TAMIL NADU  BLEND OF TRADITION AND TECHNOLOGY

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TAMIL NADU
BLEND OF TRADITION AND TECHNOLOGY

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Tamil Nadu is the fourth largest state of India, and contributed 8.1 per cent to India’s GDP in 2013-14.

- Gross State Domestic Product (GSDP) of Tamil Nadu grew at a CAGR of 16.3** per cent between 2004-05 and 2013-14, reaching US$ 141.1 billion in 2013-14.
- Per capita GSDP of US$ 2,059.3 (at current prices) is nearly 48.2 per cent higher than the national average of US$ 1,389.6.

- Outstanding investments in Tamil Nadu totalled US$ 159.5 billion in 2013-14 and the state is ranked sixth compared to other Indian states.
- The cumulative FDI inflows*** from April 2000 to December 2014 amounted to US$ 15.9 billion.

- Tamil Nadu has a diversified manufacturing sector and features among the leaders in several industries like automobiles & components, engineering, pharma, garments & textile products, leather products, chemicals & plastics, etc.
- It ranks first among the states in terms of number of factories and industrial workers.
- Due to its achievements as an auto production hub, Chennai has been dubbed as the ‘Detroit of India’.
- Due to its proximity with East Asian countries, Chennai is also pitching to become an international finance hub.

Source: Tamil Nadu Policy Note on Industries 2012-13, Tamil Nadu Policy Note on Industries 2013-14, Planning Commission Databook June 2014, Department of Industrial Policy and Promotion, CMIE
**In Indian Rupee terms, ***Including Puducherry, News articles
Thriving services sector

- Tamil Nadu is ranked second in software exports from India after Karnataka, with a talent pool of nearly 375,000 professionals.
- Chennai is a key financial centre in south India, with strong presence of major Indian financial institutions and foreign banks. The World Bank has its back office in Chennai.
- It has a thriving tourism sector, and ranks third in India in terms of number of domestic tourist arrivals and second in foreign tourist arrivals.

Robust infrastructure

- It has well developed infrastructure with an excellent road and rail network, three major ports, 23 minor ports, and seven airports across the state providing excellent connectivity.
- In line with Vision 2023, it aims to step up infrastructure investment from 4-5 per cent of GSDP currently to 10 per cent by 2015 and about 11.5 per cent by 2019.
- Roads & highways, ports, railways, education and healthcare are likely to see major investments.
- The state also plans to develop two industrial corridors – Chennai-Bengaluru and Madurai-Tuticorin.

Strong human resource pool

- Tamil Nadu has 55 universities, 42 medical colleges, 553 engineering colleges, 464 polytechnics and 25 dental colleges.
- The state has skilled manpower in abundance and produces nearly four lakh engineering and polytechnic students every year.

Source: Tamil Nadu Policy Note on Industries 2012-13, Tamil Nadu Policy Note on Industries 2013-14, India Tourism Statistics 2011, Vision Tamil Nadu 2023, News articles
Growing demand and high economic growth:
- Tamil Nadu’s GSDP expanded at a CAGR of 16.5% between 2004-05 and 2012-13.
- The state recorded fourth-largest GSDP among all states in India in 2013-14 (at current prices).
- Tamil Nadu’s exports rose at a CAGR of 10.5% from US$ 20.2 billion in 2007-08 to US$ 33.2 billion in 2012-13.

Rich talent pool:
- The state has a highly qualified, skilled, disciplined, productivity-oriented, and English-speaking human resource pool.
- Tamil Nadu produces nearly four lakh engineering and polytechnic students every year, the highest in the country.

Infrastructure:
- Tamil Nadu has a well-developed social, physical, and industrial infrastructure and virtual connectivity.
- Excellent road and rail network, three major ports, 23 minor ports, and seven airports provide excellent connectivity.
- It is one of the first states in India to have 100% metalled road connectivity.

Large industrial base:
- Tamil Nadu has a range of manufacturing industries such as automobiles & components, castings & forgings, pumps & motors, garments & textile products, leather products, chemicals & plastics.
- Tamil Nadu ranks first among all states in terms of the number of factories and industrial workers.
- India and China have agreed to develop Chennai-Chongqing as sister cities.

Source: Planning Commission Databook 2012-13, Department of Industrial Policy and Promotion, Tamil Nadu Policy Note on Industries 2012-13; Tamil Nadu Policy Note on Industries 2013-14
*Target: Tamil Nadu Vision 2023 at 2010 Prices; **In Indian rupee terms, News articles

Per capita GSDP:
- 2013-14: US$ 2,059.3
- 2023T*: US$ 10,000
To become one of the top three preferred investment destinations in India and Asia.
• To be India’s innovation hub and knowledge capital.
• To provide the best infrastructure services in India in terms of access to housing, water & sanitation, energy, transportation, irrigation, connectivity, healthcare and education.
• To address the causes of vulnerability arising due to natural calamities and economic downturns, among others, and mitigate their adverse effects.
• To ensure peace, security and prosperity for all citizens and businesses, facilitating free trade movement between the state, rest of India & the world.
• To preserve and care for the state’s ecology and heritage.
• To become India’s most economically prosperous state by 2023 and achieve six-fold growth in per capita income.
• To exhibit a highly inclusive growth pattern, leading to be a poverty free state with opportunities for gainful and productive employment.
• To become the leading state in social development, with the highest Human Development Index among all Indian states.
• To nurture a culture of responsive and transparent governance that ensures progress, security and equal opportunity to all stakeholders.
• To be India’s innovation hub and knowledge capital.
• To provide the best infrastructure services in India in terms of access to housing, water & sanitation, energy, transportation, irrigation, connectivity, healthcare and education.
• To address the causes of vulnerability arising due to natural calamities and economic downturns, among others, and mitigate their adverse effects.
• To ensure peace, security and prosperity for all citizens and businesses, facilitating free trade movement between the state, rest of India & the world.
• To preserve and care for the state’s ecology and heritage.

Source: Government of Tamil Nadu

VISION 2023 … (1/2)
The state’s Vision Statement has set a target of attracting investments to the tune of US$ 276.2 billion between 2012-2023. The summary of the proposed sectoral investments is as follows:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Proposed investment (US$ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>71.7</td>
</tr>
<tr>
<td>Transport</td>
<td>67.8</td>
</tr>
<tr>
<td>Industrial and commercial infrastructure</td>
<td>31.5</td>
</tr>
<tr>
<td>Urban infrastructure</td>
<td>48.5</td>
</tr>
<tr>
<td>Agriculture</td>
<td>22.4</td>
</tr>
<tr>
<td>Human development (health &amp; education)</td>
<td>10.9</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>252.7</strong></td>
</tr>
<tr>
<td>General and social infrastructure projects</td>
<td>13.8</td>
</tr>
<tr>
<td>Capital improvements to existing projects</td>
<td>9.6</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>23.5</strong></td>
</tr>
<tr>
<td><strong>Grand total</strong></td>
<td><strong>276.2</strong></td>
</tr>
</tbody>
</table>

Source: Vision Tamil Nadu 2023
Tamil Nadu is the southern-most Indian state, surrounded by Andhra Pradesh on the north, Karnataka and Kerala on the west, Indian Ocean on the south, and Bay of Bengal on 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.

Sources:
- Government of Tamil Nadu website, www.tn.gov.in
- Census 2011

Chennai, 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. Major rivers flowing through the state include Palar, Cheyyar, Ponnaiyar, Kaveri, Bhavani, Vaigai and Tamaraparani.

Parameters

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Tamil Nadu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>Chennai</td>
</tr>
<tr>
<td>Geographical area (sq km)</td>
<td>130,058</td>
</tr>
<tr>
<td>Administrative districts (No)</td>
<td>32</td>
</tr>
<tr>
<td>Population density (persons per sq km)</td>
<td>555</td>
</tr>
<tr>
<td>Total population (million)</td>
<td>72.15</td>
</tr>
<tr>
<td>Male population (million)</td>
<td>36.13</td>
</tr>
<tr>
<td>Female population (million)</td>
<td>36.00</td>
</tr>
<tr>
<td>Sex ratio (females per 1,000 males)</td>
<td>996</td>
</tr>
<tr>
<td>Literacy rate (%)</td>
<td>80.09</td>
</tr>
</tbody>
</table>

Source: Government of Tamil Nadu website, www.tn.gov.in
Census 2011
### Tamil Nadu in Figures … (1/2)

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Tamil Nadu</th>
<th>All states</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GSDP as a percentage of all states’ GSDP*</td>
<td>8.1</td>
<td>100.0</td>
<td>Planning Commission Databook, June 2014, current prices</td>
</tr>
<tr>
<td>Average GSDP growth rate (%)**</td>
<td>16.3</td>
<td>11.54</td>
<td>Planning Commission Databook, November 2014, current prices</td>
</tr>
<tr>
<td>Per capita GSDP (US$)</td>
<td>2,059.3</td>
<td>1,833.24***</td>
<td>Planning Commission Databook, June 2014, current prices</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Physical Infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Installed power capacity (MW)</td>
<td>22,370.1</td>
<td>258,701.5</td>
<td>Central Electricity Authority, as of January 2015</td>
</tr>
<tr>
<td>Wireless subscribers (No)</td>
<td>79,931,918</td>
<td>952,344,219</td>
<td>Telecom Regulatory Authority of India, as of January 2015</td>
</tr>
<tr>
<td>Broadband subscribers (No)</td>
<td>2,859,000^</td>
<td>94,490,000</td>
<td>Ministry of Communications &amp; Information Technology, as of January 2015</td>
</tr>
<tr>
<td>National Highway length (km)</td>
<td>5,006</td>
<td>96,260</td>
<td>Ministry of Road Transport &amp; Highways, as of January 2015</td>
</tr>
<tr>
<td>Major and minor ports (No)</td>
<td>3 + 23</td>
<td>13 + 187</td>
<td>Highways and Minor Ports Department, Tamil Nadu</td>
</tr>
<tr>
<td>Airports (No)</td>
<td>7</td>
<td>125</td>
<td>Airports Authority of India</td>
</tr>
</tbody>
</table>

**In Indian rupee terms, ^As of December 2012, ***As of December 2014

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MARCH 2015

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## Tamil Nadu in Figures … (2/2)

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Tamil Nadu</th>
<th>All states</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social Indicators</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Literacy rate (%)</td>
<td>80.1</td>
<td>74.0</td>
<td>Census 2011</td>
</tr>
<tr>
<td>Birth rate (per 1,000 population)</td>
<td>15.7</td>
<td>21.4</td>
<td>SRS Bulletin (<a href="http://www.censusindia.gov.in">www.censusindia.gov.in</a>) September 2013</td>
</tr>
<tr>
<td><strong>Investment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FDI equity inflows (US$ billion)</td>
<td>15.9*</td>
<td>243.2</td>
<td>Department of Industrial Policy &amp; Promotion, April 2000 to January 2015</td>
</tr>
<tr>
<td>Outstanding investments (US$ billion)</td>
<td>159.5</td>
<td>2,414.2</td>
<td>CMIE (2013-14)</td>
</tr>
<tr>
<td><strong>Industrial Infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PPP projects (No)</td>
<td>52</td>
<td>1,339</td>
<td><a href="http://www.pppindiadatabase.com">www.pppindiadatabase.com</a></td>
</tr>
<tr>
<td>SEZ (No)</td>
<td>53</td>
<td>347</td>
<td>Notified as of March 2015, <a href="http://www.sezindia.nic.in">www.sezindia.nic.in</a></td>
</tr>
</tbody>
</table>

PPP: Public Private Partnership, SEZ: Special Economic Zone, SRS: Sample Registration System, *Including Puducherry, **At 2013-14 rates
At current prices, Tamil Nadu’s GSDP was about US$ 141.1 billion in 2013-14.

The average GSDP growth rate between 2004-05 and 2013-14 was about 16.3% per cent.

* Source: Planning Commission Databook, June 2014
  *In Indian Rupee terms
Tamil Nadu’s Net State Domestic Product (NSDP) was about US$ 127.7 billion in 2013-14.

The average NSDP growth rate between 2004-05 and 2013-14 was 16.6** per cent.

Source: Planning Commission Databook, June 2014

**In Indian Rupee terms
The state’s per capita GSDP in 2013-14 was US$ 2,059.3.

Per capita GSDP increased at a CAGR of 15.5% per cent between 2004-05 and 2013-14.

**Source:** Planning Commission Databook, June 2014

*In Indian Rupee terms*
The state’s per capita NSDP in 2013-14 was US$ 1,863.5.

The per capita NSDP increased at a CAGR of 15.8% between 2004-05 and 2013-14.

Source: Planning Commission Databook, June 2014

**In Indian Rupee terms**
In 2013-14, the tertiary sector contributed 59.0 per cent to the state’s GSDP at current prices, followed by the secondary sector at 28.7 per cent.

The tertiary sector grew at an average rate of 16.7\(^*\) per cent between 2004-05 and 2013-14, driven by trade, hotels, real estate, finance, insurance, transport, communications and other services.

The secondary sector grew at an average rate of 15.3\(^*\) per cent between 2004-05 and 2013-14, mainly driven by manufacturing and construction.

The primary sector grew at an average rate of 16.8\(^*\) per cent between 2004-05 and 2013-14.

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### Percentage distribution of GSDP

<table>
<thead>
<tr>
<th>Year</th>
<th>Primary sector</th>
<th>Secondary sector</th>
<th>Tertiary sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>11.9%</td>
<td>30.9%</td>
<td>57.2%</td>
</tr>
<tr>
<td>2013-14</td>
<td>12.3%</td>
<td>28.7%</td>
<td>59.0%</td>
</tr>
</tbody>
</table>

\(\text{CAGR}^*\) = 16.7\%, 15.3\%, 16.8\%  

Source: CMIE  
\(^*\)Growth rate in INR terms
Tamil Nadu is one of the leading producers of bananas, flowers, tapioca, mango, coconut, groundnut, coffee, tea and sugarcane.

In 2013-14, total production of food grains increased to 10.3 million tonnes.

In 2012-13, the state’s total banana production was 5.1 million tonnes, whereas total rice production was 5.5 million tonnes.

In 2012-13, total vegetable production in the state stood at 7.9 million tonnes.

In 2012-13, the state’s total fruit production was 6.7 million tonnes.

The Indo-Israeli Project (IIAP) for agriculturalists to further help the agricultural produce

<table>
<thead>
<tr>
<th>Crop</th>
<th>Annual production in 2012-13 ('000 tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugarcane</td>
<td>35,700.0</td>
</tr>
<tr>
<td>Banana</td>
<td>5,136.2</td>
</tr>
<tr>
<td>Coconut*</td>
<td>4,760.7</td>
</tr>
<tr>
<td>Tapioca</td>
<td>4,523.2</td>
</tr>
<tr>
<td>Mango</td>
<td>714.1</td>
</tr>
<tr>
<td>Cotton^</td>
<td>600.0</td>
</tr>
<tr>
<td>Tomato</td>
<td>302.3</td>
</tr>
<tr>
<td>Spices</td>
<td>279.6</td>
</tr>
<tr>
<td>Sapota</td>
<td>240.4</td>
</tr>
</tbody>
</table>

Source: Indian Horticulture Database – 2012-13, National Horticulture Board, News articles, Cotton Corporation of India, Business Standard

*Million nuts, *000* bales (170 kg each)
As per the Department of Industrial Policy & Promotion (DIPP), cumulative FDI inflows** from April 2000 to December 2014 were US$ 15.9 billion.

The state has attracted investments worth US$ 4.8 billion since 2011 and is expected to attract additional investment of US$ 7.0 billion in the near term.

In 2013-14, the state had total outstanding investments of US$ 159.5* billion.

Electricity and services sectors continue to attract large investments.

The electricity sector attracted investment of US$ 77.4* billion in 2013-14, accounting for 48.5 per cent of total outstanding investments.

The services sector secured investments worth US$ 47.0* billion, accounting for 29.5 per cent of total outstanding investments.

Break up of outstanding investments by sector (2013-14)

Electricity: 48.5%
Services: 29.5%
Manufacturing: 10.7%
Real Estate: 9.9%
Mining: 0.7%
Irrigation: 0.8%

Source: CMIE, Economic Times, Department of Industrial Policy and Promotion
*At 2013-14 rates, **Including Puducherry
Tamil Nadu is a major exporter of a variety of manufactured goods such as automobiles, auto components, engineering goods, textiles and garments, and leather products.

Tirupur and Erode are the country’s largest exporters of knitwear.

The state’s exports totalled US$ 35.9 billion in 2013-14.

Tamil Nadu’s share in the country’s total exports rose from 9.0 per cent in 2010-11 to 11.5 per cent in 2013-14.

IT exports from Tamil Nadu increased from US$ 7.1 billion in 2007-08 to US$ 10.9 billion in 2012-13E, registering a CAGR of 15.7 per cent.

A majority of software exports from Tamil Nadu consist of application software.

According to the industrial policy released in 2014, the state plans to double its exports from the current level by 2016.

Exports from Tamil Nadu (US$ billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports (US$ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>20.2</td>
</tr>
<tr>
<td>2008-09</td>
<td>27.0</td>
</tr>
<tr>
<td>2009-10</td>
<td>25.3</td>
</tr>
<tr>
<td>2010-11</td>
<td>27.6</td>
</tr>
<tr>
<td>2011-12</td>
<td>35.2</td>
</tr>
<tr>
<td>2012-13</td>
<td>33.2</td>
</tr>
<tr>
<td>2013-14</td>
<td>35.9</td>
</tr>
</tbody>
</table>

Source: Tamil Nadu Industrial Policy 2014, Economic Times quoted E – Estimate, Times of India
Tamil Nadu’s government has planned an expenditure of US$ 21,183.4 million for the year 2014-15.

Tax revenue is expected to increase by 10.2 per cent, resulting in a revenue surplus of US$ 48.4 million in 2014-15.

The 2014-15 fiscal deficit of US$ 4,285.7 million equals 2.73 per cent of GSDP.

Capital expenditure for 2014-15 is estimated to be US$ 4,333.9 million, 16.1 per cent higher than that for 2013-14.

Net borrowings during 2014-15 are estimated at US$ 4,179.9 million.

Budget highlights:

- In order to attract investments from large and small players and increase industrial activity across the state, a sum of US$ 16.7 million has been provided in the budget to hold the Global Investors Meet in October in Chennai and promote industry and infrastructure growth.

- The government has increased food subsidy to US$ 886.1 million.

### Annual Budget (Estimates in US$ million)

<table>
<thead>
<tr>
<th></th>
<th>2013-14</th>
<th>2014-15*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total receipt</td>
<td>19,377.6</td>
<td>21,231.6</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>19,337.1</td>
<td>21,183.4</td>
</tr>
<tr>
<td>Fiscal deficit</td>
<td>3,590.4</td>
<td>4,285.7</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>3,733.4</td>
<td>4,333.9</td>
</tr>
</tbody>
</table>

*2014-15 updated using exchange rate of INR 60/US$
The government has allocated US$ 33.4 million for the proposed monorail project in the state.

To facilitate the expansion of communication network entry, tax on telecommunication companies would be reduced to 1 per cent from 4 per cent.

The state announced its plan to launch the Cotton Cultivation Mission to increase the land under cotton cultivation to 600,000 acres in the next five years, with an initial outlay of US$ 8.4 million.

A sum of US$ 2,964.7 million was allocated for the provision of free, high-quality education for all school children, including the health aspect.

The government allocated US$ 16.7 million for solar energy projects, including setting up of solar power street lights and green homes with solar power allocation.

Crop loan for 2014-15 was finalised at US$ 836.0 million and provision was made for interest subvention of US$ 33.4 million.
Tamil Nadu has 28 national highways running through it. The state is also an important terminus in the Golden Quadrilateral road link of the National Highways Authority of India (NHAI).

The district centres are linked through 187 state highways.

Tamil Nadu is one of the first states in India to have 100 per cent metalled road connectivity even in rural areas.

State Express Transport Corporation (SETC) provides road transport services within the state.

As of March 2011, the state had a road density of 147.89 km per 100 sq km of area.

The state is expected to receive US$ 1,580.2 million for its road sector projects from World Bank, which would cover costs for 1,678 km of roads in identified areas.

Tamil Nadu Vision 2023 envisages an investment of US$ 27.7* billion for improving highways. Chennai is slated to get 17 new projects worth US$ 334.8 million.

<table>
<thead>
<tr>
<th>Category of roads</th>
<th>Length (km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Highways (NH)</td>
<td>4,974</td>
</tr>
<tr>
<td>State Highways (SH)</td>
<td>10,764</td>
</tr>
<tr>
<td>Major District Roads (MDR)</td>
<td>11,247</td>
</tr>
<tr>
<td>Other District Roads (ODR)</td>
<td>35,032</td>
</tr>
<tr>
<td>Total road length</td>
<td>192,339</td>
</tr>
</tbody>
</table>

*At 2011-12 rates, News articles

Source: Ministry of Road Transport & Highways, Tamil Nadu Policy Note on Roads, Bridges, Minor Ports and Shipping, 2012-13, Tamil Nadu Policy Note on Highways and Minor Ports 2013-14, Tamil Nadu Vision 2023
Tamil Nadu’s railway network falls under the jurisdiction of Southern Railways, which covers Tamil Nadu, Kerala, Puducherry and a small part of Andhra Pradesh.

It has six divisions, four of which are in Tamil Nadu (Chennai, Tiruchirappalli, Madurai and Salem). Coimbatore is also a key railway junction.

Tamil Nadu presently has a 4,181 km rail network, with 690 railway stations.

Chennai has a well-established suburban railway network connecting it to the suburbs and neighbouring cities.

Mass-Rapid-Transit System (MRTS) is an elevated line of the suburban railway in Chennai. It runs from the Chennai beach junction to the Velachery suburb, covering a distance of 25 km over 21 stations. It is operated by the Southern Railways.

Tamil Nadu Vision 2023 envisages an investment of US$ 27.5* billion for key rail projects, including high-speed rail on the Chennai-Coimbatore-Madurai-Kanyakumari route and a dedicated freight corridor between Chennai & Thoothukudi.

Government is ready to enter into an MoU to develop three new railway projects in Madurai-Tuticorin Industrial Corridor.

*At 2011-12 rates
Tamil Nadu has international airports at Chennai, Coimbatore and Trichy; it has domestic airports at Tuticorin, Salem, Vellore (non-operational) and Madurai.

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

In 2013-14, Chennai Airport recorded a passenger traffic of 12.9 million, up from 12.77 million in 2012-13.

Construction work on a new passenger terminal at the Chennai International Airport has been completed. The terminal would have a capacity of 10 million passengers.

The Trichy Airport handled 4,773 tonnes of cargo in 2013-14, registering 63 per cent growth over the previous year.

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.

Thanjavur is slated to get an airport, as the government has identified 50 locations in smaller cities for airport.

Tamil Nadu Vision 2023 envisages an investment of US$ 5.2* billion for developing a greenfield airport near Chennai and upgrading other airports.

Source: Tamil Nadu Vision 2023, News articles

*At 2011-12 rates.
Tamil Nadu has three major ports: Chennai, Ennore and V O Chidambaranar. It has 23 minor ports.

In 2013-14, the total traffic handled at Chennai, Ennore and V O Chidambaranar ports was 51.1 million tonnes, 27.3 million tonnes and 28.6 million tonnes, respectively.

Together, the three ports accounted for about 19.3 per cent of the total traffic at all major ports across the country during 2013-14. Between 2005-06 and 2012-13, major-port traffic increased at an average rate of 4.4 per cent.

Ports at Cheyyur (Panaiyur), Marakkanam and a combined port facility at Sirkazhi Taluk are under development.

The Chennai port mainly handles container cargo, while the Ennore and V O Chidambaranar ports handle coal, ores and other bulk minerals.

Tamil Nadu Vision 2023 envisages an investment of US$ 3.1* billion for three greenfield ports and five minor ports, with a cumulative capacity of 150 million tonnes.

Indian Navy plans to further develop the Tuticorin port, to establish a forward operating base.

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Total installed power generation capacity in Tamil Nadu increased from 14,089 MW in 2008-09 to 22,370 MW in January 2015.

From the total installed capacity, 11,126 MW was contributed by thermal power, whereas renewable power contributed 8,075 MW. Hydropower and nuclear power contributed 2,182 MW and 986.5 MW of capacity, respectively.

Renewable energy is a growing sector in the 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 R&D projects jointly with the Anna University, with a total outlay of US$ 0.087 million.

Tamil Nadu Vision 2023 envisages an investment of US$ 39.6* billion to expand generation capacity by 30,000 MW.

In a latest development, Chief Minister J Jayalalithaa stated that the state will not face any more power cuts from 1 June 2014.

This development is on account of increase in generation by 2,500 MW in state power plants.

The state has signed deals with various power producers to purchase 3,800 MW of power to meet the current deficit of 4,000 MW.

Source: Central Electricity Authority, Tamil Nadu Vision 2023
*At 2011-12 rates, **January 2015
In November 2010, the Tamil Nadu Electricity Board restructured itself into TNEB Ltd, Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO), and Tamil Nadu Transmission Corporation Ltd (TANTRANSCO).

As of March 2012, the state had 1,361 sub-stations, 0.024 million circuit km of extra-high-tension lines, 0.15 million circuit km of high-tension lines, 0.56 million km of Low Tension (LT) lines and 0.21 million distribution transformers.

As of 2012-13, per capita power consumption of the state was 1,065 kWh.

Electricity consumers in Tamil Nadu as of March 2014

<table>
<thead>
<tr>
<th>Type</th>
<th>Consumers (No)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>17,219,933</td>
</tr>
<tr>
<td>Agricultural</td>
<td>2,047,174</td>
</tr>
<tr>
<td>Commercial</td>
<td>3,287,073</td>
</tr>
<tr>
<td>Industrial</td>
<td>598,750</td>
</tr>
<tr>
<td>Huts</td>
<td>1,182,835</td>
</tr>
<tr>
<td>Others</td>
<td>895,771</td>
</tr>
<tr>
<td>Total</td>
<td>25,231,536</td>
</tr>
</tbody>
</table>

Source: Tamil Nadu Policy Note on Energy, 2014-15
According to the Telecom Regulatory Authority of India (TRAI), Tamil Nadu had nearly 79.9 million wireless subscribers and 2.8 million wire-line subscribers, as of January 2015.

As of December 2012, the state had 2.8 million broadband subscribers.

Tamil Nadu had a high tele-density of 117.14 per cent compared with an all-India average of 78.16 per cent, as of January 2015.

As of March 2014, the state had 11,879 post offices.

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 (November 2014)**

<table>
<thead>
<tr>
<th>Service</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wireless connections</td>
<td>79,931,918</td>
</tr>
<tr>
<td>Wire-line connections</td>
<td>2,790,217</td>
</tr>
<tr>
<td>Broadband subscribers</td>
<td>2,859,000*</td>
</tr>
<tr>
<td>Telephone exchanges</td>
<td>2,339***</td>
</tr>
<tr>
<td>Teledensity (in per cent)</td>
<td>117.14</td>
</tr>
<tr>
<td>Post offices</td>
<td>11,879</td>
</tr>
</tbody>
</table>

**Major telecom operators in Tamil Nadu**

- Bharat Sanchar Nigam Limited (BSNL)
- Bharti Airtel
- Aircel Limited
- Reliance Communications
- Vodafone Essar
- Tata Teleservices
- Idea Cellular

*Source:* Telecom Regulatory Authority of India, India Post, Department of Telecommunications, Annual Report 2012-13, Ministry of Communications and Information Technology, Government of India, Tamil Nadu Statistical Data Book 2012

*As of December 2012, ***As of March 2011
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 of 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 JNNURM, funds valued at US$ 851.7* million have been sanctioned from 2006 to 2014 for 48 projects.

As of March 2014, a total of 23 projects under UIG of JNNURM were completed in the state. These projects were located in Chennai, Coimbatore and Madurai, related to roads and flyovers, water supply and solid waste management.

There were 18 additional projects during the transition phase as on 31 March 2014 with an estimated cost of US$ 153.0 million.

Under the Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), US$ 193.7 million has been allocated for development of water supply, sewerage, storm drainage systems, solid waste management and road development in the state.

Tamil Nadu Vision 2023 envisages an investment of US$ 57.4** billion for urban infrastructure development.

The CM has urged the Union Government to include 12 cities from the state in the smart city programme.

Source: JNNURM, Ministry of Urban Development, Government of India, Tamil Nadu Vision 2023
UIG: Urban Infrastructure and Governance,
*As of March 2014 at 2013-14 rates, **At 2011-12 rates, News articles
<table>
<thead>
<tr>
<th>Project name</th>
<th>Sector</th>
<th>PPP type</th>
<th>Project cost</th>
<th>Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elevated road from Chennai Port to Maduravoyal</td>
<td>Roads</td>
<td>BOT-Toll</td>
<td>349.0</td>
<td>Construction</td>
</tr>
<tr>
<td>Krishnagiri-Walajahpet</td>
<td>Roads</td>
<td>BOT-Toll</td>
<td>274.3</td>
<td>Construction</td>
</tr>
<tr>
<td>Salem-Ulundupet</td>
<td>Roads</td>
<td>BOT-Toll</td>
<td>233.8</td>
<td>Construction</td>
</tr>
<tr>
<td>Tirupur Water Supply</td>
<td>Urban development</td>
<td>BOOT</td>
<td>215.7</td>
<td>Under operation</td>
</tr>
<tr>
<td>Hosur-Krishnagiri section</td>
<td>Roads</td>
<td>BOT-Toll</td>
<td>192.7</td>
<td>Under operation</td>
</tr>
<tr>
<td>Madurai-Arupukottai-Tuticorin</td>
<td>Roads</td>
<td>BOT-Toll</td>
<td>191.9</td>
<td>Under operation</td>
</tr>
<tr>
<td>Operation, management &amp; development of Chennai airport via PPP</td>
<td>Transport</td>
<td>-</td>
<td>187.0</td>
<td>In tender</td>
</tr>
<tr>
<td>Chengapalli to Coimbatore Bypass and from Coimbatore Bypass to Tamil Nadu and Kerala border</td>
<td>Roads</td>
<td>BOT-Toll</td>
<td>186.9</td>
<td>Construction</td>
</tr>
<tr>
<td>Chennai outer ring road Phase II</td>
<td>Transport</td>
<td>DBFOT</td>
<td>161.0</td>
<td>Signed</td>
</tr>
<tr>
<td>Trichy-Karur</td>
<td>Roads</td>
<td>BOT-Toll</td>
<td>152.6</td>
<td>Construction</td>
</tr>
<tr>
<td>Trichy-Dindigul</td>
<td>Roads</td>
<td>BOT-Toll</td>
<td>143.1</td>
<td>Construction</td>
</tr>
<tr>
<td>Tiruttani-Chennai section</td>
<td>Roads</td>
<td>BOT-Toll</td>
<td>125.3</td>
<td>Construction</td>
</tr>
<tr>
<td>Coimbatore-Mettupalayam section</td>
<td>Roads</td>
<td>BOT-Toll</td>
<td>121.1</td>
<td>Construction</td>
</tr>
<tr>
<td>100 MLD Sea Water Desalination Plant Reverse Osmosis</td>
<td>Urban development</td>
<td>BOT</td>
<td>109.7</td>
<td>Under operation</td>
</tr>
<tr>
<td>Second container terminal – Chennai</td>
<td>Ports</td>
<td>BOT-Toll</td>
<td>107.1</td>
<td>Construction</td>
</tr>
<tr>
<td>Dindigul-Theni and Theni-Kumuli section</td>
<td>Roads</td>
<td>BOT-Annuity</td>
<td>106.4</td>
<td>Construction</td>
</tr>
<tr>
<td>Container terminal concession at Chidambaranar port</td>
<td>Transport</td>
<td>-</td>
<td>57.0</td>
<td>Awarded</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Description</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Industrial Parks                   | • The State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) Export Promotion Industrial Park (EPIP) is spread over 224 acres at Gummidipoondi in the Thiruvalloor district.  
• An industrial park has been set up at Irungattukottai for the automotive, electronics, food processing, general engineering and other non-polluting industries.  
• The hi-tech SEZs in the Sriperumbudur Industrial Park and Oragadam Industrial Growth Centre (both in Kanchipuram district), are spread over 570.92 acres and 347.66 acres, respectively. These houses manufacturing units for electronics, telecom hardware and support services.  
• A new industrial park spread across 1,127 acres for the development of an industrial complex at Thervoy Kandigai village in Tamil Nadu has been planned. Land development work has started for the same.  
• SIPCOT has taken possession of 125 acres of land in Thiruvalloor district for creation of a new complex.                                                                                                                                                                                                                     |
| Madras Export Processing Zone (MEPZ) | • Established in 1984 to promote FDI, one of the seven Export-Promotion Zones (EPZs) set up by the Government of India, MEPZ is a multi-product export zone with 117 functional units and another 27 in the process of being set up.                                                                                                                                          |
| SIPCOT’s SEZs                      | • SIPCOT’s SEZs comprise a leather SEZ in Vellore, a footwear SEZ in Kanchipuram, an engineering products SEZ in Erode, an automotive SEZ in Thiruvannamalai and a transport engineering goods SEZ in Tirunelveli, granite SEZ in Bargur and hi-tech SEZs in Kanchipuram.                                                                                           |
**TIDCO’s SEZs**

- Tamil Nadu Industrial Development Corporation (TIDCO) has been engaged in 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.
- TIDCO and Rankindo Developers Private Limited have jointly developed an integrated township with IT SEZ in Coimbatore.
- An IT and ITeS SEZ-TIDEL – III, with an international convention centre, is set up on 25 acres of land on the IT Expressway at Taramani in Chennai. MRTS runs near the project site.

**Apparel Parks**

- Two apparel parks have been set up, one at Tirupur and the other at Irungattukottai near Chennai, with a project cost of US$ 133 million, including Government of India’s assistance of US$ 6.5 million. Both parks are functioning.

**Hi-tech Weaving Parks**

- Two hi-tech weaving parks have been inaugurated at Komarapalayam and Palladam.
- Another hi-tech weaving park is being set up at Andipatti.
<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Description</th>
</tr>
</thead>
</table>
| **LNG Import Terminal**     | • Tamil Nadu Industrial Development Corporation Limited (TIDCO) and Indian Oil Corporation Limited, through a joint venture, would set up a Liquefied Natural Gas (LNG) import terminal near Ennore Port at Kattupalli village in Thiruvallur.  
  • The project’s total investment is estimated at US$ 759.4* million, and it aims to meet the state’s rising demand for energy and create a firm source for natural gas in the long term.  
  • GAIL and TIDCO are jointly setting up a 500 MW LNG-based power project in the state. |
| **Perambalur SEZ**          | • TIDCO and M/s GVK Group of Hyderabad are jointly developing a multi-product SEZ in Perambalur; 2,880 acres of land has been procured. The Ministry of Commerce & Industries, Government of India, has formally approved the project. |
| **Solar Power Park Project**| • TIDCO has proposed the development of solar power parks for setting up 1,000-MW solar power projects in association with public and private organisations.  
  • In the first phase, TIDCO and M/s. Raasi Green Earth Energy Private Limited, Bangalore, would jointly develop a solar park project of 100-MW capacity on a 500-acre dry land in Paramakudi, Ramanathapuram.  
  • In the next phase, TIDCO would facilitate the establishment of 1,000-MW capacity solar power park projects at multiple locations in association with private players in 2013-14.  
  • Total investment in these projects is estimated at US$ 1.7* billion. |
DEVELOPMENT PROJECTS: INDUSTRIAL CLUSTERS AND SEZs … (4/4)

<table>
<thead>
<tr>
<th>Description</th>
<th>SEZ (No)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notified SEZs</td>
<td>53*</td>
</tr>
<tr>
<td>SEZs with formal approvals</td>
<td>67*</td>
</tr>
<tr>
<td>SEZs with in-principle approvals</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: sezindia.nic.in

*As of July 2013

Source: tidco.com
Tamil Nadu has a literacy rate of 80.09 per cent as per the 2011 Census data; male literacy rate is 86.77 per cent and female literacy rate is 73.44 per cent.

Tamil Nadu is one of the states running the Total Literacy Campaign, the Post-Literacy Mission and the Continuing Education Programme (CEP).

In the State Budget 2013-14, US$ 3.1 billion has been allocated to the School Education Department.

In the 2014-15 State Budget, an amount of US$ 2.9 billion has been allocated for providing free, good quality education to all school children, including the health aspect.

Tamil Nadu Vision 2023 envisages an investment of US$ 4.0 billion for the education sector for improving schools, skill development and setting up 10 centres of excellence.

<table>
<thead>
<tr>
<th>Tamil Nadu’s primary education statistics (2012-13)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of schools</td>
</tr>
<tr>
<td>Primary: 34,871</td>
</tr>
<tr>
<td>Middle: 9,969</td>
</tr>
<tr>
<td>High &amp; higher secondary schools: 10,827</td>
</tr>
<tr>
<td>Net enrolment ratio (in per cent)</td>
</tr>
<tr>
<td>Primary level: 99.8</td>
</tr>
<tr>
<td>Upper primary level: 99.1</td>
</tr>
<tr>
<td>Pupil-teacher ratio</td>
</tr>
<tr>
<td>Primary: 24.7:1</td>
</tr>
<tr>
<td>Upper primary: 26.6:1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Literacy rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literacy rate</td>
</tr>
<tr>
<td>Male literacy</td>
</tr>
<tr>
<td>Female literacy</td>
</tr>
</tbody>
</table>

Source: Tamil Nadu Policy Note on School Education 2013-14, The Hindu, Census 2011 (Provisional data) *At 2012-13 rates, **At 2011-12 rates, ***At 2013-14 rates
As of 2011-12, the state had 34,871 primary schools, 9,969 middle schools and 10,827 high and higher secondary schools.

In 2011-12, student strength in the state was about 3.17 million in primary schools, 2.15 million in middle schools, and 8.17 million in high and higher secondary schools.

Private participation is being encouraged in technical and vocational education.

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)

Educational infrastructure as of 2011-12

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universities</td>
<td>67</td>
</tr>
<tr>
<td>Colleges</td>
<td>2,267*</td>
</tr>
<tr>
<td>Medical colleges</td>
<td>42**</td>
</tr>
<tr>
<td>MBA/MCA</td>
<td>69***</td>
</tr>
<tr>
<td>Engineering colleges</td>
<td>553***</td>
</tr>
<tr>
<td>Polytechnics</td>
<td>464***</td>
</tr>
<tr>
<td>Dental colleges</td>
<td>25^</td>
</tr>
</tbody>
</table>

Source: Tamil Nadu Policy Note on Higher Education 2013-14, Tamil Nadu Policy Note on Health and Family Welfare 2012-13, University Grants Commission, Medical Council of India

*As of 2010-11, **As of December 2012, ***As of 2012-13 ^As of 2013
The state has a three-tier health infrastructure comprising hospitals, primary health centres, health units, community health centres and sub-centres.

As of October 2012, the state had 32 district hospitals, 236 sub-divisional hospitals, 1,865 primary health centres, 11,661 sub-centres and 448 community health centres.

The Tamil Nadu Vision 2023 envisages an investment of US$ 2.3*** billion for creating and upgrading the existing medical facilities, skill development and other facilities.

**Health indicators of Tamil Nadu (2010-11)**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population served per medical institution (No)</td>
<td>6,681</td>
</tr>
<tr>
<td>Population served per hospital bed (No)</td>
<td>1,463</td>
</tr>
<tr>
<td>Birth rate* (2012)</td>
<td>15.7</td>
</tr>
<tr>
<td>Death rate* (2012)</td>
<td>7.4</td>
</tr>
<tr>
<td>Infant mortality rate** (2012)</td>
<td>21</td>
</tr>
</tbody>
</table>

**Life expectancy at birth (years)**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Life Expectancy (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male (2002-06)</td>
<td>65.0</td>
</tr>
<tr>
<td>Female (2002-06)</td>
<td>67.4</td>
</tr>
</tbody>
</table>


*Per thousand persons, **Per thousand live births, ***At 2011-12 rates
Known as the Land of Temples, Tamil Nadu has nearly 33,000 ancient temples – many at least 600-800 years old – spread across the state.

The Sports Development Authority of Tamil Nadu (SDAT) develops 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 houses the offices of the Tamil Nadu Cricket Association. The Chennai Open Tennis championships are held every January at the SDAT Tennis Stadium. Jawaharlal Nehru Stadium in Chennai is a multipurpose stadium that hosts football tournaments, and track and field events.

Chennai hosts the Annual Madras Music Season during December–January; it includes performances by artists from 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 various avenues for adventure, leisure and culture tourism. The state is a leader in domestic tourism.
TIDCO, State Industries Promotion Corporation of Tamil Nadu (SIPCOT), Tamil Nadu Industrial Investment Corporation Limited (TIIC), and Tamil Nadu Small Industries Development Corporation Limited (TANSIDCO) are jointly developing industrial infrastructure in the state.

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

As of February 2013, the number of micro, small and medium enterprises in Tamil Nadu has trebled to 83,348 from 25,794 in 2003-04. The state accounts for nearly 15 per cent of the total number of operational MSMEs in India.

Tamil Nadu is an important IT hub. It is one of the largest software exporters by value in India. IT exports from Tamil Nadu increased from US$ 7.1 billion in 2007-08 to US$ 10.9 billion in 2012-13E, at a CAGR of 15.7 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’.

Over the decades, Tamil Nadu has seen major investments in the automotive industry, particularly in cars, railway coaches, tractors, motorcycles, automobile spare parts and accessories, tyres and heavy vehicles. The automotive industry plays a crucial role in driving the state’s economy. The government has decided to put it down under “public utility” section.

Source: Software Technology Parks of India, Chennai; News articles, MSME Policy Note 2013-14, Business Standard

*Including Puducherry, E - Estimated

Key industries in Tamil Nadu

- Textiles
- Heavy commercial vehicles
- Automobile and auto components
- Engineering
- IT and ITeS
- Cement
- Banking and financial services
- Drugs and pharmaceuticals
- Agro and food processing
- Leather tanning industries
- Electronic hardware
- Tourism
Tamil Nadu is known as the “Yarn Bowl” of the country.

Tamil Nadu is the largest producer of cotton yarn, accounting for 41 per cent of India’s production.

Coimbatore and Tirupur are the major textile centres in Tamil Nadu. Tirupur is known as the ‘Knitting City’, while Coimbatore is called the ‘Manchester of South India’.

Tamil Nadu produced about 1,482.79 million kg of spun yarn, accounting for about 34.0 per cent of the annual spun yarn production of the country during 2011-12. The capacity of the spinning mills is around 22.24 million spindles.

Tamil Nadu has 1,997 spinning mills (60.6 per cent of mills in India), 458,000 power looms and 207,000 handlooms. A group of textile units in Tirupur and Coimbatore is planning to set up a 20 MW of solar power project.

Karur, Madurai and Rajapalayam are the other textile centres in the state.

The Tirupur cluster contributes nearly 56 per cent of India’s total knitwear production and about 90 per cent of cotton knitwear exports.

The state has a notified SEZ for textiles in Erode district, spread across an area of 103.64 hectares.

The government of Tamil Nadu plans to set up a textile park at Eraliyur village on the Tiruchi-Chennai national highway in Perambalur district. The textile park would be an export-oriented facility, aimed at increasing the pace of industrialisation in Perambalur district.

Some of the key players
- Madura Coats Pvt Ltd (MCL)
- Primus Fabrics
- Gem Spinners
- Lakshmi Mills

Source: Tamil Nadu Policy Note on Industries, 2013-14, News articles
**Coats India Ltd**

- Coats is the world’s largest supplier of industrial sewing thread and crafts products. It is the world’s second-largest and fastest growing manufacturer of top quality zip fasteners. The company has operations in over 70 countries.
- Industrial product manufacturing started in Madurai in 1944, and the weaving unit was started in Ambasamudram in 1961. Recently the company has announced a strategic alliance with a UK based company, GSD in order to collaborate on offering their respective management solutions to maximise productivity and drive down costs.

**Primus Fabrics**

- Founded in 1950, the group’s 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 plus 1,120 rotors.

**Gem Spinners India Ltd**

- Established in 1994, the company produces high-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$ 19.2 million in H1, FY’15. It has two units to manufacture 100 per cent cotton yarns, blended yarns and yarns produced from special fibres.
- Products manufactured include yarns, fabrics and garments.
Chennai is dubbed as the ‘Detroit of India’ for its large-scale auto production infrastructure.

Tamil Nadu has 30 per cent share each in the Indian automotive and auto components industries, 17 per cent in the trucks segment, and 20 per cent each in the passenger cars and two-wheelers segments.

Chennai is fast emerging as a major export hub of cars for the Southeast Asian and South African markets.

Chennai has the capacity to produce 12.8 lakh cars and 3.5 lakh commercial vehicles annually.

Tamil Nadu’s strong performance in the auto industry is because of the presence of skilled manpower with strong engineering capabilities.

Tamil Nadu Government has signed Memorandums of Understanding (MoUs) with five auto companies – Daimler India Commercial Vehicles, India Yamaha Motor, Ashok Leyland-Nissan, Eicher Motors and RPG Group company Philips Carbon Black – for an investment of up to US$ 1.7 billion in the state.

The Government of Tamil Nadu has recently unveiled an automobile policy which would focus on future development and consolidation of the automobile and components industry, where the state enjoys a comparative advantage.

It aims to generate five lakh jobs and make Chennai, the capital city, one of the world’s top five auto clusters.

The policy envisages setting up of an exclusive auto city, India’s first, to cater to the needs of both domestic and global auto manufacturers in component designing, prototyping and manufacturing.

Royal Enfield plans to set up its third plant in Chennai, at Oragadam Industrial corridor in 2015.

Some of the key players

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

Source: Tamil Nadu Vision 2023, Tamil Nadu Policy Note on Industries 2013-14, News articles
<table>
<thead>
<tr>
<th>Company</th>
<th>Details</th>
</tr>
</thead>
</table>
| 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 completed the ongoing capacity expansion at its Chennai engine plant, ramping up annual engine production to 340,000. Ford India reported an 82.9 per cent increase in total sales at 13,297 units in April 2014. |
| Hyundai Motor India Ltd (HMIL)  | • Established in 1996 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, built with an initial investment of over US$ 500 million and markets over 34 variants of passenger cars across nine models. The company has sold 137,661 units and exported 56,187 units during January-April 2014. |
| 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. |
| Ashok Leyland                   | • Established by the Hinduja group in 1948, the company manufactures commercial vehicles. 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. The company’s mother plant is at Ennore (Chennai). The company also has three units at Hosur.  
• The company has taken over the truck unit of the Czechoslovakia-based AVIA, giving it a foothold in the highly competitive European truck market.  
• The company's revenues stood at US$ 0.9 billion in H1, FY’15. |
A robust engineering industry exists in the state involving products ranging from automobiles, bicycles, castings and forgings, textile machines, electrical and non-electrical machinery, pumps and transportation equipment, engineering ancillary industries etc.

Tamil Nadu has a strong engineering base concentrated in Chennai, Coimbatore and Salem.

The state has network of nearly 3,000 engineering units, employing over 250,000 skilled workforce, making high-quality inputs including castings & forgings, and a wide variety of ancillary products.

Exports of engineering products from Tamil Nadu were worth US$ 4.7 billion in 2009-10.

State Industries Promotion Corporation of Tamil Nadu (SIPCOT) has set up an engineering products SEZ spanning across 263 acres in Perundurai district.

SIPCOT has also set up a sector-specific SEZ for engineering spread across 260 acres in Ranipet.

TIDCO has proposed to set up a sector-specific SEZ for the engineering sector on about 280 acres of land, at an estimated cost of around US$ 219.0 million in Phase-1 of the project.

SIPCOT is also planning to create a land bank of 52,000 acres so as to assist investors in starting their ventures.
### Amalgamations Group

- It is one of the largest engineering conglomerates with headquarters in Chennai.
- The group comprises 47 companies, 50 manufacturing plants and a workforce of more than 12,000. 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.
- It has manufacturing units at Chennai, Hosur and Coimbatore.

### Bharat Heavy Electricals Ltd (BHEL)

- Established in 1964, 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 16 manufacturing divisions, two repair units, eight service centres, four overseas offices, four regional offices and 15 regional centres, besides operations in over 150 project sites. BHEL’s plants are located at Ranipet and Thiruchirappalli.
- The company’s revenues stood at US$ 1.9 billion in H1FY’15.
**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 50 companies that operate in diverse fields ranging from two-wheeler and automotive component manufacturing to automotive dealerships, finance and electronics. The group had a turnover of over US$ 6.5 billion in 2012 and is one of the largest automotive components manufacturer in the country, with a workforce close to over 39,000.
- TVS Motors’ total two-wheeler sales in November 2013 were 155,604 units. 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. The company's revenues stood at US$ 0.8 billion in H1, FY’15.

**Greaves Cotton Ltd**

- Established in 1859, Greaves Cotton generated US$ 367 million in revenue in 2011-12; 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 at its unit in Chennai. The company manufactures the complete range of construction equipment such as transit mixers, concrete pumps, and batching plants at its ISO 9001 certified plant at Gummidipoondi (Tamil Nadu). It also manufactures the complete range of compaction equipment such as vibratory soil compactors, heavy tandem rollers, light tandem rollers at the same unit.
- The company's revenues stood at US$ 142.7 million in H1, FY’15.
Tamil Nadu has emerged as a key destination for IT investments.

The state 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.

Electronics Corporation of Tamil Nadu Limited (ELCOT) has established eight Information Technology Special Economic Zones (ELCOSEZs) in Chennai and seven in Tier-II locations: Coimbatore, Madurai (2), Trichy, Salem, Tirunelveli and Hosur.

A TIDEL Park (IT-SEZ) in Coimbatore was inaugurated in August 2010.

The land for setting up the first International Institute of Information Technology (IIIT) in Tamil Nadu has been identified in Sethurapatty, near Tiruchirapalli.

Some of the key players

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

Source: Tamil Nadu Policy Note on Information Technology, 2013-14
The number of software units in Tamil Nadu increased from 1,437 in 2006-07 to 1,780 in 2012-13.

IT exports* from Tamil Nadu have increased from US$ 7.1 billion in 2007-08 to US$ 10.9 billion in 2012-13E, registering a CAGR of 15.7 per cent.

The state has the highest growth rate in software exports from India at 29.04 per cent.

The state ranks third in software exports from India after Karnataka and Maharashtra.

Tamil Nadu is one of the few states in India to have a full-fledged wide area network and state data centre.

The state has 15 operational SEZs for IT/ITeS in the state.

Tamil Nadu has about 350,000 people directly employed in IT and ITeS companies, while 750,000 through indirect employments.
Software Technology Parks of India (STPI) Chennai was established in 1995. It has sub-centres at Trichy, Madurai, Tirunelveli, Coimbatore and Puducherry.

A majority of software exports from Tamil Nadu consist of application software.

In order to compensate for the lapse of income tax benefit for software units in the STPI the government has planned to introduce a new policy framework and promote product led or patent led growth in the coming years.

In 2012, the National Policy on Information Technology was introduced to provide incentives and support measures for IT firms and facilitate product led growth.

IT exports* from Tamil Nadu (2010-11)

- Application software 38.0%
- ITeS 16.0%
- Product development 9.0%
- Onsite consultancy 5.0%
- System software 4.0%
- Engineering software 2.0%
- Others 26.0%

Source: Software Technology Parks of India, Chennai, Financial Chronicle quoted
*Including Puducherry
**Mahindra Satyam**

- Formerly, Satyam Computers, Mahindra Satyam was established in 1987 and has its global headquarters in Hyderabad and several offices in 38 countries including India.
- The company provides software solutions to over 370 customers, including four of the top 10 electronics and electrical equipment manufacturers, two of the world’s largest beverage companies, three of the top 10 in the aerospace and defence sector, and two of the top five chemical manufacturers. It has three 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 in 46 countries, including around 80 locations in India; it has offices at Chennai and Coimbatore.
- TCS’ revenues stood at US$ 7.6 billion in H1, FY’15.

**Infosys Technologies**

- Infosys was started in 1981; it is a leader in IT and consulting, with a global footprint of 73 offices and 94 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 Chennaim, with a revenues of US$ 4.3 billion in H1, FY’15.

**HCL Technologies**

- Incorporated in 1976, HCL is a leading global technology and IT enterprise with operations across 31 countries. It has delivery facilities in the US, the UK, Finland, Poland, Puerto Rico, Brazil, China, Malaysia, Singapore and India.
- HCL has several offices in Chennai and had revenues of US$ 1.5 billion in H1, FY’15.
By the end of 2013, Tamil Nadu was one of the largest producers of cement in India.

During 2013, the state had six cement manufacturing companies, with 21 large cement plants.

During 2011-12, the state had annual installed cement capacity of 34.38 million tonnes, accounting for 11.9 per cent of India’s installed capacity.

In 2011-12, cement production in the state was 20.97 million tonnes, whereas capacity utilisation stood at 61 per cent.

The production of ready-mix concrete is a major activity of the cement industry in the state.

In January 2015, the state government has announced the “Anna Cement Scheme”, under which it will procure cement from private players and sell it at a subsidised rate in the market.

Some of the key players

- ACC Ltd
- Madras Cements Ltd
- Grasim Cements
- Tamil Nadu Cements Corp Ltd (TANCEM)
ACC Ltd (formerly The Associated Cement Companies Limited), is one of the largest cement manufacturer in the country with 30 million tonnes per annum (MTPA) capacity.

The company has a cement plant in Madukkarai with a capacity of 1.18 MTPA and three ready mix concrete plants in Chennai in the state.

The company’s revenues stood at US$ 1.9 billion in 2014.

A flagship company of the Ramco Group, the company produces cement across eight state-of-the-art production facilities that include integrated cement plants and grinding units with a current total production capacity of 15.5 MTPA.

The company, which has three cement plants across Tamil Nadu, reported revenues of US$ 317 million in H1FY’15.

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.

Grasim’s subsidiary Ultra Tech Cement has a total installed cement capacity of 57 MTPA.

TANCSEM is a wholly owned Government of Tamil Nadu undertaking and has established business since April 1976.

The company’s annual turnover during 2012-13 was US$ 38.6 million. Products include cement, asbestos and pipes.

Its plants are located at Alangulam and Ariyalur.
Chennai is a key financial centre in southern India with a strong presence of major Indian financial institutions and foreign banks.

Tamil Nadu houses approximately 7.5\% per cent of India’s total bank offices. The state had a total of 7,646\* banking offices as of December 2012, out of which 1,231 are located in Chennai.

Banking and Insurance industry contributed 6.2 per cent to the GSDP of Tamil Nadu in 2012-13. The industry, valued at US$ 8.2 billion in 2012-13, increased at a CAGR\(^*\) of 14.1 per cent between 2006-07 and 2012-13.

As of 2010-11, the population served per bank was 10,928 compared to the national figure of 13,581, indicating a higher density of banks.

Banks in Tamil Nadu had a Credit Deposit (CD) ratio of 119.2 per cent, compared to the national average of 77.5 per cent as of June 2014.

**Commercial banks in Tamil Nadu**

<table>
<thead>
<tr>
<th>Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationalised banks</td>
<td>4,216</td>
</tr>
<tr>
<td>State Bank of India and its associates</td>
<td>1,095</td>
</tr>
<tr>
<td>Foreign banks</td>
<td>32</td>
</tr>
<tr>
<td>Regional rural banks</td>
<td>346</td>
</tr>
<tr>
<td>Old private sector banks</td>
<td>1,257</td>
</tr>
<tr>
<td>New private sector banks</td>
<td>700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,646</strong></td>
</tr>
</tbody>
</table>

**Key players**

- Scope International
- World Bank
- Cholamandalam
- Sundaram Finance

*Source: Tamil Nadu Vision 2023, ASSOCHAM, Tamil Nadu Policy Note on Industries 2013-14, RBI

\(^*\)Scheduled Commercial Banks, \(^*\)in INR terms; Credit Deposit ratio: It is the ratio of how much a bank lends out of the deposits it has mobilised. It indicates how much of a bank's core funds are being used for lending, the main banking activity,

News articles
| **Scope International** | • Scope is a wholly owned subsidiary of Standard Chartered Bank, UK, and is based in Chennai, with operations in shared services centres.  
• It has grown to over 8,500 employees servicing 75 countries. |
| **World Bank** | • The 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. |
| **Cholamandalam** | • Cholamandalam is a pan-Indian, composite financial services provider, headquartered in Chennai. Cholamandalam Investment and Finance Company was incorporated in 1978 as the financial services arm of the Murugappa Group.  
• It is a comprehensive financial services solution provider that offers vehicle finance, business finance, home equity loans, stock broking and distribution of financial products to its customers. |
| **Sundaram Finance** | • Sundaram Finance is a leading Non-Banking Finance Company (NBFC), headquartered in Chennai.  
• Sundaram Finance group offers a diverse portfolio of products and services including car and commercial vehicle and equipment finance, deposits, mutual fund schemes, investment schemes, housing finance, financial services, insurance, fleetcard, tyre finance, etc. A large chunk of its lending is to the commercial vehicle segment, which accounts for 55 per cent of its total loans. |
Tamil Nadu is the fifth-largest pharmaceutical manufacturing state in the country (accounts for over 10 per cent of national production), next to Maharashtra, Gujarat, West Bengal and Andhra Pradesh.

Tamil Nadu and Puducherry have companies producing mainly formulations, although there are some bulk drug manufacturers too.

The Government of Tamil Nadu has identified the drugs and pharmaceutical industry of the state to provide special capital incentives for its substantial growth and development.

The state has one of the largest coastlines in the country, which presents huge opportunities for marine biotechnology.

Biotechnology Park II is being developed in Chennai, which would house facilities for biotechnology, pharmaceuticals, bio IT, nanotechnology and R&D.

Indian Drug Manufacturers Association (IDMA) plans to implement innovative programmes to boost the pharmaceutical industry in Tamil Nadu, with special focus on enhancing production and exports.

Tamil Nadu has been the most active in ensuring free supply of medicines in government clinics and hospitals.

Some of the key players

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

Source: Tamil Nadu Policy Note on Industries 2013-14, Government of Tamil Nadu, News articles
**KEY INDUSTRIES – DRUGS AND PHARMACEUTICALS … (2/2)**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Orchid Chemicals and Pharmaceuticals**         | • Established in July 1992 as a 100 per cent Export-Oriented Unit (EOU), the company employs over 4,500 people including scientists, technologists and other professionals. Its revenues stood at US$ 76 million in H1, FY’15.  
• It 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 Shozhanganallur and Irungattukottai). |
| **Indian Drugs and Pharmaceuticals Ltd (IDPL)**  | • IDPL (TN) Ltd (a subsidiary of Indian Drugs and Pharmaceuticals Ltd) is situated at Nandambakkam, on the Chennai-Bengaluru 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 such as tablets (900 million units) and capsules (200 million units). |
| **Medopharm Pharmaceuticals**                    | • Established in 1970, the company has its 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. It has more than 20 manufacturing sites.  
• It has a plant in the Kancheepuram district of Tamil Nadu.  
• The company’s revenues stood at US$ 1.4 billion in H1, FY’15. |
KEY INDUSTRIES – AGRO AND FOOD PROCESSING … (1/2)

* Tamil Nadu, with seven agro-climatic zones and varied soil types, is better suited for the production of fruits, vegetables, spices, plantation crops, flowers, medicinal and aromatic plants.

* The state is among the leading producers of horticultural crops and fruits in the country.

* The state is estimated to be the third-largest fruit producer in India, with a production of 10.2 million tonnes in 2012-13.

* Tamil Nadu is the country’s largest producer of loose flowers. The state is also among the leading producers of spices and cashew nuts in the country.

* Endowed with rich agro-resources, Tamil Nadu offers excellent potential for the food processing industries.

* Tamil Nadu Vision 2023 envisages an investment of US$ 8.3* billion for improving water resources, developing horticulture parks and agro-processing zones, cold storages and other facilities.

* The CM invited a Malaysian delegation to invest in the State in March 2015, agro and food processing to be explored for investment

Some of the key players

- Coca Cola Ltd
- Nestle
- HUL
- Cadbury

Source: Tamil Nadu Policy Note on Horticulture 2012-13, Government of Tamil Nadu, Horticulture Database 2011, Tamil Nadu Vision 2023

*At 2011-12 rates
### Coca Cola Ltd
- Hindustan Coca-Cola Beverages Pvt Ltd, Nemam, Chennai, was established in 1997.
- The manufacturing unit is spread over an area of 49 acres and has a capacity of producing 600 Bottles Per Minute (BPM) of aerated soft drinks and 225 BPM of juice drinks. In 2014, India has become the 6th largest market for the company by volumes, overtaking Germany.

### Nestle
- Nestle is a Swiss multinational nutritional, snack food, and health-related consumer goods company headquartered in Vevey, Switzerland; it is the largest food company in the world measured by revenues. The company’s revenues from India stood at US$ 0.8 billion in H1, 2014.
- Nestle set up its second plant in India in Choladi in 1967.
- It is acknowledged among India’s 'Most Respected Companies' and among the 'Top Wealth Creators of India'.

### HUL
- Hindustan Unilever Limited (HUL) is India’s largest Fast Moving Consumer Goods (FMCG) company.
- The company’s revenues stood at US$ 2.5 billion in H1FY15.

### Mondelez India Foods
- Mondelez India Foods Ltd is part of Mondelēz International, Inc. It operates in five categories – chocolate confectionery, beverages, biscuits, gum and candy.
- Mondelez's key brands in India include Cadbury Dairy Milk, Bournvita, 5 Star, Perk, Bournville, Celebrations, Gems, Halls, Éclairs, Bubbaloo, Tang and Oreo.
Tamil Nadu accounts for more than 70 per cent of the tanning done in the country.

Of the 2,091 tanneries in India, 939 are located in Tamil Nadu.

Chennai Leather Cluster is the largest exporter of value-added leather products; it has been identified among the top 10 most dynamic industrial locations globally by the United Nations Industrial Development Organisation.

Tamil Nadu accounts for about 50 per cent of India’s leather exports.

The state government has set up industrial estates and common effluent treatment plants for the leather cluster.

The state plans to establish mega leather clusters in Perambalur.

Every year, the state hosts India International Leather Fair in Chennai, which attracts new customers to Indian leather manufacturers. During the 2013 exhibition, business generated totalled US$ 284.4 million.
Chennai has emerged as the largest electronic hardware manufacturing hub in India.

Tamil Nadu ranks first in the country in electronic hardware manufacturing (20-25 per cent of national production).

The state has the advantage of abundant skilled manpower at relatively lower wages coupled with harmonious and peaceful industrial relations.

Tamil Nadu houses major multinationals, including Nokia, Motorola, Dell Computers, Samsung, Foxconn, Sanmina-SCI, Flextronics and Nokia-Siemens, besides more than 30 components suppliers.

In order to attract more investment in hardware manufacturing, the state has set up an expert committee with representatives from the industry to evaluate the potential and advise the government on the way forward.

The committee would make recommendations on measures to attract more investment in hardware manufacturing and to make Tamil Nadu the foremost information & communication technology and electronic hardware manufacturing destination in the country.

**Some of the key players**

- Nokia
- Flextronics
- Samsung
- Dell

Source: Tamil Nadu Policy Note on Industries 2012-13, Tamil Nadu Policy Note on Industries 2013-14, Department of Electronics and Information Technology, Government of India, Government of Tamil Nadu
<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nokia</td>
<td>Nokia is a leading multinational communications and information technology corporation headquartered in Finland. Its principal products are mobile phones, applications, games, music and media.</td>
</tr>
</tbody>
</table>
| Flextronics | Flextronics is a Singapore-based electronics manufacturing services provider offering services to Original Equipment Manufacturers (OEMs).  
                  • Leveraging state-of-the-art LEAN practices, Six Sigma, key investments in infrastructure and FlexQ, a propriety quality programme that is beyond leading edge according to customers, Flextronics is the market leader in almost every business in which it operates. |
| Samsung     | Samsung commenced operations of its second state-of-the-art manufacturing complex at Sriperumbudur, Tamil Nadu, in November 2007.  
                  • Today, the Sriperumbudur facility manufactures colour and LCD televisions, fully automatic front loading washing machines, refrigerators and split air conditioners. |
| Dell        | Dell, Inc is an American multinational computer technology corporation that develops, sells, repairs and supports computers and related products and services.  
                  • Dell India accounts for the company’s largest employee base outside the US.  
                  • The Dell manufacturing (ICC) facility was inaugurated in Sriperumbudur in 2007. |
Wind energy

- Tamil Nadu has the highest installed wind energy capacity in India. The state has very high-quality, off-shore wind energy potential off the Tirunelveli coast and Southern Thoothukodi and Rameshwaram coast.

- As of March 2014, Tamil Nadu had installed wind capacity of about 7,300 MW.

- Wind energy generation has increased from 2,040 MW in 2004-05 to 7,300 MW at present at a CAGR of 15.2 per cent.

- Tamil Nadu added an all time high capacity addition of 1,083 MW in 2011-12. Another 220 MW was added between 2012-14.

- Consumption of wind energy stood at 9,000 million units in 2013-14 compared to over 11,000 million units in 2012-13.

- The state plans to add 5,000 MW capacity in the next five years.

- Global Wind Energy Council is also working to assess the potential of wind energy in India with special emphasis on Tamil Nadu.
Tamil Nadu has a reasonably high solar insulation (5.6-6.0 kWh/sq m), with around 300 clear sunny days in a year. Southern Tamil Nadu is considered as one of the most suitable regions in the country for developing solar power projects. Tamil Nadu plans to add 1,000 MW each year between 2013 and 2015. Recently, under the Chief Minister’s Solar Powered Green House Scheme, a power back-up solutions provider company has installed solar power systems in nearly 12,500 houses in seven districts of the state. A 15 MW solar energy park was set up near Vellakoil in Karur district of Tamil Nadu. Textile mills in the state are also looking for installation of solar energy plants.

<table>
<thead>
<tr>
<th>Year</th>
<th>Utility scale (MW)</th>
<th>Solar roof tops (MW)</th>
<th>REC (MW)</th>
<th>Total (MW)</th>
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<tbody>
<tr>
<td>2013</td>
<td>750</td>
<td>100</td>
<td>150</td>
<td>1,000</td>
</tr>
<tr>
<td>2014</td>
<td>550</td>
<td>125</td>
<td>325</td>
<td>1,000</td>
</tr>
<tr>
<td>2015</td>
<td>200</td>
<td>125</td>
<td>675</td>
<td>1,000</td>
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<tr>
<td>Total</td>
<td>1,500</td>
<td>350</td>
<td>1,150</td>
<td>3,000</td>
</tr>
</tbody>
</table>

REC: Renewable Energy Certificate, News articles
Tamil Nadu’s tourism industry is the second largest in India, with an annual growth rate of 15 per cent.

The state has an impressive coastline of more than 1,000 km along the Bay of Bengal.

Tamil Nadu ranks third in India in the number of domestic tourist arrivals and second in the number of foreign tourist arrivals in India.

Tamil Nadu boasts of historical monuments, forts, wildlife and bird sanctuaries, temple towns, numerous places of worship, hill resorts, rich heritage and culture, waterfalls, beaches, breathtaking valleys, mangrove forests, backwaters, music and dance festivals.

Chennai and Coimbatore are becoming popular for Meetings, Incentives, Conferences and Exhibitions (MICE) tourism.

Tamil Nadu Vision 2023 envisages an investment of US$ 2.1 billion for the sector and aims to increase foreign tourist inflow from 3.6 million in 2012 to 15 million by 2023.

In the beginning of 2015, the state has allotted US$ 1.7 billion for development of tourism infrastructure.
Major attractions

- Tamil Nadu is one of the leading destinations for medical tourism.
- Well-equipped corporate hospitals, skilled medical professionals and reasonable cost of treatment are the major advantages offered by Tamil Nadu in this area.
- The state plans to set up two medi-cities, catering to a range of medical services, research centres, treatment facilities, medical education and training, facilities for stay and support facilities like insurance services, etc.

Eco tourism

- Tamil Nadu has various hill stations, wild life sanctuaries, forests, bird sanctuaries, national parks and waterfalls.
- Various packages have been developed to promote eco-tourism in the state on a sustainable basis without disturbing the environment and wildlife.

Adventure tourism

- Trekking programmes are conducted at identified trekking routes in Yercaud, Kodaikanal and Elagiri and Nilgiris.
- Paragliding programme is conducted at Elagiri in the summers.
- The Tourism Department is in the process of introducing water sports such as cruising through speed boats, water-skiing, yachting and wind-surfing; along the East Coast at Tharangambadi, Kovalam, Poompuhar and Mudhaliarkuppam.

Source: Tamil Nadu Policy Note on Tourism 2012-13, Tamil Nadu Vision 2023
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$ 20 million.

* State-level Investment Promotion Board (SIPB) under the chairmanship of Chief Minister of Tamil Nadu to monitor and expedite all mega projects exceeding US$ 20 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**

Under the Chairmanship of

- State-level Industrial Promotion Board
- Project Approvals Authority

Nodal agency

- Chief Minister of Tamil Nadu
- Chief Secretary to Government of Tamil Nadu
- Tamil Nadu Industrial Guidance & Export Promotion Bureau (Guidance Bureau)

*Source: Directorate of Industries and Commerce, Government of Tamil Nadu*
### Agency | Description
--- | ---
Tamil Nadu Industrial Development Corporation Limited (TIDCO) | • Established in 1965 as a Government of Tamil Nadu enterprise to promote large and medium-scale industries in Tamil Nadu. It focusses on promoting infrastructure projects, industrial parks and SEZs.
State Industries Promotion Corporation of Tamil Nadu (SIPCOT) | • It focusses on developing, marketing and maintaining industrial complexes/parks and growth centres, and implementing infrastructure development schemes.
Tamil Nadu Industrial Investment Corporation Limited (TIIC) | • TIIC Provides financial assistance in the form of term loans for purchase of land, plant and machinery; for the construction of buildings for setting up new industrial units; and for the expansion, modernisation and diversification of existing units. It also extends term loans to the service sector in the state.
Tamil Nadu Urban Development Fund (TNUDF) | • TNUDF 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).
<table>
<thead>
<tr>
<th>Agency</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tamil Nadu Urban Finance and Infrastructure Development Corporation</td>
<td>• It extends financial assistance to urban infrastructure schemes in Tamil Nadu.</td>
</tr>
<tr>
<td>(TUFIDCO)</td>
<td></td>
</tr>
<tr>
<td>Electronics Corporation of Tamil Nadu Limited (ELCOT)</td>
<td>• It is the nodal agency for Information and Communication Technology (ICT) projects for the Government of Tamil Nadu. It focusses on three broad areas: IT promotion for the state of Tamil Nadu, IT procurement for the Government of Tamil Nadu and e-government excellence within Tamil Nadu.</td>
</tr>
<tr>
<td>Tamil Nadu Small Industries Development Corporation (TANSIDCO)</td>
<td>• TANSIDCO, an undertaking of the Government of Tamil Nadu, plays a catalytic role in the promotion and development of small-scale industries and speedy setting up of industries throughout Tamil Nadu.</td>
</tr>
<tr>
<td>Agency</td>
<td>Contact information</td>
</tr>
<tr>
<td>-------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Tamil Nadu Industrial Development Corporation Limited (TIDCO) | 19-A, Rukmini Lakshmipathy Road, Egmore, Chennai-600 008  
Phone: 91-44-2855 4421  
E-mail: cmd.tidco@nic.in  
Website: www.tidco.com |
| State Industries Promotion Corporation of Tamil Nadu (SIPCOT) | 19-A, Rukmini Lakshmipathy Road, Egmore, Chennai-600 008  
Phone: 91-44-2855 4787  
Fax: 91-44-2851 3978  
E-mail: sipcot@md3.vsnl.net.in  
Website: www.sipcot.com |
| Tamil Nadu Industrial Investment Corporation Limited (TIIC)   | New no: 692, Anna Salai, Nandanam, Chennai-600 035  
Phone: 91-44-2433 1203  
Fax: 91-44-2434 7209  
E-mail: ho@tiic.in  
Website: www.tiic.org |
<table>
<thead>
<tr>
<th>Agency</th>
<th>Contact information</th>
</tr>
</thead>
</table>
| Tamil Nadu Urban Infrastructure Financial Services Ltd      | 112, Theyagaraya Road, 1st Floor, Vairam Complex, Theyagaraya Road, T.Nagar, Chennai – 600 017  
<p>|                                                             | Phone: 91-44-2815 3104, 2815 3105                                                    |
|                                                             | Fax: 91-44-2815 3106                                                                  |
|                                                             | E-mail: <a href="mailto:cmd@tnuifs.com">cmd@tnuifs.com</a>                                                                |
|                                                             | 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, Nandanam, Chennai-600 035                  |
|                                                             | Phone: 91-44-6551 2330                                                                |
|                                                             | Fax: 91-44-2433 0612                                                                  |
|                                                             | E-mail: <a href="mailto:secyit@tn.nic.in">secyit@tn.nic.in</a>                                                              |
|                                                             | Website: <a href="http://www.elcot.in">www.elcot.in</a>                                                                 |
| Tamil Nadu Small Industries Development Corporation (TANSIDCO) | Thiru Vi Ka Industrial Estate, Chennai - 600 032                                     |
|                                                             | Phone: 91-44-2250 1461, 2250 1422, 2250 0185, 2250 0506, 2250 1210                     |
|                                                             | Fax: 91-44-2250 0792                                                                  |
|                                                             | E-mail: <a href="mailto:sidco@vsnl.com">sidco@vsnl.com</a>                                                                |
|                                                             | Website: <a href="http://www.sidco.tn.nic.in">www.sidco.tn.nic.in</a>                                                          |</p>
<table>
<thead>
<tr>
<th>Approvals and clearances required</th>
<th>Departments to be consulted</th>
<th>Estimated time taken (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorporation of the company</td>
<td>Registrar of Companies</td>
<td></td>
</tr>
<tr>
<td>Registration, Industrial Entrepreneurs Memorandum (IEM), industrial licences</td>
<td>District Industry Centre</td>
<td></td>
</tr>
<tr>
<td>Allotment of land</td>
<td>Tamil Nadu Department of Industries/State Industrial Development Corporation/Infrastructure Corporation</td>
<td></td>
</tr>
<tr>
<td>Permission for land use</td>
<td>Tamil Nadu Department of Industries/Tamil Nadu Industrial Development Corporation, Department of Town and Country Planning</td>
<td></td>
</tr>
<tr>
<td>Site environmental approvals</td>
<td>Tamil Nadu Pollution Control Board (TNPCB) and Union Ministry of Environment and Forests</td>
<td></td>
</tr>
<tr>
<td>No-objection Certificate and Consent under Water and Pollution Control Acts</td>
<td>Tamil Nadu Pollution Control Board</td>
<td></td>
</tr>
<tr>
<td>Approval of construction activity and building plan</td>
<td>Department of Town and Country Planning (DTCP)</td>
<td></td>
</tr>
<tr>
<td>Sanction of power</td>
<td>Tamil Nadu Electricity Board (TNEB)</td>
<td></td>
</tr>
<tr>
<td>Registration under States Sales Tax Act and Central and State Excise Acts</td>
<td>Sales Tax Department, Central and State Excise Departments</td>
<td></td>
</tr>
</tbody>
</table>

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.
## Cost of Doing Business in Tamil Nadu

<table>
<thead>
<tr>
<th>Cost parameter</th>
<th>Cost estimate</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial land (per sq ft)</td>
<td>US$ 5 to US$ 120 (Chennai)</td>
<td>Industry sources</td>
</tr>
<tr>
<td>Five star hotel (per room per night)</td>
<td>US$ 100 to US$ 300</td>
<td>Leading hotels in the state</td>
</tr>
<tr>
<td>Office space rent (per sq ft per month)</td>
<td>US$ 0.7 to US$ 3.1</td>
<td>Industry sources</td>
</tr>
<tr>
<td>Residential space rent (2,000 sq ft house)</td>
<td>US$ 350 to US$ 1,540 per month</td>
<td>Industry sources</td>
</tr>
<tr>
<td>Labour (minimum wages per day)</td>
<td>US$ 1.9 to US$ 7.9</td>
<td>Ministry of Labour and Employment, Government of India</td>
</tr>
<tr>
<td>Water (per 1,000 litres)</td>
<td>Commercial and industrial: US 33 cents</td>
<td>Tamil Nadu Water Supply and Drainage Board</td>
</tr>
<tr>
<td>Tamil Nadu Solar Energy Policy 2012</td>
<td>Objectives</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• To achieve energy security.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• To reduce carbon emissions.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• To project Tamil Nadu as a solar hub.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enhanced Rural BPO Policy 2012</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Attract willing entrepreneurs to set up business centres in rural areas.</td>
</tr>
<tr>
<td></td>
<td>• Provide conducive environment for the BPO industry to thrive in rural areas.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>E-Waste Policy 2010</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• To minimise e-waste generation, utilise e-waste for beneficial purposes through environmentally sound recycling and ensure environmentally sound disposal of residual waste.</td>
</tr>
</tbody>
</table>
E Security Policy 2010

Objective

- To define a set of minimum information security requirements that shall be met by all departments of the Government of Tamil Nadu.

Tamil Nadu Business Facilitation Bill 2009

Objective

- To facilitate the single-window clearance system, with the statutory powers to hasten project approvals.

Micro, Small and Medium Industries Policy 2008

Objectives

- To develop MSMEs in the state.
- To encourage the export of the products of MSMEs in the state.
Industrial Policy 2007

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

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 25.0 per cent production share of the Indian ICT industry.

Tamil Nadu Minor Port Policy 2007

Objectives

• To increase the share of Tamil Nadu in the export and import sector.
• To decongest the major ports at Ennore, Chennai and Tuticorin in order to improve their productivity.
### Tamil Nadu SEZ Policy 2003

**Objectives**
- To provide legislative support to SEZs.
- To provide adequate water supply to SEZs.
- To ensure continuous power supply of required quality to SEZ units.
- To provide single-window clearance to all SEZ units.

### Tamil Nadu Biotechnology Policy 2014

**Objectives**
- Take up detailed inventory of the bio-resources in the state.
- To attract R&D institutions and manufacturing firms.

### Tamil Nadu Automobile and Auto components Policy 2014

**Objectives**
- To develop and consolidate of automobile and components industry.
- To promote competitiveness and cutting costs for the industry.
- To address the specific infrastructure gaps and deficiencies.
### Average exchange rates

<table>
<thead>
<tr>
<th>Year</th>
<th>INR equivalent of one US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>44.81</td>
</tr>
<tr>
<td>2005-06</td>
<td>44.14</td>
</tr>
<tr>
<td>2006-07</td>
<td>45.14</td>
</tr>
<tr>
<td>2007-08</td>
<td>40.27</td>
</tr>
<tr>
<td>2008-09</td>
<td>46.14</td>
</tr>
<tr>
<td>2009-10</td>
<td>47.42</td>
</tr>
<tr>
<td>2010-11</td>
<td>45.62</td>
</tr>
<tr>
<td>2011-12</td>
<td>46.88</td>
</tr>
<tr>
<td>2012-13</td>
<td>54.31</td>
</tr>
<tr>
<td>2013-14</td>
<td>60.28</td>
</tr>
<tr>
<td>2014-15*</td>
<td>60.6</td>
</tr>
</tbody>
</table>

*Average for the first three quarters
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