



**GOVERNMENT OF TAMILNADU
MSME(B) DEPARTMENT**

*G.O. Ms. No. 14, Micro, Small and Medium
Enterprises (B) Dept., dated 07.05.2008*

**Micro, Small and Medium
Industries Policy 2008 and
Guidelines for Administration
of Incentives and Concessions
in the Policy**



ABSTRACT

Micro, Small and Medium Enterprises - Micro, Small and Medium Industries Policy, 2008 - Orders - Issued.

Micro, Small and Medium Enterprises (B) Department

G.O.(Ms) No.14

Dated: 7.5.2008

Read:

1. G.O.(Ms)No.37, Small Industries Department, dated 20.7.2000.
 2. G.O.(Ms)No.32, Small Industries Department, dated 28.6.2003.
 3. From the Industries Commissioner and Director of Industries and Commerce, Chennai-5 Letter Rc. No.7599/LC3/2008 dated 26.2.2008.
-

ORDER:

In the Governor's Address for the year 2006-07, it was announced that, in order to encourage the small scale sector which has tremendous employment generation potential, the scheme of granting capital subsidy for small scale industries established in industrially backward areas would be revived. Accordingly, a High Level Committee was constituted under the chairmanship of Secretary, Industries Department for identifying the industrially backward blocks in the State.

2. Further, in the Policy Note for Small Industries Department for the year 2006-07, Government announced that a policy for the development of micro and small enterprises in the State would be formulated in consultation with industry and in harmony with the broad objectives of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

3. The High Level Committee constituted for identifying the industrially backward blocks in the State has identified 251 blocks in the State as industrially backward blocks, following detailed and scientific analysis of various parameters which have bearing on the backwardness of the blocks. Besides the High Level Committee has also suggested a package of incentive schemes for the enterprises established in the industrially backward blocks as well as special incentive schemes for agro based and thrust sector enterprises in the State.

4. After detailed examination of the recommendations of the High Level Committee constituted to identify the industrially backward blocks and also taking into consideration of suggestions received from the representatives of the various Associations of micro and small industries in the State, during a series of meeting taken up by the Government, the Government have approved the "Micro, Small and Medium Industries Policy, 2008" as appended to at **Annexure -I.**

5. Highlights of the Policy interventions proposed in the "Micro, Small and Medium Industries Policy 2008" are given below:-

I. Infrastructure Support

- Schemes for upgradation of existing industrial estates.
- Schemes for establishment of new industrial estates.
- Reservation of up to 20% of land in all State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) estates for micro, small and medium enterprises and up to 30% of area for micro enterprises in Small Industries Development Corporation (SIDCO) estates.
- Establishment of multi-storied flatted industrial estates for micro enterprises.
- Liberal Floor Space Index (FSI) up to 1.5 to 1.75 for industrial sheds and up to 2.5 for multi – storied industrial units.
- 50% Rebate on stamp-duty and registration charges for micro and small enterprises set up in industrial estates and also in industrially backward areas.
- An infrastructure subsidy of 20% for the development of private sector industrial estates, subject to a maximum of Rs. 1 crore per estate.

II. Incentive Support

a. Exclusive subsidy schemes for micro manufacturing enterprises established anywhere in the State

- 15% capital subsidy on the value of eligible plant and machinery subject to a maximum of Rs.3.75 lakhs.
- 20% low tension power tariff subsidy for 36 months from the date of commencement of commercial production or from the date of power connection whichever is later.

- 100% subsidy on the net value of Value Added Tax(VAT) paid by them for the first 6 years upto the value of investment made in eligible plant and machinery at the time of allotment of Entrepreneur Memorandum No. Part II.
 - Stamp duty exemption on mortgaged and pledged documents.
- b.** Subsidy schemes for micro, small and medium manufacturing enterprises established in industrially backward areas and agro based industries set up in 385 blocks in the State.
- 15% capital subsidy on the value of eligible plant and machinery, subject to a maximum of Rs.30 lakhs.
 - 5% additional employment intensive subsidy on the value of eligible plant and machinery for giving employment to 25 workers for 3 years within the first 5 years from the date of commencement of commercial production, subject to a maximum of Rs. 5 lakhs.
 - 5% additional capital subsidy on the value of eligible plant and machinery for units set up by women, scheduled caste/scheduled tribe, physically disabled persons and transgender entrepreneurs, subject to a maximum of Rs.2 lakhs.
 - 25% additional capital subsidy on the value of eligible plant and machinery installed to promote cleaner environment friendly technologies subject to a maximum of Rs.3 lakhs on certification by the Tamil Nadu Pollution Control Board.
 - 20% low tension power tariff subsidy for 36 months from the date of commencement of production or from the date of power connection whichever is later after allotment of Entrepreneur Memorandum No. Part II .
- c.** Special capital subsidy for thrust sector industries set up anywhere in the State
- 15% special capital subsidy on the eligible plant and machinery for the 10 thrust sector industries viz., electrical and electronic industry, leather, auto parts and components, drugs and pharmaceuticals etc. set up anywhere in the State, subject to a maximum of Rs.30 lakhs. However, the subsidies mentioned at (b) above are eligible for the thrust sector set up in industrially backward areas only.

III. Technical Support

- Establishment of Industrial Cluster and Mini Tool Rooms under public private partnership mode.
- 3% back-ended interest subsidy for technology upgradation / modernization subject to a ceiling of Rs.10 lakhs per enterprise over a period of 5 years.
- Creation of Technology Development Fund for evolving cleaner / energy efficient / IT enabled technologies.
- Assistance for creation of Centres of Excellence and Technology Business Incubators for introduction of new production techniques and design development to the tune of Rs.50 lakhs per incubator / Centre of Excellence.
- 50% subsidy on the cost of filing a patent application or Rs.2,00,000/- per application whichever is less and 50% subsidy on the cost of trade mark registration or Rs.25,000/- whichever is less.
- Reimbursement of 50% of the tuition fees for conducting short term training courses for entrepreneurship and skill development programmes by Industries Associations.

IV. Information and Marketing support

- 15% price preference for purchase of goods of domestic micro and small enterprises, as provided in the Tamil Nadu Transparency in Tenders Act, 1998.
- Purchase preference for items notified by the State Government .
- Waiver of Earnest Money Deposit for participation in tenders.
- 50% grant on hall rent, subject to a ceiling of Rs.5 lakhs per event in Chennai / Rs.1 lakh per event in the Districts and Rs.5 lakhs in other States per exhibition.
- Support for marketing under a common banner or brand name.

V. Deregulation and Simplification

- Introduction of Common Application form for submission to statutory authorities in Government.
- Self certification in respect of their compliance with statutory requirements.
- Proposed enactment of Industrial Single Window Clearance Act.

VI. Administrative Reforms

- Constitution of Micro, Small and Medium Industries Board for reviewing and recommendation of policies and programmes for the development of MSMEs in the State.
- Constitution of an Empowered Committee with Hon'ble Minister for Rural Industries as Chairman for monitoring of policy implementation.
- Revamping of administration machinery of the Department of Industries and Commerce to cope up with the emerging trends and play a facilitating role.

VII. Policy Support

- A separate Policy for rehabilitation of sick micro, small and medium industries with rehabilitation package.
- Proposed formulation of export policy to encourage the export of the products of micro, small and medium enterprises in the State.

6. The package of incentives and concessions contained in this Micro, Small and Medium Industries Policy, 2008 will be eligible to all new micro, small and medium manufacturing enterprises, which have taken effective steps to set up their units on or after 1.8.2006 and commenced commercial production on or after 22.02.2008, the date of announcement of Micro, Small and Medium Industries Policy, 2008. These incentives will also be eligible for units taking up substantial expansion / diversification of their existing activities on the incremental assets created towards expansion / diversification.

7. In the letter read above the Industries Commissioner and Director of Industries and Commerce has sent draft guidelines for administration of the fiscal incentives schemes announced in the Micro, Small and Medium Industries Policy, 2008 noted in Para 5 II above.

8. Government, after careful examination of the recommendations of the Industries Commissioner and Director of Industries and Commerce, approve the manual for administration of incentives and concessions announced in the Micro, Small and Medium Industries Policy, 2008 which is appended at **Annexure II**.

9. All the implementing agencies, viz., Industries Commissioner and Director of Industries and Commerce, Tamil Nadu Industrial Investment Corporation, Small Industries Development Corporation, etc. are directed to follow scrupulously the above guidelines.

10. Guidelines for implementation of other schemes announced in the Policy such as Infrastructure Support, Technical Support, Information and Marketing support, Deregulation and Simplification, Administrative Reforms, Monitoring of Policy Implementation and rehabilitation of sick micro, small and medium enterprises will be issued separately.

11. All the earlier orders on subsidies are hereby superceded.

12. This order issues with the concurrence of Finance Department vide its U.O.No. 1251/FS/P/2008 dated 3.5.2008.

(BY ORDER OF THE GOVERNOR)

**P. SELVAM
SECRETARY TO GOVERNMENT**

To

Industries Commissioner and

Director of Industries and Commerce, Chennai-5.

The Managing Director, Tamil Nadu Industrial Investment Corporation Limited, Chennai-35.

The Chairman and Managing Director, State Industries Promotion Corporation of Tamil Nadu, Chennai-8

All District Collectors

The Chairman and Managing Director, Tamil Nadu Small Industries Development Corporation, Chennai-32

The Accountant General, Chennai-18/35/6

All Pay and Accounts Officers / All District Treasuries

Copy to:

Secretary II to the Chief Minister, Chennai 9.

The Chief Secretary to Government, Chennai 9

The Secretary to Government, Finance / Industries/Commercial Tax / Energy Departments, Chennai 9

All other Departments of Secretariat, Chennai 9

All sections in Micro, Small and Medium Enterprises Department, Chennai 9

Tamil Nadu Pollution Control Board, Chennai-32.

Commissioner of Commercial Taxes, Chennai-5

Stock file / Spare copy.

/FORWARDED BY ORDER/

SECTION OFFICER

ANNEXURE - I

**Micro, Small and Medium
Industries Policy 2008**



Micro, Small and Medium Industries Policy 2008

**Micro, Small & Medium Enterprises Department
Government of Tamil Nadu**

| Sl. No. | Particulars | Page No. |
|----------------|---|-----------------|
| 1 | Introduction | 1 |
| | Vision, Mission, Objectives and Strategies | 1 |
| | Vision | 1 |
| | Mission | 2 |
| | Objectives | 2 |
| | Strategies | 3 |
| 2 | Background | 4 |
| 3 | Need for Policy for Micro, Small and Medium Industries | 6 |
| 4 | Policy interventions | 9 |
| | 4.1 Infrastructure Support | 9 |
| | 4.1.1 Upgradation of existing industrial estates | 9 |
| | 4.1.2 Establishment of new industrial estates | 9 |
| | 4.1.3 Establishment of multi-storied flatted estates | 9 |
| | 4.1.4 Stamp duty exemption | 9 |
| | 4.1.5 Privately developed estates. | 10 |
| | 4.1.6 Raw Material Supply | 10 |
| 5 | Direct catalytic subsidy support | 11 |
| | 5.1 Support to Micro Manufacturing Enterprises | 11 |
| | 5.1.1 Capital Subsidy | 11 |
| | 5.1.2 Low Tension Power Tariff (LTPT) subsidy | 11 |
| | 5.1.3 Subsidy on the assessed Value Added Tax (VAT) | 11 |
| | 5.1.4 Stamp duty exemption | 11 |
| | 5.2 Support to Micro, Small and Medium Manufacturing Enterprises in Backward areas | 12 |
| | 5.2.1 Capital Subsidy | 12 |
| | 5.2.2 Employment Intensive Subsidy | 12 |
| | 5.2.3 Additional Capital Subsidy for select category of Entrepreneurs | 12 |
| | 5.2.4 Additional Capital Subsidy for promotion of cleaner and environment friendly technologies | 13 |
| | 5.2.5 Low Tension Power Tariff (LTPT) Subsidy | 13 |
| | 5.2.6 Subsidy scheme for setting up of agro based enterprises | 13 |
| | 5.3 Special Capital Subsidy for thrust sector enterprises | 13 |
| | 5.4 Enterprises ineligible for Subsidy | 14 |
| | 5.5 Policy for Promotion of Export | 15 |
| 6 | Technical Support | 16 |
| | 6.1 Assistance for technology and efficiency upgradation and modernization | 16 |
| | 6.1.1 Mini Tool Rooms | 16 |
| | 6.1.2 Enhancing Manufacturing Competitiveness | 16 |

| | | |
|--------------------------|---|----|
| 6.1.3 | Cluster Development Schemes | 17 |
| 6.1.4 | Back-Ended Interest Subsidy | 17 |
| 6.1.5 | Technology Development Fund | 17 |
| 6.1.6 | Technology Business Incubators | 18 |
| 6.1.7 | Subsidy for asset creation for Intellectual Property | 18 |
| 6.1.8 | Technology upgradation of specified sub-sectors | 18 |
| 6.2 | Certification and testing | 18 |
| 6.3 | Skill Development and Training | 19 |
| 7 | Information and Marketing Support | 20 |
| 7.1 | Marketing support, seminars and exhibitions | 20 |
| 8 | Deregulation and Simplification | 21 |
| 8.1 | Common Application Form | 21 |
| 8.2 | Self Certification | 21 |
| 8.3 | Industrial Single Window Clearance Act | 22 |
| 9 | Administrative Reforms | 22 |
| 9.1 | Revamping of Administration Machinery of the Department of Industries and Commerce | 22 |
| 9.2 | Networking, trade and technology related information | 22 |
| 9.3 | Administration of the package of incentives and concessions under the Micro, Small and Medium Industries Policy | 24 |
| 9.4 | Constitution of Micro, Small and Medium Enterprises Board | 24 |
| 10 | Monitoring of Policy Implementation | 24 |
| 10.1 | Empowered Committee | 24 |
| ANNEXURE - I | | |
| | Policy for Rehabilitation of Sick Micro, Small and Medium Enterprises | 27 |
| ANNEXURE - II (a) | | |
| | Components of an approved Industrial Park | 34 |
| ANNEXURE - II (b) | | |
| | List of approved Infrastructure | 35 |
| ANNEXURE - III | | |
| | List of Backward Blocks in the State | 36 |
| ANNEXURE - IV | | |
| | List of Enterprises/activities ineligible for incentives | 41 |

Micro, Small and Medium Industries Policy-2008

1. Introduction

Tamil Nadu is one of the well-developed States in terms of industrial development. In the post liberalization era, the State has emerged as one of the front-runners in attracting large number of domestic and foreign investors. In 2006-2007, the manufacturing sector at constant prices contributed 20.23% to Tamil Nadu's Gross State Domestic Product, while services sector contributed 59.1% of Tamil Nadu's Gross State Domestic Product. Government with a view to stimulate further industrial development, attract investment, facilitate new manufacturing capacity and enable global manufacturing competence and competitiveness of local industry, has announced the 'New Industrial Policy 2007' on 5th November 2007.

Small and Medium Enterprise (SME) sector does get special attention and support all over the world, even in the developed countries. While some of the issues and problems facing the industry sector are common and have been covered in the above policy, Micro, Small and Medium Enterprises (MSMEs) sector suffers from certain handicaps and as such would need special support. Government in the Policy Note for Small Industries Department for the year 2006-07 announced that a policy for the development of Micro and Small Enterprises in the State would be formulated in consultation with industry and in harmony with the broad objectives of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

Vision, Mission, Objectives and Strategies

VISION

- Enhance the competitiveness and scalable capacity of the Micro, Small and Medium Enterprises sector in Tamil Nadu.
- Encourage agro based industries for increasing value addition and giving better income to the farmers.

- Target a sustained annual growth rate of over 10% for Micro, Small and Medium Enterprises .
- Promote 10 lakh direct and indirect employment opportunities during the XI Plan period.

MISSION

MISSION

Our mission is to accelerate development in Tamil Nadu by maximizing investment, output, growth, employment and manufacturing competitiveness through infrastructure and human resources development in Micro, Small and Medium Enterprises sector.

OBJECTIVES

The following are the key objectives of this Policy.

- To revive the Micro, Small and Medium Enterprises in the State and enable them to become competitive in a WTO compliant global market and become world leader in select segments.
- To reduce regional imbalances in the industrial development within the State and to facilitate setting up of Micro, Small and Medium Enterprises in backward areas of the State.
- To encourage modernisation and upgradation of technology in traditional sectors for having competitive edge in the wake of liberalisation and globalisation.
- To create employment opportunities particularly to the vulnerable sections of the society and rural people, ensuring inclusive development.
- To provide skill development and training for educated youth to develop entrepreneurial skills and make them self-employed.
- To create infrastructure facilities, provide incentives and marketing as well as technical support to the Micro, Small and Medium Enterprises.

- To cater to the quality testing requirements of Industries in general and to Micro, Small and Medium Enterprises in particular.
- To reduce procedural formalities to speed up industrialisation.

STRATEGIES

- Creating and upgrading industrial estates and infrastructure facilities by the Public Sector and also encouraging setting up of industrial estates under the Public Private Partnership / Private modes.
- Creation of common infrastructure facilities / services in industrial clusters by supplementing the cluster development schemes available from Government of India.
- Providing subsidy assistance to Micro, Small and Medium Enterprises setup in industrially backward areas and also to specific sub-sectors like Agro Industries, Sago, Tea, Coir, etc.
- Providing special capital subsidy assistance to Micro, Small and Medium Enterprises in thrust sectors, set up anywhere in the State.
- Providing back-ended interest subsidy assistance to Micro, Small and Medium Enterprises for Technology Upgradation and Modernisation.
- Promote entrepreneur development and sector specific skill development training programmes to match the emerging skill needs in coordination with industry.
- Taking up evaluation of the working of the various schemes and also continuously reviewing procedures to ensure simplification and procedural re-engineering with third party assistance.
- Ensuring faster and timely flow of credit and extending the process of Credit Guarantee Fund Trust Scheme (CGFTS) to cover all loans to the Micro Enterprises sector.

- Providing and ensuring access to information for availing of benefit of various promotional schemes of Government.
- Provide incentives for adoption of low cost environment-friendly technologies.
- Mitigate incipient sickness and rehabilitation of sick Micro, Small and Medium Enterprises.
- Promote Industry-Academia-Government collaboration for Research and Development, innovations and diffusion of technology in Micro, Small and Medium Enterprises Sector.
- Simplifying regulations and procedures and ensure speedier clearances by Single Window Clearance mechanism.

2. Background

Definitions of Small and Medium Enterprises (SME) vary from country to country, depending on one or more of thresholds laid down in respect of investment, employment, turnover etc. All the same, Small and Medium Enterprises have been engines of industrial growth the world over. Broadly speaking almost 90% of the manufacturing units in the world fall in this sector and support over 80% of industrial employment.

Government of India have adopted investment limit in terms of the value of plant and machinery items of an industrial unit, as the sole criterion for defining the Small Scale Industry (SSI) sector. In its pursuit to help the sector to grow further, the investment limit of the SSI sector has been raised from time to time, ranging from Rs.5 Lakhs in plant and machinery value in the year 1960 to Rs.500 Lakhs in plant and machinery value in 2006.

As a response to the long standing demand of the SSI sector and considering the emergent need to provide a legal framework to address the developmental concerns of what is globally known as “Small and Medium Enterprises” Government of India in its recent enactment of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006,

has changed the nomenclature of SSI sector into SME sector, giving due importance to the enterprise segment and at the same time bringing or merging the medium sector into its fold. Salient features of the Act are given below.

- The Act defines **‘Enterprises’** instead of **“Industry”** to give due recognition to the Service Sector.
- **Manufacturing Enterprises** have been defined in terms of investment in plant and machinery (excluding land & buildings) and further classified into:-
 - *Micro Manufacturing Enterprises*– Investment up to Rs. 25 lakhs
 - *Small Manufacturing Enterprises*–Investment above Rs. 25 lakhs and upto Rs. 5 Crores
 - *Medium Manufacturing Enterprises*–Investment above Rs. 5 Crores and upto Rs. 10 Crores.
- **Service Enterprises** have been defined in terms of their investment in equipment (excluding land & buildings) and further classified into:-
 - *Micro Service Enterprises* – Investment upto Rs. 10 lakhs.
 - *Small Service Enterprises* - Investment above Rs. 10 lakhs and upto Rs. 2 Crores.
 - *Medium Service Enterprises* – Investment above Rs. 2 Crores and upto Rs. 5 Crores.

Tamil Nadu is and has been among the most industrialised States in the country with a very diversified industrial base. It is ranked among the top three states in the country in industrial output, value addition, number of factories, and total workforce in the factories. The State has a substantial share in the production of cement, sugar, textiles, leather, chemical and fertilizer, auto and light engineering etc., in the country. In the process of building the industrial capacity that is available today in the State, the

role of transport, communication and other forms of industry support infrastructure like industrial estates, banking and financial services, human resources has been significant.

In the process of the above growth and maturity of industrialisation in Tamil Nadu, Micro and Small Enterprises (MSEs) have supported and have been largely supported by Medium and Large Industry. The MSE sector is a vibrant and vital sector of the State economy in terms of employment generation and share of production. The MSE sector accounts for more than 95% of all industrial units, about 40% of the output in manufacturing sector and 35% of exports. There are nearly 5.30 lakhs registered MSE/SSI units in Tamil Nadu as on 31.3.2007 providing employment to over 37 lakhs persons with a total investment of around Rs.16817 Crores. As employment generation of the sector is next only to agricultural and allied sectors, it is a powerful engine for realizing the twin objectives of '*accelerated industrial growth*' and '*creation of additional productive employment potential*' in rural and backward areas. There is also in Tamil Nadu, behind the scenes, a substantial unregistered sector of over 6 lakhs units which serve as a nursery for entrepreneurial talent.

3. Need for Policy for Micro, Small and Medium Industries

With the opening up of the economy and the introduction of economic reforms, the challenges faced by and opportunities to this sector have increased manifold. Reduction in trade barriers and improvement in information technology and communication now allow companies to source products and services from the cheapest and most efficient sources across the globe. The process of opening up of the economy and competition in the market has accelerated and must be taken into account when formulating new policy initiatives. The MSMEs should have the ability to respond effectively to change.

Global practices have come to the Indian market and a high level of technological sophistication is being expected of MSMEs. In this process of forced and accelerated metamorphosis, it is necessary to look at MSMEs

in a disaggregated manner. Upgradation of standards is also enabling these MSMEs to export in their own right. To remain competitive MSMEs must constantly upgrade technology and make fresh investments. Government policy must facilitate a seamless movement from small to medium and large scale sectors. This process must also ensure that the employment intensity of operations, which is crucial to MSMEs, is retained.

The opening up of Indian markets to global competition implies that sub-standard products would be faced with dwindling space in the Indian market. The basic policy thrust in the MSMEs sector must, therefore, be on '*enhancing competitiveness*' and '*promoting job creation*'. In this setting, it has become imperative for Government to create a supporting environment for the Industry and the Industrial policy needs to define the role of Government as a facilitator and a catalyst.

One has to ensure that while those sub-sectors which have the resilience and strength to cope and thrive get the encouragement to do so, others which need help to adjust to the pace of change or to even just to survive, are given the subsidies and supports needed to do so. In other words, in a country where mobility of employment is limited, where deskilling and skilling are happening at a rapid rate, a sector which employs a large workforce and manufactures a range of products ranging from pins to aircraft components, cannot be viewed from a perspective of growth which applauds only the fittest of the traditional and the brightest of the sunrise sub sectors. This is even more compelling when most developed countries are proactive in market support to MSMEs and have strong support systems in place to help technology upgradation, skill building and networking.

If increasing competitiveness and being part of a larger production chain is crucial to Small and Medium Scale sector in the State, in Micro sector, issues of marketing, technology upgradation, designing and arresting the decline in the production have become critical. MSMEs should be enabled to access the latest technology, indigenous R & D and innovation trends need to be encouraged and infrastructure improved. Government,

industry, research institutions and academia interaction should be facilitated and encouraged to work in collaboration to improve industry capabilities. Firms should be able to obtain credit easily and cheaply and should invest in developing technology.

In a labour surplus economy like India, the need for policies and programmes to promote employment generation is of paramount importance. Manufacturing Sector has to carry the major burden of increasing employment opportunities in the coming decades directly or indirectly. This is particularly valid for the unemployed persons coming from rural and agricultural sectors. Growth of manufacturing sector lends greater support to Agriculture through more intensive efforts on agro-based Industries. It also creates strong multiplier effects in the services sector in areas like traditional trading, financial services, transport etc. Therefore, the overall employment effect of manufacturing would have to include the indirect generation of employment in the services sector. Besides, within the service sector those of the sub-sectors that are linked to the manufacturing directly need to be concentrated upon as they provide substantial job opportunities. It is, therefore, necessary that robust growth of the manufacturing sector is ensured for creating overall growth and employment possibilities in the economy.

Considering the fact that the Micro, Small and Medium Enterprises sector accounts for the major share in number of industrial units, output in manufacturing sector and exports in the State besides being a major employment provider next only to agriculture, the need for vitalising this sector assumes greater importance. Further the Micro and Small Industries Associations in the State have been continuously pressing for a separate Policy for the development of Micro and Small Enterprises in the State. All these have warranted a separate policy for the first time, exclusively for Micro, Small and Medium Enterprises sector.

While planning for growth, it is also appropriate that timely and adequate attention is also paid to the needs of Enterprises which fall sick so that

resources deployed are put to productive use. To facilitate this process, the MSME Policy also incorporates in **Annexure-I**, a structured approach for handling these matters.

4. Policy interventions

4.1. Infrastructure Support

4.1.1. Upgradation of existing industrial estates

Infrastructure upgradation work in all industrial estates of Tamilnadu Small Industries Development Corporation (SIDCO) and Departmental and co-operative industrial estates would be taken up on priority basis.

4.1.2. Establishment of new industrial estates.

State Industries Promotion Corporation of Tamilnadu Ltd., (SIPCOT) will allot up to 20% land in all new / expansion schemes undertaken by SIPCOT to MSMEs to promote ancillarisation. In estates developed by SIDCO in the XI Plan period, upto 30% of the area will be reserved for Micro Enterprises, with allotment not exceeding 15 cents. Subject to demand, ten estates will be developed as Greenfield ventures or as expansions of existing estates and completed by SIDCO during the XI plan including exclusive estates for the micro sector at Madhavaram (Tiruvallur district), Vinnamangalam (Vellore district) and Bargur (Krishnagiri district) and at a suitable location in Coimbatore District.

4.1.3. Establishment of multi-storied flatted estates

In addition to the above, multi-storied flatted estates will be developed by SIDCO exclusively for the Micro sector within a radius of 25 kms of the Chennai city centre. These will be taken up and completed by 2010.

Liberal FSI would be considered for plotted development, up to 1.5 to 1.75 for industrial sheds and up to 2.5 for multi-storied industrial units.

4.1.4. Stamp duty exemption

Enterprises in SIDCO or Government developed estates for Micro and Small Enterprises sectors will be entitled to 50% rebate on stamp duty

and registration at the time of original allotment, based on the transfer value fixed by SIDCO or Government in respect of such estates. In respect of Micro and Small Enterprises set up in industrially backward areas, the 50% rebate on stamp duty and registration would be reimbursed after commencement of production.

4.1.5. Privately developed estates.

- Government will encourage the development of industrial estates by the private sector, outside a radius of 30 kms from Chennai city centre. Conditions for approval of the estates are given in the **Annexure-II.**
- For such approved estates of 50 acres and above in size, the State Government will provide an infrastructure subsidy to the extent of 20% of approved infrastructure items subject to a ceiling of Rs.1 Crore per estate.
- There will be no objection for the developer sourcing infrastructure grants from Government of India also subject to the conditions that the State subsidy will be restricted to ensure the promoter contribution is not less than 40%.
- Entrepreneurs in such privately developed estates will be entitled to 50% rebate on stamp duty and registration at the time of original allotment based on the guideline value.
- In the case of all such proposals the land has to be arranged by the private developer.
- The TNEB will arrange at its cost, industrial feeders to the estate to ensure uninterrupted power.

4.1.6. Raw Material Supply

SIDCO will take steps on a Public Private Partnership mode wherever feasible to streamline supply of essential raw materials to Micro and Small Enterprises.

5. Direct catalytic subsidy support

5.1. Support to Micro Manufacturing Enterprises

All Micro Manufacturing Enterprises established any where in the State will be eligible for the following incentives.

5.1.1. Capital Subsidy

A capital subsidy will be extended at the rate of 15% on eligible plant and machinery as indicated in the Micro, Small and Medium Enterprises Development (MSMED) Act 2006 and Rules.

5.1.2. Low Tension Power Tariff (LTPT) subsidy

Low Tension Power Tariff (LTPT) subsidy will be available at a flat rate of 20% for the first 36 months from the date of commencement of production or from the date of power connection, whichever is later, after allotment of an Entrepreneur Memorandum (Part 2) number from the District Industries Centres.

5.1.3. Subsidy on the assessed Value Added Tax (VAT)

All Micro Manufacturing Enterprises will be entitled to a subsidy equal to the assessed Value Added Tax (VAT) paid by them for the first six years after commencement of production. The total subsidy entitlement over the period would be upto the value of investments made in plant and machinery at the time of allotment of an Entrepreneur Memorandum (EM) number (Part 2) by the District Industries Centres. The subsidy will be disbursed by Industries Commissioner and Director of Industries and Commerce based on guidelines which will be issued separately.

5.1.4. Stamp duty exemption

Micro Manufacturing Enterprises will be exempted from payment of stamp duty on mortgaged and pledged documents.

5.2. Support to Micro, Small and Medium Manufacturing Enterprises in Backward areas.

In the **251** blocks notified as backward listed in **Annexure-III** and industrial estates promoted by the Government and Government Agencies like SIPCOT, SIDCO, etc., (excluding industrial estates located within the radius of 50 Kms from Chennai city centre) the following subsidies will be extended to eligible Micro, Small and Medium Manufacturing Enterprises, which include enterprises undertaking manufacturing on job work basis which involves processing and physical movement of raw materials / goods / and or components. These subsidies will also be eligible for enterprises taking up substantial expansion / diversification of their existing activities on the incremental assets created towards expansion / diversification.

5.2.1. Capital subsidy

A capital subsidy will be extended at the rate of 15% on eligible plant and machinery as indicated in the Micro, Small and Medium Enterprises Development (MSMED) Act 2006 and rules , subject to a maximum of Rs.30 lakhs.

5.2.2. Employment intensive subsidy

An employment intensive subsidy of an additional 5%, subject to a maximum of Rs.5 lakhs, will be granted if at least 25 workers have been employed for a minimum period of 3 years within the first five years from the date of commencement of production. The evidence for the employment of workers would be the related statutory returns such as the returns filed under the Employees Provident Fund Act, etc.,

5.2.3. Additional capital subsidy for select category of Entrepreneurs

An additional capital subsidy of 5%, subject to a maximum of Rs.2 lakhs will be given to enterprises set up by Women, SC / ST, Physically disabled and Transgender entrepreneurs.

5.2.4. Additional capital subsidy for promotion of cleaner and environment friendly technologies

An additional capital subsidy of 25% will be given on the value of plant and machinery installed to promote cleaner and environment friendly technologies, subject to a maximum of Rs.3 lakhs and certification by Tamil Nadu Pollution Control Board that the equipments installed serve such a purpose.

5.2.5. Low Tension Power Tariff (LTPT) subsidy

Low Tension Power Tariff (LTPT) subsidy will be available at a flat rate of 20% for the first 36 months from the date of commencement of production or from the date of power connection, whichever is later, after allotment of an Entrepreneur Memorandum (Part 2) number from the District Industries Centres.

5.2.6. Subsidy scheme for setting up of agro based enterprises

Government have decided that the subsidy scheme for setting up of agro based enterprises in all 385 blocks in the State, sanctioned in G.O.Ms.No.32, Small Industries Department, dated 28.6.2002, will be integrated with the Capital Subsidy Scheme for backward areas. Accordingly, the package of incentives noted in 5.2.1. to 5.2.5. would be extended to agro based enterprises set up in all blocks in the State.

5.3. Special Capital Subsidy for Thrust Sector Enterprises

A Special capital subsidy will be extended to Micro, Small and Medium manufacturing Enterprises under the following thrust sectors, located anywhere in the State, at the rate of 15% on eligible plant and machinery as indicated in the MSMED Act 2006 and Rules, subject to a maximum of Rs.30 lakhs.

1. Electrical and Electronic Industry.
2. Leather and Leather goods.
3. Auto parts and components.
4. Drugs and Pharmaceuticals.
5. Solar Energy Equipment.

6. Gold and Diamond Jewellery for exports.
7. Pollution Control equipments.
8. Sports Goods and Accessories.
9. Cost effective building material.
10. Readymade Garments.
11. Any other industry to be notified by the Government in this regard from time to time.

This subsidy will also be eligible to enterprises taking up substantial expansion / diversification of their existing activities on the incremental assets created towards expansion / diversification.

5.4. Enterprises ineligible for subsidy

Capital subsidy and other subsidies noted in paras 5.1.1 to 5.3 above will not be available to

- i. indigenous and imported second-hand machinery (except imported second-hand machinery brought into use within the country for the first time subject to certification by Chartered Engineer of its value and its residual life of not less than 5 years)
- ii. Wherever enterprises avail subsidy under any other schemes of Government of Tamil Nadu / Government of India, only differential amount of subsidy, if any, would be provided under this Policy.
- iii. Enterprises in Special Economic Zones or in Special Zones which are eligible for special fiscal benefits and special packages of incentives (though located in the blocks notified as backward) will not be entitled for Capital or LTPT subsidy provided under this Policy.
- iv. Enterprises eligible for Special Capital subsidy for thrust sectors will not be eligible for other subsidies noted in paras 5.2.2 to 5.2.5 above. However this restriction will not be applicable to thrust sector enterprises set up in backward areas.
- v. List of enterprises / activities not eligible for the package of incentives mentioned in Para 5.1.1 and 5.1.2 for Micro Manufacturing Enterprises and in Para Nos. 5.2.1 to 5.2.5 for Micro, Small and Medium Manufacturing Enterprises is enclosed as **Annexure-IV**.

5.5 Policy for Promotion of Export

Considering the major role played by Exports in the industrial and economic development of the State, Government would formulate a separate policy for promotion of Export, in line with the following provisions already made in the 'New Industrial Policy 2007'.

- 1. The role of the Industries Commissioner and Director of Industries and Commerce has been amplified also as "State Exports Commissioner" to coordinate with various departments of State and the Central Government to facilitate, enhanced export promotion, facilitate exports and work towards procedural simplification of export documentation formalities.*
- 2. The existing Export Guidance Cell in each District Industries Centre are to be transformed into an "District Export Promotion Cell" in association with Federation of Indian Export Organisation (FIEO) to facilitate accelerated disposal of various clearances required by exporters*
- 3. A Comprehensive Trade Information Portal with network connectivity to all District Industries Centre is to be set up by Directorate of Industries and Commerce in collaboration with FIEO.*

In order to enable the above, the infrastructure of the Directorate of Industries and Commerce and all the District Industries Centres will be suitably enhanced, supported with the ICT equipments and accessories, internet connectivity, application soft wares, portal facilities etc.

In addition, training on latest computer applications, E-governance, technology sourcing, technology upgradation, cluster development, export formalities, procedures and promotion, lean manufacturing and ICT trends etc. will be imparted to the Officers and staff of the Directorate and District Industries Centres so as to cater to the needs of MSMEs for enhancing their competitiveness in order to sustain their growth in the globally competitive scenario.

6. Technical Support

6.1. Assistance for Technology and Efficiency Upgradation and Modernization.

6.1.1. Mini Tool Rooms

Government will provide all support for the proposal for the setting up of Mini Tool Rooms to be sanctioned under National Manufacturing Competitiveness Programme (NMCP) of Government of India and provide necessary assistance wherever required.

In addition the Government will also provide support to Mini Tool Room projects to be taken up by any Industrial cluster / Association at the rate of 25% of the project cost, subject to a ceiling of Rs.1.00 Crore in strategic locations based on demand. The Industrial cluster / Association concerned should arrange for the land.

6.1.2. Enhancing Manufacturing Competitiveness

Government will also provide all support for the implementation of the following schemes to be implemented under National Manufacturing Competitiveness Programme (NMCP) of Government of India and provide necessary assistance wherever required.

- 1) National Programme on Application of Lean Manufacturing.
- 2) Promotion of Information & Communication Technology in Manufacturing Sector .
- 3) Technology and quality upgradation support for SMEs .
- 4) Support for Entrepreneurial and Managerial Development of SMEs.
- 5) Design Clinic Scheme to bring design expertise to the Manufacturing Sector .
- 6) Enabling Manufacturing Sector to be competitive through Quality Management Standards and Quality Technology Tools .
- 7) National Campaign for investment in Intellectual Property.
- 8) Market support / assistance to SMEs.

6.1.3. Cluster Development Schemes

Government will provide all support for Cluster Development Schemes of Government of India and provide necessary assistance wherever required.

In addition the Government will also provide support to establish Common Facility Centres to be set up by Industrial clusters / Associations at the rate of 25% of the project cost, subject to a ceiling of Rs.1.00 Crore in strategic locations, based on demand.

6.1.4. Back- ended Interest Subsidy

A back-ended interest subsidy at the rate of 3% (subject to a maximum of Rs.10 lakhs per enterprise over a period of five years) will be extended on loans taken up to Rs.100 lakhs by Micro, Small and Medium Enterprises for modernization by induction of well established and improved technologies in specified sub-sectors / products as listed in the guidelines on **Credit Linked Capital Subsidy Scheme** (CLCSS) Scheme of Government of India.

6.1.5. Technology Development Fund

A corpus of Rs.25 lakhs with necessary annual injections will be set up to part fund small developmental projects undertaken at the behest of MSME Association by IIT-Madras, Universities in the State including Deemed Universities, Engineering Colleges, Polytechnics, and Central Government Institutions of Excellence in the State for evolving cleaner and / or energy efficient or IT enabled technologies for the Micro, Small and Medium Manufacturing Sector.

The support will be upto Rs.2.5 lakhs or 50% of the project cost whichever is less and the project should have the prior approval of the Industries Commissioner and Director of Industries and Commerce.

The corpus will also fund 50% of the cost of the conduct of 100 operational efficiency studies required by entrepreneurs of micro manufacturing enterprises every year on a first come first served basis. Such a study will involve the deployment of upto six mandays from a list of approved

institutions for whom the Industries Commissioner and Director of Industries and Commerce will fix a schedule of rates. The Corpus fund will be operated by SIDCO and separate guidelines will be issued in this regard.

6.1.6. Technology Business Incubators

Financial assistance to the tune of Rs.50 Lakhs per Incubator/Centre of Excellence would be provided for creation of basic infrastructure for setting up of Centres of Excellence and Technology Business Incubators in the fields like Automobile, Machine tools, Food processing etc, in MSME Sector for introduction of new production techniques and design development.

6.1.7. Subsidy for asset creation for Intellectual Property

50% of the cost of filing a patent or Rs.2 lakhs, whichever is less, would be provided as subsidy to Micro, Small and Medium manufacturing enterprises having in-house or stand alone R & D Laboratories for innovations capable of industrial application. The support will be available for filing the patent application in India or abroad, cost of registration and first time maintenance fee of the granted application.

Similarly 50% of the cost of application for Trade Mark registration or Rs.25,000/-, whichever is less, would be provided as subsidy to Micro, Small and Medium manufacturing enterprises for filing the application for Trade Mark registration in India or abroad, cost of registration and first time maintenance fee of the granted application.

6.1.8. Technology upgradation of specified sub-sectors

Special steps will be taken to assist technology upgradation and achieve economies of scale in the coir, handmade match, Cooperative tea and Sago sectors.

6.2. Certification and testing

The testing laboratories and Electro Medical Equipment Centres of the Department of Industries and Commerce would be upgraded with state-of-the-art machineries to cater to the testing needs of Enterprises in general

and Micro, Small and Medium Enterprises in particular to face the challenges due to globalisation. The possibility of grant of autonomous status under Public Private Partnership mode to these institutions would be explored.

The Directorate of Industries and Commerce will assist in the preparation of documentation and liaise on behalf of MSME Associations with Government of India in respect of applications made to MSME-Development Organisation for sanction of Testing Centres under the Government of India Scheme.

6.3. Skill Development and Training

Schemes will be formulated with Enterprise Associations to

- Customised Entrepreneurship Development Training Programme for entrepreneurs in sunrise sectors like Information Technology, Information Technology Enabled Services, Business Process Outsourcing, Enterprise Process Outsourcing, Knowledge Processing Outsourcing and Bio-Technology of different durations would be taken up in association with Financial Institutions, Enterprises Associations, Reputed Training Institutions in Manufacturing and Service Sectors under Public Private Partnership mode.
- Reimbursement upto 50% of the tuition fees of special short term courses run with prior approval of the Industries Commissioner and Director of Industries and Commerce by the MSME Associations for the benefit of the educated unemployed in collaboration with any reputed institution in the State. Grant of subsidy to the training course is subject to the prior approval of the course by the Industries Commissioner and Director of Industries and Commerce and the Association concerned guaranteeing immediate placement of the trainees.
- Reimbursement of 50% of the tuition fees of short term training organized by MSME Associations to upgrade the skills of existing employees of Micro, Small and Medium manufacturing Enterprises.

Grant of subsidy to the training course is subject to the prior approval of the course by the Industries Commissioner and Director of Industries and Commerce.

- Apart from the above, the Industries Commissioner and Director of Industries and Commerce will take steps to ensure by dissemination of information and by sponsoring where required that Micro, Small and Medium Enterprises are enabled to avail themselves of the benefits of the skill development initiatives undertaken by the related agencies of Government.

7. Information and Marketing Support

7.1 Marketing support, seminars and exhibitions

- Price preference of 15% will be extended for purchase of goods of domestic Micro and Small Enterprises as provided in the Tamilnadu Transparency in Tenders Act, 1998.
- Purchase preference will be extended for items notified from time to time by the State Government.
- Waiver of Earnest Money Deposit will continue for Micro and Small Enterprises .
- A grant of 50% of expenses incurred on hall rent (subject to a ceiling of Rs.5 lakhs per event in Chennai and Rs. 1 lakh per event in Districts) will be sanctioned on reimbursement basis for sponsoring of exhibitions by MSME Associations.
- A grant of 50% of the hall rent (with a ceiling of Rs.5 lakhs per exhibition) will be sanctioned on reimbursement basis for participation in exhibitions in other States by MSME Associations of Tamilnadu.
- Support will be structured in project mode to clusters of enterprises to market their products under a common banner or brand.
- The Resource Centre of Department of Industries and Commerce will guide in the preparation of documentation and liaise on behalf

of MSMEs and Associations with GOI, in coordination with the Micro, Small and Medium Enterprises Development Institute (MSME-DI), Chennai in respect of applications made to MSME-Development Organisation for sanction of assistance under scheme for

- i) Participation in International Fairs – (Full subsidy on space rent and shipment of exhibits of MSEs)
- ii) MSE Market Development Assistance – (funding upto 90% in respect of to and fro air fare for participation by MSE Entrepreneurs in overseas fairs / trade delegations. The scheme also provide for funding for producing publicity material (upto 25% of costs)
- iii) Sector specific studies (upto Rs.2 lakhs) and for contesting anti-dumping cases (50% upto Rs.1 lakh).
- iv) Scheme for setting up Sub-Contracting Exchange (One time grant for procurement of hardware and thereafter matching grant on tapering basis at 50%, 30% and 10% of running expenses, not exceeding Rs.1.25 lakhs, Rs.0.75 lakhs and Rs. 0.25 lakhs respectively during the initial three years, subject to a ceiling of Rs.1.57 lakhs per exchange.

8. Deregulation and Simplification

8.1. Common Application Form

The Common Application Form for applying for setting up enterprises and the Common Return approved by the Labour Department will be adopted with immediate effect.

8.2. Self Certification

Micro, Small and Medium Enterprises will be gradually extended the benefit of self certification in respect of their compliance with statutory requirements. Guidelines for registration for self certification, percentage of test and random checks etc., will be issued separately. The enterprises eligible in each District for such a dispensation will be identified on the following basis by the Single Window Committee.

- Regular submission of all returns to tax, factory, labour welfare authorities over the last three years.
- No history of default of loans taken from banks and financial institutions in the last five years or default in payment of sales tax or power bills or dues to local bodies, or of litigation with Government agencies.
- No pending Sales tax / VAT, power or other dues or local bodies or other State Government agencies, or litigation with Government or its agencies.

8.3 Industrial Single Window Clearance Act

In the Industrial Policy 2007, Government have announced that an Enactment of a *Business Facilitation Act* would be considered for giving Single Window Committees, at State and District level, formal authority and clear time lines for each approval. A *Business Facilitation e-Governance System* will be put in place enabling investors to apply for Single Window Clearance on-line and to monitor clearances.

Government would enact an *Industrial Single Window Clearance Act*, for giving Single Window Clearance Committees, at State and District level, formal authority and set time period for grant of approvals and deemed approvals.

9. Administrative Reforms

9.1. Revamping of Administration Machinery of the Department of Industries and Commerce.

Administrative machinery of Department of Industries and Commerce would be suitably strengthened and resources provided in order to enable it to cope up with the emerging trends and play a facilitating role. All assistance will be provided to strengthen the Commissionerate of Industries and Commerce and the District Industries Centres for effective implementation of the schemes contained in this Policy.

9.2. Networking, trade and technology related information

District Industries Centres will be strengthened and networked to a Resource Centre in the Directorate of Industries and Commerce. This

Resource Centre will be networked with the TANSTIA FNF Service Centre, Technology Development Centre of Confederation of Indian Industries, Micro, Small and Medium Enterprises - Development Institute (MSME-DI) and other information sources.

Officers/ staff at the District Industries Centres will be trained in trade, patent, certification procedures and preparation and appraisal of business development plans.

Certain functions of the Resource Centre will be outsourced to an External Agency which will be a one stop information point primarily to assist all micro and small entrepreneurs to source information or help in respect of trade, Intellectual Property Rights Certification and technology issues, including use of Information Technology in manufacturing or marketing.

The Resource Centre will :

- Arrange for supply of collated information of a general kind available at various points in the public domain to all registered entrepreneurs requesting for the same free of charge.
- Arrange for direct consultations on a charged per sitting basis with Consultants empanelled by the Centre as requested by micro or small enterprises either in Chennai or through Video Conferencing in the Districts.
- Advise on and provide introduction to agencies which are acquainted with specific technology or management issues and need be approached for further consultation on specific enterprise based issues.
- Help in preparation of documentation and liaise on behalf of MSEs and Associations with Government of India in respect of applications made to
 - (i) MSME -Development Organisation by Micro and Small Enterprises for sanction of assistance under the ISO 9000/ ISO 14001 Certification Reimbursement Scheme – (Incentive

Schemes of Reimbursement of expenses for acquiring Quality Management System (QMS) ISO 9000 certification / environment management (EMS) ISO 14001 certification to the extent of 75% or Rs.75,000/- whichever is lower).

- (ii) Any scheme of assistance of GOI / an agency of GOI for which a micro entrepreneur is eligible and wishes to apply.

9.3. Administration of the package of incentives and concessions under the Micro, Small and Medium Industrial Policy

Directorate of Industries and Commerce would administer the package of incentives and concessions under this Policy. *Separate guidelines for administration of these incentives and concessions will be issued for the guidance of all concerned.*

9.4. Constitution of Micro, Small and Medium Enterprises Board

The State Government will reconstitute the Small Scale Industries Board as Micro, Small and Medium Enterprises Board at the State level consisting of stake holders, in keeping with the provisions of Micro, Small and Medium Enterprises Development Act, 2006, for participative review and for making recommendations on the policies and programmes for the development of Micro, Small and Medium Enterprises in the State.

10. Monitoring of Policy Implementation.

10.1. Empowered Committee

An Empowered Committee of the State Government will be set up under the Chairmanship of Hon'ble Minister for Rural Industries with the following members:

| | |
|--|----------|
| Hon'ble Minister for Rural Industries | Chairman |
| Secretary, Micro, Small and Medium Enterprises Dept. | Member |
| Secretary, Industries Department or representative | Member |
| Secretary , Finance Department or representative | Member |
| Secretary, Commercial Tax or representative | Member |

| | |
|--|----------|
| Industries Commissioner & Director of Industries and Commerce | Convenor |
| Commissioner, Commercial Tax Department | Member |
| Managing Director, Small Industries Development Corporation (SIDCO) | Member |
| Member (Distribution) Tamil Nadu Electricity Board (TNEB) | Member |
| Managing Director, Tamil Nadu Industrial Investment Corporation (TIIC) | Member |

The Committee will be empowered to

- 1) Monitor quarterly, the observance of the purchase and price preference policy of Government by Government Departments and Undertakings
- 2) Review quarterly,
 - i) the adequacy and stability of water and power and observance of environmental discipline at the various Industrial Estates of SIDCO, Department of Industries and Commerce including Cooperative Estates and Privately Developed Estates.
 - ii) Functioning of the Single Window Committee in Districts.
 - iii) Functioning of the Micro and Small Enterprises Facilitation Councils
 - iv) Simplification of procedures and progress in self certification.

For discussions relating to (i) to (iv) above, Managing Director, Tamilnadu Water Supply and Drainage Board, Managing Director, Chennai Metropolitan Water Supply & Sewerage Board, Chairman, Tamilnadu Pollution Control Board, Director of Town and Country Planning, Commissioner of Municipal Administration will be invitees. The Empowered Committee may use third party assistance on a regular basis to evaluate the availment of scheme benefits and for introducing procedural simplification.

3) Monitor quarterly in a joint meeting of the Empowered Committee and the State Level Inter Institutional Committee (SLIIC) presided by the Hon'ble Minister for Rural Industries.

- i) Credit demand and supply for Micro, Small and Medium Enterprises in gross and per capita terms.
- ii) Flow of credit to private agencies setting up industrial estates.
- iii) Coverage of micro enterprises under the Credit Guarantee Fund Trust Scheme.
- iv) Beneficiary oriented and cluster development schemes of the State and Central Governments.

Representatives from Associations of Micro, Small and Medium Enterprises would be called as special invitees for the Empowered Committee meetings whenever any particular issue relevant to them is taken up for discussion in the Committee.

ANNEXURE – I

POLICY FOR REHABILITATION OF SICK MICRO, SMALL AND MEDIUM ENTERPRISES

1. Introduction

- i. Rehabilitation of sick enterprises depends on early diagnosis, speedy decisions on the nature of relief and orchestrated, quick implementation.
- ii. The definition of sickness will be as laid down by Reserve Bank of India from time to time.
- iii. The relief described below will be limited to manufacturing enterprises which are registered MSMEs or have a Part II Entrepreneur Memorandum Number .
- iv. The policy will operate only for Micro and Small and Medium Manufacturing Enterprises (including job related works where there is processing and physical movement of raw materials / goods / components.) and in respect of Medium Enterprises, only to Enterprises not registered under Companies Act.
- v. The policy mechanisms and institutional set up envisaged for realizing the above objectives are described below:

2. Institutional set-up

The institutions to implement the rehabilitation schemes will be the District Industries Centres, the State Level Inter Institutional Committee (SLIIC) and Sub Committee of SLIIC constituted by the Reserve Bank of India, the Tamil Nadu Industrial Investment Corporation (TIIC) and an Empowered State Level Rehabilitation Committee (SLRC), whose composition will be as follows :

| | |
|--|----------|
| Secretary, Micro, Small and Medium Enterprises Dept. | Chairman |
| Secretary, Finance Department or representative | Member |
| Secretary, Industries Department or representative | Member |

| | |
|--|----------|
| Secretary, Commercial Tax Department or representative | Member |
| Industries Commissioner & Director of Industries and Commerce | Convenor |
| Managing Director, Small Industries Development Corporation (SIDCO) | Member |
| Member (Distribution) Tamil Nadu Electricity Board (TNEB) | Member |
| Managing Director, Tamil Nadu Industrial Investment Corporation (TIIC) | Member |
| General Managers of the District Industries Centres concerned | Members |

3. Modalities of preferring applications and processing by District Industries Centres

- 3.1. TIIC will prepare a panel of consultancy organizations (which may include the TIIC) for entrustment of diagnostic studies and fix every three years a schedule of rates for micro and small enterprises separately. TIIC will also evolve an application format for enterprises which apply for rehabilitation and a software for preliminary assessment of the application by the General Manager, District Industries Centre to assess if the enterprise is sick as per the norms laid down to define sickness.
- 3.2. The enterprise which wishes to apply for rehabilitation will make the application to the General Manager, District Industries Centre/ Regional Joint Director, Chennai and remit i) a non refundable fee of Rs.1000/- and ii) 25% of the diagnostic study fee.
- 3.3. If after obtaining necessary clarifications and data, the software run does not indicate sickness, the General Manager, District Industries Centre will return the remittance for the diagnostic study and close the file. The entrepreneur may apply afresh after a minimum interval of six months.
- 3.4. In case the enterprise is found sick, the General Manager, District Industries Centre should refer the matter to a consultancy

organization on the panel of TIIC for preparing and submitting a diagnostic study within a period of 45 days. The entrepreneur should be also advised to submit all necessary details to the Consultant and to remit 75% of the balance cost of the study. The Tamil Nadu Electricity Board and the Deputy Commissioner of Commercial Tax should be informed of the position who should send the General Manager, District Industries Centre and the Consultant within 21 days of intimation of reference to a Consultant, the details of arrear demand up to the previous month in respect of the enterprise with break up between tax / power charges and the interest. The Deputy Commissioner of Commercial Tax will also suspend coercive action for a period of six months.

- 3.5. On receipt of the diagnostic study the General Manager, DIC will advise the Members of the Sub Committee of the SLIIC and have the matter placed on the agenda of the next meeting of the Sub Committee of SLIIC for consideration. The Sub Committee should meet at least once every two months, preferably on the first working day of every second month and the Consultant, Deputy Commissioner of Commercial Tax and the Divisional Engineer (TNEB) would be invited by the General Manager, DIC to the meeting.

4. Guidelines to the Committees for extension of relief

- 4.1. The Sub Committee of the SLIIC will consider the findings of the diagnostic study and recommend to the State Level Rehabilitation Committee (SLRC) and the SLIIC the specific nature of rehabilitation assistance. In doing so it has to be ensured that recommendations to SLIIC fall within the parameters of the existing policy of Reserve Bank of India in this regard, and recommendations to the SLRC are case specific.
- 4.2. The SLRC may extend rehabilitation assistance up to the following limit and the assistance should be case specific and merit based:

- i. The outstanding sales tax / VAT and the interest on the same (as on the date of orders of the Empowered Committee sanctioning the package) may be converted into a soft loan. The loan will be repayable from the start of the fourth year onwards over four years on an equated monthly instalment basis with an interest of 9%. There will however be no interest charged for the first three years on the loan. The concession will include only the arrears which arose when the enterprise was sick and not the outstanding tax and interest dues of years when the enterprise was not sick. Such dues will have to be remitted in full as a precondition to sanction of the rehabilitation package.
- ii. Sanction an interest subsidy of 4% for two years on rehabilitation / bridge loans upto Rs.15 lakhs advanced to micro and small enterprises as a part of the rehabilitation package.
- iii. Implementation of the Exit Policy to be announced by the Central Government under the MSMED Act 2006.
- iv. Regulating dividend and sharing of profits during the period of rehabilitation
- v. Implementation of One Time Settlement (OTS) as per the policy of the Government owned institutions for enterprises declared sick.
- vi. Determining the outstanding interest on sale tax / VAT, (as on the date of the order of the SLRC) and recommending remission of the same by Government in the case of a enterprise considered non viable and incapable of being rehabilitated within the band of concessions allowed by the policy. This would be conditional to the enterprise holder clearing all arrear wages due to workmen, to statutory labour welfare authorities, retrenchment compensation due as per law and settling the outstanding sales tax and electricity dues within three months of such a direction by the SLRC.

- vii. Ordering reduction of power load if it is a part of the rehabilitation package.
- 4.3. The SLRC may permit at its discretion, the taking over by any other micro, small or medium enterprises, of the assets and liabilities of a sick micro, small or medium enterprise judged unviable, if the enterprise taking over agrees to:
- i. Reopen the closed enterprises within three months of sanction / take over.
 - ii. Produce evidence of a suitable arrangement with the bankers in respect of repayment of outstanding dues of the taken over enterprise, and arranges to have all arrear dues to workmen, statutory authorities and Government agencies of the taken-over enterprise settled.
 - iii. Agrees to obtain prior permission of the lenders and Government before it sells any surplus land of the taken-over enterprise, and clears with the proceeds of land sale all arrear dues of the taken over enterprise to workmen, statutory authorities, Government, its agencies and banks. The proceeds will be credited into an escrow account till the above clearances are confirmed to the extent the sale proceeds can cover in the above order.
 - iv. On application by the enterprise taking over, the SLRC may convert upto 75% of the outstanding sales tax / VAT and the interest on the same (as on the date of orders of the SLRC sanctioning the package) into a soft loan. The loan will be repayable from the start of the fourth year onwards over four years on an equated monthly instalment basis at an interest of 9%. There will however be no interest charged on the loan for the first three years. The enterprise taking over will have to, as directed by the SLRC, remit the balance of the

outstanding sales tax / VAT and interest not converted into a loan as a precondition to the availing of the soft loan.

- 4.4. The provisional decisions of the SLRC in respect of enterprises judged viable for rehabilitation or unviable and unsuitable for rehabilitation should be taken note of by the SLIIC at its next meeting. The offer of concessions by the SLRC in respect of dues to Government would be conditional to a decision taken by the SLIIC acceptable to the parties concerned in respect of the bank and institutional loans. The SLRC will not make any recommendations for rehabilitation which exceed the guidelines band indicated.
- 4.5. Once the SLIIC takes an acceptable decision in respect of the enterprise and the concerned bank indicates an implementation schedule, the provisional decision of the SLRC will be confirmed by issue of an order. In case the SLIIC does not structure an acceptable format for relief in respect of the bank and institutional loans and the concerned bank / institution has not issued orders extending the concession within three months or a specific time limit fixed by the SLRC, the concessions agreed to by the SLRC will stand automatically withdrawn.

5. Monitoring and Co-ordination :

- 5.1. A Cell in the TIIC will be opened for purposes of monitoring the implementation of the package and provide inputs to the SLRC and the SLIIC on compliance by the stakeholders with the agreed decisions. The TIIC will prepare a statement incorporating all the concessions and obligations and the consequences of default and obtain from the enterprise holder an unconditional undertaking to abide by the same. Any default by the beneficiary will lead to a withdrawal of all the concessions offered, restoration of status quo ante and initiation of all normal coercive action permitted by law.

5.2. TIIC will be entitled to an annual fee of Rs.5000 per year from each enterprise thus assigned for monitoring, besides a lump sum grant of Rs.5 lakhs for defraying administrative expense relating to the convening of the SLRC meetings and coordination.

6. Rehabilitation Fund

6.1. A Rehabilitation Fund will be set up for rehabilitation of sick enterprises and to start with, the Fund will be managed by the Industries Commissioner and Director of Industries and Commerce. Periodical injections into the Fund will be made based on the recommendations of the SLRC. The drawals from the Fund will be for:

- i) Meeting 75% of the cost of the diagnostic study of micro, small and medium enterprises which are found unviable.
- ii) Sanction of an interest subsidy of 4% for two years on rehabilitation / bridge loans upto Rs.15 lakhs advanced to micro, small and medium enterprises as a part of the rehabilitation package.
- iii) Payment of lump sum administrative expenses of Rs.5 lakhs per annum to the TIIC.

ANNEXURE - II (a)

Components of an approved Industrial Park

1. Criteria for approval

- a) Minimum area 50 acres in legal possession of applicant
- b) Should be meant for manufacturing and services sector
- c) Should have provision for at least 20 micro and 30 Small enterprises
- d) Should not have more than 10% wet land

2. Processing area: Not less than 70% of total area

- Industrial plots for manufacturing
- Ready built sheds for industrial use

3. Non- Processing area: Not more than 30% area

- R&D/Testing/Certification/Training centre
- Office space for business support to processing area
- Clinics
- Common Ware houses
- Weigh Bridges

Annexure II (b)

List of approved Infrastructure

The following would qualify as Industrial Infrastructure projects for purposes of incentives under this Policy :

1. Dedicated new roads leading to the industrial parks
2. Common Hazardous Waste Treatment & Disposal Facilities for a Cluster of Industries
3. Common Effluent/Waste Water Recycling Plants for a Cluster of Industries
4. R.D/Testing/Skill Development Centres
5. Common Ware Houses
6. Weigh Bridges
7. Power Infrastructure within the Estate.

Annexure III

List of Backward Blocks in the State

Coimbatore District

| | | | |
|---|---------------|---|-----------|
| 1 | Annur | 4 | Pongalur |
| 2 | Gudimangalam | 5 | Sultanpet |
| 3 | Kinathukadavu | | |

Cuddalore District

| | | | |
|----|-----------------|----|---------------------------|
| 6 | Annagramam | 11 | Mangalore |
| 7 | Kammapuram | 12 | Melbhuvanagiri |
| 8 | Kattumannarkoil | 13 | Nallur |
| 9 | Kumaratchi | 14 | Parangipettai (Portonovo) |
| 10 | Kurinjipadi | | |

Dharmapuri District

| | | | |
|----|--------------|----|-----------------|
| 15 | Harur | 19 | Palacode |
| 16 | Karimangalam | 20 | Pappireddipatti |
| 17 | Morappur | 21 | Pennagaram |
| 18 | Nallampalli | | |

Dindigul District

| | | | |
|----|----------------|----|--------------|
| 22 | Guziliamparai | 27 | Shanarpatti |
| 23 | Natham | 28 | Thoppampatti |
| 24 | Nilakottai | 29 | Vadamadurai |
| 25 | Oddenchatram | 30 | Vedasandur |
| 26 | Reddiarchatram | | |

Erode District

| | | | |
|----|-----------|--|--|
| 31 | Anthiyur | | |
| 32 | Kundadam | | |
| 33 | Thalavadi | | |

Kancheepuram District

| | | | |
|----|---------------|----|-------------------|
| 34 | Acharappakkam | 38 | Madurantagam |
| 35 | Chithamur | 39 | Thirukazhukundram |
| 36 | Kundrathur | 40 | Uthiramerur |
| 37 | Lathur | 41 | Walajabad |

Kanyakumari District

| | | | |
|----|-----------------|--|--|
| 42 | Rajakkamangalam | | |
| 43 | Thiruattar | | |
| 44 | Thovalai | | |

Karur District

| | | | |
|----|--------------|----|------------------|
| 45 | Aravakurichi | 48 | Krishnarayapuram |
| 46 | K.Paramathi | 49 | Thanthoni |
| 47 | Kadavur | 50 | Thogamalai |

Krishnagiri District

| | | | |
|----|----------------|----|--------------|
| 51 | Bargur | 55 | Sulagiri |
| 52 | Kaveripattinam | 56 | Thally |
| 53 | Kelamangalam | 57 | Uthangarai |
| 54 | Mathur | 58 | Veppanapalli |

Madurai District

| | | | |
|----|--------------|----|--------------------|
| 59 | Alanganallur | 65 | T.Kallupatti |
| 60 | Chellampatti | 66 | Thirumangalam |
| 61 | Kalligudi | 67 | Thirupparankundram |
| 62 | Kottampatti | 68 | Usilampatti |
| 63 | Madurai East | 69 | Vadipatti |
| 64 | Sedapatti | | |

Nagapattinam District

| | | | |
|----|---------------|----|--------------|
| 70 | Keelaiyoor | 75 | Sirkalai |
| 71 | Kelvalur | 76 | Talainayar |
| 72 | kollidam | 77 | Thirumarugal |
| 73 | Kuttalam | 78 | Vedaraniyam |
| 74 | Sembanar koil | | |

Namakkal District

| | | | |
|----|---------------|----|----------------|
| 79 | Elachipalayam | 84 | Mohanur |
| 80 | Erumaipatti | 85 | Namagiripettai |
| 81 | Kabilarmalai | 86 | Puduchatram |
| 82 | Kollihills | 87 | Vennandur |
| 83 | Mallasamudram | | |

Nilgiris District

| | |
|----|----------|
| 88 | Gudalur |
| 89 | Kotagiri |
| 90 | Ooty |

Ariyalur District

| | | | |
|----|-------------|----|------------|
| 91 | Andimadam | 94 | Sendurai |
| 92 | Ariyalur | 95 | T. Palur |
| 93 | Jayankondam | 96 | Thirumanur |

Perambalur District

- 97 Alathur
98 Veppanthattai
99 Veppur

Pudukottai District

- 100 Annavasal
101 Arimalam
102 Avudaiyarkoil
103 Gandarvakottai
104 Karambakudi
105 Kunnadarkoil
106 Manamelkudi
107 Ponnamaravathi
108 Thirumayam
109 Thiruvarankulam
110 Viralimalai

Ramanathapuram District

- 111 Bogalur
112 Kadaladi
113 Kamuthi
114 Mandapam
115 Mudukulathur
116 Nainarkovil
117 R.S.Mangalam
118 Thiruppullani
119 Thiruvadana

Salem District

- 120 Ayothiapatnam
121 Kadayampatti
122 Konganapuram
123 Mechery
124 Omalur
125 Pethanaickenpalayam
126 Thalaivasal
127 Tharamangalam
128 Yercaud

Sivagangai District

- 129 Ilayangudi
130 Kalaiyarkoil
131 Kallal
132 Kannankudi
133 Manamadurai
134 S.Pudur
135 Singampunari
136 Sivagangai
137 Thiruppathur
138 Thiruppuvanam

Thanjavur District

- 139 Ammapettai
140 Budalur
141 Madukkur
142 Orathanadu
143 Papanasam
144 Peravurani
145 Sethubava-chatram
146 Thiruppanan-dal
147 Thiruvaiyaru
148 Thiruvonam

Theni District

- 149 Andipatti
150 Chinnamanur
151 Cumbum
152 K.Myladumparai

Thoothukudi District

- 153 Alwarthirunageri
154 Karungulam
155 kayathar
156 Kovilpatti
157 Ottapidaram
158 Pudur
159 Sattankulam
160 Srivaikundam
161 Tiruchendur
162 Udangudi
163 Vilathikulam

Tiruchirappalli District

- 164 Lalgudi
165 Manachanallur
166 Mannaparai
167 Marungapuri
168 Musiri
169 Pullambadi
170 Thathaiyangarpettai
171 Thottiam
172 Thuraiyur
173 Uppiliapuram
174 Vaiyampatti

Tirunelveli District

- 175 Alangulam
176 Kadayam
177 Kuruvikulam
178 Melanelithanallur
179 Nanguneri
180 Pappakudi
181 Radhapuram

Tiruvallur District

- 182 Ellapuram
183 Kadambathur
184 Pallipet
185 Poondi
186 R.K. Pet
187 Sholavaram
188 Tiruvalangadu

Tiruvannamalai District

- 189 Annakkavoor
190 Arni
191 Chengam
192 Chetpat
193 Cheyyar
194 Jawathumalai
195 Kalasapakkam
196 Kilpennathur
197 Peranamallur
198 Polur
199 Pudupalayam
200 Thandrampat
201 Thellar
202 Thuringapuram
203 Vandavasi
204 Vembakkam
205 West Arni

Tiruvarur District

| | | | |
|-----|-------------|-----|-------------------|
| 206 | Kodavasal | 210 | Needamangalam |
| 207 | Koradachery | 211 | Thiruthuraipoondi |
| 208 | Kottur | 212 | Valangaiman |
| 209 | Muthupet | | |

Vellore District

| | | | |
|-----|--------------|-----|-------------|
| 213 | Anaicut | 219 | Natrampalli |
| 214 | Arcot | 220 | Nemili |
| 215 | Jolarpet | 221 | Pernambut |
| 216 | K.V.Kuppam | 222 | Sholingur |
| 217 | Kandhili | 223 | Thimiri |
| 218 | Kaveripakkam | 224 | Tirupattur |

Villupuram District

| | | | |
|-----|-----------------|-----|-------------------|
| 225 | Chinnasalam | 236 | Rishivandiyam |
| 226 | Gingee | 237 | Sankarapuram |
| 227 | Kallakurichi | 238 | Thirukoilur |
| 228 | Kalvarayanmalai | 239 | Thirunavalur |
| 229 | Kanai | 240 | Thiruvennainallur |
| 230 | Kandamangalam | 241 | Thiyagadurgam |
| 231 | Mailam | 242 | Ulundurpet |
| 232 | Marakkanam | 243 | Vallam |
| 233 | Melmalaiyanur | 244 | Vanur |
| 234 | Mugaiyur | 245 | Vikkiravandi |
| 235 | Olakkur | | |

Virudhunagar District

| | | | |
|-----|-------------|-----|--------------|
| 246 | Kariyapatti | 249 | Thiruchuli |
| 247 | Narikudi | 250 | Vembakkottai |
| 248 | Sattur | 251 | Watrap |

ANNEXURE - IV

List of enterprises/activities ineligible for incentives

1. Sugar
2. Distilleries, Brewery and Malt Extraction
3. Units utilizing Molasses/rectified spirit/de-natured spirit as raw material for manufacture of potable alcohol.
4. Popcorn and Ice Candy Making units
5. Fertiliser
6. Fertiliser Mixing
7. Mining and Quarrying
8. Iron and Steels Smelting
9. Beedies/Cigarettes/Cigars/Gutka and Tobacco based products
10. All types of Saw Mills
11. All Micro, Small & Medium Service Enterprises
12. Cement
13. Textiles (including Spinning and Knitting)
14. Flour Mills
15. Hotels
16. Edible Oils and Solvent Extraction Units
17. Rice Mills
18. Aluminium Smelting
19. Calcium Carbide
20. Slaughter House
21. Kandasari unit
22. Photo Studios and Colour Processing units

23. Photo copying and Xerox Machines
24. Re-packing of Drugs/Medicine/Chemical, without any processing or value addition
25. Azoic/Reactive Dyes
26. Fire Crackers
27. Industries manufacturing and or utilizing Ozone depleting substances
28. Power Laundries
29. Brick Making Units (excluding Cement Hollow Blocks, Wire cut and Fly ash bricks)
30. Poultry
31. Coffee Roasting and Grinding
32. Clock and Watch Repair Shops
33. Cassette Recording (Audio & Video)
34. Cyanide
35. Caustic Soda
36. Potassium Chloride
37. Nylon Fibre
38. Rayon Fibre
39. Polyester Fibre
40. Any other enterprise/activity as may be notified by Government



MICRO, SMALL & MEDIUM ENTERPRISES DEPARTMENT

(Government of Tamil Nadu)

Secretariat, Fort St. George, Chennai - 600 009.

Tel : 2567 1476, Fax : 044 - 2567 5453, E-mail : sindsec@tn.gov.in

ANNEXURE - II

**Guidelines for Administration
of Incentives and Concessions
in the Policy**



**GOVERNMENT OF TAMILNADU
MSME(B) DEPARTMENT**

*G.O. Ms. No. 14, Micro, Small and Medium
Enterprises (B) Dept., dated 07.05.2008*

**Micro, Small and Medium
Industries Policy 2008 and
Guidelines for Administration
of Incentives and Concessions
in the Policy**

ANNEXURE - I

**Micro, Small and Medium
Industries Policy 2008**

ANNEXURE - II

**Guidelines for Administration
of Incentives and Concessions
in the Policy**

I N D E X

| Sl. No. | Description | Page No. |
|----------------|---|-----------------|
| 1. | Introduction | 1 |
| 2. | Definitions | 3 |
| 3. | Types of Ownership of Enterprises | 9 |
| 4. | Entrepreneurs Memorandum | 10 |
| 5. | Processing of Incentive Applications | 13 |
| 6. | Fixed Assets Eligible for Incentives | 18 |
| 7. | Backward Area Subsidies - | 21 |
| | 7.1 Capital Subsidy | 22 |
| | 7.2 Employment Intensive Subsidy | 23 |
| | 7.3 Additional Capital Subsidy for select category of Entrepreneurs | 24 |
| | 7.4 Additional Capital Subsidy for promotion of Cleaner and Environment Friendly Technologies | 25 |
| | 7.5 Low Tension Power Tariff Subsidy | 26 |
| 8. | Subsidy for Agro based Enterprises | 29 |
| 9. | Special Capital Subsidy for thrust sectors enterprises | 31 |
| 10. | Back-ended Interest Subsidy | 34 |
| 11. | Subsidy on the Assessed Value Added Tax (VAT) | 36 |
| 12. | Reimbursement of Stamp duty and Registration charges | 38 |
| 13. | Subsidy for Asset Creation of Intellectual Property | 39 |
| | Annexure - 1 | 40 |
| | Entrepreneur Memorandum (Part-I) Application Form | |
| | Annexure - 2 | 48 |
| | Entrepreneur Memorandum (Part-II) Application Form | |
| | Annexure - 3 | 57 |
| | Format for issue of Incentive Information Letter | |
| | Annexure - 4 | 60 |
| | List of 251 notified Backward Blocks in the State | |

| | | |
|-----|--|-----|
| | Annexure – 5 | 69 |
| | List of Manufacturing Enterprises/Activities ineligible for incentives | |
| | Annexure – 6 | 71 |
| | List of Electrical & Electronic items eligible for Special Capital Subsidy | |
| | Annexure – 7 | 78 |
| | Automobile Parts/Components eligible for Special Capital Subsidy | |
| | Annexure – 8 | 85 |
| | List of well established and improved technologies in specified sub-sectors/products in the guidelines on Credit Linked Capital Subsidy Scheme (CLCSS) Scheme of Govt. of India | |
| | <u>Application Formats</u> | |
| I | Sanction of Capital Subsidy, Special Capital Subsidy for Thrust Sector Enterprises, Employment Intensive Subsidy, Additional Capital Subsidy for Select Category of Entrepreneurs, Additional Capital Subsidy for Promotion of Cleaner and Environment Friendly Technologies | 87 |
| II | Application forms for Low Tension Power Tariff subsidy | 96 |
| III | Application Reimbursement Of VAT to Micro (Manufacturing) Enterprises | 102 |
| IV | Application for claiming reimbursement of Stamp Duty/ Registration Charges | 114 |
| V | Application for reimbursement of expenses incurred for Patent Registration / Trade Mark Registration | 118 |
| VI | Application for claiming Back Ended Interest Subsidy for Technology Upgradation and Modernisation | 121 |
| VII | Specimen Format of Deed of Agreement and Letter of Guarantee to be executed by Beneficiary Enterprises for various Subsidy Schemes. | 126 |

I N D E X

| Sl. No. | Description | Page No. |
|----------------|---|-----------------|
| 1. | Introduction | 1 |
| 2. | Definitions | 3 |
| 3. | Types of Ownership of Enterprises | 9 |
| 4. | Entrepreneurs Memorandum | 10 |
| 5. | Processing of Incentive Applications | 13 |
| 6. | Fixed Assets Eligible for Incentives | 18 |
| 7. | Backward Area Subsidies - | 21 |
| | 7.1 Capital Subsidy | 22 |
| | 7.2 Employment Intensive Subsidy | 23 |
| | 7.3 Additional Capital Subsidy for select category of Entrepreneurs | 24 |
| | 7.4 Additional Capital Subsidy for promotion of Cleaner and Environment Friendly Technologies | 25 |
| | 7.5 Low Tension Power Tariff Subsidy | 26 |
| 8. | Subsidy for Agro based Enterprises | 29 |
| 9. | Special Capital Subsidy for thrust sectors enterprises | 31 |
| 10. | Back-ended Interest Subsidy | 34 |
| 11. | Subsidy on the Assessed Value Added Tax (VAT) | 36 |
| 12. | Reimbursement of Stamp duty and Registration charges | 38 |
| 13. | Subsidy for Asset Creation of Intellectual Property | 39 |
| | Annexure - 1 | 40 |
| | Entrepreneur Memorandum (Part-I) Application Form | |
| | Annexure - 2 | 48 |
| | Entrepreneur Memorandum (Part-II) Application Form | |
| | Annexure - 3 | 57 |
| | Format for issue of Incentive Information Letter | |
| | Annexure - 4 | 60 |
| | List of 251 notified Backward Blocks in the State | |

| | | |
|-----|--|-----|
| | Annexure – 5 | 69 |
| | List of Manufacturing Enterprises/Activities ineligible for incentives | |
| | Annexure – 6 | 71 |
| | List of Electrical & Electronic items eligible for Special Capital Subsidy | |
| | Annexure – 7 | 78 |
| | Automobile Parts/Components eligible for Special Capital Subsidy | |
| | Annexure – 8 | 85 |
| | List of well established and improved technologies in specified sub-sectors/products in the guidelines on Credit Linked Capital Subsidy Scheme (CLCSS) Scheme of Govt. of India | |
| | <u>Application Formats</u> | |
| I | Sanction of Capital Subsidy, Special Capital Subsidy for Thrust Sector Enterprises, Employment Intensive Subsidy, Additional Capital Subsidy for Select Category of Entrepreneurs, Additional Capital Subsidy for Promotion of Cleaner and Environment Friendly Technologies | 87 |
| II | Application forms for Low Tension Power Tariff subsidy | 96 |
| III | Application Reimbursement Of VAT to Micro (Manufacturing) Enterprises | 102 |
| IV | Application for claiming reimbursement of Stamp Duty/ Registration Charges | 114 |
| V | Application for reimbursement of expenses incurred for Patent Registration / Trade Mark Registration | 118 |
| VI | Application for claiming Back Ended Interest Subsidy for Technology Upgradation and Modernisation | 121 |
| VII | Specimen Format of Deed of Agreement and Letter of Guarantee to be executed by Beneficiary Enterprises for various Subsidy Schemes. | 126 |

**MANUAL FOR ADMINISTRATION OF
THE INCENTIVES & CONCESSIONS ANNOUNCED
IN THE MICRO, SMALL & MEDIUM
INDUSTRIES POLICY 2008**

CHAPTER 1

INTRODUCTION

In the Micro, Small and Medium Industries Policy-2008 it was informed that Directorate of Industries and Commerce would administer the package of incentives and concessions under this Policy and separate guidelines for administration of these incentives and concessions will be issued for the guidance of all concerned. Accordingly operational guidelines on the package of incentives and concessions announced in the Micro, Small and Medium Industries Policy-2008 are produced in this Manual for the benefit of entrepreneurs, Officials of the Directorate of Industries and Commerce, other Government Agencies, Financial Institutions etc.

In administering the package of incentives and concessions, the focus will be on:

- i. Creaction of an environment conducive for the entrepreneurs to operate with ease.
- ii. Extend to entrepreneurs at the entry / implementation levels as well as during operation, simplified procedures, reduction in number of documents etc.
- iii. Assist the implementing Agencies for speedy processing of the incentive applications.
- iv. A responsive and transparent administration based on mutual trust.

Applicability

The incentives and concessions contained in MSMI Policy will be eligible to the Micro, Small and Medium Industries which have taken effective steps to set up their Enterprises on or after 1.8.2006, and commencing commercial production on or after 22.02.2008, the date of announcement of MSMI Policy.

Consequent to the issue of this Government Order, incentives and concessions made available to Agro and Food Processing Industries under the erstwhile NAMT Scheme are integrated with the package of Capital Subsidy scheme for backward areas announced in MSMI Policy and the incentive package extended vide G.O.Ms.No.32 Small Industries dated 28.6.2002 on NAMT Scheme and all subsequent Government Orders / instructions issued thereon, stand withdrawn.

However, Enterprises which have already been granted a package of incentives and concessions as per the erstwhile NAMT Scheme will continue to enjoy the benefits already granted till the expiry of said Sanction Orders/Eligibility Certificates.

Agro and Food Processing Industries which have taken effective steps to set up their enterprises on or after 01.08.2006 but commenced commercial production before 22.02.2008, are eligible to avail incentives and concessions only as per the guidelines of the erstwhile NAMT Subsidy Scheme.

Agro and Food Processing Industries which have taken effective steps to set up their enterprises on or after 01.08.2006 and commencing commercial production on or after 22.02.2008, will be eligible to avail incentives and concessions as per the new Policy only.

CHAPTER 2

DEFINITIONS

2.1. Micro, Small & Medium Enterprises

In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two Classes:

2.1.1 Manufacturing enterprise

“Manufacturing enterprise” means an industrial undertaking or a business concern or any other establishment, by whatever name called, engaged in the manufacture or production of goods, in any manner, pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 .

- i) Manufacturing enterprises, where the investment in plant and machinery does not exceed Rs. 25 lakhs are classified as **Micro Manufacturing enterprises** .
- ii) Manufacturing enterprise, where the investment in plant and machinery is more than Rs. 25 lakhs but does not exceed Rs. 5 Crores are classified as **Small Manufacturing enterprises**.
- iii) Manufacturing enterprise, where the investment in plant and machinery is more than Rs. 5 Crores but does not exceed Rs. 10 Crores are classified as **Medium Manufacturing enterprises**.

2.1.2 Service Enterprise

“Service Enterprise” means an industrial undertaking or a business concern or any other establishment, by whatever name called, engaged in providing or rendering of any service or services;

- i) Service enterprises, where the investment in equipment does not exceed Rs. 10 lakhs are classified as **Micro Service enterprises**.
- ii) Service enterprises, where the investment in equipment is more than Rs. 10 lakhs but does not exceed Rs. 2 Crores are classified as **Small Service Enterprises**.
- iii) Service enterprises, where the investment in equipment is more than Rs. 2 Crores but does not exceed Rs. 5 Crores are classified as **Medium Service enterprises**.

2.2. Fixed Assets

Fixed Assets shall mean the total investment made on land, building and plant and machinery and such other productive assets like tools, jigs and fixtures, dies, utilities like boilers, compressors, diesel generator sets, cranes, material handling equipments and such other equipments directly related to production purposes.

2.3. Plant & Machinery

Plant is generally the name given to an assembly of machinery/ equipment/devices installed in a manufacturing enterprise for the manufacturing / production activities. Machinery means implements and / or mechanical devices used in a manufacturing enterprise for the manufacturing /production activities.

Such items directly involved in the manufacturing /production activities of Manufacturing Enterprises (including Enterprises undertaking manufacturing on job work basis which involves processing and physical movement of raw materials / goods / and or components) are considered as Plant & Machinery items to define the status of an Enterprise .

2.4. List of items to be included/ excluded for the purpose of computation of value of investment in plant and machinery.

i. Items to be included

In calculating the value of plant and machinery the original purchase value thereof, irrespective of whether the plant and machinery are new or second-hand, shall be taken into account.

ii. Items to be excluded

In calculating the value of plant and machinery, the following shall be excluded, namely :

1. the cost of equipments such as tools, jigs, dies, moulds and spare parts for maintenance and the cost of consumable stores;
2. the cost of installation of plant and machinery;
3. the cost of research and development equipment; and pollution control equipment;
4. the cost of generation sets and extra transformer installed by the undertaking as per the regulations of the State Electricity Board;
5. the bank charges and service charges paid to the National Small Industries Corporation or the State Small Industries Corporation;
6. the cost involved in procurement or installation of cables, wiring, bus bars, electrical control panels (not those mounted on individual machines), oil circuit breakers or miniature circuit breakers which are necessarily to be used for providing electrical power to the plant and machinery or for safety measures;
7. the cost of gas producer plants;
8. transportation charges (excluding of sales-tax and excise) for indigenous machinery from the place of manufacturing to the site of the factory;

9. charges paid for technical know-how for erection of plant and machinery;
10. cost of such storage tanks which store raw materials, finished products only and are not linked with the manufacturing process; and
11. cost of fire fighting equipment.

iii. In the case of imported machinery, the following shall be included in calculating the value, namely :

1. import duty (excluding miscellaneous expenses as transportation from the port to the site of the factory, demurrage paid at the port);
2. the shipping charges;
3. customs clearance charges; and
4. sales tax.

2.5. Equipment

Equipment is defined as “all instruments, office machines and such other electro-mechanical or electronic appliances that are directly related to the service rendered but excluding furniture, fittings and other items not so related”

2.6. Women / Scheduled Caste & Scheduled Tribe / Physically Disabled / Transgender Entrepreneur :

An enterprise is said to be promoted by Women /Scheduled Caste and Scheduled Tribe/Physically Disabled/Transgender Entrepreneur.

- i. where the promoter in a proprietorship enterprise is Woman / Scheduled Caste and Scheduled Tribe /Physically Disabled/ Transgender Entrepreneur.
- ii. where the Women / Scheduled Caste and Scheduled Tribe / Physically Disabled/ Transgender Entrepreneurs as partners of the firm hold more than 50% of the investment in equity in a partnership enterprise.

iii. in case of private limited companies, the Women / Scheduled Caste and Scheduled Tribe/Physically Disabled/Transgender Entrepreneurs are directors of the Company and their share holding in the Company is more than 50% of the investment in equity of the Company.

2.7. New Enterprise

New enterprise means any Micro, Small, or Medium Manufacturing Enterprise which have taken effective steps to set up their Enterprises on or after 1.8.2006 and commencing commercial production on or after 22.02.2008 .

2.8. Expansion of Enterprise

Existing Micro, Small and Medium Enterprise involving enhancement of plant and machinery value by atleast 25 % of the value of existing plant and machinery and also involving enhancement of turnover by 25 % for the same product lines and which have taken effective steps to expand their Enterprises on or after 1.8.2006 and commencing commercial production on Expansion on or after 22.02.2008 . The average annual turnover achieved during the 3 year period prior to expansion will be treated as the existing production turnover before expansion.

The Enterprises are required to produce a certificate from Chartered Accountant to this effect to the Competent Authority, duly certifying the turnover for a minimum 3 months period after commencement of production on expansion, in comparison with the turnover before expansion.

2.9. Diversification

Existing Micro, Small and Medium Enterprise making investment for manufacturing new products involving diversification by enhancement of plant and machinery value by atleast 25 % of the value of existing plant and machinery and also involving enhancement of turnover by atleast 25 % value terms and which have taken effective steps to diversify the

manufacturing activities of their Enterprises on or after 1.8.2006, and commencing commercial production on diversification on or after 22.02.2008 the date of announcement of MSMI Policy. The average annual turnover achieved during the 3 year period prior to diversification will be treated as the existing turnover before diversification.

The Enterprises are required to produce a certificate from Chartered Accountant to this effect to the Competent Authority, duly certifying the increase in turnover for a minimum 3 months period after commencement of production on diversification, in comparison with the turnover before diversification.

CHAPTER 3

TYPES OF OWNERSHIP OF ENTERPRISES

The forms of ownership of Enterprises are generally of three types viz. Proprietary, Partnership & Company, the definitions of which are given below:

3.1. Proprietary concern

A sole proprietorship or one man business is a form of organisation in which an individual produces independently with his own capital, skill and intelligence and is entitled to receive all the profits and assumes all the risks of ownership.

3.2. Partnership concern

Partnership is the relation between the persons who have agreed to share profits and losses of a business carried on by all or any of them acting for all.

3.3. Company

A company is a voluntary association of persons recognised by Companies Act having a distinctive name, a common seal formed to carry on business for profit, with capital divisible window transferable shares, limited liability, a corporate body and perpetual succession.

The assets and liabilities are owned by the company. The assets and liabilities will be shared according to the holdings of the shares in the company.

3.4. Other types

In addition to above, other forms of ownership like Societies, Trusts, Self Help Groups etc., engaged in Manufacturing and Service activities are also considered for grant of MSME Entrepreneurs Memorandum, subject to production of Registration Certificates from authorities concerned.

CHAPTER 4

ENTREPRENEURS MEMORANDUM

4.1. Filing of Entrepreneurs Memorandum

Section 8 of the **Micro, Small and Medium Enterprises Development (MSMED) Act, 2006** provides for filing of memorandum by a Micro, Small or Medium Enterprise. Sub-section (2) of section 8 stipulates that the form of the Memorandum, the procedure of its filing and other matters incidental thereto shall be such as *notified* by the Government of India.

4.2. Types of Entrepreneurs Memorandum

The form of Memorandum is in two parts. Any person who intends to establish Micro, Small or Medium Manufacturing Enterprise engaged in the production or manufacture of products or intends to establish a Micro, Small or Medium Service Enterprise engaged in providing or rendering of services, may file Part I of the Entrepreneurs Memorandum to the District Industries Centre concerned or to the Office of the Regional Joint Director of Industries & Commerce in respect of Chennai District.

Once the above Enterprises start production or start providing or rendering services, they should file Part II of the Entrepreneurs Memorandum to the District Industries Centre concerned or to the Office of the Regional Joint Director of Industries & Commerce in respect of Chennai District.

Application Form for filing of the Entrepreneurs Memorandum can be obtained from the District Industries Centre concerned or from the Office of the Regional Joint Director of Industries and Commerce, Chennai. It can also be downloaded from the website of Directorate Industries and Commerce i.e. <http://www.indcom.tn.gov.in>

Specimen application forms for filing application for obtaining Entrepreneur Memorandum Part I and Part II are given in **Annexure 1 & 2**.

4.3. Procedure for Filing Memoranda

Any person who intends to establish a Micro or Small Enterprise or a Medium Enterprise engaged in providing or rendering of services may, at his discretion or a Medium Enterprise engaged in the manufacture or production of goods shall file the Memorandum of Micro, Small or Medium Enterprise as the case may be, with the District Industries Centre concerned or with the Office of the Regional Joint Director of Industries and Commerce in respect of Chennai.

The Entrepreneurs Memorandum (Part I) can also be filed on-line in the web-site <http://www.indcom.tn.gov.in> (to be introduced shortly)

4.4. Validity of Entrepreneurs Memorandum

Part I of the Entrepreneurs Memorandum is valid for two years from the date of the filing . In case of non-filing of Part II of the Entrepreneurs Memorandum within two years of the filing of Part I, the Memorandum (Part I) filed by the entrepreneur will become invalid.

4.5. Change in the investment in plant and machinery etc.,

In case of change in the investment in plant and machinery or in equipment, change of products and that of services or addition in products or services, the enterprises who have already filed Entrepreneurs Memorandum should inform the District Industries Centre concerned of the same in writing within one month of the change in investment.

4.6. Date of commencement of production

The date of commencement of production of a new Enterprise as well as that of a Enterprise undergoing Expansion/diversification is an important criterion to decide on the eligibility for subsidy and other incentives. The date on which commercial production is commenced in a manufacturing Enterprise as given by the Entrepreneur at the time of filing the Entrepreneurs Memorandum (Part-II) is considered as the date of commencement of production of that Enterprise. As acknowledgement

for Entrepreneurs Memorandum is being given by the District Industries Centres without inspection of the Enterprises, the entrepreneurs are advised to indicate the correct date of commencement of production etc., to avoid any dispute later.

In case of any perceived discrepancy with regard to the date of commencement of commercial production, the General Managers of District Industries Centres may take the date on which “First Sale Invoice” in case of Manufacturing Enterprise or “Delivery Challan” in case of Manufacturing Enterprise on job work basis, issued by the Enterprise as an evidence for determining the date of commencement of commercial production of that Enterprise.

4.7. Incentives Intimation Letter

Those Enterprises eligible to avail incentives listed in the Micro, Small and Medium Industries Policy -2008 will be issued with an “Incentives Intimation Letter” on the incentives eligible to them as per the provisions of the Micro, Small & Medium Industries Policy, along with Acknowledgement of Entrepreneurs Memorandum (Part II) issued by the District Industries Centres or by the Office of the Regional Joint Director of Industries & Commerce, Chennai District as the case may be, for information and guidance. It is the responsibility of the Entrepreneurs to apply for eligible incentives as per the instructions and within the time limit stipulated in the Incentives Intimation Letter. The Incentives Intimation Letter format is enclosed as **Annexure 3**.

CHAPTER 5

PROCESSING OF INCENTIVE APPLICATIONS

5.1 Competent Authority to sanction incentives to industrial projects

| <u>Category</u> | <u>Subsidy</u> | <u>Competent Authority</u> |
|--|---|---|
| 1. Enterprises financed by Tamilnadu Industrial Investment Corporation Limited (TIIC) | a. All subsidies except LTPT Subsidy, Subsidy on VAT, & reimbursement of Stamp duty b. LTPT Subsidy, Subsidy on VAT, & reimbursement of Stamp duty | Tamilnadu Industrial Investment Corporation Limited (TIIC) General Managers of District Industries Centres or the Regional Joint Director of Industries & Commerce in respect of Chennai. |
| 2. Bank financed / Self financed Enterprises | All subsidies | General Managers of District Industries Centres or the Regional Joint Director of Industries & Commerce in respect of Chennai. |

Note: TIIC will continue to be the Competent Authority to sanction Capital subsidy to pipeline applications under NAMT Scheme i.e. Agro and Food Processing Enterprises which have commenced commercial production before 22.02.2008.

5.2 Date of taking effective steps

i) New Enterprises

1. Date of issue of Acknowledgement for the Entrepreneur Memorandum (Part -I) by the District Industries Centre (Or)
2. Date of placement of order for Plant and Machinery (Or)
3. Date of term loan sanction by the Bank/Financial Institution, whichever is earlier.

ii) Enterprises taking up expansion / diversification

1. Date of placement of order for Plant and Machinery (Or)
2. Date of term loan sanction by the Bank/Financial Institution, whichever is earlier.

5.3 Time limit for submission of incentive applications

The following outer time limits have been prescribed for filing of applications for various incentives with the respective implementing agencies.

| <u>Subsidy</u> | <u>Time Limit</u> |
|---|--|
| i. Capital Subsidy/ Special Capital Subsidy/ Additional Capital Subsidy for select category of Entrepreneurs / Employment intensive subsidy / Issue of Eligibility Certificate for availing Subsidy on VAT, & reimbursement of Stamp duty applications. | Within 6 months from the date of commencement of commercial production. |
| ii. Additional Capital Subsidy for promotion of clean and environment friendly technologies | Within 6 months from the date of commencement of commercial production or within 6 months from the date of installation of plant and machinery installed to promote cleaner and environment friendly technologies, whichever is later. |
| iii. Issue of Eligibility Certificate for availing LTPT Subsidy | Within 3 months from the date of commencement of production or date of power connection whichever is later. |

5.4 Time limit for re-submission of incentive applications

Incentive applications, which have been originally submitted within the prescribed time limit in prescribed format, but subsequently returned by the General Managers calling for additional particulars should be resubmitted within 90 days from the date of receipt of returned application by the enterprise. Such applications could be processed taking into account, the date of filing of the original application. However the seniority will be maintained as per the date of re-submission of application.

5.5 Condonation of Delay

Enterprises eligible to avail all incentives are required to submit the incentive applications to the respective implementing agencies within the outer time limits prescribed for various incentives as narrated in para 5.3. However in case of applications submitted beyond the outer time

limits, the Industries Commissioner & Director of Industries and Commerce or the Managing Director, TIIC as the case may be, can condone the delay based on merits of the case, subject to the condition that the outer time limit for application of subsidy including the delay period condoned, does not exceed one year from the date of commencement of commercial production.

5.6. Subsidy to non-manufacturing Enterprises / Service Enterprises.

The incentives and concessions listed in the Micro, Small and Medium Industries Policy are applicable to only Micro, Small and Medium Manufacturing Enterprises, which include Enterprises undertaking manufacturing on job work basis which involves processing and physical movement of raw materials/goods/ and or components. Micro, Small and Medium Service Enterprises are not eligible to avail the incentives and concessions listed in MSMI Policy.

5.7. Enterprises set-up in the District/State for the first time by existing companies having its Main Enterprise located outside the District/ State:

Enterprises set-up in the District/State for the first time by existing companies having manufacturing enterprise elsewhere in the District/ State shall be treated as new enterprise for the purpose of incentives / concessions, subject to the condition that the total investment in Plant and Machinery of all the Enterprises owned by the entity, taken together shall not exceed the ceiling prescribed for Micro, Small or Medium Manufacturing Enterprises as per MSMED Act 2006. The Enterprises should give an undertaking to the Implementing Agencies to this effect, with copies of Acknowledgement of Entrepreneurs Memorandum issued by the District Industries Centre in the other Districts / States with certificate from Chartered Accountant certifying the total investment of the enterprise in plant and machinery.

5.8. Release of subsidy

All subsidies (except LTPT subsidy, Subsidy on VAT, & reimbursement of Stamp duty) to TIIC/Bank assisted enterprises would be released only through the TIIC/Bank, which extend Term Loan to the enterprise. In respect of self financed enterprises 50% subsidy will be directly disbursed to the enterprises on commencement of commercial production as certified by District Industries Centre. Balance 50% will be released in two instalments of 25% each on completion of 2nd and 3rd year respectively from the date of commencement of commercial production.

5.9 Verification of the existence of the Enterprise at the time of disbursement

Disbursement of subsidy would be made subject to confirming the existence and functioning of the Enterprises at the time of Disbursement and also satisfying the conditions of the agreement executed by the Enterprise before sanction / disbursement of subsidy.

5.10. Obligations to be fulfilled by subsidy assisted Enterprises

Subsidy assisted Enterprises shall not

- change constitution/ Management/Name and Style of the Enterprise (Or)
- change the location of the whole or part of the industrial Enterprise (Or)
- effect any contraction/ disposal/ sale of its Plant and Machinery within a period of 5 years from date of commencement of commercial production without obtaining prior written permission of the Industries Commissioner & Director of Industries and Commerce/ General Manager of District Industries Centre concerned.

The subsidy will have to be refunded by the Enterprise

- if the enterprise goes out of production within 5 years from the date of commencement of commercial production.

- if it is found that subsidy have been obtained by misrepresentation as to an essential factor by furnishing false information.
- if any irregular/ineligible disbursement of subsidy made to the enterprises which are subsequently detected during audit.

5.11. PMRY, THADCO beneficiary Enterprises

The beneficiaries under PMRY, THADCO or any other Govt. sponsored scheme are not eligible for Capital subsidy / Additional Capital subsidy/ Special Capital subsidy for the original project. However they would be eligible for other incentives like LTPT Subsidy, VAT Subsidy, Stamp duty concessions etc.,

Further existing PMRY, THADCO beneficiary Enterprises, taking up expansion/ diversification of their Enterprises with own/bank finance would be eligible for subsidy assistance for expansion/diversification discussed in the MSMI Policy.

5.12 Interpretations

As announced in the MSMI Policy, Industries Commissioner and Director of Industries and Commerce would administer the package of incentives and concessions under this Policy for smooth implementation of the incentive schemes announced in the Policy , in keeping with the Vision, Mission and Objectives of the Policy. Interpretations, clarification or amplification on any matter that may arise on implementation and administration of the incentives and concession schemes announced in the MSMI Policy will be issued by the Industries Commissioner and Director of Industries and Commerce. However matters which require reference to Government on Policy related issues, shall be referred to the Government in Micro, Small and Medium Enterprises Department and the decision of the Government shall be final.

CHAPTER 6

FIXED ASSETS ELIGIBLE FOR INCENTIVES

6.1 Items eligible for incentives

The investment made in Plant and Machinery, which are considered for evaluating the status of Micro, Small or Medium Enterprise, at the time of issue of acknowledgement for Entrepreneurs Memorandum (Part II) shall alone be considered eligible for incentives. (See Page 3 for details) The investment made on land, building and other fixed assets will not be considered for computation of incentives.

6.2 Plant and Machinery items that do not qualify for incentives

1. Machinery and other items that do not qualify for deciding the status of Enterprise (See Para 2.5, Page 4 for details)
Exceptions : tools, jigs, dies, moulds , generator sets ,extra transformer installed by the undertaking as per the regulations of the Tamil Nadu Electricity Board, storage tanks which store raw materials, finished products etc., and fire fighting equipments.
2. Transport vehicles and Goods carrier
Exceptions : Material handling equipments like Cranes, Fork lifts etc., whether mobile or fixed, used inside the factory premises.
3. Preliminary and preoperative expenses - Margin money for working capital.
4. Assets acquired through hire purchase schemes.
5. Electrical installations.
6. Erection and Transportation cost of machinery items.
7. Consumable stores.
8. Spares, excluding items that are included in the original purchase bills of the machinery items at the time of purchase.
9. Indigenous and imported second-hand machinery (except imported second-hand machinery brought into use within the country for the first time subject to certification by Chartered Engineer of its value and its residual life of not less than 5 years)

6.3. Fabricated machinery

Plant and machinery items fabricated by the enterprise on their own are eligible for subsidy subject to certification of expenditure incurred by Chartered Accountant and valuation of item by Chartered (Mechanical) Engineer. As these fabrication works are carried out on job work basis, sales tax Registration need not be insisted in such cases.

6.4. Hire purchase machinery

Assets acquired through hire purchase are not considered eligible for subsidy. However if the Hire-purchase amount is fully settled and the assets are fully owned by the enterprise at the time of filing of subsidy application then those assets can be considered eligible for subsidy.

6.5. Proof of payment

Only bills with stamped receipts will be accepted as proof of payment. Stamped invoice cannot be accepted as a receipt .However Cash bill with signed stamp can be accepted for values not exceeding Rs.25,000/-. All payments over and above Rs.25,000/- will be considered only when such payments are made by Demand Drafts/ Bankers' Cheque or any other Account Payee bank instruments.

In case of payment made through Bank/Financial institutions a Certificate in original furnished by the Bank in proof of payment made to the machinery suppliers may be accepted as an alternative to stamp receipts. In case of payment made through Demand Drafts/ Bankers' Cheque simple receipt is enough.

6.6 Sales tax registration

Only machinery items purchased from machinery suppliers with Sales tax registration will be accepted.

6.7 Eligibility of Plant and Machinery items of Enterprises functioning in leased Land/ Shed :

i. Enterprises functioning in leased Land/ Shed located in Industrial Estates

The Plant and Machinery items of enterprises functioning in leased Land/ Shed located in SIDCO/SIPCOT or other Government sponsored Industrial Estates will be considered for incentives only if the enterprise produces “No Objection Certificate” from the Estate Authorities and a lease agreement for a period of not less than 5 years from the date of commencement of commercial production.

ii. Enterprises functioning in leased Land/ Shed located in other areas

The Plant and Machinery items of enterprises functioning in other eligible areas will be considered for incentives only if the enterprise produces a lease agreement from the lessors for a period of not less than 5 years from the date of commencement of commercial production.

6.8. Eligibility of assets created after date of commencement of commercial production

All Plant and Machinery available as on the date of commencement of commercial production only are normally considered eligible for incentives. Plant and Machinery purchased after the date of commencement of commercial production would be treated only as expansion. However if the Plant and Machinery are included in the Project report submitted to Banks / TIIC for availing term Loan and such items are installed in the premises of the Enterprises before applying for incentives, such items would be considered after verifying the records.

In case of self financed units if the Plant and Machinery are included in the Project report submitted by the enterprise and the enterprise shows evidence for having made part payment towards purchase of Plant and Machinery items that are installed in the enterprise after the date of commencement of commercial production but before applying for incentives, such items would be considered after verifying the records.

CHAPTER 7

BACKWARD AREA SUBSIDIES

1. Eligible Enterprises

- All new Micro, Small and Medium Manufacturing Enterprises, which have taken effective steps to set up their Enterprises on or after 1.8.2006, and commencing commercial production on or after 22.02.2008.
- Micro, Small and Medium Manufacturing Enterprises which have commenced commercial production in their enterprises on substantial expansion/ diversification of their existing activities and which have taken effective steps for substantial expansion/ diversification of their Enterprises on or after 1.8.2006, and commencing commercial production on or after 22.02.2008 .

2. Eligible areas

- 251 notified backward Blocks listed in **Annexure 4**. The urban bodies enveloped by the backward blocks would also be considered as backward areas (excluding Corporations and Municipalities).
- All industrial estates promoted by the Government and Government Agencies like SIPCOT, SIDCO, etc., excluding industrial estates located within the radius of 50 Kms from Chennai city centre.

3. Eligible subsidies

- Capital Subsidy (See Chapter 7.1 for details)
- Employment Intensive Subsidy (See Chapter 7.2 for details)
- Additional Capital Subsidy for Select Category Of Entrepreneurs (See Chapter 7.3 for details)
- Additional Capital Subsidy for promotion of cleaner and environment friendly technologies (See Chapter 7.4 for details)
- Low Tension Power Tariff (LTPT) Subsidy (See Chapter 7.5 for details)

7.1. CAPITAL SUBSIDY

1. Eligible Enterprises

- All New Micro Manufacturing Enterprises set up anywhere in the State (including non backward areas and industrial estates located within the radius of 50 Kms from Chennai city centre).
- All New Micro, Small and Medium Agro based and Food Processing Enterprises set up in all 385 blocks in the State (except the items listed in para 8.4)
- 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 Kms from Chennai city centre.
- Existing Manufacturing Enterprises of the above three categories which have taken up substantial expansion / diversification of the existing activities.

2. Quantum of subsidy

15% on eligible plant and machinery value, subject to a maximum of Rs.30 lakhs.

3. Overall ceiling on subsidy

The overall ceiling on subsidy should be applied not for the original project and expansion/diversification taken together but should be applied separately for the original project and the expansion / diversification.

4. Ineligible Enterprises

- All Micro, Small & Medium Service Enterprises .
- Micro, Small & Medium Manufacturing Enterprises listed in **Annexure - 5**

7.2. EMPLOYMENT INTENSIVE SUBSIDY

1. Eligible Enterprises

- All New Micro, Small and Medium Manufacturing Enterprises set up in backward areas and industrial estates, excluding the industrial estates located within the radius of 50 Kms from Chennai city centre.
- All New Micro, Small and Medium Agro based and Food Processing Enterprises set up in all 385 blocks in the State (except the items listed in para 8.4)

2. Quantum of subsidy

An additional subsidy of 5% on the value of eligible plant and machinery subject to a maximum of Rs.5 lakhs , if at least 25 workers have been employed for a minimum period of 3 years within the first five years from the date of commencement of commercial production. This is in addition to the subsidies mentioned vide paras 7.1, 7.3, 7.4 and 7.5 if otherwise these subsidies are eligible.

3. Operational guidelines

- (i). This subsidy will be released as a back-ended subsidy at the end of the third year, within the first five years from the date of commencement of production.
- (ii). Only regular workers will be taken into account and not casual, temporary or contract workers.
- (iii). The Enterprise would file returns with the Labour Department and Inspectorate of Factories indicating the number of persons employed on a half-yearly basis.
- (iv). The evidence for the employment of workers would be the related statutory returns such as the returns filed under the Employees Provident Fund Act, etc.,

7.3. ADDITIONAL CAPITAL SUBSIDY FOR SELECT CATEGORY OF ENTREPRENEURS

1. Eligible Enterprises

- All New Micro, Small and Medium Manufacturing Enterprises set up in backward areas and industrial estates, excluding the industrial estates located within the radius of 50 Kms from Chennai city centre.
- All New Micro, Small and Medium Agro based and Food Processing Enterprises set up in all 385 blocks in the State (except the items listed in para 8.4)

2. Quantum of subsidy

An additional capital subsidy of 5% on the value of eligible plant and machinery subject to a maximum of Rs.2 lakhs to enterprises set up by Women / Scheduled Caste / Scheduled Tribe / Physically Disabled and Transgender Entrepreneurs. This is in addition to the subsidies mentioned vide paras 7.1, 7.2, 7.4 and 7.5 if otherwise these subsidies are eligible.

3. Operational guidelines

- The evidence for the social/clinical status of the Scheduled Caste / Scheduled Tribe, Physically Disabled and Transgender Entrepreneurs would be decided on the strength of certificates issued by the authorities concerned.
- Entrepreneurs who are covered under more than one select category as defined above will be eligible for additional subsidy only under any one of the select categories.

7.4. ADDITIONAL CAPITAL SUBSIDY FOR PROMOTION OF CLEANER AND ENVIRONMENT FRIENDLY TECHNOLOGIES

1. Eligible Enterprises

- All New Micro, Small and Medium Manufacturing Enterprises set up in backward areas and industrial estates, excluding the industrial estates located within the radius of 50 Kms from Chennai city centre.
- All New Micro, Small and Medium Agro based and Food Processing Enterprises set up in all 385 blocks in the State (except the items listed in para 8.4)
- Any existing Micro, Small or Medium enterprise which have installed plant and machinery items for promotion of cleaner and environment friendly technologies.

2. Quantum of subsidy.

An additional capital subsidy of 25% on the value of eligible plant and machinery/ equipment (for items not covered for Capital Subsidy) installed to promote cleaner and environment friendly technologies subject to a maximum of Rs.3 lakhs. This is in addition to the subsidies mentioned vide paras 7.1, 7.2, 7.3 and 7.5 if otherwise these subsidies are eligible.

3. Operational guidelines

- Items already considered for capital subsidy will not be considered for this subsidy.
- The Enterprise should submit a Certificate from Tamil Nadu Pollution Control Board duly indicating that the equipment installed leads to cleaner production process and meets the Tamil Nadu Pollution Control Board's norms along with the application.

7.5. LOW TENSION POWER TARIFF (LTPT) SUBSIDY

1. Eligible Enterprises

- All new Micro Manufacturing Enterprises set up anywhere in the State (including non backward areas and industrial estates located within the radius of 50 Kms from Chennai city centre).
- All New Micro, Small and Medium Agro based and Food Processing Enterprises set up in all 385 blocks in the State (except the items listed in para 8.4)
- 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 Kms from Chennai city centre, using Low Tension Power supply (Tariff III B) only.
- Existing Manufacturing Enterprises of the above three categories which have taken up substantial expansion / diversification of the existing activities.

2. Ineligible Enterprises

- All Micro, Small & Medium Service Enterprises .
- Micro, Small & Medium Manufacturing Enterprises listed in **Annexure - 5**

3. Quantum of subsidy

20% of the Power charges paid by the Enterprises to TNEB for the first 36 months from the date of commencement of production or from the date of power connection, whichever is later, after allotment of an Entrepreneur Memorandum (Part II) number by the District Industries Centres.

4. Eligibility of Manufacturing Enterprises commenced production with other means of energy

Enterprises which have started production before getting power connection with other means of energy like Generator /Diesel engine etc., will be eligible for LTPT subsidy from the date of power connection.

5. Time limit for applying for Eligibility Certificate

Application for Eligibility Certificate for Low Tension Power Tariff (LTPT) subsidy should be submitted to the General Manager, District Industries Centre concerned within 3 months from the date of commencement of Commercial production or date of power connection whichever is later.

6. Time limit for submission of subsidy claims

The first claim for subsidy should be submitted within 30 days from the date of issue of Eligibility Certificate. Subsequent claims should be submitted by the Enterprises once in 6 months i.e. the bills raised by TNEB from January to June should be preferred before August 31st of the year and from July to December before 28th of February of the succeeding year. Condonation of delay in respect of belated claims will not be entertained.

7. Enterprises set up in rental Building

LTPT subsidy will be granted to Enterprises set up in rental Building provided that the power connection is obtained for that purpose by the Landlord and the Lessee Enterprise executes a lease agreement for the power connection for a period of not less than 3 years and such lease agreement should be in operation during the eligibility period of Low Tension Power Tariff subsidy.

Enterprises occupying a portion of another Enterprises consuming power jointly are not eligible for Low Tension Power Tariff subsidy.

8. Power charges eligible for subsidy

The actual energy charges inclusive of surcharge, tax and other charges but exclusive of penalty is eligible for subsidy. Enterprises using power for the manufacturing activities are eligible for subsidy for the lighting charges for the factory premises, since light is essentially required for proper and careful operation of machinery and to have safe working environment.

9. Cases involved in multiple service connection of an Enterprise

In cases of enterprises having multiple LT connections in the same premises, LTPT subsidy would be eligible for the first service connection only. However if the enterprise is having branch unit(s) in different location(s) then LTPT subsidy will be given to each of the LT connection (first LT service connection only) subject to the satisfaction of above norm.

10. Verification of existence of the Enterprise at the time of disbursement

Disbursement of Low Tension Power Tariff subsidy shall be made subject to confirming the existence, functioning and constitution of the Enterprises at the time of Disbursement and without any change in constitution / management of the Enterprise made during the eligibility period.

CHAPTER 8

SUBSIDY FOR AGRO BASED ENTERPRISES

Government have decided that the subsidy scheme for setting up of Agro based and Food Processing enterprises in all 385 blocks in the State, sanctioned in G.O.Ms.No.32, Small Industries Department, dated 28.6.2002, will be integrated with the Capital Subsidy Scheme for backward areas. Accordingly, the package of incentives noted in Chapter 7.1 to 7.5 would be extended to agro based enterprises set up in all 385 blocks in the State.

8.1. Eligible Enterprises

- All new Agro based and Food Processing Micro, Small and Medium Manufacturing Enterprises, which have been issued with acknowledgement for having filed Entrepreneur Memorandum (Part II) as per the provisions of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006
- Existing Agro based and Food Processing Micro, Small and Medium Manufacturing Enterprises which have taken up substantial expansion / diversification of their existing activities.
- Enterprises which have already been granted a package of incentives and concessions as per the erstwhile NAMT Subsidy Scheme will continue to enjoy the benefits already granted till the expiry of said sanction orders/eligibility certificates.
- Similarly the Agro and Food Processing Industries which have taken effective steps under the NAMT Scheme and commenced commercial production prior to 22.02.2008 are eligible for incentives and concessions only as per the guidelines of the erstwhile NAMT Subsidy Scheme.
- The Agro and Food Processing Industries which have taken effective steps on or after 01.08.2006 and commencing commercial production on or after 22.02.2008 will be eligible to avail incentives and concessions as per the new Policy only.

8.2. Eligible areas

All the 385 blocks in the State. The urban bodies enveloped by the backward blocks would also be considered as part of the block (excluding Corporations and Municipalities).

8.3. Removal of the ceiling on maximum 5 units per block and Capital subsidy per Block

The condition of maximum 5 units per block and the ceiling of Rs.15 Lakhs on Capital Subsidy per Block of the erstwhile NAMT Scheme have been removed in respect of Agro and Food Processing Industries which have taken effective steps on or after 01.08.2006 and commenced commercial production on or after 22.02.2008

8.4. Ineligible Enterprises

The following types of enterprises which were hitherto considered eligible for the incentives/ subsidy scheme for agro based and Food Processing enterprises sanctioned in G.O.Ms.No.32, Small Industries Department, dated 28.6.2002, and subsequent amendment / modifications issued there on, will not be eligible to avail subsidy for agro based enterprises announced in MSMI Policy, as these are either non-Agro/ Service Enterprises in nature or not eligible for obtaining Entrepreneur Memorandum as Manufacturing Enterprises .

Non Agro Based Manufacturing Enterprises

- i) Manufacture of Toys
- ii) Coastal Aquaculture
- iii) Fresh water Prawn culture
- iv) Mud crab fattening
- v) Lobster fattening
- vi) Pearl oyster culture
- vii) Purified packaged drinking water
- viii) Cut flower cultivation
- ix) Mushroom cultivation
- x) Leather

Service Enterprises

- xii) Milk Processing units
- xiii) Cold Storage

CHAPTER 9
SPECIAL CAPITAL SUBSIDY FOR THRUST SECTORS
ENTERPRISES

9.1 Eligible Enterprises

All new Micro, Small and Medium Manufacturing Enterprises under the following thrust sectors located anywhere in the State, which have been issued with Acknowledgement for having filed Entrepreneur Memorandum as per the provisions of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

- i. Electrical and Electronic Industry.
- ii. Leather and Leather goods.
- iii. Auto parts and components.
- iv. Drugs and Pharmaceuticals.
- v. Solar Energy Equipment.
- vi. Gold and Diamond Jewellery for exports.
- vii. Pollution Control equipments.
- viii. Sports Goods and Accessories.
- ix. Cost effective building material.
- x. Readymade Garments.
- xi. Any other industry to be notified by the Government in this regard from time to time.

This subsidy will also be eligible to enterprises taking up substantial expansion / diversification of their existing activities on the incremental assets created towards expansion / diversification.

9.2 Quantum of subsidy

15% on eligible plant and machinery value, subject to a maximum of Rs.30 lakhs.

9.3 Overall ceiling on subsidy

The overall ceiling on subsidy should be applied not for the original project and expansion/diversification taken together but should be applied separately for the original project and the expansion /diversification.

9.4. Non eligibility of package of incentives for Enterprises set up in backward areas.

Enterprises eligible for Special Capital subsidy for thrust sectors will not be eligible for other subsidies noted in Chapter 7.1 to 7.5 of this Manual. However this restriction will not be applicable to thrust sector enterprises set up in backward areas and in Industrial Estates located away from a radius of 50 KM from Chennai City Centre.

9.5. List of activities eligible for subsidy under the thrust sectors enterprises

i. Electrical and Electronic Industry

List of Electrical and Electronic items eligible for subsidy are given in **Annexure 6**. Electrical and Electronic items with ISI certification or items manufactured by enterprises who have obtained ISO 9001 Certification alone will be considered eligible for subsidy.

ii. Leather and Leather goods

Includes tanneries and leather processing enterprises, subject to the condition that the Enterprise has obtained necessary clearances from Tamil Nadu Pollution Control Board.

iii. Auto parts and components

List of Auto parts and components eligible for subsidy are given in **Annexure 7**. Auto parts and components manufactured by enterprises who have obtained ISO 9001 Certification alone will be considered eligible for subsidy.

iv. Drugs and Pharmaceuticals.

All drugs and formulations including Allopathic, Siddha, Ayurvedha, Unani, Homeopathy etc., as approved by the Indian Pharmacopoeia , subject to the condition that the Enterprise has obtained required drug licenses under Drug Control Order from authorities concerned.

v. Solar Energy Equipment

Enterprises manufacturing the following Solar Energy Equipments are considered eligible for subsidy.

1. Flat -plate solar collectors
2. Concentrating and pipe type solar collectors
3. Solar water heaters and systems
4. Solar crop dryers and systems
5. Solar stills and desalination systems
6. Solar pumps based on solar thermal and solar photo-voltaic conversion
7. Solar power generating systems
8. Solar photo-voltaic modules and panels for water pumping and other applications
9. Solar cookers
10. Solar refrigerators, solar cold storage air conditioning systems

vi. Pollution Control equipments

The enterprises manufacturing Pollution control equipments should submit a Certificate obtained from the TNPCB authorities duly indicating that the pollution Control equipments manufactured by them meets the standards prescribed by the Pollution Control Board.

CHAPTER 10

BACK- ENDED INTEREST SUBSIDY

- (i. G.O.Ms.No. 131 Small Industries (Dev. II) Department dated 9.12.2003
- ii. G.O.Ms.No. 99 Small Industries (Dev. II) Department dated 14.11.2005.
- iii. G.O.Ms.No.60 Small Industries (Dev. II) Department dated 14.06.2007.)

1. Eligible enterprises

- a) Micro and Small Enterprises who have availed term loan under Technology upgradation / modernization schemes, National Equity Fund Scheme (Renamed as Micro / Small Enterprises Funding Scheme), Scheme for ISO Certification / R & D under NSIC -SIDCO Consortium and Credit Guarantee Fund Trust Scheme.
- b) New Enterprises which have set up their facilities , or existing Micro, Small and Medium Enterprises , which upgrade their existing plant and machinery with the state-of-the-art technology, with or without expansion, by induction of well established and improved technologies in specified sub-sectors / products as listed in the guidelines on Credit Linked Capital Subsidy **Scheme (CLCSS)** Scheme of Government of India, as listed in **Annexure 8**.

2. Quantum of Assistance

The interest subsidy shall be at the rate of 3% for a maximum of 5 years only irrespective of the period of repayment of loan. Further, the maximum amount of back-ended interest subsidy payable per loan shall be Rs.10 lakhs only on loans taken up to Rs.100 lakhs.

3. Nodal Agency

- **TIIC**- in respect of term loan sanctioned by **TIIC**
- **SIDBI**- in respect of term loan sanctioned by **SIDBI**.
- **General Managers of DICs**- in respect of term loan sanctioned by Banks.

CHAPTER 11

Subsidy on the assessed Value Added Tax (VAT)

11.1 Eligible enterprises

All Micro Manufacturing Enterprises will be entitled to a 100% subsidy on the net Value Added Tax (VAT) paid by them for the first six years upto the value of the investments made in eligible Plant and Machinery at the time of filing of Entrepreneur Memorandum (Part II)

This incentive is also applicable to all eligible Micro Enterprises which have taken up substantial Expansion / Diversification of the existing projects.

11.2 Quantum of Assistance

This total subsidy entitlement over the period would be upto the value of investments made in the eligible plant and machinery at the time of filing of Entrepreneur Memorandum (EM) (Part II) with the District Industries Centre concerned.

In case of Expansion / Diversification projects the subsidy entitlement would be on the additional value of investments made in plant and machinery for the Expansion / Diversification and the reimbursement would be limited to the Value Added Tax paid on production / turnover made over and above the production / turnover of the original unit i.e before expansion / diversification.

11.3. Operational Guidelines:

- i. The Micro Enterprises which have been issued with Acknowledgement for having filed Entrepreneur Memorandum (Part II) as per the provisions of Micro, Small and Medium Enterprises Development (MESMED) Act, 2006, shall avail the scheme of reimbursement of VAT as also registered with the Department of Commercial Taxes.
- ii. All eligible Micro Enterprises shall submit their application for obtaining Eligibility Certificate for availing Subsidy on the assessed Value Added Tax in the prescribed application for within six

months from the date of commencement of production to the General Manager, District Industries Centre concerned or the Regional Joint Director of Industries & Commerce in respect of Chennai District.

- iii. All eligible Micro Enterprises shall submit their Value Added Tax reimbursement claims in the prescribed application form within six months after completion of each financial year along with required documents mentioned in the application, to the General Manager, District Industries Centre concerned or the Regional Joint Director of Industries & Commerce in respect of Chennai District.
- iv. The tax paid during one financial year will be reimbursed back to the enterprise as subsidy by the Government towards the payment of tax during the next financial year.
- v. The unit holder shall submit the details of the value added tax paid during the year for which the claim is being made and the certificate duly issued by the Commercial Tax authorities regarding the Value Added Tax paid by the assesee and it should spell out the input tax credit already availed for original Unit / Expansion / Diversification separately as the case may be.
- vi. If any Micro Enterprise is found to have preferred an incorrect VAT remission claim, for a tax period, such Enterprise shall not be entitled to any VAT reimbursement for that particular tax period.
- vii. The Micro Enterprise shall maintain correct and regular accounts of purchase of goods including machinery, plant and equipment, raw material etc. and production and sale of goods, for verification by the officers of the concerned department.
- viii. Where any Micro Enterprise for any reason, whatsoever ceases its manufacturing activity for any period of time, it shall forthwith be brought to the notice of the Competent Authority concerned, similarly the re-commencement of the same shall also be intimated. In case of failure to do so, the Micro Enterprise shall not be entitled to any tax reimbursement for the year to which such information pertains.

CHAPTER 12

Reimbursement of Stamp duty & Registration Charges

12. 1. Eligible enterprises

Micro and Small enterprises set up in declared backward blocks and Govt. Industrial Estates (excluding Estates within the radius of 50 km distance from Chennai City Centre) 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 be applicable to all eligible new manufacturing enterprises and also to the Expansion / Diversification projects of existing enterprises.

12. 2. Quantum of Assistance

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

12. 3. Admissible area

This incentive is admissible to eligible enterprises on the land area up to five times of the plinth area of the factory building constructed. However, in respect of enterprises where the open land requirements would be large, due to the peculiar nature of industry, the sanctioning Authority may consider allowing land in excess of five times plinth area on case to case basis.

12. 4. Operational Guidelines

The applicant enterprises should apply for this incentive within 6 months from the date of commencement of commercial production, to the General Manager, District Industries Centre concerned in the prescribed application form.

CHAPTER 13

Subsidy for Asset Creation for Intellectual Property

13. 1. Eligible Incentives

- i. Subsidy on the cost of Patent Registration in India or abroad.
- ii. Subsidy on the cost of Trade Mark Registration in India or abroad.

13. 2. Quantum of Assistance:

i. For Patent Registration :

50% subsidy on the cost of filing application for Patent Registration including the cost of first time maintenance fee of the granted application, subject to a maximum of Rs.2.00 lakhs per Patent registered.

ii. For Trade Mark Registration :

50% subsidy on the cost of filing application for Trade Mark Registration including the cost of first time maintenance fee of the granted application, subject to a maximum of Rs.25, 000/- per Trade Mark registered.

13.3 Eligible Enterprises

i. For Patent Registration :

All new and existing Micro, Small and Medium manufacturing enterprises having in-house R & D Laboratories or new and existing stand - alone Industrial R & D Laboratories registered as a Small Scale Service and Business (Industry related) Enterprises (SSSBE) or a Micro, Small and Medium Service Enterprise , for innovations capable of industrial application.

ii. For Trade Mark Registration :

All new and existing Micro, Small and Medium manufacturing enterprises.

12. 4. Operational Guidelines:

The applicant enterprises should apply within 6 months from the date of obtaining Patent / Trade Mark Registration, to the General Manager, District Industries Centre concerned or the Office of the Regional Joint Director of Industries & Commerce in respect of Chennai District in the prescribed application form.

Amended format for the Entrepreneurs' Memorandum under the MSMED Act. 2006 after inclusion of the amendments vide notification No. S.O. 941(E), dated 07.06.2007

Schedule I

Form No.

**Entrepreneurs Memorandum
For
Setting Up Micro, Small or Medium Enterprise**

GENERAL INSTRUCTIONS :

1. MEMORANDUM IS TO BE FILED WITH THE DISTRICT INDUSTRIES CENTRE*, BY A MICRO, SMALL OR MEDIUM ENTERPRISE, AS THE CASE MAY BE, UNDER SUB-SECTION (1) OF SECTION 8 OF THE MICRO, SMALL, MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006.
2. FOUR COPIES OF THE MEMORANDUM SHOULD BE FILED.
3. THERE IS NO FEE FOR PROCESSING THE MEMORANDUM.
4. EXISTING UNITS SHOULD FILL UP ONLY PART II OF THE MORANDUM.
5. IN CASE OF ANY CHANGE IN THE INFORMATION, AT ANY POINT OF TIME, PLEASE INFORM THE DETAILS WITHIN THREE MONTH TO DIC.
6. WRITE / TYPE IN BLCOK (CAPITAL) LETTERS.
7. LEAVE ONE BLANK BOX AFTER EACH WORD.
8. FILL UP WHICHEVER IS APPLICABLE.
9. ALL CODES OTHER THAN PIN CODE SHALL BE FILLED BY THE OFFICE.
10. FORM WILL BE MACHINE NUMBERED BY THE DISTRICT INDUSTRIES CENTRE.

* To be filed at the DIC under whose jurisdiction the enterprise is proposed to be located.

Form No.

FOR OFFICE USE ONLY

DATE OF ISSUE

| | | | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| D | D | M | M | Y | Y | Y | Y |
| <input type="text"/> |

NATURE OF ACTIVITY
(MANUFACTURING-1, SERVICE-2)

CATEGORY OF ENTERPRISE
(MICRO-1, SMALL-2, MEDIUM-3)

12. (a) PROPOSED INVESTMENT IN FIXED ASSETS (Rupees Lakh)
- (i) LAND (OWNED-01 / RENTED-02 / LEASED-03) □□
- APPROXIMATE VALVUE* □□□□
- (ii) BUILDING (OWNED01 / RENTED-02 / LEASED-03) □□
- APPROXIMATE VALUE* □□□□
- (iii) PLANT & MACHINDERY VALUE* □□□□
- (In case of manufacturing enterprise)
- (iv) EQUIPMENT VALUE* □□□□
- (In case of service enterprise)
- (v) FOREIGN EQUITY, IF ANY VALUE* □□□□

[*The value in the boxes should be filled from right side e.g. if the value is Rs. 10 lakh it should be written as

| | | | |
|---|---|---|---|
| □ | □ | 1 | 0 |
|---|---|---|---|

 . This wil also apply to all other items (rows) where quantity, number, etc., to be given.]

13. INSTALLED CAPACITY (proposed) PER ANNUM QTY. UNIT
- | | | | |
|---|---|---|---|
| □ | □ | □ | □ |
|---|---|---|---|

| | | |
|---|---|---|
| □ | □ | □ |
|---|---|---|

14. POWER LOAD (ANTICIPATED) H.P. / K.W.

15. (a) (i) OTHER SOURCE OF ENERGY / POWER □ □ □ □
(IF REQUIRED)
(NO POWER NEEDED-1, COAL-2, OIL-3, LPG-4, ELECTRICITY FROM GRID-5, ELECTRICITY FROM GENERATOR-6, NON-CONVENTIONAL ENERGY-7, TRADITIONAL ENERGY / FIREWOOD-8)
- (ii) If no power required, specify reasons;

- (b) INDICATE ANNUAL REQUIREMENT SOURCE OF ENERGY
- QTY. UNIT
-

| | | | |
|---|---|---|---|
| □ | □ | □ | □ |
|---|---|---|---|

| | | |
|---|---|---|
| □ | □ | □ |
|---|---|---|
-

| | | | |
|---|---|---|---|
| □ | □ | □ | □ |
|---|---|---|---|

| | | |
|---|---|---|
| □ | □ | □ |
|---|---|---|
-

| | | | |
|---|---|---|---|
| □ | □ | □ | □ |
|---|---|---|---|

| | | |
|---|---|---|
| □ | □ | □ |
|---|---|---|

16. EXPECTED EMPLOYMENT Nos.
- (i) MANAGEMENT & OFFICE STAFF □□□
- (ii) SUPER VISORY □□□
- (iii) WORKERS □□□

17. ENTREPRENEURS'S PROFILE (OF ALL PARTNERS / DIRECTORS OF THE ORGANISATION-USE SEPARATE SHEETS, IF NEEDED)

(a) NAME

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
| | | | | | | | | | |

(i) MALE (M) / FEMALE

(ii) SC (1) / ST (2) / OBC (3) / OTHERS (4)
PHYSICALLY CHALLENGED (5)

(iii) KNOWLEDGE LEVEL
[TECHNICAL GRADUATE-1, MANAGEMENT GRADUATE-2,
POST GRADUATE-3, OTHER GRADUATE-4, UNDER GRADUATE-5,
ANY OTHER LOWER-6]

(iv) EQUITY PARTICIPATION (in Rupee.)

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | | | | | | |
|--|--|--|--|--|--|--|--|

(Percentage of Total Equity)

| | |
|--|--|
| | |
|--|--|

(v) STAKE IN OTHER MANUFACTURING ENTERPRISES
(Yes-1, No-2)
[ADD ADDITIONAL SHEET, IF NEEDED]

18. EXPECTED SCHEDULE OF COMMENCEMENT OF PRODUCTION / ACTIVITY

M M Y Y Y Y

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|

DATE :
PLACE :

(SIGNATURE OF THE APPLICANT / AUTHORISED PERSON)
NAME OF THE PROPRIETOR / PARTNER / MANAGING DIRECTOR

- (a) Enclose a self-certified copy of Power of Attorney / Board Resolution / Society Resolution, wherever applicable, while signing as Partner / Managing Director or Authorised Person.
- (b) Enclose a certified / notarized copy of the Partnership Deed / Memorandum of Association / Articles of Association in case of Medium Enterprises.

Undertaking

This is to certify that the information furnished in the Memorandum in FORM NO. is true and correct to the best of my knowledge and belief.

DATE :
PLACE : (SIGNATURE OF THE APPLICANT / AUTHORISED PERSON)

ACKNOWLEDGEMENT

PART-I

M/s. HAS FILED MEMORANDUM EXPRESSING ITS INTENT TO SET UP A (MANUFACTURING / SERVICE) ENTERPRISE AT THE ADDRESS PIN..... FOR THE ITEM / ITEMS INDICATED BELOW AND THE ACTIVITY IS PROPOSED TO COMMENCE FROM THE (DATE) AS STATED IN FORM NO. AND ALLOCATED ENTREPRENEURS' MEMORANDUM NO. AS BELOW :

DETAILS OF ITEM / ITEMS TO BE MANUFACTURED / SERVICE TO BE PROVIDED.

| Sl. No. | Items of Manufacture / type of service to be rendered | Capacity in case of manufacture |
|---------|---|---------------------------------|
| 1. | | |
| 2. | | |
| 3. | | |
| 4. | | |
| 5. | | |
| 6. | | |

(ADD ADDITIONAL SHEET IF REQUIRED)

NOTE : THE ISSUE OF THIS ACKNOWLEDGEMENT DOES NOT BESTOW ANY LEGAL RIGHT. THE ENTERPRISE IS REQUIRED TO SEEK REQUISITE CLEARANCE / LICENCE / PERMIT REQUIRED UNDER STATUTORY OBLIGATION STIPULATED UNDER THE LAWS OF CENTRAL GOVERNMENT / STATE GOVERNMENT / UT ADMINISTRATIONS / COURT ORDERS' :

DATE OF ISSUE

| | | | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| D | D | M | M | Y | Y | Y | Y |
| <input type="text"/> |

NATURE OF ACTIVITY
(MANUFACTURING-1, SERVICE-2)

CATEGORY OF ENTERPRISE
(MICRO-1, SMALL-2, MEDIUM-3)

7. NATURE OF OPERATION
(Perennial-1, Seasonal-2, Casual-3)
8. WHETHER THE UNIT IS AN ANCILLARY
(Yes-1, No-2)
9. MONTH OF INSTALLATION OF PLANT & MACHINERY

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|
10. WHETHER THE UNIT IS REGISTERED UNDER FACTORY ACT
[Under Section 2m(i) / 2m (ii)-1, 85)I)85(ii)-2, not registered-3]
11. TYPE OF ORGANIZATION
(PROPRIETARY-1, HUF-2, PARTNERSHIP-3, CO-OPERATIVE-4,
PVT. LTD. COMPANY-5, PUBLIC LIMITED COMPANY-6, SELF-HELPH
GROUP-7, OTHERS-8)
12. (a) MAIN MANUFACTURING / SERVICE ACTIVITY.
NAME

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

CODE (NIC 98*)

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|
- (b) PRODUCTS TO BE MANUFACTURED / SERVICE TO BE PROVIDED.
- (i) NAME

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

CODE (ASICC2000*)

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|
- (ii) NAME

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

CODE (ASICC2000*)

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|
- (iii) NAME

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

CODE (ASICC2000*)

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|
- (iv) NAME

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

CODE (ASICC2000*)

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|
- (v) NAME

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

CODE (ASICC2000*)

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

(*) Codes for activities and products / services as per classification specified from time to time by the office of the Development Commissioner (Small Scale Industries), to be filled in by District Industries Centre or the office where the Entrepreneurs' Memorandum is to be submitted.

(ADD ADDITIONAL SHEET FOR MODE PRODUCTS)

| | | | |
|-----|-------|--|---|
| 13. | (a) | INVESTMENT IN FIXED ASSETS (in Rupees Lakh) | |
| | (i) | LAND (OWNED-01 / RENTED-02 / LEASED-03) | <input type="text"/> <input type="text"/> |
| | | VALUE* | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
| | (ii) | BUILDING (OWNED-01 / RENTED-02 / LEASED-03) | <input type="text"/> <input type="text"/> |
| | | VALUE* | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
| | (iii) | PLANT & MACHINDERY VALUE* (In case of manufacturing enterprise) | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
| | (iv) | EQUIPMENTS VALUE* (In case of servicing unit) | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
| | (v) | FOREIGN EQUITY, IF ANY VALUE* | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |

[*The value in the boxes should be filled from right side e.g. if the value is Rs. 10 Lakh it should be written as 10. This will also apply to all other items (rows) where quantity, number, etc., to be given]

| | | | |
|-----|------------------------------|---|---|
| 14. | INSTALLED CAPACITY PER ANNUM | QTY. | UNIT |
| | | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |

| | | | |
|-----|------------|-------------|---|
| 15. | POWER LAND | H.P. / K.W. | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
|-----|------------|-------------|---|

| | | | | | |
|-----|--|----------------------|----------------------|----------------------|----------------------|
| 16. | (a) (i) OTHER SOURCE OF ENERGY / POWER [IF REQUIRED] (NO POWER NEEDED-1, COAL-2, OIL-3, LPG-4, ELECTRICITY FROM GRID-5, ELECTRICITY FROM GENERATOR-6, NON-CONVENTIONAL ENERGY-7, TRADITIONAL ENERGY / FIREWOOD-8) | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| | (ii) If no power required, specify reasons; | | | | |

| | | | |
|-----|--|---|---|
| (b) | INDICATE ANNUAL REQUIREMENT SOURCE OF ENERGY | QTY. | UNITS |
| | | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
| | | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
| | | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |

- (a) Enclose a self-certified copy of Power of Attorney / Board Resolution / Society Resolution, wherever applicable, while signing as Partner / Managing Director or Authorised Person.
- (b) Enclose a certified / notarized copy of the Partnership Deed / Memorandum of Association / Articles of Association in case of Medium Enterprises.

Undertaking

This is to certify that the information furnished in the Memorandum in Form No. is true and correct to the best of my knowledge and belief. I / we have obtained approval / consent / license / permit from the concerned Ministry / Department of Central Government / State Government / UT Administration as per statutory requirements.

DATE :
PLACE : (SIGNATURE OF THE APPLICANT / AUTHORISED PERSON)

Schedule II

Procedure of Filling of Entrepreneurs Memorandum and other matters, incidental thereto:

1. Form of the Entrepreneurs Memorandum can be downloaded from the internet, the address of which from Directorate dealing with Micro, Small & Medium Enterprises of State Governments can be obtained / UTs. or the hard copies of the same can be obtained from the District Industries Centres. This form can also be downloaded from the Small Industries Development Organisation website i.e. www.laghu-udyog.com or www.smallindustryindia.com
2. Any person who intends to establish a micro or small enterprise, at his discretion; or a medium enterprise engaged in providing or rendering of services may, at his discretion or a medium enterprise engaged in the manufacture or production of goods shall file the Memorandum of Micro, Small or as the case may be, of Medium Enterprise with District Industries Centre of its area.
3. The District Industries Centre shall fill at the codes in the form of the Memorandum and issue an acknowledgement after allotting an EM number, date of issue and category of the unit within five days of the receipt of the form of Memorandum by post or same day, if the form of Memorandum is submitted in person as well as online.
4. Before issuing the acknowledgement, the District Industries Centres shall make sure that the form is complete in all respect and particularly the form is signed and is accompanied with an undertaking, which is a part of the form of Entrepreneurs Memorandum.
5. The District Industries Centre shall maintain record of all the Entrepreneurs Memorandum so filed in respect of micro, small and medium enterprises engaged in providing and rendering services. District Industries Centres shall forward a copy of the Entrepreneurs Memorandum so filed with EM number allotted to the Small Industries Service Institutions of their State / Jurisdiction.
6. The District Industries Centre shall maintain record of all the Entrepreneurs Memorandum so filed in respect of micro, small and medium enterprises engaged in production / manufacturing of products and forward one copy each of the Entrepreneurs Memorandum with EM number allotted to the Small Industries Service Institutions of their State / Jurisdiction and to Joint Commissioner (MSME Pol.) in the Office of the Development Commissioner (Small Scale Industries).
7. The form of Memorandum is in two parts. Any person who intends to establish a micro, small or medium enterprise engaged in providing or rendering of services may file or those who want to establish medium enterprise engaged in the production or manufacture of products shall file part 1 of the Entrepreneurs Memorandum to District Industries Centre.
8. Once the above enterprises start production or start providing or rendering services, they should file Part II of the Entrepreneurs Memorandum to District Industries Centre.

9. In case of non-filing of Part II of the Entrepreneurs Memorandum within two years of the filling of Part I, the Memoraundum (Part I) filed by the Entrepreneur will become invalid.
 10. In case of change in the investment in plant and machinery or in equipment, the enterprises who have already filed Entrepreneurs Memorandum should inform the District Industries Centre of the same writing three month of the change in investment.
 11. In case of change of products and that of services or addition in products or services, the enterprises who have already filed Entrepreneurs Memorandum should inform the District Industries Centre of the same in writing within three month of the change.
 12. The District Industries Centre shall, in addition of keeping a record, in writing, shall also maintain records electronically on computer.
-

Format for issue of Incentive Information Letter

Government of Tamil Nadu
Department of Industries and Commerce

From

Thiru
General Manager,
District Industries Centre
_____ District

To

M/s.
(Name & Address of the Enterprise)

Lr. No.

Date :

Sir,

Sub : Entrepreneur Memorandum - Filing of EM (Part II) - Acknowledgement - Intimation on incentives eligible to your Enterprise as per Micro, Small and Medium Industries Policy 2008 - Reg.

Ref : Your application dated

Your application for filing of Entrepreneur Memorandum (Part II) has been processed and the Acknowledgement is enclosed herewith.

Based on the information produced by you in the Entrepreneur Memorandum (Part II), it is informed that your enterprise is considered eligible for availing the incentives as enclosed in the Annexure, as per the Micro, Small and Medium Industries Policy 2008, subject to physical inspection and confirmation of the existence, functioning and commencement of commercial production and verification of assets created at your enterprise.

You are requested to apply for each of the incentives applicable to your enterprise in the prescribed format and within the time limit applicable to each of them.

This letter is given as a matter of information only and does not confer any right to claim any of these incentives.

General Manager.

Details of incentives eligible to Micro, Small and Medium Enterprises set up in _____ District as announced in the Micro, Small and Medium Industries Policy 2008

| No. | Name of the incentive | Whom to apply | | Outer time limit for filing of application |
|-----|---|--|---------------------------------|--|
| | | Self financed/Bank financed Enterprises | Enterprises financed by T.I.I.C | |
| 1 | 50% Rebate on Stamp Duty & Registration Charge for purchase of land for industrial purpose. | General Manager, District Industries Centre concerned | | Within 6 months from the date of commencement of commercial production |
| 2 | Subsidy on the assessed Value Added Tax. (Micro Enterprises only) | General Manager District Industries Centre concerned or Regional Joint Director, Chennai | | Within 6 months from the date of commencement of commercial production |
| 3 | 15% Capital Subsidy on the value of Plant & machinery items. | General Manager District Industries Centre concerned or Regional Joint Director, Chennai | T.I.I.C | -do- |
| 4 | 5% Additional Capital Subsidy on the value of Plant & machinery items for employment intensive enterprises. | General Manager District Industries Centre concerned or Regional Joint Director, Chennai | T.I.I.C | -do- |
| 5 | 5% Additional Capital Subsidy on the value of Plant & machinery items for enterprises established by Women / SC / ST Entrepreneurs. | General Manager District Industries Centre concerned or Regional Joint Director, Chennai | T.I.I.C | -do- |
| 6 | Additional Capital Subsidy of 25% on the value of Plant & machinery / Equipment (for items not covered for capital subsidy) installed to promote cleaner and environment friendly technologies. | General Manager District Industries Centre concerned or Regional Joint Director, Chennai | T.I.I.C | Within 6 months from the date of commencement of commercial production or within 6 months from the Date of installation of plant and machinery installed to promote cleaner and environment friendly technologies, whichever is later. |

| | | | | |
|----|---|---|---------|---|
| 7 | Low Tension Power Tariff Subsidy. | General Manager District Industries Centre concerned or Regional Joint Director, Chennai. | | Within 3 months from the Date of commencement of commercial production or date of power connection whichever is later. |
| 8 | Special Capital Subsidy for thrust sector Enterprises. | General Manager District Industries Centre concerned or Regional Joint Director, Chennai. | T.I.I.C | Within 6 months from the date of commencement of commercial production. |
| 9 | Back-ended Interest Subsidy for Technology Upgradation / Modernization. | General Manager District Industries Centre concerned or Regional Joint Director, Chennai. | T.I.I.C | On quarterly basis through the respective financial Institutions. |
| 10 | Subsidy for assets creation for Intellectual Property | General Manager District Industries Centre concerned or Regional Joint Director, Chennai | | Within 6 months from the date of filing application for Patent Registration or Trade Mark registration in India or abroad |

Annexure 4**List of 251 notified backward blocks in the State**

| No. | Name of the Block | District |
|------------|--------------------------|-------------------|
| 1 | Annur | Coimbatore |
| 2 | Gudimangalam | |
| 3 | Kinathukadavu | |
| 4 | Pongalur | |
| 5 | Sultanpet | |
| 6 | Annagramam | Cuddalore |
| 7 | Kammapuram | |
| 8 | Kattumannarkoil | |
| 9 | Kumaratchi | |
| 10 | Kurinjipadi | |
| 11 | Mangalore | |
| 12 | Melbhuvanagiri | |
| 13 | Nallur | |
| 14 | Parangipettai | |
| 15 | Harur | Dharmapuri |
| 16 | Karimangalam | |
| 17 | Morappur | |
| 18 | Nallampalli | |
| 19 | Palacode | |
| 20 | Pappireddipatti | |
| 21 | Pennagaram | |

| | | |
|----|-------------------|---------------------|
| 22 | Guziliamparai | Dindigul |
| 23 | Natham | |
| 24 | Nilakottai | |
| 25 | Oddenchatram | |
| 26 | Reddiarchatram | |
| 27 | Shanarpatti | |
| 28 | Thoppampatti | |
| 29 | Vadamadurai | |
| 30 | Vedasandur | |
| 31 | Anthiyur | Erode |
| 32 | Kundadam | |
| 33 | Thalavadi | |
| 34 | Acharappakkam | Kancheepuram |
| 35 | Chithamur | |
| 36 | Kundrathur | |
| 37 | Lathur | |
| 38 | Madurantagam | |
| 39 | Thirukazhukundram | |
| 40 | Uthiramerur | |
| 41 | Walajabad | |
| 42 | Rajakkamangalam | Kanyakumari |
| 43 | Thiruattar | |
| 44 | Thovalai | |
| 45 | Aravakurichi | Karur |
| 46 | K.Paramathi | |
| 47 | Kadavur | |
| 48 | Krishnarayapuram | |
| 49 | Thanthoni | |
| 50 | Thogamalai | |

| | | |
|----|--------------------|--------------------|
| 51 | Bargur | Krishnagiri |
| 52 | Kaveripattinam | |
| 53 | Kelamangalam | |
| 54 | Mathur | |
| 55 | Sulagiri | |
| 56 | Thally | |
| 57 | Uthangarai | |
| 58 | Veppanapalli | |
| 59 | Alanganallur | Madurai |
| 60 | Chellampatti | |
| 61 | Kalligudi | |
| 62 | Kottampatti | |
| 63 | Madurai East | |
| 64 | Sedapatti | |
| 65 | T.Kallupatti | |
| 66 | Thirumangalam | |
| 67 | Thirupparankundram | |
| 68 | Usilampatti | |
| 69 | Vadipatti | |
| 70 | Keelaiyoor | Nagai |
| 71 | Kelvalur | |
| 72 | kollidam | |
| 73 | Kuttalam | |
| 74 | Sembanar koil | |
| 75 | Sirkalai | |
| 76 | Talainayar | |
| 77 | Thirumarugal | |
| 78 | Vedaraniyam | |

| | | |
|-----|----------------|-------------------|
| 79 | Elachipalayam | Namakkal |
| 80 | Erumaipatti | |
| 81 | Kabilarmalai | |
| 82 | Kollihills | |
| 83 | Mallasamudram | |
| 84 | Mohanur | |
| 85 | Namagiripettai | |
| 86 | Puduchatram | Nilgiris |
| 87 | Vennandur | |
| 88 | Gudalur | |
| 89 | Kotagiri | Ariyalur |
| 90 | Ooty | |
| 91 | Andimadam | |
| 92 | Ariyalur | |
| 93 | Jayankondam | |
| 94 | Sendurai | |
| 95 | T.Palur | Perambalur |
| 96 | Thirumanur | |
| 97 | Alathur | |
| 98 | Veppanthattai | Pudukottai |
| 99 | Veppur | |
| 100 | Annavasal | |
| 101 | Arimalam | |
| 102 | Avudaiyarkoil | |
| 103 | Gandarvakottai | |
| 104 | Karambakudi | |
| 105 | Kunnadarkoil | |
| 106 | Manamelkudi | |

| | | |
|-----|---------------------|-------------------|
| 107 | Ponnamaravathi | Pudukottai |
| 108 | Thirumayam | |
| 109 | Thiruvarankulam | |
| 110 | Viralimalai | |
| 111 | Bogalur | Ramnad |
| 112 | Kadaladi | |
| 113 | Kamuthi | |
| 114 | Mandapam | |
| 115 | Mudukulathur | |
| 116 | Nainarkovil | |
| 117 | R.S.Mangalam | |
| 118 | Thiruppullani | |
| 119 | Thiruvadanai | |
| 120 | Ayothiapatnam | Salem |
| 121 | Kadayampatti | |
| 122 | Konganapuram | |
| 123 | Mechery | |
| 124 | Omalur | |
| 125 | Pethanaickenpalayam | |
| 126 | Thalaivasal | |
| 127 | Tharamangalam | |
| 128 | Yercaud | |
| 129 | Ilayangudi | Sivagangai |
| 130 | Kalaiyarkoil | |
| 131 | Kallal | |
| 132 | Kannankudi | |
| 133 | Manamadurai | |
| 134 | S.Pudur | |

| | | |
|-----|-------------------|--------------------|
| 135 | Singampunari | Sivagangai |
| 136 | Sivagangai | |
| 137 | Thiruppathur | |
| 138 | Thiruppuvanam | |
| 139 | Ammapettai | Thanjavur |
| 140 | Budalur | |
| 141 | Madukkur | |
| 142 | Orathanadu | |
| 143 | Papanasam | |
| 144 | Peravurani | |
| 145 | Sethubava-chatram | |
| 146 | Thiruppanan-dal | |
| 147 | Thiruvaiyaru | |
| 148 | Thiruvonam | |
| 149 | Andipatti | Theni |
| 150 | Chinnamanur | |
| 151 | Cumbum | |
| 152 | K.Myladumparai | |
| 153 | Alwarthirunageri | Thoothukudi |
| 154 | Karungulam | |
| 155 | kayathar | |
| 156 | Kovilpatti | |
| 157 | Ottapidaram | |
| 158 | Pudur | |
| 159 | Sattankulam | |
| 160 | Srivaikundam | |
| 161 | Tiruchendur | |
| 162 | Udangudi | |
| 163 | Vilathikulam | |

| | | |
|-----|----------------------|------------------------|
| 164 | Lalgudi | Tiruchirappalli |
| 165 | Manachanallur | |
| 166 | Mannaparai | |
| 167 | Marungapuri | |
| 168 | Musiri | |
| 169 | Pullambadi | |
| 170 | Thathanyangar Pettai | |
| 171 | Thottiam | |
| 172 | Thuraiyur | |
| 173 | Uppiliapuram | |
| 174 | Vaiyampatti | |
| 175 | Alangulam | Tirunelveli |
| 176 | Kadayam | |
| 177 | Kuruvikulam | |
| 178 | Melaneelithanallur | |
| 179 | Nanguneri | |
| 180 | Pappakudi | |
| 181 | Radhapuram | |
| 182 | Ellapuram | Tiruvallur |
| 183 | Kadambathur | |
| 184 | Pallipet | |
| 185 | Poondi | |
| 186 | R.K.Pet | |
| 187 | Sholavaram | |
| 188 | Tiruvalangadu | |
| 189 | Annakkavoor | Tiruvannamalai |
| 190 | Arani | |
| 191 | Chengam | |
| 192 | Chetpat | |

| | | |
|-----|-------------------|-----------------------|
| 193 | Cheyar | Tiruvannamalai |
| 194 | Jawathumalai | |
| 195 | Kalasapakkam | |
| 196 | Kilpennathur | |
| 197 | Peranamallur | |
| 198 | Polur | |
| 199 | Pudupalayam | |
| 200 | Thandrampat | |
| 201 | Thellar | |
| 202 | Thurinjapuram | |
| 203 | Vandavasi | |
| 204 | Vembakkam | Tiruvarur |
| 205 | West Arani | |
| 206 | Kodavasal | |
| 207 | Koradachery | |
| 208 | Kottur | |
| 209 | Muthupet | |
| 210 | Needamangalam | |
| 211 | Thiruthuraipoondi | |
| 212 | Valangaiman | Vellore |
| 213 | Anaicut | |
| 214 | Arcot | |
| 215 | Jolarpet | |
| 216 | K.V.Kuppam | |
| 217 | Kandhili | |
| 218 | Kaveripakkam | |
| 219 | Natrampalli | |
| 220 | Nemili | |
| 221 | Pernambut | |

| | | |
|-----|-------------------|---------------------|
| 222 | Sholingur | Vellore |
| 223 | Thimiri | |
| 224 | Tirupattur | |
| 225 | Chinnasalam | Villupuram |
| 226 | Gingee | |
| 227 | Kallakurichi | |
| 228 | Kalvarayanmalai | |
| 229 | Kanai | |
| 230 | Kandamangalam | |
| 231 | Mailam | |
| 232 | Marakkanam | |
| 233 | Melmalaiyanur | |
| 234 | Mugaiyur | |
| 235 | Olakkur | |
| 236 | Rshivandiyam | |
| 237 | Sankarapuram | |
| 238 | Thirukoilur | |
| 239 | Thirunavalur | |
| 240 | Thiruvonnainallur | |
| 241 | Thiyagadurgam | |
| 242 | Ulundurpet | |
| 243 | Vallam | |
| 244 | Vanur | |
| 245 | Vikkiravandi | |
| 246 | Kariyapatti | Virudhunagar |
| 247 | Narikudi | |
| 248 | Sattur | |
| 249 | Thiruchuli | |
| 250 | Vembakkottai | |
| 251 | Watrap | |

List of Manufacturing Enterprises/activities ineligible for incentives

1. Sugar
2. Distilleries, Brewery and Malt Extraction
3. Units utilizing Molasses/rectified spirit/de-natured spirit as raw material for manufacture of potable alcohol.
4. Popcorn and Ice Candy Making units
5. Fertiliser
6. Fertiliser Mixing
7. Mining and Quarrying
8. Iron and Steels Smelting
9. Beedies/Cigarettes/Cigars/Gutka and Tobacco based products
10. All types of Saw Mills
12. Cement
13. Textiles (including Spinning and Knitting)
14. Flour Mills
15. Hotels
16. Edible Oils and Solvent Extraction Units
17. Rice Mills
18. Aluminium Smelting.
19. Calcium Carbide
20. Slaughter House
21. Kandasari unit
22. Photo Studios and Colour Processing units
23. Photo copying and Xerox Machines
24. Re-packing of Drugs/Medicine/Chemical, without any processing or value addition
25. Azoic/Reactive Dyes
26. Fire Crackers
27. Industries manufacturing and or utilizing Ozone depleting substances

28. Power Laundries.
29. Brick Making Units (excluding Cement Hollow Blocks, Wire cut and Fly ash bricks)
30. Poultry
31. Coffee Roasting and Grinding
32. Clock and Watch Repair Shops
33. Cassette Recording (Audio & Video)
34. Cyanide
35. Caustic Soda
36. Potassium Chloride
37. Nylon Fibre.
38. Rayon Fibre.
39. Polyester Fibre.
40. Any other enterprise/activity as may be notified by Govt.

Note : Agro and Food processing activities from the above list which have been considered eligible for availing subsidy under the erstwhile NAMT scheme, would be considered eligible for backward area subsidies listed in Chapter 7, irrespective of the above restriction.

LIST OF ELECTRICAL & ELECTRONIC ITEMS ELIGIBLE FOR SUBSIDY

A. ELECTRICAL ITEMS ELIGIBLE FOR SUBSIDY

I. CONSUMER ITEMS:

1. Bicycle Dynamo
2. Bulk Head Fitting
3. Dry Cell Torch Light
4. Electric Emergency Lamp
5. Electric Table Lamp
6. Electrical Light Fitting Reflectors
7. Fluorescent Tube Fittings
8. G.L.S.Lamps

II. DOMESTIC:

1. Automatic and Non-automatic
Electric Irons
2. Bread Toasters
3. Cloth Washing Machine (without drier)
4. Coffee Percolator
5. Electric Ceiling Fan
6. Electric Cigarette lighter
7. Electric Egg boiler
8. Electric Hair drier
9. Electric Hot case
10. Electric Hot Plates (single)
11. Electric Instantaneous Water Heater
12. Electric Kettles
13. Electric Mixer
14. Electric Room-heater

15. Electric stove
16. Electric Tandoor
17. Electric Wet Grinder
18. Espresso Coffee Machine
19. Food Warmer
20. Ice Cream Makers
21. Stationary Storage type Electric Water Heaters
22. Table fan

III. INDUSTRIAL:

1. Air Cooler
2. Armature Tester
3. Auto Transformer
4. Battery Tester
5. Control Panel
6. Electric Horn
7. Electric Immersion Heater
8. Electric soldering Iron
9. Exhaust fan (Heavy duty)
10. FHP Motor and Coolant Pump
11. Fractional horse power (FHP) motors
12. Hot air convector
13. Hot air oven (Industrial type)
14. Lead-acid Batteries
15. Rewinding of Electrical motors upto 5HP
16. Rewirable porcelain Fuse units
17. Solenoids
18. Window Model Air-conditioner

IV. COMPONENTS:

1. Air break switches & drop out fuses
2. Auto and Miniature Bulbs
3. Automobile starters
4. Bakelite Electrical Accessories (3 Pin plug top)
5. Bakelite Electrical Accessories (3 Pin sockets)
6. Bakelite Electrical Accessories (Switches)
7. Carbon Brushes
8. Chokes for Fluorescent Tube Lights
9. Cotton insulating tapes
10. Electric Brass lamp holders
11. Link clips
12. Lamp Holders and Ceiling Roses
13. Mains & Output transformers
14. Power Cord for instruments/Equipments
15. Push button Starters
16. Speedometer cable, casing & control cable
17. Star Delta Starters
18. Starters for Fluorescent Tubes
19. Super Enameled Aluminium Wire
20. Super Enameled Copper Wire

V. POWER:

1. AA / ACSR Conductors
2. Auto Electric Fuse and Fuse boxes
3. Current & Potential Transformers
4. Distribution Board (3 PH)
5. Electric motors
6. Metal clad switches

VI. Any other item to be included later

B. LIST OF ELECTRONIC ITEMS ELIGIBLE FOR SUBSIDY

I. CONSUMER ELECTRONICS

Black & White (Monochrome) TV Receiver

Colour T.V.Receiver

Compact Disk Player

Condenser Microphones

Digital clock (with alarm/chime)

Digital watches

Electronic Ballast for TFL Lamps

Electronic buzzer / Musical Door Bell

Electronic calculator (Table top type)

Electronic gas lighter

Electronic Toys

Electronic watches

Graphic equalizer

I.C.Amplifier

Low cost radios

Multipurpose Pre-amplifier

Portable Black & White TV Receiver

Public Address System

Quartz analog clock

Running (Disco) lights

Stereo amplifier

Stereophonic Tape deck

Stereophonic Tape Recorder

Telescopic aerials

T.V.Antenna including dish antenna

T.V./Video Games

T.V.Signal boosters

II. INSTRUMENTATION & INDL.ELECTRONICS

1. Automatic Battery Charger
2. Automatic Battery Charger (Heavy Duty)
3. Automatic I.C. tester
4. Auto. Liquid Level Indicator/Controller
5. Battery eliminator
6. Beepers
7. Burglar alarm
8. Custom Built Control Panel
9. D.C. Power Supplies
10. Demand Pace Maker
11. Digital Biomedical Temperature Monitor
12. Digital multimeter
13. Digital tachometer
14. Digital thermometer
15. Digital voltmeter
16. Electro Cardio Graphic (ECG) Monitor
17. Electronic Breath Alcohol Analyzer
18. Electronic Dash Board for Automobiles
19. Electronic Digital Weighing Machine
20. Electronic fan regulators
21. Electronic Flashers for automobiles
22. Electronic Insect killer
23. Electronic Insulation Tester
24. Electronic Pressure Controller/Indicator
25. Electronic Shock Protector
26. Electronic Stethoscope
27. Electronic Taximeter
28. Electronic Timer
29. Electronic trainers
30. Electronic Vibration Analyzer

31. Emergency tube light
32. Hearing aids
33. Invertors
34. Logic probe
35. Manual Voltage Stabilizer
36. MP Trainer/Development aid
37. Portable Electro Cardio Graph
38. Servo controlled voltage stabilizer
39. Servo Controlled Voltage Stabilizer (HD)
40. Smoke & gas detector
41. Solid State Automatic Voltage stabilizer
42. Solid state ignition
43. Solid State Light Dimmer
44. Solid state single-phase preventer
45. Spike Buster/Suppressor
46. Switch mode power supply
47. Temperature Controller/Indicator
48. Uninterrupted power supply
49. Digital panel meter
50. Moving coil panel meter
51. Automatic Street Light Switching System

III. COMPUTER HARDWARE & SOFTWARE

1. Cash Register
2. C.R.T.Terminal (Monochrome)
3. Floppy Diskettes
4. Hard Disk Drive for Computer
5. Key boards
6. MP Based control systems
7. Personal Computer
8. Ribbon for Computer printout units
9. Software Development

IV. COMMUNICATION EQUIPMENT

1. Parabolic (Dish) Antennae systems
Alpha-numeric pager

V. COMPONENTS

1. Air trimmers
2. Carbon Potentiometers
3. Cermet potentiometers & trimmers
4. Coils for Radio & TV sets
5. Deflection components
6. Electronic TV Tuner with operating unit
7. I.F. Transformers
8. Light emitting diode Display
9. Loud speakers
10. Mini / Micro Motor
11. Printed Circuit Board(PCB) (Double-sided & Multilayer)
12. Printed Circuit Board (PCB) (Single-sided)
13. PCB Connectors and I.C. Sockets
14. Plastic Components for Electrical applications
15. Polyester film capacitors
16. Polystyrene capacitors
17. Power capacitors
18. Probe for ultrasonic therapy
19. Quartz Analog Clock Mechanism
20. Rechargeable Cells (Ni-Cd)
21. Small Step down Transformers
22. Soft & Hard Ferrites
23. Tantalum capacitors
24. Thermistors & varistors
25. Turret Tuner for TV Receivers
26. Wire wound potentiometers
27. Wire wound Resistors
28. Electronic Thickness Gauges

VI. Any other item to be notified later

Automobile Parts/Components eligible for Special Capital Subsidy

No. Item

Brakes

1. Air brakes
2. Brake drums, Axle housings
3. Brake linings
4. Clutch facings
5. Friction materials
6. Hose assembly
7. Hoses, Hose pipes
8. Hydraulic Brake assembly
9. Twin Cylinder pumps (Air compressor)

Electrical Items

10. Armature
11. Arms and blades
12. Alternator
13. Self Starter
14. Batteries
15. Battery cables
16. Bobbin
17. Electrical fuse
18. Electrical horn
19. Fly wheel magnets
20. ISD coil
21. Side, Stop, Spot and Tail lamps assemblies
22. Speed regulators
23. Wiper Motors
24. Wiring harness

Engine

25. Camshaft
26. Carburettors
27. Clutch cover assembly
28. Crankshaft
29. Cylinder Liners
30. Engine valves
31. Fly Wheel ring gears
32. Gaskets
33. Inlet, exhaust value guides
34. Oil seals
35. Piston, Pin and Rings, connecting rods
36. Radiator Grills
37. Radiators
38. Valve lifters

Engine Reconditioning Unit

39. Air filter
40. Diesel oil filter
41. Engine oil filter
42. Exhaust manifold sleeve
43. Flywheel housing
44. Water pump body

Fuel Pump

45. Delivery valves
46. Nozzle and Nozzle holders
47. Pump Elements

Gear Box

- 48. Clutch housing
- 49. Gear bush
- 50. Shifting lever
- 51. Synchro cones and Synchronizer rings

Rear axle

- 52. Rear Axle Aluminium cover
- 53. Rear Axle shafts
- 54. Spacer

Transmission

- 55. Auto leaf springs
- 56. Automobile gears
- 57. Brake and clutch pedal pads
- 58. Chamber testing machine
- 59. Clutch fork
- 60. Clutch release bearing housing
- 61. Clutch Withdrawal plate
- 62. Companion Flange
- 63. Hub cap
- 64. King pins and bushes
- 65. Pressure plate for cover assembly
- 66. Propeller shafts
- 67. Steering wheels
- 68. Steering, Gears, ball and roller bearings
- 69. The rods and Tie Rod ends
- 70. Tools in gauges
- 71. **Wheels and Disc**
- 72. Tyre inflators
- 73. Tyre valve pull out tools

- 74. Tyres and tubes
- 75. Wheel disc

Miscellaneous

- 76. 100 CC/175 CC Cylinder on job work for automobiles
- 77. 3 G.C. Regulator covers
- 78. Adopter plate
- 79. Air Gauge
- 80. Air tank
- 81. Armature tester
- 82. Auto bulbs
- 83. Auto pins
- 84. Automotive cables
- 85. Battery cell Tester
- 86. Bearing cup for transmission
- 87. Bearing cup for transmission
- 88. Bimetal bearings
- 89. Brake Tube protector
- 90. Chain case covers
- 91. Close Die Forging unit for Automobile applications
- 92. Clutch Housing
- 93. Coiled Springs
- 94. Connecting Rod Screw for Engine
- 95. Cylinder Head (For 4 Wheelers and 2 wheelers)
- 96. Dash Board instruments
- 97. Distributor arm moulding
- 98. Dual seat mounting (RH and LH bracket)
- 99. Electric horns
- 100. Exhaust mufflers
- 101. Fan belts
- 102. Filter inserts

103. Flanging Tools
104. Flat springs
105. Fly wheels
106. Frame Gusset plate
107. Fuel lines
108. Fuel pump Brackets
109. Fuel pump Housing Castings
110. Fuel pumps
111. Fuel Tank
112. Fuel tank bracket
113. Fuel Tank cup
114. Gear Box Housing
115. Gear case cover
116. Grease guns
117. Grease nipple
118. Grease nipples
119. H.T. Fasteners for automobile application
120. Hollow Dowel for Axle
121. Hand brake strut
122. Handles and locks
123. Handles and Tools
124. Head lamps
125. Hollow Dowel
126. Horn Buttons
127. Ignition coils
128. Impellers
129. Inlet Manifold
130. King pipe
131. M.12 collar nut
132. M.12 Colar nut for engine
133. M.14 Wheel nut for Engine

134. M.14 Wheel nut for Engine
135. M.18 Assembly nut R.M.
136. M.18 Assembly Wheel nut L.H. for wheel hub
137. M.18 Assembly wheel nut LH
138. M.18 Assembly Wheel nut R.H. for wheel hub
139. M.20 Hub nut for wheel hub
140. M.20 hub nut
141. M.22 Assembly wheel nut
142. M.22 Assembly Wheel nut for wheel hub
143. M.30 sealing plug
144. M.80 sealing plug for cylinder head
145. M.T.C. 35 Top Cap
146. M.T.C.35 top cap for tie rod
147. Main bearings case cover
148. Main gear case
149. MIC sealing plug for steering box
150. MTC sealing plug
151. Mudguard stay
152. Oil gauge
153. Oil Pump Body
154. Oil pumps
155. Other auto Rubber components
156. Painting equipments like spray guns
157. Precured rubber
158. Pressure Die Castings for Automobile application
159. Pressure lock for engine
160. Radiator base
161. Reflector sleeves for Head pumps
162. Ring Expanders and Connectors
163. Rocker Arm shaft
164. Rocker shafts

165. Rubber components such as rubber beading, bushes, brake pedal etc.,
166. Shackle pin bushes
167. Shale pins
168. Shock absorber
169. Side bearing cap
170. Side frames
171. Silencer baffle plate
172. Silencer Muffler
173. Silencer pipes
174. Spark plug
175. Sprockets for two wheelers
176. Stud removers
177. Support assembly gate side (RH and LH)
178. 179.Supporting arms and job machine of differential carriers
179. The swing arm assembly to two wheelers
180. Thermostat Housing Casting
181. Tread Rubber
182. Valve spring cup
183. Valve spring cup for retainer
184. Vibration Dampers
185. Water pump body
186. Window Channels
- 187. Any other item to be included later**

List of well established and improved technologies in specified sub-sectors / products in the guidelines on Credit Linked Capital Subsidy Scheme (CLCSS) Scheme of Government of India.

The guidelines on **Credit Linked Capital Subsidy Scheme (CLCSS)** Scheme of Government of India has dealt in detail the Well Established and Improved Technologies in respect of the of the following industries .

1. Bio-tech Industry
2. Common Effluent Treatment Plant
3. Corrugated Boxes
4. Drugs and Pharmaceuticals
5. Dyes and Intermediates
6. Industry based on Medicinal and Aromatic plants
7. Plastic Moulded/ Extruded Products and Parts/ Components
8. Rubber Processing including Cycle/ Rickshaw Tyres
9. Food Processing (including Ice Cream manufacturing)
10. Poultry Hatchery & Cattle Feed Industry
11. Dimensional Stone Industry (excluding Quarrying and Mining)
12. Glass and Ceramic Items including Tiles
13. Leather and Leather Products including Footwear and Garments
14. Electronic equipment viz test, measuring and assembly/ manufacturing, Industrial process control; Analytical, Medical, Electronic Consumer & Communication equipment etc.
15. Fans & Motors Industry
16. General Light Service(GLS) Lamps
17. Information Technology (Hardware)
18. Mineral Filled Sheathed Heating Elements
19. Transformer/ Electrical Stampings/ Laminations /Coils/Chokes including Solenoid coils
20. Wires & Cable Industry
21. Auto Parts and Components

22. Bicycle Parts
23. Combustion Devices/ Appliances
24. Forging & Hand Tools
25. Foundries – Steel and Cast Iron
26. General Engineering Works
27. Gold Plating and Jewellery
28. Locks
29. Steel Furniture
30. Toys
31. Non-Ferrous Foundry
32. Sport Goods
33. Cosmetics
34. Readymade Garments
35. Wooden Furniture
36. Mineral Water Bottle
37. Paints, Varnishes, Alkyds and Alkyd products
38. Agricultural Implements and Post Harvest Equipment
39. Beneficiation of Graphite and Phosphate
40. Khadi and Village Industries
41. Coir and Coir Products
42. Steel Re-rolling and /or Pencil Ingot making Industries
43. Zinc Sulphate
44. Welding Electrodes
45. Sewing Machine Industry
46. Industrial Gases
47. Printing Industry
48. Machine Tools

Detailed on each of the above can be downloaded from the website
<http://www.smallindustryindia.com/schemes/sccredit.htm>

7.4 Details of Term loan sanctioned and availed :

- a. Name of the Bank/Financial Institution :
- b. Type of Loan :
- c. loan Sanction No. and date :
- d. Term loan Sanctioned in Rs. :
- e. Term loan released in Rs. :
- f. Rate of Interest % :

8. Details of Power Supply

8.1. Service connection No. & Date :

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
| | | | | | | | | | |

8.2. Load Details :

| | Sanctioned Load | Connected Load | | | | | | |
|--------------------|--|-------------------|--|--|--|--|--|--|
| Power Load H.P. | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | |
| | | | | | | | | |
| Lighting Load H.P. | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | |
| | | | | | | | | |
| Total H.P. | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | |
| | | | | | | | | |

9. Employment created / likely to be created

| | Men | Women | Total | | | | | | | | | |
|-----------------------------|--|-------|-------|--|--|--|--|--|--|--|--|--|
| i) Managerial : | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| ii) Supervisory / Technical | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| iii) Workers | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| a) Skilled | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| b) Semi-skilled | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| c) Unskilled | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Total | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |

10. Details of Registration with Commercial Tax Department with Date

- i. TIN Number and Date :
- ii. CST Registration Number and Date :

11. Date of commencement of commercial production

| | |
|--|--|
| | |
|--|--|

| | |
|--|--|
| | |
|--|--|

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

12. Date of first sale invoice raised or date of first delivery Challan (in case of enterprises manufacturing on job work basis) Give Invoice/ delivery Challan Number & Date

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

13. Details of subsidy claimed in Rs. :

a. Plant and Machinery value

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

b. Capital Subsidy / Special Capital subsidy @ 15% of Plant and Machinery (Maximum Rs. 30 lakhs)

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

c. Employment Intensive Subsidy @ 5% of Plant and Machinery value (Maximum Rs. 5 lakhs)

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

d. Additional Capital Subsidy for Select Category of Entrepreneurs 5% (Maximum Rs. 2 lakhs)

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

e. Additional Capital Subsidy on @ 25% on the vale of Plant and Machinery installed to promote cleaner and environment friendly technologies (Maximum Rs. 3 lakhs)

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

Total subsidy claimed * Rs.

(* This should not exceed Rs.40.00 Lakh per Enterprise)

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

Declaration

I / We hereby declare that all the information given above and the statements and other documents enclosed are to the best of our knowledge and belief, true and correct.

I / We hereby agree that, I / We shall forthwith repay the Capital Subsidy / Special Capital Subsidy for Thrust sector enterprises / Employment Intensive Subsidy / Additional Capital Subsidy for select category of entrepreneurs / Additional Capital Subsidy for promotion of Cleaner and Environment friendly technologies disbursed to the unit, if the amount of subsidy is found to have been disbursed in excess of the amount actually admissible for whatever reason. Further we also shall be liable to pay interest at such rate as prescribed by the Government from time to time on such amounts and such other changes / expenses which may be repayable by us.

It is further certified that I / we have not hitherto applied for or have received any amount by way of grant / subsidy in respect of this Enterprise from Government / Financial institution.

Place :

Authorized signatory

Date :

Designation with seal

List of Documents to be submitted along with subsidy application

I. General

1. Copy of Entrepreneur Memorandum (Part I) and (Part II).
2. Copy of Partnership Deed, If Partnership Concern; in case Limited Company copy of Memorandum and Articles of Association duly signed by the Managing Director.
3. If the Enterprise is functioning in its own land, copy of land purchase deed duly signed by the applicant.
4. If the Enterprise is functioning in a leased land/ building, copy of lease agreement deed executed in stamp paper of Rs.10/- , for a minimum period of 5 years from the date of commencement of commercial production .
5. Certificate from Block Development Officer regarding the block/ area in which the enterprise is located.
6. Copy of Loan Sanction letter from the Bank / Financial Institution in respect Bank / Institutional financed Enterprises.
7. Copy of sanction order from T.N.E.B for power supply with copy of Meter card.
8. Copy of the invoices, cash bills and stamped receipt duly attested. In case of non-availability of receipts, the bank scroll which shows the payment, with the details of the machinery supplier, should be furnished, in original, with the attestation of the Bank Manager.
9. Certificate of Chartered Accountant for fixed assets created as on date of commencement of commercial production in the prescribed form (Annexure-A)
10. Certificate of commencement of commercial production duly signed by Chartered Accountant .
11. For self fabricated Plant and Machinery items
 - i. Chartered Engineer's Certificate for the value of the plant and machinery.
 - ii. Chartered Accountant Certificate for the expenses incurred for the purchase of Plant and machinery to be furnished.
 - iii. Copy of the invoices, cash bills , job work bills and stamped receipt duly attested
12. Copy of the first sale invoice raised after commencement of Commercial Production or copy of first delivery challan ,in case of enterprises manufacturing on job work basis.

II. Additional documents for to be submitted in respect of enterprises applying for Employment Intensive Subsidy/Additional Capital Subsidy for Select Category of Entrepreneurs & for Promotion of Cleaner and Environment Friendly Technologies

13. Self declaration for having employed more than 25 workers with copy of returns to Labour Department / Inspector of Factories Department etc.,

14. Social/clinical status Certificate from authorities concerned in respect of select category of entrepreneurs like SC/ST / Physically Handicapped / Transgender etc,
15. Letter from Tamil Nadu Pollution Control Board regarding promotion of Cleaner and Environment friendly technologies in the unit.

III. Additional documents in respect of existing enterprises taking up expansion / diversification.

Certificate from Chartered Accountant on the following

16. Date of commencement of commercial production after expansion / diversification
17. Annual production turnover for the last 3 years before the date of commencement commercial production under expansion/ diversification
18. a. Value of fixed assets before Expansion/diversification , on Expansion / diversification and after Expansion / diversification % increase of fixed assets due to Expansion / diversification.
- b. Production capacity / Turnover (both in terms of units and value in Rs.) before expansion/ diversification, after expansion / diversification and % increase of production capacity / Turnover due to expansion / diversification.

Note : All Original documents should be produced for verification and return at the time of inspection. If the originals are in the bank, the copies should be duly attested by the Branch Manager of the bank which financed the project.

ANNEXURE-A

CHARTERED ACCOUNTANT CERTIFICATE

This to certify that M/s.have made the following fixed capital investment for their new enterprise / expansion / Diversification Project of their existing enterprise and commenced of commercial production of their new enterprise / expansion/ Diversification Project of their existing enterprise on

| Nature of Assets | Existing Unit (or) New Unit | Expansion/ Diversification Project | Total |
|-----------------------|--------------------------------|--|-------|
| | in Rs. | | |
| 1. Land | | | |
| 2. Building | | | |
| 3. Plant & Machinery* | | | |
| 4. Others | | | |
| Total | | | |

* Details to be enclosed separately in the Annexure to this certificate.

I/We hereby confirm that I/We have examined the prescribed registers, books of account and the bank statement in respect of the above unit.

I/We fully understand that any submission made in this certificate if proved incorrect or false, will render me/us liable to face any penal action or other consequences as may be prescribed in the law or otherwise warranted.

Signature & Stamp/seal of the Signatory_____

Name_____

Membership No._____

Full address_____

Name and address of the Institution where registered.

Date:

Place:

Signature of Applicant

Signature of Chartered Accountant

ANNEXURE-B

**LIST PLANT AND MACHINERY INCLUDING INSTALLATIONS DETAILS
AS ON THE DATE OF COMMENCEMENT OF COMMERCIAL PRODUCTION**

| S.No. | Name of the machinery and machine No. | supplier's name | Bill No. & Date | Total cost inclusive of tax | Transport erection etc. (5 & 6) | Total cost of machinery as erected | mode of payment stamped receipt No. & etc. | Date of erection commission of the machinery |
|-------|---------------------------------------|-----------------|-----------------|-----------------------------|---------------------------------|------------------------------------|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | | | | | | | | |

Signature of Applicant

Signature of Chartered Accountant

**GOVERNMENT OF TAMIL NADU
DEPARTMENT OF INDUSTRIES AND COMMERCE**

**ELIGIBILITY CERTIFICATE FOR LOW TENSION POWER TARIFF SUBSIDY
TO MICRO, SMALL AND MEDIUM MANUFACTURING ENTERPRISES**

Office of the General Manager, District Industries Centre,

Eligibility Certificate No. Dated

This is to certify that M/s.
is a Micro / Small / Medium Manufacturing Enterprise engaged in the activity
of
and is eligible for the grant of subsidy on Low Tension Power Tariff.

1.0 Details of their Entrepreneurs Memorandums

1.1. E.M. (Part I) No. :

Date :

1.2. E.M. (Part I) No. :

Date :

2. Details of Power Supply

2.1. Service connection No. & Date :

2.2. Load Details :

| | Sanctioned Load | Connected Load |
|--------------------|--|--|
| Power Load H.P. | <input type="text"/> <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> |
| Lighting Load H.P. | <input type="text"/> <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> |
| Total H.P. | <input type="text"/> <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> |

3. Date of commencement of commercial production

4. Date of receipt of LTPT Subsidy application with Entrepreneur Memorandum (Part II)
5. Subsidy Eligibility at 20% From
- To

Office Seal with Date

GENERAL MANAGER

(See Terms and Conditions over leaf)

Terms and Conditions

- i. The first claim for Power Subsidy should be submitted in Form 'C' within 30 days (i.e.) from the date of issue of this Eligibility Certificate.
- ii. Subsequent Power Subsidy claims for the period from January to June should be submitted on or before 31st August and that for the period from July to December should be submitted on or before 28th /29th February next year.
- iii. Belated claims would not be accepted.
- iv. The subsidy is restricted to the actual energy charges inclusive of surcharge, tax other charges but exclusive of penalty.
- v. The above Eligibility Certificate is issued subject to the condition of availability of funds and policy change or order issued by the Government / Industries Commissioner and Director of Industries and Commerce from time to time.
- vi. Disbursement of subsidy shall be subject to confirming the existence, functioning of the Enterprises at the time of disbursement and without any change made in the constitution / management of the Enterprise made during the eligibility period.
- vii. The Eligibility Certificate does not confer any right whatsoever and it is subject to the availability of funds allotted for the financial year.

6. Details of Power Supply

6.1. L.T. Service connection No. & Date :

6.2. Load Details :

| | Sanctioned Load | Connected Load |
|--------------------|--|--|
| Power Load H.P. | <input type="text"/> <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> |
| Lighting Load H.P. | <input type="text"/> <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> |
| Total H.P. | <input type="text"/> <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> |

7. a) **Period for which the claim pertains to** **From :**
To :

b) **Amount claimed in the TNEB Bill (Rs.) :**

8. Break-up for the amount claimed :

| Month | Units Consumed | Amount paid in Rs. | | | | Total | Subsidy claimed in Rs. |
|--------------|----------------|---------------------|---------------|-----|---------------|-------|------------------------|
| | | Consumption charges | Fixed charges | Tax | Other charges | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Total | | | | | | | |

Declaration

I / We request that the subsidy claimed by us may be reimbursed.

I / We agree to refund the amount, if found inadmissible for any reasons at a later date.

Date :

Place :

Signature of the Applicant

List of enclosures :

1. Attested Copy of EB Meter Card.
2. Attested copies of the bills and copy of receipts.
3. Advance stamped receipt.

6.4 Details of Term loan sanctioned and availed :

- a. Name of the Bank/Financial Institution :
- b. Type of Loan :
- c. loan Sanction No. and date :
- d. Term loan Sanctioned in Rs. :
- e. Term loan released in Rs. :
- f. Rate of Interest % :

7. Details of Power Supply

7.1. Service connection No. & Date :

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
| | | | | | | | | | |

7.2. Load Details :

| | Sanctioned Load | Connected Load | | | | | | |
|--------------------|--|----------------|--|--|--|--|--|--|
| Power Load H.P. | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | |
| | | | | | | | | |
| Lighting Load H.P. | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | |
| | | | | | | | | |
| Total H.P. | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | |
| | | | | | | | | |

8. Employment created / likely to be created

| | Men | Women | Total | | | | | | | | | |
|-----------------------------|--|-------|-------|--|--|--|--|--|--|--|--|--|
| i) Managerial : | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| ii) Supervisory / Technical | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| iii) Workers | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| a) Skilled | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| b) Semi-skilled | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| c) Unskilled | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Total | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | | <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td></tr></table> | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |

9. Details of Registration with Commercial Tax Department with Date

- i. TIN Number and Date :
- ii. CST Registration Number and Date :

10. Date of commencement of commercial production

| | |
|--|--|
| | |
|--|--|

| | |
|--|--|
| | |
|--|--|

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

**11. Date of first sale invoice raised
Give Invoice Number & Date**

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

12. Plant and Machinery value in Rs.

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

13. Anticipated sales turnover and quantum of VAT for the first 6 years.

| Year | Turnover anticipated | Quantum of assessed VAT | VAT subsidy anticipated |
|------|----------------------|-------------------------|-------------------------|
| | in Rs. | | |
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |
| 6. | | | |

Declaration

I / We hereby declare that all the information given above and the statements and other documents enclosed are to the best of our knowledge and belief, true and correct.

Place :

Authorized signatory

Date :

Designation with seal

List of Documents to be submitted along with subsidy application

I. General

1. Copy of Entrepreneur Memorandum (Part I) and (Part II).
2. Copy of Partnership Deed, If Partnership Concern; in case Limited Company copy of Memorandum and Articles of Association duly signed by the Managing Director.
3. If the Enterprise is functioning in its own land, copy of land purchase deed duly signed by the applicant.
4. If the Enterprise is functioning in a leased land/ building, copy of lease agreement deed executed in stamp paper of Rs.10/- , for a minimum period of 5 years from the date of commencement of commercial production .
5. Copy of Loan Sanction letter from the Bank / Financial Institution in respect Bank / Institutional financed Enterprises.
6. Copy of sanction order from T.N.E.B for power supply with copy of Meter card.
7. Copy of the invoices, cash bills and stamped receipt duly attested. In case of non-availability of receipts, the bank scroll which shows the payment, with the details of the machinery supplier, should be furnished, in original, with the attestation of the Bank Manager.
8. Certificate of Chartered Accountant for fixed assets created as on date of commencement of commercial production in the prescribed form (Annexure-A)
9. Certificate of commencement of commercial production duly signed by Chartered Accountant .
10. For self fabricated Plant and Machinery items
 - i. Chartered Engineer's Certificate for the value of the plant and machinery.
 - ii. Chartered Accountant Certificate for the expenses incurred for the purchase of Plant and machinery to be furnished.
11. Copy of the first sale invoice raised after commencement of Commercial Production.

II. Additional documents in respect of existing enterprises taking up expansion / diversification.

Certificate from Chartered Accountant on the following

12. Date of commencement of commercial production after expansion / diversification.
13. Value of Plant & Machinery items created before Expansion/diversification and on Expansion / diversification and % increase in the value of Plant & Machinery due to the Expansion / diversification.
14. Annual Production capacity / Turnover (both in terms of units and value in Rs.) for the last 3 years before the date of commencement commercial production under expansion / diversification, after expansion / diversification and % increase of production capacity / Turnover due to expansion / diversification.

Note : All Original documents should be produced for verification and return at the time of inspection. If the originals are in the bank, the copies should be duly attested by the Branch Manager of the bank which financed the project.

ANNEXURE-A

CHARTERED ACCOUNTANT CERTIFICATE

This to certify that M/s.have made the following fixed capital investment for their new enterprise / expansion / Diversification Project of their existing enterprise and commenced of commercial production of their new enterprise / expansion/ Diversification Project of their existing enterprise on

| Nature of Assets | Existing Unit (or) New Unit | Expansion/ Diversification Project | Total |
|-----------------------|--------------------------------|--|-------|
| | in Rs. | | |
| 1. Land | | | |
| 2. Building | | | |
| 3. Plant & Machinery* | | | |
| 4. Others | | | |
| Total | | | |

* Details to be enclosed separately in the Annexure to this certificate.

I/We hereby confirm that I/We have examined the prescribed registers, books of account and the bank statement in respect of the above unit.

I/We fully understand that any submission made in this certificate if proved incorrect or false, will render me/us liable to face any penal action or other consequences as may be prescribed in the law or otherwise warranted.

Signature & Stamp/seal of the Signatory_____

Name_____

Membership No._____

Full address_____

Name and address of the Institution where registered.

Date:

Place:

Signature of Applicant

Signature of Chartered Accountant

ANNEXURE-B

**LIST PLANT AND MACHINERY INCLUDING INSTALLATIONS DETAILS
AS ON THE DATE OF COMMENCEMENT OF COMMERCIAL PRODUCTION**

| S.No. | Name of the machinery and machine No. | supplier's name | Bill No. & Date | Total cost inclusive of tax | Transport erection etc. | Total cost of machinery as erected (5 & 6) | mode of payment stamped receipt No. & etc. | Date of erection commission of the machinery |
|-------|---------------------------------------|-----------------|-----------------|-----------------------------|-------------------------|--|--|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | | | | | | | | |

Signature of Applicant

Signature of Chartered Accountant

**GOVERNMENT OF TAMIL NADU
DEPARTMENT OF INDUSTRIES AND COMMERCE**

**ELIGIBILITY CERTIFICATE FOR REIMBURSEMENT OF VAT TO
MICRO (MANUFACTURING) ENTERPRISES**

Office of the General Manager, District Industries Centre,

Eligibility Certificate No. Dated

This is to certify that M/s.
is a Micro (Manufacturing) Enterprise engaged in the activity of
.....

1.0 Details of their Entrepreneurs Memorandums (Part II)

Date :

2. Their date of commencement commercial production

i. As a New Enterprise

ii. On their Expansion / Diversification Project

3. Date of receipt of application for VAT subsidy with Entrepreneur Memorandum (Part II)

4. Their Plant and Machinery value in Rs.

i. New / Existing Enterprise

ii. Expansion / Diversification

Total

For New Enterprises

The Enterprise will be eligible for reimbursement of VAT on the value of Plant and Machinery items installed in their Enterprise not exceeding Rs. ———— (Rupees ————) for six years from the date in which the Enterprise has commenced its commercial production (i.e) from ———— to ————.

For Expansion/ Diversification projects

The Enterprise will be eligible for reimbursement of VAT on the additional investments made in plant and machinery for their Expansion / Diversification project, not exceeding Rs. _____ (Rupees _____) for six years from the date in which the Enterprise has commenced its commercial production in on their Expansion / Diversification project (i.e) from _____ to _____, subject to the following conditions.

- i. The Enterprise is eligible for reimbursement of VAT payable for the products manufactured by the expanded/diversified project only.
- ii. The reimbursement of VAT is limited to the increased volume of production only. For the purpose of determining the increased volume of production, the base figure should be the highest volume of production of the Enterprise in any one year during the last 3 years. The Enterprise has to go on paying VAT to the level of base volume of production / sales and the additional VAT liability over and above the base volume of production / sales alone will be eligible for reimbursement of VAT.

Office Seal with Date

GENERAL MANAGER

(See Terms and Conditions over leaf)

Terms and Conditions

- viii. Each claim for Value Added Tax reimbursement in the prescribed application form should be submitted to the General Manager, District Industries Centre concerned or the Regional Joint Director of Industries & Commerce in respect of Chennai District along with required documents mentioned in the application, within 6 months after completion of each financial year or within 1 month from the date of issue of Tax assessment Certificate by the Commercial Tax authorities whichever is later.
- ix. Belated claims would not be accepted.
- x. The subsidy claim will be restricted to the actual VAT paid by the Enterprise on its manufacturing activities only and not on the VAT paid on any trading activities done by the Enterprise. Any indulgence in malpractices of trade being disguised as manufactured goods if discovered later, then the Reimbursement of VAT scheme would be foreclosed and the VAT subsidy received by the Enterprise in all the years covered by the scheme would be recovered in one lump sum.
- xi. The above Eligibility Certificate is issued subject to the condition of availability of funds and policy change or order issued by the Government / Industries Commissioner and Director of Industries and Commerce from time to time.
- xii. Disbursement of subsidy shall be subject to confirming the existence, functioning of the Enterprises at the time of disbursement and without any change made in the constitution / management of the Enterprise made during the eligibility period.
- xiii. The Eligibility Certificate does not confer any right whatsoever and it is subject to the availability of funds allotted for the financial year.

5. Details of Subsidy already claimed (Rs.)

| Year | Actual Turnover | quantum of VAT | VAT subsidy received |
|------|-----------------|----------------|----------------------|
| | | | |

6. Period for which the present claim related :

From

To

7) Amount subsidy claimed at (Rs.) :

| Year | Actual Turnover | quantum of VAT | VAT subsidy received |
|------|-----------------|----------------|----------------------|
| | | | |

Declaration

I / We request that the subsidy claimed by us may be reimbursed.

I / We agree to refund the amount, if found inadmissible for any reasons at a later date.

Date :

Place :

Signature of the Applicant

List of enclosures :

1. Attested Copy of Eligibility Certificate for reimbursement of VAT.
2. Attested copy of Tax assessment Certificate by the Commercial Tax authorities.
3. Advance stamped receipt.

List of Documents to be submitted along with subsidy application

- i. Copy of Entrepreneur Memorandum (Part II).
- ii. Copy of Partnership Deed, If Partnership Concern; in case Limited Company copy of Memorandum and Articles of Association duly signed by the Managing Director.
- iii. Copy of Registered Land Sale deed documents with receipt from Registrar regarding the payment of Stamp Duty/Registration Charges.
- iv. If located in Industrial Estate copy of land allotment letter from Industrial Estate Authorities
- v. Copy of plan Approvals from the local body / Industrial Estate Authorities along with site plan.

DECLARATION

I / We hereby confirm that to the best of our knowledge and belief, information given herein before and other papers enclosed are true and correct in all respects. We further undertake to substantiate the particulars about promoter(s) and other details with documentary evidence as and when called for.

I/We hereby agree that I/We shall forthwith repay the amount to me/us under scheme. If the amount of subsidy on Stamp Duty/ Registration Charges are found to be disbursed in excess of the amount actually admissible whatsoever the reason.

| | |
|-----------|-----------------------|
| Station : | Authorized signatory |
| Date : | Designation with seal |

List of Documents to be submitted along with subsidy application

- vi. Copy of Entrepreneur Memorandum (Part II).
- vii. Copy of Partnership Deed, If Partnership Concern; in case Limited Company copy of Memorandum and Articles of Association duly signed by the Managing Director.
- viii. Copy of Patent / Trade Mark Registration Certificate with details of payments made receipts.

6.4 Details of Term loan sanctioned and availed :

- a. Name of the Bank/Financial Institution :
- b. Type of Loan :
- c. loan Sanction No. and date :
- d. Term loan Sanctioned in Rs. :
- e. Term loan released in Rs. :
- f. Repayment period :
- g. Rate of Interest % :

7. Date of commencement of commercial production

- 7.1 Original Project :
- 7.2 On Technology up gradation / Modernisation :

8. Details of subsidy claimed in Rs. :

| Period | | Rate of Interest in % | Interest accrued in Rs. | Interest paid in Rs. | Principal Dues accrued in Rs. | Principal Dues Paid in Rs. | Amount of Interest subsidy eligible at 3 % in Rs. |
|--------|----|-----------------------|-------------------------|----------------------|-------------------------------|----------------------------|---|
| From | To | | | | | | |
| | | | | | | | |
| | | | | | | | |

DECLARATION

I / We hereby declare that all the information given above and the statements and other documents enclosed are to the best of our knowledge and belief, true and correct.

I / We hereby agree that, I / We shall forthwith repay the Interest Subsidy for Technology Up Gradation / Modernisation if the amount of subsidy is found to have been disbursed in excess of the amount actually admissible for whatever reason. Further we also shall be liable to pay interest at such rate as prescribed by the Government from time to time on such amounts and such other changes / expenses which may be repayable by us.

It is further certified that I / we have not hitherto applied for or have received any amount by way of grant / subsidy in respect of this Enterprise from Government / Financial institution.

| | | |
|-------|---|-----------------------|
| Place | : | Authorized signatory |
| Date | : | Designation with seal |

List of Documents to be submitted along with subsidy application

- i. Copy of Entrepreneur Memorandum (Part II).
- ii. Copy of Loan Sanction letter from the Bank / Financial Institution in respect Bank / Institutional financed Enterprises.
- iii. Certificate from the Bank for the interest claim for each quarter as per Annexure A.

Annexure A

CERTIFICATE FROM THE BANK

The back ended interest subsidy for Technology Up gradation/
Modernisation claimed by the Enterprise M/s. _____

_____ has been verified and found correct.

I recommend to release a sum of Rs. _____ (Rupees _____
_____ only)

_____ as back ended interest subsidy to the Enterprise for the period from
_____ to _____ under Technology Upgradation/
Modernisation scheme.

Station :

Signature of the Branch Manager

Date :

with seal

Specimen Format of Deed of Agreement and Letter of Guarantee to be executed by Beneficiary Enterprises for various Subsidy Schemes.

To be executed on Stamp Paper value of Rs.30/-

DEED OF AGREEMENT

THIS DEED OF AGREEMENT MADE AT _____ on this day of _____ between M/s _____ at (Factory address) represented by Thiru / Tmt. _____, S/o / W/o. _____ hereinafter called BENEFICIARY which term, shall include wherever the context so admits, their successors and assigns of the ONE PART and THE GOVERNMENT OF TAMIL NADU represented by the General Manger, District Industries Centre _____ /Regional Joint Director of Industries and Commerce, Chennai - 32/ Regional Manger, TIIC hereinafter called the GOVERNMENT which expression shall include wherever the context so admits the successors in interest and their assignees.

WHEREAS the Government of Tamil Nadu have formulated the _____ Subsidy scheme for Micro, Small and Medium Enterprises to be set up in Tamil Nadu.

AND whereas the Government of Tamil Nadu in their G.O.Ms.No. _____ Micro, Small and Medium Enterprises Department dt. _____ have entrusted the implementation of the scheme to the Department of Industries and Commerce /TIIC of Tamil Nadu.

AND WHEREAS the BENEFICIARY is one of those who had applied to the Government for the grant of the subsidy under the _____ Subsidy Scheme during _____ in respect of the Micro/Small/Medium Manufacturing Enterprise, (as defined in the said scheme) established by them for the activity of _____ only at (Factory address)

AND WHEREAS the Government considered the application of Beneficiary and decided to sanction a sum, not exceeding Rs. _____ - (Rupees _____ only) as subsidy under the above said scheme in the terms and conditions contained hereunder:

AND WHEREAS the above said Industrial Unit of the beneficiary to be set up with assistance from Bank /TIIC/ with own capital from private resources.

AND WHEREAS it has been agreed between the parties herein that the subsidy sanctioned has to be disbursed to the beneficiary after the unit goes into production.

NOW THIS DEED WITNESSETH AS FOLLOWS :

The Government hereby agreed to grant to the BENEFICIARY an amount not exceeding Rs. _____/- (Rupees _____ only) as _____ subsidy as per the following procedure.

1. The subsidy shall be disbursed only after the verification of the fixed capital investment as defined in the above said scheme of the said industrial unit of the BENEFICIARY and shall be restricted to ___% of investment on the Plant and Machinery actually made.

2. The subsidy shall be disbursed in as many instalment as the financial assistance sanctioned is released to the BENEFICIARY under the said scheme after the unit goes into production and proof of the same is produced by the BENEFICIARY to the Government of Tamil Nadu.

The BENEFICIARY in turn hereby agrees to abide by the following terms and conditions:

(i) The BENEFICIARY shall utilize the said subsidy for the Industrial Unit in accordance with the scheme and shall also furnish to the Government, a certificate of utilization of the subsidy within a period of one month from the date of receipt of the last installment or full amount .

(ii) The BENEFICIARY shall submit annual progress report to the Government about the working of the Industrial Unit for a period of five years from the date on which the Industrial unit goes into production in such manner as they may be prescribed by the Government of Tamil Nadu.

(iii) The BENEFICIARY shall furnish all the information and assistance as may be required by the Government or by any of its officers or representatives in relation to the business of the Industrial Unit or its accounting and shall for that purpose after all facilities to the Government or such officers or representatives for the inspection of both accounts and other documents of the industrial unit at all reasonable times up to the end of 5th year from the date on which the Industrial Unit goes into production.

(iv) The BENEFICIARY after receiving a part or whole of the subsidy shall not without obtaining the prior written permission of the Government, change the location of the whole or any part of the Industrial Unit or effect substantial construction or dispose all or a substantial part of its total fixed capital investment within a period of five years from the date on which the Industrial unit goes into production.

(v) That the BENEFICIARY hereby assures to the Government that the above said Industrial Undertaking, for which subsidy has been applied is for the new unit/expansion of the existing unit.

(vi) The BENEFCIARY shall refund subsidy together with the interest at the rate fixed by Government and other charges if any to the Government, if it is found that the BENEFCIARY has violated any of the terms and conditions mentioned herein or that the subsidy has been obtained by fraud or by false information or the Industrial Unit goes out of production within 5 years from the date of commencement of the production. The BENEFCIARY solemnly assures and undertakes to refund the subsidy with interest as mentioned above.

(viii) The BENEFCIARY should get clearance from all regulatory authorities in connection with the setting up of the Enterprise before disbursement of any or part of subsidy.

IN WITNESS whereof the parties hence signed this agreement on the date of respectively mentioned against their signature.

WITNESS :

1.

2.

BENEFCIARY

PROPRIETOR/PATRNER/MG. DIRECTOR

WITNESS :

1.

2.

SIGNED AND EXECUTED FOR
AND ON BEHALF OF THE
GOVT. OF TAMIL NADU.

(To be executed on Stamp Paper value of Rs.10/-)

LETTER OF GUARANTEE

To

The GM, DIC/

Regional Joint Director of Industries and Commerce,
Chennai / Regional Manger, TIIC.

Dear Sir,

You have agreed to grant subsidy amount of not exceeding Rs. (Rupees only) under the Government of Tamil Nadu State Special Capital Generator Subsidy under the above scheme vide Your Sanction Proceedings No._____ dt._____. We have gone through the terms and conditions of the above said sanction proceedings.

I / We (Name of the Proprietor / Partner / Directors)

1. _____ Residing at _____
2. _____ Residing at _____
3. _____ Residing at _____ etc.,

Proprietor/ Partner/ Directors of M/s _____ at(Factory address) have agreed to execute an agreement in favour Government of Tamil Nadu represented by the GM,DIC/Regional Joint Director of Industries and Commerce, Chennai - 600002 embodying the conditions stipulated for the grant of subsidy.

I/We have gone through the draft agreement and understood the same. As per your sanction proceedings and agreement the said firm has agreed to refund the subsidy given to us with interest of the rate fixed by the Government, the GM,DIC /Regional Joint Director of Industries and Commerce, Chennai.32/ Regional Manger, TIIC and other charges if any, if it is found that have violated any of the terms and conditions prescribed in the said sanctioned letter or that the subsidy sanctioned has been obtained by fraud or by misrepresentations as to an essential fact for furnishing of false information or if our industrial unit or firm goes out of production, within five years from the date of commencement of production.

In consideration of our giving the subsidy, as per the said sanction letter we hereby jointly and severally guarantee to you the above sanction proceedings. We also hereby agree that any other indulgence shown by you for the payment of the said refund by the said firm shall not in any way release us out of inability under the guarantee herein before contained.

The guarantee contained in this deed shall be continuing one and liability of the guarantee shall be Joint and Several.

Place :

Yours faithfully,

Date :

Proprietor / Partner / Directors