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Message from Committee Leadership

Dear MSME & Startup Stakeholders,

We are pleased to share details about the ICAI MSME Clinic, an initiative designed to provide valuable guidance, support, and professional assistance to MSMEs and Startups across the country. This weekly walk-in, pro-bono advisory service aims to address key challenges faced by MSMEs, including finance, accounting, technology support and marketing.

About ICAI MSME Clinic

The ICAI MSME Clinic will be hosted every Friday by ICAI branches, where MSMEs and Startups can receive expert advice from two dedicated advisory desks:

- **Business Support Desk:** Led by Chartered Accountants specializing in MSME and Startup advisory, financial planning, compliance, and business strategy.
- **Institutional Support Desk:** Led by Bankers and Government Representatives, offering assistance with credit access, grievance redressal, and awareness of government schemes.

Introduction to the State-Specific MSME Policy

We are also excited to present the State-Specific MSME Policy, an essential resource for MSMEs & Startups in the ICAI MSME Clinic initiative. As part of this initiative, the Committee has developed a Resource Handbook and State-Specific MSME Policies, aimed at enhancing the knowledge base of MSMEs and Startups.

These State-Specific Handbooks serve as practical and accessible tools for navigating the unique opportunities, policies, and regulatory frameworks specific to each state. By consolidating available schemes, incentives, and support across states, we aim to provide MSMEs & Startups with the guidance they need to grow at the grassroots level and develop the capacity.

Vision of ICAI MSME Clinic

Through consistent, pro-bono engagement and sustainable operations, each branch becomes a local hub and incubation centre of MSME transformation, bridging professional excellence with grassroots economic development. ICAI aims to empower MSMEs & Startups annually, driving financial literacy, compliance discipline, and business growth.

Acknowledgement

We would like to extend our sincere gratitude to **CA Amisha R Khimani** for their tireless efforts and contributions in preparing the **State-Specific MSME Policy of Tamil Nadu**, which will play a crucial role in this initiative.

MSME & Startup Commitment Growth

The MSME & Startup Committee, ICAI, is deeply committed to ensuring the success of the ICAI MSME Clinic and providing continuous support to MSMEs & Startups. Together, we look forward to contributing to the sustainable growth and empowerment of MSMEs & Startups, which are the backbone of the Indian economy.

CA Gyan Chandra Misra
Chairman
MSME & Startup Committee, ICAI

CA. Sanjay Kumar Agarwal
Vice Chairman
MSME & Startup Committee, ICAI

Efficacy of Tamil Nadu's MSME and Entrepreneurship Policies

The Government of Tamil Nadu has developed a robust framework of MSME policies designed to drive inclusive economic growth, create localized employment, and foster equitable regional development.

By providing a strategic mix of capital subsidies, interest subventions, and mandatory capacity-building training, these state-specific schemes actively reduce the barriers to entry for various demographic groups, promoting self-reliance over wage employment dependency.

Youth Empowerment and Broad Economic Growth To harness the potential of its educated youth, Tamil Nadu utilizes two primary schemes:

- **NEEDS (New Entrepreneur-cum-Enterprise Development Scheme):** This policy shows strong efficacy in driving sustainable economic development by formalizing new manufacturing and service enterprises by offering a substantial 25% capital subsidy (up to ₹75 lakh) and a 3% interest subvention for first-generation entrepreneurs.
- **UYEGP (Unemployed Youth Employment Generation Programme):** By targeting unemployed youth with project funding up to ₹15 lakh, this scheme effectively generates self-employment and creates a positive ripple effect throughout local economies, resulting in balanced regional development.

Social Inclusion and Gender Equity A core efficacy of Tamil Nadu's policy framework is its targeted approach to uplifting marginalized and disadvantaged communities:

- **AABCS (Annal Ambedkar Business Champions Scheme):** Directly aligned with SDG Target 10.2, this scheme successfully drives the social, economic, and political inclusion of SC and ST communities.
- **TWEES (Tamil Nadu Women Entrepreneurs Empowerment Scheme):** This initiative drives gender-inclusive development by targeting women and transgender individuals, prioritizing those from BPL families, widows, and persons with disabilities. By waiving educational, income, and collateral requirements, it successfully transforms individuals without traditional institutional support into first-generation business owners.

Sector-Specific and Crisis-Responsive Initiatives The state has also proven its ability to tailor policies to specific trades and unexpected socio-economic shocks:

- **Kalaigarnar Kaivina Thittam (KKT):** This scheme revitalizes Tamil Nadu's traditional handicrafts by modernizing 25 distinct artisan trades. Its primary efficacy lies in empowering artisans as modern entrepreneurs and promoting inclusive participation.
- **MEGP (Migrants Employment Generation Programme):** Designed as a crisis-response tool during the COVID-19 pandemic, MEGP has effectively reintegrated returning Non-Resident Tamils into the local economy. By converting returnees into micro-entrepreneurs, the policy successfully restores lost incomes, generates secondary local employment, and guards against future distress migration.

Collectively, Tamil Nadu's MSME policies are highly effective in addressing the diverse needs of its population. Through integrated non-financial support—such as mandatory entrepreneurship training, incubation, and mentoring—coupled with strong financial incentives, the state ensures higher survival rates for new startups and cements a sustainable, highly inclusive entrepreneurial ecosystem.

1. Tamil Nadu – Kalaingar Kaivinai Thittam (Artisan Development Scheme)

Introduction to the Policy

Tamil Nadu has a rich legacy of traditional crafts, handicrafts, and artisan-driven industries — from weaving and pottery to metalwork, sculpture, boat-making and more. Many artisans work in rural or semi-urban settings and face constraints in access to credit, technology, markets, and training.

Launched by the Tamil Nadu government in December 2024 as a state-level scheme, Kalaingar Kaivinai Thittam (KKT) is exclusively designed for artisans. The scheme aims to go beyond welfare — it seeks to empower artisans as entrepreneurs, promote inclusive participation, and modernize traditional trades without binding beneficiaries by caste or family lineage.

About the Policy (Kalaingar Kaivinai Thittam)

Definitions

- **Artisan / Craftsman:** A person engaged in one of the recognized trades / handicrafts, with practical experience in the trade.
- **Project Cost:** Total cost for establishing, expanding or modernizing the artisan unit / activity (equipment, tools, working capital, technology, etc.).
- **Subsidy / Capital Grant:** The proportion of the project cost borne by the government under the scheme.
- **Interest Subvention:** Reduction / support in the interest rate of loans obtained under the scheme.

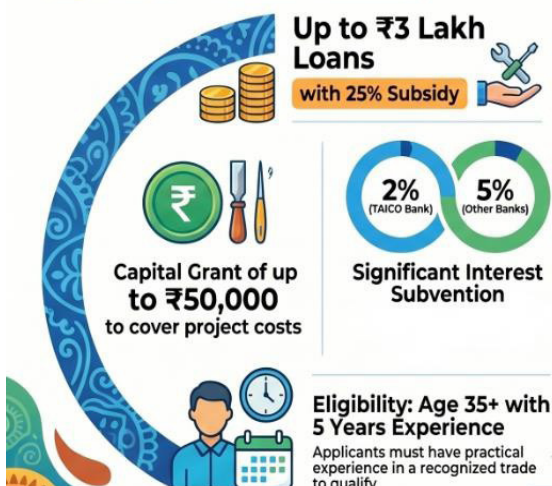
Policy Period & Applicability

- Announced in December 2024, officially launched in April 2025.
- Applicable across Tamil Nadu for eligible artisans who meet the specified criteria.

Kalaingar Kaivinai Thittam (KKT): Empowering Tamil Nadu's Artisans

A state-level initiative modernizing traditional trades through linked subsidies and interest support across 25 craft categories.

Eligibility & Financial Incentives



Scope & Implementation



Policy Features & Incentives

Feature	Description
Name of scheme	Kalaignar Kaivinai Thittam (KKT)
Target group	Artisans in 25 trades (see list below)
Age eligibility	Minimum 35 years
Experience requirement	Minimum 5 years in relevant trade
Project cost / Loan ceiling	Up to ₹3,00,000
Subsidy / grant	25% subsidy on project cost, up to ₹50,000
Interest subvention	2% for loans via TAICO Bank; 5% for other banks
Inclusivity	No caste/family-based restriction; open to all artisans meeting criteria
Implementation Media	Online application via MSME Online TN portal

Terms & Conditions for Extending Incentives / **Concessions**

- If an applicant has already received subsidy benefits over ₹ 1,50,000 under any Tamil Nadu government self-employment scheme in the past 5 years, they must **repay or reconcile** before applying.
- The scheme is **credit-linked**, requiring a loan from a recognized bank.

Eligible artisan trades (25 **categories**):

1. Carpentry	2. Metal works
3. Masonry	4. Painting
5. Glassworks	6. Stucco works (Sudhai velai)
7. Boat making	8. Lock making
9. Sculpting / Stone carving	10. Pottery (including terracotta)
11. Basket, mat, broom making and rope weaving	12. Doll / toy making
13. Garland making	14. Fishnet making
15. Tailoring	16. Jewellery making
17. Hair designing & grooming	18. Washing, ironing, laundry
19. Leather handicrafts & footwear making	20. Traditional making musical instrument
21. Weaving & embroidery	22. Traditional textile printing
23. Beadworks	24. Bamboo, works cane, jute, palm leaf
25. Tribal products natural harvest / artisanal	

Non-Financial **Support**

- Skill training and entrepreneurship development
- Support for technology access, marketing, and design development
- Potential for mentoring, cluster development, and product exposure

Procedure for availing Incentives under KKT

1. Apply online at MSME portal - <https://msmeonline.tn.gov.in/registration.php>
2. Register yourself and create a login account using Name, Date of birth, Aadhaar no. and Mobile no.
3. After creating a login account, the entrepreneur should check his eligibility as given in the scheme details above and click Yes/No to a list of questions
4. After which, a set of documents are to be uploaded which includes Aadhaar Card, Project report and identification cards of welfare boards, if available.
5. The format of experience certificate and project report will be available on the Apply Online page which can be downloaded and filled up.
6. Next, fill up the online application form after reading the guidelines.
7. The project report is to be uploaded while filling up the application form.
8. Enter the required subsidy with other details and bank account details and submit the application.
9. There shall be no fees or charges for applying under the scheme.

References

1. https://msmeonline.tn.gov.in/kkt/kkt_desc.php
2. <https://www.msmeonline.tn.gov.in/kkt/enclosures.php>
3. G.O(Ms)No.64, dated 06.12.2024
4. https://www.msmeonline.tn.gov.in/incentives/html_filling_procedure_cs.php
5. https://msmeonline.tn.gov.in/contactus_local.php

2. Tamil Nadu – Annal Ambedkar Business Champions Scheme (AABCS)

Introduction to the Policy

In 2023, the Tamil Nadu government launched the **Annal Ambedkar Business Champions Scheme (AABCS)** — a pioneering state-level initiative aimed specifically at encouraging entrepreneurship among Scheduled Caste (SC) and Scheduled Tribe (ST) communities. The scheme is aligned with **SDG Target 10.2**, which aspires to empower and promote social, economic, and political inclusion of all, regardless of caste, community, or status.

By offering both capital subsidy and interest subvention, AABCS seeks to lower entry barriers, strengthen existing enterprises, and foster a culture of entrepreneurship.

About the Policy (AABCS)

Definitions

- **Eligible beneficiary:** A person belonging to SC / ST community, owning a business enterprise (new or existing) with 100% ownership by SC/ST individuals.
- **Eligible project cost:** Capital investments in land (up to 20%), plant, machinery, testing equipment, computing devices; vehicles may be included only if integral to business operations.
- **Capital subsidy:** A grant given by the state to reduce the promoter's burden, given typically upfront.
- **Interest subvention:** Partial subsidy or support by the state covering part of the interest on bank loans to reduce the effective interest rate to the beneficiary.

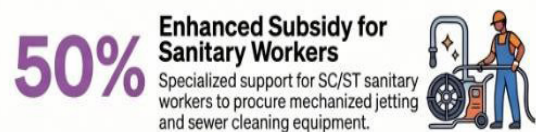
Empowering Inclusive Growth: The Annal Ambedkar Business Champions Scheme (AABCS)

Launched in 2023 by the Government of Tamil Nadu, the AABCS is a pioneering initiative designed to bridge the gap in entrepreneurial uptake among SC/ST communities. It provides significant capital subsidies and interest support to foster a culture of inclusive economic development.

WHO CAN APPLY?



FINANCIAL INCENTIVES & BENEFITS



CORE FINANCIAL & TRAINING CEILINGS



Project Cost Ceiling:
No fixed ceiling



Training:
Mandatory Entrepreneurship Development Training (EDII)



Application Mode:
100% Online via msmeonline.tn.gov.in

Policy Features & Incentives

Feature	Description
Name of scheme	Annal Ambedkar Business Champions Scheme (AABCS)
Target group	Entrepreneurs belonging to SC / ST communities
Age limit	Up to 55 years
Educational qualification	No minimum educational requirement
Eligible sectors	Manufacturing, services, trade
Project cost ceiling	No fixed ceiling (but subsidy capped)
Capital subsidy	35% of eligible project cost (max ₹1.5 crore)
Interest subvention	6% on loans (for machinery/equipment) up to 10 years; working capital loans eligible for subvention for first 2 years
Special initiative	Enhanced subsidy (50%) for SC/ST sanitary workers for jetting machines
Implementation mode	Online application, DIC / District Level Sanctioning Committees

Average Time Taken for Subsidy Approval: 128 Days

Terms & Conditions for Extending Incentives / **Concessions**

- Projects that are credit-linked are preferred, but the scheme also allows for **non-credit-linked** projects; in such cases, the capital subsidy is released **back-ended**.
- Beneficiaries are allowed to claim additional subsidies from other non-state-controlled schemes (i.e. no bar to parallel central assistance).

List of Service / Business Enterprises Eligible / Not Eligible

Eligible

• Manufacturing enterprises
• Service sector enterprises
• Trade enterprises (provided they exceed the threshold under the Unemployed Youth Employment Generation Program)
• New ventures as well as expansion of existing ones

Restrictions / Not eligible (based on scheme documents and TIIC guidance)

• Pure trading ventures (in TIIC's version) may be excluded — TIIC indicates that trading only is not allowed under its variant (but state scheme allows trade if above threshold).
• Projects where SC/ST ownership is less than 100%
• Projects where the applicant is older than 55
• Projects failing viability, capacity for repayment, or not meeting technical / credit merit
• Applicants with extremely poor credit history or weak proposals may be rejected

Non-Financial Support: Incubation, Capacity Building, Networking

- All beneficiaries receive **entrepreneurship development training** via the Entrepreneurship Development & Innovation Institute (EDII).
- District committees provide guidance, screening, mentoring.
- Awareness campaigns, orientation programmes are conducted to spread knowledge among potential SC/ST entrepreneurs (e.g. in panchayats).

Procedure for availing Incentives under AABCS

1. Verify eligibility: SC / ST, ≤ 55 years, enterprise wholly owned, sector (manufacturing / service/ trade)
2. Prepare project proposal including capital requirement, business plan, viability
3. Submit application online via <https://msmeonline.tn.gov.in/registration.php>
4. Proposal is forwarded to District Industries Centre (DIC) / District Level Sanctioning Committee (DLSC) for evaluation
5. Contact details of the Department of Industries & Commerce and District Industries Centres can be viewed at https://msmeonline.tn.gov.in/contactus_local.php
6. If approved, bank sanction of loan tie-up with credit institution
7. Disbursement of capital subsidy (either upfront or back ended depending on credit linkage)
8. Interest subvention applied by bank (up to 6%, for approved tenure)
9. Monitoring, audit, and compliance by state / district committees

References

- https://www.msmeonline.tn.gov.in/aabcs/aabcs_desc.php
- G.O(Ms)No.33, MSME(D2) Department dated 12.05.2023

3. Tamil Nadu — New Entrepreneur-cum-Enterprise Development Scheme (NEEDS)

Introduction to the Policy

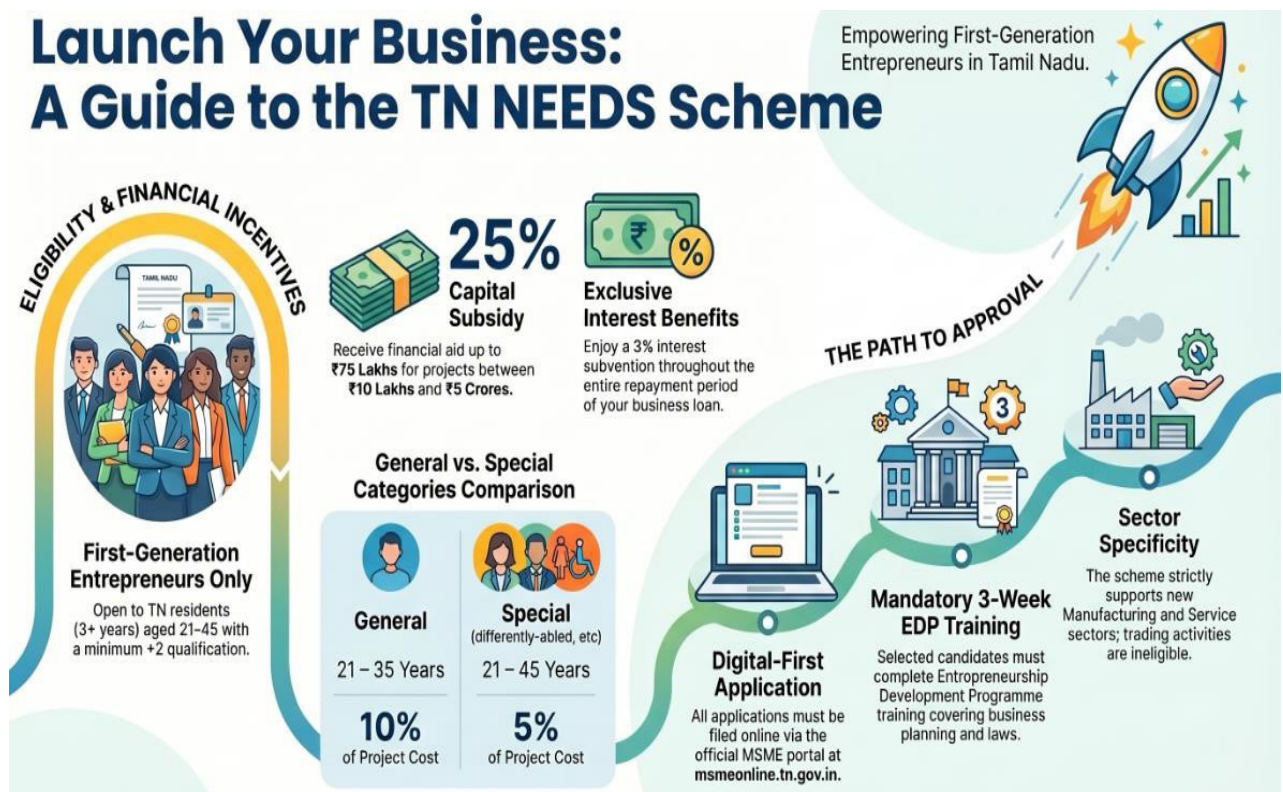
Tamil Nadu has prioritized promoting entrepreneurship among its educated youth to drive economic growth, create jobs, and foster inclusive development. Recognizing the challenges faced by first-generation entrepreneurs—such as access to capital, training, and infrastructure—the state government launched the New Entrepreneur-cum-Enterprise Development Scheme (NEEDS). This scheme specifically targets young entrepreneurs starting their first manufacturing or service enterprise, offering both financial and non-financial support. By providing subsidies, interest subvention, and entrepreneurship development training, the scheme helps reduce barriers to business creation, especially for women, SC/ST, and other special categories. The policy is implemented across all districts of Tamil Nadu and has shown strong uptake, reflecting the state's commitment to sustainable and equitable economic development.

About the Policy (NEEDS)

Definitions

- First-generation entrepreneur: A person starting their first business venture.
- Special category: Includes women, SC, ST, backward classes, minorities, differently abled, and ex-servicemen.
- Capital subsidy: Financial aid covering a part of the project cost to ease the entrepreneur's burden.
- Interest subvention: Partial subsidy on interest for loans taken, reducing borrowing costs.

Launch Your Business: A Guide to the TN NEEDS Scheme



Policy Features & Incentives

Feature	Description
Name of scheme	New Entrepreneur-cum-Enterprise Development Scheme (NEEDS)
Objective	Support first-generation educated youth to start new enterprises in manufacturing/service sectors except mobile service units
Age eligibility	21-45 years (General category); up to 55 years (Special category)
Educational qualification	Minimum Higher Secondary pass
Project cost limits	Minimum ₹10 lakh; Maximum ₹5 crore
Promoter's contribution	10% for General category; 5% for Special category
Capital subsidy	25% of eligible project cost; ceiling ₹75 lakh
Interest subvention	3% on term loan
Reservation / special share	50% assigned to women; quotas for SC/ST and other special categories
Non-financial support	Entrepreneurship training, loan facilitation, industrial estate allotments
Implementation	Online applications via MSME Tamil Nadu, coordinated by District Industries Centres and TIIC

Average Time Taken for Subsidy Approval: 82 Days List of Eligible and Not Eligible Enterprises

- Eligible: New manufacturing and service enterprises by Tamil Nadu residents fulfilling age, education, and promoter contribution criteria.
- Not Eligible: Pure trading businesses; those who have availed similar benefits under other schemes may be restricted, mobile service units.
- NEEDS supports formalization of new enterprises and promotes first-generation entrepreneurship within Tamil Nadu's MSME framework.
- The scheme offers a mix of financial incentives and capacity-building support to increase the success rate of startups.
- Payment made by cash towards the capital expenditure exceeding Rs. 25,000/- in a single transaction will become ineligible for subsidy.

Non-financial Support

- Mandatory 15-day entrepreneurship development training provided by EDII or designated institutes.
- Assistance in preparing project reports and securing loans.
- Preference for allotment of plots and sheds in state industrial estates.

Procedure for availing the Incentives under NEEDS

1. Verify eligibility criteria (age, education, residency).
2. Prepare detailed project proposal/business plan.
3. Submit online application through <https://msmeonline.tn.gov.in/registration.php> or local District Industries Centre.
4. Complete required entrepreneurship development training (15 days).
5. Apply for loans with banks or Tamil Nadu Industrial Investment Corporation (TIIC).
6. Upon loan sanction and disbursement, receive capital subsidy and interest subvention from the government.

References

- <https://www.msmeonline.tn.gov.in/needs/>
- https://www.msmeonline.tn.gov.in/needs/needs_desc.php
- [G.O.\(Ms\)No.49, MSME\(D2\) Department dated 29.10.2012](#)
- [G.O.\(Ms\)No.46, MSME\(D2\) Department dated 08.09.2014](#)
- [G.O.\(Ms\) No. 13, MSME\(D2\) Department dated 24.04.2018](#)
- [G.O.\(Ms\) No. 30, MSME\(D2\) Department dated 01.10.2018](#)

4. Tamil Nadu — Unemployed Youth Employment Generation Programme (UYEGP)

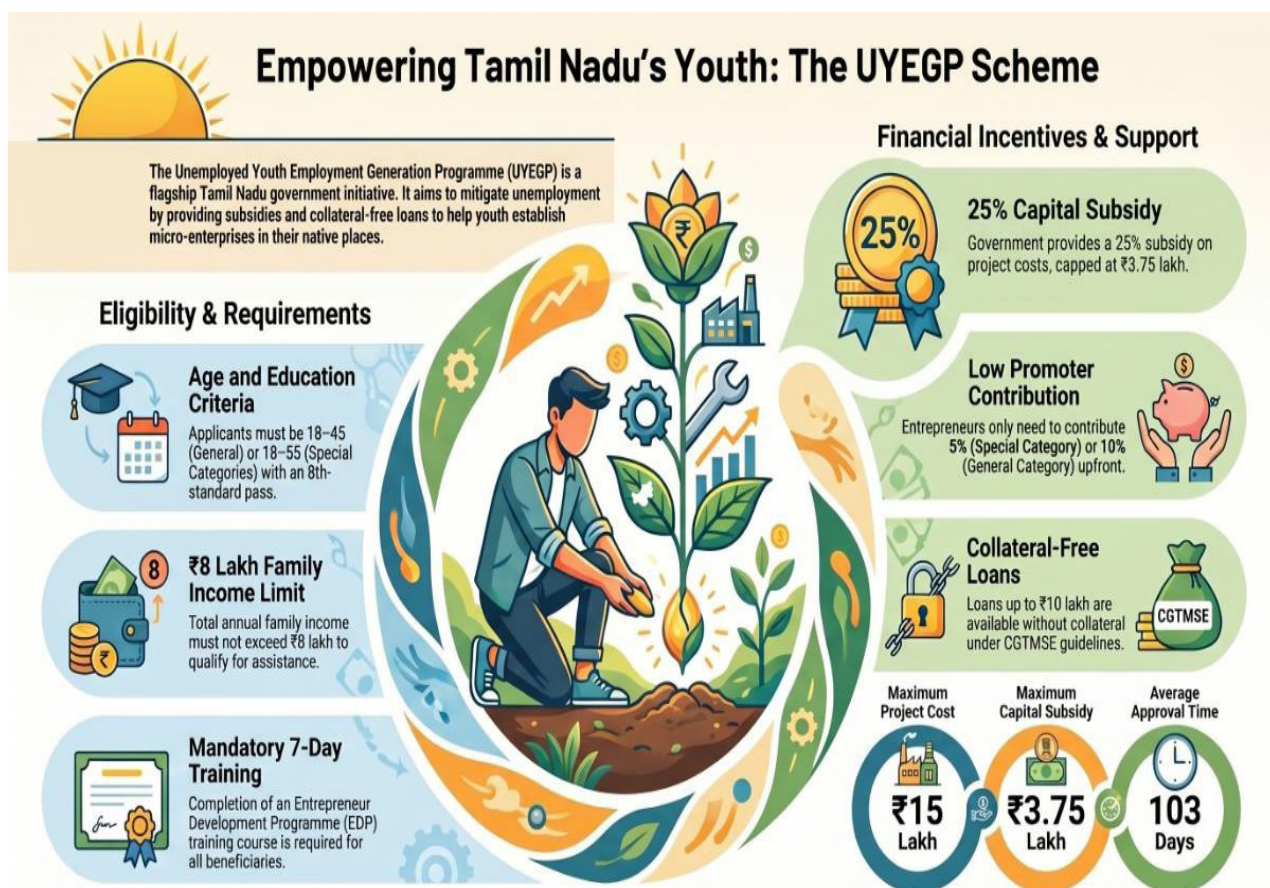
Introduction to the Policy

Tamil Nadu is committed to empowering its educated but unemployed youth by promoting self-employment. The Unemployed Youth Employment Generation Programme (UYEGP) is a targeted initiative aimed at providing financial support and incentives to young individuals to start their own Manufacturing/Service/Business enterprises. The policy recognizes the need for economic inclusion and employment generation among youth, especially in the face of growing unemployment challenges. The scheme is significant for Tamil Nadu as it encourages entrepreneurship among youth, enhances livelihood opportunities, and reduces dependency on wage employment. This creates a ripple effect in local economies and helps achieve balanced regional development.

About the Policy (UYEGP)

Definitions

- **UYEGP:** A flagship initiative of the Government of Tamil Nadu aimed at generating self-employment opportunities among educated youth by supporting the establishment of micro-enterprises.
- **Applicant/Entrepreneur:** A person applying under UYEGP, who must be a resident of Tamil Nadu and fall within the prescribed age and educational eligibility.
- **Micro Enterprise:** A business unit with investment not exceeding the limits prescribed under the MSMED Act, 2006.



Policy Features & Incentives

Feature	Description
Name of scheme	Unemployed Youth Employment Generation Programme (UYEGP)
Objective	Promote self-employment in Micro enterprises in Manufacturing/Service/Business sector for educated youth
Age eligibility	18-45 years (General category); 18-55 years (Special - Women/Minorities/BC/MBC/SC/ST/Ex-servicemen/Transgenders / Differently abled category)
Educational qualification	Minimum 8th Standard pass
Family income of the beneficiary	Should not exceed ₹8 lakh p.a
Eligible Activities	Manufacturing/Service/Business activities
Project cost limits	Maximum ₹15 lakh
Promoter's contribution	10% for General category; 5% for Special category
Capital subsidy	25% subsidy on project cost; maximum ₹3.75 lakh
Collateral	Collateral waived for loans up to ₹10 lakh under CGTMSE guidelines

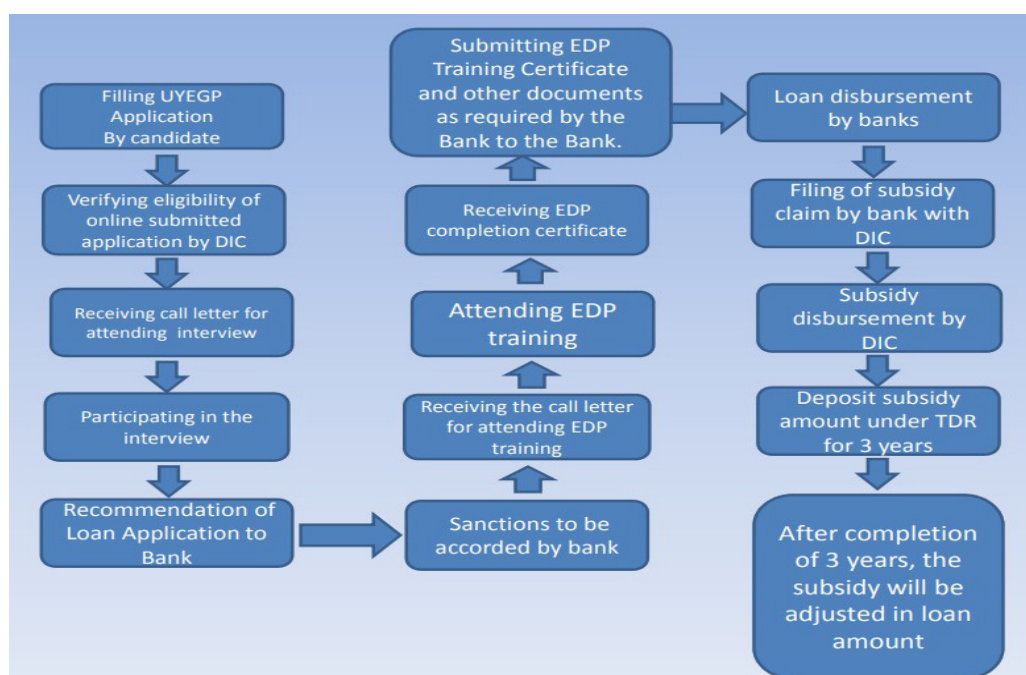
Average Time Taken for Subsidy Approval: 103 Days

Terms & Conditions for Extending Incentives & Concessions

- 7 days training in Entrepreneur Development Programme to be conducted by Entrepreneur Development Institute (EDI) of Government of Tamil Nadu is mandatory.

Procedure for availing the Incentives under UYEGP

- Verify eligibility criteria (age, education, residency)
- Submit application through <https://www.msmeonline.tn.gov.in/registration.php>
- Prepare project report/business plan.
- The next steps are given in the flowchart below:



References

- https://www.msmeonline.tn.gov.in/uyegp/uyegp_desc.php
- <https://www.msmeonline.tn.gov.in/uyegp/pdf/G O 80.pdf>
- https://www.msmeonline.tn.gov.in/uyegp/pdf/uyegp_go 66.pdf
- https://msmeonline.tn.gov.in/uyegp/pdf/guideline_tofill_application.pdf
- https://www.msmeonline.tn.gov.in/uyegp/uyegp_go.php?id=G.O%20&%20Guidelines
- https://msmeonline.tn.gov.in/contactus_local.php

5. Migrants Employment Generation Programme – (MEGP)

Introduction to the Policy

Tamil Nadu, a state with a large labour force, experienced significant return migration during the COVID-19 pandemic. Many non-resident Tamils (NR-Tamils) returned after job loss, salary defaults or contract terminations, creating an urgent need for livelihood support and economic reintegration.

The Migrants Employment Generation Programme (MEGP), introduced via a Government Order, is a state-level response to convert these returnees into self-employed micro-entrepreneurs, reduce dependency on irregular employment, and generate secondary local employment. By combining financial assistance (capital subsidy/grants), handholding, and legal aid for those who suffered exploitation abroad, the programme aims to restore incomes, promote entrepreneurship in rural and urban pockets, and reduce the risk of distress migration in future shocks.

About the Policy (MEGP)

Definitions

- **Non-Resident Tamils / Returnee Migrant:** Person of Tamil Nadu origin who had gone outside the state or abroad for employment or study and returned during the COVID-19 pandemic period.
- **Beneficiary Enterprise:** A micro or small enterprise proposed/started by a returnee under the MEGP that meets the scheme’s eligibility (manufacturing/service, viable business plan, district & block criteria).

ELIGIBILITY & BUSINESS SCOPE



Qualified Returnee Status
Open to those who returned to Tamil Nadu on or after January 1, 2020.



Age and Education Limits
Applicants must be 18-55 years old and have passed the 8th standard.

Empowering Returnee Migrants: The MEGP Scheme

Converting Tamil Nadu COVID-19 returnees into self-employed micro-entrepreneurs with capital subsidies and support.

Diverse Industry Coverage

Supports projects in manufacturing, service, and business sectors, excluding direct agriculture.



MANUFACTURING



SERVICE



BUSINESS



25% Government Subsidy

Beneficiaries receive a capital grant covering 25% of costs, up to ₹2.5 Lakhs.



No Collateral Required

Scheme facilitates bank loans for the remaining project cost without requiring collateral.

FINANCIAL GRANTS & GETTING STARTED



Mandatory 2-Day Training

Selected candidates must complete an Entrepreneur Development Program (EDP) before fund disbursement.

MAXIMUM PROJECT COST



MANUFACTURING



SERVICE SECTOR



BUSINESS ACTIVITIES

Policy Features & Incentives

Feature	Description
Scheme name	Migrants Employment Generation Programme
Scheme eligibility	Should have returned to Tamil Nadu as on & after 01-01-2020 due to Covid-19 outbreak.
Age eligibility	18-45 years (General category); 18-55 years (Special - Women/ Minorities/BC/MBC/SC/ST/Ex-servicemen/Transgenders / Differently abled category)
Educational qualification	Minimum 8th Standard pass
Family income of the beneficiary	Should not exceed ₹5 lakh p.a.
Eligible Activities	Manufacturing/Service/Business projects excluding direct agricultural operations
Project cost limits	Maximum ₹15 lakh/₹5 lakh/₹5 lakh respectively
Promoter's contribution	10% for General category; 5% for Special category
Subsidy on Project Cost	25% subsidy on project cost; maximum ₹2.50 lakh

Average Time Taken for Subsidy Approval: 246 Days

Terms & Conditions for Extending Incentives and Concessions

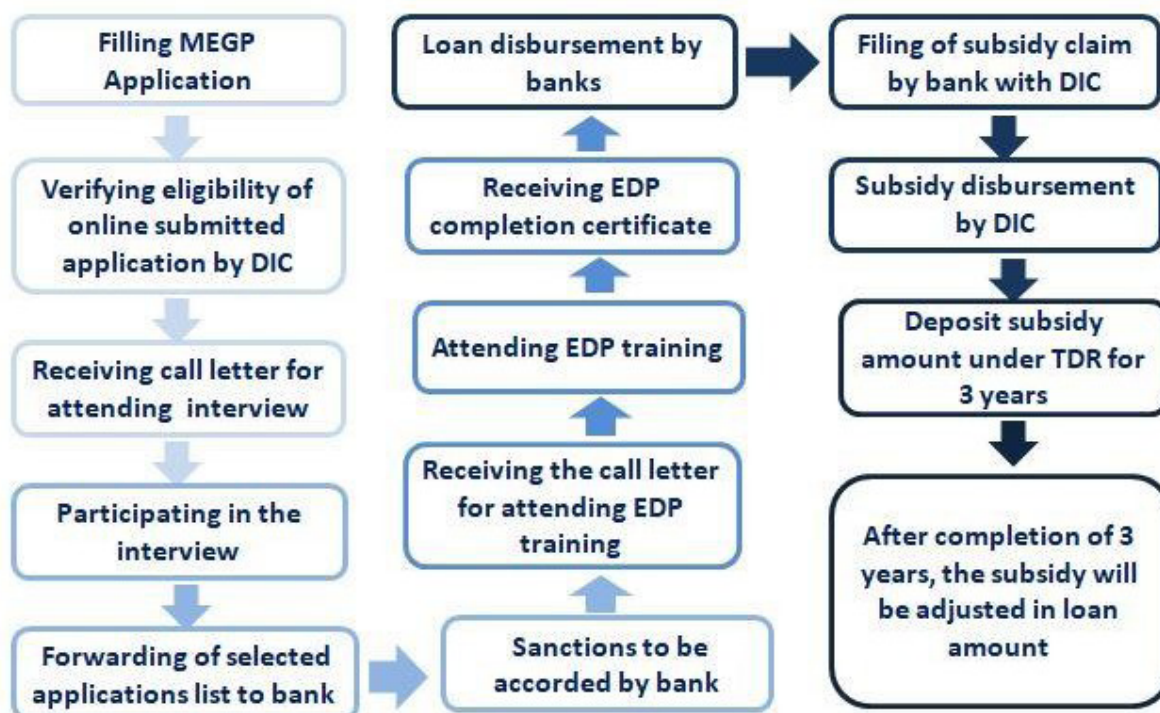
2 days training in Entrepreneur Development Programme to be conducted by Entrepreneur Development Institute (EDI) of Government of Tamil Nadu is mandatory.

Non-financial support: incubation, mentoring, **networking**

The scheme emphasizes handholding — training, business development counselling, and access to incubation/mentoring facilities through state MSME networks and district industrial bodies. Linkages to markets and buyer networks are promoted through state schemes and departmental outreach.

Procedure for availing Incentives for MEGP

1. Apply online at <https://www.msmeonline.tn.gov.in/registration.php> (or through designated e-service centres).
2. Proof of returnee status, identity, project report, bank account details to be submitted which will be verified by district nodal officer.
3. Subsidy/grant disbursed as per rules, often alongside bank funding for working capital or capital purchases.
4. Detailed process is given in the flow chart below



References

- G.O. No. 569 — Migrants Employment Generation Programme (MEGP) http://msmeonline.tn.gov.in/megp/pdf/MEGP_349.pdf
- MEGP page and application portal — MSME Online, Government of Tamil Nadu. https://www.msmeonline.tn.gov.in/megp/megp_desc.php
- Non-Resident Tamils — list of G.O.s and sanctions – <https://nrtamils.tn.gov.in/en/about-us/other-gos/>

6. Tamil Nadu Women Entrepreneurs Empowerment Scheme (TWEES)

Introduction to the Policy

The Tamil Nadu Women Entrepreneurs Empowerment Scheme (TWEES) is a state-level initiative by the Micro, Small and Medium Enterprises Department, Government of Tamil Nadu (MSME Department, Tamil Nadu) aimed at promoting entrepreneurship among women – including transgender individuals – helping them establish or expand small businesses.

TWEES reflects the state's commitment to gender-inclusive economic development: enabling women from various backgrounds to access financial support, business creation opportunities and thereby contribute to Tamil Nadu's MSME ecosystem.

About the Policy (TWEES)

- TWEES is targeted at women and transgender entrepreneurs — especially those from socially or economically disadvantaged backgrounds.
- Eligibility requires beneficiaries to be between 18 to 55 years of age.

The policy is operated through the MSME Department's official portal, under which applicants can submit project proposals, necessary documents (such as Aadhaar/ration cards, project report etc.), and apply for support.

No fee is collected by the department for services under this scheme.

TWEES aims to foster first-generation entrepreneurs — encouraging women and transgender individuals who may not otherwise have access to capital or institutional support to initiate micro / small enterprises.



Policy Features & Incentives

Feature	Description
Scheme name	Tamil Nadu Women Entrepreneurs Empowerment Scheme
Scheme eligibility	<ul style="list-style-type: none"> For Women/Transgender entrepreneurs Domicile of Tamil Nadu possessing family Ration Card. Priority beneficiaries: SC/ST, Transgender persons, Persons with disabilities, widows/ destitute widows and women from Below Poverty Line (BPL) families. Only one member per family.
Age eligibility	18 to 55 years
Educational qualification	No educational Qualification.
Family income of the beneficiary	No Income ceiling.
Restrictions	One member from one family
Eligible Activities	Manufacturing/Service/Trading activities excluding direct agricultural activities
Project cost limits	Maximum ₹ 10 lakh
Promoter's contribution	5% of the total project cost
Collateral	No collateral is required.
Subsidy	25% Capital subsidy; maximum ₹2 lakh Interest subvention is not applicable.

Facilitated Access to Credit/Loans: The scheme assists entrepreneurs in tying up with financial institutions, helping them with loan processes for their micro or small enterprises.

- KKT women beneficiary intended to avail loan for expansion can top up under this scheme.

Non-financial support

- After the loan is sanctioned, a 3-day mandatory Entrepreneur Development Training will be conducted by the Entrepreneurship Development and Innovation Institute (EDII)-TN.
- For manufacturing enterprises, based on the demand, skill training shall be provided by the Tamil Nadu Skill Development Corporation (TNSDC).

Procedure for availing Incentives for TWEES

- Submit application through <https://www.msmeonline.tn.gov.in/registration.php>
- Prepare project report/business plan.
- The next steps are given in the flowchart below:

The TWEES Process: From Application to Subsidy

Stage 1: Application & Approval



Application Filing & DIC Verification

Submit the TWEES application for eligibility screening by the District Industries Centre (DIC).

Interview & Loan Recommendation

Attend a selection interview to receive a formal loan recommendation to the bank.



Bank Sanction

The bank reviews the recommended application to accord formal loan sanctions.

Stage 2: Training & Disbursement



EDII Training & Certification

Attend mandatory EDII training and receive the completion certificate required for funding.

Loan Disbursement
Submit the training certificate and required documents to the bank to release funds.



Subsidy Disbursement

The bank files a claim with the DIC to facilitate the final subsidy payment.

References

1. https://msmeonline.tn.gov.in/twees/twees_desc.php
2. <https://msmeonline.tn.gov.in/twees/dashboard.php?id=Dashboard>
3. https://msmeonline.tn.gov.in/twees/pdf/twees_blank.pdf
4. [MICRO, SMALL AND MEDIUM ENTERPRISES \(D2\) DEPARTMENT-G.O.\(Ms\).No. 51](#)



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