ABSTRACT
Micro, Small and Medium Enterprises – Amendment to the Micro, Small and Medium Industries Policy, 2008 and the Guidelines for Administration of the Incentives and Concessions in the Policy –deleting the previous clause of “subject to a maximum of Rs. 3.75 lakh” – Orders – issued.

MICRO, SMALL AND MEDIUM ENTERPRISES (D2) DEPARTMENT

G.O.(Ms.) No. 23
Dated : 30.07.2018

Read:
1. G.O.(Ms).No. 14, Micro, Small and Medium Enterprises (B) Department, dated 07.05.2008.
2. G.O.(Ms).No. 42, Micro, Small and Medium Enterprises (D2) Department, dated 04.09.2013

ORDER:

In the Government order first read above, Government have ordered that all New Micro Manufacturing Enterprises are eligible to avail the 15% state capital subsidy at the maximum of Rs.3.75 lakh only.

2. In the Government order second read above, Government have enhanced the quantum of capital subsidy rate from 15% to 25% on the plant and machinery value in respect of the Micro, Small and Medium Enterprises subject to a maximum of 30.00 lakh.

3. The Additional Chief Secretary / Industries Commissioner and Director of Industries and Commerce has stated that in the original order, while quantum of subsidy was 15%, the maximum eligible subsidy was restricted to Rs.30.00 lakh for Small and Medium Enterprises. But in the case of Micro Enterprises i.e. enterprises with maximum plant and machinery investment of Rs.25 lakh, subsidy prescribed is 15% subject to a maximum of Rs.3.75 lakh which amount to stating that there is no maximum limit to the subsidy to be provided for the Micro enterprises since 15% of Rs.25 lakh workout to Rs.3.75 lakh. On the same analogy, while enhancing the quantum of eligible subsidy from 15% to 25% for the MSMEs, there should not be any maximum ceiling for Micro Enterprises. However, due to existence of clause 5 II.a. in G.O (Ms.) No.14 Micro, Small and Medium Enterprises (B) Department dated 07.05.2008 which states that Micro enterprises are eligible for subsidy of 15% subject to a maximum of Rs.3.75 lakh. In some districts maximum limit of subsidy to Micro enterprises has been restricted to Rs.3.75 lakh.
4. Hence, the Additional Chief Secretary / Industries Commissioner and Director of Industries and Commerce has requested the Government to delete the words “Subject to a maximum of Rs.3.75 lakh” in G.O. (Ms.) No. 14, Micro, Small and Medium Enterprises (B) Department dated 07.05.2008, para 5 II (a) in respect of Micro Enterprises.

5. The Government, after careful examination, have decided to accept the proposal of the Additional Chief Secretary/Industries Commissioner and Director of Industries and Commerce in para 4 above and issue the following amendment to the Micro, Small and Medium Industries Policy 2008 issued in the Government Order first read above:–

**AMENDMENT**

i) The words “subject to a maximum of Rs. 3.75 lakh” appearing in G.O. (Ms.) No. 14, Micro, Small and Medium Enterprises (B) Department, dated 07.05.2008 at para 5.II.a shall be replaced by “subject to a maximum of Rs.6.25 lakh”.

ii) The words “subject to a maximum of Rs.6.25 lakh” shall be included at the end of para 5.1.1, of Annexure-I, to the G.O. (Ms.) No.14, Micro, Small and Medium Enterprises (B) Department, dated 07.05.2008.

6. This order shall take effect from 07.05.2013.

7. This order issues with the concurrence of the Finance department vide its U.O.No.32403/Ind./2018, dated 26.07.2018.

**(BY ORDER OF THE GOVERNOR)**

DHARMENDRA PRATAP YADAV
SECRETARY TO GOVERNMENT

To
The Principal Secretary/Industries Commissioner and Director of Industries and Commerce, Guindy, Chennai-32.
The Chairman and Managing Director,
Tamil Nadu Industrial Investment Corporation Limited, Guindy, Chennai-35.
The Chairman and Managing Director,
State Industries Promotion Corporation of Tamil Nadu, Chennai-8..
The Chairperson and Managing Director,
Tamil Nadu Small Industries Development Corporation, Chennai-32.
All District Collectors
All Pay and Accounts Officers / All District Treasuries.

**Copy to: -**
All sections in Micro, Small and Medium Enterprises Department, Chennai-9.
The Finance (Ind) Department, Chennai-9.
Stock file / Spare copy.

// FORWARDED BY ORDER //

SECTION OFFICER