

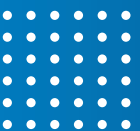


# Women livelihood Service Centre (WLSC)

## Training Manual



Vaazhndhu Kaattuvom Project





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## Abbreviations

<b>A&amp;A</b>	-	Accounts and Administration
<b>ACOO</b>	-	Associate Chief Operating Officer
<b>AoA</b>	-	Article of Association
<b>BIP</b>	-	Block Investment Plan
<b>BOD</b>	-	Board of Directors
<b>BPF</b>	-	Business Plan Financing
<b>BPMU</b>	-	Block Project Management Unit
<b>BTF</b>	-	Block Task Force
<b>CBO</b>	-	Community-based Organization
<b>CFS</b>	-	Community Farm School
<b>CIF</b>	-	Community Investment Fund
<b>CSS</b>	-	Community Skill School
<b>DDR</b>	-	District Diagnostic Report
<b>DDS</b>	-	District Diagnostic Study
<b>DEO</b>	-	District Executive Officer
<b>DIC</b>	-	District Investment Centre
<b>DIP</b>	-	District Investment Plan
<b>DPMU</b>	-	District Project Management Unit
<b>EC</b>	-	Executive Committee
<b>ECP</b>	-	Enterprise Community Professional
<b>EDO</b>	-	Enterprise Development Officer
<b>EED</b>	-	Enterprise Ecosystem Development
<b>EFO</b>	-	Enterprise Finance Officer
<b>EG</b>	-	Enterprise Group
<b>EO</b>	-	Executive Officer
<b>ESMF</b>	-	Environment Social Management Framework
<b>FE</b>	-	Functional Expert

<b>FGD</b>	-	Focus Group Discussion
<b>FIG</b>	-	Farmer Interest Group
<b>FPC</b>	-	Farmer Producer Company
<b>FPO</b>	-	Farmer Producer Organization
<b>FSSAI</b>	-	Food Safety and Standards Authority of India
<b>GB</b>	-	General Body
<b>GM</b>	-	General Manager
<b>GST</b>	-	Goods and Service Tax
<b>ICT</b>	-	Information and Communication Technology
<b>INR</b>	-	Indian Rupee
<b>IT</b>	-	Information Technology
<b>LLP</b>	-	Limited Liability Partnership
<b>M&amp;E</b>	-	Monitoring and Evaluation
<b>MGP</b>	-	Matching Grant Program
<b>MIS</b>	-	Management Information System
<b>MoA</b>	-	Memorandum of Association
<b>MoU</b>	-	Memorandum of Understanding
<b>MSME</b>	-	Micro, Small and Medium Enterprises
<b>NEFF</b>	-	Nano Enterprise Financing Fund
<b>NGO</b>	-	Non-government Organization
<b>NRLP</b>	-	National Rural Livelihoods Project
<b>PAN</b>	-	Permanent Account Number
<b>PC</b>	-	Producer Collective
<b>PD</b>	-	Project Director
<b>PDO</b>	-	Project Development Objective
<b>PE</b>	-	Project Executive
<b>PFI</b>	-	Participating Financial Institution
<b>PG</b>	-	Producer Group
<b>PGP</b>	-	Participatory Growth Plan
<b>PIP</b>	-	Participatory Identification of Poor



<b>PLF</b>	-	Panchayat-level Federation
<b>PMEGP</b>	-	Prime Minister's Employment Generation Programme
<b>S&amp;J</b>	-	Skills and Jobs
<b>SHG</b>	-	Self-help Group
<b>SPARK</b>	-	Skilful Personal Ability Attitude Resourceful and Knowledgeable
<b>SPMU</b>	-	State Project Management Unit
<b>SRP</b>	-	State Resource Person
<b>TAHDCO</b>	-	Tamil Nadu Adi Dravidar Housing Development Corporation
<b>TCF</b>	-	Technical, Commercial and Financial
<b>TNPVP</b>	-	Tamil Nadu Pudhu Vaazhvu Project
<b>TNSRLM</b>	-	Tamil Nadu State Rural Livelihoods Mission
<b>TSA</b>	-	Technical Support Agency
<b>VCA</b>	-	Value Chain Analysis
<b>VIP</b>	-	Village Investment Plan
<b>VKP</b>	-	Vaazhndhu Kaattuvom Project
<b>VPRC</b>	-	Village Poverty Reduction Committee
<b>WC</b>	-	Working Capital
<b>WLSC</b>	-	Women Livelihood Service Centre
<b>WLSC-MC</b>	-	Women Livelihood Service Centre - Management Committee
<b>YDC</b>	-	Youth Development Centre



## INTRODUCTION TO THE TRAINING MANUAL

### Introduction

The purpose of this training manual is to help trainers to conduct effective training on the functioning of the Women Livelihood Service Centre (WLSC) for successfully running and providing effective services to the rural entrepreneur.

### Who can use this manual?

This manual is designed primarily for trainers who will train the newly appointed WLSC professionals. The language has been kept simple, and technical words have been kept to the minimum for easier understanding.

### How to use this manual?

The trainers' manual is divided into six modules. Each module is complete in itself and can be used as an individual capsule or together with the others.

### Training Tips

#### General Instructions for Trainers

Preferably begin the first session with a general rapport-building introductory game and general discussions about health before going into the topic proper. At the end, go through the evaluation questions.

The next sessions should begin with a recap of the previous session, followed by the actual sessions. Then you can revise the topic of the current session at the end.

Tips to the trainer are given in the next section. The trainers are requested to go through it carefully.

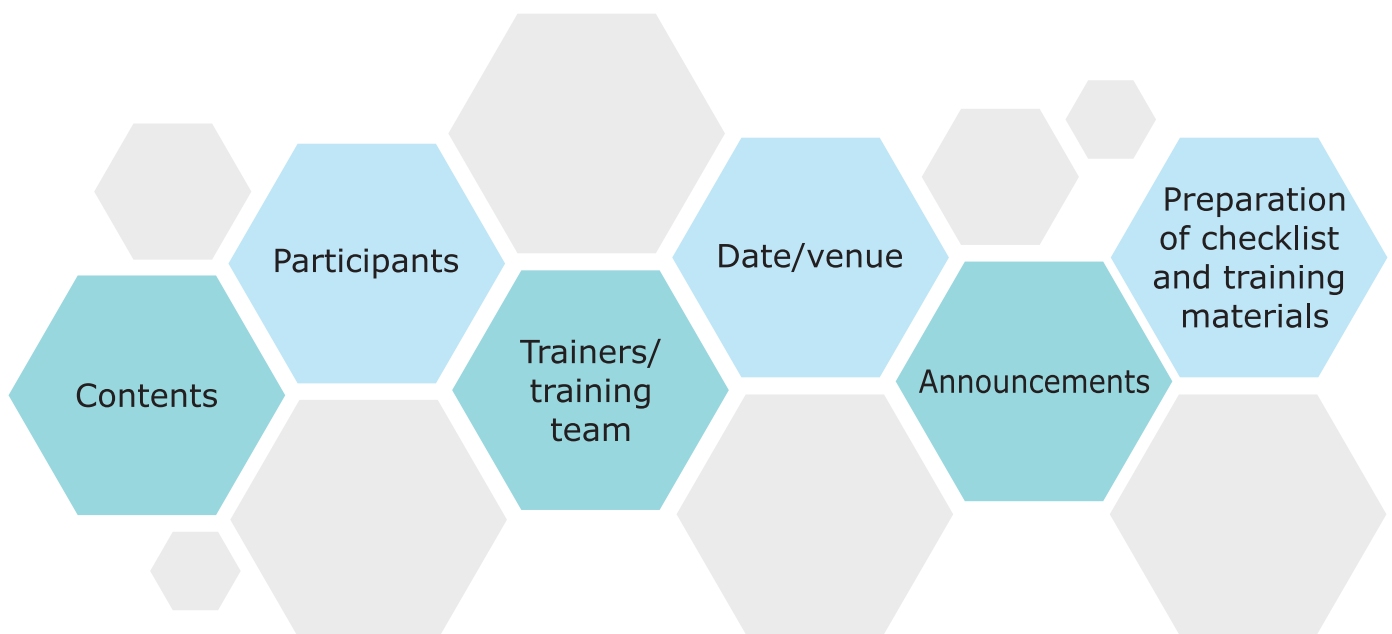
## Preparing for a training programme

It is important to prepare well for a training programme. However much experienced a trainer you are, you still need time to prepare in advance so that the training goes smoothly. See the diagram below for a brief reminder of the steps required for preparation before, during and after the training.

## Steps in training implementation



### Before training (Preparation)



### During training (Implementation)

Session plan and training process for participants.



### After training (follow-up)

Follow-up of the training report with the participants.

**MODULE 1.****UNDERSTANDING THE CONCEPTS OF VKP****Learning objective**

By the end of this module, the participants will

- Understand the introduction of VKP
- Understand the four components of VKP
  - a. Enterprise ecosystem development
  - b. Enterprise business plan financing
  - c. Skills and jobs opportunities
  - d. Project management, results monitoring and evaluation
- Understand about individual and group enterprise in short
- Understand about the Women Livelihood Service Centre(WLSC) and its objectives in short
- Understand the functions of community-based organization.

**Duration**

300 minutes (5 hours)

**Material needed**

Flipchart paper, markers, plenary room for group discussion and work

**Method**

Input, discussion, ice-breaking session, brain storming and presentation.

**Outcome of this session**

The participants should be able to understand the objective of VKP, its components, project development objective (PDO), objective of the Women livelihood service centre and community-based organization (CBO), in short.



## Vaazhndhu Kaattuvom Project

### Introduction

The Vaazhndhu Kaattuvom Project (VKP) is a project that aims at rural transformation through strategies that focus beyond poverty alleviation by building sustainability of rural communities through enterprise promotion, access to finance and employment opportunities. VKP is designed to build on existing institutional capital and investments made by the Tamil Nadu Pudhu Vaazhvu Project (TNPVP), Tamil Nadu State Rural Livelihoods Mission (TNSRLM) and National Rural Livelihoods Project (NRLP). It is funded by World Bank and the State in the ratio 70:30.

### Project Development Objective

The project development objective (PDO) of VKP is 'to promote rural enterprises, access to finance and create employment opportunities' in selected blocks of Tamil Nadu.

### Area of Operation

The Project is implemented in 3,994 village panchayats across 120 blocks of 31 districts (except Chennai, Thanjavur, Ariyalur, Perambalur, Dharmapuri, Kanyakumari and Thirupathur) over a period of 6 years from 2017 to 2023.

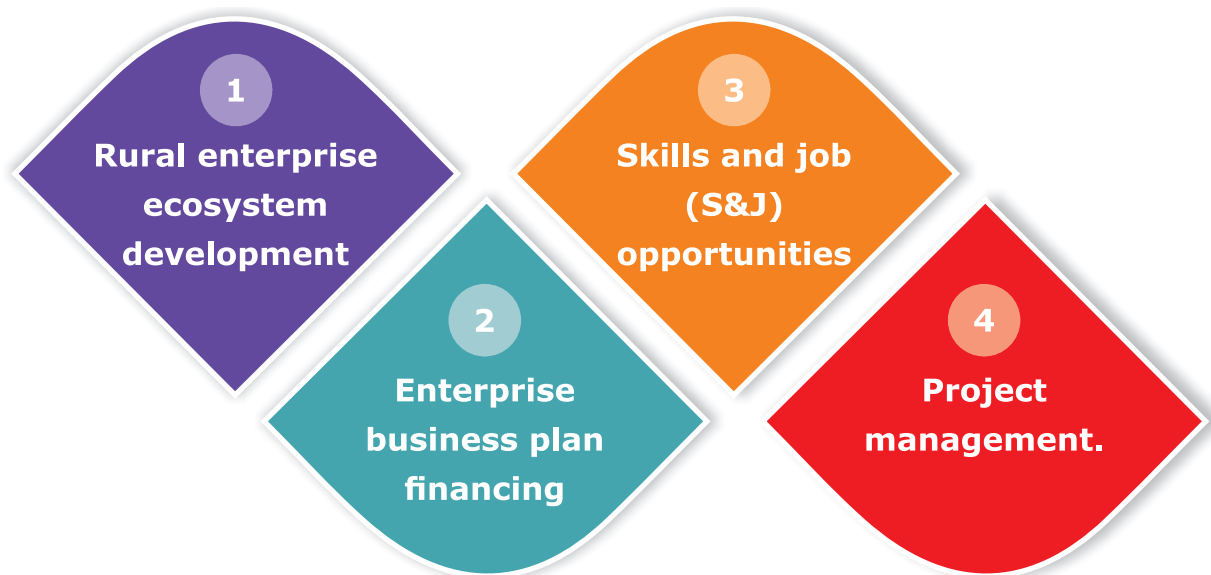
### Beneficiaries of the Project

The Project focuses on self-help group (SHG) women, SHG households, scheduled tribes, scheduled castes, youth and differently-abled persons as the target population. The beneficiaries will be producer households of farm and non-farm sectors in selected project blocks -producer groups (PGs), producer collectives (PCs) and entrepreneurs in the project area.

The Project intends to create and support nano, micro and small enterprises in the project area and to form PGs, enterprise groups (EGs) and PCs to nurture and promote rural enterprises. The Project also supports skilling through Community Skill Schools (CSSs) and Community Farm Schools (CFSs).

## Major Components of the Project

This Project comprises of the following four major components:



Environment and social management framework (ESMF), women (gender parity), information, communication and technology, partnership and convergence (P&C) are the cross-cutting themes of the entire project.

### Component 1. Rural Enterprise Ecosystem Development

The objective of this component is to create an enabling environment for promoting and strengthening of new and existing enterprises and to generate employment.

This component has three sub-components:

- A. Inclusive strategic investment, analytics and planning
- B. Enterprise development support services
- C. Enterprise promotion, value chain strengthening and partnerships.

#### Inclusive strategic investment analytics and planning

The objective of this sub-component is to identify and prioritize commodities/sub-sectors for project interventions and investments. The key principles are an analytical approach, participatory and inclusive, to ensure the participation of women, tribal and the differently-abled with basic skills and resources.

##### *i. District diagnostic study (DDS)*

The objective of DDS is to identify and prioritize major sectors/sub-sectors and commodities for enterprise promotion in the local context.

DDS is the first-level process of gathering and analyzing information and data on socio-demographic, economic, climatic, agricultural and crop trends, as well as land, soil, infrastructure, industrial, banking, tourism profiles, etc. in the district, This includes an in-depth evaluation of the district for identifying the opportunities and challenges in specific sectors, sub-sectors and commodities for the next level of analytics through the value chain approach.

### ***ii. Value chain analysis (VCA)***

VCA is carried out to dive deep into the prioritized commodities/ sub-sectors (identified through DDS) and obtain a better understanding on the opportunities, challenges and risks in order to develop strategies for enterprise promotion with specific focus on women, persons from tribal communities and differently-abled.

This study helps in providing an analytical insight into market opportunities and constraints and thereby arriving at appropriate interventions and investments for enterprise promotion.

### ***iii. Participatory growth plan (PGP)***

The objective of the PGP is 'to develop inclusive investment plans for the communities for enterprise promotion'.

PGP is a participatory tool for developing and identifying project interventions and investment for enterprise promotion and strengthening and thereby developing an inclusive investment plan. This is done through validating and aligning the identified commodities/sub-sectors, potential value supply, marketing, market trends, etc. by the community members, producers, youth and entrepreneurs. The village poverty reduction committees facilitates the PGP exercise.

The PGP team of six members is involved in the field survey across 3,994 village panchayats. The team comprises of:

- two community professionals
- one SHG member
- one village poverty reduction committee member
- one panchayat-level federation member and
- one village entrepreneur.

Survey data have been logged into an exclusively developed Mobile App called 'Valam'. The result of the survey conducted as part of the PGP exercise leads to the village investment plans (VIPs). These VIPs have been compiled to form the block investment plans (BIPs). In turn, the district investment plans (DIPs) have been developed by integrating the BIPs.

## **A) Enterprise Development Support Services**

### **a) Community-led service delivery through panchayat-level federation (PLF)**

The objective of this sub-component is to develop appropriate institutions and mechanism for business development support services to the enterprises from initiation to managing and successfully running the business.

## **B) Community-Professional-Driven Service Delivery**

The objective of this sub-component is to develop the front-line community professional as a social capital.

Community members who are experienced in community mobilization and have developed service delivery skills are identified and retained as 'enterprise community professionals' (ECPs). The major objective of the ECPs is to mobilize, promote and build individual and collective enterprises and skilling and to provide field-level implementation support of project interventions.

Identification, on boarding and monitoring of ECPs are done through the panchayat-level federation.

## **C) Women Livelihood Service Centre (WLSC)**

A WLSC is a single-point facility which provides business development support services, such as business plan preparation and appraisal; support services to initiate the business such as finance, technology, skills, regulation and compliances; market information; linkages etc. to rural entrepreneurs. One WLSC will be established for every three contiguous blocks.



## 4) Enterprise Promotion, Value Chain Strengthening and Partnerships

### a) Individual enterprises

An individual enterprise is an enterprise owned by an individual or more than one individual in partnership. Individual enterprises are classified as nano, micro and small enterprises. Enterprises whose investment is up to Rs 5 lakhs are called nano enterprises, those with investments from Rs 5 lakhs to 15 lakhs are called micro enterprises, and those with investments from Rs 15 lakhs to 30 lakhs are called small enterprises.

The project aims to identify 6,000 nano, 500 micro and 120 small individual enterprises and provide them with technical guidance, training, financial services and other such services as required by them.

### b) Group Enterprises

Through this project, producer groups (PGs), enterprise groups (EGs) and producer collectives (PCs) will be formed.

#### a. Producer groups

A PG is a group of producers engaged in a particular commodity/sub-sector in a village who come together for aggregation, productivity enhancement, and other collective actions leading to increased income and profit to the members. These groups have a membership of 30–150.

#### b. Enterprise groups

An EG is a group of members having joint ownership and control over the business activities with shared profit and loss. These groups will have a membership of 10–30 as a legally registered body (under MSME Registration/Partnership Firm/Limited Liability Firm).

The purpose of an EG is to reduce production costs, improve quality and increase the revenue and margin through joint venture.

### c. Producer collectives

A PC is a formal higher-level collective of producers for aggregation, value addition, marketing and service provisioning for economies of scale. The membership usually ranges between 300 and 3,000 producers. The producer groups that are formed at the village level will be federated in the form of a PC at the block/district level. The PCs will be legally registered bodies. The PCs will leverage the economy of scale such as in aggregation, quality input supply, higher-order value addition like primary and secondary processing, branding and marketing.

### c) Value Chain Strengthening

The objective is to strengthen prioritized value chains by engaging value chain actors through partnerships and facilitating business relationship for promoted enterprises.

**The four pathways of value chain strengthening are:**



#### 1. Partnership

The objective of partnerships for VKP is to leverage technical know-how, expertise and strengths, markets, process effectiveness and human resources to enable sustainable enterprises in specific and mutually beneficial opportunities. The key principle behind

this arrangement is to create an 'enabling environment' to increase the supply of high-quality partners and facilitate mutual support and learning exchange between them.



### Partnership in VKP includes

- Partnership with partnering financial institutions (PFIs)
- Partnership with govt. department schemes (convergence)
- Partnership with public/private sector, NGOs and institutions

## Component 2. Enterprise Business Plan Financing (BPF)

Access to finance for business plans of individual and group enterprises through the matching grant program (MGP) and other financial services by formal financial institutions is an important aspect of VKP.

### 2a. Matching Grant Program

The MGP intends to incentivize the repayment of borrowers and generate momentum among the financial institutions to lend to the individual and collective. A matching grant will be available to the borrowers together with the loans sanctioned by the PFI. On prompt repayment of 70% of the loan amount, the borrower is eligible for 30% waiver. This facilitates the entrepreneurs/groups to fully concentrate on their enterprise to run it profitably and to repay the loan promptly.

Matching grants would be intended for first-time entrepreneurs, women-led businesses, EGs, PCs, differently abled-led enterprises and other types of enterprises perceived as a challenge by the financial sector.

### 2b. Innovation promotion

VKP will pilot innovative projects such as the following:

- i. Creative industries in the fields of weaving, pottery, and other creative enterprises to support rural artisans.
- ii. Agri food hub facility, especially native and traditional food, to promote the culinary sector.

- iii. Green enterprises such as solar power-based activities and bio-degradable products towards environment protection and energy conservation.

## **2c. Nano Enterprise Financing Fund (NEFF)**

The Project has implemented the COVID-19 Assistance Package (CAP) through which 88,349 enterprises were given loan assistance to the tune of Rs. 259.78 crores through VPRCs and PLFs. The loan given to individual enterprises under the CAP initiative is being repaid and this fund will be channelized as an NEFF. The idea is to create an inclusive business environment for supporting new and existing enterprises operated by the SHG member/SHG households, differently-abled and vulnerable. The proposed NEFF will follow the principles of the lending pathways of the existing community-based organizations (CBOs) such as PLFs and VPRCs mechanisms in selection of entrepreneurs, assessment, documentation and release of funds.

## **Component 3. Skills and Jobs (S&J)**

VKP aims to create sustainable wage and self-employment opportunities, promote relevant skills for higher-value agriculture and allied activities and enable entrepreneurship through market-responsive skills and entrepreneurship development.

### ***3a. Pre- and Post-training Services to Enhance Employment Outcomes***

Activities such as identification of target youth, mobilization for skill training, pre- and post-training services will be provided to aspiring youth.

#### ***3a1. Youth Development Centre***

Skilled rural youth often have to migrate to fulfil their career aspirations, earn more income and for better career growth. Often, they find it difficult to cope with the high cost of living and socio-economic demands of the city, resulting in poor job retention, unfulfilled aspirations and inability to integrate with the mainstream labour market.

Youth Development Centre (YDC) is a novel concept with the objective of providing a host of services to migrants from the targeted 120 blocks. YDC helps the migrants in accessing better services, monitors post-placement progress of youth and provides key information on health, education and remittance services.

VKP proposes to setup YDCs in collaboration with stakeholders that are implementing skill training programmes, CBOs, industries, industrial associations, etc. This collaboration will not only be helpful in setting up the YDCs but also ensure sustainability in the long run.

The Project has planned to set up YDCs in five districts that have high potential for job and employment opportunities.

### ***3b. Community-based Training and Skilling Provision***

#### **3b(i) Community Skill Schools (CSSs)**

Among rural communities, there is a high demand for certain traditional and highly remunerative skills such as weaving, metal works, paintings, pottery, basket, mat making, etc.

Expert practitioners available in the locality who are proficient in practising their trade and keen to impart knowledge to the community will be identified as trainers. These trainers will be facilitated to set up CSSs with simple and minimum required infrastructure to train interested local people so as to revive these ancient arts and ensure creation of job opportunities and enterprise promotion.

Apart from traditional skill trainers, experts in certain high-demand services (such as two-/four-wheeler mechanic service, home appliance service, masonry, plumbing, welding, electrician, mobile repair, IT enabled (computer) services etc.) will also be identified and they will be facilitated to train the communities under CSSs to create more job opportunities and rural enterprises.

#### **3b(ii). Community Farm Schools (CFSs)**

The Project seeks to develop a cadre of technical service providers called skilful personal ability attitude resourceful and knowledgeable (SPARKs) in agriculture and allied sub-sectors who will, in turn, build skills among the community members through setting up of CFSs.

SPARK is a community expert practitioner who has the knowledge, skills, attitude and rich experience in a particular farm activity. They possess interest and keenness to share their expertise and train community members on required technical skills at the village or block level.

The Project will identify such individuals and engage them as SPARKs to mentor, teach, train, guide and handhold other individual practitioners of similar activity in CFSs.

The CFSs will identify specific skill gaps in farm and off-farm-related occupation, bring in the required technical expertise for solutions and identify and train SPARKS to deliver these suitable technological support to the community. The CFS will work with the individual and group enterprises promoted by the project for better synergy.

### **3b(iii). Entrepreneurship Development Programme**

This sub-component will develop a plan to cater to the skill requirement emerging from the prioritized value chains either through convergence or through the community-managed skills training. The skilling needs of nano and micro enterprises may be more pronounced for very short duration entrepreneurial development programmes, financial literacy, book-keeping, etc. While small enterprises may require domain-specific skilling for garment manufacture, food processing, etc., these training needs will be provided by the convergence programme or through community-based skill training. Entrepreneurship-related training could be done either in convergence with the Department of MSME or by engaging a training provider/partner.

## **Component 4. Project Management, Results Monitoring and Evaluation**

For effective implementation of VKP, there has to be a robust management and monitoring system, and create delivery processes for financial management, procurement management, human resource management, social, environmental and tribal safeguards and information and communication technology (ICT).

#### **4a) Monitoring and Evaluation**

Monitoring and evaluation (M&E) is a continuous activity to generate feedback on the performance of the project activities and support project managers to take timely corrective measures to address any shortcomings and deviations. The M&E system will provide realistic and easily understandable information in real time on various aspects of project implementation.

#### **4b) Creation of Digital Platform**

ICT is an inevitable part of the Project to establish a digital platform for the real-time monitoring of the project activities and their efficient functioning. VKP is in the process of developing, designing and implementing the software for this project.

This application will stabilize and strengthen the management information system (MIS) of the Project and serve as a ready reckoner for all the data related to the VKP Project.

#### **4c (1) Community-based Organization**

##### **4c(i) Self-help groups**

A self-help group (SHG) is an organization promoted and managed by 12–20 like-minded people from the same geographical area who have come together for their socio-economic advancement. SHGs work towards promoting a habit of savings among its members, helping them meet their financial needs through savings and bank linkages, and enhancing skills of their members.

##### **4c (ii) Panchayat-level Federation**

Panchayat-level federations (PLFs) have been promoted as community-based organizations to strengthen and lead the SHGs by providing various financial and other services. PLFs are registered under the Tamil Nadu Societies Registration Act, 1975 and provide a common platform for the SHGs for their economic empowerment. Every panchayat has a PLF. All the SHGs in that panchayat are affiliated to the PLF for all their socio-economic development initiatives, and the PLFs are expected to act as financial intermediaries.

## Responsibilities of PLF

The main responsibilities of the PLF are as follows:

- Mobilizing all eligible women into SHGs
- Bringing them under a common umbrella to ensure inclusiveness in the development and empowerment process
- Strengthening and expanding the activities of the SHGs
- Information dissemination among the SHGs
- Preparation of a capacity building plan and arranging for grading
- Credit rating and credit linkages at the right time.

They extend support to the SHGs in the maintenance of accounts and audit, to undertake income-generating activities and conflict resolution among SHGs, apart from networking with government agencies and other external institutions such as banks and insurance companies for the benefit of their members.

## 4c(2) Village Poverty Reduction Committee

The village poverty reduction committee (VPRC) is an inclusive community organization. The VPRC takes full responsibility for implementing the Project at the village level with full accountability to the Grama Sabha.

## Functions of VPRC

- To identify the target poor (participatory identification of the poor) among the community people
- To form village poverty reduction committee from the identified target people
- To mobilize the left-out target poor in to the SHG
- To empower economically the differently-abled and vulnerable people
- To give seed money to the SHGs
- To provide community investment fund (CIF) to the SHGs.



## Activity 1 – Questions and answers

1. What is the objective of VKP?

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2. What is the PDO of VKP?

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3. In how many districts has the project been implemented?

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4. Which is the main focus group of the project?

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5. What are the four components of VKP?

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6. What is the main difference between individual and group enterprises?

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7. Why is skilling important for an entrepreneur?

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8. What is a community-based organization?

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9. Mention the types of the group enterprise?

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10. What are your strengths and weaknesses?

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11. Think about your life so far, and list the five major achievement of your personal life.

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12. What is your understanding about business?

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13. Name a few of the successful entrepreneurs whom you know

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## Activity 2 – Games (Three Questions - To Mingle)

In this group activity, every participant creates three thoughtful questions that they want to ask other group members to get to know them better. Participants start to mingle to ask and answer questions in pairs. After asking a question and listening to the answer, they hand over that question. Thus, in each one-on-one meeting, participants will swap one question each. This activity allows participants to learn interesting facts about each other and works with a group size of 10 participants.

### Outcomes

This activity would provide an opportunity for the participants to socialize.

## Activity 3 – Group Discussion

The trainer can divide the participants into three or four groups comprising five participants each. He/she can provide a separate topic to each group and ask them to present the results by using a chart.

### **Outcome**

The trainer can get feedback through this activity, whether the participants have really understood the module effectively.

Based on the presentation, the trainer can evaluate the participants.

**MODULE 2.****UNDERSTANDING ABOUT THE ENTERPRISE****Learning objective**

By the end of this module, the participants will

- Understand the objectives of business/enterprise, types, categories, etc.
- Distinguish between a businessman and an entrepreneur
- Understand the market, marketing, its segmentation, and market analysis
- Understand the actors involved in the marketing (customer, consumer, competitor, etc.)
- Know the key difference between individual and group enterprise, and their functions
- Understand the details of group enterprises (producer group, enterprise group and producer collectives)
- Understand the activities of an enterprise
- Know about the certificates and licenses required for running a business

**Duration**

300 minutes (5 hours)

**Material needed**

Laptop, projector, flipchart paper, markers, plenary room for group discussion and work.

**Method**

Input, presentation, video, group discussion and brain storming.

**Outcome of this session**

The participants should be able to understand the objective of business and its types, why the business is important, various stages of business, and what impact a business creates, socially and financially.

They should be able to comprehend what are group and individual enterprise in the VKP context and also understand the difference between them.

They should be able to understand the difference between a businessman and an entrepreneur, and their characteristics on doing business.

They should be able to understand what a market is, its type, segmentation, and how to link with the market, market players, etc.

## **2.1 Introduction to Enterprises**

### **Introduction**

Every one of us is involved in doing various activities in our day-to-day life such as being involved in some livelihood activities, professional or recreational activities. It is important to understand that any activity that provides us an income, such as farming, cattle rearing, having a milch animal that provides additional income through selling of milk, being employed by an employer for a wage/monthly salaries, etc., is a livelihood activity. Further, activities that bring us profit against our investment, such as having a provision store, a tiffin centre, transport services, etc., are called business activities.

An entrepreneur needs to study the market for every enterprise/business that he or she establishes. This gives them a clear understanding of how to sell their product, the target group, market demand, customers, competitors, trends etc. To succeed in any business, entrepreneurs/enterprise must be able to attract and retain a growing base of satisfied customers.

### **2.1 (a) What is business?**

A business, also known as an enterprise or a firm, can be any activity involved in the trade of goods, services, or both, to consumers with the objective of making a profit. Businesses are a very important part of the economy. They provide products and services that can be purchased by individuals and other companies. Any business can involve activities such as the sale and purchase of goods and services. Business activity can take place anywhere, be it in a physical store-front, on-line, or even on a roadside.

- ✓ A business is defined as an organization or enterprising entity engaged in commercial, industrial or professional activities.
- ✓ Businesses are for-profit entities.
- ✓ Business types range from sole proprietorships, limited-liability companies, corporations, and partnerships.
- ✓ There are businesses that run as small operations in a single industry, while there are others that are large operations that are spread across many industries around the world.

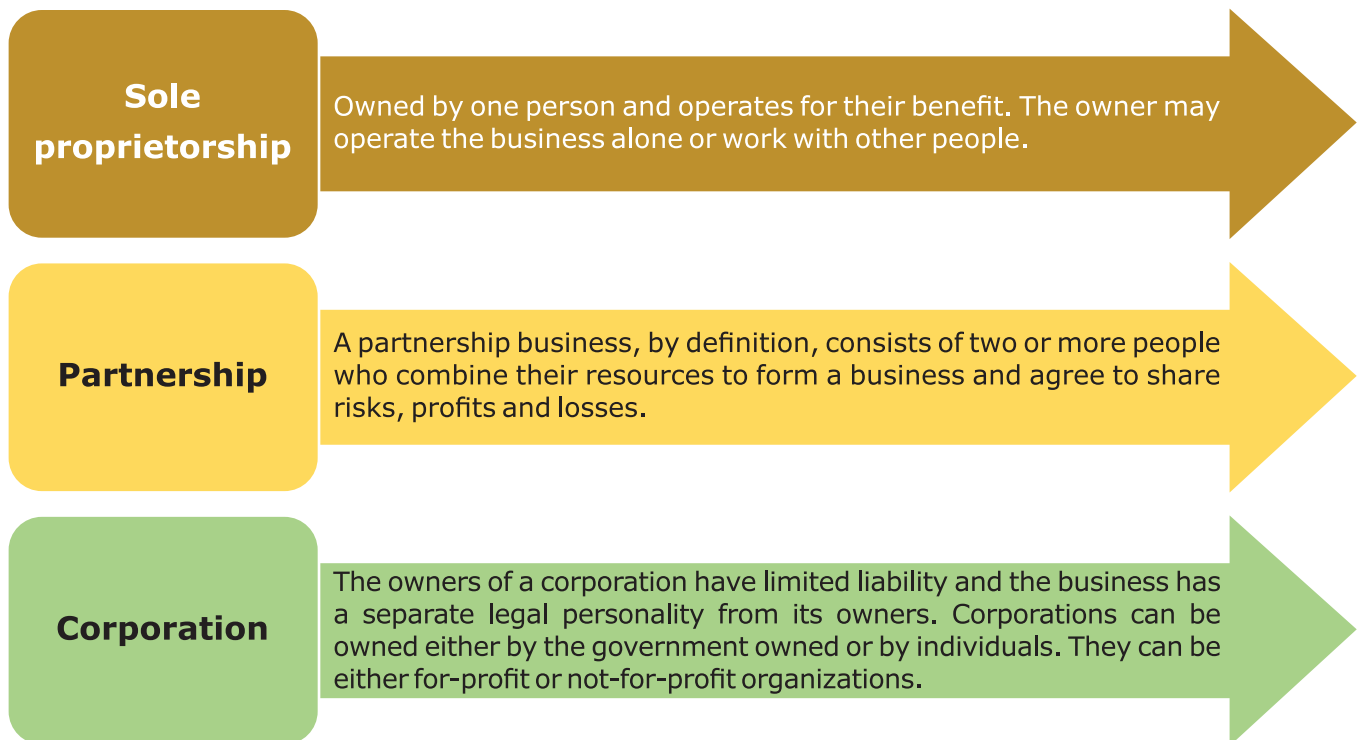
### **2.1 (b) Objective of the business**

The main objective of the business is to make profits by investing funds, ideas, time, manpower and risks.

### **2.1(c) Common reasons for starting a business**

- ✓ The most common reason for starting a business/enterprise is to earn profit.
- ✓ The other reasons are to become financially independent and create opportunities.
- ✓ Use your skills and knowledge to be creative and to expand/scale up business.
- ✓ Become a successful person by running a sustainable business and create a legacy.

**2.1 (d) The basic forms of business ownership are shown below:**



**What are the types of business?**

Generally, businesses are segregated into three major categories:

- Production-based business** (process of making raw materials into finished goods. For example, coconut oil production, animal feed production, papad making, napkin production, snack and cookies production, paper bag production).
- Service-based business** is where a business provides services), for example, a hotel, a beauty parlor, or a tea shop.
- Retail-based business** (buying products from the manufacturer/wholesaler and selling them to customers/end users, for instance, a provision shop, a jewellery store, a clothes boutique)

**2.1 (e) Categories of business**

There are some categories of business as shown below. All these businesses are profit-oriented.







## Green business

A green business, by definition, is a company that does not make any negative impact on the environment, economy or community. Green businesses not only benefit the environment but also use eco-friendly business practices as a means to market their products.

### Start-ups

The term 'start-up' refers to a company in the first stages of its operations. Start-ups are founded by one or more entrepreneurs who want to develop a product or service for which they believe there is demand. Start-ups commonly are technology-based and have high growth potential.



## Social entrepreneurship

Social entrepreneurship is the process by which individuals, start-ups and entrepreneurs develop and find solutions that directly address social issues. A social entrepreneur, therefore, is a person who explores business opportunities that have a positive impact on their community, the society or the world.

Many social issues are hidden or are overt business opportunities. It requires a passion for business and/or social concern to launch such businesses. Issues in drinking water, waste management, pollution, traffic snarls, road safety, etc. offer exciting business opportunities for social entrepreneurs.



## Online businesses

Online business is any kind of business activity that happens over the Internet. Running an on-line business can include buying and selling online or providing an online service. Establishing a business presence on the Internet can be a great way to sell and market goods and services. Amazon, Flipkart, etc. are examples.



## Franchise business

A franchise is a business in which independent entrepreneurs use the rights to a larger company's business name, logo, and products to operate at an individual location.

### 2.2 Who is an entrepreneur?

The process of setting up a business is known as entrepreneurship. The entrepreneur is commonly seen as an innovator and a source of new ideas, goods, services, and business/or procedures.

A person who takes the risk of starting a new business venture is called an entrepreneur. An entrepreneur creates a firm to realize his or her idea, known as entrepreneurship, which aggregates capital and labour in order to produce goods or services for profit. Entrepreneurs play a key role in any economy by using their skills and initiative necessary to anticipate needs and bringing good new ideas to the market.

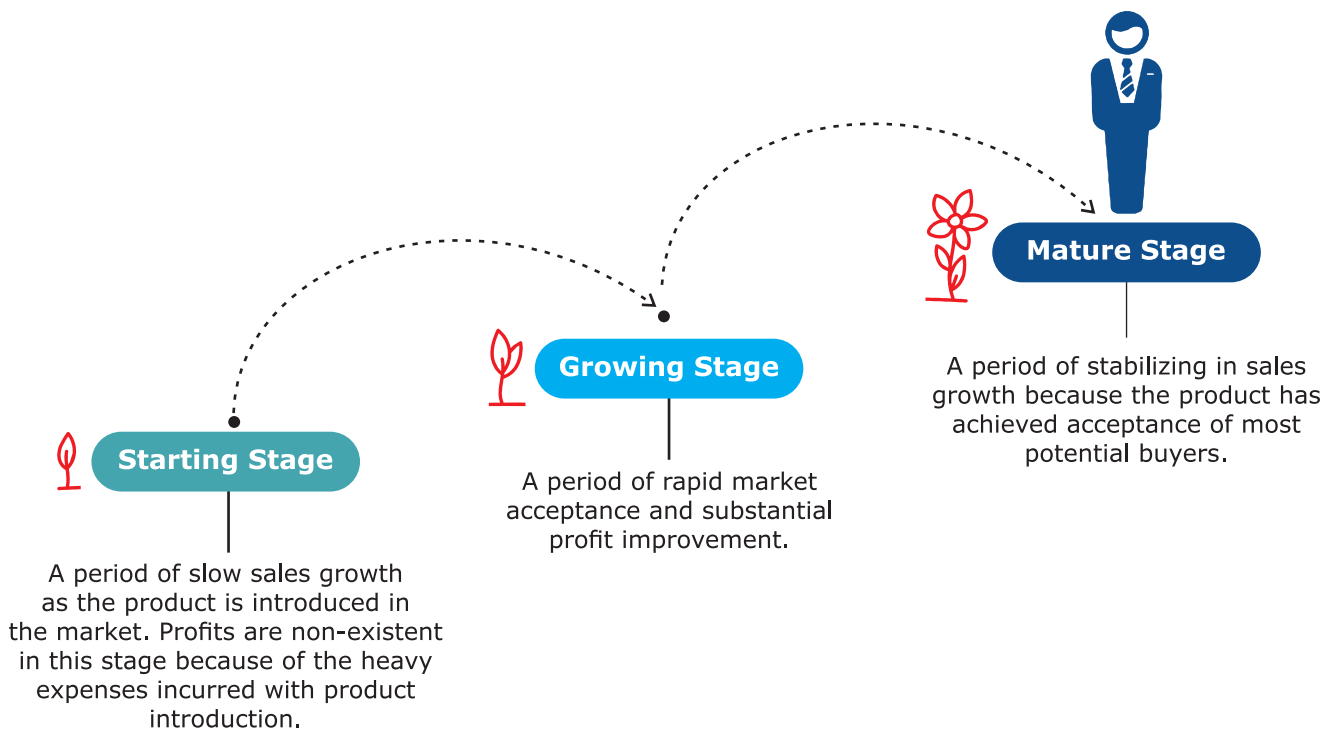
#### 2.2 (i) What are the fundamental qualities of an entrepreneur?

1. Open-mindedness
2. Problem identifier and solver
3. Passion
4. Confidence and discipline
5. Risk-taking
6. A constant generator of ideas
7. Creativity
8. Competitiveness
9. Opportunist
10. Determination (strong-willed)

## 2.2 (ii) Difference between an entrepreneur and a businessman

Area/Factors	Businessman	Entrepreneur
Business approach	Conventional	Creative and unconventional
Risk factor	Low risks, because he or she follows already existing ideas or concepts	Higher risks, as he or she carves a path for others to follow
Level of competition	Might be high since there are others following the same ideas	Might face little or no competition since he or she creates own products
Success rate	High	Not all ideas might be successful
Business focus	Only profit-oriented business	Value to employees and customers and profit-oriented business
Rewards	Small	High, if successful
Marketing	Meets the market demand	Creates and meets the markets demand

## 2.2 (iii) Stage Characteristics of an Enterprise



Support is provided by the WLSC in all the following stage of business:

### For starting an enterprise, the WLSC will

- Help in business ideation
- Support in transforming the business idea into an enterprise
- Support in the preparation of the business plan
- Provide linkages to avail finance by the project and other sources
- Assist in getting certifications, compliances, registrations, etc.

### During the growth stage of an enterprise, the WLSC will

- Help in business ideation for expanding the enterprise
- Provide support in linkages to avail finance by the project and other sources
- Provide solutions for huddles faced while running a business
- Provide support in market linkages
- Assist in providing idea on branding and packaging by the mentors.

### During the mature stage of an enterprise, the WLSC will

- Provide ideas on stabilizing their business in the market
- Provide knowledge on market positioning and sustainability
- Assist in providing business expansion strategy by the mentors.

## 2.3 Who is called a customer?

A customer is a person who buys products or services. The success of a business will depend on finding and meeting the requirements of customers. Customers form the backbone of every business. Without customers, the business would not exist, so in any enterprise, attracting and meeting the requirements of customers is very crucial so that they keep coming back.

Further, an enterprise needs to think on customers' perspective of what they really need and sort out their issues on product quality. The enterprise should focus on customer satisfaction and keeping them happy for repeat purchase of same product/services.

## 2.4 Who is a competitor?

In business, anyone who sells the same products or services is a competitor because you are competing against them for customers and sales. Why is the competitor good for business?

<https://www.youtube.com/watch?v=e2XW2J8ERcI&t=50s>

## 2.5 What is market?

### 2.5 (i) Marketing – introduction

To succeed in any business, entrepreneurs must attract and retain a growing base of satisfied customers. Marketing programmes, though widely varied, are all aimed at convincing people to try out or keep using particular products or services. Entrepreneurs should carefully plan their marketing strategies and performance to keep their market presence strong.

### 2.5 (ii) Why is market important for an enterprise?

1. It helps to boost the sales
2. It is an effective way of engaging customers
3. It helps to build and maintain the enterprise's reputation
4. It helps to build relationship between an enterprise and its customers.

### 2.5 (iii) How does an entrepreneur find market opportunities?

- Understanding the market
- Competitor analysis
- Potential prospects
- Targeting customers/competitors
- Exploring indirect opportunities
- Looking at the environmental factors
- Investigating other industries

## 2.6 Concept of Market

### 2.6 (i) Market

Market is a physical place where buying and selling of produce or services take place. This is a place to handover produce or services to each other or where the exchange of produce and services takes place. Thus the market is made up of buyers, sellers, products and prices.

### 2.6 (ii) Marketing

Marketing is a set of activities that direct the flow of produce and services from producers to the end users or customers. Marketing is the process of exchange between the producer (for eg. a farmer) who sells and the consumer who buys.

### 2.6 (iii) Selling

Left alone, consumers will ordinarily not buy enough of the organization's products. The organization must therefore undertake an aggressive selling and promotion effort.

### 2.6 (iv) Societal marketing

The organizations' task is to determine the demand of target markets and to deliver the desired satisfaction more effectively and efficiently than competitors in a way that preserves or enhances the consumers' and the society's wellbeing.

### 2.6 (v) Total quality management

This is an organization-wide approach to continuously improve the quality of all organization's processes, products and services.

### 2.6 (vi) Strategic business unit

It is a single business or a collection of related businesses that can be planned separately from the rest of the company.

### 2.6(vii) Market segmentation

This is the process of sub-dividing the market into segments so that companies can create more fine-tuned product/services and price them appropriately for the target market.

### 2.6(viii) Product life cycle

This refers to the stages of a product's life in the market.

## 2.7 Market Research and Analysis

Market research blends consumer behaviour and economic trends to confirm and improve your business idea. It is crucial to understand your consumer base from the outset. Market research lets you reduce risks even while your business is still just a gleam in your eye.

The entrepreneur should analyse the current market scenario with a view of following three aspects:



### 2.7 (i) Market

- ✓ What are the regional scope, size and growth of the overall market? What factors are driving growth?
- ✓ Are there any value chain industry trends such as use of newer inputs or production techniques, new standards, entries or exits from the business?
- ✓ What are the pricing trends in the market? How have prices changed historically and what influenced the price changes?
- ✓ Are there any special characteristics such as seasonality, volumes, number of customers, number of input suppliers, etc.? If so, are there any explanations.
- ✓ Describe any special laws or regulations that apply to the value chain and any government policies or actions that specifically affect the sector.
- ✓ What are the main distribution channels for the produce or services? How much do middleman or distributors control the market?
- ✓ How much value do they capture?

### Customers

- ✓ Which are the primary customer segments?
- ✓ How does the customer pay?
- ✓ What are these customers looking for in terms of produce or service?
- ✓ What are the projected future demands and why? Is there sufficient demand for the product or service?

- ✓ Indicate what methods were used to assess the market demand.

## Competition

- ✓ Who are the primary competitors, and what are their relative strengths and weaknesses in terms of, for example, location, technology, business practices, quality, volume, price, cost, etc.

## 2.7 (ii) Marketing mix

It is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market (e.g., price, promotion, product, place of distribution).

Marketing involves planning for efficient production, storage, processing and packaging and promotion, and moving produce from the company to the consumers. The key components of the marketing mix therefore include the following: product, place, price, promotion. This is commonly known as the 4 P's.

### Product

Product refers to the produce that the individual/group is producing for sale to earn income.

### Promotion

Promotion or advertising is a deliberate effort by the seller to make known to potential customer's existence of his/her specific value chain produce.



### Place

Place refers to the point of exchange between buyers and sellers or the market. It is in the market where transactions take place and produce change hands.

### Price

Price refers to the monetary value of the specific value chain produce. It is the cost at which the buyers are willing to pay for the specific value chain produce. Sellers always strive to sell at a price that offsets costs of production with a mark-up that constitutes the profit.

## 2.7 ii a Product

Product refers to the goods and services offered by the enterprise. Product can be described as a bundle of benefits which a marketer offers to the consumer for a price, for instance, a pair of shoes, lipstick, etc., While buying a pair of shoes, we are actually buying comfort for our feet, while buying a lipstick we are actually paying for beauty because lipstick is likely to make us look good.

Product can also take the form of a service such as air travel, telecommunication, etc. Thus, the term 'product' refers to goods and services offered by the enterprise for sale.



If you are considering starting a new business or adding a new product, then make sure the product will fit your business's strengths and weaknesses and that it will provide an acceptable risk/return trade-off. For instance, if your business is very good at timely response to customers, then timely service should be an important part of your product. Hence, choosing a product is very crucial for an entrepreneur.

Other product attributes include quality, features, options, services, warranties and brand name.

### **2.7 ii b Price**

Price is the amount charged for a product or service. It is the second most important element in the marketing mix. Fixing the price of the product is a vital job in an enterprise. Many factors like demand for a product, cost for production, consumer's ability to pay, prices charged by competitors for similar products, government restrictions, etc. have to be kept in mind while fixing the price.

The pricing approach should reflect the appropriate positioning of the product in the market and result in a price that covers the cost per item and includes a profit margin.

In fact, pricing is a very crucial decision area as it has its effect on demand for the product and also on the profitability of the enterprise.

### **2.7 ii c Place**

Place refers to the distribution channels used to get your product to your customers. What your product is will greatly influence how you distribute it. If, for example, an entrepreneur owns a small retail store or offers a service to the local community, then he/she is at the end of the distribution chain, and so he/she will be supplying directly to the customer. Businesses that create or assemble a product will have two options: selling directly to consumers, or selling to a vendor.

### **2.7 ii d Promotion**

Promotion refers to the advertising and selling part of marketing. It is how the entrepreneur lets people know what he/she has got for sale. The purpose of promotion is to get people to understand what your product is, what they can use it for and why they should want it. He/she wants customers who are looking for a product to know that the product satisfies their needs.

Promotion is done through means of personal selling, advertising, publicity and sales promotion. It is done mainly with a view to providing information to prospective consumers about the availability, characteristics and uses of a product. It arouses potential consumer's interest in the product, compares it with competitors' product and makes his choice. The proliferation of print and electronic media has immensely helped the process of promotion.

## 2.8 Market segmentation

Market segmentation involves sub-dividing a market into distinct subsets of customers. It differentiates your product and marketing efforts to meet the needs of different segments, that is, applying the marketing concept to market segmentation.

### 2.8 (i) Why market segmentation is important for every enterprise?

Market segmentation can help you to define and better understand your target audiences and ideal customers for marketing the product effectively.

### 2.8 (ii) Types of market segmentation

There are four basic types of market segmentation :



### 2.8 ii a Geographic segmentation

It is a marketing strategy used to target products or services at people who live in, or shop at, a particular location. It works on the principle that people in that location have similar needs, wants and cultural considerations.

The most commonly used geographic segmentation factors are

- Population density
- Distance from a certain location (i.e., your enterprise)
- Climate
- Dominant language

### 2.8 ii b Demographic segmentation

Demographic segmentation is a market segmentation technique where an organization's target market is segmented based on demographic variables such as age, gender, education, income, etc.,

The most commonly used demographic segmentation factors are

- Age
- Gender
- Income
- Occupation
- No. of houses and households
- Education

### 2.8 ii c Psychographic segmentation

It is a market segmentation technique that categorizes respondents based on their psychological traits. Specifically, the psychological traits that influence the consumption habits of buyers. It helps in understanding the consumer behaviour.

The most commonly used psychographic segmentation factors are

- Values
- Goals
- Needs

- Hobbies
- Personality traits
- Interest
- Social status
- Lifestyle and attitude

### **2.8 ii d Behavioural segmentation**

It is process in marketing that divides customers into segments depending on their behavioural patterns when interacting with a particular business.

- It helps to find customers with similar buying habits and behaviours
- It enables organizations to understand consumer needs

The most commonly used behavioural segmentation factors are

- Purchase occasion
- Consumer/customer status
- Usage rate (frequency of usage)
- Loyalty status
- Attitude towards the product
- Purchasing power
- Spending habit
- Brand interaction

### **2.9 Market intelligence**

Market intelligence is the permanent collection, analysis, monitoring, evaluation, storage and distribution of information on markets. It is a continuous process that focuses on what happens outside the enterprise and provides ongoing information about the market.

Information needs to be wide-ranging and diverse. It may include ( infographic)

- i. Price information concerning raw materials and inputs
- ii. Development of new processes and related inputs

- iii. Investments
- iv. Launch of new products
- v. Information on competitors
- vi. Policies affecting the enterprise's competitiveness
- vii. Promotional events.

There are a number of information sources that are used by market intelligence agents:

- Internal company information: sales records, production costs, technical efficiency ratios, customer records, etc.
  - Suppliers, intermediaries and customers. These are excellent sources of information that should not to be left untapped.
  - Secondary information such as press reviews, radio, television, trade fairs, advertising, official gazettes, newsletters from professional associations and chambers of business and industry.
  - Information on competitors, prices, product quality and promotion strategies.
  - National licensing or patent offices and research and development institutions.
- Engaging outside consultants specialized in monitoring the behaviour of market sectors and company performance is very expensive and surpasses the budget of many producer associations.

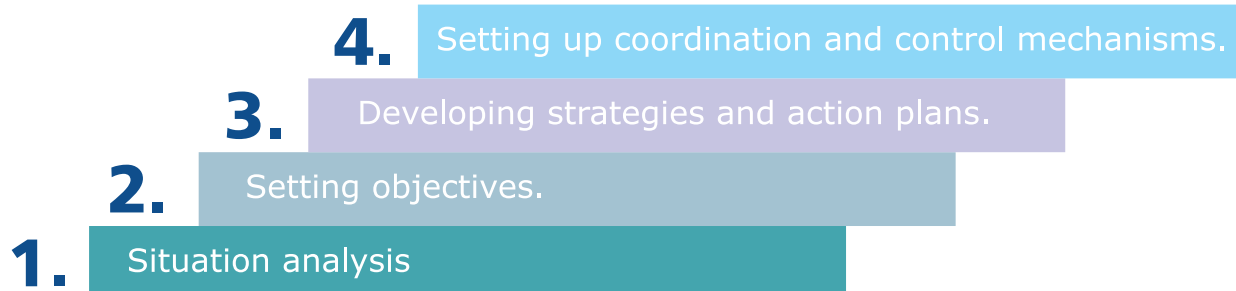
## 2.10 Market demand

Market demand is the amount and quality of the product that customers are willing and able to buy.

### 2.10 (i) How supply and demand affect prices:

- If supply of a product goes up, its demand comes down
- If supply of a product goes down, its demand will rise

## 2.11 Basic steps in planning the marketing process



**1. Situation analysis** Before developing any kind of action plan, decision makers should acquire information on the problems and opportunities imposed by input suppliers, other producers and their consumers. The business environment should be explored, including such areas as the following:

- i) Technologies used
- ii) Cost structures within the industry
- iii) Regulations and standards affecting the business
- iv) Strengths and weaknesses of the enterprise itself.

**2. Setting objectives** Based on the situation analysis, specific targets need to be established with respect to anticipated future performance of the enterprise.

**3. Developing strategies and action plans** To achieve the stated objectives, enterprises should formulate and develop short- and long-term strategies.

**4. Setting up coordination and control mechanisms** These must be designed and implemented to guarantee effective implementation of the strategies and action plans.

Enterprises usually operate in complex and dynamic environments, and entrepreneurs need to anticipate future changes affecting their enterprise. A successful firm can adapt to changes in the environment effectively and has the ability to foresee any probable changes and to take appropriate action.

## 2.12 Ways of selling a product to consumer (linking with the market)

Direct method	Indirect method
<ul style="list-style-type: none"> <li>To reach the consumer directly (door to door)</li> </ul>	<ul style="list-style-type: none"> <li>Through retailer to consumer</li> </ul>
<ul style="list-style-type: none"> <li>Through shops/outlets/exclusive showroom</li> </ul>	<ul style="list-style-type: none"> <li>Through wholesaler to retailer (agent mode)</li> </ul>
<ul style="list-style-type: none"> <li>Through exhibitions/fairs/kiosks</li> </ul>	<ul style="list-style-type: none"> <li>By online platform/e-marketing/social media/web portal</li> </ul>

These are some channels of selling the product to the end user. An entrepreneur must understand the channels and their suitability for different types of product and services and their impact on the profitability of a business.

An entrepreneur may choose a channel based on the following:

- Nature of the product/service
- Target the customer who wants to buy
- Cost of selling through the channel (which is suitable for an entrepreneur).

## 2.13 Types of collective enterprise under the project

Enterprises can be run by an individual as an individual enterprise as nano, micro or small enterprise or as a group enterprise or collective enterprise with a group of people coming together for running the enterprise's activities.

Collective enterprises are collectives of producers involved in a set of activities involving production of goods and services with the objective of earning a profit. The advantages and disadvantages of collective enterprises over individual enterprises are discussed below.

### 2.13 (i) Advantages

- Group members can share their skills, time and resources together to make something work. This also provides members with the opportunity to acquire new skills and knowledge.
- Work can be divided among the group members, making the best of the available time everybody has.

- It will provide better access to training, credit, technologies and government schemes.
- Decisions taken in a group are often better and more realistic than those made by individuals.

### 2.13 (ii) Types of collective enterprise

Under collective enterprises, three types will be promoted through the Project, which are as follows:

- Producer groups (PGs)
- Enterprise groups (EGs)
- Producer collectives (PCs)

Out of the above-mentioned three categories of group enterprises, the first two categories are primary groups formed at the village level and the third category is a federation of producer groups at the block level.

#### 2.13 ii a Producer Groups

PGs are a group of producers engaged in a particular commodity/sub-sector in a village who come together for aggregation, productivity enhancement and other collective actions. The membership size would be in the range 30–150.

The producer groups are formed by the following ways:

1. Direct approach (30–150 members)
2. Aggregating farmer interest groups (FIGs)/sub-groups approach (5–7 FIGs/sub-groups)

#### Eligibility criteria

- They should be an SHG member/SHG household.
- Members should belong to either one village or 2–3 adjoining villages.
- Farmers who cultivate on leased lands can also be part of a producer group.
- They should be willing to upgrade to be a part of producer groups.
- The age of the members should be 18 years and above.



- 65% of the members should be women.
- Membership is inclusive.

### **The following are the steps involved in the formation of producer groups:**

- Focused group discussion, which identifies producers from PGP mobilizing primary producers.
- Interested producers mobilized based on commodity and form PG.
- PG general body and executive committee formation.
- Selection of office bearers and sub-committee members.
- Opening of bank account.

### **Membership fee and share amount**

Each member should contribute Rs.100/- as one-time membership fee and Rs. 100/- towards annual subscription which is non-refundable.

### **Sub-committee**

The following are the sub-committees involved in a producer group:

1. Planning and monitoring committee
2. Procurement committee
3. Marketing committee

### **Book-keeping and accounts**

Membership register, minutes book, training register, cash book, bank pass book, cheque book register, general ledger book, stock register, asset register and cheque book.

### **Milestones for availing start-up fund by producer group**

The project start-up fund of Rs.75000/- per PG to be provided upon fulfilling the following criteria:

1. Bank account in the name of PG
3. 100% collection of the membership fee

2. Minimum 3 months should have been completed from the date of opening of the bank account
3. 100% collection of the membership fee
4. Activity/business plan completed
5. Ensure 65% women membership.

### **2.13 ii b Enterprise Groups (EGs)**

Enterprise groups comprise group of members having joint ownership and control over the business activities with shared profit and loss. These groups will have a membership range 10–30. The EG must be a legally registered body.

#### **Objective of the EG**

The objectives of an EG is to reduce production costs, improve quality and increase the revenue and margin through joint venture.

#### **Eligibility criteria**

- They should be an SHG member or an SHG household.
- Members should belong to either one village or 2–3 adjoining villages.
- The age of the members should be 18 years and above.
- 65% of the members should be women.
- Membership is inclusive.
- Should have relevant productive assets or skills to participate in value chain or should be willing to upgrade to be a part of the EG.

#### **The following are the steps involved in the formation of enterprise groups:**

- Conduct FGD with entrepreneurs and mobilization
- Form the general body and the executive committee
- Prepare the bylaws
- Carry out the registration (under Udyam in MSME, partnership firm, liability firm) and open bank account (current account).

### Membership fee and share amount

Each member identified for the EG should pay not less than Rs.100/ as one-time membership fee and not less than Rs. 500/ towards annual subscription which is non-refundable.

### Book-keeping and accounts

Maintain the membership register, minutes book, training register, cash book, bank pass book, cheque book register, general ledger book, sales and inventories register, stock register, asset register and cheque book.

### Milestones for availing start-up fund by enterprise group

The project start-up fund of Rs.75000/- per EG shall be provided upon fulfilling the following criteria:

- Opening of bank account in the name of EGs
- Completion of a minimum of 3 months from the date of opening of the bank account
- 100% collection of the membership fee
- Completion of the business plan
- Ensuring 65% women membership
- EG registration under MSME/LLP/partnership firm (compulsory).

### 2.13 ii c Producer Collective (PC)

A PC is the "formal higher-level collective of producers for aggregation, value addition, marketing and service provisioning for economies of scale". The membership usually ranges between 300 and 5000 producers; for certain commodities and in sparsely populated tribal areas the size of the PC may be as low as 300 producers. The PC must be a legally registered body.

### Objective of the PC

The objective of a PC includes promoting an economically viable, democratic and self-governing PC, building value chain development interventions with focus on sustainable agriculture, livestock- and village-based enterprises, strengthening of farmer's capacity and facilitating market linkages.

### Eligibility criteria

- The existing PGs' willingness to join VKP will be assessed, and the PG is selected based on the project eligibility criteria.
- The existing PCs' willingness to join VKP will be assessed, and the PC is selected based on the project eligibility criteria.
- The existing PCs would be encouraged to enhance the membership of women (to 65% women membership)

### Formation of producer collectives

There are various possible institutional structures for PC; however, in the VKP the following two approaches will be followed:

PG federated approach PC will be a membership-based organization, with members of PGs and individual shareholders. PGs will be federated in the form of PC at the respective (block/sub-district/district) level as per the requirement of commodity/sub-sector, business potential and the type of activities. Most producer collectives will be formed under this approach.

- **Direct approach**

The individual producers will be directly formed into PCs. The PC will be a membership-based organization having individual producers as its shareholders. Individual producers at the village level will be the shareholders of the PC at the appropriate (block/sub-district/district) levels per the requirement of the commodity/sub-sector, business potential and the type of activities. The approaches can be adopted in hilly areas/tribal areas based on the need.

### Steps involved in the formation of producer collectives

- Preparatory and consultative meeting with producers/PGs
- Shareholder mobilization
- Preparation of MoA, AoA
- Selection of Board of Directors
- Mobilization of share amount

- Registration and opening of bank account.

### **Legal status of producer collectives**

The current legal options available in the State (TN) for PC registration are as follows:

1. Tamil Nadu Cooperatives Act, 1983
2. Companies Act, 2013

However, the VKP recommends registering the PC under the Companies Act, 2013 (under chapter XXI A of Companies Act, 2013).

### **Membership fee and annual service fee**

1. In the federated approach of forming PCs, each PG has to contribute a one-time membership fee of Rs. 1,000 and an annual subscription fee of Rs. 1,000. The membership fee and the annual subscription should be transferred from the PG account to the PC account.
2. In the method of direct formation of PCs, each member has to contribute the one-time membership fee of Rs. 100 and the annual subscription of Rs. 100. The members receive the services from field functionaries, book-keeping, auditing, etc. from the PC membership fee.

### **Sub-committees**

1. Procurement committee
2. Finance committee
3. Production committee
4. Quality assurance committee
5. Marketing committee

### **Book-keeping and accounts**

The following documents need to be maintained: Share capital register, minutes book, returns filing, cash book, general ledger, sale register, stock register, asset register, cheque book.

Project start-up funding details

The details of the milestones to be achieved for release of funds for three categories:

- Category I – For new PCs (within 2 years of operational experience)

- Category II – For growing PCs (with more than 2–3 years of operational experience)
- Category III – For mature PCs (with more than 3 years of operational experience)

## 2.14 Certificates and licenses required for enterprises

Certificates and Licenses	Enterprises/Entrepreneurs	Documents required for license and certificate	Application procedure
<b>Income tax permanent account number (PAN).</b>	All entrepreneurs	Proof of age, proof of address and proof of identity (photocopy) of all entrepreneurs Passport sized photo Mobile number and email address (we can get the PAN quickly by giving the email address)	Can be applied directly on the website or through the service centre/agent
<b>UDYAM registration</b>	All entrepreneurs	All entrepreneurs should have an AADHAR linked to their mobile number PAN Mobile number, job description, business investment details, number of employees, place of business, etc.	We can apply directly on the website or through the service centre/agent. The women livelihood service centre will also help you to get the UDYAM registration certificate
<b>Food Safety and Standard Authority of India (FSSAI) certificate</b>	Food processing, hotels and eateries	Aadhaar, PAN, registration, mobile number, occupation details, place of occupation, etc.	We can apply directly on the website or through the service centre/agent. The WLSC will also assist in obtaining FSSAI registration certificate
<b>Goods and services tax (GST)</b>	Entrepreneurs with a cash flow of over Rs 20 lakhs per annum.	Aadhaar, passport size photo, PAN, registration, bank account details, mobile number, occupation details, place of business license (rental agreement, if rental) etc.	We can apply directly on the website or through the service centre/agent. The WLSC will also help in getting the GST registration certificate

## Activity 1 Game (Ad Zap)

Select the participants from every group. Provide the below role play game to the participants. Each group shall take 10–15 minutes.

### Game

- There can be a maximum of six participants and a minimum of four participants in the team.
- The participants should introduce their brand or product line for their commercial activity.
- The presenting team can choose one of the topics. They can brand their product with their own imagination.
- The teams can use the necessary materials like product, charts etc. for advertising their product.

### Outcome

- The trainer can understand the participant's ability on enterprise promotion.
- The trainer can get to know their creative skill set on branding.
- The trainer can understand the participant in team play and coordination with others.
- It would help to promote WLSC/enterprise to the stakeholders.

## Activity 2 Group Activity (value addition)

The trainer can divide the participants into three or four groups comprising of five participants each.

- Provide a commodity name like groundnut, blackgram, coconut, banana, maize, green gram, etc. to each group.
- Ask them to present what value added products are available in the current market on respective commodity.

### Outcome

- Through this activity, the trainer can know the knowledge of participants on value addition of the allotted commodity.
- Based on the presentation, the trainer can appreciate the participants.



## MODULE 3.

### WOMEN LIVELIHOOD SERVICE CENTRE

#### Learning objective

By the end of this module, the participants will

- Understand the objectives of the WLSC centre and its structure.
- Understand what the services are provided by the WLSC.
- Know their roles and responsibility in WLSC.
- Understand the salient features of VKP (i.e., MGP and NEFF).
- Understand about the key roles of mentors, functional experts, and ECPs.

#### Duration

180 minutes (3 hours)

#### Material needed

Laptop, projector, flipchart paper, markers, plenary room for group discussion and work.

#### Method

Input, presentation, video, group discussion and brain storming

#### Outcome of this session

- The participants can understand the objective of the WLSC, its structure, function.
- They can comprehend what services can be obtained through the WLSC.
- They can understand their role clarity on WLSC.

### 3.1 Women Livelihood Service Centre (WLSC)

Any enterprise will require a range of services to effectively run and become a viable business/enterprise. These services will vary from enterprise to enterprise and will also require domain-specific support services. Often, an entrepreneur in a rural area engaged in business or enterprise activity would face the constraints of availing comprehensive business development support services, which leads to dependency or low efficiency in their business. These can be attributed to various factors such as lack of information, knowledge, access to support services, etc.

In VKP, rural individuals and group enterprises are promoted and strengthened through the components of rural enterprise ecosystem development, business plan financing and skills and employment. One of the unique project interventions is establishing an enterprise ecosystem for business development support services and assisting in the viability and sustainability of the individual and group enterprises.

The WLSC will provide business development support services for enterprises and entrepreneurs. The access to a single-point business solutions will help entrepreneurs such as women, youth and new entrants to overcome the entry barriers and bottlenecks. The WLSC will provide information and access to services of other government departments that are linked to livelihood and economic enhancement.

The WLSC is a unique initiative of VKP enterprise ecosystem to catalyse enterprise promotion in rural areas. Women livelihood service centre is a single-point business service provider that will provide a range of enterprise development support services such as

- Business ideation
- Business planning
- Appraisal of business plans
- Facilitation support to access required finance
- Mentoring
- Advice from functional experts
- Technology
- Training and skills
- Regulatory compliances
- Market intelligence/information
- Market linkages
- Networking
- Screening of entrepreneurs
- Tie-up with other department schemes, etc.

All the above enterprise support services will be made available to the individual and group enterprises promoted by the project as well as to other existing individual and group enterprises for to help assist their enterprises to become viable, more efficient and sustainable.

### **3.1 (i) Objectives**

The objective of the women livelihood service centre is to support new and existing enterprises to accelerate entrepreneurial growth in the rural blocks of Tamil Nadu.

### **3.1 (ii) Need for establishing WLSCs**

The main purpose for establishing Women livelihood service centres is to provide technical assistance in areas that would address the bottlenecks, challenges, and issues faced by rural women entrepreneurs, such as weak management capacity, business information asymmetry, social cultural barriers to move beyond individual enterprises, poor access to networks among others, etc.

### **3.1 (iii) Location**

The Women livelihood service centre will be established in the VKP blocks (one per three blocks or one per two blocks) based on the contiguity (the location of the 42 Women livelihood service centres is given in the Annex). The WLSC will be centrally located and accessible to all adjacent blocks with good transport and network connectivity.

### **3.1 (iv) Enterprises supported by the Women livelihood service centre**

The women livelihood service centre or WLSC will support all existing and new enterprises in the nano, micro, small and group enterprises (enterprise group and producer collectives). It will support a minimum 150 enterprises (both individual and group) per block.

### **3.1 (v) Services provided by the WLSC**

The WLSC as an enterprise ecosystem will provide services in four major segments for enterprises:

1. Business development services
2. Facilitation services
3. Networking
4. Value added services.

WLSC will be a hybrid model with both free and payment-based services. The services such as business plan preparation, mentoring support, support from functional experts, business ideation, information, and market intelligence will be free services. Payments services will include tax filing, GST calculation, certifications, online compliance, bank loans, registration, obtaining cards, etc.

Business development services	Facilitation services	Networking	Value added services
<ul style="list-style-type: none"> <li>• Screening of entrepreneurs</li> <li>• Business ideation</li> <li>• Business plan Preparation</li> </ul>	<ul style="list-style-type: none"> <li>• Support to initiate entrepreneur activity</li> <li>• Access to finance</li> <li>• Mentorship</li> <li>• Functional expert advice</li> <li>• Appraising the business plans by mentor/functional experts</li> <li>• Information and linkages</li> <li>• Marketing intelligence</li> <li>• Other department tie-ups</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing linkages</li> <li>• Logistical tie-ups</li> <li>• Sectoral development</li> <li>• Training</li> <li>• Business workshop</li> <li>• Advice from experts</li> </ul>	<ul style="list-style-type: none"> <li>• PAN Card</li> <li>• GST filing</li> <li>• FSSAI</li> <li>• UDAYAM</li> <li>• Online compliance</li> <li>• Licensing</li> <li>• Certifications</li> <li>• Auditing</li> <li>• Tax returns</li> <li>• Accounting</li> </ul>

### 3.1 (v) i Business development support services

WLSC will provide business development services to the enterprises/entrepreneurs who need support to run their business. It will address their bottlenecks and support them with consultation services by assisting and providing the following services:

**01** Screening of Entrepreneurs

**02** Business Ideation

**03** Business Plan Preparation

### **a. Screening of entrepreneurs**

Screening of applications submitted by the entrepreneurs will give a broad understanding of their profile. The WLSC will screen the entrepreneurs/enterprises for availing the matching grant programme under the VKP as well as for other potential formal bank linkages. The first level of screening will be done by the ECPs at the village level. In turn, the ECP will forward their application to WLSC, which will facilitate further fact checking of applications from entrepreneurs.

### **b. Business ideation**

WLSC will provide this service to both new and existing enterprises who require support for them to be sustainable in the market. Every business opportunity starts with an idea; but not every idea of an entrepreneur will be successful and therefore needs consultation support to understand the pros and cons of the business for venturing into an enterprise.

The WLSCs is a single-window service delivery system that will provide analytic solution for business ideation, reasons, demand, knowledge of the product, market scenario etc. and provide them with business information and know-how of the business.

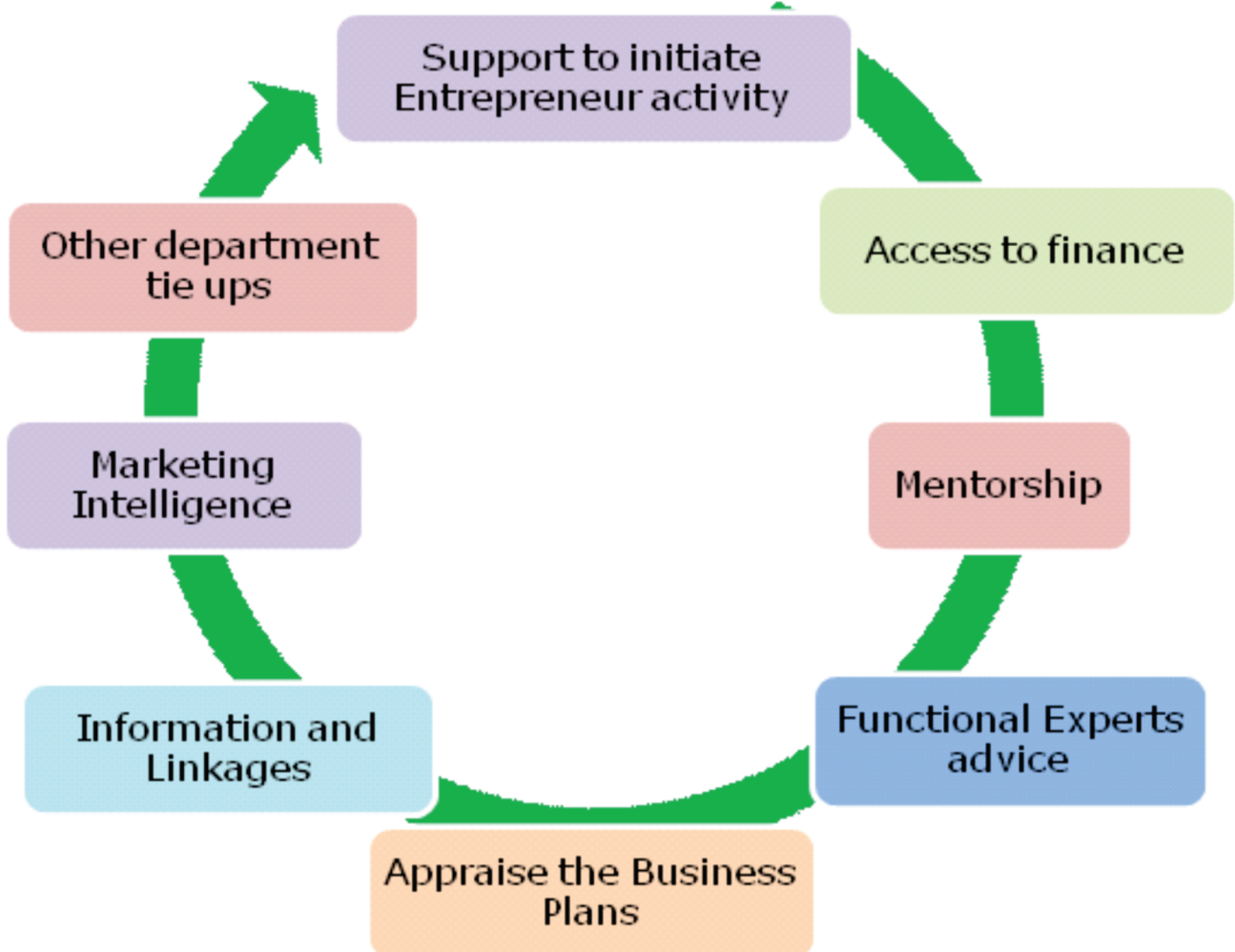
### **c. Business plan preparation**

The WLSC will help the entrepreneurs in the preparation of a bankable business plan for their enterprises to avail loans from PFIs/ banks and from other formal financial institutions. This business plan will broadly include overview of their activity, profile of the individuals, profile and nature of their enterprise and location/infrastructure details, the type of material needs (raw material, equipment, technology), production process, commercial feasibility such as marketing strategy, pricing and discounts, risks and mitigation plan, financial viability such as cost of the project, means of the project, etc.

The detailed process of business plan preparation is dealt in Section 4 (Business Plan Preparation).

### 3.1 (v) ii. Facilitation services

One of the most important life line services required for any enterprise is facilitation services for the business. WLSC will support and provide assistance to the entrepreneurs/enterprise for availing the following business facilitation services



#### a. Support to initiate entrepreneur activity

The WLSC will provide enterprise facilitation support services to the entrepreneurs for initiating their enterprise activity and establishing the business through guiding and helping the individual to position, create visibility, etc. It will also support the entrepreneur with information and knowledge for the completing the requisite activities such as bank account opening, license and compliances, etc.

## **b. Access to finance**

WLSC will provide information, handhold and facilitate access to finance for business plans of individual and group enterprises through the matching grant programme (MGP), financial services by other formal financial institutions, flagship programmes and other departmental schemes, etc.

## **c. Mentorship**

Mentorship services and guidance on the business activities with experienced successful entrepreneurs will help and groom new entrepreneurs to run the business efficiently, anticipate risks and manage the business in a more sustainable and viable manner.

Every WLSC will empanel a minimum of 3–5 mentors who can support, advice and guide the enterprises/entrepreneurs to the growth of their business activities, achieving their business goals and smoothly running their business profitably and sustainably. Through this centre, both existing and new enterprises/entrepreneurs can avail mentoring services.

## **d. Functional expert advice**

Functional experts are those who have thematic/functional expertise to provide tailor-made support services to entrepreneurs in their business activities such as tax filing, legal compliance, registration, technical knowledge, advices etc.

Every WLSC will empanel a minimum of 3–5 functional experts who will provide technical and functional service to the enterprises/entrepreneurs. The functional experts will be able to provide expertise with proficiency, who will be financial experts, lawyers, chartered accountants, food technicians, retired bankers and other experienced entrepreneurs. Through WLSC, both existing and new enterprises/entrepreneurs can avail services from the functional experts.

## **e. Appraisal of business plans**

WLSC will have two dedicated persons, namely an enterprise development officer (EDO) and an enterprise financing officer (EFO). These WLSC staff will be provided with adequate capacity building training for developing business plans for individual/group enterprises.

The business plan will be developed by the WLSC team assisted by the block task force, who will do the appraisal of the business plan. The details of developing a business plan and the process of appraising the business plan are dealt in Section 4.

## f. Information and linkages

The WLSC as a single-window service delivery centre will be the hub for dissemination of information and facilitate convergence and linkage support services assisted by the project team with stakeholders, service providers, etc.

## g. Other departments tie-ups

Convergence and partnership initiatives will be taken up through WLSC assisted by the project team. A comprehensive convergence booklet will be prepared with such as details of departments, resource organizations, schemes and programmes, eligibility, application formats, contact person, etc. for guiding and facilitating schemes and programme benefits for strengthening and making the enterprise more efficient and sustainable.

### 3.1 (v) iii. Networking

The WLSC will provide the delivery of business development support services by the project through networking with various stakeholders, mentors, functional experts, etc.





### 3.1 (v) iv. Value added services

WLSC will provide value added services such as PAN procurement, GST filing, FSSAI registration, UDAYAM, online compliance, licensing, certifications, auditing, tax returns, accounting, etc., through thematic experts and convergence with respective departments. These services will be provided as paid services by the WLSC to the individual/group.

The WLSC will maintain books of record of all the above four categories of services rendered, which will be reviewed by the WLSC monitoring committee on a monthly basis.

### 3.2 Enterprises supported by the WLSC

The WLSC will support all existing and new enterprises in the nano, micro and small categories and group enterprises (enterprise group and producer collectives). Each WLSC will support a minimum of 150 enterprises (both individual and group) per block.

The classification of individual enterprises as defined by VKP is shown below.

Enterprise type	Investment business (Rs)	Turnover (Rs)	Employment created
Nano	Up to 5 lakhs	10–15 lakhs	0–1 +
Micro	5–15 lakhs	15–25 lakhs	8 +
Small	15–30 Lakhs	25–250 lakhs	15 +

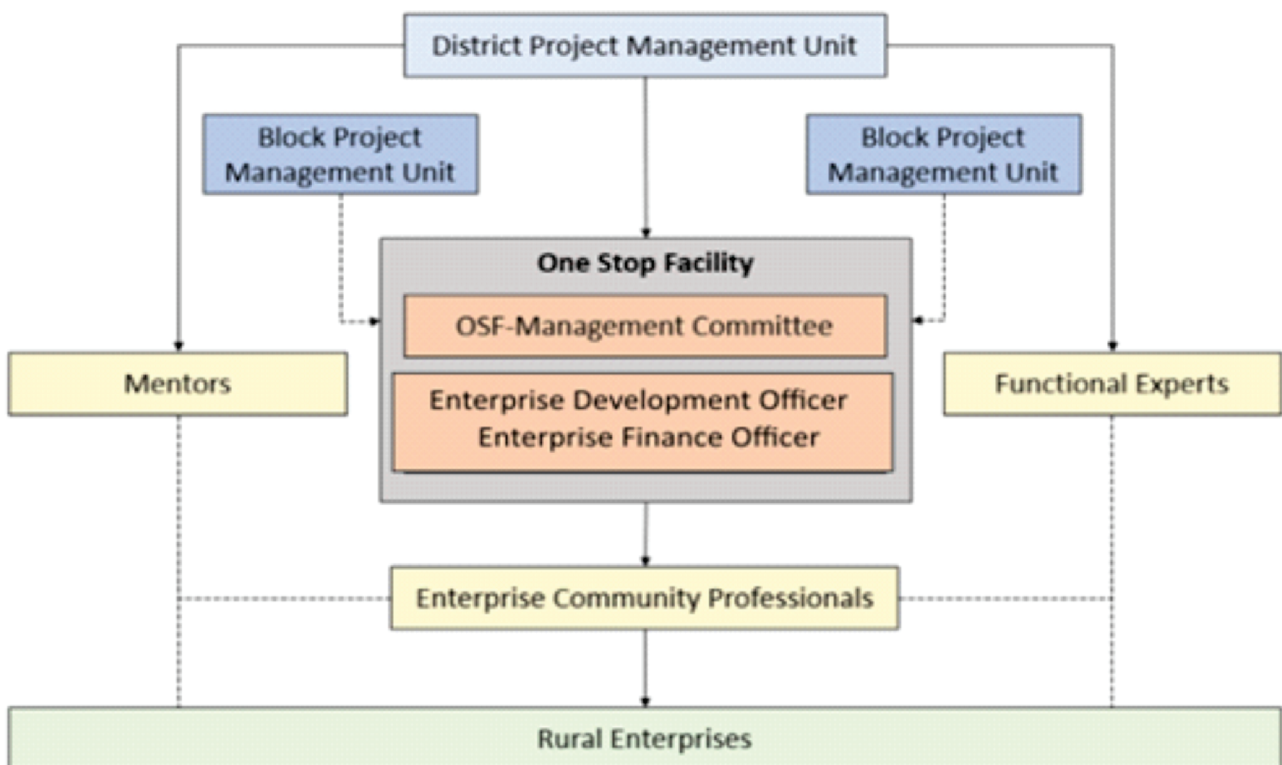
The classification of group enterprises as defined by VKP is shown below.

Category of group enterprise	Definition/description	No. of members
Enterprise group	A group of members having joint ownership and control over the business activities who share profit and loss	10–30
Producer collectives	Formal higher-level collective of producers for aggregation, value addition, marketing and service provisioning for economies of scale	300 and above (minimum of 150–300 members for tribal or hilly areas)

The following enterprises will not be supported by WLSC:

- a. Entrepreneurs involved in any illicit or illegal activity
- b. Enterprises classified in the negative list as per the environmental and social management framework (ESMF)

### 3.3 Structure of WLSC



The WLSC will comprise the WLSC management committee and the WLSC professionals (EDO and EFO). The WLSC management committee will oversee and guide the overall activities of the WLSC, while the WLSC professionals will carry out the day-to-day activities. The WLSC professionals will report directly to District Executive Officer (DEO), who will be monitored by the District Project Management Unit (DPMU).

#### District Project Management Unit (DPMU)

The DPMU will be responsible for planning, implementation and monitoring of project activities at the district level. The DEO, executive officers and the block team will support the establishment and implementation of all activities of the WLSC.

### **WLSC management committee (WLSC-MC)**

The WLSC-MC will be constituted with the following members for overseeing the activities of the WLSC and providing guidance.

1. District Executive Officer	Committee chair person
2. Executive Officer (EED)	Member
3. Executive Officer(A&A)	Member
4. Team leader of the respective block	Member
5. Project executive (EED/A&A)	Member

The WLSC-MC should meet twice a month and maintain minutes of the meeting, follow-ups, etc. and submit the monthly report to the SPMU.

### **Responsibilities of WLSC-MC**

- ✓ Identification of space and establishment of the office set-up.
- ✓ Identification, selection and engaging of professionals for WLSC.
- ✓ Identification, selection and empanelment of mentors and functional experts.
- ✓ Approval of the monthly work plan of the WLSC and monitoring its progress.
- ✓ Monitoring the performance of professionals (EDO and EFO), mentors and functional experts.
- ✓ Facilitating convergence and tie-up with line departments.
- ✓ Conducting the committee meeting twice a month along with WLSC professionals (EDO and EFO).
- ✓ Reporting the status to the SPMU on a monthly basis.
- ✓ Facilitating communication outreach, conduct workshops and seminars.
- ✓ Facilitating and conducting regular capacity building programmes and trainings.

### **Enterprise development officer (EDO) and enterprise finance officer (EFO)**

The EDO and EFO will be hired as the WLSC professionals who will be responsible for managing the operations of the WLSC.

### Eligibility criteria of selecting EDO/EFO

- Any Post-graduate degree with computer proficiency
- Age not more than 40 years
- A professional who can manage the WLSC functioning in the blocks
- A person with entrepreneurial skill set or practitioners
- Sound knowledge on rural enterprises, business development and financing activities
- Women and socially disadvantaged persons with requisite experience (will be given priority)
- Experience in coordination and networking

### Selection of EDO and EFO

- Applications will be invited through the online process (VKP website) based on the local press release by the respective district collectors.
- Eligible candidate can submit their application as per the format published in the website.
- The applications submitted will be scrutinized by the WLSC management committee.
- The shortlisted applicants will be called for an interview.
- The interview panel will be constituted by the respective district collector with the following members: PD TNSRLM, GM DIC, DEO VKP, and the lead bank manager.
- The selected candidate will be engaged as EDO and EFO.

### Salary to the EDO and EFO

The EDO and EFOs will submit their monthly reports to the WLSC-MC. The committee will review and release the salary of Rs. 25,000/- per month inclusive of travelling allowances.

The project will develop a mechanism for incentivising outstanding contribution and service deliveries of the EDO and EFOs for which an incentive will be paid based on the performance of WLSC professionals and the number of services provided to the beneficiaries on a pro rata basis as per the direction of the Project.

### **Roles of the enterprise development officer (EDO)**

- Assessing the primary business plan
- Preparation of a viable and bankable business plan
- Engagements with mentors/functional experts
- Identification of business needs
- Providing business development service
- Developing growth strategies for WLSC
- Updating the compliances of small businesses and MSMEs
- Negotiations with stake holders
- Developing and retaining relationship with existing clients and stakeholders
- Networking with external service providers
- Conducting market research to identify new business opportunities
- Updating the WLSC activities with the VKP DPMU regularly
- Maintaining digital book-keeping and transactions of the WLSC.

### **Roles and responsibilities of the enterprise finance officer (EFO)**

- Assessing the primary business plan
- Preparation of a viable and bankable business plan
- Engagements with mentors/functional experts
- Identification of business needs
- Providing business development service
- Developing growth strategies for WLSC
- Updating the compliances of small businesses and MSMEs
- Negotiation with stake holders
- Developing and retaining relationship with existing clients and stakeholders
- Networking with external service providers
- Conducting market research to identify new business opportunities

- Updating the WLSC activities with the VKP DPMU regularly
- Maintaining digital book-keeping and transactions of WLSC
- Maintaining all finance-related activities.

## **Mentors**

They are experienced entrepreneurs with an attitude to guide, groom and support potential entrepreneurs from different sectors.

Entrepreneurs from various sectors will be identified based on their experience and geographical location, who will then be positioned as mentors. Each WLSC will identify 3–5 mentors and empanel them to support rural entrepreneurs as per the need and requirement. The WLSC will coordinate and align the mentor and mentee for enterprise promotion.

## **Eligibility criteria of mentors**

- Capable of communicating effectively in the local language
- 30 years of age and above
- Minimum education is 12<sup>th</sup> pass
- A working knowledge of business understanding and business accounting, marketing, etc.
- Willing to set aside at least 4–7 working days a month to support the WLSC and the entrepreneurs.
- At least 5 years of experience in entrepreneurship (mandatory)
- Preference should be given to women entrepreneurs

## **Selection procedure**

The mentors will be empanelled by the WLSC-MC using their existing policy for State Resources Persons (SRPs) of TNSRLM.

## **Honorarium to the mentors**

Honorarium will be paid on a call basis based on the services rendered at a maximum of Rs.5,000 per month (maximum of Rs.700 per day), which will also include travel allowance.

The mentors will submit the report of work done to the EFO at end of every month. The EFO will sign the report and submit it to WLSC-MC.

The MC will approve the report for releasing the honorarium to the mentors. The WLSC will be responsible for releasing the honorarium to the mentors as directed by the Project.

### **Roles and responsibilities of the mentor**

- Mentoring support to enterprises as allotted by WLSC.
- Reviewing the viability assessment and business plans prepared by the WLSC and facilitating the entrepreneurs.
- Providing inputs for activities in the respective entrepreneurs to the mentees.
- Helping entrepreneurs with guidance, forecast and networking
- Proposing ideas for growth of enterprises.
- Providing support on financial and technical advisory services.
- Providing ideas for marking tie-ups.
- Proposing idea for new enterprises.

### **Functional experts**

Functional experts are professionals who are specialized in providing specific services, such as chartered accountants, food technicians, lawyers, tax consultants, bankers, insurance advisers, etc.

WLSC will identify 3–5 experts from financial experts, lawyers, chartered accountants, food technicians, retired bankers and other thematic/functional experienced entrepreneurs to provide function-wise support to the enterprises. The functional experts should be able to set aside 4–7 days each month to provide technical assistance to enterprises.

### **Eligibility criteria of functional experts**

- Age 30 years and above
- Relevant academic and professional qualification required by the domain
- A working knowledge of various sectors

- Willing to set aside at least 4–7 working days a month to support the WLSC and entrepreneurs.
- At least 5 years of experience in their domain.
- Preference should be given to women entrepreneurs
- Capable of communicating effectively in the local dialect.

### **Selection procedure**

The functional experts will be empanelled by the WLSC-MC using the existing policy for State Resources Persons of TNSRLM.

### **Honorarium to the Functional Experts:**

The Functional experts will be paid according to norms of the VKP and based on the task performed. The honorarium will be paid on call basis as per the services rendered at maximum of Rs.5,000 per month (maximum of Rs.700 per day which will also include travel allowance).

The functional expert will submit their work done report to EFO at end of every month. The EFO will sign the report and submit it to WLSC -MC. The Management Committee will approve the report for releasing the honorarium to the functional experts. The WLSC will be responsible for releasing honorarium to functional experts.

Roles and responsibilities of the FE

- Verify the business plan prepared by the WLSCs.
- Support entrepreneurs on filing the legal compliances such as GST, PAN, FSSAI, etc.
- Train the WLSCs staff and ECPs on their domains.
- Provide support for convergence with the line departments.
- Provide support to the entrepreneurs on marketing linkages and intelligence.
- Provide business ideations.
- Provide all types of technical support to the entrepreneurs.

### **Enterprise community professional (ECP)**

An ECP is a grass-root-level worker in the village panchayat who would be the bridge between the WLSC and rural entrepreneurs. The ECPs will enable entrepreneurs to access business development and training services of the project.



### **Preparation and approval of the Women livelihood service centre work plan**

- The WLSC professionals (EDO/EFO) with the support of block project staff and EOs will prepare the annual activity plan of the WLSC.
- The annual activity plan will be approved by the WLSC-MC and submitted to the SPMU.
- The SPMU team will review the annual activity plan and process the fund release to the DPMU.

### **Training of WLSC professionals**

- The SPMU will develop IEC and training materials for training the Women livelihood service centre professionals, project team, ECPs and the connected stakeholders (line department such as MSME, TAHDCO, DIC, etc.) of the project.
- The DPMU team will create awareness and outreach activities to every village panchayat.
- The SPMU team will train the WLSC office bearers along the district team region-wise.
- The district team will orient the district-level and block-level line department officials and bankers for effective convergence and efficient service delivery.
- The ECPs will be provided the required training by the block-level project staff and the WLSC team.
- Refresher training will be conducted every 6 months to all stakeholders.
- Identification of individual and collectives for WLSC support
- The project has identified existing collective enterprises through the participatory growth plan exercise for scaling up.
- Information about the WLSC and its services will be disseminated with VPRCs/PLFs, village panchayat offices, pamphlets, FM radio, TV scrolls, etc. for wide-spread awareness of WLSC in the community.
- The BPMU will share the village investment plan with the ECPs for identifying individual entrepreneurs and mobilizing collective enterprises for enterprise promotion.

- Individual entrepreneurs can reach the WLSC through either the ECP or independently for support services.
- Further, ECPs will verify the collectives and link them with the WLSC for business plan preparation and for accessing the services.
- The ECP will coordinate with collectives supported by the WLSC centre.

## **Monitoring and reviewing**

### **1. At the SPMU level**

- The ACOO-EED will provide guidance, review and monitor the activities of the WLSC.
- Facilitate cross-learning of WLSC.
- EED will review, assess and guide the district team on the business performance of the WLSC.

### **2. At the DPMU level**

- The DEO will monitor and review the progress of the WLSC every month.
- DEOs will review and assess the business performance of the WLSC, monitor the business performance of the supported enterprises and ensure the updating of MIS report and submission to SPMU.
- Conduct review meetings with ECPs, mentors and functional experts once every month.

### **3. At the women livelihood service centre level**

- Each WLSC will update the books of records on a daily basis (preferably in a digital mode).
- The records must include daily revenue and expenses at the minimum.
- The service centre must be able to prepare at least a monthly profit and loss statement and a bi-annual balance sheet based on the records maintained.
- The format for book-keeping at the centre will be shared by the project in due course.

## Book-keeping at the WLSC

The following books are to be maintained at the WLSC:

1. Visitors Record
2. Attendance for EDO, EFO, mentor and functional expert
3. Service provided register of mentor and functional experts
4. Service provision through ECP
5. Work done reports of EDO, EFO, mentor and functional experts
6. Minutes book – WLSC management committee
7. Enterprise data register
8. Enterprise performance data
9. Asset register
10. Monthly expenses register
11. Agreements and MoUs
12. Cash book/Month-wise bank statement
13. General ledger

### Activity (Role Play)

In this, the trainer describes a scenario of an entrepreneur who is running a provisional shop and is struggling to lead his business profitably. This entrepreneur is in need of the services from WLSC.

The trainer assigns roles to participants and asks them to play a role in providing services to the entrepreneur. Participants will be divided into four groups comprising six participants each.

The trainer assigns one participant as an entrepreneur who came to avail the service, one participant as EDO, another as EFO and the remaining two participants as the mentor and functional expert, respectively.

Based on the given scenario, the participants play their roles.

### Outcome

- The participant will come to realize how to provide services to an entrepreneur in various situations.
- The trainer will be able to understand the participants' ability in responding to the critical scenario of providing various services to the entrepreneur who is in need. The trainer will be able to know the decision-making and problem-solving skills of the participants.

**MODULE 4.****ENTERPRISE COMMUNITY PROFESSIONALS****Learning objective**

By the end of this module, the participants will understand who an enterprise community professional is and what his or her role is in the WLSC.

**Duration**

90 minutes (1.5 hours)

**Material needed**

Laptop, projector, flipchart, paper, markers, plenary room for group discussion and work.

**Method**

Input, presentation, video, group discussion and brain storming.

**Outcome of this session**

- The participants will understand the roles of ECPs in individual and group enterprises.

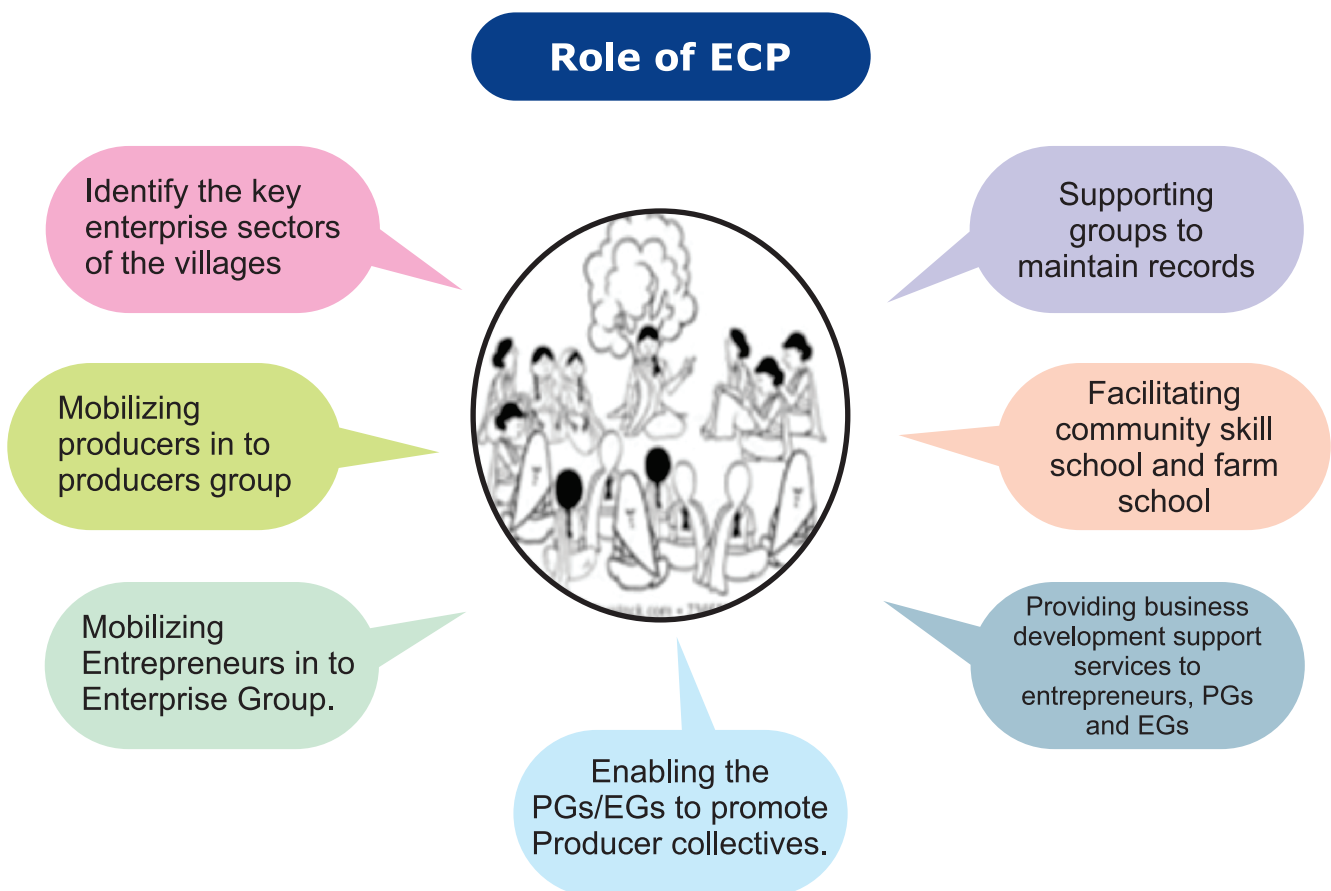
**4.1 Enterprise community professionals- Who are they?**

Community members who are experienced in community mobilization and have developed service delivery skills will be identified and retained as enterprise community professionals (ECPs). ECPs are the frontline workers of the Project and play an important role in implementing the Project at the village panchayat level. The major objective of the ECPs is to mobilize, promote and build individual and collective enterprises and provide field-level implementation support to the Project.

The project will engage one ECP per village panchayat through the respective PLF to support the above project activities. These ECPs will be guided by the block project management unit and the WLSC, which are coordinated by the district project management unit (DPMU) under the guidance of the state project management unit (SPMU).

#### 4.1(i) Roles and responsibilities of enterprise community professionals

1. Mobilizing members who are involved in individual enterprises, enterprise groups and producer groups.
2. Providing business development support services to enterprises with the guidance of WLSC.
3. Playing a facilitating role in identifying and linking youth for the training under community skill schools (CSSs) and community farm schools (CFSs).
4. Monitoring and reporting role in data generation from individual enterprises, EG and PGs for business planning, and tracking their progress.
5. Generating applications for project assistance, repayment of loans to concerned financial institutions, accounts and book-keeping.



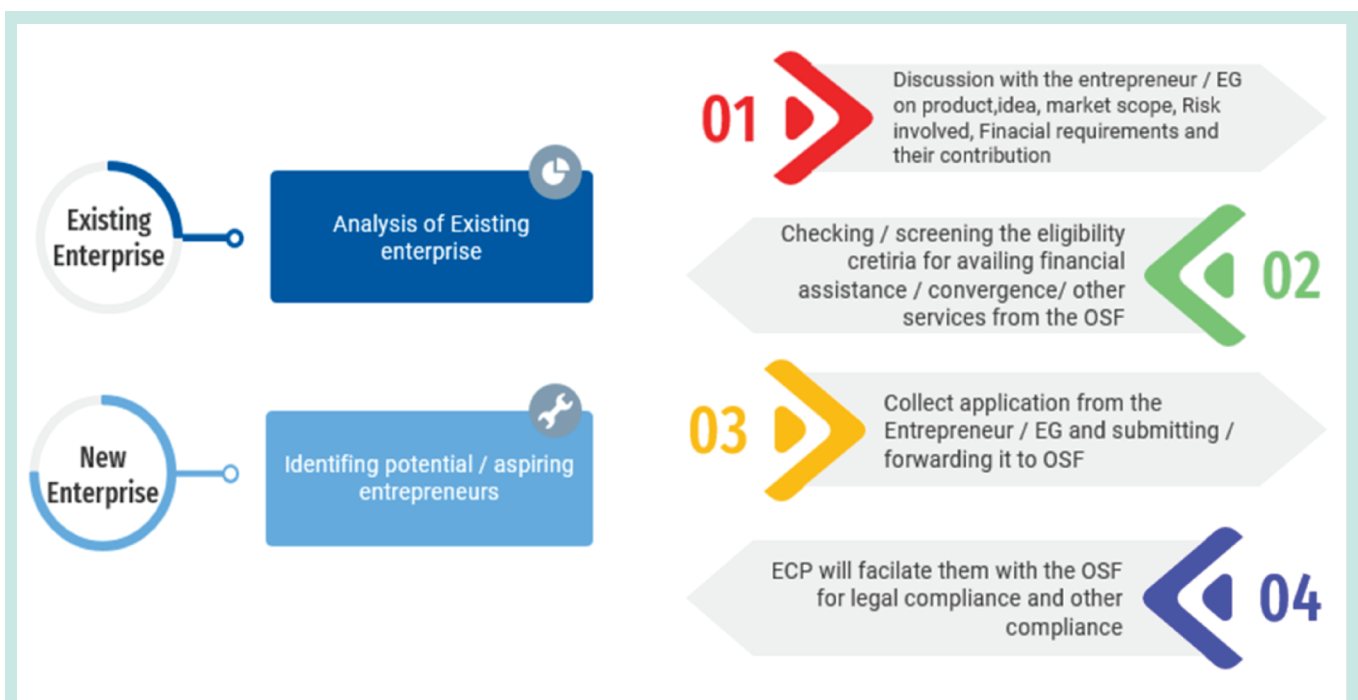
## Role of the ECPs in

### 4.1 (i) a) Individual Enterprise Development

- Assist in identification of individual enterprises.
- Disseminate information on project activities to the primary stakeholders.
- Providing services to enterprises to access business development support services with all stake holders (WLSC, banks, projects, govt. depts., etc.).
- Collection and scrutiny of applications from entrepreneurs.
- Facilitation support for business plan preparation.
- Training and capacity building.
- Facilitating social and environmental appraisal.
- Following up and ensuring loan repayments to PLF/VPRC.
- Facilitating the entrepreneurs to get registration and the required certificates for the enterprise.

### 4.1 (i) b) Support to existing and new enterprises

ECP's main role in the individual enterprise development is to provide support to existing and new enterprises at the village level. ECP shall adopt the following sequence of steps for enterprise promotion.



#### **4.1 (I) c) Collection and submission of application from potential entrepreneurs to WLSC**

After the focus group discussion (FGD), the existing and potential entrepreneurs who are willing to participate in the project should be contacted by the ECP to collect applications from them. Once the applications are collected, they need to be placed in the respective SHG and subsequently in the PLF to check the loan track record of the applicant with the SHG and PLF loan records. Upon verification of loan records, the eligible applications need to be submitted to the WLSC.

#### **4.1 (i) d)Scrutiny, approval and disbursement of loan by WLSC**

After receiving applications from PLF through the BPMU, the WLSC will scrutinize the applications and facilitate counselling of the entrepreneurs, help them in the preparation of business plan and conduct the risk assessment. The Block Task Force (BTF) committee will select the beneficiaries for granting loan with matching grant. In this stage, the ECP will extend support in business plan preparation by way of collecting relevant information from the entrepreneurs and linking them with the WLSC.

#### **4.1 (i) e)Facilitating role in accessing finance and other business support services**

After the final selection by the WLSC, the ECP through the WLSC will support the entrepreneur in setting up of the enterprise and initiate her business activities. After the initiation of business activities, the nano, micro and small enterprises will undergo specialized trainings in entrepreneur motivation, entrepreneurship, risk-taking, basic book-keeping, procurement, inventory management and pricing mechanism developed by specialized institutes. Throughout the process, the ECP will play a facilitating role between the entrepreneurs and the project staff/WLSC. They will help the entrepreneurs in getting linked to various stakeholders of the project such as financial institutions and relevant government departments. The ECP will also be regularly visiting the entrepreneurs (fortnightly) and reporting the progress to the WLSC.

#### **4.1 (i) f)Assisting enterprises to access business development support services**

The ECP will provide continuous assistance to enterprises to access business development services and facilitate the entrepreneurs to get appropriate services from the WLSC, banks, insurance companies, and convergences with government



schemes and other institutional linkages. In addition, the ECP can help entrepreneurs by following up with legal compliances to obtain necessary licenses, permits and business certifications through WLSC. ECP needs to be in constant touch with the WLSC to facilitate project benefits and contact the related line departments to find suitable business development support programmes for the eligible beneficiaries in their panchayat and link them.

#### **4.1 (i) g)Assisting EGs to access project funds and bank linkages**

ECPs will facilitate the process of getting start-up funds for EGs from the project. The ECP will help prepare and submit the application for the EGs that are found eligible as per the EG project guidelines to the BPMU.

Once a detailed bankable business plan is prepared with the support of WLSC, the ECP will facilitate the process of preparation and submission of MGP application to the project and the bank.

#### **4.1 (i) h)Assisting enterprise groups to obtain and maintain relevant licenses to run their business**

ECP has to facilitate and support EG to obtain licenses and permits from the respective government departments and institutions depending upon the enterprise.

If the enterprise is involved in food production or anything related to food business, it needs to get registered under food safety compliance system.(The certificates and licenses required for enterprises is given in the Annexure.)

#### **ECPs' roles and responsibilities at the WLSC**

- They are the first point of contact for the entrepreneurs/EG members at the village.
- They disseminate information about the WLSC to community-based organizations and the panchayat office.
- They act as the bridge between the entrepreneur/EGs and the WLSC.
- They conduct basic screening and profiling of the entrepreneur/EG applications.
- They verify the documents of the entrepreneur/EGs.
- They facilitate the linkage of entrepreneurs/enterprises/EGs with WLSC for availing all types of business-related services.
- They monitor the activities of Project-supported enterprises/entrepreneurs.
- They link them with the WLSC for availing licenses, compliances, and all other registrations.

**MODULE 5****MATCHING GRANT PROGRAM****Learning objective**

By the end of this module, the participants will

- Understand the objectives of the MGP;
- Understand what loan products are provided by the MGP;
- Know the roles and responsibility of ECPs in MGP;
- Know the roles and responsibilities of WLSC professionals in MGP;
- Understand the fund flow of MGP.

**Duration**

180 minutes (3 hours)

**Material needed**

Laptop, projector, flipchart paper, markers, plenary room for group discussion and work.

**Method**

Input, presentation, video, group discussion and brain storming.

**Outcome of this session**

- The participants can understand the objective of the MGP, its structure and fund flow.
- They can also understand the roles and responsibilities of ECPs and WLSC in MGP.

**5.1 Matching grants program (MGP)**

MGP is an exclusive financial instrument that aims to address the issues of the demand–supply gap in lending to rural enterprises such as producer companies, first-time entrepreneurs, women-led businesses and other enterprises that are perceived as high-risk entities by the mainstream finance sector. An arrangement of 70:30 ratio is proposed under the matching grant. Up to 70% of the approved project value will be covered by the partnering financial institution and the remaining (up to 30%) will be covered by the MGP.

MGP is envisioned to promote rural enterprises through a robust financing mechanism that will also lead to improved loan repayment discipline among borrowers. The proposed capital subsidy will enhance the scope for sustainability of enterprises. It will also encourage mainstream financial institutions to proactively participate in extending timely credit support in the future.

It has a well-defined three-tier structure along with the support of community professionals at the grassroots level and the WLSC.

### **5.1 (i) Target beneficiaries and eligibility under MGP**

- First-time entrepreneurs
- Women-led businesses
- SHG women entrepreneurs
- Entrepreneurs from SHG member household
- Enterprises led by differently-abled persons
- Enterprise groups
- Producer collectives.

### **5.1 (ii) Eligibility**

- The applicant should be 21–60 years of age.
- The applicant should be a resident of the project implementing area, with proper KYC documents (ID proof and address proof).
- In the case of SHG members, the applicant/s should have completed one cycle of loan with full repayment.
- If the applicant is from an SHG member households, preference will be given to the applicant/s who have attended any relevant training or have relevant business experience.
- The applicant should not be a defaulter of any financial institution.
- The enterprise group/producer collective should comply with the norms of the VKP.
- The entrepreneur/applicant who is drawing the benefits concurrently under any of the subsidy-linked loan programmed may be considered on a case-to-case basis.

- The entrepreneurs should be from a project implementing area that primarily is a rural area.
- The entrepreneur/group/collective should be willing to start or expand an enterprise.

### 5.1 (iii) Loan product details of MGP

- **Categories of loans**

- o Individual loans
- o Group loans for enterprise groups and producer collectives

- **Loan facilities**

- o Term loan only
- o Composite loan (term loan + working capital limit)
- o Working capital in the form of loan

- **Type of Loan**

- o Nano
- o Micro
- o Small

Parameters	Nano	Micro	Small
<b>Loan size</b>	▪ Up to INR 5 lakhs	▪ Above INR 5 lakhs to INR 15 lakhs	▪ Above INR 15 lakhs
<b>Margin money</b>	▪ General category 10% ▪ Special category 5%	▪ General category 10% ▪ Special category 5%	▪ General category 10% ▪ Special category 5% ▪ For loans of above INR 50 lakhs: individual applicants 15% ; GE and PCs 25%
<b>Matching Grant</b>	▪ 30% of the project cost	▪ 30% of the project cost	▪ 30% of the project cost
<b>Rate of interest</b>	▪ As per bank's norms	▪ As per bank's norms	▪ As per bank's norms

Parameters	Nano	Micro	Small
<b>Repayment term</b>	▪ As per bank's norms	▪ As per bank's norms	▪ As per bank's norms
<b>Holiday period</b>	▪ In accordance with bank/RBI norms	▪ In accordance with bank/RBI norms	▪ In accordance with bank/RBI norms
<b>Security</b>	<ul style="list-style-type: none"> <li>▪ Hypothecation of assets created out of loan</li> <li>▪ No additional security</li> </ul>	<ul style="list-style-type: none"> <li>▪ Hypothecation of assets created out of loan</li> <li>▪ No additional security</li> </ul>	<ul style="list-style-type: none"> <li>▪ Hypothecation of assets created out of loan</li> <li>▪ No additional security</li> </ul>
<b>Other charges</b>	▪ As per bank's norms	▪ As per bank's norms	▪ As per bank's norms
<b>Insurance</b>	▪ Insurance for the borrower, her/his spouse and for the assets created out of the loan	▪ Insurance for the borrower, her/his spouse and for the assets created out of the loan	▪ Insurance for the borrower, her/his spouse and for the assets created out of the loan
<b>Credit guarantee cover fee</b>	<ul style="list-style-type: none"> <li>▪ Guarantee fee will be borne by the borrower.</li> <li>▪ If the borrower opts for the hybrid** option, bank can offer the hybrid option.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Guarantee fee will be borne by the borrower.</li> <li>▪ If the borrower opts for the hybrid** option, bank can offer the hybrid option.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Guarantee fee will be borne by the borrower.</li> <li>▪ If the borrower opts for the hybrid** option, bank can offer the hybrid option.</li> </ul>

## 5.1 (iv) Capital and its source

### Capital

- Amount invested in a business.

### Sources

- Equity capital: Amount invested by the owners and investors.
- Borrowed capital: Amount lent by banks and financial institutions.
- Grant capital: Amount given by govt. or development agencies as subsidy.

## Fixed capital and working capital

### Fixed capital

- This is the capital amount used to buy assets that will be used for many years, usually beyond one operating cycle: for example, purchase of machinery for a business or equipment to provide a service.

### Working capital

- This is the capital amount used to purchase raw material, to pay for labor and other recurring expenses. It is the total sum required to have adequate raw materials, stock in process, finished goods, goods sold on credit (receivables) and all other working expenses: for example, purchase of raw materials, credit sales outstanding and amounts yet to be collected.

## Cost and means of the project

- The cost of the project includes both fixed capital and working capital and pre-operative expenses (amount required for establishing a business).
- Means of the project indicate the sources of the funding: e.g., own source (margin), borrowing (loans from banks/financial institutions), grants (margin money) from the government or special projects.
- The cost of the project and means of the project should be equal and should tally.

## 5.1 (v) Margin

Out of the total project cost of the business, the promoters/entrepreneurs have to put in a certain percentage of their own money to have a stake in the business and this is called margin money. This is to ensure that they take extra care to profitably run the

business. It ranges from 5% to 25% of the project cost depending upon the schemes and type of borrower.

### ***Credit guarantee***

This is the credit guarantee given by the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to banks, which will encourage them to lend to these sectors without taking the additional security by way of collaterals such as a mortgage or third-party guarantee.

### ***Holiday period***

- When the projects financed by banks have a long gestation period (income generation starts after a long period), banks give a holiday period during which borrowers need not repay either the principal or interest, or both, as the case may be. The holiday period can be from 1 month to 2 years.

### ***Collateral***

- This is the additional security given to the bank for securing the repayment of the bank loan by the borrower. This collateral may be a property – land or building –as additional security. This is in addition to the primary security (the assets purchased out of loan availed) e.g., in case of a loan for the purchase of a vehicle, the vehicle is the primary security.
- For agricultural loans, no collateral is needed up to Rs.1.60 lakhs loan.
- For micro and small enterprises, no collateral is required up to Rs.10 lakhs loan.

### ***Interest: Flat rate/interest on reducing balance***

- Interest is the amount paid to a bank or financial institution for the borrowed money. This is payable on the outstanding loan amount or on the full loan amount availed.
- Flat rate: Interest is charged on the full loan amount.
- Interest on reducing balance: Interest is charged on the reducing balance.
- The difference in working for the flat rate and interest on reducing balance.

### 5.1(vi) Risk assessment

Banks assess different risks before taking a decision to finance a unit. Bankers focus on the key risks:

**Risk:** Possibility of an undesirable outcome affecting the business.

**Risk management:** Managing the risk by reducing, transferring or controlling the risk, such as

- Credit risk
- Operational risk
- Business risk
- Implementation risk
- Financial risk
- Environmental risk.

Sourcing of application and risk assessment should not be done by the same person. Hence, risk assessment will be done by the person one level above the person collecting/sourcing the application.

**WLSC professionals should make a field visit (place of business/residence of the applicant) for risk assessment for providing MGP.**

#### 5.1 (vi) a Credit risk

This is the possibility of the entrepreneurs failing to repay (may be willful default or for reasons beyond their control).

#### Implementation risk

This is the possibility of any loss due to the aspects such as getting approval from the local body or other regulatory authority, e.g., in case of construction of a factory/work shed, building plan approval.

• The business will commence on time as per the plan (is there any risk for time-lapse due to construction or approval from the govt.)	Yes/No
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### 5.1 (vi) b Financial risk

Possibility of any loss due to the poor liquidity, i.e., not able to meet the current payment obligations with the current cash inflow.

• The entrepreneur can maintain the profit margin assumed	Yes/No
• The payment terms of the clients (credit for 15/30/60 days) are manageable to the entrepreneur	Yes/No

### 5.1 (vi) c Environmental risk

- The selected activity is not on the negative list Yes/No
  - o If the response for the above risk factors is 'Yes', no risk is perceived and WLSC professionals will recommend such cases to the TFC.
  - o If for any risk factors the response is 'No', WLSC professionals will discuss further with the entrepreneur about the risk mitigation and then recommend to the TFC with that risk mitigation plan.

### 5.1 (vi) 1. Risk assessment by WLSC ( questionnaire)

The WLSC professionals will make a field visit to the entrepreneur's place of residence and the proposed place of business to carry out a risk assessment during the business plan preparation stage.

WLSC will look into the important risk dimensions such as credit risk, operational risk, business risk, implementation risk, financial risk and environmental risk as given below.

#### Risk assessment for the entrepreneur/enterprise

<b>Credit risk</b>	
• Whether entrepreneur lives permanently in the address given in the KYC documents	Yes/No
• Any negative references about the entrepreneur during an oral enquiry	Yes/No
• Any previous record of overdue payment of the loans of the entrepreneur	Yes/No

<p><b>Operational risk</b></p> <ul style="list-style-type: none"> <li>Any major risks of systems failure (e.g., IT servers kept in high-risk areas like flood-prone or earthquake-prone areas) in the proposed business</li> <li>Any major risks for human failure (e.g., chances for monitoring lapse due to remote or decentralized operations)resulting in frauds</li> </ul>	<p>Yes/No</p> <p>Yes/No</p>
<p><b>Business risk</b></p> <ul style="list-style-type: none"> <li>Whether the entrepreneur has adequate experience in the line of activity selected</li> <li>Whether the selected activity has enough scope or market</li> <li>Whether the entrepreneur has a plan to manage competition in the industry/sector</li> </ul>	<p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p>
<p><b>Implementation risk</b></p> <ul style="list-style-type: none"> <li>Whether the business will be commenced on time as per the plan (Is there any risk for time-lapse due to construction or approval from the govt.?)</li> </ul>	<p>Yes/No</p>
<p><b>Financial risk</b></p> <ul style="list-style-type: none"> <li>Whether the entrepreneur can maintain the profit margin assumed</li> <li>Whether the entrepreneur can manage the payment terms of the clients (credit for 15/30/60 days)</li> </ul>	<p>Yes/No</p> <p>Yes/No</p>
<p><b>Environment risk</b></p> <ul style="list-style-type: none"> <li>Whether the selected activity is in the negative list</li> </ul>	<p>Yes/No</p>
<p>i. I have reviewed all the risk factors and find 'No major risk' in the proposal.</p> <p>ii. I find the following risk as a significant risk and the entrepreneur has the following plan to manage that risk.</p> <p>Date:</p> <p>Name of the WLSC professional</p> <p>Signature of WLSC professional</p>	



## 5.2 Fund flow diagram of MGP

### MGP Credit Sanction Diagram

Category of Loan: NANO (UP TO INR 5 LAKHS)



\*OSF is prime responsible for screening and profiling of Group Enterprises (GEs) and Producer Collectives (PCs); CP can assist in the process under OSF's guidance.

\* steps 5, 6 and 7 are completed within the 14 days that taken by the PFI to review and sanction the loan application



## 5.3 Sourcing, screening and profiling by the ECP in MGP

ECPs will be facilitating the process of sourcing, screening and profiling potential entrepreneurs. However, the WLSC professional should take the prime responsibility of screening and profiling enterprise groups (EGs) and producer collectives (PCs). The ECPs (PCs) will provide complete assistance to the WLSC in the process and can facilitate it under the guidance of WLSC.

### 5.3 (i) Sourcing of potential entrepreneurs

- ECPs will source potential entrepreneurs for MGP from the participatory growth plan (PGP) for that particular project village. ECPs will shortlist potential entrepreneurs based on the activity to be promoted in that area from the list prepared by the PGP.<sup>1</sup>
- Preference will be given by the ECP for those activities/enterprises that are
  - selected after value chain analysis or
  - related to the prioritized commodities approved by the State Project Management Unit (SPMU).

<sup>1</sup> During the preparation of the PGP at village level, the project would have prepared a list of entrepreneurs and potential entrepreneurs.

- ECPs will obtain credit records and enquire about behavioural competencies of potential entrepreneurs from SHGs and PLF.<sup>2</sup>
- Entrepreneurs who fulfil the following set of criteria related to credit track record will get preference during the sourcing of entrepreneurs:
  - Those who have repaid their loans from formal financial institutions on time;
  - Those who have already availed a loan for an enterprise;
  - Those who have taken a loan more than once from SHGs/SHG federations/ community-level institutions and above and repaid that loan in full.
- ECPs shall enquire about fellow SHG members, PLF members and the local community to assess the prospective entrepreneurs.
- If the enquiry results in any negative observations on the above competencies of the prospective entrepreneurs, such entrepreneurs will not be shortlisted.

<sup>2</sup> Panchayat Level Federation

### 5.3 (ii) Screening

ECPs will make use of the screening-scoring sheet. In the case of group enterprises and producer collectives, the WLSC professional will conduct the screening. The screening process will include the following:

- **Entry-level criteria**

Checking the entry-level criteria prescribed for individuals, enterprise groups, and producer collectives category

- Assessing feasibility of place of business
- ECPs visit to entrepreneur's residence and/or proposed place of business to check the availability of the adequate space for the proposed activity and to confirm the residence of the entrepreneur.
- If the space is rented, they shall check whether the 'No Objection Certificate' from the landlord (as per the format given in the annexure: ii) is available

- **Know your customer (KYC)**

Check the original KYC documents of the entrepreneur for ID proof and address proof. Self-attested copies of any one of the following KYC documents can be taken as ID and address proof:

- **ID proof documents:**

- Aadhaar card
- Voter's ID card
- Driving license
- PAN card
- Passport

- **Address proof documents:**

- Telephone bill \*\*
- Electricity bill \*\*
- Property tax receipt \*\*
- Voter's ID card
- Aadhaar card
- Passport
- (\*\*Not older than 2 months)

- **Documents of incorporation**

In case of expansion of an existing business, check the availability of incorporation documents from the MCA (Ministry of Corporate Affairs) or MSME (Micro, Small and Medium Enterprises) Dept./approval from the local bodies (panchayat, panchayat union, municipal office or corporation).

### 5.3 (iii) Evaluating the three C's (character, capacity and capital)

#### 1. Character

- Reference check for the character with SHGs/PLF.
- Orally enquire with their business stakeholders, viz. partners, vendors or suppliers in the local area.
- Check for the number of credit linkages with formal financial institutions in the past.

- Check for any negative antecedents reported earlier or any past overdues in SHGs internal loans or previous bank linkage loans by checking the previous loan passbooks or digital records.
- Check for the number of credit linkages with formal financial institutions in the past.

## 2. Capacity

- Check whether the entrepreneur has the technical/business skills to run the proposed enterprise.
- Check whether any of the family members of the entrepreneur will support the entrepreneur in the proposed business activity.
- Check whether the entrepreneur has attended any skill up gradation programme for a minimum of 3 days on the selected activity in the recent past?
- Check whether the entrepreneur's household has the buffer to manage any cost escalations of the project in case of delayed execution (This can be assessed by the household's multiple sources of income or whether multiple members of the household are earning)

## 3. Capital

- Check whether the entrepreneur is ready to bring in the required margin money (10% for general category or 5% for special category; for loans above Rs.50 lakhs, 15% or 25% as the case may be).
- Check whether the proposed activity requires any specialized human capital, i.e., skilled persons for technical aspects, operations, marketing, accounting, finance, IT or compliance and its availability through hiring or outsourcing.
- Check whether the entrepreneur/enterprise has the assets as stated by them in the Assets and Liabilities Statement (as per the format prescribed in the Annexure iii) as on the date of screening. Also, check whether the assets stated in the Assets and Liabilities statement are more than the liabilities.

\*\*If an entrepreneur gets a score of more than 70%, CP will forward their profile to the WLSC for further processing.

### a) Profiling

ECPs will prepare the profile of the entrepreneur and WLSC professional will prepare the profile of group enterprises and producer collectives as per the format. The profile will give the basic information of the entrepreneur, her/his household and her/his enterprise.

Profiling will enable the ECP to understand the physical, financial and human resources of the household and the enterprise (if the entrepreneur has an existing business), besides the demographic information of the entrepreneur and incorporation details of the enterprise.

This profile will serve as a baseline during the evaluation of the outcomes. ECPs will forward the screening sheet and profile of the entrepreneur along with the self-attested copies of the KYC documents to the WLSC.

#### **5.4 Facilitation support by WLSC professionals in MGP**

WLSC will lend support to the entrepreneurs, proprietors of group enterprises and concerned officials/members of producer collectives in three aspects:

1. Counselling the entrepreneurs, group enterprises and producer collectives;
2. Preparing business plan and assessment of risk;
3. Filling the loan application.

##### **5.4 (i) Counselling entrepreneurs<sup>5</sup>**

- WLSCs who have completed the 'Training of Trainers' programme and certified to be a trainer will be able to counsel the entrepreneurs. The objective of the counselling is to make entrepreneurs aware of the terms and conditions of the MGP. This can be conducted in batches at the WLSC office.
- During the counselling, WLSC professionals shall brief the entrepreneurs on VKP and the objectives of the MGP.

##### **5.4 (ii) Business plan preparation and risk assessment**

###### **• 5.4 (ii) a. Business plan preparation<sup>6</sup>:**

- On receiving the screening report and profile of the entrepreneur from the ECPs, WLSC professionals will make a field visit to the entrepreneur's place of residence and business to verify whether the facts given in the documents submitted are correct.
- WLSC will refer to data available with the participatory growth plan document to validate the assumptions on the proposed business.
- WLSC professionals will have a discussion with the entrepreneur on the rationale of the assumptions of the proposed business and on risks perceived by the WLSC.

<sup>5</sup> In the guidelines/document; entrepreneur/s has been used repeatedly that define both individual applicants, applicants of group enterprises, as well as applicants of producer collectives

<sup>6</sup> As a maker-checker model, it is suggested that Business plan preparation is by WLSC professionals and the Business plan appraisal by EO-BPF and the Block Task Force at the block level.

- WLSC professionals will support the entrepreneur in preparing the business plan as per the format given.
- The WLSC professionals also will take the inputs from the concerned line departments such as Agriculture, Animal husbandry and Horticulture, etc. and other appropriate sources for vetting the technical assumptions given by the entrepreneur.

#### 5.4 (ii) b. Risk assessment<sup>7</sup>

- During the field visit to the entrepreneur's place of residence and the proposed place of business, WLSC professionals will carry out a risk assessment using the risk assessment format.
- WLSC will analyse important risk dimensions such as credit risk, operational risk, business risk, implementation risk, financial risk and environmental risk.
- WLSC professionals will guide and support the entrepreneur to get a credit bureau report for the entrepreneur and his/her spouse to check if there are any outstanding loans.

#### 5.4 (ii) c. Support for filling the loan application:

- WLSC professionals will aid the entrepreneurs in the preparation of the business plan and risk assessment.
- Once that is completed, WLSC professionals will also help the entrepreneur in filling the loan application as per the format. An acknowledgement of receipt of the application by WLSC will be given to the entrepreneur<sup>8</sup> duly signed by the WLSC personnel.
- Before forwarding the loan application to the task force at the block level, WLSC will check whether all the supporting documents, as mentioned in the checklist<sup>9</sup>, are enclosed with the loan application. WLSC will maintain a copy of the loan application.

<sup>7</sup> As a prudent banking practice, sourcing and risk assessment should be at different levels and hence, we have suggested in the credit guidelines as - the screening at ECP level and risk assessment at WLSC level.

<sup>8</sup> in the counterfoil available in the first page of the application

<sup>9</sup> Banks generally prescribe the "Checklist" in the loan application, so that the entrepreneurs are aware of the enclosures to be submitted along with the application. This is done to avoid the delay in processing at the branch level. The check list has been included in the loan application format suggested.



#### 5.4 (ii) d. Block-level task force (BTF)

The BTF<sup>10</sup> is primarily responsible for selecting candidates for loans under the MGP. The BTF will consist of the following members:

- District Executive Officer or Executive Officer– Business Plan Financing: Chairman
- Block team leader: Convenor
- WLSC
- Representative from the bank, NBFC or fintech.
- Representative from the respective line department/experts from technical agencies (Agriculture or Animal Husbandry or Horticulture or MSME or KVK or RSETI)
- Representative (member 'lending' institution, as a representative) from any of the industry association such as Sa-Dhan or MFIN or Digital Lenders' Association of India (DLAI) or Finance Industry Development Council (FIDC).

Task Force meeting will be presided over by the DEO or EO-BPF. The Block team leader will be the convenor of the BTF meeting. The minimum quorum for the BTF is three members.

Their responsibilities include the following:

- Business plan appraisal
  - In detail review the business plan appraisal report prepared by Executive Officer-Business Plan Financing (EO-BPF) or District Executive Officer (DEO). The business plan appraisal process is discussed below.
  - Verify the loan application documents and enclosures.
  - If the proposed economic activity is found under the negative activity list<sup>11</sup>, it will not be eligible for financial assistance (or any other support) under the MGP.

#### 5.4 (ii) e. Interview of entrepreneurs

- BTF will assess whether the entrepreneur has made rational assumptions for determining the costs of the project as per the prevailing market conditions.

<sup>10</sup> During our interactions with bankers, it was mentioned that they are not involved in Task Force meetings, which are mostly held at the district level. Hence, Block Level Task Force, suggested at the block level, will allow for branch manager's participation.

<sup>11</sup> A listing of negative activities (list is similar to IFC exclusion list), those are harmful to the environment.

- BTF will assess the entrepreneur's exposure and experience on the proposed business.

#### 5.4 (ii) f. Approval and recommendation of the applications under MGP

- Upon completion of the appraisal and subsequent entrepreneurs' interview, the BTF will recommend meritorious applicants for MGP support and further departmental process for the same.

<sup>10</sup> During our interactions with bankers, it was mentioned that they are not involved in Task Force meetings, which are mostly held at the district level. Hence, Block Level Task Force, suggested at the block level, will allow for branch manager's participation.

<sup>11</sup> A listing of negative activities (list is similar to IFC exclusion list), those are harmful to the environment.

#### 5.4 (ii) g. Sponsoring of loan application

To ensure timely delivery of loan to the entrepreneurs, the loan sanctioning and loan application sponsoring authority should be delegated to the responsible officials as described in the table below:

Authorised Official	Loan application sponsoring authority (INR)	Remarks
Block team leader	Up to Rs.5 lakhs	<p><b>Nano category loans</b></p> <ul style="list-style-type: none"> <li>- BTL will sponsor the loan applications of up to Rs.5 lakhs to filing digital form, loan applications along with sponsorship letter (Annexure: xiv) will be shared with DPMU and SPMU for sanction of MGP fund</li> </ul>

District executive officer at DPMU	Rs. 5 lakhs to Rs. 15 lakhs	<p><b>Micro category loans</b></p> <ul style="list-style-type: none"> <li>• The EO -BPF will process the loan applications received in digital form (with due verification against the guideline).</li> <li>• DEO will approve the applications of above Rs. 5 lakhs - up to Rs. 15 lakhs for MGP support, factoring in EO-BPF's recommendation on same</li> <li>• DEO will sponsor (online) the loan applications to the concerned PFI and intimate the same to the BPMU and SPMU.</li> </ul>
Deputy chief operating officer (Dy.COO)– Business Plan Financing at SPMU	Above Rs. 15 lakhs	<p><b><u>Small Category Loans</u></b></p> <ul style="list-style-type: none"> <li>• DPMU will sponsor loan applications (online) of above Rs. 15 lakhs to PFI with due prior approval from SPMU.</li> </ul>

**Note:**

- The physical form (hard copy) of the BTF-approved loan applications will be kept at the BPMU and the same will be uploaded and shared in digital form across the concerned management units.
- DPMU has the prime responsibility of sponsoring approved loan applications to the PFI with due process and prior approvals as prescribed in guideline.
- Prior to the release of matching grant fund by SPMU with the due approval of the CEO, the concerned officials at DPMU and SPMU will review and ensure that due processes are followed and the eligibility of applicants are assessed with complete documentation.

PFI's have to sanction the loan within a timeframe of 2/3 /6 weeks from the date of receipt of the loan applications for the nano/micro/small category of loans, respectively. For more details, refer to the Section on Partner Financial Institutions.

### **5.5 Sanction and release of matching grant by SPMU**

- Once the matching grant claim proposal is received from the PFI, DPMU will verify the matching grant calculation and process the same at SPMU for approval and release of the claimed grant support amount to the concerned PFI.
- Verification at SPMU
  - Dy.COO–Business Plan Financing (BPF) at SPMU will scrutinize the matching grant proposal and prepare a note in consultation with TM for the Matching Grant Sanction Panel.
  - The Dy.COO-BPF will put up a note to the Matching Grant Sanction Panel for its approval. The panel consists of the finance specialist (FS), Dy.COO-BPF, ACOO-BPF, COO and CEO.

The FS will release the sanctioned matching grant (subject to approval of the MG Sanction Panel) with due payment approval process (by CEO) directly to the PFI (through online transfer) and inform transaction manager, Dy.COO-BPF and the concerned DPMU and BPMU. Note: The process checks at DPMU and SPMU will be carried out in parallel while the branch is processing the loan for sanction. Process checks should be completed before the final release of the matching grant from the finance department.

**5.6 Review of matching grant programme:** The review of MGP will be held at various levels every month, i.e., SPMU, DPMU, BPMU and WLSC.

During these monthly reviews, information such as the

- no. of applications submitted to the banks,
- no. of applications sanctioned,
- no. of applications rejected,
- no. of applications pending,
- no. of applications disbursed,
- no. of applications for which matching grant was sanctioned,
- no. of cases of asset creation completed after disbursement
- no. of cases for which matching grant was returned, and so on, will be reviewed. This information will be made available as dash boards in the portal and officials at various level can access the portal on the 'need to know basis'.

**MODULE 6****BUSINESS PLAN PREPARATION****Learning objective**

By the end of this module, the participants will

- Be able to explain the value of having a business plan
- Understand what a business plan is
- Understand why a business plan is important for a business
- Understand how to develop a simple business plan for an enterprise.

**Duration**

180 minutes (3 hours)

**Material needed**

Laptop, projector, flipchart, paper, markers, plenary room for group discussion and work.

**Method**

Input, presentation, video, group discussion and brain storming.

**Outcome of this session**

- The participants will learn about the business plan, its importance, analysis, contents, etc.
- They will be able to develop a simple business plan for an enterprise.

**6.1 Business plan preparation****Introduction**

Every one of us has inherent talents, skills and ability. Some of us are able to build on our existing abilities, learn and develop ourselves as successful persons. For example, a sports person with his dedicated work can emerge as a successful sports person, and similarly a musician, artist, etc., with continued practice can develop as successful persons and become role models to others.

Anyone of us can engage in an enterprise activity. It is to be understood that age, education, physical ability, caste, etc., are not important for becoming an entrepreneur, but having an aspiration, dedicated intention, clear planning, willingness and ability to learn are crucial.

It will be important for us to understand the difference between livelihood and enterprise. We all do some kind of work in our daily life. This work may be a household work or looking after pet animals, doing farming, etc. When these activities become a source to provide you an additional income, then we call them as livelihood activities and when the same activity is taken up in planned way through which you earn profit, it is then called an enterprise or business. A person who is pursuing a business activity is called an entrepreneur and the activity is referred to as an enterprise. For any enterprise to become viable and sustainable, an appropriate ecosystem is very crucial and important.

### **6.1 (i) What is a business plan?**

A business plan is a planning document for an existing business or a new business to identify, describe, analyse and examine its technical, economic and financial feasibility. The plan also guides all the procedures and strategies necessary in order to convert the business opportunity into an actual business project.

It is an indispensable tool in order to start up a business project, independently of the size of the project and/or of the amount of business experience of the entrepreneur. It provides an answer to simple questions about a new business or an existing business.

### **6.1 (ii) What is the purpose of a business plan?**

The purpose of a business plan is to identify, describe and analyse a business opportunity and/or a business and to examine its technical, economic and financial feasibility. Furthermore, the business plan serves the purpose of introducing the business to other stakeholders such as banks, investors, institutions, public bodies or any other agent involved, when it comes to seeking cooperation or financial support of any kind.

Generally, a business plan has a dual function:

Management Tool	Planning Tool
<ul style="list-style-type: none"> <li>• Provides economic / financial projections.</li> <li>• Enhances the monitoring and control of the business by following up the results obtained and analysing management indicators.</li> <li>• Introduces an analysis of the supply and demand.</li> <li>• Reflects the commercial strategy and the marketing policy. Identifies the guidelines for the management of human resources.</li> <li>• Analyses the key factors of success and the risks of a business.</li> </ul>	<ul style="list-style-type: none"> <li>• With results-oriented actions.</li> <li>• Strict fulfilment of its economic commitments.</li> <li>• Orients decision-making processes.</li> <li>• Provides qualitative and quantitative information.</li> <li>• Planning conforms to a homogeneous pattern.</li> </ul>

### 6.1 (iii) Importance of preparing a business plan

- It provides the analysis of the business
- It provides the feasibility of the business
- It leads to a strategic reflection on the business
- It helps plan and manage the business

### 6.1 (iv) Contents of a business plan

Broadly, in any business plan the following key elements will be present as part of the planning exercise.



### 6.1 (iv) a. Analysis of the present situation

It contains details on sector, current situation, future outlook, competitor, weakness, threats, strength, opportunities and target market details. The entrepreneur has to have details of the above and plan for his/her future business.

### b. Business plan objective

These elements will assist in detailing the reasons for investing in this business, goods and service the entrepreneur is going to offer, strategy he is going to follow in order to maintain a competitive advantage over time as well as specialization, differentiation or competition in costs, perspective and evolution of his business.

### c. Strategic Plan

The strategic plan describes the mission of the company, short-term and long-term objective(s), marketing policy and strategy such as price, location, product and promotion.

### d. Financial plan

- The purpose is to analyse the profitability and economic feasibility of the project.
- This analysis is the quantification of the strategy defined by the entrepreneur and will enable him or her to analyse the economic impact of the decision making.
- A full analysis includes a projection for the time horizon considered in the business plan:
  - ✓ Income and expenditure projections
  - ✓ Investment budget and depreciation schedule
  - ✓ Profit and loss account
  - ✓ Borrowing requirements
  - ✓ Balance sheet
  - ✓ Cash flow
  - ✓ Net present value

## 6.2 Process of preparing a business plan

Preparation of the business plan is one of the most crucial and important aspects that form the foundation for an effective and sustainable enterprise/business. There are various models and procedures through which a business plan can be developed.



At the WLSC, the business plan will be prepared along with the beneficiaries by the enterprise finance officer (EFO) and the enterprise development officer (EDO) assisted by the TSAs and experts (EDO). The basic elements that in a business plan include the following:

**1. Fixed assets:** It is the cost of capital assets needed for the businesses, such as plant and machinery, equipment, furniture, and so on.

**2. Working capital:** This is the amount required for running the business for an operating cycle. This includes the cost of

- a. Raw materials
- b. Semi-finished goods
- c. Finished goods
- d. Receivables outstanding.

**Note:** In general, the total working cost will be arrived at based on one of two methods for calculating the working capital required.

- ✓ Total working capital needs =  $(a+b+c+d)$  or
- ✓ 25% of the projected annual sales turnover.

Banks will offer loan facilities either as a term loan or a composite loan (term loan + working capital). The working capital part, which is capitalized along with the term loan only, will be counted for calculating the total project cost. Some of the often-used terminologies are as follows:

- **Pre-operative expenses**

These are the expenses incurred before commencement of the business, such as advance deposits, EB connection, etc.

- **Means of the project**

The means of the project specifies the sources through which the total cost of the project will be met.

- **Margin money**

This is the portion of the project cost entrepreneurs bring in (i.e., entrepreneur's own

- **Bank loan**

The total cost of the project minus margin money will be the bank loan. It can be offered by the PFI as a single composite loan or in two parts as term loan and working capital loan.

- **Matching grant**

The matching grant will be 30% of the total cost of the project subject to a maximum of Rs.40 Lakhs.

### **6.3 Validation of the business plan**

All the business plans prepared for both individual and group enterprises by the WLSC team will be validated by the BTF for its technical, commercial and financial (TCF) viability to ensure that the business plans are viable and as bankable proposals for credit linkages as follows:

#### **1. Technical feasibility:** Under technical feasibility, BTF will ascertain

- ✓ Whether the plant and machinery are available.
- ✓ Whether the technology for the business is available at an affordable cost.
- ✓ Whether the after-sales support for the technology is available.
- ✓ Whether the space, raw materials and labour are available in the place of business.

#### **2. Commercial feasibility:** To ascertain the commercial feasibility of the business proposition, the BTF will analyse the following:

- ✓ The demand in the local market and existing supply for the product or service selected by the entrepreneur.
- ✓ Unique selling proposition of the entrepreneur, if any.
- ✓ Physical and digital connectivity of the proposed place of business.
- ✓ The entrepreneur's strategy of deciding retail/wholesale business or retail shop/online business model.

#### **3. Financial viability:**

- ✓ This involves reviewing the projected income and expense statements and projected balance sheets of the enterprise, which will assess the repayment capacity of the entrepreneur or the borrowing entity.

- **For loans up to Rs5 lakhs:** The repayment capacity will be assessed in terms of the net disposable income of the household including the enterprise income. The maximum repayment capacity can be considered as 50% of the net disposable income of the household including the projected income from the enterprise.
- **For loans above Rs.5 lakhs and up to Rs.15 lakhs:** The net profit projected in the income and expenses statement along with balance sheet will be used for assessing the repayment capacity.
- **For loans above Rs.15 lakhs:** The projections should be certified by a chartered accountant.

#### 6.4 Activity

The trainer asks the participants to develop a simple business plan based on the below template:

#### Business plan format

##### Category of loan: nano (up to Rs. 5 lakhs)

Enterprise and entrepreneur profile	
<b>1. Profile of the entrepreneur</b>	
Name	
Spouse's name	
Age	
Education	
Aadhaar card no.	
Address	
Phone no.	
Mobile no.	
Email ID	
Number of years of experience in business	
Trainings attended (no. and hours)	
Spouse's occupation	
If special category	SC/ST/differently abled/widow/separated woman

<b>2. Enterprise profile</b>	
Name of the enterprise	
Legal form of enterprise	
Registration no.	
Registration date	
Registered with whom	
GST no. (if available)	
<b>3. Enterprise nature</b>	
Type of enterprise	Production and manufacturing/ service/trading
Product to be produced: Service to be offered:	
Present demand	
Current supply	
Current issues in the supply and how the entrepreneur will address this in her/his venture? What is the USP to overcome competition?	

<b>Technical feasibility</b>	
<b>1. Location/infrastructure:</b> (land, building, power/water/access/ approval from local panchayat or the Pollution Control Board):	
<b>2. Materials needed:</b> Quantity/cost/availability/delivery time a. Raw materials : b. Equipment : c. Technology : d. Cost of capital assets: e. Cost of working capital for one operating cycle (raw materials, semi-finished goods, finished goods, receivables outstanding):	
<b>3. Skills requirements:</b> Availability of skilled labor – Yes/No If not available: whether people can be trained? If so, training period and training facility?	

<b>4. Production process:</b>	
a. Production plan/cycle (operating cycle may be 1 day/week/month or 1year as per the activity selected):	

<b>COMMERCIALFEASIBILITY:</b>	
1. Marketing strategy :	
a. Direct to customers :	
b. Bulk to institutions :	
c. Through retailers/wholesalers:	
d. Online:	
2. Pricing and discounts strategy (in practice)	
3. Market promotion strategies:	
4. Physical and digital connectivity:	
5. Risks and risk mitigation planned:	

<b>ENVIRONMENT ASSESSMENT:</b> Category of the enterprise proposed: Green/Orange/Red				
Environmental issue identified	Environmental guidelines or mitigation measures integrated (Please select)	Greening measures identified	Support needed	
		(for green, orange and red categories)	Implement the mitigation measures	Implement the greening measures
Exploitation of local resources (water and energy)	<ul style="list-style-type: none"> <li>•Water</li> <li>•Fuel</li> <li>•Wood</li> <li>•Electricity</li> <li>•Any other specify</li> </ul>			
Waste generation and disposal	<ul style="list-style-type: none"> <li>•Dust/air pollutants</li> <li>•Disposal of waste water</li> <li>•Seed coats</li> <li>•Peels</li> <li>•Feather/skin and other disposal</li> <li>•Any other specify</li> </ul>			

Worker and community safety	<ul style="list-style-type: none"> <li>• Safety measures/gadgets</li> <li>• Chemical usage &amp; handling</li> <li>• Infected raw materials</li> <li>• Presence of stale items</li> <li>• Any other specify</li> </ul>			
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Whether the activity proposed is in the negative list:

<b>FINANCIAL VIABILITY</b>	
<b>1. Cost of the project and means of the project:</b>	
a. Cost of the Project:	
i. Fixed capital	
ii. Working capital	
iii. Pre-operative expenses	
Total cost of the project ( i + ii + iii )	
b. Means of the project:	
i. Loan from financial institution/bank (95% or 90%):	
i. Margin money -Borrower's contribution (5% or 10%):	
Total means of the project ( i + ii )	
c. Matching grant from the project**	
The entrepreneur has the sufficient means to bring in the margin money and has enough buffer to manage any cost escalations	Yes/No

\*\* Matching grant is @30% of the total cost of the project. As the matching grant will be kept in a "Subsidy Reserve Fund" account of the bank as a back-ended grant, it is not shown under the means of the project.

<b>INCOME AND EXPENSES OF THE ENTERPRISE:</b>	
<b>Metrics</b>	<b>Amount in INR</b>
a. Sales	
b. Cost of Production: - Cost of raw materials + - Direct wages + - Cost of utilities like water, power, consumables+ repairs	
c. Gross profit (a – b)	
d. Admin and selling expenses	
e. Operating profit before depreciation, interest, tax and amortization (c – d)	
f. Depreciation	
g. Interest on loan	
h. Taxes	
i. Profit after Tax [e – (f+g+h)]	

Cash surplus from the enterprise: Profit after tax + Depreciation – withdrawal.

• Total income of the household members by way of wages, salary, rent and others:	
• Total household expenses:	
• Net surplus of the household from other income (3 – 4)	

**MODULE 7****PARTNERSHIP AND CONVERGENCE****Learning objective**

By the end of this module, the participants will understand what convergence and partnerships are, why partnership is important, types of partnership, and the schemes available for individual and group enterprise.

**Duration**

60 minutes

**Material needed**

Laptop, projector, flipchart, paper, markers, plenary room for group discussion and work.

**Method**

Input, presentation, video, group discussion and brain storming.

**Outcome of this session**

- The participant will come to know the importance of convergence and partnership.
- The participants will get to know the available schemes for entrepreneur and enterprise.
- They can also understand how to avail these services.

**7.1 Partnership and convergence in WLSC**

Convergence is the coming together of two different entities. One of the major strategies of any programme is to establish convergence with various departments and programmes to bring in a holistic impact by an establishing an effective convergence arrangement with other programmes. These initiatives will not only provide comprehensive services but will also complement other development programmes.

Convergence and partnership is the most crucial activity to optimally assist the project interventions. The coordination and collaboration with relevant programmes, schemes and service-providing organization will help the enterprises to become more viable and sustain by helping them meet their present and developing needs.



## 7.2 Why convergence and partnership is important

Given that there are different organizations working with the same community to bring about change across multiple dimensions, it is imperative to have a structure that works for everyone. Through convergences and partnership, mutual assistance and benefits can be facilitated to both the provider and the receiver, which will result in optimal usage of resources and help the enterprise to become more profitable, viable and sustainable.

Further, it is imperative that WLSC as a single-window service delivery system is established to provide ecosystem support to entrepreneurs and enterprises for effective convergence and partnership with various departments, service providers, stakeholders, etc. The project will strive to put in place all the possible line departments, resource organizations/agencies, service providers, etc. for delivering services to rural entrepreneurs and group enterprises through the following strategies:

## 7.3 Rationale for convergences and partnership

The rationale for establishing convergence and partnership is to create an 'enabling environment' for enterprises. In a market-driven, community-led participative growth strategy, it is imperative that these enterprises facilitated by the project envisage to benefit by participating in the existing economic ecosystem by creating various types of partnerships with the government departments, NGOs, institutions and public and private sector players in the market.

## 7.4 Strategies for convergence and partnership

The project will take up the following strategies for converging and partnering to bring support services to entrepreneurs and WLSC for delivering business support services.



The Project will disseminate and orient all the line departments on the WLSC. The needs and requirements identified during the PGP exercise will be consolidated and segregated department-wise for converging with their schemes and programme support. Further, the progress and collaboration of dovetailing support from the concerned line departments will be informed during the monthly convergence meeting and followed for possible fast-tracking. Wherever required, the State will enter into MoUs with the concerned line department for their thematic collaborative support to the enterprises and WLSC.

The project will identify potential resource organizations, research institutions, technical agencies, etc. and will collaborate with them through consultative discussions for possible thematic assistance and support such as knowledge transfer, technical inputs/transfer, package of practices, branding, marketing, logistics, etc.

Based on the project requirement, partnership MoUs will be initiated to deliver enterprise development support services through WLSC to the enterprises.

### Government schemes available for enterprise promotion

Department of Project Implementation	Name of the project	Age and qualifications	Project benefits	Documents required	Office to contact and application procedure
<b>Khadi and Village Industries Commission</b>	<b>Prime Minister's Employment Generation Programme (PMEGP)</b> Enhancing self-employment by establishing small businesses in non-agricultural sectors.	Age 18–60; At least VIII standard pass for projects costing above Rs.10 lakh in the manufacturing sector and above Rs. 5 lakhs in the business/service sector.	A maximum of Rs. 25 lakh for manufacturing industries and up to Rs. 10 lakh for business and service industries. The scheme is a combination of subsidy and bank loan. 25% subsidy will be given to those belonging to the rural general category and 35% subsidy will be given to Adi Dravidar and other backward classes.	Proof of identity and address Project Report, Enterprise Certificate	Assistant Director of District Khadi Village industries commission Office/District Industries Centre. Must apply through the website. Website address to apply is <a href="https://www.kviconline.gov.in/pmegportal/jsp/pmegponline.jsp">https://www.kviconline.gov.in/pmegportal/jsp/pmegponline.jsp</a>
<b>Micro Small and Medium Enterprises Department</b>	<b>Employment Generation Scheme for Unemployed Youth</b>	Age 18–45; Minimum education for eligibility 8th std pass	It is a combination of a subsidy and a bank loan to start a business with a 25% subsidy; the maximum subsidy is Rs 1.25 lakhs.	School certificates, Proof of Identity and Address	District industrial Centre. Must apply through the website. Website address to apply <a href="https://www.msmeonline.tn.gov.in/uyegp/index.php">https://www.msmeonline.tn.gov.in/uyegp/index.php</a>

<b>Micro Small and Medium Enterprises Department</b>	<b>The New Entrepreneur cum Enterprise Development Scheme (NEEDS)</b>	Age 21–35 (special category up to 45) Minimum education for eligibility is degree, diploma, ITI/vocational training from recognized Institutions	To set up new manufacturing and service ventures. It is a combination of subsidy and a bank loan. Project cost above Rs.10 lakh and not exceeding Rs.5Crore. Subsidy 25% of the project cost; For projects costing more than Rs.1.20 crore, the subsidy will be restricted to Rs.30 lakh.	School certificates, Proof of Identity and Address. Project report, Quotation for the machinery or Equipment list, land document copy etc.,	District Industries Centre. Must apply through the website. Website address to apply <a href="https://www.msmeonline.tn.gov.in/needs/">https://www.msmeonline.tn.gov.in/needs/</a>
<b>Tamil Nadu Adi Dravidar Housing and Development Corporation (TAHDCO)</b>	<b>Entrepreneur Development Scheme for Scheduled Tribes</b>	18-60 years. The annual family income of the applicant should not exceed Rs.1 lakh	The minimum cost of the project is Rs. 1.50 lakh. Subsidy of 50% of project cost up to 7.50 lakh. Maximum of Rs.3.75 lakh subsidy per individual.	Community certificate, income certificate, Proof of Identity and Address, Project report.	District Manager, TAHDCO. Must apply through the website. Website address to apply <a href="http://www.tahdco.com/home/">www.tahdco.com/home/</a>
<b>Tamil Nadu Adi Dravidar Housing and Development Corporation (TAHDCO)</b>	<b>Self-Employment Scheme for Scheduled Tribes</b>	18-45 years. The annual family income of the applicant should not exceed Rs.1lakh	50% of the project cost or Rs.4 lakhs, whichever is lower.	Community certificate, income certificate, Proof of Identity and Address. Project report.	District Manager, TAHDCO. Must apply through the website. Website address to apply <a href="http://www.tahdco.com/home/">www.tahdco.com/home/</a>
<b>Tamil Nadu Adi Dravidar Housing and Development Corporation (TAHDCO)</b>	<b>Entrepreneur Development Scheme for Scheduled Caste</b>	18-60 years The annual family income of the applicant should not exceed Rs.1 lakh	30% of the project cost or Rs.2.25 lakhs whichever is lower.	Community and Income certificate, Address and ID Proof. Project report.	District Manager, TAHDCO. Must apply through the website. Website address to apply <a href="http://www.tahdco.com/home/">www.tahdco.com/home/</a>
<b>Tamil Nadu Adi Dravidar Housing and Development Corporation (TAHDCO)</b>	<b>Self-Employment scheme for Scheduled Caste</b>	18-45 years. The annual family income of the applicant should not exceed Rs.1lakh	30% of the project cost or Rs. 2.25 lakhs whichever is lower.	Community certificate, income certificate, Proof of Identity and Address. Project report.	District Manager, TAHDCO Must apply through the website. Website address to apply <a href="http://www.tahdco.com/home/">www.tahdco.com/home/</a>

## Government Schemes for the Producer Collectives

Department	Available schemes
<p><b>Small Farmers' Agri-Business Consortium-SFAC</b></p> <p><b>Dept. of Agriculture and Cooperation</b></p> <p><b>Government of India</b></p>	<p><b>1. Equity Grant</b> The Equity Grant Fund enables eligible FPCs to receive a grant equivalent in amount to the equity contribution of their shareholder members in the FPC, thus enhancing the overall capital base of the FPC. Equity Grant in a maximum of two tranches (within a period of 2 years of the first application) subject to the cap of Rs 15 lakh per FPC.</p> <p><b>2. Credit Guarantee Fund Scheme</b></p> <ul style="list-style-type: none"> <li>• Credit Guarantee Fund Scheme is a Central Sector scheme.</li> <li>• The Credit guarantee Fund has been set up with the primary objective of providing a Credit Guarantee Cover to Eligible Lending Institutions (ELIs) which are providing collateral free loans to Farmer Producer Companies (FPCs).</li> <li>• The CGF shall be operated by Small Farmer's Agri Business Consortium (SFAC) through lending institutions.</li> <li>• The CGF will offer a cover of 85% to loans extended by banks to Farmers Producer Companies without collateral, up to a maximum of Rs.1 crore.</li> </ul> <p><b>3. Venture Capital Assistance</b> SFAC would provide venture capital to qualifying projects on the recommendations of the Notified Financial Institution financing the project. This venture capital will be repayable back to SFAC. The quantum of SFAC Venture Capital Assistance will depend on the project cost and will be the lower of the following: 26% of the promoter's equity or Rs.50 lakhs. The cost of proposed agribusiness project would have to be Rs. 15 lakh &amp; above, subject to a maximum of Rs. 500 lakh.</p>
<p><b>E-NAM National Agriculture Market (eNAM)</b></p>	<p>National Agriculture Market (e-NAM) is a pan-India electronic trading portal which networks the existing APMC mandis to create a unified national market for agricultural commodities. Small Farmers Agribusiness Consortium (SFAC) is the lead agency for implementing eNAM under the aegis of Ministry of Agriculture and Farmers' Welfare, Government of India.</p>
<p><b>NABKISAN</b> NABKISAN Finance Limited. NKFL is a subsidiary of NABARD</p>	<p>To ensure sustainability and economic viability of FPOs/POs, their nurturing plays an important role in taking up viable business activities like aggregation of produce, collective marketing, bulk procurement of inputs, primary processing, etc. To meet the credit requirements of FPOs/POs in various stages of their life viz. Initial phase, Growing phase, and Maturity phase, the loan products available in the NABKISAN Loan facility to FPO/PCs with credit guarantee cover and without CGF scheme available.</p> <ol style="list-style-type: none"> <li>1. Term loan</li> <li>2. Cash credit loan – Working capital</li> </ol>

## 7.5 Registrations and Compliances

### 7.5 (i) Goods and Service Tax Registration

#### Why GST?

GST registration of a business with the tax authorities implies obtaining a unique 15-digit Goods and Service Tax Identification Number (GSTIN) from the GST authorities so that all the operations of and the data relating to the business can be collected and correlated.

#### What is the advantage of taking registration in GST?

- Authenticated registration
- Legally recognized as a supplier of goods or services
- Quick Processing of loan applications
- Identification for assessing the performance of the business
- Bidding for government purchases and sales

#### What are all the documents required for GST registration?

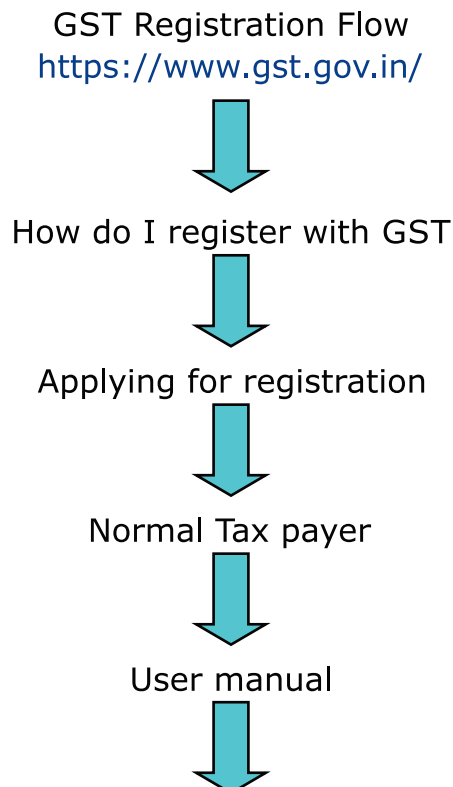
(1)	<i>Aadhaar Card of the proprietor</i>
(2)	<i>PAN Card of proprietor</i>
(3)	<i>Photo of proprietor</i>
(4)	<i>Proof of principal place of business</i>
(A)	<i>If nature of possession of premises is owned (any one)</i>
	<i>(a) Electricity bill</i> <i>(b) Municipal tax receipt</i> <i>(c) Legal ownership documents such as ownership deed/document or Index II</i> <i>(d) Municipal Khata copy</i>
(B)	<i>If nature of possession of premises is consent/shared (any one)</i>
	<i>(a) Consent letter</i> <i>(b) Electricity bill</i> <i>(c) Municipal tax receipt</i> <i>(d) Legal ownership documents such as ownership deed/document or Index II</i> <i>(e) Municipal Khata copy</i>

- |     |   |
|-----|---|
| (C) | <i>If nature of possession of premises is rented/leased (any one)</i>   |
|     | <ul style="list-style-type: none"> <li><i>(a) Rent/lease Agreement</i></li> <li><i>(b) Electricity bill</i></li> <li><i>(c) Municipal tax receipt</i></li> <li><i>(d) Legal ownership documents such as ownership deed/document or Index II</i></li> <li><i>(e) Municipal Khata copy</i></li> </ul> |
| (D) | <i>If nature of possession of premises is any other (any one)</i>   |
|     | <ul style="list-style-type: none"> <li><i>(a) Electricity bill</i></li> <li><i>(b) Municipal tax receipt</i></li> <li><i>(c) Legal ownership documents such as ownership deed/document or Index II</i></li> <li><i>(d) Municipal Khata copy</i></li> </ul>  |

Online registration can be done @ <https://www.gst.gov.in/>

Online registration of GST consists of two parts – Part A & Part B and the process flow is given below

### GST Registration Flow



Submitting registration application



New registration



Select "Tax Payer"



Select "State"



Select "District"



Legal name of the business



Permanent Account Number



If you don't have pan "Click" here to apply



Email address



Mobile number



Type the character seen in the image



Proceed



Enter the OTP received on your mobile number & proceed



System generated Temporary Reference Number (TRN) is displayed



Proceed with Part B of registration application



Enter Temporary Reference Number (TRN)



Type the character seen in the image



Proceed



Enter the OTP received on your mobile number & proceed



The registration application form with various tabs is displayed



The registration application form with various tabs is displayed



On the top of the page, there are 10 tabs as .....



1. Business details,
2. Promoter/partners,
3. Authorized signatory,
4. Authorized representative,
5. Principal place of business,
6. Additional places of business,
7. Goods and services,
8. State specific information
9. Aadhaar authentication and
10. Verification.





Click the edit icon (Icon in Blue Square with white pen)  
Enter the details - tab 1 to 10



The success message is displayed.



You will receive the acknowledgement in next 15 minutes  
on your registered e-mail address and mobile phone number.



Application Reference Number (ARN) receipt is sent on your  
e-mail address and mobile phone number.

### 7.5 (ii) Udyam Registration

Any person who intends to establish micro, small, or medium businesses will have to do certain registrations that will facilitate them to avail numerous benefits from various schemes offered by the Ministry of MSME.

**Udyam Registration is one such registration that helps the entrepreneur in 16 ways.**

**They are**

- Interest rate subsidy on bank loans.
- Collateral-free loans from banks.
- Protection against delayed payments, against material/services supplied.
- Special beneficial reservation policies in the manufacturing/ production sector.
- Ease of obtaining registrations, licenses, and approvals.
- MSME Registered entity gets eligible for CLCSS (credit linked capital subsidy scheme).
- International trade fair special consideration.
- Government security deposit (EMD) waiver (Useful while participating tenders)
- Electricity bills concession.

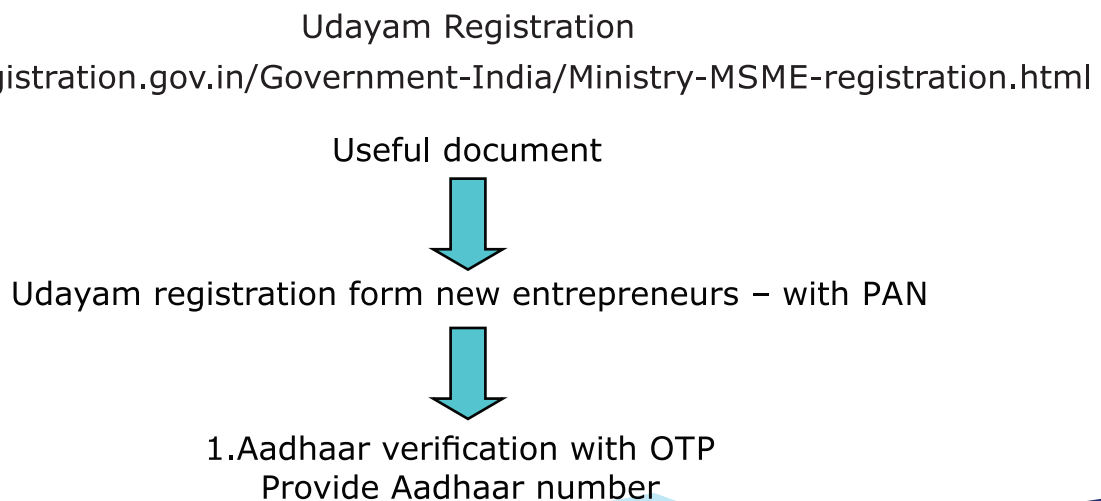
- Stamp duty and registration fees waiver.
- ISO certification fees reimbursement.
- Direct tax laws rules exemption.
- NSIC performance and credit rating fees subsidy.
- Patent registration subsidy.
- Barcode registration subsidy.
- Industrial Promotion Subsidy (IPS) Subsidy Eligibility.

**Documents required for Udyam Registration are the following:**

- Aadhaar Number
- ITR
- PAN No.
- GST No.
- Udyam Registration is mandatory from 01.04.2021
- The Registration is permanent; No expiry and no renewal
- Free registration. No fee for Udyam Registration
- No documents need to be uploaded

Online Registration can be done @ [udyamregistration.gov.in/Government-India/Ministry-MSMEregistration.htm](http://udyamregistration.gov.in/Government-India/Ministry-MSMEregistration.htm)

**Online registration of Udyam consist of 24 steps and the process flow is given below**



Name as per Aadhaar



Validate and generate OTP



2.Types of organization (Choose from the drop down) – Proprietary



3. Do you have PAN Card (Y/N)  
PAN Number



4. Have you filed ITR (Y/N)



Choose the option



ITR 3 (Individual / HUF having income from business / profession)  
ITR 4 (Individual / HUF / Firms (except LLP) having income from business / profession)  
ITR 5 (LLP, Body of individual (BoI), Associate of person (AoI))  
ITR 6 (Companies)

Do you have GSTIN (Yes / No)



5. Name of the entrepreneur as per PAN



6. Mobile Number



7. Email Id



8. Social Category (Gen/SC/ST/OBC)

9. Gender (Male / female / Others)



10. Specially abled (Yes / No)



11. Name of the Enterprise (as per the PAN)



12. Location of the plant / Unit (Address details)



13. Official address of the enterprise



14. Previous EM II / UAM Registration number, If any



15. Status of the enterprise  
(Date of incorporation, date of commencement of the business)



16. Bank details



17. Major activity (Manufacturing / Service)

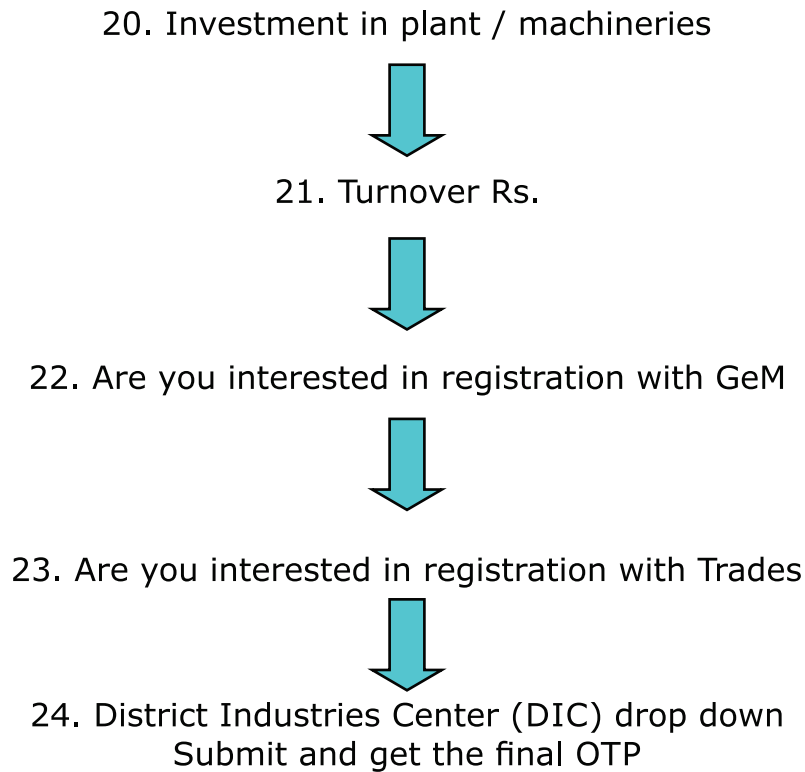


18. National industrial classification code



19. No. of persons employed





**FAQ :** <https://msmeregistrar.org/udyam-registration-faqs.php>

## PAN Card

Permanent Account Number (PAN) is a means of identifying various taxpayers in the country. PAN is a 10-digit unique identification alphanumeric number (containing both alphabets and numbers) assigned to Indians, mostly to those who pay tax.

### Uses of PAN in Financial Transactions

- PAN needs to be quoted while paying direct taxes.
- Taxpayers need to input their PAN when paying income tax.
- While registering a business, PAN information needs to be furnished.
- Many financial transactions require PAN information. Some of these transactions are:
  - Sale or purchase of property (immovable) which is valued at Rs.5 lakh or above
  - Sale or purchase of a vehicle except a two-wheeler
  - Payments made towards hotels and restaurants and which are above Rs.25,000

- Payments made in connection with travel requirements to other countries. The amount in this case if it exceeds Rs.25,000, then you need to quote your PAN
- Payments of more than Rs.50,000 towards bank deposits
- Purchase of bonds worth Rs.50,000 or more
- Purchase of shares worth Rs.50,000 or more
- Purchase of insurance policy worth Rs.50,000 or more
- Purchase of mutual fund schemes
- Payments made for more than Rs.5 lakh towards purchase of jewellery and bullion
- To remit money out of India
- Transfer of funds from NRE to NRO account

### General Uses/Advantages of Having PAN

- Since PAN Card contains information such as Name, Age and photograph, it can be used throughout the country as a valid identity proof.
- PAN is the best possible way to keep track of your tax payment. Otherwise, you might be required to pay it multiples times since your tax payment cannot be verified.
- Since PAN is unique for every entity, its misuse is almost impossible for purposes of tax evasion or other devious means.
- PAN Card can be used to avail utility connections such as electricity, telephone, LPG, and internet.

### Process Flow

Click

<https://www.onlineservices.nsd1.com//paam/endUserRegisterContact.html>



After clicking the above link, the below online PAN application form will open.

Fill all the required details



Click the check box provided



Enter the Captcha Code



After filling all the details Click "Submit" button



Select "AO code"



Upload all the required documents as per the prescribed format



Fill the declaration details



Click "Submit" button



After submission of forms, make a payment of Rs.84 per application.



On successful payment, acknowledgment will be displayed. Save this acknowledgment number for future reference.



Once the application and payment are accepted, the applicant is required to send the supporting documents through courier/post to NSDL.



Only after the receipt of the documents, PAN application would be processed by NSDL. Documents include one proof of identity, one proof of address and one proof of date of birth

## 7.5 (iii) Single Point Registration (NSIC)

### What is Single Point Registration (SPRS)?

- ✓ Integrated support services to MSEs to stretch out Marketing, Technology, Finance and other services.
- ✓ Help Micro & Small Enterprises (MSEs) to take part in Government Purchases.
- ✓ Make MSEs to become eligible for the benefits under Public Procurement Policy.
- ✓ MSEs will be issued with Tender sets at free cost.
- ✓ Earnest Money Deposit (EMD) is exempted for MSEs participating in the tender.
- ✓ Participating MSEs quoting the price within price band of L1+15% shall be allowed to supply a portion up to 25% of requirement by bringing down their price to L1 Price, where L1 is non-MSEs.
- ✓ 358 items are reserved for exclusive purchase from MSE Sector.
- ✓ Offers support services viz. Marketing, Technology & Finance.
- ✓ Financial Assistance for procurement of raw materials up to 180 days.
- ✓ Bulk purchase of basic raw materials at competitive rates.

### Who can register?

- ✓ Micro and Small Enterprises (MSEs) involved in manufacturing & Services.
- ✓ Traders are not eligible.
- ✓ The validity of SPRS Certificate is for 2 years thereafter renewed after every two years.
- ✓ MSEs already commenced their commercial production (Start Ups) but not completed one year of existence are eligible for Provisional Registration for one year. MSEs can apply for full registration after completion of one year.

### What are all the documents required for Single Point Registration?

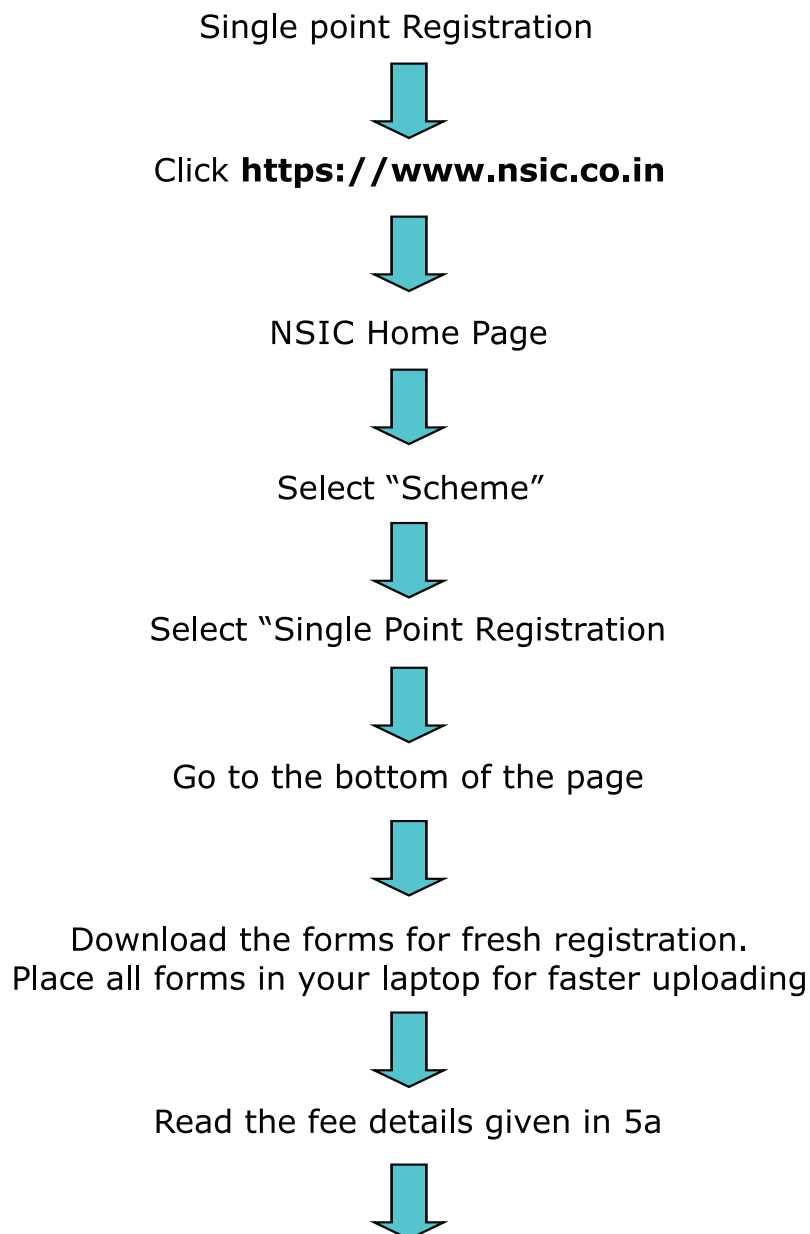
#### For Proprietorship Concern

- ✓ PAN Card
- ✓ Udyam Registration
- ✓ Details of Plant & Machinery
- ✓ Copy of ownership document of the premises or copy of Lease deed/Rent deed.
- ✓ List of quality control equipment and testing facility available in factory.



- ✓ Latest Electricity Bill Copy.
- ✓ Face of Audited Balance Sheet, Profit and Loss Accounts, Schedule of Fixed Assets.
- ✓ Schedule of Revenue from Operations (For the last 3 years, duly signed by the authorized person under his seal.)
- ✓ Statement showing the Results of Operation for the last 3 years duly signed by Chartered Accountant.
- ✓ Bankers' Report giving details of financial status of the applicant firm.
- ✓ Declaration signed by the applicant MSE Unit accepting conditions of registration.

### Process Flow



Go to the page top.  
Click "Fresh Online" & proceed for New Registration  
7 steps involved

Before proceeding to registration, Go to,



Home page



Select "scheme"



Select "Bank Credit Facilitation"



Facilitate register user to access credit support from Bank



Back to "schemes"



Select "Raw Material Assistance" (RMA)



Facilitate the register user in procuring raw material with credit support up to 180 days



Back to "schemes"



Select Infomediary Service



Facilitate the register user to get information on business, technology, and finance



Back to "schemes"

Select "National Schedule Caste and Schedule Tribe Hub (NSSH)"



NSSH Provide professional support to the SC / ST Enterprise



Back to "schemes"



Select "Procurement and marketing support"



Facilitate register user to participate in trade fairs, exhibition, Vendor development program, Workshops, Seminars, Awareness programme



Back to "schemes"



Select "Infrastructure"



Facilitate register user to make use of space available in software technology cum Business Park developed by NSIC at Chennai



Back to "schemes"



Select "Skill Development centres Infrastructure"



Facilitate the register user to access the training calendar to enrol online and offline training courses conducted by NSIC



Back to "schemes"

Select "Material Testing Lab"



Facilitate the register user to make use of the testing lab to get the certificate for durability and reliability of the product manufactured



Back to "schemes"



Select "Market Intelligence"

Market intelligence cell help MSMEs to get appropriate information at one place at the right time on marketing, new avenues, new business practices



Click "B2B" portal available at page top RHS

Select "Suppliers" to send enquiry for buying

Select "Buyers" to send enquiry for Selling

Select "Tenders" to search tenders based on state, industry and sector



Select "Buyers" to send enquiry for selling



Select "Quick Links" to access



Champion Portal



NSIC Scheme  
 Buy and Sell Machinerics  
 Sale of Industrial scrap  
 Find verified supplier  
 MSME Sambandh (Govt. Procurement)  
 MSME Samadhaan (Delayed payments)  
 Govt. of India Schemes  
 MSME Sampark (Skilled Manpower)  
 Finance and raw material procurement etc.

## 7.6 MSME Tamil Nadu

### Single-Window Portal

Enterprises can obtain clearances/approvals from Departments such as Directorate of Town and Country Planning, Tamil Nadu Pollution Control Board, Fire and Rescue services, Directorate of Industrial Safety and Health, Department of Public Health and Preventive Medicine etc., through the Single Window Portal.

#### Key Features

- No need to upload any documents while registering on the Single Window Portal.
- Can apply using the same registered user id and credentials.
- Combined Application Form (CAF) can be used to submit the same information to multiple authorities.
- Checklist of documents can be viewed for every type of clearance / service.
- submit the documents only in the following formats which include .JPG, .JPEG, .BMP, .GIF, .PNG, .TIF, .PPM, .DOC, .DOCX, .PDF, .RTF, .XLS, .XLSX, .PPT, .PPTX and .PPSX
- No fee for registration on the single window portal.
- For enterprise under MSME category, no fee will be levied for the single window services.
- Grievances related to clearances can be raised on the Biz buddy portal <https://www.bizbuddy.tn.gov.in/#/home>
- Time-bound processing of applications and issue of clearances by various departments of the state for establishing/ expanding an Enterprise( Manufacturing and Services Industries).
- Online approval by concerned Competent Authorities and provision to download the certificate online.
- Online tracking / automatic alerts to applicants through SMS/ Emails.
- Provision for the applicant to raise queries.

### Single-Window Portal

Click "<https://tnswp.com/digigov/>



Click on "Register Here" available on the right-hand side top corner



Fill in the required details in the "New Investor Registration Form"



Submit



An e-mail as well as SMS confirming the registration will be received



Click on "Login" available next to the "Registration"



Enter username, password and captcha



Login and apply for clearance from various department

### Know your clearance

Click "Know your clearance" available on the left hand side of the page top



Fill the information wizard form



Submit



Get the details of the approvals required for your business



Click "Apply for clearance"



"Pre-establishment stage clearance" list is displayed



Choose the relevant clearance for your business



Click the "Eye" button & read the "Procedure" for applying that clearance



Click "Apply"



Enter username, password & captcha and click Login



Continue with the process as shown in the "Procedure" like



Notification for payment of fees, if applicable



Make online payment of fees



Acknowledgement - SMS/ email intimation



Tacking of application / status update



On successful processing of application & clearance by the concerned authority



Download the licence / NOC / certificate from the single window portal



Repeat the process for all relevant Pre-establishment stage clearance required for the business



Repeat the process for all relevant Pre-operation stage clearance required for the business



Repeat the process for all relevant Post-operation stage clearance required for the business

**Annexure 1: Application Form****WOMEN LIVELIHOOD SERVICE CENTRE****APPLICATION FORM****Profile of the Entrepreneur**

Name of the Entrepreneur: \_\_\_\_\_

Name of father / spouse: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Age: \_\_\_\_\_

Marriage Status: Single / Married / Divorcee / Widow

Gender: Male / Female / Transgender

Village Name: \_\_\_\_\_

Block Name: \_\_\_\_\_

District Name: \_\_\_\_\_ Pin code: \_\_\_\_\_

Mobile Number: \_\_\_\_\_

Aadhaar number: \_\_\_\_\_

Email address: \_\_\_\_\_

**SHG Details**

Are you a SHG member / Household?

If SHG Member,

Name of the SHG you belongs to

Emathi code

If SHG House Hold,

Relationship with SHG Members: Husband / Son / Brother / Other \_\_\_\_\_

Name of the SHG

Emathi Code:

Special Category (Yes / No) – If yes specify \_\_\_\_\_

Religion: Hindu / Muslim / Christian / Others

Caste (General, OBC, Minority, SC, ST &amp; Others) – Others \_\_\_\_\_



## 2. Business Details

- 2.1 Existing / New Enterprise
- 2.2 Age of the enterprise
- 2.3 Sector of the Enterprise (Farm / Off – Farm / Non – Farm)
- 2.4 Name of the Product / Commodity
- 2.5 Name of the Enterprise
- 2.6 Date of incorporation
- 2.7 Type of ownership (Sole proprietor / Joint)
- 2.8 Size of the enterprise (Nano / Micro / Small)
- 2.9 Nature of the Business (Production / Service / Retail)
- 2.10 No. of persons (paid worker) full time employed (or) to be employed
- 2.11 Description about the business

## WLSC Service

What type of services required from the WLSC?

- Financial Service
- Business plan preparation
- Mentor advice (ideation)
- Functional Experts service
- License and certificate
- Market Information
- Value Added service
- Facilitation Service

## Financial Service

How much amount required \_\_\_\_\_

Purpose of the amount : (Working Capital / Purchase of raw material / Purchase of machineries / equipment / infrastructure development / branding / processing / marketing usage / other \_\_\_\_\_

**Mentorship**

State the type of advice required from the mentor

---



---

**Functional Experts**

Any legal compliance required for running your business

---

**Required License and certificate**

- |  |   |
|--|---|
| <input type="checkbox"/> PAN Card                              | <input type="checkbox"/> Trade License                |
| <input type="checkbox"/> GST                                   | <input type="checkbox"/> Halal Certificate            |
| <input type="checkbox"/> FSSAI certificate                     | <input type="checkbox"/> Pollution clearance          |
| <input type="checkbox"/> UDYAM                                 | <input type="checkbox"/> Import and Export License    |
| <input type="checkbox"/> Panchayat License                     | <input type="checkbox"/> Registrar of company         |
| <input type="checkbox"/> ISO                                   | <input type="checkbox"/> LLP registration             |
| <input type="checkbox"/> ISI                                   | <input type="checkbox"/> Shop & Establishment Act     |
| <input type="checkbox"/> Corporate Identification Number (CIN) | <input type="checkbox"/> Digital Signature            |
| <input type="checkbox"/> Trade Mark Registration               | <input type="checkbox"/> Pattern Rights               |
| <input type="checkbox"/> Director Identification Number (DIN)  | <input type="checkbox"/> Certificate of Incorporation |
| <input type="checkbox"/> Others _____                          |   |

**Facilitation Service**

Business Plan preparation

Marketing Information

Marketing tie ups

Logistical tie ups

Other Schemes details / tie ups \_\_\_\_\_

Date:

Signature of entrepreneur

**For Official Use only**

Mention the list of services provided to the respective entrepreneur \_\_\_\_\_  
\_\_\_\_\_.

Amount paid by the entrepreneur for the above mentioned (paid) services \_\_\_\_\_  
\_\_\_\_\_.

Signature of EDO

Signature of EFO

**Annexure 2 Format for capturing Enterprise Performance**

<b>S.No</b>	<b>Particulars</b>
<b>1</b>	<b>General Details</b>
1.1	Email id of the WLSC
1.2	District
1.3	Block
1.4	Name of the EDO
1.5	Which the data is being entered
1.6	Which month of the WLSC support to the enterprise
1.7	Number of working days for enterprise in a Month
<b>2</b>	<b>Cash Box Balance</b>
2.1	Cash in the cash box at the start of the month
2.2	Cash in the cash box at the end of the month
<b>3</b>	<b>Details related to credit given</b>
3.1	Total sales done on credit during the month
3.2	Total amount received from debtors during the month
<b>4</b>	<b>Details related to credit taken</b>
4.1	Total credit purchase of raw materials during the month
4.2	Total amount paid to creditors during the month
<b>5</b>	<b>Details related to advances</b>
5.1	Total advance given to the supplier for raw material during the month
5.2	Total amount of raw material received from the supplier against the advance amount given during the month
5.3	Total advance taken from the customer during the month
5.4	Total amount of goods and services delivered to the customer against the advance amount during the month

<b>S. No.</b>	<b>Particulars</b>
<b>6</b>	<b>Revenue and Costs</b>
6.1	<b>Revenues</b>
6.1.1	Cash Sales
6.1.2	Sales through online payment
6.1.3	Other Income
6.2	<b>Cost</b>
6.2.1	Raw materials Cost
6.2.2	How often does the entrepreneur purchase raw materials (Daily / 1 - 2 time in a week / once in a month / 2 - 3 time in a month)
6.2.3	Cash purchase of raw materials
6.2.4	Purchase of raw material done using online payment
6.2.5	HR Cost
6.2.6	Wages / Salaries to owner
6.2.7	No. of paid staff / workers
6.2.8	Total wages / salaries paid to staff / Workers
6.2.9	Transportation cost
6.2.10	Electricity, water, and fuel cost
6.2.11	Repair and maintenance cost
6.2.12	Rend Paid
6.2.13	Legal / Compliance cost
6.2.14	Interest paid
6.2.15	Other Costs paid
<b>7</b>	<b>Details related to balance sheet of the Enterprise</b>
7.1	Loan amount repaid
7.2	Loan taken during the month
7.3	Cash added to the business by owner during the month
7.4	Purchase of Machineries / equipments during the month
7.5	Purchase of furnitures during the month
7.6	Purchase of computer during the month
7.7	Purchase of building / asset during the month
7.8	Sale of Machineries / equipments during the month
7.9	Sale of furnitures during the month
7.10	Sale of computer during the month
7.11	Sale of building / asset during the month
7.12	Security deposit paid during the month
7.13	Security deposit received / returned to the enterprise during the month
7.14	Capital withdraw
7.15	Cash deposited in the bank account of the business during the month
7.16	Cash withdraw from the bank account of the business during the month
7.17	Subsidy amount received by the business during the month

### Annexure 3 Formats for Book-keeping at WLSC

#### 1. WLSC - Enterprise Data Register

Month

S. No.	Date	Block Name	Panchayat Name	Name of the Enterprise	Type of the enterprise (Nano / Micro / Small)	Type of the sector (Farm / Off-farm/ Non-)	Age of the enterprise	Services required	Type of service provided from the WLSC	No. of days taken to provide the service	Amount charged for providing service	Signature of the EDO / EFO
1												
2												
3												
4												
5												
6												
7												

#### 2. WLSC - Visitor Record

S. No.	Date	Name of the Visitor	Purpose of the Visit	Full Address	Contact Number	In time	Out time	Signature

#### 3. WLSC - Service provision through ECPs

S. No.	Month & year	Block	Panchayat	Name of the ECPs	No. of enterprises brought to WLSC	No. of enterprises received services from WLSC

#### 4. WLSC - Service provided register of Mentor

S. No.	Date	Name of the Mentor	Domain in which mentor belongs to	Contact Number	Services Required	Services provided	Service provided to no. of enterprises	Signature of the Mentor	Signature of the EDO / EFO

#### 5. WLSC - Service provided register of Functional Expert

S. No.	Date	Name of the Functional Expert	Domain in which FE belongs to	Contact Number	Services Required	Services provided	Service provided to no. of enterprises	Charged Amount	Signature of the Functional Expert	Signature of the EDO / EFO

**Annexure 4 Feedback form**

Thank you for availing services from the women livelihood service centre

Please tell us the date you availed services from the WLSC

Date:

1. Were you satisfied with the WLSC service provided?

Good                       Better                       Average

Comments \_\_\_\_\_

2. Was the WLSC professionals provided to you a suitable service that you expected?

Good                       Better                       Average

Comments \_\_\_\_\_

3. Did you experienced any issues in availing service from the WLSC?

Yes                       No

Comments \_\_\_\_\_

\*\*\*\*\*

Your contact information (Optional)

Name \_\_\_\_\_

Email \_\_\_\_\_

Contact \_\_\_\_\_



