



ABSTRACT

Micro, Small and Medium Enterprises Department - MSME Policy, 2021 - Capital Subsidy - Industry related Service Sector Enterprises to be made eligible for Capital Subsidy - Incorporation of the sub chapter 7.8 of Chapter 7 of guidelines of MSME Policy, 2021 - Amendment - Orders - Issued.

Micro, Small and Medium Enterprises (D2) Department

G.O. (Ms.) No.40

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.8576/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:-

“கிடங்குகள், குளிர்பதன கிடங்குகள், குளிர்பதன போக்குவரத்து மற்றும் சோதனைக்கூடங்கள் உள்ளிட்ட தொழில் துறை சார்ந்த சேவைத் தொழில்களை ஊக்குவிப்பதற்காக 15 விழுக்காடு முதலீட்டு மானியம் அதிகபட்சமாக ரூ.25 இலட்சம் வரை வழங்கப்படும்”.

2) In 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 issued guidelines to the MSME Policy 2021. As per the existing guidelines, service sector enterprises are not eligible to avail capital investment subsidy. As such, the activities of warehousing, cold storage, refrigerated transport and testing laboratories are not considered for sanction of capital subsidy.

3) In the letter third read above, the Industries Commissioner and Director of Industries and Commerce has stated that the Cold storage and Ware housing is the most effective space for bulk handling of perishable goods, especially fruits and vegetables, between production / processing and marketing and Refrigerated transport is a part of the backbone, vital component of our economies and global Supply Chains. It is inevitable to run most of the MSMEs without testing laboratories, since testing is being used across a wide variety of fields such as electronics, research labs, material analysis, manufacturing, quality check of the process and products and analysis to measure various components of the materials they are working with to match the Global quality standards of the products produced. The investment made on the warehousing, cold storage, refrigerated transport and testing laboratories has to be treated as part of the fixed assets eligible for incentives.

4) In view of the above, the Industries Commissioner and Director of Industries and Commerce has requested the Government to issue necessary amendments to the guidelines of MSME Policy, 2021 by incorporating the sub chapter 7.8 of chapter 7 and to issue necessary amendment to the guidelines.

5) The Government after careful examination have decided to accept the above proposal of the Industries Commissioner and Director of Industries and Commerce and issue the following amendment to Government Order first read above:-

AMENDMENT

The following shall be incorporated as sub chapter 7.8 to chapter 7:-

7.8. CAPITAL SUBSIDY FOR INDUSTRY RELATED SERVICE SECTOR ENTERPRISES

1. Eligible Enterprises:

- All New Micro, Small and Medium Enterprises set up anywhere in the State.

- Existing Micro, Small and Medium Enterprises which have taken up substantial expansion / diversification of the existing activities.

2. Quantum of subsidy:

15% on the cost of civil works and equipment subject to a maximum of Rs.25 lakhs.

3. Eligible Activities:

- 3.1 Warehousing (Minimum 10,000 Sq.feet and above).
- 3.2 Cold storage
- 3.3 Refrigerated transports
- 3.4 Testing laboratories

4. Eligible components:

- All essential civil structures, equipment and piping in the case of Ware houses and cold storages.
- Vehicles in the case of refrigerated transport including cost of modification pertaining to insulation, etc.,
- Testing Equipment and accessories in the case of testing laboratories.

5. Period for applying:

- Within one year from
 - the date of completion of construction of building in respect of warehouses.
 - the date of commencement of activity in respect of cold storages and testing laboratories.
 - the date of registration of vehicle with transport department in respect of refrigerated vehicles.

6. Mode of claiming subsidy:

To apply in the portal www.msmeonline.tn.gov.in/ incentives

7. Other conditions:

- a) For civil structures, Chartered Engineer (Civil) certificate with date of completion of building construction should be attached.
- b) Approved building plan for civil structures should be enclosed.
- c) For warehouses and cold storages functioning in rented / leased land registered lease agreement for a minimum period of 20 years is compulsory to consider the cost of building for subsidy.
- d) For computing the value of building, the value arrived as per TIIC norms or the cost of construction certified by CE (Civil)

whichever is less will be taken as eligible amount for arriving subsidy.

e) The conditions stipulated for sanction of incentives under expansion/diversification, in para 5.2 of Chapter 5 of Guidelines for sanction of incentives approved in G.O. (Ms). No. 37, MSME (B) Department, Dated 06.07.2021 will not apply for this incentive.

6) This order shall take retrospective effect from 06.04.2023.

7) This order issues with the concurrence of Finance Department vide its U.O. No.17977/Finance (Industries)/ 2023, dated 10.05.2023.

(BY ORDER OF THE GOVERNOR)

**V. ARUN ROY
SECRETARY TO GOVERNMENT**

To
The Industries Commissioner and Director of Industries and Commerce,
Guindy, Chennai-32.
The Pay and Accounts Officer, Chennai-8.

Copy to:

The Personal Assistant to Hon'ble Minister (MS&ME), Chennai-9.
The Personal Assistant to Minister (Finance and Human Resources Management), Chennai-9.
The Private Secretary to Secretary to Government,
Micro, Small and Medium Enterprises Department, Chennai-9.
The Finance (Ind) Department, Chennai-9.
The Micro, Small and Medium Enterprises (B/OP) Department,
Secretariat, Chennai-9.
Stock file / Spare copy. (C. No.2512/D2/2023)

// FORWARDED BY ORDER //

N. S. Subramanian
18.05.23
SECTION OFFICER