

**Chief Minister's Entrepreneurship Support Scheme (CMESS)- Special Package to Successful Startups /Entrepreneurs for Employment of IDPs in Manipur**

**1. Introduction**

State Government has been promoting and provided financial support to Startups and Entrepreneurs to setup their business since 2017-18. Many of these Startups and Entrepreneurs have upscale their business successfully and become employers from jobseekers. On the other about 60000 Internally Displaced person (IDPs), due to ethnic conflicts/unrest in the State are stationed at Relief Camps without any means of livelihood and source of income. There is an urgent need to provide sustainable livelihood for IDPs to rebuild their lives and foster economic resilience. As one time provision in relaxation of the existing guidelines of CMESS, it proposed to provide financial assistance to successful startup/Entrepreneurs to upscale their business by employing IDPs in their business by providing requisite skill development and training within a short period.

**2. Objectives:**

- i. To promote entrepreneurial spirit and encourage upscaling of existing commercially viable/ bankable business venture in tune with the State Government policies and provide employment to IDPs for sustainable livelihood.
- ii. To generate employment for families of IDPs.

**3. Financial Assistance:**

Financial assistance of 35% as subsidy by State Government will be provided corresponding to 60% loan finance by Bank of the approved bankable project cost with 5% margin money or more contribution by beneficiary. Financial assistance upto a maximum of Rs 100 lakhs project cost including 30 % subsidy will be provided. For calculation of subsidy only 5% margin money of the project cost will be considered. E.g Bank loan - Rs 42 lakh, Subsidy - Rs 24.5 lakh ( 35% of Rs42/0.6=0.35\*70), Margin( minimum)-Rs3.5 lakh).

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.

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#### **4. Eligibility Criteria:**

- i. The applicant (Entrepreneurs/StartUp) should be a bonafide resident of Manipur.
- ii. The applicant should not be an employee 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. Applicants should be between 18 years to 65 years of age on the date of filing the application.
- iv. The beneficiary should be eligible to apply for loan and not a defaulter to any financial institution.
- v. A person who has already availed subsidy under government scheme will also be eligible under the scheme.
- vi. Annual turnover of the existing Unit should be more than Rs 50 lakh during the last three years (2020-21, 2021-22, 2022-23)
- vii. Capital Investment should be at least 10 Lakh from the time of establishment.
- viii. The Unit should not be a defaulter of Income tax and GST filling in tune with the turnover.
- ix. Preference will be given to Unit if Employees are registered in EPF/EPFIC.
- x. Should be willing to train and employ not less than 50 IDPs with a maximum intake of 500, within their own business. All trained inmates must be provided with employment for a minimum period of one year.
- xi. Wages for inmates once employed should not be less than minimum wages fixed by the Government from time to time.

#### **5. Other Eligibility Conditions (project proposal):**

- 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.

#### **6. Promoter's contribution on Project cost:**

Minimum contribution of the beneficiary shall be 5% of the sanctioned project cost depending upon the bankers' norms.

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- 7. Nature of loan and security:** Composite loan (inclusive of term loan and working capital) shall be provided. Bank loan will be collateral free for admissible amount as per RBI norms and covered under CGTMSE of Government of India and Manipur Credit Guarantee Scheme for MSMEs. For Bank not covered under CGTMSE and MCGS and for amount not admissible under CGTMSE/MCGS, Banks may insist for collateral as per bank norms.
- 8. Activities covered and maximum project cost:**  
The activities covered with maximum project cost of Rs 100 lakhs. The scheme would endeavor to support all viable sectors /activities, where manpower is required to be employed with short term training and skilling.
- 9. Training:**  
The selected Business Unit will select /identify trainees/ Employees/ Employees from their chosen Relief camps and provide short term training/ skilling in their business trade. Each trainee will be compensated within 15 days for the skills they have acquired in contributing to any stage of production. In trades where results cannot be assessed for payment within this period, stipend will be provided to trainees until their skills can be utilized for earning. Training cannot continue indefinitely, a timeframe for completion must be indicated in the project report, with a maximum duration of three months. Expenses to be part of the working capital. Cost norm per trainee should be within PMKVY scheme cost norms.
- 10.** Grievance redressal mechanism may be put in place by empowering all the Deputy Commissioner to address the scheme related grievances at district level. At State Level, CMESS Committee may be the apex body to resolved al the scheme related grievances.
- 11.** The capital asset (building or machinery) created under the scheme shall not be disposed of by the firm/unit till the liquidation of the loan.
- 12. How to apply:**  
The applicant can submit their applications online through <https://startupmanipur.in>
- 13.** 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:
- |     |   |            |
|-----|---|------------|
| I.  | Administrative Secretary, Planning, Govt. of Manipur      | - Chairman |
| II. | Director (Trade, Commerce & Industries), Govt. of Manipur | - Member   |

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|------|--|--------------------|
| III. | Director (line Deptt concerned department)   | - Member           |
| IV.  | Representative of Lead Bank, SBS             | -Member            |
| V.   | Representative of MSME Development Institute | -Member            |
| VI.  | Representatives of funding Bank              | - Member           |
| VII. | Director (Planning), Manipur                 | - Member Secretary |

#### 14. 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.

15. Tripartite memorandum of Undertaking will be signed between Planning Department, partner Bank and selected StartUp and Entrepreneurs.

#### 16. Screening Committee:

StartUp Cell chaired by Director (Planning) will scrutinize the applicants with experts, if required and evaluate the applicants and their business proposal and placed before the CMESS Committee for final approval and fixing of amount for investment in consultation with the Bank partner. The following team:

- |      |   |                   |
|------|---|-------------------|
| i.   | Director (Planning), Govt. of Manipur                   | - Chairperson     |
| ii.  | Joint Secretary/Deputy Secretary,<br>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 Deptt          | - Member Convener |

#### 17. Documents to be provided (Uploaded):

- i) Aadhaar
- ii) Pan card
- iii) Business Pan card
- iv) Business Registration certificate
- v) Audited balance sheet for the years (2020-21, 2021-22, 2022-23)
- vi) Income tax Return for the years (2020-21, 2021-22, 2022-23)
- vii) Audited Profit and Loss statement for the years (2020-21, 2021-22, 2022-23)
- viii) Existing number of staff employed (with EPF/EPFIC number, if available).

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