



INDUSTRIES DEPARTMENT

POLICY NOTE

DEMAND No.27
INDUSTRIES
2011-2012

S.P. VELUMANI
MINISTER FOR INDUSTRIES

©
Government of Tamil Nadu
2011

POLICY NOTE

2011 – 2012

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POLICY NOTE

2011-12

INTRODUCTION

Traditionally, Tamil Nadu has always been in the forefront of industrialisation with a strong presence in the manufacture of engineering and auto components, textiles, leather, sugar etc. During the post liberalisation period since 1991, private Sector began to take over the lead in the industrial development of the country. In the changed scenario, States started taking the initiative in the new and competitive environment and Tamil Nadu was one of the earliest to seize the opportunity and announced its Industrial Policy in 1992 itself. This policy became the cornerstone and laid the foundation for the rapid growth of new industries in the State. This policy became the harbinger of growth that facilitated the electronics and automobile

industry revolution in Tamil Nadu by attracting major projects from Industrial giants. These major projects triggered a multiplier effect by attracting a large number of auto and other ancillary industries.

The Policy of the Government has been

“To maximize the welfare of the people of Tamil Nadu by creating gainful employment opportunities by achieving higher and sustainable economic growth with emphasis on balanced regional development through greater private and public investment in Manufacturing and infrastructure development”.

Current status of Economy in Tamil Nadu

Tamil Nadu is currently ranked the **Fifth** largest economy among the States in India with the share of secondary sector being 27.39%. The total number of factories in the State is 26,122 and the value of industrial out

put was ₹ 3,00,801 crores during 2008-09 (Source-Annual Survey of Industries, Government of India).

The State, which had a robust growth rates in 2005-06, has slowed down a little bit, as the following table illustrates:

	2005-06	2009-10
SDP Growth rates (%)	13.3 %	8.96 % (AE)**
Secondary sector	12 %	8.8 % (AE)**
Manufacturing sub-sector	14.6 %	11.1%

(AE – Advance Estimates)**

The State Government has a vision to lead Tamil Nadu once again on a path of long term development which is sustainable and balanced.

In the Governor’s address of June 2011, the Government’s priority for industrial growth was captured as follows: -

“It will be the endeavour of this Government to attract top industrial houses for investment in

*key sectors like **automobile and auto parts, IT, ITES, textiles, leather, engineering goods** etc., and make the State a hub of the manufacturing sector. This Government will lay special emphasis on the newly emerging sectors like **bio-technology, nano-technology and pharmaceuticals**”*

Further Hon’ble Chief Minister also recently announced that the State Government will bring out a policy document “**Vision 2025**” for Tamil Nadu. Steps will be taken towards achieving this long term goal by making the State more investors friendly and creating the infrastructure required to attract fresh investment into the State. To achieve the **No.1** position among Indian States, the Government of Tamil Nadu brought out a pragmatic and far sighted Industrial Policy in the year 2003 which paved the way for the Electronics revolution in Tamil Nadu by attracting substantial foreign and domestic investment into the State.

Based on the impetus provided by the Policy, Chennai has become one of the world's largest Electronic goods and automobile manufacturing hub. Observing the growing global trend of specialized industrialization and to attain the objectives of the Government as spelt out in the Governor's Address, Sector specific policies would be formulated-Bio-technology and pharmaceuticals, automobile and components, and Renewable Energy would be considered for framing sectoral policies.

Formulation of New Industrial Policy

In the recent past, certain fast growing States have formulated liberalized investment policies with a view to attracting more domestic and foreign investment. In such a competitive environment, to regain the top place in industrialization and to improve the momentum of growth, a comprehensive New Industrial Policy would be brought out.

As industrialization fundamentally involves acquisition of land, a mutually beneficial and partnership based Land Policy would be evolved.

Emphasis of Infrastructure Planning and Development

Industrial development depends on the spread and quality of infrastructure available and planning will be done in anticipating future infrastructure requirement and in attracting private investment into infrastructure. In this regard, "Tamil Nadu Infrastructure Development Board" will be created.

Dispersal of Growth

The State fully recognizes the need for spreading the new industries into all regions of this State particularly on the less developed regions of South Tamil Nadu. To this end, creation of industrial corridors, extension of special packages, and creation of new

infrastructure in such regions will be given importance.

To sum up, a position of Tamil Nadu in the Industrial map of India will be consolidated at the top by adopting a multi-dimensional approach and at the same addressing aspirations and issues of all the stake holders involved.

TAMIL NADU INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

Tamil Nadu Industrial Development Corporation Limited (TIDCO), a Government of Tamil Nadu Enterprise, was incorporated as a Limited Company in the year 1965 in order to identify and promote the establishment of large and medium scale industries within the State of Tamil Nadu in association with the private sector. The company's authorized share capital is ₹ 125 crore of which ₹ 72 crore has been subscribed by the Government of Tamil Nadu.

TIDCO's projects cover a wide range of activities such as Iron & Steel, Fertilizers, Chemicals, Petrochemicals, Engineering, Automobiles, Agro and Food Processing, Leather, Textiles, Pharmaceuticals, Floriculture, Horticulture, Electronics & Communication, I.T. Parks / Infrastructure / Industrial Parks including Agri Export Zones (AEZs), Special

Economic Zones (SEZs) and Special Investment Regions.

TIDCO's portfolio of investments valued at cost is ₹ 330 crores, mostly in the form of equity investments in Joint Venture Companies and investments made in ongoing projects. TITAN Industries, Tamilnadu Petroproducts, TIDEL Park, TICEL Biopark, Mahindra World City, Ascendas IT Park, IT Expressway and Chennai Trade Centre are some of the better known examples of TIDCO's Industrial and Infrastructure initiatives.

TIDCO is developing IT and ITES SEZs such as TIDEL II, TIDEL III at Taramani and Shipyard and Minor Port Complex at Tiruvallur district and Multi Product SEZ at Nanguneri. TIDCO is also planning multi product SEZs at Ennore, Perambalur and Krishnagiri. As per the direction of Government, TIDCO is taking steps for implementing the Financial City and Media

& Entertainment Park, an Aerospace Park, LNG Terminal, Natural Gas Pipeline network, Sports City, Golf Course, Food Processing SEZ, Bio Technology Core Instrumentation Facility and Expansion of Chennai Trade Centre projects.

Projects

Petroleum, Chemicals and Petrochemicals Investment Region

As per the policy announced by the Government of India for establishing Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR), Government of Tamil Nadu sent a proposal for setting up a PCPIR in Cuddalore and Nagapattinam Districts. The High Powered Committee of Government of India chaired by the Cabinet Secretary has approved this proposal. This PCPIR will be notified by Government of India after approval by the Cabinet Committee on Economic Affairs.

Petroleum Refinery Project of Nagarjuna Oil Corporation Limited

Nagarjuna Oil Corporation Limited (NOCL), a Joint Venture of TIDCO is implementing a 6 million tonnes per annum capacity Petroleum Refinery Project at Thiruchopuram in Cuddalore District at a total investment of about ₹ 7,160 crores. Additional investment of ₹ 2,500 crores is being made in key infrastructure facilities such as Captive Port, Tankages and Captive Power Plant by NOCL's Associates. This project will be commissioned in December, 2011.

NOCL has also commenced preliminary engineering work for expanding its refining capacity to 15 million tonnes per annum with an additional investment of about ₹ 12,000 crores. This expansion will be completed by 2015. Employment generation during the construction period will be for about 5,000 persons, which will go up to 10,000 when the refinery goes into full operation.

Thiruchopuram port, the captive port of the refinery project will be developed as an all weather deep sea port to handle the crude oil, petroleum fuel, coal for Tamilnadu Electricity Board and other cargo. This port will serve Cuddalore, Villupuram, Thiruvannamalai, Salem, Namakkal, Karur, Perambalur and Ariyalur districts for the development of industry and trade.

Shipyard - cum-Minor Port Complex in Tiruvallur District

A world-class Shipyard cum Minor Port Complex is under construction in Kattupalli village, Ponneri Taluk of Tiruvallur District through a Joint Venture company of TIDCO and M/s. Larsen & Toubro Limited viz. L&T Shipbuilding Limited. This Complex will include manufacturing units and facilities for building cargo carriers, Defense ships including Submarines, Off-shore platforms for oil / gas sectors, re-engineering of commercial and

defense ships and heavy engineering fabrication and components production for ship building.

The total investment for this project has been estimated at ₹ 4,675 crores. The project is implemented in two phases; Phase I will require an investment of about ₹ 3,375 crores. The Phase I of the project will be commissioned in December, 2011. This shipyard complex will generate direct and indirect employment for about 10,000 persons.

LNG Import Terminal Project at Kattupalli Village of Tiruvallur District

To meet the State's growing demand for energy especially the Natural Gas which is an efficient and environment friendly fuel, it is essential to position a firm source for natural gas in the long term. Towards this, a project for setting up a Liquefied Natural Gas (LNG) Import Terminal and Related Gas Pipeline Infrastructure near Ennore Port in the

Kattupalli village of Tiruvallur District with an investment of about ₹ 10,000 crores has been planned. The proposed LNG Terminal will have a capacity to handle 5 million tonnes per year of LNG and is expected to commence its operations in 2015. It will distribute about 18 million cubic metre per day of natural gas for power plants, fertilizer units, industrial, domestic and transportation sectors in Tamil Nadu. TIDCO signed a Memorandum of Understanding with Indian Oil Corporation Limited, a Government of India Enterprise to implement this project as a Joint venture. IOCL has commenced the process for carrying out Front End Engineering and Design. The State Government has granted a package of incentives for the proposed LNG Terminal project.

TRIL Info-park Limited (TIDEL – III)

To encourage and attract further investments in the IT-ITES Sector, an IT-ITES

SEZ was proposed to be established on about 25.27 acres of lands at Taramani adjacent to the TIDEL Park as a Joint Venture of TIDCO and a private sector partner. The Consortium led by M/s. Tata Realty and Infrastructure Limited was selected as the Joint Venture Partner for this project through an open competitive bidding process. A total of 3.4 million sq.ft. of built up space is being constructed in the Processing Zone. 1.30 million sq. ft. space has already been leased and the balance space will be constructed along with an International Convention Centre and serviced apartments by end of 2012.

Biotechnology Park II

TICEL Bio Park Ltd, a Joint Venture of TIDCO and TIDEL has established a state-of-the-art Biotechnology Park-I at Chennai, which are all functioning. TICEL is constructing Biotechnology Park II for catering to the needs of Biotech Research & Development (BSL 2 /

BSL 3) with a built up area of 6 lakh sq. feet at a project cost of ₹ 150 crores. The Civil work was commenced at the site and the project is scheduled for completion by December, 2011. The Bio Tech Park II will create employment potential for 1,500 scientists.

IT Park at Coimbatore

An IT Park with built up area of 1.7 million sq.ft. is being constructed in IT SEZ, Coimbatore by TIDEL Park Coimbatore Limited, a Joint Venture of TIDCO, TIDEL, ELCOT and STPI with an estimated cost of ₹ 350 crores. This I.T. Park is expected to be ready by October, 2011 for commencement of operation and will provide employment opportunities to 12,000 IT professionals.

Perambalur SEZ

TIDCO selected M/s GVK Group of Hyderabad as the JV Partner. An SPV

Company viz. M/s GVK Perambalur SEZ Private Limited has been formed. The SPV Company has purchased around 2,900 acres of private land through negotiations. Formal approval for the multi product SEZ has been received from Government of India. M/s Mahindra Consulting Engineers is appointed as the consultant for preparing Master plan and detailed project report. The site development work and construction work will be taken up after receiving the SEZ notification from Government of India.

Aerospace Park Project

For supporting the growth of aerospace industries, an Aero Space Park project is planned. The following is proposed:

- i. Securing SEZ status to "M/s. Taneja Aerospace and Aviation Ltd." for its existing limited facility and Expansion in Hosur for the Development of Aerospace Park.

- ii. Development of an Industrial Park in around 100 acres exclusively for aircrafts components manufacturing industries in Sriperumbudur.

- iii. Setting up of a Satellite MRO facility adjoining the Chennai Airport in an area of around 50 acres.

- iv. Creating an Integrated Aerospace Park in an area of around 3,000 acres in Perambalur SEZ project with focus on manufacturing & assembling of aircrafts. Creating an integrated Aerospace Park, which can support the assembling of indigenously designed aircraft, is the ultimate objective of this programme.

TIDCO is in the process of identifying land for MRO facility near Chennai Airport and has requested SIPCOT to allocate 100 acres of land in Sriperumbudur for component

manufacturing Park. M/s L&T-Ramboll has been appointed as the consultant to carry out the Feasibility Study and Marketing Assistance. The Consultants has submitted the final report to TIDCO.

Free Trade Warehousing Zone in Tiruvallur District

Jafza Chennai Business Park India Private Limited (Jafza Chennai) has proposed to establish a Free Trade Warehousing Zone which includes Logistic Park & Business Park at an estimated project cost of ₹ 441 crores in 337 acres of lands in Ponneri Taluk of Tiruvallur District. Government of India granted Formal Approval for this project. When this project is fully commissioned, it may generate employment opportunity for 500 persons.

The Company has proposed to commence the implementation of the project in 135 acres at an estimated cost of ₹ 190 crores

as Phase-1. The Company has acquired about 106 acres of land in Vallur and Edayanchavadi villages through private negotiation.

IT Corridor Project

IT Corridor Project (Rajiv Gandhi Salai) that starts from Madhya Kailash Temple Junction and terminates on East Coast Road near Mamallapuram is being implemented in two Phases. In Phase-I, 20.1 km stretch between Madhya Kailash Temple Junction and Siruseri and 2.1 km long ECR Link Road connecting IT Corridor is being improved. In Phase I, the work relating to CMWSSB on the western side and construction of Service road and Foot Path is under progress. In Phase-II, the stretch between Siruseri and Mamallapuram will be improved.

Financial City

The land to an extent of 187 acres was identified in Sholinganallur and Perumbakkam villages of Rajiv Gandhi Salai for establishing

the Financial City and Media & Entertainment Park Projects. The Consortium led by M/s. Price Waterhouse Coopers Private Limited (PWC) has been appointed as consultants for preparation of Comprehensive Development plan. TIDCO will finalise the reports in consultation with the Government. Tenders will be floated for selection of developer / joint venture partner for developing the first phase of the Financial City project in an area of 25 acres of land.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED

State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) was started during the year 1971 with a vision to play a catalytic role in the development of balanced industrial growth in the State of Tamil Nadu. SIPCOT was instrumental in promoting medium and large industries by way of extending financial assistance till the year 2000 and thereafter concentrating on the development of infrastructural / industrial parks.

SIPCOT has been playing an important role in bringing in investment from multinational companies and contributed to the development of backward areas of the State.

Physical Achievements

Development of Industrial Complexes / Parks

SIPCOT has so far developed 19 Industrial Complexes in different parts of the State and allotted an extent of 17,889 acres of

developed land to 1,979 units resulting in direct and indirect employment opportunity for about 4.50 lakh persons. The total extent acquired since its inception is around 27,115 acres. This apart, proposals for acquiring of land for creation of a Land Bank to keep adequate land readily available to meet the immediate requirement of the needy investors are under process. This proposed Land Bank is developed by acquiring dry and barren lands by carefully avoiding cultivable lands.

The Government of Tamil Nadu have signed MoUs with several major industries for setting up their facility in the State of which, 30 of them are located in the Industrial Complexes of SIPCOT and of this, twenty industries have already commenced production.

Thervoykandigai Industrial Park

During 2009, a new industrial complex with 1,127 acres of Government poramboke

land has been established at Thervoykandigai, Gummidipoondi Taluk, Thiruvallur District. In this Park, 290 acres have been allotted to M/s. Michelin India Tamilnadu Tyres Private Limited and 85 acres to Harsha Group based on the MoU entered between the Companies and the Government. Besides this, 128.07 acres have been allotted to 3 units including Tamil Nadu Electricity Board. Through these allotments, there would be an investment of ₹ 6,817 crores and employment opportunity to 5,150 persons.

Mappedu Industrial Complex

A new industrial complex has been established in Thiruvallur District at Mappedu with 123.08 acres of Government poramboke land and the entire extent has been allotted to Chennai Port Trust for setting up an Integrated Dry Port and Multi Model Logistics Hub with an investment of ₹ 260.50 crores and with an employment potential of 700 persons.

Manamadurai Industrial Complex

In SIPCOT industrial complex at Manamadurai, located in one of the most backward regions of the State, 94.99 acres of land has been allotted to M/s. Unity Appliances Limited a group company of Videocon, for manufacturing colour television sets and electronic consumer durables with an investment of ₹ 1,500 crores. Apart from this, 4.76 acres has been allotted to a unit as the vendor of Unity Appliances; 30.44 acres have been allotted to a unit belonging to the Group of Videocon for setting up a Solar Photovoltaic power plant.

On-going Land Acquisition Schemes

Following the administrative sanctions issued by the Government, acquisition of lands is in progress now in respect of the following schemes:

Thoothukudi Phase II (1,179 acres), Cheyyar Expansion (2,300 acres), Sriperumbudur

(Vallam – Vadagal) Expansion (1,780 acres), Oragadam Expansion II (616 acres), Madurai Industrial Park (1,478 acres) and New Industrial Park at Villupuram District (720 acres). This will enable SIPCOT to keep ready 7,900 acres of land for allotment to industries.

Industrialization of Southern Districts

The Corporation has already established industrial complexes in some of the southern districts viz. Thoothukudi, Tirunelveli (Gangaikondan), Dindigul (Nilakkottai), Pudukkottai and Sivagangai (Manamadurai). It is now in the process of developing a new industrial complex (1,478 acres) in Thirumangalam Taluk, Madurai District and acquisition of land for this complex is in progress. Setting up of one more industrial complex (1,533 acres) in Ottapidaram Taluk in Thoothukudi District is also in process now.

Special Economic Zones

SIPCOT has actively promoted seven Sector Specific Special Economic Zones in its Industrial Complexes / Parks, each for a specific sector, viz. Electronic / Telecom Hardware SEZ, Sriperumbudur (570.92 acres), Electronic Hardware SEZ, Oragadam (347.66 acres), Engineering Sector SEZ, Perundurai (263.19 acres), Transport Engineering Goods SEZ, Gangaikondan (255.00 acres), Footwear and Leather Product SEZ, Irungattukottai (153.68 acres), Engineering SEZ at Ranipet (260.00 acres) and Granite processing SEZ at Bargur (379.96 acres).

SEZ for Granite processing industry at Bargur

A Sector Specific SEZ for Granite processing industry was established at Bargur with an extent of 379.96 acres, which is first of its kind in India and approval and Notification from the Government of India have also been

obtained. Out of the allotable area of 300 acres, so far, SIPCOT has given in-principle allotment to 47 units for an extent of 254.00 acres and the number of applications pending for seeking allotment is 38 units for 111.50 acres.

Industrial Corridor of Excellence

SIPCOT has taken up a study for the preparation of Corridor Development plans to develop Chennai-Sriperumbudur-Ranipet-Hosur, Madurai-Thoothukudi and Coimbatore-Salem regions as Industrial Corridors of Excellence, where Industrial Parks, Special Economic Zones, IT Parks and Integrated Township would be created with all infrastructure facilities of international standard and connected to Airports, Sea Ports through Express Highways and Railway lines. The preparation of Corridor Development Plans separately for each region is in progress now. The final plan for Chennai-Sriperumbudur-

Ranipet, 1st Phase is completed and the draft plan for Phase II is in progress.

Skill Development Centres

Pursuant to the announcement made by the Government, SIPCOT has been taking effective steps to provide employment to at least one person from the families, who have given land of one acre and above for its Industrial Complexes. The enumeration work to identify the youth in those families has since been completed and further action is being pursued. Further, to upgrade the skill of the youth, SIPCOT has been taking action to create three Skill Development Centers, one at Gangaikondan Industrial Growth Centre, Tirunelveli District, the second at Thervoy kandigai Industrial Complex, Tiruvallur District and the third at Oragadam Industrial Growth Centre, Kancheepuram District. The youth trained in these Skill Development Centers would be recommended for employment

depending on their skill. Skill Development Centre in SIPCOT Oragadam Industrial Growth Centre is under construction at an estimated cost of ₹ 196.00 lakhs.

Social Infrastructure facilities

While acquiring lands for its industrial complexes, SIPCOT is also concentrating on the implementation of social infrastructure facilities in and around the acquisition site to benefit the local people such as provision of houses to the displaced families, sanitation to village hamlets, construction of new school buildings/ renovation of the existing schools, establishing health centres, burial ground, fodder cultivation scheme, sports development activities, water facilities etc.. At present, such facilities are being provided in the industrial complexes at Oragadam (Expansion) and at Thervoykandigai.

Further, SIPCOT has been taking action to construct two dormitories with all amenities,

one at Sriperumbudur and the other at Tiruppur, each to accommodate 1000 workers both women and men. SIPCOT has identified suitable site at Nerupperichal, Tiruppur (land to be acquired) and other one at Sriperumbudur SIPCOT Industrial Park. The construction of Dormitories Building for men and women at Sriperumbudur is under progress.

Attracting Foreign Investment from MNCs

SIPCOT has proposed to allot 100 acres of land each for setting up of separate Industrial Parks for investors from countries like Japan, Korea, Finland, Germany and France to attract more foreign investments from them. Acquisition of lands for the proposal in Sriperumbudur Expansion Scheme is in progress now.

Water Augmentation Project

A novel scheme to convert secondary treated sewage through TT-RO process for the usage of industrial units located at Oragadam,

Sriperumbudur and Irungattukottai Industrial Parks is to be executed through a private operator by Chennai Metropolitan Water Supply & Sewerage Board (CMWSSB).

Comprehensive Plan for the Development of Sriperumbudur Area

Pursuant to the Government announcement, SIPCOT is preparing a comprehensive plan to upgrade the basic and social infrastructure and provide modern housing facility to the employees and the general public residing in and around Sriperumbudur. The consultant has submitted the draft final report.

Environment Protection

As per the directions of the Supreme Court Monitoring Committee, Hazardous Waste Treatment, Storage and Disposal Facility (HWTSDf) is implemented in an extent of 26.91 acres at SIPCOT Export Promotion

Industrial Park, Gummidipoondi, by Industrial Waste Management Association (IWMA) through Tamil Nadu Waste Management Limited (TWML).

Civil Works

SIPCOT has been focusing on providing world class infrastructure in its industrial complexes in order to attract more investors. During the year 2010-11, works relating to roads, water supply, street lights, sewerage system, buildings, etc. were taken up in a total outlay of ₹ 200 crores. For the usage of the industries located in Bargur and Thervoy kandigai Industrial Complexes and the surrounding villages, the following two road works to connect to the State Highways are being carried out through Highways Department as depository work.

1. Two Way connecting road km 5/150 – 10/000 in Pochampalli – Kodamandapatti road and Bargur, Krishnagiri District

Panchayat Union road km 0/0 -1/600-
Scheme Cost ₹ 12 crores.

2. Connecting road from Highways, Thiruvallur District, Soolaimeni – Thervoykandigai Road km 0/000 – 4/200. - Scheme Cost ₹ 22 crores

SIPCOT has also formed a Special Purpose Vehicle (SPV) to upgrade the existing infrastructure facilities at Hosur to international standard. This SPV will also facilitate to avail the grant from Government of India under Industrial Infrastructure Upgradation Scheme (IIUS).

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 like Refund of output VAT + CST in the form of Soft Loan / Investment Promotion

Subsidy, Input VAT Refund, Capital Subsidy, ETP/Critical Infrastructure Subsidy, Training Subsidy etc. are extended based on the Government Orders. So far, SIPCOT has received Government orders sanctioning Structured Package of Assistance to 56 industrial units. SIPCOT has so far released ₹ 1110.50 Crore to ten units.

TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED

Activities

Tamil Nadu Industrial Investment Corporation Limited (TIIC) is the pioneer among State Financial Corporations in the country. Since its inception in 1949, it has been contributing significantly towards the industrial development of Tamil Nadu. The main objective of TIIC is to foster industrial growth by providing long term financial assistance to industries for purchase of land, construction of building, purchase and erection of machinery etc. TIIC also offers loan assistance for service sector projects such as hotels, hospitals and tourism related projects. TIIC provides assistance to the Micro, Small & Medium Enterprise (MSME) sector and acts as a catalyst for industrial promotion in the State by creating a new generation of entrepreneurs. About 90% of the assistance goes to MSME

sector. Of this, about 50% goes to first generation entrepreneurs. In addition, TIIC facilitates release of eligible subsidies offered by the State and Central Governments to the beneficiaries. During the last year, TIIC has drawn and disbursed ₹ 10.29 crores as subsidy from MSME Department, Government of India under Credit Linked Capital Subsidy (CLCS) scheme. Further, the Corporation has disbursed ₹ 5.08 crores as State Capital subsidy towards General Machinery and ₹ 0.85 crore towards purchase of Generators.

TIIC has so far assisted 1,09,214 units with a cumulative sanction of ₹ 8,611.80 crores. The total employment generated by the units assisted by the Corporation during the last year alone is around 16,500.

TIIC has registered a net profit for the eighth consecutive year. For the last year, the net profit has been ₹ 53.50 crores (provisional)

The loan portfolio of the Corporation as on 31.03.2011 is ₹ 1351.23 crores (provisional) and the long term objective of TIIC is to increase the same to ₹ 5,000 crores.

TIIC is also providing training to budding entrepreneurs by conducting Entrepreneur Development Programmes. During the last year, nearly 1,865 participants have benefited from these programmes.

Though Commercial Banks are also offering assistance to industries, TIIC continues to be the preferred institution for first generation entrepreneurs and people from rural backgrounds and with little social support.

Some of the important schemes operated by TIIC

1. Micro/Small Enterprises Fund Scheme.
2. Bill Finance Scheme for TNEB/TWAD/TANSI.

3. Working Capital Term Loan for Rice Mill units / for manufacturing units / for certain Service Sector units.
4. Wind Power Projects.
5. Technology Upgradation Fund (TUF) – Scheme for Textile Industry.
6. Equipment Finance Scheme.
7. Transport Operators Scheme.

Grow an Entrepreneur Programme

As a part of its commitment to social obligations and in order to help a new generation of entrepreneurs, TIIC has introduced a “Grow an Entrepreneur” Scheme aimed at promoting a new generation of entrepreneurs especially from economically and social disadvantaged backgrounds, who are unable to offer the required collateral security. Under the scheme, a loan of upto ₹ 5.00 lakhs is given without collateral security and with a promoter's contribution of 10%. The entrepreneur must

be supported by a mentor, who will guide him through the successful completion of the project. The mentor should be a person of some social standing and not have come to adverse notice of the financial institutions and other authorities. So far 2,176 units have been covered under the scheme with a sanction of ₹ 39.59 crores. During the current year, 3,000 beneficiaries are likely to be assisted under this programme.

Insurance

The Corporation is doing insurance business and has generated income of ₹ 10.12 lakhs towards commission as against the premium of ₹ 1.56 crores in the last year. The Corporation is expected to generate income of ₹ 20.00 lakhs towards commission as against premium of ₹ 2.00 crores in the Financial Year 2011-12.

**Action Plan for Disbursal of Loan for
2011-12 and 2012-13**

(₹ in crores)

YEAR	SANCTION	DISBURSEMENT	COLLECTION
2011-12	1,110.00	870.00	745.00
2012-13	1,220.00	950.00	780.00

**TAMIL NADU NEWSPRINT AND PAPERS
LIMITED**

The Government of Tamil Nadu established the Tamil Nadu Newsprint and Papers Limited (TNPL) in the year 1979 as a Public Limited Company under the Companies Act, 1956. The initial capacity commissioned in the year 1984 was 90,000 tons. TNPL has increased the capacity in stages to 4,00,000 tons per annum and has emerged as the largest paper mill in India in a single location and the second largest in terms of paper production.

Mission

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

Production and Capacity Utilization during the year 2010-11

The production from Paper Machine No.1 (PM No.1) and PM No.2 was 2,44,782 metric tons with 99.91% capacity utilization. Paper Machine No.3 was commissioned this year. In the first 72 days, the production was 20,262 metric tons with 66.27% capacity utilization. The overall capacity utilization was 96.18%.

Profit for the year 2010-11

The profit before tax was ₹ 195.14 crore.

Significant initiatives

- The Mill Expansion Plan (MEP) was implemented at a capital outlay of ₹ 1,000 crore to increase paper production capacity from 2,45,000 metric tons per annum to 4,00,000 metric tons per annum. The in-house pulp production capacity was increased from 720 tons per day to 820 tons per

day. The installed capacity of 4,00,000 metric tons per annum is expected to be achieved during the year 2011-12.

- TNPL started its pulpwood plantations for the first time during the year 2004-05 through two distinctive schemes namely, farm forestry and captive plantation schemes and so far 67,055 acres of land has been brought under cultivation. A coverage of 1,00,000 acres by 2012-13 is being targeted.
- New products viz. Print Vista, a surface sized paper, Pigmented paper, a superior quality paper for very high end printing and Platinum Copier in 70, 75 and 80 gsm were introduced in the new PM No.3.

Major initiatives scheduled for 2011-12

- To convert some of the waste materials namely, lime sludge and fly ash

generated in the process of manufacture of paper into high grade cement, TNPL is setting up a 600 tons per day cement plant at a capital outlay ₹ 69 crore. The project is scheduled to be completed by December 2011.

- To supplement the in-house pulp production to meet the full requirement, TNPL is installing a 300 tons per day state-of-art De-inking Plant (DIP) at a capital outlay of ₹ 174 crore. This project is scheduled to be completed by March 2012.
- TNPL is also implementing the scheme of revamping the steam and power generation system at a capital outlay of ₹ 135 crore. The major equipment required for the scheme has been ordered out and the project is scheduled to be completed by April 2012.

Community Welfare Programme

Committed to being a socially responsible corporate body, TNPL has been implementing several measures to promote economic, social, environmental and cultural growth of the community in the local area in an equitable and sustainable manner. The company sets apart every year 3% of profit after tax of the previous year for Corporate Social Responsibility (CSR) activities.

TAMIL NADU CEMENTS CORPORATION LIMITED

Tamil Nadu is the 3rd largest producer of cement in the country with an annual installed capacity of 32.27 million tonnes having 16 major plants and 4 mini plants of which 2 major plants are under the control of Tamil Nadu Cements Corporation Limited (TANCEM) with an installed production capacity of 9 lakhs tonnes per annum.

Tamil Nadu Cements Corporation Limited (TANCEM) was established on February 11, 1976 under the Companies Act as a fully owned subsidiary company of Tamil Nadu Industrial Development Corporation Limited (TIDCO). It took over the Cement Plant set up in 1970 at Alangulam by TIDCO. TANCEM established one more cement plant at Ariyalur in 1979, an Asbestos Cement Sheet Plant at Alangulam in 1981 and one Asbestos Cement Pressure Pipe Plant at Mayanur in 1984.

TANCEM took over the defunct Stoneware Pipe Unit from Tamil Nadu Ceramics Limited, at Vridhachalam. TANCEM became a wholly owned Government Company from 31.12.1994.

TANCEM is a multi-product, multi-location organization with an annual gross turnover of about ₹ 325 Crore. Cement is the principal product of the company. The other products are Asbestos Sheet and Stoneware Pipes.

TANCEM has been entrusted with the responsibility of exploiting limestone from various mines on behalf of Government of Tamil Nadu for the manufacture and supply of cement, primarily to meet the requirement of various Government sponsored schemes aimed at providing housing for weaker sections, building infrastructure facilities for Educational, Health, Panchayat Raj Institutions etc.

TANCEM has been committed to serving Public Interest by supplying the products to Government Departments at reasonable price and providing sustainable employment opportunities in economically backward areas. Availing the price preference accorded by Government of Tamil Nadu and in view of the increasing demand and restricted availability of 43 Grade OPC, TANCEM has diverted its entire production to meet the requirement of Government Departments and Public Sector Undertakings.

TANCEM has been given the responsibility to purchase cement from private cement manufacturers to meet the additional requirement of Rural Development and Panchayat Raj Department and TANCEM has been instrumental in ensuring prompt supply of cement to various Blocks of District Rural Development Agency for the implementation of the rural development schemes.

Steps taken by the Government to control cement prices

In view of more infrastructure and developmental schemes implemented in the state of Tamil Nadu, the demand for cement has been increasing from DRDA and other Government Departments.

(1) It has been proposed to increase the capacity of TANCEM Units. As a part of expansion programme, it has been initially decided to increase the capacity of Alangulam Unit from the existing operating capacity of 2 lakh tons per annum to 4.00 lakh tons per annum and implementation is under process.

(2) TANCEM has also proposed to increase the capacity of Ariyalur unit at an estimated outlay of ₹ 350 crore from the existing level of 5 lakhs ton per annum to 15 lakhs ton per annum by adding a separate 10 lakhs ton capacity plant.

(3) In order to facilitate cement at the affordable price to the contractors of PWD, Highways, Housing, Slum Clearance Board, TWAD, etc., TANCEM is co-coordinating with the private suppliers to supply cement at the rate of ₹ 235/per bag.

(4) As a measure to control the cement price, the cement is made available through Tamil Nadu Civil Supplies Corporation Limited to the poor and middle class people at a reasonable price.

(5) In order to control the cement price in the open market, TANCEM is exploring the possibility of importing cement upto 5 lakhs tonnes from other countries to provide cement at lesser cost.

Achievements and Proposed measures

- During the last year TANCEM has achieved a net profit of ₹ 840.39 lakhs (provisional).

- Ariyalur cement works has earned a net profit of ₹ 18 Crore during the last year.
- The Stoneware pipe unit at Virudhachalam has improved its performance and achieved a net profit of ₹ 22.04 lakhs during the last year.

TAMIL NADU MINERALS LIMITED

Tamil Nadu Minerals Limited (TAMIN), a Government of Tamil Nadu Undertaking, was established during April 1978. The main purpose of the organization is to exploit, process and marketing of granite raw blocks, granite products, major minerals and mineral based products. TAMIN is excavating Black, White, Paradiso and Multi Colour Granites, Major Minerals like Limestone, Graphite, Silica Sand, Vermiculite, Quartz and Feldspar in a scientific manner.

1. Progress of new Projects

(a) TAMIN Granites Cutting & Polishing Unit at Melur 100% EOU

TAMIN is setting up an 100% Export Oriented Granite Cutting and Polishing Unit at Melur, Madurai to produce 1,80,000 sq.mtrs of 2 - 3 cm building slabs at an estimated project cost of ₹ 34.25 crore. TAMIN acquired 20 acres

of land from the Department of Handlooms at Melur. 3 Nos. of Jumbo Gangsaws, 1 No. of Polishing Machine and other support equipment, worth about ₹ 17 crore have been imported from Italy. It is expected that the Plant will commence its production in March, 2012. The estimated Annual turnover is ₹ 50 crore with a net profit of ₹ 8 crore per annum.

(b) Mini Tile Plant at Melur

TAMIN has constructed a Mini Tile Unit at the Melur site to cater to the domestic demand. The Plant capacity is 1,08,000 sq.ft per annum with an investment of ₹ 60 lakh. 3 block cutters, 4 Hand Polishing machines and one Edge Cutting machine have been erected. Action is being taken to start its functioning.

(c) TAMIN Granites, Manali

This factory was started in the year 1986 to produce building slabs, monuments and

sawn thick slabs. As the existing machinery at Manali unit is obsolete, the production of slabs was discontinued from 2008. It is proposed to install new machinery and produce 1,20,000 Sq. Metre of building slabs per annum for export. After installing new machinery, the annual turnover would be ₹ 30 crore with a net profit of ₹ 4 crore. The techno-economic feasibility report to modernize the unit at an investment of ₹ 12 crore was prepared which is under consideration of the Government.

2. Project likely to be taken in the near future

Expansion of Graphite Beneficiation Plant at Sivagangai

Graphite ore mined from TAMIN Sivagangai Graphite mines is beneficiated to Graphite concentrate with fixed carbon content upto 96% for use in the Industrial sector. This Unit produces approximately 6,000 Metric Tonnes of Graphite Flakes and earns revenue

of ₹ 14 crore with a net profit of ₹ 2 crore. Graphite Concentrate has been exported to Germany. Based on local and export demand, it is proposed to enhance the production capacity of the factory.

TAMILNADU MAGNESITE LIMITED

Tamilnadu Magnesite Limited (TANMAG) was formed in 1979 by taking over the Mines operated by Salem Magnesite Private Limited situated at Kurumbapatti Reserve Forest area. The Company produces Dead Burnt Magnesite and Lightly Calcined Magnesite from Raw Magnesite.

The production and sales targets for the year 2011-12 and 2012-13

Particulars	2011-12		2012-13	
	Production	Sales	Production	Sales
	(Quantity in Metric Tonnes)			
Raw Magnesite	1,31,000	1,31,000	1,33,000	1,33,000
Dead Burmt Magnesite	35,500	35,500	36,250	36,250
Lightly Calcined Magnesite	17,500	17,500	18,000	18,000

Last year, TANMAG has earned a profit before tax of ₹ 685.11 lakh (unaudited) and for the year 2011-12, the expected profit before tax is ₹ 981.07 lakh.

TAMILNADU INDUSTRIAL EXPLOSIVES LIMITED

Tamil Nadu Industrial Explosives Limited (TEL) was incorporated in 1983 as a subsidiary of Tamil Nadu Industrial Development Corporation (TIDCO) and the Plant in Katpadi started functioning from 1986. It became sick and was referred to Board for Industrial and Financial Restructuring (BIFR) in September 1992. The Company came out of the purview of BIFR in October 2001 after settling the entire loan dues to financial institutions on One Time Settlement basis, as per the scheme sanctioned. 547 staff and employees are working in the Corporation.

TEL is manufacturing quality explosives used for mining and related activities. Over the years it has built up a very good reputation in the market for maintaining very high quality standards. It has also received various safety awards. The Company supplies its products to

organised sector Companies like ONGC, Singerani Collieries, Hutty Gold Mines, NLC, Hindustan Copper Limited, Visakapattinam Steel Plant, Rajasthan Minerals, TANCEM, TANMAG and private traders. Its products are also being exported to African, Latin American, European, East Asian Countries and Australia. The Company has obtained ISO 9001:2008, ISO 14001: 2004 and OHSAS 18001:1999 certifications for maintaining quality, safety and pollution free environment.

Government of India has banned the manufacture, possession and sale of Nitro Glycerine (NG) Explosives, which contributed more than 70% of TEL's turnover. This has adversely affected the performance of TEL and it started incurring losses since then. Subsequently, TEL diversified into newer products such as Emulsion Explosives and Mono Methyl Amine Nitrate which are well established now.

TEL has entered into agreement with MAXAM Corporation, a Spain based explosives manufacturing Company (which is amongst the top 3 Explosives manufacturers in the world) for the manufacture of value added explosives.

Action plan for the year 2011-12

For the year 2011-12, the Company has budgeted a turnover of ₹ 61.36 crores with a net profit of ₹ 54.79 lakhs.

TAMIL NADU SALT CORPORATION LIMITED

The Tamil Nadu Salt Corporation Limited (TNSC) was established in 1974 and manufactures Industrial Grade Salt from its inception. This Corporation has got 5,524 acres of leased land from Government of Tamil Nadu at Mariyur Valinokkam Salt Complex, Valinokkam, Ramanathapuram District. This Corporation has expanded its activity over the period of time into production of Iodised Salt and Double Fortified Salt (DFS), which contains Iron and Iodine. The Corporation has so far developed 3,210 acres of the leased land. There are 835 numbers of crystallisers for producing about 1,75,000 tonnes of salt per annum. The Corporation employs directly and indirectly about 1,119 local labourers for salt production and related activities support the employment of about 150 persons.

The Corporation has obtained ISO 9001:2008 certificates for Quality Management System for processing and supply of Industrial Grade and Fortified Salt Products. The Corporation is supplying Double Fortified Salt (contains Iron and Iodine) to all school going children under Puratchi Thalaivar MGR Midday Meal Scheme in order to reduce Iron and Iodine deficiencies in this vulnerable category. TNSC is also distributing adequately Iodised Salt matching to PFA Act with IS 7224:2006 through PDS at an affordable cost to eliminate Iodine Deficiency Disorders among the common people.

TNSC has undertaken efforts to develop the remaining undeveloped area of 2,200 acres at its works in Mariyur Valinokkkam, Ramanathapuram, at a capital outlay of ₹ 13.21 crore. This development envisages TNSC to achieve a production of about 3.5 to 4 lakh

tonnes per year. TNSC has commenced the work in this regard.

TNSC has been earning profits from 1990-91. Payments made to Government by TNSC for operations from 2001-02 to 2009-10 is ₹ 1233.82 lakhs.

Raking and scraping of salt are physically arduous occupations that are mechanized on an experimental basis during the year 2008-09 and continued during 2009-10 and 2010-11 also. This measure will assist the Corporation in overcoming labour scarcity and will also raise productivity. TNSC has ventured this with an initial investment of ₹ 20 lakhs.

The Corporation has requested the Government to allot 12,000 acres of lands in Vedaranyam Taluk in Nagapattinam District found to be potential for salt production. This acquisition will enable TNSC to expand its production for supply to industry and for

establishing new Chlor Alkali Industries. This will also enable TNSC to establish a unit for manufacture of Refined Free Flow Iodised Salt for supply at competitive prices in Tamil Nadu and to the Southern States through Public Distribution System.

TAMIL NADU INDUSTRIAL GUIDANCE AND EXPORT PROMOTION BUREAU

The Government of Tamil Nadu constituted Tamil Nadu Industrial Guidance and Export Promotion Bureau (shortly called as Guidance Bureau) with the objective of “attracting major new investment proposals” into Tamil Nadu in January, 1992. The primary objectives of Guidance Bureau are:

1. To attract major industrial projects into Tamil Nadu;
2. To function as Single Window Documentation Centre for major investment proposals and
3. To process the applications for grant under ASIDE Scheme.

Single Window facilitation

To get the clearances/infrastructure support, the investors have to approach different Government agencies for planning permission, Fire Service Clearance, Environment Clearance, Registration with

Inspector of Factories, Safety Certificate from Chief Electrical Inspector, Building plan approval etc., that results in considerable delay. To avoid the procedural delay, the Guidance Bureau functions as a Single Window Agency where all the relevant authorities meet at one place and accord a composite in principle no objection to the projects. Last year, Guidance Bureau facilitated 20 projects with a total investment of ₹ 3,233.27 crores through single window process.

ASIDE Scheme

Under the Scheme of Assistance to States for Developing Export Infrastructure (ASIDE), a State Level Export Promotion Committee (SLEPC) is considering and funding the proposals for development of Export Infrastructure in Tamil Nadu. Guidance Bureau is the Convener of this Committee. During the last year, the SLEPC sanctioned financial assistance to the tune of ₹ 20 crores.

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 backbone 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.

The Geology Branch of the Directorate of Industries and Commerce was set up in the year 1957 with the mandate of

carrying out mineral explorations. The Geology Branch has made significant contribution in the Mineral Explorations and has been responsible for locating mineral deposits of Limestone, Bauxite, Garnet sands, Graphite, Iron ores, Vermiculite, Silica sand, Fireclay, Quartz, Feldspar, Gypsum, Magnesite, Granites and a host of other important industrial minerals in the State, resulting in the setting up of Cement Plants, refractory, glass, ceramic industries, etc.. Apart from these, many mineral based industries and other mineral-dependent industries have also come into existence over a period of time. The rich and varied mineral resources of the State have contributed handsomely towards the development and industrialisation of the State. Considering the imperative need to enhance the mineral administration, a separate Department of Geology and Mining was formed by the Government in April 1983.

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 ecological balance 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: -

1. Mineral Exploration and evaluation of minerals.
2. Geotechnical studies in the hilly areas of Nilgiris and Kodaikanal.
3. Mineral Administration.

Mineral Exploration

Though the minerals are being exploited to augment sizeable revenue to Government, the depletion of mineral resources is causing a great concern. In this endeavour it has become necessary to explore the remote areas also for the occurrence of valuable minerals and to adopt the state-of-the art technology for

optimum use of the minerals. In view of the increased market demands, systematic and planned reappraisal of all mineral deposit occurrences have to be carried out at this juncture.

To cope up with the developing trend in technology in the field of mineral investigation and to substitute the depleting mineral reserves which were identified decades ago in various districts, the Government have created a separate exploration wing. The exploration wing has carried out the investigation for Molybdenum, Gold, Platinum and minerals in and around the Chalk hills of Omalur and Salem taluks of Salem district and Easwaramoorthypalayam village, Rasipuram taluk of Namakkal District.

Geo-technical studies in the Hill tracks of the Nilgiris and Kodaikanal

The Geo-technical cells have studied the hill tracts of the 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 landslide. The Geotechnical Cells created by the Government are functioning to study the Geo-technical aspects and monitor the landslides in the Hilly terrain of the Nilgiris and Kodaikanal. The Geo-technical cells are providing technical guidance to the District Administration in the landslide disaster management and suggesting 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 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.

Mineral Administration

The Mineral Administration work includes the grant of mineral concessions for both major and minor 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 mineral administration.

For the purpose of effective mineral administration, this department has established 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/ Director of Geology and Mining.

The various Acts and Rules governing the grant of mineral concessions are listed below:

- (a) Mines Act, 1952.
- (b) The Mines Rules, 1955.
- (c) Mines and Minerals (Development and Regulation) Act, 1957.
- (d) Tamil Nadu Minor Mineral Concession Rules, 1959.
- (e) Mineral Concession Rules, 1960.
- (f) Metalliferous Mines Regulation, 1961.
- (g) The Forest (Conservation) Act, 1980.
- (h) The Forest (Conservation) Rules, 1981.
- (i) Mineral Conservation and Development Rules, 1988.
- (j) Granite Conservation and Development Rules, 1999.

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 growth from ₹ 2.83 crores in the year 1983-84 to ₹ 670.57 crores, presently bears testimony to the efforts of the department.

E- Governance

The Department of Geology and Mining has initiated the vectorization of different layers of cadastral maps of Salem District to prepare the Geographical Information System enabled mining tenement registry and mineral atlas. This will be useful to track the areas under active mining and also help in detecting illegal mining.

SUGAR INDUSTRY

Sugar Industry

Sugar Industry in Tamil Nadu improves the economic conditions of the farmers in the rural areas. Tamil Nadu is one of the major producers of Sugar in the Country and its contribution is about 7% of the Country's total production. Sugar Industry generates direct and indirect employment to lakhs of rural population in cultivation, harvesting, transport and allied services.

Performance

There are 47 Sugar Mills in Tamil Nadu of which 16 Sugar Mills are in Cooperative Sector, 3 in Public Sector and 28 in Private Sector. At present, 44 Sugar Mills are functioning, i.e 16 Co-operative Sector Sugar Mills, 2 Public Sector Sugar Mills and 26 Private Sector Sugar Mills.

Production

During the current crushing season, all the Sugar Mills in Tamil Nadu have programmed to crush about 178.59 Lakh Metric Tonnes of cane and to produce 16.39 Lakh Tonnes of Sugar with an average recovery of 9.18%.

Sugar Sales

The Tamil Nadu Co-operative Sugar Federation Limited is the Nodal Agency to sell the Sugar produced by all the Co-operative and Public Sector Sugar Mills in Tamil Nadu. During the current sugar year, the Government of India have permitted sale of 90% of the Sugar as Free Sugar and the remaining 10% of the Sugar as Levy Sugar.

By-Products

i) Bagasse

The by-product bagasse is used as fuel to generate steam and power for operation of

the Mills. The surplus bagasse produced in Co-operative and Public Sector Sugar Mills is being sold to other users on tender basis. During the last financial year, a quantity of 33,974 Metric Tonnes of bagasse have been sold and a sum of ₹ 508.02 Lakhs has been realized by Co-operative and Public Sector Sugar Mills.

ii) Molasses

Molasses is a valuable down-stream by-product of Sugar Mills, utilized for production of Alcohol, Chemicals and Cattle Feed. During the last financial year, 1.28 Lakh Metric tonnes of Molasses have been sold and an amount of ₹ 3,323.24 Lakhs has been realized by the Co-operative and Public Sector Sugar Mills.

iii) Press Mud

Press mud is one of the by products of the sugar mills. By utilizing press mud, Vermi Compost and bio compost are also 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 produced is distributed to the sugarcane growers of the concerned mill.

Co-generation

In Cooperative Sector, 3 Co-generation Plants are functioning at M.R. Krishnamurthy and Cheyyar Cooperative Sugar Mills with an installed capacity of 7.50 MW each and at Subramania Siva Cooperative Sugar Mills with an installed capacity of 5.00 MW. All these mills are exporting power to the State Grid. It has been decided to set up Co-generation Plants in 12 Sugar Mills (10 Co-operative and 2 Public Sector Sugar Mills) with a capacity of 183 MW at a total cost of ₹ 964.88 Crores. During the Co-generation Programme, 12 Sugar Mills will be modernized at a cost of ₹ 276.27 Crores to reduce the Power and Steam consumption in sugar manufacturing

process and also to increase the quantity of power for export to State Grid.

Distilleries

The two distilleries in cooperative sector viz. Salem and Amaravathi Cooperative Sugar Mills, have produced 186.43 Lakh Litres of Alcohol during the last financial year and along with old stock sold 212.66 Lakh Litres of Alcohol and an amount of ₹ 5,877.26 Lakhs have been realized.

Ethanol

The requirement of Ethanol for 5% blending with Petrol in our State is about 6.25 crores litres per annum. So far eight Ethanol Plants having production capacity of 9.60 crores Litres per annum were established in Tamil Nadu of which 2 Ethanol Plants have been set up in Amaravathi and Salem Cooperative Sugar Mills with a capacity of 30 KLPD in each Mill. Further, establishment of 45 KLPD Distillery cum Ethanol Plants each at

Cheyar and M.R. Krishnamurthy Cooperative Sugar Mills at a cost of ₹ 36 crores each is in progress.

Revival of Madurantakam Cooperative Sugar Mills

Madurantakam Cooperative Sugar Mills was revived and during the trial crushing, 18,240 Metric Tonnes of Sugarcane was crushed and the trial crushing was completed on 27.4.2011.

The present Government will undertake efforts to improve the welfare of the cane growers as well as to improve the general performance of the Co-operative and Public Sector Sugar Mills so that the sugar mills in Tamil Nadu will achieve excellent status in the entire country. Further, all the weak and sick sugar mills will be revived and these mills will be expanded and modernized for the increased production of sugar and ethanol.

S.P. VELUMANI
Minister for Industries