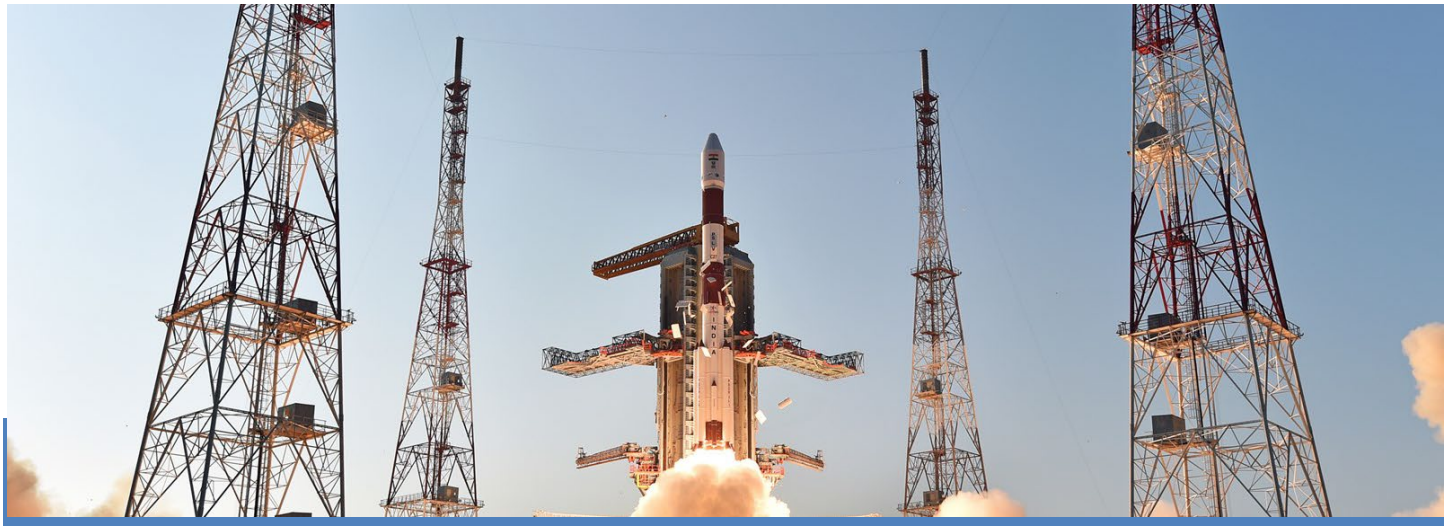
GOVERNMENT OF TAMIL NADU



DRAFT TAMIL NADU SPACE INDUSTRIAL POLICY 2024

Contents

1 Preamble

1. PREAMBLE

Tamil Nadu is an industrial powerhouse of India with a very strong and diverse industrial base. Tamil Nadu is the State with the highest number of factories and industrial workers in the country. It is also a leader in terms of industrial output. Tamil Nadu has a highly developed industrial eco-system and is very strong in sectors like automobiles and auto-components, textiles, leather products, light and heavy engineering, pumps and motors, electronic software and hardware. The Government of Tamil Nadu is determined to further accelerate the geographically balanced and environmentally sustainable industrialization of the State and to foray into more technologically complex sectors related to Space Technologies

The Indian Space industry is rapidly progressing and evolving as a global player, fuelled by increasing exploitation of space by both government and commercial organisations. The strong growth potential of the Space industry is an important driver for attracting global players to India. The Government of India unleashed reforms in space domain in 2020, opening the doors for enhanced participation of Non-Governmental Entities (NGE) s in carrying out end-to-end activities in the space domain and with an aim to provide them a level playing field.

The Indian Space Policy – 2023 has thus been formulated as an overarching, composite and dynamic framework to thriving space ecosystem. With the announcement of Tamil Nadu Defence Industrial Corridor which focuses on growth of Aviation, Space and Military related domains, coupled with highly skilled human resources, various investor-friendly initiatives and conducive business climate, Tamil Nadu is all set to emerge as the key destination for the global space Industries by virtue of its multi-lateral strengths.

2 Vision, Mission and Goal

2. VISION AND MISSION

i. Vision

To make Tamil Nadu the preferred destination to invest, innovate and create products and services in the Space Industrial Sector.

ii. Mission

- Creating a robust, world-class, high technology, efficient Space Industrial manufacturing/service ecosystem.
- Attracting global OEMs and Tier-1 suppliers and Indian majors as anchor units in the State by providing the required facilitation and support.
- To facilitate entities which augment space capabilities of the nation; enable, encourage and develop a flourishing commercial presence in space; use space as a driver of technology development and derived benefits in allied areas; and create an ecosystem for effective implementation of space applications among all stakeholders;
- Fostering the innovation ecosystem focussing on the Space Sector by development of innovation centres, start-up hubs, to make Tamil Nadu the foremost innovation hub of India.
- Foster growth of companies in Tamil Nadu to capture a large portion of the global space market and contribute to the State goal of USD 1 Tn by 2030.
- Channelizing the State's strengths in electronics, precision manufacturing, heavy engineering, chemical, ad related sectors to support the growth of the Space Industrial ecosystem.
- Promote adoption of space technologies in various functional arms of the Govt of Tamil Nadu for enhancing governance and quality of life of citizens

iii. Goal

- Creating direct & indirect employment prospects for nearly 10,000 persons in 10 years.
- Adoption of space based technologies for Adoption of space based technologies in transportation, agriculture, disaster management and urban planning.

iv. SCOPE OF THE POLICY

This policy would be applicable for all enterprises engaged in the manufacturing and services pertaining to space sector.

This policy would be valid till the issue of the next revision by the Tamil Nadu Government or for a period starting from 01 Apr 24 to 31 Mar 28 whichever is earlier. This policy is to be read in conjunction with the prevailing Tamil Nadu Industrial Policy and Tamil Nadu Aerospace and Defence Industrial Policy. If there is a difference in this policy and Tamil Nadu Aerospace and Defence Industrial Policy, unless specifically mentioned otherwise, the Tamil Nadu Space Industrial Policy should be deemed as relevant.

3 Advantage - Tamil Nadu

3. ADVANTAGE-TAMIL NADU

3.1 Tamil Nadu's Exceptional Strengths

- Tamil Nadu has a large, diversified manufacturing and industrial base, ranking first in the country in terms of the number of factories. It has been consistently ranked as one of the best administered States in the Country.
- Government of Tamil Nadu organisations like State Industries Promotion Corporation of Tamil Nadu Ltd (SIPCOT), Tamil Nadu Industrial Development Corporation (TIDCO), Electronics Corporation of Tamil Nadu (ELCOT), Small Industries Corporation of Tamil Nadu (SIDCO) have created Industrial Parks, SEZs, Logistics Parks etc. in a plug-and-play mode for creating a superior industrial infrastructure. A large number of private players have been encouraged by these agencies for creating similar facilities. The State ranks first in the number of operating industries, the second largest contributor to India's GDP and third in terms of cumulative FDI flows. It has been consistently maintaining a higher growth rate than the national average.
- Tamil Nadu is home to several government and private establishments that make a significant contribution to the Space sector of the country, some of the notable industries being LMW Ltd, L & T, Aerospace Engineers Pvt Ltd, Agnikul Kosmos, Data Patterns, MIL Industries Ltd, GalaxEye, Pandian Chemical, MEPCO, ST Composites, Vee Technologies to name a few.
- The space sector in India has been created by ISRO, who has multiple points of presence in and close to Tamil Nadu. Some of them being IPRC at Mahendragiri, Tamil Nadu, VSSC at Thiruvananthapuram, LPSC at Thiruvanathapuram and Bengaluru, National Atmospheric Research

Laboratory at Tirupati, URRSC at Bengaluru, LEOS at Bengaluru, SDSC at Shriharikota.

- The State has the largest auto-clusters in India and a preferred choice for over 350 large auto components manufacturers, accounting for more than 21% of India's automobile exports, contributing to 35% of the nation's automobile components output. Tamil Nadu is to date the only State to attract automobile giants which include Ford, Hyundai, Stellantis, Daimler, Nissan, Renault, Vinfast, BMW, BYD and Switch.

- Tamil Nadu is the largest exporter of electronics India and some of the Fortune 500 companies which have set up manufacturing facilities in the State include Motorola, Dell-EMC, Samsung, Foxconn, Sanmina-SCI, Flex, Nokia, BYD and Siemens besides several component suppliers.

- Tamil Nadu is a developed State with the maximum urbanisation (48% in 2011 and expected to reach 60 % by 2023), highest Gross Enrollment Ratio in Higher Education (51.4 %) and a very high literacy rate of 80%. The State with nearly 2610 education institutions, produces the maximum number of graduates and postgraduates in engineering and technical education in the country.

- The State is one of Asia's most preferred investor destinations anchoring 9% of FDI in India since the year 2000.

- Tamil Nadu turns out the largest number of skilled manpower in India every year. Tamil Nadu is a pioneer in promoting technical education in the private sector with the highest concentration of top educational institutions. The State has 59 Universities, 552 Engineering Colleges, 494 Polytechnics.

- More than 60 Engineering Universities are offering technical courses and training in the field of Aeronautical Engineering and more than 5000 aeronautical engineers graduate out from Tamil Nadu every year. Indian Institute of Technology (IIT), Anna University, Madras Institute of

Technology (MIT), Hindustan University, Vellore Institute of Technology (VIT), VEL Tech University, SRM University, MGR University are a few of the Universities which offer research programs in Aerospace and Defence.

- Tamil Nadu has excellent road, rail, sea & air connectivity.

Road	Railways	Sea	Air
▪ Part of Golden Quadrilateral ▪ National Highways - 6606 kms ▪ State Highways- - 11276 kms ▪ District Highways - 52765kms	▪ 532 railway stations ▪ Main rail junctions include Chennai, Madurai, Coimbatore, Erode, Tiruchirappalli & Salem with total railway track length of 6609km	▪ 3 major Sea ports with Chennai being the 2nd largest port in India. ▪ 23 minor ports controlling vital shipping routes	▪ 4 International Airports ▪ 2 Domestic Airports (Salem & Thoothukudi) ▪ Proposed world class greenfield airport near Chennai and a brownfield airport at Hosur

Tamil Nadu also is a State whose social indices which indicates the quality of life of its citizens are very high. The Social Progress Index (SPI) for States collated by Govt of India, serving as a comprehensive measure of a country's social progress assesses states and districts based on 12 components across three critical dimensions of social progress - Basic Human Needs, Foundations of Wellbeing, and Opportunity. Tamil Nadu is

ranked as the 1st amongst the larger States of the country which highlights the human capital of the state.

4 Space – Govt of Tamil Nadu's window beyond the horizon

4. SPACE – GOVT OF TAMIL NADU'S WINDOW BEYOND THE HORIZON

The evolution of human race and growth of countries in the last few centuries have been by riding the technology wave. Technology has been the key to drive solutions for various challenges. Technology has also been driving our reach beyond the earth in the recent past. In this new era, the urge for advancement has been transforming from the predominantly terrestrial one to a one which is a mix of terrestrial and space technologies

Various countries have started exploring possibility of new habitation platforms beyond the earth. For example, NASA is working towards commercialising spaceflight in Low Earth Orbit (LEO) with a broader purpose of extended the reach to deep space. Govt of India, through its agencies ISRO, IN-SPACe, NCIL have been spearheading the Indian space initiatives. However, the new Indian Space Policy 2023 is shifting the nature of space exploration and exploitation – from a Government controlled one to a public-private one to ensure that the Nation is able to have a significant share of the huge global space economy

According to the Organisation for Economic Co-operation and Development, the space economy comprises of the full range of activities and the use of resources that create value and benefits to human beings in the course of exploring, researching, understanding, managing, and utilising space. While various sources estimate the size of the space economy differently, there is a unanimous convergence in all these reports suggesting a sustained and rapid growth.

Space Foundation, a nonprofit organization founded in 1983, offering information, education and collaboration for the global space ecosystem, released "The Space Report 2023 Q2", which has quantified the size of this as $ 546 Billion in the year 2022 and expects this to exceed $ 800 billion by 2027. Citi has projected the space economy to cross $ 1 Trillion by 2040. According to Merrill Lynch, the space economy will be worth a

staggering $3 trillion by 2050. Arthur D Little's report, *India in Space: A USD 100 Billion Industry by 2040*, has pointed out, the country could achieve a much higher share than is currently anticipated $ 100 Million by 2030.

Other than enabling policy initiatives already being implemented, the report recommends five other areas for India to grab a share of the underlying opportunity. These include

a) Encouraging mass adoption of satellite internet services to compete with terrestrial communication

b) Leveraging existing strength in satellite and launch vehicles manufacturing and launch services to become a world leader with end-to-end competence in components manufacturing

c) Building capabilities in areas with high commercial potential such as space mining, in-space manufacturing, and in-orbit servicing

d) Exploring emerging activities such as space tourism and space entertainment to provide cost-effective services in the future

e) Innovating in 'green space' including sustainable fuel, reusable spacecraft, and use of eco-friendly technologies.

Considerable developments have taken place in the technology and commercial front that space infrastructure deployed make development of new space services possible. This in turn enables new application across multiple sectors. Some of them being meteorology, energy, telecommunications, insurance, transport, maritime, aviation and urban development. This in turn leads to additional economic and societal benefits in these independent sectors. The space sector is hence not just a growth sector in itself, but additionally a catalyst of growth in other sectors as well.

The main current trends which are impacting the Space Economy include:

a) A continuing increase of interest in exploration of space and interest & investment in space activities

b) Flow of enhanced private investment in space ventures due to high expected profitability and a growing Venture Capital (VC) market

c) Increase in the number of players in the sector

d) Increasing accrual of revenues and forecast revenues for space industry

e) Development of commercial activities worldwide, including ones based on smallsats/cubesats, and the development of commercial activities in new fields, e.g. micro-launchers and space flight;

f) The conventional space industry which has been functioning for the past 60 years generating revenues and facing new competitive and uncertain markets

g) Enhanced integration of space into the society and economy leading to more socio-economic benefits.

While satellite broadband is expected to drive the lion's share of wealth creation, near-Earth asteroid mining is forecast to eventually become a multi-trillion-dollar industry. Venture interest is growing in mining asteroids for scarce commercial resources including cobalt, iron, and nickel, as well as precious metals—gold, silver, and platinum— and even water. Meanwhile, space tourism is expected to generate a sizable revenue in the near future.

Countries like USA, Russia, the European Union, India, Japan, and China are investing in advanced national space programs. This includes planned missions to the moon and Mars, and designs on deep space exploration. As new mission-driven organizations compete to develop a commercial presence in space, the proliferation of space-based industries will mean a substantially larger global innovation ecosystem. Access to

abundant resources and the engineering of space-based technologies could drive frontier industries both on Earth and off-planet.

To be on the technological forefront in view of the new horizons of space industry, the State of Tamil Nadu, which is one of the leading knowledge economics of the country aspires to play a vital role. The State is endowed with the required ecosystem needed to support the space economy – viz, general engineering, electronics, chemicals, human capital backed with a vision towards this sector.

A SWOT analysis of the industrial ecosystem with regard to the Tamil Nadu's Competitive position in the Space Industrial Sector is tabulated below

Strengths	Weakness	Opportunities	Challenges
Willingness of the State to invest on the long term for the growth of the Space Industrial Sector	Proximity of traditional hubs of space industry - Bengaluru and Hyderabad	Growing industry	Few opportunities for lower skilled employees
A acclaimed manufacturing ecosystem which has the capability and capacity to support space industries	Strong competition for labour from other industrial sectors	High quality of life in the state	International and domestic competition
Large, skilled human capital	Limited incentives for the infant private space industries	Presence of firms which can diversify in downstream applications	Willingness of industries to enhance the quality of output to that required for space standards

Strong industry orientation of the academia			
Presence of space ports at Shriharikota and Kulasekarapattinam			

A summary of t the Govt of Tamil Nadu's understanding of the techno-commercial developments in the space sector are tabulated below

Stream	Sector	Recent Developments	Future developments anticipated
Up stream	Space launch	Increase in the number of launch service providers across all launch classes Operationalisation of large launch facilities at SHAR and establishment of small satellites launch complex at Thoothukudi	Technology developments: reusability, on-orbit reignition, increase lift capacity Private sector launches particularly in the small satellite segment
	Launch vehicle component manufacturing	Increasing private sector contribution for Indian Space Programs	New fuels for launches Development of alternative materials Reusability
Mid stream	Satellite communication	Increased commercial capacity with increased market demand	Added global broadband capacity from non–geosynchronous satellite operator constellations
	Space situational awareness	Increased demand with more entrants into space domain	Size of commercial market and financial viability of startups

			Space proliferation driving demand and/or collaboration
	Data transmit/ receive networks (ground stations)	Companies offering ground stations as a service for commercial and government customers	Electronically steered antennas/multiphase array Optical communications technology
	Space logistics (on-orbit servicing)		Active debris removal On-orbit refuelling, assembly, and manufacturing Last mile logistics
Down stream	Remote sensing	Expansion in current and planned proliferated low earth orbit launches	Size of commercial market and financial viability of startups
	Environmental monitoring	The programme on Climate change Research In Terrestrial environment (PRACRITI)	New startups with developments in microwave, electro-optical/infrared, and space weather capabilities
	Governance application	Usage of geospatial technologies and field information by various Central Ministries and State Governments	Private sector applications for domains like Agriculture, Energy & Environment, Infrastructure Planning, Water Resources, Health & Education

This Tamil Nadu Space Industrial Policy 2024 envisages providing the required interventions for ensuring that a conducive ecosystem is created in Tamil Nadu for supporting the growth of the industrial players who operate in the sub-domain listed under current developments and anticipated future developments in the above table.

5 Focus Sub-sectors in Space

5. FOCUS SECTORS

Tamil Nadu has been part of the space industry of the country with presence of Govt of India organisation, private sector and academia being part of the domestic and global supply chain for a number of space majors. The State-based industry has been partners to the DRDO, ISRO and other development agencies for several projects. Based on the industrial strength, certain subsectors have been identified for fuelling the growth in the Space sector in the State. These sectors are described below:

Launch Platforms

Space launch vehicle manufacturing is a complex and highly specialized process that involves the production and assembly of a wide range of intricate components and systems. A space launch vehicle, commonly known as a rocket, is a vehicle designed to transport payloads such as satellites, scientific instruments, cargo, or human passengers into space. Manufacturing these vehicles requires a combination of advanced engineering, precision manufacturing, and stringent quality control to ensure safety and mission success. Launch vehicle manufacture needs engineering capabilities for fabrication of the rocket's structural components, including the body, stages, and payload fairings. Similarly manufacturing and assembling of powerful engines and propulsion systems demand advanced capabilities.

Tamil Nadu has been in the forefront of heavy engineering and other required capabilities which are needed for the space industry as well. The Govt of Tamil Nadu has already partnered with private industries to establish a common facility at Trichy termed as TREAT which has capabilities to support the heavy engineering needs of the space industry. The Govt would establish similar facilities in the vicinity of the upcoming space port at Kulasekarapattinam to enhance the supply chain efficiency of the space industrial ecosystem. The Govt of Tamil Nadu would ensure

linkages with the industrial warehousing segment which is a desirable attribute for heavy engineering ecosystem at both Sriharikota and Kulasekarapattinam.

Satellites and Payload Manufacturing

Satellite and payload manufacturing is a complex and multidisciplinary process that involves the design, construction, testing, and deployment of satellites and their payloads. Satellites are utilized for various purposes such as communications, navigation, Earth observation, scientific research, and military applications. Payloads refer to the instruments and devices onboard the satellite that carry out its primary mission. In order to enhance the overall efficiency of the launch and the launch cost, Govt of Tamil Nadu has identified this sub-domain as one of the key focus ones.

Govt of Tamil Nadu also takes into cognizance the rising demand for Low Earth Orbit satellites who have a shorter life cycle than that of Geo-synchronous orbit satellites and also the need for thousands of LEO Satellites in contrast to the GEO satellites. Hence the Govt would create the required ecosystem for supporting the manufacturing of satellites and other payloads in existing industrial hubs of the State as well in the vicinity of the Kulasekarapattinam space port.

Propellants

The propellant industry is central to the ambitious goals of space agencies, private companies, and international collaborations aiming to push the boundaries of space exploration. As humanity envisions missions to Mars, the Moon, and beyond, innovations in propellant technology will be essential for achieving these milestones efficiently and safely. Rockets rely on propellants to generate the necessary thrust for liftoff and propulsion, making them a fundamental component of space exploration.

Propellants used in rocketry can be broadly categorized into two types: liquid and solid. Liquid propellants consist of two separate components, typically a fuel and an oxidizer, stored in separate tanks until needed. Liquid propellants offer precise control over thrust and are often used in spacecraft that require in-flight adjustments. Solid propellants are composed of a mixture of fuel and oxidizer in a solid, rubbery consistency. They are favoured for their simplicity, reliability, and ease of storage.

Tamil Nadu being a State with a significant presence of industries which manufacture the chemicals which are needed for propellants. Products like Ammonium perchlorate, aluminium powder, liquid oxygen etc are manufactured in large quantities by companies such as MEPCO, Pandian Chemicals, INOX, SicgilSol in the State. The presence of Liquid Propulsion Research Centre at Mahendragiri is also a favourable factor for the propellant industry.

The Policy aims to improve the manufacturing output in these sectors and attract larger orders and OEMs into the State.

Satellite/ Payload Monitoring Services & Ground Station Services

Satellite and payload monitoring and Satellite Ground Station services involve the use of satellite and terrestrial equipment to gather data, transmit information, and enable various applications across industries such as communication, navigation, earth observation, and scientific research. These services play a crucial role in monitoring, controlling, and analyzing the data collected from space. The Government of Tamil Nadu would collaborate with satellite operators, payload manufacturers, and other stakeholders in the satellite industry to enhance their ease of doing business in Tamil Nadu. Further, it would strive to form alliances with research institutions or universities for access to cutting-edge research and talent.

Government of Tamil Nadu would identify multiple locations in the State which would be conducive for establishing such monitoring stations based on the locational requirement for these agencies, which would include remote location offering low electromagnetic interference, elevated locations which would provide better line of sight and costal areas which would offer good visibility of the horizon.

Down stream Applications

The down stream applications of space industrial segment are the real solution offered to the citizens of the State for enhancing the quality of life. These applications enable access to complex space ecosystem to a common man at an affordable cost and utmost simplicity. A classical example being that utilisation of navigation apps on mobile phone for commuting. The down stream applications are predominantly Information Technology based/enabled. The IT industrial segment in Tamil Nadu is one of the largest in the country. Tamil Nadu also has one of the largest human capital needed for this. Hence the Govt of Tamil Nadu would provide special support to the industries which are involved in downstream application development in the space industrial domain. Govt of Tamil Nadu would also endeavor to utilise "Developed in Tamil Nadu" down stream application in its governance activities.

A Centre of Excellence would also be created in the vicinity of the spaceport at Kulasekarapattinam to impart technical training to the talented pool of individuals from the State.

Satellite based Telecom Services

Satellite communication is being used for various applications across industries, such as media broadcasting, an extension of broadband coverage, setting up of 5G communications systems, integration and convergence of diverse wired and wireless technologies, earth observation, defence and security, and surveillance applications. Government of Tamil

Nadu understands that the satellite services and application market in India will be driven by greater demand for high bandwidth and lower latency data requirements, connect the unconnected with voice and data communication services and increase in IoT and autonomous systems.

Govt of Tamil Nadu endeavours to extend the current strength in manufacture of mobile phones and other electronics equipment to the segment of space telecom segment as well to support the requirements of the space telecom growth

Launch Logistics

Space launch services refers to services that help launch satellites, payloads, cargo to earth's orbit. This segment is a relatively new market area which has a potential to turn into a business vertical in the medium to long-term. Government of Tamil Nadu takes cognizance of the fact that due to the increase in number of launches, the related services market is also expected to grow. Adequate infrastructure development is vital during launch site preparation including constructing necessary facilities like assembly buildings, integration areas, control centers, fuel storage tanks, and safety installations needed for handling hazardous materials involved in propulsion systems. Additionally, power sources must be established to provide the necessary electricity for the launch site's operations and equipment. This may involve setting up power generators or connecting to local power grids. Reliable and secure communication systems need to be established to ensure seamless coordination among different teams involved in the satellite launch process. This includes establishing networks for data transmission, voice communication, and video streaming between the control center, launch pad, and other relevant areas.

Government of Tamil Nadu would support the various organisations which would operate in this domain of launch logistics to ensure that the

supply chain efficiencies of the upstream, midstream and downstream industries are enhanced.

Space Special Materials

The equipment related to space have a special requirement The upstream segment is characterised by space grade special metal components for launch vehicle structures rocker motors, casing, satellites, payloads etc. These involve materials like special steels, super alloys titatium etc. Similarly in the non metallic domain, special space grade composites like ceramic matrix composites, carbon-carbon composites, metal matrix composites etc are used in the space sector. Considering the special nature of these materials, the Govt of Tamil Nadu would strive to attract firms which deal with strategic metal and alloy components - focussing on speciality casing/forging and precision machining to cater to space as well as other niche applications. Similar approach would also be done for the strategic composite manufacturing in the State. Nevertheless, the State would encourage parallel focus on other alternative sectors for the special materials so as to hedge risks to investments.

Mechanical Components

Mechanical components for the space sector include hydraulic systems & gears used in thrust, guidance and stabilisation systems of satellites and space craft and hydraulic systems & gears used in ground station equipment. Governement of Tamil Nadu is aware of the fact that owing to low volumes in space sector, for the companies which operate in this domain to have a continuous revenue stream, they would have to service demand from other adjasent sectors as well. The mechanical component industry is well established in Tamil Nadu and more pronounced in places like Coimbatore, Chennai and Hosur. A large number of these industries are operating in the build-to-print space. The Government of Tamil Nadu would support the industries to move them up the value chain from build-to-print to build-to-spec and also support the space industrial

sector in addition to their current businesses. The requisite advanced manufacturing tools would be made available to the industries enable this transition to the space industrial sector

Electrical and Electronics

Tamil Nadu is the the largest exporter of electronics products in India. These cut across multiple sectors like consumer electronics, communication, strategic electronics to name a few. The state also has its focus on the semi-conductor industry which is the foundation on which electronics manufacturing grow. According to an assessment conducted using fDi Benchmark, an investment location comparison tool in 2022 Chennai emerged as the most cost-effective location and the second overall in the top 100 electronics FDI destinations.

The Government aims to leverage and strengthen the existing electronics industry in the State to include spare related electronics design and manufacturing as well. This would ensure that the multiple sub-segments of the space industrial electronics like electro-optics, telemetry, tracking electronics, satellite, ground segment equipment are able to attract developmental, indigenisation and import substitution orders. Government of Tamil Nadu would also promote establishment of strategic electrical and electronics manufacturing facility in the vicinity of the space port to cater to the space and other niche applications

6 Government Initiatives

6. GOVERNMENT INITIATIVES

The Government plans to catalyse the space ecosystem by means of various new initiatives. The details will be worked out by TIDCO in collaboration with IN-SPACe and other agencies concerned. The following are the initiatives by the Government of Tamil Nadu for supporting the growth of the Space sector in the state.

Technical Enablers

6.1 Centre of Excellence for Emerging Technologies in Manufacturing

Tamil Nadu Industrial Development Corporation Limited (TIDCO) has setup state of the art, industry-oriented "Centres of Excellence for Emerging Technologies in Manufacturing" in association with private players, to enable industries access innovative technology solutions for effective, efficient and economic production. Three CoEs have been established at a total project outlay of about Rs 600 crores (USD 7.5 Mn) This include areas like product design and systems engineering, predictive engineering, industry 4.0 and Industrial Internet of Things (IIoT), additive manufacturing and skilling centres. These have been established in collaboration with Dassault Systemes, Siemens Industrial Software India and GE Aviation. The capabilities of these CoEs would be enhanced suitably to enable them support the space industrial segment. Further, spokes of these CoEs would be established at space industrial hubs to support the firms which operate in this domain.

6.2 Common Facility Centres

TIDCO will facilitate setting up of common facility centres for manufacturing, testing and warehousing which would support the space industry in Tamil Nadu in a phased manner. These Common Facilities would enable availability of complex machinery, software and other required facilities which small enterprises would not be able to establish as their

captive facility due to issues of cost and utilisation. Govt of Tamil Nadu would collaborate with agencies like IN-SPACe for creating such common facilities. Some of the common facilities which could be established for supporting the space industry are

a) Testing, prototyping infrastructure, 3D printing facility, SMP lines, floor tables,etc.

b) Environment test facility, precision manufacturing shops, composite manufacturing units as well as a skilling centre.

c) A common assembly for solid motors as per PESO guidelines.

d) Common vehicle assembly and testing facility

e) Assembly, Integration and Test facilities for Satellites and Launch vehicles

f) Storage facilities for liquid and solid propellants

The actual requirements for the common facilities would be arrived at by TIDCO in consultation with industries and IN-SPACe

6.3 Facilitation and support for Certification Processes

As space Industries are highly regulated, all manufactured parts & services must be certified for their reliability and certification is a compulsory and detailed process which needs support. The Government will provide financial and technical support to industries to obtain necessary certifications.

Skilling Enablers

6.4 Naan Mudhalvan Scheme

The Naan Mudhalvan scheme, introduced by the Hon'ble Chief Minister in March 2022, stands as a dedicated initiative to provide comprehensive and effective guidance for Higher Education and Career Development to students in government schools. One of the key tenet of this scheme is to

provide the skills required by specific industrial segments to students as part of their college curriculum. This scheme would enable providing space industrial skills and capabilities to the students at educational institutions.

6.5 Human Capital Development

Government of Tamil Nadu will facilitate augmentation of the quality & quantity of human capital for the space industry, by providing opportunities for continuous learning and improvement through partnership with Global/Indian OEMs/Institutions to the employees of space industrial units or industrial units which desire to diversify to space industrial segment.

Financial Enablers

6.6 Tamil Nadu Emerging Sector Seed Fund

Government of Tamil Nadu has setup the "Tamil Nadu Emerging Sector Seed Fund (TNESSF)" with a 500 crore (USD 66 Mn[1]) corpus to support new ventures in the emerging sectors, including aerospace and defence. Tamil Nādu Industrial Development Corporation Limited (TIDCO), TIDEL Park Limited are the sponsors of the fund and Tamil Nadu Infrastructure Fund Management Corporation (TNIFMC) is the fund Manager. Aspiring and qualifying space start-ups can apply for the TNESSF through the TNIFMC or StartUpTN portal.

6.7 Sustainable Financing of Investments

In order to improve access to sustainable finance for industries, the following options are available to manufacturing Projects in the State. The implementation of these initiatives will be as mentioned in the Tamil Nadu Industrial Policy.

[1] USDINR FX Rate of 75 has been used in this Policy for reference. For values cited in the Policy or in case of any discrepancy, the amount quoted in Indian Rupees shall prevail

i. Equity Financing

Investors can submit business proposals to Tamil Nadu Industrial Development Corporation (TIDCO) to come onboard their Project as an equity investor. Equity participation by TIDCO in the Joint Sector projects ranges from 11 to 50 %, the associate sector ranges from 2 to 11% equity. The support service includes ventures with 1% equity from TIDCO. Projects that have a high capital requirement in the initial years of investment may also be offered hybrid security financing in the form of convertible debentures, or land as equity in projects with an associated investment plan, and exit plan, on a case-to-case basis.

ii. Industrial Ecosystem Fund

Under the Tamil Nadu Investment Promotion Program, the Small Infrastructure Project Empowered Committee (SIPEC) supported many small-scale infrastructure projects and can be replicated/scaled up. The Government has created an Industrial Ecosystem Fund with a corpus of Rs. 500 cr. to support small infrastructure projects and ecosystem creation.

a. Small Infrastructure Projects

Last mile connectivity is extremely important to make industries and industrial clusters, as it reduces logistics costs and makes the investment viable and products more competitive. Such connectivity may also serve a larger public purpose by connecting nearby rural and suburban localities in some cases. The Government shall support such projects to create physical connectivity and other infrastructure needs of standalone industries or industrial clusters/parks or industrial warehousing/logistics projects. The fund shall be used to provide grants to support the development of public roads, power, water supply, sewerage and other infrastructure facilities.

b. Ecosystem Creation

Projects that create or enable the ecosystem such as creation of innovation centres or research parks and those that support creation of common facilities/ecosystem for industries in sunrise sectors for purposes of proto typing, testing, etc shall also be eligible for partial funding under this fund.

The fund will be created through contributions from SIPCOT and TIDCO with matching grants from Government of Tamil Nadu and scaled through funding from external agencies re-invested profits.

iii. Term Loans

Tamil Nadu Industrial Investment Corporation Limited (TIIC) offers term loan of up to Rs. 40 cr. (US$ 5.7 million) under the General Term Loan Scheme.

Infrastructural Enablers

6.8 Industrial Housing

The State supports the walk-to-work concept to decongest the cities and improve work-life balance. Industrial projects will be encouraged to develop accommodation and hostel facilities for employees within 5 km radius of the work area. The Government of Tamil Nadu has taken the initiative to develop two industrial housing facilities to accommodate 20,000 workers to cater to the housing needs of five industrial parks in the Sriperumbudur region. This shall be provided on rental basis to the industry and its workers. Based on the demand, a similar facility could be created for supporting the space industrial hubs

6.9 Augmenting and Creating the Industrial Infrastructure

Apart from funding support and ease of regulatory frameworks as mentioned above, Government through TIDCO/SIPCOT will also establish Space Industrial Parks in the State. The Government would encourage

cluster development approach in building the space manufacturing eco-system by creating the required physical infrastructure.

The Government will endeavour to augment the rail/road/air /sea /network connectivity to the Space / Defence parks/clusters.

The space park will be designed to meet the future demands of the sector and provide necessary support facilities. This entire facility will span 500-700 acres. The space industrial park includes the following facilities:

- Plotted industrial land
- Common infrastructure facility
- Admin block
- Common facility center
- Logistic hub
- Residential area

The space industrial park facilitates environmental testing capabilities, including EMI/EMC testing, environmental testing, thermal testing, and vibration testing. Additionally, it provides a facility for precision manufacturing to address the needs of other industries in the vicinity. To cater to downstream services, there will be a Center of Excellence (CoE) and a design center. Furthermore, plan a Special Economic Zone (SEZ) within the park to support other industries nearby and foster a thriving manufacturing ecosystem. Other facilities include:

- Electronic manufacturing
- Training and skilling in tooling, machining, and precision manufacturing
- Services such as logistic support, certification, and IT/software
- Storage/warehousing
- Clean room and critical storage facility.

Operational Enablers

6.10 Ease of doing business

The State is implementing new initiatives such as completely digitizing G2B interactions through development of a New Single Window Portal, development of Central Inspection System to monitor compliance inspection, Deemed Clearances, Comprehensive Land Portal, Construction Permit Portal, Investment Facilitation Desks and automatic renewal of select licenses.

The Single Window Portal offers more than 180 services (includes sector specific and sector-agnostic clearances) offered by 38 departments making the process completely faceless, contactless and paperless.

'Biz Buddy', Tamil Nadu's industry help desk portal is designed to help businesses report operational issues that need to be resolved by the various departments of the government, or help calls on disbursal of incentives and approval of pre-establishment, establishment and operation clearances required, in 30 days on a best effort basis. The platform offers features for tracking and monitoring the status of the application through SMS and email notifications.

A dedicated desk and portal for Non-Resident Tamils – "Yaadhum Oorae" has been created to encourage and facilitate investments in Tamil Nadu by the substantial Tamil diaspora spread across the globe. The State also has joint working committee agreements with Japan, U.S.A., U.K., U.A.E., Korea and Germany to furtherance of international cooperation for industries.

6.11 Support for building Partnerships & Marketing

The Space industry depend largely on the major manufacturers of space systems and their vendors. Partnership with them is the best way to build the eco-system. Government participation with the private sector to form consortium of industries would enable them to approach the ISRO, NSIL etc for executing work packages.

The Government will ensure support for building such partnerships, and the modalities will include special partnership meets, industry summits/events/exhibitions, B2B sourcing meets, investor summits, special delegations by the Tamil Nadu Government to various large manufacturers, etc. Government will provide necessary support to industry for interaction with agencies like IN-SPACe and ISRO

Space Technology Adoption Enablers

6.12 Enhance adoption of space technology in Govt of TN agencies

The Govt of Tamil Nadu as part of its modernisation of its services offered to its citizens and enhancing efficiency of governance would strive to adopt various space technology based application. The Govt of Tamil Nadu would also provide an edge to Tamil Nadu based organisation in this journey of adoption.

For example, the agriculture department would significantly enhance efficiency, productivity, and sustainability by utilising satellite imagery to monitor crop health, assess vegetation cover, detect anomalies such as pest infestations or diseases and implement remote sensing technologies to provide real-time information on crop conditions across the state and encourage farmers to adopt precision farming techniques by providing data-driven insights from satellite observations

The transportation department of the Govt of Tamil Nadu could significantly enhance its quality of service by implementing satellite-based navigation systems to improve route planning and real-time tracking of vehicles.

The State Disaster Management Authority would undertake integration of space technologies in disaster management can significantly enhance the government's ability to monitor, respond to, and recover from disasters. It could utilize satellite imagery for rapid assessment of affected areas to identify the extent of damage and prioritize search and rescue efforts, Integrate satellite communication for efficient coordination and

communication between rescue teams, implement satellite communication systems to establish and maintain communication networks in disaster-stricken areas, especially when traditional communication infrastructure is compromised and use satellite data to map and identify vulnerable areas prone to different types of disasters, aiding in the development of targeted mitigation strategies.

Fisheries department, Govt of Tamil Nadu would endeavour to create suitable satellite dependent application for identification of potential fishing zones, location services for fishermen etc. This would enable enhancing the catch for the fisherfolk, prevention of crossing into territorial water of other countries, recovery in case of being lost at sea etc.

While these are indicative, Space technology-based application could be used by various other departments like health, revenue, municipal administration, forest departments etc as well. The Govt of Tamil Nadu would encourage the various department of the Govt to interact with ISRO and other private space enterprises to enhance the adoption of space science in governance and development. The Govt would monitor increasing space technology adoption by various department regularly.

7 Incentives & Concessions for Space Sector

7. INCENTIVES & CONCESSIONS FOR SPACE INDUSTRIAL SECTOR

7.1 Incentives for New/Expansion Projects

New/Expansion investments in Space manufacturing in Tamil Nadu made from April 1, 2024 will be considered eligible for availing incentives under various categories discussed below. The company can choose the incentive either from this Space policy or from the special incentive for sunrise sectors offered by TN Industrial policy or TN Aerospace and Defence Industrial Policy or any other policy as deemed appropriate. This must be decided by the company at the time of setting up and cannot be changed subsequently. These are mutually exclusive and, a one –time choice has to be exercised at the beginning of the project by the company.

In view of the specific nature of the Space manufacturing, the Govt has categorised industries into two classifications based on the size of the investment. The first category would complrise of industries which would involve an investment of Rs 50 to 300 crores and the second category would involve an investment of about Rs 300 crore. While the Standard Investment period for the first category would be 4 years, it would 5 years for the second category.

The definition of EFA would be governed by TNIP 2021 or as notified by GoTN from time to time. This Policy introduces a new class of districts termed as "Space Bay districts" The applicable incentives will be administered as per the following district classification:

District Category	Districts covered
"A" Category (4 districts)	Chennai, Chengalpattu, Kancheepuram and Tiruvallur
"B" Category (12 districts)	Coimbatore, Erode, Karur, Krishnagiri, Namakkal, The Nilgiris, Ranipet, Salem, Tiruchirappalli, Tirupattur, Tiruppur, and Vellore
"C" Category (19 districts)	Ariyalur, Cuddalore, Dharmapuri, Dindigul, Kallakurichi, Kanniyakumari, Mayiladuthurai,

	Nagapattinam, Perambulur, Pudukkottai, Ramanathapuram, Sivagangai, Tenkasi, Thanjavur, Theni, Thiruvarur, Tiruvannamalai, Villupuram
"Space Bay" Districts	Madurai, Thoothukudi, Tirunelveli, Virudhunagar

7.1.1.1 Incentives for Space investment from Rs 20 to 300 crores

Space Industrial Investments made from April 1, 2024 in Green field/Expansion projects, will be considered eligible for availing incentives under the Incentives for Space investment Projects:

7.1.1.2 Investment Promotion Subsidy

The units can avail one of the following options for investment promotion – a) Fixed Capital Subsidy, or b) Turnover based Subsidy. These options are mutually exclusive, and a one-time choice has to be exercised at the beginning of the Project by the investor

I. Fixed Capital Subsidy:

Projects can avail a fixed capital subsidy as provided in the Table below:

Fixed Capital Subsidy for space industrial (% Total EFA/Disbursal Period)	
Location Category	Capital subsidy and payout period
A Category	5%/5 years
B Category	7%/5 years
C Category	10% /10years
Space Bay	10 % / 7 years

(or)

II. B. Turnover Based Subsidy (TBS):

Industries in space sector supplying to space majors listed in [Annexure 2 (a) to (c)] will be eligible for reimbursement of 2.5 % of annual turnover arising from supply to space projects/companies for 7 years from date of commencement of operations, subject to following conditions:

a. The company can choose to avail the Turnover based Subsidy from the date of commercial production or upon achieving the minimum eligible investment for Structured Package in the given District, whichever is later, up to a cap of 50 % of cumulative investment in Eligible Fixed Assets per annum for a period of 7 years.

For space base industrial units based out of the "Space Bay" districts, the total incentive would be enhanced to 3 % per annum for a period of 7 years with a cap of 50 % of EFA

7.1.1.3 Land Cost Incentive

For eligible projects in SIPCOT/TIDCO/SIDCO/ELCOT/ JVs of TIDCO, land allotment will be made at a 20% concessional rate in "A" & "B" category districts, at a 50% concessional rate in "C" category districts up to 20% of EFA and at a 50% concessional rate in "Space Bay" category districts up to 25% of EFA . For private land in "C" districts, a 50% subsidy will be offered on the cost of land as per guideline value up to an extent of 50 acres and subject to land cost not exceeding 20% of EFA and a cap of Rs. 2 cr. provided that at least 70% of the land is used for manufacturing operations and buffer zones as mandated. For the Space Bay districts, the incentivisation would be same as that of C districts, but the cap would be Rs 3 crores. In case the investor chooses to avail the land cost subsidy, land will be excluded from Eligible Fixed Assets for the purpose of Investment Promotion Subsidy.

7.1.1.4 Stamp Duty Incentive

100% concession on Stamp Duty payable on lease or purchase of land/ shed/ buildings meant for industrial use shall be offered in the Parks promoted by SIPCOT/ TIDCO/ SIDCO/JVs of TIDCO/ ELCOT or any other Government Agency. In case of private lands, the stamp duty concession will be given as 100% back-ended subsidy for up to 50 acres on fulfilment of investment and employment commitment.

7.1.1.5 Electricity Tax Exemption

Space Industries will be given 100% exemption on electricity tax on power purchased from TANGEDCO or generated and consumed from captive sources for the first 5 years from the date of commercial production. Expansion projects will be entitled to exemption of tax on the incremental electricity consumption for a period 5 years, In Space Bay districts this would be for a period of 7 years

7.1.1.6 Training Subsidy

Space Industrial units in the State with investments will be provided skilling support in form of a Training Subsidy of Rs. 10000 per worker per month for 1 year for a maximum of 50 employees who are residents of Tamil Nadu.

7.1.1.7 Green Industry Incentive

Industrial projects undertaking green initiatives for recycling waste and water for industrial use and for sustainable energy usage, coupled with online monitoring (wherever applicable) indicated below, shall be eligible for a 25% subsidy on cost of setting up such environmental protection infrastructure in the following solution areas subject to a limit of Rs. 1 cr. This will be as provided in TNIP 2021

7.1.1.8 Enhanced Incentive for Quality Certification

Projects obtaining certifications like ISO, ISI, BIS, FPO, BEE, AGMARK, and ECOMARK or any other national or international certification shall be given a subsidy of 50% of the total cost incurred for obtaining the certification, as certified by the Chartered Accountant, limited to Rs. 50 lakhs for Sub-Large projects and Rs. 1.25 cr. for Large, Mega, and Ultra Mega projects for the period of investment.

7.1.1.9 Product Certification Incentive

Subsidy will be provided to Space industries in the State towards expenses incurred for product certifications for all from any national or international agencies, as notified from time to time, at 50% of the total cost incurred for obtaining the /product certification, as certified by the Chartered Accountant, limited to Rs.50 lakh for the period of investment.

7.1.1.10 Enhanced Incentive for Intellectual Property Creation

The Government will reimburse 50% of the expenditure incurred by the project for the investment period for patents, copyrights, trademarks, geographical indicators registration subject to a maximum of Rs. 50 lakhs.

7.1.1.11 SGST Refund on Capital Goods

Eligibility for SGST refund on capital goods will be as per Tamil Nadu Industrial Policy.

7.1.1.12 Interest Subvention

Interest Subvention of 5% as a rebate in the rate of interest shall be provided on actual term loans taken for the purpose of financing the project from TIIC, for a period of 6 years subject to the limits provided with a cap of Rs 20 lakhs per annum

7.1.2 Special Structured Package of Incentives

7.1.2.1 Investment above Rs 300 crores

Space sector projects above Rs.300 crores will be eligible for Special Structured Package of Incentives applicable for Sunrise sectors as per TNIP 2021.

7.1.2.2 Pivotal Projects

The projects for manufacturing and assembling of launch vehicles, satellites, processing of downstream data etc are considered key initiatives as they will help the proliferation of space industrial units and enhancement of manufacturing capabilities in the State. Such advanced manufacturing projects from Space industries with the combined responsibilities of Design, Development, Manufacturing, Testing, and Certification in the State would be treated as special pivotal projects and the Government would consider sanctioning special funding in the form of equity of such a joint venture in partnership with Tamil Nadu Industrial Development Corporation Ltd (TIDCO) or a suitable grant as a negotiable percentage of EFA.

Higher incentives /concessions and relaxation of the conditions mentioned in this Policy will be offered for deserving cases giving due weightage to investment, direct and indirect employment generated and potential for attracting further investment through vendors and ancillaries.

7.1.3 Incentives for MSME for Space Industrial Investments

The Government of Tamil Nadu offers a wide range of schemes and incentives for enterprises classified as Micro, Small or Medium Enterprise based on the following composite criteria:

Type of enterprise	Investment in Plant & Machinery not exceeding	Turnover not exceeding
Micro	Rs. 1 crore	Rs. 5 crores
Small	Rs. 10 crores	Rs. 50 crores

Type of enterprise	Investment in Plant & Machinery not exceeding	Turnover not exceeding
Medium	Rs. 50 crores	Rs. 250 crores

A new or expansion unit in the MSME category could choose between this policy or TN MSME policy at the time of seeking incentives. This one time choice cannot be altered subsequently. As per this policy, the Micro, Small and Medium Enterprises are eligible the support listed in sections 7.1.1.3 to 7.1.1.12. Additionally they would be eligible for special capital subsidy as per the prevailing Tamil Nadu MSME Policy. At the date of issue of this TN Space Industrial Policy the Special Capital Subsidy is as tabulated below

4.6	SPECIAL CAPITAL SUBSIDY FOR THRUST SECTOR MICRO, SMALL AND MEDIUM MANUFACTURING ENTERPRISES						
	Special capital subsidy for enterprises under the thrust sector as in Annexure V	Anywhere in the State	25% of plant and machinery value	Rs. 150 lakhs in three instalments	Within one year from the date of commencement of production	-	New enterprises / enterprises going in for expansion & diversification

7.1.4 Special Project Incentives – Applicable for all category of investments including MSME

This policy also envisions enabling ecosystem for Space Industrial Units in the State. MoD has set up Innovations for Defence Excellence (iDEX) initiative under the Defence Innovation Organisation (DIO) to use a multi-pronged approach and reach out/engage a large pool of innovators / technocrats/ professionals /academicians. IN-SPACe has also announced a scheme for supporting early stage space startups with a aim to support these startups both financially and technically during their early stage. Govt of Tamil Nadu would provide special project incentive for entities which undertake such projects related to the space sector. These special incentives are applicable for all categories of investment (Startups, MSMEs, Sub-large, Large, Mega and Ultra-Mega).

7.1.4.1 State Grant for Space innovators

To support the activities of startups / innovators whose innovations are funded through IN-SPACe's startup scheme or any similar scheme from such agencies, Tamil Nadu Government would provide financial support to each space start-up to the projects which would be executed in Tamil Nadu. This would be provided by Startup TN through any of their applicable schemes. While the process of financial support would be as worked out by Startup TN, the applications for financial support by the entities which are being supported by IN-SPACe or any other such scheme would not undergo technical evaluation by StartupTN taking cognizance of the evaluation done by IN-SPACe or any other such entity. The details are attached as Annexure - III

7.1.4.2 Space Startup Equity Financing

Government of Tamil Nadu would also promote incubation, acceleration facilities for the space start-ups. Government of Tamil Nadu through Tamil Nadu Emerging Sector Seed Fund(TNESSF) would invest in the equity of the IN-SPACE's startup scheme or IDEX winners in the space domain which have their facilities in Tamil Nadu. The applications for grant by the entities which are being supported by IN-SPACe or any other such scheme would not be evaluated technically by TNESSF and would go to the financial evaluation stage directly. The details are attached as Annexure - IV

7.1.4.3 Technology Transfer

Approved service sector projects in space sector units shall be reimbursed 75% of the cost of technology transfer towards first 5 vendor units and 50% towards next 5 vendor units, subject to maximum Rs.50 lakhs towards each vendor within the policy period.

7.1.5 Special Incentives for setting up of Space Industrial Parks:

Special incentives for setting up of space industrial parks will be provided as per Tamil Nadu Industrial Policy 2021 Section 15. However if

the space industrial Park is being established within a capital outlay of Rs 50 Crores, the incentives would be applicable under TN MSME Policy (Annexure I, Sl No 7.3)

7.1.5.1 Incentives under Tamil Nadu R&D Policy 2022

The Government of Tamil Nadu offers a wide range of incentives for R&D firms (Standalone and in-house) and GCCs which have minimum investment of Rs.50 crore in EFA within Standard Investment Period of 4 years and employment of 50 jobs, engaged in R&D in Tamil Nadu with clearly demarcated facilities in/outside the projects.

7.1.5.2 Special Incentives based on TNIP 2021

i. Land cost incentive of 50% of the cost of purchase or lease of land for up to 20 acres, subject to a ceiling of Rs.50 lakhs per acre.
ii. R&D training incentive of Rs.10,000 per person per month for 12 months for the residents of Tamil Nadu.
iii. Enhanced quality certification incentive of 50% of the total cost incurred for obtaining the certification, limited to Rs. 1 crore for the period of investment.
iv. Enhanced intellectual property incentive of 50% of the expenditure incurred by the project subject to maximum of Rs. 1 crore. for the period of investment for in-house R&D for a patent, copyright, trademarks, and Geographical indicators registration and up to Rs.5 crore for standalone R&D assets.
v. R&D projects shall also be eligible for standard incentives namely, electricity tax exemption for 5 years, stamp duty exemption and green industry incentive of up to Rs.1 crore as per TNIP 2021 para 13.5.
vi. R&D projects shall also be eligible for SGST refund on capital goods as specified in Para 13.6 of Tamil Nadu Industrial Policy 2021.

7.1.5.3 Additional Incentives over & above TNIP 2021

i. Special Capital Subsidy of 25% on the Eligible Fixed Assets disbursed in equal instalments of over 10 years from the date of purchase of land, machinery and equipment subject to a ceiling pf Rs.25 crores, whichever is lesser. As per TNIP 2021, EFA shall include investment in R&D such as land, building, plant and machinery. To encourage R&D, EFA shall include intangible R&D related expenditure, subject to a ceiling of 20% of EFA.

ii. Innovation lab incentive up to 50% of EFA created on innovation labs shall be reimbursed, up to Rs. 1 crore.

iii. License Cost Incentive of 50% of the expenditure incurred on the purchase of specialized software license within the Standard Incentive Period of 4 years subject to ceiling of Rs.25 lakhs.

iv. Product Testing & Prototyping Incentive of 25% of the EFA on establishing product testing and prototyping facilities, subject to a ceiling of Rs.1 crore.

The above R&D incentives are applicable subject to meeting the eligibility conditions detailed under section 4.2.1 to 4.2.10 of the TN R&D Policy 2022.

7.2 Incentives for Service Sector

There are a considerable number of service sub-sectors under the Space domain, which the Government of Tamil Nadu would encourage to establish and operate from the State. Some of these subsectors are Pre-Launch Services(Launch Acquisition & Coordination, Tracking Data and Telemetry etc), launch services, Post Launch Services(Launch and Early Operations Phase (LEOP), Resupply Missions etc), downstream application development and midstream services.

In these subsectors, the largest capex is not a fixed asset. The Government of Tamil Nadu would include the cost of the assets like launch vehicles which would be of considerable cost in the EFA for all companies based out of Tamil Nadu. Similar treatment would be accorded for space-

based companies which own satellites or transponders outside the state, but are based out of the State.

7.2.1 Incentives for Service Sector Projects (Downstream)

Approved service sector projects in space sector can avail one time Employment incentive in the form of reimbursement of employer's contribution of PPF up to Rs.48,000 per annum for employees domiciled in Tamil Nadu for a period of 1 year from the time of onboarding. The eligible service sector industries are

a) Maintenance of space related equipment
b) Upgradation/life extension of products
c) Engineering design and testing
d) Software development
e) R & D services (govt recognised R & D facilities)
f) Space junk clearance
g) Ground station and telemetry stations

In addition, the Government of Tamil Nadu could notify more service sectors for being eligible for this incentive. This would be applicable for new employees onboarded after 01 Apr 24 and would be valid only up to 31 Mar 27.

Govt of Tamil Nadu would also provide additional incentives to down stream industries which are predominantly service industries by providing a discount of 5 % on the lease rental payable to Govt Agencies like TIDEL Park, TIDEL Neo or ELCOT for ready built facilities. This would be fixed at 10 % for service industries in Space Bay districts.

7.3 Incentives for Satellite/Ground Station/Telemetry manufacturing

Govt of Tamil Nadu would consider manufacture or design of satellites, ground station and telemetry electronics equipment as advanced electronics manufacturing or high-end electronics design and would provide incentives as laid down in the Tamil Nadu Semiconductor and Advanced Electronics Policy. However, the minimum quantum of investment for being eligible for availing the incentives would be Rs 50 crores for the Space domain industries. However, the company has to decide at the time of establishment if it wants to seek incentives under TN Semiconductor and Advanced Electronics Policy or the incentives laid out in the sections 7.1/7.2 of this policy. This decision cannot be changed subsequently.

8 Policy Implementation

8. POLICY IMPLEMENTATION

8.1 Single Window Clearance Mechanism

For MSME units, necessary facilitation will be provided by Facilitating MSMEs of Tamil Nadu (FaMe TN). Necessary approvals will be facilitated through the single window portal of Commissionerate of Industries and Commerce without any charges.

TIDCO will provide all necessary facilitation for Space Industrial projects Necessary clearance will be facilitated by TIDCO through the online single window portal of Guidance Tamil Nadu. Space units would be eligible for a 50 % subsidy on the single window clearance charges.

8.2 Procedure for Sanction of Incentives and Sanctioning Authorities Application and Approval process

The procedure for sanction of incentives and sanctioning authorities are as laid out in the Tamil Nadu Industrial Policy for all investments exceeding Rs 50 crores. Application for incentives shall be received by Guidance/TIDCO and forwarded with its recommendations to the Industries Department for sanction of incentives. SIPCOT is mandated to act as the implementing and disbursal agency for all the incentives listed in the Policy. The incentives would be provided to eligible industries by the Industries, Investment Promotion and Commerce Department based on the recommendation of Guidance/ Inter Departmental Committee to the Government and disbursed by SIPCOT. The single window facilitation for all investments above Rs 50 crores shall be undertaken by Guidance through the single window portal.

All investments up to Rs.50 crores will be handled by FaMe TN and Commissionerate of Industries and Commerce. The incentives for MSME sector may be sanctioned by the Commissioner of Industries and Commerce. The single window facilitation for MSME sector may be

undertaken by the Commissioner of Industries and Commerce and District Industries Centre

The existing institutional mechanism for sanction and disbursal of investment related incentives to industries and other implementation guidelines (as per TNIP 2021 or TN MSME Policy 2021) could be made applicable to the industries eligible under this policy

8.3 Inter-Departmental Committee

The Inter-Departmental Committee (IDC) constituted under the Tamil Nadu Industrial Policy 2021 shall serve as a recommendatory body to the Cabinet for sanction of incentives for special circumstances upon the request of the Additional Chief Secretary, Industries Department. A representative of TIDCO would be part of this committee for all Space sector proposals

8.4 Disbursal Mechanism for Incentives

State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) is mandated to act as the disbursal agency of various incentives listed out in this Policy for all project categories barring MSME. For MSME, Industries Commissioner and Director of Industries and Commerce (ICDIC), Government of Tamil Nadu would act as the disbursal agency. SIPCOT and ICDIC would create SOP for the disbursal mechanism in collaboration with TIDCO for Space industries.

Additional Notes

i. New manufacturing facilities set up by an existing company within the existing facility (or) in a new site (or) in an adjacent vacant site for manufacturing a product already being manufactured in the existing unit or an entirely new product, would be treated as an expansion unit for the purpose of incentives under the policy, subject to maintaining of production volume/value in the older unit.

ii. The definition of Space Industrial Units under this policy are defined in Annexure-III.

iii. Eligible Fixed Asset (EFA) is as per the TN Industrial Policy.

iv. The definition for Direct Employment or Direct Job is as per the TN Industrial Policy.

v. In case, any subsidy/incentive offered for any MSME unit under the Tamil Nadu Micro, Small, Medium Industries Policy of MSME department is higher than the subsidy/incentive offered to Aerospace/ Defence MSME unit under this Policy, the higher subsidy/incentive as applicable to MSME unit will prevail.

vi. The provisions of the current 'Tamil Nadu Industrial Policy' will be applicable in cases which are not explicitly mentioned in this Policy.

Annexure I – Abbreviations

S. No.	Abbreviation	Expansion
1.	A&D	Aerospace & Defence
2.	AGMARK	Agricultural Marketing
3.	ASP	Activated Sludge Process
4.	ATEA	American Tamil Entrepreneurs Association
5.	AVADI	Armoured Vehicle & Ammunitions Depot of India
6.	BEE	Bureau of Energy Efficiency
7.	BIS	Bureau of Indian Standards
8.	CVRDE	Combat Vehicles Research & Development Establishment
9.	DA	Development Agency
10.	DAP	Defence Acquisition Procedure
11.	DOFA	Defence Offset Facilitation Agency
12.	DPSU	Defence Public Sector Units
13.	DRDO	Defence Research & Development Organisation
14.	DSIR	Department of Scientific and Industrial Research
15.	EFA	Engine Factory Avadi
16.	EFA	Eligible Fixed Assets
17.	ELCOT	Electronics Corporation of Tamil Nadu Limited
18.	FaMe TN	Facilitating MSMEs of Tami Nadu (Erstwhile MSME Trade and Investment Promotion Bureau)
19.	FCS	Fixed Capital Subsidy

S. No.	Abbreviation	Expansion
20.	FDI	Foreign Direct Investment
21.	FPO	Fruit products order
22.	FSI	Floor Space Index
23.	GDP	Gross Domestic Product
24.	GRIHA	Green Rating for Integrated Habitat Assessment
25.	HAPP	Heavy Alloy Penetrator Project
26.	HVF	Heavy Vehicles Factory
27.	ICDIC	Industries Commissioner and Director of Industries and Commerce
28.	IDC	Inter-Departmental Committee
29.	iDEX	Innovations for Defence Excellence
30.	IGBC	Indian Green Building Council
31.	IIM	Indian Institute of Management
32.	IIoT	Industrial Internet of Things
33.	IIT	Indian Institute of Technology
34.	INR	Indian Rupee
35.	IoT	Internet of Things
36.	IPRC	ISRO Propulsion Complex
37.	ISI	Indian Standards Institution
38.	ISO	International Organization for Standardization
39.	ISRO	Indian Space Research Organisation
40.	IT	Information Technology
41.	ITI	Industrial Training Institute

S. No.	Abbreviation	Expansion
42.	JV	Joint Venture
43.	MBR	Membrane Bioreactors
44.	MIT	Madras Institute of Technology
45.	MRO	Maintenance, Repair and Overhauling
46.	MSME	Micro, Small & Medium Enterprises
47.	NIC	National Industrial Classification
48.	NIT	National Institute of Technology
49.	OCF	Ordnance Clothing Factory
50.	OEMs	Original Equipment Manufacturers
51.	OFT	Ordnance Factory Trichy
52.	PCD	Pollution Control Devices
53.	PPP	Public-Private Partnership
54.	PSU	Public Sector Units
55.	R&D	Research & Development
56.	RO	Reverse Osmosis
57.	SGST	State Goods & Services Tax
58.	SIDCO	Small Industries Development Corporations
59.	SIPCOT	State Industries Promotion Corporation of Tamil Nadu
60.	SIPEC	Small Infrastructure Project Empowered Committee
61.	TANGEDCO	Tamil Nadu Generation and Distribution Corporation Limited

S. No.	Abbreviation	Expansion
62.	TBS	Turn-over Based Subsidy
63.	TDP	Technology Development Programmes
64.	TIDCO	Tamil Nadu Industrial Development Corporation Limited
65.	TIIC	Tamil Nadu Industrial Investment Corporation Limited
66.	TN	Tamil Nadu
67.	TNDIC	Tamil Nadu Defence Industrial Corridor
68.	TNIFMC	Tamil Nadu Infrastructure Fund Management Corporation Limited
69.	VIT	Vellore Institute of Technology

Annexure III – Startup TN Scheme Details

Startup

- The entity should be a Startup registered with Tamil Nadu Startup and Innovation Mission (TANSIM) and STARTUP INDIA. It shall be located and headquartered in Tamil Nadu.
- The entity should be registered as a Private Limited Company (under Companies Act 2013), or a Limited Liability Partnership (Under Limited Liability Partnership Act 2008) or a registered Partnership firm (under Partnership Act 1932).
- The average profit of the entity (as per income tax return) for the last 3 years (or lesser in case it's a newly registered entity) shall be less than Rs.5 Lakh.
- Working towards innovation, development or improvement of products or processes with a high potential of employment generation, social impact or wealth creation.
- The entity should not have been formed by splitting up, reconstruction of a business already in existence or as a Subsidiary/Joint Venture/Associate of another Company.
- The startup should have cleared all / not have any other pending dues with any of the Government agencies and shall not be blacklisted by any Government agency in India.
- The applicant may be incubated in an incubator for at least six months at the time of application.
- Applicant has to be an Indian start-up. This support is not meant for Indian Subsidiaries of MNCs/Foreign Companies. Persons holding Overseas Citizenship of India (OCI) and Persons of Indian Origin (PIO) would be considered as Indian citizens for the purpose of this scheme. The shareholding by Indian promoters in the incubated Startup should be at least 51%.
- The Seed Grant is not generally given for service Startups working in Trade and Commerce.

- The seed fund shall be funding the development of the prototype or a product which is market ready / of small level pilot production only and shall not be for regular research which any University or College can foster.

  Overall 5% of the total funds shall be earmarked for prototype development projects in pre incubation stage. The maximum seed grant for such projects will be Rupees One lakh

TANSEED

Tamil Nadu Startup Seed Grant Fund (TNSSGF) called as TANSEED, support early stage financing requirements of the (a) Startups and (b) Incubators & Accelerators, in the form of grants to fill the gap in fund requirement for research & innovations, anything from mind to marketplace (which may also be patentable). TANSEED would also provide funding for Idea-to-POC (Proof of Concept) stages, which are pre-startup activities with the much-needed early stage financial assistance to be provided to deserving ideas/ technologies. This grant would support prototyping and testing of innovative ideas of early stage startups / students/ faculty/individuals.

Grant Highlights

Normally, the seed funding shall be offered up to a maximum of INR.25 lakh or as deemed appropriate by the TANSEED Expert Committee. In exceptional cases, for extraordinary projects, the funding may go upto a maximum of INR.50 Lakh, with the approval of the TANSEED High Level Committee. Seed support upto INR.10 Lakh will be considered as a grant and matching grant is required to avail any funds exceeding INR.10 Lakh. TANSEED would cater to early stage funding for indigenous ideas and technologies requiring up-scaling and related work. The funds would be disbursed to the deserving incubates with proper due diligence upon intimation to Incubators.

Areas covered under the Grant

The Startups would be supported primarily on the following:

i. Procurement of inputs to develop a prototype or working model to demonstrate the proposed technology solution and equipment rental.
ii. Hiring technical mentors to aid and assist in prototype creation.
iii. Manpower for product development. (Not more than 30% of Grant).
iv. Test Marketing
v. Testing, certification and trials.
vi. Any other expenses deemed fit by the TANSEED Expert Committee.

Following expenditures will not be supported by the grant

i. Remuneration of the founding team. [Founding team includes anyone with beneficial ownership of more than 100% during the grant program]
ii. Any administrative expenses such as office rent, daily travel and conveyance, personal use equipment such as mobile phones, laptop etc.
iii. Repay any loans or investments made by the founding team or any other person in the venture to date.
iv. Pure research projects that intends to demonstrate scientific principles/techniques etc.
v. Ideas with no intention of commercialization i.e. to convert into marketable technology/ products/ services.
vi. Innovations with serious ethical and safety risks deemed in feasible by experts and have serious pollution and health implications.
vii. Funding cannot be used to support student / faculty research or any other academic research.

The total funding to a start-up shall not exceed Rs.50 Lakh under all categories put together. The validity of the grant shall be 18 Months. The minimum gap between availing from one fund to another shall be 18 months. However, on exceptional cases, when a Start-Step / Startup has completed the milestones and has really moved up they can be considered, provided the TANSEED Expert Committee has sufficient evidence to believe that the startup is eligible for the next round of fund. For Example, if a Startstep/Startup has availed an initial grant of Rs. 10 Lakh, they can apply again for further seed grant support provided they raise a matching grant. The matching grant support shall be upto a maximum of Rs 40 Lakh.

Eligibility Criteria

- Should be registered with TANSIM
- Located in Tamil Nadu.

Application Process

i. TANSIM will call for proposals quarterly (Fiscal Calendar).
ii. The call for proposals is advertised through TANSIM Website and other digital platforms (Official Handles) and explore all possible means of reaching to the right applicant.
iii. The call for proposals is typically open for a period of 15 days.
iv. The applicant needs to submit an online application for funding by registering and logging on the TANSIM website. A profile will be created with a Unique Identity Number (UID), where the applicant can submit the seed application and track it.
v. A portal shall be launched for startups to file their grant applications. In the meantime, the applications shall be filed manually (5 copies) to TANSIM.

vi. Applicants are advised to fill-up and submit their applications early before the due date, without waiting for the last date, in order to avoid any last minute contingencies.

vii. Any request for changes in the proposal once submitted will not be encouraged.

viii. Applicants will be given time to present their proposal and there will be a session for Question & Answer.

Documents to be submitted -

i. Residence and ID proof - any document provided by the Government.

ii. Letter of acceptance or MoU with incubator/knowledge partner.

iii. Any other due diligence documents requested on case-to-case basis

Selection Process

The Committee will examine the proposal, in depth, and based on the quality of the proposal and the presentation, will decide on the amount of seed fund to be sanctioned for the Startups. The Committee may also suggest the pattern of utilization, which may differ from the plan prepared by the startup. The recommendation of the Committee will be finalized normally within 3 working days of the presentation day for Sanction of Seed grant. The recommendations of the Expert Committee will be submitted to the Mission Director, TANSIM for approval for overall grant value upto INR.25.00 lakh. For grants beyond INR.25.00 lakh, it shall be forwarded to the High-Level Committee. Startups, thus sanctioned, will be notified through email. Upon signing of MoU between TANSIM, Incubator/Accelerator and Startup, the fund will be released within 7-10 working days.

Fund Disbursement

- The fund disbursement is milestone based and is released in installments over a maximum period of 2 years. Proposed project duration cannot exceed 2 years.
- MoU will be signed between TANSIM, Startup and the Incubator/Accelerator.

For Grants up to Rs. 10 Lakh

- The first tranche shall be disbursed (50% of grant) after signing the grant agreement along with the Terms of Reference and other requisite documentation. The terms of reference shall include the final proposal incorporating recommendations of the Mission Director, TANSIM.
- The second tranche will be disbursed on submission of the following:
- Interim Project updates (milestones reached) submitted by the core management team.
- Demo of the product developed so far (if applicable)
- Note on all deviations from the original plan & the reasons thereof.
- Fund utilization certificate by an empaneled Chartered Accountant in the format given by TANSIM along with the supporting bank statement. The format shall highlight deviations of over 10% from the given cost head.

For Matching Grants above INR.10 Lakh

Disbursement is solely based on milestones set by TANSEED Expert/high level committee and is released in 4 installments:

- 1st Installment: Signing of MoU:- 30%
- 2nd Installment: Completion of 1st Milestone - 30%
- 3rd Installment: Completion of 2nd Milestone – 30%
- 4th Installment: Completion of project and submission of final report – 100%

The Final and Last installment shall be released after the conclusion of the project and hence is in the nature of reimbursement. At the

discretion of the TANSEED Expert Committee, grants may be terminated midway if the applicants fail to accomplish milestones or show progress. Any unspent balance grant remaining with the Startup/Incubator shall be returned to TANSIM within 15 days, failing which Simple Interest will be levied.

For Matching Grants above INR. 25 Lakh

The sanctioning authority will be the Mission Director, TANSIM for all grants upto INR.25 lakh. For grants above INR.25 lakh, the sanctioning authority shall be the High Level Committee. This Committee shall sit twice in a year

Incubators

Incubators provide Startups with necessary infrastructure and other facilities to nurture their ideas to become a reality to reach the market through various support services and mechanism. These institutions support the young fledgling firms (at the Start-step level) which are yet to reach a Startup level to survive and develop.

TANSIM support

The TANSEED shall also provide a one-time revolving fund up to a maximum of INR.50 lakh to academic institutional & private Technology Business Incubators (TBI), provided the TBI mobilizes fund in the ratio of 1:3 (TANSEED: TBIs) through industry or from its own resources and the TBI is registered as a Section 8 company and open up to the public.

Scope of the Fund

TANSEED will support Incubators to nurture and facilitate startups by providing access to infrastructure, training, funds, mentoring as well as networking platforms. The fund supports incubators in their nascent

stage i.e. to their growth stage. Recognising the gap in fund support during early stage of a startup, this fund would address this fund requisite through the Incubators.

The primary intention of TANSEED is to provide capital assistance to startups with innovative and worthy ideas to graduate to growth stage where they will be able to attract funds from investors like angel/Venture capitalists when they are mature enough to raise bank loans or get support from State sponsored NEED scheme or from commercial banks / financial institutions.

Funding framework

Under Incubator TANSEED Fund, TANSIM will provide Grant-in aid assistance to selected Technology Business Incubators (TBIs)provided the TBI fulfils the conditions. Each selected incubator will be granted up to INR.50 Lakh for implementation of TANSEED Fund. Each incubator can design a selection process to screen and select startups for equity and operational funding through TANSEED Fund (e.g Accelerator program or Direct investment). The provisions stated herein below deal with the essential guiding principles of the initiative.

Duration of the Scheme

The Expert Committee will monitor the incubator till one cycle of funding, including Incubator contribution, is completed or for 2 Years, whichever is later.

Selection

Well-established Incubation Centres (TBIs) will be shortlisted based on the Key Performance Indicators (KPls). Shortlisted Incubation Centres will be required to make a presentation on their scale-up plan before High Level Committee for final selection.

Eligibility criteria

i. Incubator should be operational for the last three years, with at least 10 resident startups.
ii. The startups shall, preferably, be in thrust areas identified by TANSIM.
iii. The agency should be an autonomous organization or society registered under Tamil Nadu Societies Registration Act 1975, or registered under the Companies Act, 2013.
iv. Incubator should have in-house capacity to conduct events and programs and to incubate and mentor early-stage startups.
v. Incubator should have established IP & Tech Transfer facilitation services for Startups.
vi. Incubator must have prior experience in management of early-stage funding schemes or other grants.
vii. Resolution from the apex body such as the Board of Directors, the Board of Trustees etc. to allocate funds for a Grant Program.
viii. Certificate from a Chartered Accountant on the availability of funds (Incubator's share of contribution) in un-encumbered bank deposits and specifically allocated for Grant support.

List of documents to be submitted by the Company:

- Certificate of Incorporation/ Commencement of Business.
- Complete Note on the founders' background and their strengths relevant to the proposed venture.
- Annual Reports of existing Company(ies) of the Group, if any
- Detailed Project Report
- Complete Business Plan
- Copy of the market studies, feasibility studies, analyses etc. done, if any

- Copy of the recent analyses of the industry prepared by investment bankers, engineers, management consultants, accountants, or others, including marketing studies, credit reports and other types of reports, financial or otherwise, if any
- Chart indicating the project duration and implementation schedule with projected milestones.
- In the case of existing company, brief information on Internal working, Management Team and SWOT Analysis.
- Copy of the marketing and other descriptive brochures regarding the other Companies of the group.
- Copy of the press releases and press clippings if any of the Group Companies.
- Certificate to the effect that the company had obtained all the statutory clearance for the project and product(s).
- Agreements (Investment, Disinvestment, undertakings etc. by the company and promoters).
- Personal guarantee/ Bond of the Promoters (case to case basis).

Terms and Conditions:

Funding

- The Incubator would be provided a total financial support in the form of Grant of INR.50 Lakh from the date of signing of agreement which would be exclusively spent on the specified purpose for which it has been sanctioned within the stipulated time.
- The Incubator is required to raise seed support through Non-Government sources (Non-government sources exclude Central, State and Local Governments.) matching 3-times the Grant for seed Support.
- The Incubator shall open a separate bank account for the Seed Grant including the matching grant raised by the incubator.

- TANSEED Revolving Grant will be released only after depositing of matching Grant by the Incubator in the above Bank Account. If the Incubator fails to raise the matching grant within 6 months of administrative sanction of TANSEED Revolving Grant, the TANSEED Revolving Grant Offer shall be treated as withdrawn.
- The Incubator win be required to submit Utilisation Certificates (UCs) (Incl. Copies of Bills) of the grant at the end of each financial year as well as at the time of seeking further installments of the grant, if any
- Any unspent balance amount sanctioned and the amount collected against repayments including interest generated, may be utilized as seed support for next round of incubatees and not for any other activity of the Incubator.
- TANSIM reserves the right to terminate support to the project at any stage, if it is convinced that the grant is not being utilized properly or that appropriate progress in the project work is not being made. TANSIM recalls the Grant allotted with a Simple Interest of 12% in a single installment. If it is not repaid within 30 days of date of issue of recall order, then penal interest will be added at 2.5%.

Obligations of Incubator -

- The Incubator shall identify Indian Startups (registered under Companies Act, 2013 and having at least 51% shareholders as Indian Citizens [does not include OCI or PIO] as the mandatory requirement or under LLP) after duly putting in place a selection mechanism based on the requirements.
- Evolve a transparent system for selection of incubatees in line with area of specialization chosen. The incubatees would be admitted subject to fulfilling the admission criteria and the IC would enter into an appropriate agreement with the incubatees within a defined period of time.
- The Incubator shall provide funding as loan/equity and equity linked instruments, for equity investment and to cover such startup costs

such as purchasing equipment and supplies, and hiring employees. The equity and equity linked instruments shall be held in the name of the Incubator and shall not exceed 5%.

- The Incubator shall provide high quality assistance and guidance to start-ups such as legal, accounting, business including industry interaction, national and international linkages, etc.
- There shall not be any conflict of interest of the Incubator in any of the startups selected for funding.
- No startup will receive Seed Funding support more than once under the same scheme/programme or within the duration of the grant.

Monitoring:

- The Expert Committee will monitor the incubator till one cycle of funding, including Incubator contribution, is completed or for 2 Years, whichever is later.
- The operations of the Incubator will be reviewed on a quarterly basis in person and monthly over Skype based on a comparison of the proposed budget plan versus the actual physical and financial performance. It will also include inspection of audited annual accounts.
- Incubator shall submit half yearly implementation review and report to TANSIM on the TANSEED Fund implementation including the Utilization Certificates (Incl, Copies of Bills), Statement of Accounts (SOA) and Project Progress of the beneficiary Start-ups.
- The Incubator should ensure that TANSEED Revolving Grant and Matching Fund raised should be utilized proportionately.
- Concerned officers of TANSIM its authorized representatives may visit the Incubator periodically for ascertaining the progress of work and resolving any difficulties that might be encountered in the course of implementation.

General Conditions:

- The specialization of the Incubator shall be clearly defined.

- The Incubator will have its own website, which should be updated on continuous basis.
- TANSIM will have no responsibility in case of any loss caused to life or property due to accident, fire or any other reasons.
- All the details with respect to funding of startups and also admin funds are subject to scrutiny. Incubator will be responsible for dealing with RTI queries, if any.
- The IP ownership and rights to technology commercialization rests with the innovator and TANSIM. The Incubator has no right to claim ownership in the IP.
- The MoU will be valid for 3 years from the date of signing.
- The MoU can be modified or revised from time to time with mutual consent of the parties.
- Upon receipt of signed MoU, the following documents need to be sent:
    a) Registration certificate of the Incubator.
    b) Proof of availability of at least 5,000 sq.ft built up space along with lease deed in favour of the Incubator (a registered lease agreement for 10 years in the name of the registered Incubator should be submitted).
    c) Names of the Industries associated with the Incubator along with their letter of intent.
    d) Experience/Credentials of Full-time Managing Team (Board, CEO and other officials)
    e) Complete Business plan and Report of Registered and Graduated Startups
    f) List of key mentors along with their cvs.

TN SC/ST Fund

This unique fund enables entrepreneurs from the Scheduled Caste and Scheduled Tribe Communities (SC/ST) to explore and expand their business capabilities. StartupTN will identify beneficiaries from the

SC/ST communities to provide assistance in the form of equity investment or debt. By this, the Government of Tamil Nadu will become a shareholder in the Startup. This helps to build confidence in the Startup and spurs a revolution among the under-represented communities. Scalable business models and models based on Indigenous Traditional Knowledge (ITK), which can be commercialised, will be encouraged. Already, 21 SC/ST Startups have been sanctioned assistance amounting to INR 28.1 crore. The Government of Tamil Nadu has the ambition of providing support to 200 Startups run by entrepreneurs from SC/ST communities during the policy period. A dedicated team has been formed in StartupTN to ensure smooth functioning of this initiative.

Type of assistance –

The fund of INR.30.00 Crore shall be utilized by TANSIM to assist SC/ST Startups by way of 4 types of assistance viz.,

(i) equity investments,
(ii) debt,
(iii) grant or
(iv) a combination thereof, after considering the specific recommendations in -this regard made by the Investment Committee.

Such recommendations by the Investment Committee shall be based on the requirement of each entrepreneur or on the nature of the proposal and the enterprise's potential to scale and absorb capital.

Equity

80% of the corpus of the fund overall, preferably should be for equity investments or instruments which can be eventually converted into equity. The decisions regarding equity investments may normally be made such as to enable exit within a stipulated period or a stated milestone. The continuation of equity stake beyond that time /

milestone, may be brought for the consideration of the Board of Tamil Nadu Startup and Innovation Mission (TANSIM).

Debt

The board of Tamil Nadu Startup and Innovation Mission (TANSIM) may decide to support a Startup through debt at a rate of interest and subject to such terms of principal moratorium to be_ decided on a case-to-case basis with the recommendations of the Investment Committee. In such a case, the loan will be given through TAICO Bank, so that TANSIM need not set up a parallel mechanism for debt collection and monitoring. The cost incurred in this regard by TAICO Bank and the obligation to repay the loan if there is a default will vest on TANSIM.

Grant:

If a Startup requires grants from this fund, the Investment Committee can direct it to come through the existing TANSEED selection procedure, if the committee feels so.

Eligibility Conditions –

The applicant, at the time of application, should conform to the definition of Startup under Tamil Nadu Innovation Policy 2018-23, as modified from time to time. The following five conditions shall be verified by TANSIM before forwarding every proposal to the Investment Committee:

- More than 50% of equity of the company must belong to one or more persons who belong to the SC/ST Community.
- The control of the company should vest with SC/ST shareholders.
- The application should be come through a transparent process. The Investment Committee can make specific recommendations for specific applications to ensure that these conditions are not misused or misinterpreted against the interests of the SC/ST community.

- The company or enterprise should be domiciled in India and its principal base of operation should be India.
- The SC/ST entrepreneur(s) who have applied should be native(s) of Tamil Nadu or of Tamil origin. Preference will be given if such entrepreneur(s) have their principal base of operation within Tamil Nadu.

Annexure IV – Tamil Nadu Emerging Sector Seed Fund(TNESSF)

Annexure V – Definition of Space Industrial units

I. For the purpose of availing the benefits under this Policy, the eligible Space Industrial units are defined as those which comply with any one of the following:

   a. Designing, engineering, manufacturing, servicing, supplying such material/components/sub-assemblies/test equipment / software, etc. to the OEMs / Tier I /Tier II /Tier III companies of Space including ISRO, IN-SPACe, NSIL, ANTRIX, all Defence PSUs of GoI, all defence & security forces viz., Army, Navy, Air force, Coast Guard, space equipment leasers etc. (pertaining to Space),

   b. Construction of launch facilities and test facilities for space sector will also be considered as Space Industry.

   c. All the industrial units which have got the AS9100 certification or ISRO PAS/PAX standards or adhering to the standards laid down by various sub-committees of Department of Space are considered as Space related industrial/service units.

II. Any additional clarification on the definition of Space industrial unit shall be given by Industries Dept/TIDCO.

III. Space Industrial Park is defined as an Industrial Park promoted by Private/Govt/PPP proponents with land developed with all related infrastructure with a minimum area of 50 acres and where at least 50% of the units located is Space related.

IV. Space maintenance is the ongoing monitoring, upkeep, and repair of spacecraft and satellites to ensure they remain operational and safe in space. Key aspects - Health Monitoring, Communication and Control, Software Updates, Propulsion System Checks, Instrument Calibration, Component Replacement, Space Debris Monitoring, Emergency Response Planning

V. MSME Units: Government of Tamil Nadu will follow the MSME definition laid out by Government of India for MSMEs as per Micro Small and

Medium Enterprises (MSME) Act 2006. The definition for MSMEs will be revised as per the guidelines issued by Government of India.

VI. OEM - Original Equipment Manufacturer of rockets, satellites, special vehicles used by space agencies, radars, any other equipment used for space applications.

VII. Tier 1 Suppliers- Supply directly to OEMs as per specifications provided by OEMs for at least 3 out of 5 years of operation or have a contract to supply for the next 1 year.

VIII. Tier 2 Suppliers - Supply directly to Tier 1 and OEM's suppliers' specifications for at least 3 out of 5 years of operation or have a contract to supply for the next 1 year.

IX. Tier 3 Suppliers-Providing basic components required by other vendors present higher in the value chain

X. Defence Public Sector Units - Central PSUs under the administrative control of Ministry of Defence.