

Tiruvannamalai



1.1. Overview

Tiruvannamalai lies in the northern part of Tamil Nadu, and 200 Km from the state capital Chennai. The district lies between 78° 20' and 79° 50' of the eastern longitudes and 11° 55' and 13° 15' of the northern Latitudes. It is bounded on the north by Vellore District, on the east by Kanchipuram District, on the south by Villupuram District, and on the west by Dharmapuri and Krishnagiri districts.

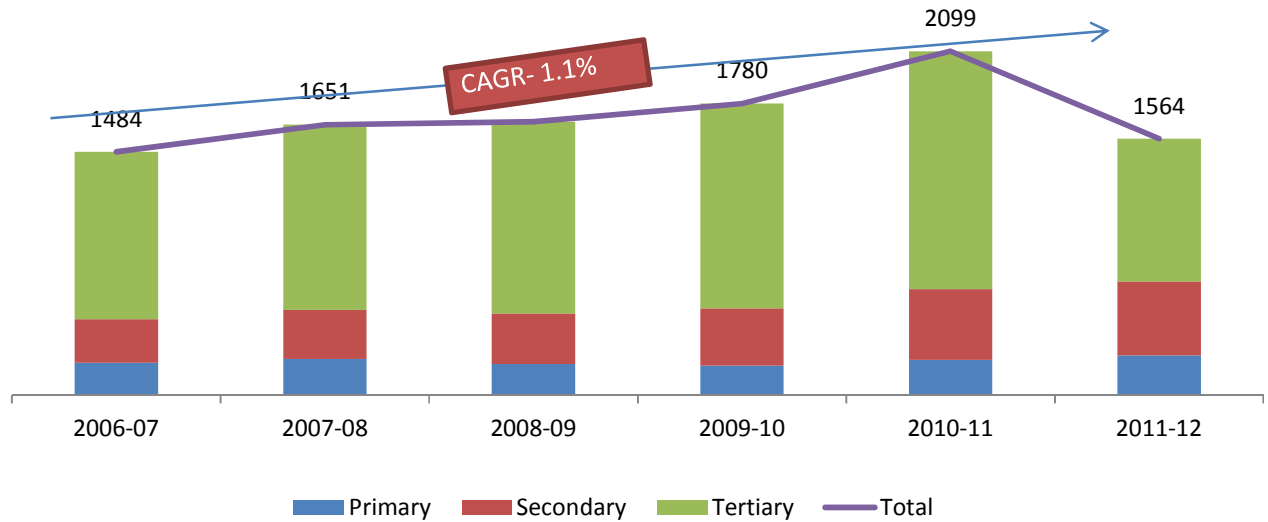
The area of the district is 6312 sq.km. It consists of Two Revenue Divisions and Eight Taluks- Tiruvannamalai, Chengam, Arani, Polur, Cheyyar, Vandavasi, Kalasapakkam, and Thandarampattu. Based on the announcement made by the Hon'ble

Chief Minister on the floor of Assembly Under Rule 110, the Government orders have been issued for formation of Two Taluks namely Vembakkam and Chetpet. After independence Tiruvannamalai was under North Arcot District. The revenue district of North Arcot was divided into Vellore District and Tiruvannamalai District in October 1989.

Population of the district is 2469 thousand numbers as per Census 2011. The district is 20% urbanized and constitutes literacy rate of 74.21%.

Economic profile

Figure 1 Tiruvannamalai GDDP trend (USD Million)



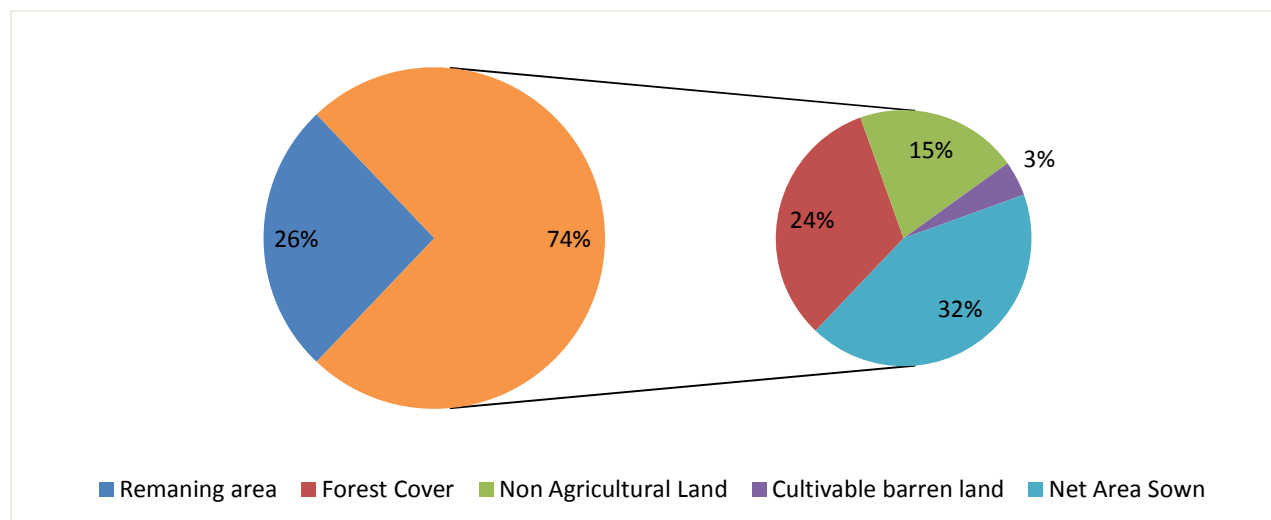
Source: District Income estimates, 2004-2005 to 2011-2012, Dept. of Economics and statistics, GoTN

Tiruannaamalai contributes USD 1.5 billion in GDP of Tamil Nadu. Service sector industry has been playing a vital role in the economy of this district. It has contributed 56% to the district's GDP in 2011-12 and has grown at the rate of 9.68%. The investments have been observed to be happening in Construction, Trade, Hotel & Restaurants, Banking & Insurance and Real estate, Ownership of Dwelling & Business Services.

Resource Profile

Land and Agriculture

Figure 2 Tiruvannamalai District Land Utilization 2010-11



Source: Tiruvannamalai District, Statistical Hand book 2011-12

32% of land in Tiruvannamalai is used for agricultural activities to produce rice, ground net and sugarcane. Another major economic activity of the district is Silk Saree weaving, a bulk of India's Silk apparels is produced by the people of Tiruvannamalai district largest concentration of Silk producers and weavers in Arni Taluk .

Minerals

The mineral base is found to be spread across for the district. It is one of the most important factors for the industrial development of the area. Tiruvannamalai district is enriched in with minerals deposit like Black Granite, Multi colored Granite, Blue metal, Earth and Brick Clay. The following table shows production of minerals during 2013-14 in the district:

Table 1 Production of Minerals for the year 2011-2012 in Tiruvannamalai District

S.No.	Mineral	Quantity produced in '000 tonnes (2013-14)
1.	Black Granite	3863.265 (CBM)
2.	Multi colored Granite	221.345 (CBM)
3.	Blue metal	379100 (Tonnes)

Source: Department of geology and mining, Statistical Hand book 2013-14

Education

Table 2 Educational Institutions in Tiruvannanalai District

S.No.	Educational Institution	No.
1.	Primary School	1792
2.	Middle School	454
3.	Higher Secondary School	279
4.	Colleges	31

Source: Ministry of MSME, Tiruvannamalai District, GoI, Department of School Education, Govt of Tamil Nadu

Healthcare

Table 3 Health care centers and Hospitals in Tiruvannamalai District

S.No.	Type	No.
1.	Government Medical College & Hospital	1
2.	Government Hospitals	7
3.	Private Hospitals	12
4.	Ayurvedic Hospitals	50
5.	Primary Health Centres	114
6.	Health Sub-Centres	410

Source: Health and Family Welfare department, Government of Tamil Nadu

Water Resource

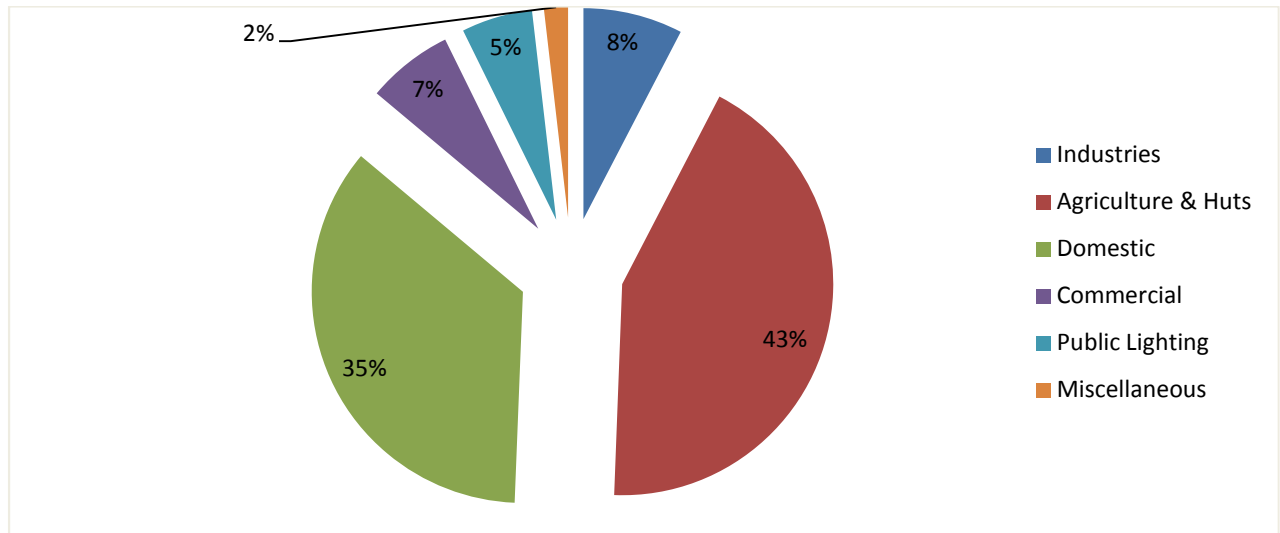
The rivers flowing in the district are Pennaiyar and Kamandala River. Sathanur dam is the major dam constructed across middle Pennaiyar River Basin among Chennakesava Hills in the district. Canals, wells, tanks and reservoirs are the sources of irrigation in the district. Several plans and schemes have been introduced for uninterrupted water supply for domestic and economic activities.

Few Schemes to enhance the water supply in the district are as follows:

- *Combined Water Supply Scheme (CWSS)*: More than one local body are involved which consists of assistance from Minimum Needs Program, National Rural Drinking Water program and financial assistance from institutions like TUFIDCO, TNUIFSL, NABARD and ADB.
- *HDPE linings of major canals*: High Density Polyethylene (HDPE) linings are being implemented by the state government to limit the transmission loss.

Power Resource

Figure 3 Power Consumption Sector Wise during 2011-2012



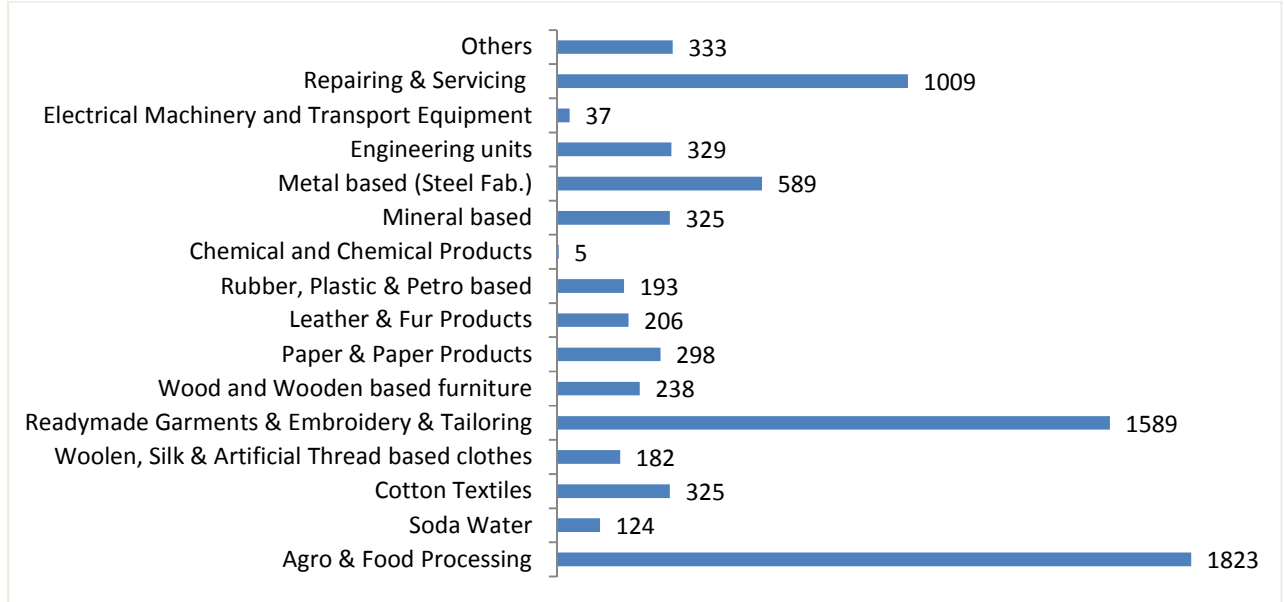
Source: Tiruvannamalai District, Statistical Hand book 2011-12

Hydroelectric station built on Sathanur dam generates 7.5 MW of electricity for the district. Rest power Transmission in the district is being done by Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) and Tamil Nadu Transmission Corporation Ltd. (TANTRANSCO) with the supervision of Tamil Nadu Electricity Board Ltd. (TNEB).

Industrial scenario in Tiruvannamalai District

MSME in Tiruvannamalai District

Figure 4 No of units-Micro & Small Enterprises in Tiruvannamalai District



Source: Ministry of MSME, Tiruvannamalai District, Govt

Industry profile of micro and small enterprises is shown in the figure above. Maximum units have been established in Agro & Food Processing category followed by Readymade Garments & Embroidery units. Agro & Food Processing units have also taken the maximum share of investment and employment. Food processing and Silk Saree based units are turning out to be major growing sectors for the district. Some key established units are Dharani Sugars and Chemicals Ltd, Lloyd Insulations (India) Ltd, Lakshmi Saraswathi Textiles (Arni) Ltd, etc. 620 acre¹ (First Phase) of Industrial Complex developed by SIPCOT is operational in Cheyyar.

Investments in Tiruvannamalai District

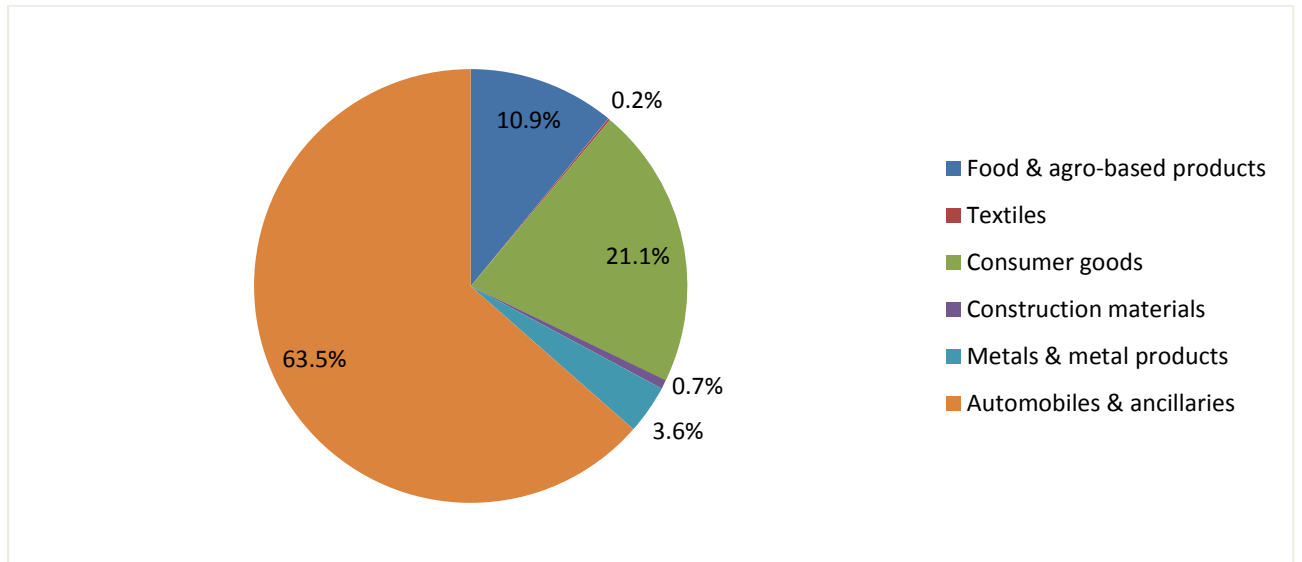
Table 4 Investment scenario in Tiruvannamalai District in USD million

Industry	Outstanding	Completed	Status Total
Food & agro-based products	6	60	66
Textiles	0	1	1
Consumer goods	27	100	127
Construction materials	4	0	4

Metals & metal products	1	22	22
Automobiles & ancillaries	383	0	383
Total	421	183	603

Source: CAPEX

Figure 5 Share of investments across industries in Tiruvannamalai District



Source: CAPEX

Key Enablers

Connectivity

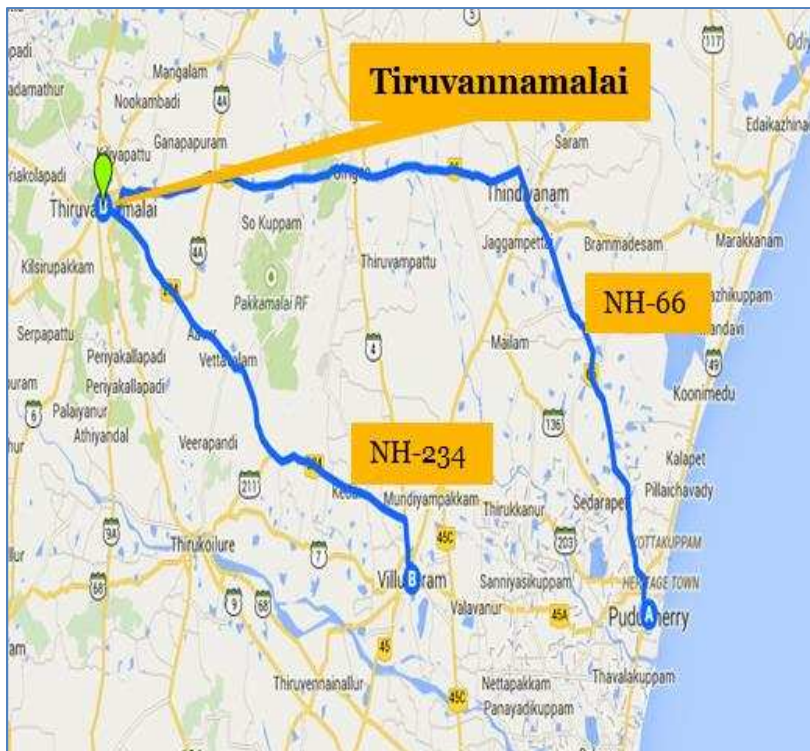


Figure 6 Road Connectivity from Tiruvannamalai District

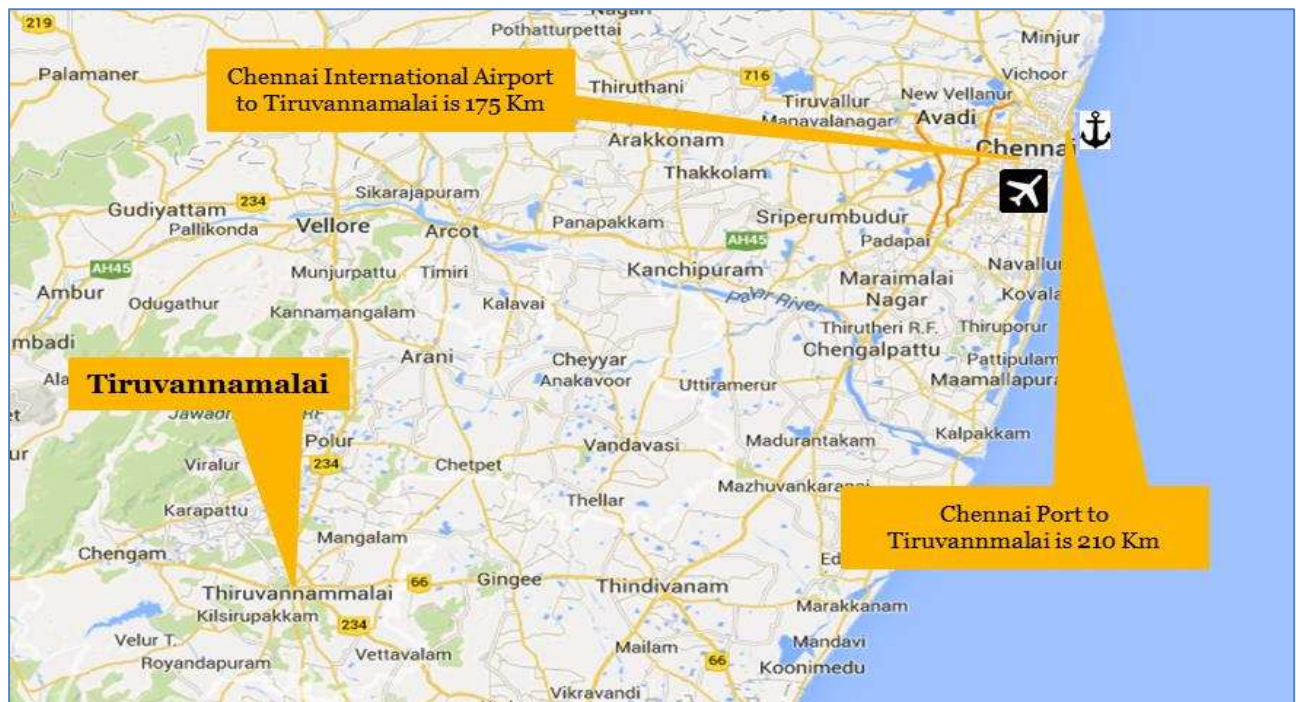
Name of the National Highway(NH)	Connectivity
NH-234	Connects Tiruvanamalai to Viluppuram
NH-66	Connects Tiruvanamalai to Puduchery and Krishnagiri

Railway connectivity

The rail network of Tiruvannamalai district falls under Salem division of Southern Railway. The total track length is of 93 Km (Broad gauge) with 8 Railway stations.

Airport and Seaport connectivity

7 Airport & Port Connectivity from Tiruvannamalai District



Airport/ Seaport	Distance from Tiruvanamalai
Chennai International Airport	175 Km
Chennai Port	210 Km

Chennai port is second largest port in the country with cargo handling capacity of 64.7 million MT per annum².

Tamil Nadu Vision 2023

The vision for Tamil Nadu for 2023 is to become India's most prosperous and progressive state with no poverty, and where its people enjoy all the basic services of a modern society and live in harmonious engagement with the environment and with the rest of the world.

Vision 2023 Tamil Nadu ("Vision 2023") sets the plan for infrastructure development for the state to reach the desired outcomes by 2023. The three outcomes of Vision 2023 are:

- The per capita income of Tamil Nadu's residents will reach USD 10,000 per annum (at 2010 prices) – the present median income of Upper Middle Income countries - by 2023
- Tamil Nadu will attain a high standard of social development, with the Human Development Index of the state matching those of developed countries by 2023, and
- Tamil Nadu would provide to its residents, high quality infrastructure all over the state comparable with the best in the world

Key facets of Vision 2023 include Tamil Nadu's enhanced economic dynamism, best in class human development indicators, well developed infrastructure that provides universal access to basic services, an investment climate that compares with the best in Asia, and the evolution into India's foremost knowledge and innovation hub.

Table 5 Upcoming infrastructure projects in Tiruvannamalai District

Name	Capacity	Investment in USD Million
Coimbatore-Chengalpet Alignment	462 Km	1500
Strategic Road Expansion Programme-I (Northern Tamil Nadu)	110 Km	220
Strategic Road Expansion Programme-II (Central Tamil Nadu)	83 Km	170
Coimbatore-Chennai high speed rail link	450 Km	7500
Industrial parks for SMEs	Across Tamil Nadu	167
Development of Heritage locations and destinations of tourist interest	Across Tamil Nadu	17
Programme for Soil Quality Improvement & Wasteland Rehabilitation	Across Tamil Nadu	333

Source: Vision Tamil Nadu 2023, Strategic Plan for Infrastructure- Phase II

1.1.1. Tamil Nadu industrial policy 2014

Tamil Nadu introduced Industrial Polices in 1992, 2003 and 2007. The latest industrial policy, announced in 2014, is aligned to the objectives laid out in Vision 2023. Several incentives and subsidies have been announced as a part of this industrial policy, as listed in subsequent sections.

1.1.1.1. Capital subsidy and electricity tax exemption

Irrespective of the location of the project, new or expansion manufacturing units will be given a back-ended capital subsidy and electricity tax exemption on power purchased from the Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO).

Table 6 Incentive packages for various categories of investment

Investment in fixed assets/eligible fixed assets (USD Million)	Direct Employment(No.)	Capital (USD)	Subsidy	Electricity tax exemption (no. of years) from CoP
0.8 - 8	100	50000		2 Years
8 -17	200	100000		3 Years
17 - 33	300	170000		4 Years
33 - 83	400	250000		5 Years
83 - 250	600	292000		5 Years
250 - 500	800	330000		5 Years
500 and above	1000	375000		5 Years

Source: TN Industrial Policy 2014

1.1.1.2. Stamp duty concession

50% Exemption from Stamp duty on lease or sale of land meant for industrial use shall be offered for projects located in Industrial parks promoted by SIPCOT. Stamp duty will be calculated based on actual land or building value paid by manufacturing units to industrial parks.

1.1.1.3. Environmental protection infrastructure subsidy

Dedicated Effluent Treatment Plants (ETP) and / or Hazardous Waste Treatment Storage and Disposal Facility (HWTSDf) set up by individual manufacturing units would be eligible for an Environment Protection Infrastructure subsidy of USD 50,000 or 25% of capital cost of setting up such ETP/ HWTSDf, whichever is less. Solid Waste Management is to be implemented 86 Panchayet in Tiruvannamalai District.

1.1.1.4. Structured incentive package for mega projects

Apart from standard package of incentives, the State Government has also facilitated a structured incentive package for mega projects, as per the following categories:

1. *Mega Project* – Investment range between USD 60 million to 170 million
2. *Super Mega* – Investment range between USD 170 million and 800 million
3. *Ultra Mega* – Investment above USD 800 million

Incentive packages for each category of mega projects are as listed below:

- **Mega Project** – Net output VAT+CST paid to be given as Investment promotion subsidy/soft loan for 10 years from the date of commercial production (ceiling of 80% of investment made in EFA within the investment period)
- **Super Mega:** Net output VAT+CST paid to be given as Investment promotion subsidy/soft loan for 12-14 years from the date of commercial production (ceiling of 90 - 100% of investment made in EFA within the investment period)
- **Ultra Mega:** Net output VAT+CST paid to be given as Investment promotion subsidy/soft loan for 16 years from the date of commercial production (ceiling of 100% of investment made in EFA within the investment period)

An additional 10% output VAT+CST paid will be given as Investment Promotion subsidy/soft loan to the investors if they double the committed employment levels within the investment period, which is capped to the investment made in the EFA during the Investment period.

1.2. Investment Opportunity

The availability of Agricultural harvest of rice and Silk Saree Weaving skilled labors gives opportunity to invest in Agro & Food Processing and Textile sector. Rice and Silk Saree's are major exportable items from the district.