

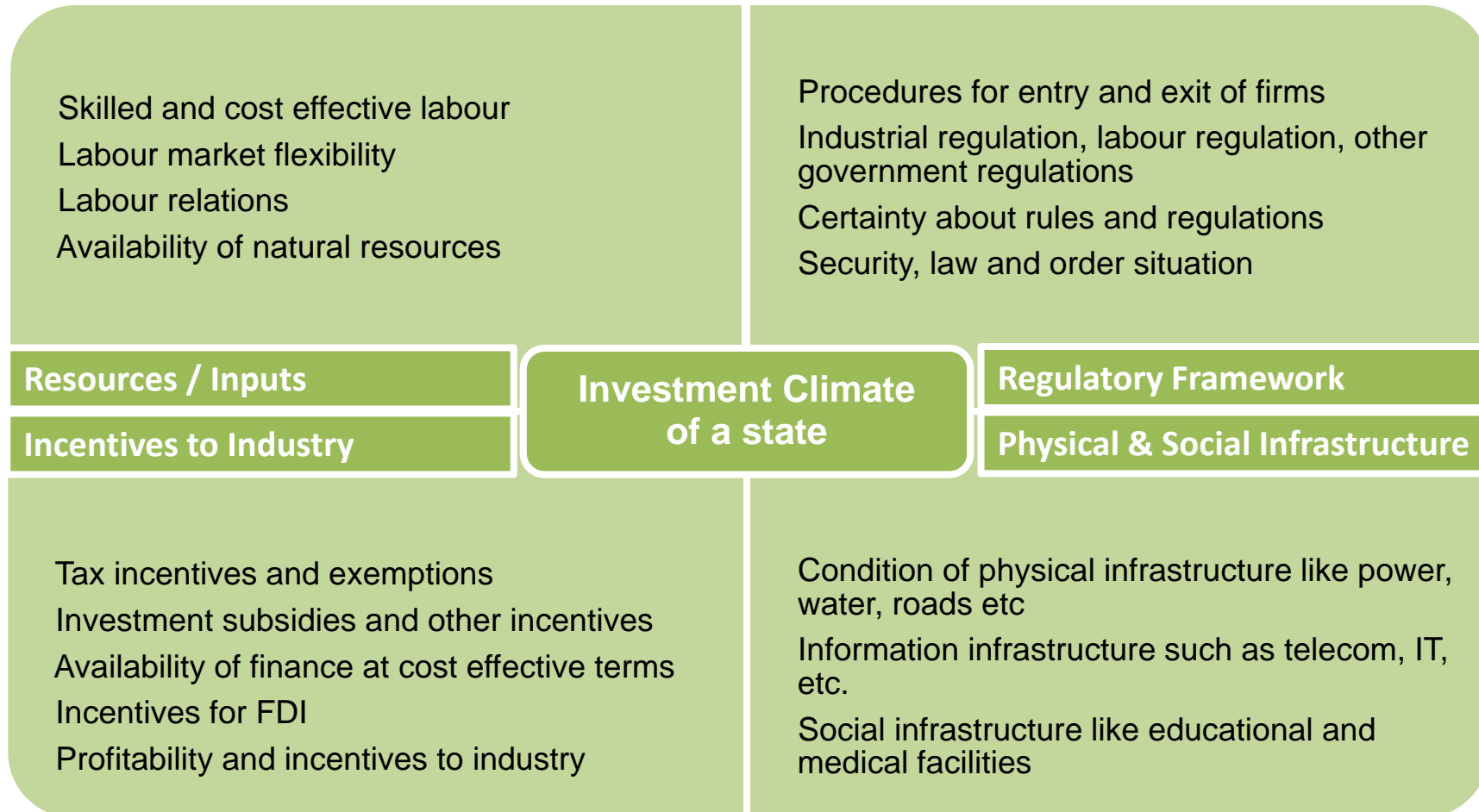


TAMIL NADU

December 2008



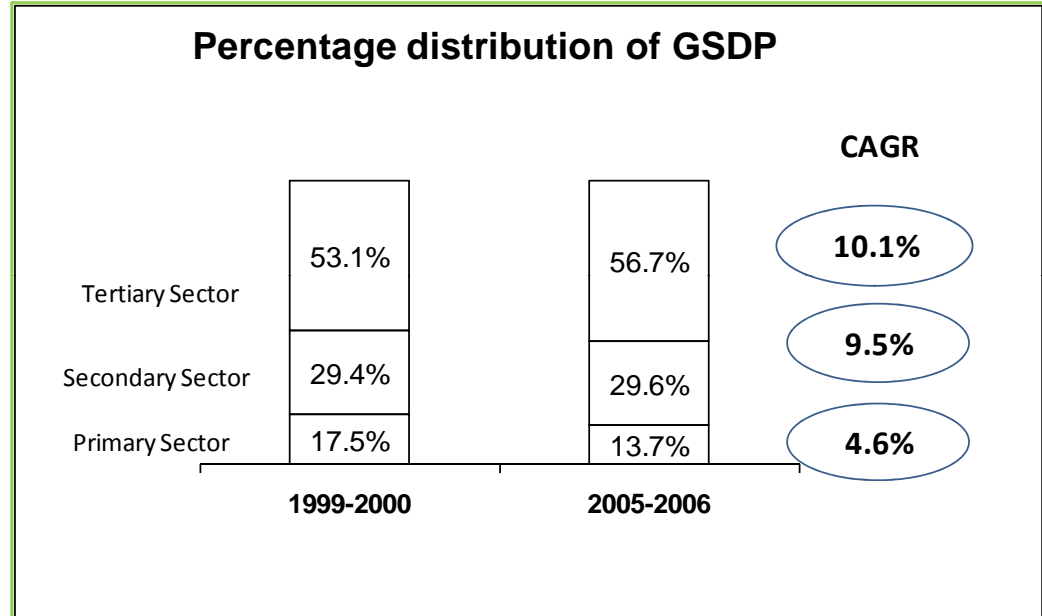
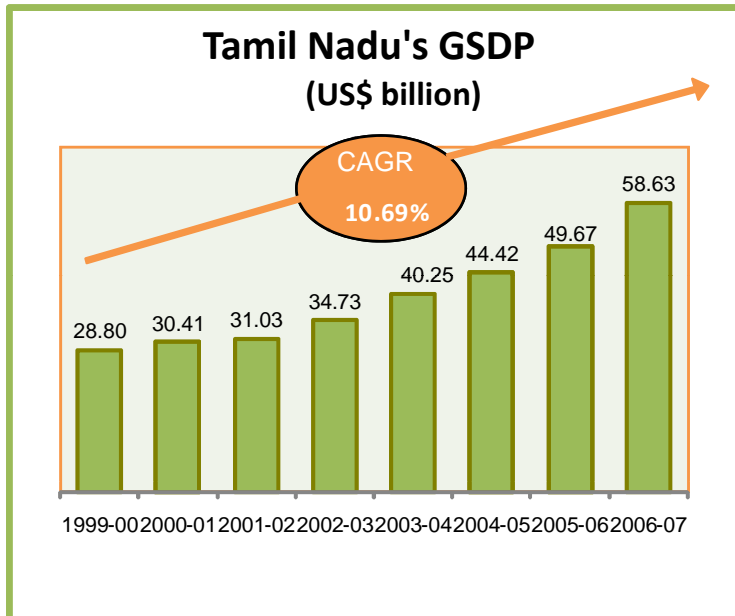
Investment climate of a state is determined by a mix of factors



Focus of this presentation is to discuss...

- ⌘ Tamil Nadu's performance on key socio-economic indicators
- ⌘ Availability of social and physical infrastructure in the state
- ⌘ Policy framework and investment approval mechanism
- ⌘ Cost of doing business
- ⌘ Key industries and players

Tamil Nadu's economic performance has been impressive, driven by all three sectors of the economy – 1/2

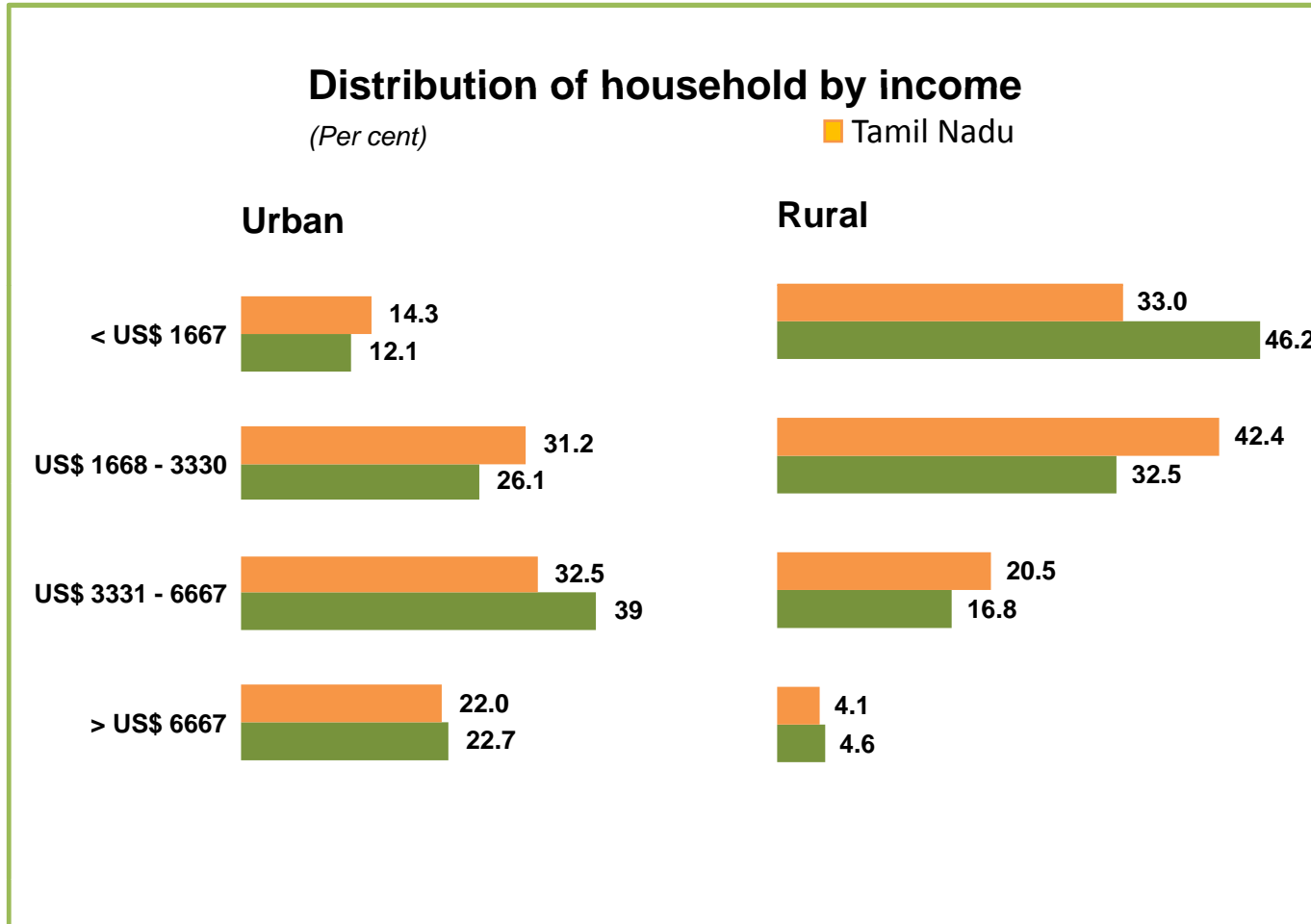


Source: CMIE

Tamil Nadu's economic performance has been impressive, driven by all three sectors of the economy – 2/2

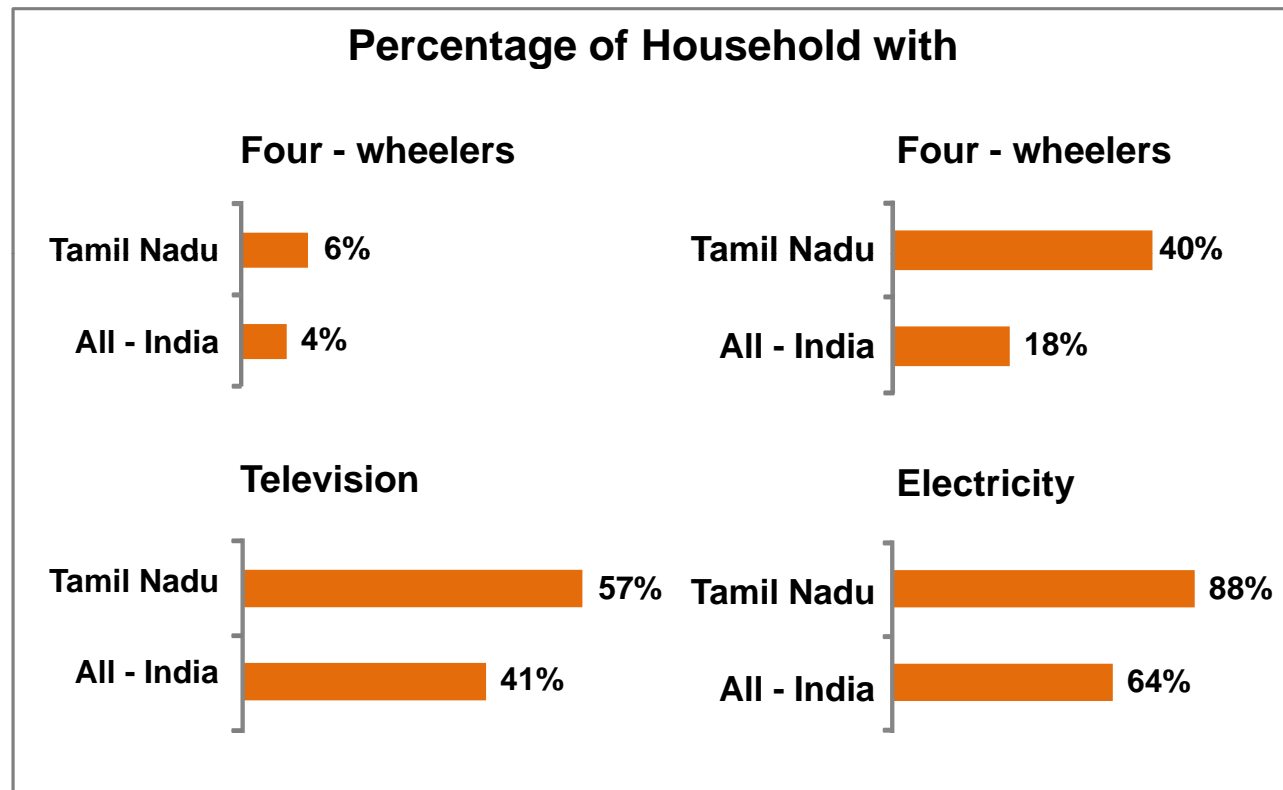
- The state's GDP grew an impressive 10.69 per cent between 1999-00 and 2006-07 to reach US\$ 58.63 billion.
- Within the primary sector, agriculture and allied activities registered the highest growth.
- Share of secondary sector in GSDP was 29.6 per cent in 2005-06, its growth being driven by registered and un-registered manufacturing, which achieved a growth of 9.3 per cent between 1999-00 and 2005-06.
- Share of tertiary sector to GSDP was 56.7 per cent. Trade, hotels and restaurants, the largest sub-group of the sector registered a growth of 5.9 per cent.

Households in the state have higher disposable incomes as compared to the rest of the country – 1/3



Source: The Market Skyline of India 2006 by Indicus Analytics

Households in the state have higher disposable incomes as compared to the rest of the country – 2/3



Source: *The Market Skyline of India 2006* by Indicus Analytics

Households in the state have higher disposable incomes as compared to the rest of the country – 3/3

- The per capita income of Tamil Nadu was US\$ 664.9 in 2004-05, which is higher than the all-India average of US\$ 514.2.
- Distribution of households by income shows that share of households in higher income categories in Tamil Nadu greater than for all-India, a trend common for rural as well as urban households.
- In ownership of assets like two/four wheelers and consumer electronics, Tamil Nadu is way ahead as compared to all-India.

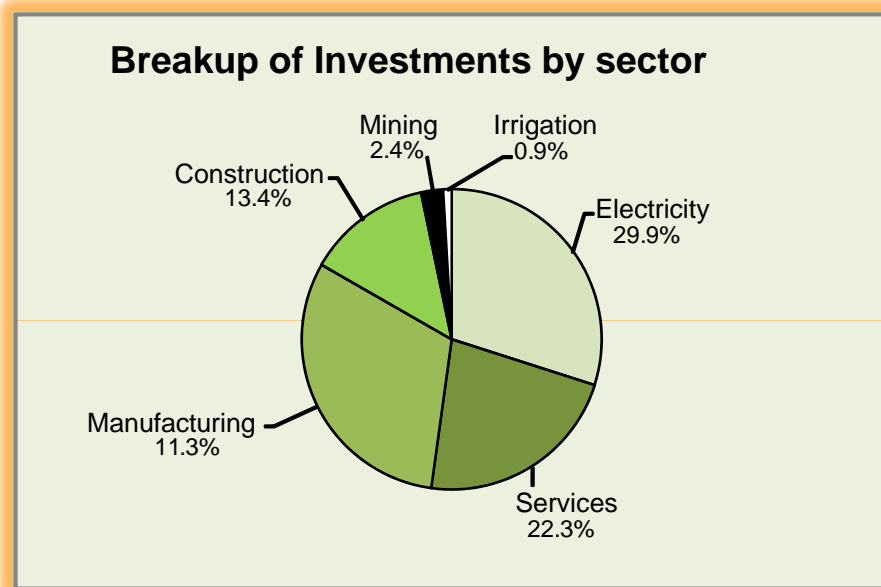
Small scale units play a vital role in the state's economy

- State ranks next only to Maharashtra in terms of contribution to manufacturing sector to NSDP.
- The index of industrial production in the state during 2005-06 registered a growth of 8.5 per cent as compared to 8.2 per cent in the previous year. The manufacturing group with highest weight in the index performed well during 2005-06 with a robust growth of 9.3 per cent.
- The number of strikes and lockouts were lower at 71 in 2005 as against 86 in 2004.
- Many heavy engineering and manufacturing-based companies are centred in and around Chennai.
- Micro and small industries account for 95 per cent of the industrial units, 40 per cent of the output in manufacturing sector and 35 per cent of exports.
- The Tamil Nadu Small Industries Corporation Ltd (TANSI) formed in 1965 is a conglomerate of 64 Industrial Units.

Key industries in Tamil Nadu

- Textiles
- Heavy commercial vehicles
- Automobiles & auto components
- Railway coaches
- Power pumps
- Leather tanning industries
- Cement
- Paper
- Safety matches

Tamil Nadu has witnessed a strong inflow of investments in the manufacturing sector



Source: CMIE

- Outstanding investments in the state were roughly US\$ 89.3 billion as of March 31, 2008 of which roughly 41 per cent is under implementation.
- The electricity sector attracted bulk of total investment at US\$ 23.6 billion
- Services sector drew the second highest investment worth US\$ 17.6 billion.

Key industries – district-wise... 1/2

District	Industries
Coimbatore	Textile mills, motor pump sets and engineering goods
Cuddalore	Fisheries, khadi and village industries
Dharmapuri	Sugar Mills
Dindigul	Tannery, lock & safe manufacturing, food processing industries
Erode	Sugar mills, Poultry farms, handloom & power loom, leather
Kanchipuram	Textiles
Kanyakumari	Fisheries
Karur	Paper, textile, sugar, bus body building
Krishnagiri	Granite Processing Units
Madurai	Chemical, agro based, mechanical engineering, glass ceramics, Hosiery, leather
Nagapattinam	Cottage industries & handicrafts
Namakkal	Poultry, Textile weaving, truck body building
Perambalur	Cement
Pudukkottai	Straw based industries, agro based, cashew

Key industries – district-wise...2/2

District	Industries
Ramanathapuram	Spinning mills
Salem	Mineral based industry, sandalwood, dairy
Sivaganaga	Textiles
Thanjavur	Agro based industries such as coconut and palm oil
Nilgiris	Tea
Theni	Handloom, food processing, safety matches
Thoothukudi	Power, match industry, chemical and fishing industries, pearls
Tiruchirapalli	Textiles, engineering
Tirunelveli	Mineral based industry
Thiruvallur	Fertilizers, refineries
Tiruvannamalai	Spinning mills, textile mills
Tiruvarur	Khadi & Village industries
Vellore	Leather & leather based industries
Villupuram	Sugar
Virudunagar	Textile mills, cement factories, match & fireworks and printing

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Skilled as well as unskilled labour is available in the state – 1/3

- Over 85 per cent of the workforce are main workers.
- Ample workforce availability (both skilled and unskilled) makes Tamil Nadu an attractive investment destination.
- A sizeable section of the labour force (nearly 50 per cent) depends on the primary sector.
- Organised sector employment has declined over the years due to increasing employment opportunities from un-organised sector and intentional downsizing of employment in the public sector.
- According to Confederation of Indian Industry (CII), additional educational infrastructure through public-private partnerships would train 80,000 students annually over the next decade.

Source : www.tn.gov.in

Skilled as well as unskilled labour is available in the state – 2/3

Employment Exchange Offices in Tamil Nadu as of 2005-06	
• Employment Exchange Offices	36
• Registration during the period	636,919
• Placements during the period	16,201
• Number on the Live Register	3,767,375
Employment in Public Sector (Status up to December 31, 2005)	
• Central Government	230,696
• State Government	582,174
• Central Quasi Government	178,994
• State Quasi Government	335,182
• Local Bodies	174,448

Source : Department of Employment and Training, Chennai

Skilled as well as unskilled labour is available in the state – 3/3

Organised Sector Employment			
Category	2003-04	2004-05	2005-06
Public Sector	1540.3	1512.8	1500.8
Private Sector	741.3	765.9	729.7
Total	2281.6	2278.7	2230.5

Source : Department of Employment and Training, Chennai

Social infrastructure in the form of educational and medical institutions is strong

Education infrastructure

- Primary education is strong in the state, with about 3,720,489 students in primary schools in 2005-06.
- Higher education is a strong point in the state, with 252 engineering colleges, 236 polytechnic, 661 industrial training institutes and 1150 arts colleges.
- Private participation in technical & vocational education is being encouraged.
- At present, about 1,506 schools are imparting vocational education for 148,684 children in the state.

Medical infrastructure

- Tamil Nadu has 315 hospitals, 8683 health sub centres, 1417 primary health centres and 213 dispensaries for modern medicine.
- The daily average in-patient and out-patient strength ranges to 20,925 and 68,908 respectively.
- Life expectancy at birth for male is 67 years whereas for female it is 69.8 years in the state during the period 2000-06 as against the all India average of 64.1 years and 65.4 years respectively.
- The state exhibits better health ratios as compared to the national average.

Tamil Nadu has one of the best infrastructure for collection of savings and disbursal of credit

Financial institutions in Tamil Nadu

• Rural bank branches	1,606
• Semi-urban bank branches	15,362
• Urban bank branches	23,152
• Primary agricultural credit societies	4,892
• Indian commercial banks	4,936

Source: Reserve Bank of India

- The banking network in Tamil Nadu has a deposit mobilisation of US\$ 29.9 billion and credit disbursement of US\$ 32.6 billion.
- During 2005-06, deposit mobilisation and credit disbursement recorded an increase of 22 per cent and 18 per cent respectively over the previous year.
- Tamil Nadu has the highest Credit-Deposit ratio in the country. The Credit-Deposit ratio worked out to 109.05 per cent in 2005-06 as against 99.84 per cent in the last year.
- The per bank branch deposit was US\$ 6.1 million in 2005-06 as against US\$ five million in 2004-05.
- The corresponding figures for credit per bank branch were US\$ 6.7 million and US\$ five million.

Transport infrastructure is adequate and is also being ramped up...1/2

Roads

- Tamil Nadu is among the first states in India with 100 per cent connectivity of rural areas with metalled roads.
- Road density is 1588 km/1000 Sq. Km. against national average 580 km/1000Sq.Km.
- Terminus to the Golden Quadrilateral project,
- To upgrade road infrastructure, Government is implementing a World Bank funded project at a cost of US\$ 500 million.

Civil Aviation

- International airports at Chennai and Trichy, third largest airport in India. Domestic airports at Chennai, Coimbatore, Tuticorin, and Madurai.
- Air cargo complex of 12,000 Sq. mt. under expansion with a present cargo handling capacity of 110,000 MT.
- Seven international airlines operate 28 exclusive cargo flights per week.
- EDI facility exists for customs clearance.

Transport infrastructure is adequate and is also being ramped up...2/2



Railways

- Tamil Nadu is well connected having 4,180 Km. with a density of 32.2 Km. per 1000 Sq. Km.
- Main railway junctions include Chennai, Coimbatore, Madurai and Tiruchirapalli .
- Chennai has a well-established Suburban Railway network and is in the process of developing a metro.



Ports

- Tamil Nadu has three major ports: Chennai Port, Ennore Port and Tuticorin with twin ports at Chennai and Ennore apart from 14 minor ports.
- The volume of cargo in the ports grew by 13 per cent in 2006.
- Cuddalore, Colachel, Karaikal, Pamban and Valinokkan are currently capable of handling over 73 million metric tonnes of cargo annually (24 per cent share of India).

The situation in the power sector and telecommunication is encouraging – 1/2

Power

- The state has installed generation capacity of 13,276 MW - the second largest in India, of which four thermal stations have generating capacity 2,970 MW, four Gas turbine stations have generating capacity 424 MW.
- The state is one of the few Indian states with surplus power electricity, enabling the state to sell power to neighbouring states of Andhra Pradesh & Karnataka.
- Power generation increased by a healthy 19.94 per cent in January 2007 as compared to January 2006.
- The Union Budget has allocated a sum of US\$ 62 million for setting up four more nuclear reactors in the state with an aggregate capacity of 4,000 MW.

The situation in the power sector and telecommunication is encouraging – 2/2

Telecommunications

- The state has a teledensity of eight against the national average of 5.1.
- According to estimates by Telecom Regulatory Authority of India, the number of wireless connections in Tamil Nadu was 22.4 million and the number of wireline subscribers was 2.38 million as of September 2008.
- Bharti – Sing Tel Submarine cable link between Chennai-Singapore with bandwidth of 8.4 terabits per second; a second submarine cable with 5.12 terabits per second commissioned by VSNL.
- The state has 12,196 post offices, of which 8,692 post offices offered postal services and 3,504 provided telegraph services too.

The situation in the information technology sector is encouraging

Information Technology

- More than 1,400 companies are operational with over 145,000 professionals employed.
- Chennai is the second leading software exporter in India, after Bangalore.
- Government of Tamil Nadu promoted Information Technology Park – the TIDEL Park – catalyzed the development of the Information Technology Corridor of Chennai.
- One of the first states in the country to announce a separate 'IT Policy'.
- One of the first states in the country to have a comprehensive policy for non-exclusive use of the public right of way by organizations in the private/public sector for laying high bandwidth optic fibre cables throughout the state.
- Software companies (including services and training) in Tamil Nadu are assured of uninterrupted power supply, and exempted from Pollution Control regulations, Factories Act and certain provisions of the Tamil Nadu Shops & Establishment Act.

Industrial Infrastructure is being built up

Infrastructure	Details
Madras Special Economic Zone (MEPZ)	Established in 1984 to promote FDI. One of the seven EPZs set up by the Government of India. Multi-product zone housing 101 functional units. Another eight units are under implementation.
Ennore SEZ Co. Ltd (ESCO)	Has been formed to implement a SEZ Project near Ennore. About 2500 acres have been earmarked at US\$ 90 million.
SEZ in Krishnagiri District	TIDCO has received “in-principle” approval from Government of India for establishing a multi product Special Economic Zone in an area of about 1055 Hectares in the Hosur and Denkanikotta taluks of Krishnagiri District. The cost of developing this SEZ has been estimated as US\$ 110 million.
Apparel Parks	Two Apparel Parks have been set up one at Tiruppur and other at Irungattukottai near Chennai at a total project cost of US\$ 133 million including the Government of India's assistance of US\$ 6.5 million. The establishment of Park at Tiruppur has been completed and it has also commenced production.
Hi-Tech Weaving Parks	The Government have decided to establish Hi-Tech Weaving Parks in the following three places : Cauvery Hi-Tech Weaving Park, Kumarapalayam, Vaigai Hi-Tech Weaving Park, Andipatti and Palladam Hi-Tech Weaving Park, Palladam.

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⌘ Key industries and players

Key nodal agencies in Tamil Nadu – 1/2

Tamil Nadu Industrial Development Corporation Ltd. (TIDCO)

- Established in 1965 as a Government of Tamil Nadu Enterprise to promote large and medium scale industries in Tamil Nadu
- Currently focusing on promoting infrastructure projects, Industrial Parks and Special Economic Zones.

State Industries Promotion Corporation of Tamil Nadu (SIPCOT)

- Focuses on developing, marketing and maintaining industrial complexes/parks and growth centres and implementing Infrastructure Development Schemes.

Tamil Nadu Industrial Investment Corporation Ltd. (TIIC)

- Provides financial assistance by way of term loans for purchase of land, plant and machinery and construction of buildings for setting up of new industrial units as well as for expansion, modernization and diversification of existing units anywhere in the state.
- Also extends term loans to the service sector in the state.

Key nodal agencies in Tamil Nadu – 2/2

Tamil Nadu Urban Development Fund (TNUDF)

- Provides project advisory, financial advisory and consultancy services to various ULBs through its fund manager, Tamil Nadu Urban Infrastructure Financial Services (TNUIFSL).

Tamil Nadu Urban Finance Infrastructure Development Corporation (TUFIDCO)

- Extends financial assistance to urban infrastructure schemes in Tamil Nadu.

Key nodal agency for Single Window Clearance

Tamil Nadu Industrial Guidance and Export Promotion Bureau (Guidance Bureau)	State-level Nodal Agency for Single Window Clearance
Purpose	<ul style="list-style-type: none"> • To attract industrial projects and promote investments in Tamil Nadu, • To function as a Single Window Facilitation and Documentation Centre for major investment proposals. • Provide comprehensive information support to investors about federal and state Government policies, infrastructure support, taxation, investment opportunities etc. • To function as Tamil Nadu NRI Consortium cell to facilitate NRI investments in the state. • To monitor implementation of foreign investment proposals approved by Government of India.
Composition	Funded by a corpus fund of created by equal annual contribution each by five organizations namely TIDCO, SIPCOT, TIIC, ELCOT and SIDCO.

Attractive investment climate in the state being created through investment friendly policies, including sector specific policies...1/7

Industrial Policy 2003 and 2007

Aims to create foreign and local ventures through investor friendly and transparent decision-making processes, harmonious industry relations and attractive incentive packages

Key initiatives under this Policy include the following

- Target a growth rate of the order of eight per cent over the Tenth Plan period.
- To reorient strategy to facilitate new manufacturing capacity building based on improved competitiveness. The state will promote foreign direct investment in to new manufacturing capacity.
- Assist the existing industrial base to consolidate its gains and promote its efficient growth in the highly competitive domestic and export markets.
- Engender private public partnerships and create an environment which enables the flow of substantial domestic and foreign capital for infrastructure building.
- New Industrial Policy for 2007 has been announced - aims to develop quality infrastructure including social infrastructure like skill development centres, housing, business centres, restaurants, financial services, schools and hospitals.
- In order to have equitable regional development, proposals for special economic zones (SEZ) in industrially backward areas will be given priority.
- Separate policy announced for micro, small and medium industries in 2007-08.

Attractive investment climate in the state created through investment friendly policies, including sector specific policies...2/7

IT Policy

To sustain the current momentum in IT and accelerate to reap the twin benefits of economic prosperity and increased employment

Key focus areas for 2007-08 under this Policy include:-

- To establish an e-Governance Training Academy to train officers and staff of all Government Departments,
- To establish IT parks in Coimbatore, Madurai, Trichy, Salem and Tirunelveli apart from new one in Chennai,
- To establish a National Centre of Excellence called “Indian Institute of Information Tehnology, Design and Manufacturing”
- In 2005-06, the number of units registered with the STPI was 1,437 and 162 new companies were registered in 2006-07.

Attractive investment climate in the state created through investment friendly policies, including sector specific policies...3/7

ITES Policy

To facilitate the growth of ITES sector

Key initiatives include

- To get the maximum global ITES investments to Tamil Nadu,
- To develop Human Resources specific to ITES Sector,
- To create world class infrastructure for IT & ITES and an enabling frame work for protection of intellectual property and data,
- To generate employment and other ITES opportunities in major cities in Tamil Nadu,
- To provide a conducive environment for the sector by reducing regulations and increasing opportunities.

Attractive investment climate in the state created through investment friendly policies , including sector specific policies...4/7

Tourism policy

Three pronged strategy of attracting more tourists, making them stay for a longer period, and providing them with world-class infrastructure facilities (Tourism declared an Industry in Tamil Nadu)

Key focus areas for 2007-08 :

- To participate in International Travel Marts to attract tourists,
- Beautification of select tourism destinations,
- Development of Eco-Tourism circuit,
- To promote rural tourism,
- To introduce “Hop on - Hop off” Tours in Chennai,
- To establish sculptors park for sculptors and artisans in Mamallapuram.

Attractive investment climate in the state created through investment friendly policies , including sector specific policies...5/7

Biotech policy

Focuses on providing modern processes together with traditional biotechnology products, especially in the area of industrial and food enzymes

Key initiatives under this Policy include

- Focus on Medical / Human & Animal Healthcare, Agriculture-food, Environment, and Industrial Products,
- Creation of Biotechnology Enterprise Zones (Bio-Valleys),
- Regulatory facilitation for establishing a Biotech entity for commencing research activity,
- Strengthening of the Human resource pool,
- Establishment of Emerging Technologies fund for biotechnology,
- Establishment of Tamil Nadu Biotechnology Board.

Attractive investment climate in the state created through investment friendly policies , including sector specific policies...6/7

SEZ policy 2003

Focuses on

Key initiatives under this Policy include

- To provide legislative support to SEZs,
- To provide adequate water supply within SEZs,
- Ensure continuous power supply of required quality to SEZ units,
- To provide single window clearance to all SEZ units.

Attractive investment climate in the state created through investment friendly policies , including sector specific policies...7/7

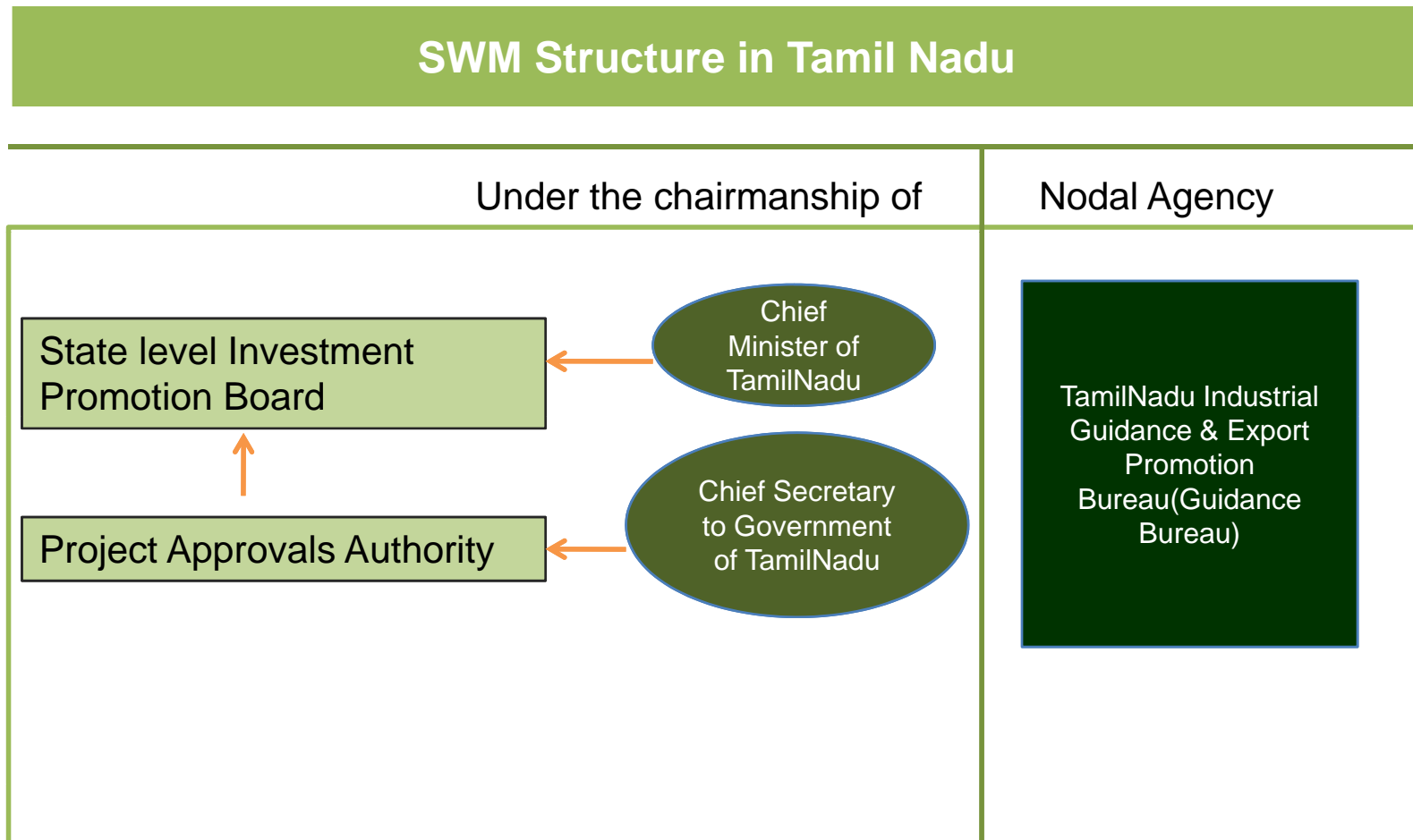
Textiles policy 2006-07

Aims at facilitating and promoting growth of textile industry, achieve global standards in product quality, contribute more to exports and to encourage textile clusters

Thrust areas include

- Produce textiles to cater satisfactorily to the quantity, quality and price requirements of both domestic and international markets, keeping in view the industry's potential for employment,
- Identification of markets, products for each market, inputs required, technology, human and financial resources.

Two-tier Single Window Clearance mechanism exists to facilitate speedy implementation of industrial projects - 1/2



Two-tier Single Window Clearance mechanism exists to facilitate speedy implementation of industrial projects – 2/2

- Single Window Clearance mechanism established to avoid procedural delays and accord all pre-project clearances at the state Government level:
 - Project Approvals Authority (PAA) under the Chief Secretary to Government to monitor and hasten the projects with investment less than 0.02 billion,
 - State level Investment Promotion Board (SIPB) under the chairmanship of the Chief Minister of Tamil Nadu to monitor and expedite all mega projects exceeding 0.02 billion.
- Common Application Form (CAF): The Government of Tamil Nadu has introduced a common form (CAF) to be filled and filed by investors with the Documentation and Clearance Center (DCC) in Guidance Bureau.

Concerned Agencies and time estimates for starting business in Tamil Nadu

List of approvals and clearances required	Departments to be consulted	Estimated time taken (days)
Incorporation of the company	Registrar of companies	SINGLE WINDOW CLEARANCE GUIDANCE (state's single window clearance facility) clears investment proposals in 30 days on an average. The single window obtains all approvals necessary for the investment proposal within the aforementioned time.
Registration, IEM, Industrial licences	District Industry Centre	
Allotment of Land	State Department of Industries/State Industrial Development Corporation	
Permission for land Use	State DI, Department of Town and Country Planning	
Site environmental approvals	State pollution control board and Ministry of environment and forests	
No Objection Certificate and consent under water and pollution control Acts	State Pollution Control Board	
Approval of construction activity and building plan	Town and Country planning authority	
Sanction of Power	State electricity Board	
Registration under states sales tax act and central and state excise act	Sales tax department, Central and state excise departments	

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- ⌘ **Cost of doing business**
- ⌘ Key industries and players

Cost of doing business in Tamil Nadu

Cost of land *	US\$ eight per Sq.mt.
Hotel costs**	US\$ 50 to US\$ 150 per room night
Cost of office space***	US\$ 0.6-1.2 per Sq.ft. per month
Cost of residential space***	US\$ 225 to US\$ 550 per month for a 2,000 square feet house (Rates depend on the type of structure and location)
Power cost****	Commercial & Industrial use: 10 cents per kWh
Cost of water*****	Commercial & Industrial: 30 cents per 1000 litres

*Source: Average cost of land at various Industrial Parks in Tamil Nadu

**Source: Leading hotels in the state

***Source: Discussions with property dealers

****Source: Tamil Nadu State Electricity Board

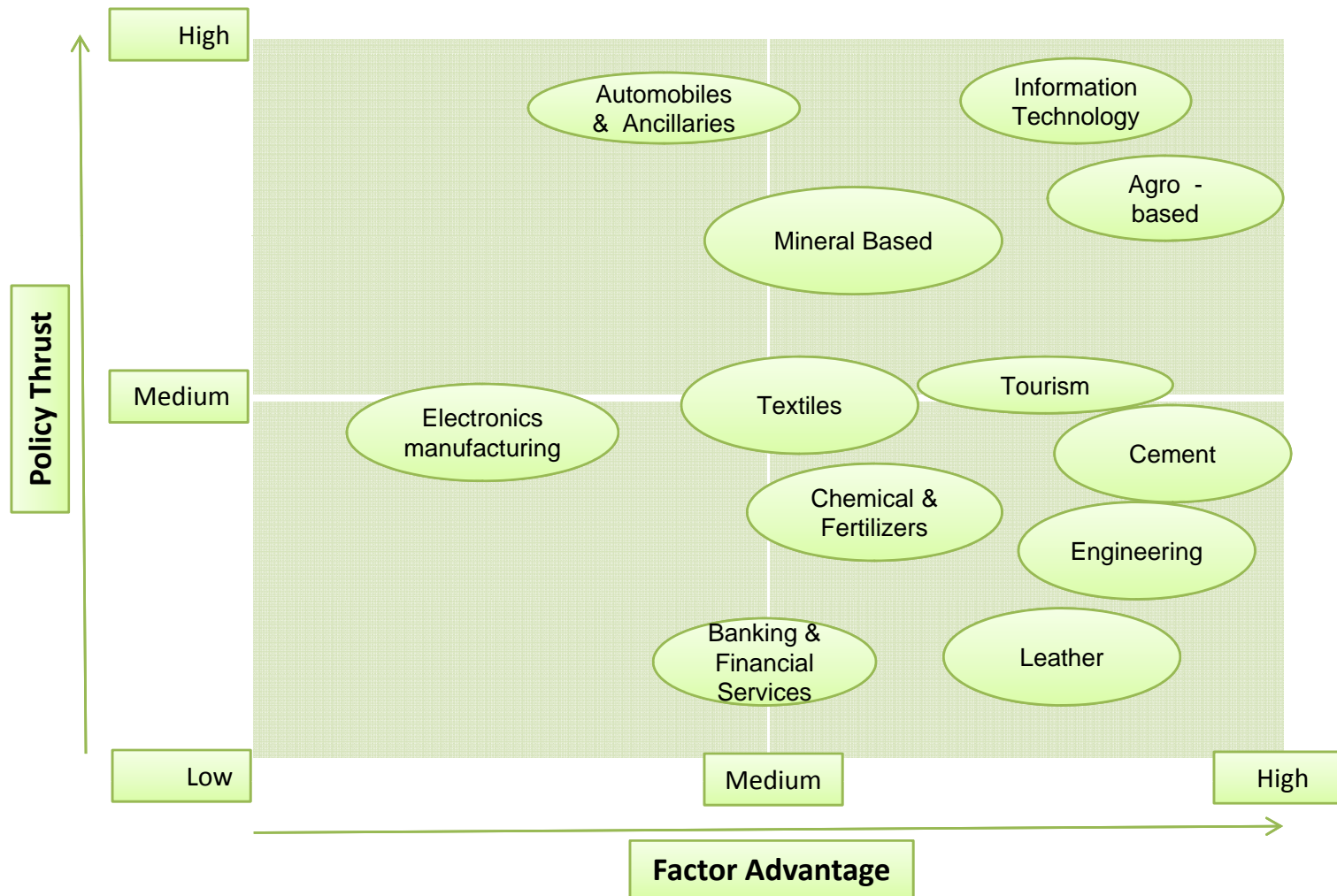
*****Source: Tamil Nadu Water Authority

Costs taken as on October 1, 2007

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- ⌘ Key industries and players

Key industries that have developed in the state are a result of the policy thrust of the government and several factor advantages



Overview of the textile industry in Tamil Nadu

Overview

- Tiruppur, known as knitting city has about 3,000 exporters,
- Tamil Nadu has a large cotton textile industry cluster which accounts for about 39 per cent of India's production capacity.
- Chennai is known for woven garments with about 2,400 registered exporters.
- Textiles and garment exports are about US\$ three billion.
- Major part of business comes from Coimbatore and Tiruppur
- Karur, Madurai, Rajapalayam are other textile centres.

Key Players

- Madura Coats

Key players in the textile segment

Madura Coats

- Started in 1974 as a result of the merger of Madura Mills, J&P Coats and A&F Harvey,
- Has the unique distinction of being the only professionally managed multinational company in the textile industry,
- MCL supplies its products to clients such as Clairborne, Lee, Levis, Gap, Nike, Adidas, Tommy Hilfiger, among others,
- Operates through two divisions – Coats India and Global Thread Supply India.

Overview of the automotive and auto-components industries in Tamil Nadu

Overview

- Net sales of the auto industry have grown by over 13 per cent in the year 2006 showing a profitability of over 54 per cent in the same year.
- Chennai is fast emerging as a major export hub for cars in South East Asia.
- Share of Tamil Nadu in the Indian automotive industry is 30 per cent.
- Share of sub-sectors in the auto industry : auto components is 30 per cent, trucks is 17 per cent, passenger cars is 20 per cent and two wheelers is 20 per cent.
- The main thrust to the auto industry has come because of skilled manpower coupled with the state's strong engineering industry background.

Key Players

- Ford
- Hyundai
- Visteon
- Sundaram
Fasteners
- Rane TRW

Key players in automotive industry – 1/2

Ford Motor Company



- Established in 1995 with an investment of US\$ 351.1 million under the single window policy, a wholly owned subsidiary of Ford Motor Company.
- Ford's plant is located in Maraimalai Nagar near Chennai and has the capacity to produce 100,000 vehicles per annum.

Hyundai Motor India



- Established in 1997 with an investment of US\$ 614 million, a subsidiary of Hyundai Motor Company.
- The plant in Chennai stands on a plot of over 500 acres and has been built with an initial investment of more than 0.5 billion and presently markets over 18 variants of passenger cars across four models.
- HMIL is ISO 14001 certified and recorded sales of over 500,000 units in a period of five years.

Key players in automotive industry – 2/2

Mitsubishi Motors



- Present in India with a tie-up with Hindustan Motors,
- Has set up a state-of-the-art manufacturing unit at Tiruvallur near Chennai at the cost of US\$ 71 million,
- Main functional areas of the facility are the body (weld) shop, paint shop, assembly shop and quality line.

Ashok Leyland



- Company of the Hinduja group, was established in 1948 and is involved in manufacturing commercial vehicles,
- Had a turnover of US\$ 1.9 billion in 2007-08,
- It is India's largest exporter of medium and heavy duty trucks,
- It became the first in India's automobile history to win the ISO 9002 certification in 1993,
- Recently announced the takeover of the Avia Truck Business Unit in Czech Republic for an undisclosed amount, giving it a foothold in the highly competitive European truck market.
- Its mother plant is located at Ennore, near Chennai.

Key players in auto-components industry – 1/2

Sundram Fasteners



- Part of the TVS Group, headquartered in Chennai,
- First Indian Company to get ISO 9000 certification,
- First Indian component manufacturing company to have won the prestigious TPM Excellence and Consistency Award from the Japan Institute of Plant Maintenance.

Rane TRW



- Part of the Rane Group, with manufacturing facility at Alwarpet,
- Involved in manufacture of steering systems and seat belt,
- Both divisions have joint venture partnership with TRW automotive JV LLC, USA,
- Won the Deming Prize in 2005.

Key players in auto-components industry – 2/2

Visteon



- Started its operations with two projects on a 50-acre facility at Maraimalai Nagar, near Chennai in 1999 under the single window policy of the Government,
- Visteon's customer base includes the 19 largest vehicle manufacturers in the world and has a global system with over 170 technical, manufacturing, sales and service facilities in 26 countries.

Premier Instruments & Controls Ltd.



- Established in 1974, headquartered in Coimbatore with factories in Uttaranchal, Gurgaon and Pune,
- 53 per cent share in the automotive instruments market,
- Certified ISO 9001 since 1993 and QS 9000 since 2001.

Overview of the engineering industry in Tamil Nadu

Overview

- Strong engineering base exists in Tamil Nadu (concentrated in Chennai, Coimbatore and Salem).
- The exports of engineering products from Tamil Nadu is around US\$ 320 million.
- The strong engineering base consists of a network of nearly 3,000 units, employing a skilled workforce of over 0.25 million, making high quality inputs such as castings and forgings and a wide variety of ancillary products.

Key Players

- Amalgamations Group
- Ashok Leyland
- BHEL
- Caterpillar
- Murugappa Group
- PRICOL
- Saint Gobain
- Sanmar Group
- TVS Group

Key players in engineering industry..1/4

Amalgamations Group



- One of the largest light engineering conglomerates comprising of more than 40 companies, 27 manufacturing plants and a workforce of over 14,000.
- Group's primary focus is Engineering and has been serving a range of sectors such as Farm Mechanisation, Automotive Components, Diesel Prime Movers, Light and General Engineering etc.

Bharat Heavy Electricals Ltd.



- Established in the late 1950s, BHEL is the largest engineering and manufacturing enterprise in India in the energy-related infrastructure sector.
- Principal activities are to manufacture and distribute electrical, electronic, mechanical and nuclear power equipment,
- Has a wide network of 14 manufacturing divisions, four Power Sector regional centres, over 100 project sites, eight service centres and 18 regional offices.

Key players in engineering industry..2/4

**Caterpillar
India Pvt.
Ltd.**



- Wholly owned subsidiary of Caterpillar Inc., headquartered at Illinois, USA,
- Manufactures a range of world-class earthmoving equipment comprising dumpers, front-end loaders, backhoe loaders, crawler tractors and hydraulic excavators,
- The company has its plant at Melnallathur, Thiruvallur district.

**Murugappa
Group**

- A US\$ two billion conglomerate headquartered in Chennai with interests in engineering, abrasives, sanitaryware, fertilizers, finance, bio-products and plantations.
- With 40 units spread across 12 states in India, the Murugappa Group is one of India's oldest business houses.
- Some of the group companies having a presence in Tamil Nadu include Carborundum Universal Ltd, Cholamandalam Investment & Finance Co Ltd, Coromandel Fertilizers Ltd, EID Parry (India) Ltd, Godavari Fertilizers & Chemicals Ltd, Parry Agro Industries Ltd and Tube Investment of India Ltd.

Key players in engineering industry..3/4

Lakshmi Machine Works



- Based at Coimbatore, company is a leading textile machinery manufacturer in India and one among the three in the world to produce the entire range of spinning machinery.
- Caters to around 60 per cent of the domestic market and has emerged as the leader in the export of textile machinery from the country,
- Has diversified into CNC machine tools and is a brand leader in manufacturing customized products.

Sanmar Group



- Headquartered in Chennai, has set benchmarks for global partnerships in chlorochemicals, speciality chemicals, engineering and life insurance,
- The group also has a presence in shipping and software.

Key players in engineering industry- 4/4

**TVS
Group**



- Established in 1911 and is India's leading supplier of automotive components and one of the country's leading business conglomerates.
- Group comprises over 29 companies that operate in diverse fields like automotive component manufacturing, automotive dealerships and electronics,
- The Group has a turnover of over US\$ four billion and is the largest manufacturer of automotive components in the country with a workforce of over 25,000.
- TVS Motors, Brakes India, Lucas TVS Ltd, Sundram Fasteners and Wheels India are some of the major subsidiaries of the Group that have a presence in Tamil Nadu.

Overview of the IT Industry

Overview

- Tamil Nadu has emerged as a centre for IT investments.
- In the year 2006 overall growth in net sales was 19.5 per cent and overall growth in net profit was 354.4 per cent in the IT sector.
- Software exports in Tamil Nadu have grown by 46 per cent over the previous year and touched US\$ five billion in 2006-07.
- The portfolio consists of application software and system software, which has the highest share with around 70 per cent, ITES and BPO with 13 per cent, communication software, VLSI Design and web solutions with a share of eight per cent, IT consultancy with a contribution of six per cent and product development with a contribution of three per cent.
- So far, 1,437 software companies have established their facilities in the state.

Key Players

- CTS
- Computer Associates
- Xansa

Key players in IT industry – 1/2

CTS



Cognizant
Technology
Solutions

- Founded in 1994 in Chennai, employs over 40,000 and has global delivery centres in Asia, Europe and North America,
- The company holds SEI CMM Level 5, ISO 9001, P-CMM Level 5 certification for its performance and quality.

Computer Associates



Computer Associates™

- CA set up its Global Technical Support Centre at Chennai in 2000, which is involved in providing technical support its global clientele.
- The centre currently operates with an employee strength of over 200 professionals.

Key players in IT industry – 2/2

Xansa



- Established with an initial investment of over US\$ 47 million under the single window policy,
- Services include business and technology consulting, IT implementation, IT outsourcing and BPO,
- Chennai campus spread over 27 acres, has the potential to house up to 6,000 employees.

Polaris



- One of India's leading solutions and service provider with a focus on banking, financial services and insurance sectors,
- Headquartered in Chennai,
- Polaris is credited with the highest CAGR amongst Indian IT companies. It is also world's first CMMi (Capability Maturity Model Integrated) Level 5 Certified Company.

Overview of the cement industry in Tamil Nadu

Overview

- Tamil Nadu is a leading cement manufacturer in the country.
- During 2005-06, the cement production in the state was 14.3 million tonnes per annum (mtpa) against 10.1 mtpa on an All-India level.
- During 2005-06, the state reported a cement consumption of 11.1 mtpa with a cement and clinker export of 0.3 mtpa.
- Ready-mix concrete is a big business in the state.

Key Players

- ACC
- Madras Cements
- TANCEM

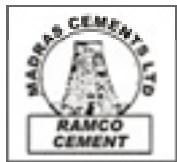
Key players in cement industry – 1/2

ACC



- India's largest cement producer with a consolidated capacity of 19.3 million mtpa with plants in 15 locations across 12 states,
- The plant in Madukkarai has an annual installed capacity of 0.96 mtpa.

Madras Cements



- Flagship of the Ramco Group, with an installed capacity of 5.99 mtpa and market share of 11 per cent in 2006,
- Has two facilities in Tamil Nadu.

Key players in cement industry – 2/2

India Cements



- Leading cement player in South India,
- Has seven cement plants out of which three are in Tamil Nadu,
- It is primarily a southern player with 89.4 per cent despatches in the South.

Chettinad Cements Corporation

- Established in 1962, has plants at Puliur, Karur district and at Karikalli, Dindigul district,
- Karur plant has an installed capacity of 0.6 mtpa and the Karikalli plant has an installed capacity of 1.20 mtpa.

Overview of the banking and financial services industry

Overview

- Chennai is the financial hub of South India and has a strong presence of major Indian financial institutions and foreign banks.
- Several banks have their back offices in Chennai.

Key Players

- ABN Amro
- Scope International
- World Bank

Key players in banking and financial services industry

ABN Amro



- Dutch-based bank set up its BPO division, the Global Support Centre in Chennai in 2002.
- Growth achieved in cash lockbox (700 clients) and international netting (10 clients),
- Centre provides both banking and non-banking services.

Scope International



- Wholly owned subsidiary of Standard Chartered Bank, UK, based in Chennai and operating in shared services centres,
- Grown to over 7,000 employees servicing 70 countries in the Standard Chartered Group within a span of one year.

World Bank



- Commenced its BPO operations at Chennai in 2001 with an initial workforce of 80.
- The size of the commercial bonds portfolio is estimated at US\$ 100 billion approximately.

Overview of the Chemicals industry in Tamil Nadu

Overview

- The chemicals industry is a prominent industry in the state of Tamil Nadu mainly situated in Manali (situated on the outskirts of Chennai), Cuddalore, Panangudi (Nagapattinam) and Tuticorin
- The chemicals industry in Tamil Nadu has shown a robust growth of 20 per cent in 2006.

Key Players

- Orchid Chemicals & Pharmaceuticals

Key players in chemicals industry

Orchid Chemicals & Pharmace uticals



- Established in July 1992 as a 100 per cent export oriented unit (EOU),
- Currently employs over 3,700 people, of which over 600 are scientists, technologists and other professionals.
- Has two manufacturing sites at Alathur, Chennai and Aurangabad and three manufacturing sites for dosage forms (at Irungattukottai and Alathur), besides two R&D centres (at Sholinganallur and Irungattukottai).

Shasun Chemical s and Drugs



- Incorporated in 1976 and is headquartered in Chennai, with a multi product production facility at Cuddalore.
- Manufactures active pharmaceutical ingredients (APIs), their intermediates and enteric coating excipients with a significant presence in some key generics.

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