



ABSTRACT

Micro, Small and Medium Enterprises Department – Policy for Micro, Small and Medium Enterprises, 2021 – Guidelines for incentives and concessions announced in the Micro, Small and Medium Enterprises Policy, 2021 - Approved - Orders – Issued.

MICRO, SMALL AND MEDIUM ENTERPRISES [B] DEPARTMENT

G.O.(Ms) No. 37

Dated:06.07.2021

பிலவ வருடம், ஆனி 22
திருவள்ளூர் ஆண்டு 2052

Read:

- 1) G.O.(Ms) No.14, Micro, Small and Medium Enterprises (B) Department, dated 07.05.2008.
- 2) G.O.(Ms) No.11, Micro, Small and Medium Enterprises (B) Department, dated 16.2.2021.
- 3) From the Industries Commissioner and Director of Industries and Commerce, Letter Rc.No.7241/LC3/ 2021, dated 1.3.2021.
- 4) From the Industries Commissioner and Director of Industries and Commerce, Letter Rc.No.7241/LC3/2021, dated 21.4.2021.

ORDER:

In harmony with the broad objectives of Micro, Small and Medium Enterprises Development (MSMED) Act 2006, the Government formulated and released the MSME Policy in the year 2008 in the Government Order first read above.

2. In the Government Order second read above, the Government issued orders for approving the Micro, Small and Medium Enterprises Policy, 2021 (MSME Policy, 2021) with package of incentives and concessions. These incentives will also be available for units taking up substantial expansion/diversification of their existing activities on the incremental assets created towards expansion/diversification.

3. In continuation of the above, the Industries Commissioner and Director of Industries and Commerce in the letter third read above has sent draft guidelines for administration and implementation of schemes announced in the Policy for approval. In the letter fourth read above, the

Industries Commissioner and Director of Industries and Commerce has requested the Government that while issuing orders towards the guidelines for administration and implementation of schemes as announced in the Policy, the clause "All the earlier orders on subsidies are hereby superseded" to be included so as to avoid confusion between the incentives and concessions released in the MSMI Policy, 2008 and MSME Policy, 2021.

4. The Government after careful examination of the recommendations of the Industries Commissioner and Director of Industries and Commerce, have decided to accept it and accordingly approve the guidelines for administration and implementation of schemes announced in the Micro, Small and Medium Enterprises Policy, 2021 (MSME Policy, 2021) appended to this order and also order that all the earlier orders on subsidies are hereby superseded.

5. This order issues with the concurrence of Finance Department vide its U.O.No. 19810/Fin(Ind)/2021, dated 03.05.2021.

(BY ORDER OF THE GOVERNOR)

**V.ARUN ROY
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,
Tamilnadu Small Industries Development Corporation Ltd., (SIDCO),
Thiru Vi Ka Industrial Estate, Guindy, Chennai-32.

The Principal Secretary/Chairman and Managing Director,
Tamilnadu Small Industries Corporation Ltd.,
Thiru Vi Ka Industrial Estate, Guindy, Chennai-32.

The Additional Chief Secretary/Director,
Entrepreneurship Development and Innovation Institute-Tamil Nadu,
Chennai-32.

The Managing Director,
Tamil Nadu Startup Innovation Mission, Chennai

The Managing Director,
MSME Trade and Investment Promotion Bureau (M-TIPB), Chennai

Copy to:

The Special Personal Assistant to Hon'ble Minister (Rural Industries),
Chennai-9.

The Senior Private Secretary to 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//

Byeel
06.07.2021
SECTION OFFICER
~~6/7~~

**GUIDELINES FOR ADMINISTRATION OF
INCENTIVES & CONCESSIONS ANNOUNCED IN THE
MICRO, SMALL & MEDIUM ENTERPRISES POLICY, 2021**

**CHAPTER 1
INTRODUCTION**

To retain the status of Tamil Nadu as an attractive and competitive destination for industrial investments, the State Government have offered various incentives/benefits to all eligible Micro, Small and Medium Enterprises set up in the State. The operational guidelines on the package of incentives and concessions announced in the MSME Policy-2021 are elaborated in this Guidelines for the benefit of entrepreneurs, Officials of the Commissionerate of Industries and Commerce, other Government Agencies, Financial Institutions etc.

1.2 In administering the package of incentives and concessions, the focus will be on:

- i. Complete transparency in administering the entire package of incentives from receipt of the application to the disbursement of subsidy/ incentive.
- ii. Ensure adequate availability of information to the investors thereby enabling them to make informed decisions and to ensure single point receipt of applications for all incentives through an online portal.
- iii. Create a conducive environment for the entrepreneurs to operate with ease (simplified procedures, reduction in the number of documents required for processing of applications, etc)

Assist the implementing agencies for speedy processing of the incentive applications as per the Tamil Nadu Business Facilitation Act, 2018 and Rules through the single window portal.

1.3 Applicability

- 1.3.1 The incentives and concessions contained in the MSME Policy will apply to the Micro, Small and Medium Enterprises which have taken effective steps to set up their Enterprises on or after the release of the MSME Policy 2021, notified in the Government order vide G.O.(Ms) No.11 Micro, Small and Medium Enterprises (B) Department, dated:16.02.2021
- 1.3.2 Micro, Small and Medium Enterprises which have taken effective steps to set up their Enterprises before the date mentioned above, will be eligible to avail incentives based on the earlier MSME Policy, 2008.
- 1.3.3 Micro, Small and Medium Enterprises which have taken effective steps to set up their Enterprises on or after 01.07.2020, the date on which the revised criteria for classifying the enterprises as micro, small and medium enterprises took effect, but before the

release of the MSME Policy 2021, will be eligible to avail incentives based on the earlier MSMI Policy 2008.

1.3.4 Micro, Small and Medium Enterprises which have already been granted a package of incentives and concessions as per the earlier MSMI Policy, 2008 will continue to enjoy the benefits already granted till the expiry of said sanction orders/Eligibility Certificates.

1.3.5 Existing Medium enterprises (that were classified as large industries before) which have availed capital subsidy already from the State Government based on the earlier Industries Policy are eligible for availing capital subsidy for one expansion only.

1.3.6 **Interpretations:** Industries Commissioner and Director of Industries and Commerce would administer the package of incentives and concessions under this Policy. For the smooth implementation of the incentive schemes announced in the Policy, interpretations, clarification or amplification on any matter that may arise on implementation and administration of the incentives and concession schemes announced in the MSME Policy will be issued by the Industries Commissioner and Director of Industries and Commerce. However, matters which require reference to Government on Policy related issues shall be referred to the Government in MSME Department and the decision of the Government shall be final.

CHAPTER 2 DEFINITIONS

2.1 Enterprise

An "enterprise" means an industrial undertaking or business concern or any other establishment, by whatever name called, engaged in the manufacture or production of goods, in any manner, pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 (55 of 1951) or engaged in providing or rendering of any service or services.

2.1.1 Manufacturing enterprise

"Manufacturing enterprise" means an industrial undertaking or business concern or any other establishment, by whatever name called, engaged in the manufacture or production of goods, in any manner, pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951.

2.1.2 Service Enterprises

"Service enterprise" means an industrial undertaking or business concern or any other establishment, by whatever name called, engaged in providing or rendering of any service or services.

2.2 Micro, Small & Medium Enterprises

Under the provisions of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006, enterprises are classified as Micro, Small and Medium Enterprises (MSME) as per the following criterion:

- 2.2.1 Micro Enterprise:** Investment in Plant and Machinery or Equipment does not exceed one crore rupees and turnover does not exceed five crore rupees.
- 2.2.2 Small Enterprise:** Investment in Plant and Machinery or Equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees.
- 2.2.3 Medium Enterprise:** Investment in Plant and Machinery or Equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

2.3 Fixed Assets

Fixed Assets shall mean the total investment made on land, building, plant and machinery and such other productive assets like tools, jigs and fixtures, dies, utilities like boilers, compressors, diesel generator sets, cranes, material handling equipment and such other equipment directly related to production purposes.

2.4 Plant & Machinery

Plant is generally the name given to an assembly of machinery/equipment/devices installed in a manufacturing enterprise for manufacturing/production activities. Machinery means implements and/or mechanical/electro mechanic devices used in a manufacturing enterprise for manufacturing /production activities.

Such items directly involved in the manufacturing /production activities of Manufacturing Enterprises (including Enterprises undertaking to manufacture on jobwork basis which involves processing and physical movement of raw materials/goods / and or components) are considered as Plant & Machinery items for sanction of incentives.

2.5 Equipment

Equipment is defined as "all instruments, office machines and such other electro-mechanical or electronic appliances that are directly related to the service rendered but excluding furniture, fittings and other items not so related"

2.6 Woman / Scheduled Caste & Scheduled Tribe / Differently abled/Transgender Entrepreneur:

An enterprise is said to be promoted by Woman /Scheduled Caste and Scheduled Tribe/Differently abled /Transgender Entrepreneur:

- i. Where the promoter in a proprietorship enterprise is a Woman / belongs to Scheduled Caste /Scheduled Tribe /is a Differently abled/ Transgender Entrepreneur.
- ii. Where the partners of the firm in any of the above-mentioned category hold more than 50% of the investment inequity in a partnership enterprise.
- iii. In the case of private limited companies, if any of the above-mentioned categories are directors of the Company and their share holding in the Company is more than 50% of the investment in the equity of the Company.

CHAPTER 3

TYPES OF OWNERSHIP OF ENTERPRISES

The forms of ownership of Enterprises are generally of the following types viz. Proprietary, Partnership and Company, the definitions of which are given below:-

3.1 Proprietary concern

A sole proprietorship or one-person business is a form of organization in which an individual produces independently with her capital, skill and intelligence and is entitled to receive all the profits and assumes all the risks of ownership.

3.2 Partnership concern

A partnership is a relation between the persons who have agreed to share profits and losses of a business carried on by all or any of them acting for all.

3.3 Limited Liability Partnership (LLP)

LLP is a body corporate and legal entity separate from its partners and liable to the full extent of its assets, the liability of the partners would be limited to their agreed contributions in the LLP.

3.4 Company

A company is a voluntary association of persons recognized by the Companies Act, 1956, having a distinctive name, a common seal formed to carry on business for profit, with capital divisible into transferable shares, limited liability, a corporate body and perpetual succession.

The assets and liabilities are owned by the company. The assets and liabilities will be shared according to the holdings of the shares in the company.

3.5 One Person Company (OPC)

A company that has one-person as its member and has only one shareholder as its member.

3.6 Other types

In addition to the above, other forms of ownership like Societies, Trusts, Self Help Groups etc., engaged in Manufacturing and Service activities are also considered for grant of Udyam Registration subject to production of Registration Certificates from authorities concerned.

CHAPTER 4

Udyam Registration

4.1 Filing of Udyam Registration

As per Micro, Small and Medium Enterprises Development Act, 2006, (27 of 2006), the Government of India has notified criteria for classifying the enterprises as micro, small and medium enterprises and specified the form and procedure for filing the memorandum known as Udyam Registration**.

4.2 Classification of enterprises

An enterprise shall be classified as a micro, small or medium enterprise based on the composite criteria of investment in plant and machinery or equipment and turnover as stated in para 2.2 of chapter 2 of this Guidelines.

4.3 Becoming a micro, small or medium enterprise

- (1) Any person who intends to establish a micro, small or medium enterprise may file Udyam Registration online on the Udyam Registration portal, based on self-declaration with no requirement to upload documents, papers, certificates or proof.
- (2) On registration, an enterprise (referred to as Udyam on the Udyam Registration portal) will be assigned a permanent identification number to be known as Udyam Registration Number.
- (3) An e-certificate, namely, Udyam Registration Certificate will be issued on completion of the registration process.

4.4 Composite criteria of investment and turnover for classification

- (1) A composite criterion of investment and turnover shall be applied for classification of an enterprise as micro, small or medium.
- (2) If an enterprise crosses the ceiling limits specified for its present category in either of the two criteria of investment or turnover, it will cease to exist in that category and will be placed in the next higher category but no enterprise shall be placed in the lower category unless it goes below the ceiling limits specified for its present category in both the criteria of investment as well as turnover.
- (3) All units with Goods and Services Tax Identification Number (GSTIN) listed against the same Permanent Account Number (PAN) shall be collectively treated as one enterprise and the turnover and investment figures for all of such entities shall be seen together and only the aggregate values will be considered for deciding the category as a micro, small or medium enterprise.

**Ministry of MSME, GoI, Notification No. S.O. 2119(E) dated 26.06.2020

4.5 Calculation of investment in plant and machinery or equipment:

- (1) The calculation of investment in plant and machinery or equipment will be linked to the Income Tax Return (ITR) of the previous year's filed under the Income Tax Act, 1961.
- (2) In case of a new enterprise, where no prior ITR is available, the investment will be based on self-declaration of the promoter of the enterprise and such relaxation shall end after the 31st March of the financial year in which it files its first ITR.
- (3) The expression plant and machinery or equipment of the enterprise shall have the same meaning as assigned to the plant and machinery in the Income Tax Rules, 1962 framed under the Income Tax Act, 1961 and shall include all tangible assets (other than land and building, furniture and fittings).
- (4) The purchase (invoice) value of plant and machinery or equipment, whether purchased first hand or second hand, shall be taken into account excluding Goods and Services Tax (GST), on self-disclosure basis, if the enterprise is a new one without any ITR.
- (5) The cost of certain items specified in the *Explanation I* to subsection (1) of section 7 of the MSMED Act, 2006 shall be excluded from the calculation of the amount of investment in plant and machinery.

4.6 Calculation of turnover

- (1) Export of goods or services or both shall be excluded while calculating the turnover of any enterprise whether micro, small or medium, for the purpose of classification.
- (2) Information as regards turnover and exports turnover for an enterprise shall be linked to the Income Tax Act or the Central Goods and Services Act (CGST Act) and the GSTIN.
- (3) The turnover related figures of such enterprise which do not have PAN will be considered on self-declaration basis for a period up to 31st March 2021 and thereafter, PAN and GSTIN shall be mandatory.

4.7 Registration process

- (1) The form for registration shall be as provided in the Udyam Registration portal.
- (2) There will be no fee for filing Udyam Registration.
- (3) Aadhaar number is required for Udyam Registration.
- (4) The Aadhaar number shall be of the proprietor in the case of a proprietorship firm, of the managing partner in the case of a partnership firm and of a karta in the case of a Hindu Undivided Family (HUF).
- (5) In case of a Company or a Limited Liability Partnership or a Cooperative Society or a Society or a Trust, the organization or its authorized signatory shall provide its GSTIN and PAN along with her Aadhaar number.

- (6) In case an enterprise is duly registered as an Udyam with PAN, any deficiency of information for previous years when it did not have PAN shall be filled up on a self-declaration basis.
- (7) No enterprise shall file more than one Udyam Registration:
Provided that any number of activities including manufacturing or service or both may be specified or added in one Udyam Registration.
- (8) Whoever intentionally misrepresents or attempts to suppress the self-declared facts and figures appearing in the Udyam Registration or updation process shall be liable to such penalty as specified under section 27 of the MSME Act, 2006.

4.8 Registration of existing enterprises

- (1) All existing enterprises registered under EM-Part-II or UAM shall register again on the Udyam Registration portal on or after the 1st day of July 2020.
- (2) All enterprises registered till 30th June 2020, shall be re-classified following the new notification.
- (3) The existing enterprises registered before 30th June 2020, shall continue to be valid only for a period up to the 31st day of March 2021.
- (4) An enterprise registered with any other organisation under the Ministry of Micro, Small and Medium Enterprises shall register itself under Udyam Registration.

4.9 Updation of information and transition period in classification

- (1) An enterprise having Udyam Registration Number shall update its information online in the Udyam Registration portal, including the details of the ITR and the GST Return for the previous financial year and such other additional information as may be required, on self-declaration basis.
- (2) Failure to update the relevant information within the period specified in the online Udyam Registration portal will render the enterprise liable for suspension of its status.
- (3) Based on the information furnished or gathered from Government's sources including ITR or GST return, the classification of the enterprise will be updated.
- (4) In case of graduation (from a lower to a higher category) or reverse-graduation (sliding down to lower category) of an enterprise, a communication will be sent to the enterprise about the change in the status.
- (5) As a result of re-classification or due to actual changes in investment in plant and machinery or equipment or turnover or both, and whether the enterprise is registered under the Act or not, the enterprise will continue in its present category till the closure of the financial year and it will be given the benefit of the changed status only with effect from 1st April of the financial year following the year in which such change took place.

CHAPTER 5

PROCESSING OF APPLICATIONS UNDER VARIOUS SCHEMES

5.1 New Enterprise

New enterprise means any Micro, Small, or Medium Manufacturing Enterprise which has taken effective steps to set up their enterprise on or after the date of the Government order vide G.O.(Ms) No.11, Micro, Small and Medium Enterprises (B) Department, dated:16.02.2021.

5.2 Expansion/ Diversification of Enterprise

5.2.1 An existing Micro, Small or Medium Enterprise which has taken effective steps to expand/diversify on or after the date of release of the MSME Policy (16.02.2021), 2021 and has fulfilled both the following conditions will be treated as eligible for subsidy under expansion/diversification.

(a) Enhancement in the value of plant and machinery by atleast 25 % of the value of existing plant and machinery; For this purpose, the original purchase value of the plant and machinery installed before expansion/ diversification will alone be taken into consideration.

(and)

(b) Enhancement of turnover by 25% for the same/diversified product lines

5.2.2 The average annual turnover achieved during the 3 years before expansion/diversification will be treated as the existing turnover before expansion/diversification. If the period between the date of commencement of production under the original project/previous expansion (as applicable) and the current expansion is less than 3 years, then the average turnover made for the above period can be taken to decide the eligibility.

5.2.3 The Enterprises are required to produce a certificate from a Chartered Accountant to this effect to the Competent Authority, duly certifying the turnover for a minimum 3 months period after commencement of production under expansion/diversification, in comparison with the turnover before expansion/diversification. The Chartered Accountant certificate must contain the Unique Document Identification Number (UDIN).

5.2.4 Possession of valid ISO 9001 or any other recognized and relevant quality certification (Product or Process/System) is mandatory to qualify for availing incentives under the expansion/diversification category.

5.3 Date of commencement of production.

The date of commencement of production of a new enterprise as well as that of an enterprise undergoing expansion/diversification is an important criterion to decide on the eligibility for the subsidy and other incentives. The date on which commercial production is commenced in a manufacturing enterprise as given by the entrepreneur at the time of filing the Udyam Registration is considered as the date of commencement of production of that enterprise. As Udyam Registration number is an e-certificate and is being issued online without inspection of the enterprises, the entrepreneurs are advised to indicate the correct date of commencement of production etc., to avoid any disputes later.

In case of any perceived discrepancy about the date of commencement of commercial production, the General Managers of District Industries Centres/ Regional Joint Director, Chennai may take the date on which "First Sale Invoice" was made in case of the manufacturing enterprise as a piece of evidence for determining the date of commencement of commercial production of that enterprise.

5.4 Competent Authority to sanction incentives to industrial projects

Category	Subsidy	Competent Authority
1. Enterprises financed by Tamil Nadu Industrial Investment Corporation Limited (TIIC)	a. All subsidies except LTPT Subsidy, BEIS, Payroll subsidy, incentives for IPR regime, Q- Cert, PEACE & reimbursement of Stamp duty	Tamil Nadu Industrial Investment Corporation Limited (TIIC)
	b. LTPT Subsidy, reimbursement of Stamp duty	General Managers of District Industries Centres or the Regional Joint Director of Industries & Commerce in respect of Chennai.
2. Bank-financed / Self-financed Enterprises	All Subsidies	General Managers of District Industries Centres or the Regional Joint Director of Industries & Commerce in respect of Chennai

5.5 Date of taking effective steps

1. Date of placement of the order for Plant and Machinery
(or)
2. Date of term loan sanction by the Bank/Financial Institution,
whichever is earlier.

5.6 Industrially Backward Blocks

The Government has identified 254 blocks as industrially backward blocks to extend incentives. The list of blocks is given in **Annexure-I**.

Town Panchayats falling within the boundary limits of a block/adjoining to a block are treated as a block to process subsidy applications.

5.7 FILING OF INCENTIVE APPLICATION

The application for the following incentives and concessions shall be made on the online portal of the Commissionerate of Industries and Commerce within the timeline prescribed

- i. Capital Subsidy and Special Capital Subsidy
- ii. All types of Additional Capital subsidies
- iii. Payroll Subsidy
- iv. Low Tension Power Tariff Subsidy
- v. Generator Subsidy
- vi. Interest Subvention for Technology Up-gradation and Modernization and CGTMSE Scheme.
- vii. Incentive for Promotion of Energy Audit and Conservation of Energy (PEACE)
- viii. Incentive Scheme for Quality Certification (Q-Cert)
- ix. Reimbursement of Stamp duty and registration charges
- x. Subsidy for Asset Creation for Intellectual Property
- xi. Scheme for Fund raising through SME Exchange

5.8 Lists of products/components eligible for Special Capital Subsidy under the thrust sector.

Illustrative lists of products/components which are eligible for Special Capital Subsidy under the thrust sector (set up anywhere in Tamil Nadu) have been listed (with names of components) in this Guidelines. Inclusion /deletion of items can be carried out by the Empowered Technical Committee headed by the Secretary to Government, MSME Department from time to time, as stated in para 8.6 of Chapter 8.

5.9 Time limit for submission of incentive applications

The following outer time limits have been prescribed for filing of applications for various incentives with the respective implementing agencies.

	Subsidy	Time Limit
i.	Capital Subsidy/ Special Capital Subsidy/ All type of Additional Capital Subsidy	Within 1 year from the date of commencement of commercial production
ii.	Additional Capital Subsidy for promotion of clean and environment-friendly technologies	Within 1 year from the date of commencement of commercial production or date of installation of plant and machinery installed to promote cleaner and environment-friendly technologies, whichever is later.
iii.	Issue of Eligibility Certificate for availing LTPT Subsidy	Within 3 months from the date of commencement of commercial production or date of power connection whichever is later
iv.	Back Ended Interest subsidy	Quarterly basis after completion of each quarter
v.	Generator Subsidy	Within 6 months from the date of issue of safety certificate from the Electrical Inspectorate
vi.	Payroll subsidy	within 3 months after the completion of the financial year for the claim of the previous year
vii.	PEACE	<ul style="list-style-type: none"> • One year from the date of completion of energy audit • One year from the implementation of energy audit recommendations/two years from the date of energy audit whichever is earlier.
viii.	Fund raising through SME Exchange	Within 6 months from the date of listing on the SME Exchange
ix.	Reimbursement of Stamp Duty and Registration Charges	Within six months from date of commencement of Commercial production.
x.	Subsidy for asset creation for intellectual property	Within six months from date of obtaining the Patent / Trademark/ Geographical Indications.

5.10 Time limit for processing of incentive applications

The applications received for the incentives and concessions listed in the MSME policy shall be processed by the competent authority within the timeline specified in the Tamil Nadu Business Facilitation Rules, 2017.

5.11 Time limit for re-submission of incentive applications

- i) Incentive applications that have been originally submitted within the prescribed time limit in the prescribed format, but subsequently returned by the General Managers calling for additional particulars should be resubmitted within 90 days from the date of receipt of the returned application by the enterprise. Such applications should be processed taking into account, the date of filing of the original application. However, the seniority will be maintained as per the date of re-submission of the application.
- ii) If the application is resubmitted within one year from the date of commencement of commercial production, the above condition shall not apply.

5.12 Documents to be submitted :

The list of documents to be uploaded while filing various subsidy application online are given in **Annexure-II**.

5.13 Condonation of Delay

5.13.1 Enterprises eligible to avail of all incentives are required to submit the incentive applications to the respective implementing agencies within the outer time limits prescribed for various incentives as narrated in para 5.9 above. However in case of applications submitted beyond the outer time limits, the Industries Commissioner & Director of Industries and Commerce or the Managing Director, TIIC as the case may be, can condone the delay based on merits of the case, subject to the condition that the outer time limit for application of subsidy including the delay period condoned, does not exceed one year and six months from the date of commencement of commercial production.

5.13.2 The Industries Commissioner and Director of Industries and Commerce has been delegated with powers to condone the delay in the resubmission of the returned application up to 90 days beyond the prescribed time limit of 90 days based on the merit of the case. However, the same must not exceed one and half year (18 months) from the date of commencement of commercial production.

5.13.3 Subsidy to manufacturing Enterprises engaged in job work

Certain incentives and concessions listed in the Micro, Small and Medium Enterprises Policy apply only to Micro, Small and Medium Manufacturing Enterprises, which include Enterprises undertaking to manufacture on job work basis which involves processing in full or part and physical movement of raw materials/goods/ and or components.

5.14 Enterprises set-up in the State for the first time by existing companies having their main enterprise located outside the State:

Enterprises set-up in the State for the first time by existing companies having manufacturing enterprise elsewhere shall be treated as a new enterprise for grant of incentives/concessions, subject to the condition that the total investment in Plant and Machinery of all the enterprises owned by the entity, taken together shall not exceed the ceiling prescribed for Micro, Small or Medium Manufacturing Enterprises as per MSMED Act, 2006. The Enterprises should give an undertaking to the Implementing Agencies to this effect, with a copy of Udyam registration and a certificate from a Chartered Accountant certifying the total investment of the enterprise in plant and machinery as per the norms regarding the value of plant and machinery set by Government of India from time to time.

5.15 Deed of Agreement and Letter of Guarantee:

The Beneficiary has to execute a deed of agreement before the release of subsidy (All types of Capital subsidy and Generator subsidy) with the General Manager, District Industries Centre / Regional Joint Director, Guindy, Chennai 32 and Tamil Nadu Industrial Investment Corporation Limited (TIIC) as the case may be. The format of deed of agreement and letter of guarantee is given in **Annexure - III**

5.16 Release of subsidy

5.16.1 All subsidies (except LTPT subsidy, and reimbursement of Stamp duty) to TIIC/Bank assisted enterprises would be released only through the TIIC/Bank, which extends term loan to the enterprise. For self-financed enterprises, the subsidy shall be released to the bank account of the unit.

5.16.2 The eligible subsidy up to Rs.50 lakh will be disbursed as a single installment on the commencement of commercial production. In the case of small and medium enterprises, where the quantum of subsidy exceeds Rs.50 lakh, the subsidy will be disbursed in installments subject to the condition that a single installment shall not exceed Rs.50 lakh as per the following norms:

- a) for units eligible for a subsidy above Rs.50 lakh and up to Rupees one crore, Rs.50 lakh will be disbursed as the first installment on commencement of production and the balance amount (second installment) would be released on completion of the second year from the date of commencement of commercial production.
 - (b) for those units with an eligible subsidy amount above Rs. one crore, the first two instalments will be released Rs.50 lakh each as per the aforementioned norms and the third instalment will be released on completion of the third year from the date of commencement of commercial production.
- 5.16.3 If a Micro or Small or Medium Enterprise which has already been sanctioned subsidy that has not been disbursed/partly disbursed, graduated to a higher/lower category due to the updating of Udyam Registration every year, shall also be eligible for disbursement of subsidy as sanctioned initially provided the assets considered at the time of sanction of subsidy is intact.

5.17 Overall Ceiling on subsidy

- The overall ceiling on subsidy should be applied for the original project and expansion taken together unless otherwise mentioned specifically. However, to reckon the ceiling, the previous subsidies drawn till the date of coming into force of the guidelines will not be counted for the purpose of ceiling. The ceiling on subsidy taken together (original and expansion) will operate within each category only i.e. a subsidy availed as a small enterprise will not prevent the enterprise from availing a full entitlement of Rs.1.5 crore for an expansion if that expansion resulted in the enterprise moving from small enterprise category to medium enterprise category.
- Additional Capital Subsidies sanctioned under this policy shall not be included for calculation of overall ceiling on subsidy.

5.18 Verification of the existence of the Enterprise at the time of disbursement

Disbursement of every installment of subsidy would be made only after the General Manager, District Industries Centre/ TIIC confirms the assets considered at the time of sanction of subsidy is intact and functioning of the enterprise at the time of disbursement. The conditions of the agreement executed by the enterprise must have also been met before disbursement of subsidy.

5.19 Obligations to be fulfilled by subsidy assisted Enterprises

Subsidy assisted Enterprises other than enterprises claiming reimbursement subsidy, shall not

change constitution/ Management/Name and Style of the Enterprise
(or)

change the location of the whole or part of the Industrial Enterprise
(or)

effect any contraction/ disposal/ sale of its Plant and Machinery

within 5 years from the date of commencement of commercial product without obtaining the prior written permission of the Industries Commissioner & Director of Industries and Commerce, when the units are shifted to another District within the State/ General Manager of District Industries Centre concerned when it is shifted to a location within the District.

However, if such shifting entails the change in eligibility for any incentive/subsidy the unit shall repay the subsidy in full within ninety days of such shifting.

The subsidy will have to be refunded by the Enterprise

if the enterprise goes out of production within 5 years from the date of commencement of commercial production. However, if any unit has completed 75% of the stipulated 5 years period and could not run the unit further due to the operation of a legal procedure either by a financial institution or any State/ Central enforcement agency, the subsidy and interest shall be recovered from those enterprises on prorata basis for the balance period

(or)

if any irregular/ineligible disbursement of subsidy has been made to the enterprise which is subsequently detected during an audit,

(or)

if the unit has shifted the location with the approval of the authority concerned and forfeited the basic eligibility for such subsidy,

(or)

if it is found that subsidy has been obtained by misrepresentation of an essential fact by furnishing false information the repayment shall be with interest as fixed by the Government from time to time.

5.20 PMEGP, UYEGP, NEEDS, TAHDCO beneficiary Enterprises

5.20.1 The beneficiaries who have availed capital subsidy under **PMEGP, UYEGP, NEEDS, TAHDCO** shall be eligible for availing differential capital subsidy for the plant and machinery under this policy, provided the eligibility

conditions are fulfilled. In such cases, the total eligible subsidy will be arrived based on this policy and if the amount of subsidy arrived at is higher than the subsidy already availed from State and Central Government, the differential subsidy will be sanctioned.

- 5.20.2 The beneficiaries under **PMEGP, UYEGP, NEEDS, TAHDCO** or any other Govt. sponsored scheme are eligible for other incentives like LTPT Subsidy, Stamp Duty concessions etc.
- 5.20.3 A beneficiary who had availed capital subsidy under any of the State/Central Government schemes, applying for differential capital subsidy for the plant and machinery under this policy, shall produce a certificate from such State/Central Government Agency specifically mentioning the break-up details of assets (such as land, building, plant and machinery, accessories etc.) considered for arriving at the subsidy already availed.
- 5.20.4 Existing **PMEGP, UYEGP, NEEDS, TAHDCO** beneficiary Enterprises, taking up expansion/ diversification of their Enterprises with own/bank finance would be eligible for subsidy assistance for expansion/diversification discussed in the MSME Policy.

5.21 Ineligible activities for incentives:

The list of ineligible activities applicable for all types of Capital Subsidies, Pay Roll Subsidy, LTPT Subsidy, Stamp duty exemption and rebate is given in **Annexure - IV** of this Guidelines.

CHAPTER 6

FIXED ASSETS ELIGIBLE FOR INCENTIVES

6.1 Items eligible for incentives

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 calculating the value of plant and machinery, the original purchase value thereof shall be taken into account. The investment made on land, building and other fixed assets will not be considered for computation for incentives.

In the case of expansion/diversification, the value of plant and machinery added for this purpose will alone qualify for incentives.

6.2 Plant and Machinery items that do not qualify for incentives

1. Machinery and other items that do not qualify for deciding the status of Enterprise (See Para 4.5 of Chapter 4 for details)

Exceptions: tools, jigs, dies, moulds, generator sets, extra transformer installed by the undertaking as per the regulations of TANGEDCO, storage tanks which store raw materials, finished products etc.,

2. Transport vehicles and Goods carrier

Exceptions: Material handling equipment like Cranes, Forklifts etc., whether mobile or fixed, used inside the factory premises.

3. Preliminary and preoperative expenses - Margin money for working capital.
4. Assets acquired through hire purchase schemes.
5. Electrical installations.

Exception: Electrical items which are directly mounted on the machinery

6. Erection and transportation cost of machinery items.
7. Consumable stores.
8. Spares, excluding items that are included in the original purchase bills of the machinery items at the time of purchase.
9. Indigenous and imported second-hand machinery

Exceptions: imported second-hand machinery brought into use within the country for the first time subject to certification by Chartered Engineer of its value and its residual life of not less than 5 years

6.3 Fabricated machinery

Plant and machinery items fabricated by the enterprise on their own are eligible for subsidy subject to certification of expenditure incurred by a Chartered Accountant and valuation of the item by a Chartered (Mechanical) Engineer.

6.4 Hire purchase machinery

Assets acquired through hire purchase are not considered eligible for the subsidy. However, if the hire-purchase amount is fully settled and the assets are fully owned by the enterprise at the time of filing of subsidy application then those assets can be considered eligible for the subsidy.

6.5 Proof of payment

- i. Only bills/ invoices with payment receipts will be accepted as proof of payment. A stamped invoice cannot be accepted as a receipt. However, cash bill with a signed stamp can be accepted for values not exceeding Rs.10,000/-.
- ii. All payments over and above Rs.10,000/- will be considered only when such payments are made by Demand Drafts/ Bankers' Cheque/Digital payment methods such as UPI, NEFT, RTGS, IMPS, ECS etc., or any other Account Payee bank instruments.
- iii. In case of payment made through Bank /Financial institutions, a Certificate in original furnished by the Bank as proof of payment made to the machinery suppliers may be accepted as an alternative to stamp receipts.
- iv. In case of payment made through Demand Drafts/ Bankers' Cheque simple receipt is enough.
- v. In the case of digital payments, the transaction receipt along with bank statement and receipt from the trader/ manufacturer specifically mentioning the invoice details can be treated as proof of payment.

6.6 GST Registration

Only machinery items purchased from machinery suppliers with GST registration will be accepted for arriving quantum of subsidy.

6.7 Eligibility of Plant and Machinery items of Enterprises functioning in leased land/shed:

- i. *Enterprises functioning in leased land/ shed located in Industrial Estates:*

The Plant and Machinery items of enterprises functioning in leased land/ shed located in SIDCO/SIPCOT or other Government-sponsored Industrial Estates will be considered for incentives only if the enterprise

produces "**No Objection Certificate**" from the Estate Authorities and a lease agreement for a period of not less than 11 months from the date of commencement of commercial production.

ii. Enterprises functioning in leased land/shed located in other areas

The Plant and Machinery items of enterprises functioning in other eligible areas will be considered for incentives only if the enterprise produces a lease agreement from the lessors for a period of not less than 11 months from the date of commencement of commercial production.

6.8 Eligibility of assets created after the date of commencement of commercial production

All Plant and Machinery available as on the date of commencement of commercial production only are normally considered eligible for incentives. Plant and Machinery purchased after the date of commencement of commercial production would be treated only as expansion. However, if the Plant and Machinery are included in the Project report submitted to Banks / TIIC for availing term loan and such items are installed in the premises of the enterprise before applying for incentives, such items would be considered after verifying the records. In case of self-financed units if the Plant and Machinery are included in the Project Report submitted by the enterprise and the enterprise shows evidence for having made a part payment towards the purchase of Plant and Machinery items that are installed in the enterprise after the date of commencement of commercial production but before applying for incentives, such items would be considered after verifying the records.

CHAPTER 7
CAPITAL SUBSIDY

7.1 CAPITAL SUBSIDY FOR MICRO MANUFACTURING ENTERPRISES

7.1.1 Eligible Enterprises

- All new Micro Manufacturing Enterprises set up anywhere in Tamil Nadu.
- Existing Micro Manufacturing Enterprises which have taken up substantial expansion/diversification of the existing activities subject to the fulfillment of the conditions stated in para 5.2 of this Guidelines.
- A micro enterprise, that on expansion/diversification migrates to small/medium category, will be eligible for 25% of the value of plant and machinery subject to a ceiling of Rs.25 lakh (as in the case of a micro-unit) in cases where they become ineligible for subsidy under small and medium category only due to the scale-up. They will also be eligible for an additional capital subsidy for scaling up.

7.1.2 Quantum of subsidy

25% on eligible plant and machinery subject to a maximum of Rs.25 lakh

7.1.3 Overall ceiling on subsidy

The overall ceiling on subsidy should be applied for the original project and expansion/diversification taken together within the category.

7.1.4 Ineligible Enterprises

- All Micro, Small and Medium Service Enterprises
- Micro, Small and Medium Manufacturing Enterprises listed in **Annexure - IV** of this Guidelines.

7.2 CAPITAL SUBSIDY FOR SMALL AND MEDIUM MANUFACTURING ENTERPRISES

7.2.1 Eligible Enterprises

- All new Small and Medium Agro-based and Food Processing Enterprises set up in any of the 388 blocks in the State.
- All new Small and Medium Manufacturing Enterprises set up in industrially backward areas and industrial estates, excluding the industrial estates located within the radius of

50kms from Chennai city centre.

- Existing Manufacturing Enterprises in the above two categories which have taken up substantial expansion/diversification of the existing activities subject to the fulfillment of the conditions stated in para 5.2 of this Guidelines.

7.2.2 Quantum of subsidy

25% on eligible plant and machinery value, subject to a maximum of Rs.150 lakh which will be disbursed over three years as stated in para 5.15

7.2.3 The overall ceiling on subsidy

The overall ceiling on subsidy should be applied for the original project and expansion/diversification taken together within the category only.

7.2.4 Ineligible Enterprises

- All Small & Medium Service Enterprises.
- Small & Medium Manufacturing Enterprises listed in **Annexure - IV** of this Guidelines.

7.3 ADDITIONAL CAPITAL SUBSIDY FOR MICRO MANUFACTURING ENTERPRISES

7.3.1 Eligible Enterprises

- All new Micro Manufacturing Enterprises set up anywhere in Tamil Nadu
- Existing Micro Manufacturing Enterprises which have taken up substantial expansion/diversification of the existing activities.

7.3.2 Quantum of subsidy

10% on the investment made in plant and machinery value, subject to a maximum of Rs.5.00 lakh over five years. This is in addition to the subsidy mentioned vide Chapter 7.1 of this Guidelines, if otherwise, eligible.

7.3.3 The overall ceiling on subsidy

The overall ceiling on subsidy should be applied for the original project and expansion/diversification taken together.

7.3.4 Ineligible Enterprises

- All Micro, Small & Medium Service Enterprises.
- Micro, Small & Medium Manufacturing Enterprises listed in **Annexure - IV** of this Guidelines.

7.4 ADDITIONAL CAPITAL SUBSIDY FOR SELECT CATEGORY OF ENTREPRENEURS

7.4.1 Eligible Enterprises

- All new micro enterprises setup anywhere in Tamil Nadu
- All new Small and Medium Manufacturing Enterprises set up in backward areas (Blocks) and industrial estates excluding the industrial estates located within the radius of 50Kms from Chennai city centre.
- All new Micro, Small and Medium Agro-based and Food Processing Enterprises set up in any of the 388 blocks in the State.

7.4.2 Quantum of subsidy

An additional capital subsidy of 5% on the value of eligible plant and machinery subject to a maximum of Rs.5 lakh to enterprises set up by Women / Scheduled Caste / Scheduled Tribe / Differently abled/Transgender Entrepreneurs.

7.4.3 Operational guidelines

- The status of the applicant would be decided based on the appropriate certificate/ ID card issued by the authorities concerned.
- Entrepreneurs who are covered under more than one select category as defined above will be eligible for additional capital subsidy only under any one of the select categories.
- This is in addition to the subsidies mentioned vide Chapter 7.1, 7.2 and 7.3 of this Guidelines, if otherwise, eligible.
- Micro, Small & Medium Manufacturing Enterprises listed in **Annexure - IV** of this Guidelines is not eligible to avail incentive.

7.5 ADDITIONAL CAPITAL SUBSIDY FOR PROMOTION OF CLEANER AND ENVIRONMENT-FRIENDLY TECHNOLOGIES

7.5.1 Eligible Enterprises

- All new micro-manufacturing enterprises setup anywhere in Tamil Nadu
- All new Small and Medium Manufacturing Enterprises set up in backward areas and industrial estates excluding the industrial estates located within the radius of 50Kms from Chennai city centre.

- All new Micro, Small and Medium Agro-based and Food Processing Enterprises set up in any of the 388 blocks in the State.

7.5.2 Quantum of subsidy.

An additional capital subsidy of 25% on the value of eligible plant and machinery/equipment (for items not covered under capital subsidy) installed to promote cleaner and environment-friendly technologies subject to a maximum of Rs.10 lakh.

7.5.3 Operational guidelines

- Items already considered for the capital subsidy will not be considered for this subsidy
- At the time of application, the Enterprise should submit a Certificate from Tamil Nadu Pollution Control Board duly indicating that the equipment installed leads to a cleaner production process and that it meets the Tamil Nadu Pollution Control Board's norms.
- Micro, Small & Medium Manufacturing Enterprises listed in **Annexure - IV** of this Guidelines is not eligible to avail incentive.

7.6 ADDITIONAL CAPITAL SUBSIDY FOR SCALING UP

7.6.1 Scheme: To enable existing Micro and Small Enterprises to scale-up and graduate to higher category, 5% additional capital subsidy will be provided as incentive subject to a maximum of Rs. 25 lakh.

7.6.2 Eligible Enterprises

All existing Micro and Small Manufacturing Enterprises setup anywhere in Tamil Nadu graduating to higher category by undertaking expansion/diversification.

7.6.3 Quantum of subsidy

5% additional capital subsidy subject to a maximum of Rs. 25 lakh.

7.6.4 Operational guidelines

- Incentive sanctioned under this category is in addition to the eligible Capital Subsidy/Special Capital Subsidy under expansion / diversification which leading to graduation of category.
- Micro /Small Enterprises which are graduated to higher category by virtue of expansion/ diversification but does not qualify for Capital subsidy/Special Capital subsidy due to non fulfillment of certain conditions are also eligible to avail incentive for scaling up.
- Micro and Small Enterprises which are graduating to higher category by virtue of undertaking expansion /Diversification by installing additional plant and machinery are alone eligible
- Micro/Small enterprises are qualify for availing incentive for scaling up only once in a particular category.
- If a Micro or Small Enterprise which already availed incentive for scaling up, reverse graduated to lower category due to the updation of Udyam Registration every year based on the written down value of plant and machinery and reduction in turnover, shall not qualify for incentive for scaling up again when graduating to higher category.
- This is in addition to the subsidies mentioned vide Chapter 7.1, 7.2, 7.3, 7.4 & 7.5 of this Guidelines, if otherwise, eligible.
- Micro, Small & Medium Manufacturing Enterprises listed in **Annexure – IV** of this Guidelines is not eligible to avail incentive.

CHAPTER 8

SPECIAL CAPITAL SUBSIDY FOR THRUST SECTOR ENTERPRISES

8.1 Eligible Enterprises

All new Micro, Small and Medium Manufacturing Enterprises under the following thrust sectors located anywhere in the State, which have Udyam Registrations as per the provisions of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

- i. Electrical and electronics industries
- ii. Leather and Leather goods
- iii. Auto parts and components
- iv. Drugs, Pharmaceuticals and Nutraceuticals
- v. Solar Energy Equipment
- vi. Gold and Diamond Jewellery for exports
- vii. Pollution Control equipment
- viii. Sports Goods and Accessories
- ix. Cost-effective building materials
- x. Readymade Garments
- xi. Food Processing
- xii. Plastic (except 'one-time use and throw away plastics')
- xiii. Rubber
- xiv. Alternate products to 'one-time use and throwaway plastics'
- xv. Electric Vehicle components, charging infrastructure and components
- xvi. Medical devices, equipment and Components
- xvii. Technical Textiles and Medical Textiles
- xviii. Aerospace and Defence applications and Components
- xix. Electronic System Design and Manufacturing
- xx. Bio-Technology
- xxi. Petrochemicals and Speciality Chemicals
- xxii. Industry 4.0
- xxiii. Electronic waste processing
- xxiv. Any other industry to be notified by the Government in this regard from time to time.

The enterprises taking up substantial expansion/diversification of their existing activities on the incremental assets created towards expansion/diversification will also be eligible for subsidy subject to fulfilling the conditions specified under para 5.2 of Chapter 5 of this Guidelines.

8.2 Quantum of subsidy

25% on eligible plant and machinery value, subject to a maximum of Rs.150 lakh which will be disbursed in 3 instalments over three years as stated in para 5.15

8.3 Overall ceiling on subsidy

The overall ceiling on subsidy should be applied for the original project and expansion/diversification taken together within the category only.

8.4 Eligibility for other incentives

Enterprises that qualify for Special Capital Subsidy under the thrust sector will not be eligible for other subsidies noted in Chapter 7.4 & 7.5 and Chapter 10 of this Guidelines. For other units, this condition does not apply.

8.5 List of activities eligible for subsidy under the thrust sector

i. Electrical and Electronics Industries

List of Electrical and Electronic items eligible for subsidy is given in **Annexure -V** Electrical and Electronic items with ISI certification or items manufactured by enterprises who have obtained ISO 9001 Certification alone will be considered eligible for the subsidy.

ii. Leather and Leather goods

Includes tanneries and leather processing enterprises, subject to the condition that the Enterprise has obtained necessary clearances from Tamil Nadu Pollution Control Board.

iii. Auto Parts and Components

List of Auto parts and components either whole or part eligible for subsidy is given in **Annexure-VI**. Auto parts and components manufactured by enterprises who have obtained ISO 9001 Certification or any quality certification such as IATF 16949-2016 etc., required for the automobile manufacturers will be considered eligible for the subsidy.

iv. Drugs, Pharmaceuticals and Nutraceuticals

All drugs and formulations including Allopathic, Siddha, Ayurvedha, Unani, Homeopathy etc., as approved by the Indian Pharmacopoeia, subject to the condition that the Enterprise has obtained required drug licenses under Drug Control Order,1955 from authorities concerned.

(For Nutraceuticals the guidelines will be issued separately)

v. Solar Energy Equipment

Enterprises manufacturing the following Solar Energy Equipment are considered eligible for the subsidy.

A. Solar Based Electric Gadgets:

- i. Solar Lantern
- ii. Solar based DC home kits (fans, lights etc.)
- iii. Portable Solar PV kits
- iv. Solar Street lights & Garden light systems (both integrated type and assembly type)
- v. Solar Portable Smartphone Charger
- vi. Solar DC operated induction stove
- vii.

B. Solar Based Thermal application Gadgets

- i. Solar Cookers
- ii. Solar Water heaters
- iii. Solar HVAC systems
- iv. Solar refrigerators, solar cold storage and air conditioning
- v. Solar crop dryers and systems
- vi. Solar photo-voltaic modules and panels for water pumps and applications
- vii. Flat plate solar collectors
- viii. Evacuated tube solar thermal systems

Any other items to be decided by the technical committee

vi. Gold and Diamond Jewellery for Exports

Gold and Diamond jewellery manufacturing MSMEs which are registered with Gem and Jewellery Export Promotion Council only eligible to avail of incentive under this category.

vii. Pollution Control equipment

The enterprises manufacturing Pollution control equipment should submit a Certificate obtained from the TNPCB authorities duly indicating that the pollution control equipment manufactured by them meets the standards prescribed by the Pollution Control Board.

viii. Cost-effective building material

The MSMEs engaged in the following activities are eligible to avail of Special Capital subsidy.

- i. Ready Mix Concrete plant
- ii. Compressed Earth / Fly Ash, Sand, Lime Gypsum Blocks (Interlocking Type)
- iii. Ferro Cement Wall Panels
- iv. Micro Concrete Roofing Tiles
- v. Ferro cement Roofing Channel

- vi. Green and environment-friendly Materials
- vii. Construction materials produced by recycling construction waste
- viii. Construction Materials that do not require natural resources
- ix. Construction materials produced using geosynthetic materials which are biodegradable.
- x. UPVC window and panels

ix. Alternate products to 'one-time use and throwaway plastics'

The MSMEs engaged in the following activities are eligible to avail of Special Capital subsidy.

- i. Carry bags made from compostable plastics shall conform to the Indian standard: IS 17088:2008 titled as Specifications for Compostable Plastics, as amended from time to time.
- ii. Aluminium Foil and its products
- iii. Paper rolls
- iv. Metal Plates, Ceramic and Porcelain plates
- v. Glass Tumblers, Metal Tumblers, Ceramic Cups
- vi. Glass Bottles and Metal Containers

x. E-Vehicle components and charging infrastructure manufacturer.

- i. Eligibility for incentive under e-vehicle components and charging infrastructure components will be based on the advice of a Technical committee constituted for this purpose as per the EV Policy of the Government of Tamil Nadu.
- ii. To assist existing MSMEs, that transition to the manufacture of EV Components, charging infrastructure and its components, the principle of increase in production volume and turnover for expansion projects will not be applicable.

xi. Medical devices, equipment and components.

Eligible enterprises:

The following Medical Devices & Equipment and their components will qualify for Special capital subsidy.

- i. Medical devices and in vitro diagnostic medical devices as notified under the provisions of the Medical Devices Rules 2017, under the Drugs and Cosmetics Act, 1940
- ii. Medical Devices covered under target segments of Production Linked Incentive (PLI) scheme of Government of India for promoting domestic manufacturing of medical devices
- iii. Medical Devices and Equipment recognized by the Tamil Nadu Medical Services Corporation Ltd.,
- iv. Other items as approved by the Technical Committee constituted for the purpose.

v. The MSMEs engaged in the manufacturing of components for the Medical Devices and Equipment stated in para i to iv above are also eligible to avail incentives provided if they fulfill the following conditions:

- They must have obtained ICMED 9000 certification or ICMED 13485

(and)

- 50% of its production shall go to licensed OEMs engaged in the manufacture of Medical Devices and Equipment

Operational Guidelines:

MSMEs engaged in the manufacturing of Medical Devices, Equipment and their components that have obtained any of the following Certification / Quality certifications will alone be eligible for incentives.

- Indian Certification for Medical Devices (**ICMED**)
- Certification from testing laboratories recognized by the Central Drugs Standard Control Organisation (**CDSCO**)
- Manufacturing License/Certification from Drugs Standard Control Organisation

xii. Aero Space and Defence Applications products and Components

Eligible Enterprises:

- To avail benefits under this policy, the eligible Aero Space and Defence industrial units are defined as those which are designing, engineering, manufacturing such materials/components/sub-assemblies etc., fully or partially to the OEMs/Tier I/Tier II/ Tier III companies of Aero Space and Defence industrial majors including HAL/ISRO. All Defence PSUs of GoI, all defence and security forces viz. Army, Navy, Air Force, Coast Guard, CRPF, State Police Departments. Construction of MRO Aircraft Hangers will also be considered as Aerospace/ defence industry.
- All Industries which have got the AS9100 Certification are considered as Aerospace/ Defence related industries.
- Any clarification in the case of interpretation on the definition of Aerospace/ Defence industries will be given by Technical Committee headed by the Principal Secretary, MSME Department.

xiii. Electronic System Design and Manufacturing Eligible Enterprises:

- MSMEs providing special support to priority sub-sectors identified in the Tamil Nadu Electronic Hardware Manufacturing Policy, 2020 will be eligible for this subsidy.
- The identification of specific ESDM components/ items/ devices that qualify under incentive will be carried out by a Technical Committee headed by the Principal Secretary, MSME Department.

xiv. The guidelines for the following thrust sector will be issued separately.

- i. Technical textiles and Medical textiles
- ii. Bio-technology
- iii. Petrochemicals and Speciality Chemicals
- iv. Industry 4.0
- v. Electronic waste processing

8.6 Modalities for approval/ inclusion of specific items/components under thrust sector category

Illustrative lists of products/components which are eligible for Special Capital Subsidy under the thrust sector (set up anywhere in Tamil Nadu) have been listed (with names of components) in this Guidelines. However, the pace of technological changes in some sectors often renders many components notified at the time of the issue of G.O, redundant and there is a time lag in including components that need to be promoted. Any delay in implementing the project would render the project unviable and the technology, obsolete.

Given the above, an institutional mechanism in the form of a Empowered Technical Committee headed by the Secretary to Government, MSME Department similar to a technical committee suggested in Tamil Nadu Electric Vehicle Policy, 2019, will decide the eligible products/items/components which are not included in the illustrative list.

The Committee shall consist of two independent subject experts as the case may be depending on the nature of application from the industry/ academia along with ex-officio members from the Government/Government department, related to the specific sector and similar services. The chairperson of the committee will decide the subject experts and other ex-officio members from Government services from time to time, depending on the type of proposals that are pending sanction for want of clarification. The Commissioner, Industries and Commerce will be the convener of this technical committee. The Empowered Technical Committee shall meet at least once in a quarter or at more frequent intervals depending on the number of such pending applications.

9. PAYROLL SUBSIDY

9.1 Eligible Enterprises

- All new Micro Manufacturing Enterprises setup anywhere in Tamil Nadu.
- All new Small and Medium Manufacturing Enterprises set up in backward areas and industrial estates excluding the industrial estates located within the radius of 50 km from Chennai city centre.
- All Small and Medium Agro-based and Food Processing Enterprises set up in any of the 388 blocks in the State.

9.2 Quantum of Subsidy

Reimbursement of Employer's contribution to the EPF for the first three years from the date of commencement of commercial production, if the unit has employed more than 20 persons, subject to a maximum of Rs.24000/- per employee per annum.

9.3 Operational guidelines

- i. The unit must have employed more than 20 persons at the time of application irrespective of the year in which the application is made (within the first three years from DCP)
- ii. Eligible MSMEs shall apply within 3 months after the completion of the financial year for the claim of the previous year.
- iii. Only regular workers will be taken into account and not casual, temporary or contract workers
- iv. If the employee strength falls below the stipulated number for any of the months the claim will be restricted to the months in which the conditions are satisfied.
- v. The evidence for the employment of workers would be the related statutory returns such as the returns filed under the Employees Provident Fund Act 1952.
- vi. Micro, Small & Medium Manufacturing Enterprises listed in **Annexure - IV** of this Guidelines is not eligible to avail incentive.

CHAPTER 10

LOW TENSION POWER TARIFF (LTPT) SUBSIDY

10.1 Eligible Enterprises

- All new Micro Manufacturing Enterprises set up anywhere in the State
- Existing Micro Manufacturing Enterprises which have taken up substantial expansion/diversification of the existing activities
- Micro enterprises using Low Tension Power supply (Tariff IIIB) will alone be eligible to avail of this subsidy

10.2 Ineligible Enterprises

- All Micro Service Enterprises
- All Small and Medium Enterprises
- Micro Manufacturing Enterprises listed in **Annexure - IV** of this Guidelines.

10.3 Quantum of subsidy

20% of the Power charges paid by the enterprises to TANGEDCO for the first 36 months from the date of commencement of production or from the date of power connection, whichever is later.

10.4 Eligibility of Manufacturing Enterprises commenced production with other means of energy

Enterprises which have started production with other means of energy like Generator /Diesel engine etc., before getting power connection will be eligible for LTPT subsidy from the date of power connection.

10.5 The time limit for applying for the Eligibility Certificate

Application for Eligibility Certificate for Low Tension Power Tariff (LTPT) subsidy should be submitted online to the General Manager, District Industries Centre concerned / RJD, Chennai within 3 months from the date of commencement of Commercial production or date of power connection whichever is later for the new projects. In case of expansion/ diversification, the application should be submitted within 6 months from the date of commencement of Commercial production or date of power connection whichever is later.

10.6 The time limit for submission of subsidy claims

Reimbursement subsidy Claims should be submitted by the enterprise online once in 6 months i.e. the bills raised by TANGEDCO from January to June should be preferred before August 31st of that year and the bill raised for the period from July to December before the 28/29th February of the succeeding year.

However, the first claim for the subsidy can be submitted within 30 days from the date of issue of the Eligibility Certificate or half-yearly as stated above whichever is advantageous to the applicant. Condonation of delay in respect of belated claims shall not be entertained.

10.7 Enterprises set up in rental Building

LTPT subsidy will be granted to Enterprises set up in rental building provided that the power connection is obtained for that purpose by the landlord and the lessee enterprise executes a lease agreement for the power connection for not less than 3 years and such lease agreement should be in operation during the eligibility period of Low Tension Power Tariff subsidy.

Enterprises occupying a portion of another enterprise consuming power jointly are not eligible for Low Tension Power Tariff subsidy.

10.8 Power charges eligible for the subsidy

The actual energy charges for manufacturing and lighting of the premises inclusive of surcharge, tax and other charges but exclusive of penalty is eligible for the subsidy.

10.9 Cases involved in multiple service connection of an Enterprise

In cases of enterprises having multiple LT connections in the same premises, LTPT subsidy would be given for the first service connection only. However, if the enterprise is having branch unit(s) in a different location(s) then LTPT subsidy will be given to each of the LT connection (first LT service connection only) subject to the satisfaction of the above norm.

10.10 Verification of the existence of the Enterprise at the time of disbursement

- Disbursement of Low Tension Power Tariff subsidy shall be made subject to confirming the existence, functioning and constitution of the Enterprises at the time of disbursement and without any change in constitution/management of the Enterprise made during the eligibility period.
- The requirement to be seen in operation at the time of disbursement does not apply to enterprises engaged in the processing of seasonal products like sago, mango pulp etc.

CHAPTER 11

BACK- ENDED INTEREST SUBSIDY

11.1 Eligible enterprises

- Existing Micro and Small Enterprises who have availed term loan for the purpose of under Technology up-gradation / modernization schemes.
- All Micro and Small Enterprises who have availed term loan under the Credit Guarantee Fund Trust Scheme (CGTMSE).
- Existing Micro and Small Enterprises which have taken up substantial expansion /diversification of the existing activity by availing loan under CGTMSE scheme
- Existing Micro and Small Enterprises, which upgrade their existing plant and machinery with 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) scheme of Government of India from time to time / as approved by the Technical Committee headed by the Principal Secretary, MSME Department.

11.2 Quantum of Assistance

- **For CGTMSE:** The interest subsidy shall be at the rate of 5% for a maximum of 5 years only, irrespective of the period of repayment of the loan. Further, the maximum amount of back-ended interest subsidy payable per loan shall be Rs.20 lakh only on loans taken up to Rs.200 lakh.
- **For Technology Upgradation/Modernisation Schemes:** The interest subsidy shall be at the rate of 5% for a maximum of 5 years only, irrespective of the period of repayment of the loan. Further, the maximum amount of back-ended interest subsidy payable per loan shall be Rs.25 lakh only on loans taken up to Rs.500 lakh.

11.3 Nodal Agency

TIIC- in respect of term loan sanctioned by TIIC

SIDBI- in respect of term loan sanctioned by SIDBI.

GMs of DICs- in respect of term loans sanctioned by Banks.

11.4 Mode of payment of subsidy.

Interest subsidy shall be reimbursed on a quarterly basis to the financial institutions. The units should be prompt in repayment of loan and interest. If there is any default in repayment of loan and interest as per the schedule of payment fixed by the financial institution, the back-ended interest subsidy will not be paid during

the period of default. However, if the Micro or Small Enterprise subsequently pays the installment, interest subsidy alone shall be paid. Penal interest or charges for belated payment, if any, shall not be paid by the Government. The unit should be in operation during the period for which interest subsidy is claimed.

11.5 Accounting by Nodal Agencies.

The Nodal Agencies shall maintain a separate bank account for the amount released by Government and disburse the subsidy to the lending institutions as per the above guidelines. The interest earned in this account shall be utilized for payment of back-ended interest subsidy. At the end of every financial year the Nodal Agency shall render utilization certificates and accounts to Industries Commissioner and Director of Industries and Commerce in the month of May in the following proforma:

Utilisation Certificate and Accounts for the year :	
Opening Balance as on 1.4. 20--	:
ADD: Amount released by the Government during the current year	:
Interest earned so far	:
Total	:
LESS: Subsidy disbursed	_____
Closing balance as on 31.3.	_____

The Nodal Agency shall disburse the subsidy within the amount released by Government and any excess amount released by the Nodal agency will not be reimbursed by Government.

CHAPTER 12

GENERATOR SUBSIDY

12.1 Scheme:

All new and existing Micro Manufacturing Enterprise, falling under the rural feeder that purchases a generator is eligible for generator subsidy. The maximum permissible capacity is 320 KVA.

12.2 Quantum of subsidy:

25 % of the cost of generator set upto the capacity of 320 KVA subject to a maximum limit of Rs.5.00 lakh.

12.3 Eligibility conditions:

1. Subsidy will be available only for brand new equipment.
2. Safety certificate from the Department of Electrical Inspectorate should be obtained for the installation of a new generator set at the factory premises.
3. Generator set should be purchased from the manufacturer directly or from an authorised dealer.
4. The unit should have obtained Udyam Registration Number.

12.4 Eligible units:

1. All LT /HT power-consuming micro manufacturing enterprises which are falling under the rural feeder
2. Micro manufacturing units that have purchased and installed a generator set up to the capacity of 320 KVA

12.5 Eligibility of accessories for subsidy

All accessories required for the erection and functioning of the generator set may be treated as one unit to compute the generator subsidy. The loading, unloading, packaging and erection charges may not be considered for subsidy.

12.6 Time limit for submission of subsidy application

Application for generator subsidy should be filed online to the General Manager, DIC of the respective District within six months from the date of purchase of the generator set or date of installation of the generator set (i.e. the date of Issue of safety certificate by Electrical Inspectorate Department), whichever is later.

12.7 Release of subsidy

The subsidy granted shall be released on sanction by the General Manager concerned to the financial institutions only, in case of term loan facility availed by the enterprise. In respect of self-financed enterprises, the subsidy shall be directly released to the bank account of the enterprise.

CHAPTER 13

PROMOTION OF ENERGY AUDIT AND CONSERVATION OF ENERGY (PEACE)

13.1 Objective

The following are the objective of the scheme:

- To create awareness & understanding of the importance and implication of energy audit and conserving energy.
- Incentivises MSMEs to undertake Audit.
- To enable MSMEs to adopt suitable techniques/technologies to achieve energy efficiency by extending subsidy.

13.2 Components of the scheme

The scheme contains the following four components:

- i. Awareness Programme
- ii. Training programme
- iii. Detailed energy audit
- iv. Implementation of energy audit recommendations

13.3 Awareness Programme

The objective of the awareness programme is to make the MSMEs understand that the energy audit and conserving energy is a critical issue that is of great importance to the financial performance and competitiveness of their enterprise. The content of the programme shall match the requirement of MSMEs/ Sectors/ Clusters. The target group for the awareness programme is executives, employees, workers of MSMEs and cluster members. The ideal size for the awareness programme is 40-50 participants. However, in industrially backward districts the batch size may be lesser. The program will be designed for one day, based on the need and requirement of the MSMEs. The contents of the training will be standardized by the Industries Commissioner and Director of Industries and Commerce in consultation with the relevant agencies.

13.3.1 Resource Persons

The resource persons may preferably be drawn from the organisations such as Petroleum Conservation Research Association (PCRA), India SME Tech services Ltd (SIDBI) and National Productivity Council (NPC), BEE, TERI, etc., which are promoted by Government Departments. Bureau of Energy Efficiency (BEE) accredited Energy Auditors/ Managers with rich experience in energy audits, energy management & conservation and BEE empanelled Energy audit firms/Cos., may also be engaged.

13.3.2 Fund Allocation: Atleast one awareness programme in each district at a cost not exceeding Rs. 1.00 lakh per programme

13.3.3 Operational Guidelines:

- The programme will be organised by GM, DICs/RJD, Chennai in co-ordination with MSMEs Associations, Product Associations, Clusters and other Stakeholders.
- Wherever possible the awareness programmes may be organised for a sector/ cluster.

13.4 Training Programme

The objective of the training programme is to enable MSMEs to establish the systems and processes necessary to improve energy performance, energy efficiency, and help reduce energy consumption and costs. The participants will be exposed to how an effective Energy Management System (**EnMS**) can help their organization improve energy efficiency, reduce costs, and lower greenhouse gas emissions. The target group of participants for the training programme is Employees, Engineers and executives of MSMEs, that are willing to undertake the energy audit. The ideal batch size will be 20 - 25. In the case of organising cluster/ sector-focused programmes, MSMEs from neighbouring districts may also be included. The course will be for 3 - 4 days, based on the need and requirement.

13.4.1 Programme Content

A tailor-made training program conforming to the requirement of MSMEs/ clusters must be designed. For instance, programmes could especially be fashioned around utilities and systems that a particular industry is dealing with on a day-to-day basis (for eg: energy audit and conservation in electrical systems like maximum demand control, power factor control servo motor, transformers, pumps, fans, air-conditioning units, chillers, DG sets, lighting systems, air compressors etc. and thermal systems like boilers, furnaces, driers, thermic fluid systems, heat exchangers, steam systems etc).

13.4.2 Training Faculty

The training faculty may preferably be drawn from the organisations such as Petroleum Conservation Research Association (PCRA), India SME Tech services Ltd. (SIDBI) and National Productivity Council (NPC) etc., which are promoted by Government Departments. However, the Bureau of Energy Efficiency (BEE) accredited Energy Auditors/ Managers with rich experience in energy audits, energy management & conservation and BEE empanelled Energy audit firms/Cos., may also be engaged. Experience sharing by other enterprises must also be encouraged.

13.4.3 Operational Guidelines

- The training will be organised by GM, DICs/ RJD, Chennai in co-ordination with MSMEs Associations, Product Associations, Clusters and other Stakeholders.
- Wherever possible training may be organised sector-wise / cluster wise / product-wise.

13.4.4 Fund Allocation:

At least one training programme in each district at a cost not exceeding Rs. 75,000/- per training programme

13.5 Detailed Energy Audit

13.5.1 Objective

The main objective of the energy audit is to identify the major sources of energy in use, identifying the lapses in energy usage, identifying areas to improve energy usage, determining the level of consumption of the energy sources and recommending policy measures that will enhance energy savings in the industry.

An effective energy management system can help MSMEs cut their energy costs and reduce their negative environmental impact. It provides a structural review of how energy is being purchased, managed and used to identify opportunities for energy cost saving through improved services.

13.5.2 Methodology

The following methodology is suggested for adoption:

- i. Plant survey
- ii. Discussion with the plant personnel
- iii. Analysis of past performance data
- iv. Measurements of required electrical parameters
- v. Energy Performance assessment for significant electrical and thermal equipment
- vi. Comparison with available performance guarantees/ manufacturer design data
- vii. Identification of energy conservation measures
- viii. Discussion of the findings and recommendations with plant personnel
- ix. Detailed techno-economic analysis
- x. Report submission

13.5.3 Energy Audit team

Bureau of Energy Efficiency empanelled energy auditing firms/Cos., (with auditing teams led by Bureau of Energy Efficiency accredited Energy Auditors) or Bureau of Energy Efficiency accredited individual Energy Auditors alone are to be engaged.

13.5.4 Energy Audit Final report

- i. The report shall contain specific recommendations along with quantitative and qualitative details and outlay, projections of energy/ cost savings, payback period etc., upon implementation.
- ii. The report should contain, among other things, an executive summary, period of conduct of Energy Audit and specific conclusions and measures/ recommendations

13.5.5 Eligible Enterprises

- i. All existing manufacturing MSMEs in the state which are undertaking energy audit for the first time.
- ii. MSMEs taking up subsequent energy audit after 3 years

13.5.6 Quantum of Eligible Subsidy

- i. 75 % of the cost of the audit subject to a Maximum of Rs.1.00 lakh per energy audit.
- ii. Enterprises having more than one unit may also avail this concession, separately for each unit.
- iii. The overall ceiling on subsidy should not be applied for the original energy audit and subsequent energy audit taken together but should be applied separately for the original energy audit and the subsequent energy audit.
- iv. There should be a gap of a minimum of three years between the previous energy audit and the subsequent energy audit i.e. present energy audit.

13.5.7 Components Eligible for arriving at the eligible subsidy

The expenditure incurred towards professional charges of conducting an Energy Audit alone is eligible.

13.5.8 Time Limit for Filing Application for Availing Subsidy

Eligible MSMEs shall file their claim online, complete in all respects within one year from the date of completion of the Energy Audit.

13.5.9 Operational Guidelines

- i. MSMEs shall apply to the DIC/ RJD, Chennai of the respective district in the prescribed format-I
- ii. The subsidy will be released to the MSME after completion of the Energy Audit Report that is duly certified by the energy auditor.
- iii. If the unit availed loan for the energy audit, the subsidy will be released to the bank to adjust in the loan account if the loan is in currency.

13.6 Incentive for Implementing Energy Audit Recommendations

13.6.1 Objective

The objective of the scheme is to incentivise MSMEs to implement the recommendations of the Energy Audit Report and to optimize energy consumption leading to energy saving and money saving in electricity bills.

13.6.2 Eligible Enterprises

All manufacturing MSMEs in the state which have undertaken energy audit and have achieved atleast 10% energy savings in terms of the number of units of energy consumed per unit of product manufactured with reference to the last 12 months average.

13.6.3 Quantum of Subsidy

50% of the cost of eligible components, subject to a maximum limit of Rs.10,00,000/-.

13.6.4 Time limit for filing application

MSMEs have to apply online to DIC/RJD, Chennai three months after the date of implementation of Energy Audit recommendations. The upper limit for submission of claims is within one year from the date of implementation of the Energy Audit recommendation or within two years from the date of energy audit whichever is earlier.

13.6.5 Eligible Components

- a. Cost of technology acquired for energy saving
- b. Cost of replacement of equipment for energy conservation/ cost of machinery/accessories newly purchased & installed for the purpose
- c. Cost of modification/ alteration made in the existing machinery/ equipment / retrofit equipment for energy conservation.

13.6.6 Operational guidelines

- i. MSMEs shall apply online to the General Manager, DIC/ Regional Joint Director, Chennai.
- ii. Investments made after the energy audit alone will be eligible for the subsidy
- iii. The percentage of savings in specific energy consumption (Kwh/Kcal per unit of product) shall be reckoned on twelve-month average energy consumption before the implementation of energy audit recommendation and a minimum three-month average after the implementation of the recommendation of the energy audit.
- iv. The subsidy will be released to the MSME after the implementation of the recommendations in the Energy Audit Report that is duly certified by the energy auditor.

- v. If the unit has availed a loan for the implementation of the recommendations of the energy audit, the subsidy will be released to the bank to adjust in the loan account if the loan is in currency.
- vi. Enterprises having more than one unit may also avail of this concession, separately for each unit.
- vii. The overall ceiling on subsidy should not be applied for the original energy audit and subsequent energy audit taken together but should be applied separately for the original energy audit and the subsequent energy audit.
- viii. There should be a gap of a minimum of three years between the previous energy audit and the subsequent energy audit i.e. present energy audit.

13.7 Ineligible Enterprises

- All Micro, Small and Medium Service Enterprises
- All Micro, Small and Medium manufacturing Enterprises that have availed similar subsidy for the same purpose from any other State or Central Government Agency for the same purpose.

CHAPTER 14

SCHEME FOR ACQUIRING QUALITY CERTIFICATIONS (Q-CERT)

14.1 Scheme

To encourage and incentivize MSMEs to acquire product/process/social quality standards/certifications such as ISO 9000/ISO 14001/ ISO 22000/ Hazard Analysis and Critical Control Point (HACCP) Good Hygienic Practices (GHP) / Good Manufacturing practices (GMP) Certifications, BIS Certification, Zero Defect and Zero Effect (ZED) rating, etc or any other international quality certification as required by the importing countries.

14.2 Eligible Enterprises

All micro, small and medium enterprises in the State.

14.3 Quantum of subsidy

100% reimbursement of certification and consulting charges subject to a maximum of Rs.2 lakh per unit for National Certifications and Rs.10 lakh per unit for International certifications. A unit with a valid Udyam Registration can obtain multiple certifications within the given financial limit. A unit can also claim this amount for new certifications on scaling up to the next category.

14.4 The time limit for application

Eligible MSMEs shall file their application online, within one year from the date of certification to the respective General Managers of District Industries Centre/Regional Joint Director, Chennai.

14.5 Operational guidelines

- Quality certifications issued for Product/Process/Social standards are eligible for subsidy under this category if they are recognized by the Quality Council of India or internationally recognized accreditation bodies.
- Eligible MSMEs shall apply online and upload required documents
- **Components eligible for reimbursement subsidy:** Payments made for consultancy and to certification agencies, calibration and testing charges for certification from NABL accredited testing labs
- **Components of expenditure ineligible for reimbursement:** Travel expenditure, hotel accommodation, food & beverages, refreshment charges and surveillance charges
- **Expenditure for renewal will not be eligible for reimbursement**
- Certifications that are mandatory as per statutory requirement are also not eligible.
- An illustrative list (not exhaustive) of international and national quality certifications is given in the **Annexure-VII** of this Guidelines. Any clarification on the eligibility will be given by the Industries Commissioner and Director of Industries and Commerce, as stated in para 3.5 of chapter 3.

CHAPTER 15

REIMBURSEMENT OF STAMP DUTY & REGISTRATION CHARGES

15.1 Eligible enterprises

Micro and Small enterprises set up in declared backward blocks are eligible for reimbursement of stamp duty and transfer duty paid by them on purchase of land meant for industrial use.

The stamp duty and Transfer duty benefits shall apply to all eligible new manufacturing enterprises.

15.2 Quantum of Assistance

50% rebate on the actual value of stamp duty and registration charges paid to the Registration Department.

15.3 Admissible area

This incentive is admissible to eligible enterprises on the land area up to five times the plinth area of the factory building constructed. However, in respect of enterprises where the open land requirements would be large, due to the peculiar nature of the industry, the sanctioning Authority may consider allowing land over five times plinth area on case to case basis.

15.4 Operational Guidelines

- The applicant enterprise should apply online for this incentive within 6 months from the date of commencement of commercial production, to the General Manager, District Industries Centre concerned or the Office of the Regional Joint Director of Industries & Commerce in respect of Chennai District in online.
- Micro, Small & Medium Manufacturing Enterprises listed in **Annexure - IV** of this Guidelines are not eligible to avail incentive.

CHAPTER 16

SUBSIDY FOR ASSET CREATION FOR INTELLECTUAL PROPERTY

16.1 Eligible Incentives

- i. Subsidy on the cost of Patent Registration in India or abroad.
- ii. Subsidy on the cost of Trade Mark Registration or Geographical Indications (GI) in India or abroad.

16.2 Quantum of Assistance:

- i. *For Patent Registration:*

75% subsidy on the cost of filing of the application for Patent Registration including the cost of first-time maintenance fee of the granted application, subject to a maximum of Rs.3.00 lakh per Patent registered.

- ii. *For Trade Mark Registration or Geographical Indications (GI):*

50% subsidy on the cost of filing application for Trade Mark Registration including the cost of first-time maintenance fee of the granted application, subject to a maximum of Rs.25, 000/- per Trade Mark or Geographical Indications registered.

16.3 Eligible Enterprises

- i. *For Patent Registration:*

All new and existing micro, small and medium manufacturing enterprises located anywhere in Tamil Nadu for innovations capable of industrial application.

- ii. *For Trade Mark Registration or Geographical Indications (GI):*

All new and existing micro, small and medium manufacturing enterprises including clusters located anywhere in Tamil Nadu.

16.4 Operational Guidelines:

The applicant enterprise should apply online within 6 months from the date of obtaining Patent / Trade Mark Registration/ Geographical Indications (GI), to the General Manager, District Industries Centre concerned or the Office of the Regional Joint Director of Industries & Commerce in respect of Chennai District.

CHAPTER 17

SCHEME FOR FUND RAISING THROUGH SME EXCHANGE

- 17.1 Scheme:** Many small and medium enterprises in the State have the potential to scale up thereby augmenting growth and employment opportunities. However, they are often constrained by inadequate capital. To realise their potential and to ease their liquidity constraints the Government will offer support to SMEs in the State to get listed on the SME Exchange.
- 17.2 Objective:** To facilitate high growth potential SMEs in the State to raise equity capital through SME Exchange utilizing IPOs, in both the manufacturing and services sector.
- 17.3 Quantum of subsidy:** One-time assistance of 20% of the expenditure incurred for listing, subject to a maximum of Rs.5 lakh for successful listing on the SME Exchange.
- 17.4 Eligible Enterprises:** Small and Medium enterprises located in the State and qualifying to be listed as per the norms of the NSE/BSE
- 17.5 Operational guidelines:**
- The SME shall make the application online within 6 months from the date of listing on the SME exchange
 - Merchant banker fees, due diligence fees, registrar and transfer agent fees, peer review auditor fees, exchange fees and listing charges are eligible for reimbursement

V.ARUN ROY
SECRETARY TO GOVERNMENT

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06/07/2021
SECTION OFFICER
10/67

Annexure - I

List of Backward Blocks in the State

Ariyalur District

- | | |
|----------------|---------------|
| 1. Andimadam | 4. Sendurai |
| 2. Ariyalur | 5. T.Palur |
| 3. Jayankondam | 6. Thirumanur |

Coimbatore District

- | | |
|------------------|--------------|
| 7. Annur | 9. Sultanpet |
| 8. Kinathukadavu | |

Chengalpattu District

- | | |
|------------------|-----------------------|
| 10. Acharapakkam | 13. Maduranthagam |
| 11. Chithamur | 14. Thirukazhakundram |
| 12. Lathur | |

Cuddalore District

- | | |
|---------------------|-------------------------------|
| 15. Annagramam | 20. Mangalore |
| 16. Kammapuram | 21. Melbhuvanagiri |
| 17. Kattumannarkoil | 22. Nallur |
| 18. Kumaratchi | 23. Parangipettai (Portonovo) |
| 19. Kurinjipadi | 24. Srimushnam |

Dharmapuri District

- | | |
|------------------|---------------------|
| 25. Harur | 30. Pappireddipatti |
| 26. karimangalam | 31. Kadathur |
| 27. Morappur | 32. Pennagaram |
| 28. Nallampalli | 33. Eriyur |
| 29. Palacode | |

Dindigul District

- | | |
|--------------------|------------------|
| 34. Guziliamparai | 39. Shanarpatti |
| 35. Natham | 40. Thoppampatti |
| 36. Nilakottai | 41. Vadamadurai |
| 37. Oddenchatram | 42. Vedasandur |
| 38. Reddiarchatram | |

Erode District

- | | |
|--------------|---------------|
| 43. Anthiyur | 44. Thalavadi |
|--------------|---------------|

Kallakurichi District

- 45. Chinnasalem
- 46. Kalvarayanmalai
- 47. Sankarapuram
- 48. Thirunavalur
- 49. Ulundurpet

- 50. Kallakurichi
- 51. Rishivandiyam
- 52. Thirukoilur
- 53. Thiyagadurgam

Kanchipuram District

- 54. Kundrathur
- 55. Walajabad

- 56. Uthiramerur

Kanyakumari District

- 57. Rajakkamangalam
- 58. Thiruvattar

- 59. Thovalai

Karur District

- 60. Aravakurichi
- 61. K.Paramathi
- 62. Kadavur

- 63. Krishnarayapuram
- 64. Thanthoni
- 65. Thogamalai

Krishnagiri District

- 66. Bargur
- 67. Kaveripattinam
- 68. Kelamangalam
- 69. Mathur

- 70. Sulagiri
- 71. Thally
- 72. Uthangarai
- 73. Veppanapalli

Madurai District

- 74. Alanganallur
- 75. Chellampatti
- 76. Kalligudi
- 77. Kottampatti
- 78. Madurai East
- 79. Sedapatti

- 80. T.Kallupatti
- 81. Thirumangalam
- 82. Thirupparankundram
- 83. Usilampatti
- 84. Vadipatti

Mayiladuthurai District

- 85. Kollidam
- 86. Kuttalam

- 87. Sembanar Koil
- 88. Sirkazhi

Nagapattinam District

- 89. Keelaiyoor
- 90. Kelvalur
- 91. Thirumarugal

- 92. Talainayar
- 93. Vedaraniyam

Namakkal District

94. Elachipalayam
95. Erumaipatti
96. Kabilarmalai
97. Kollihills
98. Mallasamudram
99. Mohanur
100. Namagiripettai
101. Puduchatram
102. Vennandur

Nilgiris District

103. Gudalur
104. Ooty
105. Kotagiri

Perambalur District

106. Alathur
107. Veppur
108. Veppanthattai

Pudukottai District

109. Annavasal
110. Arimalam
111. Avudaiyarkoil
112. Gandarvakottai
113. Karambakudi
114. Kunnadarkoil
115. Manamelkudi
116. Ponnamaravathi
117. Thirumayam
118. Thiruvrankulam
119. Viralimalai

Ramanathapuram District

120. Bogalur
121. Kadaladi
122. Kamuthi
123. Mandapam
124. Mudukalathur
125. Nainarkovil
126. R.S.Mangalam
127. Thiruppullani
128. Thiruvadana

Ranipet District

129. Arcot
130. Nemili
131. Thimiri
132. Kaveripakkam
133. Sholingar

Salem District

134. Ayothiapatnam
135. Kadayampatti
136. Konganapuram
137. Mechery
138. Omalur
139. Pethanaickenpalayam
140. Thalaivasal
141. Tharamangalam
142. Yercaud

Sivagangai District

- 143. Illayangudi
- 144. Kalaiyarkoil
- 145. Kallal
- 146. Kannankudi
- 147. Manamadurai

- 148. S.Pudur
- 149. Singampunari
- 150. Sivagangai
- 151. Thiruppathur
- 152. Thiruppuvanam

Tenkasi District

- 153. Alangulam
- 154. Kuruvikulam

- 155. Kadayam
- 156. Meelaneelithanallur

Thanjavur District

- 157. Ammapettai
- 158. Budalur
- 159. Madukkur
- 160. Orathanadu
- 161. Papanasam

- 162. Peravurani
- 163. Sethubava-chatram
- 164. Thiruppanandal
- 165. Thiruvaiyaru
- 166. Thiruvonam

Theni District

- 167. Andipatti
- 168. Chinnamanur

- 169. Cumbum
- 170. K.Myladumparai

Thoothukudi District

- 171. Alwarthirunageri
- 172. karungulam
- 173. Kayathar
- 174. Kovilpatti
- 175. Ottapidaram
- 176. Pudur

- 177. Sattankulam
- 178. Srivaikundam
- 179. Tiruchendur
- 180. Udangudi
- 181. Vilathikulam

Tiruchirappalli District

- 182. Lalgudi
- 183. Manachanallur
- 184. Mannaparai
- 185. marungapuri
- 186. Musiri
- 187. Pullambadi

- 188. Thathaiyangarpettai
- 189. Thottiam
- 190. Thuraiyur
- 191. Uppuiliapuram
- 192. Vaiyampatti

Tirunelveli District

- 193. Nanguneri
- 194. Radhapuram

- 195. Pappakudi

Tiruppattur District

- 196. Jolarpet
- 197. Natrampalli

- 198. Kandhili
- 199. Tirupattur

Tiruppur District

200. Gudimangalam
201. Pongalur

Tiruvallur District

203. Ellapuram
204. Kadambathur
205. Pallipet
206. Poondi

Tiruvannamalai District

210. Annakkavoor
211. Arni
212. Chengam
213. Chetpet
214. Cheyyar
215. Jawathumalai
216. Kalasapakkam
217. Kilpennathur
218. Polur

Tiruvarur District

227. Kodavasal
228. Koradachery
229. Kottur
230. Muthupet

Vellore District

234. Anaicut
235. Pernambut

Villupuram District

237. Gingee
238. Kandamangalam
239. Marakkanam
240. Mugaiyur
241. Thiruvennainallur
242. Vallam

Virudhunagar District

249. Kariyapatti
250. Narikudi
251. Sattur

202. Kundadam

207. R.K Pet
208. Sholavaram
209. Tiruvalangadu

219. Pudupalayam
220. Thandrampat
221. Thellar
222. Thurinjapuram
223. Vandavasi
224. Vembakkam
225. West Arni
226. Perananallur

231. Needamangalam
232. Thiruturaipoondi
233. Valangaiman

236. K.V.Kuppam

243. Kanai
244. Mailam
245. Melmaiayanur
246. Olakkur
247. Vanur
248. Vikkaravandi

252. Thiruchuli
253. Vembakkottai
254. Watrap

Annexure – II

Documents to be uploaded

I. Capital Subsidy :

1. Copy of Udyam Registration Certificate
2. Copy of Partnership Deed, If Partnership Concern; in case Limited Company copy of Memorandum and Articles of Association duly signed by the Managing Director.
3. Copy of Aadhaar card of the applicant
4. If the Enterprise is functioning in its own land, a copy of the land purchase deed duly signed by the applicant.
5. If the Enterprise is functioning in a leased land/ building, copy of lease agreement deed executed in stamp paper of Rs.100/-, for a minimum period of 11 months from the date of commencement of commercial production.
6. Copy of Loan Sanction letter from the Bank / Financial Institution in respect Bank / Institutional financed Enterprises.
7. Copy of sanction order from TANGEDCO for power supply with a copy of Meter card.
8. Copy of the invoices, cash bills and stamped receipt duly attested. In case of non-availability of receipts, the bank scroll which shows the payment, with the details of the machinery supplier, should be furnished, in original, with the attestation of the Bank Manager.
9. Certificate of Chartered Accountant for fixed assets created as on date of commencement of commercial production in the prescribed form.
10. Certificate of commencement of commercial production duly signed by Chartered Accountant.
11. For self-fabricated Plant and Machinery items
 - a. Chartered Engineer's Certificate for the value of the plant and machinery.
 - b. Chartered Accountant Certificate for the expenses incurred for the purchase of Plant and machinery to be furnished.
12. Copy of the first sale invoice raised after the commencement of Commercial Production.
13. Additional documents in respect of existing enterprises taking up expansion/diversification.

Certificate from Chartered Accountant on the following:

- a. Date of commencement of commercial production after expansion/diversification.
- b. Value of Plant & Machinery items created before Expansion/diversification and on Expansion/diversification

and % increase in the value of Plant & Machinery due to the expansion/diversification.

- c. Annual Production turnover for the last 3 years before the date of commencement commercial production under expansion/diversification, after expansion/diversification and % increase in Production Turnover due to expansion/diversification.

II. Low Tension Power Tariff – Eligibility Certificate:

1. Attested Copy of TANGEDCO Meter Card.
2. Copy of Udyam Registration Certificate
3. If the Enterprise is functioning in its own land, copy of land purchase deed duly signed by the applicant.
4. If the Enterprise is functioning in a leased land/ building, copy of lease agreement deed executed in stamp paper of Rs.100/-, for a minimum period of 11 months from the date of commencement of commercial production.
5. Copy of sanction order from TANGEDCO for power supply with a copy of Meter card.
6. Copy of the machinery invoices.

III. Low Tension Power Tariff Claim:

1. Attested Copy of TANGEDCO Meter Card.
2. Attested copies of the bills and copy of receipts.
3. Advance stamped receipt.
4. Copy of Udyam Registration Certificate
5. Copy of eligible certificate (EC)

IV. Generator subsidy:

1. Copy of Udyam Registration Certificate.
2. Copy of Aadhaar card
3. Copy of Term Loan Sanction letter / Chartered Accountant Certificate of funds.
4. Copy of TANGEDCO meter card showing maximum sanctioned loan / connected load and electricity consumption readings.
5. Copy of invoice of Generator set.
6. Stamped payment receipt or bankers payment certificate./ if, the generator is bought on loan.
7. Copy of Safety Certificate obtained from the Electrical Inspectorate for installation of Generator.
8. Authorised Dealership Certificate for Generator set supplier.
9. Banker's letter indicating Bank Branch code and the Enterprises Term Loan Current A/c. No. for transfer of subsidy through Electronic Clearance System [ECS]
10. Copy of Partnership Deed
11. Copy of Memorandum and Articles of Association duly signed by the Managing Director.

V. Back Ended Interest Subsidy:

1. Copy of Udyam Registration Certificate
2. Copy of Loan Sanction letter from the Bank / Financial Institution in respect Bank / Institutional financed Enterprises.
3. Certificate from the bank for the interest claim for each quarter.

VI. PEACE-Energy Audit:

1. Copy of Udyam Registration Certificate
2. Certificate of registration under the Indian Partnership Act / LLP / Societies Registration Act/ Certificate of incorporation (Memorandum of association & Article of Association) under Company Act.
3. Proof for connected load i.e. TANGEDCO Meter card/ online Statement.
4. If an alternate source of energy (other than electricity) used, proof for the usage.
5. Document(s) for engagement of Energy Auditor/ letter of acceptance from energy auditor.
6. If the Energy auditor is employed in a firm/co., or partner(or) Director of a firm/Co., then Proof for the same
7. Copy of accreditation of Energy Auditor by Bureau of Energy Efficiency (BEE)
8. Copy of loan sanction letter if availed for conducting the energy audit.
9. Self-certified statement on expenditure incurred for Energy Audit with a copy of the bills/ vouchers and receipt etc.
10. Copy of the detailed Energy Audit report.

VII. PEACE-Energy Implementation:

1. Copy of Udyam Registration Certificate.
2. Certificate of registration under the Indian Partnership Act / LLP / Societies Registration Act/ Certificate of incorporation (Memorandum of association & Article of Association) under Company Act.
3. Documentary proof for the connected load (TANGEDCO meter card/online statement).
4. If an alternate source of energy (other than electricity) used, proof for the usage.
5. Copy of loan sanction letter, if availed, for implementing the Energy Audit recommendation (Investment recommended) from Bank/ Financial Institutions
6. Document (s) on the engagement of Energy Auditor/ Energy Audit firm/ Companies.
7. Copy of accreditation of Energy Auditor by Bureau of Energy Efficiency (BEE)
8. If the Energy auditor is employed in a firm/co., or partner(or) Director of a firm/Co., then Proof for the same.
9. Certificate of implementation of energy audit recommendation and quantum of energy savings, duly certified by an energy auditor.

10. Copies of cash bills, invoices & stamped receipts, duly attested. In case of non-availability of receipts, the bank scroll which shows the payments with the details of the machinery supplies should be furnished in original with the attestation of the bank manager.

VIII. Q-Cert:

1. Copy of Udyam Registration Certificate
2. Copies of cash bills, invoices & stamped receipts, duly attested. In case of non-availability of receipts, the bank scroll which shows the payment details.
3. Copy of Quality Certificate
4. Copy of Accreditation Certificate Provided by NABCB
5. Attested Copy of TANGEDCO Meter Card
6. Copy of loan sanction letter, if availed, for obtaining the Quality Certification from Bank/ Financial Institutions
7. Advance stamped receipt

Annexure - III

Specimen Format of Deed of Agreement and Letter of Guarantee to be executed by Beneficiary Enterprises for various Subsidy Schemes.

To be executed on Stamp Paper value of Rs.100/-

DEED OF AGREEMENT

THIS DEED OF AGREEMENT MADE AT _____ on this day of _____ between M/s _____ at (Factory address) represented by Thiru/Tmt. _____, S/o /W/o. _____ hereinafter called **BENEFICIARY** which term, shall include wherever the context so admits, their successors and assigns of the ONE PART and **THE GOVERNMENT OF TAMIL NADU** represented by the General Manger, District Industries Centre/Regional Joint Director of Industries and Commerce, Chennai - 32/ Regional Manger, TIIC hereinafter called the **GOVERNMENT** which expression shall include wherever the context so admits the successors in interest and their assignees.

WHEREAS the Government of Tamil Nadu have formulated the _____ Subsidy scheme for Micro, Small and Medium Enterprises to be set up in Tamil Nadu.

AND whereas the Government of Tamil Nadu in their G.O.Ms.No. _____

Micro, Small and Medium Enterprises Department dt. _____ have entrusted the implementation of the scheme to the Department of Industries and Commerce /TIIC of Tamil Nadu.

AND WHEREAS the **BENEFICIARY** is one of those who had applied to the Government for the grant of the subsidy under the _____ Subsidy Scheme during _____ in respect of the Micro/Small/Medium Manufacturing Enterprise, (as defined in the said scheme) established by them for the activity of _____ only at (Factory address)

AND WHEREAS the Government considered the application of Beneficiary and decided to sanction a sum, not exceeding Rs _____ (Rupees _____ only) as subsidy under the above said scheme in the terms and conditions contained hereunder:

AND WHEREAS the above said Industrial Unit of the beneficiary to be setup with assistance from Bank/TIIC/with own capital from private resources.

AND WHEREAS it has been agreed between the parties herein that the subsidy sanctioned has to be disbursed to the beneficiary after the unit goes into production.

NOW THIS DEED WITNESSETH AS FOLLOWS :

The Government hereby agreed to grant to the BENEFICIARY an amount _____ not exceeding Rs. _____/ (Rupees _____ only) as _____ subsidy as per the following procedure.

1. The subsidy shall be disbursed only after the verification of the fixed capital investment as defined in the above-said scheme of the said industrial unit of the BENEFICIARY and shall be restricted to ___% of investment on the Plant and Machinery actually made.

2. The subsidy shall be disbursed in as many installments as the financial assistance sanctioned is released to the BENEFICIARY under the said scheme after the unit goes into production and proof of the same is produced by the BENEFICIARY to the Government of Tamil Nadu.

The BENEFICIARY in turn hereby agrees to abide by the following terms and conditions:

(i) The BENEFICIARY shall utilize the said subsidy for the Industrial Unit following the scheme guidelines and shall also furnish to the Government, a certificate of the utilization of the subsidy within one month from the date of receipt of the last installment or full amount.

(ii) The BENEFICIARY shall submit an annual progress report to the Government about the working of the Industrial Unit for five years from the date on which the Industrial unit goes into production in such manner as they may be prescribed by the Government of Tamil Nadu.

(iii) The BENEFICIARY shall furnish all the information and assistance as may be required by the Government or by any of its officers or representatives in relation to the business of the Industrial Unit or its accounting and shall for that purpose after all facilities to the Government or such officers or representatives for the inspection of both accounts and other documents of the industrial unit at all reasonable times up to the end of 5th year from the date on which the Industrial Unit goes into production.

(iv) The BENEFICIARY after receiving a part or whole of the subsidy shall not without obtaining the prior written permission of the Government, change the location of the whole or any part of the Industrial Unit or effect substantial construction or dispose of all or a substantial part of its total fixed capital investment within five years from the date on which the Industrial unit goes into production.

(v) That the BENEFICIARY hereby assures to the Government that the above said Industrial Undertaking, for which subsidy has been applied is for the new unit/expansion of the existing unit.

(vi) The BENEFICIARY shall refund subsidy in full together with the interest at the rate fixed by the Government and other charges if any to the Government if it is found that the BENEFICIARY has violated any of the terms and conditions mentioned herein or that the subsidy has been obtained by fraud or by false information or the Industrial Unit goes out of production within 5 years from the date of commencement of the production.

The BENEFICIARY solemnly assures and undertakes to refund the subsidy in full or part as per the guidelines prescribed with interest as mentioned above.

(vii) The BENEFICIARY should get clearance from all regulatory authorities in connection with the setting up of the Enterprise before disbursement of any or part of the subsidy.

(viii) IN WITNESS whereof the parties hence signed this agreement on the date of respectively mentioned against their signature.

WITNESS:

BENEFICIARY

1.

PROPRIETOR/PARTNER/MG.DIRECTOR

2.

WITNESS :

1.

2.

SIGNED AND EXECUTED FOR
AND ON BEHALF OF THE
GOVT. OF TAMILNADU.

(To be executed on Stamp Paper value of Rs.100/-)

LETTER OF GUARANTEE

To
The GM, DIC/
Regional Joint Director of Industries and Commerce,
Chennai / Regional Manger, TIIC.

Dear Sir,

You have agreed to grant subsidy amount of not exceeding Rs. (Rupees only) under the Government of Tamil Nadu State Special Capital Generator Subsidy under the above scheme vide Your Sanction Proceedings No. _____ dt. _____. We have gone through the terms and conditions of the above said sanction proceedings.

I/We (Name of the Proprietor/Partner/ Directors)
1. _____ Residing
at _____
2. _____ Residing
at _____
3. _____ Residing at _____ etc.,

Proprietor/ Partner/ Directors of M/s _____ at (Factory address) have agreed to execute an agreement in favour Government of Tamil Nadu represented by the GM,DIC/Regional Joint Director of Industries and Commerce, Chennai - 600002 embodying the conditions stipulated for the grant of subsidy.

I/We have gone through the draft agreement and understood the same. As per your sanction proceedings and agreement the said firm has agreed to refund the subsidy given to us with interest of the rate fixed by the Government, the GM,DIC /Regional Joint Director of Industries and Commerce, Chennai.32/ Regional Manger, TIIC and other charges if any, if it is found that have violated any of the terms and conditions prescribed in the said sanctioned letter or that the subsidy sanctioned has been obtained by fraud or by misrepresentations as to an essential fact for furnishing of false information or if our industrial unit or firm goes out of production, within five years from the date of commencement of production.

In consideration of our giving the subsidy, as per the said sanction letter we hereby jointly and severally guarantee to you the above sanction proceedings. We also hereby agree that any other indulgence shown by you for the payment of the said refund by the said firm shall

not in any way release us out of inability under the guarantee herein before contained.

The guarantee contained in this deed shall be continuing one and liability of the guarantee shall be Joint and Several.

Place:

Yours faithfully,

Date :

Proprietor / Partner / Directors

Annexure - IV

List of Manufacturing Enterprises/ activities ineligible for all types of Capital Subsidy, Pay roll subsidy, Stamp duty exemption & rebate and LTPT Subsidy

1. Sugar
2. Distilleries, Brewery and Malt Extraction
3. Units utilizing Molasses/rectified spirit/de-natured spirit as raw material for manufacture of potable alcohol.
4. Fertiliser (except bio-fertilisers)
5. Mining and Quarrying
6. Iron and Steels Smelting
7. Beedies/Cigarettes/Cigars/Gutka and Tobacco based products
8. All types of Saw Mills
9. All Micro, Small & Medium Service Enterprises (for certain type of incentives)
10. Cement
11. Aluminium Smelting
12. Calcium Carbide
13. Slaughter House
14. Re-packing of Drugs/Medicine/Chemical, without any processing or value addition
15. Azoic/Reactive Dyes
16. Fire Crackers
17. Industries manufacturing and or utilizing Ozone depleting substances
18. Poultry
19. Cyanide
20. Caustic Soda
21. Potassium Chloride
22. Nylon Fibre
23. Rayon Fibre
24. Polyester Fibre
25. One time use and throw away plastics
26. **Any other enterprise/activity as may be notified by Government**

Annexure - V

LIST OF ELECTRICAL & ELECTRONIC ITEMS ELIGIBLE FOR SUBSIDY

A. ELECTRICAL ITEMS ELIGIBLE FOR SUBSIDY

I. DOMESTIC

1. Automatic And Non-Automatic Electric Irons
2. Coffee Percolator
3. Electric Ceiling Fan
4. Electric Hair Drier
5. Electric Instantaneous Water Heater
6. Electric Mixer
7. Electric Room-Heater
8. Electric Table Fan
9. Electric Wet Grinder
10. Stationary Storage Type Electric Water Heaters

II. INDUSTRIAL

11. Air Cooler
12. Auto Transformer
13. Control Panel
14. Electric Immersion Heater
15. Exhaust Fan (Heavy Duty)
16. FHP Motor and Coolant Pump
17. Fractional Horse Power (FHP) Motors
18. Hot Air Convector
19. Hot Air Oven (Industrial Type)
20. Lead-Acid Batteries
21. Low Tension and High Tension Electrical Motor Coil
22. Rewinding Of Electrical Motors Up To 5hp
23. Re-Wirable Porcelain Fuse Units
24. Solenoids

III. COMPONENTS

25. Air Break Switches & Drop Out Fuses
26. Auto And Miniature Bulbs
27. Automobile Starters
28. Carbon Brushes
29. Cotton Insulating Tapes
30. Mains & Output Transformers
31. Power Cord For Instruments/Equipments
32. Speedometer Cable, Casing & Control Cable
33. Star Delta Starters
34. Super Enameled Aluminium Wire
35. Super Enameled Copper Wire
36. Various Types Of Circuit Breakers Such As Vacuum Circuit Breaker (VCB), Oil Circuit Breaker (OCB), Load Break Switches And Related Components.

IV. POWER

37. AA / ACSR Conductors
38. AAA (All Aluminium Alloy) Conductors
39. Auto Electric Fuse And Fuse Boxes
40. Control Panels Of All Types, Switch Boards (Ht& Lt) Bus Duct, Raising Mains And Components For The Same
41. Current & Potential Transformers
42. Distribution Board (3 Ph)
43. Distribution Transformers, Power Transformer, Auto Transformer, Metering Set (Oil Cooled And Dry Type)
44. Electric Motors
45. Energy Saving Equipments (Sl.No.7 to 18 have been Included)
46. Meters Used In Electrical Measurement Equipments
47. Pillar Boxes & Distribution Boxes
48. Power Factor Control Equipments
49. Ring Main Units
50. Transmission Tower Parts, Line Materials, Structural Used in Transmission & Distribution, Copper and Aluminium Flexibles
51. Various Types Of Cable Jointing Kits
52. Various Types Of Cables Such As PVC, PILC Cables, XLPE Cables, Aerial Bunched Cables, House Wires
53. Voltage Stabilizer And Surge Arrester

B. LIST OF ELECTRONIC ITEMS ELIGIBLE FOR SUBSIDY

I. CONSUMER ELECTRONICS

54. Digital Clock (With Alarm/Chime)
55. Electronic Toys
56. Electronic Musical Systems*
57. I.C. Amplifier
58. Multipurpose Pre-Amplifier
59. T.V.Antenna Including Dish Antenna
60. T.V./Video Games
61. T.V.Signal Boosters

II. INSTRUMENTATION & INDL.ELECTRONICS

62. Automatic Battery Charger
63. Automatic Battery Charger (Heavy Duty)
64. Automatic I.C. Tester
65. Auto. Liquid Level Indicator/Controller
66. Automatic Street Light Switching System
67. Battery Eliminator
68. Beepers
69. Burglar Alarm
70. Custom Built Control Panel
71. D.C. Power Supplies

72. Demand Pace Maker
73. Digital Biomedical Temperature Monitor
74. Digital Multi-Meter
75. Digital Panel Meter
76. Digital Tachometer
77. Digital Thermometer
78. Digital Voltmeter
79. Electro Cardio Graphic (ECG) Monitor
80. Electronic Breath Alcohol Analyzer
81. Electronic Dash Board For Automobiles
82. Electronic Digital Weighing Machine
83. Electronic Fan Regulators
84. Electronic Flashers For Automobiles
85. Electronic Insect Killer
86. Electronic Insulation Tester
87. Electronic Pressure Controller/Indicator
88. Electronic Shock Protector
89. Electronic Stethoscope
90. Electronic Timer
91. Electronic Trainers
92. Electronic Vibration Analyzer
93. Invertors
94. LED Lamps, Modules & Fittings
95. Logic Probe
96. Manual Voltage Stabilizer
97. Moving Coil Panel Meter
98. MP Trainer/Development Aid
99. Portable Electro Cardio Graph
100. Servo Controlled Voltage Stabilizer
101. Servo Controlled Voltage Stabilizer (HD)
102. Smoke & Gas Detector
103. Solid State Automatic Voltage Stabilizer
104. Solid State Ignition
105. Solid State Light Dimmer
106. Solid State Single-Phase Preventer
107. Spike Buster/Suppressor
108. Static Energy Meter Or Digital Panel Meter
109. Switch Mode Power Supply
110. Temperature Controller/Indicator
111. Uninterrupted Power Supply

III. COMPUTER HARDWARE & SOFTWARE

112. Cash Register
113. Hard Disk Drive For Computer
114. Key Boards
115. MP Based Control Systems
116. Personal Computer
117. Software Development
118. GSM Modem

IV. COMMUNICATION EQUIPMENT:

119. Parabolic (Dish) Antennae Systems

V. COMPONENTS

120. Air Trimmers

121. Carbon Potentiometers

122. Cermet Potentiometers & Trimmers

123. Electronic Thickness Gauges

124. I.F. Transformers

125. Light Emitting Diode Display

126. Loud Speakers

127. Mini / Micro Motor

128. PCB Connectors And I.C. Sockets

129. Plastic Components For Electrical Applications

130. Polyester Film Capacitors

131. Polystyrene Capacitors

132. Power Capacitors

133. Printed Circuit Board (PCB) (Single-Sided)

134. Printed Circuit Board(PCB) (Double-Sided & Multilayer)

135. Probe For Ultrasonic Therapy

136. Quartz Analog Clock Mechanism

137. Rechargeable battery (Ni-Cd)

138. Small Step Down Transformers

139. Soft & Hard Ferrites

140. Tantalum Capacitors

141. Thermistors & Varistors

142. Turret Tuner For TV Receivers

143. Wire Wound Potentiometers

144. Wire Wound Resistors

145. Any other item to be included later

Annexure - VI

Automobile Parts/Components eligible for Special Capital Subsidy

No. Item Brakes

1. Air brakes
2. Brake drums, Axle housings
3. Brake linings
4. Clutch facings
5. Friction materials
6. Hose assembly
7. Hoses, Hose pipes
8. Hydraulic Brake assembly
9. Twin Cylinder pumps (Air compressor)

Electrical Items

10. Armature
11. Arms and blades
12. Alternator
13. Self Starter
14. Batteries
15. Battery cables
16. Bobbin
17. Electrical fuse
18. Electrical horn
19. Fly wheel magnets
20. ISD coil
21. Side, Stop, Spot and Tail lamps assemblies
22. Speed regulators
23. Wiper Motors
24. Wiring harness

Engine

25. Camshaft
26. Carburettors
27. Clutch cover assembly
28. Crankshaft
29. Cylinder Liners
30. Engine valves
31. Fly Wheel ring gears
32. Gaskets
33. Inlet, exhaust value guides
34. Oil seals
35. Piston, Pin and Rings, connecting rods
36. Radiator Grills
37. Radiators
38. Valve lifters

Engine Reconditioning Unit

39. Air filter
40. Diesel oil filter
41. Engine oil filter
42. Exhaust manifold sleeve
43. Flywheel housing
44. Water pump body

Fuel Pump

45. Delivery valves
46. Nozzle and Nozzle holders
47. Pump Elements

Gear Box

48. Clutch housing
49. Gear bush
50. Shifting lever
51. Synchro cones and Synchronizer rings Rear axle
52. Rear Axle Aluminium cover
53. Rear Axle shafts
54. Spacer Transmission
55. Auto leaf springs
56. Automobile gears
57. Brake and clutch pedal pads
58. Chamber testing machine
59. Clutch fork
60. Clutch release bearing housing
61. Clutch Withdrawal plate
62. Companion Flange
63. Hub cap
64. Kingpins and bushes
65. Pressure plate for cover assembly
66. Propeller shafts
67. Steering wheels
68. Steering, Gears, ball and roller bearings
69. The rods and Tie Rod ends
70. Tools in gauges
71. Wheels and Disc
72. Tyre inflators
73. Tyre valve pull out tools
74. Tyres and tubes
75. Wheel disc

Miscellaneous

76. 100 CC/175 CC Cylinder on job work for automobiles
77. 3 G.C. Regulator covers
78. Adopter plate
79. Air Gauge
80. Air tank
81. Armature tester
82. Auto bulbs
83. Auto pins
84. Automotive cables
85. Battery cell Tester
86. Bearing cup for transmission
87. Bearing cup for transmission
88. Bimetal bearings
89. Brake Tube protector
90. Chain case covers
91. Closed Die Forging unit for Automobile applications
92. Clutch Housing
93. Coiled Springs
94. Connecting Rod Screw for Engine
95. Cylinder Head (For 4 Wheelers and 2 wheelers)
96. Dash Board instruments
97. Distributor arm moulding
98. Dual seat mounting (RH and LH bracket)
99. Electric horns
100. Exhaust mufflers
101. Fan belts
102. Filter inserts
103. Flanging Tools
104. Flat springs
105. Flywheels
106. Frame Gusset plate
107. Fuel lines
108. Fuel pump Brackets
109. Fuel pump Housing Castings
110. Fuel pumps
111. Fuel Tank
112. Fuel tank bracket
113. Fuel Tank cup
114. Gear Box Housing
115. Gear case cover
116. Grease guns
117. Grease nipple
118. Grease nipples
119. H.T. Fasteners for automobile application
120. Hallow Dowel for Axle
121. Hand brake strut
122. Handles and locks
123. Handles and Tools

124. Headlamps
125. Hollow Dowel
126. Horn Buttons
127. Ignition coils
128. Impellers
129. Inlet Manifold
130. King pipe
131. M.12 collar nut
132. M.12 Colar nut for engine
133. M.14 Wheel nut for Engine
134. M.14 Wheel nut for Engine
135. M.18 Assembly nut R.M.
136. M.18 Assembly Wheel nut L.H. for wheel hub
137. M.18 Assembly wheel nut LH
138. M.18 Assembly Wheel nut R.H. for wheel hub
139. M.20 Hub nut for wheel hub
140. M.20 hub nut
141. M.22 Assembly wheel nut
142. M.22 Assembly Wheel nut for wheel hub
143. M.30 sealing plug
144. M.80 sealing plug for cylinder head
145. M.T.C. 35 Top Cap
146. M.T.C.35 top cap for tie rod
147. Main bearings case cover
148. Main gear case
149. MIC sealing plug for steering box
150. MTC sealing plug
151. Mudguard stay
152. Oil gauge
153. Oil Pump Body
154. Oil pumps
155. Other auto Rubber components
156. Painting equipment like spray guns
157. Procured rubber
158. Pressure Die Castings for Automobile application
159. Pressure lock for engine
160. Radiator base
161. Reflector sleeves for Head pumps
162. Ring Expanders and Connectors
163. Rocker Arm shaft
164. Rocker shafts
165. Rubber components such as rubber beading, bushes, brake pedal etc.,
166. Shackle pin bushes
167. Shale pins
168. Shock absorber
169. Side bearing cap
170. Side frames
171. Silencer baffle plate
172. Silencer Muffler
173. Silencer pipes

- 174. Spark plug
- 175. Sprockets for two-wheelers
- 176. Stud removers
- 177. Support assembly gate side (RH and LH)
- 178. Supporting arms and job machine of differential carriers
- 179. The swing arm assembly to two-wheelers
- 180. Thermostat Housing Casting
- 181. Tread Rubber
- 182. Valve spring cup
- 183. Valve spring cup for the retainer
- 184. Vibration Dampers
- 185. Water pump body
- 186. Window Channels
- 187. Hydraulic cylinder
- 188. Steering knuckles LH & steering knuckles RH
- 189. Any other item to be included later**

Annexure – VII
Illustrative list of certifications recognized by NABCB

S. No	Name of Certification	Details	Standard	Nominated Agencies
1	Alliance for Water Stewardship (AWS)	The AWS standard is aimed at achieving five water stewardship outcomes: good water governance; sustainable water balance; good water quality; and the healthy status of important water-related areas and WASH. The AWS Standard applies globally to all organizations and industrial sectors, independent of their size and operational complexity, including agriculture, and non-profit sectors.	Global Standard	GiCIA, SGS India
2	AS9100 Series	Aerospace QMS Standard	Global Standard	Intertek, BIS, SGS India
3	ASC farm	AQUACULTURE STEWARDSHIP COUNCIL	Global Standard	GiCIA, SGS India
4	ASTA Mark	To the electrical industry for switchgear, wiring devices and circuit protection approvals and low/medium/high voltage equipment certification	Global Standard	Intertek
5	Ayush Standard Mark	Certification Scheme for Ayush Products	Indian Standard	GiCIA
6	BEAB Care Mark	BEAB Care Mark will prove that your product complies with additional safety and performance criteria for use in hospitals and other care establishments.	European Standard	Intertek
7	BES 6001	The BES 6001 standard is a means of securing certification to demonstrate through independent, third-party certification, that products certified against the scheme have been responsibly sourced.	European Standard	Intertek, BIS
8	Bluesign	Textile-based product	Global Standard	SGS India

9	BRCGS	Food Safety, Packaging Materials, Storage and Distribution, Agents and Brokers and Gluten Free.	Global Standard	Intertek, SGS India
10	CARB & EPA TSCA Title VI Certification	Composite wood products	US Standard	SGS India, GiCIA
11	CarbonClear	Oil and Gas industry in Energy Sector	European Standard	Intertek
12	CE marking	European Economic Area	European Standard	Intertek, BIS, SGS India
13	ECOSECURE certification	A supply chain management solution that demonstrates the quality, compliance and environmental credentials of your footwear and leather products by monitoring and controlling the quality of raw materials and chemicals at an upstream level.	Global Standard	SGS India
14	ETL Sanitation Marks	food service or spa equipment in United States and Canada	North American product safety standards	Intertek
15	ETL-EU mark	This mark verifies that the product complies with applicable European Union (EU) standards and directives	European Standard	Intertek
16	FAMI-QS	Speciality Feed Ingredients	Global Standard	SGS India
17	FSC	Forest Wood - FSC certifies forests all over the world to ensure they meet the highest environmental and social standards	Global Standard	Intertek, BIS, SGS India
18	FSMS/ISO 22000	Framework to help implement a food safety management system	Global Standard	Intertek, BIS, SGS India

19	FSSAI	Food Business in India	Indian Standard	GiCIA, FSSAI
20	FSSC 22000	FOOD SAFETY SYSTEMS CERTIFICATION	Global Standard	Intertek, BIS, SGS India
21	G Mark	G Mark is a mandatory requirement for Low Voltage Electrical products and children's toys being exported to the Gulf Coordinating Council (GCC) Countries	GCC Standard	Intertek, BIS, SGS India
22	GCP and ISO 14155	Clinical Research Services - compliant clinical trials for low risk medical devices	Global Standard	Intertek, BIS
23	GDP	Good Distribution Practices certification for Pharmaceutical Industry	Global Standard	BIS, SGS India
24	GFCP	This certification enables manufacturers to provide confirmation of gluten-free products (under 20 parts per million or 20 ppm) that are verified by an independent third-party certification body.	Global Standard	Intertek
25	Global Organic Textile Standard (GOTS)	Organic Textile Standard	Global Standard	Intertek
26	Global Recycle Standard (GRS)	The GRS is intended to meet the needs of companies looking to verify the recycled content of their products (both finished and intermediate) and to verify responsible social, environmental and chemical practices in their production.	Global Standard	Intertek
27	GLOBALGAP	Certification For Good Agricultural Practices	Global Standard	Intertek, BIS, SGS India

28	HACCP/India GHP	HACCP outlines good manufacturing processes for all food sectors	Global Standard	Intertek, BIS, SGS India, GiCIA
29	IATF ISO/TS 16949	To support the manufacturing of safe and reliable products in automotive industry	Global Standard	Intertek, BIS, SGS India
30	IEC 60601, MDD, IVDD	Regulatory Requirements for Medical Equipment	Global Standard	Intertek, BIS, SGS India
31	IFS Food Standard	International Featured Standard (IFS) Food is a GFSI-recognised standard for certifying the safety and quality of food products and production processes.	Global Standard	Intertek, SGS India
32	ISCC Plus	International Sustainability and Carbon Certification, A certification of biomass and bio-energy. Producing energy and fuel from biomass is one new approach to securing the worldwide supply of energy and fuel for the future.	Global Standard	SGS India
33	ISO 13485	Quality management system specifically designed for medical device manufacturers	Global Standard	Intertek, BIS, SGS India
34	ISO 14001	Environmental Management Systems	Global Standard	Intertek, BIS, SGS India
35	ISO 14971	Medical Device Risk Management	Global Standard	Intertek, BIS, SGS India
36	ISO 39001	Certification - Road Safety Management System	Global Standard	Intertek, BIS, SGS India

37	ISO 45001	Occupational Health and Safety Management	Global Standard	Intertek, BIS, SGS India
38	ISO 50001	Energy Management System standard to easily improve energy performance, cut costs and both meet and exceed customer expectations.	Global Standard	Intertek, BIS, SGS India
39	ISO/IEC 80601, SPE-3000-15	Medical electrical equipment	Global Standard	BIS
40	ISO/IEC 81346	Industrial systems, installations and equipment and industrial products	Global Standard	BIS
41	ISPM 15	International Standards For Phytosanitary Measures(Wood Packaging material)	European Standard	SGS India
42	MSC Fisheries	Marine Stewardship Council (MSC) certification	Global Standard	GiCIA, SGS India
43	NOM Certification	All electrical products exported into Mexico must meet NOM requirements	Mexico Standard	Intertek
44	PEFC	Forest Wood - (PEFC) is an international, non-profit, non-governmental organization that promotes sustainable forest management through independent third party certification. It is considered the certification system of choice for small forest owners	Global Standard	Intertek, SGS India
45	RJC Certification	To support responsible business practices in the jewellery supply chain.	Global Standard	Intertek
46	RoHS Certification	Restriction of Hazardous Substances	European Standard	Intertek, BIS, SGS India

47	RSPO certification	The Roundtable on Sustainable Palm Oil (RSPO) certification scheme provides a global standard to ensure the credibility of palm oil sustainability claims	Global Standard	Intertek, SGS India
48	S Mark	Products bearing this Mark demonstrate compliance with legal European electrical safety requirements via third-party testing	European Standard	Intertek
49	SA 8000	Social Accountability International (SAI)	Global Standard	Intertek, BIS, SGS India
50	SASO	The Saudi Standards, Metrology and Quality Organization (SASO) Certificate of Conformity (CoC) scheme ensures that all products entering into Saudi Arabia are in conformity with national product safety and quality requirements.	Saudi Arabia Standard	Intertek, SGS India
51	SFI	To verify that an organization is adhering to all of the requirements related to the practice of or support for sustainable forestry as described in the SFI	Global Standard	SGS India
52	SQF certification	SQF Code(s) implementation addresses food safety, while the SQF Quality Code addresses quality requirements and is ideal for businesses supplying local and global food markets.	Global Standard	Intertek, SGS India
53	Standard 100 (OEKO-TEX)	Certification system for raw, semi-finished, and finished textile products at all processing levels.	Global Standard	Intertek
54	STCI	Certification against Sustainable Tourism Criteria of India	Indian Standard	GiCIA
55	STeP (OEKO-TEX)	Certification for production facilities of all processing stages from fibre production, spinning mills, weaving mills, knitting mills to finishing facilities and manufacturers of ready-made textile items	Global Standard	Intertek

56	UL 1995 and UL 60335	Standard for Household And Similar Electrical Appliances - Safety	US Standard	Intertek
57	US FDA	Food and Drug Standard	US Standard	Intertek, SGS India
58	VDA 6.X	VDA (Verband der Automobile industry) 6.x is a set of automotive quality standards developed by Germany's national automaker association. Required by all major German automotive manufacturers and their suppliers	German Standard	SGS India
59	Vriksh Certification	Handicraft and furniture items made from Wood	Indian Standard	GiCIA
60	Warnock Hersey Mark	The Warnock Hersey (WH-ETL) Mark is North America's leading product safety and performance mark for building and construction products.	North American product safety standards	Intertek
61	WRAP	Worldwide Responsible Apparel Production	Global Standard	Intertek, BIS, SGS India
62	ASTM D6866	To determine the bio-based carbon/biogenic carbon content of solid, liquid, and gaseous samples using radiocarbon analysis.	US Standard	ASTM**

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SECTION OFFICER

[Handwritten Signature]
 26/12/2024

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