



## ABSTRACT

Tamil Nadu Small Industries Development Corporation Limited (SIDCO) - Announcement made by the Hon'ble Chief Minister under rule 110 - To provide 75% grant of the total development cost up to the maximum of Rs. 15 Crores for getting Infrastructure facilities like road, water supply, electricity, conference hall, common facility center etc. to entrepreneurs prepared to shift their existing units outside the urban areas - To provide 50% of grant with maximum grant of Rs.10 Crores to entrepreneurs coming forward to setup new clusters in the outskirts of towns / cities - Guidelines - Orders Issued.

### MICRO, SMALL AND MEDIUM ENTERPRISES (C) DEPARTMENT

G.O (Ms) No.44

Dated : 4.9.2013

விஜய, ஆவணி 19

திருவள்ளூர் ஆண்டு 2044

Read :

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From the Chairman and Managing Director, SIDCO, Letter No.10453/ Schemes/ 2013-1, dated 8.6.2013.

### ORDER

The Special Package of Incentives announced by the Hon'ble Chief Minister of Tamil Nadu under rule 110 consisted of ten announcements. One among the 10 announcements is as follows:-

“நகர்ப்புற குடியிருப்பு பகுதிகளில் அமைக்கப்பட்டுள்ள தொழிற் கூடங்கள் அப்பகுதிகளில் வசிக்கும் மக்களுக்கு பல்வேறு மாசுகளை ஏற்படுத்துகின்றன. நகர்ப்புறத்தில் உள்ள இட நெருக்கடி காரணமாக தொழிற் கூடங்களை விரிவுப்படுத்தவும் இயலாத சூழ்நிலை உள்ளது. எனவே, சுற்றுச் சூழலை பாதுகாக்கும் வகையிலும், தொழிற் கூடங்களை விரிவுபடுத்தும் நோக்கிலும், ஏற்கனவே, நகர்ப் பகுதிகளில் ஆங்காங்கே அமைந்துள்ள தொழிற் கூடங்களை மாற்றி அமைத்து நகருக்கு வெளியே தொழிற் குழுமம் மற்றும் தொழிற் பேட்டைகளை உருவாக்க தனியார் தொழில் முனைவோர் அமைப்புகள் முன்வரும் பட்சத்தில், மின் இணைப்பு வழங்குதல், நீர் வழங்குதல், காட்சி / கருத்தரங்க கூடங்கள், விற்பனை வசதி மையங்கள் முதலிய அடிப்படை கட்டமைப்புகள் மற்றும் பொது வசதிகளை ஏற்படுத்த அரசு மானியம் 75 விழுக்காடு என்ற அளவில் அதிகபட்சமாக 15 கோடி ரூபாய் வரை வழங்கப்படும். இதே போல், தனியார் தொழில்முனைவோர் அமைப்புகள் புதிய தொழில் நிறுவனங்களுக்கென புதிய தொழிற் குழுமம் மற்றும் தொழிற்பேட்டை அமைக்க முன்வரும் பட்சத்தில் அரசு மானியம் 50 விழுக்காடு என்ற அளவில் அதிக பட்சமாக 10 கோடி ரூபாய் வரை வழங்கப்படும்.”

(“The Industrial Units functioning in proximity to human habitations/ residential areas are causing pollution and lack of space had made their expansion impossible, the government would offer all necessary

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assistance and other facilities to entrepreneurs prepared to shift their units outside the town areas. In case these units which are scattered are willing to shift outside the urban areas, the Government would provide 75 per cent grant of the total development cost upto a maximum of Rs.15 crores for getting electricity, water connections and to have other infrastructure facilities like conference halls, common facility centers etc. Similarly, entrepreneurs associations coming forward to set up new clusters in the outskirts of towns / cities will be provided 50% of grant with maximum grant limited to Rs.10 crores").

2) The Managing Director, SIDCO in the letter read above has stated that the Tamil Nadu Small Industries Development Corporation Ltd., (SIDCO) has been actively striving to facilitate the promotion and development of Micro, Small and Medium Enterprises and to enhance their competitiveness since its inception. SIDCO is managing 35 Government Industrial Estates and Developed 59 Industrial Estates on its own thus totally maintaining 94 Industrial Estates all over in Tamil Nadu. To enable the entrepreneurs to have access to technologies / machineries / facilities which they may not otherwise be able to set up on their own independently in view of the huge investment involved, Industrial Estates with Common Facility Centers need to be established. This will be made possible when the units in the estates belongs to similar industry/ line of activity. Therefore formation of Industrial Estates on cluster mode is encouraged. These entrepreneurs / beneficiaries may join together and form an Association / Special Purpose Vehicle to manage the formation and maintenance of the estate.

3) The Managing Director, SIDCO has also stated that in major cities like Chennai, the number of industrial establishments are growing day by day. For example, there are two major industrial estates situated inside the city namely, Ambattur and Guindy. These estates have almost saturated and scope for expansion, is very less. Hence, the upcoming entrepreneurs find it difficult to get in to these estates and hence these units are widespread across the city causing heavy traffic in the city. Finding Government poramboke lands for formation of new estates in the outskirts of Chennai, Kancheepuram and Thiruvallur has become a challenge for SIDCO. Getting private lands has also become difficult due to very high land cost and the long process of acquisition.

4) The Managing Director, SIDCO has further stated that as futuristic approach, formation of private industrial Estates may be encouraged if a minimum of at least 20 entrepreneurs come forward to purchase a minimum of 50 acres of lands in the outskirts of cities by forming an Association / Special Purpose Vehicle (SPV) under Companies Act. In special cases where the land cost is high, a reduced extent (less than 50 acres) may be considered. In cases

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of micro entrepreneur's associations willing to form these clusters a minimum of 10 acres of land may be insisted. The Co-existence of both Micro clusters along with Small and Medium cluster may also be encouraged. Such estates may be formed on a cluster basis, so that Common facility centers for such cluster industries can also be designed and developed at the time of formation of the estate itself. To form cluster estates, entrepreneurs involved in similar industry may be encouraged to form an Association / Special Purpose Vehicle through the concerned District Collectors.

5) The Managing Director, SIDCO has also stated that with this arrangement the industries will move from the city habitations and thus will reduce the congestion and also pollution level in the city area. This will also take care of free movement of vehicular traffic. He has also suggested the procedures for implementation and the method for release of funds under this scheme and requested to issue orders accordingly.

6) The Managing Director, SIDCO has also recommended the draft guidelines to be followed vide his letter read above.

7) The Government have examined the proposal of the Managing Director, SIDCO and decided to accept it. Accordingly, the Government shall provide 75% grant of the total development cost upto a maximum of Rs.15 crores for getting electricity, water connections and to have other infrastructure facilities like conference halls, common facility centers etc. to the entrepreneurs prepared to shift their existing units outside the town areas and shall provide 50% of grant with maximum grant limited to Rs.10 crores to the entrepreneurs associations coming forward to set up new clusters in the outskirts of towns/ cities duly adopting the procedures as mentioned below:-

1. The SPV should be formed with a minimum of 20 Numbers of manufacturing units or service units.
2. The SPV shall be registered as a Company under Section-25 of the Companies Act, 1956.
3. Land (excluding wet land) should be purchased by the SPV with clear title in the name of SPV. Land should be preferably of 50 Acres. However in special cases where the land cost is high, less than 50 Acres will also be considered. In the case of Micro Sector, a minimum of 10 Acres of land is necessary.

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4. The infrastructure facilities like roads, drainage, culverts, storm water drain, street lights, electricity, water supply, conference hall, common facility centres like training hall will be covered under this scheme.
5. The project proposals will be submitted to District Collector by the Associations / SPVs as in the case of Common Facility Centers under the MSE-CDP scheme.
6. The District Validation committee will be headed by the District Collector, and the members shall include the Branch Manager, SIDCO, General Manager, District Industries Centre, the representative from MSME-DI and SPV. This committee will recommend the project to the State Steering Committee through SIDCO.
7. The State Steering Committee will be headed by the Secretary, Micro, Small and Medium Enterprises Department as its Chairman with members including Principal Secretary (Finance / Expenditure), Industries Commissioner and Director of Industries and Commerce, Managing Director, SIDCO, Additional Industrial Advisor, MSME-DI and one representative of TANSTIA. After approval by the State Steering Committee, necessary government orders will be issued. The project will be implemented under the supervision of District Collector and the funds will be disbursed through SIDCO as in case of MSE-CDP scheme.

**The funds shall be released as follows:**

A Project implementation committee shall be formed under the chairmanship of District Collector with members including Branch manager SIDCO and General Manager, DIC. The committee shall monitor the progress of the project. The total grant may be released in 4 installments as follows:-

1. The first installment grant of 25% will be released after purchase of land, layout approval from DTCP, NOC from TNPCB and other appropriate authorities.
2. The second installment grant of 25% will be released after completion of 25% of civil works and after receipt of utilization certificate for the first installment grant of 25%.
3. The third installment grant of 25% will be released after completion of 50% of civil works and after receipt of utilization certificate for the grant of 50% i.e cumulative grant already released.

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4. The fourth installment grant of 25% will be released after completion of 75% of civil works and after receipt of utilization certificate for the grant of 75% i.e cumulative grant already released.

8) This order issues with the concurrence of Finance Department vide its U.O.No. 34458/BPE/2013, dated 15.7.2013.

(BY ORDER OF THE GOVERNOR)

K. DHANAVEL  
SECRETARY TO GOVERNMENT

To  
The Managing Director,  
Tamil Nadu Small Industries Development Corporation Limited,  
Thiru.Vi.Ka Industrial Estate,  
Guindy, Chennai-32.

Copy to:

Office of the Hon'ble Chief Minister, Chennai-9.  
Special Personal Assistant to Hon'ble Minister for Rural Industries,  
Chennai-9.

Private Secretary to Principle Secretary to Government,  
Finance Department, Chennai-9.

Private Secretary to Secretary to Government;  
Micro, Small and Medium Enterprises Department, Chennai-9

The Finance (BPE/Ind) Department, Chennai-9.

The Accountant General, Chennai-18-

SF/SC

//FORWARDED BY ORDER//

*anandharaman*  
4/9/13  
SECTION OFFICER

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