



### **ABSTRACT**

Micro, Small and Medium Enterprises Department – Policy for Micro, Small and Medium Enterprises, 2021 – Orders – Issued.

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#### **Micro, Small and Medium Enterprises (B) Department**

**G.O.(Ms) No.11**

**Dated:16.02.2021**

திருவள்ளூர் ஆண்டு 2052  
சார்வரி வருடம், மாசி 4

**Read:**

- 1) G.O.(Ms) No.14, Micro, Small and Medium Enterprises Department (B) Department, dated 07.05.2008
- 2) Press release of Tamil Nadu Legislative Assembly No.005, dated 31.08.2015
- 3) Government of India Notification dated 1.6.2020
- 4) From the Industries Commissioner and Director of Industries and Commerce, Letter Rc.No.17827/PDK2/2015, dated 20.10.2020.

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### **ORDER:**

As per the announcement made during the year 2006-2007 that a policy for the development of MSME in the State would be formulated in consultation with Industry and in harmony with the broad objectives of Micro, Small and Medium Enterprises Development Act (MSMED) 2006, the Government formulated and released the MSME Policy in the year 2008.

2. In order to achieve the growth targets envisaged in the vision 2023 document and the changes being brought by the Ministry of MSME, the Hon'ble Chief Minister made the following announcement under Rule 110 on 31.8.2015:

"..... In order to make Tamil Nadu as Asia's capital for Micro, Small and Medium Enterprises, a New Policy for Micro, Small and Medium Enterprises will be formed."

3. Based on the above announcement, the Industries Commissioner and Director of Industries and Commerce initiated preparation of draft MSME Policy by obtaining suggestions from all the stake-holders and evaluating the same in a structured framework.

4. Meanwhile, Government of India have notified new criteria for classifying the enterprises on June 2020, and also introduced Udyam Registration instead of all the earlier registration procedures. An enterprise is classified as a Micro, Small or Medium Enterprise based on the following composite criteria: -

<b>Type of enterprise</b>	<b>Investment in Plant &amp; Machinery not exceeding</b>	<b>Turnover not exceeding</b>
<b>Micro</b>	Rs. 1 Crore	Rs. 5 Crore
<b>Small</b>	Rs. 10 Crore	Rs. 50 Crore
<b>Medium</b>	Rs. 50 Crore	Rs. 250 crore

5. Accordingly, the Industries Commissioner and Director of Industries and Commerce has incorporated , necessary changes in the draft Policy by taking into consideration of the above revised classification of MSMEs by Government of India and sent the draft Policy for approval.

6. On receipt of the draft Policy, the comments/ suggestions / remarks from line departments were obtained on the relevant areas concerned and their remarks have been received suitably and incorporated in the proposed New Draft MSME Policy.

7. The Government after careful examination of the recommendations of the Industries Commissioner and Director of Industries and Commerce, approve the Micro, Small and Medium Enterprises Policy, 2021 (MSME Policy, 2021) as appended in the annexure to this order.

8. The salient features of the MSME Policy, 2021 are given below:-

#### **I. Policy Objectives:**

- (a) Promote and facilitate national and international investments in the sector
- (b) Provide thrust for scaling up and diversification of MSMEs
- (c) Expand employment generation
- (d) Augment infrastructure support
- (e) Promote balanced industrialisation
- (f) Facilitate access to national and global markets
- (g) Improve competitiveness and productivity
- (h) Reinforce social equity and inclusion
- (i) Provide exposure to state of the art technology and support adoption of Industry 4.0

## **II. Policy targets:**

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

## **III. Policy Strategies:**

- (i) Facilitate investment, including Foreign Direct Investment (FDI) through Single Window Clearance and other support services. MSME Trade and Investment Promotion Bureau (M-TIPB). (para 4.2)
- (ii) Foster culture of Entrepreneurship and Innovation through EDII Strategic Plan(s)(para 4.3)
- (iii) Strengthen Ease of Doing Business through District Industries Centres (DICs). Under the Business Facilitation Act, exemptions will be given for various State approvals for a period of 3 years to New MSMEs and Start-ups based on self certification subject to certain conditions.(para 4.4)
- (iv) Expand access to affordable finance through ongoing schemes like Unemployed Youth Employment Generation Programme (UYEGP), along with the New Entrepreneurs cum Enterprise Development Scheme (NEEDS) and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). (para 4.5)
- (v) Facilitate scaling up MSMEs through listing support and other attractive incentives by the State Government. (para 4.5)
- (vi) A corpus fund of Rs.500 crore for the Estate Infrastructure Development & Maintenance Fund will be set up for up-gradation and better maintenance of TANSIDCO estates, development of Trade Centres for MSME Associations and Estates of Industrial Corporates. (para 4.6)
- (vii) Facilitate access to National and Global Markets by giving purchase preference and tapping Government procurements through Government e-Market Place (GeM) portal (para 4.8)
- (viii) Improve competitiveness and productivity by facilitating testing, technology Upgradation. Cluster Development initiative will be strengthened. (para 4.9)
- (ix) Tamil Nadu Start up Fund of funds (Rs.250 crore)as stipulated in the State Startup and Innovation Policy.

- (x) Assistance for listing and raising money in SME Stock Exchange (Item 2 of Annexure -1)
- (xi) Small and Medium Enterprises/New enterprises/enterprises going in for expansion and diversification - 25% of plant and machinery value subject to a maximum Capital subsidy of Rs.150.00 lakhs in three equal instalment (Item 4.3 of Annexure -1)
- (xii) Additional Capital Subsidy in the form of Pay Roll Subsidy, Women, SC/ST and Special categories and for cleaner technologies. (Item 4.4.1, 4.4.2 and 4.4.3 of Annexure -1)
- (xiii) Incentive for scaling up of all existing MSMEs undertaking expansion / diversification - 5% of plant and machinery value or Rs.25 lakhs. (Item 4.4.5 of Annexure -1)
- (xiv) Special Capital subsidy for thrust sector enterprises for identified thrust sectors - 25% of plant and machinery value or maximum of Rs.150 lakhs in three instalments. (Item 4.6 of Annexure -1)
- (xv) Inclusion of new thrust areas such as Medical devices and equipments, Technical textiles and medical textiles, Aero Space and defence, Petro Chemical and Speciality Chemicals, Industry 4.0 etc. added into the Thrust categories (Item 4.6 of Annexure -1)
- (xvi) Interest Subsidy for Technical Upgradation and Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme. (Item 5.1 & 5.2 of Annexure -1)
- (xvii) The New / existing Micro enterprises undertaking expansion/diversification Units while mortgaging and hypothecating their assets will be eligible for 100% exemption of the Stamp Duty, and the new / existing Small enterprises will be eligible for a rebate/reimbursement of 50% of the stamp duty.
- (xviii) To provide special incentives for the MSME sector a manufacturing Electric Vehicle Components and charging infrastructure and its components as envisaged in Tamil Nadu Electric Vehicle Policy, 2019, by adding Chapter 9.1 (Additional Special Capital Subsidy). (Item 4.4.4 of Annexure -1)

9. The package of incentives and concessions contained in this Micro, Small and Medium Enterprises Policy, 2021 will be eligible to all new / existing Micro, Small & Medium Enterprises from the date of release of Micro, Small & Medium Enterprises Policy, 2021. 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. The guidelines in this regard will be issued separately.

10. This order issues with the concurrence of Finance Department, vide its U.O. No.5407/Finance(Industries)/2021, Dated 05.02.2021.

**MANGAT RAM SHARMA  
PRINCIPAL SECRETARY TO GOVERNMENT**

To  
The Industries Commissioner and Director of  
Industries & Commerce, SIDCO Corporate Building,  
Thiru Vi Ka Industrial Estate, Guindy, Chennai-32.  
The Managing Director, SIDCO,  
Thiru Vi Ka Industrial Estate, Guindy, Chennai-32.  
The Additional Chief Secretary/Chairman and Managing Director,  
TANSI, Thiru Vi Ka Industrial Estate, Guindy, Chennai-32.  
The Director,  
Entrepreneurship Development and Innovation Institute-Tamil Nadu,  
Chennai-32.  
The Additional Chief Secretaries/Principal Secretaries/Secretaries  
to Government, Secretariat, Chennai-9.  
Head of Departments/District Collectors.

Copy to:

The Hon'ble Chief Minister's Office, Chennai-9.  
The Deputy Chief Minister's Office, Chennai-9.  
The Special Personal Assistant to Minister (Rural Industries), Chennai-9.  
The Senior Private Secretary to Principal Secretary to Government,  
Micro, Small and Medium Enterprises Department, Chennai-9.  
The Micro, Small and Medium Enterprises (OP) Department, Chennai-9.  
The Finance (Industries) Department, Chennai-9  
The Industries Department, Chennai-9.  
Stock file/spare copy.

**//FORWARDED BY ORDER//**

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**SECTION OFFICER**  
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