



## ABSTRACT

Micro, Small and Medium Enterprises - MSMI Policy 2008 - Announcement made by the Hon'ble Chief Minister - Difficulty in availing capital subsidy under expansion due to lockdown - Relaxation of the norms prescribed to avail capital subsidy under expansion / diversification - Order issued.

### MICRO, SMALL AND MEDIUM ENTERPRISES [D(2)] DEPARTMENT

G.O.(Ms) No.32

Dated: 01.06.2021

திருவள்ளூர் ஆண்டு 2052  
பிலவ வருடம், வைகாசி -18

Read:

1. G.O.(Ms.).No.14, Micro, Small and Medium Enterprises (B) Department, dated 07-05-2008.
2. G.O.(Ms).No.57 Micro, Small and Medium Enterprises (D2) Department, dated 06.08.2020.
3. G.O.(Ms).Nos.371 and 391, Revenue and Disaster Management (DM-IV) Department, dated 08.05.2021 and 29.05.2021.
4. Press Release No.036, dated 11.05.2021 published by the Director, DIPR, Secretariat, Chennai-9.
5. From the Industries Commissioner and Director of Industries and Commerce, letter Rc.No.15107/LC-3/2021, dated 12.05.2021.

### **ORDER:**

In Government Order first read above, the Government have issued orders introducing various incentives and concessions viz. capital subsidy to eligible micro, small and medium manufacturing enterprises in the State, based on the Micro, Small and Medium Industries Policy 2008. Capital subsidy is given to the following enterprises:-

- (i) Micro manufacturing enterprises established anywhere in the State.

- (ii) Micro, small and medium manufacturing enterprises established in industrially backward areas and agro based enterprises set up in 385 blocks in the State.
- (iii) Thrust sector enterprises set up anywhere in the State.

2. In Government Order third read above, complete lockdown is being enforced throughout the State with effect from 4.00 A.M. of 10.05.2021 to 4.00 A.M. of 07.06.2021 due to unavoidable circumstances in order to control the spread of COVID-19.

3. Considering the importance of MSMEs which provide large number of employment, next to agriculture, the Hon'ble Chief Minister has announced various relief to the MSMEs, in order to support and provide with financial and non-financial packages that may give some relief to them, due to complete lockdown. The Hon'ble Chief Minister has made the following announcement (No.4) among others on 11.05.2021:-

“குறு, சிறு மற்றும் நடுத்தரத் தொழில் நிறுவனங்கள் விரிவாக்கத்திற்கான முதலீட்டு மானியம் பெறுவதற்கு விற்றுமுதல் 25 விழுக்காடு அதிகரிக்க வேண்டுமென்ற விதிமுறையிலிருந்து ஏற்கெனவே 31.03.2021 வரை விலக்கு அளிக்கப்பட்டுள்ளது. இது 31.12.2021 வரை 9 மாதகாலத்திற்கு நீட்டிக்கப்படுகிறது”.

4. In Government Order second read above, based on the representations received from the several associations during 2020-2021, orders were issued to exempt the condition stipulating an increase in 25% turnover/production for availing capital subsidy, subject to the following conditions:-

- i) The first condition for expansion/diversification of machinery must be “involving enhancement of plant and machinery value by atleast 25% of the existing plant and machinery” must be fulfilled and increase in turnover alone to be exempted.
- ii) This will be permitted only for the MSMEs which have taken effective steps for expansion/diversification from 01.04.2020 to 31.03.2021.

5. Based on the above mentioned 2<sup>nd</sup> condition, many MSMEs which have taken effective steps prior to 01.04.2020 and commenced production prior and after 01.04.2020 could not avail the concessions and many MSMEs which have been sanctioned loan and commenced just prior to lockdown became ineligible to avail the concession granted by the Government and representations are being received to relax the above mentioned condition.

6. In view of the above, in line with the Hon'ble Chief Minister's Announcement, the Industries Commissioner and Director of Industries and Commerce has sent a proposal requesting the Government to issue necessary orders to extend the time limit for exempting the condition stipulating an increase in 25% turnover/production for enterprises which have commenced production upto 31-12-2021 and also requested that those units which had become ineligible due to the 2<sup>nd</sup> condition stipulated in G.O. (Ms).No.57 MSME (D2) Department, dated 06.08.2020, also may now be made eligible and those units shall apply within 3 months from the date of issue of this order.

7. The Government after careful examination decided to accept the above proposal and accordingly issue orders for extending the time limit for availing the concession given in Government Order second read above so as to exempt the condition stipulating an increase in 25% turnover/ production for enterprises, seeking to avail subsidy for expansion or diversification as a special case subject to the following conditions:-

- i) The first condition for expansion/diversification of machinery must be "involving enhancement of plant and machinery value by atleast 25% of the existing plant and machinery" must be fulfilled and increase in turnover alone is exempted.
- ii) This shall be permitted to all the MSMEs which will commence production upto 31.12.2021 irrespective of the effective steps taken by the MSMEs to expand their enterprises.
- iii) All other conditions stipulated in the guidelines shall remain the same.
- iv) Those units which had become ineligible due to the 2<sup>nd</sup> condition stipulated in G.O. (Ms).No.57, MSME (D2) Department, dated 06-08-2020, (i.e) Units which commenced production from 01.10.2019 to 01.04.2020 shall also be made eligible to avail the concession.

- v) Units which commenced production between 01.10.2019 and 01.04.2020 shall apply within 3 months from the date of issue of this order.

8. This order issues with the concurrence of Finance Department vide No.24/Additional Chief Secretary (Finance)/2021, dated 19.05.2021.

**(BY ORDER OF THE GOVERNOR)**

**V.ARUN ROY  
SECRETARY TO GOVERNMENT**

To  
The Industries Commissioner and  
Director of Industries and Commerce,  
SIDCO Corporate Office Building,  
Thiru Vi.ka. Industrial Estate,  
Guindy, Chennai-32.  
The Additional Chief Secretary to Government,  
Finance Department, Secretariat, Chennai.9.

**Copy to:**

The Office of the Hon'ble Chief Minister, Chennai-9.  
The Special Personnel Assistant to Hon'ble Minister (Rural Industries),  
Secretariat, Chennai.9  
The Senior Private Secretary to Secretary to Government,  
Micro, Small and Medium Enterprises Department,  
Secretariat, Chennai-9.  
The Personnel Assistant to Deputy Secretary to Government,  
Micro, Small and Medium Enterprises Department,  
Secretariat, Chennai-9.  
The Finance (Industries) Department, Secretariat, Chennai-9.  
The Micro, Small and Medium Enterprises (B / OP) Department,  
Secretariat, Chennai-9.  
Stock file / Spare copy.

**// FORWARDED BY ORDER //**

*[Handwritten Signature]*  
**SECTION OFFICE**  
*[Handwritten Initials]*