



DEPARTMENT OF INDUSTRIES AND COMMERCE
GOVERNMENT OF TAMIL NADU

SCHEMES & INCENTIVES
TO MICRO, SMALL AND MEDIUM ENTERPRISES



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Information on incentives available to Micro, Small and Medium Enterprises in Tamilnadu

The Government of Tamilnadu have announced certain incentives and concessions to Micro, Small and Medium Enterprises in the Micro, Small and Medium Industry Policy 2008 that have commenced production activities on or after 22.08.2008.

The details of incentives available to MSME are as below:

- I. Micro Enterprises Set up any where in the State**
 - ★ 15% capital subsidy on the value of eligible plant and machinery subject to a maximum of Rs.3.75 lakhs.
 - ★ In case of existing units 15% additional Capital subsidy on the value of additional new plant and machinery installed for expansion or diversification.
 - ★ 20% low tension power tariff subsidy for 36 months from the date of commencement of commercial production or from the date of power connection whichever is later
 - ★ 100% subsidy on the net Value Added Tax (VAT) paid by them for the first six years upto the value of investment made on eligible plant and machinery.
 - ★ Stamp duty exemption on Mortgaged and pledged documents.

II. Micro, Small and Medium Manufacturing Enterprises established in Industrially backward blocks and Agro based enterprises setup in all blocks in the State

Micro, Small and Medium Manufacturing Enterprises setup in 251 Industrially backward blocks, all estates promoted by the Government and Government Agencies like SIPCOT, TANSIDCO, etc., (excluding Industrial Estates located within the radius of 50 Kilo Meters from Chennai City Centre) and Agro Based Enterprises set up in all the 385 blocks in the State are eligible for the following package of incentives.

- ★ 15% Capital subsidy on the value of eligible plant and machinery subject to a maximum of Rs.30 lakhs.
- ★ 5% additional employment incentive subsidy on the value of eligible plant and machinery for giving employment to atleast 25 workers for three years within the first five years from the date of commencement of production subject to a maximum of Rs.5 lakhs.

- ★ 5% additional capital subsidy on the value of eligible plant and machinery for enterprises set up by women, SC/ST differently abled and transgender subject to a maximum of Rs.2.00 lakhs.

★ 25% additional capital subsidy on the value of eligible plant and machinery installed to promote clean and environment friendly technology subject to a maximum of Rs.3.00 lakhs under certification by the Tamilnadu Pollution Control Board.

- ★ 20% low tension power tariff subsidy for 36 months from the date of commencement of production or from the date of obtaining power connection, which ever is later

III. Special Capital Subsidy for thrust Sector Enterprises setup anywhere in the State

Special capital subsidy of 15% on the eligible plant and machinery to the 10 thrust sector enterprises viz., Electrical and Electronics Industry, Leather and Leather goods, Auto parts and components, Drugs and Pharmaceuticals, Solar Energy Equipments, Gold and Diamonds Jewellery for exports, pollution control equipments, sports goods and Accessories, Cost effective building material and Readymade garments.

The special capital subsidy is subject to a maximum of Rs.30.00 lakhs.

IV. Back-ended interest subsidy

Back-ended interest subsidy at the rate of 3% to Micro and Small manufacturing enterprises subject to a maximum of Rs.10.00 lakhs for term loan availed under Technology up gradation / modernization / CGFT scheme for a maximum repayment period of five years.

V. Generator Subsidy

Generator subsidy at 25% of the cost of new generator setup upto 125 KVA capacity subject to a maximum of Rs.1.50 lakhs.

VI. Schemes for Technology Development

Patent Registration :

- ★ 50% subsidy on the cost of filing application for patent Registration subject to a maximum of Rs.2.00 lakhs per application.

Trade Mark Registration :

- ★ 50% Subsidy on the cost of filing application for Trade Mark Registration subject to maximum of Rs.25,000 per registration.

VII. Market Support

- ★ 15% price preference for purchase of goods from domestic Micro and Small manufacturing enterprises.

- ★ Purchase preference for items notified from time to time by the State Government.

- ★ Waiver of Earnest Money Deposit for participation in tender
- ★ 50% grant on hall rent for participation in exhibition organised by Micro, Small and Medium Enterprises Associations within the State and also in other States.

- ★ Support for marketing under a common banner or a brand name

VIII PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME(PMEGP)

Prime Minister's Employment Generation Programme (PMEGP) is implemented in the State by KVIC/KVIB/DIC for generation of new self employment opportunities through setting up of ventures / project micro enterprises in rural as well as urban areas. This scheme is administrated by the Ministry of Micro, Small and Medium Enterprises Government of India, New Delhi.

The Scheme is implemented by the Department of Industries and Commerce through the General Managers of District Industries Centres/Regional Joint Director, Guindy, Chennai

Eligibility criteria.

- ★ Any individual above 18 years of age.
- ★ No income ceiling for assistance under the scheme.
- ★ To set up projects of cost above Rs.10.00 lakhs in manufacturing sector and above Rs.5.00 lakhs in the service sector, the beneficiary should have passed at least VIII Standard.
- ★ Assistance under the scheme is available only for setting up of new project.
- ★ Self Help Groups (including those belonging to BPL provided they have not availed benefit under any other Government sponsored subsidy scheme) are also eligible for assistance under the scheme.
- ★ Institutions registered under societies Registration Act, 1860.
- ★ Production based Co-operative societies and charitable Trust.
- ★ Existing Units and beneficiaries who have already availed subsidy under any of the State as well as Central Government subsidy linked schemes are not eligible.

- ★ Three days Entrepreneur Development Programme is mandatory.

SUBSIDY:

The maximum Government subsidy will be 25% for General category and 35% for Special category.

Special category includes SC/ST/ OBC/Minority/Women/ Ex-Serviceman / Physically Handicapped person.

Promoter's contribution :

Entrepreneur contribution towards the project cost is 10% for General category and 5% for Special category.

Application can be obtained at free of cost from the General Managers of all District Industries Centres in the District and Regional Joint Director, Guindy, Chennai-32.

For further details please refer login www.pmegp.in

IX UNEMPLOYED YOUTH EMPLOYMENT GENERATION PROGRAMME

The Government of Tamil Nadu have approved the implementation of the new Unemployed Youth Employment Generation Programme in the GO (Ms) No.80 Micro, Small and Medium Enterprises (D2) Department, dated 30.07.2010 from the year 2010-2011 onwards to create self employment opportunities to the educated un employed youth particularly from the socially and economically weaker section of the society by establishing Manufacturing /Service/Business Enterprises.

The scheme will be implemented in rural and urban areas of the State by the General Managers of the District Industries Centres in Districts and Regional Joint Director, Guindy, Chennai-32 in Chennai through nationalised banks, private sector banks and Tamil Nadu Industrial Co-operative Banks. (TAICO)

The eligibility criteria :

- ★ Any individual above 18 years of age.
- ★ The family income shall not exceed Rs.1 50 000 per annum.
- ★ The applicant shall be resident of the place for not less than three years.
- ★ A person already obtained assistance under any other Government subsidy linked schemes will not be eligible for assistance under the scheme.

- ★ The applicant shall not be a defaulter to any nationalized banks/financial institutions/Co-operative banks.

Project Cost

The maximum project cost for manufacturing sector is Rs.5.00 lakhs, for service sector Rs.3.00 lakhs and for business sector, Rs.1.00 lakh.

Promoter's contribution

Entrepreneur's contribution towards the project cost is 10% for General category and 5 % for Special category.

Subsidy :

The beneficiary is eligible for maximum 15% subsidy assistance under the scheme.

Applications can be obtained at free of cost from the General Managers of the District Industries Centres in all the Districts and Regional Joint Director, Guindy, Chennai-32 for Chennai.

The Micro and Small Enterprises Facilitation Council

The Micro and Small Enterprises Facilitation Councils have been constituted in Chennai, Trichirapalli, Madurai and Coimbatore as per the provisions of the Micro, Small and Medium Enterprises Development ACT 2006. The councils have been vested with legal powers to act on delay in payment to Micro and Small Enterprises by providing alternate dispute redressal service to act as Arbitrator or conciliator in respect of disputes arising between the supplier Micro and Small Enterprises located within the councils jurisdiction and the buyer. As per the Act, if the buyer fails to make payment to the supplier within the agreed date, he is liable to pay the principal amount with compound interest at 3 times the monthly interest notified by Reserve Bank of India.

The Micro and Small Enterprises located in the Districts and Chennai can file their petitions with the respective Micro and Small Regional Facilitation Councils

**EM PART I AND PART II APPLICATIONS CAN BE
DOWN - LOADED FROM : www.msmeonline.tn.gov.in
EM Part I and Part II can be filed online**

Contact Address:

General Manager,
District Industries Centre / Regional Joint Director,
Guindy, Chennai-32.