



### **ABSTRACT**

SSI Units- Exemption from payment of Earnest Money Deposit(EMD) in respect of Tenders called for by Government Departments, State Owned Corporations, Boards, Local Bodies, Co-operatives etc- Consolidated orders -Amendment Issued.

Finance (BPE) Department

G.O. (Ms) No. 390

Dated: 27. 09.2013

Puratasi 11,

Thiruvalluvar Aandu 2044

Read:-

- 1) G.O.Ms.No.387, Finance (BPE) Department dated 03.08.1998
- 2) Letter No.CFC/GL/FC/P.II/DFC/T/AAO/T/D.28/D/07 dated 19.07.2007 from the Chairman, TNEB, Chennai-2
- 3) Letter No.30594 / PDK / 2007 dated 25.04.2008 of the Industries Commissioner & Director of Industries and Commerce.

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In the Government orders read first above, it has been ordered among other things indicating that (i) the Small Scale Industrial Units located within the State and registered with the Tamil Nadu Small Industries Development Corporation (SIDCO) or the National Small Industries Corporation(NSIC) or holding permanent Registration Certificate from the District Industries Centres of Directorate of Industries and Commerce will be granted exemption from payment of Earnest Money Deposit / Security Deposit in respect of those items for which the Registration Certificate has been obtained and tenders called for by the State Government Departments, State Public Sector Undertakings / Statutory Boards , Local Bodies and Co-operatives and they will be supplied the Tender form and other connected documents free of cost;(ii) In respect of SSI units located outside the State, such of these units registered

with NSIC in respect of items manufactured by them for which tenders have been called for by the Government Departments/ State Public Sector Undertakings /Statutory Boards/ Local Bodies/ Co-operative Institutions alone will be granted exemption from payment of Earnest Money Deposit / Security Deposit.

2) It has been brought to the notice of Government by the Chairman, Tamil Nadu Electricity Board, Chennai-2 in his Letter 2<sup>nd</sup> read above indicating that the Tamil Nadu Small & Tiny Industries Association have represented that after the enactment of MSMED Act 2006, which has come into effect from 2<sup>nd</sup> October 2006, the registration certificate issued under erstwhile registration process is no longer valid and hence requested to grant exemption from payment of Earnest Money Deposit on the basis of submission of the copy of acknowledgement for filing of the Entrepreneurs Memorandum Part-II issued by the Jurisdictional District Industries Centre. Hence, TNEB has requested the Government to issue orders as to whether acknowledgement issued on the Part II of Entrepreneurs Memorandum may be considered for granting exemption from payment of EMD and also to issue amendment to the G.O.Ms.No.387, Finance(BPE)Department dated 03.08.1998 to that effect.

3) In this regard, the Industries Commissioner & Director of Industries and Commerce was consulted and for which he has indicated that as per the MSMED Act 2006, the General Managers of the District Industries Centres acknowledge the receipt of Entrepreneurs Memorandum Part II and no inspection is done as per the above Act and added that the Small Scale Industries Registration process is no longer valid. He has also suggested that such units may be requested to submit a copy of the acknowledgement obtained from the General Manager, District Industries Centres concerned for filing of Entrepreneurs Memorandum Part-II for granting exemption for paying EMD. The Industries Commissioner and Director of Industries & Commerce has also informed that whenever it is deemed necessary the Purchasing Department, may inspect the unit and satisfy themselves on the line of activity pursued by the manufacturer, quality, production capacity etc.,

4) The Government have carefully examined the above proposal with reference to granting of exemption of Earnest Money Deposit for SSI units based on the Entrepreneurs Memorandum Part-II and issue the following amendment to para 3(i) of the G.O.Ms.No.387, Finance (BPE) Department, dated 03.08.1998.

**AMENDMENT**

"SSI units are exempted from the payment of EMD against production of a copy of the acknowledgement obtained from the General Manager, District Industries Centre concerned for filing of the Entrepreneurs Memorandum Part-II, and whenever it is deemed necessary the Purchasing Department, may inspect the unit and satisfy themselves on the line of activity pursued by the manufacturer, quality, production capacity etc.,"

(By order of the Governor)

T.Udhayachandran  
Secretary to Government (Expenditure)

To  
All Secretaries to Government  
All Departments of Secretariat  
All Heads of Departments  
The Chief Executive Officers of all the State Public Sector Undertakings  
/ Statutory Boards  
The Accountant General, Chennai-18  
The Accountant General, Chennai-6  
All Finance Directors  
All Sections in Finance Department  
All Officers in Finance Department  
The Director of Stationery and Printing, Chennai-2  
(for publishing in TNGG)

//forwarded by order//

  
Research Officer

  
28.9.2013