



ABSTRACT

Micro, Small and Medium Enterprises Department - Budget Estimate 2020-21 - Funds allocated in the Budget Estimate 2020-21 - Relaxation of Quarterly Control Appropriation so as to incur expenditure of entire fund during 1st quarter - Permission - Granted - Orders - Issued.

Micro, Small and Medium Enterprises (B) Department

G.O.(Ms) No.54

Dated:3.8.2020

Read:

- 1) From the Industries Commissioner and Director of Industries & Commerce, Letter Rc.No.4603/LC1/ 2020, dated 13.5.2020

Read also:

- 2) G.O. (Ms) No.14, MSME (B) Department, dated 7.5.2008
- 3) G.O. (Ms) No.18, MSME (D2) Department, dated 16.4.2013
- 4) G.O. (Ms) No.42, MSME (D2) Department, dated 4.9.2013
- 5) G.O. (Ms) No.70, MSME (D2) Department, dated 15.10.2019

ORDER:

In the letter first read above, the Industries Commissioner & Director of Industries and Commerce (IC&DIC) has requested the Government to permit IC&DIC to draw and disburse the entire amount of Rs.21,000.00 lakhs provided in the Budget Estimate, for disbursement of capital subsidy for the year 2020-21, during the 1st quarter itself by relaxing the Quarterly Control Appropriation as a special case.

2. In the G.O. second read above orders have been issued introducing various incentives and concessions including 15% capital subsidy to eligible micro, small and medium manufacturing enterprises in the State, subject to a maximum of Rs.30.00 lakh, based on the Micro, Small and Medium Industries Policy 2008.

3. In the G.O. fourth read above, orders have been issued for enhancing the rate of capital subsidy from 15% to 25%, with effect from 07-05-2013. However, the ceiling on maximum subsidy amount was not increased.

4. In the G.O. fifth read above orders have been issued for enhancing the upper cap of maximum eligible subsidy; under capital subsidy scheme from existing Rs.30.00 lakhs to Rs.50.00 lakhs with effect from 12-07-2019.

5. In the G.O. third read above Government delegated powers to the Industries Commissioner and Director of Industries and Commerce to draw and disburse the funds within the budgetary provision in respect of Capital Subsidy, by following Quarterly Control Appropriation.

6. The Industries Commissioner and Director of Industries and Commerce has stated that a sum of Rs.21,000.00 lakhs have been provided in the Budget Estimate for the year 2020-21 for disbursement of Capital subsidy. Though Rs.21,000.00 lakhs has been allotted for Capital subsidy under Budget Estimate 2020-21, Government have permitted to utilise an amount of Rs.5,250.00 lakhs only for the 1st quarter of 2020-21.

7. The Industries Commissioner and Director of Industries and Commerce has therefore submitted the following:

(i) The General Managers of District Industries Centre / Regional Joint Director, Chennai have informed that 1459 applications to the tune of Rs.15352.06 lakhs is required for disbursement to Micro, Small and Medium manufacturing enterprises, thrust sector industries and agro based enterprises as on 31-03-2020.

(ii) Further, 552 no. of applications to the tune of Rs.6839.65 lakhs are under process. Hence, in total an amount to the tune of Rs.22191.71 lakhs is required, to clear the pending applications with the GM, DICs as on 31-03-2020. Further, TIIC Ltd., has requested an amount of Rs.1400.00 lakhs towards disbursement of Capital Subsidy for the period up to 31-03-2020.

(iii) In total an amount of Rs.23,591.71 lakhs is required towards disbursement of Capital Subsidy for the applications received as on 31.03.2020.

(iv) Hence, Rs. 21,000.00 lakhs provided in budget estimate for the year 2020-21 under Capital Subsidy head is not sufficient to clear the applications received up to 31.03.2020.

8. In the above circumstances, the Industries Commissioner & Director of Industries and Commerce has stated that the Micro, Small and Medium Enterprises (MSMEs) are already facing considerable strain due to the economic slowdown. The situation has further worsened due to the lockdown measures that were put in place to arrest the spread of COVID 19 pandemic. There is a pressing need for economic measures to stabilize and stimulate the economy and protect people's jobs and livelihoods. The investment opportunities arising out of covid-19 crisis must also be promoted. Hence, there is an urgent need to infuse additional liquidity to the MSMEs. Therefore, IC&DIC has requested the Government that relaxation may be given considering the number of applications which are ready for disbursement and are under process, as this will help the MSME units to tide over the present crisis and will also aid the revival of the sector in some measure. Industries Commissioner and Director of Industries and Commerce has also requested the Government to permit to draw and disburse the entire amount of Rs.21000.00 lakhs provided in the Budget Estimate for the year 2020-21,

during the 1st quarter itself by relaxing the Quarterly Control appropriation as a special case.

9. The Government, after careful examination of the request of the Industries Commissioner and Director of Industries and Commerce, release a sum of Rs.210.00 crore by relaxing Quarterly Control Appropriation System for which orders were issued in G.O.Ms.No.224, Finance (BG-I) Department, dated 31.03.2020 for the above said purpose from the BE 2020-21 under the following head of account:

"2851 - 00 - Village and Small Industries - 102 - Small Scale Industries - State's Expenditure - LZ Capital Subsidy to Micro, Small, Medium and Agro based Industries -11 Subsidies-01 Individual based subsidy."(Old DP Code 2851 -00 -102 -LZ - 1116)

(IFHRMS DP Code 2851 -00 -102 -LZ -311 01)

The expenditure sanctioned above is exempted from Quarterly Control of Appropriation (QCA) and are included in the online Quarterly Control of Appropriation (QCA) module of IFHRMS also, to facilitate drawal bills under IFHRMS as well".

10. This order issues with the concurrence of Finance Department vide its U.O.No.23647, Finance (Ind)/2020, dated 31.7.2020.

(By order of the Governor)

**Dr. K. Gopal,
Principal Secretary to Government.**

To
The Industries Commissioner & Director of Industries and Commerce,
SIDCO Corporate Building, Guindy, Chennai-32.
The Accountant General, Chennai-6/18.
All Pay and Accounts Officers/All District Treasuries

Copy to:
The Finance (Industries/BG-I) Department,
Chennai-9.
MSME(D)Department, Chennai-9.
Sf/sc

/Forwarded/By order/


Section Officer.