



Confederation of Indian Industry
Since 1895



Enhance, Empower & Emerge

Inclusive Growth
for Tamil Nadu

Annual Report

2010-11



A Catalyst for Change

... Initiatives in integrated and inclusive development, which include health, education, livelihood, diversity management, skill development and environment...

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Growth-oriented Tamil Nadu

Tamil Nadu, which is widely known for all-round development, occupies a prominent place in the nation's development and is the fifth largest contributor to the nation's gross domestic product (GDP). The state's manufacturing sector boasts of an impressive history, dating back to early times of industrial activity in India and now leads the country in manufacturing. Globalisation and economic reforms in the 1990s have opened up new vistas for the state's development, with IT-BPO, automobile, healthcare sectors, among others, registering impressive growth and attracting investor interest.

The state capital Chennai (popularly called Madras in yesteryears) is home to traditional business houses that have carved a niche for manufacturing excellence over the years. Tradition meets modernity, in as much as conservative and progressive thinking mingle in the state on its path of inclusive growth and seamless development. The textile cluster around Coimbatore is the leading textile hub in the country, with exports to various parts of the world. Apart from Chennai and Coimbatore, other regions such as Madurai, Trichy, and Tirunelveli are also witnessing ceaseless industrial activity, and becoming centres of development in their own right.

A strong value system drives business practices in the state and it has not lagged behind in adopting modern techniques to achieve excellence and benchmark service quality. An abundant talent pool backed by brilliance and progressive thinking of eminent personalities gives the state a compulsive intellectual form, resulting in notable contributions to national outlook on many policy matters.

CHAIRPERSON'S MESSAGE

Dear Members,

We have completed an exciting year at CII Tamil Nadu. The year 2010-11 has been remarkable for CII Tamil Nadu in achieving many milestones. The Six-Point Agenda based on the theme "Enhance, Empower and Emerge: An Inclusive Growth for Tamil Nadu" gave us a unique opportunity to focus upon growth sectors and I take immense pleasure in stating that using the approach of cooperation, collaboration and co-action, we have set the path for an inclusive growth in Tamil Nadu. Sunrise sector development and economic progress of southern regions were high points of our inclusive growth focus this year.



We have been able to build a strong rapport with the Government of Tamil Nadu and as a result, using Members Redressal Forum, we apprised the Government of the challenges that the industry faced from time to time. The Hon'ble Deputy Chief Minister, Dr. M.K. Stalin, and the Secretaries of the various departments proactively helped the industry in overcoming the bottlenecks following our representation.

I am very pleased to announce that CII Tamil Nadu has also partnered with the Government of Tamil Nadu to form the CII Tamil Nadu Consultative Forum this year. The forum would envisage industrial and economic growth of Tamil Nadu by identifying various opportunities and growth areas. Some of the sectors addressed through the consultative forum are: Agriculture, Land, Infrastructure, Employment & Skills, Water, Gas, Industry and Power.

Another significant step has been the interaction with 19 Hon'ble Members of Parliament in New Delhi arranged by CII Tamil Nadu to

discuss the economic development of Tamil Nadu. It is heartening to note that MPs cutting across party lines felt a definite urge to contribute to the development of Tamil Nadu.

I also record with great delight that CII Tamil Nadu has been appointed the State Level Consultant for the Government of Tamil Nadu's project "Employable Skill Training for Educated Unemployed Youth" aimed at creating 1 lakh jobs for rural youth. CII Tamil Nadu has also completed the gap analysis (skill gap of students based on industry demand) and is one among the few states to have done so. To bridge the industry-academia gap, the ICT Academy came up with suggestions to the IT Minister, Ms. Poongothai Aladi Aruna, to build a future technology talent pool.

In terms of sectoral focus, the sunrise sectors, solar power and biotechnology, occupied the mindshare of CII Tamil Nadu this year. Solar power has huge potential in Tamil Nadu and a report "Solar Roadmap for Tamil Nadu – Opportunities and the Role of Government and Industry" was compiled and presented to the State Government with the aim of framing a Solar Power Policy for the state. Biotechnology is touted to be the next big wave and Tamil Nadu holds immense potential in this area. CII Tamil Nadu asked the Government of Tamil Nadu to expand its Biotechnology Policy to include a Vision 2020 document for which inputs were provided in the report "Framework document for the development of Biotechnology & its Enabled Services – Inputs for Vision 2020 document of Tamil Nadu". As an additional thrust, The Water Summit was convened with a futuristic perspective and the need for industry to preserve water resources and also establish ways to overcome water scarcity.

For inclusive regional development, the southern states were found to have a huge potential in terms of manpower and resources in contributing to the economic progress of the state. To apprise the

State Government, policymakers and the industry of the strengths of southern states, The 3rd Edition of Southern Prosperity through Enhanced Economic Development (SPEED) and a District Development Dialogue on Tirunelveli were some of the initiatives undertaken by CII Tamil Nadu this year.

Women empowerment has been the high focus area of CII Tamil Nadu for 2010-11. Self-help groups (SHGs) have carved a niche for themselves and CII Tamil Nadu aims to mainstream SHGs into state's economic agenda. The Government of Tamil Nadu and CII came together for a SHG Conclave to deliberate the way forward for these SHGs. As a ground level initiative to provide real assistance to SHG women for sustainable livelihood, skill development training was provided to nearly 500 women in association with the GRG Educational Trust and Vazhndhu-kattuvom Project of Tamil Nadu.

Cities play a vital role in development. CII Tamil Nadu dedicated one day to a Conference on Smart Eco-system to discuss if smart cities in future hold promise in bringing about sustainable growth and also compiled suggestions to help the Government come up with Vision 2020 for Chennai city.

Tamil Nadu continues to attract high-value investment in the manufacturing sector. To sustain the leadership of state's manufacturing sector and help it achieve excellence combined with a vibrant MSME growth, CII Tamil Nadu came up with several initiatives that included study missions to various manufacturing companies that are trendsetters in their businesses and also a trip by CII members to reputed European manufacturing companies to acquire knowledge of their best practices.

This apart, to help members understand various policies rolled out by the Government, interactions were facilitated with policymakers and government officials on Direct Tax Code, IFRS and GST. The Union

Budget 2011-12 was analysed by a distinguished panel to apprise members of the key points of the Budget.

We have been thus able to provide a laser point focus on high-growth and sunrise sectors and potential regions of development and also frame policy recommendations to help the State Government, industry and academia to embark on measures towards making Tamil Nadu the superstar in the nation's economy.

The CII Tamil Nadu Zones in Chennai, Coimbatore, Erode, Madurai & Trichy and the districts in Karur & Thoothukudi were very active in their initiatives throughout the year. Number of new focus areas has been mooted by them for sustained economic growth.

I am also happy to inform that this year, we had constituted the Salem District Council, keeping in view the vibrant growth the industry and the membership in Salem during the last few years.

During the year 2010-11, the state of Tamil Nadu witnessed inclusive growth in all facets of industry and society through the new and unique initiatives undertaken by CII Tamil Nadu State Council which was evident from the fact that over 156 new members joined the CII Tamil Nadu.

I sincerely hope that members will continue to avail of CII services in forming strong bonds in different industries and in helping CII Tamil Nadu frame suitable policies to help the state achieve inclusive growth across sectors and across regions in Tamil Nadu.

Warm regards,



Nandini Rangaswamy

Chairperson - CII Tamil Nadu State Council 2010 – 11

The Confederation of Indian Industry (CII) acts to create and sustain an environment conducive to the growth of industry in India, partnering industry and government alike through advisory and consultative processes. CII Tamil Nadu has proactively contributed to the state's development by identifying areas of focus, collaborating with industry on various activities and recommending strategic policy initiatives to the government to drive the state's economic, industrial and technological progress. For the year 2010-11, after a series of deliberations, CII Tamil Nadu embarked on the theme of 'Enhance, Empower & Emerge: Inclusive Growth for Tamil Nadu' and knitted a Six Point Agenda to align with the theme.



The six areas of focus identified by CII (as part of the agenda) aim to fulfil crucial development needs of the state by enhancing strengths, empowering people with potential, and paving way for emergence of new sectors in which the state has an edge. While manufacturing sector's excellence has to be ensured because of the state's strong presence in the sector, improving skills and employability given the growing employment demand and complexity of jobs in various sectors is important to keep the state on a progressive mode. The Government's contribution to healthcare cannot be overstated. To enhance the livelihood of the deprived and downtrodden sections of the society, their easy access to healthcare is imperative.

In keeping with the global trends and with the aim of achieving preeminent position in sectors that are showing promise, the state's edge in biotechnology needs to be given a prominent thrust. Energy needs of the growing population cannot be fulfilled

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with the available fossil resources and alternative sources of power are indeed essential to fulfil the energy deficit. Solar power could be tapped efficiently as it is abundantly available in the state.

Women's contribution to societal development and their empowerment needs to be encouraged with the state acting as a catalyst for providing them with opportunities to exploit their potential, keeping in mind their admirable habits of industriousness and thrift. Self-help groups (SHGs), which have shown impressive progress, need to be encouraged to take them to the next level.

CII Tamil Nadu embarked on a series of initiatives around the Six-Point Agenda this year. This apart, various other activities were organised under three sub-verticals:

1. Sectoral Competitiveness
2. Development Measures
3. Policy Initiatives

The sub-verticals represent the ongoing focus of CII Tamil Nadu year on year.



The Six-Point Agenda

Bringing together various stakeholders such as the government, industry, thinkers, and at times the general public to drive relevant conversations and to arrive at collective thinking, various programmes were organised around the Six-Point Agenda. The initiatives resulted in varied perspectives, with concrete takeaways for the participants. It is CII's fervent hope that takeaways will solidify into actionable agendas resulting in stellar outcomes at various levels – government, industry, organisation – to achieve the objectives with which the agendas were framed.

CII Tamil Nadu played an active role in strengthening the business ecosystem in 2010 to enhance industrial growth. Through the Six-Point Agenda for the year, CII Tamil Nadu focussed on the theme 'Enhance, Empower & Emerge: Inclusive Growth for Tamil Nadu'. The six point agenda included: (1) Manufacturing Excellence; (2) Enhancing Skills and Employability; (3) Healthcare for All; (4) Tapping Solar Energy in Tamil Nadu; (5) Biotechnology: Attract & Emerge; and (6) Women Empowerment: Powering SHGs.

This year CII Tamil Nadu has succeeded in building strong rapport with the Government of Tamil Nadu, making it possible for industry representations and interactions on various sectors in the state. CII has had the privilege of organising four interactive sessions with Hon'ble Deputy Chief Minister of Tamil Nadu, Dr. M.K. Stalin, in Tirunelveli, Coimbatore, Trichy and Erode.

A noteworthy mention would be the partnership between the Government of Tamil Nadu and CII for the formation of the Tamil Nadu Consultative Forum. Focusing on the industrial and economic growth in Tamil Nadu, the forum would highlight opportunities for investments in the districts of Tamil Nadu; partner with the Government of Tamil Nadu for improving infrastructure; and recommend industry friendly policies to the Government of Tamil Nadu. Representations submitted to the government for consideration include: Skilling of youth; infrastructure development, Land Zoning Policy for conversion of agricultural lands into industrial; a clear water policy for industry; acceleration of the LNG pipeline; recommendation of bus body cluster in Karur; agricultural cold storage in central districts; and supply of quality power in Tamil Nadu.

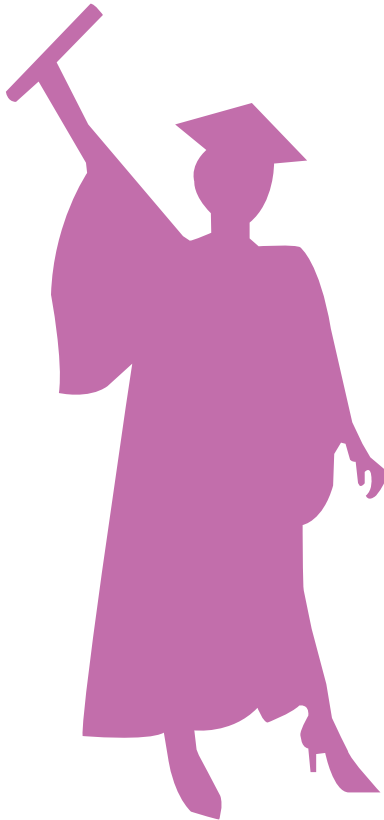


In continuation to previous deliberations on power supply to the industry, CII Tamil Nadu has organised several meetings during 2010-11 with the Tamil Nadu Electricity Board, Tamil Nadu Electricity Regulatory Commission and the Energy Department of the Government of Tamil Nadu to arrive at solutions for issues concerning operational and policy roadblocks to the growth of industry in Tamil Nadu. CII Tamil Nadu had the privilege twice to call on Dr. M. Karunanidhi, Hon'ble Chief Minister of Tamil Nadu, to discuss the power scenario in the state. Exemption of VAT on furnace oil, exemption of the Electricity Tax, incentive for captive power generation, consumption-based demand and reliable power have been some of the achievements during the year.

In an effort to identify alternate sources of energy in the state, CII Tamil Nadu, in association with Tamil Nadu Energy Development Agency (TEDA), organised the first edition of the TN Solar Convention 2010 to deliberate on the policy, emerging challenges

and opportunities in the solar energy sector. A study report by CII "Solar Roadmap for Tamil Nadu – Opportunities and the Role of Government and Industry" was released by Dr. M.K. Stalin, Hon'ble Deputy Chief Minister of Tamil Nadu. Intended for both government and the industry, the study report enlists a set of recommendations for the formulation of a Solar Power Policy in Tamil Nadu.

Addressing the water challenge in the state, the TN Water Summit 2010 was a platform to promote awareness and understand the underlying factors behind the water scarcity scenario and ideate a way forward to overcome challenges in the years to come. Addressed by Mr. Vincent H. Pala, Hon'ble Minister of State for Water Resources, Government of India, the summit also marked the momentous inaugural of the release of the Water Directory and the Voluntary Aqua Code.



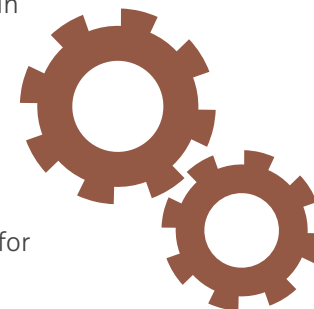
Focusing on inclusive growth of the state, CII Tamil Nadu has worked extensively for the empowerment of women across Tamil Nadu. The SHG Conclave 2010 organised by CII Tamil Nadu in association with Government of Tamil Nadu to highlight the successful experiences on sustaining SHGs and to deliberate on the way forward. Attended by over 1300 SHG members from over 32 districts of Tamil Nadu, the conclave deliberated on skilling and resource mobilisation, achieving efficiency and profitability, growth through clustering, self-regulation and sustainability.

CII in association with GRG Educational Trust and *Vazhndhukattuvom* Project of Tamil Nadu (project on Successful Livelihood) have jointly launched a skill training programme in Coimbatore to train rural SHG women within the age group of 18 to 45 years. Around 497 SHG women were given training on vocational skills such as Nursery Raising; Cosmetology; Masonry; making jute products; making banana fiber products and special entrepreneurial education. CII Tamil Nadu in collaboration with the Corporation for Development of Women of the Government of Tamil Nadu has also proposed to mentor and coach the first batch of 100 SHGs in Tamil Nadu on areas pertaining to scaling up.



To further strengthen the manufacturing sector in Tamil Nadu, the first State Manufacturing Competitiveness Council for Tamil Nadu (TNSMCC) on the lines of the National Manufacturing Competitive-ness Council was constituted in acceptance of the CII recommendation to the Government of Tamil Nadu in 2008. Under the chairmanship

of the Hon'ble Deputy Chief Minister Dr. M.K. Stalin and Mr. Venu Srinivasan, the Immediate Past President, CII as Vice Chairman, the SMCC will focus on the policy framework for the sector and sustain leadership in attracting investments into the state. The first meeting of the SMCC was held on 21 January 2011 at Chennai to discuss individual sector-specific policies for automobile components, clean energy, and biotechnology. A framework for the Tamil Nadu Visionary Leaders for Manufacturing Programme (VLFM) was also presented at the meeting.



Taking up the cause of healthcare development, CII Tamil Nadu in association with Voluntary Health Services (VHS) organised the TN Disability Conclave with a multipronged approach by integrating medicine and society. The conclave also included screening applications and rating the employability levels of around 140 differently abled participants, and facilitated one-to-one interviews with 15 organisations from six different sectors. As many as 30 participants were given placements in the organisations. NALAM 2010 – a workshop on 'Making Your Workplace Healthy' was organised to create awareness on common workplace health risks such as hypertension, obesity, lipid storage disorders, and diabetes. This year CII has approached the Directorate of Public Health and corporates to develop a Public-Private Partnership (PPP) model for the adoption of Public Health Centres (PHCs) and thereby enhance the competitiveness of healthcare in Tamil Nadu.



To ensure quality education and bridge the gap between industry and academia, CII has launched a unique 'Employability Bridge' as a package for industry, academia and students to share a single platform towards enhancing the employability of students and also matching them with suitable employment opportunities.



In addition to strengthening the traditional industries in the state, CII has also helped identify sunrise sectors of potential growth in Nadu. CII has specifically urged the government to revisit the existing Biotechnology Policy to enhance the growth and development of the sector. A Roundtable session on Biotechnology was organised with Dr. M.K. Stalin, Hon'ble Deputy Chief Minister, Government of Tamil Nadu, to analyse the current scenario of the sector and provide a fact sheet to the Government to draft new vision for 2020 that would usher investments into the state. A "Framework document for the development of Biotechnology & its Enabled Services – Inputs for Vision 2020 document of Tamil Nadu" was submitted to Dr. M.K. Stalin, Hon'ble Deputy Chief Minister, Government of Tamil Nadu.

Member companies are frequently confronted by many challenges pertaining to industrial policies and specific industry-related issues. The Tamil Nadu Membership Redressal Forum was constituted this year to address these issues and represent them to the concerned authorities at the district/ zonal levels. Some issues represented by the forum are: revised consent fee structure payable by industry, labour scenario in the state, recommendation to Government of Tamil Nadu to revisit the Explosives Act 1883, water supply transmission scheme for Sriperumbudur-Oragadam-Singaperumalkoil growth corridor, and others.

As part of manufacturing excellence agenda of CII Tamil Nadu, a delegation comprising 9 members visited the manufacturing plants of Siemens, Bosch, Mann+Hummel, and WABCO in Germany; Danfoss in Denmark; and SKF in Sweden on a Study Mission on Manufacturing and R&D Practices to Industries of Excellence in Europe: Germany, Denmark, Sweden (25–29 October 2010). The international study mission gave members a unique opportunity to understand the best shop floor practices adopted at world class manufacturing organisations across Europe, as these organisations look towards India as the biggest land of opportunities for growth and expansion next to China. The members also had an opportunity to learn various concepts such as Lean, Six Sigma, innovation through industry-academia partnership and employee satisfaction practices that helped these companies achieve excellence.

A summit on “Sustaining Manufacturing Leadership of Tamil Nadu” was organised on January 21, 2011 to help the manufacturing industry sustain its leadership position. The summit discussed challenges on resources and infrastructure and stressed on innovation and strengthening SMEs to sustain Tamil Nadu’s manufacturing competitiveness in a globalised business environment. The Hon’ble Deputy Chief Minister of Tamil Nadu, Dr. M.K. Stalin, assured continued government support for the manufacturing sector in the summit. Mr. Rajeev Ranjan, IAS, Principal Secretary, Industries Department, Government of Tamil Nadu, explained the initiatives of the government to make Tamil Nadu the manufacturing hub of the world. Mr. R.K. Jain, IAS, Joint Secretary, NMCC, listed challenges faced by the manufacturing sector. The deliberations at the summit provided opportunities for various stakeholders to discuss important challenges faced by the



manufacturing sector and to activate measures to consolidate the leadership position of the state.

As the result of CII’s employability initiatives, Government of Tamil Nadu has engaged CII as the State Level Consultant for the State Skill Mission and introduced the scheme “Employable Skill Training for Educated Unemployed Youth”. The objective of the mission is to provide skill training and facilitate employment linkage for 1 lakh youth in Tamil Nadu. As part of this process, a skill demand survey has been carried out by CII. Skill Fairs were organised in four locations for six districts in Tamil Nadu, which includes Thiruvallur, Tirunelveli, Thiruvarur, Nagapattinam, Krishnagiri and Dharmapuri with the participation of more than 150 organisations. CII will be supporting the Government of Tamil Nadu for setting up Skill Development Centers in tribal belt with an investment of Rs. 20 crores.

CII Tamil Nadu broadly sets up a vision every year and delivers key outcomes as part of the vision. The Six-Point Agenda was worked out this year keeping in view the state's inclusive growth by expanding on successes achieved in manufacturing and biotechnology, and exploiting potential in solar energy. On an ongoing basis, CII Tamil Nadu undertakes various initiatives to act as a catalyst for industrial growth in the state. Knowledge missions are facilitated, meetings with State Government officials at the highest level are arranged, training programmes that focus on key skills are provided, and an awareness on new policies enforced by the Government is created through interactions of members with the policymakers.

The key outcome of all these initiatives helps in **creating a conducive climate for seamless development** in Tamil Nadu. Industry leaders from time to time apprise the Government on various challenges they face so that the Government undertakes measures to help industry tide over the challenges. Members get a forum for representing their needs directly and also network with industry partners to induce a collaborative approach to growth.

The broad outline of the initiatives of the State Council for 2010-11 can be classified under Sectoral Competitiveness, Policy Initiatives and Development Measures.



Panels & Taskforces

As a key constituent of activities in the upcoming year, a series of panels are constituted every year, with eminent personalities taking charge as convenors and co-convenors. The panels set out their agendas for the year and accordingly design programmes and initiatives to achieve their objectives. Apart from the panels under the Six-Point agenda, panels on Economic Affairs and Taxation, Education, Entrepreneurship Development, Human Resources, Industrial Relations, Infrastructure and MSME were set up. A task force on Affirmative Action was also constituted.

CII Tamil Nadu

Emerging Entrepreneurs Awards

The key to development is the enterprising spirit of entrepreneurs who found businesses with a vision of making it big. Their contribution to the economic growth of the state is immense. Under the initiative of the Past Chairman of CII Tamil Nadu, Mr. C. K. Ranganathan, MD, CavinKare, CII Tamil Nadu Emerging Entrepreneurs Awards were instituted by the State Council for the first time.

The awards for nine different categories were given away on 18 April 2010 by the Hon'ble Deputy Chief Minister of Tamil Nadu, Dr. M. K. Stalin. Business Line partnered with CII to bring the first ever CII emerging entrepreneurship award to recognise and motivate entrepreneurs in Tamil Nadu, who have contributed significantly the state's economic growth.

Mr. Gopal Srinivasan, CMD, TVS Capital, was the Chairman of the Awards Committee. The awards jury committee was headed by Mr. N. Kumar, Past President CII and Vice Chairman of Sanmar Group. The members of the committee were Mr. N. Gopalswami, former Chief Election Commissioner; Mr. Lakshmi Narayanan, Vice Chairman of Cognizant; Mr. P.S. Raman, Advocate General of Tamil Nadu; Mrs. Preetha Reddy, MD of Apollo Hospitals; Mrs. Akhila Srinivasan, MD, Shriram Life Insurance; and Mr. B.S. Vanavarayar, MD, Shakthi Textiles.

The winners and the categories:

- **G R K Reddy, MARG ProperTies**
for vision and willingness to dream big

- **P C Duraisamy, Sakthi Masala**
for excellence in entrepreneurship with a social face

- **A M Arun, Vaasan Eye Care**
for retail healthcare

- **V Sathish Babu, UniverCell**
for excellence in execution

- **R Dinesh, TVS Logistics**
for innovation and niche global delivery model

- **X Durairaj, PowerGear**
for helping energy grow globally

- **V Sundaramoorthy, Symbiotic Infotech**
for innovation in business model

- **T T Varadarajan, Maya Appliances
(Preethi brand of home appliances)**
for product innovation and excellence

- **H R Srinivasan, TAKE Solutions**
for global reach and superior intellectual property



Sectoral Competitiveness

Tamil Nadu prides itself with a number of prestigious educational institutions that have delivered high-standard education to students over the years.

Educational quality assumes importance in upgrading educational practices necessary to keep up with the changing technological advances and developments in various sectors.

Keeping this in mind, The **Regional Summit on Quality in Education, Creating Centres of Excellence through Research & Consulting** (21–22 January, 2011, Coimbatore) had an exclusive Round Table discussion among the participants on the subject “Creating CoE’s in Coimbatore.” This platform provided an opportunity for different stakeholders to interact and share their experiences on the initiatives undertaken in the field of research and consulting to bring about quality in education. These discussions also helped in creating a roadmap for achieving the required standards in education. The summit was addressed by various eminent speakers across the country and included sessions on higher education, classroom architectures, creating research culture, industry expectations on research and learning from other countries.

In a significant step to promote industry-academia partnership, CII Chennai Zone and NASSCOM came together for a joint event on **In An Evening with IT Minister on An Overview of ICT Academy** (21 July 2010, Chennai) along with ICT Academy of Tamil Nadu for a very interactive session on how the gap between academic institutions and industry can be bridged. The interactive session sought to provide details about the role of ICT Academy and also to create awareness on the IT Parks promoted by ELCOT. This session had a very distinguished list of speakers including the IT Minister, Government of Tamil Nadu, Ms. Poongothai Aladi Aruna, Cognizant Technology Solutions Vice Chairman and Chairman of ICT Academy, Mr. Lakshmi Narayanan, who along with Chairperson Mrs.

Nandini Rangaswamy who shared their perspectives. Dr. Sandhya Chintala, Senior Director – Education Initiatives, NASSCOM, discussed the various challenges faced by industry and opportunities that were in store for the academy. Mr. Sanjay Pinto, Executive Editor, NDTV Hindu, moderated the session. Various other eminent industry leaders and Government policymakers joined the session and shared their views. The outcome of the session was to have industry–institute interaction to share the ever-changing industry requirements in terms of technology and the skills required for the future talent pool.



To bridge the various gaps between industry and the academia, another initiative called **College Cluster** was inaugurated by Dr P Devadas Manoharan, Vice Chancellor, Anna University, Trichy, at Trichy on 14 October 2010.

Tamil Nadu is one of the forerunner states in IT-BPO services. The state’s talent pool, which is one among the best in the country, has attracted all major IT companies to set up their operations spread across Tamil Nadu. Connect Coimbatore (3-4 March 2011), a major ICT event on the theme “Innovative ICT for World Class Enterprises”, evoked great interest among the sector companies. While the Tamil Nadu Government’s IT Secretary, Mr. P.W.C. Davidar, laid the stress on industry and academia working together to create a knowledge base on issues and trends, the Vice

Chairman of Cognizant Technology Solutions, Mr. Lakshmi Narayanan, listed the reasons why Coimbatore could become a leader in the IT sector.

CII Tamil Nadu's MSME focus stems from the sector's immense contribution to the state's economy. As it is essential for MSMEs to learn and share best practices and keep pace with the dynamic changes in the marketplace, missions, seminars and events to help MSMEs achieve excellence were organised. Various options for financial access to MSMEs were showcased in a series of FinExe events and opportunities available in other sectors were highlighted to MSMEs.



The Conference on Innovation in Manufacturing for MSMEs (12 August 2010, Madurai) sought to encourage the robust growth of the manufacturing sector through innovation and technology. The conference also provided a platform to showcase breakthrough innovative ideas/strategies derived by various best-in-class manufacturers. Inaugurated by Mr Kamaraj, District Collector, Madurai, the conference had sessions on the importance of why innovation is needed in industry, technology in innovation and innovation in IT as the drivers for the manufacturing sector. The conference was attended by 80 delegates from various manufacturing industries in Tamil Nadu.

FinExe 2010 events at Madurai, Coimbatore and Erode were facilitated with the aim of addressing the issues of financing MSMEs among banking and finance professionals / institutions and enhancing the development and growth of the MSME sector. The FinExe meet at Coimbatore (24 September 2010) showcased current approaches and strategies on issues that confront MSME financing and helped them gain knowledge of an organisation's financial management. Enhancing the participants' capabilities and providing better consultancy were the key aims. R. Ramachandra Rao & Sons, Joint Directorate General of Foreign Trade (JDGFT), Credit Rating Information Services of India Limited (CRISIL), Tamil Nadu Industrial Investment Corporation (TIIC), District Industries Centre (DIC), Reserve Bank, Deloitte Haskins & Sells, Astral Consulting Ltd, PSG Science & Technology Entrepreneurial Park and Bank of Baroda were the participating organisations that saw the involvement of more than 60 members. The FinExe meet at Erode (23 December 2010) highlighted all financial products under one roof. Public and private banks, MSME Industrial Institute, NSIC, and tax consultants were invited to a one-on-one interaction with members. Key speakers from SBI, DIC, TIIC, CRISIL, ECGC and JDGFT apprised members of value-added service to MSMEs on finance-related topics in the FinExe Meet at Madurai (28 August 2010).

To expand the footprint of MSMEs in other sectors and to showcase available opportunities, a conclave on **Emerging Opportunities for SMEs in Indian Aerospace and Defence Sectors** (17 September 2010, Coimbatore) was organised in association with KPMG. The session focused on making participants aware of the opportunities for Indian industry in the Aerospace and Defence sectors and provided them with an understanding of the current policy initiatives aimed at encouraging SMEs to enter Air and Defence sectors.

Focus on innovation, best practices, study missions, and awareness sessions marked CII Tamil Nadu's efforts towards achieving its agenda of manufacturing excellence this year.

Indian companies are growing increasingly through mergers and acquisitions domestically and globally. This has resulted in the challenge to harmonise and synergise operations across all facilities. The session on **One Manufacturer** (23 September 2010, Chennai) highlighted the various strategies organisations can adopt to attain one modus of efficiency throughout all operations and thereby gain greater control and productivity. The session was addressed by Mr. Ard Jan Vethman, Global Lead – Global Sector for Manufacturing, Automotive and Life Sciences, Capgemini, followed by a panel discussion on challenges and trends in manufacturing.

RFID/AUTO-ID has become important in industrial processes. To highlight the developments in this field, a **Conference on RFID/AUTO-ID** (9 October 2010, Chennai) focused on a broad understanding of where the competitors of an industry are on the adoption curve. Understanding the implementation of RFID/AUTO-ID and its various impacts on business processes in key functional areas were emphasised to the participants.

To showcase emerging trends in surface coating and heat treatment, a **One day Conference on Emerging Trends in Surface Coating & Heat Treatment** (8 October 2010, Coimbatore) was convened. Packed with sessions on plating, painting powder coating technologies and heat treatment, presentations were made by eminent people representing companies that have set high examples of global excellence in these areas.

The home furnishing industry in Karur is globally recognised for its quality and cost effectiveness. The meet on **Quality and Compliance for Home Furnishing Industry** (20 May 2010, Karur), attended by 75 exporters, emphasised on the recent

developments in the field of compliance and quality and sought to provide necessary inputs to the home furnishing industry that operates out of Karur. To explore opportunities in the fabrication sector, a session on **Fabrication Engineering Cluster** (27 July 2010, Karur) was convened. Another aim of this meet was to attract other industries to Karur.





Industrial activity in Tamil Nadu is attributed to successive family-owned businesses that have played a stellar role in the state's economic growth.

Mr. M.V. Subbiah, Past President, CII, former Chairman of the Murugappa Group and Chairman, National Skill Development Corporation; Mr. R. Haresh, Joint Managing Director, TV Sundram Iyengar & Sons Ltd; Mr. R. Parthasarathy, Vice Chairman and Managing Director, Thirumalai Chemicals; and our Chairperson Mrs. Nandini Rangaswamy, Managing Director, Chandra Textiles Ltd., the scions of illustrious family businesses in Tamil Nadu, took part in the **TN Family Conclave** (12 June 2010, Madurai), which mainly focused on the family policies, succession, family responsibilities and unity. A session on "Family Business Sensitisation" was organised in Trichy with the aim of sustaining the family business and the need to sensitise the different

challenges that family business face and the need for them to stand united. Mr. M. V. Subbiah, former Chairman, Murugappa Group, Past President, CII and Chairman, National Skill Development Corporation, gave an address on family businesses.

To keep pace with the increasing employability demand of the industry and to close the gap between industry expectations and available skill sets of students, the State Council embarked on a firm agenda of skill development for students. The career and skill development programme **Career Skill Development Guidance 2010** (23 May 2010, Erode) helped students identify opportunities available in various fields and to make them employable. In her inaugural address, Mrs. G. Rajam, Additional Director, Tamil Nadu Corporation for Development of Women, asked the candidates to take advantage of the government programmes to improve their skills.

Events

26 March 2010, Erode:

One day Awareness Programme on 5S, 3M & 7 QC Tools for Textile Industry

8 April 2010, Trichy:

Session on Management Challenges of High Growth Decade

30 April 2010, Coimbatore:

"Nanguneri SEZ" – An Ideal Investment Destination for Export Oriented Industries

6 May 2010, Thoothukudi :

Workshop on Achieving Business Excellence through TQM

14 May 2010, Trichy :

One Day Interactive Workshop on Productivity Improvement and Cost Reduction

20 May 2010, Madurai :

Training Programme on Improving Work place Efficiency by 5S & 3M Practices

09 July 10, Coimbatore :

Session on "The Changing Face of CSR"

16 July 2010, Chennai :

Session on Capital Markets Access to MSMEs

22 July 2010, Coimbatore :

Interactive Conference on "3PL Perspectives – Establishing Successful 3PL Partnerships and Contracts"

27 July 2010, Chennai :

Tube Investments Ltd., Padi - Training Session on "Dr Mehta's Hospitals Excellence in Medical Care"

27 July 2010, Chennai :

WABCO-TVS (India) Ltd, Session on Chinese Labour Practices & Mission on Total Employee Involvement

28 July 2010, Chennai :

Session on Project Implementation Risks in Infrastructure – Typical misconduct practices

30 July 2010, Chennai :

Interactive session for students on Enhancement of Supply Chain Management through IT

04 July 2010, Chennai :

Session on Business & Investment Opportunities in Advanced Medicine and Road Show on 20th World Congress of the World Society of Cardio Thoracic Surgeons & 6th Global Forum of the Humanitarian Medicine in Cardiology and Cardiac Surgery

07 August 2010, Chennai :

Seminar on Strategies for "Waste Identification & Systematic Elimination (WISE)"

07 August 2010, Coimbatore :

One Day Interactive Workshop on Effective Usage of Information, Communication & Technology (ICT) in Educational Institutions

25 August 2010, Chennai :

Workshop on "Applied Innovation"

27 August 2010, Chennai :

Session on Organisational Development – A Toolkit for SMEs

28 August 2010, Karur :

Opportunities in Technical Textile

08 September 2010, Coimbatore :

Session on Capital Market Access to MSMEs

22 September 2010, Trichy :

Workshop on 5s and Its Implementation in Shop Floor

23 September 2010, Coimbatore:

One day Seminar "Profit without Additional Capital Investment" (TPM Methodology)"

29 September 2010, Chennai:

Workshop on Cost Reduction through Value Engineering

29 September 2010, Coimbatore:

Seminar on "Indo-Japan Business Co-operation in Automotive Sector"

19 October 2010, Coimbatore:

Session on Intelligent Manufacturing

23 October 2010, Erode:

Programme on "Lean System thinking for Business Growth"

05 December 2010, Chennai:

Education Fair

21 December 2010, Chennai:

Seminar on Finance Availability for MSMEs

22 December 2010, Chennai:

Conference on Cloud Computing

23 December 2010, Chennai:

'Get Smarter with Risk Management'

23 December 2010, Erode:

FinExe 2010

22 January 2011, Salem:

Programme on "Lean Practices for Business & Profit Growth"

22 January 2011, Trichy:

Creating a 21st Century Learning Environment in Schools

25 January 2011, Chennai :

Seminar on Industrial Safety

18 November 2010, Coimbatore :

Session on "Cloud Computing Confluence"

26-27 November 2010, Coimbatore :

Growing Opportunities for Foundry Sector in the Country

26 November 2010, Madurai :

Learning Session on Labour Laws for MSMEs

20 April 2010, Erode :

Visit to Roots Industries & Elgi Equipments Ltd

21 April 2010, TNSO, Chennai :

Mission on Total Employee Involvement to Carborundum Universal Ltd & Ashok Leyland Ltd

24 April 2010, Thoothukudi :

Mission to Karaikal Port

6-7 May 2010, Coimbatore :

"Global Manufacturing Excellence Mission" to Toyota Kirloskar Motor P Ltd, L&T Komatsu Ltd & Bosch Ltd, Bangalore

25 May 2010, Thoothukudi :

Manufacturing Excellence Mission to Whirlpool of India Ltd & Ucal Fuel Systems Ltd, Puducherry

26 May 2010, Chennai Zone :

Mission on Manufacturing Excellence to Ford India Pvt Ltd & I P Rings Ltd

18 June 2010, Chennai :

Mission on Talent Engagement & Development to TCS and Infosys Technologies

23 June 2010, Chennai :

Study Mission on Best Manufacturing Practices to Rane Engine Valve Ltd and Delphi-TVS India Pvt Ltd

25 June 2010, Trichy :

Excellence Mission to SRF Ltd & Rane TRW Steering Systems Ltd

30 June 2010, Chennai :

Mission on Green & Energy Efficient Technologies to SRF Limited & Saint-Gobain Glass India Ltd

03 July 2010, Coimbatore :

Mission to Larsen & Toubro Plant

17 July 2010, Coimbatore :

Mission to Larsen & Toubro Plant

20 July 2010, Chennai :

Study Mission on Best 5S Practices to Rane Brake Linings and WABCO –TVS India Ltd

23 July 2010, Madurai :

Manufacturing Mission to Sundaram Clayton Ltd & Wheels India Ltd, Chennai

06-07 August 2010, Kochi :

Yi Mission to Kochi – "From Erode to Ernakulam"

25 August 2010, Erode :

CII & YI Best Manufacturing Practices Mission to Ponni Sugars & Seshasayee Papers & Boards

26 August 2010, Trichy :

Best Manufacturing Mission to BHEL

13 October 2010, Madurai :

Faculty Mission to Auro Lab & Sakti Cords

21 October 2010, Chennai :

Faculty Mission to Flextronics Technologies Pvt Ltd and WS Industries (India) Ltd

9-10 December 2010, Hyderabad :

Yi – Learning Excellence Mission to Hyderabad

15 December 2010, Chennai :

Mission on Manufacturing Excellence to Wabco-TVS (India) Ltd & Wheels India Ltd

15 December 2010, Bangalore :

"Manufacturing Excellence Mission to Volvo"

23 December 2010, Madurai :

Students Mission to TVS Srichakra Ltd

19 November 2010, Erode :

Best Manufacturing Practices Mission to Sundaram Fasteners and Hi Tech Arai

12 November 2010, Madurai :

Faculty Mission on Best Practices and TPM to Fenner (India) Ltd and Sundaram Industries Ltd

Policy Initiatives

The policy initiatives undertaken by CII Tamil Nadu encompass interactive sessions and knowledge-sharing sessions on several policy announcements by the Government for the industry.

Various sessions were organised to benefit the members on procedures required to comply with the new policies of the Government on taxation.

To give members an overview of the International Financial Reporting Standards (IFRS) announced by the Government of India, **IFRS Summit** (25 June 2010, Chennai) was organised. The objective of the summit was to make the industry aware of the underlying concepts of IFRS, the impact of IFRS on the business, and to share the IFRS conversion strategies of successful companies in India and Europe. Mr. T. N. Manoharan, Chairman, CII National Committee on Accounting Standards and Past President, ICAI addressed the participants.



For understanding the various aspects of the Direct Tax Code, its implications on the economy, industry and individual and get expert opinion on issues affecting the corporate sector, an interactive session with Mr Sunil Mitra, Revenue Secretary, Ministry of Finance, Government of India on the Direct Taxes Code

(DTC) was organised at Chennai on 28 October 2010. Pricewaterhouse Coopers was the knowledge partner for this event. Mr. Sunil Mitra gave an overview of the DTC and the other key speakers at the session were Mr. Jayant Jain, Executive Director, Pricewaterhouse Coopers; Mr. Nitin Karve, Executive Director, Pricewaterhouse Coopers; and Mr. S. Mahalingam, Past Chairman, CII SR, Executive Director and Chief Financial Officer, Tata Consultancy Services. Then the participants were given an opportunity to clarify their doubts on DTC.

Mr. C. B. Bhawe, Chairman, Securities and Exchange Board of India (SEBI) participated in an interactive session with members at Coimbatore on 30 April 2010 to apprise them of new opportunities available at SEBI.

A forum on **Indian CFO – The New Value Integrator** (19 May 2010, Chennai) was convened for the benefit of members as chief financial officers (CFOs) play a crucial role in an organisation's development and growth. The objective of this forum was to delve deep into discussions and find out innovative ways in which organisations are today developing a combination of capabilities to build a resilient finance organisation which in turn is contributing to organizational growth.



Speakers at the forum were Mr. V. Ramesh, Senior Vice President & CFO, Carborundum Universal Ltd; Mr. K. Sridharan, CFO, Ashok Leyland Ltd; Mr. R. Ravikumar, CFO, IBM India; Mr. Clifford Patrao, Associate Partner – Global, Business Services, IBM India Pvt Ltd; Ms. Subhasri Sriram, ED, Shriram City Union Finance Ltd; Mr. V. K. Gupta, CFO, UCAL Fuel Systems Ltd; and Mr. Somnath Iyer, CFO, Shasun Chemicals & Drugs Ltd. A similar event was organised by the Madurai Zone also.

The conference **At Crossroads of International Taxation – Risks vs**

Opportunities (21 January 2011, Chennai) was organised in recognition of the growing importance to mitigate international tax risks and also to identify possible tax planning opportunities with respect to cross-border transaction. The session focus included: Transfer pricing – recent experiences; Outbound investments and holding company jurisdictions – what to consider, how to plan; Cross-border payments and tax withholding – recent rulings and Permanent establishments and attribution of profits.

A **Seminar on Goods and Services Tax (GST)** (14 August 2010, Chennai) was organised to provide industry a platform to understand the benefits of the proposed GST regime across industry sectors; to deliberate on issues relating to implementation of GST and challenges thereof; to facilitate sharing of inputs by industry associations on impact of GST; and to present key recommendations to Government highlighting industry concerns on GST. The “CII-KPMG GST Survey Report” was released by Mr. Venu Srinivasan, Immediate Past President, CII and Managing Director, Sundaram-Clayton Ltd. The survey covered a gamut of issues impacting business primarily revolving around the structure of GST, desired rates, impact on business, and the readiness of the respondents for the new tax regime.



The **Workshop on Goods and Service Tax** (14 May 2010, Madurai) conducted by Mr. S. Kannan IRS, Commissioner, Central Exercise, sought to benefit members in gaining knowledge on procedure for obtaining service tax registration and service tax code and on the documents required to file service tax statement and to avail service tax credit.

An **Awareness Programme on SEDEX & C-TPAT** (5 April 2010, Karur) was organised for the benefit of exporting units in Karur on the importance of Supplier Ethical Data Exchange (SEDEX) and Customs Trade Partnership against Terrorism (C-TPAT) in building cooperative relationships that strengthen and improve overall international supply chain.



Events

29 May 2010, Coimbatore:

Session on Foreign Exchange Management Act

24-25 June 2010, Thoothukudi:

2 days Workshop on Export / Import Policy, Procedures & Documentations

14 September 2010, Chennai:

Interactive Session on Provident Fund

16 September 2010, Erode:

Session on Factories Act

16 September 2010, Madurai:

Interactive Session with ESI & PF Officials

08 October 2010, Erode:

Session on ESI Act

08 January 2011, Chennai:

Interactive Session with the Chief Inspector of Factories

10 November 2010, Chennai:

Meeting with Mr K N Nehru, Minister for Transport, Government of Tamil Nadu

14 November 2010, Erode:

Interactive Session with Dr M K Stalin, Hon'ble Deputy Chief Minister

19 November 2010, Chennai:

Interaction with Mr Rajeev Ranjan, IAS, Principal Secretary, Industries Department

19 November 2010, Chennai:

Interaction with Ms Malathi S, IAS, Chief Secretary to Government

28 February 2011, Chennai

Live viewing of the telecast of Union Budget 2011-12 presented by Hon'ble Union Finance Minister Mr. Pranab Mukherjee with industry leaders

1 March 2011, Chennai

Post-Budget discussion with a panel of experts covering five sectors with members.

