

POLICY NOTE 2007-08
SMALL INDUSTRIES DEPARTMENT

1. The micro and small industries sector is a vital sector of the economy in terms of employment generation, share in production etc. It serves as a nursery for the development of entrepreneurial talent. Micro and small industries account for 95% industrial units, 40% of the output in the manufacturing sector and 35% of exports. As on 31.3.2007, about 5.30 lakhs of micro and small enterprises have been registered. The total investment in these units is more than Rs.16,608 crores. Employment has been provided to more than 36.65 lakh persons.

2. The Directorate of Industries and Commerce is the nodal agency for the development of micro and small enterprises in the State of Tamil Nadu. The Directorate implements a large number of programmes with emphasis on the development of industries, upgradation of technology and quality control.

3. The Government of India notified 2.10.2006 as the date from which the Micro, Small and Medium Enterprises Development Act, 2006 would operate. This Act recasts the erstwhile classification of small scale industries and replaces the terminology "industry" with the word "enterprise". The erstwhile and present classifications based on investment in plant and machinery are given below:-

Erstwhile classification			Present classification	
	Manu- facturing	Small Scale Service and Business Enterprises	Manufacturing	Services
Tiny	Upto Rs.25 lakhs	Upto Rs.10 lakhs	Upto Rs.25 lakhs (now called micro not tiny)	Upto Rs.10 lakhs
Small	Upto Rs.1 crore (for 140 items Rs.5 crores) (No classification for business)		From Rs.25 lakhs to Rs.5 crores	From Rs.10 lakhs to Rs.2 crores
Medium	No classification		From Rs.5 crores to Rs.10 crores	From Rs.2 crores to Rs.5 crores

2. FILING OF ENTREPRENEUR MEMORANDA:

Filing of an Entrepreneur Memorandum has replaced the earlier process of registration. Any person who intends to start a micro or small enterprise may now file on a voluntary basis the required Entrepreneur Memorandum in the prescribed format with the General Manager, District Industries Centre of the concerned District or Regional Joint Director of Industries and Commerce having jurisdiction in respect of Chennai District. In the case of medium enterprises, the filing of Entrepreneur Memorandum is compulsory for manufacturing entrepreneur and optional for service entrepreneur.

3. ESCORT SERVICES UNDER SINGLE WINDOW:

To facilitate prospective entrepreneurs, the District Industries Centre in each district is functioning as the Single Window for expediting statutory approvals required from the Tamil Nadu Pollution Control Board, Tamil Nadu Electricity Board, Fire Services, Public Health Department, local bodies etc.

4. TESTING, SERVICING AND PRODUCTION FACILITIES:

4.1 Testing Laboratories:

To assist the small scale enterprises in testing raw materials, products and processed items, the Department is running testing laboratories in accordance with statutory requirements. For electrical and electronics testing, the laboratories are at Kakkalur and Hosur and for chemical testing, the laboratories are at Chennai, Madurai, Salem, Coimbatore and Thoothukudi. These laboratories provide testing facilities to small scale industries at concessional rates. During 2006-07, 6080 samples have been tested in electrical and electronics laboratories and 54,279 samples have been tested in chemical laboratories.

4.2 Electro Medical Equipment Centres:

The Government have set up four Electro Medical Equipment Centres at Guindy, Madurai, Thanjavur and Coimbatore for repairing and servicing electro medical equipments belonging to Government hospitals. It is proposed to take measures to improve the functioning of these centres.

5. TRAINING INSTITUTES:

The Industries and Commerce Department runs training Institutes at Dindigul, Guindy and Virudhachalam for imparting training in the specialized fields of tool engineering, refrigeration, glass and ceramic works, respectively.

6. REGULATORY FUNCTIONS

6.1. Enforcement of Quality Control Orders

The Quality Control Order Enforcement Centre of the Directorate implements the Household Electrical Appliances (Quality Control) Order, 1981 and The Electrical Wires, Cables, Appliances, and Protection Devices and Accessories (Quality Control) Order, 2003. Contravention of the first Order is punishable as provided for under the Essential Commodities Act, 1955. The second Order prohibits manufacture or storage for sale or distribution of specified items without the Bureau of Indian Standard marking. Contravention of this Order attracts penal action under the Bureau of Indian Standards Act. The General Manager, District Industries Centre of the district concerned has been appointed as the "Appropriate Authority" to implement the provisions of these Orders in mofussil districts and Deputy Director (Electrical and Electronics), Chennai in respect of Chennai district.

6.2 Micro and Small Enterprise Facilitation Councils

The Government of Tamilnadu have established four Micro and Small Enterprise Facilitation Councils at Chennai, Tiruchirapalli, Madurai and Coimbatore in G.O. Ms. No. 63, Small Industries (SIB) Department, dated 08.12.2006, in accordance with the provisions of MSMED Act, 2006.

The jurisdiction of the Councils are given below:

Place	Area of jurisdiction
Chennai	Chennai, Kancheepuram, Tiruvallur, Vellore, Thiruvannamalai, Villupuram and Cuddalore Districts
Tiruchirapalli	Tiruchirapalli, Perambalur, Pudukkottai, Thanjavur, Thiruvarur and Nagapattinam Districts
Madurai	Madurai, Virudhunagar, Dindigul, Theni, Tirunelveli, Thoothukudi, Kanyakumari, Sivaganga and Ramanthapuram Districts
Coimbatore	Coimbatore, Erode, Salem, Dharmapuri, Krishnagiri, Namakkal, Karur and The Nilgiris Districts

The Councils as per the Act have been vested with legal powers to act on delayed payments to micro and small enterprises.

7. GOVERNMENT INDUSTRIAL ESTATES:

7.1 Ceramics:

An industrial estate for the production of ceramic products has been functioning at Vridhachalam, with 64 industrial sheds since 1964. There are 58 manufacturing units located in this estate. The industrial units in this estate manufacture low tension insulators, sanitarywares, artwares, refractory bricks and other refractory materials.

7.2 Electrical and Electronic Estates:

To facilitate industrial growth in the field of electrical and electronics, eight functional estates have been developed in the State. Of the eight industrial estates, two are located in Chennai (Thiruvanmiyur and Perungudi), one each in Tiruvallur (Kakkalur), Madurai (Kappalur), Salem (Sooramangalam), Coimbatore (Kaalapatti), Krishnagiri (Hosur), and Tiruchirapalli (Thuvakudi) districts. In the above estates, 515 plots and 140 sheds have been developed.

8. REGISTRATION AND PROMOTION OF INDUSTRIAL CO-OPERATIVES:

Industrial Co-operative Societies promote growth of small industries as a co-operative movement. They undertake production, purchase and supply of raw materials, marketing of products and provide other services to their members.

Industries Commissioner and Director of Industries and Commerce is the functional Registrar of Industrial Co-operatives in the State. As on 31.3.2007, 340 industrial co-operative societies are registered with the Department, of which 201 societies are working on profit. During 2006-07, these societies cumulatively achieved a sales turnover of Rs.418.04 crores.

9. INDUSTRIAL CO-OPERATIVES

Industrial Co-operatives play a vital role in providing gainful employment to the weaker sections including rural artisans, workers and labourers. They also help the farmers cultivating tea and tapioca to get reasonable rate for their produce. Besides, small scale entrepreneurs are also helped by provision of work sheds, developed plots and infrastructural facilities to run their industries. Such industrial co-operative societies have

been organized in important trades like tea, sago, matches, coir, banking, polythene, handicrafts, tailoring, auto service and promotion of industrial estates etc. As a medium term strategy, the Institute of Rural Management, Anand has been entrusted with the work of conducting a Diagnostic Study on the Industrial Co-operative Sector with a view to strengthen the existing profit making societies and to help loss making societies to turn around. The IRMA has already commenced the study and the report is awaited.

TEA SECTOR

9.1 Industrial Co-operatives for Tea

There are 17 Tea Industrial Co-operatives in the Nilgiris District, registered with the Department. Of these, 15 are production societies and 2 are trading societies.

9.2 Industrial Co-operative Tea Factories

There are 15 Industrial Co-operative Tea Factories with a membership of about 20,000 small tea growers functioning in the Nilgiris District. The share of made tea production of INDCO tea factories constitutes about 17% of the total tea production in the Nilgiris District. During 2006-07, the INDCO Factories have purchased 555.73 lakh kgs. of green tea leaves, produced 145.53 lakh kgs. of made tea and sold made tea to the value of Rs.6687.92 lakhs.

9.3 INDCOSERVE

The Tamil Nadu Small Tea Growers Industrial Co-operative Tea Factories Federation popularly known as “ INDCOSERVE”, was established as an apex organization in 1965 at Coonoor to help the members of INDCO tea factories in the Nilgiris District. This organization provides various services like warehousing facilities, inputs, marketing of tea, etc. Besides other activities, the INDCOSERVE is marketing “Ooty Tea” through the Public Distribution System in the State to help the member factories as well as the growers to get stable prices for their products. During 2006-07, the INDCOSERVE sold 3053 M.Ts. of Ooty Tea valued at Rs.2414.93 lakhs and earned a provisional profit of Rs.489.93 lakhs.

9.4 TEASERVE

The Tea Manufacturers Service Industrial Co-operative Society called “Teaserve”, is the first Electronic Auction Centre established in the country at Coonoor on 13.9.2003. This auction centre provides transparency in the sale of made tea ensuring remunerative prices

to tea manufacturers and consequently reasonable prices for green leaves sold by small tea growers. This society has effected a sale of 15,785 MTs. of made tea valued at Rs.7305.52 lakhs and earned a provisional profit of Rs.3.42 lakhs.

9.5 SCHEME ON REJUVENATION OF THE CO-OPERATIVE TEA SECTOR

Due to the initiative taken by the Department, the Tea Board with the help of UPASI (United Planters Association of South India) has conducted a study and suggested measures for rejuvenating the co-operative tea sector in the Nilgiris districts. The activities proposed are:

- (i) to improve traditional practices in the maintenance of tea gardens,
- (ii) to increase the yield per acre,
- (iii) to regulate and standardize green leaf collection mechanisms,
- (iv) to improve the process and quality management in tea factories; and
- (v) to improve the marketing of the tea.

A detailed project at an estimated cost of Rs.8856.65 lakh has been sent to the Government of India and the Tea Board.

10. SAGO AND STARCH SECTOR

The Salem Starch and Sago Manufacturers Service Industrial Co-operative Society popularly known as SAGOSERVE was established in 1981 at Salem with the objective of helping small scale sago and starch manufacturers of Salem region to market their products and get fair and remunerative prices. As on 31.3.2007 there were 364 member manufacturing units with a paid up share capital of Rs.681.64 lakh including a Government share of Rs.99.83 lakhs. The Society has achieved a sales turnover of Rs.223.79 crores and earned a provisional profit of Rs.1.28 crore during 2006-07.

10.1 The State Government have sanctioned a sum of Rs.50.00 lakh during 2006-07 as the first instalment to implement the scheme for the modernization of member units of Sagoserve. Under the scheme, the Sagoserve would grant subsidy upto a maximum limit of Rs.4.00 lakhs per unit, of which 50% of the subsidy subject to a maximum of Rs.2.00 lakh would be reimbursed by the State Government to Sagoserve. The scheme which will continue will help the members to improve the quality of their products in the present scenario of global competition.

10.2 It is also proposed to implement in Salem District a Small Industries Cluster Development Programme sponsored by the Government of India for provision of Common Facility Centres, Laboratory, etc. for the development of Sago Industry.

11. COIR SECTOR

Tamil Nadu stands first in the production of brown coir fibre. Coir industry provides employment to about 75900 workers, most of them are women. Coir Industrial Co-operatives in the State play an important role in improving the economic conditions of its women members living in villages. As on 31.3.2007, there were 76 coir societies functioning in the State with a total membership of 10835 with a paid up share capital of Rs.281.83 lakhs including a Government share of Rs.223.27 lakhs. Of these, 62 Societies are engaged in spinning, 8 in fibre extraction, 1 in curled coir manufacture and 1 in manufacture of rubberised coir. To market the products of primary societies, 4 marketing societies are also functioning in the State. To improve the sale of coir products of these societies, the Coir Board is implementing a Marketing Development Assistance (MDA) Scheme and provides 10% on the sales turnover as subsidy every year. The Coir Board and the State Government extend the subsidy assistance equally. During 2006-07, the State Government and Coir Board have released their respective share of Rs.38.76 lakhs each under the scheme. During 2006-07, the coir societies have achieved a total sales turn over of Rs.1018.58 lakhs.

12. SERVICE CO-OPERATIVES:

The Department of Industries and Commerce has registered 31 Labour Contract Service Industrial Co-operative Societies in the State. Of these, seven societies are registered for the welfare of contract labourers working in Public Sector Undertakings like MRL, NLC, BHEL, SAIL and Kalpakkam Atomic Power Station etc. All the seven societies are running on profit. The remaining twenty four societies are being formed from 2006-07 for the benefit of skilled and semi-skilled technicians like carpenters, plumbers, electricians, in the unorganized sector in the State. During 2006-07, the State Government have sanctioned share capital of Rs.20.00 lakh at the rate of Rs.1.00 lakh each of the 20 new labour contract societies.

13. TAMIL NADU INDUSTRIAL CO-OPERATIVE BANK:

To cater to the credit needs of the industrial co-operative societies and the SSI units, the Tamil Nadu Industrial Co-operative Bank (TAICO Bank) was established in 1961. The Bank has been recognized by the Reserve Bank of India for providing credit facilities to Industrial Co-operative Societies under the National Bank for Agriculture and Rural Development Refinance Scheme. Besides credit servicing to the industrial co-operative societies, the Bank has been extending other forms of credit to the general public and

salaried employees. As on date, it is functioning with 28 branches all over the State. During the year 2006-2007, the Bank has earned a provisional profit of Rs.3.16 Crores. The Bank declared a dividend of 12 per cent for the year 2005-06.

14. INDUSTRIAL CO-OPERATIVE ESTATES:

The Department has promoted 11 industrial estates in the co-operative fold. These estates are located at Chennai, Coimbatore, Salem, Sivakasi, Thoothukudi, Madurai, Kanyakumari and Tirunelveli. Of these, eight are functional and three [Anna Estate (Coimbatore), Priyadarshini Estate (Tenkasi) and Salem Granite Estate (Pagalpatti)] are under implementation. The main aim of these estates is to provide plots, sheds and other common facilities to MSEs. Totally 2,199 members are enrolled in these co-operative estates.

15. THE CHENNAI INDUSTRIAL CO-OPERATIVE ANALYTICAL LABORATORY LTD (MICAL)

15.1 MICAL is rendering services to member pharmaceutical units by way of testing their samples and products and issuing test certificates to them as per the standards prescribed under various regulations.

15.2 Besides this, the Society also undertakes testing of samples from non-members like Customs Department and Health Departments of other States.

16. POLYTHENE INDUSTRIAL CO-OPERATIVE SOCIETIES:

There are 12 Polythene Industrial Co-operative Societies in the State which provide gainful and continuous employment to around 1005 women. These polythene industrial co-operative societies produce and supply polythene bags required by the Forest and Agriculture Department. These societies reached a sales turnover of Rs.322.39 lakhs during 2006-2007.

17. OTHER INDUSTRIAL CO-OPERATIVE SOCIETIES

Besides the above societies, 190 other co-operative societies are registered with the Department. These societies are engaged in various kinds of activities. As on 31.3.2007, 40 special type societies, 44 auto and taxi drivers' societies, 31 printing societies, 19 handicrafts societies, 16 tailoring societies, 5 match societies, 16 engineering societies, 8 metal

societies, 7 brick societies, 1 coal and coke society and 3 leather societies are registered in the State. In the tailoring sector, all members are women.

18. PRIME MINISTER'S ROZGAR YOJANA (PMRY)

The Central scheme, started on October 2nd 1993, specifically aims at creating self employment opportunities for the less educated poor. During 2006-07, against the target of 27000 beneficiaries, loan of Rs.116.80 crores has been sanctioned to 28,139 beneficiaries. In this same period, Rs.81.25 crores has been disbursed as loan to 21227 beneficiaries.

19. INDUSTRIAL INFRASTRUCTURE UPGRADATION SCHEME: (IIUS)

Under this scheme, the Ministry of Commerce and Industry, Government of India, provides a grant of 75% of the project cost or Rs.50 crores per project, whichever is lower, for cluster infrastructure upgradation. Five projects, namely, (1) Auto Ancillary Cluster, Chennai, (2) Hosiery Cluster, Tiruppur, (3) Cereal, Pulses and Staples Milling Cluster, Madurai, (4) Pump, Motor and Foundry Cluster, Coimbatore and (5) Leather Cluster, Ambur, have been approved at a total project cost of Rs.361.68 crores during the X Plan. These projects are under implementation.

20. CAPITAL SUBSIDY SCHEME FOR INDUSTRIALLY BACKWARD AREAS:

Capital Subsidy:

20.1 During the last Budget Speech, the Hon'ble Minister for Finance had announced that the scheme of granting capital subsidy to industries established in industrially backward areas will be revived. A High Level Committee has been constituted to recommend guidelines for identification of industrially backward blocks. The Committee's report is expected shortly. After examination of the report, orders will be issued.

20.2 Under the scheme of setting up of agro based industries in all blocks sanctioned in G.O.Ms.No.32, Small Industries Department, dated 28.6.2002, as on 31.3.2007, 455 projects in 257 blocks with a total project cost of Rs.288.56 crores have commenced production providing employment opportunities to an estimated 15272 persons including 10483 women. With a total project cost of Rs.98.90 crores 185 projects are under various stages of implementation; and 215 projects with a total project cost of Rs.147.40 crores have applied for sanction of loan to various financial institutions. As on 31.3.2007, Rs.799.88 lakhs has been disbursed towards Special Capital Subsidy and Rs.397.00 Lakhs Low Tension Power Tariff Subsidy under the scheme. This scheme will be integrated with the Capital Subsidy Scheme for indicating backward areas which will be operated from the current year.

21 Back Ended Interest Subsidy to SSI units:

Back ended interest subsidy is being provided for the SSI units since December 2003 for

- (i) Term loan obtained for Technology Upgradation / Modernisation
- (ii) Term loan obtained under the National Equity Fund (NEF) Scheme
- (iii) Term loan obtained for ISO Certification/Research and Development resulting in registration of Patents & Intellectual Property Rights.
- (iv) Term loan obtained under Credit Guarantee Fund Trust (CGFT) scheme.

The Government is examining a proposal to modify the scheme so as to enable larger coverage of beneficiaries under this scheme.

22. ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

Development of Entrepreneurship Culture is one of the important requirements of industrial growth. The State Government is implementing entrepreneurship development through the Entrepreneurship Development Institute(EDI). EDI imparts training to the PMRY beneficiaries and beneficiaries under various Government sponsored programmes. During the current year 5901 PMRY beneficiaries were trained by the EDI. EDI has also conducted a three day entrepreneurship awareness camps in various colleges. During the current year, EDI has undertaken a sample survey on the implementation of PMRY training scheme in Tiruvallur district.

23. Proposed part II Schemes for 2007-08

The Department of Industries and Commerce has proposed to implement the following Part II schemes in the year 2007-08.

- 1) Assistance to INDCOSERVE at a cost of Rs.5.00 lakhs towards providing consultancy services for improving the marketing of tea.
- 2) Share capital assistance to Sular Adi Dravidar Ladies Polythene Workers Industrial Co-operative Society Ltd of Rs.7.90 lakhs to build a permanent work shed.
- 3) Share Capital assistance to Chennai Industrial Co-operative Analytical Laboratory Ltd. (MICAL) of Rs.25 lakhs for upgradation of laboratory facilities.
- 4) Share Capital assistance to Salem Co-operative Industrial Estate of Rs.7.50 lakhs towards upgradation of infrastructure facilities.
- 5) Purchase of 9 vehicles for use in District Industries Centres at a cost of Rs.40.50 lakhs.
- 6) Upgradation of the infrastructure at the Technical Information Centres at Guindy and Ambattur at a cost of Rs.2.60 lakhs.

TAMILNADU SMALL INDUSTRIES DEVELOPMENT CORPORATION LIMITED

Tamil Nadu Small Industries Development Corporation Limited (TANSIDCO) a Government of Tamil Nadu undertaking, was established in 1970 with the specific objective of developing the small industries sector in Tamil Nadu. SIDCO has been implementing over the years schemes for the promotion of small scale industries. The website of SIDCO www.sidco.tn.gov.in provides detailed information about the schemes of SIDCO, the vacancy position of work sheds and plots in industrial estates and the availability of various raw materials in the Raw Material Depots of SIDCO.

2. SIDCO undertakes the following promotional activities:

1. Establishment of industrial estates
2. Distribution of raw materials
3. Marketing assistance scheme

2.1 Establishment of Industrial Estates

One of the major activities of SIDCO is the establishment of industrial estates with infrastructural facilities like roads, storm water drains, street lights, water supply, drainage etc. SIDCO develops plots and also constructs factory sheds of various sizes in these Industrial Estates and allots them on easy installment basis / outright sale basis. SIDCO has so far developed 43 Industrial Estates besides managing 35 Government Industrial Estates on agency terms.

2.2 During 2006-07 SIDCO has sold 247 plots and 39 sheds. During 2007-08, SIDCO proposes to develop 574 plots and sell 804 developed Plots and 58 Sheds.

3. Strengthening and Developing the Infrastructure of Industrial Estates

The Corporation has initiated steps to strengthen the infrastructure of existing Industrial Estates.

Developmental schemes implemented with the assistance of Central/State Governments.

3.1 Integrated Infrastructure Development Scheme:

Sanction has been accorded by the Govt. of India for taking up upgradation works under Integrated Infrastructure Development (IID) Scheme at a cost of Rs.506.59 lakhs in respect of Kappalur Phase II, Kurichi and Virudhunagar and sanction at a cost of Rs.168.00 lakhs for upgradation works in respect of Industrial Estates in Uthagamandalam in The Nilgiris and Mukundarayapuram in Vellore District is expected shortly. These will be taken

up during 2007-08. The upgradation of Guindy Industrial Estate at a cost of Rs.1,296.40 lakhs is now being implemented by Guindy Industrial Estate Infrastructure Upgradation Company (GIEIUC), a Special Purpose Vehicle formed for the purpose.

3.2 Additional Central Assistance Scheme:

Action is being taken to upgrade the infrastructure of Pettai, Ranipet, and Kappalur Phase I Industrial Estates with assistance under Additional Central Assistance Scheme by mobilizing 20% of the project cost from the beneficiaries at a total cost of Rs.244 lakhs. Works will be completed in 2007-08.

3.3 Industrial Infrastructure Upgradation Scheme:

Ambattur, Tirumudivakkam and Thirumazhiszai Industrial Estates are being upgraded under the Industrial Infrastructure Upgradation Scheme. A Special Purpose Vehicle by the name of Chennai Auto Ancillary Industrial Infrastructure Upgradation Company (CAAIUC) is implementing the project. The sanctioned cost of this project is Rs.47.49 Crores with an assistance of Rs.27.74 Crores from Govt. of India. Works will be completed in 2007-08.

3.4 Assistance from the State Government:

Government have given a grant of Rs.25/- lakhs in 2006-07 to meet part of the cost of upgrading SIDCO estates at Kosakulam Pudur (Madurai) Salem and Erode. The upgradation works for the above estates at a cost of Rs.101.50 lakhs, is under progress and will be completed by end of April, 2007.

3.5 In addition to the above, SIDCO will upgrade all its estates in a phased manner. In the year 2006-07, works have been taken up at the following estates from the funds of SIDCO at an estimated cost of Rs 179.25 lakhs:

1. Dindigul
2. Pudukottai
3. Krishnagiri
4. Karur
5. Tiruppur
6. Tiruchengodu
7. Namakkal

Implementation is under various stages. The upgradation works will be completed by August, 2007.

3.6 In 2007-08 SIDCO will upgrade the Industrial Estates at Ariyamangalam in Trichy, Theni and Dharmapuri at a cost of Rs. 100 lakhs with the assistance of Government of Tamil Nadu.

3.7 During the year 2007-08, steps will be initiated to take up upgradation works at the following estates from SIDCO's own funds.

1. Katpadi
2. Tiruvannamalai
3. Cuddalore
4. Pilliarpatti near Thanjavur
5. Mathur, Pudukkottai district
6. Konam near Nagercoil
7. Vadalur, Cuddalore district

4. NEW INDUSTRIAL ESTATES

4.1 During the year 2006-07, the Corporation initiated works to establish new Industrial Estates at the following locations.

4.1.1. Vazhavanthankottai Phase II in Thiruchirapalli District

With a view to assist the ancillary units which manufacture spare parts required by major industries like Bharat Heavy Electricals Limited, an extent of 83.55 acres of land in Vazhavanthankottai Phase-II has been taken up for development at an expenditure of Rs.125 lakhs. The development works are in progress and will be completed by July, 2007.

4.1.2 Plans have been initiated in respect of establishing Industrial Estates at Kappalur in Madurai (Women Industrial Park) Techno Parks at Vinnamangalam, Myladuthurai and Theni. In respect of Theni, land acquisition proceedings have to be initiated as no Government poromboke lands are available.

5.1 During the year 2007-08, the Corporation plans to establish new Industrial Estates at the following locations.

5.1.1 Pollupalli in Krishnagiri District

SIDCO is in possession of an extent of 86.64 acres of land for formation of an Industrial Estate at Polupalli Village in Krishnagiri Taluk and District. SIDCO has received about 160 offer letters with commitment charges from the SSI units, indicating their willingness to start industries. In view of the good response, SIDCO will be undertaking development works for providing infrastructure facilities and development of plots shortly.

5.1.2 Oragadam in Kancheepuram District:

SIDCO proposes to form an Industrial Estate at Oragadam on allotment of 100.00 acres of land at Oragadam Phase-II by SIPCOT.

5.1.3 Elambalur in Perambalur District:

SIDCO is in possession of 44.48 acres of land (alienated) at Elambalur near Perambalur (60 KMs from Trichy). Board approval has been given for development works

5.1.4 Bargur in Krishnagiri District - Phase-II

An extent of 31.640 acres of land was alienated to SIDCO for the formation of Industrial Estate at Bargur in Krishnagiri District. SIDCO had constructed 20 Nos. of Sheds in Ist Phase and allotted to the Small Enterprises. It is now proposed to develop 100 tiny plots on about 19 acres at an estimated cost of Rs.93 lakhs with a view to encourage Micro Enterprises.

5.1.5 Kakkalur in Thiruvallur District- Phase-II

An extent of 283.01 acres of land was acquired for the formation of Industrial Estate at Kakkalur in which an extent of about 36 acres of undeveloped land is still available. It is proposed to develop the same as a Phase-II scheme and allot them to small enterprises.

5.1.6 SIDCO plans to establish new Industrial Estates in Thiruvarur and Villupuram districts which have, so far, not been covered.

5.1.7 In all the proposed industrial estates, SIDCO will give special priority to women entrepreneurs while making allotment of plots for setting up of industries. Further, to motivate the entrepreneurs to start the industries, SIDCO will be conducting Entrepreneurs Development Programme in association with General Manager, DIC, Lead bank, TANSTIA / District Small Scale Industries Association.

6 Distribution of Raw Materials

One of the main functions of the Corporation is to distribute raw materials to small enterprises at reasonable prices from its 17 depots. SIDCO handles the following raw materials:

- (i) Iron & Steel
- (ii) Wax
- (iii) Potassium Chlorate
- (iv) Paper

The total value of sales of these raw materials in the year 2006-07 is Rs. 3770.00 lakhs.

The details of target and achievements of sales for the year 2006-07 and Target for the year 2007-08 are as follows:-

Sl No	Material	Target for 2006- 07	Achievement for 2006-07 (MTs)	Target for 2007- 08 (MTs)
1	Iron & Steel	20000	8509	10000
2	Wax	1500	1113	1500
3	Potassium Chlorate	60	27.5	60
4	Paper	2265	1401	2000

7 Marketing Assistance Scheme

Under this scheme, the Corporation participates, on behalf of SSI units, which are registered with SIDCO, in the tenders floated by State Government Departments, procures and distributes orders to small enterprises for execution. Value of orders executed in 2006-07 is Rs.55.02 lakhs and plans to execute orders worth Rs.60 lakhs during 2007-08.

7.1 Export Marketing Assistance

SIDCO has created a website, www.sidcoexports.com and displays the details of products and company profiles of the units registered under this scheme.

TAMIL NADU SMALL INDUSTRIES CORPORATION LTD (TANSI)

The Tamil Nadu Small Industries Corporation Limited (TANSI) was formed in the year 1965 as a conglomerate of 64 Industrial units started by the Director of Industries and Commerce during the early Plan periods when industrial activity was nascent. TANSI had under its fold different kinds of industrial products like die castings, machine tools, forgings, enameled wires, foundries, tanneries and leather goods, electrical goods, machine shops and tool rooms, heavy structurals, galvanizing, light engineering, steel and wooden furniture etc. Private initiative in most of these areas started later.

2. With the development of various units by private entrepreneurs, TANSI has slowly phased out its activities. Now, it has 23 Production Units and 5 Project Cells functioning. There are four Sales Centres at Chennai, Coimbatore, Tiruchirapalli and Madurai to show case and market the products.

3. TANSI's core capabilities are the manufacture of galvanized power transmission towers, microwave towers, heavy structural of various kinds, deep well hand pumps, quality wooden and steel furniture. Tamil Nadu Small Industries Corporation Limited has also been supplying various items required for the Sarva Shiksha Abhiyan Operation Black Board Scheme, installing pumps for drinking water on turn-key basis during drought and supply of pump spares all over the State. It has also been a supplier to the Indian Space Research Organisation, Bharat Heavy Electricals Ltd., Hindustan Aeronautics Limited etc. Tamil Nadu Paints and Allied Products Limited (TAPAP), a subsidiary company of Tamil Nadu Small Industries Corporation Limited, two pump units at Ambattur and Tiruchirapalli and three fabrication units at Vellore, Palani and Rajapalayam have obtained ISO-9001:2000 certification.

4. The performance of TANSI for the last four years has been :-

(Rs.in lakh)

	2003-04 (Audited)	2004-05 (Audited)	2005-06 (Audited)	2006-07 up to end of March. 2007 (Expected)
Turnover	4978.00	5421.00	6180.00	6060.00
Production	5119.00	5375.00	6040.00	6060.00
Profit (+)/Loss(-)	(-) 90.07	(+) 9.74	(+) 52.21	70.00

5. The performance of TANSI has improved now as can be seen from the figures furnished above.

6. A production target of Rs.63 crore has been fixed for the year 2007-08. The aim will be to ensure all the functioning units of Tamil Nadu Small Industries Corporation Limited to make profits in 2007-08.

7. Schemes:-

To enable to comply with environmental norms, Government have sanctioned a loan of Rs.25 lakh to meet a part of the expenses for installing Air Pollution Control Measures for the TANSI Structural and Galvanizing Unit at Mettur Dam. The amount has since been released. Action is being taken to finalise suppliers and installation of Air Pollution Control equipments.