**State’s new industrial policy encourages relocation of firms**

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**Those wishing to invest in sunrise sectors will get better incentives**

The industrial policy 2021 provides a higher set of incentives to companies looking to relocate from other countries, and incentives to the sunrise sectors.

Investment proposals from companies having relocation plans may be provided a higher set of incentives on a case-to-case basis, including a transport subsidy of ₹10 crore. For companies wishing to invest in the sunrise sectors, the policy provides a higher set of incentives, along with a larger training subsidy, research and development reimbursements and patent and certification costs. The policy has identified aerospace and defence applications, agro and food processing (except edible oil industries), electronics system design and manufacturing, electric vehicles, electric vehicle cell and battery manufacturing or any green-fuel technology such as hydrogen fuel, biotechnology, petrochemicals and speciality chemicals as the sunrise sectors.

The policy states that a special incentive package will be provided to the developers of private industrial parks. The State shall continue to promote the existing focus sectors such as automotive, chemicals, heavy engineering, leather, textiles, financial services and software. The existing policy for reservation of 20% of the land area in the Sipcot Industrial Parks for the micro, small and medium enterprises shall continue.

The government and its agencies shall develop integrated townships with social infrastructure in the new and existing growth centres and industrial complexes. Initially, 15% of the area of industrial parks exceeding 500 acres shall be reserved for social infrastructure. Subject to the applicable labour laws, flexibility in employment conditions — flexible working hours, 24x7 operations (3 shifts), employment of women in night shifts and flexibility in hiring contract labour — will be permitted.

[EXPAND](https://www.thehindu.com/news/national/tamil-nadu/states-new-industrial-policy-encourages-relocation-of-firms/article33855542.ece)

Following the recommendations of the C. Rangarajan Committee, which looked into the impact of COVID-19 on the State’s economy, the government shall create an industrial ecosystem fund, with a corpus of ₹500 crore, to support small infrastructure projects and ecosystem creation. A venture capital fund will be created with a corpus of ₹500 crore to support entrepreneurs undertaking ventures in the sunrise sectors. Manufacturing projects creating jobs for at least 50 persons will be eligible for incentives. The projects will be categorised as ultra mega (with an investment of ₹5,000 crore), mega (investment ranging from ₹500 crore-₹5,000 crore), large (from ₹300 crore-₹500 crore) and sub-large (₹50 crore-₹300 crore).

“With the new industrial policy, we hope to see Tamil Nadu emerge as a leader not only in traditional industries like automotive and textiles but also in emerging sectors like electronics,” said Venu Srinivasan, Chairman, TVS Motor.

Srivats Ram, president, the Madras Chamber of Commerce & Industry, said the policy had widened the scope for eligibility for incentives by including a sub-large category, and there were greater incentives for lesser developed districts. “The new industrial policy should help give a boost to the post-pandemic economy of the State and attract fresh investments into the State, generating employment and creating value.”