CHAPTER V

GROWTH OF INDUSTRIES WITH A SPECIAL REFERENCE TO
STATE OF TAMILNADU
PROFILE OF TAMILNADU

I. GENERAL PROFILE

- **Capital**: Chennai (Madras), a financial capital of South India.

- **Area**: 1,30,058 Sq. Km.

- **Population**: 63 million

- **Climate and Temperature**: Average temperature ranges between 28°C and 40°C in summer and between 18°C and 26°C in the short-lived winter season.

- **Normal rainfall**: 945.0 mm

- **Bank Offices**: No. of Commercial Bank Offices - 4,567
- **Number of Foreign Banks** – 13
- **Number of Regional Rural Bank Offices** - 208

**Major Minerals**
Lignite, Magnetite, Quartzite, Molybdenum, Bauxite, Chromite, Feldspar, Fireclay, Graphite, Gypsum, Ilmenite, magnasite, Quartz & Silicon Sand, Rutile, Silimanite, Vermiculite.

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• **Major Industries**
  Heavy commercial vehicles, Auto components, Railway Coaches, Motor cycles & Mopeds, Newsprint, Cotton Yarn, Power driven pumps, Leather products, Safety matches, Software.

• **Major Agriculture Produce**

• **Forest products**
  Timber and sandalwood are the main produce while tea; wattle bark and cashew are minor products.

• **Marine Resources**
  The State has 362 fish landing centers and annual fish catch is around 0.5 million tons. The export made during 1996-97 is Rs. 10.76 billion worth of marine products.

• **Ports**
  Chennai and Tuticorin are the two major ports. There are two intermediates and seven minor ports, all of which are capable of handling over 32 million tons of cargo.
Roads and Rail

The State has high percentage of surfaced roads spanning more than 1,38,500 kms. The road length per thousand sq. km. area is 1,572 as against all India average of 663 kms. The Railway Route length in the State spans more than 4,100 kms. The rail length per thousand sq. km. area is 30.91 as against all India average of 19.01 km.

- **Air Links**

  Chennai has an International Airport with more than 65 direct flights every week to 15 countries in Europe and far Eastern countries.

- **Thrust Areas**

  The thrust area identified are Leather, Textile, Electronics and software, Auto components, Drugs and Pharmaceuticals, Petrochemicals including downstream projects, Industrial Alcohol based Organic Chemicals, Agro-based industries and Food Processing, Salt and Marine- based industries, Gems and Jewelry, Engineering Goods, Sea Foods and Export Oriented Units. In the context of changing scenario, some of the new thrust sectors are Computer software and hardware, Electronics, Biotechnology, Tourism, Transport equipment and Ancillaries, Floriculture, Food Processing, Aquaculture and Infrastructure Development.
- **Institutional Support**
  Industries Department, Govt. of Tamilnadu:
  
  (a) Tamilnadu Industrial Development Corporation (TIDCO)
  
  (b) Tamilnadu Industrial Guidance & Export Promotion Bureau – Information support, single window clearance
  
  (c) SIPCOT - Industrial parks financing
  
  (d) ELCOT - Nodal agency for electronics & Software
  
  (e) TACID - Infrastructure Development & Industrial parks

**II ECONOMIC PROFILE**

The economy of Tamilnadu is fairly well developed and diversified. During 2000-2001, according to advance estimates, State Domestic Product (SDP) of Tamilnadu based on official exchange rate is US $ 19.6 billion (at 1993-94 constant prices). In rupee terms, Gross State Domestic Product (GSDP) of Tamilnadu works out to Rs.829.34 billion. The share of Tamilnadu SDP is currently 7.2%. The average growth rate of Tamilnadu economy has been around 6% - 7% and consistently above all India average. At present, Tamilnadu is the third largest economy among Indian States. Given the current high growth rate, Tamilnadu is poised to emerge as the second largest economy by 2001-2002.

The share of manufacturing sector in SDP has been on the increase. The composition of SDP is given hereunder:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Share in SDP at 1993-94 constant prices in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture &amp; allied activities</td>
<td>19.66%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>32.72%</td>
</tr>
<tr>
<td>Services</td>
<td>47.62%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>


The share of Tamilnadu in India’s GDP is about 7.2%.
INCENTIVES GIVEN FOR ESTABLISHING INDUSTRIES IN TAMILNADU BY THE STATE GOVERNMENT

“As per State Government order the backward areas in Tamilnadu are:

Most Backward Area (blocks)

i. The percentage of factory workers compared to the total population of the Blocks should be 0.25 and less.

ii. The investment in major /medium industries should be 'Nil'.

Backward Area (blocks)

i. The percentage of factory workers compared to the total population of the Blocks should be below the State average of 2.00.

ii. The investment in major/medium industries should be below Rs.15.00 crores.

The names of the industrially most backward blocks are as follows:

1. Chengai
   a. Walljapad
   b. Kancheepuram (Urban)
   c. Lathur
   d. Chithamur
   e. Poondi
   f. Kadambathur
2. South Arcot
   a. Portonovo
   b. Melbhuvanagiri

3. Villupuram
   a. Melmalayanur
   b. Vallam
   c. Tirunavalur
   d. Kanai
   e. Kandamangalam
   f. Thiagadurgam
   g. Rishivandiyam
   h. Kalrayan Hills

4. North Arcot
   a. Arcot
   b. Jolarpet
   c. Kandhili
   d. Nemili

5. Thiruvannamalai
   a. Cheyyar
   b. Vembakkam
   c. Polur
   d. Chetput
   e. Jawadhu Hills
   f. Pudupalayam
   g. Thandrampet
6. Dharmapuri
   a. Mathur
   b. Veppanapalli

7. Thiruchirapalli
   a. Marungapuri
   b. Vaiyampatti

8. Karur
   a. Kadavur
   b. Thogaimalai

9. Perambullur
   a. Uppiliyapuram
   b. Andimadam
   c. T. Palur
   d. Alathur
   e. Veppanthattai
   f. Veppur
   g. Sendurai
   h. Thirumanur

10. Thanjavur
    a. Thiruvonam
    b. Madukkur
    c. Sethubavachtram
    d. Ammapettai
    e. Thiruppanandal

11. Nagapattinam
    a. Kodavasal
    b. Koradachery
    c. Sirkali
d. Kollidam

e. Thiruthuraipoondi

f. Muthupet

g. Keelaiyur

h. Kottur and i. Koothanallur(Urban)

12. Madurai

a. Sedapatti

b. Cumbam

c. Chinnamanur

d. Kadamalaikundu Myladumpari

e. Kottampatti

13. Dindigul

a. Natham

14. Ramanathapuram

a. Nainarkoil

b. Bogalur

c. Tirupullanai

d. R.S. Mangalam

e. Kadaladi

15. Pasumpon

a. S. Pudur

b. Kannangudi

16. Thirunelveli

a. Courtallam (Urban)

b. Kadayanallur (Urban)

c. Melaneelithanallur
THE FOLLOWING ARE THE INCENTIVES GIVEN BY THE STATE GOVERNMENT FOR ESTABLISHING INDUSTRIES IN BACKWARD AREAS:

Capital Subsidies:

- Most Backward area capital subsidy - @20% on fixed assets subject to maximum of Rs.20 lakhs.
- Backward area capital subsidy - @15% on fixed assets subject to maximum of Rs.15 lakhs.
- Special capital subsidy for thrust industries.
- Electronics - @20% on fixed assets subject to maximum of Rs.20 lakhs.
- Leather - @20% on fixed assets subject to maximum of Rs.20 lakhs. Other Medium and Large industries set up anywhere in the State subject to a maximum of Rs.15 lakhs.
- SSI units for setting up of thrust industry group - @20% on fixed assets subject to maximum of Rs.15 lakhs.
- ‘Users’ of solar energy equipment and renewable energy equipment - @10% of cost of equipment subject to maximum of Rs.20 lakhs, irrespective of small/medium/large industries.

Mega projects capital subsidy

- For projects with an investment of Rs.50 crores and above but below Rs.100 crores - Rs. 25 lakhs.
- For projects with an investment of Rs.100 crores and above - Rs. 50 lakhs.
• For projects with an investment of Rs.200 crores and above - Rs. 100 lakhs.

**Additional subsidy for employment of Women**

New industrial units, which employ more than 30% women in their work force, will be eligible for an additional subsidy of 5% of cost up to a ceiling of Rs.5.00 lakhs.

**Generator subsidy:**

For installation of new generators for captive use @ 15% up to a ceiling of Rs.5.00 lakhs.

**Tourism subsidy:**

• For new tourism capital subsidy @ 10% of total investment excluding cost of land subject to a maximum of Rs.10 lakhs per project,

• Capital subsidy @ 15 % for purchase of generators to be installed in new tourism project with a separate ceiling of Rs. 5 lakhs.

**Special effluent treatment plant subsidy**

• A special subsidy of 10 % of the value of assets created towards setting up of effluent treatment plant with a ceiling of Rs.2.00 lakhs will be made available for existing tanneries.
Sales Tax concession:

A set of waivers and deferrals is provided by the State, which can be availed by the investors. Sales Tax concession is given according to the location based, mega projects, super mega projects, exemption for direct export and reimbursement of Tax on inputs for 100% EOU.

1. The Government in the G.O. Ms.No.428 Industries, dated 7.7.89, declared 105 taluks of the State as industrially backward for the purpose of extending various concessions like Interest Free Sales Tax Loan/Sales Tax Deferral, State Capital Subsidy etc.

2. In the G.O. Ms.No.500 Industries, dated 14.5.90, the Government declared 30 Taluks from among the 105 industrially backward taluks as industrially most backward taluks.

3. The Government in supersession of the earlier orders issued in G.O. MS.No. 41 dated 18.3.96, specifying a "Taluk" as the unit for declaring an area as industrially backward/most backward, has directed that:

   A 'Block' is adopted as the unit for declaring an area as industrially backward/most backward. For this purpose, municipalities shall be deemed to be 'Blocks' and other urban local bodies such as town panchayats shall be deemed to be part of the Blocks in which they are situated.
DEDUCTIONS AVAILABLE TO TAMILNADU AND ALL OTHER STATES UNDER THE INCOME-TAX ACT OTHER THAN THE DEDUCTION FOR ESTABLISHING INDUSTRIES IN BACKWARD AREAS:

i. 25% of the actual cost of plant & machinery installed in any industrial undertaking or for power generation, distribution, construction or manufacture from 1.4.76 to 31.3.87 and from 1.4.88 to 31.3.90 under section 32 A of the Income-tax Act.

ii. 20% of the actual cost of plant & machinery in any industrial undertaking or for power generation, distribution, construction or manufacture from 1.4.87 to 31.3.90 under section 32 AB of the Income-tax Act. (Deductions under section 32A and 32AB of the Income-Tax Act cannot be claimed simultaneously)

iii. 25% of the profit and gains of the industrial undertaking engaged in the manufacture or production from 1.4.91 to 31.3.95 under section 80IA of the Income-tax Act.
DEDUCTIONS UNDER THE INCOME-TAX ACT FOR ESTABLISHING THE INDUSTRIES IN THE BACKWARD AREAS IN TAMILNADU:

Only the districts of Dharmapuri, Kanyakumari, Madurai, North Arcot, Ramanathapuram, South Arcot, Thanjavur and Tiruchirapalli were included in the Eighth Schedule of the Income-tax Act for the purpose of availing deduction for establishing industries in backward areas during the period from 1-1-1970 to 31-3-1983. Except for these eight districts the state of Tamilnadu was not eligible for availing backward area deduction. From 1-4-1983 to 31-3-1990 the districts of Dharmapuri (excluding Hosur Block), Kanyakumari, Madurai, North Arcot (excluding Katpadi Block, Mahdanur Block & Wallajah Block), Ramanathapuram, South Arcot (excluding Cuddalore Block), Thanjavur and Tiruchirapalli (excluding Karur Block, Ariyalur Block and Thiruverambur Block), Pudukkotai (newly created district) were eligible for availing backward area deduction. Certain blocks in the already notified backward districts were excluded in the Eighth Schedule for the period from 1-4-83 to 31-3-1990. Out of the eight districts except the district of Dharmapuri particularly in the Hosur there was no industrial growth. The growth in Hosur area was due to proximity to Bangalore. The other blocks excluded from the Eighth Schedule are Katpadi, Mahdanur Wallajah, Cuddalore, Karur, Ariyalur and Thiruverambur. Thus the State of Tamilnadu is not a major beneficiary of backward area deduction available under the Income-tax Act.
INDUSTRIAL GROWTH IN TAMILNADU DURING THE PERIOD FROM 1-1-1970 TO 31-3-1998:

In the Chapter III the hypothesis has been tested on the States, which were major beneficiaries for availing the backward area deduction under the Income-tax Act. In this Chapter the hypothesis is tested on the State of Tamilnadu. The growth of industries in Tamilnadu are analyzed in terms of

(a) Number of factories
(b) Number of employees
(c) Amount of invested capital
(d) Fixed capital
(e) Emoluments of the employees
Particulars of comparative position of industrial growth in Tamilnadu State vis a vis All India in terms of number of factories during the period 1970-71 to 1997-98 are presented in Table LXXI.

**TABLE LXX**

PRINCIPAL CHARACTERISTIC BY STATES – NUMBER OF FACTORIES (DURING THE PERIOD 1970-71 TO 1997-98)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TN</th>
<th>ALL INDIA</th>
<th>TN %</th>
<th>YEAR</th>
<th>TN</th>
<th>ALL INDIA</th>
<th>TN %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-71</td>
<td>6,874</td>
<td>64,565</td>
<td>10.6</td>
<td>1984-85</td>
<td>13,076</td>
<td>96,947</td>
<td>13.5</td>
</tr>
<tr>
<td>1971-72</td>
<td>6,062</td>
<td>60,170</td>
<td>10.1</td>
<td>1985-86</td>
<td>12,429</td>
<td>1,01,016</td>
<td>12.3</td>
</tr>
<tr>
<td>1972-73</td>
<td>No survey was conducted</td>
<td></td>
<td></td>
<td>1986-87</td>
<td>12,616</td>
<td>97,957</td>
<td>12.9</td>
</tr>
<tr>
<td>1973-74</td>
<td>6,935</td>
<td>64,133</td>
<td>10.8</td>
<td>1987-88</td>
<td>13,193</td>
<td>1,02,596</td>
<td>12.9</td>
</tr>
<tr>
<td>1974-75</td>
<td>6,957</td>
<td>64,217</td>
<td>10.8</td>
<td>1988-89</td>
<td>13,099</td>
<td>1,04,077</td>
<td>12.6</td>
</tr>
<tr>
<td>1975-76</td>
<td>7,348</td>
<td>71,705</td>
<td>10.2</td>
<td>1989-90</td>
<td>13,800</td>
<td>1,07,992</td>
<td>12.8</td>
</tr>
<tr>
<td>1976-77</td>
<td>8,247</td>
<td>81,277</td>
<td>10.1</td>
<td>1990-91</td>
<td>14,617</td>
<td>1,10,179</td>
<td>13.3</td>
</tr>
<tr>
<td>1977-78</td>
<td>8,713</td>
<td>84,920</td>
<td>10.3</td>
<td>1991-92</td>
<td>15,502</td>
<td>1,12,286</td>
<td>13.8</td>
</tr>
<tr>
<td>1978-79</td>
<td>9,257</td>
<td>88,077</td>
<td>10.5</td>
<td>1992-93</td>
<td>17,702</td>
<td>1,19,494</td>
<td>14.8</td>
</tr>
<tr>
<td>1979-80</td>
<td>9,811</td>
<td>95,126</td>
<td>10.3</td>
<td>1993-94</td>
<td>18,522</td>
<td>1,21,594</td>
<td>15.2</td>
</tr>
<tr>
<td>1980-81</td>
<td>10,292</td>
<td>96,503</td>
<td>10.7</td>
<td>1994-95</td>
<td>18,755</td>
<td>1,23,010</td>
<td>15.2</td>
</tr>
<tr>
<td>1981-82</td>
<td>10,932</td>
<td>1,05,037</td>
<td>10.4</td>
<td>1995-96</td>
<td>19,895</td>
<td>1,34,571</td>
<td>14.8</td>
</tr>
<tr>
<td>1982-83</td>
<td>11,303</td>
<td>93,166</td>
<td>12.1</td>
<td>1996-97</td>
<td>19,203</td>
<td>1,34,556</td>
<td>14.3</td>
</tr>
<tr>
<td>1983-84</td>
<td>11,918</td>
<td>96,706</td>
<td>12.3</td>
<td>1997-98</td>
<td>19,746</td>
<td>1,35,551</td>
<td>14.6</td>
</tr>
</tbody>
</table>

*Source: Government of India’s Annual survey of Industries (ASI)*
The share of Tamilnadu in the number of factories was 10.6% in the year 1970-71. It fluctuated from 10.1% to 10.8% during the period from 1971-72 to 1979-80. During the next decade it started from 10.7% of total number of factories and rose to 12.3% during the year 1985-86 and settled at 12.8% in the year 1989-90. During this period it fluctuated between 10.4% and 13.5%. During the period from 1990-91 to 1997-98 the share in the number of factories was the highest in the years 1993-94 and 1994-95 and it stood at 15.2%. In the year 1997-98 the share was 14.6%. Thus Tamilnadu has shown a significant increase in the share of number of factories. During the period 1970-71 to 1997-98 Tamilnadu was one of the States whose share in number of factories has increased.
The following table presents details of industrial growth in terms of number of employees in Tamilnadu State vis a vis All India during the period 1970-71 to 1997-98.

**TABLE LXXI**

**PRINCIPAL CHARACTERISTIC BY STATES –NUMBER OF EMPLOYEES**
**(DURING THE PERIOD 1970-71 TO 1997-98)**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TN</th>
<th>ALL INDIA</th>
<th>TN %</th>
<th>YEAR</th>
<th>TN</th>
<th>ALL INDIA</th>
<th>TN %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-71</td>
<td>5,68,482</td>
<td>52,15,786</td>
<td>10.9</td>
<td>1984-85</td>
<td>8,84,214</td>
<td>78,71,712</td>
<td>11.2</td>
</tr>
<tr>
<td>1971-72</td>
<td>5,77,369</td>
<td>5,43,6443</td>
<td>10.6</td>
<td>1985-86</td>
<td>8,56,217</td>
<td>74,71,515</td>
<td>11.5</td>
</tr>
<tr>
<td>1972-73</td>
<td>No survey was conducted</td>
<td>1986-87</td>
<td>8,48,903</td>
<td>74,41,879</td>
<td>11.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1973-74</td>
<td>5,78,572</td>
<td>58,20,011</td>
<td>9.9</td>
<td>1987-88</td>
<td>8,85,826</td>
<td>77,85,580</td>
<td>11.4</td>
</tr>
<tr>
<td>1974-75</td>
<td>6,03,090</td>
<td>60,52,804</td>
<td>10.0</td>
<td>1988-89</td>
<td>8,97,288</td>
<td>77,43,344</td>
<td>11.6</td>
</tr>
<tr>
<td>1975-76</td>
<td>6,40,625</td>
<td>63,80,745</td>
<td>10.0</td>
<td>1989-90</td>
<td>9,38,970</td>
<td>81,42,550</td>
<td>11.4</td>
</tr>
<tr>
<td>1976-77</td>
<td>6,68,182</td>
<td>66,49,250</td>
<td>10.0</td>
<td>1990-91</td>
<td>9,62,589</td>
<td>81,62,504</td>
<td>11.5</td>
</tr>
<tr>
<td>1977-78</td>
<td>7,03,206</td>
<td>70,93,659</td>
<td>9.9</td>
<td>1991-92</td>
<td>9,93,229</td>
<td>81,93,590</td>
<td>12.1</td>
</tr>
<tr>
<td>1978-79</td>
<td>7,23,244</td>
<td>72,48,109</td>
<td>10.0</td>
<td>1992-93</td>
<td>10,67,977</td>
<td>87,04,947</td>
<td>12.3</td>
</tr>
<tr>
<td>1979-80</td>
<td>7,90,588</td>
<td>76,78,271</td>
<td>10.3</td>
<td>1993-94</td>
<td>11,07,829</td>
<td>87,07,909</td>
<td>12.7</td>
</tr>
<tr>
<td>1980-81</td>
<td>7,94,993</td>
<td>77,14,679</td>
<td>10.3</td>
<td>1994-95</td>
<td>11,50,913</td>
<td>91,02,407</td>
<td>12.6</td>
</tr>
<tr>
<td>1981-82</td>
<td>8,23,020</td>
<td>77,77,868</td>
<td>10.6</td>
<td>1995-96</td>
<td>12,37,400</td>
<td>1,00,44,697</td>
<td>12.3</td>
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<tr>
<td>1982-83</td>
<td>8,15,602</td>
<td>80,09,792</td>
<td>10.2</td>
<td>1996-97</td>
<td>12,38,882</td>
<td>97,06,895</td>
<td>12.8</td>
</tr>
<tr>
<td>1983-84</td>
<td>8,13,102</td>
<td>78,24,121</td>
<td>10.4</td>
<td>1997-98</td>
<td>12,71,838</td>
<td>99,25,810</td>
<td>12.8</td>
</tr>
</tbody>
</table>

*Source: Government of India's Annual survey of Industries (ASI)*
The share of Tamilnadu in the number of employees was 10.9% in the year 1970-71. It fluctuated from 9.9% to 10.9% during the period from 1971-72 to 1979-80. During the next decade it started from 10.3% of total number of employees and rose to 11.6% during the year 1988-89 and settled at 11.5% in the year 1989-90. During this period it fluctuated from 10.2% to 11.6%. During the period from 1990-91 to 1997-98 the share in the number of employees was the highest in the years 1996-97 and 1997-98 and it stood at 12.8%. Thus Tamilnadu has shown a significant increase in the share of number of employees. During the period 1970-71 to 1997-98 Tamilnadu was one of the States whose share in number of employees has increased.
A portrait of comparative position of growth in terms of invested capital for the period 1970-71 to 1997-98 in Tamilnadu State vis a vis All India are laid in the following table.

**TABLE LXXII**

**PRINCIPAL CHARACTERISTIC BY STATES – INVESTED CAPITAL Rs. IN LAKHS (DURING THE PERIOD 1970-71 TO 1997-98)**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TN</th>
<th>ALL INDIA</th>
<th>TN %</th>
<th>YEAR</th>
<th>TN</th>
<th>ALL INDIA</th>
<th>TN %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-71</td>
<td>No data available</td>
<td>1984-85</td>
<td>6,55,279</td>
<td>80,79,149</td>
<td>8.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1971-72</td>
<td>No data available</td>
<td>1985-86</td>
<td>8,33,485</td>
<td>15,10,1181</td>
<td>5.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1972-73</td>
<td>No data available</td>
<td>1986-87</td>
<td>8,89,941</td>
<td>97,97,633</td>
<td>9.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1973-74</td>
<td>No survey was conducted</td>
<td>1987-88</td>
<td>10,20,461</td>
<td>114,24,520</td>
<td>8.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1974-75</td>
<td>1,77,997</td>
<td>21,47,074</td>
<td>8.3</td>
<td>1988-89</td>
<td>13,08,759</td>
<td>153,40,892</td>
<td>8.5</td>
</tr>
<tr>
<td>1975-76</td>
<td>1,97,184</td>
<td>23,21,720</td>
<td>8.5</td>
<td>1989-90</td>
<td>14,65,607</td>
<td>159,55,611</td>
<td>9.2</td>
</tr>
<tr>
<td>1976-77</td>
<td>2,08,241</td>
<td>25,60,394</td>
<td>8.1</td>
<td>1990-91</td>
<td>17,70,046</td>
<td>195,74,780</td>
<td>9.0</td>
</tr>
<tr>
<td>1977-78</td>
<td>2,36,202</td>
<td>37,01,654</td>
<td>6.4</td>
<td>1991-92</td>
<td>20,27,604</td>
<td>223,01,807</td>
<td>9.1</td>
</tr>
<tr>
<td>1978-79</td>
<td>3,01,499</td>
<td>35,15,479</td>
<td>8.6</td>
<td>1992-93</td>
<td>24,47,273</td>
<td>278,18,028</td>
<td>8.8</td>
</tr>
<tr>
<td>1979-80</td>
<td>3,19,436</td>
<td>42,89,094</td>
<td>7.4</td>
<td>1993-94</td>
<td>33,44,882</td>
<td>321,37,601</td>
<td>10.4</td>
</tr>
<tr>
<td>1980-81</td>
<td>3,81,641</td>
<td>46,88,406</td>
<td>8.1</td>
<td>1994-95</td>
<td>40,00,463</td>
<td>390,36,732</td>
<td>10.2</td>
</tr>
<tr>
<td>1982-83</td>
<td>5,04,158</td>
<td>62,99,472</td>
<td>8.0</td>
<td>1996-97</td>
<td>49,93,483</td>
<td>533,95,608</td>
<td>9.4</td>
</tr>
<tr>
<td>1983-84</td>
<td>5,85,550</td>
<td>72,60,023</td>
<td>8.1</td>
<td>1997-98</td>
<td>49,94,961</td>
<td>571,94,480</td>
<td>8.7</td>
</tr>
</tbody>
</table>

Source: Government of India's Annual survey of Industries (ASI)

Note: The figure for the year 1979-80 is not correct, as the reported total invested capital as per the report is Rs. 41,58,794 lakhs where the sum total of the breakup for the States is Rs. 42,89,094 lakhs.
The share of Tamilnadu in the invested capital was 8.3% in the year 1974-75. It fluctuated from 7.4% to 8.6% during the period from 1971-72 to 1979-80. During the next decade it started from 8.1% of invested capital and rose to 9.2% during the year 1989-90. During this period it fluctuated from 5.5% to 9.2%. During the period from 1990-91 to 1997-98 the share in the invested capital was highest at 10.4% during the year 1993-94. In the year 1997-98 the share was 8.7%. Thus Tamilnadu has shown certain increase in the share of invested capital. During the period from 1970-71 to 1973-74 data were not available. Hence the reference years were taken as 1974-75 to 1997-98.
The details of comparative growth in Tamilnadu State vis a vis all India in terms of fixed capital during 1970-71 to 1997-98 are incorporated in Table LXXIV

**TABLE LXXIII**

PRINCIPAL CHARACTERISTIC BY STATES - FIXED CAPITAL Rs. IN LAKHS
(DURING THE PERIOD 1970-71 TO 1997-98)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TN</th>
<th>ALL INDIA</th>
<th>TN %</th>
<th>YEAR</th>
<th>TN</th>
<th>ALL INDIA</th>
<th>TN %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-71</td>
<td>91,739</td>
<td>8,75,154</td>
<td>10.5</td>
<td>1984-85</td>
<td>3,94,335</td>
<td>54,84,209</td>
<td>7.2</td>
</tr>
<tr>
<td>1971-72</td>
<td>94,477</td>
<td>9,14,306</td>
<td>10.3</td>
<td>1985-86</td>
<td>5,15,457</td>
<td>60,08,522</td>
<td>8.6</td>
</tr>
<tr>
<td>1972-73</td>
<td>No survey was conducted</td>
<td>1986-87</td>
<td>5,67,768</td>
<td>67,23,094</td>
<td>8.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1973-74</td>
<td>99,159</td>
<td>10,75,857</td>
<td>9.2</td>
<td>1987-88</td>
<td>6,52,335</td>
<td>78,47,463</td>
<td>8.3</td>
</tr>
<tr>
<td>1974-75</td>
<td>1,01,246</td>
<td>11,92,240</td>
<td>8.5</td>
<td>1988-89</td>
<td>8,52,301</td>
<td>89,09,878</td>
<td>9.6</td>
</tr>
<tr>
<td>1975-76</td>
<td>1,12,982</td>
<td>14,02,910</td>
<td>8.1</td>
<td>1989-90</td>
<td>9,41,362</td>
<td>106,92,779</td>
<td>8.8</td>
</tr>
<tr>
<td>1976-77</td>
<td>1,24,222</td>
<td>16,17,087</td>
<td>7.7</td>
<td>1990-91</td>
<td>11,38,526</td>
<td>133,64,759</td>
<td>8.5</td>
</tr>
<tr>
<td>1977-78</td>
<td>1,44,337</td>
<td>19,46,379</td>
<td>7.4</td>
<td>1991-92</td>
<td>12,85,032</td>
<td>151,90,238</td>
<td>8.5</td>
</tr>
<tr>
<td>1979-80</td>
<td>1,82,254</td>
<td>26,82,963</td>
<td>6.8</td>
<td>1993-94</td>
<td>19,84,276</td>
<td>224,41,332</td>
<td>8.8</td>
</tr>
<tr>
<td>1980-81</td>
<td>2,04,128</td>
<td>29,90,028</td>
<td>6.8</td>
<td>1994-95</td>
<td>27,75,870</td>
<td>277,64,511</td>
<td>10.0</td>
</tr>
<tr>
<td>1981-82</td>
<td>2,54,280</td>
<td>34,70,250</td>
<td>7.3</td>
<td>1995-96</td>
<td>30,39,583</td>
<td>348,46,773</td>
<td>8.7</td>
</tr>
<tr>
<td>1982-83</td>
<td>2,78,710</td>
<td>41,00,600</td>
<td>6.8</td>
<td>1996-97</td>
<td>34,23,659</td>
<td>384,56,016</td>
<td>8.9</td>
</tr>
<tr>
<td>1983-84</td>
<td>3,36,816</td>
<td>48,60,555</td>
<td>6.9</td>
<td>1997-98</td>
<td>34,82,159</td>
<td>421,52,201</td>
<td>8.3</td>
</tr>
</tbody>
</table>

*Source: Government of India's Annual survey of Industries (ASI)*
The share of Tamilnadu in the fixed capital was 10.5% in the year 1970-71. It fluctuated from 6.8% to 10.5% during the period from 1971-72 to 1979-80. During the next decade it started from 6.8% of fixed capital and rose to 9.6% during the year 1988-89 and settled at 8.8% in the year 1989-90. During this period it fluctuated from 6.8% to 9.6%. During the period from 1990-91 to 1997-98 the share in the fixed capital was highest at 10.0% during the year 1994-95. In the year 1997-98 the share was 8.3%. Thus Tamilnadu has shown a significant decrease in the share of fixed capital.
The particulars of comparative growth in Tamilnadu State as against All India with reference to emoluments of employees during 1970-71 to 1997-98 are given in the following table.

**TABLE LXXIV**

**PRINCIPAL CHARACTERISTIC BY STATES – EMOLUMENTS Rs. IN LAKHS**
**(DURING THE PERIOD 1970-71 TO 1997-98)**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TN</th>
<th>All India</th>
<th>TN%</th>
<th>YEAR</th>
<th>TN</th>
<th>All India</th>
<th>TN%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971-72</td>
<td>17,279</td>
<td>1,88,455</td>
<td>9.2</td>
<td>1985-86</td>
<td>1,11,381</td>
<td>11,08,112</td>
<td>10.1</td>
</tr>
<tr>
<td>1972-73</td>
<td>No survey was conducted</td>
<td></td>
<td></td>
<td>1986-87</td>
<td>1,25,351</td>
<td>12,29,919</td>
<td>10.2</td>
</tr>
<tr>
<td>1973-74</td>
<td>21,847</td>
<td>2,49,874</td>
<td>8.7</td>
<td>1987-88</td>
<td>1,44,445</td>
<td>14,08,106</td>
<td>10.3</td>
</tr>
<tr>
<td>1974-75</td>
<td>27,792</td>
<td>3,05,167</td>
<td>9.1</td>
<td>1988-89</td>
<td>1,61,186</td>
<td>15,72,830</td>
<td>10.2</td>
</tr>
<tr>
<td>1975-76</td>
<td>33,003</td>
<td>3,46,296</td>
<td>9.5</td>
<td>1989-90</td>
<td>1,88,083</td>
<td>18,40,887</td>
<td>10.2</td>
</tr>
<tr>
<td>1976-77</td>
<td>34,119</td>
<td>3,63,668</td>
<td>9.4</td>
<td>1990-91</td>
<td>2,09,993</td>
<td>20,58,635</td>
<td>10.2</td>
</tr>
<tr>
<td>1977-78</td>
<td>38,592</td>
<td>4,19,626</td>
<td>9.2</td>
<td>1991-92</td>
<td>2,37,362</td>
<td>20,97,050</td>
<td>11.3</td>
</tr>
<tr>
<td>1979-80</td>
<td>49,322</td>
<td>5,37,190</td>
<td>9.2</td>
<td>1993-94</td>
<td>2,74,998</td>
<td>28,63,966</td>
<td>9.6</td>
</tr>
<tr>
<td>1980-81</td>
<td>58,039</td>
<td>6,09,643</td>
<td>9.5</td>
<td>1994-95</td>
<td>3,78,947</td>
<td>35,34,150</td>
<td>10.7</td>
</tr>
<tr>
<td>1981-82</td>
<td>66,753</td>
<td>6,77,757</td>
<td>9.8</td>
<td>1995-96</td>
<td>4,61,747</td>
<td>45,11,605</td>
<td>10.2</td>
</tr>
<tr>
<td>1982-83</td>
<td>73,855</td>
<td>8,04,611</td>
<td>9.2</td>
<td>1996-97</td>
<td>4,96,497</td>
<td>47,29,414</td>
<td>10.5</td>
</tr>
<tr>
<td>1983-84</td>
<td>85,630</td>
<td>9,21,824</td>
<td>9.3</td>
<td>1997-98</td>
<td>5,70,708</td>
<td>51,58,593</td>
<td>11.1</td>
</tr>
</tbody>
</table>

Source: Government of India’s Annual survey of Industries (ASI)
The share of Tamilnadu in the emoluments was 9.5% in the year 1970-71. It fluctuated from 8.7% to 9.5% during the period from 1971-72 to 1979-80. During the next decade it started from 9.5% of total emoluments and rose to 10.3% during the year 1987-88 and settled at 10.2% in the year 1989-90. During this period it fluctuated from 9.2% to 10.3%. During the period from 1990-91 to 1997-98 the share in the emoluments was highest at 11.3% in the year 1991-92. In the year 1997-98 the share was 11.1%. Thus Tamilnadu has shown a significant increase in the share of emoluments. During the period 1970-71 to 1997-98 Tamilnadu is one of the States whose share in emoluments has increased.