



ABSTRACT

Subsidies - Generator Subsidy to all Micro, Small and Medium Enterprises - Introduction of - Orders Issued.

Micro, Small and Medium Enterprises (D2) Department

G.O.Ms.No. 27

Dated: 21.05.2009

Read:

1. G.O.Ms.No.37, Small Industries Department dated 20.7.2000.
2. G.O.Ms.No.32, Small Industries Department dated 28.6.2002.
3. G.O.Ms.No.14, Micro, Small and Medium Enterprises Department dated 7.5.2008.
4. From the Industries Commissioner and Director of Industries and Commerce Letter Rc.No.7599/LC3/08 dated 18.11.08.
5. From the Industries Commissioner and Director of Industries and Commerce DO Letter Rc.No.7599/LC3/08 dated 18.11.08

ORDER:

The SSI units in Tamil Nadu were eligible for sanction of subsidy vide Government orders first and second read above prior to and after the introduction of New Anna Marumalarchi Thittam except for conventional and resource based and power intensive units. It was available to SSI units for the brand new equipments purchased from the manufacturers or dealer accredited by the manufacturers. The unit holder should obtain permission of the TNEB for the installation of new Generator sets to avail the Generator Subsidy.

2. In the Micro, Small and Medium Industries Policy announced by the Hon'ble Chief Minister on 22.2.2008 and approved in the Government Order third read above, the concession hitherto available for SSI units for availing Generator subsidy was not included in the package of incentives for Micro, Small and Medium Enterprises sector.

3. In the review meeting held under the chairmanship of the Hon'ble Chief Minister on 7.11.08 on the power situation in the State and the announcement made by the Minister (Finance) thereon it was decided that for purchase of generator sets upto 125 KVA capacity, small industries will be provided a subsidy of 25% of the cost, subject to a ceiling of Rs.1.5 lakhs. The General Managers, District Industries Centre will sanction and disburse the subsidy.

4. To give effect to the above decision, the Industries Commissioner and Director of Industries and Commerce sent proposals alongwith guidelines for

Implementation of the scheme of generator subsidy to all Micro, Small and Medium Enterprises. He has stated that as per the announcement of the Hon'ble Minister (Finance) in the review meeting referred to above, Generator subsidy at 25% of the cost of Generator upto 125 KVA capacity, subject to a maximum of Rs.1.50 lakhs would be eligible to Micro, Small and Medium Enterprises.

5. After careful examination of the proposal of the Industries Commissioner and Director of Industries and Commerce sent in the letters fourth and fifth read above, the Government have decided to introduce Generator subsidy to all Micro, Small and Medium Enterprises in the State at the rate of 25% of the cost of Generator sets and upto 125 KVA capacity subject to a ceiling of Rs.1.5 lakhs.

6. Accordingly, they direct that all the Micro, Small and Medium Enterprises in the State which purchase generator sets with 125 KVA capacity be eligible for the generator subsidy at 25% of the cost of the generators subject to a maximum of Rs.1.50 lakhs as per the guidelines appended to this Order.

7. This order issues with the concurrence of Finance Department vide its UO No. 9/SS(AP)/09 dated 04.02.2009.

(BY ORDER OF THE GOVERNOR)

P. SELVAM
PRINCIPAL SECRETARY TO GOVERNMENT

To

Industries Commissioner and

Director of Industries and Commerce, Chennai-5.

The Managing Director, Tamil Nadu Industrial Investment Corporation Limited, Chennai-35.

The Chairman and Managing Director, State Industries Promotion Corporation of Tamil Nadu, Chennai-8

All District Collectors

The Chairman and Managing Director, Tamil Nadu Small Industries Development Corporation, Chennai-32

The Accountant General, Chennai-18/35/6

All Pay and Accounts Officers / All District Treasuries

Copy to:

Secretary II to the Chief Minister, Chennai 9.

The Chief Secretary to Government, Chennai 9

The Secretary to Government, Finance / Industries/Commercial Tax / Energy Departments, Chennai 9

All other Departments of Secretariat, Chennai 9

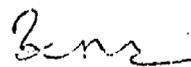
All sections in Micro, Small and Medium Enterprises Department, Chennai 9

Tamil Nadu Pollution Control Board, Chennai-32.

Commissioner of Commercial Taxes, Chennai-5

Stock file / Spare copy.

/FORWARDED BY ORDER/


SECTION OFFICER

ANNEXURE.

**GUIDELINES TO BE ADOPTED FOR IMPLEMENTATION OF THE
SCHEME OF GENERATOR SUBSIDY TO ALL MICRO, SMALL AND
MEDIUM ENTERPRISES .**

1. Scheme :

Generator Subsidy may be sanctioned as an incentive to all Micro, Small and Medium Manufacturing Enterprises in the State for the purchase of Generator set upto the capacity of 125 KVA. The purpose of the scheme is to promote the captive power generation of new and existing MSMEs anywhere in the State irrespective of the backwardness or otherwise of the block and irrespective of the activities whether they are negative or otherwise.

2. Quantum of subsidy :

25 % of the cost of Generator set upto the capacity of 125 KVA purchased by all new & existing Micro, Small and Medium manufacturing enterprises for their captive power generation subject to the maximum limit of Rs. 1.50 lakhs.

3. Terms and conditions:

1. Subsidy will be available only for brand new equipments.
2. Safety certificate from the Department of Electrical Inspectorate should be obtained for installation of new Generator set at the factory premises.
3. Generator set should be purchased from the Manufacturer directly or from the Dealer accredited by the manufacturer.
4. The unit should have obtained valid Entrepreneur Memorandum (Part II)

4. Eligible units:

All LT/HT power consuming Micro, Small and Medium manufacturing enterprises set up anywhere in the State which have purchased and installed Generator set upto the capacity of 125 KVA.

5. Eligibility of accessories for subsidy

All accessories required for erection and functioning of the Generator set may be treated as one unit for the purpose of computing the generator subsidy. The

loading, unloading, packaging and erection charges may not be considered for subsidy.

6. Time limit for submission of subsidy application

Application for generator subsidy should be filed to the General Manager, DIC of respective Districts 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.

7. Release of subsidy

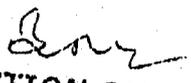
The subsidy granted shall be released on sanction by the General Manager concerned to the financial institutions only, in case of term loan facility availed by the MSMFs. In respect of self financed enterprises, the subsidy shall be directly released to the enterprises.

8. Replacement of old Generator set by new one

New Generator set purchased for replacement of old generator or to have additional capacity is also eligible for subsidy. However, this should be limited to the proportionate cost of the excess capacity of the new generator set over and above the capacity of the replaced old generator set.

**P. SELVAM
PRINCIPAL SECRETARY TO GOVERNMENT**

/TRUE COPY/


SECTION OFFICER