**NEEDS**

In accordance with the G.O Ms No 49 MSME Dept dated 29.10.2012, the educated youth will be given Entrepreneurship Development Programme training, assisted to prepare their business plans and helped to tie up with financial institutions so as to set up new **Manufacturing and Service ventures**. Modifications have been made in the existing norms vide G.O. (Ms) No.13 MSME (D2) Department dated 24.4.2018. The beneficiary must be a First Generation Entrepreneur.   
The scheme details are as follows:

**Project Cost**

* Project cost above Rs.10.00 Lakh and not exceeding Rs.5.00 Crore.
* Project cost includes capital expenditure and margin money for working capital
* Cost of land may be included in the project cost at Guideline Value or Market Value,  prevailing as on the date of filing loan application, whichever is lower

**Subsidy**

* 25% of the Project Cost subject to a ceiling of Rs.30.00 lakh i.e., for projects costing more than Rs.1.20 crore, the subsidy will be restricted to Rs.30.00 lakh
* 3% Interest Subvention during the entire re-payment period

**Place of Residence**

* The applicant should be a resident of Tamil Nadu state for not less than 3 years.

**Age**

* General category -  Minimum 21 years and Maximum 35 years
* Special category (SC/ ST/ BC/ MBC/ Ex-servicemen/ Minorities/ Transgenders/ Differently abled persons) - 45 years

**Educational  Qualification**

* Degree, Diploma, ITI / Vocational training from Recognized Institutions

**Partnership**

* Subject to satisfying eligible criteria by all the partners, partnership concerns will be considered.

**Promoters Contribution**

* General category Entrepreneurs - 10% of the project cost
* Special category Entrepreneurs (SC/ST/BC/MBC/Ex-servicemen/Minorities/ Transgenders/Differently abled persons) - 5% of the project cost

**Reservation**

* SC                               : 18%
* ST                               :   1%
* Differently abled         :   3%
* Under this scheme, at least 50% of the beneficiaries will be women with priority accorded to destitute women subject to the condition that they possess the required qualification.

**Income ceiling**

* There will be no income ceiling under this scheme.

**Training**

* Compulsory EDP training will be given for 3 weeks with stipend. However, those who have already undergone similar EDP training conducted by EDI will be exempted.

**Other conditions**

* Assistance under the Scheme is only for NEW Projects.
* Entrepreneurs who have already availed subsidy linked loans under other State Government / Government of India schemes such as Prime Minister’s Rojgar Yojana(PMRY), Rural Employment Generation Programme (REGP), Prime Minister’s Employment  Generation Programme (PMEGP), Unemployed Youth Employment Generation Programme (UYEGP), TamilNadu Adi Dravidar Housing & Development Corporation Limited (TAHDCO) and Self help group will not be eligible for assistance under NEEDS Scheme.
* The applicant should not be a defaulter to any Commercial Bank/ Tamil Nadu Industrial Investment Corporation Limited (TIIC)

**List of Documents to be enclosed in duplicate**

* + Proof of Age – Copy of Birth Certificate or Transfer Certificate.
  + Proof of Residence – Copy of Ration Card/Smart Card or Residence Certificate from Tahsildhar.
  + Copy of Degree/Diploma Certificate.
  + Community Certificate.
  + Certificate in Proof for Ex-Servicemen /Differently Abled /Transgenders, wherever applicable.
  + Project Report with Projected sales and cash Flow statement for the next 3 years.
  + Copy of Land Document, if included in the project.
  + Estimate of Building obtained from the Chartered Civil Engineer.
  + Quotations for the Machinery or Equipments.
  + Sworn Affidavit obtained from Notary Public in Rs.20/- Stamp Paper as per format.
  + Copy of Partnership Deed, in case of partnership concern.

Unemployed Youth Employment Generation Programme (UYEGP)

**1.Preamble:**   
The Micro, Small and Medium Enterprises Department, Government of Tamil Nadu introduced the scheme “**Unemployed Youth Employment Generation Programme (UYEGP)**” which aims to mitigate the unemployment problems of socially and economically weaker section of the society, particularly among the educated and unemployed to become self employed in their native places itself and to prevent the mass migration from rural areas to urban areas due to unemployment by setting up Manufacturing / Service / Business enterprises by availing loan up to the maximum of Rs.10 Lakhs, Rs. 3 Lakhs and Rs. 1 Lakh respectively with subsidy assistance from the State Government up to 25% of the project cost (Maximum to a limit of Rs.1.25 Lakhs)

**2**. **Financial Assistance:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sl.** **No** | **Category** | **Project Cost** | | **Subsidy** |
| **Promotor’s** **Contribution** | **Bank Loan** |
| 1. | General Category | 10% | 90% | 25% |
| 2. | SC / ST/ BC / MBC/Minorities / Women / Ex-Servicemen / Physically Challenged / Transgender | 5% | 95% | 25% |

**3. Eligibility to avail Loan under this scheme:**

1. Any individual, above 18 years of age. Upper age limit for General category is 35 years and for Special category 45 years.
2. Minimum educational qualification is a pass in VIII standard.
3. The applicant shall be resident of the place for not less than 3 years.
4. The family income of the beneficiary shall not exceed Rs.1,50,000/- per annum.

**4. Other Features of the scheme:**

1. The District Task Force Committee headed by the General Manager, District Industries Centre, will select the beneficiaries through an interview process.
2. Entrepreneur Development Programme (EDP) training will be given to the beneficiaries for Seven days.
3. Repayment schedule and moratorium shall be as per the norms of the financial Institution.
4. For marketing support the concerned General Manager, District Industries Centre, will arrange Buyer Seller Meet, Exhibitions etc.

**5. How to apply?**

The scheme will be advertised through print and electronic media. The eligible residents of the district can file the application through online portal ([www.msmeonline.tn.gov.in/uyegp](http://www.msmeonline.tn.gov.in/uyegp)) and furnish the pdf format of the online generated application along with project profile, copies of certificates for proof of educational qualification, nativity, community, Ex-servicemen (wherever applicable) and proof of physically challenged to the concerned General Manager, District Industries Centre in person or by post within 7 days from the date of filing.

Micro Small & Medium Enterprises Incentives

**Incentives to Micro Small & Medium Enterprises**

The Micro, Small and Medium Enterprises sector accounts for the major share in number of industrial units, output in manufacturing sector and exports in the State besides being a major employment provider next only to agriculture, the need for vitalising this sector assumes greater importance. Taking cognizance of the above factor and in order to give special impetus to MSMEs, the Tamil Nadu Government is extending the following incentives to Micro, Small and Medium Enterprises established in the State:-

**1. Subsidy schemes for micro manufacturing enterprises**

* 25%Capital Subsidy on the value of eligible plant and machinery.
* 20% low tension power tariff subsidy for the first 36 months from the date of commencement of commercial production or from the date of power connection, whichever is later.
* Stamp duty exemption on mortgaged and pledged documents.
* For detailed guidelines click [(G.O.Ms.No.14, MSME (B) Dept., dt. 07.05.2008)](http://cms.tn.gov.in/sites/default/files/whatsnew/msmi_guidlines.pdf)

**2. Subsidy schemes for Industrially Backward Blocks and Agro Based Enterprises**

Micro, Small and Medium Manufacturing Enterprises established in 251 industrially backward blocks, all industrial estates promoted by the Government and Government Agencies like SIPCOT, SIDCO, etc., (excluding Industrial Estates located within a radius of 50 Kms from Chennai city centre) and agro based enterprises set up in all the 385 Blocks in the State are eligible for the following package of incentives:

* 25% capital subsidy on the value of eligible plant and machinery subject to a maximum of Rs.30 lakh.
* 5% additional employment intensive subsidy on the value of eligible plant and machinery for providing employment to 25 workers for 3 years within the first 5 years from the date of commencement of commercial production, subject to a maximum of Rs.5 lakh.
* 5% additional capital subsidy on the value of eligible plant and Machinery for enterprises  set up by women, SC/ST, differently abled and transgender entrepreneurs subject to a maximum of Rs.2 lakh.
* 25% additional capital subsidy on the value of eligible plant and machinery installed to promote cleaner and environment friendly technologies subject to a maximum of Rs.3 lakh, if certified by the Tamil Nadu Pollution Control Board.
* 20% low tension power tariff subsidy for the first 36 months from the date of commencement of commercial production or from the date of power connection whichever is later.
* For detailed guidelines click [(G.O.Ms.No.14, MSME (B) Dept., dt. 07.05.2008)](http://cms.tn.gov.in/sites/default/files/whatsnew/msmi_guidlines.pdf)

**3. Special Capital Subsidy for Thrust Sector Enterprises**

A Special Capital Subsidy of 25% on the eligible plant and machinery subject to a maximum of Rs.30 lakh is extended to 13 thrust sector enterprises setup anywhere in the State viz., Electrical and Electronic Industry, Leather and Leather goods, Auto parts and components, Drugs and Pharmaceuticals, Solar Energy Equipment, Gold and Diamond Jewellery for exports, Pollution Control equipments, Sports Goods and Accessories, Cost effective building materials, Readymade Garments, Food Processing, Plastic and Rubber Industries.  
For detailed guidelines click [(G.O.Ms.No.14, MSME (B) Dept., dt. 07.05.2008)](http://cms.tn.gov.in/sites/default/files/whatsnew/msmi_guidlines.pdf)

**4. Generator Subsidy**

The Micro, Small and Medium manufacturing enterprises anywhere in the State, which purchase Generator sets up to 320 KVA capacity are eligible for a Generator Subsidy at 25% of the cost of the generator set, subject to a maximum of Rs.5 lakh.

For detailed guidelines click ([G.O.Ms.No.27 MSME](http://www.indcom.tn.gov.in/gos/GO_27_dt_21_5_09_GS.pdf)(D2) [Dept. dt. 21.05.2009](http://www.indcom.tn.gov.in/gos/GO_27_dt_21_5_09_GS.pdf" \t "_blank))

**5. Back-ended Interest Subsidy**

Back-ended interest subsidy at the rate of 3%, subject to a maximum of Rs.10.00 lakh for a period of 5 years is being provided to Micro, Small and Medium Manufacturing Enterprises for term loans up to Rs.1 crore obtained for Technology up-gradation / modernization and Credit Guarantee Fund Trust Scheme (CGFTS).  
For detailed guidelines click [(G.O.Ms.No.14, MSME (B) Dept., dt. 07.05.2008)](http://cms.tn.gov.in/sites/default/files/whatsnew/msmi_guidlines.pdf).

**PEACE**

**SCHEME FOR PROMOTION OF ENERGY AUDIT AND CONSERVATION OF ENERGY**

**Preamble**   
The Government have introduced Promotion of Energy Audit and Conservation of Energy (PEACE) scheme for promoting Energy efficiency in MSME units. Under this scheme the Government will reimburse 50% of the cost of conducting energy audit and 25% of the cost of machinery & equipments replaced, retrofit and technology acquired for the purpose of improving the energy efficiency, based on the recommendation of Energy Audit.  
  
**Objectives of the Schemes**

1. Create awareness & educating MSMEs about benefits/advantages of new techniques/technologies for saving energy.
2. Undertaking indepth studies of high energy consuming MSME clusters and identify gaps and potential barriers for energy conservation, and promoting adoption of suitable techniques/technologies to achieve energy efficiency.
3. Encouraging MSME for adopting energy audits to improve energy efficiency and fuel substitution, and monitoring the implementation of recommendations.

**INCENTIVE FOR CONDUCTING DETAILED ENERGY AUDIT**

1. Main objective is to identify the major sources of energy in use, identifying the lapses in energy usage, identifying areas to improve energy usage, determining the level of consumption of the energy sources and recommending measures that will enhance energy savings in the industry.
2. 50 % of the Energy Audit cost subject to a Maximum of Rs.0.75 lakh per energy audit per unit.
3. Eligible MSMEs shall file its claim within one year from the date of completion of Energy Audit.

**INCENTIVE FOR IMPLEMENTING ENERGY AUDIT RECOMMENDATION**

* + The objective is to incentivise MSMEs to implement the recommendations of the Energy Audit Report and to optimize the energy consumption leading to energy saving and money saving in electricity bills.
  + **Eligibility** - All manufacturing MSMEs in the state which have undertaken energy audit and have achieved atleast 15% energy savings in terms of number of units of energy consumed per unit of product manufactured.
  + 25 % of the cost of the eligible components, subject to a Maximum limit of Rs.2,00,000/-.
  + MSMEs have to apply to DIC/ RJD, Chennai only after three months from the date of implementation of Energy Audit recommendations.
  + **Form 1    -**[**Application for Grant of Subsidy for Detailed Energy Audit**](http://www.indcom.tn.gov.in/form1.pdf)
  + **Form 2 -**[**Application for Grant of Subsidy for Implementing Energy Audit Recommendations**](http://www.indcom.tn.gov.in/form2.pdf)