

Tamil Nadu Industrial Policy	
Policy Name	Tamil Nadu Industrial Policy 2021
Policy Targets	<ul style="list-style-type: none"> • Achieve a growth of 15% in the manufacturing sector during the term of this policy. • Attract investments worth INR 10 lakh cr. (US\$ 135 billion) between 2021 and 2025. • Create employment opportunities for 20 lakh (2 million) people by 2025. • Increase the contribution of the Manufacturing Sector to 30% of GSVA by 2030
Validity	4 years (2021-2025)
Infrastructure	
Industrial Parks & Land Bank Creation	<ul style="list-style-type: none"> • 57 formally approved SEZs in the State • SIPCOT & SIDCO have a combined land bank of 40,000 acres out of which 3,500 acres is currently available • SIPCOT allows allottees who have used up 50% of their allotted area, to construct Plug & Play facilities and sublease it to others • Industry-specific parks to help promote cluster-based development
Transport & Logistics	<ul style="list-style-type: none"> • Ponneri node of the Chennai Bangalored Industrial Corridor to be developed, Phase II of Chennai Kanyakumari Industrial Corridor is near completion, Tamil Nadu Defence Industrial Corridor (TNDIC) launched in 2019 • 5,324 km of National Highways, 11,830 km of State Highways, 46,496 km of District roads, and 1,49,446 km of rural roads are present in the State • Four international airports & seaports are present in the State
Energy & Utilities	<ul style="list-style-type: none"> • Power surplus state with an installed capacity of 31,990 MW +, accounts for 17.2% of total renewable energy production • 24x7 power to Industries/Developers with a demand of 10 MVA or with an investment of Rs.100 cr. or more for companies • Combined Water Supply Scheme supplies 148 MLD water to nearly 541 industries
IT Infrastructure	<ul style="list-style-type: none"> • The State has 6 submarine landing cable stations with bandwidth of 14.8 Tbps • Chennai is named as the Saas (Software as a Service) capital of India
Focus & Sunrise Sectors	
Focus Sectors	<ul style="list-style-type: none"> • Automobile and Auto Components, Chemicals, Electronics & Hardware, Heavy Engineering, Leather, Textiles, Financial Services, and Software
Sunrise Sectors	<ul style="list-style-type: none"> • Aerospace and Defence applications, Agro & Food Processing except Edible oil industries, Renewable Energy Components Manufacturing, Electronics System Design & Manufacturing, Medical Electronics, Devices and Equipment, Electric Vehicles, EV Cell & Battery Manufacturing or any green fuel technology such as hydrogen fuel, Biotechnology, Pharmaceuticals, Bulk Drugs and Nutraceuticals, Petrochemicals and Speciality Chemicals, Footwear, Finished Leather Goods and Polyurethane Fabric, Technical Textiles including Medical Textiles
Innovation & Ecosystem Development	
Innovation Centres	<ul style="list-style-type: none"> • Grant based development under the Industrial ecosystem fund • Establishing of Industrial Innovation Centres at Sriperumbudur & Hosur industrial parks
MSME Ecosystem	<ul style="list-style-type: none"> • Reservation of 20% of land area in SIPCOT Industrial Parks for MSMEs to continue as per the current practice • Separate policy for MSMEs

Industrial Parks & Townships	<ul style="list-style-type: none"> Development of integrated townships with social infrastructure facilities in the new and existing growth centres and industrial complexes 15% of the industrial park area exceeding 500 acres shall be reserved for social infrastructure
Industrial Housing	<ul style="list-style-type: none"> Development of two industrial housing facilities to accommodate 20,000 workers to cater to the housing needs of five industrial parks in the Sriperumbudur belt
Export Readiness	<ul style="list-style-type: none"> Third-largest exporter in India contributing 9.38% of India's exports in 2018 with US \$ 30.45 bill (Rs. 2 lakh cr.) with major sectors being Leather and Leather Goods, Textiles and Garments, Automobiles and Components, Engineering Goods, Castings, Pharmaceuticals, Spices, Agro-Products, Marine Products, Electronic Hardware, and Software
Skill Development	
Apex Skill Development Centers	<ul style="list-style-type: none"> Apex Skill Development Centres (ASDC) to be developed in 3 sectors - Auto, Auto Components & Machine Tools, Hospital and Health Care Services and Transportation & Logistics
Inclusive Employment	<ul style="list-style-type: none"> Flexibility in employment conditions including flexible working hours, higher incentives for industries encouraging employment for locals, women, transgenders, and persons from the SC/ST communities
Ease of Doing Business	
Single Window Facility	<ul style="list-style-type: none"> All enterprises with a proposed investment in 'plant and machinery or equipment' that exceeds Rs.50 cr., and turnover that exceeds Rs.250 cr. are eligible for the SWP's 180+ services across 38 departments
Investor Facilitation	<ul style="list-style-type: none"> Dedicated desk and portal for Non-Resident Tamils to facilitate investments in Tamil Nadu, with joint working committee agreements with countries
Biz Buddy	<ul style="list-style-type: none"> Industry help desk portal is designed to help businesses resolve pending operational issues, incentives disbursal, approvals/clearances within 30 days
Relaxation in Planning Norms	
	<ul style="list-style-type: none"> 25% parking space relaxation for industries set up within 3 km of railway stations. Industrial units in Government agency promoted/partnered industrial parks to be provided online planning permission and building approval without inspections Non-habitable structures will not be counted for classifying industrial buildings as high-rise buildings Plug & Play facilities set up in Government agency partnered industrial parks will be permitted maximum FSI (including premium FSI) free of cost
Sustainable Financing of Investments	
Equity Financing	<ul style="list-style-type: none"> TIDCO to provide equity financing to investors from 2-26% based on the sector
Industrial Ecosystem Fund	<ul style="list-style-type: none"> Industrial Ecosystem Fund with a corpus of Rs. 500 cr. to support small infrastructure projects and ecosystem creation shall be created
Research & Technology Fund	<ul style="list-style-type: none"> Research & Technology Fund with a corpus of Rs. 100 cr. to support research and development in sunrise sectors and technology adoption in existing industries shall be created
Venture Capital Fund	<ul style="list-style-type: none"> Venture Capital Fund will be created with a corpus of Rs. 500 cr., to support entrepreneurs undertaking ventures in sunrise sectors
Digital Accelerator	<ul style="list-style-type: none"> Digital Accelerator scheme to promote startups investing in Tamil Nadu from US in various fields such as IT/Healthcare/EV/emerging areas on IoT, AI, Cloud

under Yaadhum Oorae	Computing /SDGs, 10% of capital raised may be provided as a grant upto Rs 1 cr. per startup
Term Loans	<ul style="list-style-type: none"> Term loan of up to Rs. 40 cr. (US\$ 5.7 million) under the General Term Loan Scheme
Incentives	
Eligibility	<p>Criteria</p> <ul style="list-style-type: none"> Projects in Manufacturing located in Tamil Nadu creating Employment for at least 50 persons Project Category (Sub-Large, Large, Mega, Ultra-Mega) shall be determined based on Investment in Eligible Fixed Assets (Rs. 50-300,300-500,500-5000,5000+ cr.) made within the Standard Investment Period (4,4,4,7 years) respectively. Employment under this Policy shall mean all jobs that are performed by Direct Employees or Contract Labour
Structured Package of Incentives	<p>Investment Promotion Subsidy Investors are provided 4 different options while availing the Investment Promotion Subsidy</p> <ul style="list-style-type: none"> SGST Reimbursement 100% SGST payable on the sale of final products manufactured, sold, and registered in the State shall be reimbursed for a period of 15 years Fixed Capital Subsidy Capital Subsidy of upto 25% will be disbursed over a maximum period of 15 years based on the location and project category. Large projects in "A" district shall be provided a back ended capital subsidy of Rs. 1 cr. Flexible Capital Subsidy Capital Subsidy of upto 35% of EFA for "A" Districts, 37% for "B" Districts and 40% of EFA for "C" Districts based on the project disbursed over 2.5 times the investment period Turnover Based Subsidy Upto 2% of yearly turnover of mega/ultra-mega projects more than 2000 jobs for 10 years <p>Training Subsidy</p> <ul style="list-style-type: none"> Skilling support can be availed in form of a Training Subsidy of Rs. 4000 per worker per month for 6 months for residents of Tamil Nadu For women and transgender employees, persons with benchmarked disabilities, persons from SC/ST communities the training subsidy shall be Rs. 6000 per worker per month for 6 months <p>Land Cost Incentive</p> <ul style="list-style-type: none"> Eligible projects in SIPCOT in "A" & "B" districts, land allotment will be made at a 10% concessional rate and at a 50% concessional rate in "C" districts for land up to 20% of EFA <p>Interest Subvention</p> <ul style="list-style-type: none"> 5% as a rebate in the rate of interest shall be provided to Ultra-Mega Projects only on actual term loans taken for the purpose of financing the project, up to Rs. 4 cr. per annum for a period of 6 years. <p>Standard Incentives</p> <ul style="list-style-type: none"> Electricity Tax exemption for 5 years on purchased power from TANGEDCO, or generated & consumed from captive sources 50% concession on stamp duty in "A" & "B" districts in SIPCOT parks, 100% concession in "C" Districts" in government promoted parks 25% subsidy on cost of green industry initiatives upto Rs. 1 cr.

	<ul style="list-style-type: none"> • 50% of cost incurred limited to Rs. 25 lakh per company • 50% of expenditure incurred limited to Rs. 30 lakh per company <p>SGST Refund of Capital Goods Companies facing inverted tax structure can utilise Input Tax Credit reimbursed over 5 annual instalments</p>
Special Incentives for Sunrise Sectors	<p>Eligibility Projects in Sunrise Sector that are Mega and Ultra-Mega Projects for “A” Districts, or Large, Mega and Ultra-Mega Projects for “B” & “C” Districts.</p> <p>Investment Promotion Subsidy Projects opting for Flexible Capital Subsidy shall get a Sunrise Booster of 1 which implies an additional capital subsidy of up to 7.5% of EFA</p> <p>Land Cost Subsidy</p> <ul style="list-style-type: none"> • Land allotment will be made at 10% concessional rate in “A” & “B” districts and at a 50% concessional rate in “C” districts for land up to 20% of EFA. • For private land in C districts, 50% subsidy will be offered on the cost of land upto 50 acres subject to land cost not exceeding 20% of EFA and a cap of Rs 2 cr. <p>Stamp Duty Incentive 100% stamp duty exemption will be given for lease or purchase of land</p> <p>Enhanced Incentive for Quality Certification 50% subsidy of the total cost incurred upto Rs. 1 cr.</p> <p>Enhanced Incentive for Intellectual Property Creation 50% of the expenditure incurred upto Rs. 1 cr.</p> <p>Interest Subvention 5% rebate on actual term loans for a period of 6 years upto Rs. 4 cr. per annum</p> <p>Standard Incentives & SGST Refund on Capital Goods Project shall also be eligible for standard incentives (except IP creation & Quality Certification) and SGST Refund on Capital Goods for firms with inverted tax structures</p>
Special Incentives for Industrial Parks	<p>Eligibility Developers of Mega & Ultra-Mega industrial parks (investment >Rs. 500 cr. including land cost)</p> <p>Incentives</p> <ul style="list-style-type: none"> • Capital Subsidy of 12% or 15% of investment excluding land in “B” or “C” Category Districts, • Subsidy of 10% on the cost of developing the residential facilities developed within the industrial park upto Rs. 10 cr. • 25% subsidy on cost of capital for Green Industry initiatives, upto Rs. 5 cr.
Special Incentives for R&D Projects	<p>Eligibility</p> <ul style="list-style-type: none"> • Minimum investment of Rs. 50 cr. in Eligible Fixed Assets and creation of Employment for 50 persons • Clearly demarcated facilities in/outside the Projects located in TN • Registered with the Department of Scientific and Industrial Research, Government of India (DSIR) <p>Land Cost Incentive 50% reimbursement of the cost of purchase or lease of land for up to 20 acre subject to a ceiling of Rs. 50 lakh per acre</p> <p>R&D Training Incentive Rs. 10,000 per person per month can be availed for 12 months for core R&D personnel</p> <p>Enhanced Quality Certification Incentive</p>

	<p>50% subsidy of the total cost incurred upto Rs. 1 cr.</p> <p>Enhanced Incentive for Intellectual Property Creation 50% of the expenditure incurred upto Rs. 1 cr. and upto Rs. 5 cr. for standalone R&D assets</p> <p>Standard Incentives & SGST Refund on Capital Goods Project shall also be eligible for standard incentives (except IP creation & Quality Certification) and SGST Refund on Capital Goods for firms with inverted tax structures</p>
<p>Special Incentives for Logistics Infrastructure</p>	<p>Eligibility</p> <ul style="list-style-type: none"> • Multimodal logistics park with investment >Rs. 50 cr. and area >10 acres or • Cold chain facility with investment >Rs. 15 cr. and area > 20,000 sq feet or • Warehousing facility with investment>Rs. 25 cr. and area >1 lakh sq feet <p>Industry Status</p> <ul style="list-style-type: none"> • Logistics parks to get industry status, relaxation on non- processing area <p>Incentive for Integrated Logistics Parks</p> <ul style="list-style-type: none"> • Capital Subsidy of 12% or 15% of investment in “B” or “C” Category Districts • 10% subsidy on the cost of developing residential facilities developed within the Industrial Park upto Rs. 10 cr. • 25% subsidy on cost of capital for Green Industry initiatives, upto Rs. 5 cr. <p>Skilling & Capacity Building</p> <ul style="list-style-type: none"> • 50% reimbursement of the training cost shall be provided to logistics and warehousing projects in “C” Districts upto Rs. 10,000 per employee (residents of Tamil Nadu). <p>Apex Skill Development Centre for Transportation & Logistics</p> <ul style="list-style-type: none"> • Apex Skill Development Centre for Transportation and Logistics to be scaled up to Southern & Western Tamil Nadu in a phased manner
<p>Special Incentives for FDI</p>	<p>Eligibility</p> <ul style="list-style-type: none"> • FDI investments in projects which are Mega or above • New and second-hand machinery can be included under Eligible Fixed Assets. <p>Investment Promotion Subsidy</p> <ul style="list-style-type: none"> • SGST Reimbursement 100% SGST payable on the sale of final products manufactured, sold, and registered in the State shall be reimbursed for a period of 15 years • Fixed Capital Subsidy Capital Subsidy of upto 25% will be disbursed over a maximum period of 15 years based on the location and project category. Large projects in “A” district shall be provided a back ended capital subsidy of Rs. 1 cr. • Flexible Capital Subsidy Capital Subsidy of upto 35% of EFA for “A” Districts, 37% for “B” Districts and 40% of EFA for “C” Districts based on the project disbursed over 2.5 times the investment period • Turnover Based Subsidy Upto 2% of yearly turnover of mega/ultra-mega projects more than 2000 jobs for 10 years <p>Transport Subsidy</p> <ul style="list-style-type: none"> • 75% of the cost of relocation of capital goods up to Rs. 10 cr. <p>Land Cost Subsidy</p> <ul style="list-style-type: none"> • Eligible projects in SIPCOT in “A” & “B” districts, land allotment will be made at a 10% concessional rate and at a 50% concessional rate in “C” districts for land up to 20% of EFA <p>R&D Training Incentive</p>

	<ul style="list-style-type: none"> Rs. 10,000 per person per month can be availed for 12 months <p>Standard Incentives & SGST Refund on Capital Goods</p> <ul style="list-style-type: none"> Project shall also be eligible for standard incentives and SGST Refund on Capital Goods for firms with inverted tax structures
Standard Incentives for Sub Large Projects	<p>Eligibility Projects with investment between Rs. 50-300 cr. within 4 years and employment > 50 people</p> <p>Incentives</p> <ul style="list-style-type: none"> Capital subsidy of Rs. 1 cr for “A” district and 5% of EFA in “C” district in 5 equal annual instalments Electricity Tax exemption for 5 years on purchased power from TANGEDCO, or generated & consumed from captive sources 50% Concession on Stamp duty payable on lease or purchase of land 25% subsidy on cost of green industry initiatives upto Rs. 1 cr.
Policy Implementation	
Application & Sanction	<ul style="list-style-type: none"> Guidance shall forward incentive applications with recommendations to the Industries Department for sanction of incentives for Structured Package of Incentives/ Special Incentives Application for Standard Incentives for Sub-Large Projects shall be coordinated and sanctioned by SIPCOT
Inter-Departmental Committee	Inter department committee with Secretaries/HODs from Industries Department, Finance Department, Commercial Taxes & Registration Department, Guidance, SIPCOT, TNEB to provide recommendations to the Cabinet for sanction of incentives for special circumstances.
Implementing Agency	SIPCOT is mandated to act as the implementing and disbursal agency for all the incentives listed in the Policy.
Incentive Disbursal Mechanism	Implementing Agency shall process the application based on self-certification by the company and documentary evidence furnished by the company.