

Capital Subsidy

Details (Capital Subsidy)

The scheme "Capital Subsidy" by the Micro Small and Medium Enterprises Department, Government of Tamil Nadu, is introduced to assist MSME enterprises in reducing their burden of capital procurement.

Objectives (Capital Subsidy)

- The scheme "Capital Subsidy" by the Micro Small and Medium Enterprises Department, Government of Tamil Nadu, is introduced to assist MSME enterprises in reducing their burden of capital procurement.
- The subsidy is provided for 25% of eligible plant and machinery costs for Micro Manufacturing Enterprises and Small and Medium Enterprises, with an additional capital subsidy for enterprises set up by Women / Scheduled Caste / Scheduled Tribe / Differently Abled and Transgender entrepreneurs.

Important Features (Capital Subsidy)

- The scheme "Capital Subsidy" by the Micro Small and Medium Enterprises Department, Government of Tamil Nadu, is introduced to assist MSME enterprises in reducing their burden of capital procurement.
- The subsidy is provided for 25% of eligible plant and machinery costs for Micro Manufacturing Enterprises and Small and Medium Enterprises, with an additional capital subsidy for enterprises set up by Women / Scheduled Caste / Scheduled Tribe / Differently Abled and Transgender entrepreneurs.

Benefits (Capital Subsidy)

- 25% capital subsidy on the value of eligible plant and machinery, subject to a maximum of ₹ 150,00,000. Additional capital subsidy for enterprises set up by Women / Scheduled Caste / Scheduled Tribe / Differently Abled and Transgender entrepreneurs at the rate of 5% on the value of eligible plant and machinery, subject to a maximum of ₹ 5,00,000. Additional Capital subsidy of 10% for micro enterprises on the investment made in plant and machinery value, subjected to a maximum of ₹ 5,00,000. All existing Micro and Small Manufacturing Enterprises set up anywhere in Tamil Nadu graduating to higher category by undertaking expansion/diversification are eligible for a 5% additional capital subsidy subject to a maximum of ₹ 25,00,000 for scaling up. Additional Capital Subsidy at the rate of 25% of plant and machinery value installed to promote such technology subjected to a maximum of ₹ 10,00,000 for new and existing enterprises promotes cleaner and environmentally friendly technologies.

Eligibility (Capital Subsidy)

1. All new micro manufacturing enterprises established anywhere in the state.
2. All new small and medium enterprises under following 24 thrust sectors established anywhere in the state (excluding additional capital subsidy and employment generation subsidy):
 - Electrical and electronic industry
 - Leather and leather goods
 - Auto parts and components
 - Drugs and pharmaceuticals
 - Solar energy equipment
 - Gold / Diamond jewellery for exports
 - Pollution control equipments
 - Electric Vehicle components, charging infrastructure and components
 - Cost effective building material
 - Readymade garments
 - Food processing
 - Plastic (except 'one time use and throw away plastics')
 - Rubber
 - Bio Technology

- Petro Chemicals and Speciality Chemicals
- Medical Devices, Equipment and Components
- Sports goods and accessories
- Technical Textiles and Medical Textiles
- Aero Space, Defence Applications and Components
- Electronic System Design and Manufacturing
- Alternate products for 'one time use and throwaway plastics'
- Electronic Waste Processing
- Industry 4.0
- Traditional Industries. 3. All new small and medium manufacturing enterprises established in any of the 254 industrially backward blocks in the state. 4. All new agro based small and medium manufacturing enterprises established in any of the 388 blocks in the state. 5. Existing manufacturing enterprises of the above categories which have taken up substantial expansion/diversification of the existing activities. ■ Check your Eligibility for the Scheme here ■

Application Process (Capital Subsidy)

- *Access the User Manual for Online Application here ■ ■ Step 1: Registration Visit the Official Website/Portal of the Micro, Small, and Medium Enterprises Department of the Government of Tamil Nadu.
- In the top ribbon, click " Login / Registration ".
- In the registration form, fill in the mandatory details accurately, Name, Date of Birth, Aadhaar Number, Email ID, and Mobile Number.
- Create a new password.
- The password must contain a minimum of 8 characters, 1 Upper Case Letter, 1 Lower Case Letter, and 1 Numeric Field.
- Fill in the captcha code, and click "Register".
- ■ Step 2: Login Visit the Login Page and click "Login", and then fill in the credentials received on your registered Email ID and the registered Mobile Number.
- ■ Step 3: Form Filling After successfully logging in, hover over "Schemes" in the top ribbon, and then click on the concerned scheme from the dropdown.
- On the next page, hover over "Apply Online" in the top ribbon, and then click on "New Application" from the dropdown.
- Fill in all the mandatory fields of the Application Form.
- Carefully review all the information provided, acknowledge and agree to the terms and conditions, declaration, and privacy policy, and then click "Proceed".
- Note down the reference number appearing on the screen and then click "Close".
- ■ Step 4: Upload Documents Now, hover over "Schemes" in the top ribbon, and then click "Upload Documents" from the dropdown.
- On the next page, provide the Application ID and click "Submit".
- On the next page, upload all the mandatory documents in the specified format and size.
- After uploading the documents, click "View" to verify the documents uploaded for correctness.
- ■ Step 5: Submission Fill in all the checkboxes appearing at the bottom of the screen and then click "Submit Application".
- The message regarding the submission of the online application to GM/DIC / RJD will be received on your mobile phone.
- ■ (Optional) Step 6: Track Application Status You can check the status of your application here .
- The portal may provide updates via email or SMS regarding your application status.
- ■ NOTE 1: The application and the documents submitted through the online portal are sufficient and there is no need to submit the hard copy of the application and documents to GM/DIC/RJD either in person or by Post.
- NOTE 2: The application should be submitted within 1 year from the date of commencement of commercial production.
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Documents Required (Capital Subsidy)

- 1. Copy of Udyog Aadhaar Memorandum (UAM). 2. Copy of Sanction Order from Tamil Nadu Electricity Board (T.N.E.B) for Power Supply with Copy of Meter Card. 3. Copy of Invoices
 - Cash Bills
 - and Stamped Receipt Duly Attested. 4. Certificate of Chartered Accountant (CCA) for Fixed Assets created as of the date of commencement of commercial production in the prescribed form (Annexure-A). 5. Certificate of Commencement of Commercial Production duly signed by Chartered Accountant. 6. Chartered Engineer's Certificate (CEC) for the value of the plant and machinery
 - specifically for self-fabricated plant and machinery items. 7. Copy of the first sale invoice raised after the commencement of Commercial Production
 - applicable for enterprises engaged in manufacturing on a job work basis. 8. Copy of Lease Agreement Deed executed on a stamp paper of ₹10/-
 - valid for a minimum period of 11 years from the date of commencement of commercial production.
- NOTE: The file type should be PDF (.pdf). The file size should be less than 200 kb.