



ABSTRACT

MSME Policy, 2021 - Budget Speech for 2021-2022 - Enhancement of the rate of incentive and maximum eligible subsidy for IPO listing expenditure of SMEs from Rs.5 lakh (20%) to Rs.30 lakh (50%) - Amendment to the Guidelines for Administration of Incentives and Concessions - Orders issued.

Micro, Small and Medium Enterprises [D(2)] Department

G.O. (Ms.) No.64

Dated: 03.11.2021

திருவள்ளூர் ஆண்டு 2052
பிலவ வருடம், ஐப்பசி - 17

Read:

1. G.O. (Ms.) No. 11, Micro, Small and Medium Enterprises (B) Department, dated 16.02.2021.
2. G.O. (Ms.) No. 37, Micro, Small and Medium Enterprises (B) Department, dated 06.07.2021.
3. Hon'ble Minister for Finance and Human Resources Management announcement during presentation of the revised Budget Estimate for the year 2021-22.
4. From the Industries Commissioner and Director of Industries and Commerce letter Rc. No.28370/LC3/2021, dated 15.09.2021.

ORDER:

In the Government Order first read above, the Government have issued orders introducing various incentives and concessions to the eligible Micro, Small and Medium enterprises in the State, based on the Micro, Small and Medium Enterprises Policy 2021. In the Government Order second read above, Guidelines for Administration of Incentives and Concessions announced in the above Policy have been approved.

2. The Hon'ble Minister for Finance and Human Resources Management, while presenting the revised Budget Estimate for the year 2021-2022, has made the following announcement on 13.08.2021.

"The Government will handhold MSMEs which want to raise equity capital from stock exchanges and the cost of listing, up to Rs.30 lakh will be borne by the Government".

3. In the letter fourth read above, The Industries Commissioner and Director of Industries and Commerce has stated as follows:-

Existing Guidelines for availing assistance for IPOs. The Small and Medium enterprises located in the State and qualifying to be listed as per the norms of the NSE/BSE will be provided one-time assistance of 20% of the expenditure incurred for listing, subject to a maximum of Rs.5 lakhs for successful listing on the SME Exchange. It is reported by the MSME associations and SMEs that the minimum expenditure for IPO listing in stock exchanges, would be around Rs. 60 lakh and it is difficult for any SME to incur such huge amount for listing. Due to the huge cost of listing, SMEs are reluctant to come forward to raise fund through stock exchanges. Scaling up of SMEs to the next level with minimum cost is a crucial factor for creation of new employment and hence, it is proposed to enhance the rate of incentive for listing from 20% to 50% and accordingly the maximum cap may be increased to Rs.30 lakh from the existing limit of Rs.5 lakh. To implement the above enhancement of the rate of incentive and maximum eligible subsidy, the para 17.3 of chapter 17 of the Guidelines to administer the incentive schemes announced in the MSME Policy 2021, as approved in the Government Order second read above need to be replaced with the following para :-

"Para 17.3 Quantum of subsidy: One-time assistance of 50% of the expenditure incurred for listing, subject to a maximum of Rs.30 lakh for successful listing on the SME Exchange".

4. Accordingly, the Industries Commissioner and Director of Industries and Commerce has requested the Government to issue necessary amendment to the Government Order second read above, as stated in para 3 above, with retrospective effect from 13.08.2021 i.e., the date on which the Hon'ble Minister for Finance and Human

Resources Management made this announcement on the floor of Assembly.

5. The Government after careful examination have decided to accept the proposal of the Industries Commissioner and Director of Industries and Commerce at para 4 above and accordingly issue the following amendment to Government Order second read above with retrospective effect from 13.08.2021:-

Amendment

For the para 17.3 of chapter 17 of the Guidelines to administer the incentive schemes announced in the MSME Policy 2021, the following para shall be substituted:-

"17.3 Quantum of subsidy: One-time assistance of 50% of the expenditure incurred for listing, subject to a maximum of Rs.30 lakh for successful listing on the SME Exchange".

6. This order issues with the concurrence of the Finance Department vide U.O. No.6/JS(GKT)/Finance(Industries)/2021, dated 20.10.2021.

(BY ORDER OF THE GOVERNOR)

**V.ARUN ROY
SECRETARY TO GOVERNMENT**

To

The Industries Commissioner and Director of Industries and Commerce,
Guindy, Chennai-32.

The Managing Director,
Tamil Nadu Small Industries Development Corporation Limited,
Guindy, Chennai-32.

The Principal Secretary/Chairman and Managing Director,
Tamil Nadu Small Industries Corporation Limited,
Guindy, Chennai-32.

The Director (FAC),
Entrepreneurship Development and Innovation Institute-Tamil Nadu,
Guindy, Chennai-32.

The Mission Director,
Tamil Nadu Startup Innovation Mission, Chennai.

The Managing Director,
MSME Trade and Investment Promotion Bureau, Chennai.

Copy to:

The Special Personal Assistant to the Hon'ble Chief Minister,
Chennai-9.

The Special Personal Assistant to Minister for Rural Industries,
Chennai-9.

The Personal Assistant to Secretary to Government,
Micro, Small and Medium Enterprises Department,
Chennai-9.

The Finance (Ind/BG.I/BG.II) Department, Chennai-9.

Micro, Small and Medium Enterprises (B/OP) Department,
Chennai-9.

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// FORWARDED BY ORDER //

[Handwritten Signature]
03/11/2021

SECTION OFFICER