



ABSTRACT

Micro, Small and Medium Enterprises – Announcement made by the Hon'ble Deputy Chief Minister during the Budget Speech - Back Ended Interest Subsidy - Enhancement of interest subsidy rate from 3% to 5% under Technology Upgradation / Modernization Scheme and Credit Guarantee Fund Trust Scheme - Orders issued.

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

G.O.(Ms) No.56

Dated: 06.08.2020

திருவள்ளூர் ஆண்டு 2051
சார்வரி வருடம், ஆடி-22

Read:

1. G.O.(Ms).No.14, Micro, Small and Medium Enterprises (B) Department, dated 07.05.2008.
2. G.O.(Ms).No.177, Industries (MIF.2) Department, dated 09.10.2019.
3. Announcement made by Hon'ble Deputy Chief Minister during the Budget speech in the Assembly on 14.02.2020.
4. From the Industries Commissioner and Director of Industries and Commerce letter Rc. No.6024 / LC3 / 2020, dated 25.02.2020.

ORDER:

During the Budget Speech held on 14.02.2020, the Hon'ble Deputy Chief Minister has made the Announcement in the Assembly that the interest subvention available for the loans availed by Micro, Small and Medium Enterprises (MSMEs) under the technology upgradation / Modernization scheme and the credit Guarantee Fund Trust Scheme will be enhanced from 3 percent to 5 percent.

2. In G.O.(Ms).No.14, Micro, Small and Medium Enterprises (B) Department, dated 07.05.2008, the Government have issued orders introducing various incentives and concessions including interest subvention at the rate of 3% for a maximum of 5 years only irrespective of the period of repayment of loan to eligible Micro, Small and Medium manufacturing enterprises in the State based on the Micro, Small and Medium Industries Policy, 2008 applicable to the following enterprises:-

- a. Micro and Small Enterprises who have availed term loan under Technology Upgradation / Modernization schemes and Credit Guarantee Fund Trust Scheme.

b. New Enterprises which have set up their facilities or existing Micro, Small and Medium Enterprises, which upgrade their existing plant and Machinery with the state-of-the-art technology, with or without expansion, by induction of well established and improved technologies in specified sub-sectors / products as listed in the guidelines on Credit Linked Capital Subsidy Scheme (CLCSS) of Government of India.

3. Based on the Announcement made by the Hon'ble Deputy Chief Minister on the floor of Assembly on 14.02.2020, the Industries Commissioner and Director of Industries and Commerce has proposed that the 3% interest subvention which is being granted to the MSMEs who availed term loan under Technology Upgradation / Modernisation and also under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) Scheme be enhanced to 5% for a period of 5 years subject to a maximum of Rs.10.00 lakhs.

4. In view of the above, the Industries Commissioner and Director of Industries and Commerce has requested the Government to issue necessary orders to enhance the interest subsidy from the existing rate of 3% to 5% for a maximum of 5 years only by amending the Government Order first read above. Further, the maximum amount of back-ended interest subsidy payable per loan shall be Rs.10.00 lakhs only on loans taken upto Rs.100.00 lakhs.

5. The Government after careful examination have decided to accept the proposal of the Industries Commissioner and Director of Industries and Commerce and issue the following Amendment to the G.O.(Ms).No.14, Micro, Small and Medium Enterprises (B) Department, dated 07.05.2008:-

For the existing para in Chapter 10 under the heading Back-Ended Interest Subsidy, sub heading para 2 Quantum of Assistance, the following shall be substituted:

Amendment

“The interest subsidy shall be at the rate of 3% to 5% for a maximum of 5 years only irrespective of the period of repayment of loan. Further the maximum amount of back-ended interest subsidy payable per loan shall be Rs.10.00 lakhs only on loans taken upto Rs.100.00 lakhs”.

6. This order issues with the concurrence of Finance Department vide its U.O. No.25199 / Finance (Industries) /2020, dated 03.08.2020.

(BY ORDER OF THE GOVERNOR)

Dr. K.GOPAL
PRINCIPAL SECRETARY TO GOVERNMENT (FAC)

To
The Industries Commissioner
and Director of Industries and Commerce,
Guindy, Chennai – 32.

All District Collectors.
The Accountant General, Chennai-6 /18.

Copy to:-

The Special Personnel Assistant to Hon'ble Deputy Chief Minister, Chennai-9.
The Special Personnel Assistant to Hon'ble Minister (Rural Industries), Chennai-9.
The Senior Private Secretary to Principal Secretary to Government (FAC),
Micro, Small and Medium Enterprises Department, Chennai-9.
The Finance (Ind) Department, Chennai-9.
The Micro, Small and Medium Enterprises (B / OP) Department, Chennai-9.
Stock file / Spare copy.
(C. No.1878 / D(2) / 2020)

// FORWARDED BY ORDER //

[Handwritten Signature]
26/01/2020
SECTION OFFICER