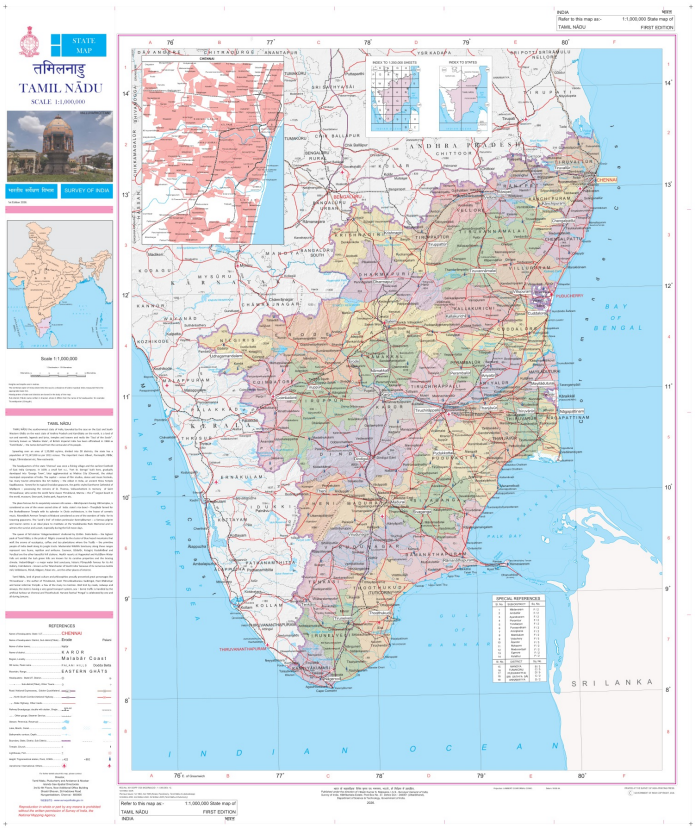
GEOGRAPHY & INVESTMENT PROFILE

# Invest in Tamil Nadu

Location, supply chains and policy - an independent industrial investment lens.

**ADMINISTRATIVE CENTRE**
**Chennai**

**AREA**
**130, 058 km² (Mo FPI profile)**




Official geographic context · full supplied sheet(s), resized · TN06

**Geography and neighbours.** Bay of Bengal / Indian Ocean coast; Andhra Pradesh, Karnataka and Kerala neighbours; Puducherry enclaves require separate jurisdiction checks. TN06

**Investment discipline.** Compare a customer-led project at the actual parcel. A map establishes context; it does not establish land availability, permits, utility allocation or cargo service.

OPPORTUNITIES & LOCATION

# Propositions worth testing

Sector and location logic, commercial exposure, and a clear investment gate.

## 01 Chennai-Sriperumbudur: electronics supply chain

**Evidence.** Industrial policy and Guidance identify established electronics/automotive production. TN01 · TN02 · TN08

**Commercial case.** Qualified component, tooling and test suppliers can serve existing manufacturers.

**Exposure.** OEM qualification and export compliance are lengthy.

**Before investment.** Buyer-approved production process and documented utility quality.

## 02 Hosur-Krishnagiri: EV components

**Evidence.** Guidance identifies Krishnagiri among automotive/EV clusters. TN01 · TN02 · TN08

**Commercial case.** Precision parts, power electronics and recycling services can address a concentrated customer base.

**Exposure.** Technology changes and competing supplier capacity.

**Before investment.** Offtake, homologation and battery-waste permissions where relevant.

## 03 Coimbatore: engineering and industrial services

**Evidence.** Guidance identifies Coimbatore in the automotive/component ecosystem. TN01 · TN02 · TN08

**Commercial case.** Pump, tooling and automation supply chains offer B 2 B routes beyond a single assembly plant.

**Exposure.** Skilled labour competition and commodity-margin pressure.

**Before investment.** Customer diversification and equipment acceptance tests.

## Project decision sequence

**Customer.** Qualified demand and customer acceptance.

**Site and utilities.** Documented title or allotment, permitted use, power quality, water allocation and effluent capacity.

**Logistics.** Cargo acceptance, priced inbound/outbound routes, handling and contingencies.

**Policy.** Operative notification, eligible expenditure, filing dates, stacking limits and sanction.

CONNECTIVITY & DELIVERED COST

# Build the transport chain

Inbound inputs and outbound finished goods require separate cost and service tests.

## 01 Road

**Route / assessment.** Chennai-Hosur and western industrial corridors require parcel-specific last-mile and congestion checks.

TN08

## 02 Rail

**Route / assessment.** Existing mainlines provide potential bulk/container access; confirm terminal service and handling rather than assuming a siding.

TN08

## 03 Air

**Route / assessment.** Chennai is a relevant international gateway; confirm product-specific cargo, cold-chain and dangerous-goods acceptance.

TN08

## 04 Sea and inland water

**Route / assessment.** Chennai, Kamarajar and V.O. Chidambaranar are sea-gateway candidates; no assumed commercial inland-water substitution.

TN08

## 05 Inbound / outbound

**Route / assessment.** Match electronics imports and vehicle/component exports to cargo-compatible terminals and actual sailing schedules.

TN08

## 06 Utilities

**Route / assessment.** Semiconductor proposals require quality-controlled water, power redundancy and waste treatment; a state incentive does not establish technical feasibility.

TN08

POLICY ROUTES & ELIGIBILITY

# Model conditions, not headlines

Project category, eligible cost, deadlines and sanction control the usable benefit.

## 01 Industrial Policy 2021 - training subsidy

**Terms.** ₹ 4, 000 per worker per month for six months for Tamil Nadu residents; ₹ 6, 000 for women, transgender employees, persons with benchmark disabilities and SC/ST employees.

**Conditions.** Structured-package eligibility applies; investment/employment commitments must be met. Annexure conditions permit training assistance before commercial production, but do not waive project qualification.

**Window / version.** Policy extended 1 April 2025-31 December 2026 by GO(Ms)74 dated 27 June 2025.

**Evidence status.** Original policy term verified; application/sanction remains project-specific

TNV01 · TNV02

## 02 Tamil Nadu Electric Vehicles Policy 2023

**Terms.** EV manufacturing and ecosystem support routes are distinct from consumer vehicle concessions.

**Conditions.** Classify project and qualifying investment; verify application window and cumulative assistance.

**Evidence status.** Original retrieved; operational claim-specific eligibility still requires verification.

TN04

## 03 Tamil Nadu Semiconductor Ecosystem Scheme 2026

**Terms.** Two tracks: projects approved under central Semicon 2.0 and projects not selected/not applying; investor chooses one track only.

**Conditions.** Track 1 target categories follow central eligibility. State and central support cannot simply be added across mutually exclusive tracks. Technical-operation employment conditions apply to training support.

**Evidence status.** Latest official library version recovered; central Semicon 2.0 notification and implementing guidelines require separate authentication before quantified offers.

TN05

SWOT & EXECUTION

# Turn constraints into action

AKHB analysis: each opportunity depends on deliverable prerequisites.

## Strengths

Industrial policy and Guidance identify established electronics/automotive production. TN01 · TN02

Chennai-Hosur and western industrial corridors require parcel-specific last-mile and congestion checks. TN08

## Weaknesses

OEM qualification barrier TN01 · TN08

Water-sensitive manufacturing TN01 · TN08

## Opportunities

Higher-value domestic component substitution TN01 · TN08

Process-water and recycling services TN01 · TN08

## Threats

Customer concentration remains. TN01 · TN08

Drought or contamination can still constrain production. TN01 · TN08

## Specific evidence still required

Do not apply a semiconductor-specific 2026 rate to an ordinary manufacturing project.

No combined central/state semiconductor percentage until central original notification and state track conditions are reconciled.

The 2026 semiconductor scheme is a separate verified original; central Semicon 2.0 reconciliation remains outstanding.

Reconcile 2026 semiconductor scheme with 2024 policy and central original notification before quoting combined incentives.

Do not reuse erroneous Mo FPI claims that Tamil Nadu is the fourth-largest state or count Puducherry airport as Tamil Nadu.

DELIVERY PLAN & RISK

# Who acts, and what must change

Treat execution responsibility and residual risk as part of the investment case.

## 01 Constraint-to-opportunity case

**Constraint.** OEM qualification barrier

**Action.** Fund metrology, testing and joint development

**Owner.** Supplier and anchor OEM

**Opportunity.** Higher-value domestic component substitution

**Prerequisites.** Customer approval and multi-year demand visibility

**Residual risk.** Customer concentration remains.

TN01 · TN08

## 02 Constraint-to-opportunity case

**Constraint.** Water-sensitive manufacturing

**Action.** Close water balances and contract treated/recycled supply

**Owner.** Investor and utility provider

**Opportunity.** Process-water and recycling services

**Prerequisites.** Quality, reliability and discharge permissions

**Residual risk.** Drought or contamination can still constrain production.

TN01 · TN08

DELIVERY PLAN & RISK

# Tamil Nadu | continued

Evidence, conditions and investment tests continued from the preceding page.

### 03 Constraint-to-opportunity case

**Constraint.** Port-road congestion

**Action.** Compare terminal choices and scheduled consolidation

**Owner.** Logistics operator and investor

**Opportunity.** Reliable time-sensitive export consolidation

**Prerequisites.** Measured transit times and carrier commitments

**Residual risk.** Peak-season disruption remains.

TN01 · TN08

## Before capital commitment

Close the evidence gaps, then approve the site and financing assumptions.

### Central framework and original documents

India entry guide: nationality and beneficial ownership; sectoral FDI route; entity and tax structure; customs and import rules; land and environment; labour and social security; remittance and treaty conditions. Central schemes are project-specific and cannot be assumed to stack with state support.

Full state profile and detailed policy conditions · Canonical evidence repository