

Chief Minister's Entrepreneurship Support Scheme (CMESS)

(A way for self-employment of unemployed youth as part of Manipur Startup Eco-system)

1. Introduction

Government of Manipur having a pro-people philosophy with the vision to reduce unemployment and create adequate self-employment opportunities in the long run had initiated the Manipur Startup Scheme to promote innovation and employment. Now, it is felt that there should be a dedicated Entrepreneurship Support Scheme as a supplement to the Manipur Startup Scheme keeping in view the objective of "One Family One Livelihood". The Scheme is intended to generate equitable entrepreneurial opportunities in rural as well as urban areas of the State, particularly among the educated unemployed youth to become self-employed. They will be granted financial assistance for availing loan (category wise) with subsidy assistance from the State Government @ 30% of financially viable/ bankable Projects cost. These entrepreneurs will be trained and mentored so that they can graduate into Startups bringing in innovation in their enterprises and come up with innovative and scalable business ideas.

2. Objectives:

- i. To promote entrepreneurial spirit and encouraging the setting up of commercially viable/ bankable business venture in any sector including agriculture/ horticulture/ food processing/ animal husbandry/ handloom & handicrafts/ retail/ tourism/ services/ manufacturing etc. in the State in tune with the State Government policies and to supplement other existing schemes, including Manipur Startup Scheme.
- ii. To generate equitable entrepreneurial opportunities in rural as well as urban areas of the State through setting up of new self-employment ventures/projects by providing one-time non-refundable financial assistance of 30% subsidy on project approval by the Bank/ PSU financial institutions.
- iii. To act as platform for catalysing startups with innovative and scalable business ideas.

3. The Parameters Chief Minister's Entrepreneurship Support Scheme (CMESS):

i. Nodal Department:

Planning Department is the Nodal Agency at State level to implement the scheme across the state.

ii. Areas of Operation:

The scheme is applicable to all areas of the State, including rural and urban areas.

iii. Implementing agencies:

The scheme will be implemented by the Planning Department through the Startup Cell of the Department for appraisal of the projects, their financial viability and providing assistance for their credit linkage with the financial institutions and line Departments.

4. Financial Assistance:

Financial assistance of 30% as subsidy by State Government will be provided corresponding to 65% loan finance by Bank of the approved bankable project cost with 5% margin money or more contribution by beneficiary. Subsidy amount shall be released by Planning Department to the Bank on sanctioning of the loan by the Bank. The Bank shall release subsidy amount to the beneficiary on pro-rata basis, corresponding to each instalment of loan amount released by the bank.

5. Eligibility Criteria:

- i. The applicant should be a bonafide resident of Manipur.
- ii. The applicant should be unemployed and should be owner of a registered business enterprise possessing requisite documents of proof of Identity/Address of the business Enterprise - copies of relevant Licenses/ Registration certificates/ lease or rent agreement/other documents pertaining to the ownership, identity of address of business unit/Udyog Aadhaar Memorandum.
- iii. Applicant should be between 18 years to 65 years of age on the date of filing the application.
- iv. Only one member of a family living in one household shall be eligible to avail the benefits under the Scheme.

- v. The beneficiary should not be a defaulter to any nationalized bank / financial institution / Co-operative bank.
- vi. A person who has already availed subsidy under CMESS/ Startup Scheme/Standup Scheme/ PMEGP shall not be eligible under the scheme.
- vii. Unemployed youth from BPL families/ rural area residents are given preference in the scheme to provide to assistance to not less than 30% of the total beneficiaries.

6. Other Eligibility Conditions:

- i. Project cost will include Capital Expenditure and three months working capital requirement for the enterprise/business.
- ii. Cost of the land should not be included in the Project cost. Cost of the ready built as well as long lease or rental Work shed/ Workshop/ Shop can be included in the project cost subject to restricting such cost of ready built as well as long lease or rental Work shed/ workshop for a maximum period of 2 years only.
- iii. CMESS is available to all business enterprises which are not more than two years old as on the date of application/notification.
- iv. Existing old/ units are not eligible, except for homestays registered/ approved under the State Department of Tourism.

7. Promoter's contribution on Project cost:

Contribution of the beneficiary shall be 5 to 15% of the sanctioned project cost depending upon the bankers' norms.

8. Nature of loan and security: Composite loan (inclusive of term loan and working capital) shall be provided. Bank loan will be collateral free and covered under CGTMSE of Government of India and Manipur Credit Guarantee Scheme for MSMEs and Startups.

9. Activities covered and maximum project cost:

The activities covered with maximum project cost of Rs 10 lakhs. The scheme would endeavor to support all viable sectors without preference of any particular sector. Overall concentration in one sector will be avoided.

10. Training:

After the selection, the beneficiaries will undergo 07 days Entrepreneurship Development Training Program which shall be completed within 60 days from the date of selection of beneficiary by the Committee. The prescribed EDP training is mandatory before releasing of loans by the Banks. Planning Department will coordinate for conduct of suitable EDP programme with Training Institutes/Academy/Centre, etc.

11. How to apply:

The applicant can submit their applications online through <https://startupmanipur.in/>

12. All the assistance and incentives under CMESS will be available to any enterprise in the State of Manipur by direct lateral access through CMESS Committee chaired by Administrative Secretary (Planning) as follows:

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|------|--|-------------------|
| I. | Administrative Secretary, Planning, Govt. of Manipur | - Chairman |
| II. | Director (Trade, Commerce & Industries), Govt. of Manipur | - Member |
| III. | Director (Agriculture Dept.)/ Horticulture Dept./
Veterinary Dept. /Tourism Dept. /any concerned department | - Member |
| IV. | Representative of Lead Bank, SBS & funding Bank | -Member |
| V. | Representative of MSME Development Institute | -Member |
| VI. | Representative Mentoring Network | - Member |
| VII. | Director (Planning), Govt. of Manipur | -Member Secretary |

13. There will be a Technical Appraisal Committee headed by Director (Trade, Commerce & Industries) as follows:

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|------|--|---------------|
| i) | Director (Trade, Commerce & Industries), Manipur | - Chairperson |
| ii) | Joint Director (MSME/DI, Imphal), Govt of India | - Member |
| iii) | Director (Agriculture Dept.)/ Horticulture Dept./
Veterinary Dept. /Tourism Dept. /IT/any other relevant deptt
(to be invited as per relevance) | - Member |
| iv) | Representative of Lead Bank, SBI / representative of the bank
recommended by Lead bank | -Member |
| v) | MD, MSCB or representative | - Manipur |
| vi) | Consultant, StartUp Cell, Planning Deptt | - Manipur |

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|-------|---|--------------------|
| vii) | 2 nd Representative from Startup Cell | -Member |
| viii) | Representative from successful startup/Entrepreneurs
(to be nominated by Planning Department) | - Member |
| ix) | Joint Director (Planning), Manipur | - Member Secretary |

14. Financial Institutions:

The eligible Financial Institutions for extending loan under the Scheme are all Nationalized Banks, Private Sector Banks, State Co-operative banks and Rural Banks.

15. Repayment of loan

Repayment of loan amount along with interest obtained from the bank shall be the sole responsibility of the applicant as per the terms and conditions of the bank. If the beneficiary wants to close the loan account before the completion of the loan period, he can do so with the approval of the Planning Department and the concerned bank.

16. Physical Verification/ Monitoring and Evaluation:

With respect to follow up and to assess the impact of the scheme and to ensure proper utilization of Government subsidy, 50% physical verification will be conducted by the concern DIC. 25% of the monitored projects by DIC will be physically verified by the Monitoring Committee chaired by Director (Planning) with the following team:

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|------|---|-------------------|
| i. | Director (Planning), Govt. of Manipur | - Chairperson |
| ii. | Joint Secretary/Deputy Secretary,
Finance Department | - Member |
| iii. | Representative of Lead bank | - Member |
| iv. | Representative of financing bank | - Member |
| v. | Representative of Line departments | - Member |
| vi. | Representative of Startup Cell, Planning Department | - Member Convener |

The progress of the Scheme will be reviewed and monitored by the Director, Planning Department and team on quarterly basis.