

# Incentives Offered by the Government of Tamil Nadu

## Automobile and Auto Components Sector

- Capital Subsidy upto INR 2.25 Crores.
- Electricity Tax Exemption up to 5 Years.
- Stamp Duty Concession: 50% exemption from Stamp Duty on lease or sale of land meant for industrial use for projects located in SIPCOT Industrial parks in A and B Category Districts. 100% exemption in case of Ultra Mega projects irrespective of location.
- Environmental Protection Infrastructure subsidy: Individual manufacturing units would be eligible for an Environment Protection Infrastructure subsidy of Rs.30 lakhs or 25% of capital cost of setting up such Effluent Treatment Plants (ETP) and / or Hazardous Waste Treatment Storage and Disposal Facilities (HWTSDF).
- Mega, Super-mega A, Super-mega B and Ultra-mega projects eligible for structured package of incentives that includes investment promotion subsidy / soft loan
- Automobile hubs and clusters will be provided with 50% stamp duty concession and additional capital subsidy of 5%.
- Ultra Mega and Super Mega Auto & Auto Component Projects will be provided SIPCOT land at a rebate rate of 10% and 5% respectively.

For more details refer Tamil Nadu Industrial Policy 2014 and Tamil Nadu Automobile and Auto Components Policy 2014.

## Special Incentives for Electric Vehicle Sector

- 100% road tax exemption till 2022.
- 100% State Goods and Services Tax (SGST) reimbursement for manufacturers till 2030 and in cases where SGST reimbursement is not applicable, 15% capital subsidy is provided.
- 100% electricity tax exemption till 2025.
- 100% stamp duty exemption till 2022.
- 15% subsidy on SIPCOT/SIDCO lands in A and B districts and 50% in southern districts.
- 20% capital subsidy for battery manufacturers.
- Additional capital subsidy of 20% for MSMEs and 6% interest subvention.

For more details refer Electric Vehicle Policy 2019.

## Biotechnology Sector

- 100% stamp duty concession.
- Additional Floor Space Index (FSI) at par with IT industry if space is used for Bio Park.
- VAT exemption on captive power plants and gen sets for Bio Parks.
- Subsidy of up to Rs. 5 crore to universities to set up Bio incubators.
- R&D and Contract research institutions to get a special capital subsidy of 15% up to a maximum of Rs. 5 crore.
- Training subsidy of Rs. 7,500 per month for up to 12 months.
- Patent Registration subsidy of 50% subject to a maximum of Rs.2 lakh.

For more details refer Tamil Nadu Biotechnology Policy 2014.

## **Food Processing Sector**

- 3% interest subvention per annum on loan availed for fixed capital investment [additional 2% for SC/ST and women entrepreneurs].
- 3 years reimbursement of SGST for investment more than Rs. 10 crore.
- Capital Subsidy up to INR 2.25 Crores.
- Stamp Duty Concession: 50% exemption from Stamp Duty on lease or sale of land meant for industrial use for projects located in SIPCOT Industrial parks in A and B Category Districts. 100% exemption in case of Ultra Mega projects irrespective of location.

For more details refer Tamil Nadu Food Processing Policy 2018.

## **Information Communication Technology Sector**

- Capital subsidy of up to Rs. 1.5 crore based on the investment.
- 10% lease rental subsidy to MSMEs subject to a maximum of Rs. 2 lakh.
- 50% stamp duty reimbursement in C districts.
- 50% certification cost reimbursement for MSMEs up to a maximum of Rs. 5 lakh.
- 50% of patent filing statutory fee reimbursement up to Rs. 3 lakh for domestic patent.
- 100% relaxation of Floor Space Index (FSI) for IT/ITeS parks all over the state.

For more details refer Tamil Nadu Information Communication Technology Policy 2018.

## **Electronics Hardware Manufacturing Sector**

- Special incentives for MSMEs that includes capital subsidy, interest subvention, low tension power tariff subsidy, generator subsidy, assistance for obtaining intellectual property and assistance in obtaining certifications.
- Capital subsidy up to 30% based on location, investment size, and employment generation.
- Subsidy on land lease rate up to 50% for land acquired in government owned industrial parks and private land in C districts.
- 50% stamp duty exemption for land purchased / taken on lease in Government owned industrial parks or private land in A, B, and C Districts.
- Training subsidy of Rs. 4,000 (Rs. 6,000 for women) per first employee per month up to 6 months.
- Interest subsidy up to 5% for a period up to 6 years.
- Electricity tax exemption for a period of 5 years.
- Environmental Protection Infrastructure subsidy: Individual manufacturing units would be eligible for an Environment Protection Infrastructure subsidy of Rs.30 lakhs or 25% of capital cost of setting up such Effluent Treatment Plants (ETP) and / or Hazardous Waste Treatment Storage and Disposal Facilities (HWTSDF).
- Subsidy for Intellectual Capital and Enhanced Quality Certification: 50% subsidy on the expenses incurred for patent applications and 50% subsidy on the expenses incurred for quality certifications.

For more details refer Tamil Nadu Electronics Hardware Manufacturing Policy 2020.

## **Textile Sector**

- Spinning: 2% interest subvention on technological up gradation of spinning mills.
- Handloom: Free power of 200 units bi-monthly.
- Power loom: Free power of 750 units bi-monthly, 75% cost for skilling up to a maximum of Rs. 10,000; Rs. 2 crore subsidy for Common Facility Centres.
- Processing: Financial assistance of 50% of project cost subject to a maximum of Rs. 75 crore for processing parks, 10% capital subsidy to a maximum of Rs. 20 lakh for wider width fabric printing machines.
- Knitting, Apparel and Garments: 40% of the project cost subject to a maximum of Rs. 40 crore, 15% credit linked capital investment subsidy.
- Technical Textiles: 9% of the project cost subject to a maximum of Rs. 9 crore, 15% credit linked capital investment subsidy on eligible machinery.
- Textile Parks: 50% stamp duty exemption, 40% of the project cost subject to a maximum of Rs. 40 crore by GoI and 9% of the project cost subject to a maximum of Rs. 9 crore by the State Government.
- Standard Incentives: Back ended capital subsidy up to Rs. 2.25 crore, 2-5 years electricity tax exemption if purchased from TANGEDCO.
- Southern Districts : 5% additional capital subsidy, 100% stamp duty exemption,
- Up to Rs. 50,000 assistance for Energy/Water audit.

For more details refer Tamil Nadu New Integrated Textile Policy 2019.

## **Aerospace and Defence Sector**

- 10% Anchor unit subsidy to a maximum of Rs. 10 crore for first 10 companies.
- Back ended capital subsidy of 10% up to Rs. 10 crore for MSMEs.
- Rs. 10,000 reimbursed for "on the job" training for 50 trainees.
- 20% concession on actual land cost till 2022.
- 50% net SGST paid by Maintenance, Repair and Overhaul (MRO) operators will be refunded.
- 100% electricity tax exemption for 10 years.
- 50% stamp duty reimbursement on lease or sale of land.
- 25% capital subsidy on establishment of Effluent Treatment Plant.
- Special Package of Incentives for investments above Rs. 300 crore.

For more details refer Tamil Nadu Aerospace and Defence Industrial Policy 2019.