Last checked: 20 October 2026 · Tamilnadu Industrial Investment Corporation Ltd (TIIC), a Government of Tamil Nadu undertaking

Startup Scheme (Proto Loan and Propel Loan)

TIIC gives startups in Tamil Nadu a Proto Loan to build a prototype from an idea and a Propel Loan to take the product to market.

What you may get

Proto Loan: up to Rs 10 lakh without collateral (covered by CGTMSE), repayable in 5 years with a 2 year moratorium, with 10% of the loan kept as a security deposit. Propel Loan: up to Rs 1 crore for equipment, facility, software, patent costs up to Rs 1 lakh and research costs up to 15% of the project cost, with working capital up to 25% of Rs 1 crore against full collateral; repayable within 5 years including 1 year holiday, with at least 15% own contribution.

Who it is for

Early stage startups headquartered in Tamil Nadu, registered with StartupTN and recommended by a recognised incubator, with a chief promoter aged 25 to 45.

Main conditions

- The startup must be headquartered or registered in Tamil Nadu and registered with StartupTN (TANSIM).
- It must be registered with, and recommended by, a recognised startup incubator in the State.
- Promoters must be graduates in engineering or science with at least 3 years of work experience.
- Promoter credit (CIBIL) score must be 650 or more; where there is no credit history, the incubator's recommendation and bank statements are considered.
- The chief promoter or technology head must be 25 to 45 years old.
- Proto Loan is for a startup set up not more than 2 years ago with a commercial idea; Propel Loan is for startups that finished the idea stage or proved their concept.
- Land is not financed; the premises must be owned or leased.

Documents

- Financial results and income tax returns for the last 3 years
- Quotations for the machinery or equipment to be bought
- Collateral property documents

How to apply

1. Open the Startup Scheme page on the TIIC website and press Apply Now, or apply at the TIIC branch office of your district.
2. Submit the filled application with the registration or processing fee and the particulars listed in the TIIC checklist.
3. Keep your incubator recommendation and StartupTN registration ready, as the scheme needs both.
4. Track your application with the Track Your Application option on the TIIC home page.

Status

Active

Official source: https://www.tiic.org/micro-small-enterprise-funding-scheme/
Official application: https://www.tiic.org/portal/
Labh Lo page: https://labhlo.in/en/schemes/tamil-nadu/tn-tiic-startup-scheme/

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