

**CHAPTER - III**

***PROFILE OF SIPCOT  
AND ITS INDUSTRIAL  
PARKS***

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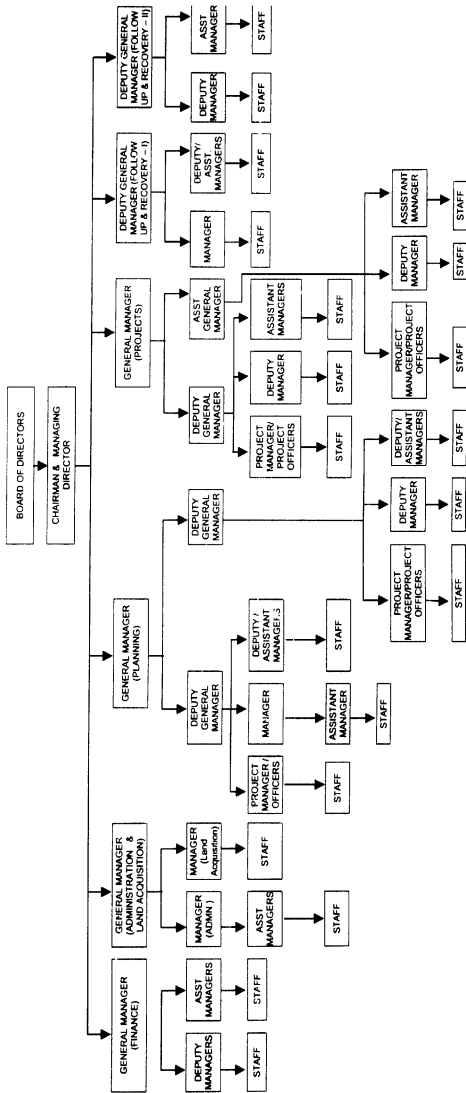
### PROFILE OF SIPCOT AND ITS INDUSTRIAL PARKS

State Industries Promotion Corporation of Tamil Nadu Ltd. (SIPCOT) was established by the Government of Tamil Nadu in the year 1971 with the specific objectives of playing a catalytic role in the promotion and development of medium and major industries and to hasten the industrial dispersal in backward and under developed areas of the State.

SIPCOT's role is to plan, promote and develop medium and major industries and its promotional activities comprise of the following :

- a. Development of Industrial Parks and provision of developed lands at reasonable cost on easy payment terms.
- b. Provision of financial assistance on liberal terms to medium and major industries, under IDBI Refinance Scheme.
- c. Implementation of package of incentives for the benefit of entrepreneurs.
- d. Provision of various ancillary services for the entrepreneurs.

DIAGRAM 1:  
ORGANISATION CHART - SIPCOT



**Table 3.1. Details Related to Number of Industrial Parks Developed by SIPCOT**

S. No.	Year	Place	District	No. of Phases
1.	1973	Ranipet	Vellore	3
2.	1974	Hosur	Dharmapuri	4
3.	1980	Pudukottai	Pudukottai	1
4.	1980	Manamadurai	Sivagangai	1
5.	1983	Gummidipoondi	Tiruvallur	2
6.	1984	Cuddalore	Cuddalore	3
7.	1984	Tuticorin	Tuticorin	2
8.	1991	Perundurai	Erode	1
9.	1992	Gangaikondan	Tirunelveli	1
10.	1992	Nilakottai	Dindigul	1
11.	1993	Bargur	Dharmapuri	1
12.	1995	EPIP-Gummidipoondi	Tiruvallur	1
13.	1995	Cheyyar	Tiruvanamalai	1
14.	1996	Irungattukottai	Kancheepuram	1
15.	1997	Sriperumpudur	Kancheepuram	1
16.	1997	Oragadam	Kancheepuram	1
17.	1998	Siruseri	Kancheepuram	1

Source : Annual Report 2001-2002 of SIPCOT

It may be noted that the above Table that 17 Industrial Parks have been developed in 12 districts. Of these, 7 Industrial Parks have been established during 1973-84, while 10 Industrial Parks have been developed during 1991-1998.

Details about the total area, saleable area and plot cost per acre are given in the Table 3.2.

**Table 3.2. Exhibits the Total Area, Saleable Area and Plot Cost**

S. No.	Name of the Industrial Park	Total area (In acres)	Area so far acquired (In acres)	Plot cost per acre (Rs. in lakhs)
1.	a. Ranipet Phase - I	728	728	5.00
	b. Ranipet Phase - II	133	133	5.00
	c. Ranipet Phase - III	801	496	5.00
2.	a. Hosur Phase - I	1236	1236	10.00
	b. Hosur Phase - II	761	456	10.00
	c. Hosur Phase - III	179	179	10.00
	d. Hosur Phase - IV	224	-	10.00
3.	Pudukottai	421	421	0.50
4.	Manamadurai	492	492	0.25
5.	a. Gummidipoondi Phase - I	780	778	12.00
	b. Gummidipoondi Phase - II	477	438	12.00
6.	EPIP	224	224	9.00
7.	Tuticorin	1084	1084	5.00
8.	a. Cuddalore Phase - I	519	519	14.00
	b. Cuddalore Phase - II	193	154	14.00
	Cuddalore Phase - III	1266	998	14.00
9.	Perundurai	2831	2460	6.00
10.	Gangaikondan	2038	2035	5.00
11.	Nilakottai	387	387	6.00
12.	Bargur	1393	1253	5.00
13.	Cheyyar	631	511	5.00
14.	Irungattukottai	1844	1844	12.00
15.	Sriperumpudur	2469	2031	12.00
16.	Oragadam	2043	1288	11.00
17.	Siruseri	980	609	13.00
	<b>Total</b>	<b>24,135</b>	<b>20,779</b>	

Source : Monthly progress report - March 2002 of SIPCOT

It is gleaned from the Table 3.2 that the total area acquired for all Industrial Parks work out to 20,779 acres. Of which the extent of Industrial Parks located at Perundurair, Sriperumpudur and Gangaikondan is more than 2000 acres. The extent of Industrial Parks located at Ranipet, Hosur, Cuddalore, Gummidipoondi, Tuticorin, Bargur and Irungattukottai is between 1000 to 2000 acres. The extent is below 500 acres for Industrial Parks located at Manamadurai, Pudukottai and Nilakottai. This is attributed to lack of demand in these areas.

When we look at the cost per acre of plots, it is above Rs.10 lakhs in Industrial Parks located at Gummidipoondi, Cuddalore, Irungattukottai, Sriperumpudur, Oragadam and Siruseri. In Industrial Parks located at Ranipet, Hosur, EPIP – Gummidipoondi, Tuticorin, Perundurair, Gangaikondan, Nilakottai, Bargur and Cheyyar the plot cost is in between Rs. 5 lakhs to Rs.10 lakhs. In Manamadurai and Pudukottai Industrial Parks the plot cost per acre is only Rs. 25,000 and Rs. 50,000 respectively. This is attributed to the poor demand for plots in these areas.

Information relating to saleable area, area sold and percentage of area sold are given below:

Table 3.3. Displays the Saleable, Area Sold and Percentage of Area Sold

S. No.	Name of the Industrial Park	Saleable area (In acres)	Area sold (In acres)	Percentage of area sold
1.	a. Ranipet Phase - I	578	578	100
	b. Ranipet Phase - II	112	112	100
2.	a. Hosur Phase - I	980	972	99
	b. Hosur Phase - II	396	390	98
	c. Hosur Phase - III	126	104	83
3.	Pudukottai	323	215	67
4.	Manamadurai	382	165	43
5.	a. Gummidipoondi Phase - I	651	629	97
	b. Gummidipoondi Phase - II	386	316	82
6.	EPIP-Gummidipoondi	160	10	6
7.	Tuticorin	904	715	79
8.	a. Cuddalore Phase - I	443	443	100
	b. Cuddalore Phase - II	140	19	14
9.	Perundurai	1926	413	21
10.	Gangaikondan	1562	6	0.50
11.	Nilakottai	285	Nil	-
12.	Bargur	1182	30	2.50
13.	Cheyyar	440	Nil	-
14.	Irungattukottai	1342	810	60
15.	Sriperumpudur	380	160	42
16.	Oragadam	902	-	-
17.	Siruseri	686	159	23
<b>Total</b>		<b>14,285</b>	<b>6,244</b>	

Source : 1. SIPCOT - Annual Report 2001-2002

2. Monthly Progress Report - March 2002 of SIPCOT

It is interesting to note that the area sold is 100 per cent in Ranipet (Phase I & Phase II) and Cuddalore (Phase – I). It is 99 per cent in Hosur (Phase – I) and 98 per cent in Hosur (Phase – II). The demand for industrial plots is very poor in Nilakottai, Cheyyar, Bargur and EPIP-Gummidipoondi Industrial Parks.

### **3.1 INDUSTRIAL PARKS**

SIPCOT has been developing Industrial Parks with all infrastructural facilities required for industries in a phased manner. A brief account of the development of the 17 Industrial Parks are given below.

#### **i. Ranipet Industrial Park**

The Government of Tamil Nadu in Government Order (G.O) Ms.No. 83 Industries dated 20.01.1973 ordered for setting up of an Industrial Park at Ranipet by SIPCOT. Accordingly, the first phase of the Industrial Park covering an extent of 729.73 acres were acquired about 8 km from Ranipet Town on National Highway (NH)-4. Of this, 135.52 acres were used for providing infrastructure facilities. An extent of 576.62 acres comprising of 113 plots was developed for allotment to various industrial units. Phase-I was completed at a cost of Rs. 129 lakhs.

This Industrial Park was provided with 2 Million Gallons per Day (MGD) water supply scheme from Palar river and also 0.5 MGD water



from bore well supply. Apart from this, other basic infrastructures like, internal roads, street lights and treated effluent collection system, first aid centre were provided. SIPCOT has also allotted land for other infrastructure facilities like, Tamil Nadu Electricity Board (TNEB) Sub Station, Post Office, Telephone Exchange, ESI Hospital and Banks. It has also provided land for setting up two common effluent treatment plants by leather industries out of their own funds. It has also provided building for a Fire Station and Canteen. As a result, most of the allottees have implemented their project, except 8 allottees.

Subsequently, taking into account the growing demand for industrial plots, the Government ordered SIPCOT to set up Phase II of the Industrial Park vide G.O. Ms. No. 478 Industries dated 20.12.1995.

Accordingly, an additional area of 133.13 acres was acquired adjacent to the existing Park and out of which 111.97 acres of land were allotted to 34 industrial units. The scheme cost of Phase II was estimated at Rs. 226 lakhs.

The programme of the SIPCOT received a positive response from the entrepreneurs.

As on date, there is no vacant industrial plot available in this Industrial Park. The prevailing plot cost is Rs. 5.00 lakhs per acre for both Phase I and Phase II.

Considering the demand for industrial plots in this region Government of Tamil Nadu in G.O. M.S. No. 220 (Industries) dated 20.11.1996 and G.O. Ms. No. 136 industries dated 14.05.1997 directed SIPCOT to set up Phase III.

Accordingly SIPCOT identified 801.96 acres of land, about 5km away from the existing Industrial Park at Lalpet on the Ranipet – Ponnai State Highway. So far, SIPCOT has acquired 486.07 acres of land and yet to commence development of Phase III.

## **ii. Hosur Industrial Park**

The Government of Tamil Nadu in G.O. Ms. No. 553, Industries dated 11.04.1974 ordered for setting up of an Industrial Park at Hosur in Dharmapuri District by SIPCOT. This is the second Industrial Park developed by SIPCOT. The first phase of the Industrial Park covering an extent of 1236 acres was acquired about 5 kms from Hosur Town on NH 7. After providing for infrastructure facilities covering 250 acres, an extent of 980 acres was allotted to 187 units in SIPCOT Industrial Park, Phase-I. An amount of 375 lakhs was spent for the development of the Phase-I.

The Industrial Park is having basic infrastructure facilities which includes water, internal roads, street lights, first aid centre and drainage system. TNEB Sub Station, Police, Station, Fire Station, Telephone Exchange, Central Excise Office, Post Office, Canteen, TNPCB Office, Public Health lab, ESI Hospital, School, Shopping complex are made available by SIPCOT in the Industrial Park.

In view of good demand, the Government ordered SIPCOT to set up an another Industrial Park as Phase-II in G.O. Ms. No. 1702 Industries, dated 16-12-1980.

Additional lands to an extent of 457 acres were acquired towards Krishnagiri Road in NH 7. After development of land 395 acres of land were allotted to 77 industrial units. Phase-II was completed at a cost of Rs. 863 lakhs.

As there was further demand for lands from M/s.Ashok Leyland Limited for setting up a new plant, Government of Tamil Nadu in the G.O. Ms. No. 207, Industries dated 29-07-1997 directed SIPCOT to set up another Industrial Park as Phase-II, Expansion-I adjacent to Phase-II area. The estimated cost of the Phase-II, Expansion-I is Rs. 1500 lakhs.

Accordingly, SIPCOT has acquired an extent of 179 acres and developed 148 acres for allotment. So far, an extent of 104 acres was allotted to four industrial units.

To cope with increasing demand for industrial plots, SIPCOT has obtained approval from the Government of Tamil Nadu in the year 2001 to start Phase – II, Expansion – II in area of 239 acres. Land acquisition work is in progress.

### **iii. Pudukottai Industrial Park**

The Government of Tamil Nadu in G.O. Ms. No. 1492 dated 13-10-1979 directed SIPCOT to establish an Industrial Park at Pudukottai. Accordingly, SIPCOT identified 421 acres of land at Nathampannai village on Trichy-Rameswaram National Highway (NH). The original scheme cost was estimated at Rs 155.00 lakhs. Subsequently, the scheme cost was revised to Rs. 346.00 lakhs.

The total extent of allotable area is 321.56 acres. Out of which, 214.40 acres have been already allotted to 66 units. The balance area available for allotments is 107.16 acres.

SIPCOT has provided necessary infrastructural facilities viz., water, power, internal roads, street lights. Fire Station, Canteen and First-aid centre. The cost of the plot is Rs. 50,000 per acre.

#### **iv. Manamadurai Industrial Park**

The Government of Tamil Nadu in the year 1980 directed SIPCOT to establish an Industrial Park at Manamadurai. SIPCOT identified 492 acres of land at 5 kms from Manamadurai on Manamadurai – Perambalur State Highway No. 3.

Out of the total extent of 492 acres, the saleable area is 382 acres. An extent of 175 acres was allotted to industrial units and the balance 207 acres are available for allotment.

SIPCOT has provided necessary infrastructural facilities viz. power, water, internal roads, street lights, Police Station, Fire Station and Bank.

The cost of the plot is Rs. 25,000 per acre.

#### **v. Cuddalore Industrial Park**

The Government of Tamil Nadu in G.O. Ms. No. 1422 industries dt. 04-10-1980 directed SIPCOT to establish an Industrial Park at Cuddalore. Accordingly, SIPCOT identified 518.79 acres of land on the East Coast Road, about 5 km from Cuddalore New Town. Under the Phase-I of the Industrial Park out of the total extent of 518.79 acres of land acquired, 75.97

acres of land was allotted to infrastructural facilities and the balance 442.82 acres of land was allotted to industrial units.

3.25 MGD of water supply scheme is available in this Park. SIPCOT has provided treated effluent collection system, internal roads, street lights and the like. Further buildings for other infrastructural facilities like, Fire station, Police station, Telephone exchange, Canteen, Bank etc. has been provided by SIPCOT. In addition, SIPCOT has allowed M/s. Cuddalore SIPCOT Industries Common Utilities Limited for utilising the existing effluent discharge system for their common marine effluent disposal system. Considering the demand for industrial land in this area. The Government of Tamil Nadu vide G.O. Ms. No. 884. Industries dated 28-11-92 directed SIPCOT to acquire additional land to set up Phase-II of the Park. Accordingly, SIPCOT has so far acquired 154.27 acres of land and an extent of 38.21 acres of land are under acquisition.

In Phase-I, out of the total acquired land of 518.79 acres, an extent of 442.82 acres was allotted to as many as 58 units. As on date no land is available in this area for allotment. Under Phase II, out of total extent of 154.27 acres of land acquired, 104.44 acres of land will be available for allotment. The development works for provision of water supply, laying of internal roads, street lights etc. are yet to be taken up. Pending execution of

development works, so far SIPCOT has allotted 19 acres of land to 3 units. The prevailing allotment rate is Rs. 14 lakhs per acre.

The Government of Tamil Nadu vide its G.O. Ms. No. 179 Industries dated 30.06.97 directed the erstwhile Tamil Nadu Corporation of Industrial Infrastructure Develop Ltd. (TACID) to acquire 1266 acres of land near Cuddalore for setting up an Industrial Park / Tanning Park. Subsequent to the merger of TACID with SIPCOT this work was transferred to SIPCOT. The land for this Industrial Park was identified in Periapattu and Silambimangalam villages which are about 15 kms away from the existing Industrial Park.

So far, 974.83 acres of land have been acquired and the balance extent is under acquisition. The development work of this Park is yet to be taken up.

#### **vi. Tuticorin Industrial Park**

The Government of Tamil Nadu in G.O. Ms. No. 383 dated 25-03-1981 and G.O. Ms. No. 242 Industries dated 07-09-1981 have issued orders for establishing an Industrial Park at Melavittan village, Tuticorin district. Accordingly during the year 1984, Tuticorin Industrial Park was established over an extent of 1083.59 acres of land. The total saleable area is 901 acres, out of which SIPCOT has so far allotted 729.00 acres to 85 industrial units. 62 units are under production.

Presently water requirement of the Park is met from Tamirabarani river. Fire station, Bank, Canteen are functioning in the Industrial Park. Exclusive building for Police station has been constructed but it is yet to be occupied. Temporary police out post is functioning in the Administration Office Block. Land has been allotted to ESI Hospital but the buildings are yet to be constructed. Full-fledged Telephone Exchange with a capacity of 5000 lines is functioning. Post Office at Madathur (outside Park) is meeting the requirement of the allottees of the Industrial Park.

The cost of the plot is Rs. 5.00 lakhs per acre.

The Government of Tamil Nadu in G.O. Ms. No. 233 (MIG-II) dt. 18-12-1996 have accorded administrative sanction for acquisition of 1616 acres for development of Phase-II of the Industrial Park. The land acquisition work is in progress.

#### **vii. Gummidipoondi Industrial Park**

The Government of Tamil Nadu in G.O. Ms. No. 109 Industries, dated 03.02.1983 and G.O. Ms. No. 460 Industries MIG. II, dated 19-01-1993 ordered for setting up an Industrial Park at Gummidipoondi by SIPCOT. The Industrial Park is situated 44 kms. from Chennai and it is on Chennai – Kolkata NH.5. The first phase of the Industrial Park covers an extent of 798 acres. After providing for infrastructural facilities covering 148 acres an



extent of 628 acres were allotted to 235 units in SIPCOT Industrial Park, Gummidipoondi, Phase-I.

In view of continued industrial growth, the Government ordered the setting up of another Industrial Park as Phase-II in G.O.Ms. No. 93 / Industries MIG-II, dated 30-03-1995.

Accordingly, additional lands to an extent of 682 acres were acquired and development work started in 1991. Out of the above 224 acres were ear marked for setting up an Export Promotion Industrial Park (EPIP). So far SIPCOT has allotted 316 acres to 6 Industrial units in Phase – II. Many small scale steel units are sick due to withdrawal of power tariff concessions and labour unrest.

The Scheme Cost of Phase-I was estimated at Rs. 1580 lakhs, and in Phase – II was estimated at Rs. 1871 lakhs. The prevailing plot cost per acre in Gummidipoondi Industrial Park is Rs. 12.00 lakhs.

#### **viii. Perundurai Industrial Park**

The Government of Tamil Nadu in G.O. Ms. No. 91 Industries dated 27-02-1991 approved setting up of an Industrial Park in Perudurai and Ingur villages of Erode district by SIPCOT in an area of 2751.98 acres. Government of India also extended an assistance of Rs. 10.00 crores for this Industrial Park. Subsequently after the formation of TACID during the year

1992, this Industrial Park was implemented by TACID. So far, 2607 acres of land have been acquired and out of this, 1300 acres were developed for Phase - I and the balance 1300 acres have been set apart for Phase - II.

The saleable area in Phase I is 900 acres. So far an extent of 363 acres of land have been allotted to 67 units and the balance area of 547 acres is vacant. Necessary infrastructural facilities viz., power, water, roads, street lights, common effluent treatment plant etc. have been provided. Land / buildings were earmarked for Banks, Post office, Telephone exchange, Police Station, Fire Station etc.

#### **ix. Gangaikondan Industrial Park**

The Government of India has approved a proposal in their letter dated 04-05-1992 for setting up of an Industrial Park at Gangaikondan in Tirunelveli district at an estimated cost of Rs. 31.75 crores. The scheme cost was subsequently revised to Rs. 39.68 crores.

An extent of 2033 acres of land has been so far acquired out of 2300 acres proposed. So far, SIPCOT has allotted 6 acres of land to 2 Industrial units.

A water supply scheme to supply 1 MGD of water to the Industrial Park from river Tamiraparani as source has been entrusted to

TWAD Board. TNEB has erected 10 MVA Sub station. Land has been allotted to Tele-communication Department.

The cost of the plot is Rs. 5.00 lakhs per acre.

Due to dearth of demand, development works have been deferred temporarily.

#### **x. Nilakottai Industrial Park**

The Government of Tamil Nadu has approved the project cost for Rs. 5.04 crores in G.O. Ms. No. 470 Industries Department dated 17-09-1992 for setting up an agro-based Industrial Park at Nilakottai in an extent of 415 acres. The scheme cost was subsequently revised to Rs.17.00 crores. This Park is located right at Pallapatti village on NH 7 at a distance of 5 kms. from Kodai Road.

Out of 415 acres originally proposed, an extent of 380 acres have been acquired. Development works have been already completed for an extent of 250 acres out of 380 acres.

TNEB has erected 10 MVA Substation Water requirement is met from the Vaigai river.

Allotment has not been made so far in this Industrial Park due to lack of demand. It was decided to ear-mark 100 acres of land for the food

park to be developed along with Agricultural Marketing Board after getting approval of Government. Balance 280 acres were proposed to be allotted to TIDCO for winery project.

The cost of the plot is Rs. 6.00 lakhs per acre.

#### **xi. Bargur Industrial Park**

The Government of Tamil Nadu in G.O. Ms. No. 335, Industries dated 19-08-1993 had approved Project cost of Rs. 41.55 crores for setting up of Industrial Park at Bargur in an extent of 1400 acres. The Industrial Park is located near Pochampalli in Dharmapuri District. So far, an extent of 1260 acres of land has been acquired.

An extent of 30.33 acres has been allotted to M/s. Samalpatti Power Company (P.) Ltd. The company has commenced their commercial producing during Feb. 2001.

Due to the poor demand, development works like road, water distribution , drainage etc., have been deferred.

A water supply scheme for provision of 4 mld of water from local source and 3 mld of water from river Thenpennaiyar was entrusted to Tamil Nadu water supply and Drainage and Board (TWAD) and the work has been completed.

The plot cost / acre is Rs. 5.00 lakhs.

## **xii. Export Promotion Industrial Park (EPIP) Gummidipoondi**

The Government of India, Ministry of Commerce, New Delhi, in Lr. No. 6 / Coord / 10 / 93 / EP2, dated 28-12-1994 and the Government of Tamil Nadu vide its G.O. Ms. No. 3 / Industries (MIF.2) Department, dated 04-01-1995 ordered for setting up an Export Promotion Industrial Park (EPIP) at Gummidipoondi. This Park is situated 44 kms. from Chennai and it is on the Chennai – Kolkata NH.5. The Industrial Park was developed by SIPCOT during 1997.

The EPIP is situated in between Phase-I and Phase-II of Gummidipoondi Industrial Park, so that all infrastructural facilities can be made available to the EPIP also. An extent of 224 acres was acquired from the Industrial Park Phase – I and Phase – II and area available for allotment in EPIP is 160 acres. An extent of 9.50 acres was allotted to two units in EPIP so far and the balance extent of 150.50 acres of land is vacant in EPIP.

EPIP is having infrastructural facilities such as Canteen, Child Creche, Transit shed apart from internal roads, street light, water supply etc.

The Scheme cost was estimated at Rs. 1990 lakhs.

The prevailing plot cost of EPIP is Rs. 9.00 lakhs per acre.

**xiii. Cheyyar Industrial Park**

Government in G.O. Ms. No. 17, Industries (MIG.II) Department, dt. 13-01-1995 accorded approval for setting up of an Industrial Park in Cheyyar taluk, Thiruvannamalai District in an extent of 1350 acres covering Mathur Village, Mangal village and Chellaperumbulimedu village. The Government has also directed that the project might be developed in two phases of 600 acres and 750 acres each, so that the first phase of 600 acres could be implemented at a cost of Rs. 17.80 crores with all infrastructural facilities.

The Cheyyar Industrial Park is located at a distance of 90 kms. from Chennai and 23 kms. from NH4 and 14 kms. from Kancheepuram on the Kancheepuram – Cheyyar road. From Cheyyar the Park is located at a distance of 17 kms.

SIPCOT has so far acquired 511 acres of land. It is proposed to tap million gallons per day water from Cheyyar river. Development of this Industrial Park is deferred due to lack of demand.

**xiv. Irungattukottai Industrial Park**

The Government of Tamil Nadu in G.O. Ms. No. 248 Industries (MIG-II) Department dated 27-10-1995 directed SIPCOT to establish an Industrial Park at Irungattukottai Village, Sriperumbudur Taluk,

Kancheepuram District, which is located at 35 K.M. from Chennai on the Chennai Bangalore National Highway (NH-4). The total cost of the scheme as approved by Government is Rs. 126.00 crores.

SIPCOT has acquired 1843.68 acres at Katrambakkam, Keevalam and Thandalam Villages for development of the Industrial Park. The saleable area is 1342.32 acres. Out of which SIPCOT has allotted 805.00 acres to 50 industrial units. The balance area to be allotted is 537.00 acres.

Presently the water requirement is met from Chembarambakkam lake. SIPCOT has established water supply system with a capacity of 10 MGD to meet the water requirement of SIPCOT Industrial Park, Sriperumpudur, Irungattukottai and Oragadum Industrial Parks.

TNEB has already installed 110/11 KV Sub-station. SIPCOT has provided land for Telephone exchange, Fire station and Police station in this Industrial Park.

The cost of the plot is Rs. 12.00 lakhs per acre.

#### **xv. Sriperumpudur Industrial Park**

The Government of Tamil Nadu in G.O. Ms. No. 61 dated 24.12.1997 issued order for acquisition of land over an extent of 2469 acres for setting up an Industrial Park, in Sriperumpudur Taluk at Kancheepuram

District. The cost of the scheme was tentatively estimated at Rs. 202.75 crores for the entire area.

So far SIPCOT has acquired 1897 acres of land and the allotable area is approximately 1328 acres. The Industrial Park is developed in a phased manner. An extent of 480 acres is being developed as Phase-I. The total cost of development for 480 acres is estimated at Rs. 18.03 crores. SIPCOT has so far, allotted 160 acres of land to 10 industrial units. 7 industrial units have already commenced production. Water requirement for the Industrial park is to be met from Chembarambakkam lake.

SIPCOT has made provision for allotment of land to Telephone exchange, Police Station, Fire Station etc. However, these facilities are yet to come up. Presently, the Telephone exchange located in Sriperumpudur town is meeting the requirement.

The cost of the plot is Rs. 12.00 lakhs per acre.

#### **xvi. Oragadam Industrial Park**

Government of Tamil Nadu in G.O. Ms. No. 125, Industries dated 09-05-1997 directed erstwhile TACID to set up an Industrial Park over an extent of 2043 acres in Oragadam, Sriperumpudur Taluk, Kancheepuram District. The land is located at Sriperumbudur – Singaperumal Kovil highway road connecting NH 45 and NH 4. The erstwhile TACID has suggested



Government of India that an extent of about 1000 acres out of the proposed Industrial Park could be developed under the centrally sponsored scheme. The Government of India has approved setting up of the Industrial Park at an estimated cost of Rs. 53.31 crores.

SIPCOT has so far acquired 1244.94 acres of patta lands. Alienation for the poramboke lands are awaited from the Government of Tamil Nadu. The requirement of water for Oragadam Industrial Park was estimated at 1 MGD which has been proposed to be taken up from local ground source. It has been proposed to take up the development work in a phased manner based on demand.

The plot cost has been fixed at Rs. 11.00 lakhs per acre.

#### **xvii. Siruseri Information Technology Park**

Government of Tamil Nadu in G.O. Ms. No. 149 Industries, dated 20.05.1998 directed Electronics Corporation of Tamil Nadu Ltd. (ELCOT) to hand over 250 acres of land to SIPCOT for developing an Information Technology park at Siruseri, Kancheepuram District. It is located 17 kms. from Chennai city limits on IT State Highway on the Old Mahabalipuram Road.

As the lands proposed for the Park were irregular in shape and also to develop the IT Park in a large area in view of the encouragement from

the bigger IT Industries, the Government has suggested SIPCOT to acquire an additional land of about 750 acres adjoining the original land proposed. Accordingly, SIPCOT is developing the IT Park at about 980 acres of land at Siruseri.

The Scheme cost has been estimated at Rs. 79.70 crores. The Government has accorded alienation / administrative approval for about 868 acres so far. The infrastructural facilities like roads, street lights have been provided. Seven open wells with a total yield of 0.96 mld. have been constructed. A semi-permanent administrative office is functioning.

The area proposed for allotment of developed plots is 686 acres SIPCOT has so far allotted 65 acres to 9 industrial units. Balance 621 acres are available for allotment. Lands have been allotted to BSNL, VSNL and STPI for the establishment of communication facilities.

This is a functional Industrial Park. Computer Software industrial units alone are eligible for allotment of plots in this Industrial Park.

The plot cost has been fixed at Rs. 13.00 lakhs pr acre.

### **Working of Industrial Parks**

The Industrial Parks are headed by project managers or project officers depending on the size. If the size of the Industrial Parks are large,

project manager would be heading the Industrial Parks. If the size of the Industrial Parks are small, project officers would be heading the Industrial Park. The project manager / project officer are reporting to the Head Office. Technical and Administrative personnel are assisting the project manager / project officers. Periodical meetings are conducted with industrial units to solve the problems faced by them.

Initially the developed plots were allotted on lease-cum-sale basis i.e., after the completion of 5-years from the date of allotment, the lease was converted into sale, subject to the compliance of the terms and conditions of the allotment order and lease-cum-sale deed. From March 1982, a policy decision was taken by SIPCOT to allot developed plots on 99 years lease basis. The decision to allot on lease basis was taken to maintain the homogeneity of the Industrial Park, to equally distribute the infrastructural facilities to all industrial units and to ensure that the industrial plots were used for the purpose for which they were allotted.

The Government of Tamil Nadu in G.O. Ms. No. 1036, Industries dated 30-12-1999 notified Perundurai Industrial Township in Erode District and Nilakottai Industrial Township in Dindigul District under Tamil Nadu Township Area Development Authorities Act, 1997. By virtue of the above G.O. the industries coming up in Perundurai and Nilakottai Industrial Parks need not obtain approvals from the local body and other statutory

clearances. It is enough if the industrial units obtain approval from the concerned Industrial Area Development Authorities.

### 3.2 FINANCIAL ASSISTANCE

The financial assistance from SIPCOT for medium and major industries is in the form of a) Term loan under IDBI Refinance Scheme, b) Seed capital under IDBI Seed capital Scheme, c) Underwriting the capital issues and participation in equity, d) Lease finance for capital good.

The details of sanction and disbursement of term loan during the last 10 years are tabulated sector.

**Table 3.4. Sanction and Disbursement of Term Loan**

(Rs. in lakhs)

Year	Loan Sanctioned	Amount Disbursed	Percentage of disbursement
1992-93	6121.54	4075.59	66.58
1993-94	6799.50	4,453.92	65.50
1994-95	8650.34	5,289.97	61.15
1995-96	10,453.00	6,321.65	60.48
1996-97	11,000.15	6,805.56	61.87
1997-98	4,108.00	4,067.01	99.00
1998-99	3,975.00	2,749.40	69.17
1999-2000	2,830.00	1,033.15	36.5
2000-01	71.00	1,153.33	-
2001-02	-	398.80	-
<b>Total</b>	<b>54008.53</b>	<b>36348.38</b>	

Source : SIPCOT's Annual Report - 2001-2002.

It may be seen from the above Table that the decline in sanction and disbursement from the year 1999-2000 is attributed to the transfer of lending portfolio from SIPCOT to TIIC by the Government of Tamil Nadu.

The Government of Tamil Nadu have issued orders in May 1999 for merger of TACID (a wholly owned State Government Undertaking) with SIPCOT so that SIPCOT would concentrate on creating infrastructural facilities only, the term lending activities so far carried out by SIPCOT have been transferred to TIIC (a wholly owned State Government undertaking).

However, SIPCOT continues to deal with the cases for which term loans have been already disbursed. SIPCOT recovers the term loan and interest from the assisted units. Wherever necessary, SIPCOT takes possession of the mortgaged assets of the defaulting industrial units under State Financial Corporations (SFC's) Act. Sub-standard assets constitute 42.27 per cent of term loan outstanding. SIPCOT has achieved recovery of Rs. 403 lakhs (principle + interest) for the year 2002 - 2003.

### **3.3 INCENTIVES**

The Government of Tamil Nadu has been offering incentives viz., Subsidy and Interest free sales deferral / waiver facilities to industries located in backward and other areas. The Government of Tamil Nadu has requested SIPCOT to act as an agent of the Government for the sanction and disbursement of incentives to medium and major industries in Tamil Nadu.

**Table 3.5. State Capital Subsidy Extended to Medium and Major Industries for the Last 10 Years**

(Rs. in lakhs)

Year	Disbursement
1992-93	704.47
1993-94	953.57
1994-95	1,007.00
1995-96	1,127.52
1996-97	1,338.19
1997-98	1,041.68
1998-99	636.35
1999-2000	402.30
2000-01	477.29
2001-02	623.89

Source : SIPCOT's Annual Report 2001-2002.

It is seen from the above Table that more amounts were disbursed during the years 1994-95 to 1997-98. This is because more number of units had commercial production during the above period.

As per the orders of the Government of Tamil Nadu in G.O. Ms. No. 454 Finance (BPE) Department dt. 19-11-2001, the subject relating to the disbursement of subsidy to medium and major industries in the State was transferred to TIIC.

Sales Tax deferral / waiver facilities extended to the medium and major industries for the last 10 years.

**Table 3.6. Exhibits the Sales Tax Deferral / Waiver Facilities Extended to Industries**

(Rs. in lakhs)

Year	Sanction
1992-93	25046.80
1993-94	22229.82
1994-95	31493.46
1995-96	68630.27
1996-97	53056.68
1997-98	95666.35
1998-99	34319.80
1999-2000	126104.07
2000-01	183649.18
2001-02	6236.37

Source : SIPCOT's Annual Report 2001-2002

It may be seen from the above Table that more amounts were sanctioned during the period 1999-2000 and 2000-2001. This is due to the sanction of amounts to mega industries in the State.

### **3.4 ANCILLARY SERVICES**

SIPCOT guides the entrepreneurs to establish industries in the State. It also conducts Entrepreneurial Development Programmes to, encourage new entrepreneurs to set up industries besides bringing out publications which are useful to the entrepreneurs to set up industries in the State.

### **3.5 NEED FOR THE STUDY**

Industrial Parks are set up by all State Governments and Union Territories to speed up industrialisation. No detailed study has been conducted so far on the impact of Industrial Parks on the economic development of Tamil Nadu. There was a need to make a detailed study on the impact of Industrial Parks on the industrial and economic growth of Tamil Nadu with particular reference to employment generated, investments attracted and backward area development. Hence the present study has been undertaken in that direction.

### **3.6 STATEMENT OF THE PROBLEM**

The performance of Industrial Parks are not uniform through out the country. In some States, the performance is satisfactory and in some other States the performance is not satisfactory. The main reasons for the poor performance are, unsuitable locations of Industrial Parks, lack of



entrepreneurial talents in the vicinity of Industrial Parks and poor infrastructural facilities in Industrial Parks. The sponsoring agencies of Industrial Parks are continuously striving to improve the success rate of Industrial Parks. It has been found that so far no systematic attempt has been made to study the impact of Industrial Parks on the industrial and economic growth of Tamil Nadu.

It is against this background, a micro level study of the impact of Industrial Parks on the industrial and economic growth of Tamil Nadu is attempted.