



INDUSTRIES DEPARTMENT

POLICY NOTE 2014 – 2015

DEMAND No.27

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Minister for Industries



**Government of Tamil Nadu
2014**

INDUSTRIES DEPARTMENT
POLICY NOTE
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INTRODUCTION

Traditionally, Tamil Nadu has been one of the front-runners in the bandwagon of industrialised states. Tamil Nadu has carved for itself a pride of place in the manufacture of a number of products like textiles & garments, leather products, automobiles and auto parts, light & heavy engineering including fabrication, electronic hardware, granite products, cement, sugar, etc apart from software development and IT enabled Services (ITES).

Tamil Nadu continues to be a safe haven for the investors owing to ideal business climate & healthy socio-economic reforms. Under the able and visionary

leadership of our Hon'ble Chief Minister, the State has witnessed impressive growth and development of industries.

With the dismantling of licensing restrictions as part of economic liberalization launched in July 1991, Indian States started aggressively competing with each other in attracting investments. Tamil Nadu under the able leadership of our Hon'ble Chief Minister, was one of the few States to seize the initiative in attracting substantial investments into manufacturing.

To give an impetus to industrial development and to create an Industry - friendly environment to enable the State to achieve No.1 Position in industrialisation in India, the State Government brought out a pragmatic and far sighted Industrial Policy in 1992 and 2003 that had a number of

innovative features. These policies paved the way for both the automobile revolution and the Electronics revolution in Tamil Nadu by attracting Ford, Hyundai, Nokia, Foxconn, Flextronics, etc. The Nokia project in Chennai has become the World's largest mobile handsets manufacturing facility. Chennai has become the Leader in India in both automobiles and Electronic hardware manufacturing. This success bears ample testimony to the efficacy of the Industrial Policies 1992 and 2003 introduced by the State Government.

Today, Tamil Nadu has emerged as the Second largest state economy following Maharashtra which has a much larger area and population. According to the Data book of DCH dated 3rd June 2014 published by the Union Planning Commission, in 2012-13.

Tamil Nadu's Gross State Domestic Product (GSDP) at constant (2004) prices was Rs.451,313 crores and was ranked Second among India states. In 2009-10, Tamil Nadu was ranked Third with a GSDP of Rs.356,632 crores.

The global economy is still reeling under recessionary conditions. According to the World Global Economic Prospects published in June 2014, the world economy registered only a modest real GDP growth of 2.40% in 2013. The manufacturing sector in Tamil Nadu is highly export-intensive, as industries like textiles & garments, leather goods, automobiles and parts, other engineering goods, etc depend on export markets. Notwithstanding these global recessionary trends, Tamil Nadu has recorded higher growth during 2013-14. According to

Union Planning Commission's provisional estimates, in 2013-14, the economy of Tamil Nadu grew at 6.13%, which is higher than the All India average growth rate of 4.74%.

At present, Tamil Nadu is in the vanguard of Industrialization among Indian states and has become one of most favoured investment destinations in India. The State is ranked as one of the Top Three states in terms of a number of parameters. According to the Annual Survey of Industries 2011-12 recently published by the Central Statistical Organisation (CSO) of Government of India, Tamil Nadu is ranked:

- **First among the Indian states in terms of the number of Factories**
- **First in terms of the number of workers employed in the factories sector**

- **Third in terms of Gross Value of Industrial output**
- **Third in terms of Net Value-Added in Factories sector**

According to FDI Statistics published by the Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce and Industry, Government of India, Tamil Nadu is ranked Third among Indian States in terms of Foreign investment inflows during the period April 2000 to March 2014. During this period, Tamil Nadu received Rs. 65,406 crores (US\$ 13,197 million) foreign investment. Tamil Nadu's position follows Maharashtra and New Delhi. During the period April 2013 to March 2014, Tamil Nadu is ranked Third with an FDI inflow of Rs.12595.40 crores (US \$ 2116.24 million). This FDI data is based on Reserve Bank of India regional offices. However the

New Delhi RBI regional office covers parts of UP and Haryana, Hence, FDI received in Noida, Gurgaon, etc are also accounted against New Delhi. Excluding this, Tamil Nadu's position is next only to Maharashtra which is double the size of Tamil Nadu.

According to the Centre for Monitoring Indian Economy (CMIE), at the end of March 2014, "Total cumulative investments in pipeline" in Tamil Nadu was Rs.9,61,522.22 crores; whereas in March 2011, it was Rs.7,38,918.83 crores. **During the last three year period (up to March 2014), according to CMIE, Tamil Nadu attracted an incremental investment of Rs.2,22,603.39 crores.**

Apart from CMIE, the data published by the DIPP, Govt of India in its publication titled "Secretariat for Industrial Assistance

(SIA)/Statistics" also indicates that Tamil Nadu is one of the most preferred states for making investment. According to DIPP, at the end of April 2014, the total cumulative investments committed in Tamil Nadu in the Industrial Entrepreneur Memorandum (IEM) and Letter of Intent (LoI) as well as Industrial Licence (IL) proposals was Rs.4,48,334 crores; whereas the cumulative investments committed in Tamil Nadu at the end of April 2011 was Rs.3,33,010 crores. **The incremental investment attracted by Tamil Nadu during May 2011 to April 2014 was Rs.1,15,324 crores.**

Data published by CMIE as well as DIPP, Govt of India bear ample testimony to the buoyant investment climate prevailing in the State.

During the last 3 years, the State Government had signed 33 MoUs with an

aggregate investment of Rs.31,706 crores. Apart from this, Guidance Bureau under Industries department has attracted an additional investment of Rs.14,896.72 crores in 35 projects through Single window facilitation. **In total, in the last 3 years, total investments attracted in 68 projects was Rs.46,602.72 crores.**

In March 2012, the State Government had launched the Tamil Nadu Vision, 2023 wherein the State has unveiled the dream of the Hon'ble Chief Minister to make Tamil Nadu India's most prosperous and progressive State with no poverty, where its people enjoy all the basic services of a modern society and live in harmonious engagement with the environment, and with the rest of the world.

In 'Tamil Nadu Vision, 2023', the State Government has set an ambitious growth

target for the Tamil Nadu Gross State Domestic Product (GSDP) to grow at 11% or more per annum. Tamil Nadu is set to increase its per capita income at current prices by 6 times from ₹.73,278 rupees i.e., US \$1628 in 2010-2011, to ₹.4,50,000 rupees i.e. US \$10,000 in 2023, in line with the per capita income of Upper Middle Income countries. The Tamil Nadu Vision, 2023 places substantial emphasis on inclusive growth by channelling considerable resources to the lowest income groups and ensuring that Tamil Nadu becomes poverty free.

To attract a higher share of investments in Manufacturing, Hon'ble Chief Minister unveiled the following policies on 21.2.2014:

1. Tamil Nadu Industrial Policy 2014
2. Tamil Nadu Automobiles and Auto Components Policy 2014 and
3. Tamil Nadu Biotechnology Policy 2014

These policies have many avant-garde features that will catapult the manufacturing sector in Tamil Nadu to a new growth orbit, placing the State in the league of highly industrialised regions of the World.

In an effort to build the attractive growth prospects in Tamil Nadu, and committed to maintain its position as one of the most preferred investment destinations in the country, the Government of Tamil Nadu has decided to organize Global Investors Meet during the financial year 2014-15 in Chennai. This event is a focussed endeavor to realize the State's vision of inclusive growth through significant industrialization and increase in employment level, an improvement in citizens' livelihood, balanced regional development and environmentally sustainable long-term development.

1. STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED

State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) was established in the year 1971 to promote industrialisation in the state by way of setting up Industrial Complexes and Parks as well as extending financial assistance. Till 2000, apart from extending financial assistance to the industrial units by way of sanction and disbursement of term loan and fiscal incentives, SIPCOT was acting as an agency to create Industrial Complexes/Parks with necessary infrastructures, so that the industrial promoters can start their units immediately. Encouraged by the success made in the establishment of Industrial Complexes at Ranipet and Hosur which were known as backward regions, SIPCOT, over

the years, has developed many more Industrial Complexes/Parks at various places in the State. However, since the year 2001, in order to give thrust for provision of Infrastructure for Industrial Development, the activities of the Corporation was confined to only creation of Industrial Complexes/Parks. Due to the positive role played by SIPCOT under the guidance of State Government, several big industrial giants such as M/s. Renault & Nissan, Daimler, Hyundai, Saint Gobain, Dell, Ashok Leyland, Nokia, Yamaha etc., have set up their units in the State.

SIPCOT has also been acting as the nodal agency for implementing and monitoring the Structured Package of Assistance scheme, under which various incentives are extended by the State Government to mega, super mega and ultra

mega industries established with huge investments and with large employment potential.

1.1. PHYSICAL PERFORMANCE

1.1.1. Establishment of Industrial Complexes/Parks

So far, 20 Industrial Complexes/Parks including six Special Economic Zones (SEZ) have been developed in 12 Districts across the State with about 29,500 acres of land acquired for the purpose. Out of the allottable extent of 24,055 acres, so far, 19,471 acres have been allotted to 2,235 units thereby attracting investment of about Rs.1,03,000 crore and creating direct and indirect employment opportunity for about 5.97 lakh persons.

(i) SIPCOT Industrial Park, Vallam-Vadagal

It is the new Industrial Park established recently in Vallam-Vadagal villages of Sriperumbudur Taluk in Kancheepuram District over an extent of 1,146.31 acres. Out of the allottable extent of 882.94 acres, so far, 298.33 acres have been allotted to 44 units, which will bring an investment of about Rs.2,857 crores and employment opportunity to about 14,532 persons. This includes M/s.India Yamaha Motor Private Limited and its vendors, bringing an investment of about Rs.2,550 crores and employment potential to about 12,000 persons.

(ii) Proposed New Industrial Complexes/Parks

At present, acquisition of land is in progress for establishment of the following eight more new Industrial Complexes with the extent noted against them:

- Oragadam Industrial Growth Centre Expansion-II (Vaipur Mathur) (616.30 acres)
- Cheyyar Industrial Complex Expansion (2300.57 acres)
- Madurai Industrial Park (1478.71 acres)
- Thoothukudi Industrial Complex Phase-II (1179.86 acres)
- Tindivanam Industrial Park (720.27 acres)
- Manapparai Industrial Park (1077.05 acres)

- Nemili Industrial Park (639.94 acres) and
- Panapakkam Industrial Park(1,112.41 acres)

(iii) Land Bank

With a view to keep adequate lands readily available with SIPCOT to facilitate for its immediate allotment to the investors, action is being taken to create a Land Bank. Such Land Bank is developed by acquiring mostly dry and barren lands and carefully avoiding cultivable lands. The proposals seeking the Administrative Sanction of the Government for acquisition of about 12,000 acres of land in Vellore, Krishnagiri, Dharmapuri, Kancheepuram, Thiruvallur, Thoothukudi and Perambalur Districts are in various stages of process.

(iv) Industrialization of Southern Districts

In order to boost the Industrial Development in the Southern Districts, SIPCOT is taking action to establish new Industrial Parks in nine Southern Districts, Viz. Ramanathapuram, Sivagangai, Pudukottai, Dindigul, Theni, Virudhunagar, Thoothukudi, Tirunelveli and Kanniyakumari in a total extent of about 20,650 acres. This will bring an investment of Rs.25,000 crores and employment opportunity to 50,000 persons. In respect of Ramanathapuram, Sivagangai, Dindigul, Theni and Virudhunagar Districts, around 11,000 acres of land have been identified and the Administrative Sanction proposals are under process.

Orders have been issued in October 2013 extending the following Special Package of Incentives to the prospective

entrepreneurs, who intend to invest in the existing as well as the new Industrial Complexes/Parks of SIPCOT to be developed in the above said nine Southern Districts.

- i. Allotment of land at 50% subsidized rate. The subsidy component will be directly remitted to SIPCOT by Government.
- ii. 100% exemption from stamp duty on Lease Deed registration.
- iii. Capital Subsidy increase from 1.5 to 2 times.
- iv. Creation of all infrastructure facilities required for industries.
- v. Reduction in the minimum investment required for obtaining VAT based incentives from the present level of Rs.50 crores to Rs.10 crores.

By extending the above said incentives, SIPCOT has made allotment of 51.95 acres of land in its Nilakottai, Pudukkottai and Gangaikondan Industrial Complexes/Growth Centres.

(v) National Automotive Testing, Research and Development Infrastructure Project (NATRIP)

SIPCOT has allotted 304 acres of land in its Oragadam Industrial Growth Centre to this project coming under Dept. of Heavy Industries, Govt. of India for creation of automobile test track and research and development centre. The project being established at a project cost of about Rs.700 crores will create direct and indirect employment opportunity to about 200 persons. The construction activities will be completed and the project will commence its operation in 2016.

(vi) New Manufacturing Zones (NMZ)

Orders have been issued by the Government in G.O.Ms.No.198, Industries Department, dated 21.11.2012 to establish the New Manufacturing Zones with high standard of social and basic infrastructures, at the first instance, in an extent of 5,780 acres in Villathikulam Taluk of Thoothukudi District, 2,150 acres in Wallajah Taluk of Vellore District and 2,300 acres in Hosur Taluk of Krishnagiri District. Preliminary action to acquire the lands identified for the purpose has commenced. The above New Manufacturing Zones will be identical to National Investment and Manufacturing Zones functioning with a vision to enhance the share of manufacturing in GDP to 25%.

1.2. Special Economic Zones (SEZ)

SIPCOT has also ventured into promoting “sector specific” Special Economic Zones in its Industrial Complexes/Parks, so as to attract Foreign Direct Investments, to promote exports and to create large scale employment opportunities. So far, six SEZs have been promoted as follows:

- Hi – Tech SEZ (570.92 acres) in Sriperumbudur
- Hi-Tech SEZ (347.66 acres) in Oragadam
- Engineering Sector SEZ (263.19 acres) in Perundurai
- Transport Engineering Sector SEZ (255.00 acres) in Gangaikondan
- Sector Specific SEZ for Engineering (260.00 acres) in Ranipet
- Granite Industries SEZ (379.96 acres) in Bargur

Many Industrial giants like Tvl. DELL India Pvt. Ltd., Foxconn, Motorola, Sanmina, Nokia Siemens, ATC Tyres, WIPRO etc., have established Industries in these SEZs with huge investment. So far, 1,081 acres of land have been allotted to 47 Industrial units, through which direct and indirect employment opportunity has been created to about 63,000 people.

1.2.1. Awards received for establishment of SEZ

SIPCOT has received the Best Developer Awards for the year 2011-12 for its Hi-Tech SEZs at Sriperumbudur and Oragadam from the Ministry of Commerce and Industries.

1.3. MoU Units

In order to stimulate the Industrial growth as well as the employment

opportunity, the Government of Tamil Nadu has entered into Memoranda of Understanding (MoU) with various Mega Industrial Concerns. Of them, 30 Industrial units are located in SIPCOT Industrial Complexes and 20 of them have already commenced production.

1.4. Civil Works

SIPCOT provides world class infrastructure in its Industrial Complexes in order to attract more investors. At the first instance, the works for providing comprehensive facilities at a value of Rs.51.41 Crore at SIPCOT Industrial Park, Thervoykandigai and at a value of Rs.24.47 Crore at SIPCOT Industrial Park, Pillaipakkam were taken up and now the said works are nearing completion. Work order has been issued to carry out the works in a

comprehensive manner at Granite Industries SEZ at Bargur at a total value of Rs.38.80 Crore.

1.5. Special Developmental Activities

SIPCOT is also involved in developing certain special infrastructure schemes/facilities towards industrialization of the state, apart from establishing Industrial Complexes/Parks.

1.5.1. Apparel Park, Irungattukottai

SIPCOT has established an Apparel Park spread over 123.83 acres in Irungattukottai Industrial Park and the entire extent has been allotted to 36 units. Apart from basic infrastructure, special infrastructure facilities viz. dormitory for working women, crèche, dispensary, design and training centre, canteen etc., have been created in this Park. Based on the request of the allottees, SIPCOT

has now taken action to permit them to run as general category (non-polluting) Industries also, besides apparel Industries, subject to Government of India's approval which is awaited.

1.5.2. Footwear Component Park, Irungattukottai

SIPCOT has promoted Footwear Component Park in an extent of 52.63 acres of land in Irungattukottai Industrial Park. So far land has been allotted to 13 units, through which about 750 persons would get employment.

1.5.3. Industrial Corridor of Excellence

SIPCOT is facilitating for creation of Industrial Corridors of Excellence (ICE) along the National Highways and preparing the study of the following Corridor Development

Plans for each Regions separately through Consultants.

(i) Chennai - Sriperumbudur - Ranipet - Hosur

(ii) Madurai – Thoothukudi & Coimbatore - Salem

In so far as Chennai-Hosur Industrial Corridor is concerned, at present, a study is being undertaken to create Chennai-Bengaluru Industrial Corridor with the financial assistance of Government of India and JICA, a Japanese Consortium. Seven Districts will be benefited by this project in the State.

Further, Madurai-Thoothukudi Industrial Corridor of Excellence is developed to provide environmentally sustainable and rapid Industrial development in industrially backward southern Districts. This corridor

covers totally seven districts and 31 blocks. The project comprises node based development of the region and 13 major sectors like automobile, textiles, agro & food processing, IT & ITES etc. will be developed. The project aims for investment outlay of Rs.40,105 crores for infrastructure development spread over a period of 9 years and it would attract industrial investment of Rs.1,90,000 crore and expected to generate employment opportunity for 18 lakh persons. The project has been identified as a signature project in the Tamil Nadu Vision 2023 and Tamil Nadu Infrastructure Development Board (TNIDB) is taking steps to implement the project on fast track. To implement the project a Special Purpose Vehicle (SPV) will be created by SIPCOT.

1.5.4. Skill Development Centers

In order to upgrade the skill of about 1,200 youth every year, SIPCOT has constructed a Skill Development Centre at Oragadam Industrial Growth Centre in Kancheepuram District, which was inaugurated by the Hon'ble Chief Minister on 11.6.2014. Further, it has planned to construct two more such Skill Development Centres; one at Gangaikondan Industrial Growth Centre, Tirunelveli District and the another at Thervoykandigai Industrial Complex, Tiruvallur District. The youth trained in these Skill Development Centres would be recommended for employment in the industries located in SIPCOT Industrial Complexes/Parks, depending upon their skill.

1.5.5. Construction of Dormitories

In order to provide affordable housing facility for working force at Sriperumbudur, SIPCOT has constructed two separate Dormitories at Sriprumbudur with all amenities, one for 400 men and the other for 600 women. The Dormitories were inaugurated by the Hon'ble Chief Minister on 9.12.2013. To run these Dormitories, SIPCOT is to handover them to Tamil Nadu Women Development Corporation.

1.5.6. Comprehensive Plan for the Development of Sriperumbudur Area

SIPCOT is preparing the study through a consultant for the development of Comprehensive Plan to upgrade the basic and social infrastructure and to provide modern housing facility for the employees and the

general public residing in and around Sriperumbudur.

1.5.7. Truck Terminal at Irungattukottai and Vallam-Vadagal Industrial Parks

In order to avoid traffic congestion, action is being taken for creation of a Truck Terminal in SIPCOT Irungattukottai Industrial Park, with an investment of Rs.13.45 crores under Build-Own-Operate-Transfer (BOOT) basis and Public Private Partnership (PPP) mode. To create another Truck Terminal in the same manner in Vallam-Vadagal Industrial Complex with the grant of Rs.10 crores from Government of Tamil Nadu, acquisition of land is being made.

1.5.8. Water Supply to the new Industrial Parks

Presently, SIPCOT is drawing 5 MGD water from Chembarambakkam lake to supply water to the Industrial Parks at Irungattukottai, Sriperumbudur and Oragadam. Consequent on the expansion of the above Industrial Parks and creation of new Industrial Parks viz. Vallam – Vadagal and Vaipur – Mathur, SIPCOT's water requirement has increased from 5 MGD to 10 MGD. To meet this requirement, SIPCOT is taking steps jointly with CMWSSB to establish 10 MGD (45 MLD) capacity TTRO plant at Koyambedu to supply tertiary treated water to the Industries in the above said Industrial Parks.

1.6. Environmental Protection

To dispose of the hazardous industrial waste by suitably converting the waste, a massive scheme viz., Hazardous Waste Treatment, Storage and Disposal Facility (HWTSDF) has been implemented in an extent of 26.91 acres at Export Promotion Industrial Park, Gummidipoondi by Industrial Waste Management Association (IWMA) through Tamilnadu Waste Management Limited.

1.7. Corporate Social Responsibility (CSR) Activities

SIPCOT, while acquiring lands for its Industrial Complexes, for the benefit of the local people in those places, provides various social welfare measures such as, provision of houses to the displaced families, sanitation facility, construction / renovation of school buildings, establishment of health centre,

water facilities etc. and action has been taken to provide such facilities in 20 villages located around SIPCOT Industrial Parks at a total estimated cost of Rs.5 crores.

1.8. Industrial Infrastructure Fund

An amount of Rs.100 crores has been allotted for the upgradation of the infrastructure facilities in the Industrial Parks of SIPCOT. It will be utilized for construction of approach roads from National and State Highways to SIPCOT Industrial Parks, construction of small bridges, widening of the existing connectivity roads to the parks, provision of general infrastructure for pollution control, besides creation of new drinking water facilities and identification of other sources of water for industrial needs.

1.9. Financial Performance

SIPCOT has been showing consistently good financial performances for the last seven years and it has also given 25% dividend to the Government for the last six years. It has earned a net profit of Rs.258.31 crores (PBT) in the financial year (2012-13), the highest profit earned since its inception, and it is expected that it will earn a net profit of approximately Rs.227.68 crores (PBT) in 2013-14.

(Rs. in Crores)

Descri- ption	2009-10	2010-11	2011-12	2012-13	2013-14
Total Income	302.09	908.73	649.83	711.17	564.25
Net profit (PBT)	92.69	121.95	197.60	258.31	227.68
Net Profit (PAT)	62.32	82.34	140.20	182.32	153.81
Dividend declared (in%)	25	25	25	25	30
Dividend Amount	14.48	14.48	14.48	14.48	17.40

1.10. Nodal Agency Function

SIPCOT also acts as a Nodal Agency of Government of Tamil Nadu in the sanction / disbursement of Structured Package of Assistance to large Industrial units. Various incentives viz., Soft Loan on the VAT paid to Govt. Investment Promotion Subsidy (refund of VAT paid to Govt.), Capital Subsidy, ETP/Critical Infrastructure Subsidy, Electricity Tax refund and Training Subsidy are considered based on the Government Orders. So far, Government has released Rs.2898.80 crore to SIPCOT for the purpose. SIPCOT in turn has so far released Rs.2690.20 crore to 16 units.

2. TAMILNADU INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

Tamil Nadu Industrial Development Corporation Limited (TIDCO) was established in 1965 as a Government of Tamil Nadu Enterprise for establishing the large and medium Industries in association with Private promoters to stimulate industrial development and leverage capital investment in the State. To achieve a balanced, rapid and continual industrial growth in the State, TIDCO also facilitates large industrial and infrastructure projects which involve large investments and provide huge employment potential in Tamil Nadu.

TIDCO has promoted several joint ventures for manufacturing products such as wrist watches, auto parts / components, iron and steel products, textiles, fertilizers,

chemicals, pharmaceuticals, processed food products and leather products. It has also ventured into setting up of I.T Parks, Bio-Tech Parks, Special Economic Zones (SEZ), Road Development Projects, Agri Export Zones (AEZ) and Special Investment Regions.

Titan Industries, Mahindra World City, Ascendas IT Park, TIDEL Park, TICEL Biopark, IT Expressway, Chennai Trade Centre, Tamilnadu Petro products, TIDEL Park Coimbatore Limited and L&T Shipbuilding Ltd are some of the well-known joint ventures of TIDCO.

TIDCO's portfolio of investments valued at cost which is Rs.450.21 crores is mostly in the form of equity investments in Joint Venture Companies and investments made in ongoing projects.

TIDCO is presently developing a TICEL Bio Park-II at Taramani, an IT and ITES SEZ at Taramani, a Liquefied Natural Gas (LNG) Import Terminal in Tiruvallur district, a Petroleum Refinery Project in Cuddalore district, the Multi Product Special Economic Zones in Nanguneri, Krishnagiri and Perambalur districts and a Food Processing Special Economic Zone in Tuticorin district and a Solar Power Park in Ramanathapuram district.

TIDCO is also taking steps for implementing an Aerospace Park Projects near Chennai, a Plastic Industries Park in Tiruvallur district, an Integrated Textile and Industrial Park in Coimbatore, a Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) Project in Cuddalore and Nagapattinam Districts, an Integrated Food

Irradiation and Service Facility near Chennai, a Deep Water Port & a Gas Based Power Plant with a Floating Storage Regasification Unit in Nagapattinam District, a Shipbuilding Yard in Thoothukkudi and Integrated Financial Services Centre in Chennai.

2.1. TICEL Bio Park -II

TICEL Bio Park Limited, implemented by TIDCO and TIDEL Park Ltd, has constructed Bio Park-II with Lab space of 6.30 lakhs sq.ft (16 floors) for Biotechnology, Pharmaceuticals, Bio IT, Nano Technology and R&D activities at a cost of Rs.150 Crores. The civil & Allied works and other utilities are nearing completion stage. Bio Technology Core Instrumentation Facility (BTCIF) has also been completed at a cost of Rs. 19.30 Crores. This facility is completed in a phased manner for allotment of Labs to prospective clients.

The Bio-Lab spaces of TICEL-II will be allotted to the prospective clients in the current year.

2.2. TRIL Infopark Limited

TIDCO is setting up an IT-ITES Special Economic Zone with an Integrated International Convention Centre in 25.27 acres of land in Taramani through a joint venture with M/s Tata Realty and Infrastructure Limited. The estimated cost of the project is about Rs.4000 crores. Four Towers with built up space of 3.4 million sq.ft. have been completed and out of this, 3.3 million sq.ft. space has been leased out. Leading IT companies like HP, Infosys, CTS, Mind Tree, Scientific Publishing, SITEL, TCS, CISCO, FIDELITY, INAUTIX have taken space in this IT Park. The balance space is being marketed. TRIL Infopark Limited proposes to expand the IT space by another 1.2 million

sq.ft. This project has generated direct and indirect employment for about 18,000 persons.

Work on the construction of serviced apartments and Integrated International Convention Centre has been commenced. In total, 75% of the project work has been completed and the entire project is expected to be completed by August, 2016.

2.3. LNG Import Terminal

TIDCO and Indian Oil Corporation Ltd. are jointly implementing a Liquefied Natural Gas (LNG) Import Terminal Project near Ennore Port in the Kattupalli village of Thiruvallur District. The investment for this terminal is estimated at Rs.4,716 crores. This LNG Import Terminal will have a capacity to handle 50 lakh tons per year of LNG and it

will distribute about 180 lakh cubic metres per day of natural gas for power plants, fertilizer units, other industries, domestic use and transportation sector in Tamil Nadu.

To expedite the implementation of this project, TIDCO and Indian Oil Corporation Limited signed a Heads of Agreement on 22.03.2012 in the presence of Hon'ble Chief Minister.

The Front End Engineering and Design work for this project has been completed. Ministry of Environment and Forest, Govt. of India has issued approval for this project in January, 2014. The construction of this terminal is expected to start in July, 2014 and it will be completed in 2017.

2.4. Petroleum Refinery Project of Nagarjuna Oil Corporation Limited

The Petroleum Refinery Project of Nagarjuna Oil Corporation Limited (NOCL), a Joint Venture of TIDCO and M/s.Nagarjuna Fertilizers Limited is being implemented at Thiruchopuram in Cuddalore District. The proposed capacity of this Petroleum Refinery will be 120 lakh tons per year. The total investment in this project is estimated to be about Rs.25,000 crores and a total investment of about Rs.7400 crores has been made upto March, 2014. In the first phase, the implementation of 60 lakh tons per year capacity unit will be completed and operations are expected to commence by 2015.

2.5. Krishnagiri Special Economic Zone Project

A multi product SEZ in an area of about 2800 acres of lands in Krishnagiri District was proposed to be implemented by TIDCO and GMR Infrastructure Limited (GMR) through the Joint Venture (JV) company viz., GMR Krishnagiri SEZ Ltd with an estimated investment of about Rs.2300 crores.

About 1300 acres of patta lands were procured in the name of JV Company on their own for implementing this project. The JV Company has requested for transfer of about 600 acres of Government land in favour of JV Company through TIDCO to make the proposed project area contiguous. Action is being initiated to transfer the Government lands in favour of TIDCO with a provision to lease these lands to JV Company.

Government of India vide its Notification dated 12.8.2013, has revised the minimum area required for multi product SEZ to 500 hectares (1250 acres). Based on this, the Company proposed to develop the SEZ project in about 1553 acres (1153 acres of private patta lands and about 400 acres of Government poramboke lands). This SEZ area will tentatively focus on Aerospace (Defence), Automobile and Precision Engineering. Further it is proposed to implement a project exclusively for Electronics Manufacturing Clusters in about 527 acres out of the lands procured.

2.6. Perambalur Special Economic Zone Project

A multi-product SEZ is being jointly developed by TIDCO and M/s. GVK Group of Hyderabad in Perambalur District in an area of around 3000 acres of

land with the objective of stimulating industrial and economic activities in backward Districts as per the directions of Government.

The Project Company has procured around 2900 acres of private patta land through private negotiation for this project. The project site area encompasses around 45 acres of non-water course Government Poramboke and 22.42 acres of HR&CE lands in bits and pieces. The company has paid land cost for leasing of these lands to form contiguity as per the requirement of SEZ stipulation. Government Orders have been issued to alienate/lease the above lands to TIDCO. TIDCO is in the process of leasing the above lands to the Project Company.

The Project Company has completed the Topographical survey, Soil Investigations, Environmental Impact Assessment (EIA)

Study, etc. Detailed Project Report and market survey has also been completed by the consultant viz., M/s. Mahindra Consulting Engineers for this Project.

TWAD Board has done detailed investigation for supply of water upto 40 MLD from the Kollidam River at an estimated cost of around Rs.120 crore in depository work scheme. The SEZ / Industrial Park Project activities will be undertaken by the Project Company after receiving the approval from TWAD Board for this water supply scheme.

2.7. Aerospace Park Project

TIDCO is planning to establish an Integrated Aerospace Park Project with the objective to support the development of Aerospace Industry covering design, engineering, manufacturing, servicing and maintenance of aircrafts in Tamilnadu.

Feasibility Report for the project has been prepared.

It has been planned to set up a MRO facility in an area of around 50 acres adjoining the existing Chennai Airport. The land has been identified. It has been proposed to develop the components manufacturing park for Aerospace Industry in Sriperumbudur in an area of around 300 acres. Now, SIPCOT has completed land acquisition process. TIDCO has requested SIPCOT to allocate the lands to TIDCO. The Project implementation will be taken up after allocating the land.

2.8. Plastic Industries Park Project

Tamilnadu Industrial Development Corporation Limited (TIDCO) has planned to promote a Plastics Industries Park including support facilities in the Voyalur village,

Ponneri Taluk of Thiruvallur District with an investment of about Rs.243 crores.

The Plastics Industries Park will have specialized infrastructure required to accommodate about 70 Plastic goods manufacturing units. When fully developed, this Park will be able to attract investments of about Rs.2,100 crores and is expected to generate employment for about 25,000 persons.

As per the Policy announced by the Department of Chemicals and Petrochemicals, this Project will be eligible for grant funding by Government of India upto 50% of the project cost not exceeding Rs.40 crores per project. Department of Chemicals and Petrochemicals has granted in-Principle approval for setting up of the Plastic Park in Tamil Nadu on 13.04.2012. A Detailed

Project Report (DPR) has been prepared and forwarded to Government of India on 17.01.2013.

Government has granted approval for forming a Special Purpose Company by TIDCO and SIPCOT for implementing this project.

2.9. Solar Power Park Project

TIDCO is proposing to develop Solar Power Parks to set up around 1000 MW of Solar Power Projects in multiple locations in association with private players and the total investment required to set up this 1000 MW Solar Power Plant Projects is estimated at around Rs.9,000 crores.

In the first phase, TIDCO and M/s Raasi Green Earth Energy Private Limited, Bangalore are jointly developing a 100 MW capacity Solar Park Project in Paramakkudi

Taluk of Ramanathapuram District in 500 acres of dry lands. The estimated total investment for this project is around Rs.920 crores.

TIDCO and M/s Raasi Green Earth Energy Private Limited have signed an MoU in the presence of Hon'ble Chief Minister on 13.12.2012 for developing this Project. The Ground Breaking Ceremony of this Project was held on 21.7.2013 and the land development is undertaken in 200 acres in the first phase. The Project is expected to be completed before the end of the year 2014.

The proposed Solar Parks will provide common facilities to the independent solar power producers such as developed lands, roads, water supply, drainage, dedicated power evacuation facilities, etc.

2.10. Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) Project

A PCPIR will be an area of about 250 Sq.Kms. in Cuddalore and Nagapattinam Districts for setting up manufacturing facilities for domestic & exports production in Petroleum and Petrochemicals. The Cabinet Committee on Economic Affairs, Govt. of India has approved the final proposal for establishing a Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) in Cuddalore and Nagapattinam districts on 03.07.2012.

The total investment for external linkage roads and other infrastructure augmentation and utilities projects for the PCPIR has been estimated at Rs.13,354 crores. Over a period of 10 years,

investments of about Rs.92,160 crores will be mobilized in this PCPIR.

A Memorandum of Understanding has been signed between TIDCO and Engineers India Limited, a Govt. of India Enterprise on 22.03.2012 in the presence of Hon'ble Chief Minister for the development of PCPIR in Tamil Nadu. Govt. of Tamil Nadu and Dept. of Chemicals and Petrochemicals, Govt. of India have signed a Memorandum of Agreement on 20.02.2014 for the implementation of PCPIR.

2.11. SEZ for Food Processing Sector Project

An SEZ for food processing sector was proposed to implement by CCCL Infrastructure Ltd in association with TIDCO through the JV Company viz., M/s. CCCL Pearl City Food Port SEZ Ltd with a total investment of about Rs.550 Crore, of which Rs.132 Crore is for the processing zone and

Rs.418 Crore for the non processing zone. The JV Partner has procured about 425 acres of land on their own in Thoothukudi District. Out of this, Government of India notified 294 acres of land for this SEZ project.

The development of infrastructure for the formation of arterial road, construction of administrative building, customs office, water storage pond etc are being undertaken in the SEZ area. The JV Company has taken necessary initiatives for marketing of the area and several units have shown interest to set up units. TWAD Board was requested to carry out DPR for permanent supply of 10 MLD water exclusively for the project.

Due to the changes made in SEZ Policies, the Company has proposed to implement the processing zone in the notified total area of 294 acre alone at an

investment of Rs.132 Crores and dropped the development of non processing zone. The company has leased land to seven units, of which four units have commenced production.

2.12. A Deep Water Port and a Gas Based Power Plant with a Floating Storage Regasification Unit Project

TIDCO has proposed to establish a Deep Water Port, a Floating Storage Regasification Unit (FSRU) for import of Liquefied Natural Gas (LNG) and a natural gas based power plant of 500 MW capacity in Nagapattinam District through a Joint Venture. The lands required for the back up area for the Deep Water Port, for the Gas based Power Plant and for the future developments have been identified in the south of Nagapattinam.

The total investment is estimated at about Rs.3,500 Crores. The Deep water port

may require an investment of about Rs.1500 Crores and the Gas based Power Plant of about Rs.2000 crores. The Floating Storage Regasification Unit (FSRU) required for import of Liquefied Natural Gas (LNG) will be on Charter basis.

Govt. in its G.O.Ms.No.175 dated 03.10.2013 has accorded approval to TIDCO for implementing this project through a Joint Venture in Associate Sector.

2.13. Chennai-Bengaluru Industrial Corridor (CBIC) Project

The Chennai-Bengaluru Industrial Corridor is one of the several Corridor Development projects that are included in the 'Vision Tamil Nadu 2023'. The Chennai Bengaluru Industrial Corridor will have an area spreading up to 75 kms both sides on National Highway-46 passing through seven districts viz., Krishnagiri, Dharmapuri,

Thiruvannamalai, Vellore, Kancheepuram, Thiruvallur and Chennai districts in Tamil Nadu. This corridor will become a strategic link in the Golden Quadrilateral and shall form an important part of the overall plans for providing impetus to manufacturing sector.

Many Integrated Special Investment Regions will be developed along the Corridor. These regions will be self sustained industrial townships with world-class infrastructure, road and rail connectivity for freight movement to and fro from the Chennai, Ennore and Kattupalli ports and logistics hubs with reliable power and social infrastructure.

Japan International Cooperation Agency (JICA) is carrying out Comprehensive Regional Perspective Plan study for this project. JICA submitted its first Interim report to the Department of Industrial Policy and

Promotion (DIPP), Government of India in December 2013. Subsequently in its report submitted to DIPP in January, 2014, JICA recommended suitable areas for Industrial Nodes creation in the corridor influence area including Ponneri taluk of Tiruvallur District and Hosur Taluk of Krishnagiri District.

The final draft of the second interim report which contains the Perspective Plan and strategy for development of industries and allied infrastructure in the CBIC Region has been submitted to Government of India by end of March 2014.

3. TAMILNADU NEWSPRINT AND PAPERS LIMITED

TNPL was promoted by the Government of Tamil Nadu in the year 1979 to produce Newsprint and Printing and Writing Paper using bagasse as primary raw material. The factory is located at Pugalur in Karur District. The plant with a capacity 90,000 tons per annum was commissioned in 1985. The plant capacity has been enhanced to 4,00,000 tonnes per annum in four phases. Simultaneously, the pulp production capacity also has been increased from 250 tons per day to 1180 tons per day.

3.1. Mission statement

“To emerge as the market leader in the manufacture of world class eco-friendly papers, adopting innovative technologies for sustainable development”

TNPL has emerged as the largest bagasse based paper mill in the world and the second largest producer of printing and writing paper in the country. Presently the Government of Tamil Nadu holds 35.32% shares in the company and the Government of Tamil Nadu owned companies hold 4.06% shares. The balance shares are held by Foreign Institutional Investors (FIIs), Indian Financial Institutions, Mutual funds, Insurance companies, Corporate bodies and general public.

TNPL produces a wide variety of high quality papers suited for different end uses. TNPL markets its products throughout the country. TNPL exports about 18% of its products to over 40 countries across the world.

TNPL has installed two wind farms of capacity 35.5 MW in Tirunelveli district.

TNPL installed a power generation plant in its complex with an increased captive power generation capacity from 81.12 MW to 103.62 MW at a capital outlay of Rs.167 crores in the year 2013. Surplus power of 7 MW is exported to the State Grid.

TNPL has set up a 300 tpd De-inking pulp plant at a capital outlay of Rs.164 crores for producing De-inked pulp from waste papers in the year 2013 for increasing the pulp production capacity.

TNPL has also set up a 600 tpd cement plant in its complex to produce cement from the mill solid wastes viz. lime sludge and fly ash generated in the process of manufacture of paper.

TNPL has set up a 100 tons per day capacity wet ground calcium carbonate (WGCC) plant in its complex on Build - Own – Operate (BOO) basis through M/s OMYA, Switzerland.

A 200 tons per day capacity Precipitated calcium plant (PCC) is being set up in its complex on Build - Own - Operate basis through M/s OMYA, Switzerland. The plant will be completed during July 2014.

3.1.1. Production and Capacity Utilization during the year 2013-2014

The production during the year 2013-14 is 3,87,714 tons. Capacity utilization is 97%.

3.1.2. Turnover and Profit during the year 2013-2014

The turnover during the year 2013-14 is Rs.2301.94 crores and the profit before tax

is Rs.202.68 crore. **This is the highest profit earned by the company since inception.**

3.1.3. Dividend

The performance of the company is consistent over the years. The company is functioning profitably and paying reasonable dividend to its shareholders on a regular basis. The company has paid dividend at 50% for the year 2012-13. Accordingly, the company has paid the dividend of Rs.12.22 crores to the Government of Tamil Nadu for the year 2012-13. The company has increased the dividend to 60% for the year 2013-14. **Accordingly, the dividend payable to the Government of Tamil Nadu for the year 2013-14 will increase to Rs 14.66 crores.**

3.1.4. Exports

TNPL is the largest exporter of printing and writing paper from India. Export during 2013-14 is about 65,875 tons.

3.1.5. Employment

The company provides direct employment to 2,078 persons and indirect employment to about 3,000 persons.

3.2. Significant initiatives taken during 2013-14

- (i) TNPL has set up a 600 tpd Cement Plant at an outlay of Rs.130 crore. This cement plant was inaugurated by the Hon'ble Chief Minister of Tamilnadu on 30.01.2013.
- (ii) For increasing pulp production capacity, TNPL has set up a 300

tpd De-inking pulp plant at a capital outlay of Rs.164 Crore. De-inked pulp is produced from waste paper. The plant was inaugurated by the Hon'ble Chief Minister of Tamilnadu on 30.12.2013.

(iii) Installation of a new boiler by replacing three old boilers and a new TG of a capacity of 41 MW by replacing two old TGs of a capacity of 18.5 MW, at a capital outlay of Rs.167 crore. The plant was inaugurated by the Hon'ble Chief Minister of Tamilnadu on 30.12.2013.

(iv) TNPL ventured into farm forestry and captive plantation schemes for the first time in 2004-05.

So far, 18,709 farmers in 28 districts have been covered under the scheme. The Company has raised plantation in 1,00,185 acres till March 2014.

- (v) Reclamation of polluted soil along the Noyyal river bed area, through bio remediation technology by raising pulp wood trees under farm forestry scheme. TNPL has planted pulp wood trees in 1000 acres during the year 2011-12, 600 acres during 2012-13 and 590 acres during 2013-14.
- (vi) TNPL has set up a 100 tpd Wet Ground Calcium Carbonate (WGCC) Plant within the factory on BOO (Build-Own-Operate) basis.

3.3. Major projects scheduled for 2014-15 and 2015-16

- (i) To set up a 200 tpd Precipitated Calcium Carbonate (PCC) Plant within the factory on Build – Own - Operate (BOO) basis. The plant will be operated from July 2014.
- (ii) Hon'ble Chief Minister of Tamilnadu announced under the rule 110 of the State Legislative Assembly on 07.05.2013 for setting up of a state-of-the-art Multi-layer Double Coated Board Plant of a capacity of 2 lakh tons per annum by Tamilnadu Newsprint and Papers Limited (TNPL) in Mondipatti Revenue Village, Manaparai Taluk, in Srirangam constituency, Trichy District. Hon'ble Chief Minister of Tamilnadu laid the

foundation stone on 03.06.2013 to start the project activities.

Accordingly, TNPL is setting up the plant in the dry lands measuring 874 acres in Mondipatti Revenue Village and surrounding areas at a capital outlay of Rs.1500 crores. The project will be completed by December 2015. The plant will facilitate economic development in the area and provide direct and indirect employment opportunities to about 2000 persons.

When commissioned, this will be the largest capacity and the most modern State-of-the-art plant in the country. On implementation of the scheme, TNPL production capacity will increase by 50%, from 4 lakh tons per annum to 6 lakh tons per annum

and TNPL will become the third largest paper mill in the country from the current fourth position.

3.4. Corporate Social Responsibility

As a policy, TNPL spends approximately 3% of the profit earned after tax every year for Corporate Social Responsibility activities under various heads namely Education, Health, Infrastructure, Economic Development, Environment, Water Supply and Promotion of Culture and Heritage. TNPL has spent Rs.3.27 Crores during the year 2013-14 for community welfare measures.

3.5. Awards

1. The Institute of Cost Accountants of India, Kolkatta has selected TNPL for the **National award for**

Excellence in Cost Management 2013.

2. Dun and Bradstreet Information Services, Mumbai has selected TNPL as the **Top Indian company under the sector Paper** for Dun & Bradstreet Corporate Awards 2014. This is the third consecutive year, the award is bestowed on TNPL.
3. TNPL has received “Environmental Best Practices Award 2013” from Confederation of Indian Industry.

4. TAMIL NADU INDUSTRIAL INVESTMENT CORPORATION LIMITED

Tamil Nadu Industrial Investment Corporation (TIIC) is a pioneer among the State Financial Corporations in the country. Incorporated in 1949 under the Companies Act to foster industrial development of Tamil Nadu, it provides financial assistance to Industrial Units and Service Sector Projects. TIIC's focus is on catering to the needs of Micro, Small and Medium Enterprises (MSMEs), especially first generation entrepreneurs in the State. TIIC has so far assisted 1,15,806 units with a cumulative sanction of Rs.11,621.71 crores till 31.03.2014. Micro, Small and Medium Enterprises have availed nearly 90% of the total sanctions given by TIIC. The loan portfolio of the Corporation as on 31.03.2014 stands at Rs.1585.39 crores.

TIIC has been earning profit continuously for 11 years from 2003-04 onwards through the continued support of the State Government and the focused efforts of the employees of the Corporation. TIIC is expected to register a net profit of Rs.31 crores during 2013-14 (upto 31.03.2014). The Government have provided Rs.37.50 crores during 2013-14 for subscribing to the shares of the Neyveli Lignite Corporation Ltd. The Government has issued necessary orders for conversion of the same as share capital.

4.1. Share Capital

The Share Capital of TIIC as on 31.03.2014 is Rs.283.50 crores and the details are as under:

Share holder	Share Capital	
	(Rs. in crores)	Percentage
Government of Tamil Nadu	266.02	93.84
Small Industrial Development Bank of India (SIDBI)	17.00	6.00
Government of Puducherry	0.15	0.05
Insurance Companies, Banks including Co-operative Banks	0.33	0.11
Total	283.50	100.00

4.2. Schemes

Some of the schemes operated by TIIC to fulfill the divergent needs/requirements of the industries are General Term Loan for starting up of new units and expansion of existing units, NEEDS Scheme formulated by the State Government, Entrepreneurs

Development Scheme, Wind Power Projects, Micro/Small Enterprises Fund Scheme, Bill Finance Scheme for TANGEDCO & TANTRANSCO / TWAD / TNPL Vendors & Contractors, Working Capital Term Loan for manufacturing units/for certain Service Sector units. The Schemes are as follows: -

4.2.1. General Term Loan

Financial assistance for new projects or for expansion, modernization and diversification of existing units both in manufacturing and service sectors are considered under the scheme.

Assistance will be through Term Loan upto Rs.30 crores for Private/ Public Limited companies and upto Rs.15 crores for proprietary/ partnership concerns. Promoters contribution will be 33.33% of the project cost. Based on the type of project, repayment

period can be extended upto 7 years excluding moratorium period for principal from 6 months to 2 years.

4.2.2.New Entrepreneur cum Enterprise Development Scheme (NEEDS)

TIIC has an active role to play in the implementation of the newly formulated **NEEDS** scheme of the State Government for assisting educated youth to become first generation entrepreneurs. Under the Scheme, State Government will provide capital subsidy of 25% of the project cost which shall not exceed Rs.1.00 crore subject to a maximum of Rs.25 lakhs. Besides a 3% interest subvention is also extended to the entrepreneurs on the loan availed for the project.

4.2.3. Entrepreneurs Development Scheme

As a part of its commitment to social obligations, TIIC has introduced a "Entrepreneur Development Scheme" aimed at promoting new generation of entrepreneurs especially from economically and socially disadvantaged backgrounds who are unable to offer required collateral security. Under the scheme, loan upto Rs.5.00 lakhs is rendered at a lesser promoter's contribution of 10% without collateral security but backed by one/two guarantors satisfying the norms.

4.2.4. Transport Operators Scheme

Financial assistance is extended for purchase of transport vehicles that are registered as public carriers with promoters contribution ranging from 15% to 30%.

4.2.5. Equipment Finance Scheme

The scheme will facilitate existing industrial units with good track record to purchase capital goods/equipment. The promoters contribution under The scheme is minimum 15% of the cost of capital goods / equipments acquired. This would be advantageous to the entrepreneur.

4.2.6. Generator Loan Scheme

The scheme is extended to MSME units for purchase of generator sets. Since 07.12.2012 the promoters contribution has been reduced from 25% to 10% in compliance of the announcement of the Hon'ble Chief Minister. TIIC has further liberalized the collateral security norms to make the generator loans accessible to entrepreneurs.

4.2.7. Wind Power Projects

The scheme aims to encourage entrepreneurs to set up private wind mills for captive consumption of renewable energy as well as for selling power to TANGEDCO & TANTRANSCO. The assistance will be extended towards cost of land, equipment, electricals, erection and commissioning etc.

4.2.8. Working Capital Term Loan for Manufacturing units / Rice Mill Units

The scheme aims to extend financial assistance to the existing assisted and non assisted manufacturing units including modern rice mill units to meet their working capital needs. The Scheme is well received by the manufacturing units and rice mills and is being implemented successfully. The maximum financial assistance under the scheme is Rs.1.50 crore. The Working Capital

Term Loan is generally repayable in 36 monthly instalments.

4.2.9. Bill Financing Scheme

TIIC has entered into MoUs with TANGEDCO & TANTRANSCO and TNPL for offering bill discounting facilities to MSME suppliers/contractors of TANGEDCO & TANTRANSCO / TNPL. It is also offering discounting facilities to TWAD MSME contractors against their bills for contract works executed partly / fully for TWAD. The loan is offered without any collateral security.

4.3. Subsidy

TIIC is also functioning as an operating agency for various State/ Central Government incentives for promoting industries in Tamilnadu as under:

4.3.1. Government of Tamil Nadu Subsidies

(i) Backward areas subsidy and Specific Thrust Sectors subsidy

25% on Plant & Machinery subject to a maximum of Rs.30 lakhs. It is available for subsequent expansions provided there is 25% increase in cost of Plant & Machinery and 25% increase in the average turnover of last 3 years after expansion. The Corporation has disbursed Rs.16.92 crores as State Capital subsidy during the year 2013-14.

(ii) Subsidy under NEEDS

Under the NEEDS Scheme, the Corporation has disbursed a sum of Rs.314.58 lakhs for the year 2013-14 (upto 31.03.2014) as subsidy towards capital subsidy.

(iii) Generator Subsidy

25% for the purchase of Genset upto 320 KVA, subject to a maximum of Rs.5 lakhs per unit. The Corporation has disbursed Rs.120 lakhs as generator subsidy for the year 2013-14.

(iv) 3% interest subvention for loans availed from TIIC by MSME units during 2013-14

On account of the Government of Tamilnadu Scheme for 3% interest subvention, loans from TIIC are available to MSMEs with effect from 03.09.2012. Since 03.09.2012, 2299 units to whom loans to the tune of Rs.978.36 crores were sanctioned have benefited from this interest subvention scheme as on 31.03.2014. Due to this interest rates for new loans from TIIC have

reduced from 14.25% - 15.25% to 11.25% - 12.25%.

4.3.2. Central Government Subsidies

(i) Credit linked Capital Subsidy (CLCS)

15% on the eligible Plant & Machinery subject to a maximum of Rs.15 lakhs per unit.

(ii) Textile Upgradation Fund Subsidy (TUF)

a. Interest Subsidy

- 2% for stand alone spinning mills
- 5% interest subsidy & 10% capital subsidy for other textile sector including textile processing.
- 6% interest subsidy and 10% capital subsidy for weaving units with new shuttleless loom.
- It is available for MSME and Non-MSME units.

**b. Margin Money Assistance Subsidy
(Capital Subsidy)**

- 15% / 30% depending upon the machines installed available for Micro / Small Manufacturing Enterprises upto an investment limit of Rs.5 crores subject to a maximum of Rs.1.50 crores.

(iii) Food processing Industries Subsidy

- 25% on the eligible investment subject to a maximum of Rs.50 lakhs per unit.

During the current Financial Year, TIIC has drawn and disbursed Rs.10.56 crores (as on 31.03.2014) to the beneficiaries as subsidy under Credit Linked Capital Subsidy (CLCS) scheme and Rs.1.45 crores (as on 31.03.2014) under TUF Scheme from Government of India.

4.4. Insurance

The Corporation has ventured into insurance business over the past 3 years. Through insurance business, it has earned an income of Rs.10.85 lakhs in the current year (2013-14).

4.5. TIIC – Empowering Entrepreneurs

Despite the stiff competition from Commercial Banks, TIIC continues to be the preferred institution for first generation entrepreneurs, people from rural backgrounds and others with little social support on account of its transparent functioning, long repayment period, quick service and providing loan besides eligible subsidy under one roof.

4.5.1. Achievements

The performance of the Corporation in the various areas of operations viz. sanction,

disbursement and collection from May 2011 upto 31.03.2014 is as under:

(Rs.in crores)

Area of operation	11.05.2011– 31.03.2014
Sanction (including Bill Finance Scheme)	2973.22
Disbursement	2480.36
Collection	2742.11

4.5.2.Performance - Financial Year 2013-14

(Rs. in crores)

Particulars	Target 2013-14	Achievement 2013-14 Upto 31.03.2014	Achieved during 2012-13
Sanction	1165	1236.87	972.53
Disbursement	1001	1021.64	790.19
Collection	950	1106.91	904.11

During 2013-14, 60% of the total financial assistance was given by the Corporation to Engineering / Auto

Components, Textiles and Food Processing Sectors.

4.5.3.Action Plan for the year 2014-15 and 2015-16

(Rs. in crores)

Year	Sanction	Disbursement	Collection
2014-15	1400	1150	1260
2015-16	1600	1300	1375

5. TAMIL NADU CEMENTS CORPORATION LIMITED

Tamil Nadu Cements Corporation Limited (TANCEM) was incorporated on 11th February 1976 as a fully owned subsidiary of Tamil Nadu Industrial Development Corporation Limited (TIDCO). Subsequently, TANCEM became a Government company consequent to the transfer of shares held by TIDCO in favour of Government of Tamilnadu with effect from 1994.

5.1. TANCEM has the following units

1. Alangulam Cement Unit, Alangulam, Virudhunagar District.
2. Ariyalur Cement Unit, Ariyalur, Ariyalur District.
3. Tamilnadu Asbestos (Sheet) Unit, Alangulam, Virudhunagar District.

4. Stoneware Pipe Factory,
Vridhachalam, Cuddalore District.

TANCEM is producing and selling cement and allied products through these plants. The Annual turnover of TANCEM is about Rs.250 crore. TANCEM has been using limestone from various mines on behalf of the Government of Tamil Nadu for the production of Cement. Cement is supplied primarily to meet the requirements of various Government Departments, particularly, Rural Development and Panchayat Raj Department, Tamil Nadu Electricity Board, Education Department, Co-operative Department etc. at concessional price. TANCEM also provides sustainable direct and indirect employment opportunities in backward districts like Virudhunagar and Ariyalur.

Apart from this, TANCEM also plays a vital role in the procurement of cement from private manufacturers through tender for the Rural Development and Panchayat Raj Departments and coordinating for prompt supply of Cement to various Blocks of District Rural Development Agency for the implementation of rural development schemes.

5.2. Alangulam Cement Unit

TIDCO installed a cement plant in 1969 at Alangulam with a capacity of 4 lakh tons per annum in Wet process technology. When TANCEM was established in 1976, it took over the Alangulam Cement plant from TIDCO. Its present capacity is 2 lakh MT per annum due to stoppage of one kiln since 2003. Due to the adoption of Wet process technology, the cost of production is increasing and hence the

unit is incurring loss for the past 20 years. Presently, 215 employees are working in the plant as on 01.06.2014.

5.3. Ariyalur Cement Unit

TANCEM has established a second cement plant with Dry process technology at Ariyalur during 1979 with an installed capacity of 5 lakh MT per annum. Presently 276 employees are working in the plant as on 01.06.2014.

5.4. Tamil Nadu Asbestos (Sheet), Alangulam

TANCEM has set up an Asbestos sheet unit at Alangulam during 1981. Its present capacity is 28,800 tons. The unit's main raw materials are Asbestos fibre and cement. Presently 93 employees are working in the plant as on 01.06.2014.

5.5. Stoneware Pipe Factory, Vridhachalam

TANCEM took over the Stoneware Pipe Factory from TACEL in 1989 on the directions of the Government. The capacity of the plant is 5400 MT per annum. Presently 14 employees are working in the plant as on 01.06.2014.

5.6. Marketing Activities of Tamil Nadu Cements Corporation Limited

5.6.1. Details of cement supplied by TANCEM to DRDA and cement procured from Private Cement Manufacturers and supplied to DRDA

The Annual cement requirement to meet the Rural Development Programmes of the Government being carried out by DRDA is around 13 lakh tons. TANCEM is supplying around 4 lakh tons of cement per annum at the rate fixed by the Government and

procures cement from Private Cement Manufacturers to meet the balance requirement at lower cost through tender.

The cement supplied from the year 2011-12 to 2013-14 to DRDA is as follows:

(in tons)

Year	Total
2011-12	6,22,848
2012-13	16,47,474
2013-14	11,87,821

5.6.2. Details of direct sale of cement to Government Departments and to the Government Department contractors at lesser rate

TANCEM is supplying cement to the Government Departments at the rate fixed by the Government annually and also supplying

at PWD schedule of rates to their contractors who undertake projects on turnkey basis.

(in tons)

Year	TANCEM supply
2011-12	62,128
2012-13	51,910
2013-14	25,601

5.6.3. Sale of cement by TANCEM in the open market

To benefit the general public in the State, TANCEM is selling cement produced in its units at Ariyalur and Alangulam at a lesser price in the open market through stockists. These measures act as check and balance to contain the cement price.

(in tons)

Year	TANCEM supply
2011-12	22,381
2012-13	1,12,464
2013-14	1,80,499

TANCEM is taking action for further increase of the sale of TANCEM cement in the open market at an affordable rate to the general public.

5.7. Achievements

5.7.1.Welfare Measures at Alangulam and Ariyalur Cement Units

An Ambulance van at a cost of Rs.7.00 lakhs for Ariyalur Cement Unit and another one at a cost of Rs.7.50 lakhs for Alangulam Cement Unit totally at a cost of Rs.14.50 lakhs for 2 Ambulance Vans and 2 Nos. of Jeeps at a cost of Rs.10.70 lakhs for the usage of Employees at Alangulam and Ariyalur Cement Units have been distributed by the Hon'ble Chief Minister on 30.01.2013.

5.7.2. Distribution of Bonus

As per the guidelines of Government, 20% Bonus at Rs.63.33 lakhs for 754 employees in the year 2011-12 and Rs.54.45 lakhs for 695 employees in the year 2012-13 has been distributed.

5.8. Action plan for the current year 2014-15 and 2015-16

5.8.1. Energy Fuel Conservation

Order has been released for the installation of two additional Belt Bucket Elevator systems at a cost of Rs.2 crores to convey the raw material at Ariyalur Cement Unit in lieu of the existing power intensive pneumatic conveying systems. The work is in progress.

5.8.2. Environmental Management

- (i) Orders have been issued to replace the two Kiln ESPs with Reverse Air Bag House for a value of Rs.16.11 crore at Ariyalur Cement Unit.

- (ii) To ensure the exact weighment of cement bags, TANCEM is installing the Electronic Rotary Packer at Alangulam Cement Unit on its own cost through tender. The installation work is being carried out and the Electronic Rotary Packer will be put into operation shortly.

6. TAMILNADU SALT CORPORATION LIMITED

Tamil Nadu is the second largest salt producing state next to Gujarat state. In India around 245 lakh tons of salt is produced per annum. Tamil Nadu has contributed around 11% i.e. 26 lakhs tons on the total salt production of India. In India, Tamil Nadu Salt Corporation (TNSC) is the only State Government owned company in producing salt.

The Corporation was established in 1974 by allotting 5520 acres of land, on long lease basis, at Valinokkam village, in Kadaladi Taluk, Ramanathapuram District for salt production with a view to develop the backward area by providing employment opportunities to the local people and to avoid migration of the local people to other districts

for searching of job. The corporation is providing employment opportunity to about 1350 workers belonging to the surrounding 15 villages of Valinokkam.

6.1. Mission

To give impetus to develop the backward region of Ramanathapuram District, for creating and providing employment opportunities for the weaker segments of the society for upliftment of the socio economic condition of the region, to exploit the potential resources of the sea for the production of salt, salt based by products and Marine chemicals, to control and eliminate the commonly prevailing micronutrient deficiencies like Iron and Iodine disorders among the school going children, women and other general population by the

supplementation of Iron and Iodine through Iodised and Double Fortified salt.

6.2. Activities

6.2.1. Launching of “Amma” Salt in the open market

As announced by the Hon'ble Chief Minister, the sale of three kinds of salt namely “Amma” Refined Free Flow Iodised Salt, “Amma” Double Fortified Salt and “Amma” Low Sodium Salt produced by Tamil Nadu Salt Corporation in the open market was introduced by the Hon'ble Chief Minister of Tamil Nadu on 11.06.2014. The above said three kinds of “Amma” salt are sold in the open market at Rs.10/- Rs.14/- & Rs.21/- per kg respectively. The above said three kinds of salt produced by private manufacturers are sold at higher prices in the open market under which circumstances the

above said three kinds of “Amma” salt are sold at cheaper prices in the open market.

6.2.2. Production of Industrial Grade Salt

TNSC is manufacturing around 1.75 lakh tons of good quality Industrial grade salt per annum. The quality of the salt produced by the Corporation is well accepted by the Chlor Alkali Industries in the neighbouring states. Further, there is tremendous market potential for our Industrial Grade salt.

The Chlor Alkali Industries like M/s.Tuticorin Alkali Chemicals, M/s. Dharanga Dhara Chemical Works, Arumuganeri in Tuticorin District, M/s. Shree Rayalaseema Alkalies and Allied Chemicals, Kurnool in Andhra Pradesh, M/s. Travancore Cochin Chemicals, Cochin in Kerala State, M/s. Tamil Nadu Petro Products, Manali near Chennai, M/s. Chemplast Sanmar Limited

Mettur and M/s. Chemfab Alkali Limited in Pondicherry are using the Industrial Grade Salt manufactured by Tamil Nadu Salt Corporation Limited.

6.2.3. Fortified Salt

TNSC had initially produced only Industrial Grade Salt. Later the Corporation had expanded its activity over a period of time to produce Iodised salt, Double Fortified (iron and iodine) Salt (Crystal Form) and Double Fortified (iron and iodine) Salt (Free Flow Form). TNSC is pioneer in the production of Iron Fortified salt by installing required plant and machinery in 1987 for the production of Iron Fortified salt. At present, TNSC supplying Fortified salt to the States of Tamil Nadu, Kerala and Karnataka under PDS / Mid Day Meal schemes for the benefit of the common public and school going children.

The possibilities are more to supply the Fortified salt to the other states particularly North Eastern States during the current year.

6.2.4. Iron Fortified Salt

TNSC has been co-ordinating with Health Department, Government of Tamil Nadu for the past 22 years in implementing the Health Programme like eliminating Iron deficiency disorders among the school going children.

Since 1991, TNSC has been producing Double Fortified Salt as per the formula developed by National Institute of Nutrition, Hyderabad and supplying Double Fortified salt to Noon meal Programme of Government of Tamil Nadu. Initially as per the Government decision, Double Fortified Salt was supplied by TNSC to the anemia prone districts of Dharmapuri, Krishnagiri, Trichy, Perambalur,

Ariyalur, Salem and the Nilgiris. Subsequently, the scheme was successfully expanded to the rest of the districts of Tamil Nadu also.

6.2.5. Iodised Salt

TNSC obtained Government orders for the distribution of Iodised Salt as an essential commodity through Public Distribution System (PDS) for the benefit of the common public. Accordingly, since 1998, TNSC has been supplying Iodised Salt to every nook and corner of the state including hilly stations. By distributing Iodised Salt through PDS at an affordable price, it has been made a tremendous change in the percentage of consumption of Iodised Salt among the population of below the poverty line people.

The following diseases are caused for deficiency of Iodine. These diseases can be controlled by using Iodised Salt.

- (i) Goitre
- (ii) Mental retardation
- (iii) Learning Disability
- (iv) Impaired mental function
- (v) Retarded physical development
- (vi) Abortion
- (vii) Stillbirth
- (viii) Deaf and mutism
- (ix) Hypothyroidism

At the time of introduction of Iodised salt during the 1997-98. TNSC was able to distribute around 3000 tons of Iodised salt per annum through PDS.

Consequent on the awareness programmes undertaken by TNSC on the

consumption of Iodised Salt with the support and assistance of UNICEF, Salt Department, Government of India, District Administration and the Health Department of Government of Tamil Nadu, the sale level of Iodised salt through Public Distribution System was improved step by step and it has been now increased multifold to an extent of 30000 tons per annum.

This year Tamil Nadu Salt Corporation will explore the possibilities to sell the Iodised Salt to all the card holders by awareness creation programmes.

The Crystal and Refined Free Flow Iodised salt are being sold at most affordable price of Rs.3.50 and Rs.6/- per kg respectively. The Iodised salt is being sold at Rs.5/- to Rs.9/- per kg in PDS outlets of our

neighbouring states. Iodised Salt is sold up to Rs.15/- per kg in the open market.

6.2.6.Double Fortified Salt (Crystal and powder Form)

TNSC is the pioneer in the production of Double Fortified salt (Iron and Iodine). TNSC is producing Double Fortified Salt in the following two methods viz.,

- (i) In the production of Double Fortified Salt as per the Formula developed by National Institute of Nutrition, Hyderabad, Food Grade Ferrous Sulphate is used as a nutritive agent.
- (ii) In the production of Double Fortified Salt as per the Formula developed by Micronutrient Initiative, Canada, Encapsulated Ferrous Fumerate is used as nutritive agent.

The Double Fortified Salt is being supplied to the Mid Day Meal scheme of Tamil Nadu and Karnataka. Every year, about 2500 tons of Double Fortified Salt is being supplied to Tamil Nadu and Karnataka for the above said scheme.

Tamil Nadu Salt Corporation has been taken active participation in the "Universal Salt Iodisation programme".

The details of supply of Fortified Salt from 1991 to 2014 are given below:

Sl No.	Name of the Fortified salt	Quantity in tons
1	Iodised salt	4,52,717
2	Iron Fortified salt	20,604
3	Double Fortified salt	22,101
4	Di-Ethyl Carbomizine citrate Fortified salt	11,303
	Total	5,06,725

In view of this, several million people were benefitted by consuming fortified salts.

6.2.7. Production of Bromine

TNSC has entered into a Memorandum of understanding (MOU) with M/s South India Bromine and Allied Chemicals (SIBAC), Tuticorin for the production of bromine by supplying the waste water (Bittern) let out after salt production. Bromine is a bye product of salt. Previously TNSC used to let out the waste water (bittern) to sea itself. Now, as per the arrangement, TNSC is earning income of Rs.8,00,000 to Rs.10,00,000/- per annum. TNSC has so far earned a sum of Rs.64.67 lakhs towards supply of bittern.

6.3. Major Achievements

- (i) For the first time in India, TNSC started producing and supplying Iron Fortified Salt from 1991.
- (ii) Double Fortified salt was introduced in the year 2001
- (iii) TNSC has been distributing crystal iodised salt at the selling price of Rs.3.50 per kg, which is cheapest price in India through the Public Distribution System.
- (iv) **TNSC achieved its highest production of 178675 tons of Industrial grade salt during the year 2012.**
- (v) Annual Salt production has been increased from 1.75 lakhs tons to 3 lakh tons by commencing the production of Industrial Grade Salt in the additional developed area of 2200 acres of land.

6.4. ISO Certified Corporation

TNSC obtained ISO 9001:2008 certificate for Quality Management system for the production and supply of Industrial grade salt and Fortified salts. The corporation has been supplying Iodised salt through PDS network confirming to the ISI standards IS 7224:2006. The Corporation has obtained a certificate from Food Safety Standard Association of India (FSSAI) in 2012 for the quality production of Iodised salt.

6.5. Marketing Activities

TNSC has developed its marketing activities over a period of time. TNSC is distributing its products not only in Tamil Nadu but regained the orders in the year 2011-12 from Andhra, Kerala and Karnataka states for supply of Fortified Salt.

6.6. Research and Development Activities

TNSC is giving at most importance to upgrade the quality of its products by the Research and Development activities. All its products are dispatched only after passing the strict quality control test, for which a well equipped laboratory has been established at MVSC, Valinokkam.

6.6.1. New Laboratory

Now, with the help of GAIN (Global Alliance for Improved Nutrition) TNSC is to set up two modern laboratories, one at Valinokkam and other one at Corporate office, Chennai at an estimate cost of Rs.25 lakhs in order to improve the quality. At the laboratory to be set up at Corporation Office, the finished products of TNSC and the raw material to be required for the production of

Fortified Salt will be tested. With a view to give utmost importance for the quality, necessary training is imported to the employees.

6.6.2. Augmentation of production of crystal Iodised Salt

For augmentation of production of crystal iodised salt, TNSC would install new plant and machineries with the help of Global Alliance for Improved Nutrition (GAIN). The GAIN has given consent to sanction Rs.90 lakhs towards supply and erection of machinery for Crystal Iodised Salt production. By these arrangements, TNSC would be able to produce 3000 MT of Crystal Iodised salt per month.

6.7. Labour Welfare Activities

TNSC has extended various welfare measures like providing RO water, Tea &

Biscuits at their work spot to the workers. Besides, safety items like Sun goggles, gumboots, etc. are also provided to the workers every year to protect them from the hot sun.

TNSC has extended all statutory benefits to its salt workers. TNSC is conducting periodical medical health camps for take care of the health condition of the salt workers.

During the year 2012-13, 5 Nos. of manually operated Reverse Osmosis systems were installed at MVSC Valinokkam for providing good quality of drinking water to the salt workers at the cost of Rs.35 lakhs.

6.8. Corporate Social Responsibility

TNSC is providing major employment to the workers belonging to around 15 villages

in and around Valinokkam. As a part of Corporate Social Responsibility (CSR), TNSC has provided tables and benches to the schools which are situated in the villages in and around the factory in Valinokkam. During the year 2013-14, TNSC has paid a sum of Rs.2 lakhs for conducting a Book fair at Ramanathapuram by the Ramanathapuram District Administration.

7. TAMIL NADU INDUSTRIAL GUIDANCE AND EXPORT PROMOTION BUREAU

Guidance Bureau (Tamil Nadu Industrial Guidance and Export Promotion Bureau) was instituted by Government of Tamil Nadu in January, 1992 with the objective of attracting major industrial projects to the State. Apart from this, Guidance Bureau is mandated to provide Single Window facilitation to large industries, implement ASIDE programme to improve export related infrastructure, etc.

During the last three years, the Guidance Bureau made an effort to attract 68 major investment proposals, out of which MoU has been signed with 33 projects in the presence of the Hon'ble Chief Minister with a total investment of Rs.31,706 crore. Apart from this, 35 companies have come forward to invest Rs.14,896.72 crore through the

single window mechanism facilitated by the Guidance Bureau. During the year 2013-14, Guidance Bureau handled 25 major investment proposals with a total investment of around Rs.10514.85 crores. Guidance took considerable efforts to attract these investment proposals.

7.1. 2013-14 – MoU Projects

7.1.1. MoU's with the following projects have been signed in the presence of the Hon'ble Chief Minister on 21.2.2014.

S. No.	Name of the Company & Product	Location	Investment (Rs. in crores)	Employment (Direct and Indirect)
1	K.P.R. Mill Limited (Spinning Mill)	Coimbatore	600	1000
2	Abirami Amman Mills (Spinning Mill)	Coimbatore	261	450
3	TAPP Semiconductor India Private Limited (semiconductor chips testing and Packaging)	SIPCOT Sriperumpudur Hi Tech SEZ	500	500
4	Unity Appliances Limited (Household Electronic Consumer durables)	SIPCOT Manamadurai	1000	1000
5	BSH Household Appliances Manufacturing (Household appliances)	SIPCOT Pillaipakkam	350	400
6	Hitachi Automotive Systems (India) Private Limited (Automobile components)	Ascendas Industrial Township	350	400

7	Vardhman Life Sciences Private Limited (Bulk drugs and Intermediates)	SIPCOT Cuddalore Industrial Park	300	300
8	KYB Motorcycle Suspension India (Fork assembly wheel assembly)	SIPCOT Vallam Vadagal	221	579
9	HLL Biotech Limited (Vaccines)	Chenglepet	594	500
10	Thai Summit Auto parts India Pvt Ltd (Sheet metal parts)	SIPCOT Vallam Vadagal	121	794
11	Yamaha Motor Electronics India Pvt Ltd (Stator, starter and rotor for 2- wheelers)	SIPCOT Vallam Vadagal	123	600
12	Kyowa Castec India Ltd (Aluminium die- castings)	SIPCOT Vallam Vadagal	120	250
13	Sakura Auto parts Pvt Ltd (Muffler assembly)	SIPCOT Vallam Vadagal	107	689
14	Johoku Manufacturing Pvt Ltd (Auto parts)	SIPCOT Vallam Vadagal	102	470
15	Koyama Precision Works India Pvt Ltd (Axles and Gears)	SIPCOT Vallam Vadagal	100	100
16	BASF Catalysts (India) Private Limited (Automotive Emission Control Catalysts)	Mahindra World City		300
Total			5081	8332

7.1.2. Old MoU projects additional investment and employment in 2013-14

S. No	Name of the Company & Product	Location	Investment (Rs. in crores)	Employment (Direct and Indirect)
17	M/s. Renault Nissan Automotive India Private Limited - Expansion (Cars)	SIPCOT Oragadam	4500	4432
18	M/s. Daimler India – Expansion (Busses and Chassis)	SIPCOT Oragadam	296.3	3000
	Total		4796.3	7432

7.1.3. Non MoU projects handled by Guidance Bureau through single window facilitation in 2013-14

S. No	Name of the Company & Product	Location	Investment (Rs. in crores)	Employment (Direct and Indirect)
19	M/s. Apex Laboratories Pvt Ltd (Tablets, Capsules & Topicals)	SIDCO Pharma Complex, Thiruporur	45.00	50
20	M/s. SICGILSOL India (Industrial & Medical Gases)	SIPCOT Ranipet	74.36	35
21	M/s. Bosch Limited (Automobile Components)	SIPCOT Gangaikondan	76.41	168
22	M/s. Titan Company Limited (Case manufacturing unit)	Kallapalayam Village, Coimbatore	60.20	650
23	M/s. Wrightbus India (Bus body)	SIPCOT Oragadam (Daimler site)	43.97	1998

S. No	Name of the Company & Product	Location	Investment (Rs. in crores)	Employ-ment (Direct and Indirect)
24	M/s. Komatsu India Pvt Ltd – Expansion (Construction equipment)	SIPCOT Oragadam	242.49	827
25	Hi-Lex India Pvt Ltd PKB, MT, Body cable, Brake	SIPCOT Pillai-pakkam	95.12	783
	Total		637.55	4511

7.1.4. Investments attracted and handled by Guidance Bureau during 2013-14

Sl. No.	Details	No. of Projects	Investments (Rs. in crores)	Employment
1.	MoU Projects	16	5081	16,282
2.	Under single window Felicitation – non MoU projects	9	5433.85	11,943
	Total	25	10514.85	28,225

7.2. ASIDE (Assistance to States for Infrastructure Development for Exports and Allied Activities)

Guidance Bureau – Member Secretary of the State Level Export Promotion Committee (SLEPC) on ASIDE, compiled the agenda and placed it before the Fourteenth meeting of the SLEPC on 21st November 2013. SLEPC sanctioned financial assistance to the tune of **Rs.22 crores for 2 project proposals** and recommended the same to be included in the basket of projects already submitted to GoI.

7.3. Joint Working Committee meetings

The Japanese Consulate in Chennai had proposed that a Joint Working Committee may be constituted under the Chairmanship of Chief Secretary to discuss various issues of interest to Japanese investors. Accordingly, Government, vide G.O. Ms. No.15, Industries

(MIB.2) Department, dated 9th January 2012 had constituted a Joint Working Committee. So far, three meetings of this JWC have also been held.

7.4. Ennore Port Monitoring Committee meetings

During the year 2013-14, Industries Department have convened several meetings of Ennore Port Monitoring Committee for monitoring the progress of works – connectivity to Toshiba site. The last meeting of this Committee was held on 26th June 2014.

8. TAMIL NADU MAGNESITE LIMITED

TANMAG Mines are situated in Salem District at the foot hills of Shervaroy's hills also known as Chalk block hills in Kurumbapatti reserve forest area of Shervaroys South Forest Range, Salem Forest Division over an area of 96.34 hectares (238 acres). The Mines which were operated by the Salem Magnesite Private Limited was cancelled on 28.11.1978 and taken over by the Tamilnadu Magnesite Limited on 17.01.1979 to operate the above mines as "Arasu Magnesite Mines".

Tamil Nadu Magnesite Limited (TANMAG) is a Public Sector Undertaking started on 6.2.1979. It is an ISO 9001-2008 (Quality Management System) and ISO

14001-2004 (Environment Management System) Certified Company.

The Magnesite Mineral (Magnesium Carbonate ($MgCO_3$)) is a precious ore available in limited places in India. 70% of Ore Reserve is available in Tamilnadu, particularly in Salem District.

In order to preserve the rare mineral, TANMAG is operating the Mines over an area of 96.34 hectares (238 acres) as Open Cast Mines.

8.1. Mines Division

The Raw Magnesite extracted from the Mines at an annual estimated production of 1,20,000 tons is used for producing Dead Burnt Magnesite (DBM) at the Rotary Kiln Division (RKD) and Lightly Calcined Magnesite at the Shaft Kiln Division (SKD) of TANMAG.

8.2. Rotary Kiln Division (RKD)

The total Production capacity of Rotary Kiln Division is 30,000 tons per annum.

Dead Burnt Magnesite (DBM) is used for manufacturing Refractory Bricks and for Monolithics required for Steel industries.

8.3. Shaft Kiln Division (SKD)

The total production capacity of Shaft Kiln Division is 17,000 tons per annum.

Lightly Calcined Magnesite (LCM) is used for manufacturing Chakki Stones which is used for flour grinding, magnesite chemicals, animal feeds, for making polish stones used for granite polishing, rayon and in paper industries.

8.4. Achievements

TANMAG started earning profit continuously from the year 2004-05. During

the year 2012-13, the company sold 37,693 tons of finished magnesite products and achieved the highest turn over of Rs.88.06 Crores which has not been achieved by the Company since its inception and earned a profit before tax of Rs.13.04 Crores.

While mining Magnesite, Dunite is obtained as a Secondary Mineral. The main ingredient of Dunite is Magnesium silicate. During the year 2012-13, TANMAG has sold 61,491 tons of Dunite.

During 2013-14, the company sold 38,207 tons of Magnesite products achieving Rs.92.37 crores of turnover and profit of Rs.13.85 crores before tax.

8.5. Plan of Action for the years 2014-15

The production and sales targets for the year 2014-2015 are as follows: -

Particulars	Production (in tons)	Sales (in tons)	Revenue Target (Rs. in lakhs)
Raw Magnesite	1,20,000	1,20,000	--
Dead Burnt Magnesite	30,000	30,000	6445.35
Lightly Calcined Magnesite	17,000	17,000	4055.00

9. TAMIL NADU INDUSTRIAL EXPLOSIVES LIMITED

Tamil Nadu Industrial Explosives Limited was established by Government of Tamil Nadu during the year 1983 and commenced commercial production during 1986. The investments were made by Government of Tamil Nadu, Financial Institutions and general public by the way of shares. The present share capital of the Tamil Nadu Industrial Explosives Limited is Rs.22.14 Crores (82.14%) from the Government of Tamil Nadu, Rs.1.99 Crores (7.42%) from IDBI & IFCI, Rs.2.66 Crores (9.86%) from general public, Rs.2.87 Lakhs (0.11%) from employees and Rs.12.90 Lakhs (0.47%) from NRI's.

The company is located on the small hills of Christianpet village near Katpadi in 700 acres forest land with various

infrastructures for production of a variety of explosives and its accessories. Initially, the company produced Nitro Glycerine based explosives and earned good profit. The various units like Detonator, Detonating Fuse, Slurry, and Emulsion & MMAN were commissioned later.

The year wise commencement of these various units are as follows:

Name of the Plant	Year	Capacity per annum
Detonators	1988	45 Million Nos
Detonating Fuse	1988	12 Million Mtrs
Slurry	1992	10000 tons
Emulsion	2004	9000 tons
Mono Methyl Amine Nitrate (MMAN)	2007	6000 tons

The company was earning profit till 2002-2003. During the year 2004, the Nitro-Glycerine was banned by Government of

India. After that the company suffered severe setback in production of explosives. The market did not favour the products other than the NG Explosives.

9.1. Vision

To produce quality explosives and accessories used in the mineral exploration, oil exploration and other infrastructure work such as well digging, tunnelling, etc.

9.2. Mission

1. To promote industrialization in Vellore District.
2. To provide employment to the local people in Vellore District and to develop Economically & Industrially Backward Area.

9.3. Explosive Production

Tamil Nadu Industrial Explosives Limited at present produces the following products:

Sl.No	Product	Applications
1	Emulsion Explosives	Used in well digging, quarrying & rock blasting
2	Slurry Explosives	Open cast mining purpose
3	Detonators	As an accessory for igniting explosives
4	Detonating Fuse	As an accessory for igniting explosives
5	Mono Methyl Amine Nitrate (MMAN)	Used as a base chemical in the manufacture of explosives in foreign countries.

9.4. Improvements Achieved in Production Divisions

The company's five production divisions are 1) MMAN, 2) Emulsion Explosive, 3) Slurry, 4) Detonators & 5) Detonating Fuse.

The division wise improvements and achievements are detailed below: -

9.4.1. MMAN

Mono Methyl Amine Nitrate solution (MMAN) is a unique product which is being manufactured by only two companies in India namely M/s KELTEK, Karnataka and TNIEL. The MMAN is used for our captive consumption to produce seismic explosives to ONGC. Now the company is taking all out efforts to get orders from ONGC. Further to our captive consumption MMAN is being exported to Australia, Turkey, Angola and Bolivia. As on date in the current year, the company achieved the production of 1100 tons against the production of 440 tons achieved during the corresponding period in the previous year and we have so far

exported 1000 tons of MMAN in this year earning Rs.621.00 Lakhs.

9.4.2. Emulsion

This division's product Powertel-90 is supplied to private sector and other products such as Powertel-1, Powertel-5 and Powertel-80 are supplied to organized sector companies such as SCCL, UCIL & HCL. Through cost reduction measures, low cost compositions were developed and implemented. This division as on date in this year produced 3245 M.T of explosives against the production of 2723 M.T achieved during the corresponding period in the previous year.

9.4.3. Slurry

The products of this division are 1) Telprime-83/125mm, 2) Telgel-83/125mm and Telprime CPT. The price of one of the

prime raw materials, namely Guargum escalated to a very high rate in the year 2013 and affected the production level of this division. However other alternative input material as identified for the same and the production level is gradually being increased. This division has so far manufactured 710 tons of explosives against the production of 587 tons achieved during the corresponding period in the previous year.

9.4.4. Detonators

This division is highly manpower oriented. Due to sustained efforts and motivation of employees now, the productivity per head increased from 1500 Nos. per day to 2100 Nos. per day. This division has so far manufactured 257.32 Lakh Nos of detonators against the production of

238.76 Lakh Nos achieved during the corresponding period in the previous year.

9.4.5. Detonating Fuse

Detonating Fuse is the product manufactured by this division and it is mainly consumed by underground mines. As of now due to poor market requirement, the production activities are sluggish. However, constant efforts are being taken to revive the market and maximum utilization of the production capacity. This division has so far manufactured 22.90 Lakh Mtrs of Detonating Fuse against the production of 9.78 Lakh Mtrs. achieved during the corresponding period in the previous year.

9.5. Financial Performance

Due to the initial problems, the company was suffering loss from 1986 to 1993 and was referred to BIFR. After BIFR

approved rehabilitation schemes during 1992, the company improved its operations and earned profit from 1993-94 to 2002-03. On 01.01.2004 the Government of India suddenly banned the production and sales of the profitable product viz. Nitro Glycerine based explosives pushing the company to loss position from the year 2003-04. Even though the company introduced alternate products like Emulsion, MMAN for its profitable NG explosives, its performance did not improve resulting continuous losses till date.

The company has been constantly exploring the possibilities of increasing market share and also reducing the cost of production and the efforts started yielding fruits. In the current year, the company got a major order worth Rs.23 crores from

SCCL-Singereni Collieries. The sale in the local market is satisfactory.

The proposed wood fired boiler commissioning is also expected shortly, which will help the company to reduce the cost of production. For the financial year, 2014-15 the company is expecting a turnover of Rs.72 crores and will also achieve break-even.

9.6. Export of Explosives

TEL has been exporting its explosives products from 1998 onwards to the following countries.

- 1) Turkey
- 2) Angola
- 3) Philippines
- 4) Singapore
- 5) Ethiopia
- 6) Australia &
- 7) Bolivia

The current level of export is Rs.9.72 Crores. In order to improve the exports, the company has been extending invitations to new foreign customers.

9.7. Performance of TNIEL

(Rs. in crores)

Year	2012-13 (Actual)	2013-14 (Provisional)	2014-15 (Estimated)
Total Turnover	34.10	42.68	72.00
Net Profit/Loss	(-) 18.78	(-) 8.46	(+) 1.46

The loss of the company is expected to reduce to Rs.8.46 crores during 2013-14. However by making effort, the company will be able to break even in the year 2014-15.

The company at present has the following liabilities:

Sl.No	Description	Loan Amount
1	IOB-Vandaranthangal, Vellore CC Limit	Rs.5.00 crores
2	TN Government Interest Free Loan, VRS Loan, Ways & Means advance including accumulated interest as on 31.03.2013.	Rs.97.42 crores

9.8. VRS Scheme

This scheme was introduced by the Government to reduce cost of production. Through the VRS scheme, 48 Nos. of Officers, 75Nos. of Staff and 300 Nos. of Workmen had opted for VRS and left the organization. The company had spent about Rs.24.37 crores by getting Rs.22.09 crores loan from TN Govt.and Rs.2.28 crores from its own funds. At present, there are 27 No of Officers, 72 No of Staff and 304 No of Workmen

(Total No.403) working in the company and the salary component comes to 40% of the total turnover at present. The company is exploring the possibility to increase the total turnover and bring down the salary cost to 20 to 25% of the turnover and therefore the turnover target for the year 2014-15 has been fixed at Rs.72 crores and average monthly sales turnover target fixed at Rs.6 crores.

9.9. Labour Welfare Industrial Relations & Safety

The safety of the workers is the prime concern and therefore safety is given top most priority. Periodical medical checkup and stress management programmes are conducted for all the employees. During 2013-14, TEL got State Safety Award Scheme-II & III Second Prize from the

Directorate of Industrial Safety & Health,
Government of Tamil Nadu.

9.10. Research and Development

The R & D activities is one of the important work of TEL .The following developments have been successful in this regard through our R&D effort in the current year.

- (i) Usage of Common Salt @3% in place of costly Ammonium Nitrate in the production of Emulsion Explosives resulting in the savings in cost of production by Rs.800/- per ton and Annual savings by Rs.24 Lakhs.
- (ii) Usage of Sodium Mono Oleate (SMO) in place of the costly Moleson resulting in savings in cost of production of Emulsion Explosives of Rs.1300/- per ton and Annual Savings of Rs.39 Lakhs.

- (iii) Usage of 1.5mm Copper Wire in place of 1.75mm Copper Wire resulting in the cost savings by Rs.10 Lakhs per Annum.

TEL hopes to put more effort in the R&D so as to save considerable expenditure in the years to come.

9.11. Export

The achievement in the export during 2012-13 & 2013-14 was Rs.8.89 Crores and Rs.9.72 crores respectively. However taking into the current demand, the TEL is exploring all possible ways to export the products to the maximum level. TEL proposes to appoint Export Agents Region wise including the export market. The target for export for 2014-15 is Rs.15 crores.

10. TAMIL NADU MINERALS LIMITED

Minerals are finite and exhaustible and therefore, TAMIN's endeavour is to exploit prudently the available natural resources and market the minerals profitably. The main objective is production and marketing of granite raw blocks, granite finished products, major minerals and mineral based products. Large deposits of black, colour granite blocks and Major Minerals like Graphite, Quartz, Feldspar, Limestone, Silica Sand and Vermiculite are being exploited by adopting scientific mining and are marketed through fair trade practices as value added products.

10.1. Vision

Aspire to be top in the minerals sector for value creation and conservation of natural minerals on a scientific basis.

10.2. Mission

- Continuous search for new mineral deposits
- Continuous updation of technology in safe mining operations, quality control measures and mineral processing and marketing.
- Export of granites and minerals with value addition for earning foreign exchange for the State and the Country.
- Generate gainful employment to people in rural and backward areas by the development of quarries and mines and offering opportunities to qualified technicians in the manufacture of value added quality products.

- Sustainable development of Quarries and Mines and recovery of maximum useful granite and other minerals.

10.3. Lease Details

TAMIN is having 146 leases for an extent of 2066.58.60 hectares

SI. No	Minerals	No. of Leases	Extent (in Hects)
1	Black Granite	74	920.52.90
2	Colour Granite	54	821.11.50
3	Major Minerals	18	324.94.20
	Total	146	2066.58.60

10.4. Significant Initiatives taken during 2013-2014

- TAMIN initiated action to fetch higher export orders by which Rs.45.43 crores worth of Dimensional Granite blocks, slabs & Tiles from factories were exported after a long gap.

- (ii) By engaging modern machineries, the production of Black Granite has been increased from average of 1338 cu.m. per month in 2012-13 to 1978 cu.m.per month in 2013-14 and has resulted in the highest ever production in Black Granite of 23733 cu.m.

- (iii) In Sivaganga Graphite Mine, two pits are being operated. In 2012-13, the Graphite ore production was 67959 tons. By additional production of about 19000 tons of ore during 2013-14, the production increased to 87353 tons which is the highest record.

- (iv) To cater to the additional demand of raw sand, one new pit has been developed at Mudaliyarkuppam Silica Sand mine by which the production increased from 4212 tons in 2012-13 to 7500 tons in 2013-14.

10.5. Formation of Mine Audit Committee

In order to maintain proper accounting of granite blocks produced in the quarries, and to keep strict vigil over the mining activities, a Mine Audit Committee has been constituted. The team consists of Geologists, Mine Engineers, Mine Surveyor and a retired external expert from Geological Survey of India. The team will audit each mine on a scientific basis at periodical intervals.

10.6. Quarry Management System Software

- (i) For effective monitoring of quarry / factory, an exclusive software has been developed namely "Quarry Management System". In this software, the details such as size & volume of primary cutting from mother rock, (Volume extricated), volume of dummy number

blocks extricated from the above and conversion into dressed blocks (finished blocks) are being recorded in each quarry on daily basis for proper accounting control and monitoring of the mining activities.

(ii) Moreover, Proforma invoice, Release order, Despatch instructions, Delivery challan, invoice, etc. are being generated automatically through this software.

(iii) Digital photos of each block can be viewed in this software. This software will help to enhance the efficiency of the control system in TAMIN.

(iv) The performance of man power, machinery, vehicles and quality of services provided to the buyers are monitored on daily basis.

10.7. Management of Mines and Quarries

TAMIN has always been carrying out quarry operations in a systematic and scientific manner by adopting modern techniques with State of the art mining machineries in all its mines to protect the environment against noise, dust, smoke and vibrations. Moreover, Tamil Nadu Minerals Limited is taking effective steps for environmental protection including planting of trees.

11. DEPARTMENT OF GEOLOGY AND MINING

Minerals form the basic resources for several important industries and contribute substantially to the Gross State Domestic Product and Industrial growth. Minerals are considered to be the back bone for the economic growth and deemed to be the wealth of the Country. The developmental activities of the State and its economic prosperity are reflected by the availability of mineral wealth and its prudent exploitation. Since the mineral resources are wasting assets and non- replenishable, it is imperative that the minerals should be scientifically exploited for the judicious mineral conservation and effective mineral administration to achieve optimum mineral revenue. Tamil Nadu is endowed with several Industrial Minerals like Lignite, Limestone,

Garnet Sand, Silica Sand, Quartz and Feldspar, Graphite, Oil and Natural Gas, Magnesite, Iron Ore etc. and also common use minor minerals including Black and Multi Coloured Granite.

11.1. The Objectives of the Department

- (i) To expedite investigation of new mineral deposits by adopting modern exploration techniques
- (ii) To make available mineral based information / data to the interested entrepreneurs for setting up of mineral based industries.
- (iii) To encourage competitiveness in the mineral industry through optimum use of minerals.
- (iv) To ensure economic prospecting in the State and protection of

environment and ecology during the course of mining and thereafter.

- (v) To encourage the human resources development for meeting the requirement of mining and mineral based industries.
- (vi) To provide for safety and welfare of the people engaged in mining activities.
- (vii) To take action against those engaged in illegal mining / quarrying and transportation of minerals.
- (viii) To increase the Mineral revenue through effective mineral administration.

The Department of Geology and Mining is performing the following main functions: -

- (i) Mineral Exploration and evaluation of minerals.
- (ii) Geotechnical studies in the hilly areas
- (iii) Mineral Administration.

11.2. Mineral Exploration

The exploration wing of the Department has carried out the investigation for Molybdenum, Gold and Platinum group of minerals in and around Chalk hills of Salem and Omalur Taluks of Salem district and Easwaramoorthypalayam village, Rasipuram taluk of Namakkal District. Further, the new scheme of mineral exploration work will be taken up by the Department.

11.3. Geo technical studies in the Hill tracks

The Geotechnical cells have studied the hill tracks of Nilgiris district and Palani hill Ranges of Kodaikanal taluk of Dindigul district and prepared the thematic maps, zonation maps etc., deciphering the vulnerable points of landslides . The Geotechnical Cells created by the Government are functioning to study the Geo-Technical aspects and monitor the landslides in the Hilly terrain of Nilgiris and Kodaikanal. The Geo technical cells are providing technical guidance to the District Administration in the landslide disaster management and suggesting the remedial and preventive measures for safeguarding the lives and properties in these vulnerable areas.

Further, the Geo-technical cells are furnishing feasibility reports in selecting the areas for any construction activity in the hill areas after studying and examining the safety and suitability of the site from the view point of prevention of landslide. During the year 2013-14, the geotechnical cells have inspected and furnished 260 feasibility reports for site clearance.

11.4. Mineral Administration

The Mineral Administration work includes the grant of mineral concessions for both major and minerals in accordance with the relevant provisions of the Act and Rules. Ensuring scientific mining without affecting environment, regulation of mining operations for the conservation and development of minerals, prevention of illicit mining and transportation of minerals, collection of

seigniorage fee, royalty and thereby enhancing the revenue prospects of the State are the other related works of the mineral administration.

For the purpose of effective mineral administration, this department has established 28 District Offices and they are functioning under the charge of either a Deputy Director or Assistant Director. The District Offices function under the administrative control of the respective District Collectors and under the overall control of the Commissioner of Geology and Mining.

11.5. Mineral Revenue

The effective and diligent measures taken by the Department in mineral administration have brought out considerable increase in mineral revenue for the State

exchequer. The Department of Geology and Mining has been striving hard to show better progress in revenue generation for the Government. The revenue from minerals has gone up multifold from Rs.2.83 crores in the year 1983-1984 to Rs.943.99 crores (excluding revenue from sand) in the Year 2012-2013. During the year 2013-2014, the department has generated Rs.969.70 crores as mineral revenue bearing testimony to the efforts of the department.

11.6. Mining Tenement Registry System

Online Mining Tenement Registry is an information system in which the details of mining leases are displayed online in the GIS based geo-referenced cadastral maps. In this project, these maps could be used to find out illegal mining if any in the State.

Government has sanctioned Rs.1.08 crores for the preparation of online Mining

Tenement Registry for the leasehold and mineral bearing villages of nine Districts viz Coimbatore, Salem, Tirunelveli, Ariyalur, Krishnagiri, Madurai, Trichy, Villupuram and Virudhunagar Districts through outsourcing.

The project has been entrusted to Tvl. ELCOT for the work in respect of three Districts viz. Coimbatore, Salem and Tirunelveli. The first phase of this project is nearing completion. Action for the preparation of online Mining Tenement Registry for the leasehold and mineral bearing villages of Ariyalur, Krishnagiri, Madurai, Trichy, Villupuram and Virudhunagar Districts will be undertaken.

12. DEPARTMENT OF SUGAR

Sugar Industry in Tamil Nadu is an important agro based industry. It is a major industry, which directly helps to improve the economic conditions of the agriculturists and agricultural labourers in the rural areas. Tamil Nadu is one of the leading producers of sugar in the country and is in 4th position at the National level. Its contribution is about 7 to 9% of the country's production of sugar.

Out of 46 sugar mills in the state, 43 sugar mills viz. 25 in Private Sector, 16 in Cooperative Sector and 2 in Public Sector are functioning:

12.1. Achievements

All operating 43 Sugar Mills in our state have programmed to crush about 142.22 lakh tons of cane and to produce 12.80 lakh tons of sugar with an average recovery of 9.00%

for this current crushing season (2013-14). During this season, the Co-operative, Public Sector and Private Sugar Mills in our state have crushed 100.42 lakh tons of cane and produced 9.03 lakh tons of sugar with an average recovery of 9.10%. The details of mill wise cane crushed for the season 2012-13 and estimate for 2013-14 season are shown in the Performance Review of this Department.

The State Government has announced Rs.2650/- as State Advised Price for sugarcane inclusive of transport charges of Rs.100 per ton for the 2013-14 season.

The Government of Tamil Nadu with the aim to augment sugarcane production and to achieve 100% capacity utilization by the sugar mills is implementing various technologies under the Sustainable Sugarcane Initiative. Under the Sustainable Sugarcane Initiative

Scheme production of single budded seedlings using shade nets, installation of Drip system for efficient use of available irrigation and Fertigation to enhance farm productivity etc. are implemented over an extent of 3909 Hectares covered during 2013-14. This coverage is supported by Government subsidy. For the year 2013-14, 400 shade net units have been planned. Upto 31.03.2014, 362 numbers of shade nets have been erected. Sustainable Sugarcane Initiative was implemented in 1217 Hectares without subsidy.

Tamil Nadu Cooperative Sugar Federation Limited is the Nodal Agency to sell the sugar produced by all Cooperative and Public Sector Sugar Mills in our state. During the financial year 2012-13, a quantity of 4.58 Lakh tons of sugar was sold and a sum of

Rs.1460.73 crores was realized. During the financial year 2013-14, a quantity of 4.40 Lakh tons of Sugar have been sold upto March 2014 and an amount of Rs.1342.59 crores have been realized.

The by product bagasse is used as fuel to generate steam and power for operation of the mills. The surplus bagasse after meeting the internal consumption is being sold to other Industries on tender basis. During the financial year 2013-14, a quantity of 54068 tons of bagasse have been sold upto 31.3.2014 and an amount of Rs. 9.96 crores has been realised.

Molasses is a valuable by-product of sugar mill, utilized for production of Alcohol, Chemicals and cattle feed. After meeting the molasses demand of two Cooperative distilleries, remaining Molasses is sold to distilleries, chemicals manufacturers and

others. During the financial year 2013-14, a quantity of 2.06 Lakh tons of molasses have been sold upto 31.3.2014 and an amount of Rs.81.32 crores have been realized.

Press mud is also another by-product of sugar mills. By utilizing Press mud, Vermi Compost, a bio compost is produced in the sugar mills. In some of the sugar mills, enriched press mud is made by adding micro nutrients and bio organisms. The entire quantity of press mud is distributed to the cane farmers of the concerned sugar mill.

From the distillery units that are functioning in Salem and Amaravathi Co-operative Sugar Mills, during the financial year, a quantity of 136.88 Lakh Litres of Spirit including Ethanol have been sold upto 31.3.2014 and an amount of Rs.43.66 crores was realized.

Blending of ethonol with petrol upto 5% is permitted. So far 8 (6 private and 2 co-operative) ethanol plants having production capacity of 9.60 crore litres per annum have been established in Tamil Nadu, of which 2 ethanol plants have been set up in Amaravathi and Salem Co-operative Sugar Mills with a total capacity of 1.80 crore litres per annum.

In Cooperative Sector, Co-generation Plants are functioning at M.R. Krishnamurthy Cooperative Sugar Mills, Cheyyar Cooperative Sugar Mills and Subramaniya Siva Cooperative Sugr Mills. The installed capacity of Cogeneration plants at M.R.Krishnamurthy Cooperative Sugar Mills and Cheyyar Cooperative Sugar Mills is 7.50 MW each and that of Subramaniya Siva Cooperative Sugar Mills is 5.00 MW. During the financial year 2013-14, surplus power to the tune of 54.36

lakh units have been exported resulting in earning an amount of Rs.1.80 crores.

12.2. Action Plan for the years 2014-15 and 2015-16 in the Co-operative and Public Sector Sugar Mills

Sl. No.	Particulars	2014-15	2015-16
1	Cane Crush (Lakh tons)	37	40
2	Sugar production (Lakh tons)	3.42	3.72
3	Recovery (%)	9.25	9.30
4	Capacity utilization	50	54

12.3. Co-generation & Modernisation

The cogeneration project in 10 Cooperative and 2 Public Sector Sugar Mills with a total capacity of 183 MW is undertaken through TANGEDCO at a total cost of Rs.964.88 crores.

S. No	Name of the sugar mill	District	Capacity in MW	Cogeneration cost (Rs. in crores)
1	Salem Coop. sugar mills	Namakkal	15	79.18
2	Subramania Siva Coop. sugar mills	Dharmapuri	15	78.83
3	Dharmapuri District Coop. sugar mills	Dharmapuri	12	60.20
4	Vellore Coop. sugar mills	Vellore	15	79.51
5	Cheyyar Coop. sugar mills	Thiruvanna-malai	15	81.03
6	Kallakurchi –I Coop. sugar mills	Villupuram	15	84.12
7	Kallakurchi –II Coop. sugar mills	Villupuram	15	76.81
8	Chengalrayan Coop. sugar mills	Villupuram	18	94.25
9	M.R.Krishnamoorthy Coop. sugar mills	Cuddalore	15	75.54
10	National Coop. sugar mills	Madurai	15	80.61
11	Perambalur sugar mills	Perambalur	18	96.14
12	Arignar Anna sugar mills	Thanjavur	15	78.66
		Total	183	964.88

The works under this project are nearing completion. It is expected that Co-generation will be commenced in 2014-15 sugar season one by one.

Along with the co-generation programme, these 12 sugar mills are being modernized at a cost of Rs.276.27 crores to reduce power and steam consumption in the sugar manufacturing process and also to increase the quantity of power for export to State Grid.

The Modernization project details are given below:

S. No.	Name of the sugar mill	District	Project cost (Rupees in crores)
1	Salem Coop. sugar mills	Namakkal	7.88
2	Subramania Siva Coop. sugar mills	Dharmapuri	11.15
3	Dharmapuri District Coop. sugar mills	Dharmapuri	11.21
4	Vellore Coop. sugar mills	Vellore	37.07
5	Cheyar Coop. sugar mills	Thiruvannamalai	14.68
6	Kallakurchi –I Coop. sugar mills	Villupuram	9.02
7	Kallakurchi –II Coop. sugar mills	Villupuram	10.96
8	Chengalrayan Coop. sugar mills	Villupuram	40.95
9	M.R.Krishnamoorthy Coop. sugar mills	Cuddalore	13.63
10	National Coop. sugar mills	Madurai	39.94
11	Perambalur sugar mills	Perambalur	42.72
12	Arignar Anna sugar mills	Thanjavur	37.06
		Total	276.27

12.4. Distillery cum Ethanol Plant

The Government have ordered for the establishment of 45 Kilo Litres per Day (KLPD) Distillery-cum-Ethanol Plant in Cheyyar and MRK Co-operative Sugar Mills. Action has been initiated in Cheyyar Cooperative Sugar Mills to start the work. Since MRK Cooperative Sugar Mills could not satisfy the norms of Pollution Control detailed project report is being prepared to implement the project in other mills.

P. THANGAMANI
Minister for Industries