



## **ABSTRACT**

Tamil Nadu Small Industries Development Corporation Limited - Fixation of land cost in Industrial Estates- Flexibility to TANSIDCO to make the land costs in Industrial Estates commensurate with the prevailing market value of the land - Delegation of power to TANSIDCO - Comprehensive Guidelines for fixation and re-fixation of land costs in Industrial Estates - Orders - Issued.

### **MICRO, SMALL AND MEDIUM ENTERPRISES [C] DEPARTMENT**

G.O.(Ms.) No.50

Dated: 11.10.2021

பிலவ வருடம், டிசம்பர் 25

திருவள்ளூர் ஆண்டு 2052

Read:

1. G.O. (Ms.) No. 815, Industries Department, dated 04.12.1987.
2. Government letter No.6145/SIE-1/88-3, Industries Department dated 08.07.1988
3. G.O. (Ms.) No.09, Micro, Small and Medium Enterprises (C) Department, dated 17.02.2009.
4. G.O. (Ms.) No.31, Micro, Small and Medium Enterprises (C) Department, dated 19.06.2013.
5. G.O. (Ms.) No.66, Micro, Small and Medium Enterprises (C) Department, dated 18.11.2013
6. G.O. (Ms.) No.34, Micro, Small and Medium Enterprises (C) Department, dated 18.10.2016
7. From the Managing Director, TANSIDCO letter No. 4265/IE5/2014, dated 05.11.2020.

### **ORDER:**

The prevailing formula for fixing land cost for all the Industrial Estate of TANSIDCO was fixed in G.O. sixth read above as the highest of the following three values.

- a) Guideline value
- b) Notional Increase over the previous year
- c) Notional Increase on simple interest basis at the rate of 15%, 12% and 10% for the A, B and C category Industrial Estates developed and maintained by TANSIDCO.

2. The Managing Director, TANSIDCO in the letter seventh read above has stated that at present, the land cost of Industrial Estates under TANSIDCO are fixed by the Government based on a fixed method of annual calculation and revision. This has created a scenario where the land cost is vastly higher than the market value. As a result, TANSIDCO has huge amount of unsold land of 1341 plots and 371 acres. If this land can be sold at reasonable rates, the value unlocked can be used to develop new Industrial Estates. Several Industrial Associations have represented against the unreasonable land rates that prevent entrepreneurs from investing in TANSIDCO Estates. It was further noted that in the case of SIPCOT for large Industries, the Board enjoys full powers to fix land cost.

3. After detailed consideration of the above, the Government has decided to revise the pricing policy of TANSIDCO Industrial Estates in the following manner:-

- (i) TANSIDCO managed Industrial Estates shall be classified into two as.

**Category-I**

Industrial Estates where the land is owned by SIDCO

**Category-II**

Industrial Estates where the land is owned by the Government

- (ii) The Government delegates the power to fix the plot cost of Category-I Estates to the Board of TANSIDCO. The Board shall evolve such norms so that the cost of acquisition, development cost, reasonable holding cost and administrative charges are recovered while fixing the land cost.
- (iii) For category-II Estates for fixing land cost, a multiple of Guideline value based on the categorization of Districts as per Tamil Nadu Industrial Policy 2021-2025 shall be used in the following manner:
- a) Category 'A' Districts – 150% of Guideline value or last paid cost, whichever is higher.
  - b) Category 'B' Districts – 130% of Guideline value
  - c) Category 'C' Districts – 100% of Guideline value.

Category 'A' Districts are Chengalpattu, Chennai, Kancheepuram and Thiruvallur.

Category 'B' Districts are Coimbatore, Erode, Karur, Krishnagiri, Namakkal, The Nilgiris, Ranipet, Salem, Tiruchirappalli, Tirupattur, Tiruppur and Vellore.

Category 'C' Districts are Ariyalur, Cuddalore, Dharmapuri, Dindigul, Kallakurichi, Kanniyakumari Madurai, Mayilduthurai,

Nagapattinam, Perambalur, Pudukottai, Ramanathapuram, Sivagangai, Tenkasi, Thanjavur, Theni, Thiruvarur, Thoothukudi, Tirunelveli, Tiruvannamalai, Villupuram and Virudhunagar.

For the above category-II Estates, the cost fixed above shall only be a floor rate and the Government delegate the power to TANSIDCO Board to fix a higher rate where there is scope for better price realization. TANSIDCO is also permitted to levy administrative charges (as decided by Board) over and above the amount calculated above. Since these are older estates, development costs are not charged on them.

- (iv) Revised Price policy will be applicable also to cases where agreement to sale have been executed but sale deed is yet to be executed.
- (v) Price Policy on Category-II shall be periodically revisited, especially when Guideline value is revised.

4. This order issues with the concurrence of Finance Department, vide its U.O. No. 117/SS(PK)/2021, dated 17.06.2021.

**(BY ORDER OF THE GOVERNOR)**

**V. ARUN ROY**  
**SECRETARY TO GOVERNMENT**

To  
The Managing Director,  
Tamil Nadu Small Industries Development Corporation Limited,  
Thiru.vi.ka Industrial Estate,  
Guindy, Chennai - 32.

Copy to:

The Special Personal Assistant to Hon'ble Minister for Rural Industries,  
Chennai -9.

The Private Secretary to Additional Chief Secretary to Government,  
Finance Department, Chennai - 9.

The Personal Assistant to Secretary to Government,  
Micro, Small and Medium Enterprises Department, Chennai - 9.

The Finance (BPE) Department, Chennai - 9.

✓SF / SC.

**//FORWARDED BY ORDER//**

*V. Arun Roy*  
11/6/21  
**SECTION OFFICER**

*am*  
11/6/21