbursement.
- Lead time for utilization of services of Panel valuers and Technical experts is 14 days.

**11) Complaints:**

- E-mail facility to receive complaints/suggestions
- Immediate acknowledgment for all complaints received
- Reply to complaints normally within 30 working days.

**12) Guidance and help:**

- All 6 Regional Offices and 25 Branch Offices in the State will guide and help the customers
- For address and phone numbers of the above offices, please click here [Location – The Tamilnadu Industrial Investment Corporation Limited \(tiic.org\)](http://tiic.org)
- Entrepreneurs Guidance Cell and the Grievance Cell which are functioning at the Head Office, Chennai, guide citizens and redress their grievances in all matters.
- Business Development Officers at Head Office and Branch Offices are working to guide entrepreneurs.
- Customers Grievance Redressal Meetings are conducted in the Branch Offices every month for redressing the grievance of the customers.
- Records are maintained for receipt and disposal of complaints at Head Office, Regional Offices and Branch Offices.
- For the enquiry from entrepreneurs, immediate reply to their requests along with details of the schemes is being sent from our Entrepreneurs Guidance Cell at Head Office and respective Branch Offices are also advised to follow it up.



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2433 0870
- Head Office Telephone Numbers - 2433 1203  
- 2430 6100
- E-Mail - [ho@tiic.org](mailto:ho@tiic.org)
- All 6 Regional Offices and 25 Branch Offices ] Addresses  
| are available  
| on the website  
| of TIIC

For details, please click here [The Tamilnadu Industrial Investment Corporation Limited \(tiic.org\)](http://The Tamilnadu Industrial Investment Corporation Limited (tiic.org))

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**ANNEXURE****DELEGATION OF POWERS – SANCTION****(Rs. in Lakhs)**

<b>Sl. No.</b>	<b>Type of Loan</b>	<b>By Branch Manager</b>	<b>By Branch Sanction Committee (BSC) Chaired by RM</b>	<b>By Regional Loan Sanction Committee (RLSC) Chaired by MD</b>	<b>By Executive Committee</b>
<b>I.</b>	<b>Transport Loan</b>	<b>10</b>	<b>50</b>	<b>200</b>	<b>Above 200</b>
<b>II.</b>	<b>NBFC/Joint Finance/ Consortium Finance/ High Cost borrowings/ MFIs/ FINTECH/ Medium and Large Industries</b>	<b>-</b>	<b>-</b>	<b>1500</b>	<b>Above 1500</b>
<b>III.</b>	<b>Open Term Loan#</b>	<b>75</b>	<b>200</b>	<b>-</b>	<b>-</b>
<b>IV.</b>	<b>Bill Finance (TNEB &amp; TWAD) and all others #</b>	<b>-</b>	<b>1500</b>	<b>Above 1500</b>	<b>-</b>
<b>V.</b>	<b>PCS#</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>
<b>VI.</b>	<b>EFS Fast Track#</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>-</b>
<b>VIII.</b>	<b>Medical Practitioner Scheme#</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>-</b>
<b>IX.</b>	<b>Corporate Loan Scheme</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>Above 500</b>
<b>X.</b>	<b>Flexi WCTL Scheme</b>	<b>-</b>	<b>100</b>	<b>Above 100</b>	<b>-</b>
<b>XI.</b>	<b>Take over of loans</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>Above 500</b>
<b>XII.</b>	<b>Term Loans for new clients/ new units under all other Schemes</b>	<b>-</b>	<b>300 *</b>	<b>1500</b>	<b>Above 1500</b>
<b>XIII.</b>	<b>Term Loans for existing clients under all other Schemes</b>	<b>-</b>	<b>500 *</b>	<b>1500</b>	<b>Above 1500</b>
<b>XIV.</b>	<b>Group exposure for new/ existing clients</b>	<b>-</b>	<b>500</b>	<b>1500</b>	<b>Above 1500</b>

\* The cases beyond BSC limits shall be under the powers of RLSC till Rs.15 crores beyond which the cases will be under the purview of EC.

#The competent sanctioning authority (Overall exposure/Quantum of loan per group not exceeding Rs.700 lakhs) shall be BSC. Beyond the above exposure limit RLSC.

EC may refer the cases to Board, as it feels appropriate. MD also has the power to bring critical proposals to the Board directly.

For reckoning sanctioning powers, existing clients are the clients whose networth is positive, who are in standard assets category and earned cash profit continuously for the last three completed years.

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