STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED
19 A, RukmaniLakshmipathy Road, Egmore, Chennai – 600 008.

CIRCULAR

Cir.No.40/2021 **Dated:12.04.2021**

Sub: SIPCOT Industrial Parks – Implementation of Tamil Nadu Industrial Policy 2021 with modifications – Land Cost Incentive Policy of SIPCOT–Board's Approval - Communication -Reg.

Ref: 1.Circular No.16/2014 dated 26.04.2014.
2.Circular No.19/2020 dated 20.03.2020.
3.Circular No.110/2020 dated 31.12.2020
4. G.O.Ms.No.74 Industries (MIB.1) Department dated 11.02.2021
5. Minutes of the Board Meeting dated16.03.2021.

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The Board of SIPCOT at its meeting held on 16.03.2021 noted that SIPCOT has evolved a concessional / incentive based land allotment policy which is generally in line with Tamil Nadu Industrial Policy 2021 granting 10% of land cost as incentive for "A" & "B" Districts and 50 % of land cost as incentive for "C" Districts. Accordingly, the Board approved the following:

i) The Land Cost Incentive policy of SIPCOT as contained in the Board Note.
ii) The Land Cost Incentive at the rate of 10 % of Land Cost in"A" & "B" Districts and 25 % of Land Cost in "C" Districts be extended by SIPCOT.
iii) SIPCOT shall approach the Government for reimbursement of balance 25 % of the land cost (out of 50 % land cost incentive) in respect of "C" Districts.
iv) SIPCOT shall approach the Government for reimbursement of the Land Cost incentive being/to be extended by it as per Tamil Nadu Aerospace and Defence Policy,2019, Tamil Nadu E-Vehicle Policy or any other specialized policies other than Tamil Nadu Industrial Policy 2021.

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The methodology to be followed in extending land cost incentive is detailed below:

I. LAND COST INCENTIVE IN SIPCOT INDUSTRIAL PARKS IN "A" & "B" DISTRICTS

In existing SIPCOT Industrial Parks in "A" & "B" districts as below, the land allotment will be made at a normal allotment rate as applicable at the time of allotment.

The land cost incentive at 10% of allotment rate per acre will be given for allotments made to the industries (except the industries in the Negative list as in **Annexure I**) for the extent allotted, **only as back ended incentive**, subject to complying the following conditions:

(i) Project implemented in 36 months/ any other project implementation period mentioned in the allotment order from the date of allotment order as per the terms of lease and also

(ii) create Eligible Fixed Assets (as defined in the Tamil Nadu Industrial Policy 2021 as in **Annexure II**) as committed at the time of application for allotmentand provide minimum employment of 50 persons within the investment period of four years / seven years (as indicated in investment commitment range for project category in accordance with the Tamil Nadu Industrial Policy 2021) or as stipulated in specific Government Order as certified by Statutory Auditors in case of companies and Tax Auditors in case of other legal entities.

(iii) The land cost incentive at 10% of allotment rate for the extent allotted(as indicated in the allotment order) will be given as back ended subject to a ceiling of 20% of Eligible Fixed Assets.

(iv) The land cost incentive in respect of SIPCOT Industrial Parks in "A" districts shall be applicable for the applications received/to be received on or after 01.01.2021 and in respect of SIPCOT Industrial Parks in "B"

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districts, the land cost incentive shall be applicable for the applications received/to be received on or after 01.02.2021 respectively.

(v) For compliance of (ii) above, a following condition in Allotment Order is to be included "The allottee is committed to bring the Eligible Fixed Assets (EFA) - (a) Land (----- in acres) – Rs. --- lakhs (b) Buildings (----- square feet) – Rs.------ lakhs (c) Plant & Machinery (New / second hand) – Rs.------ lakhs (d) Total EFA – Rs.----- lakhs and provide minimum employment of 50 persons within the investment period of --------- years to avail 10% land cost incentive for the extent of land allotted as back ended subject to a ceiling of 20% of Eligible Fixed Assets. After completion of stipulated investment period, the allottee shall furnish a certificate for the EFA created and employment generated during the said investment period duly certified by Statutory Auditors in case of companies and Tax Auditors in case of other legal entities to avail land cost incentive as mentioned above"

Sl. No.	**Name of the Industrial Parks**	**Plot Allotment rate per acre**	**Land Cost Incentive per acre @ 10 %**
	I) "A" Districts	**(Rs. in lakhs)**	
1	Irungattukottai (including Apparel Park & Footwear Component Park) / Kancheepuram District	153.00	15.30
2	Sriperumbudur (including SEZ) / Kancheepuram District	153.00	15.30
3 (a)	Oragadam Phase-I (including SEZ & R&N Park) / Kancheepuram District	153.00	15.30
(b)	Oragadam Phase-II (Vaipur-Mathur Scheme) / Kancheepuram District	170.00	17.00

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4	Pillaipakkam / Kancheepuram District	153.00	15.30
5	Vallam – Vadagal Phase-I / Kancheepuram District	170.00	17.00
6	Siruseri / Chengalpet District	550.00	55.00
7	Gummidipoondi Phases I, II & EPIP / Tiruvallur District	110.00	11.00
8	Thervoykandigai / Tiruvallur District	110.00	11.00
9	Mappedu / Tiruvallur District	108.50	10.85
	II) "B" Districts	**(Rs. in lakhs)**	
10	Ranipet Phases I, II & III (DTA & SEZ) / Ranipet District	56.00	5.60
11	Hosur Phases I, II, Expn.I&Expn.II / Krishnagiri District	110.00	11.00
12	Bargur (DTA) / (SEZ) / Krishnagiri District	20.00	2.00
13	Perundurai Phases I, II & SEZ / Erode District	67.00	6.70
14	Manaparai / Tiruchirapalli District	70.00	7.00

II.

LAND COST INCENTIVE IN SIPCOT INDUSTRIAL PARKS IN "C" DISTRICTS

In existing SIPCOT Industrial Parks in "C" districts as below, the land allotment will be made at 50% subsidised rate per acre to the industries (except the industries in the Negative list as in **Annexure I**) for the extent allotted, (**front ended**) by obtaining an undertaking (**format in Annexure III**)

(i) Project implemented in 36 months/ any other project implementation period mentioned in the allotment order from the date of allotment order as per the terms of lease and also

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(ii) create Eligible Fixed Assets (as defined in the Tamil Nadu Industrial Policy 2021 as in **Annexure II**) as committed at the time of application for allotment and minimum employment of 50 persons within the investment period of four years / seven years (as indicated in investment commitment range for project category in accordance with the Tamil Nadu Industrial Policy 2021) or as stipulated in specific Government Order.

(iii) On completion of the above investment period, the allottee should furnish a certificate for the EFA created and employment generated during the said investment period and the Land Cost Subsidy availed is not beyond 20% of EFA from the Statutory Auditors in case of companies and Tax Auditors in case of other legal entities.

(iv) If not complied with, necessary action will be taken by SIPCOT to recover the subsidy amount extended with interest as fixed by SIPCOT / Government from time to time.

(v) The subsidized plot allotment rates in respect of SIPCOT Industrial Parks in "C" districts shall be applicable for the applications received/to be received on or after 01.02.2021.

(vi) For compliance of (ii) above, following condition in Allotment Order is to be included "The allottee is committed to bring the Eligible Fixed Assets(EFA) - (a) Land (----- in acres) – Rs. ----- lakhs (b) Buildings (----- square feet) – Rs.------ lakhs (c) Plant & Machinery (New / second hand) – Rs.------ lakhs (d) Total EFA – Rs.----- lakhs and provide minimum employment of 50 persons within the investment period of --------- years. In this regard, the allottee shall furnish an undertaking before execution of lease deed in the format prescribed by SIPCOT. After completion of stipulated investment period, the allottee shall furnish a certificate for the EFA created, employment generated during the said investment period and the Land Cost Subsidy availed is not beyond 20% of EFA duly certified by Statutory Auditors in case of companies and Tax Auditors in case of other legal entities for the land cost incentive availed as mentioned above" If not complied with

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the conditions for the land cost incentive availed, the allottee has to repay the land cost incentives availed with interest fixed by SIPCOT, otherwise necessary action will be taken by SIPCOT to recover the incentive / subsidy amount extended with interest as fixed by SIPCOT / Government from time to time."

(vii) In addition, on par with the allotments made in Southern districts and Aerospace Industrial Park at Vallam Vadagal at subsidised rates, it has been decided to amend conditions ---- of Allotment Order and Clauses ---- of Standard lease deed of SIPCOT as detailed in **Annexure IV in respect of allotments made / to be made at the subsidised rate for setting up industries in "C" districts. Further, it has been decided to indicate the plot cost after adjustment of land cost incentive extended by SIPCOT (as per the Chargeable allotment rate per acre indicated below) in Schedule 'B' of the Lease deed with clear specification that the said amount is inclusive of Government subsidy @25% of the prevailing plot cost.**

Sl. No.	Name of the Parks	Plot Allotment rate per acre	Chargeable allotment rate per acre in Allotment Order (after adjustment of land cost incentive @ 25% of plot allotment rate per acre extended by SIPCOT)	Land cost subsidy per acre to be reimbursed by Government (@25% of plot allotment rate per acre)	Subsidised plot Allotment Rate per acre
	"C" Districts (50% concessional rate)	(Rupees in lakhs)			
1	Cheyyar – Phase I & Phase II / Thiruvannamalai District	80.00	60.00	20.00	40.00
2	Cuddalore Phases I & II / Cuddalore District	80.00	60.00	20.00	40.00

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3	Thindivanam / Villupuram District	80.00	60.00	20.00	40.00
4	Thoothukudi Phase-I / Thoothukudi District	20.00	15.00	5.00	10.00
5	Pudukottai / Pudukottai District	10.00	7.50	2.50	5.00
6	Manamadurai / Sivagangai District	10.00	7.50	2.50	5.00
7	Nilakottai / Dindigul District	25.00	18.75	6.25	12.50
8	Gangaikondan (DTA & SEZ) / Tirunelveli District	20.00	15.00	5.00	10.00

III. LAND COST INCENTIVE AS PER SPECIALISED POLICIES ANNOUNCED BY GOVERNMENT OTHER THAN TAMIL NADU INDUSTRIAL POLICY 2021

(i) Under Aerospace and Defence policy 2019

20% land cost subsidy extended for the allotments made at Aerospace Park, Vallam Vadagal will be continued. The company can choose to avail incentives under this policy or under Tamil Nadu Industrial Policy 2021 and option from the company is to be obtained before allotment.

Sl. No.	Name of the Industrial Park	Plot Allotment rate per acre	Land Cost Incentive /Subsidy per acre (Rupees in lakhs)	Subsidised plot Allotment Rate per acre (Rupees in lakhs)
1.	Aerospace Park Vallam Vadagal / Kancheepuram District (20% subsidy)	143.00	28.60	114.40

(ii) Land cost subsidy for other specialised policies for sunrise sectors as announced by the Government and applicable to SIPCOT will be extended.

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(iii) SIPCOT shall approach the Government for reimbursement of the Land Cost incentive being/to be extended by it as per Tamil Nadu Aerospace and Defence Policy, 2019, Tamil Nadu E-Vehicle Policy or any other specialized policies other than Tamil Nadu Industrial Policy 2021.

IV. LAND COST INCENTIVE FOR STANDALONE R&D PROJECTS

Stand –alone R&D projects shall be eligible for land cost incentive subject to the following conditions:

- Must have Minimum Investment of Rs.50 cr. in Eligible Fixed Assets and creation of Employment for 50 persons.
- Clearly demarcated facilities in or outside the Projects.
- Must be located in Tamil Nadu
- Must be registered with Department of Scientific and Industrial Research, Government of India (DSIR).

Accordingly, R&D projects shall be given an incentive of 50%of the cost of purchase or lease of land for up to 20 acre, subject to a ceiling of Rs.50lakh/acre, which shall be provided as a reimbursement upon commencement of the R&D Centre. R&D projects shall also be provided priority in land allotment in SIPCOT Industrial Parks.

V. Land Cost subsidy for the projects specified in the Negative list of Tamil Nadu Industrial Policy 2021 (**Annexure I**) is not applicable.

VI. Land Cost subsidy for allotments made/ to be made in New industrial parks will be extended as applicable according to the classification of the districts and other specialised policies.

VII. Classification of districts as per the Tamil Nadu Industrial Policy 2021as follows:

"A" Category Districts (4 Districts) – Chengalpattu, Chennai, Kancheepuram and Tiruvallur.

"B" Category Districts (12 Districts) – Coimbatore, Erode, Karur, Krishnagiri, Namakkal, The Niligiris, Ranipet, Salem, Tiruchirapalli, Tirupattur, Tiruppur and Vellore.

"C" Category Districts (22 Districts) - Ariyalur, Cuddalore, Dharmapuri, Dindigul, Kallakurichi, Kanniyakumari, Madurai, Mayiladuthurai,

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Nagapattinam, Perambulur, Pudukottai, Ramanathapuram, Sivagangai, Tenkasi, Thanjavur, Theni, Thiruvarur, Thoothukudi, Tirunelveli, Tiruvannamalai, Villupuram and Virudhunagar.

In case of notification of new districts during the policy period, the District Category of the parent district (in case of sub-division) or majority of constituent district by area (in case or merger or re-division), shall apply, or as notified by the Government.

VIII. Investment Commitment Range for Project Category.

Project Category	**Investment Commitment Range (Rs. in Cr.)**		**Standard Investment Period**
	Minimum Investment	Maximum Investment	
Sub-Large	50	300	4 Years
Large	300	500	4 Years
Mega	500	5000	4 Years
Ultra-Mega	5000	-	7 Years

Sd/...
(J.KUMARAGURUBRAN)
MANAGING DIRECTOR

To:

All General Managers
All HODs
All Project Officers

Copy to:

PA to MD
PA to ED
Allotment Cell
IT & MIS Dept.

/FORWARDED BY ORDER/

Gr. Shah
GENERAL MANAGER(P-I)

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ANNEXURE I

List of Industries Ineligible for Incentives

1. Sugar Mills

2. Edible Oil Industries.

3. Rice, Wheat and Flour Mills

4. Mineral Water and aerated soft drinks.

5. Alcoholic Beverages.

6. Fertiliser and animal feed manufacture.

7. Mining and beneficiation.

8. Steel re-rolling, steel fabrication, stainless steel utensils

9. Tobacco processing, Cigarette or Beedi manufacture.

10. Timber or wood processing except furniture manufacturing.

11. Services sector or Servicing or repair facilities except Logistics Infrastructure and R&D which are specifically made available in the Policy.

12. Cement Industry.

13. Power Generation Projects such as thermal, hydel, solar and onshore wind generation projects.

14. Any other industries as may be notified by Government from time to time.

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ANNEXURE II

Definition of ELIGIBLE FIXED ASSETS

"Eligible Fixed Assets" or "EFA" shall mean and include land (including development cost such as fencing, construction of internal roads and other basic infrastructure facilities); permanent buildings; plants, indigenous machineries and equipment, imported equipment, computer equipment, material handling equipment (like forklifts, cranes, etc.); tools, dies, moulds, jigs and fixtures and similar production tools owned and used within the plant or elsewhere within Tamil Nadu; appliances; electrical installations; pollution control, quality control and laboratory equipment; fixtures, tubes, pipes, fittings and storage tanks, to the extend paid for by the project.

The terms "Eligible Fixed Assets" / "EFA" shall also mean and include waste treatment facilities, transformers, generators, captive power plants, etc., and other supportive facilities installed for use in the premises and includes installation charges.

EFA shall include investment in R&D such as land, building, plant and machinery.Unless otherwise specified, EFA shall exclude intangible assets including, without limitation, Intellectual Property rights and goodwill.

All fixed assets should have been paid for and should be owned or leased by the project, provided that the duration of such lease shall be:

(a) For land and building, no less than 10 years; and

(b) For all other fixed assets – no less than half the estimated residual lifetime of the asset (where such residual lifetime shall be estimated by a licensed engineer, in the manner that may be specified by the Government of Tamil Nadu, from time to time).

Fixed assets that are leased shall be valued at the Net Present Value of said assets, as on the date of execution of the lease deed or date of MoU (if applicable), whichever is later, using a discount rate of 10%, or as may be notified from time to time, provided that the lease is executed within the investment period.

All fixed assets (except tools, dies, moulds, jigs and fixtures and similar production tools) should be used and installed only within the Project Site.

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1.1 Second-hand machinery

No more than 20% of the total Eligible Fixed Assets of a project shall consist of indigenous second-hand machinery purchased by the unit/project. To decide the percentage of second-hand machinery that will constitute Eligible Fixed Assets, the market value of such second-hand machinery, shall be as certified by an independent chartered/licensed engineer, chartered accountant or such other authority or person authorised by the Government of Tamil Nadu from time to time. This is subject to the condition that such indigenous second-hand machinery shall have a minimum residual life of 10 years (as certified by the independent chartered/licensed engineer, chartered accountant or such other authority or person authorised by the Government of Tamil Nadu from time to time).

In case of imported machinery, all imported second-hand plant, machinery and equipment will be considered as new indigenous machinery, if it is imported directly by the unit/project. 100% of the value of imported plant, machinery and equipment shall be allowed under Eligible Fixed Assets. This value of imported plant, machinery and equipment shall include custom duty and insurance paid, freight charges from the port of arrival till destination and installation charges in addition to the CIF value of such plant & machinery, provided that freight and installation of charges would be limited to 10% of the basic price.

1.2 Captive Power plants

Upto 20 % of EFA will be allowed for the Investment made in captive power plants (including windmills / solar farms), provided that no less than 50% of power so generated is for captive consumption.

1.3 Industrial Housing

Residential facilities developed within the Industrial Park or accommodation and hostel facilities for employees within 5 km radius of the work area (i.e. entrance of the housing facility should be within 10 km of direct distance from the entrance of the project premises), shall be considered as Eligible Fixed Assets, provided that this does not exceed 10% of EFA.

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ANNEXURE III

(Rs.100/- Stamp Paper)

Undertaking for creation of Eligible Fixed Assets and Employment Generation

(to be given before execution of Lease Deed by allottees of SIPCOT Industrial Parks located in "C" districts)

We ---------- having Registered Office / Administrative Office at ------- and allottee of Plot No.----------, comprising of ------ acres SIPCOT Industrial Park, ------ located in --------- District, hereby undertake to implement the project in the allotted plot in 36 months / any other project implementation period mentioned in the allotment order from the date of allotment order as per the terms of lease and also create Eligible Fixed Assets (EFA)as per the Tamil Nadu Industrial Policy 2021 as committed at the time of application for allotment as detailed below and minimum employment of 50 persons within the investment period of ------- / four years / seven years or as stipulated in specific Government Order. On completion of the above investment period, we will furnish a certificate for the EFA created, employment generated and the Land Cost Subsidy availed is not beyond 20% of EFA from the Statutory Auditors (in case of companies) / Tax Auditors (in case of other legal entities). If not complied with, we undertake to remit the entire incentive/subsidy amount of Rs.--------- availed along with interest as fixed by SIPCOT / Government from time to time.

Eligible Fixed Assets Committed:

Amount (Rs.in lakhs)

1. Land (------acres)
2. Buildings (------ square feet)
3. Plant & Machinery
   (i) New
   (ii) Second Hand
4. Total

Signature of the allottee
Designation with address seal

PLACE:

DATE:

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ANNEXURE IV

Land Cost Incentive extended to "C" District:

I) Modified condition of Allotment Order:

Sl. No.	Description	Particulars (in Rs.)
A.	Plot cost	
i)	Amount towards plot extent allotted @ Chargeable allotment rate per acre (after adjustment of land cost incentive @ 25% of plot allotment rate per acre extended by SIPCOT):	
ii)	Less 25% Government Subsidy for extent allotted:	
iii)	Frontage Charges:	
iv)	50% Capital Cost on Water supply for the allocated quantity:	
B.	Less: Initial Deposit	
C.	Total amount payable	
D.	Caution Deposit	
E.	Lease Rent in Advance	
F.	Total amount Payable (C+D+E)	

II) Modified condition of Lease Deed

Schedule B

(Value of property Rs.------ as in 2A of Allotment order and Government subsidy @ 25% of the prevailing plot cost)

Hence, the Allotment Order and Lease Deed should be amended as mentioned above only in respect of allotments made / to be made at the subsidized rate in the existing Industrial Parks / new Industrial Parks to be developed in "C" Districts.

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