



# MSME POLICY - 2021



Micro, Small and Medium Enterprises Department  
Government of Tamil Nadu



# **Micro, Small and Medium Enterprises Policy - 2021**

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## LIST OF ABBREVIATIONS

AIF	: Alternate Investment Fund
CLU	: Change of Land Use
CETP	: Common Effluent Treatment Plants
CGTMSE	: Credit Guarantee Fund Trust for Micro and Small Enterprises
CLCSS	: Credit Linked Capital Subsidy Scheme
DBT	: Department of Biotechnology
DGFT	: Directorate General of Foreign Trade
DPIIT	: Department for Promotion of Industry and Internal Trade
DST	: Department of Science and Technology
DIC	: District Industries Centre
EDII	: Entrepreneurship Development & Innovation Institute
FDI	: Foreign Direct Investment
GeM	: Government e-Market
GITA	: Global Innovation and Technology Initiative
GST	: Goods & Services Tax
IMPRINT	: Impacting Research Innovation and Technology
ITI	: Industrial Training Institutes
IC&DIC	: Industries Commissioner and Directorate of Industries and Commerce
IPR	: Intellectual Property Right
MC&SI	: Manufacturing Competitiveness & Sustainability Initiative
MSEFC	: Micro Small Enterprises Facilitation Council
MSMEs	: Micro, Small and Medium Enterprises
MMZ	: MSME Manufacturing Zones
M-TIPB	: MSME Trade and Investment Promotion Bureau
NBFC	: Non-Banking Financial Company
NEEDS	: New Entrepreneurs cum Enterprise Development Scheme
NSQF	: National Skills Qualifications Framework
NSIC	: National Small Industries Corporation
NSS	: National Sample Survey
PMEGP	: Prime Minister's Employment Generation Program
PEACE	: Promotion of Energy Audit and Conservation of Energy

R&D	: Research and Development
SLBC	: State Level Bankers' Committee
SPV	: Special Purpose Vehicle
SIPCOT	: State Industries Promotion Corporation of Tamil Nadu
TABCEDCO	: Tamil Nadu Backward Classes Economic Development Corporation Ltd
TAHDCO	: Tamil Nadu Adi Dravidar Housing and Development Corporation Ltd
TIDCO	: Tamil Nadu Industrial Development Corporation Ltd
TANII	: Tamil Nadu Innovation Initiative
TAMCO	: Tamil Nadu Minorities Economic Development Corporation Ltd
TANSIM	: Tamil Nadu Startup Innovation Mission
TANSIL	: Tamil Nadu Startup and Innovation Council
TNSDC	: Tamil Nadu Skill Development Corporation Ltd
TANSIDCO	: Tamil Nadu Small Industries Development Corporation Ltd
TADF	: Technology Acquisition and Development Fund
TEQUP	: Technology and Quality Upgradation
TIIC	: Tamil Nadu Industrial Investment Corporation Ltd
UYEGP	: Unemployed Youth Employment Generation Program





# MSME POLICY

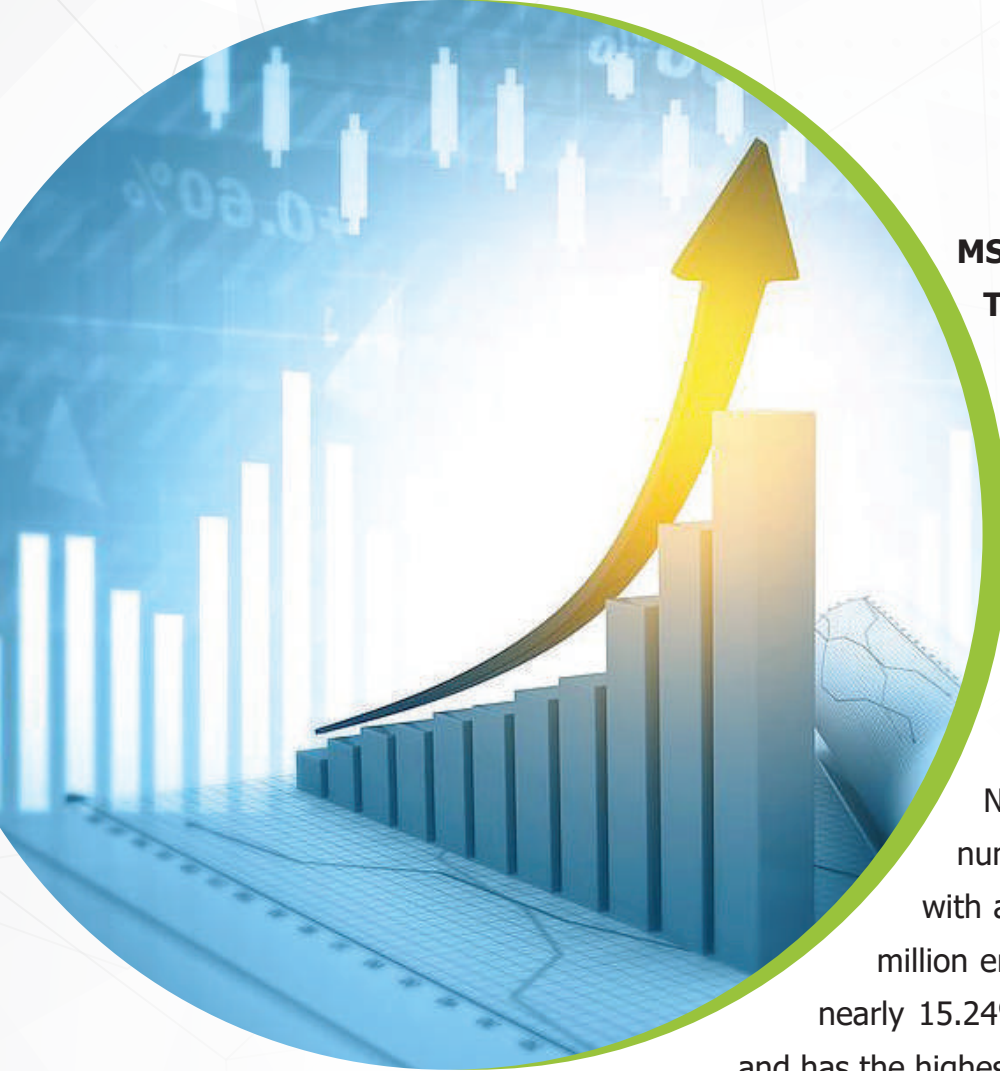
## 1. Introduction

The Micro, Small and Medium Enterprises (MSME) sector is the engine of growth in India and contributes substantially to employment generation, scaling up of manufacturing capabilities, balanced regional development and socio-economic empowerment. It is the biggest employer after agriculture in the Country. World over, MSMEs are the main vehicles for job creation. As per the Annual Report (2018-19) of the Ministry of MSME, Government of India, the share of MSMEs in the Country's GDP is around 28.9%. MSMEs also contribute 48.1% of the total exports from India.

After the enactment of the Micro, Small and Medium Enterprises Development Act, 2006, small scale industries have been classified as Micro, Small and Medium Enterprises. The Government of India has recently notified new criteria for classifying the enterprises and has also introduced Udyam Registration instead of all the earlier registration procedures. An enterprise is classified as a Micro, Small or Medium Enterprise based on the following composite criteria: --

Type of enterprise	Investment in Plant & Machinery not exceeding	Turnover not exceeding*
<b>Micro</b>	Rs. 1 Crore	Rs. 5 Crore
<b>Small</b>	Rs. 10 Crore	Rs. 50 Crore
<b>Medium</b>	Rs. 50 Crore	Rs. 250 crore

\* Excluding Export Turnover



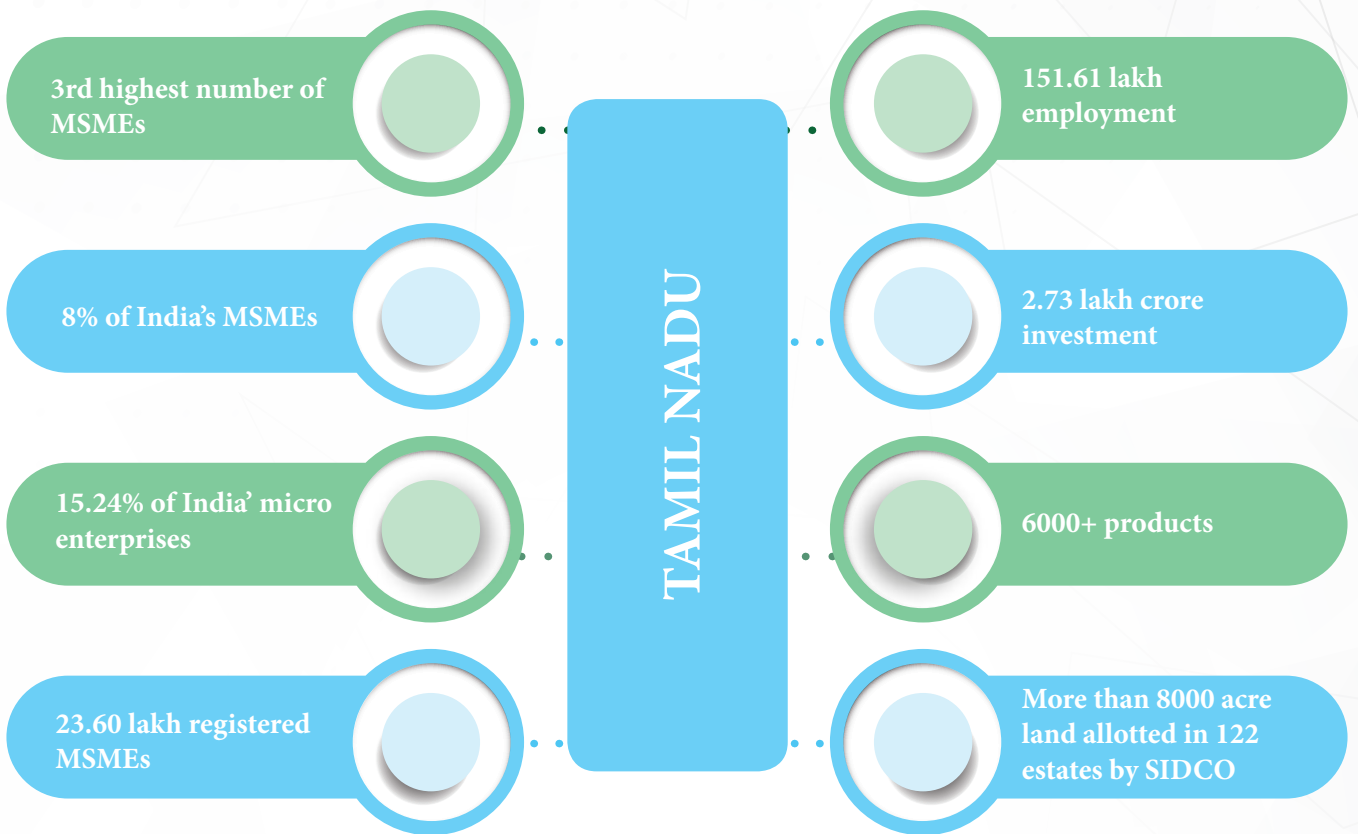
## **MSME sector: The Pivot of Tamil Nadu's Economy**

As per the National Sample Survey (NSS) 73<sup>rd</sup> round, conducted by the National Sample Survey Office, Ministry of Statistics & Programme Implementation, Government of India during the period 2015-16, Tamil Nadu has the third-largest number of MSMEs in the Country with a share of 8% and around five million enterprises. It also accounts for nearly 15.24% of India's micro-enterprises and has the highest number of non-farm units.

Tamil Nadu enjoys a dominant position in the industrial sector as indicated by the Annual Survey of Industries (2017-18). Tamil Nadu has over 25 lakh persons engaged in the factory sector which is highest in the country. With 37,987 factories, the state accounts for the 4<sup>th</sup> highest nos of factories in the country. Tamil Nadu ranks 3<sup>rd</sup> in the amount of invested capital and in terms of total industrial output in the industrial sector.

Around 23.60 lakh entrepreneurs have registered/filed the Small Scale Industries (SSI), Entrepreneur Memorandum (EM) Acknowledgement Part II/ Udyog Aadhaar Memorandum (UAM) providing employment opportunities to about 151.61 lakh persons with a total investment of Rs.2,73,241.00 crores. MSMEs in the State produce over 6000 different products for both domestic and international markets. They provide a strong and reliable vendor base to large industries in the State. The majority of MSMEs in Tamil Nadu are concentrated in sectors such as food and beverages, textiles and apparel, printing, metal fabrication, machinery and equipment, leather, rubber and plastics, chemicals, wood and furniture etc. Manufacturing MSMEs are largely concentrated in Chennai, Coimbatore, Erode, Kanchipuram, Krishnagiri, Madurai, Salem, Tiruppur, Virudhunagar and Vellore Districts. Service MSMEs are concentrated in Chennai, Coimbatore, Dindigul, Kanchipuram, Namakkal, Salem, Thoothukudi, Thiruvallur, Trichy and Vellore Districts.





Though the contribution of MSMEs to the growth of Tamil Nadu's economy is phenomenal, MSMEs face intense pressure and constraints in sustaining competitiveness in a globalized world. Greater competition, rapid technological advances, more demanding market requirements, and constant changes in consumer demands require MSMEs to be creative and innovative to face the challenges of the global market. MSMEs must confront increasing competition from developed and emerging economies. They must also be able to plug into the new market opportunities provided by these countries. Focus on the global markets reinforces growth, enhances competitiveness and supports the long term sustainability of these enterprises. The Government of Tamil Nadu recognizes the need to augment the capacities of MSMEs while also creating a conducive business environment for MSMEs to focus on these opportunities.

The Vision Tamil Nadu 2023 identifies manufacturing as one among the ten thrust areas for the acceleration of economy and achievement of various long term goals. This will increase the footprint of high-value-addition activities in the State, in line with its natural and human endowments, and more importantly, enhance the level of direct and indirect employment. A highly developed manufacturing sector necessarily needs a dynamic and vibrant MSME sector. One of the strategic initiatives underlying Vision Tamil Nadu 2023 is to boost the creation and sustenance of several MSME clusters across the State. This will have the dual benefit of geographically diversified growth in the State and high employment generation, the later being a characteristic of the MSME sector.

## 2. POLICY OBJECTIVES:

The objectives of the MSME Policy are as follows:

- a. Design policies and regulations with “Think MSME First” principle
- b. Promote and facilitate National and International investments in the sector
- c. Provide thrust for scaling up and diversification of MSMEs
- d. Expand employment generation
- e. Foster culture of entrepreneurship and innovation
- f. Strengthen ease of doing business and good governance
- g. Improve access to finance and risk capital
- h. Augment infrastructure support
- i. Promote balanced industrialisation
- j. Enhance the availability of skilled human resources
- k. Facilitate access to National and global markets
- l. Improve competitiveness and productivity
- m. Promote and facilitate green initiatives and sustainable waste management
- n. Reinforce social equity and inclusion
- o. Build capacity and resilience of MSMEs to tide over business cycles and natural disasters
- p. Provide exposure to state of the art technology and support adoption of Industry 4.0
- q. Create quality consciousness and encourage certification
- r. Strengthen the supporting legal framework
- s. Monitor and evaluate the implementation of policy

## 3. POLICY TARGETS:

The policy targets are as follows:

- a. Make Tamil Nadu the most vibrant ecosystem for MSMEs/ Start-Ups to thrive and scale-up
- b. Attract new investments worth ₹ 2,00,000 crore in the sector by 2025
- c. Create additional employment opportunities for 20 lakh persons in the sector
- d. Increase the share of exports from the MSMEs in the State by 25%

## 4. POLICY STRATEGIES

### 4.1 'Think MSME First' Policy

- A. The State Government will endeavour to ensure that all departments distinguish between MSMEs and large companies to ensure that any burden on businesses does not impact the MSME sector. MSMEs do not have the luxury of large accounting departments or advisory support dedicated to complying with complex annual reporting procedures. The 'Think MSME First' will be applied to policies/laws related to MSMEs by such departments, which will ensure:
- i. Consultation on such policies/procedures with MSMEs and organisations representing MSMEs
  - ii. Assessment of MSME businesses likely to be affected by such policies/laws
  - iii. Measurement of the impact on MSMEs (cost-benefit analysis)
  - iv. Use of mitigating measures, if appropriate
- B. MSMEs will be given specific support, exemptions, simplified procedures, etc. to ensure a level playing field under the schemes, laws and procedures applicable to them.

### 4.2 Facilitate investment, including Foreign Direct Investment (FDI)

To accomplish the goal of making Tamil Nadu, Asia's most favoured investment destination for MSMEs as envisaged in the Vision 2023 document, MSME Trade and Investment Bureau (M-TIPB) will provide escort services to prospective foreign investors in the MSME sector.

#### **The M-TIPB will:**

- a. Provide information to entrepreneurs especially investors from abroad and other states regarding the scope of setting up of industries/service establishments in the State
- b. Extend escort services for setting up of industries, for availing incentives and facilities available
- c. Conduct applied research on MSME policy and administration and take up evaluation studies of programmes and policies
- d. Function as a facilitating agency for single-window clearance for new MSME investments from outside Tamil Nadu to facilitate speedy and timely clearances
- e. Facilitate identification of vendor MSMEs for the large industries that are set up in the State

### 4.3 Foster Culture of Entrepreneurship and Innovation

A five-year Strategic plan-2017-2022, for entrepreneurship development and innovation by MSMEs, is being implemented by Entrepreneurship Development and Innovation Institute (EDII) and further, it will:

- a. Strengthen the Communications Programme to celebrate successful entrepreneurs and create an aspirational entrepreneurial culture in the State in electronic, print, and social media
- b. Organise MSME Entrepreneurs and Innovators Summit annually to recognise and reward outstanding entrepreneurs and MSME innovators
- c. Enable MSME-academia partnership and collaboration for research and innovation besides setting up an Entrepreneurship Development Programme for faculty and students of higher educational institutions and first-generation entrepreneurs
- d. Promote social and economic entrepreneurship to channelize entrepreneurship to civic and social problems
- e. Enhance the existing Innovation Voucher Programme to enable MSMEs/Start-Ups to augment value-addition and revenues through research and development of new or improved products, processes, services, customer interface etc in collaboration with reputed knowledge partners like academic institutions, R&D labs, etc.,
- f. Encourage Corporate Social Responsibility (CSR) funding for research relevant to MSMEs including setting up Centres of Manufacturing Innovation in top educational institutions

### 4.4 Strengthen Ease of Doing Business and Good Governance

- A. To promote Ease of Doing Business, the MSME Department has developed and implemented a Single Window Portal for MSMEs as per the Tamil Nadu Business Facilitation Act, 2018. The Department has adopted the National Framework for Ease of Doing Business of the Department for Promotion of Industry and Internal Trade (DPIIT), Government of India, and periodically undertakes benchmark studies on Ease of Doing Business through EDII. The Department will continue to facilitate MSMEs for availing clearances, incentives, statutory/regulatory permissions/approvals/consents etc., within the time frames prescribed, in the Tamil Nadu Business Facilitation Act, 2018. The existing MSMEs can also avail these for renewal of their licences through the Single Window Portal.



- B. DICs (District Industries Centres) will continue to serve as the single point of service for all State and Central Government schemes for MSMEs and start-ups
- C. To develop institutional capacities and improve service delivery, the MSME Department will work with the Commissionerate of Industries and Commerce, Tamil Nadu Small Industries Development Corporation Ltd (TANSIDCO), Tamil Nadu Small Industries Corporation (TANSI), EDII and M-TIPB to align their mandate and reorganize their organisational structures as may be necessary to implement this policy effectively
- D. The MSME Department will encourage Commissionerate of Industries and Commerce, TANSIDCO, M-TIPB and EDII to draw external expertise to achieve the stated objectives of this policy
- E. New MSMEs and Start-ups will be exempted from approvals for establishment and operation for a period of three years based on self certification subject to the condition that the unit shall have mandatory approval within a period of one year from the expiry of the 3 year period.

## 4.5 Expand Access to Affordable Finance

### A. New MSMEs

- i. **Subsidy Based Loans:** Unemployed Youth Employment Generation Programme (UYEGP), along with the New Entrepreneur cum Enterprise Development Scheme (NEEDS), will continue to be the key programmes for the promotion of Micro and Small Enterprises.
- ii. **Overcoming the Problem of Collateral for Loans:** The State Government will work with the Central Government, State Level Bankers' Committee (SLBC), Nationalized Banks and State Financial Institutions like Tamil Nadu Industrial Investment Corporation Ltd (TIIC) to ensure effective implementation of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE).
- iii. **Encouraging Access to Formal Credit:** Infusion of additional capital of Rs 1000 cr to TIIC to expand access to affordable institutional finance to the MSMEs
- iv. **Overcoming the Problem of Seed Money:** Equity participation would be provided through the Tamil Nadu Start-up Fund of Funds, which would be managed by a professional financial agency as envisaged in the Tamil Nadu State Start-up and Innovation Policy, 2018.



- v. **Reducing the Cost of Finance:** Incentives like Capital Subsidy, Special Capital Subsidy, Interest Subsidy, Subsidy for Backward Blocks and Agro Industries and Back-ended Interest subsidy will be available for MSMEs as indicated in the **Annexure I**.
- vi. **Grievance Redressal Mechanism:** The grievance redressal mechanism for entrepreneurs at the district level will be strengthened to ensure hassle-free processing of applications and release of loans and subsidy. The District Level Taskforce headed by the District Collector will conduct an Entrepreneurs' Grievance Day for entrepreneurs once in a quarter at the District headquarters and main business towns in the District by rotation.

#### **B. Scaling up MSMEs**

To enable existing units to scale-up and diversify, the State Government will:

- i. Provide financial support for listing in the SME exchanges and raising capital from stock markets.
- ii. Provide attractive incentives such as Capital Subsidy, Special Capital Subsidy, Interest Subsidy, and Subsidy for Backward Blocks and Agro-industries for expansion or diversification of MSME units.
- iii. Provide special incentives for the MSME sector as stated in the Tamil Nadu Electric Vehicle Policy 2019 and Tamil Nadu Electronic Hardware Manufacturing Policy, 2020.
- iv. Collaborate with banks and financial institutions to set up more specialized MSME branches in industrial areas for the benefit of MSMEs and Startups.
- v. Facilitate access to working capital for MSMEs through banks and NBFCs based on firm orders from well-established firms and strengthening of Trade Receivables Discounting System (TReDS).
- vi. Set up an Alternate Investment Fund (AIF) for the MSMEs.
- vii. De-risk MSMEs from natural disasters and disruptions through a dedicated insurance scheme.

#### **4.6 Augment Infrastructure Support**

- A. TANSIDCO will co-ordinate for the provision of water, sewage facilities, uninterrupted power supply, and road connectivity to industrial estates located in the recognized industrial corridors.

- B. TANSIDCO will develop 5000 acres of land for MSMEs across the State to promote widespread industrial development.
- C. State Industries Promotion Corporation of Tamil Nadu (SIPCOT) will earmark 20% of the land area to TANSIDCO for development and allocation to MSMEs. TANSIDCO will give priority in allotment to SC/ST and transgender entrepreneurs (20%), women entrepreneurs (30%), and Ex-servicemen (10%).
- D. Allotment of TANSIDCO plots and flats will be done based on fair and transparent criteria using an online workflow system.
- E. A clear land re-classification policy for industrial use, for TANSIDCO and private Industrial Estates, will be formulated and approvals for change of land use (CLU) will be streamlined.
- F. TANSIDCO will develop Plug & Play facilities, plots and sheds and make them available on short term lease.
- G. TANSIDCO will also make effective use of land resources to reclaim unused land for allocation to MSMEs.
- H. The provisions of the Tamil Nadu Combined Building Rules, 2019 will be leveraged for better utilisation of industrial land.

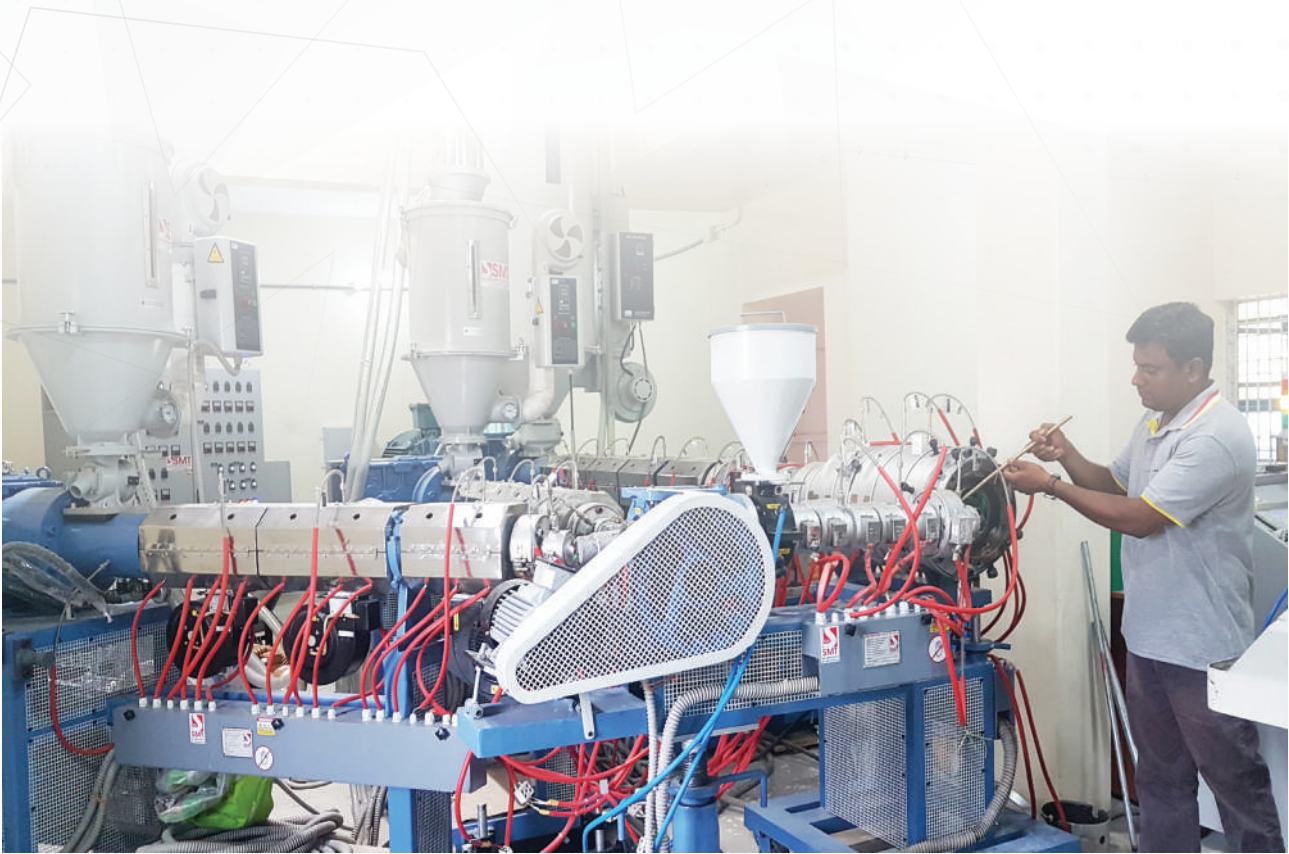




- I. M-TIPB will facilitate identification and allotment of land through TANSIDCO for foreign investments and help the entrepreneur to obtain all clearances/titles in a hassle-free manner.
- J. Pricing and terms of payment for TANSIDCO developed industrial estates, will be structured in such a way as to make them affordable.



- K. A corpus of Rs. 500 cr. for the Estate Infrastructure Development & Maintenance Fund will be setup for up-gradation and better maintenance of TANSIDCO estates. Initially an amount of Rs. 100 Crore (50% by TANSIDCO & 50% by State Government), will be earmarked for this purpose. Demand-driven additional special infrastructure in existing TANSIDCO industrial estates will be provided by contributing up to 50% of the cost from this fund, with the rest to be met by the user industry associations or bank loans with the condition that the same would be maintained through user charges.
- L. Encourage setting up of worker hostels in the non-processing areas of TANSIDCO industrial estates and industrial clusters having huge migrant labour force to enhance labour welfare and productivity. This will be taken up through public-private partnership (PPP) and also by leveraging the Tamil Nadu Shelter Fund and other Schemes of Central and State Governments.
- M. A scheme for land procurement through negotiations, including land pooling will be introduced.
- N. The formation of private industrial estates under public-private partnership for the development of infrastructure will be encouraged through grants from the State Government.
- O. TANSIDCO will provide escort services for the setting up of private industrial estates and also strive for suitable financial support



- P. New/existing small enterprises undertaking expansion or diversification of their projects while mortgaging and hypothecating their assets will be eligible for a rebate/reimbursement of 50% of the stamp duty. In the case of micro enterprises this will be 100%.
- Q. Creation of tool rooms will be encouraged through public-private partnerships.

#### **4.7 Enhance Availability of Skilled Human Resources**

- A. The Government will put in place an effective coordination mechanism for forecast and development of skills involving the Tamil Nadu Skill Development Corporation (TNSDC), MSME Associations, Industrial Training Institutes (ITIs), and Department of Industries and Commerce to enable annual surveys for forecasting the requirement, planning and for organizing of skill training programmes for such sectors.
- B. Specialized training units will be set up in large MSME clusters in collaboration with ITIs, Polytechnics, and MSME Industry Associations as per the National Skills Qualification Framework (NSQF) to arrange for upskilling and reskilling of workers.
- C. The government will create a coordination mechanism on curriculum changes to ensure that relevant skills attuned to the requirements of the industries are imparted in ITIs and Polytechnics.
- D. Amma Skill Training and Employment Scheme will continue to be implemented to address the long-felt need for skilled manpower in the manufacturing sector by providing on the job training to potential candidates.

## 4.8 Facilitate Access to National and Global Markets

- A. The Government have recently amended the Tamil Nadu Transparency in Tender Rules, 2000, granting purchase preference of 25% in public procurement from micro and small enterprises registered within the State. A special window will be created to enable Micro and Small Enterprises to effectively access Government contracting opportunities and to monitor implementation by departments.
- B. Onboard more MSMEs on the Government e-Market Place (GeM) portal to tap into the Public Procurement opportunities within the Country and also on the MSME Global Mart of the National Small Industries Corporation (NSIC).
- C. MTIPB will organise training programmes to build capacities and abilities of the MSMEs to access the existing and emerging market opportunities. This will facilitate MSMEs to make use of Central and State Government procurement avenues and avail opportunities for export.
- D. TANSIDCO, EDII, and M-TIPB will jointly organise regular MSME vendor development programmes at the district or cluster level for large private sector companies, MNCs and State PSUs to enable local MSMEs to meet their standards and to access contracting opportunities.
- E. M-TIPB will support the participation of exceptional and high growth MSME/start-up entrepreneurs in National and International trade fairs and exhibitions.
- F. To provide opportunities for export to the MSMEs from Tamil Nadu and to promote foreign collaboration and investments in the MSME sector, M-TIPB will:
  - i. Explore the overseas market for MSME products
  - ii. Forge ties with National and International Trade Bodies, Industrial Associations, proponents of Trade and Investment Policy, and institutions that promote marketing opportunities for MSMEs
  - iii. Identify National and International trade exhibitions and business fora for participation by MSMEs of Tamil Nadu and suggest business fora and trade meets to be conducted by the Government of Tamil Nadu
  - iv. The Bureau will act as a hub of knowledge on National and International marketing and trading opportunities
  - v. Collate and disseminate business opportunities and market intelligence

- vi. Enable access to marketing assistance provided by the Government of India and Central agencies
- vii. Facilitate the promotion of **Export Hubs** in the districts after analysing the export potential in the districts in coordination with Director General of Foreign Trade (DGFT).
- viii. Micro and Small Enterprises Facilitation Councils (MSEFC) will be strengthened to ensure receivables to MSEs.

#### 4.9 Improve Competitiveness and Productivity

- A. To raise the global competitiveness of MSMEs, the MSME Department will:
  - i. Design an MSME Manufacturing Competitiveness & Sustainability Initiative (MC&SI) to incentivize resource efficiency, environmental sustainability, and adoption of international product/process quality standards.
  - ii. Promotion of Energy Audit and Conservation of Energy (PEACE) initiative and Q-Cert programme will be strengthened to ramp up productivity and competitiveness.
  - iii. Upgrade the existing Government Testing Labs by providing state of the art facilities with NABL accreditation to meet the testing requirements of MSMEs.
  - iv. Channelize Central Government Programmes to facilitate technology up-gradation and modernization through schemes such as Credit Linked Capital Subsidy Scheme (CLCSS), Technology and Quality Upgradation (TEQUP) Scheme, Lean Manufacturing Competitiveness Scheme, Design Clinic Scheme for Design Expertise, financial support to MSMEs for ZED certification, etc.
  - v. Incentivise green initiatives by the adoption of cleaner and environment-friendly technologies for efficient usage of resources and waste management including electronic waste
  - vi. Undertake Intellectual Property Rights (IPR) campaigns through EDII to enable more MSMEs to effectively utilize the IP regime for their growth.
  - v. Promote the adoption of smart technologies including AI/machine learning/IoT amongst MSMEs in both manufacturing and services to improve their productivity and to gear them towards Industry 4.0.



- B. MSME Department will strengthen the **Cluster Development Initiative** which will:
- i. Undertake complete mapping of macro and micro MSME clusters in Tamil Nadu and prepare cluster development master plans as a joint development programme with MSME cluster associations.
  - ii. Support MSME cluster associations and TANSIDCO industrial estates to set up common facility centres, modern tool rooms, quality testing labs, environment management infrastructure etc., through Special Purpose Vehicles (SPVs). Such SPVs will also be permitted to outsource the setting up and/or operation of such facilities to a third-party service provider.
  - iii. Land for such common facility centres, Common Effluent Treatment Plants (CETPs), Common Waste Management Facilities and other common amenities will be provided at a nominal lease to the cluster association or the service provider identified by the cluster association.
  - iv. Plan and implement a soft-intervention programme for building institutional leadership, managerial and technical capacities of important clusters through EDII.
  - v. Extend extra support to clusters in which Tamil Nadu already enjoys a considerable competitive advantage, besides other sunrise sectors.
- C. The MSME Department will undertake facilitation and capacity building programmes for MSMEs along the following lines:



- i. EDII will organise capacity building programmes for documentation, contracts, negotiation, funding, risk management, soft skills, export and e-commerce competencies, leadership training for owners, management skills, family businesses, quality standards, etc.
- ii. M-TIPB and EDII will organise capacity building programmes to strengthen business networks such as MSME district associations, product-based associations, etc.
- iii. M-TIPB and EDII will design and provide business facilitation services such as an online learning portal, mentoring, and networking programmes linking existing MSMEs and Start-ups, Entrepreneurs' Clinic, Call Centre etc.

#### **4.10 Reinforce Social Equity and Inclusion**

The MSME Department will reinforce inclusiveness and social equity, especially in access to financial benefits under various schemes, allotment of industrial plots/sheds, access to capital and market, entrepreneurship training, etc by:

- a. Continuing to offer additional incentives to MSMEs set up in industrially backward districts to ensure equitable economic development across the State
- b. Extending special consideration to micro-enterprises and ensuring allocation of a fair share of benefits to them, as they constitute the bottom of the MSME pyramid

- c. Giving priority and differential incentives and concessions to women and other special categories such as transgenders, SC/STs, OBC, minorities and differently-abled entrepreneurs under all schemes
- d. Promoting industrial estates exclusively for women entrepreneurs
- e. A pay-roll based subsidy will be introduced to promote regular employment

#### **4.11 Strengthen the Legal Framework**

The MSME ecosystem in the State would be facilitated through the legal framework based on the Tamil Nadu Business Facilitation Act, 2018.

#### **4.12 Monitoring & Evaluation of Policy Implementation**

Implementation of this Policy would be reviewed by the MSME Investment Promotion and Monitoring Board as constituted under the Tamil Nadu Business Facilitation Act, 2018.

#### **4.13 The validity of the Policy**

This Policy will be valid from the date of notification by the Government.

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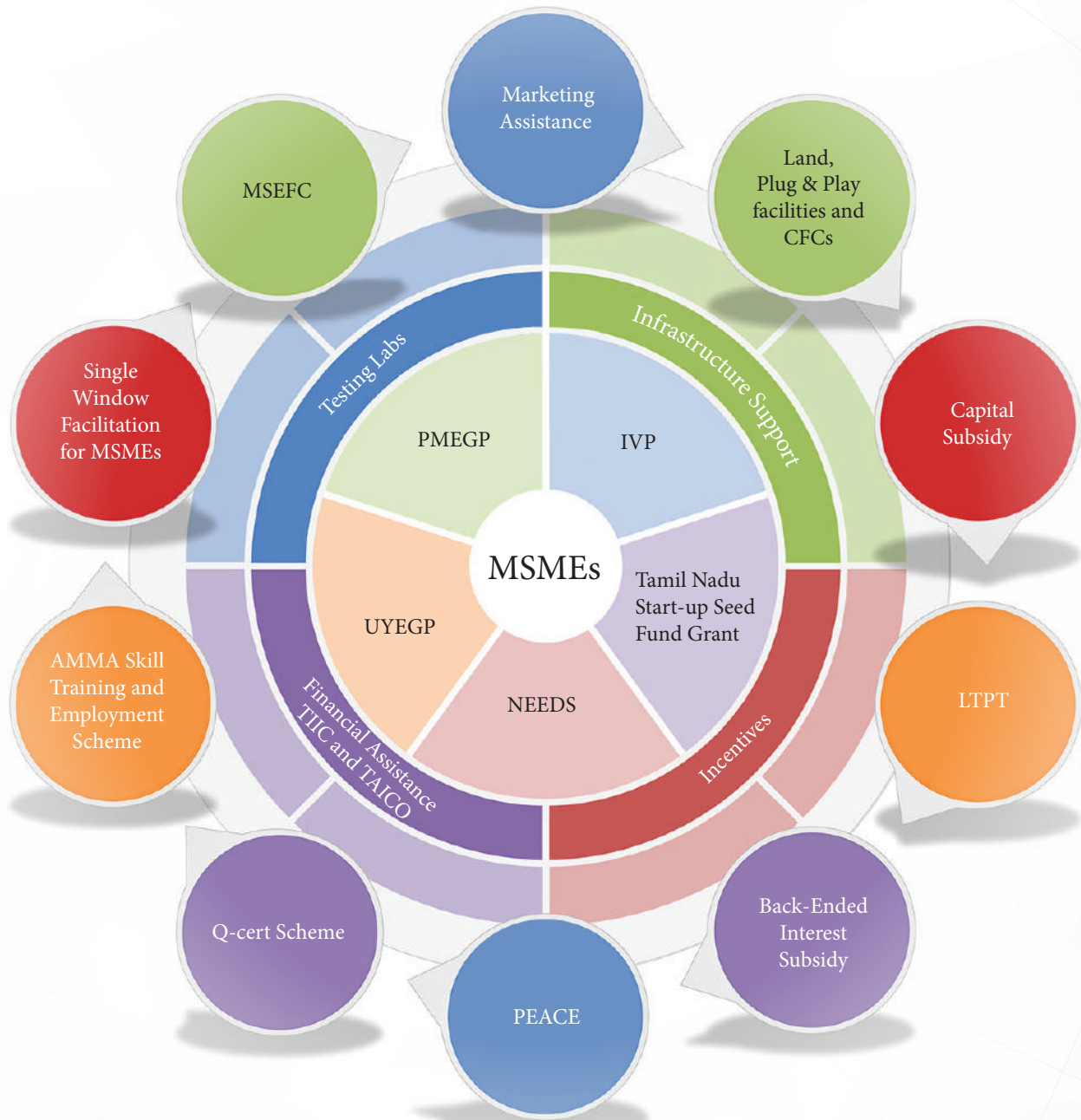


## SECTOR - WISE DISTRIBUTION OF MSMEs IN TAMIL NADU





## HOLISTIC SUPPORT FOR MSMEs



# Tamil Nadu Defence Industrial Corridor



**Hosur** (7000 + MSMEs)

MRO & Engine/ precision components, electronics

**Chennai** (80000 + MSMEs)

Armoured Vehicles, Special vehicles, Shipbuilding, IT, Electronics, Hardwares



**Salem** (8000 + MSMEs)

Polymers, Technical Textiles, Parachutes



**Coimbatore** (100000 + MSMEs)

Composites, Space technology, Aircraft wings, landing gears, Precision mfg.



**Trichy** (10000+MSMEs)

Missiles structures, Fabrication, axles, small arms, etc.



# ANNEXURE

## ANNEXURE – I

### SCHEMES FOR MICRO, SMALL AND MEDIUM ENTERPRISES IN TAMIL NADU \*

Sl. No.	Scheme	Location of enterprise	Quantum of incentives	Maximum eligibility	Agency/ time limit	Ineligible activities & enterprises	Who can apply
1	SCHEMES FOR STARTUPS						
1.1	INNOVATION VOUCHER PROGRAMME (IVP)						
	<b>Voucher A:</b> To promote the development of a new product or production process	Anywhere in Tamil Nadu	80% of the total budget for approved activities	Rs 2.00 lakhs	EDII		Any individual/ institution/ MSMEs/ Startups
	<b>Voucher B:</b> To promote existing or an early-stage company to quickly access potential markets by developing innovative commercial products		50% of the total budget for approved activities	Rs 5.00 lakhs			
1.2	<b>Venture Capital</b> Tamil Nadu Startup Fund of Funds	Anywhere in Tamil Nadu	Equity participation through a designated Fund Management Company (FMC)	Guidelines will be issued separately	EDII	Service enterprises	All MSMEs

SL No.	Scheme	Location of enterprise	Quantum of incentives	Maximum eligibility	Agency/ time limit	Ineligible activities & enterprises	Who can apply
2	<b>SCHEME FOR FUND-RAISING</b>						
	Assistance for listing & raising money in the SME stock exchange	Anywhere in Tamil Nadu	20% of the total expenditure incurred on SME IPO	Rs.5.00 lakhs	DIC	-	Any eligible SME
	Seed capital assistance for early stage startups	Anywhere in Tamil Nadu	Maximum Eligibility as per G.O. (Ms.) No.49 MSME (A) Department dated 18.06.2020		EDII		Early startups registered with TANSIM. Located and head quartered in Tamil Nadu
3	<b>SCHEMES FOR LEVERAGING THE IPR REGIME</b>						
3.1	Subsidy on the cost of Patent Registration in India or abroad	Anywhere in Tamil Nadu	75% of the cost of filing the patent registration application	Rs. 3.00 lakhs per Patent Registered	DIC Within 6 months from the date of receipt of Patent Registration	-	Any individual/ institution/ MSMEs/startup
3.2	Subsidy on the cost of Trade Marks or Geographical Indications (GI) Registration in India or abroad		50% subsidy on the cost of filing application for Trade Mark registration including the cost of first time maintenance fee / Geographical Indications registration / application	Rs. 25,000 per Trade Mark or Geographical Indications registered	DIC Within 6 months from the date of receipt of Trade Mark or Geographical Indications registration	-	Manufacturing MSMEs

Sl. No.	Scheme	Location of enterprise	Quantum of incentives	Maximum eligibility	Agency/ time limit	Ineligible activities & enterprises	Who can apply
4	<b>INCENTIVE SUPPORT SCHEMES</b>						
4.1	Capital subsidy for micro enterprises	Anywhere in Tamil Nadu	25% of plant & machinery value	Rs. 25.00 lakhs	<b>DIC</b> Within one year from the date of commencement of production	Activities/ Enterprises listed in Annexure III	New enterprises going in for expansion & diversification
4.2	Additional capital subsidy for micro enterprises		Additional 10% on the investment made in plant and machinery	Rs. 5.00 lakhs	<b>DIC</b> Within one year from the date of commencement of production	Activities/ Enterprises listed in Annexure III	New enterprises going in for expansion & diversification
4.3	Capital subsidy for small and medium enterprises	<ul style="list-style-type: none"> <li>254 industrially backward blocks and all Industrial Estates promoted by the Government and Government Agencies like SIPCOT, TANSIDCO etc.</li> <li>All 388 blocks in the State for Agro-based enterprises</li> </ul>	25% of plant and machinery value	Rs. 150.00 lakhs in three instalment	<b>DIC</b> Within one year from the date of commencement of production	Activities/ Enterprises listed in Annexure III	New enterprises going in for expansion & diversification
4.4	<b>ADDITIONAL CAPITAL SUBSIDY</b>						
4.4.1	Pay Roll Subsidy	<ul style="list-style-type: none"> <li>All micro enterprises anywhere in the State</li> <li>254 industrially backward blocks and all Industrial Estates promoted by the Government and Government Agencies like SIPCOT, TANSIDCO etc.</li> <li>All 388 blocks in the State for Agro-based enterprises</li> </ul>	Reimbursement of employer's contribution to the EPF for the first three years, if employment is provided to more than 20 persons	Rs 24000 per employee per annum	<b>DIC</b>	Activities/ Enterprises listed in Annexure III	New enterprises

Sl. No.	Scheme	Location of enterprise	Quantum of incentives	Maximum eligibility	Agency/ time limit	Ineligible activities & enterprises	Who can apply
4.4.2	For women, SC / ST, differently-abled and transgender entrepreneurs	<ul style="list-style-type: none"> <li>All micro enterprises anywhere in the State</li> <li>254 industrially backward blocks and all Industrial Estates promoted by the Government and Government Agencies like SIPCOT, TANSIDCO etc.</li> <li>All 388 blocks in the State for Agro-based enterprises</li> </ul>	5% of plant and machinery value	Rs. 5.00 lakhs	<b>DIC</b> Within one year from the date of commencement of production	-do-	-do-
4.4.3	To promote cleaner and environment-friendly technologies	-do-	25% of plant and machinery value installed to promote such technology	Rs.10 .00 lakhs	<b>DIC</b> Within one year from the date of commencement of production or date of installation of plant and machinery/ equipment	-do-	All new and existing micro, small and medium manufacturing enterprises
4.4.4	For MSME units that are engaged in E-Vehicle component and charging infrastructure manufacturing	Anywhere in Tamil Nadu	20% Additional capital subsidy	Additional special capital subsidy of Rs.10 .00 lakhs	<b>DIC</b> Within one year from the date of commencement of production	-	New enterprises / enterprises going in for expansion & diversification
4.4.5	Incentive for Scaling up	-do-	5% of plant and machinery	Rs. 25.00 lakhs	<b>DIC</b>	-do-	All Existing MSEs undertaking expansion/ diversification

Sl. No.	Scheme	Location of enterprise	Quantum of incentives	Maximum eligibility	Agency/ time limit	Ineligible activities & enterprises	Who can apply
4.5	Low Tension Power Tariff (LTPT) Subsidy for Micro enterprises	Anywhere in the State	20% on power consumption charges for 36 months from the date of commencement of production or date of receiving the power connection whichever is later.	Actual amount incurred	<b>DIC</b> 1. For issue of Eligibility Certificate (EC) Within three months from the date of commencement of production or date of power connection, whichever is later. 2. For submission of subsidy claims The first claim should be preferred within 30 days from the date of issue of EC. Subsequent claims should be submitted once in six months	Activities/ Enterprises listed in Annexure III	New enterprises going in for expansion & diversification using Low Tension Power Supply (Tariff III B) only
4.6	<b>SPECIAL CAPITAL SUBSIDY FOR THRUST SECTOR MICRO, SMALL AND MEDIUM MANUFACTURING ENTERPRISES</b>						
	Special capital subsidy for enterprises under the thrust sector as in Annexure V	Anywhere in the State	25% of plant and machinery value	Rs. 150 lakhs in three instalments	Within one year from the date of commencement of production	-	New enterprises going in for expansion & diversification
4.7	<b>GENERATOR SUBSIDY FOR MICRO MANUFACTURING ENTERPRISES</b>						
	Generator Subsidy	Areas falling under rural feeder	25 % on the cost of the generator sets up to 320 KVA capacity	Rs. 5.00 lakhs	<b>DIC</b> Within six months from the date of purchase of generator set or date of installation of the generator set, whichever is later	-	All new and existing micro enterprises falling under rural feeder



Sl. No.	Scheme	Location of enterprise	Quantum of incentives	Maximum eligibility	Agency/ time limit	Ineligible activities & enterprises	Who can apply
<b>INTEREST SUBSIDY SCHEMES FOR TECHNOLOGY UPGRADATION / CGTMSE SCHEME</b>							
5	Term loan obtained for technology up-gradation / modernisation schemes.	Anywhere in the State	5% of the interest on the term loan.	Up to Rs.25 lakhs per enterprise over five years on the term loan taken up to Rs.500 lakhs	<b>DIC</b> Every quarter	-	All new enterprises / existing enterprises
5.2	Term loan obtained under the Credit Guarantee Fund Trust Scheme (CGTMSE)	Anywhere in the State	5% of the interest on the term loan.	Up to Rs.20 lakhs per enterprise over five years on the term loan taken up to Rs.200 lakhs	<b>DIC</b> Every quarter	-	All new enterprises / existing enterprises
<b>INTEREST SUBSIDY FOR THE TERM LOAN AVAILED FROM TIIC</b>							
5.3	Interest Subvention Scheme for the medium enterprises engaged in EV component and charging infrastructure manufacturing	Anywhere in Tamil Nadu	6% on the term loan availed from TIIC	-	<b>TIIC</b>	micro and small enterprises	New enterprises who have availed loan from TIIC
<b>CREDIT LINKED SUBSIDY SCHEMES</b>							
6	Unemployed Youth Employment Generation Programme (UYEGP)	Anywhere in Tamil Nadu	25% of Project Cost	Rs.2.50 lakhs	<b>DIC</b>	As notified from time to time	Age: 18 to 45 years Educational Qualification - 8th Std and above

Sl. No.	Scheme	Location of enterprise	Quantum of incentives	Maximum eligibility	Agency/ time limit	Ineligible activities & enterprises	Who can apply
6.2	New Enterprise cum Entrepreneurship Development Scheme (NEEDS)	Anywhere in Tamil Nadu	25% of Subsidy on Project cost & 3% Interest subvention on soft loans for the entire repayment period	Rs.50.00 Lakhs	DIC	-	Age: General category 21 to 35 years Special category 21 to 45 years Educational Qualification: Degree, Diploma, ITI or Vocational training from recognized institutions
6.3	STAMP DUTY EXEMPTION ON MORTGAGED AND PLEDGED DOCUMENTS FOR MICRO ENTERPRISES						
	Stamp duty exemption on mortgaged and pledged documents for micro enterprises	Anywhere in Tamil Nadu	100% of stamp duty paid	--	Sub Registrar / At the time of registration	Activities/ Enterprises listed in Annexure III	New enterprises / enterprises going in for expansion & diversification
7	SCHEMES FOR INFRASTRUCTURE SUPPORT						
7.1	Reservation of land for micro enterprises in TANSIDCO Industrial Estates	All TANSIDCO Industrial Estates	30% of the area	Not exceeding 15 cents per enterprise	TANSIDCO	--	All new/existing micro enterprises

Sl. No.	Scheme	Location of enterprise	Quantum of incentives	Maximum eligibility	Agency/ time limit	Ineligible activities & enterprises	Who can apply
7.2	Reservation for MSMEs in SIPCOT Industrial Estates	All new / expansion schemes of SIPCOT Industrial Estates	20% of the area will be allocated to SIDCO for subsequent allotment to MSMEs	--	TANSIDCO	--	-
7.3	Infrastructure support for creation of Industrial Estates outside the urban areas	In the outskirts of towns and cities	50% of the total development cost as grant	Rs.15.00 crore	TANSIDCO	--	Entrepreneur associations willing to set up their units outside urban areas
7.4	Infrastructure Support for shifting of existing units outside urban areas	Outside urban areas	75% of the total development cost as grant	Rs.20.00 crore	TANSIDCO	--	Entrepreneur associations coming forward to shift their units /clusters to the outskirts of towns and cities
7.5	Rebate on Stamp Duty & Registration Charges	Industrial Estates developed by TANSIDCO or Government or Private Industrial Estates	50% of Stamp Duty and Registration charges	Actual amount incurred	Registration Department At the time of registration in the sub registrar's office	Activities / Enterprises listed in Annexure III	All new micro and small enterprises

Sl. No.	Scheme	Location of enterprise	Quantum of incentives	Maximum eligibility	Agency/ time limit	Ineligible activities & enterprises	Who can apply
7.6	Reimbursement of Stamp duty & Registration charges for micro and small enterprises at the time of purchase of land	254 industrially backward blocks	50% of stamp duty and registration charges	Actual amount incurred	<b>DIC</b> Within 6 months from the date of commencement of commercial production	Activities / Enterprises listed in Annexure III	All new micro and small enterprises
8	<b>SCHEMES FOR SKILL DEVELOPMENT / UPGRADEATION</b>						
	AMMA Skill Training & Employment Scheme: Skill Development training for educated unemployed youth and skill up-gradation of existing employees of MSMEs	Anywhere in Tamil Nadu	Reimbursement of Rs.2000/- per month per candidate for a maximum of 6 months	Rs. 12,000	<b>DIC</b> and TN Skill Development Corporation (TNSDC)	--	MSMEs in the State
9	<b>MARKETING SUPPORT</b>						
9.1	Purchase Preference for micro and small enterprises in Government purchases on participation in the tender process	All MSMEs located anywhere in the State	Minimum 25% procurement / purchase from MSMEs.	--	-	-	MSMEs with Udyam Registration

Sl. No.	Scheme	Location of enterprise	Quantum of incentives	Maximum eligibility	Agency/ time limit	Ineligible activities & enterprises	Who can apply
9.2	Reimbursement of hall rent to MSME Associations for conducting exhibitions	MSME Associations	50% on the hall rent	<ul style="list-style-type: none"> <li>Rs.7.5 lakhs per event in Chennai</li> <li>Rs.1.5 lakhs per event in the districts other than Chennai</li> <li>Rs.7.5 lakhs per exhibition in other States</li> </ul>	DIC	--	All MSME Associations in the State
9.3	Financial Assistance for participation in International Trade Fairs	MSME Associations	50% of the rent paid towards stall or space charges	Subject to a ceiling of Rs.15 lakhs per International trade fair/exhibitions	DIC	-	All MSME Associations in the State
10	<b>SCHEMES FOR ENHANCING COMPETITIVENESS</b>						
10.1	<b>Promotion of Energy Audit and Conservation of Energy Audit (PEACE):</b> Reimbursement of charges incurred by the MSMEs towards conducting energy audit and implementing the recommendation of the audit	Anywhere in Tamil Nadu	<b>Energy audit:</b> 75% of the cost of the energy audit  <b>Implementation of Energy audit:</b> 50% of the cost of the eligible components	Rs.1.00 lakh per energy audit  Rs. 10 lakh towards the implementation of the recommendations of the energy audit	DIC Within one year from the date of completion of the energy audit  Within one year from the date of implementation of the recommendations of the energy audit	Service activities	All existing manufacturing MSMEs

Sl. No.	Scheme	Location of enterprise	Quantum of incentives	Maximum eligibility	Agency / Time Limit	Ineligible Activities & Enterprises	Who can apply
10.2	<b>Quality Certification (Q-Cert):</b> Reimbursement of charges incurred by the MSMEs for acquiring ISO 9000/9001/ ISO 14001/ Hazard Analysis and Critical Control Point (HACCP), ISO 22000 Good Hygienic Practices (GHP) / Good Manufacturing Practices (GMP), Bureau of Indian Standards (BIS) certification, Zero Defect Zero Effect (ZED) certification) or any other international quality certification recognized in India by a competent authority. This includes payment towards certification and consultancy charges	MSMEs in the State	100%	Subject to a maximum of Rs. 2.00 lakh for National Certification & Rs.10.00 lakh for International Certification	DIC	Travel, hotel expenses, surveillance charges etc	MSMEs in the State
10.3	Mini Tool Rooms	-do-	25% of the project cost	Rs. 1.00 crore	TANSIDCO	--	Any Industrial Cluster / Association.
10.4	Cluster Development (Micro Cluster)	-do-	70% of the project cost	Rs. 2.50 crore	TANSIDCO	--	Any Industrial Cluster / Association

Sl. No.	Scheme	Location of enterprise	Quantum of incentives	Maximum eligibility	Agency / Time Limit	Ineligible Activities & Enterprises	Who can apply
11	SCHEMES FOR TECHNOLOGY DEVELOPMENT						
11.1	Technology Development Fund for evolving cleaner and/ or energy-efficient or IT enabled technologies for micro, small & medium manufacturing sector	Any where in the State	50% of the project cost	Rs. 2.50 lakhs	EDII	--	Small developmental projects that are taken up at the behest of MSME Associations by IIT-Madras, Universities in the State including Deemed Universities, Engineering Colleges, Polytechnics, and Central Government Institutions of Excellence in the State
11.2	Technology Business Incubators in the fields like automobile, machine tools, food processing etc., in the MSME sector	do-	--	Rs. 2.50 crore/ Rs.1.25 crore per Incubator / Centre of Excellence set up by Government and Private. institutions respectively	EDII	-	Government and private institutions/organisations

\* The scheme guidelines will be as per GOs and notifications issued by the Government from time to time

## ANNEXURE - II

### LIST OF BACKWARD BLOCKS IN THE STATE

#### Ariyalur District

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

#### Coimbatore District

7. Annur
8. Kinathukadavu
9. Sultanpet

#### Chengalpattu District

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

#### Cuddalore District

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

#### Dharmapuri District

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

#### Dindigul District

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



### **Erode District**

43. Anthiyur

44. Thalavadi

### **Kallakurichi District**

45. Chinnasalem

50. Kallakurichi

46. Kalvarayanmalai

51. Rishivandiyam

47. Sankarapuram

52. Thirukoilur

48. Thirunavalur

53. Thiyagadurgam

49. Ulundurpet

### **Kanchipuram District**

54. Kundrathur

56. Uthiramerur

55. Walajabad

### **Kanyakumari District**

57. Rajakkamangalam

59. Thovalai

58. Thiruvattar

### **Karur District**

60. Aravakurichi

63. Krishnarayapuram

61. K.Paramathi

64. Thanthoni

62. Kadavur

65. Thogamalai

### **Krishnagiri District**

66. Bargur

70. Sulagiri

67. Kaveripattinam

71. Thally

68. Kelamangalam

72. Uthangarai

69. Mathur

73. Veppanapalli

### **Madurai District**

74. Alanganallur

80. T.Kallupatti

75. Chellampatti

81. Thirumangalam

76. Kalligudi

82. Thirupparankundram

77. Kottampatti

83. Usilampatti

78. Madurai East

84. Vadipatti

79. Sedapatti

### **Mayiladuthurai District**

- 85. Kollidam
- 86. Sembanar Koil

### **Nagapattinam District**

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

### **Namakkal District**

- 94. Elachipalayam
- 95. Erumaipatti
- 96. Kabilarmalai
- 97. Kollihills
- 98. Mallasamudram

### **The Nilgiris District**

- 103. Gudalur
- 104. Kotagiri

### **Perambalur District**

- 106. Alathur
- 107. Veppanthattai

### **Pudukottai District**

- 109. Annavasal
- 110. Arimalam
- 111. Avudaiyarkoil
- 112. Gandarvakottai
- 113. Karambakudi
- 114. Kunnadarkoil

- 87. Kuthalam

- 92. Sirkazhi
- 93. Talainayar

- 99. Mohanur
- 100. Namagiripettai
- 101. Pudukhatram
- 102. Vennandur

- 105. Ooty

- 108. Veppur

- 115. Manamelkudi
- 116. Ponnamaravathi
- 117. Thirumayam
- 118. Thiruvarankulam
- 119. Viralimalai

### **Ramanathapuram District**

- 120. Bogalur
- 121. Kadaladi
- 122. Kamuthi
- 123. Mandapam
- 124. Mudukalathur

### **Ranipet District**

- 129. Arcot
- 130. Nemili
- 131. Thimiri

### **Salem District**

- 134. Ayothiapatnam
- 135. Kadayampatti
- 136. Konganapuram
- 137. Mechery
- 138. Omalur

### **Sivagangai District**

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

### **Tenkasi District**

- 153. Alangulam
- 154. Kuruvikulam

### **Thanjavur District**

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

- 125. Nainarkovil
- 126. R.S.Mangalam
- 127. Thiruppullani
- 128. Thiruvadana

- 132. Kaveripakkam
- 133. Sholingar

- 139. Pethanaickenpalayam
- 140. Thalaivasal
- 141. Tharamangalam
- 142. Yercaud

- 149. Singampunari
- 150. Sivagangai
- 151. Thiruppathur
- 152. Thiruppuvanam

- 155. Kadayam
- 156. Meelaneelithanallur

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

### **Theni District**

- 167. Andipatti
- 168. Chinnamanur

### **Thoothukudi District**

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

### **Tiruchirappalli District**

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

### **Tirunelveli District**

- 193. Nanguneri
- 194. Pappakudi

### **Tiruppattur District**

- 196. Jolarpet
- 197. Natrampalli

### **Tiruppur District**

- 200. Gudimangalam
- 201. Kundadam

### **Tiruvallur District**

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

- 169. Cumbum
- 170. K.Myladumparai

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

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

- 195. Radhapuram

- 198. Kandhili
- 199. Tirupattur

- 202. Pongalur

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

### **Tiruvannamalai District**

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

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

### **Tiruvarur District**

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

- 231. Needamangalam
- 232. Thiruturaipoondi
- 233. Valangaiman

### **Vellore District**

- 234. Anaicut
- 235. Pernambut

- 236. K.V.Kuppam

### **Villupuram District**

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

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

### **Virudhunagar District**

- 249. Kariyapatti
- 250. Narikudi
- 251. Sattur

- 252. Thiruchuli
- 253. Vembakkottai
- 254. Watrap

\* As notified by Government from time to time

## ANNEXURE - III

### LIST OF ENTERPRISES/ACTIVITIES INELIGIBLE FOR INCENTIVES

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 – IV

### LIST OF ACTIVITIES INELIGIBLE FOR ASSISTANCE UNDER NEEDS SCHEME

1. Any activity directly connected with agriculture.
2. Sericulture (Cocoon rearing), Animal Husbandry like Pisciculture, Piggery, Poultry etc.,
3. Manufacturing of Polythene carry bags of less than 40 microns thickness and manufacture of carry bags or containers made of recycled plastic for storing, carrying, dispensing or packaging of food stuff
4. Sugar
5. Distilleries, Brewery and Malt Extraction
6. Units utilizing Molasses/rectified spirit/de-natured spirit as raw material for manufacture of potable alcohol.
7. Fertilizer manufacture and blending (Except bio-fertilizers)
8. Mining and Quarrying Ores, minerals etc. [Excluding polishing, cutting, crushing, etc. of mined ores / minerals]
9. Aluminium, Iron and Steel Smelting [Excluding foundries]
10. Manufacturing of intoxicant items like Beedi / Pan / Cigar / Cigarette etc.,
11. Saw Mills
12. Cement
13. Calcium Carbide
14. Slaughter House
15. Re-packing of Drugs / Medicine / Chemical, without any processing or value addition
16. Azoic / Reactive Dyes
17. Fire Crackers
18. Industries manufacturing and or utilizing Ozone depleting substances
19. Industries involving hazardous activities / classified as "Red category" by Tamil Nadu Pollution Control Board / Central Pollution Control Board
20. Cyanide
21. Caustic Soda
22. Potassium Chloride
23. Nylon, Rayon & Polyester Fibre manufacturing. [Excluding manufacture of downstream products from Nylon, Rayon & Polyester Fibre]
24. Real Estate
25. All types of Business activities.
26. One time use and throw away plastics

## ANNEXURE - V

### THRUST SECTOR ENTERPRISES ELIGIBLE FOR SPECIAL CAPITAL SUBSIDY \*

1. Electrical and Electronics Industries
2. Leather and Leather Goods
3. Auto Parts and Components
4. Drugs, Pharmaceuticals and Nutraceuticals
5. Solar Energy Equipment
6. Gold / Diamond Jewellery for Exports
7. Pollution Control Equipment
8. Sports Goods and Accessories
9. Cost-effective Building Materials
10. Readymade Garments
11. Food Processing
12. Plastic (except 'one-time use and throw away plastics')
13. Rubber
14. Alternate Products to 'one-time use and throw away plastics'
15. Electric Vehicle Components, Charging Infrastructure and Components
16. Medical Devices, Equipment and Components
17. Technical Textiles and Medical Textiles
18. Aero Space, Defence Applications and Components
19. Electronic System Design and Manufacturing
20. Bio Technology
21. Petro Chemicals and Speciality Chemicals
22. Industry 4.0
23. Electronic Waste Processing

\* Any other industries to be notified by the Government from time to time



## MSME Department



**Commissionerate of Industries and Commerce, District Industries Centres**  
[www.indcom.tn.gov.in](http://www.indcom.tn.gov.in)

Formulation and Implementation of Policies for MSME



**Tamil Nadu Small Industries Development Corporation Ltd**  
[www.sidco.tn.nic.in](http://www.sidco.tn.nic.in)

Infrastructure Support for MSMEs



**Entrepreneurship Development and Innovation Institute**  
[www.editn.in](http://www.editn.in)

Education, Training and Research in Entrepreneurship & Innovation



**Tamil Nadu MSME Trade and Investment Promotion Bureau**  
[www.tnmtipb.in](http://www.tnmtipb.in)

Global Window for MSMEs



**Tamil Nadu Startup and Innovation Mission (TANSIM)**  
<https://startuptn.in>

Promotion and Development of Start-ups



**Tamil Nadu Small Industries Corporation Limited**  
[www.tansi.tn.gov.in](http://www.tansi.tn.gov.in)

Managing Departmental Wooden, Steel and Engineering Small Scale Units



**TAMILNADU INDUSTRIAL CO-OPERATIVE BANK LTD.**

**Tamil Nadu Industrial Co-operative Bank Limited**  
[www.taicobank.in](http://www.taicobank.in)

Financial Assistance to Industrial Cooperative Societies



**INDCOSERVE**  
[www.indcoserve.com](http://www.indcoserve.com)

Marketing and Business Support Services to Small Tea Growers



**SAGOSERVE**  
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Support to Starch and Sago Manufacturers



## **Micro, Small & Medium Enterprises Department**

(Government of Tamil Nadu)

Secretariat, Fort St. George, Chennai-600 009.

Tel: 2567 1476, Fax: 044-2567 5453,

E mail- [sindsec@tn.gov.in](mailto:sindsec@tn.gov.in)