

# Tamil Nadu

NOVEMBER  
2011

BLEND OF TRADITION AND TECHNOLOGY



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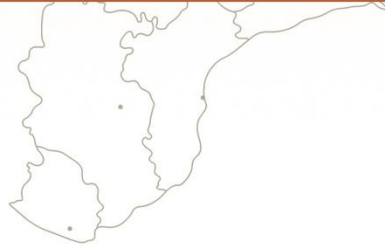
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- ❖ Tamil Nadu – An Introduction
- ❖ Infrastructure Status
- ❖ Business Opportunities
- ❖ Doing Business in Tamil Nadu
- ❖ State Acts & Policies



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## Tamil Nadu Factfile



Source: Maps of India

- Tamil Nadu is the Southern most state of India, surrounded by Andhra Pradesh from the North, Karnataka and Kerala from the West, Indian Ocean from the South and Bay of Bengal from the East.
- Tamil Nadu is among the most industrialised states in the country. Tamil is the state language; English is also commonly used for communication and as a medium of education.

→ Coimbatore, Madurai, Thiruchirappalli, Salem, Tirunelveli and Erode are some of the key cities in the state.

→ The climate ranges from dry sub-humid to semi-arid. Important rivers flowing through the state include Palar, Cheyyar, Ponnaiyar, Kaveri, Bhavani, Vaigai and Tamaraparani.

| Parameters                              | Tamil Nadu |
|---|------------|
| Capital                                 | Chennai    |
| Geographical area (sq km)               | 130,058    |
| Administrative districts (No)           | 32         |
| Population density (persons per sq km)* | 555        |
| Total population (million)*             | 72.13      |
| Male population (million)*              | 36.15      |
| Female population (million)*            | 35.98      |
| Sex ratio (females per 1,000 males)*    | 995        |
| Literacy rate (%)*                      | 80.3       |

Sources: Government of Tamil Nadu Website, www.tn.gov.in,

\*Provisional Data – Census 2011

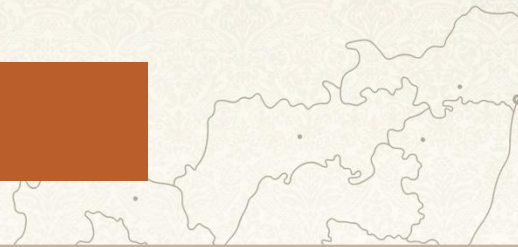
## Tamil Nadu in Figures ... (1/2)



| Parameter                                | Tamil Nadu | All-States  | Source   |
|--|------------|-------------|--|
| <b>Economy</b>                           |            |             |  |
| GSDP as a percentage of all states' GSDP | 8.0        | 100         | CMIE, as of 2009-10, current prices                                      |
| Average GSDP growth rate (%)*            | 16.1       | 15.5        | CMIE, 2004-05 to 2009-10, current prices                                 |
| Per capita GSDP (US\$)                   | 1,464.3    | 1,302.4     | CMIE, as of 2009-10, current prices                                      |
| <b>Physical Infrastructure</b>           |            |             |  |
| Installed power capacity (MW)            | 15,515.4   | 173,626.4   | Central Electricity Authority, as of March 2011                          |
| GSM cellular subscribers (No)            | 59,307,422 | 618,284,322 | Cellular Operators Association of India, as of September 2011            |
| Broadband subscribers (No)               | 1,331,956  | 10,737,850  | Ministry of Communications & Information Technology, as of November 2010 |
| National Highway length (km)             | 4,832      | 70,934      | Ministry of Road Transport & Highways, Annual Report 2010-11             |
| Major and minor ports (No)               | 3 + 15     | 12 + 187    | Indian Ports Association   |
| Airports (No)                            | 6          | 133         | Airport Authority of India   |

\*Calculated in Indian Rupee Terms

## Tamil Nadu in Figures ... (2/2)



| Parameter                              | Tamil Nadu | All-States | Source  |
|--|------------|------------|---|
| <b>Social Indicators</b>               |            |            |   |
| Literacy rate (%)                      | 80.3       | 74.0       | Provisional Data – Census 2011  |
| Birth rate (per 1,000 population)      | 16.3       | 22.5       | SRS Bulletin, 2009  |
| <b>Investment</b>                      |            |            |   |
| FDI equity inflows (US\$ billion)      | 7.3*       | 132.9      | Department of Industrial Policy & Promotion, April 2000 to April 2011                     |
| Outstanding Investments (US\$ billion) | 549.0      | 7449.3     | CMIE (2009-10)  |
| <b>Industrial Infrastructure</b>       |            |            |   |
| PPP projects (No)                      | 52         | 808        | <a href="http://www.pppindiaatabase.com">www.pppindiaatabase.com</a>                      |
| SEZ (No)                               | 57         | 380        | Notified as of October 2011, <a href="http://www.sezindia.nic.in">www.sezindia.nic.in</a> |



PPP: Public Private Partnership, SEZ: Special Economic Zone, SRS: Sample Registration System  
\*Including Pondicherry

## Advantage Tamil Nadu ... (1/2)

### Large Industrial Base

The state is manufacturing base for a number of large and medium scale industries from diverse sectors such as automobile and auto-components, textile, cement, engineering, pharmaceuticals, etc.

### Among the States with Large FDI Inflows

The state attracted cumulative FDI inflows of US\$ 7.3\* billion between April 2000 and April 2011 and is amongst the highest FDI attracting states. FDI inflows have helped achieve greater technological advancement.

### Rich Labour Pool and Low Cost of Manpower

The state comprises of well-qualified, skilled, disciplined, productivity-oriented and English-speaking workforce. The standard of education and educational institutions is highly rated in the country. Average wages are also lower than similar workforce in the developed countries.

\*Including Pondicherry

## Advantage Tamil Nadu ... (2/2)

### Facilitating Infrastructure

The state has well developed social, physical and industrial infrastructure and virtual connectivity. It is among the states with good physical infrastructure such as power, roads and railways.

### High Economic Growth

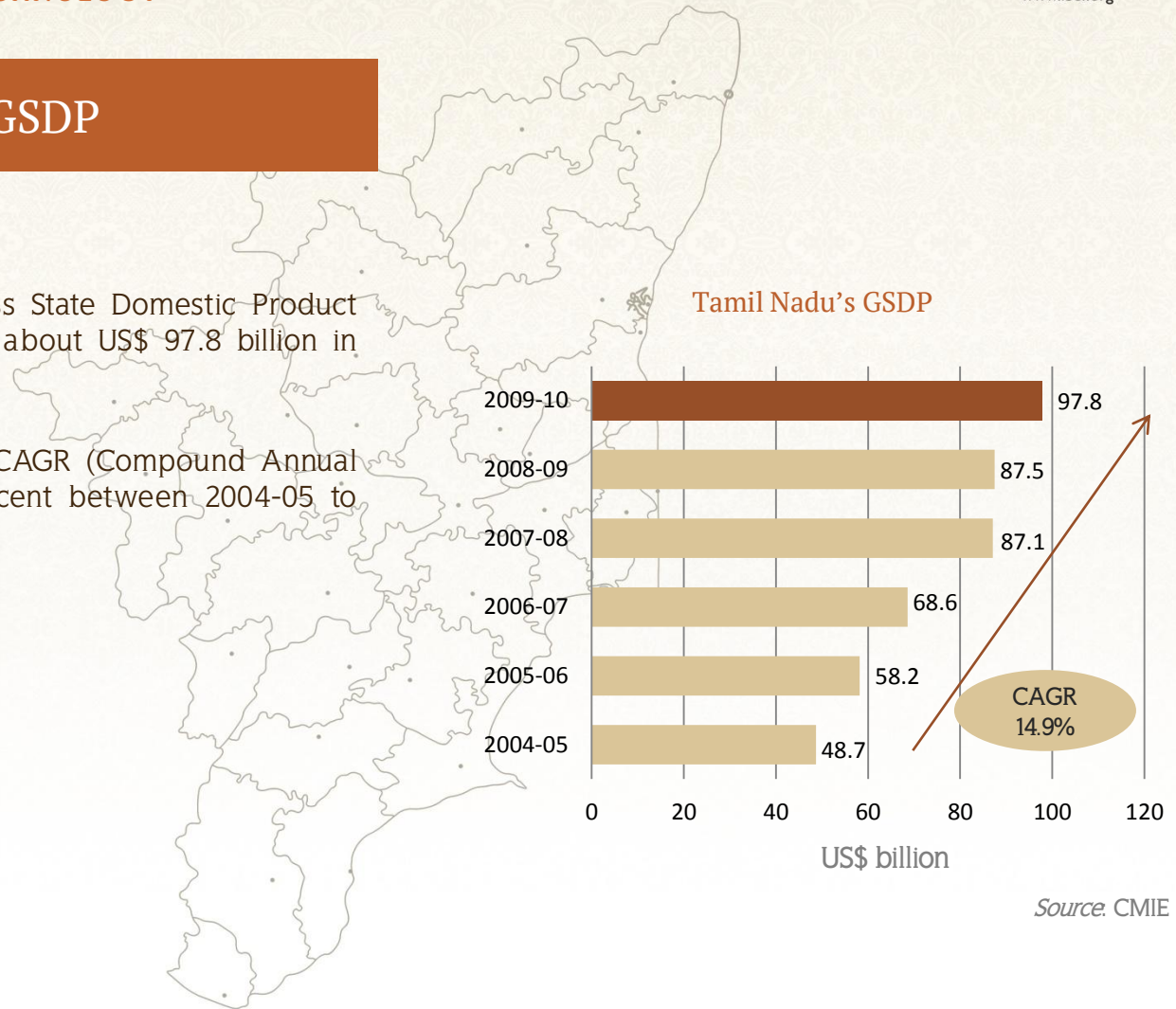
The state's GSDP grew at a CAGR (Compound Annual Growth Rate) of 14.9 per cent between 2004-05 and 2009-10.

### Political Environment

The state has a stable political environment with a single-party government. Successive State Governments have been committed towards creating a progressive business environment.

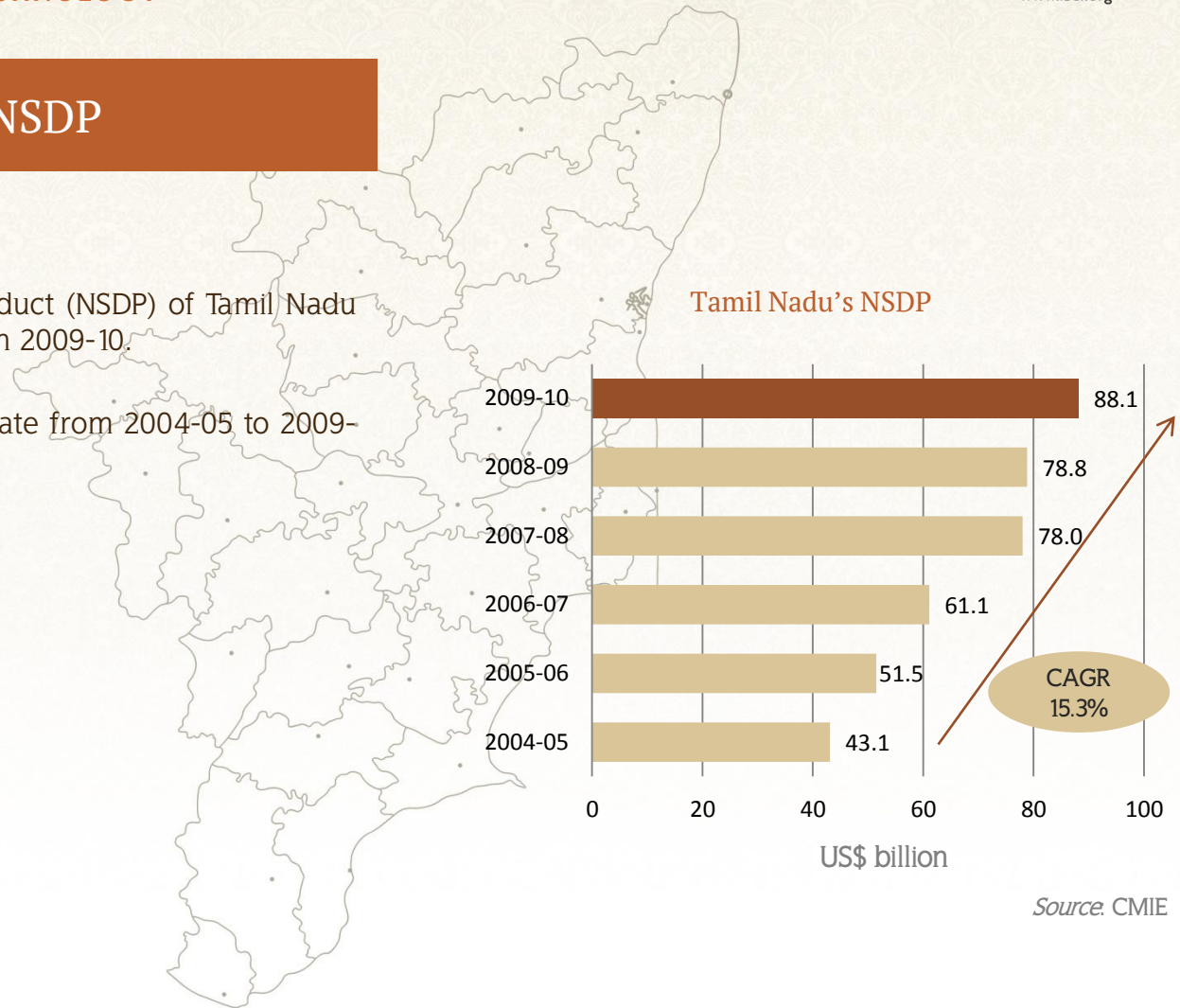
## Economic Snapshot – GSDP

- At current prices, the Gross State Domestic Product (GSDP) of Tamil Nadu was about US\$ 97.8 billion in 2009-10.
- The GSDP increased at a CAGR (Compound Annual Growth Rate) of 14.9 per cent between 2004-05 to 2009-10.



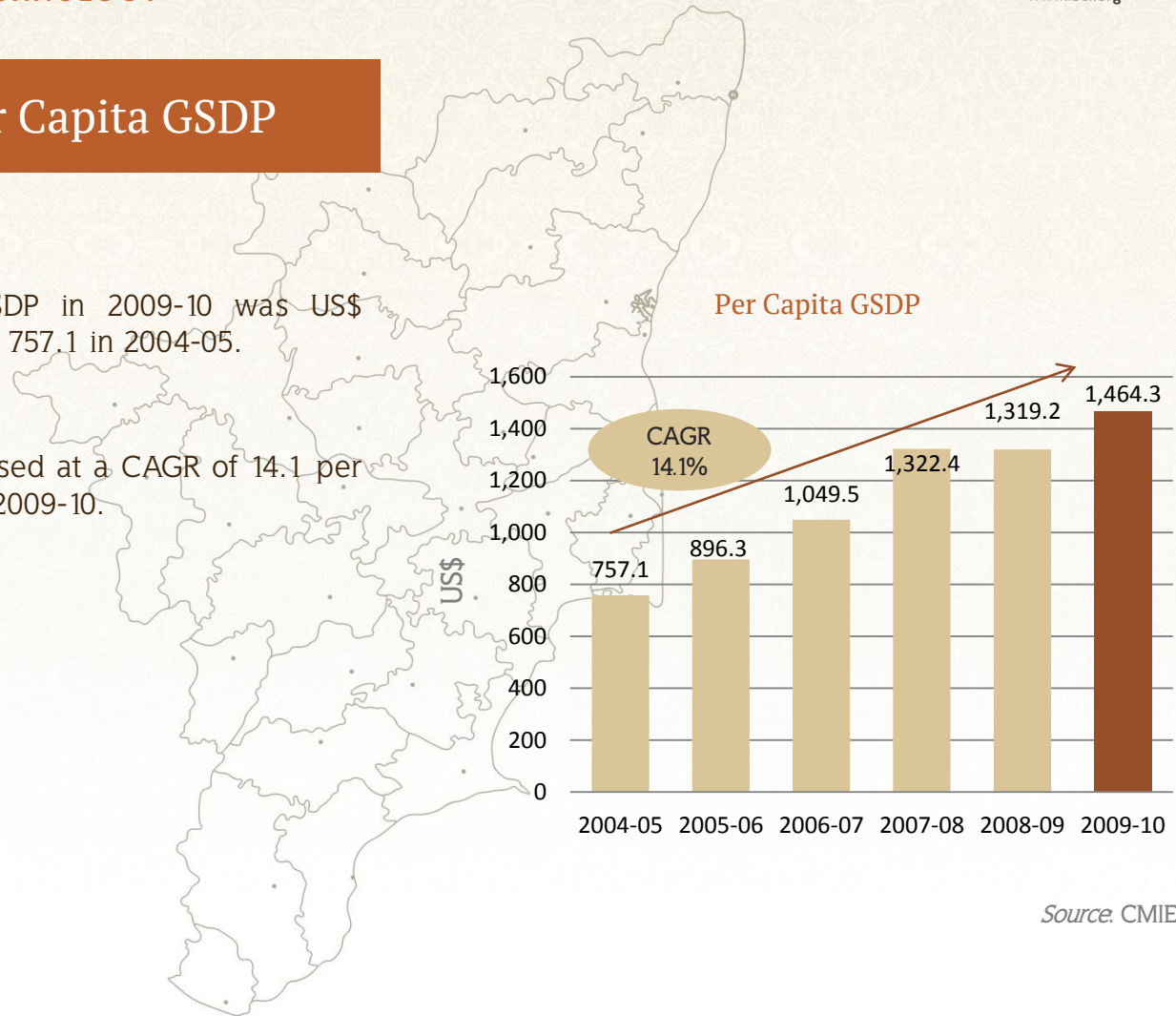
## Economic Snapshot – NSDP

- The Net State Domestic Product (NSDP) of Tamil Nadu was about US\$ 88.1 billion in 2009-10.
- The average NSDP growth rate from 2004-05 to 2009-10 was about 15.3 per cent.



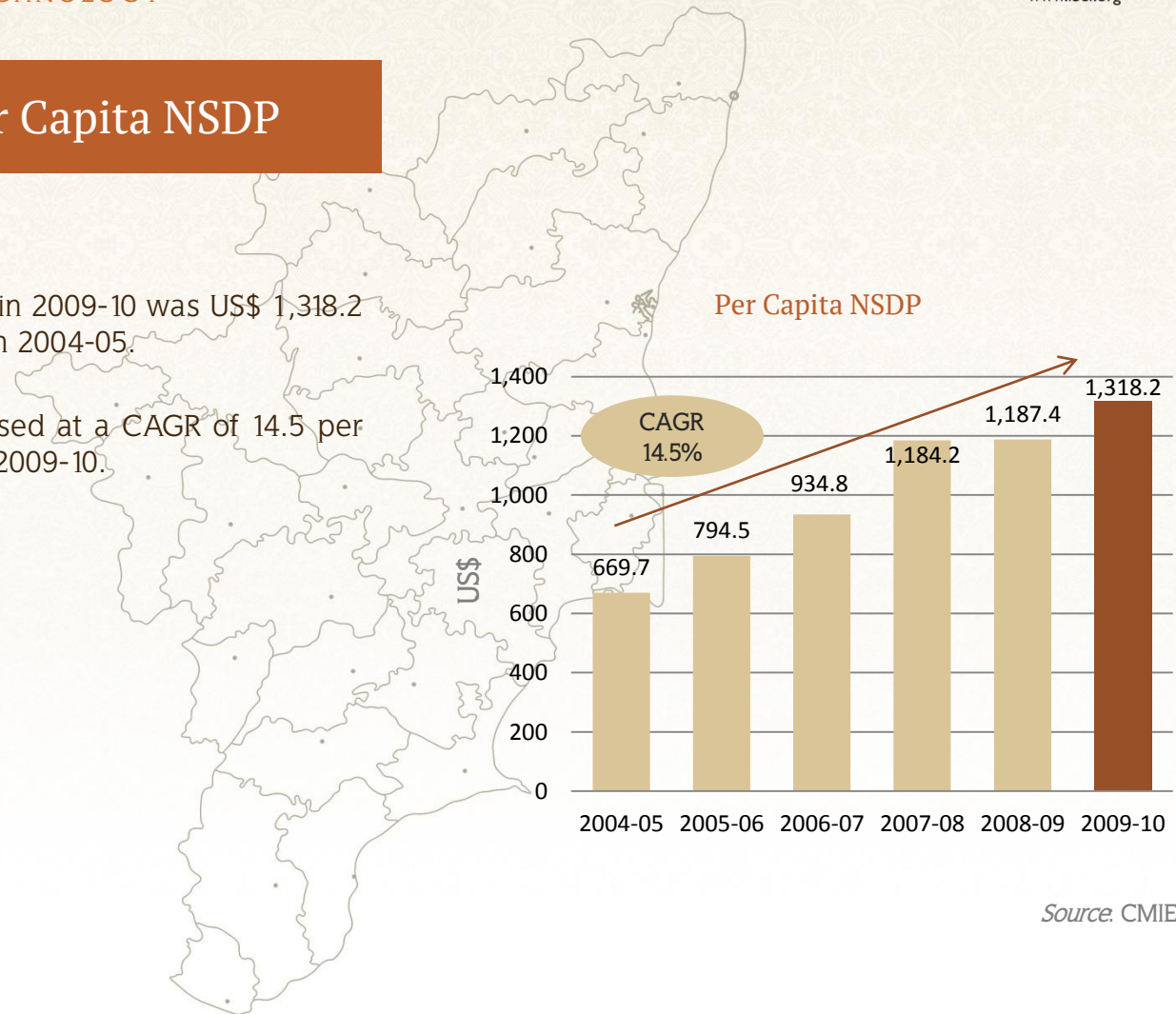
## Economic Snapshot – Per Capita GSDP

- The state's per capita GSDP in 2009-10 was US\$ 1,464.3 as compared to US\$ 757.1 in 2004-05.
- The per capita GSDP increased at a CAGR of 14.1 per cent between 2004-05 and 2009-10.



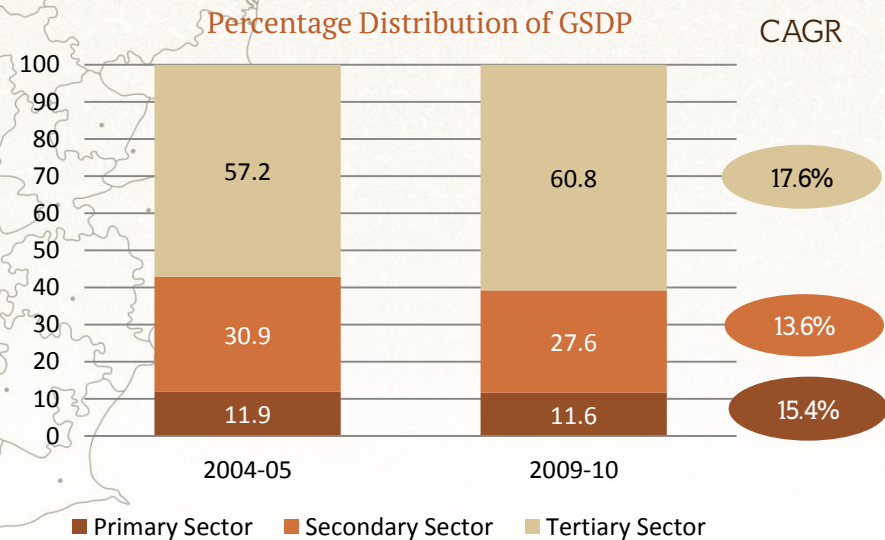
## Economic Snapshot – Per Capita NSDP

- The state's per capita NSDP in 2009-10 was US\$ 1,318.2 as compared to US\$ 669.7 in 2004-05.
- The per capita NSDP increased at a CAGR of 14.5 per cent between 2004-05 and 2009-10.



## Economic Snapshot – Percentage Distribution of GSDP

- In 2009-10, the tertiary sector contributed 60.8 per cent to the state's GSDP at current prices. It was followed by the secondary sector at 27.6 per cent.
- The tertiary sector grew at an average rate of 17.6 per cent between 2004-05 and 2009-10; driven by trade, hotels, real estate, finance, insurance, transport, communications and other services.
- The secondary sector grew at an average rate of 13.6 per cent during the period 2004-05 and 2009-10. Its growth was mainly driven by manufacturing and construction.
- The primary sector grew at an average rate of 15.4 per cent between 2004-05 and 2009-10.



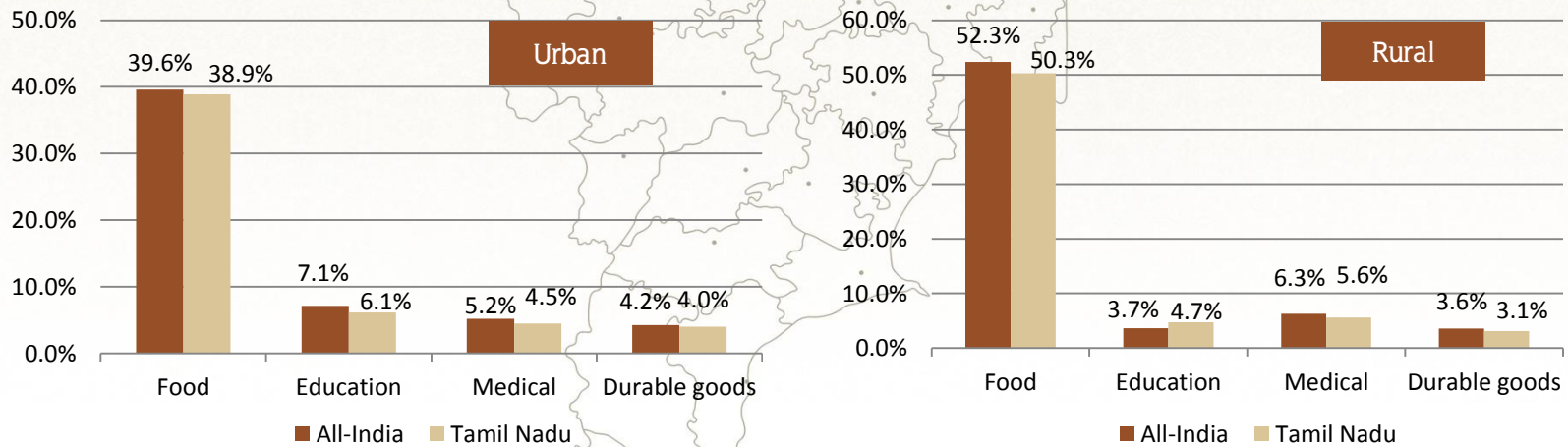
Source: CMIE

## Economic Snapshot – Consumer Expenditure on Household Goods and Services



→ Tamil Nadu is comparable to the all-India level with regards to share of expenditure on food, education, medical and durable goods.

Share of Average Monthly Per Capita Expenditure on Household Goods and Other Services



Source: Household Consumer Expenditure in India, 2007-08 NSS 64th Round

## Economic Snapshot – Agricultural Production

- Tamil Nadu is the leading producer of bananas, flowers, tapioca, mango, natural rubber, coconut, groundnut, coffee, tea and sugarcane.
- In 2009-10, the total production of food grains in the state was over 7.5 million tonnes. Of these, cereals production was 7.3 million tonnes and pulses production was 204,162 tonnes.
- In 2009-10, the total production of sugarcane was 29.7 million tonnes and rice production was 5.6 million tonnes in the state.

| Crop            | Annual Production as of 2009-10 ('000 tonnes) |
|-----------------|---|
| Sugarcane       | 29,745  |
| Rice            | 5,665   |
| Coconut         | 5547*   |
| Tapioca         | 5,113   |
| Banana          | 4,980   |
| Maize           | 1,144   |
| Groundnut       | 889   |
| Onion           | 339   |
| Cotton*         | 225^  |
| Jowar (Sorghum) | 221   |

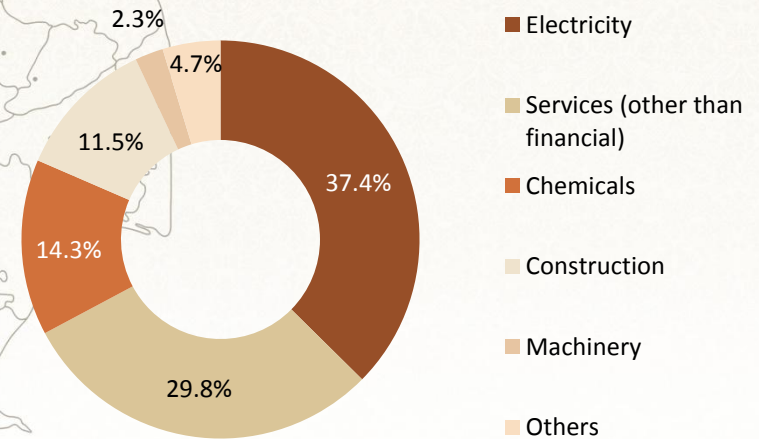
*Sources:* Statistical Hand Book 2011, Department of Economics and Statistics, Government of Tamil Nadu, National Horticulture Board  
\*Million Nuts  
^000' Bales of 170 Kg Lint Each

## Economic Snapshot – FDI Inflows & Investments

- According to the Department of Industrial Policy & Promotion, the cumulative FDI inflows from April 2000 to April 2011 amounted to US\$ 7.3\* billion.
- In 2009-10, outstanding investments in the state were US\$ 549 billion.
- Of the total outstanding investments, the electricity sector accounted for around 37.4 per cent followed by services (other than financial) sector (29.8 per cent).
- While electricity sector attracted investment of US\$ 198.1 billion, the services (other than financial) sector secured investments worth US\$ 157.8 billion in 2009-10.

\*Including Pondicherry

Break up of Outstanding Investments by Sector (2009-10)



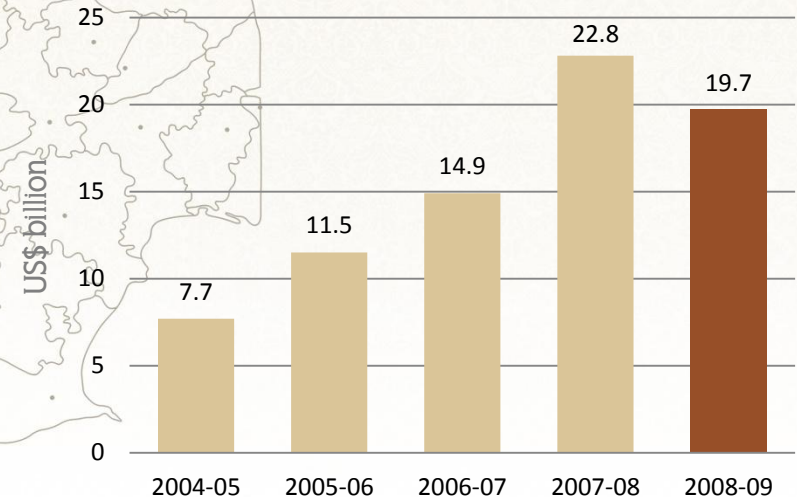
Others include food & beverages, textiles, non-metallic mineral products, metals & metal products, mining and irrigation

Source: CMIE

## Economic Snapshot – Export Trends

- Tirupur and Erode are the country's largest exporters of knitwear.
- IT exports from Tamil Nadu have increased from US\$ 3.0 billion in 2005-06 to US\$ 7.7 billion in 2009-10, registering a CAGR of 26.5 per cent.
- Tamil Nadu exported about 73,327 tonnes of fish and fish products, worth US\$ 418 million, in 2009-10.
- A majority of software exports from Tamil Nadu consists of application softwares.

Exports of Commodities through the Ports of Tamil Nadu by Sea and Air



Source: Statistical Hand Book 2011, Department of Economics and Statistics, Government of Tamil Nadu

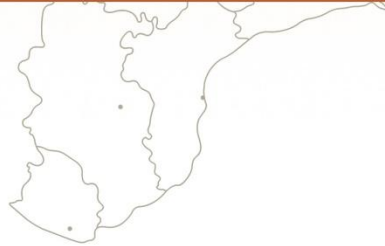
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## Physical Infrastructure – Roads



Source: Maps of India

- Tamil Nadu is one of the first states in India, to have 100 per cent metalled road connectivity even in the rural areas.
- The State Express Transport Corporation (SETC), formerly, Thiruvalluvar Transport Corporation was established in September 1975 and provides road transport services within the state.
- To upgrade road infrastructure, the State Government is implementing a World Bank-funded project at a cost of US\$ 500 million.

| Road Type            | Road Length (km) |
|----------------------|------------------|
| National Highways    | 4,832            |
| State Highways       | 9,384            |
| Major District Roads | 11,288           |
| Other District Roads | 36,096           |

→ Tamil Nadu has 26 National Highways running through it. The state is also an important terminus in the Golden Quadrilateral road link of the National Highway Authority of India (NHAI).

→ The district centres are linked through 187 State Highways.

Sources: Ministry of Road Transport & Highways, Annual Report 2010-11, Highways and Minor Ports Department, Government of Tamil Nadu

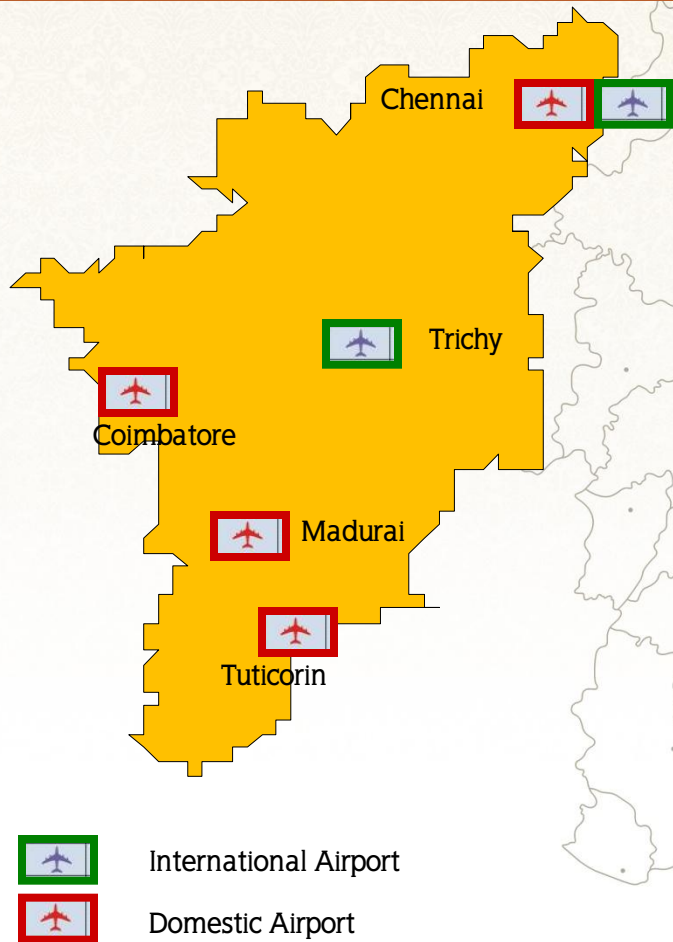
## Physical Infrastructure – Railways



Source: Maps of India

- Tamil Nadu's railway network falls under the jurisdiction of the Southern Railways, which covers Tamil Nadu, Kerala, Pondicherry and a small part of Andhra Pradesh.
- It has six divisions, four of which are in Tamil Nadu; they are Chennai, Tiruchirappalli, Madurai and Salem. Coimbatore is also a key railway junction.
- Tamil Nadu had a 5,958 km rail network with 536 railway stations.
- Chennai also has a well-established suburban railway network that connects it to the suburbs and the neighbouring cities.
- The Mass-Rapid-Transit System (MRTS) is an elevated line of the suburban railway in Chennai; it runs from the Chennai beach to the Velachery suburb, covers a distance of 25 km and has 21 stations. It is owned by the Southern Railways.

## Physical Infrastructure – Airports



→ Tamil Nadu has international airports at Chennai and Trichy; it has domestic airports at Chennai, Coimbatore, Tuticorin and Madurai.

→ The Chennai International Airport was the first in the country to get ISO 9001-2000 certification.

→ Construction work has begun on a new passenger terminal at the Chennai International Airport. The terminal, with a capacity of 10 million domestic passengers is scheduled for completion by 2011.

→ Electronic Data Interchange (EDI) facility for customs clearance is available at the Chennai Airport.

→ A new integrated terminal building has been constructed at Madurai Airport.

## Physical Infrastructure – Ports

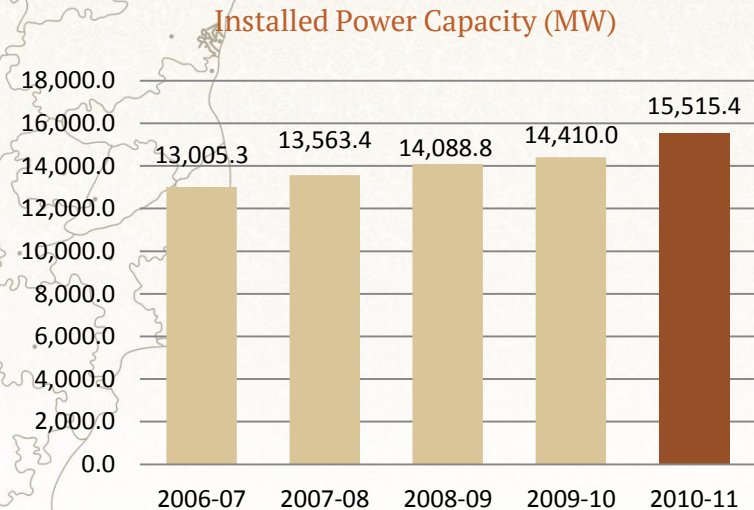
- Tamil Nadu has three major ports, at Chennai, Ennore and Tuticorin; it has 15 minor ports.
- As of March 2010, the total traffic at Chennai, Ennore and Tuticorin ports was 61.06 million tonnes, 10.7 million tonnes, and 23.7 million tonnes, respectively.
- Together, the three ports accounted for about 17 per cent of the total traffic at all major ports across the country. Between, 2000-01 and 2009-10, the major-port traffic increased at an average rate of 6.6 per cent.
- The Chennai port handles, mainly, container cargo while the Ennore and Tuticorin ports handle coal, ores and other bulk minerals.

| Chennai's Ports |  |
|-----------------|--|
| Major Ports     | <ul style="list-style-type: none"> <li>• Chennai</li> <li>• Ennore</li> <li>• Tuticorin</li> </ul>   |
| Minor Ports     | <ul style="list-style-type: none"> <li>• Cuddalore</li> <li>• Nagapattinam</li> <li>• Rameswaram</li> <li>• Pamban</li> <li>• Colachel</li> <li>• Valinokkam</li> <li>• Kanyakumari</li> <li>• Ennore</li> <li>• Punnakayal</li> <li>• Thirukkadaiyur</li> <li>• PY-3 (Oilfield)</li> <li>• Kattupalli</li> <li>• Thiruchopuram</li> <li>• Manappad</li> <li>• Kudankulam</li> </ul> |

Source: Indian Ports Association

## Physical Infrastructure – Power ... (1/2)

- The installed power capacity in Tamil Nadu has increased from 13,005.3 MW in 2006-07 to 15,515.4 MW in 2010-11.
- Of the total installed power capacity, 7,056.6 MW was contributed by thermal power. Renewable power contributed 5,812.6 MW of capacity. Hydro power and nuclear power contributed 2,122.2 MW and 524 MW capacity, respectively.
- Renewable energy is a growing sector in rural areas of the state. The Tamil Nadu Energy Development Agency (TEDA) is the nodal agency of the Ministry of New and Renewable Energy (MNRE), Government of India, for promoting renewable energy schemes in the state.
- TEDA has taken up research and development projects, jointly, with the Anna University; the total outlay is US\$ 0.087 million.



Source: Central Electricity Authority

## Physical Infrastructure – Power ... (2/2)

- Tamil Nadu is one of the few states that have an integrated utility structure, i.e., power generation, transmission and distribution are all handled by a single, state-owned entity: Tamil Nadu Electricity Board (TNEB).
- As of March 2010, the state had 1,345 substations, 0.16 million circuit km of extra high tension lines/high tension lines, 0.53 million km of Low Tension (LT) lines, 0.19 million distribution transformers and 21.2 million service connections.

### Electricity Consumers in Tamil Nadu as of March 2010

| Type         | Consumers (No) |
|--------------|----------------|
| Domestic     | 14,142,186     |
| Agricultural | 1,911,819      |
| Commercial   | 2,632,141      |
| Industrial   | 509,830        |
| Others       | 2,008,930      |
| Total        | 21,204,906     |

Source: Tamil Nadu Policy Note on Energy, 2010-11

## Physical Infrastructure – Telecom

- Tamil Nadu has a tele-density of 93.8 per cent as compared to an all-India average of 66.1 per cent as of December 2010.
- According to Department of Telecommunications, Government of India, Tamil Nadu had nearly 66.8 million wireless subscribers and 3.5 million wire-line subscribers as of December 2010.
- As of November 2010, the state has 1.3 million broadband subscribers.
- The Bharti-Singtel submarine cable link between Chennai and Singapore has a bandwidth of 8.4 terabits per second; a second submarine cable of 5.12 terabits per second bandwidth has been commissioned by Tata Communications Limited (formerly, VSNL) between Chennai and Singapore.

### Telecom Infrastructure (December 2010)

|                                       |            |
|---------------------------------------|------------|
| GSM Cellular Subscribers <sup>^</sup> | 59,307,422 |
| Broadband Subscribers*                | 1,331,956  |
| Wireless Connections                  | 66,806,709 |
| Wire-line Connections                 | 3,511,597  |
| Telephone Exchanges                   | 2,345      |

Sources: Cellular Operators Association of India, Department of Telecommunications, Annual Report 2010-11

<sup>^</sup>As of September 2011

\*As of November 2010

### Some of the Major Telecom Operators in Tamil Nadu

Bharat Sanchar Nigam Limited (BSNL)

Bharti Airtel

Aircel

Reliance Communications

Vodafone Essar

Tata Teleservices

Idea Cellular

Uninor

Virgin Mobile

## Development Projects: Urban Infrastructure

- The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) covers the town panchayats that fall within Chennai Metropolitan Development Authority and urban agglomeration area of Madurai and Coimbatore. Forty five towns have been identified under the JNNURM.
- The thrust areas for development under the JNNURM include water supply and sanitation, sewerage, solid-waste management, road network, urban transport and redevelopment of inner-city areas; also envisaged is the shifting of industrial and commercial establishments to designated areas.
- Under the JNNURM, 52 projects costing US\$ 1.26 billion have been sanctioned for Tamil Nadu. The projects have been sanctioned between 2006-07 and 2009-10. Key areas of development are water supply, sewerage, storm water drainage, solid waste management and roads.

## Development Projects: Key Public Private Partnership Projects



| Project Name  | Sector            | PPP Type      | Project Cost (US\$ million) | Stage           |
|---|-------------------|---------------|-----------------------------|-----------------|
| Elevated Road from Chennai Port to Maduravoyal  | Roads             | BOT-Toll      | 349.0                       | Construction    |
| Krishnagiri-Walajahpet  | Roads             | BOT-Toll      | 274.3                       | Construction    |
| Salem – Ulundurpet  | Roads             | BOT-Toll      | 233.8                       | Construction    |
| Tirupur Water Supply  | Urban Development | BOOT          | 215.7                       | Under Operation |
| Chengapalli to Coimbatore Bypass and from Coimbatore Bypass to Tamil Nadu and Kerala Border | Roads             | BOT-Toll      | 186.9                       | Construction    |
| Madurai - Arupukottai – Tuticorin   | Roads             | BOT-Toll      | 156.3                       | Construction    |
| Trichy – Dindigul   | Roads             | BOT-Toll      | 143.1                       | Construction    |
| Trichy – Karur  | Roads             | BOT-Toll      | 128.2                       | Construction    |
| Tiruttani-Chennai Section   | Roads             | BOT-Toll      | 125.3                       | Construction    |
| Coimbatore - Mettupalayam section   | Roads             | BOT-Toll      | 121.1                       | Construction    |
| Hosur - Krishnagiri Section   | Roads             | BOT-Toll      | 112.8                       | Under Bidding   |
| 100 MLD Sea Water Desalination Plant Reverse Osmosis  | Urban Development | BOOT          | 109.7                       | Under Operation |
| Second Container Terminal – Chennai   | Ports             | BOT-Toll      | 107.1                       | Construction    |
| Dindigul-Theni and Theni-Kumuli Section   | Roads             | BOT - Annuity | 106.4                       | Construction    |

Source: www.pppindiadatabase.com

BOT: Build-Operate-Transfer, BOOT: Build-Own-Operate-Transfer, MLD: Million Liters per Day

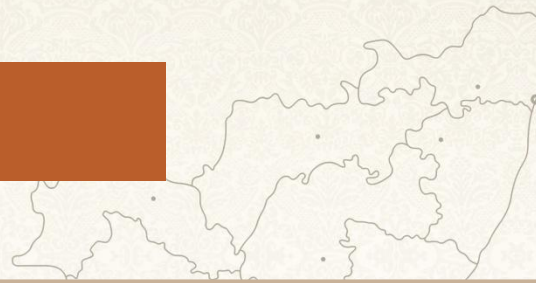
## Development Projects: Industrial Clusters and SEZs ... (1/3)



| Infrastructure                       | Description  |
|--------------------------------------|--|
| Industrial Parks                     | <ul style="list-style-type: none"> <li>The State Industries Promotion Corporation Of Tamil Nadu Limited (SIPCOT) Export Promotion Industrial Park (EPIP) is spread over 224 acres at Gummidipoondi in the Thiruvallur district.</li> <li>An industrial park has been set up at Irungattukottai for the automotive, electronics, food processing, general engineering and other non-polluting industries.</li> <li>The hi-tech SEZs in the Sriperumbudur Industrial Park and Oragadam Industrial Growth Centre (both in Kancheepuram district), are spread over 570.92 acres and 347.66 acres, respectively. They are home to manufacturing units in the electronics, telecom hardware and support services sectors.</li> </ul> |
| Madras Export Processing Zone (MEPZ) | <ul style="list-style-type: none"> <li>Established in 1984 to promote FDI; one of the seven Export-Promotion Zones (EPZ) set up by the Government of India – MEPZ is a multi-product export zone with 117 functional units and another 27, are in the process of being set up.</li> </ul>  |
| SIPCOT's SEZs                        | <ul style="list-style-type: none"> <li>SIPCOT's SEZs comprise a leather SEZ in the Vellore district, a footwear SEZ in the Kancheepuram district, an engineering-products SEZ in the Erode district, an automotive SEZ in the Thiruvannamalai district and a transport engineering-goods SEZ in the Tirunelveli district.</li> </ul>   |

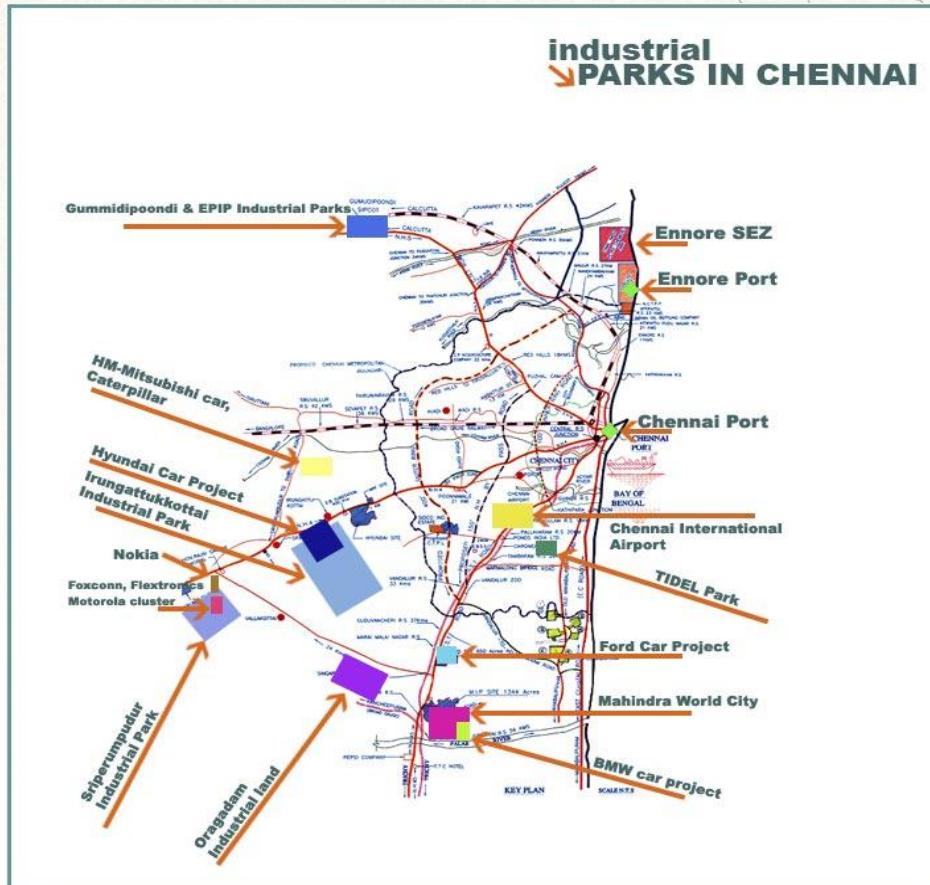


## Development Projects: Industrial Clusters and SEZs ... (2/3)



| Infrastructure        | Description   |
|-----------------------|---|
| TIDCO's SEZs          | <ul style="list-style-type: none"> <li>Tamil Nadu Industrial Development Corporation (TIDCO) has been engaged in the setting up of industries, infrastructure projects and SEZs. Some of the projects completed through joint ventures are Tanflora Infrastructure Park, Tamil Nadu Road Development Company (TNRDC), Titan Industries Limited, Tamil Nadu Petroproducts, TIDEL Park, Mahindra World City, Ascendas IT Park, etc.</li> <li>TIDCO and Rankindo Developers Private Limited have jointly developed an integrated township with IT SEZ in Coimbatore.</li> <li>Two IT and ITeS SEZs are coming up at TIDEL Park, Chennai, a company jointly promoted by TIDCO and Electronics Corporation of Tamil Nadu Limited (ELCOT).</li> </ul> |
| Apparel Parks         | <ul style="list-style-type: none"> <li>Two apparel parks have been set up, one at Tiruppur and the other at Irungattukottai near Chennai with a project cost of US\$ 133 million including Government of India assistance of US\$ 6.5 million. Both the parks are functioning.</li> </ul>   |
| Hi-Tech Weaving Parks | <ul style="list-style-type: none"> <li>Two Hi-Tech Weaving Parks have been inaugurated at Komarapalayam and Palladam.</li> <li>Another Hi-Tech Weaving Park is being set up at Andipatti.</li> </ul>  |

## Development Projects: Industrial Clusters and SEZs ... (3/3)



Source: tidco.com

| Description                      | SEZ (No) |
|----------------------------------|----------|
| Notified SEZs                    | 57       |
| SEZs with Formal Approvals       | 71       |
| SEZs with In-Principle Approvals | 5        |

Source: sezindia.nic.in

## Social Infrastructure – Education ... (1/2)

- Tamil Nadu has a literacy rate of 80.3 per cent according to the provisional data of Census 2011; the male literacy rate is 86.8 per cent and the female literacy rate is 73.9 per cent.
- Tamil Nadu is among the states running the Total Literacy Campaign, the Post-Literacy Mission and the Continuing Education Programme (CEP).

| Literacy Rate (%)   |      |
|---------------------|------|
| Total Literacy Rate | 80.3 |
| Male Literacy       | 86.8 |
| Female Literacy     | 73.9 |

Source: Census 2011 (provisional data)

### Tamil Nadu's Primary Education Statistics (2009-10)

|                                   |   |
|-----------------------------------|---|
| Number of Schools                 | Primary: 33,326<br>Middle: 9,966<br>High Schools: 4,996<br>Higher Secondary: 5,343    |
| School Dropout Rate (%) (2008-09) | Primary Level: 1.23<br>Upper Primary Level: 1.9                                       |
| Pupil-Teacher Ratio               | Primary: 26:1<br>Middle Schools: 30:1<br>High Schools: 36:1<br>Higher Secondary: 32:1 |

Sources: Tamil Nadu Statistical Hand Book 2011,  
Tamil Nadu Socio Economic Indicators,  
State Planning Commission, Government of Tamil Nadu

## Social Infrastructure – Education ... (2/2)

- As of 2009-10, the state had 33,326 primary schools, 9,966 middle schools, 4,996 high schools and 5,343 higher secondary schools.
- In 2009-10, about 13,344,115 students joined schools in the state.
- Private participation is being encouraged in technical and vocational education.

### Educational Infrastructure as of 2009-10

|                           |     |
|---------------------------|-----|
| Universities              | 65  |
| Medical Colleges          | 20  |
| Engineering Colleges      | 456 |
| Arts and Science Colleges | 578 |
| Polytechnics              | 366 |
| Law Colleges              | 9   |

### Premier Institutions in Tamil Nadu

- University of Madras
- Institute of Technology (IIT), Madras
- Anna University
- National Institute of Technology (NIT)
- Madras Medical College
- Christian Medical College (CMC), Vellore
- Tamil Nadu Agricultural University
- Tamil Nadu Veterinary and Animal Sciences University (TANUVAS)

Sources: Tamil Nadu Policy Note on Higher Education 2010-11,  
Tamil Nadu at a Glance 2010

## Social Infrastructure – Health

- The state has a three-tier health infrastructure comprising of Primary Health Centres, Health Units, Community Health Centres and Sub-Centres.
- As of 2009-10, the state had 323 Hospitals, 1,539 Primary Health Centres, 8,706 Sub-Centres and 216 Dispensaries.

### Health Infrastructure (2009-10)

- Hospitals: 323
- Primary Health Centres: 1,539
- Sub-Centres: 8,706
- Dispensaries: 216

Source: Tamil Nadu Statistical Hand Book 2011

### Health Indicators of Tamil Nadu (2009-10)

|  |       |
|--|-------|
| Population Served Per Medical Institution (No) | 5,787 |
| Population Served Per Hospital Bed (No)        | 1,051 |
| Birth Rate* (2009)                             | 16.3  |
| Death Rate* (2009)                             | 7.6   |
| Infant Mortality Rate** (2009)                 | 28    |
| <b>Life Expectancy at Birth (years)</b>        |       |
| Male (2002-06)                                 | 65.0  |
| Female (2002-06)                               | 67.4  |

Sources: Tamil Nadu Socio Economic Indicators, Sample Registration System 2009, Planning Commission, Government of India  
\*Per thousand persons  
\*\*Per thousand live births

## Cultural Infrastructure

- 
- Tamil Nadu is known as the Land of Temples; nearly 33,000 ancient temples – many at least 600 to 800 years old – are scattered all over the state.
  - The Sports Development Authority of Tamil Nadu (SDAT) is responsible for developing sports-related infrastructure in the state.
  - The M. A. Chidambaram Stadium of Chennai is an international cricketing arena with a capacity of 50,000; it also has the offices of the Tamil Nadu Cricket Association. The Chennai Open Tennis championships are held every January at the SDAT Tennis Stadium. The Jawaharlal-Nehru Stadium in Chennai is a multipurpose stadium that hosts football tournaments, and track and field events.
  - Chennai also hosts the Annual Madras Music Season during December-January; it includes performances by a number of artists, all over the city.
  - Bharatanatyam is a well known classical-dance form of Tamil Nadu.
  - From the beaches in the East to Nilgiri hills in the West, Tamil Nadu offers different types of avenues for adventure, leisure and culture tourism.

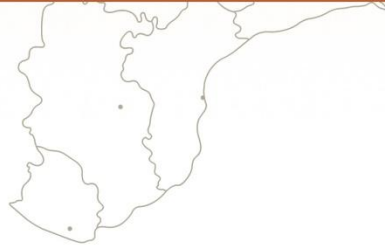
# Tamil Nadu

NOVEMBER  
2011

BLEND OF TRADITION AND TECHNOLOGY

## Contents

- ❖ Tamil Nadu – An Introduction
- ❖ Infrastructure Status
- ❖ Business Opportunities
- ❖ Doing Business in Tamil Nadu
- ❖ State Acts & Policies



For updated information, please visit [www.ibef.org](http://www.ibef.org)

## Key Industries

→ Tamil Nadu Industrial Development Corporation Limited (TIDCO), State Industries Promotion Corporation of Tamil Nadu (SIPCOT) and Tamil Nadu Small Industries Development Corporation Limited (SIDCO) are jointly responsible for developing industrial infrastructure in the state.

→ Tamil Nadu Industrial Guidance & Export Promotion Bureau has been constituted with the objective of attracting major investment proposals into Tamil Nadu.

→ Micro and small industries account for 95 per cent of industrial units, 40 per cent of the output of the manufacturing sector and 35 per cent of the state's exports.

→ Tamil Nadu is an important IT hub. It is the second-largest software exporter by value in India, after Karnataka. IT exports from Tamil Nadu have increased from US\$ 3.0 billion in 2005-06 to US\$ 7.7 billion in 2009-10, registering a CAGR of 26.5 per cent.

→ A large number of textile mills and engineering units are present around the city of Coimbatore. The districts of Coimbatore, Tirupur and Erode are referred to as the 'Textile Valley of India'.

→ In the last two decades, Tamil Nadu has attracted investments in the automotive industry, particularly, in cars, railway coaches, tractors, motorcycles, automobile spare parts and accessories, tyres and heavy vehicles. The automotive industry has a crucial role in driving the state's economy.

### Key Industries in Tamil Nadu

- Textiles
- Heavy Commercial Vehicles
- Automobile and Auto Components
- Railway Coaches
- Power Pumps
- Leather Lanning Industries
- Cement
- Paper
- Safety Matches
- Steel
- IT and ITeS
- Electronics

## Key Players



## Key Industries – Textiles ... (1/2)

- Tamil Nadu is known as the “Yarn Bowl” of the country.
- Tamil Nadu accounts for 47 per cent of the country's spinning capacity and nearly 60 per cent of the yarn exports.
- Coimbatore and Tirupur are the major textile centres in Tamil Nadu. Tirupur is known as the ‘Knitting City’.
- Tamil Nadu produced about 1,660 million kg of spun yarn; it is about 40 per cent of the annual spun yarn production of the country during 2009-10. The capacity of the spinning mills in the state is around 18.92 million spindles.
- Tamil Nadu has 1,931 spinning mills (62 per cent of mills in India), 446,000 power looms and 413,000 handlooms.
- Karur, Madurai and Rajapalayam are the other textile centres in the state.

### Some of the Key Players

- Madura Coats Pvt Ltd (MCL)
- Primus Fabrics
- Gem Spinners
- Lakshmi Mills

## Key Industries – Textiles ... (2/2)

### Madura Coats Pvt Ltd (MCL)



- Established in 1947, the company supplies threads to clients such as Liz Clairborne, Lee, Levis, Gap, Nike, Adidas and Tommy Hilfiger, among others. It operates through two divisions: Coats India and Global Thread Supply India. The company has operations at Madurai, Ambasamudram (200 km from Madurai) and Tuticorin.

### Primus Fabrics



- Founded in 1950, the group turnover is US\$ 25 million for the spinning unit, US\$ 12 million for the weaving unit and US\$ 15 million for home textile exports.
- It manufactures and exports bed sheets, duvets and home textiles and is based in Tiruchengode.
- The total capacity is 50,000 spindles.

### Gem Spinners



- Established in 1994, the company produces quality knitted fabrics for the global market.
- The registered office is in Chennai. Export markets include Europe, Asia, Middle East and Africa.

### Lakshmi Mills



- Established in 1910 at Coimbatore. Lakshmi Mills had a revenue of US\$ 38.2 million in 2010-11. It has two units to manufacture 100 per cent cotton yarns, blended yarns and yarns produced out of special fibres. Products manufactured include yarns, fabrics and garments.

## Key Industries – Automotive Industry

... (1/2)

- Chennai is fast emerging as a major export hub of cars for the Southeast Asian markets.
- Tamil Nadu has a 30 per cent share in the Indian automotive industry.
- Tamil Nadu's strong performance in the auto industry is because of the presence of skilled manpower with strong engineering capabilities.
- In Tamil Nadu alone, nearly US\$ 1 billion has been invested by some of the major tyre companies, such as Apollo Tyres, ATC Tyres, MRF, Dunlop and TVS Srichakra.

### Some of the Key Players

- Ford Motor Company
- Hyundai Motor India Ltd (HMIL)
- Mitsubishi Motors Corporation
- Ashok Leyland

## Key Industries – Automotive Industry

... (2/2)



### Ford Motor Company



- Established in 1995 with an investment of US\$ 351.1 million under the single-window policy, Ford in India is a wholly-owned subsidiary of Ford Motor Company.
- Its plant located at Maraimalai Nagar near Chennai, has the capacity to produce 100,000 vehicles per annum. Ford has announced to invest US\$ 72 million to expand its powertrain facility in Chennai. Ford India had recorded strong sales of 29,804 units during the quarter of January to March, 2011 recording a strong growth of 97 per cent year-on-year as compared to 15,154 units in the same period last year.

### Hyundai Motor India Ltd (HMIL)



- Established in 1997 with an investment of US\$ 614 million, the company is a subsidiary of the Hyundai Motor Company.
- The plant in Chennai is spread over 500 acres and has been built with an initial investment of over US\$ 500 million and markets over 18 variants of passenger cars across four models. The company reported 7.8 per cent growth in sales with sale of 603,819 units in 2010 as against 559,880 units in the previous year.

### Mitsubishi Motors Corporation



- Mitsubishi Motors is present in India through a tie up with Hindustan Motors and has set up a state-of-the-art manufacturing unit at Thiruvallur (near Chennai) at a cost of US\$ 71 million.
- The main functional areas of the facility are the body (weld) shop, paint shop, assembly shop and quality line. Eicher Motors Limited has a 3.18 per cent stake in Mitsubishi Motors Corporation.

### Ashok Leyland



- Established by the Hinduja group in 1948, the company manufactures commercial vehicles. It had a revenue of US\$ 1.6 billion in 2009-10. It is India's largest exporter of medium and heavy duty trucks and was the first Indian automobile company to be awarded the ISO 9002 certification in 1993, it has the mother plant at Ennore (Chennai).
- The company has taken over the truck unit of the Czechoslovakia-based AVIA, giving it a foothold in the highly competitive European truck market.

## Key Industries – Engineering ... (1/3)

- Tamil Nadu has a strong engineering base, which is concentrated in Chennai, Coimbatore and Salem.
- Exports of engineering products from Tamil Nadu were worth US\$ 4.7 billion in 2009-10.
- The state has network of nearly 3,000 engineering units, employing over 250,000 skilled workforce, making high-quality inputs including castings and forgings and a wide variety of ancillary products.

### Some of the Key Players

- Amalgamations Group
- Bharat Heavy Electricals Ltd (BHEL)
- TVS Group
- Greaves Cotton Ltd

## Key Industries – Engineering ... (2/3)

### Amalgamations Group



- It is one of the largest engineering conglomerates with headquarters in Chennai.
- The group comprises over 43 companies, 27 manufacturing plants and a workforce of more than 15,000. The group's primary focus is engineering and manufactures products for various sectors such as farm mechanisation, automotive components, diesel prime movers, light and general engineering.

### Bharat Heavy Electricals Ltd (BHEL)



- Established in the late 1950s, BHEL is the largest engineering and manufacturing enterprise in India in the energy-related infrastructure sector. Its principal activities are to manufacture and distribute electrical, electronic, mechanical and nuclear power equipment.
- BHEL has a wide network of 15 manufacturing divisions, 8 service centres, 4 power sector regional centres, 18 regional offices, besides a large number of project sites. BHEL's plants are located at Ranipet and Thiruchirappalli.

## Key Industries – Engineering ... (3/3)

### TVS Group



- Established in 1911 at Madurai, Tamil Nadu, TVS is India's leading supplier of automotive components and one of the leading business conglomerates. The group comprises over 35 companies that operate in diverse fields such as automotive components manufacturing, automotive dealerships, logistics, electronics, infrastructure & systems. The group had a turnover of over US\$ 4 billion and is one of the largest manufacturers of automotive components in the country, with a workforce close to 25,000.
- It reported total two wheeler sales of 181,891 units in May 2011. TVS Motors, Brakes India, Lucas TVS, Sundram Fasteners and Wheels India are some of the major subsidiaries of the group. TVS Motors has its plant at Hosur in Tamil Nadu.

### Greaves Cotton Ltd



- Established in 1859, Greaves Cotton had revenue of US\$ 284 million in 2009-10; its business divisions include agricultural equipments, automotive, auxiliary power, construction equipment and industrial engines.
- Greaves manufactures lightweight petrol, diesel and kerosene engines for the agricultural sector from its unit in Chennai. The company's new manufacturing facility for agro-equipment at Gummidipoondi, Tamil Nadu is the fourth unit of the company in Gummidipoondi.

## Key Industries – IT and ITeS ... (1/4)

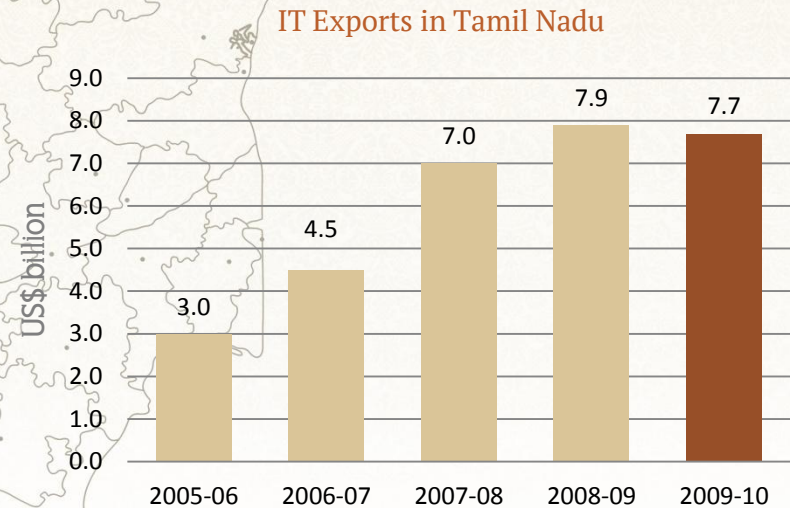
- 
- Tamil Nadu has emerged as a centre for IT investments.
  - Tamil Nadu has 22 approved IT Parks. The TIDEL Park in Chennai is spread over 1.28 million sq ft. It is the largest IT facility in India promoted by TIDCO and ELCOT.
  - A TIDEL Park (IT-SEZ) in Coimbatore has been inaugurated in August, 2010.

### Some of the Key Players

- Mahindra Satyam
- Tata Consultancy Services (TCS)
- Infosys Technologies
- HCL Technologies

## Key Industries – IT and ITeS ... (2/4)

- The number of software units in Tamil Nadu has increased from 1,114 in 2004-05 to 1,751 in 2009-10.
- IT exports from Tamil Nadu have increased from US\$ 3.0 billion in 2005-06 to US\$ 7.7 billion in 2009-10, registering a CAGR of 26.5 per cent.
- The number of IT and ITeS SEZs in Tamil Nadu has grown from 13 in 2006-07 to 76 in 2009-10.

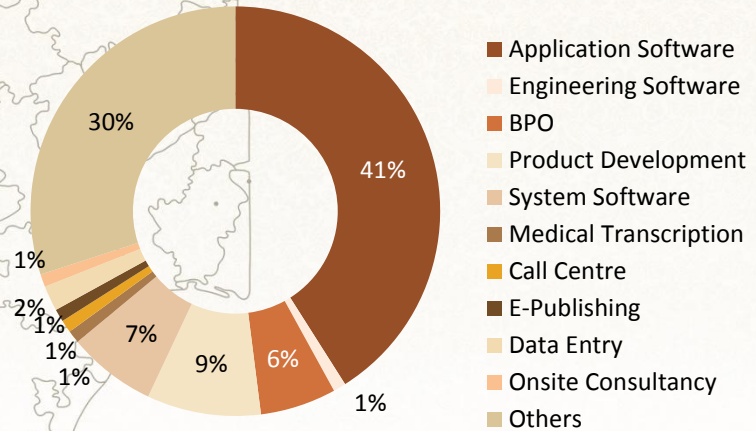


Source: Software Technology Parks of India, Chennai

## Key Industries – IT and ITeS ... (3/4)

- Software Technology Parks of India (STPI) Chennai was established in 1995. It has established its sub-centres at Trichy, Madurai, Tirunelveli, Coimbatore and Pondicherry.
- A majority of software exports from Tamil Nadu consists of application software.

Software Exports from Tamil Nadu and Pondicherry (2009-10)



Source: Software Technology Parks of India, Chennai

## Key Industries – IT and ITeS ... (4/4)

### Mahindra Satyam



- Formerly, Satyam Computers, Mahindra Satyam was established in 1987 and has its global headquarters at Hyderabad and several offices in 37 countries including India.
- The company provides software solutions to over 370 customers including four of the top ten electronics and electrical equipment manufacturers, three of the top ten in the aerospace and defence companies, two of the top five chemical manufacturers and four of the top five networking and communications equipment manufacturers; has four offices in Chennai.

### Tata Consultancy Services (TCS)



- A company of the TATA group of India, TCS is a well-recognised global service provider for a wide range of IT solutions including, consulting, BPO, engineering services and IT infrastructure.
- The company has offices across the world at more than 40 countries including over 70 locations in India; has offices at Chennai and Coimbatore.

### Infosys Technologies



- Infosys was started in 1981; it is a leader in IT and consulting with revenue of over US\$ 6.04 billion; has a global footprint with 64 offices and 63 development centres in India, US, China, Australia, Japan, Middle East, UK, Germany, France, Switzerland, Netherlands, Poland, Canada and many other countries.
- The company has two offices in Chennai.

### HCL Technologies



- Incorporated in 1976, HCL is a leading global technology and IT enterprise with consolidated revenues of US\$ 3.3 billion; the company's operations span 26 countries. It has delivery facilities in the US, the UK, Finland, Poland, Puerto Rico, Brazil, China, Malaysia, Singapore, Australia, Czech and India.
- HCL has several offices in Chennai.

## Key Industries – Cement ... (1/2)

- Tamil Nadu is among the leading cement manufacturers in the country.
- The state had a cement production capacity of 28.71 Million Tonnes Per Annum (MTPA) in 2009-10, registering a growth of 43.1 per cent over the previous year.
- In 2009-10, the cement production in the state was 20.86 MTPA against 19.01 MTPA during the previous year.
- In 2009-10, cement capacity utilisation of the state was 72.65 per cent.
- The production of ready-mix concrete is a major activity of the industry in the state.

### Some of the Key Players

- ACC Ltd
- Madras Cements Ltd
- Grasim Cements
- Tamil Nadu Cements Corp Ltd (TANCEM)

## Key Industries – Cement ... (2/2)

### ACC Ltd



- ACC Ltd (formerly The Associated Cement Companies Limited), is the largest cement manufacturer in the country with 26.17 MTPA capacity.
- The company has a cement plant in Madukkarai, Tamil Nadu with a capacity of 1.18 MTPA.

### Madras Cements Ltd



- A flagship company of the Ramco Group, the company has an installed capacity of 10 MTPA.
- It has five cement factories and over 2,583 employees. The company has three facilities in Tamil Nadu.

### Grasim Cements



- Grasim acquired Dharani Cements (since merged with the company) in April 1998.
- The company has a cement plant at Reddipalayam, Tamil Nadu. In April 2000, a state-of-the-art cement plant, among the most modern in Asia, was commissioned at Reddipalayam, Tamil Nadu.
- The company has a total cement capacity of 51.9 MTPA.

### Tamil Nadu Cements Corp Ltd (TANCEM)



- TANCEM is a wholly-owned Government of Tamil Nadu undertaking and has established business since April 1976.
- TANCEM reported a revenue of over US\$ 54.8 million. Products include cement, asbestos and pipes.
- Its plants are located at Alangulam and Ariyalur.

## Key Industries – Banking and Financial Services ... (1/2)

- Chennai is a key financial centre in South India with major Indian financial institutions and foreign banks having a strong presence.
- Several banks have their back office operations in Chennai.

### Key Players

- ABN Amro Central Enterprise Services Pvt Ltd (ACES)
- Scope International
- World Bank

## Key Industries – Banking and Financial Services ... (2/2)



### ABN Amro (The Royal Bank of Scotland)



- The Dutch bank set up its BPO division, the Global Support Centre, in Chennai in 2002. It has achieved growth in cash lockbox (700 clients) and international netting (10 clients). The centre provides both banking and non-banking services.
- ABN Amro Holding was acquired by a consortium of UK's Royal Bank of Scotland Group PLC (RBS), Fortis Holding and Spain's Banco Santander SA (STD), in 2007.

### Scope International

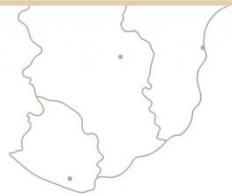


- Scope is a wholly-owned subsidiary of Standard Chartered Bank, UK. The company is based in Chennai and has operations in shared services centres.
- It has grown to over 8,500 employees servicing 75 countries.

### World Bank



- Commenced its BPO operations at Chennai in 2001.
- Many of the high value-added back office activities of the bank are now based in Chennai instead of Washington.



## Key Industries – Drugs and Pharmaceuticals ... (1/2)

- Tamil Nadu is the fifth-largest pharmaceutical producing state in the country, next to Maharashtra, Gujarat, West Bengal and Andhra Pradesh.
- Tamil Nadu and Pondicherry have companies producing mainly formulations, although there are some bulk drug manufacturers too.

### Some of the Key Players

- Orchid Chemicals & Pharmaceuticals
- Indian Drugs and Pharmaceuticals Ltd (IDPL)
- Medopharm Pharmaceuticals
- Sun Pharmaceutical Industries Ltd

## Key Industries – Drugs and Pharmaceuticals ... (2/2)

### Orchid Chemicals and Pharmaceuticals



- Established in July 1992 as a 100 per cent Export-Oriented Unit ( EOU). The company employs over 4,200 people, of which over 700 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).

### Indian Drugs and Pharmaceuticals Ltd (IDPL)



- Situated at Nandambakkam, on the Chennai-Bangalore Poonamallee high road; initially commissioned in 1965 predominantly as an engineering based company to manufacture surgical instruments.
- It has a large production capacity for manufacturing of formulations like tablets (900 million nos.) and capsules (200 million nos.)

### Medopharm Pharmaceuticals



- Established in 1970, the company has registered office in Chennai; its operations span over 60 countries worldwide.
- Medopharm manufactures pharmaceutical formulations.

### Sun Pharmaceutical Industries Ltd



- Established in 1983, the company manufactures specialty pharmaceuticals and APIs. The company has 17 manufacturing plants in three continents.
- It has a plant in the Kancheepuram district of Tamil Nadu.

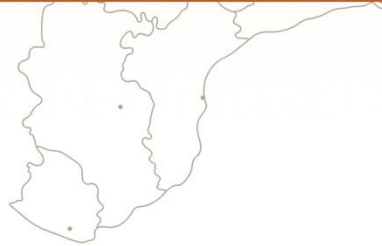
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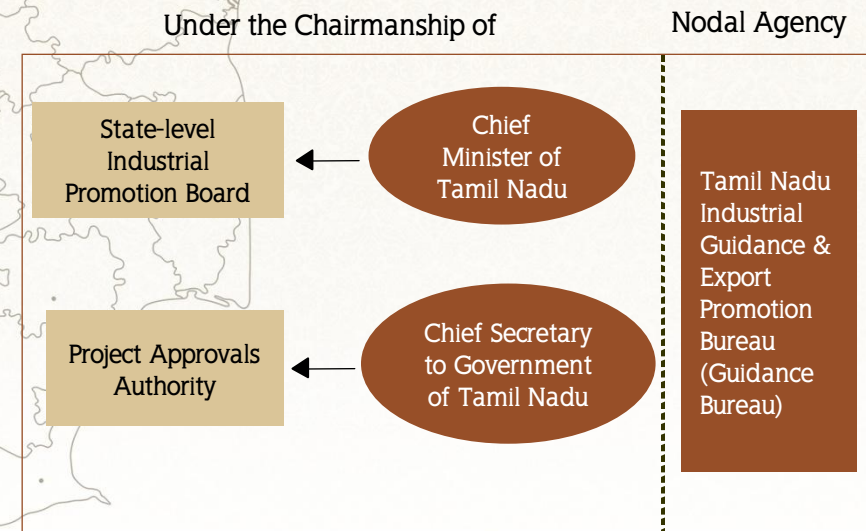


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## Two-Tier Single-Window Mechanism (SWM)

- Single-Window Clearance Mechanism has been 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 projects with investments less than US\$ 200 million.
- State-level Investment Promotion Board (SIPB) under the chairmanship of the Chief Minister of Tamil Nadu to monitor and expedite all mega projects exceeding US\$ 200 million.
- Common Application Form (CAF): The Government of Tamil Nadu has introduced a CAF to be filled and filed by investors with the Documentation and Clearance Centre (DCC) in the Guidance Bureau.

### SWM Structure in Tamil Nadu



Source: Directorate of Industries and Commerce, Government of Tamil Nadu

## Key Investment Promotion Offices ... (1/2)



| Agency  | Description   |
|---|---|
| Tamil Nadu Industrial Development Corporation Limited (TIDCO) | <ul style="list-style-type: none"> <li>Established in 1965 as a Government of Tamil Nadu enterprise to promote large and medium scale industries in Tamil Nadu. It focuses on promoting infrastructure projects, industrial parks and special economic zones.</li> </ul>  |
| State Industries Promotion Corporation of Tamil Nadu (SIPCOT) | <ul style="list-style-type: none"> <li>Focuses on developing, marketing and maintaining industrial complexes/parks and growth centres, and implementing infrastructure development schemes.</li> </ul>  |
| Tamil Nadu Industrial Investment Corporation Limited (TIIC)   | <ul style="list-style-type: none"> <li>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, modernisation and diversification of existing units; also extends term loans to the service sector in the state.</li> </ul> |
| Tamil Nadu Urban Development Fund (TNUDF)                     | <ul style="list-style-type: none"> <li>Provides project advisory, financial advisory and consultancy services to various Urban Local Bodies (ULBs) through its fund manager, Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL).</li> </ul>   |



## Key Investment Promotion Offices ... (2/2)



| Agency  | Description  |
|---|--|
| Tamil Nadu Urban Finance Infrastructure Development Corporation (TUFIDCO) | <ul style="list-style-type: none"><li>Extends financial assistance to urban infrastructure schemes in Tamil Nadu.</li></ul>  |
| Electronics Corporation of Tamil Nadu Limited (ELCOT)                     | <ul style="list-style-type: none"><li>Nodal agency for information and communication technology projects for the Government of Tamil Nadu. It focuses on three broad areas, namely, IT promotion for the state of Tamil Nadu, IT procurement for the Government of Tamil Nadu and e-governance excellence within Tamil Nadu.</li></ul> |
| Tamil Nadu Small Industries Development Corporation (TANSIDCO)            | <ul style="list-style-type: none"><li>TANSIDCO, an undertaking of the Government of Tamil Nadu, plays a catalytic role in the promotion and development of small scale industries and in the speedy setting up of industries throughout Tamil Nadu.</li></ul>  |



## Contact List ... (1/2)

| Agency  | Contact Information   |
|---|---|
| Tamil Nadu Industrial Development Corporation Limited (TIDCO) | 19-A, Rukmini Lakshmi pathy Road,<br>Egmore, Chennai-600 008<br>Phone: 91-44-2855 4421, 2855 3710<br>E-mail: <a href="mailto:cmd.tidco@nic.in">cmd.tidco@nic.in</a><br>Website: <a href="http://www.tidco.com">www.tidco.com</a>                            |
| State Industries Promotion Corporation of Tamil Nadu (SIPCOT) | 19-A, Rukmini Lakshmi pathy Road,<br>Egmore, Chennai-600 008<br>Phone: 91-44-2855 4787<br>Fax: 91-44-2851 3978<br>E-mail: <a href="mailto:sipcot@md3.vsnl.net.in">sipcot@md3.vsnl.net.in</a><br>Website: <a href="http://www.sipcot.com">www.sipcot.com</a> |
| Tamil Nadu Industrial Investment Corporation Limited (TIIC)   | New no: 692, Anna Salai, Nandanam,<br>Chennai-600 035<br>Phone: 91-44-2433 1203<br>Fax: 91-44-2434 7209<br>E-mail: <a href="mailto:tiicld@vsnl.com">tiicld@vsnl.com</a><br>Website: <a href="http://www.tiic.org">www.tiic.org</a>                          |

## Contact List ... (2/2)

| Agency   | Contact Information   |
|--|---|
| Tamil Nadu Urban Infrastructure Financial Services Ltd         | 112, Theyagaraya Road, 1st Floor, Vairam Complex,<br>Theyagaraya Road, T.Nagar, Chennai – 600 017<br>Phone: 91-44-2815 3104, 2815 3105<br>Fax: 91-44-2815 3106<br>E-mail: <a href="mailto:mdceo@tnudf.com">mdceo@tnudf.com</a><br>Website: <a href="http://www.tnudf.com">www.tnudf.com</a> |
| Electronics Corporation of Tamil Nadu Limited (ELCOT)          | 692, M.H.U. Complex, II Floor, Anna Salai,<br>Nandanam, Chennai-600 035<br>Phone: 91-44-6551 2330<br>Fax: 91-44-2433 0612<br>E-mail: <a href="mailto:secyit@tn.nic.in">secyit@tn.nic.in</a><br>Website: <a href="http://www.elcot.in">www.elcot.in</a>                                      |
| Tamil Nadu Small Industries Development Corporation (TANSIDCO) | Thiru Vi Ka Industrial Estate,<br>Chennai - 600 032<br>Phone: 91-44-2250 1461, 2250 1422, 2250 0185, 2250<br>0506, 2250 1210<br>Fax: 91-44-2250 0792<br>E-mail: <a href="mailto:sidco@vsnl.com">sidco@vsnl.com</a><br>Website: <a href="http://www.sidco.tn.nic.in">www.sidco.tn.nic.in</a> |



## Key Approvals Required

| 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, Industrial Entrepreneurs Memorandum (IEM), Industrial Licences | District Industry Centre   |  |
| Allotment of Land  | Tamil Nadu Department of Industries/State Industrial Development Corporation   |  |
| Permission for Land Use  | Tamil Nadu Department of Industries/Tamil Nadu Industrial Development Corporation, Department of Town and Country Planning |  |
| Site Environmental Approvals   | Tamil Nadu Pollution Control Board (TNPCB) and Union Ministry of Environment and Forests                                   |  |
| No-Objection Certificate and Consent under Water and Pollution Control Acts  | Tamil Nadu Pollution Control Board   |  |
| Approval of Construction Activity and Building Plan                          | Department of Town and Country Planning (DTCP)   |  |
| Sanction of Power  | Tamil Nadu Electricity Board (TNEB)  |  |
| Registration under States Sales Tax Act and Central and State Excise Acts    | Sales Tax Department, Central and State Excise Departments   |  |

## Cost of Doing Business in Tamil Nadu

| Cost Parameter                             | Cost Estimate  | Source   |
|--|--|--|
| Industrial Land (per sq m)                 | US\$ 13 to US\$ 325 (Chennai)                                  | Industry Sources                                       |
| Five Star Hotel (per room per night)       | US\$ 100 to US\$ 200   | Leading Hotels in the State                            |
| Office Space Rent (per sq ft per month)    | US\$ 0.7 to US\$ 1.2   | Industry Sources                                       |
| Residential Space Rent (2,000 sq ft house) | US\$ 440 to US\$ 1,540 per month                               | Industry Sources                                       |
| Power (per kWh)                            | Commercial US 9 cents<br>Industrial: US 3 cents to US 10 cents | Tamil Nadu Electricity Board                           |
| Labour (minimum wages per day)             | US\$ 2.4 to US\$ 5.0   | Ministry of Labour and Employment, Government of India |
| Water (per 1,000 litres)                   | Commercial and Industrial: US 33 cents                         | Tamil Nadu Water Supply and Drainage Board             |

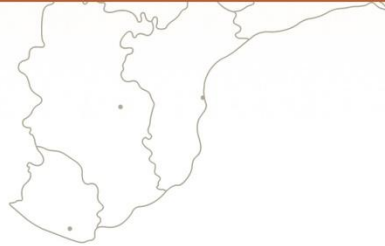
# Tamil Nadu

NOVEMBER  
2011

BLEND OF TRADITION AND TECHNOLOGY

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- ❖ Tamil Nadu – An Introduction
- ❖ Infrastructure Status
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- ❖ Doing Business in Tamil Nadu
- ❖ State Acts & Policies



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## State Acts & Policies ... (1/3)

### E-Waste Policy 2010

#### Objective

- To minimise e-waste generation, utilise e-waste for beneficial purposes through environmentally sound recycling, ensure environmentally sound disposal of residual waste.

[Read more](#)

### Tamil Nadu Business Facilitation Bill 2009

#### Objective

- Introduced in July 2009 to facilitate the single-window clearance system, with the statutory powers to hasten project approvals.

[Read more](#)

### Micro, Small and Medium Industries Policy 2008

#### Objectives

- To develop Micro, Small and Medium Enterprises (MSME) in the state.
- To encourage the export of the products of micro, small and medium enterprises in the state.

[Read more](#)

## State Acts & Policies ... (2/3)

### Information Communication Technology (ICT) Policy 2008

#### Objective

- To make Tamil Nadu the ICT Hub of South Asia by creating a knowledge driven ecosystem, leveraging entrepreneurship and promoting socially inclusive growth to achieve a 25 per cent production share of the Indian ICT industry

[Read more](#)

### Industrial Policy 2007

#### Objective

- To stimulate further industrial development, attract investments, facilitate setting up of new manufacturing units and enable global manufacturing competence and competitiveness of local industry.

[Read more](#)

### Textiles Policy 2006-07

#### Objective

- To facilitate and promote the growth of the textile industry, achieve global standards in product quality, contribute more to exports and encourage textile clusters.

[Read more](#)

## State Acts & Policies ... (3/3)

### Tamil Nadu ITeS Policy 2005

#### Objectives

- To facilitate the growth of ITeS sector.
- To attract increased foreign direct investments in the state.

[Read more](#)

### Tamil Nadu SEZ Policy 2003

#### Objectives

- Providing legislative support to SEZs.
- Providing adequate water supply to SEZs.
- Ensuring continuous power supply of required quality to SEZ units.
- Providing single-window clearance to all SEZ units.

[Read more](#)

## Annexure

### Exchange Rates

| Year    | INR equivalent of one US\$ |
|---------|----------------------------|
| 2004-05 | 44.95                      |
| 2005-06 | 44.28                      |
| 2006-07 | 45.28                      |
| 2007-08 | 40.24                      |
| 2008-09 | 45.91                      |
| 2009-10 | 47.41                      |
| 2010-11 | 45.57                      |

Average for the year

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