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ABSTRACT

Industries, Investment Promotion & Commerce – Announcement made in the Budget Speech (2024-2025) by the Hon'ble Minister for Finance and Human Resources Management – 'Special Scheme to promote Global Capability Centres (GCCs) in Tamil Nadu' – Orders – Issued.

INDUSTRIES, INVESTMENT PROMOTION & COMMERCE (MIB.1) DEPARTMENT

G.O. (Ms.) No. 34

Dated: 12.03.2024

சோபகிருது வருடம் - மார்ச் 29

திருவள்ளூர் ஆண்டு 2055

Read:

ORDER:

The Hon'ble Minister for Finance and Human Resources Management on the floor of the Legislative Assembly on 19th February 2024 in the Budget Speech (2024-2025), made the following announcement:

"As a testimony to Tamil Nadu's successful transition to a knowledge based economy, large number of prominent multinational companies are now establishing their Global Capability Centres (GCCs) in the State. State-of-the-art research, design, product prototyping and testing for the global market are now being done in the State. In order to make Tamil Nadu as the prime destination for GCCs in India, the State will incentivise the creation of high paying jobs in new GCCs by providing a payroll subsidy of 30 per cent in the first year, 20 per cent in the second year and 10 per cent in the third year for jobs with pay above Rs.1,00,000 per month. The Government will also facilitate setting up of GCCs in Coimbatore and Madurai."

2. The Government, after careful examination, hereby formulate the 'Special Scheme to promote Global Capability Centres (GCCs) in Tamil Nadu', wherein a Payroll Subsidy of 30% in year 1, 20% in year 2 and 10% in year 3 shall be provided on the payroll cost of high paying jobs in new Global Capability Centres (GCCs) in the State, subject to the following:

- I. Global Capability Centres (GCC) shall be defined as an establishment which is a captive knowledge centre of Multi-National Companies servicing the parent/group/subsidiary entities. It should be engaged in activities such as design, Research & Development, data analytics, financial and other expert services with clearly demarcated facility(ies) within Tamil Nadu.

- II. Eligible GCCs under this scheme should also fulfill the following criteria:
- i. It must be listed in the most recent Forbes Global 2000 list or Fortune 1000 list. In exceptional cases, companies which do not find a place in these lists can be considered eligible by the Inter Departmental Committee (IDC), constituted under the Tamil Nadu Industrial Policy 2021.
 - ii. It must provide direct employment to 200 persons within the scheme period.
 - iii. The Project must not have availed of Structured Package of Assistance from the Industries, Investment Promotion & Commerce Department.
- III. "Direct employment" under this scheme refers to employees who are in a direct contractual relationship with the company. This shall include employees engaged in core and supporting activities and shall exclude all members of the Board of Directors of the company and all Key Managerial Personnel (KMPs) as defined in the Companies Act, 2013.
- IV. High paying jobs shall be defined as jobs where payroll cost is greater than or equal to Rs.1 lakh per month per employee. Payroll Cost shall be the "basic wages" received by the employees as defined in Section 2(b) of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.
- V. This subsidy shall be applicable to employees domiciled in Tamil Nadu.
- VI. Implementation Mechanism:
The eligible GCC shall approach Guidance for submission of project proposals. Guidance after due verification, shall place the proposal in the Inter Departmental Committee. The Commissioner of Investment Promotion and Facilitation shall sanction the subsidy based on the recommendation of the IDC. The disbursal of the incentives shall be made by SIPCOT upon fulfilment of the eligibility criteria.
- VII. Scheme Period: The scheme shall be in operation from 01.4.2024 to 31.03.2027.
- VIII. 50 GCCs shall be provided the above subsidy during the Scheme Period.

3. This order issues with the concurrence of Finance Department vide its File No.665/FS/P/24, Dated 08.03.2024.

(BY ORDER OF THE GOVERNOR)

**V. ARUN ROY
SECRETARY TO GOVERNMENT**

To
The Principal Secretary to Government,
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✓ The Managing Director & Chief Executive Officer,
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Copy to :

The Chief Minister's Office, Chennai – 600 009.

The SPL./Sr. P.A. to the Hon'ble Minister (Finance & HRM),
Chennai – 600 009.

The SPL./Sr. P.A. to the Hon'ble Minister (Industries), Chennai – 600 009.

The Finance (Industries) Department, Chennai – 600 009.

The Industries, Investment Promotion

& Commerce (Bud.1/GIM/OP.II) Department, Chennai – 600 009.

SF/SC

//FORWARDED BY ORDER//


SECTION OFFICER


12.3.24