



## **ABSTRACT**

Micro, Small and Medium Enterprises Department - Capital Subsidy scheme - MSME Policy, 2021 - Sanctioning of 25% capital subsidy on the cost of high-tech shuttleless weaving attachments (Retrofitting), Jacquard etc., for Power Looms - Amendment to sub chapter 6.1 of chapter 6 of guidelines of MSME Policy, 2021 - Orders - Issued.

### **Micro, Small and Medium Enterprises (D2) Department**

**G.O. (Ms.) No.39**

**Dated 18.05.2023**

**திருவள்ளூர் ஆண்டு 2054  
சோபகிருது வருடம், வைகாசி 4**

#### **Read:**

1. G.O. (Ms.) No.37, Micro, Small and Medium Enterprises (B) Department, dated 06.07.2021.
2. Announcement made by the Hon'ble Minister for MS&ME on the floor of the Assembly on 06.04.2023.
3. From the Industries Commissioner and Director of Industries and Commerce, letter Rc. No.8575/LC3/2023, dated 13.04.2023.

#### **ORDER:**

During the Demand for grants for Micro, Small and Medium Enterprises Department, the Hon'ble Minister for MS&ME among others has made the following Announcement on the floor of the Assembly on 06.04.2023:-

"சாதாரண விசைத்தறி கொண்டு இயங்கும் குறு மற்றும் சிறு விசைத்தறி தொழில் நிறுவனங்களின் உற்பத்தித் திறனை மேம்படுத்த உயர் தொழில்நுட்பம் சார்ந்த நாடா இல்லாத நெய்தலுக்கான பொருத்திகள் (Retrofitting). ஜக்கார்ட் உள்ளிட்டவை நிறுவுவதற்கு 25 விழுக்காடு முதலீட்டு மானியம் வழங்கப்படும்."



2) In the Government Order first read above, orders have been issued introducing various incentives and concessions including 25% Capital Subsidy to the eligible Micro, Small and Medium manufacturing enterprises in the State, subject to a maximum of Rs.150.00 lakh and also issue guidelines for MSME Policy, 2021. As per para 6.1 of the existing guidelines, the investment made in new Plant and Machinery / imported second hand machinery brought into use within the country for the first time, which are considered for evaluating the status of Micro, Small or Medium Enterprise, at the time of commencement of production, shall alone be considered eligible for incentives. In the case of expansion / diversification, the value of plant and machinery added for this purpose will alone qualify for incentives, provided enhancement in the value of plant and machinery by atleast 25% of the value of existing plant and machinery and enhancement of turnover by 25% for the same / diversified product lines. There is no specific provision in the guidelines to sanction incentive for the additional attachment to the existing machinery.

3) The Industries Commissioner and Director of Industries and Commerce in the letter third read above, has requested the Government to sanction 25% of capital subsidy to the Micro and Small Enterprises going for the installation of high-tech shuttleless weaving attachments (Retrofitting), Jacquard etc., as additional attachments to the existing power looms to improve the production capacity of Micro and Small enterprises operating with normal power looms without insisting on the norms meant for expansion / diversification as mentioned in para 5.2 of the guidelines issued in the G.O. first read above.

4) The Government after careful examination of the above proposal have decided to accept it and accordingly issue following amendment to the chapter 6. FIXED ASSETS ELIGIBLE FOR INCENTIVES in the Guidelines for MSME Policy, 2021 issued vide G.O. first read above:-

#### **AMENDMENT**

The following shall be added under sub chapter 6.1 of chapter 6. FIXED ASSETS ELIGIBLE FOR INCENTIVES occurred in the Guidelines of MSME Policy, 2021:-

“25% capital subsidy on the cost of high-tech shuttleless weaving attachments (Retrofitting), Jacquard etc., for Power Looms shall be sanctioned by treating it as expansion but without insisting on the the condition for availing incentives under expansion / diversification as given in para 5.2 of the guidelines of MSME Policy, 2021.”



