



Micro, Small and Medium Enterprises Department
Entrepreneurship Development and Innovation Institute
Tamil Nadu

in association with

Department of Industries and Commerce

MSME Schemes 2024

Entrepreneurship Development and Innovation Institute

EDI Institute Road,

SIDCO Industrial Estate, Ekkattuthangal

Guindy, Chennai – 600032

Ph: 044 222520821/28, Web: www.editn.in



Foreword

Entrepreneurship and innovation are key drivers of economic growth, job creation, and sustainable development. To nurture entrepreneurial talent among youth, the Entrepreneurship Development and Innovation Institute (EDII) has compiled "*Entrepreneurship & Innovation with MSME Schemes*", a comprehensive guide for mentors who are nominated from various colleges. This book equips mentors with in-depth knowledge of MSME schemes and financial assistance programs, empowering students to turn their innovative ideas into viable businesses while fostering a culture of innovation within educational institutions. We extend our sincere gratitude to all contributors and stakeholders involved in this initiative.

Thiru. R. Ambalavanan IAAS.,
Director,
Entrepreneurship Development and
Innovation Institute (EDII)
Government of Tamil Nadu

INDEX

Sl. No.	Contents	Page No.
1.	Classification of Micro Small and Medium Enterprises (MSMEs).....	5
2.	MSME Policy 2021.....	5
3.	MSMED Act. 2006.....	6
4.	Administrative setup of the MSME Dept.....	6
5.	TN Business Facilitation Act and Rules, 2017.....	7
6.	Single Window Mechanism.....	7
	MSME Schemes	
7.	New Entrepreneur-cum-Enterprise Development Scheme (NEEDS)	8
8.	Unemployed Youth Employment Generation Programme (UYEGP)	8
9.	Prime Minister's Employment Generation Programme (PMEGP).....	9
10.	Annual Ambedkar Business Champions Scheme (AABCS).....	10
11.	Prime Minister's Formalization of Micro Food Processing Enterprises (PMEME).....	11
	TN Incentive Schemes	
12.	1. Capital Subsidy.....	12
13.	2. Low Tension Power Subsidy.....	13
14.	3. Back Ended Interest Subsidy.....	13
15.	4. Payroll Subsidy.....	14
16.	5. Promotion of Energy Audit and Conservation Energy (PLACE)	14
17.	6. Incentive Scheme for Quality Certification (Q-Cert).....	15
18.	7. Reimbursement of Stamp Duty and Registration Fees....	15
19.	8. Incentive Scheme for IPR.....	16
20.	9. Incentive Scheme for Listing of SMEs in Stock Exchanges.....	16

Sl. No.	Contents	Page No.
21.	Micro, Small Enterprises Facilitation Councils.....	17
	Entrepreneurship.....	
22.	1. Introduction.....	18
23.	2. Importance of Entrepreneurship	18
24.	3. Types of Entrepreneurship.....	18
25.	4. Benefits of Entrepreneurship	19
26.	5. Challenges in Entrepreneurship.....	20
	Innovation.....	
27.	1. Introduction.....	21
28.	2. Importance of Innovation	21
29.	3. Types of Innovation.....	21
30.	4. Benefits of Innovation	22
31.	5. Challenges in Innovation.....	22
	Problem Identification.....	
32.	1. Introduction.....	23
33.	2. Importance of Problem Identification	23
34.	3. Types of Problems in Problem Identification.....	24
35.	4. Benefits of Problem Identification	24
36.	5. Steps in Problem Identification.....	25
	Problem Solution Fit:.....	
37.	1. Introduction.....	25
38.	2. Importance of Problem - Solution Fit	26
39.	3. Key Components of Problem - Solution Fit.....	26
40.	4. Benefits of Problem - Solution Fit	27
41.	5. How to Achieve Problem - Solution Fit	27

Sl. No.	Contents	Page No.
42.	Innovation Voucher Program (IVP).....	28
43.	1. Introduction.....	28
44.	2. Objectives of IVP	28
45.	3. Key Features of IVP.....	28
46.	4. Benefits of IVP	29
47.	5. Eligibility Criteria.....	29
	IVP Voucher A	
	IVP Voucher B	
48.	Knowledge Partners.....	31
49.	Eligibility Criteria.....	31
	Intellectual Property Facilitation Centre	
50.	1. Introductionners.....	32
51.	2. Objective	32
52.	3. Services provided by tjhe Centre.....	33
53.	4. Schems Website.....	34
54.	5. About (EDII-TN).....	35



Classification of Micro Small and Medium Enterprises (MSMEs)

	INVESTMENT	TURNOVER*
MICRO	Not exceeding Rs. 1 crore	Not exceeding Rs. 5 crore
SMALL	Not exceeding Rs. 10 crore	Not exceeding Rs. 50 crore
MEDIUM	Not exceeding Rs. 50 crore	Not exceeding Rs. 250 crore

* Export sales is not included in turnover`

MSME Policy 2021

- ☐ Make Tamil Nadu the most vibrant ecosystem for MSMEs/ Start-ups to thrive and scale-up
- ☐ Attract new investments worth ₹ 2,00,000 crore by 2025
- ☐ Create additional employment opportunities for 20 lakh persons in the sector
- ☐ Increase the share of exports from the MSMEs in the State by 25%



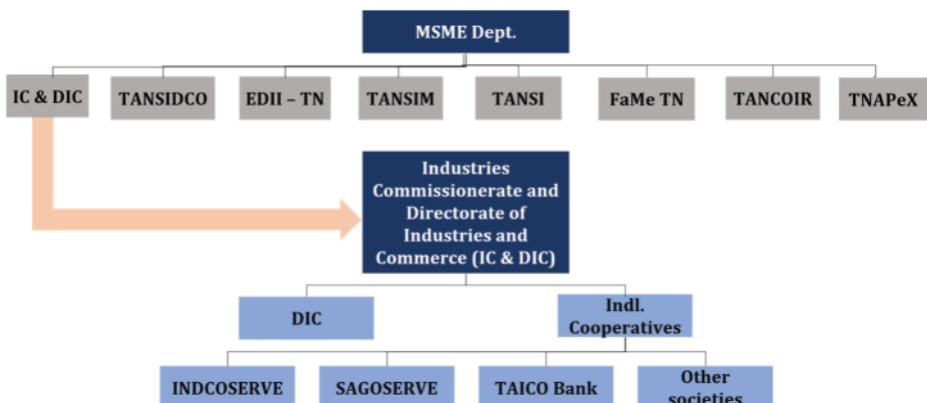
MSMED Act, 2006

MSMED act 2006 was enacted for promotion and development and enhancing the competitiveness of Micro, Small and Medium enterprises

Salient Features:

- ☐ Industry replaced by enterprise which includes service enterprises also
- ☐ Ambit of sector enlarged to cover medium enterprises
- ☐ Constitution of the MSME Board
- ☐ Simplification of registration procedure
- ☐ Progressive credit support
- ☐ Penalty for delayed payment

Administrative setup of the MSME Dept.





TN Business Facilitation Act and Rules, 2017

Objective

- ☐ To ensure time-bound processing of applications for establishing/expanding a manufacturing/ service enterprise, including renewals

Coverage

- ☐ Enterprises engaged in manufacturing
- ☐ Enterprises engaged in providing services
- ☐ Enterprises engaged in setting up of Industrial Infrastructure Parks

Services

- ☐ 190 services from 24 departments

Single Window Mechanism

Key features of the Single Window Portal

- ☐ **Single point acceptance** and electronic distribution of applications to the respective Competent Authorities
- ☐ **Custom generation of forms** for individual Competent Authorities
- ☐ Single point of capture of information with **auto-population** of data in the form
- ☐ **Online approval and download of approvals**
- ☐ **Online tracking / automatic alerts** for applicants
- ☐ Customized online **MIS reports for monitoring** at different levels



MSME Schemes

New Entrepreneur-cum-Enterprise Development Scheme (NEEDS)

- ☐ **Scheme:** First generation educated youth will be given entrepreneurship training & assisted to tie up with financial institutions to set up units with project cost up to Rs.5 crore
- ☐ **Eligibility:** 12th Standard/ITI/Diploma/Degree or higher qualification
- ☐ **Promoter's Contribution:** 10% for General Category and 5% for Special Category (SC/ ST/ BC/ MBC/ Minorities/ Women/ Ex-servicemen/ DA/ Transgender)
- ☐ **Subsidy assistance:** 25% of the project cost subject to a maximum of Rs. 75.00 lakhs and 3% interest subvention

Unemployed Youth Employment Generation Programme (UYEGP)

- ☐ **Scheme:** For the educated unemployed youth from economically weaker sections by providing subsidy linked financial assistance
- ☐ **Financial Assistance:** Upto Rs.15 lakhs for Trading provided through banks
- ☐ **Eligibility:** Individuals above 18 years of age, with minimum education of pass in 8th Std with family income not exceeding Rs. 8 lakhs per annum



- ☐ **Promoter's Contribution:** 10% for General Category and 5% for Special Category (SC/ST/BC/ MBC/ Minorities/ Women/ Ex-servicemen/ DA/Transgender)
- ☐ **Subsidy :** 25% of the project cost maximum Rs. 3.75 lakhs

Prime Minister's Employment Generation Programme (PMEGP)

- ☐ **Scheme:** Launched by Ministry of MSME, GoI in 2008-09 for creation of employment in both rural and urban areas
- ☐ **Maximum Project cost:** Rs.50.00 lakhs for manufacturing activity and Rs.20.00 lakhs for service activity
- ☐ **Eligibility:** Beneficiaries should have passed minimum 8th Std. to avail loan above Rs.10.00 lakhs in Manufacturing Sector and above Rs. 5.00 lakhs in Service Sector.
- ☐ **Promoter's Contribution:** 10% for General Category and 5 % for Special Category (SC/ST/OBC /Minorities/Women/ Ex-servicemen/DA)
- ☐ **Subsidy:** varies from 15% to 35%

Annal Ambedkar Business Champions Scheme (AABCS)

- ☐ **Scheme:** The scheme envisages to
 - ☐ promote the economic development of SC&ST entrepreneurs
 - ☐ to provide 15 days EDP training by the EDII



- ☐ to provide loan assistance for setting up of Manufacturing and service.

For Trading the project cost above the threshold of assistance under the UYEGP enterprises. To assist EDP training to 2000 persons per annum; Annual budget allocation Rs.100 crore

- **Eligibility:**

- ☐ Persons from Scheduled caste and scheduled Tribes
 - ☐ No minimum educational qualification
 - ☐ New entrepreneurs and expansion of existing entrepreneurs
 - ☐ Age limit for new entrepreneurs will be 55 years
 - ☐ No Age limit for existing entrepreneurs .
- ☐ **Subsidy:** 35% of the project cost subject to maximum of Rs 1.50 crore and 6% interest subvention for the entire repayment period.

Prime Minister's Formalization of Micro Food Processing Enterprises (PMFME)

Aim of the Scheme

- ☐ To enhance competitiveness of individual micro-enterprises in the unorganized segment
- ☐ To promote formalization of the sector.



- ☐ To support individual enterprises / FPOs/ SHGs/ Cooperatives along the entire value chain
- ☐ Individual micro food processing units would be provided credit-linked capital subsidy @35% of the eligible project cost
- ☐ Maximum ceiling of subsidy is Rs.10.0 lakh per unit.
- ☐ Beneficiary contribution should be minimum of 10% of the project cost
- ☐ Balance being loan from Bank



TN Incentive Schemes

1. Capital Subsidy
2. Power Tariff Subsidy
3. Back-ended Interest Subsidy (BEIS)
4. Payroll Subsidy
5. Scheme for Promotion of Energy Audit and Conservation of Energy (PEACE)
6. Scheme for Reimbursement of Charges for Quality Certification (Q-cert)
7. Reimbursement of Stamp duty and registration fees
8. Incentive for Patent Registration/ Trade Mark / Geographical Indications Registration
9. Subsidy for Fund Raising from capital markets

1. Capital Subsidy

- ☐ 25 % Capital Subsidy on Plant and Machinery up to Rs. 100 lakhs for micro manufacturing units set up anywhere in the State
- ☐ 10% Additional Capital Subsidy upto Rs.5 lakh to Micro units over 5 years
- ☐ 25 % Capital Subsidy on the value of Plant and Machinery of Small and Medium Enterprises, subject to a ceiling of Rs.150 lakhs set up in industrially backward blocks, SIDCO and SIPCOT. Excluding industrial estate located within the radius of 50 kilo meters from Chennai city center, agro based and food processing enterprises set up in any of 388 blocks in the state.
- ☐ 5% Additional Capital Subsidy for units set up by women, SC/ST, differently abled and transgender entrepreneurs, subject to a ceiling of Rs.5 lakhs



- ☐ 25% Additional Capital Subsidy on the value of plant and machinery installed to promote cleaner and environment friendly technologies, subject to a ceiling of Rs.10 lakhs
- ☐ 5 % Additional Capital Subsidy subject to a ceiling of Rs.25 lakh for Scaling up to higher category from Micro to Small and Small to Medium enterprises.
- ☐ 25% Special Capital Subsidy to Thrust Sector enterprises located anywhere in the State, subjected to maximum of Rs.150 lakh

2. Low Tension Power Subsidy

Eligible Enterprises

- ☐ All new Micro Manufacturing Enterprises set up anywhere in the State
- ☐ Existing Micro Manufacturing Enterprises which have taken up substantial expansion/diversification of the existing activities
- ☐ Micro enterprises using Low Tension Power supply (Tariff IIIB) will alone be eligible to avail of this subsidy

Quantum of Assistance

20% of the Power charges paid by the enterprises to TANGEDCO for the first 36 months from the date of commencement of production or from the date of power connection, whichever is later.

3. Back Ended Interest Subsidy

Eligible Enterprises

- ☐ All Micro and Small Enterprises availed term loan up to Rs. 500 lakhs for the purpose of Technology up-gradation / modernization



- ☐ All Micro and Small Enterprises availed term loan up to Rs. 200 lakhs under the Credit Guarantee Fund Trust Scheme (CGTMSE).

Quantum of Assistance:

- ☐ For Technology Upgradation: 5% for 5 years only, not exceeding Rs.25 lakhs.
- ☐ For CGTMSE: 5% for 5 years only not exceeding Rs.20 lakhs.

4. Payroll Subsidy

Objective:

To encourage MSMEs to create more formal employment.

Eligible Criteria:

- ☐ All new Micro Manufacturing Enterprises setup anywhere in Tamil Nadu.
- ☐ All new Small and Medium Manufacturing Enterprises set up in backward areas and industrial estates excluding the industrial estates located within the radius of 50 km from Chennai city centre.
- ☐ All Small and Medium Agro-based and Food Processing Enterprises set up in any of the 388 blocks in the State.

Quantum of Subsidy:

- ☐ If an enterprise employs more than 20 persons, 100% of employers contribution of EPF subject to maximum of Rs.24,000/- per employee per annum for the first three years will be given.

5. Promotion of Energy Audit and Conservation Energy (PEACE)

Objective :

- ☐ To create awareness & understanding of the importance and implication of energy audit and conserving energy.



- ☐ Incentivises MSMEs to undertake Audit.
- ☐ To enable MSMEs to adopt suitable techniques/technologies to achieve energy efficiency by extending subsidy.

Quantum of Subsidy

- ☐ The Government reimburses 75% of the cost of conducting energy audit subject to a ceiling of Rs.1 lakh per energy audit per unit
- ☐ For implementation, 50% of the cost of machinery and equipments replaced, retrofitting and technology acquired for the purpose of improving the energy efficiency subject to a maximum of Rs 10.00 lakh is reimbursed.

6. Incentive Scheme for Quality Certification (Q-Cert)

Objective of the Scheme:

- ☐ To encourage and incentivize MSMEs (Manufacturing / Service) to acquire product/process/social quality standards/certifications such as ISO 9000, BIS Certification, Zero Defect and Zero Effect (ZED) rating, etc or any other international quality certification as required by the importing countries.

Quantum of Subsidy:

- ☐ Reimbursement of 100% of payments made to the consultancy and certification agencies towards acquiring such Quality Certifications subject to a ceiling of Rs.2 lakh for National Certification & Rs.10 lakh for International Certifications.

7. Reimbursement of Stamp Duty and Registration Fees

Eligible Enterprises:

- ☐ Micro and Small enterprises set up in declared backward blocks are eligible for reimbursement of stamp duty and transfer duty paid by them on purchase of land meant for industrial use.



- ☐ The stamp duty and transfer duty benefits shall apply to all eligible new manufacturing enterprises.

Quantum of Subsidy

- ☐ 50% rebate on the actual value of stamp duty and registration charges paid to the Registration Department.

8. Incentive Scheme for IPR

Objective:

- ☐ To encourage MSMEs to obtain Patent / Trademark / Geographical Indication registration, the Government reimburses 75% on the cost of filing of the application for Patent Registration subject to a maximum of Rs.3 lakh per Patent registered and 50% subsidy on the cost of filing application for Trade Mark or Geographical Indications registration subject to a maximum of Rs.25,000/- per Trade Mark and Geographical Indications registered.

Eligibility Criteria:

- ☐ All new and existing MSMEs (individuals, institutions and Startups) located anywhere in Tamil Nadu are eligible to avail this incentive.

9. Incentive Scheme for Listing of SMEs in Stock Exchanges

Objective:

- ☐ To realise Small and Medium enterprises potential and to ease their liquidity constraints the Government will offer support to SMEs in the State to get listed on the SME Exchange.

Quantum of Subsidy:

- ☐ Government is reimbursing 75% of the expenditure incurred towards assistance for listing & raising money in the SME stock



exchanges by manufacturing or Service industry subject to a maximum of Rs. 30 lakh.

Micro, Small Enterprises Facilitation Councils

- Government have constituted four Regional Micro and Small Enterprises Facilitation Councils at Chennai, Trichy, Madurai and Coimbatore to facilitate speedy settlement of the payments of dues with respect to the goods supplied to major industrial undertakings by the micro and small enterprises in accordance with the Micro, Small and Medium Enterprises Development Act 2006.
- The main objective of the Act is to facilitate speedy settlement of the payments of dues with respect to the goods supplied to buyers by the micro and small enterprises in accordance with the procedures as mentioned in Chapter V of the above MSME Act 2006. Sections 15, 16, & 17 of the Act
- In G.O.(Ms). No. 39 Micro, Small and Medium Enterprises (F) Department dated 07.07.2017, Government have amended the rules of Micro and Small Enterprises Facilitation Council and revised the rules for Tamil Nadu Micro and Small Enterprises Facilitation Council Rules, 2006 by issuing fresh Notification governing the Rules of MSE-FC, 2017.
- In the G.O. (Ms) No. 29 Micro, Small and Medium Enterprises (F) Department, Dated 01.10.2018, Government have issued amendment to sub-rule –(iv) of rule-5 of Tamil Nadu Micro Small Enterprises Facilitation Council Rules, 2017, by delegating the powers to Industries Commissioner and Director of Industries and Commerce to appoint another person to fill the vacancy when a



member of the Council dies or resigns or is deemed to have resigned or is removed from office or becomes incapable of action as a member.

Entrepreneurship

1. Introduction

Entrepreneurship refers to the process of identifying a business opportunity, organizing resources, and taking risks to create and manage a business venture for profit and growth. Entrepreneurs are individuals who drive this process by innovating, solving problems, and delivering value to the market.

2. Importance of Entrepreneurship

Economic Growth: Entrepreneurs create jobs, increase productivity, and boost GDP.

Innovation and Creativity: They introduce new products, services, and technologies.

Employment Generation: Startups and businesses provide direct and indirect employment.

Social Development: Businesses contribute to social causes and community development.

Self-Reliance: Encourages self-sufficiency by reducing dependency on external economies.

Global Competitiveness: Innovative businesses enhance a country's position in the global market.

3. Types of Entrepreneurships

Small Business Entrepreneurship: Local businesses like shops, services, and small-scale industries.



Scalable Startup Entrepreneurship: Startups focused on high growth through innovation (e.g., tech companies).

Large Company Entrepreneurship: Established businesses launching new products to remain competitive.

Social Entrepreneurship: Businesses focused on solving social or environmental problems while earning profit.

Corporate Entrepreneurship: Innovation within large organizations, also known as intrapreneurship.

4. Benefits of Entrepreneurship

Financial Independence: Potential for significant income and wealth creation.

Career Flexibility: Entrepreneurs control their schedules and work-life balance.

Innovation and Creativity: Freedom to implement creative ideas and unique solutions.

Social Impact: Entrepreneurs can create solutions for societal challenges.

Personal Growth: Entrepreneurship fosters self-confidence, leadership, and resilience.

Job Creation: They generate employment opportunities for the community.

Economic Development: New businesses contribute to a thriving economy.



5. Challenges in Entrepreneurship

Risk of Failure: High uncertainty and potential financial losses.

Funding Issues: Difficulty in securing startup capital.

Market Competition: Intense competition from established businesses.

Time Management: Demanding schedules requiring long hours.

Regulatory Compliance: Navigating legal and government regulations.



Innovation

1. Introduction

Innovation refers to the process of creating new ideas, methods, products, or services that add value or improve existing solutions. It involves thinking creatively, adopting new technologies, and implementing better processes to meet changing customer needs and market demands.

2. Importance of Innovation

Competitive Advantage: Helps businesses stay ahead in the market.

Economic Growth: Drives industrial expansion and boosts GDP.

Improved Quality of Life: Innovative products enhance daily living standards.

Business Sustainability: Keeps companies relevant by adapting to market trends.

Problem-Solving: Addresses complex societal, environmental, and business challenges.

Technological Advancement: Promotes the development of cutting-edge technology.

3. Types of Innovation

Product Innovation: Introducing new or improved products (e.g., smartphones, electric vehicles).

Process Innovation: Enhancing internal operations to increase efficiency (e.g., automation).

Business Model Innovation: Changing how a business creates, delivers, and captures value (e.g., subscription services).



Marketing Innovation: Using creative marketing strategies (e.g., influencer marketing).

Service Innovation: Offering new or better customer services (e.g., personalized support).

Social Innovation: Developing solutions that address societal challenges (e.g., affordable healthcare).

4. Benefits of Innovation

Increased Profitability: Innovative products and services generate higher revenue.

Customer Satisfaction: Improved offerings meet evolving customer expectations.

Market Expansion: Innovation opens new market opportunities and global reach.

Operational Efficiency: Streamlined processes reduce costs and improve productivity.

Brand Reputation: Innovation builds a brand's image as forward-thinking and industry-leading.

Talent Attraction: Innovative companies attract and retain top talent.

Sustainability: Innovations in green technology reduce environmental impact.

5. Challenges in Innovation

High Costs: Research and development can be expensive.

Market Uncertainty: Unpredictable customer responses to new products.

Technological Risks: Failure in implementing advanced technologies.



Cultural Resistance: Resistance to change within organizations.

Intellectual Property Issues: Risks related to patent violations and copyright disputes.

Problem Identification

1. Introduction

Problem identification is the process of recognizing, analyzing, and defining issues that need to be addressed to find appropriate solutions. It involves gathering relevant information, understanding the root causes, and framing the problem clearly to facilitate decision-making.

2. Importance of Problem Identification

Accurate Decision-Making: Clear problem definition leads to effective solutions.

Resource Optimization: Focuses resources on addressing specific issues.

Innovation and Creativity: Sparks creative thinking and innovative solutions.

Preventive Action: Early identification reduces the risk of bigger problems later.

Strategic Planning: Helps organizations set clear goals and improve performance.

Customer Satisfaction: Resolving issues promptly enhances user experience.



3. Types of Problems in Problem Identification

Technical Problems: Issues related to tools, machines, or technology.

Operational Problems: Challenges in day-to-day processes or workflows.

Business Problems: Market competition, declining sales, or financial losses.

Social Problems: Community-related issues such as poverty or inequality.

Environmental Problems: Issues affecting natural ecosystems, such as pollution.

Interpersonal Problems: Conflicts within teams or among individuals.

4. Benefits of Problem Identification

Better Solutions: A clear understanding leads to targeted and efficient solutions.

Time-Saving: Addressing the root cause saves time spent on repeated fixes.

Cost Efficiency: Reducing errors and failures lowers operational costs.

Improved Productivity: Less downtime due to timely issue resolution.

Enhanced Decision-Making: Provides data-driven insights for better strategies.

Risk Mitigation: Prevents escalation by dealing with issues proactively.

Customer Loyalty: Consistent problem-solving builds trust and brand reputation.



5. Steps in Problem Identification

Recognizing the Problem: Identifying unusual patterns, complaints, or inefficiencies.

Data Collection: Gathering relevant information through research and feedback.

Analyzing the Cause: Conducting root cause analysis using tools like fishbone diagrams.

Defining the Problem: Clearly framing the issue with specifics on what, where, and why.

Prioritizing Issues: Ranking problems based on urgency, impact, and feasibility.

Developing Solutions: Brainstorming and implementing appropriate corrective actions.

Monitoring and Review: Continuously evaluating the effectiveness of solutions.

Problem-Solution Fit:

1. Introduction

Problem-Solution Fit refers to the alignment between a clearly identified problem and a viable solution that effectively addresses the problem. It is the first key milestone in building a successful business or product, ensuring that the proposed solution meets the specific needs of the target audience.



2. Importance of Problem-Solution Fit

Validates the Business Idea: Confirms that the proposed solution solves a real problem.

Reduces Market Risk: Minimizes the chance of product failure by addressing genuine market needs.

Customer Satisfaction: Delivers value by offering relevant and effective solutions.

Efficient Resource Allocation: Helps prioritize development efforts and avoid wasteful expenditures.

Foundation for Product-Market Fit: Establishes the basis for scaling the product or service.

Improved Competitive Edge: Differentiates the business by solving problems better than competitors.

3. Key Components of Problem-Solution Fit

Identified Problem: A clearly defined and well-understood problem that customers face.

Target Audience: Specific customer segments experiencing the problem.

Proposed Solution: A product, service, or process designed to solve the problem.

Value Proposition: Clear benefits that the solution delivers to customers.

Customer Feedback: Insights from potential users to refine the solution.

Proof of Concept (PoC): Early-stage testing that demonstrates solution feasibility.



4. Benefits of Problem-Solution Fit

Early Validation: Confirms the market need before investing heavily in development.

Better Product Design: Guides product features based on real customer needs.

Investor Confidence: Increases investor trust through clear value demonstration.

Efficient Go-to-Market Strategy: Reduces time-to-market by ensuring a relevant product.

Reduced Failure Risk: Lowers the likelihood of launching a product with no market demand.

Enhanced Brand Loyalty: Builds long-term customer relationships through effective problem-solving.

Sustainable Business Growth: Lays the foundation for scaling and expansion.

5. How to Achieve Problem-Solution Fit

Identify the Problem: Conduct market research, surveys, and interviews to understand customer pain points.

Define the Solution: Design a product or service that directly addresses the identified problem.

Validate with Early Adopters: Test the solution with initial users and gather feedback.

Refine the Value Proposition: Adjust features and offerings based on real-world testing.



Create a Minimal Viable Product (MVP): Develop a basic version of the product to test market acceptance.

Iterate and Improve: Continuously adapt the solution through customer insights and performance data.

Innovation Voucher Program (IVP)

1. Introduction

The Innovation Voucher Program (IVP) is a government-supported initiative aimed at fostering innovation, research, and development among small and medium enterprises (SMEs), startups, and academic institutions. It provides financial assistance in the form of vouchers to collaborate with knowledge providers such as universities, research centers, and technology experts.

2. Objectives of IVP

- ☐ To increase the innovation capacity of Micro, Small and Medium Enterprises and to turn ideas into innovative products or services which are commercially viable.
- ☐ To encourage sustained collaboration between Industry, academic institutions and government.
- ☐ To raise the level of awareness and participation of MSME in science and innovation.

3. Key Features of IVP

Financial Support: Vouchers cover specific expenses related to R&D, technology transfer, and prototype development.

Collaboration: Businesses must collaborate with approved knowledge providers.



Application Process: Interested businesses submit project proposals detailing the innovation's feasibility and impact.

Project Duration: Projects typically last 6-12 months, depending on the program guidelines.

4. Benefits of IVP

Financial Support: Reduces the financial burden of R&D and innovation projects.

Access to Expertise: Businesses gain access to expert knowledge and technical support.

Accelerated Innovation: Speeds up product development and market entry.

Risk Mitigation: Minimizes risks associated with technology adoption and R&D investments.

Enhanced Competitiveness: Enables SMEs and startups to compete in global markets.

Economic Growth: Contributes to job creation and regional economic development.

5. Eligibility Criteria

- ☐ Should be a manufacturing MSME.
- ☐ Be registered and located in Tamil Nadu.
- ☐ Willing to co finance the innovation investment as per IVP norms.
- ☐ Should have a CIBIL score of 750 or more.
- ☐ Should not have any prior contract with Knowledge Partner.



IVP Voucher A & B

The Innovation Voucher Program (IVP) offers two types of vouchers, Voucher A and Voucher B, designed to support various stages of innovation, research, and development. Each voucher serves specific purposes based on the needs of businesses and entrepreneurs.

IVP Voucher A

Voucher - “A” – Entry into Research.

Voucher - A shall be used for innovation potential analysis prior to development of a new product or production process which includes but not limited to:

- ☐ Technology roadmap and market research.
- ☐ Feasibility studies financing plan and technology audit.
- ☐ Material studies.
- ☐ Design studies.
- ☐ Tailor training on innovation management.
- ☐ Research and Development (R&D) for development of a new product, process or service.

Covers up to 80 % of project costs, subject to maximum limits of Rs.2 Lakhs.

IVP Voucher B

Voucher - “B” - Entry into Market

Voucher – B - is to be used to promote existing or an early stage company in quickly accessing potential markets by developing and innovative commercial product and includes activities leading to not limited to



- ☐ Service engineering.
- ☐ Prototyping.
- ☐ Designs services.
- ☐ Technology transfer and IP procurement.
- ☐ Product testing quality assurance validation and certificate.
- ☐ Project management.

Covers up to 50 % of project costs, subject to maximum limits of Rs.5 Lakhs.

Knowledge Partners

- ☐ Reputed national research institutions such as CECRI, FTRI, IICPT, CLRI, CIPET, etc.
- ☐ Research department attached to a university or institution of higher learning recognized by UGC.
- ☐ Research lab of KNC or other large industries.
- ☐ Product design consulting firms and design lab with at least 3 years experience.

Eligibility Criteria

- ☐ Preferably located within Tamil Nadu.
- ☐ Capable of providing scientific or technical expertise and
- ☐ Has resources to perform research and development (R&D)
- ☐ Knowledge Partner / Researcher and applicant should not be related.



Knowledge Partners will be required to empanel themselves through IVP online portal. The IVP Screening Committee will scrutinize and recommend fit applications.

EDII-TN invites Application for the Innovation voucher Program throughout Tamil Nadu.

Intellectual Property Facilitation centre

1.Introduction

Tamil Nadu Intellectual Property Facilitation centre has been set up by the Entrepreneurship Development Innovation Institute, Department of Micro Small Medium Enterprises, Government of Tamil Nadu in 2001 to boost up the growth of Entrepreneurship and Innovation of the state.

The major objective of the centre is to spread awareness about the importance of Intellectual Property Rights among School & college students, Innovation voucher programme & MSMEs, to cater the IPR needs of the state so as to create a strong IPR base in the state. To enhance the quality of Research and Development to provide mentoring and legal assistance and to increase the number of Intellectual Property Registration from the state.

2.Objective

- Provide guidance and support in the filing and protection of intellectual property rights (IPR), including patents, copyrights, trademarks, and designs.
- Assist in the commercialization and licensing of intellectual property.
- Conduct awareness programs and training sessions to enhance knowledge about intellectual property laws and processes.
- Facilitate collaboration between inventors, innovators, and relevant legal or government bodies for the protection of IP.















3.Services provided by the Centre

- Organising general awareness as well as on specific issues on IPR including patents, copyrights, industrial designs, trademarks, among EDII beneficiaries, school, Colleges and MSMEs
- Facilitating EDII beneficiaries & MSMEs and grass-root innovators for patent searches and patent filing; Copyrights, Industrial Designs, trademarks, etc.
- Filling applications at Indian Patent Office (IPO)

<https://editn.in/IPFCMain.html>

Apply for IPR → Register → Login → filling your application at EDII Tamil Nadu



S.NO	SCHEMES	QR CODE
1	CAPITAL SUBSIDY https://www.msmeonline.tn.gov.in/incentives/html_cye_CS.php	
2	LTPT SUBSIDY https://www.msmeonline.tn.gov.in/incentives/html_cye_ltpt.php	
3	CGTMSE https://www.msmeonline.tn.gov.in/incentives/html_cye_bis.php	
4	STAMP DUTY AND REGISTRATION CHARGES https://www.msmeonline.tn.gov.in/incentives/html_cye_stamp.php	
5	PEACE Energy Audit: https://www.msmeonline.tn.gov.in/incentives/html_cye_peace1.php Implementation: https://www.msmeonline.tn.gov.in/incentives/html_cye_peace2.php	
6	Q-CERT https://www.msmeonline.tn.gov.in/incentives/html_cye_qc.php	
7	PAY ROLL SUBSIDY https://www.msmeonline.tn.gov.in/incentives/html_cye_pay.php	
8	SUBSIDY FOR FUND RAISING BY SMES https://www.msmeonline.tn.gov.in/incentives/html_cye_sme.php	
9	PATENT REGISTRATION https://www.msmeonline.tn.gov.in/incentives/html_cye_ipr.php	
10	NEEDS https://msmeonline.tn.gov.in/needs/needs_desc.php	
11	UYEGP https://msmeonline.tn.gov.in/uyegp/uyegp_desc.php	
12	PMEGP https://www.kviconline.gov.in/pmegpportal/pmegphome/index.jsp	



Entrepreneurship Development and Innovation Institute Tamil Nadu (EDII-TN)

About the Entrepreneurship Development and Innovation Institute

The **Entrepreneurship Development and Innovation Institute - Tamil Nadu (EDII-TN)** is an organization committed to fostering entrepreneurship and innovation in the state. Its mission is to create a thriving ecosystem for startups and Micro, Small, and Medium Enterprises (MSMEs), providing support and resources that encourage growth and sustainability.

EDII was constituted by Government of Tamil Nadu as a not-for-profit society and is administered by Department of Micro, Small and Medium Enterprises (MSME). Headed by the Director of the Institute, EDII is managed under the superintendence of a Governing Council, appointed by the Government of Tamil Nadu.

EDII-TN offers various programs tailored to different audiences to promote entrepreneurial skills and innovative thinking. For college students, the institute conducts Innovation and Entrepreneurship Development Programs (IEDP), designed to equip them with the skills and knowledge required to become successful entrepreneurs. Additionally, EDII-TN runs the School Innovation Development Project (SIDP), which aims to instill the spirit of innovation and entrepreneurship in school students from an early age.

Beyond educational institutions, EDII-TN also offers Entrepreneurship Development Programs (EDP) for the public, providing them with opportunities to learn the fundamentals of starting and managing a business.

In collaboration with EDII, Ahmedabad, EDII-TN conducts a one-year certificate program in Entrepreneurship and Innovation. This course aims to provide aspiring entrepreneurs with comprehensive knowledge, practical skills, and hands-on experience in launching and managing innovative ventures.



Objective

1. Spread aspirational entrepreneurship & innovation culture in Tamil Nadu.
 2. Build entrepreneurial competencies of aspiring youth and entrepreneurs, including those from disadvantaged sections of society.
 3. Enhancement of the support ecosystem for entrepreneurs, including technology startups.
 4. Reduction in risk of enterprise and innovation failures
 5. Embedding entrepreneurship education in the formal education system
 6. Research, surveys and publications on entrepreneurship and innovation
 7. Vibrant partnerships with all Government and non-Government players in the entrepreneurship and innovation ecosystem, including policy advocacy
- Entrepreneurship.

Working Area

1. Entrepreneurship Development Programs (EDP) –
Convergence (Beneficiaries of Government Department).
2. Entrepreneurship Development Programs (EDP) –
Paid (For MSMEs and General public).
3. Innovation and Entrepreneurship Development Program (IEDP) –
for Higher Education students.
4. School Innovation Development Program (SIDP) -
for School Education students.
5. Innovation Voucher Program (IVP) - (For MSMEs and New Innovators).
6. One-year Certificate Program – (For MSMEs and public).

Micro, Small and Medium Enterprises Department
Entrepreneurship Development and Innovation Institute

Tamil Nadu

in association with

Department of Industries and Commerce



Entrepreneurship Development and Innovation Institute

EDI Institute Road,
SIDCO Industrial Estate, Ekkattuthangal
Guindy, Chennai – 600032
Ph: 044 222520821/28, Web: www.editn.in