



**GOVERNMENT OF SIKKIM
DEPARTMENT OF COMMERCE & INDUSTRIES**

NOTIFICATION

No. 1/C&I/2017-18

Date:22.09.2017

Guidelines on Chief Minister's Startup Scheme (CMSS)

1. The Scheme:

Introduction of a new credit linked promoter's contribution financial assistance scheme called Chief Minister's Startup Scheme (CMSS) has been approved by the Government of Sikkim with a view to provide an impetus to the local unemployed youth including school dropouts to develop new entrepreneurial ventures and self employment opportunities in Rural as well as Urban areas of the State as Startups, both in the manufacturing and service sectors including agriculture/ horticulture/ food processing/ animal husbandry/ handloom & handicrafts, etc. from the year 2017-18. The scheme aims to provide for front ended promoter's financial contribution assistance component of 25% (35% in case of conditional non-manufacturing sector projects) of the project cost in respect of financially viable/ bankable Projects for the ventures entailing total investment up to Rs. 20.00 lakhs.

2. Administration and Implementing Authority:

The CMSS will be a State sector scheme and shall be administered by the Department of Commerce & Industries. The scheme will be implemented by the Chief Minister's Startup Scheme Committee (CMSSC) headed by the Special Secretary/ Director, Industries who shall be assisted by both the District Industries Centres (DICs) for appraisal of the projects, their financial viability and providing assistance for their credit linkage with the financial institutions and dovetailing of the project with any other credit linked subsidy scheme of the Central Government, for example, PMEGP, etc. The operational and implementation expenditure at the rate of 3.5% of the total financial allocation under the Scheme shall be at the disposal of the Commerce and Industries Department.

Applicants desirous of dovetailing the benefits of CMSS with any other credit linked subsidy schemes of Central/ State Government, e.g, PMEGP, NABARD, etc, they shall be required to furnish their application under those schemes as per their prescribed provisions and simultaneously/separately apply under CMSS through respective State Departments as well to enable them to avail of all benefits pertaining to both the schemes.

The promoter's financial contribution under the CMSS shall be released by the Commerce & Industries Department to the concerned public sector Banks/ PSU financial institutions upon sanction of the project by them for funding and shall be

considered for the purpose of margin money or/and as promoters contribution component as well.

3. Objectives:

- (i) To boost entrepreneurial spirit amongst the local unemployed youth and school dropouts of the State and enthuse them for setting up of any commercially viable/ bankable Startup ventures in any sector including agriculture/ horticulture/ food processing/ animal husbandry/ handloom & handicrafts, etc. in the State in tune with the State Government policies.
- (ii) To instill the feeling of self-confidence amongst the local youth by providing an enabling environment and initial financial handholding for their future socio-economic growth by becoming promoters of their own ventures.
- (iii) To make them owner of their startup venture rather than becoming an employee of someone else.
- (iv) To provide a platform for transforming any innovative ideas into a commercially viable business venture for economic up-liftment.
- (v) 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 in the form of promoter's financial contribution component of 25% (35% in case of conditional non-manufacturing sector projects) as margin money/ promoter's financial contribution in respect of the PSU Bank/ PSU financial institution approved project for funding under their schemes or any other credit linked central subsidy scheme.

4. Project size and quantum of admissible financial Assistance:

Startup projects under manufacturing or service sector including agriculture/ horticulture/ food processing/ animal husbandry/ handloom & handicrafts, etc., with maximum project cost of Rs.20.00 lakhs shall be eligible under the scheme. Admissible financial assistance of 25% (35% in case of conditional non-manufacturing sector projects) of the approved bankable project cost in the form of front ended promoter's financial contribution assistance which should be treated as promoters margin money or promoters contribution for the bankable project approved by any PSU financial institution/ PSU bank.

In respect of those non-manufacturing sector projects for example pertaining to tourist taxi operation project, etc, that might be inadmissible for grant of Central subsidy under any of the credit linked Central sector subsidy schemes, e.g., PMEGP, NABARD, etc, due to project cost restrictions, non coverage of the activity, etc, the promoter's contribution financial assistance under CMSS amounting to 35% of the approved bankable project cost shall be admissible; other conditions remaining the same. In rest of the non-manufacturing sector projects, the promoter's contribution financial assistance under CMSS shall remain at 25% of the approved bankable project cost.

5. Permitted activities:

All activities/ ventures not falling under the negative list as detailed in Para 12 of the scheme guidelines are admissible for consideration under CMSS. For few service sector activities, for example operation of tourist taxi, the applicant must possess a valid commercial driving licence, etc. For opening a new manihari/ grocery shop, the applicant must possess a valid trade licence from a competent authority. For opening a new boutique shop/ beauty parlour the candidate must possess at least a three months certificate course from any professional institute/ body. These explanations are only illustrative and not exhaustive.

Activities pertaining to purchase of land; Construction of building, excluding for the purpose of development or up gradation of Tourism Department approved/ registered Homestays, shall neither be admissible nor considered under the project cost.

6. Eligibility conditions of Beneficiaries:

- (i) The applicant should be a bonafide local youth possessing Certificate of Identification (COI) of self or his/her father possessing Sikkim Subject Certificate/ Certificate of Identification.
- (ii) The applicant should be unemployed possessing minimum educational qualification of class V from any recognized school.
- (iii) Only one member of a family shall be eligible to avail of the benefits under the Scheme.
- (iv) Applicant should be in the age group between 18 years to 40 years of age on the date of application.
- (v) Local unemployed youth hailing from BPL families (Government of Sikkim, DESME certified) / rural area residents shall get preference over other applicants under the Scheme.

7. Other eligibility conditions:

- (i) Project cost will include Capital Expenditure and three months working capital requirement for the venture.
- (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 to be included in the project cost calculated for a maximum period of 3 years only.
- (iii) CMSS is applicable to all new financial viable ventures, micro enterprises, including Village Industries projects except activities indicated in the negative list as detailed in Para 12 of the scheme guidelines. Existing/old units are not eligible except for homestays approved/ registered under the State Department of Tourism.

8. Selection of Applicants:

The applicants are required to submit the application in prescribed format as provided in Annexure-I for availing the benefits under the CMSS. The filled in application duly recommended by the concerned area MLA should be submitted in the Office of Chief Minister's Startup Scheme Selection Committee (CMSSSC) headed by the Special Secretary/ Director, (Commerce & Industries Department), Udyog Bhawan, middle Tadong, NH 10, Gangtok- 737102. The CMSSSC shall receive the application along with requisite documents as detailed in Para 14 of the scheme guidelines and issue acknowledgement duly indicating the application ID.

9. Disbursement:

The CMSSSC shall get the application preliminarily examined and obtain in-principle approval of the Government for release of admissible front ended promoter's financial contribution component in respect of the project. This in-principle approval shall be made available to the applicant for onward submission to the concerned PSU Bank/ PSU financial institution for their consideration for approval and sanction of applicant's project for lending directly or under any of the credit linked central subsidy schemes, viz, PMEGP, NABARD, etc, as per the choice of the applicant.

In case the applicant intends to dovetail his application along with any of the Central Sector credit linked subsidy schemes, viz, PMEGP Scheme, etc, the CMSSSC shall forward his request to Sikkim Khadi & Village Industries Board (SKVIB) or concerned District Industries Centre(DIC) along with conditional in-principle approval of the State Government pertaining to front ended promoter's financial contribution component of 25% (35% in case of conditional non-manufacturing sector projects) of the sanctioned bankable Project Cost for submitting online application in prescribed PMEGP, NABARD, etc, format/ other scheme format, for onward consideration as per the respective scheme norms. Upon sanction of the project by any of the PSU financial institution/ PSU bank, the Commerce & Industries Department shall forthwith release the 25% (35% in case of conditional non-manufacturing sector projects) front ended promoter's financial contribution component in favour of the PSU Bank/ PSU financial institution which shall be treated by them as applicant's margin money/ and or financial contribution as well.

10. Repayment of Loan :

The promoter's financial contribution component of 25% (35% in case of conditional non-manufacturing sector projects) of the approved project cost under CMSS shall be non-refundable one time financial assistance.

Repayment of the Loan amount along with interest, obtained from the PSU financial institution/ PSU Bank under their scheme or any other credit linked central subsidy scheme, shall be the sole responsibility of the applicant as per the terms and conditions of the lending organization/ concerned central scheme.

11. Selection Committee under the scheme:

Chief Minister's Startup Scheme Selection Committee (CMSSSC):

The selection committee shall consist of the following members:

i. Special Secretary/Director, Commerce & Industries Deptt	Chairman
ii. Director, DHH, Govt. of Sikkim	Member
iii. General Managers, District Industries Centre	Member
iv. Joint Secretary, Commerce & Industries Department	Member
v. Chief Executive Officer, SKVIB	Member
vi. Representative of Food Security & Agriculture Deptt.	Member
vii. Representative of Horticulture & C.C. Dev. Deptt.	Member
viii. Representative of Animal Husbandry, LS & Fisheries Deptt.	Member
ix. Representative of Tourism & Civil Aviation Department	Member
x. Deputy Secretary, Commerce & Industries Department	Member Secretary

All representative members from other Departments under CMSSC shall be of the level of Joint Secretary and above.

After the project is approved for loan funding by the identified Bank under any of their schemes or any other credit linked central subsidy scheme, with the approval from the Minister-In-Charge of Commerce & Industries Department, the CMSS front ended promoter's financial contribution component amounting to 25% (35% in case of conditional non-manufacturing sector projects) of the bank approved project cost subject to maximum of Rs.5.00 lakhs (Rs.7.00 lakhs in respect of conditional non-manufacturing sector projects) shall be remitted by C& I Department in the Bank against the sanctioned project to be adjusted against the margin money/promoters financial contribution towards the project cost.

12. Negative List:

The following list of activities will not be permitted under CMSS for setting up of micro enterprises/ projects /units.

- a) Any industry/ business connected with production/ manufacturing or sale of items like Beedi/ Pan/ Cigar/ Cigarette, Gutka, etc., preparation/ producing tobacco as raw materials.
- b) Manufacturing of Polythene carry bags of less than 20 microns thickness and manufacture of carry bags or containers made of recycled plastic for storing, carrying, dispensing or packaging of food stuff and any other item which causes environmental problems and is banned in the State.

13. Application format:

As provided in Annexure – I.

14. Documents to be submitted :

- (i) Two recent Passport size photographs.
- (ii) Attested Sikkim Subject Certificate/ Certificate of Identification.
- (iii) Attested copy of mark sheet and certificate issued by Board/University.
- (iv) Attested copy of Birth Certificate.
- (v) Two sets of Project Report.
- (vi) BPL certificate issued by DESME, if any.
- (vii) Copy of Electoral Voter Card as address proof.
- (viii) Copy of Aadhar Card.
- (ix) Copy of valid Employment Card issued by respective BAC.

The Chief Minister's Startup Scheme (CMSS) has been launched with effect from 15th August 2017. The scheme guidelines shall come into force with immediate effect.

By Order in the name of the Governor.

Sd/-

(Pempo T. Pulger)

Joint Secretary

Commerce & Industries Department.

File no: 8/SGO/387/C&I/2016-17

APPLICANT ID:

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**APPLICATION FORM FOR FINANCIAL ASSISTANCE UNDER
CHIE MINISTER'S STARTUP SCHEME (CMSS)**

To,

The Principal Secretary,
Commerce & Industries Department,
Government of Sikkim.
Gangtok.

(Details should be entered in CAPITAL LETTERS only)

1. Name of the applicant:
2. Date of Birth:
3. Sex:
4. Aadhar No:
5. COI no.
6. Father's name /Spouse"s Name:
7. Area: Rural...../ Urban.....
8. Communication Address:

GPU:.....
District:.....
Email:.....
Contact No:

9. Address of proposed location of unit :

Local Body / GPU:

BDO Block:

Constituency:

District:

10. Name of the preferred Bank Name & Address in the area for Project sanction:

Bank Name:.....
 Address:
 Local Body / GPU:
 District:
 Branch Code:

11. Qualifications: Academic.....Technical.....

12. Whether belongs to SC/ ST/OBC/ Ex-Servicemen/Minority /General/Physically Challenged (Pl.Tick)

13. Whether the project is for Manufacturing/ Service Sector/ other sector.

14. Name of the project / business activity proposed:

15. Amount of loan required.(in Rs):

Building Type (own/ leased/ Rented)	Capital Expenditure Loan			Working capital/cash credit Limit	Total
	Work shed, Building etc	Machinery & equipment	Pre operative Cost		

16. Details of earlier or current Loan/grant and subsidy availed from Central/state Govt. Scheme/or any other similar scheme:

Activity of the Project with Amount (in Rs.) Year of Sanction Address

17. Whether desirous of dovetailing the application with any other ongoing central/ state sector credit linked scheme and its name:

I certify that all information furnished by me is true; and that I and any of my dependent have not borrowed any money under Subsidy Linked Scheme from any Central /State Government or bank for establishing any such project.

Date:

Name and Signature of the applicant

Contact Number:

Recommendation by the Area MLA:

Government of Sikkim
Department of Commerce & Industries

Acknowledgement

Received an application from.....,
R/O.....
.....
.....
for consideration under Chief Minister's Startup Scheme vide following details:

Application ID No.....

Date of Receipt:.....

Under Secretary/Authorised person
Department of Commerce & Industries.