

## **POLICY NOTE 2011-12**

### **MICRO, SMALL AND MEDIUM ENTERPRISES DEPARTMENT**

#### **1. Introduction**

Worldwide, the Micro, Small and Medium Enterprises (MSMEs) have been accepted as the engine of economic growth and for promoting equitable Development. The major advantage of the sector is its employment potential at low capital cost. The labour intensity of this sector is much higher than that of the large enterprises. It is a nursery of entrepreneurship, often driven by individual creativity and innovation.

In India too, the Micro, Small and Medium Enterprises play a pivotal role in the overall industrial economy of the country. It contributes 8 per cent of the country's Gross Domestic Product, 45 per cent of the manufactured output and 40 per cent of its exports. The Micro, Small and Medium Enterprises provide employment to about 60 million persons through 26 million enterprises.

In recent years the Micro, Small and Medium Enterprises Sector has consistently registered higher

growth rate compared to the overall industrial sector. With its agility and dynamism, the sector has shown admirable innovativeness and adaptability to survive the recent economic downturn and recession. Thus, Micro, Small and Medium Enterprises are important for the national objectives of growth with equity and inclusion.

Tamil Nadu accounts for the largest number of (15.07%) Micro, Small and Medium Enterprises (MSMEs) in the country with 6.89 lakhs registered MSMEs, producing over 8,000 varieties of product for a total investment of more than Rs.32,008 crores.

Tamil Nadu is a leader in Auto parts and components, Readymade Garments and Leather and leather goods. In order to give special drive the following 13 Industries have been identified as thrust sector:-

1. Electrical and electronic industry
2. Leather and leather goods
3. Auto parts and components
4. Drugs and pharmaceuticals.
5. Solar energy equipment.
6. Gold and Diamond Jewellery for exports.
7. Pollution Control equipments.

8. Sports Goods and Accessories.
9. Cost effective building material.
10. Readymade Garments.
11. Food processing
12. Plastic and
13. Rubber

The Commissionerate of Industries and Commerce, Tamil Nadu Small Industries Development Corporation Limited (TANSIDCO) and Tamil Nadu Small Industries Corporation Limited (TANSI) play an increasingly effective catalyst role by rendering services in issuing industrial clearances and granting subsidies, allotment of industrial plots, providing and developing infrastructure facilities and supply of plant and machineries required by the Micro, Small and Medium Enterprises. The Entrepreneurship Development Institute, popularly called EDI was constituted by the Government in 2001 with the aim to fulfil the long felt need for creating an apparatus for catering to the training needs of small scale industries.

## **2. Micro, Small and Medium Enterprises Development (MSMED) Act, 2006**

The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 seeks to facilitate the development of these enterprises and also enhance their competitiveness. It provides the first-ever legal framework for recognition of the concept of “enterprises” which comprises both manufacturing and service entities. It defines medium enterprises for the first time and seeks to integrate the three tiers of these enterprises, namely, micro, small and medium. The Act also provides for a statutory consultative mechanism at the national level with balanced representation of all sections of stakeholders, particularly the three classes of enterprises; and with a wide range of advisory functions. As per the MSMED Act, the enterprises are classified into manufacturing and service enterprises based on their investment in plant and machinery / equipment (excluding land and building) as indicated below:-

### **Manufacturing Enterprises**

- |                                   |    |                                       |
|-----------------------------------|----|---------------------------------------|
| - Micro Manufacturing Enterprises | -- | Up to Rs.25 lakhs.                    |
| - Small Manufacturing Enterprises | -- | Above Rs.25 lakhs & upto Rs.5 Crores. |

- Medium Manufacturing Enterprises -- Above Rs.5 Crores & upto Rs.10 Crores.

**Service Enterprises**

- Micro Service Enterprises – Up to Rs.10 lakhs.
- Small Service Enterprises – Above Rs.10 lakhs and upto Rs.2 Crores.
- Medium Service Enterprises – Above Rs.2 Crores and upto Rs.5 Crores.

**3. Micro, Small and Medium Industries Policy 2008**

The objective of the Micro, Small and Medium Industries Policy 2008 is to enhance the competitiveness of the Micro, Small and Medium Enterprises sector, to sustain the annual growth rate of over 10 per cent for MSMEs and to generate direct and indirect employment opportunities to the tune of 10 lakhs during the XI Five Year Plan period.

The objective of generating 10 lakh employment opportunities is sought to be achieved by motivating entrepreneurs in the State to take up self employment and industrial ventures through various financial incentives and promotional schemes announced in the MSMI Policy of the State. The details of employment generated through various schemes implemented by the State during the XI Plan period are given below:-

**Employment Generation in MSME Sector during the XI Plan period**

Sl. No.	Name of the scheme	Employment Generation				
		2007-08	2008-09	2009-10	2010-11	Total
1.	PMRY / PMEGP Scheme	52655	22712	20968	20080	116415
2.	NAMT Scheme	1180	370	343	1054	2947
3.	MSME Registration (EM Part II)	72972	63013	88036	221930	445951
4.	Cottage Industries Registration	13958	14280	21644	51322	101204
5.	Handicrafts Industries Registration	8134	8402	13905	33189	63630
6.	Industrial Cooperatives	1700	1569	1133	2570	6972
<b>Total</b>		<b>150599</b>	<b>110346</b>	<b>146029</b>	<b>330145</b>	<b>737119</b>

The Policy focuses on the development of MSMEs in the State through incentive schemes, infrastructure development, technology upgradation, skill development, marketing support, deregulation and simplification, administrative reforms and rehabilitation of sick enterprises in the State.

#### 4. Flow of credit to MSME Sector

The Government of India have been extending liberal financial support to MSMEs through banks and financial institutions. The credit flow to MSMEs is regularly monitored by State Level Bankers' Committee (SLBC) Meeting at the State level. At the District level the same is monitored by the District Level Bankers' Committee Meeting with District Collector as its Chairman. The flow of credit for the MSMEs during the XI Plan period is given below:-

Sl. No.	Year	Credit to MSMEs (Rs. in Crores)	Total Credit to priority sector (Rs. in Crores)	Percentage Credit Flow to MSMEs
1.	2007-08	7617.16	33282.89	22.89%
2.	2008-09	8260.98	37859.32	21.82%
3.	2009-10	9303.25	44709.83	20.81%
4.	2010-11	10374.78	52224.00	19.86%

#### 5. The Commissionerate of Industries and Commerce

The Commissionerate of Industries and Commerce is the nodal agency for the development of industries in general and micro, small and medium

enterprises in particular, in the State. The Commissionerate implements various programmes laying emphasis on the development of micro, small and medium enterprises in the State. District Industries Centres (DICs) are functioning in 30 Districts excluding Chennai District in Tamil Nadu. In Chennai District, the Regional Joint Director renders all help to the prospective entrepreneurs for starting and sustaining the micro, small and medium enterprises. District Industries Centres provide escort services to the entrepreneurs, i.e., identification of enterprises, the preparation of project profile, obtaining financial assistance from financial institutions, obtaining statutory clearances from various Government Departments and sanction and disbursement of subsidies.

With the objective of increasing exports in the State, the Government have designated the Industries Commissioner and Director of Industries and Commerce as "State Export Commissioner", based on the MSMI Policy, 2008.

## 6. Filing of Entrepreneur Memorandum

The filing of Entrepreneur Memorandum is optional for micro and small manufacturing / service enterprises and medium service enterprises, but compulsory for medium manufacturing enterprises as per the MSMED Act, 2006. Any person who intends to start a micro or small enterprise may now file, on a voluntary basis, in the prescribed format with the General Manager, District Industries Centre of the concerned District or to the Regional Joint Director of Industries and Commerce, in respect of Chennai District.

The Department has introduced a hassle free system for 'Online filing of Entrepreneur Memorandum Part I and Part II. Under this system any MSME entrepreneur can log on to the website [www.msmeonline.tn.gov.in](http://www.msmeonline.tn.gov.in) and file application online for Entrepreneur Memorandum Part-I or Part-II and obtain EM Acknowledgement instantly, without even visiting District Industries Centres.

This scheme of online filing has evoked a good response from the entrepreneurs. As on 31.03.2011 1,42,332 Entrepreneur Memorandum (Part-I) and 81,921

Entrepreneur Memorandum (Part-II) have been issued online as on 31.3.2011.

## 7. Incentive Schemes

The following incentive schemes are being extended to micro, small and medium enterprises in the State:-

### a. **Exclusive subsidy schemes for micro manufacturing enterprises established anywhere in the State**

- 15% capital subsidy on the value of eligible plant and machinery subject to a maximum of Rs.3.75 lakhs.
- 20% low tension power tariff subsidy for 36 months from the date of commencement of commercial production or from the date of power connection, whichever is later.
- 100% subsidy on the net value of Value Added Tax (VAT) paid by them for the first 6 years upto the value of investment made in plant and machinery, reimbursed on quarterly basis.
- Stamp duty exemption on mortgaged and pledged documents.

### b. **Subsidy schemes for micro, small and medium manufacturing enterprises established in industrially backward blocks and agro based enterprises set up in all the blocks in the State.**

Micro, small and medium manufacturing enterprises coming up in 251 industrially backward blocks, all

industrial estates promoted by the Government and Government Agencies like SIPCOT, TANSIDCO, etc., (excluding Industrial Estates located within the radius of 50 Kms from Chennai city centre) and agro based enterprises set up in all the 385 Blocks in the State are eligible for the following package of incentives:-

- i. 15% capital subsidy on the value of eligible plant and machinery subject to a maximum of Rs.30 lakhs.
- ii. 5% additional employment intensive subsidy on the value of eligible plant and machinery for giving employment to 25 workers for 3 years within the first 5 years from the date of commencement of commercial production, subject to a maximum of Rs.5 lakhs.
- iii. 5% additional capital subsidy on the value of eligible plant and machinery for enterprises set up by women, SC/ST, differently abled and transgender entrepreneurs subject to a maximum of Rs.2 lakhs.
- iv. 25% additional capital subsidy on the value of eligible plant and machinery installed to promote cleaner and environment friendly technologies subject to a maximum of Rs.3 lakhs and certification by the Tamil Nadu Pollution Control Board.
- v. 20% low tension power tariff subsidy for 36 months from the date of commencement of

commercial production or from the date of power connection whichever is later.

**c. Special Capital Subsidy for Thrust Sector Enterprises set up anywhere in the State**

A Special Capital Subsidy of 15% on the eligible plant and machinery (subject to a maximum of Rs.30.00 lakhs) is extended to the 13 thrust sector enterprises setup anywhere in the State viz., Electrical and Electronic Industry, Leather and Leather goods, Auto parts and components, Drugs and Pharmaceuticals, Solar Energy Equipment, Gold and Diamond Jewellery for exports, Pollution Control equipments, Sports Goods and Accessories, Cost effective building materials, Readymade Garments, Food Processing, Plastic and Rubber Industries.

**d. Generator Subsidy**

Micro, small and medium manufacturing enterprises anywhere in the State, which purchases Generator set upto 125 KVA capacity is eligible for Generator Subsidy at 25% of the cost of the generator set, subject to a maximum of Rs.1.50 lakhs.

### e. Back-ended Interest Subsidy

Back-ended interest subsidy at the rate of 3%, subject to a maximum of Rs.10.00 lakhs for a period of 5 years is being provided to micro, small and medium manufacturing enterprises for term loan upto Rs.100 lakhs obtained for

- Technology upgradation / modernization
- National Equity Fund (NEF) Scheme
- ISO certification
- Research and development resulting in registration of patents and intellectual property rights
- Credit Guarantee Fund Trust Scheme (CGFTS).
- TIIC will provide credit to MSME with 3 percent interest rebate.

The fund allocation and expenditure under various incentive schemes to MSMEs for the year 2010-11 are given below:

(Rs. in Lakhs)

Name of the scheme	2010-11	
	Fund Allotted	Fund Utilised
1. Capital Subsidy	4500.00	4500.00
2. LTPT Subsidy	500.00	500.00
3. Value Added Tax (VAT) subsidy	150.00	149.99
4. Generator Subsidy	835.02	835.02
<b>5. Back ended Interest Subsidy schemes</b>		
a. for Technology Upgradation / Modernisation	38.20	38.20
b. for R&D / ISO certification	0	0
c. for National Equity Fund scheme	28.99	28.99
d. for CGFT / NSIC SIDCO consortium scheme	5.44	5.44
<b>TOTAL</b>	<b>6057.65</b>	<b>6057.64</b>

### 8. Schemes for Technology Development

The following are the schemes available to MSME for technology development:-

- 50% subsidy on the cost of filing a patent application subject to a maximum of Rs.2 lakhs per application
- 50% of the cost of the application for trade mark registration or Rs.25,000/- whichever is less.
- Establishment of industrial clusters and mini tool rooms under Public Private Partnership mode by providing 25% of the

total project cost subject to a maximum of Rs.1 Crore as assistance.

- Creation of Technology Development Fund for evolving cleaner / energy efficient / IT enabled technologies.
- Assistance for creation of Centres of Excellence and Technology Business Incubators for introduction of a new production techniques and design development to the tune of Rs.50 lakhs per incubator / centre of excellence.

#### **9. Schemes for Skill Development / Up-gradation Training**

Reimbursement of 50% of the tuition fees for skill development training for the benefit of the educated unemployed youth and up-gradation of the skills of the existing employees of micro, small and medium enterprises by the MSME Associations.

#### **10. Marketing support**

The Government provide the following marketing support to micro and small manufacturing enterprises:-

- 15% Price preference for purchase of goods of domestic micro and small manufacturing enterprises as provided in the Tamil Nadu Transparency in Tenders Act, 1998.

- Purchase preference for items notified from time to time by the State Government.
- Waiver of Earnest Money Deposit for participation in tenders.
- 50% grant on hall rent for participation in exhibitions within the State and also in other States by MSME Associations.
- Support for marketing under a common banner or brand name.

#### **11. Policy for Rehabilitation of Sick Micro, Small and Medium Enterprises**

An appropriate rehabilitation package for the rehabilitation of sick Micro, Small and Medium Enterprises in the State was announced in the MSME Policy 2008. The policy envisages assistance for conducting of diagnostic study of sick enterprises, scrutiny of the diagnostic study reports by a sub-committee of the State Level Inter Institutional Committee (SLIIC) constituted by the Reserve Bank of India and its recommendation to Empowered State Level Rehabilitation Committee (SLRC) for rendering rehabilitation assistance to sick Micro, Small and Medium Enterprises.



The guidelines for the implementation of the rehabilitation package announced in the Policy will be issued by the Government shortly taking into account the recommendation of the Micro, Small and Medium Enterprises Task Force constituted by the Hon'ble Prime Minister.

#### **12. Empowered Committee for monitoring of the implementation of MSMI Policy**

An Empowered Committee under the Chairmanship of Hon'ble Minister for Rural Industries has been set up for monitoring of the implementation of MSMI Policy. Officials from various Departments of the Government have been nominated as members of the Committee for effective interaction with the Industries Bodies.

#### **13. Micro, Small and Medium Enterprises Board**

The MSME Board functions under the Chairmanship of Hon'ble Minister for Rural Industries with the Chief Secretary to Government as Vice Chairman. The Board includes 23 official members of State / Central Government departments / organizations and 12 non-official members representing MSME / SSI

Associations. This Board will meet once in 6 months to analyse the problems and issues of MSMEs raised by the MSME Associations and suggest suitable solutions and send its recommendations to Government.

#### **14. Prime Minister's Employment Generation Programme (PMEGP)**

The Government of India, Ministry of MSME, New Delhi have introduced a credit linked subsidy scheme called Prime Minister's Employment Generation Programme (PMEGP) by merging the schemes of Prime Minister's Rozgar Yojana and Rural Employment Generation Programme (REGP) in 2008. This scheme aims at empowering the first generation entrepreneurs to set up micro enterprises. This scheme provides loans up to Rs.10 lakhs to set up service enterprises and upto Rs.25 lakhs to set up manufacturing enterprises. At national level, the Khadi and Village Industries Commission (KVIC), acts as the nodal agency. At the State level, the scheme is implemented through State Khadi and Village Industries Commission (KVIC), State Tamil Nadu Khadi and Village Industries Board (KVIB) and District Industries Centre (DIC) through Banks.

The details of target and achievement of the scheme for 2010-2011 are as follows:

Implementing Agency	Target			Achievement		
	Nos.	Margin Money (Rs. in Lakhs)	Employment Generation	Nos.	Margin Money (Rs. in Lakhs)	Employment Generation
DIC	1299	1819.13	12990	1063	1818.39	13147
KVIC	1110	1553.96	11100	581	1638.77	11375
KVIB	726	1016.94	7260	603	1019.83	7373
<b>Total</b>	<b>3135</b>	<b>4390.03</b>	<b>31350</b>	<b>2247</b>	<b>4476.99</b>	<b>31895</b>

#### 15. Rajiv Gandhi Udyami Mitra Yojana (RGUMY)

Government of India, Ministry of Micro, Small and Medium Enterprises Department has formulated a scheme, viz., "Rajiv Gandhi Udyami Mitra Yojana" to provide hand holding support and assistance to the potential first generation entrepreneurs for setting up and running of the enterprises. Among others, the Entrepreneur Development Institute (EDI), Chennai has been empanelled by the Government of India under Category-II training institute. Moreover, 26 Udyami Mitras have been empanelled by Government of India

under Category III. Government of India have released a sum of Rs.21.14 lakhs of grant-in-aid from plan funds for providing hand holding support to first generation entrepreneurs under this scheme. So far Rs.1.84 lakhs has been disbursed to 4 Udyami Mitras to benefit 120 entrepreneurs (Udayamis).

#### 16. Micro and Small Enterprises – Cluster Development Programme (MSE -CDP)

This scheme is operated by Ministry of Micro, Small and Medium Enterprises Government of India. Government of India assistance for setting up of Common Facility Centres is available upto 70 % of the total project cost of maximum Rs.15 crores and the State Government assistance at 10% of the total Project cost.

Common Facility Centre proposals for 15 clusters have already been sanctioned by Government of India with a Project cost of Rs.5738.95 lakhs which are under implementation and 9 proposals with a Project cost of Rs.3663.17 lakhs have already been given in principle sanction by the State Government and recommended to Government of India for approval.

Tamilnadu state have obtained approval for maximum number of Common Facility Centre proposals from Government of India during the XI Plan period.

The details of 15 cluster proposals already sanctioned by Government of India are as follows:

SI No	Cluster Name	Project cost (Rs. In lakhs)	No. of Enterprises	Turnover (Rs. in Crores)	Employment
1.	Wet Grinder, Coimbatore	288.20	700	300.00	20000
2.	Safety Matches, Gudiyatham.	156.00	525	52.50	1000
3.	Safety Matches, Virudhunagar	156.00	825	82.50	1500
4.	Safety Matches, Sattur	156.00	1225	122.50	
5.	Safety Matches, Srivilliputtur	156.00	525	52.50	750
6.	Safety Matches, Kazhugumalai	156.00	525	52.50	1225
7.	Safety Matches, Kovilpatti	156.00	1025	102.50	1100
8.	Sago & Starch, Salem	150.00	550	230.29	25000
9.	Brick, Tirunelveli.	227.28	50	34.50	150

SI No	Cluster Name	Project cost (Rs. In lakhs)	No. of Enterprises	Turnover (Rs. in Crores)	Employment
10.	Ceramic, Virudhachalam	73.10	300	48.00	1200
11.	Coir, Sivaganga	658.90	7219	39.66	7500
12.	Engineering, Ranipet.	927.08	200	120.00	26000
13.	Printing, Sivakasi	1096.87	600	1000.00	12000
14.	Rice Mill, Keelapavoor.	690.58	163	1575.00	3720
15.	Auto Components, Hosur	690.94	1500	450.00	18000
	<b>TOTAL</b>	<b>5738.95</b>	<b>15932</b>	<b>4262.45</b>	<b>119145</b>

The following 9 cluster proposals are proposed to be taken up during the year 2011-12:

SI No	Cluster Name	Project cost (Rs. In lakhs)	No. of Enterprises	Turn over (Rs. in Crores)	Employment
1.	Rice Mill, Alangulam	789.15	75	75.00	1000
2.	Plastic, Madurai	524.42	800	100.00	8500
3.	Pharmaceuticals (MICAL), Chennai	342.64	350	2000.00	81000
4.	Engineering, Ambattur.	551.36	620	550.00	4500
5.	Engineering, Dindigul	971.29	210	75.00	4000
6.	Engineering, Perungudi	77.00	2000	12.00	40000
7.	Engineering, Paramakudi	233.39	47	45.78	765
8.	Stainless Steel Vessels, Kumbakonam.	126.52	114	19.44	400
9.	Pharma Indian System of Medicine, Kavangarai, Thiruvallur District	47.40	120	42.00	1300
<b>TOTAL</b>		<b>3663.17</b>	<b>4336</b>	<b>2919.22</b>	<b>141465</b>

### 17. Single Window Clearance

Considering the importance of Micro, Small and Medium Enterprises sector, the State Government pursues a proactive and hassle free policy. To encourage the entrepreneurs to establish enterprises under MSME Sector and to expedite the process of getting approval from various departments / agencies like Tamil Nadu Pollution Control Board, Tamil Nadu Generation and Distribution Corporation Limited, Fire Services, Public Health Department and Local Bodies, at a single point, Single Window Agency has been constituted. The District Industries Centre (DIC) in each district serves as a Single Window Agency providing entry level essential services to eligible MSMEs. As on 31.3.2011, out of 1146 received applications, 1029 applications have been disposed (89.79%).

### 18. Micro and Small Enterprises Facilitation Councils

Government have constituted four Regional Micro and Small Enterprises Facilitation Councils at Chennai, Tiruchirappalli, Madurai and Coimbatore to facilitate speedy settlement of the arrears of sale proceeds due from the major industrial undertakings to

the micro and small enterprises, for the goods supplied, in accordance with the Micro, Small and Medium Enterprises Development Act 2006. During the financial year 2010-11, 31 MSEFC sittings were conducted and 100 cases were settled. Rs.254.46 lakhs have been realised to the micro and small enterprises as on 31.03.2011.

#### **19. Unemployed Youth Employment Generation Programme**

The Unemployed Youth Employment Generation Programme (UYEGP) which is being implemented since 2011 aims to mitigate the unemployment of the educated youth in socially and economically weaker sections of the society by way of self-employment through setting up of micro enterprises in manufacturing, service and business sectors. In this scheme the maximum financial assistance for manufacturing / Service / Business activities is Rs.5 lakhs, Rs.3 lakhs and Rs.1 lakh respectively, including 15% subsidy of the Government on the Project Cost. The promoter's contribution is 10% and 5% of the project cost in respect of General category and Special category respectively. Any individual above 18 years and with a minimum

educational qualification of pass in VIII<sup>th</sup> standard is eligible to benefit under the scheme. The upper age limit for the General Category is 35 years and upper age limit is 45 years for the Special Category comprising SC / ST / BC / MBC / Minority / Women / Ex-servicemen / Differently abled / Transgender. During the year 2010-11 an amount of Rs.17.00 crores was allocated towards subsidy component and contingencies. After getting State Level Bankers' Committee approval in the 4<sup>th</sup> quarter, the scheme was put in to operation and 4468 application were forwarded to the banks with the subsidy component to the tune of Rs.14.19 crores. Training is being imparted to the beneficiaries, and for 521 beneficiaries with the subsidy of Rs.1.5 crores and project cost to the tune of Rs.10 crores has already been disbursed and further training and disbursement is also continuing for the year 2011-12. A total allocation of Rs.17.00 crores is provided for implementation of the scheme.

## **20. Testing Services, Training and Infrastructure Facilities**

### **a. Testing Laboratories**

#### **i. Electrical Testing Centres**

To cater to the needs of Micro, Small and Medium Electrical and Electronics Enterprises and Quality Marking Organisations, the Central Electrical Testing Laboratory, Kakkalur has been established. This modernized laboratory is maintaining NABL Accreditation and BIS Recognition. This Laboratory, offers testing facilities for more than 160 Electrical Products / Equipments including Electrical Appliances, Cables, Lamps, Energy Meters etc., as per relevant Indian Standard Specifications besides calibration facilities. Major beneficiaries are BIS, DGS&D, Quality Control / Marking Organisations, Private Manufacturers and various State and Central Government Departments/ Undertakings. Against the target of 7040 samples to be tested and collection of testing fees of Rs.182.00 lakhs for 2010-11, 6666 samples have been tested and earned a revenue of Rs.186.23 lakhs to Government. Samples of table fans, mixies and wet grinder have been tested for getting quality certification

for participation in the tender for free distribution of electric fans, mixies and grinder to women beneficiaries.

Besides this, for the needs of electrical and electronic industries in and around Krishnagiri District, a Common Facility Centre was established in Hosur during 1974. This Centre provides testing facilities for the development of electrical products.

#### **ii. Chemical Testing Laboratories**

Chemical Testing Laboratories are functioning at Chennai, Madurai, Salem, Coimbatore and Thoothukudi which are equipped with modern and sophisticated instruments required for conducting testing of raw materials and finished goods to meet the growing needs of Chemical, Metallurgical and other industries. These Laboratories render assistance to the MSMEs in testing raw-materials, products and processed items. These testing facilities are provided to MSMEs at concessional rates. Against the target of 60925 samples to be tested and collection of testing fees of Rs.138.30 Lakhs, 69860 samples have been tested to the value of Rs.189.08 Lakhs in the Chemical Testing Laboratories during 2010-11. A technical library with 20000 I.S. Specifications, 6100 Books and 14 Journals are

available at Chennai Laboratory, for the use of entrepreneurs.

The following are the details of equipments available, samples tested and number of units benefited:-

Unit	Types of Equipments available	Types of samples tested	2010-2011	
			No. of samples tested	No. of units benefited
Chemical Testing and Analytical Laboratory, Chennai.	Atomic Absorption Spectrophotometer, Optical Emission Spectrometer, Carbon Sulphur Analyser, Calibration Equipments, Universal Testing Machine, Hardness Testing Machine etc.	All types of Rawmaterials and Finished products, Building materials.	12290	1990
Regional Testing Laboratory, Madurai.	High Performance Liquid Chromatograph, Universal Testing Machine, Hardness Testing Machine etc.	All types of Rawmaterials and Finished products, Building materials, Drugs and Pesticides	25394	3328
Regional Testing Laboratory, Coimbatore.	Universal Testing Machine and Hardness Testing Machine.	All types of Rawmaterials and Finished products, Building materials.	11105	3645
Regional Testing Laboratory, Salem.	Universal Testing Machine and Hardness Testing Machine and NIR Analyser etc.	All types of Rawmaterials and Finished products, Building materials, Sago and Starch.	13623	3252

Unit	Types of Equipments available	Types of samples tested	2010-2011	
			No. of samples tested	No. of units benefited
Regional Testing Laboratory, Thoothu kudi.	Universal Testing Machine etc.	All types of Rawmaterials and Finished products, Building materials and Salt.	7448	126
<b>TOTAL</b>			<b>69860</b>	<b>12341</b>

#### TARGET AND ACHIEVEMENT IN TESTING SAMPLES | CHEMICAL WING

Sl. No	Unit	2010-2011	
		Target	Achievement (Upto March, 2011)
(1)	(2)	(3)	(4)
1	Chemical Testing and Analytical Laboratory, Guindy, Chennai – 32.	9900	12290
2	Regional Testing Laboratory, Madurai	15700	25394
3	Regional Testing Laboratory, Coimbatore	10600	11105
4	Regional Testing Laboratory, Salem	20000	13623
5	Regional Testing Laboratory, Tuticorin	4725	7448
<b>TOTAL</b>		<b>60925</b>	<b>69860</b>

**iii. Data Bank and Information Centre for Electrical and Electronics Industries**

This Information Centre located at Dr. VSI Estate, Thiruvanmiyur, Chennai provides information and guidance to the entrepreneurs on electrical and electronic enterprises, offers project profiles on selected projects and also maintains a State wide Directory on MSM electrical and electronics enterprises for the use of entrepreneurs to identify buyers and sellers. A technical library containing 1400 books and 100 journals are available in the Data Bank for the use of entrepreneurs.

**iv. Enforcement of Quality Control Orders**

a. For creating awareness among consumers in Tamilnadu, in using quality electrical products, the Quality Control Order Enforcement Centre, Chennai-41 implements the Household Electrical Appliances (Quality Control) Order, 1981 and The Electrical Wires, Cable, Appliances, and Protection Devices and Accessories (Quality Control) Order, 2003. Contravention of the first Order is punishable as provided for under the Essential Commodities Act, 1955. The second Order prohibits manufacture or storage for sale or distribution of specified items without the Bureau of Indian Standard

marking. Contravention of this order attracts penal action under Bureau of Indian Standards Act. The General Manager, District Industries Centre, of the concerned District has been appointed as the "Appropriate Authority" to implement the provisions of these Orders in mofussil Districts and Deputy Director (E&E), Quality Control Order Enforcement Centre, Chennai in respect of Chennai District. For the year 2010-11, 2047 inspections and 66 search and seizures have been conducted and criminal cases have been filed.

**b. Training Institutes:**

1. Government Technical Training Centre, Guindy offers three year Diploma in "Tool and Die", three year Diploma in "Refrigeration and Air-conditioning" and one year Post-Diploma (Advanced) in "Die and Tool Design" Courses with an intake of 30, 40 and 10 students in the respective courses.
2. Institute of Tool Engineering, Dindigul offers a three year Diploma course on "Tool and Die" with an intake of 30 students.
3. Institute of Ceramic Technology, Vridhachalam affiliated to the Department of Technical Education is run by this Department. This Institute offers a 3½ year specialized course on "Diploma in Ceramic Technology" with an intake



of 50 Students and 10 Students in the Second year as lateral entry.

4. Government Scientific Glass Training Centre, Guindy offers a 2 – year specialized Certificate course on the “Manufacture of Scientific Glass Apparatus”. Every year 25 Students who passed 10<sup>th</sup> Standard are admitted for this course.

## **21. Government Industrial Estates**

### **i. Ceramic Industrial Estate**

An Industrial Estate exclusively for Ceramic products is functioning at Vridhachalam with 64 industrial sheds since 1964. In order to encourage Ceramic Industries in the State the Industrial sheds are rented to the entrepreneurs at a nominal rent of Rs.1.75 per Sq.ft. per month. The industrial units in this estate manufacture low tension insulators, sanitary wares, art wares, refractory bricks and other refractory materials.

### **ii. Electrical and Electronic Industrial Estates**

For the growth of micro, small and medium enterprises, Government established eight Industrial estates, especially for Electrical and Electronic industries with 517 Developed Plots and 140 Sheds. Of the Eight

Industrial estates, two are located in Chennai (Thiruvanmiyur and Perungudi) and one each in Tiruvallur (Kakkalur), Madurai-(Kappalur), Salem (Suramangalam), Coimbatore (City), Krishnagiri (Hosur), and Trichy (Thuvakudi) districts.

Out of the the 517 plots developed in these estates 509 plots have been allotted to Entrepreneurs. Similarly out of the 140 sheds 136 sheds have been allotted to Entrepreneurs.

The above eight estates and the Ceramic Industrial Estate at Virudhachalam are proposed to be handed over to TANSIDCO for future maintenance.

## **22. Industrial Co-operative Societies**

The Industries Commissioner and Director of Industries and Commerce is the Functional Registrar of Industrial Cooperatives in the State. Industrial Co-operative Societies have been organized with the twin objectives of social and economic upliftment of the people living below the poverty line in the State. The most important social objective is to safeguard the interest of the poorest section against exploitative trends and to pave the way for dispersal of wealth and to provide gainful employment to the economically weaker

sections (viz) rural artisans, workers and labourers. The Industrial Cooperative Societies, functioning under the control of this Department, contribute more for the employment generation to the rural people especially to the womenfolk in the villages. Some of the important trades, in which the industrial cooperative societies have been formed, are tea, sago, matches, coir, polythene, handicrafts, tailoring, auto services, metal, printing, labour contract, industrial estates, goods transport, testing laboratory, snake catching etc.

As on 31.3.2011 there are 353 Industrial Cooperative Societies under the control of this department, of which 278 societies are working in profit. These societies made a sales turnover of Rs.660.87 crores. They have provided employment to 1,05,793 persons with wage disbursement of Rs.3040.62 lakhs.

Sl. No	Name of the Trade	No. of Societies	No. of Profit Making Societies	No. of Loss Making Societies	No. of Dormant Societies	No. of New Societies
1	Tea Service	2	2	0	0	0
2	Tea Factories	16	15	0	0	1
3	Sago	2	2	0	0	0
4	Match Service	5	5	0	0	0
5	Leather	3	0	2	1	0
6	Coal and Coke	1	1	0	0	0
7	Brick	7	5	0	1	1
8	Metal	8	8	0	0	0
9	Engineering	17	14	1	1	1
10	Polythene	11	9	1	1	0
11	Coir	74	60	1	11	2
12	Auto and Taxi	54	35	1	8	10
13	Tailoring	16	13	2	0	1
14	Indl. Coop. Estate	15	12	0	0	3
15	Printing	31	30	1	0	0
16	Labour Contract	38	29	1	6	2
17	Bank	1	1	0	0	0
18	Special	35	24	1	6	4
19	Handicrafts	17	13	1	2	1
<b>Total</b>		<b>353</b>	<b>278</b>	<b>12</b>	<b>37</b>	<b>26</b>

### **23. Tea Sector**

The Tea Sector plays an important role in the welfare of Small Tea Growers in Nilgiris District. About 63,000 Small Tea Growers are in the State, out of which 20,648 Small Tea Growers have been enrolled as members of Industrial Cooperative Tea Factories. In order to safeguard the small tea growers in Nilgiris District from exploitation of bought leaf factories and to ensure them to get remunerative price for their green leaves, Industrial Cooperative Tea Factories were organized from the year 1961 onwards and at present 15 Industrial Cooperative Tea Factories and two Tea Service Societies are functioning in the Nilgiris District. Out of these 15, 3 Industrial Cooperative Tea Factories at Salisbury, Bitherkad and Pandalur have obtained ISO: Hazard Analysis and Critical Control Point Certification. Further, out of 2 Tea Service societies 1 service society viz. Indcoserve has obtained ISO certification.

### **24. Industrial Cooperative Tea Factories**

Tea is the backbone of Nilgiris District which caters to the needs of 63,000 small tea growers in the State. Initially, the small tea growers had to supply their

green leaves only to the private bought leaf factories and thereby faced several problems such as low rates, heavy rejection, manipulation in quantity of leaves supplied etc. This situation had prompted the Government to interfere ultimately ending with forming of tea factories under cooperative sector. With the establishment of first industrial cooperative factory at Kundha in 1961, these small tea growers were able to realize a better price for their green leaf.

Presently, there are 15 industrial cooperative tea factories with an annual installed capacity of 181 lakh kgs of made tea. The percentage share of Indco Tea factories to the total production of tea in Tamil Nadu stands at 17 percent. Enrolled with 20648 small tea growers as members, these factories also provide inputs like Fertilizers, Seedlings, Manures, Tea Leaf bags etc. to their members. During 2010-11, all the 15 factories have produced 165.85 lakh kgs of made tea and sold to the value of Rs.82.71 crores. Though 15 tea factories have worked on profit during the same year, 9 factories are still working under cumulative loss.

To protect the welfare of small tea grower members of indco tea factories, Nilgiris district, the Government have provided a supportive price at the rate of Rs.2 per kg of green leaf amounting to Rs.11.20 crores for the leaf procured from small tea growers members of industrial cooperatives tea factories from May to December 2011.

**25. Tamil Nadu Small Tea Growers Industrial Cooperative Tea Factories Federation Ltd., (Indcoserve)**

After the formation of a number of Industrial Cooperative Tea Factories, it was felt necessary to promote an Apex Organisation to coordinate the activities of the Industrial Cooperative Tea Factories in Nilgiris District. Accordingly, the Tamil Nadu Small Tea Growers Industrial Cooperative Tea Factories Federation Ltd., called "INDCOSERVE" was established in 1965. The main object of this society is to coordinate and facilitate the purchase of various items required by Indco factories and to market the products of member Tea Factories thereby facilitating them to get better prices for the member growers. Its other object is to market the branded and un-branded teas, pocketed and

straight teas, green teas etc., in India and abroad. It also provides warehousing facilities to the member factories for which it has got its own warehouses at Coonoor, Coimbatore and Cochin. It sells "Ooty Tea" through fair price shops to sustain the demand for the Nilgiris Tea in the market and to make the Nilgiris tea available to the consumers at reasonable price. During 2010-11 it made sales turn over of Rs.28.58 crores and earned nett profit of Rs.53.81 lakhs. It is proposed to enhance monthly offtake of "Ooty Tea" upto 500 metric tonnes per month by the Co-operative Department and Tamil Nadu Civil Supplies Corporation under Public Distribution System.

**26. Tea Manufacturers' Service Industrial Cooperative Society Ltd., (Teaserve)**

In order to eliminate middlemen and to make transparency towards better price discovery mechanism for primary marketing of tea so as to provide remunerative selling price to the tea manufactures, an Electronic Tea Auction Centre under cooperative sector in the name of Tea Manufacturers Service Industrial Cooperative Society Limited shortly known as "Teaserve" was registered on 28.8.2002 and

commenced its electronic auction proceeding on 01.10.2003 at Coonoor. Indco tea factories, bought leaf factories and factories of Tantea are the members of this society. It has effected sale of 182.41 lakhs kgs of made tea with the value of Rs.104.71 crores through auction during 2010-11. It is continuously working on profit and during 2010-11 it has earned net profit of Rs.7.20 lakhs.

### **27. Coir Industrial Co-operative Societies**

The coir industries play a vital role in providing employment opportunities especially to the women folk in the State. Tamil Nadu stands second next to Kerala in the Coir Sector and stands first in the production of brown fibre in the country. The percentage of husks utilized in the coir industry in the State is estimated at 48% as against 40% being the national average utilization of husks. The coir sector plays an important role in providing employment opportunities especially to the women in the State. The coir industry has been developed both in private and cooperative sector. Under cooperative sector, there are 74 Coir Industrial Co-operative Societies functioning for the benefit of 10372 members / workers with a share capital of Rs.266.85

lakhs including the Government share of Rs.222.22 lakhs. These societies are engaged in fibre extraction, spinning of coir, mat and mating, production of rubberized coir mattress etc. During 2010-11 these societies have achieved sales turn over of Rs.1341.28 lakhs. Besides, these societies distributed a sum of Rs.118.12 lakhs as wages during the same year.

### **28. Market Development Assistance (MDA) for Coir Cooperative Societies**

With a view to encourage consumption of coir yarn and coir products in the country, the Government of India through Coir Board have introduced Market Development Assistance to the value of 10% on the average sales turnover of the preceding three years. This assistance is provided to dispose of the Coir products through discount sales so as to enable coir cooperatives to provide continuous employment to their coir workers. This MDA is equally shared between the Government of India and State Government. Government of Tamil Nadu have sanctioned Market Development Assistance to 64 Coir Cooperative Societies to the tune of Rs.47.75 lakhs matching the Government of India's share for the year 2010-11.

**29. Coir – Scheme of Fund for Regeneration of Traditional Industries (SFURTI)**

With the assistance of Coir Board, 6 coir clusters have been commenced in Cuddalore, Salem, Singampuneri, Periakulam, Pattukottai and Gudiyatham at a total project cost of Rs.528.65 lakhs under Scheme of Fund for Regeneration of Traditional Industry (SFURTI). These coir clusters are engaged in Automatic Yarn Spinning, production of Coir Pith Block and manufacturing of garden articles. Similarly, the Government of India have sanctioned a Coir Cluster at Singampuneri in Sivagangai District at a total project cost of Rs.658.90 lakhs under MSE-CDP scheme. Out of this, the Government of India grant is Rs.500 lakhs and the State Government contribution is Rs.65.89 lakhs.

**30. Coir – Rejuvenation, Modernisation and Technology Upgradation (REMOT)**

The Government of India have approved the scheme of Rejuvenation, Modernisation and Technology Upgradation (REMOT) for the coir industry during the XI Five Year Plan. This scheme is implemented through Coir Board. For Tamil Nadu 616 units under spinning

sector and 520 units under Tiny Household sector with the total outlay of Rs.3932 lakhs have been earmarked under the scheme. The scheme envisages the project at a cost of Rs.2.00 lakhs for spinning sector and Rs.5.00 lakhs for tiny / household sector, with the Government of India subsidy at the rate of 40% for each project. The Coir Board will provide lateral support in getting loan assistance from the Banks. During 2010-11, 192 units with a project cost of Rs.810.00 lakhs were sanctioned for Tamil Nadu and the Coir Board has released the Govt. of India subsidy of Rs.324.00 lakhs to the units.

**31. Salem Starch and Sago Manufactures Service Industrial Cooperative Society (Sagoserve)**

The Salem Starch and Sago Manufactures Service Industrial Cooperative Society popularly known as “Sagoserve” is one of the most successful Industrial Cooperative Societies in the Country. It was formed on 21.7.1981 with an objective of eliminating the exploitation of middlemen and to release the Sago and Starch producers from their clutches so as to secure fair and remunerative price for their products. With 364 members its share capital is Rs.746.81 lakhs including the Government share of Rs.99.83 lakhs. The society

not only facilitates marketing of its member products but also extends other services including finance, warehousing facilities etc. It has also set up an Analytical Testing Laboratory as Common Facility Centre in its campus under MSE- CDP cluster at an initial project cost of Rs.150 lakhs duly sanctioned by the Government of India under Phase I. During 2010-11, it has made sales turn over of Rs.371.41 crores and earned nett profit of Rs.236.72 lakhs.

### **32. Sago Cluster**

The Sagoserve and its members have faced many problems in testing the samples of their products in time in view of insufficient testing facilities available at Salem. In order to mitigate this problem, it was decided to set up a Testing Laboratory under Common Facility Centre by availing financial assistance from Government of India under MSE-CDP. Accordingly, the Government of India approved the Sago Cluster for setting up of Common Facility Centre at Sagoserve with the total project cost of Rs.498.00 lakhs. Under first Phase, Government of India have sanctioned Rs.120.00 lakhs for the setting up of a Testing Laboratory as a Common Facility Centre and Rs.10.00 lakhs for Soft Interventions.

Out of this, an amount of Rs.4.00 lakhs has been sanctioned by Government of India towards soft-interventions. For setting up of an analytical laboratory under Common Facility Centre, the required equipments and machineries have been purchased and installed in Sagoserve for which the Government of India have released the total amount of Rs.73.31 lakh as grant under phase I. The laboratory was commenced on 1.2.2010.

### **33. Tamil Nadu Industrial Co-operative Bank (TAICO Bank)**

In order to cater to the financial needs of Industrial Co-operative Societies, the Tamil Nadu Industrial Co-operative Bank popularly known as “TAICO Bank” was established during 1961. With the total membership of 406, its paid up share capital is Rs.5.70 crores including the Government share of Rs.2.68 crores, Licensed by the Reserve Bank of India, this Bank is also extending various types of loans such as jewel loan, SSI loan, Regular Overdraft, Personal loan, House Mortgage Loan, etc. to the general public as well as to others. It also accepts deposits from public and operate savings and current accounts like other banks. It acts as

one of the implementing agencies to implement the schemes under TAMCO, THADCO, TABCEDCO. During 2010-11, the Bank has mobilized deposits to the tune of Rs.688.72 crores and extended loans to the extent of Rs.499.51 crores. It earned profit of Rs.248.80 lakhs during the same year. The Bank has been working with 44 branches all over the State and all the branches have been computerized.

#### **34. Brick Workers' Industrial Cooperative Societies**

The poor Adi Dravida Skilled Labourers in rural areas were facing problems in getting employment for their livelihood. In order to provide employment to such skilled workers, a scheme was drawn up by the Department to organize brick societies in the State. Accordingly, many brick societies have been organized by availing assistance from THADCO and other agencies. At present, 7 Brick Workers' Industrial Cooperative Societies are functioning in the State providing employment to 1025 Adi-dravidar brick workers. These societies have paid up share capital of Rs.8.78 lakhs including Government share of

Rs.2.14 lakhs. During the year 2010-11, these societies have effected sale to the value of Rs.118.52 lakh.

#### **35. Polythene Industrial Cooperative Societies**

The main object of forming Polythene Industrial Cooperative Societies is to provide continuous and gainful employment to the unemployed women who are wives of ex-service men, unemployed women belonging to Adi Dravidar Community in rural areas. The line of activity is to cater to the needs of polythene bags required by Forest Department and Agricultural Department for raising nursery seedlings. At present, there are 11 Polythene Industrial Cooperative Societies functioning in the State providing employment to 803 women worker members. They have achieved sales to the value of Rs.168.85 lakh during the year 2010-11.

#### **36. Auto Service Cooperative Societies**

To uplift the economic conditions of the poor auto drivers of all categories and also to make them owners of the auto-rickshaw through hire purchase system, Autorickshaw Drivers Cooperative Societies have been formed in the State. Further, such Auto Societies have



also been organized for the welfare of auto drivers of minority community in the State. At present, there are 54 auto service societies functioning in the State out of which, 18 auto societies have been organized under TAMCO (Tamil Nadu Minorities Development Corporation Limited) Scheme to provide employment to the youth belonging to minority communities. So far 1140 auto-rickshaws have been distributed to the members at 6% interest rate under TAMCO scheme. Besides providing autos, 3 Auto Societies in Chennai District are operating their own retail outlets of petrol, diesel and LPG for the benefit of auto drivers in the city.

### **37. Printing Service Cooperative Societies**

The small scale printing units were findings it difficult to procure huge printing orders in the State as they were operating in an un-organized manner. In order to group them under cooperative fold, Printing Cooperative Societies have been formed to help them procure orders and execute them through its member printing units. Further, printing societies with production units have also been organized in the State not only to help them in marketing but also to provide employment to the workers engaged in the production units. These

societies procure printing orders from Government Departments, Government undertakings, Local Bodies and Cooperative Institutions and execute such orders through the member printers and workers. There are 28 Printing Service Co-operative Societies and 3 Printing Workers' Societies functioning in the State. During the year 2010-11 these societies have effected sales to the value of Rs.1920.27 lakhs.

### **38. Labour Contract Service Cooperative Societies**

Eradication of contract labour system is obligatory in industries under Contract Labour Abolition Act. The Government of Tamil Nadu is the pioneer in implementing this statutory requirement by forming labour service cooperative societies in the State. These societies give a new life to the casual labourers by providing permanent employment with full wages and other statutory benefits. Such societies have been formed under organised sector in Kalpakkam Atomic Power Station, CPCL, NLC, BHEL etc. Similarly, Labour Contract Service Societies have also been organized for the skilled labourers / artisans / technicians / ITI holders who have been spread over under un-organized sector. The members of these types of societies have been

providing employment by obtaining work orders from the Government Departments, Corporations, Undertakings and Cooperative Societies etc. in the State. At present, there are 38 Labour Contract Service Societies functioning in the State. During the year 2010-11, these societies have disbursed wages to the value of Rs.2715.44 lakhs.

### 39. Cooperative Industrial Estates

Industrial Estates were formed under Cooperative sector with the aim of promoting small and tiny sector industries by way of providing work sheds / developed plots, power, water and all other facilities and amenities required by industrial entrepreneurs at economic cost. Towards achieving this object, the Department has promoted 15 Cooperative Industrial Estates in various districts for the benefit of 2,204 micro and small entrepreneurs/members. Besides generating huge employment, these estates are also earning substantial foreign exchange through the export oriented units functioning in such estates.

The performance of Industrial Cooperative Estates is as under

S. No	Name of the Cooperative Indl. Estate	Date of starting	No. of Mem bers	Land pur chased (in acre)	Indl. Sheds allot ted	No. of plots		
						Dev. Plots	Allot men t of Plot	Vac ant
1	Vyasarpadi, Chennai	20.11.1961	96	30.30	55	69	69	NIL
2	Sakthi, Pollachi (Coimbatore Dist.)	4.12.1961	150	62.80	20	122	115	7
3	Salem	25.5.1966	98	28.56	18	91	91	Nil
4	Sivakasi	10.1.1962	185	61.72	20	139	139	Nil
5	Thoothukudi	4.9.1961	60	42.51	20	39	37	2
6	Kanyakumari	16.3.1987	94	9.17	0	55	55	Nil
7	Madurai	22.8.1991	201	23.90	--	201	171	30
8	Cheran, Coimbatore	27.9.1987	135	7.77	--	45	45	Nil
9	Salem Granite	30.12.1993	40	28.36	--	16	16	0
10.	Anna Indl. Estate Coimbatore	1.2.1990	1109	316.05	--	547	474	73

11.	Priyadharshini Indl. Estate Thenkasi, (Tirunelveli Dist.)	15.7.1987	44	6.06	--	23	3	20
12.	Virudhunagar	Registered on 21.1.2009 Land is yet to be identified						
13.	Sivagangai	Registered on 22.9.2009 Land is yet to be identified						
14.	Theni	Registered on 23.11.2009 Land is yet to be identified						
15.	Krishnagiri	Registered on 16.7.2010 Land is yet to be identified						

#### **40. The Chennai Industrial Cooperative Analytical Laboratory Ltd., (MICAL), Chennai**

The Chennai Industrial Cooperative Analytical Laboratory Ltd., (MICAL) has been formed with the object of undertaking analysis and testing of raw materials and finished products used / manufactured by the pharmaceutical manufacturers of Allopathy, Ayurvedic, Siddha and Unani medicines and to certify as to whether they conform to the prescribed standards. Having headquarters at Chennai, the society has got its branch at Coonoor, which has obtained ISO certification. The MICAL has proposed to set up a Common Facility Centre under Pharma Cluster by availing financial

assistance from the Government of India under MSE-CDP at a total cost of Rs.3.43 crores. The Pharma Cluster envisages to help the pharmaceutical units to test and analyse the quality parameters of Pharma products to calibrate and validate the instruments / equipments / apparatus used by the member units to provide training on testing and calibrating equipments. The MICAL has earned service / analytical charges of Rs.49.51 lakhs during the year 2010-11.

#### **TAMILNADU SMALL INDUSTRIES DEVELOPMENT CORPORATION LIMITED (TANSIDCO)**

**41.** The Government of Tamilnadu have established Tamil Nadu Small Industries Development Corporation Limited (TANSIDCO) in 1970 in order to assist, protect and promote the interests of Micro, Small and Medium Enterprises in the State.

#### **42. Core functions of SIDCO**

- (1) Formation and maintenance of Industrial Estates.
- (2) Raw Materials Distribution
- (3) Assistance in Marketing through Marketing Assistance Scheme
- (4) Guidance to the Entrepreneurs.

### 43. Formation of Industrial Estate.

Prior to the establishment of SIDCO, 35 Industrial Estates were established by the Government of Tamilnadu through Directorate of Industries and Commerce. The administrative control of these 35 Industrial Estates were transferred to SIDCO on agency terms during 1974 as per G.O.(Ms).No. 720, Industries (Spl.) Department, dated 17.5.1974. At present SIDCO have developed 57 Industrial Estates on its own and totally 92 Industrial Estates are functioning under the administrative control of SIDCO .

To reach the mark of 100 Industrial Estates within XI Five Year Plan, lands have been alienated / acquired in 8 places for the formation of new Industrial Estates.

Sl. No.	Name of the village	Name of the District	Extent (in acre)	Present stage
1	Venmaniathur	Villupuram District	38.47	Infrastructure works at Rs.200 lakhs is under process. Laying of roads completed. Other works will be completed before 31.12.2011.

Sl. No.	Name of the village	Name of the District	Extent (in acre)	Present stage
2	Rasathavalasu	Tiruppur District	52.34	Infrastructure works at Rs.120 lakhs is under process. Laying of roads completed. Other works will be completed before 31.03.2012.
3	Vaniyambadi	Vellore District	7.08	The project report for infrastructure facilities at a project cost of Rs.58 lakhs prepared under MSE-CDP and the proposal will be sent.
4	Marikundu	Theni District	79.43	The land was alienated to SIDCO and the cost of the land was also paid. The process of taken possession of the land is at the stage of completion.
5	Pidaneri	Thoothukudi District	108.23	Land was alienated and taken possession by SIDCO. Project report is being prepared.
6	Mathur	Pudukkottai District	19.92	The project report for infrastructure facilities at a project cost of Rs.240 lakhs prepared

Sl. No.	Name of the village	Name of the District	Extent (in acre)	Present stage
				under MSE-CDP and the proposal will be sent.
7	Palaiyapatti	Thanjavur District	103.03	The project report for infrastructure facilities at a project cost of Rs.770 lakhs is prepared under MSE-CDP and the proposal will be sent.
8	Virudhunagar (Urban)	Virudhunagar District	37.54	The project report for infrastructure facilities at a project cost of Rs.330 lakhs prepared under MSE-CDP and the proposal will be sent.
		<b>Total</b>	<b>446.04</b>	

#### 44. 25 New Industrial Estates:

Apart from the above, lands measuring 2256.01 acres have been identified in 25 locations and alienation / acquisition is under progress to promote industrial estates in the coming years. The details are as follows:-

Sl. No.	Name of the Village	Name of the District	Extent (In acres)	State of the Case
1	Sedapatti	Madurai	51.00	Since the land owners have refused to give their lands under private negotiation. District Collector, Madurai has requested to get revised administrative sanction from Government to acquire the land under Tamilnadu Industrial Purposes (TNIP) Act 1997.
2	Vaipur	Thiruvarur	58.00	Proposal has been sent to the District Collector, Tiruvarur for acquisition of land to an extent of 22.05.0 hectares and alienation for 1.52.0 hectares on 25.03.2008. The District Collector has recommended the proposal to the CLA vide letter dated 23.01.2009 and 24.08.2010.
3	Thandarai	Kancheepuram	40.86	Alienation proposal sent to the District Collector Kancheepuram on 22.01.2008. The District Collector has recommended the proposal for 17.93.5

Sl. No.	Name of the Village	Name of the District	Extent (In acres)	State of the Case
				hectares of land to the Government through CLA on 15.05.2008. The Government have requested the District Collector to obtain NOC from the Animal Husbandry Department. The District Collector has requested the Animal Husbandry Department vide letter dated 28.10.2010 to issue NOC. Further the Branch Manager, Guindy has been directed to identify alternate land as requested by the District Collector.
4	Polur	Thiruvannamalai	60.66	<p>The proposal for acquiring the land to an extent of 60.66 acres has been sent to District Collector Tiruvannamalai vide letter dated 11.06.2008. The District Collector has sent the proposal to CLA for administrative sanction vide letter dated 25.03.2009. The CLA has requested some clarification regarding eye valuation sketch, depressed class land and odai poramboke from the District Collector. The District Collector has sent a report to the CLA on 09.08.2010.</p> <p>SIDCO has sent revised proposal to the District Collector vide letter dated 09.12.2010. Pending with District Collector.</p>

Sl. No.	Name of the Village	Name of the District	Extent (In acres)	State of the Case
5	Sankari	Salem	53.52	The Government have issued administrative sanction vide G.O. Ms. No.54, MSME Department dated 05.09.2008 for acquisition of 26.25 acres of dry land in S.No.328 etc. in Sankagiri village and 25.46 acres of dry land in S.No.124/2 in Kasthuripatti village. Tvl. Sri Venka-tesa Poosari and Sembulingam have filed W.P. in the High Court, Chennai against the transfer of lands to SIDCO.
6	Vadamugam Kankeyampalayam	Erode	50.00	The Government have permitted SIDCO to acquire 50 acres of land vide G.O. Ms.o.567, Indus. Department dated. 07.04.1988. The RDO has handed over the land to the extent of 43.32 acres. The balance extent 6.13 acres yet to be handed over to SIDCO. The land owners have filed W.P. for reconveyance of the lands.
7	Kandiyankovil	Coimbatore	250.00	<p>The Government has given administrative sanction vide G.O. Ms.47, MSME Department Dated 29.04.2010 for acquisition of land under private negotiation</p> <p>The District Collector Tirupur has informed that the land owners have raised objections for private</p>

Sl. No.	Name of the Village	Name of the District	Extent (In acres)	State of the Case
				negotiation and requested SIDCO to get revised administrative sanction from the Government to acquire the land under TNIP 1997.
8	Nanjaiuthukuli (Phase-2)	Erode	56.62	The Government has given revised administrative sanction vide G.O. (Permanent) No.13, MSME Department dated 09.06.2011. SIDCO has requested the District Collector to acquire the land under TNIP Act 1997.
9	Vazhkai	Thiruvavarur District	51.07	The land acquisition proposal has been sent to the District Collector vide letter dated 05.10.2009 for getting administrative sanction from the Government. The District Collector has sent the proposal to the CLA vide letter dated 20.01.2010. The CLA has to recommend the proposal to Government.
10	Idayakottai	Dindigul	116.55	The land belongs to HR&CE Department. Proposal has been to the District Collector, Dindigul and the Commissioner, HR&CE has been requested to send his consent to the Government.
11	Kattumaduvu	Thiruvannamalai	83.80	Joint Inspection has been made on 27.5.2011 by SIDCO and revenue officials. It is under process.
12	Karur, Nerur Vadapagam	Karur	59.89	The land acquisition proposal has been sent to the District Collector, Karur to acquire the

Sl. No.	Name of the Village	Name of the District	Extent (In acres)	State of the Case
				land in favour of SIDCO. The lands have been inspected by the LAO and reported that the land owners have raised objection for acquiring of lands. Hence the District Collector, Karur has recommended for dropping the proposal.
13	Sadayampalayam	Tiruppur	59.00	The land acquisition proposal has been sent to the District Collector, Tiruppur vide letter dated 25.08.2010 to acquire the land in favour of SIDCO.
14	Chengarai	Thiruvallur	43.11	The alienation proposal has been sent to the CLA on 30.11.2010 by the District Collector, Tiruvallur. The CLA has addressed to the Forest Department for certain points regarding plantation of trees on dated 11.01.2011.
15	Chathrapatti	Virudhunagar	60.00	The Comm. HR & CE Department has been addressed to give his consent to the Govt. for the transfer of HR & CE lands in favour of SIDCO. The Tahsilder, Sattur Taluk has also requested to fix the land cost and send proposals to the RDO, Sivakasi.
16	A.Sathanoor	Villupuram	215.00	The LPS has been sent to District Collector, Villupuram on 13.04.2010. The Collector has recommended the proposal to the CLA on 11.10.2010. The CLA has

Sl. No.	Name of the Village	Name of the District	Extent (In acres)	State of the Case
				recommended the proposal to Government on 20.06.2011.
17	Manavasi	Karur	121.58	The land under reference has been jointly inspected by the SIDCO officials. Revenue officials and HR & CE officials on 10.02.2011. The DRO, Karur has fixed the land cost of Rs.75,841/- per acre for the above lands. The Asst. Commr. HR & CE, Karur has to send his proposal to the Comm., HR & CE, Chennai for NOC.
18	Allalacheri and Nagaleri	Vellore	40.00	The land alienation proposal has been sent to District Collector, Vellore through RDO, Ranipet.
19	Myleri palayam	Coimbatore	22.23	The JC, HR & EC, Department, Coimbatore has been requested to give his consent for the purchase of HR & CE lands in favour of SIDCO. The DRO, Coimbatore has been requested to fix the land value for the land as per market value and Guideline value.
20	Kaverirajapuram	Tiruvallur	135.18	Pending for joint inspection with DRO, Tiruvallur.
21	Enambakkam	Tiruvallur	200.00	Pending for joint inspection with DRO, Tiruvallur.
22	Kurukkalpatti	Tirunelveli	98.76	The Government have issued alienation orders in G.O. No.194, Revenue (LD 5(2)) Department dated 21.06.2011. The District Collector, Tirunelveli has requested to fix

Sl. No.	Name of the Village	Name of the District	Extent (In acres)	State of the Case
				the land value..
23	Pattanam	Villupuram	88.34	The proposal for alienation of lands in survey No.70/2 to an extent of 103.67 acres and in survey No.121/2 for 18.34 acres has been sent to CLA by the District Collector, Villupuram on 19.04.2011.
24	Ponnakudi	Tirunelveli	96.90	The District Collector Tirunelveli to take necessary action to transfer the entire extent of land in favour of SIDCO. The Commissioner of Land Reforms has also recommended the proposal to Government on 3.2.010 for the transfer of lands to SIDCO. The District Collector, Tirunelveli has requested to send the land value to the Director, Land Reforms.
25	Asanur (Phase-II)	Villupuram	143.94	The proposal has been sent to the District Collector, Villupuram for alienation of land for an extent of 143.94 acres on 19.04.2011.
		<b>TOTAL</b>	<b>2256.01</b>	

#### 45. Allotment of Plot / Shed

The main objective of SIDCO is to establish New Industrial Estates with basic infrastructure facilities like



Water supply, Roads, Street lights, Storm water drain etc. SIDCO identifies lands in places where there is possibility of industrial growth and takes over land by way of acquisition / alienation.

Lands are developed into Industrial Estates with industrial plots of various extent ranging from 0.15 acre to 1.00 acre and above as per the requirements of the manufacturing units and the industrial plots are allotted to them either on Outright Sale or Hire Purchase sale basis based on the demand existing in the area.

A transparent procedure is followed in allotting the sheds / plots by advertising the availability of sheds/ plots in newspapers. The Screening Committee constituted with the officials of SIDCO, Directorate of Industries & Commerce, Tamil Nadu Industrial Investment Corporation Limited (TIIC) and representatives of TANSTIA as members, screens the applications and eligible applicants are selected on merit basis. Plots are allotted by way of "LOT" system in a transparent manner.

In respect of SIDCO owned Industrial Estates, Chairman & Managing Director of SIDCO is issuing allotment orders irrespective of the extent of the plots. In respect of Government owned Industrial Estates, Chairman & Managing Director, SIDCO issues orders for plots measuring less than 5000 Sq.ft. and in respect of plots measuring more than 5000 sq.ft, proposals are sent to Government to get prior permission for allotment as per the instructions issued in G.O.(Ms).No. 877, Industries Department, dated 1.7.1982.

As per G.O.(Ms).No. 7, Micro, Small and Medium Enterprises Department, dated 31.01.2009, 30% of the saleable area of the industrial estates are earmarked for Micro Enterprises. Out of 653 Tiny Plots created, 539 plots have been allotted in all 14 new industrial estates developed thereafter.

The Government have issued orders in G.O.(Ms).No. 101, Industries department, dated 24.08.2009 to allot 20% of the lands in new / expansion in SIPCOT industrial complexes and SIPCOT growth centres to micro, small and medium enterprises.

To ensure participation of all sections of the society in the industrial development of the state, priority is given in allotment as follows:-

- I. 30% for Women Entrepreneurs
- II. 10% for Ex-servicemen
- III. 10% for SC/ST and Transgender

#### 46. Sale of Plots and Sheds

In the year 2010-11 SIDCO has sold 110 Plots and 2 Sheds for the value of Rs. 1438.73 lakhs. In the year 2011-12 SIDCO proposes to develop 260 plots in various Industrial Estates for the value of Rs. 1928.37 lakhs.

#### 47. Women Industrial Parks

To encourage women entrepreneurs, Women Industrial Parks have been established in the following 5 places:-

Name of the Estate	Year of formation	Extent of acres	No. of Plots Developed	No. of Plots allotted	No. of Plots Vacant	Waiting List in vacancy	No. of Units functioning	No. of Plots Un-utilised	Employment generated Men / Women / Total
Thirumullai voyal (Thiruvallur District)	2001 PH-1 2008 PH-2	187.13	328	327	1	-	234	93	2250 / 750 / 3000
		38.67	460	431*	7	7	10	421	
Valavanth ankottai (Trichy District)	2003	51.70	110	104	6	3	80	24	500 / 50 / 550
Karuppur (Salem District)	2004	51.74	154	154	-	-	49	105	250 / 150 / 400
Kappalur (Madurai District)	2008	35.37	70	65	5	-	18	47	500 / 100 / 600
Thirumudi vakkam (Kancheepuram District)	2002	10.83	76	73	3	1	69	4	300 / 100 / 400
<b>Total</b>		375.44	1198	1154	22	12	400	694	3800 / 1150 / 4950

Necessary action will be taken for resumption of unutilized plots in the above 5 estates

\*22 Court Cases

#### 48. Flatted Factory Complex

Action has been initiated to establish Flatted Factory Complex in 5 locations exclusively for Micro Enterprises.

1. Guindy , Chennai District	In Guindy Thiru.Vi.Ka. Industries Estate, Government have granted enter upon permission for 1.91 acres. SIDCO board has sanctioned administrative approval for Rs.28.00 crores for construction of flatted factory complex. As the entrepreneurs have felt that the land cost in high, final land cost to be fixed.
2. Perungudi, Kancheepuram District	The Industries Commissioner and Director of Industries and Commerce has recommended he proposal for giving enterupon permission for 3.65 acres of land to SIDCO. Based on the proposal, the Principal Secretary and Commissioner of Land Administration has been addressed to offer his remarks on nature of classification and Survey Nos. etc. by Government.
3. Ambattur ,Thiruvallur District	The Industries Commissioner and Director of Industries and Commerce has recommended he proposal for giving enterupon permission for 0.987 acres of land to SIDCO. Based on the proposal, the Principal Secretary and Commissioner of Land Administration has been addressed to offer his remarks on nature of classification and Survey Nos. etc. by Government.
4. Madhavaram, Thiruvallur District	The Industries Commissioner and Director of Industries and Commerce has recommended he proposal for giving enterupon permission for 6.00 acres of land to SIDCO. Based on the proposal, the Principal Secretary and Commissioner of Land Administration has been addressed to offer his remarks on nature of classification and Survey Nos. etc. by Government.
5.Thirumazhisai, Thiruvallur District	1.45 acres of land belong to SIDCO. The Board of SIDCO has accorded administrative sanction at a cost of Rs.13.92 Crores based on the PWD schedule of rate for the year 2009-10. The architect is to be finalised. Advertisement was made in the leading dailies on 25.7.2010 by quoting the tentative land cost at Rs.3010/- per sq.ft. The response is not encouraging.

#### 49. Creation / Upgradation of Infrastructure facilities in new / existing Industrial Estates:

Government of India and Government of Tamilnadu, are extending the support for creation and upgradation of infrastructure facilities in new / existing Industrial Estates through various schemes like Micro, Small Enterprises-Cluster Development Programme (MSE-CDP) Infrastructure Development Scheme, Industrial Infrastructure Upgradation Scheme (IIUS), Aid to States for Infrastructure Development of Export and Allied Activities (ASIDE) and Part II scheme, by sanctioning grant.

#### 50. Micro, Small Enterprises - Cluster Development Programme (Infrastructure Development ) Scheme (MSE-CDP) IID

Under this scheme, Government of India have approved projects worth Rs. 1212.00 lakhs during the year 2010-11 for creation of infrastructure facilities in 5 new Industrial Estates and further approved projects worth Rs.1070.29 lakhs for the upgradation of Infrastructure facilities in 3 existing industrial estates. Government of India have sanctioned a grant of 60% for

the above projects. The works have been taken up in these 8 projects and they are in progress.

During 2011-12, SIDCO has proposed to take up infrastructural works in 7 new Industrial Estates and upgrade the infrastructure facilities in 8 Industrial Estates.

#### Details of Creation of Infrastructure at Industrial Estates 2011-12

(Rs.in lakhs)

Sl. No.	Name of the Industrial Estate	Project cost	Funding pattern	
			Grant from GoI 60%	SIDCO's Contribution 40%
1.	Karaikudi, Sivaganga District.	430.00	258.00	172.00
2.	Marikundu, Theni District.	300.00	180.00	120.00
3.	Virudhunagar (Urban) Virudunagar District	300.00	180.00	120.00
4.	Palayapatti Phase-I, Thanjavore District.	700.00	420.00	280.00
5.	Pidaneri, Thoothukudi District	350.00	210.00	140.00
6.	Mathur, Pudukottai District.	218.00	131.00	87.00
7.	Vaniyambadi, Vellore District	52.00	31.00	21.00
<b>TOTAL</b>		<b>2350.00</b>	<b>1379.00</b>	<b>940.00</b>

#### Details of Upgradation of Industrial Estates 2011-12

(Rs. In Lakhs)

Sl. No	Name of the Industrial Estate	Project cost	Funding pattern		
			Grant from GoI 60%	Grant from GoTN 30%	Bene ficiaries Contri bution 10%
1.	Athur (Karur), Karur District.	403.00	242.00	121.00	40.00
2.	Ganapathypalayam, Tirupur District.	88.00	53.00	26.00	9.00
3.	Mettur, Salem District.	450.00	270.00	135.00	45.00
4.	Thuvakudi, Phase-I, Trichy District.	508.00	305.00	152.00	51.00
5.	Thuvakudi, Phase-II, Trichy District.	492.50	296.00	148.00	48.50
6.	Thuvakudi, Phase-III, Trichy District	482.50	290.00	145.00	47.50
7.	Malumichampatti, Coimbatore District.	175.00	105.00	53.00	17.00
8.	Thirverumbur, Trichy District.	150.00	90.00	45.00	15.00
<b>TOTAL</b>		<b>2749.00</b>	<b>1651.00</b>	<b>825.00</b>	<b>273.00</b>

#### 51. Aid to States for Infrastructure Development of Export and Allied Activities: (ASIDE)

The Special Purpose Vehicle (SPV) called Guindy Industrial Estate Infrastructure Upgradation

Company (GIEIUC) which was formed for the purpose of upgradation of infrastructure facilities in Thiru-vi-ka Industrial Estate, Guindy is implementing the project at a project cost of Rs.2794.50 lakhs sanctioned under the scheme during 2005-06. The project is nearing completion.

Government of India sanctioned a grant of Rs.1912 lakhs and Government of Tamilnadu sanctioned a grant of Rs.200 lakhs for the project. An amount of Rs.120 lakhs has been received from Chennai Corporation as the share of property tax and the rest is received as contribution from the beneficiaries of the project.

## 52. Guindy Industrial Infrastructure Upgradation Scheme (IIUS)

The ongoing upgradation works at Ambattur, Thirumudivakkam and Thirumazhisai Industrial Estates under the “Industrial Infrastructure Upgradation Scheme” was sanctioned by Government of India at a project cost of Rs.49.00 crores during 2004-05. A Special Purpose Vehicle called M/s. Chennai Auto Ancillary Industrial Infrastructure Upgradation Company (**CAAIUC**) has

been created for the purpose of implementing the project and it is nearing completion. Government of India is directly monitoring works under IIUS.

Further a sum of Rs.12.10 crores has been sanctioned under ASIDE scheme as gap funding for the project. SIDCO is monitoring the works.

The Fabrication Cluster, Trichy has been sanctioned during 11<sup>th</sup> plan period for a total project cost of Rs.102.81 crores as detailed below:

Sl. No.	Name of the cluster	No. of units	Turn over (Rs. in crores)	No. of persons	Project Cost (Rs. in crores)	GOI Grant (Rs. in crores)	SPV & Bank
1	Fabrication Cluster - Trichy	1000	6500	4500	102.81	58.28	44.53

## 53. Raw Material Distribution:

Raw Materials like Iron & Steel, Wax and Potassium Chlorate are distributed by SIDCO to Micro and Small Enterprises based on their requirements. The materials are distributed from 6 Raw Material Depots situated at Ambattur, Coimbatore, Madurai, Trichy, Sivakasi and Sattur and from 4 Branch Offices situated at Thanjavur, Vellore, Salem and Erode.

During the year 2010-11 SIDCO has distributed raw materials for the value of Rs. 48.285 crores. Apart from the above TNPL paper worth Rs. 6.39 crores have been distributed through 10 Sale Points situated at Chennai, Coimbatore, Erode, Krishnagiri, Madurai, Thanjavur, Tirunelveli, Trichy, Vellore and Virudhunagar.

**Quantity in MT  
Value Rupees in Lakhs**

Sl No	Name of the Material	Target for 2010-11 (Turn Over)		Achievement for 2010-11 (Turn Over)		Target for 2011-12 (Turn Over)	
		Qty	Value	Qty	Value	Qty	Value
1	Iron & steel	7500.00	3000.00	4730.450	1826.49	9800	3920.00
2	Wax	6000.00	4800.00	3927.000	2999.34	6000	5220.00
3	TNPL Paper	2350.00	1095.00	1270.780	639.43	4300	2091.75
4	Potassium Chlorate	60.00	37.50	4.000	2.67	50	34.00
<b>Total</b>		<b>15910.00</b>	<b>8932.50</b>	<b>9932.230</b>	<b>5467.93</b>	<b>20150</b>	<b>11265.75</b>

#### 54. Assistance in Marketing through Marketing Assistance Scheme

SIDCO participates in the tenders floated by State Government Departments / Undertakings and also

offer rates directly to Departments / Undertakings on behalf of Micro and Small Enterprises which are registered under the Marketing Assistance Scheme of SIDCO. The orders received are distributed to Micro and Small enterprises units for execution. Orders for Rs.123.34 lakhs have been executed during 2010-11 as against the value of Rs.91.00 lakhs made during 2009-10 showing an upward trend. The target for 2011-12 has been fixed as Rs. 42.45 crores. To increase the turnover, it has been proposed to arrange for Buyer - Seller Meet in coordination with other Government Departments / Undertakings.

#### Orders Executed for the year 2010-11

Sl. No.	Name of the Branch	Products	Value (Rs.in lakhs)
1.	Ambattur	Rain Coat Hand Gloves Safety mask Utensils	40.01
2.	Coimbatore	Artificial Limb Components	2.279
3.	Guindy	Power saver switches Fogging Machine Wooden Furniture	7.325

Sl. No.	Name of the Branch	Products	Value (Rs.in lakhs)
4.	Kakkalur	Rain Coat Hand Gloves	1.000
5.	Krishnagiri	Layout Board	0.280
6.	Madurai	Steel Furniture Wooden Furniture Artificial Limb Components	22.520
7.	Salem	Hand Gloves Artificial Limb Components	0.682
8.	Sivaganga	Dumper Placer Vehicle	11.110
9.	Thanjavur	Steel Furniture	0.054
10.	Trichy	Bleaching Powder	4.480
11.	Head Office	Chlorinator	33.600
		<b>TOTAL</b>	<b>123.34</b>

#### 55. e-Governance :

SIDCO has initiated action to computerize all its activities so as to have good E-Governance. At present downloading of application forms for allotment has been made available in its website. A software is being developed with the assistance of National Informatic Centre to file the application for allotment of plots on-line and is in the final stage of development.

Besides the above, computerization of all the activities of SIDCO has been entrusted with ELCOT.

#### 56. Guidance to Entrepreneurs

SIDCO provides information to first generation entrepreneurs and existing entrepreneurs to set up / expand their industrial ventures and provides escort services also.

#### 57. Sidco Corporate Office

SIDCO Corporate Office has been proposed at a project cost of Rs.44.40 crores at Thiru-vi-ka Industrial Estate, Guindy with all modern facilities and with basement, stilt and 9 floors. The work is under progress and is expected to be completed by December 2012.

Besides SIDCO Corporate Office, it will also house Commissionerate of Industries and Commerce.

#### 58. Financial Status:

During the financial year 2010-11, SIDCO has earned a profit of Rs.1515.17 lakhs (provisional).

**TAMILNADU SMALL INDUSTRIES CORPORATION LTD., (TANSI )**

**59. Formation**

The Tamil Nadu Small Industries Corporation Limited (TANSI) was formed in the year 1965 as a conglomerate of 64 Industrial Units started by Director of Industries and Commerce during the plan periods when there was little industrial activity in the State. TANSI had under its fold different kinds of industrial products like steel and wooden furniture, heavy structurals, galvanizing, light engineering goods etc. Much of private initiative in these areas started thereafter.

With the development of various units by private entrepreneurs, TANSI has slowly phased out its activities from certain fields. Now, it has 40 Production Units and one Show Room at Chennai.

**60. Activities**

TANSI has carved a niche for itself in the manufacture of Galvanized Power Transmission Towers, Microwave Towers, Heavy Structurals of various kinds, Galvanization, Deepwell Hand Pumps, Quality wooden

and steel furniture etc. TANSI has also been supplying various items required for the Sarva Shiksha Abhiyan, Operation Black Board Scheme, installing of pumps for drinking water on turn-key basis during drought and supply of Pumps and Pump Spares all over the State. It has also been supplying sophisticated components to Indian Space Research Organization, Bharat Heavy Electricals Ltd., Hindustan Aeronautics Limited etc.,

Two Pump Units, at Ambattur and Trichy and three Fabrication Units at Vellore, Palani and Rajapalayam of TANSI and Tamil Nadu Paints and Allied Products Limited (TAPAP) have obtained **ISO-9001:2000** Certification.

**61. Performance**

The Performance of TANSI for the year 2010-11 and Target for 2011-12 is furnished hereunder :-

(Rs. in lakhs)

	<b>Achievement for 2010-11</b>	<b>Target for 2011-12</b>
Production	9862.00	11200.00
Sales	9907.53	11200.00
Operating Profit	2241.87 (Unaudited)	---



## **62. Achievements**

TANSI continues to serve the social objectives of the Government by meeting the needs of various Government Departments / Boards / Public Sector Undertakings in providing drinking water facilities to the public, supplying furniture, teaching aids to various Schools, supplying galvanized tower parts, line materials etc. for Power Transmission in the State and other works arising then and there.

TANSI has been entrusted with the special work of giving electricity connections to Below Poverty Line families under turnkey contract basis, worth Rs.487.58 crores. The work was completed by 31.03.2010 in 26 Districts of Tamil Nadu under Rajiv Gandhi Grameen Vidyutikaran Yojana (**RGVY**).

During 2010-11, TANSI earned Operating profit of Rs.22.42 crores (approximately) and the total loss of TANSI from the beginning has been compensated.

TANSI is having a subsidiary company viz., Tamil Nadu Paints and Allied Products Limited (TAPAP) which is manufacturing red oxide paints, rubberized paint for road marking, various enamel paints etc. which caters to the needs of various Government Departments and Undertakings.

## **ENTREPRENEURSHIP DEVELOPMENT INSTITUTE (EDI)**

**63.** The main objective of the EDI is to harness the industrial potential and to develop the skills of the prospective entrepreneurs to establish micro, small and medium enterprises in the state. The EDI is headed by a Special Officer. The Principal Secretary to Government, Micro, Small and Medium Enterprises Department is the Chairman of the Governing Council of Entrepreneurship Development Institute.

Since inception the EDI has trained more than 46,500 candidates primarily under PMRY / PMEGP / EDP / UYEGP Scheme. Under PMEGP in 2010-11, the EDI has trained 1800 candidates. EDI has trained 736 candidates under UYEGP in 2010-11. The training under these programmes will be continued in 2011-2012 also.

### **64. The following schemes are implemented in EDI:-**

EDI conducts Leadership Cum Team Building Workshops, Skill Development Trainings, Prime Minister's Employment Generation Programme – 2 weeks EDP training, Unemployed Youth Employment Generation Programme (UYEGP) – 7 days EDP training

and Month long EDP for prospective graduate entrepreneurs.

#### 65. Revamping of EDI:-

The Entrepreneurship Development Institute (EDI) will be thoroughly revamped to make it a dynamic institution that will motivate and train young entrepreneurs particularly first generation entrepreneurs. A modern training complex with smart class rooms, library, computer center, auditorium and hostel facilities will be set up at a cost of Rs.4 crores.

#### PART-II SCHEMES 2011-12

(Rs. in Lakhs)

Sl. No	Description of the scheme	Funds allotted
1	State Govt assistance to industrial cooperative societies for the purchase of machinery, contraction of work sheds and office room and purchase of computers with Printers and accessories to the office of the Industrial cooperatives in 15 Districts	16.00
2	Purchase of computers and accessories to Chemical Testing and analytical lab, Guindy and Govt. scientific glass trg centre, Guindy and purchase of one new motor vehicle	8.30
3	Renovation of Chemical Testing and Analytical Lab, Guindy(Replacement of damaged electrical wires, switches, mains, tubelights, fans and renovation of toilets)	2.70
4	Purchase of computer systems for the office of the Deputy Director, quality control, Vikramsarabhai instronic estate, Chennai-41	1.50
5	E-Governance initiatives at Department of Industries and Commerce, Chepauk, Chennai-5	10.50
6	Setting up of Computer numerical controlled lathe machine at workshop in the institute of Tool engineering , Dindigul	9.00
7	Renovation of buildings at the Institute of Tool engineering, Dindigul	7.00
8	Renovation of Institute of Ceramic Technology, Virudhachalam	15.00
9	Improvement of Infrastructure facilities in 5 SIDCO Industrial Estates namely :- Marthandam, Kanyakumari District. Gummidiipoondi, Thiruvallur District.R.K.Pet, Thiruvallur District. Thirumudivakkam, Kancheepuram District. Urapuli, Ramnad District.	30.00
	<b>TOTAL</b>	<b>100.00</b>

**MICRO SMALL AND MEDIUM ENTERPRISES  
DEPARTMENT**

**BUDGET ESTIMATE**

**DEMAND No.44**

**(Rs. in Thousands)**

<b>Major Heads</b>	<b>Revised Estimate 2010-2011</b>	<b>Interim Budget Estimate 2011-2012</b>	<b>Revised Budget Estimate 2011-2012</b>
2851. Village and Small Industries	1088548	1164617	1172417
2852. Industries	63701	71991	71992
3451. Secretariat - Economic Services	23925	25921	25941
4425. Capital Outlay on Co-operation	1302	2	2
4851. Capital Outlay on Village and Small Industries	6670	5001	7201
7610. Loans to Government Servants etc.,	---	---	1
<b>TOTAL</b>	<b>1184146</b>	<b>1267532</b>	<b>1277554</b>

**C. SHANMUGAVELU,  
MINISTER FOR RURAL INDUSTRIES**