

INDUSTRIES DEPARTMENT

MAJOR INDUSTRIES

POLICY NOTE

2019-2020

INTRODUCTION

Tamil Nadu is one of the most advanced states in India. It is the second largest state economy in the country, which contributes 8.4% of India's GDP. It is also an industrial powerhouse of the nation with a very strong and diverse industrial base. Tamil Nadu is the state with the highest number of factories and industrial workers in the country. It is also a leader in terms of industrial output. Tamil Nadu has a highly developed industrial eco-system and is very strong in sectors like automobiles and auto-components, textiles, leather products, light and heavy engineering, pumps and motors, electronic software and hardware. Many globally

renowned companies have set up their manufacturing facilities in Tamil Nadu. This include Hyundai, Ford, Peugeot, BMW, Daimler, Caterpillar, Ashok Leyland, TVS, Nokia, Renault-Nissan, Foxconn, Delta, DELL, Salcomp, CEAT, Michelin, MRF, Grundfos and L&T.

Our state is one of Asia's most preferred investor destinations. Its many strengths having been winning laurels in various independent surveys in the recent years. The global consultancy firm, Frost & Sullivan published a ranking of Indian states in 2018, named Growth, Innovation and Leadership Index for Economic Development in India. In this survey, all states were ranked on 10 parameters including investment potential, government effectiveness, infrastructure and digitization. Tamil Nadu stood second in this survey and was ranked first in investment potential. Tamil Nadu also attained the second position in the State

Investment Potential Index (N-SIPI) 2018, published by the National Council of Applied Economic Research, the oldest independent economic policy research organization in India. This index was prepared after studying 6 parameters across Indian states which include economic climate, labour, infrastructure, land, political stability and governance. Quite significantly, Tamil Nadu improved its ranking by four places from N-SIPI- 2017 in N-SIPI - 2018. This shows the rapid strides the state is making in the economic and industrial field. Further, the Public Affairs Index 2018, published by the Public Affair Centre recognized Tamil Nadu as the second best governed state in the country. Also, the India Today Magazine, in its state of the states ranking 2018, placed Tamil Nadu in the numero uno position in the overall performance category.

The best testimony to the state's transformed industrial climate was the resounding success of the Global Investors Meet 2019 (GIM 2019). This two days event attracted investors from all over the world, particularly from countries like Japan, South Korea, Taiwan, France, USA, Germany and Finland. The state attracted investment commitments amounting to Rs.3,00,431 crore and 304 Memoranda of Understanding were signed. This event has built on the success of the GIM 2015 which had also attracted Rs.2,42,160 crore investment through 98 MoUs.

Tamil Nadu is a leading destination for Foreign Direct Investments (FDI) into the country. Tamil Nadu has attracted USD 29,848 million of FDI from April 2000 - March 2019, making it the fourth largest FDI destination region in the country. During 2018-19 also, the state retained its top tier position by attracting

USD 2613 million. Tamil Nadu is also a leading exporting state in India. It is the third largest exporter of goods in India with exports worth USD 29,794 million in 2017-18. The state's major exports include automobiles and auto-parts, textiles, leather products and electronic goods. 45% of India's automobile exports, 34% of India's automobile component exports, and 16% of India's electronic exports are done from Tamil Nadu.

The Industrial might of the State is evident from the data provided by the Annual Survey of Industries (2016) conducted by Government of India which is detailed below:

a) Number of Persons engaged in the factory sector

Tamil Nadu has over 24 lakhs persons engaged in the factory sector, which is the highest in the country. The number of persons engaged in the factory sector in Tamil Nadu is

25% higher than the next ranking state, i.e. Maharashtra, as may be seen in the table below:

State	Number of Persons engaged	Rank
Tamil Nadu	24,08,282	First
Maharashtra	19,26,154	Second
Gujarat	16,34,566	Third
Karnataka	10,65,021	Fourth
Uttar Pradesh	10,12,882	Fifth

b) Number of factories

Tamil Nadu has 37,220 factories, which is the highest in the country as may be seen in the table below:

State	Number of Factories	Rank
Tamil Nadu	37,220	First
Maharashtra	27,010	Second
Gujarat	25,966	Third
Uttar Pradesh	15,294	Forth
Karnataka	13,344	Fifth

c) Invested Capital

Tamil Nadu ranks third in the amount of invested capital in the Industrial sector as may be seen in the table below:

State	Invested Capital (Rs. in lakhs)	Rank
Gujarat	8,14,54,084	First
Maharashtra	5,02,80,256	Second
Tamil Nadu	4,02,55,907	Third
Karnataka	2,51,87,858	Forth
Uttar Pradesh	2,08,13,332	Fifth

d) Total Output

Tamil Nadu ranks third in terms of total industrial output as may be seen in the table below:

State	Total Output (Rs. in lakhs)	Rank
Gujarat	12,22,20,075	First
Maharashtra	10,74,97,036	Second
Tamil Nadu	7,65,52,431	Third
Karnataka	5,01,64,690	Forth
Uttar Pradesh	4,95,52,268	Fifth

Favoured Destination for Investments

Tamil Nadu is a premier investment destination for large investors due to a multiplicity of factors, some of the salient features of the State in this regard are discussed below:

1. Good Governance

The state is amongst the best governed in India. It has an excellent record of law enforcement and public order that is particularly attractive to foreign investors. As mentioned earlier, Tamil Nadu has won laurels in numerous surveys on the quality of governance.

2. Proactive State Policy

Tamil Nadu has a long tradition of proactive government policy that promotes investments. It was the pioneer in implementing the concept of industrial estates. After the liberalization of

the economy in 1991, Tamil Nadu formulated a sagacious Industrial Policy in 1992, which was the inspiration for major automobile investments in the state. Similarly, the Industrial Policy of 2003, spurred the arrival of electronic giants like Nokia, Flextronics and Foxconn into Tamil Nadu. The Industrial Policy of 2014 was formulated to enable the goals of Tamil Nadu Vision 2023. This policy offered a very attractive and flexible package of incentives and give special focus on industrially backward areas. The enactment of Tamil Nadu Business Facilitation Act and the advent of Single Window Clearance System have enormously improved the ease of starting a business in the state.

3. Excellent Infrastructure

Tamil Nadu's extensive and high quality infrastructure is a major attraction for investors. The state has 4 large sea ports and 4 international airports, besides wide road and

rail network. It is a power surplus state with good reliable transmission and distribution network. Thanks to the three submarine cables having their landing points near Chennai, the state offers very high connectivity bandwidth of 14.8 tbps (tera bytes per second).

4. Human Resources

Tamil Nadu has a very high number of engineering colleges and technical training institutions that offer a huge availability of skilled manpower for industries. The state has a very high Human Development Index ranking of 3rd position and enjoys very low poverty level, when compared to the national average. The state also has harmonious industrial relations between management and labour.

5. Land

The state has been very proactive in making developed land available for industries at

reasonable cost in the various industrial parks promoted by its public sector undertakings. In addition, several private sector parks are also available, including three parks promoted by Japanese Investors.

6. Strong Micro, Small and Medium Enterprises (MSME) Sector

Tamil Nadu's premier position in the Major Industries sector is also complemented by its equally strong Micro, Small and Medium Enterprises (MSME) Sector. Tamil Nadu is ranked third in terms of filed 'Udyog Aadhaar Memorandum' (UAM) which is a simplified process of registration of MSMEs. Its MSME sector provides a very reliable supplier ecosystem for the major industries and their presence and expertise have largely contributed to the arrival of major investors into the state.

The Government of Tamil Nadu is determined to further accelerate the industrialization of the

State. It needs to build on traditionally strong areas like automobiles to foray into more technologically complex sectors like aerospace and defence manufacturing. The launch of the Defence Industrial Corridor Project in Tamil Nadu has given the right fillip in this regard. Since good infrastructure is one of the major strengths of the state, the Government will strive to further upgrade the infrastructure to world class standards. The new greenfield airport in Chennai is a first step in this direction. The Government is pursuing corridor based development model to spatially converge investment growth and infrastructure development. The Chennai-Bangalore Industrial Corridor Project and the Chennai-Kanyakumari Industrial Corridor Project are expected to transform the economic landscape of the state in the next few years. The Government is steadfastly trying to achieve the primary goal of the Industrial Policy, 2014, which was to position

Tamil Nadu as the most preferred state for manufacturing, with a reputation for efficiency and competitiveness and to attract incremental investments of over 10% every year in manufacturing. The Government is also guided by other overarching objectives particularly the need to create ample job opportunities for our educated youth and the need to ensure that our industrialization is geographically balanced and environmentally sustainable in consonance with the sustainable Development Goals framework of the United Nations.

1. TAMIL NADU INDUSTRIAL GUIDANCE AND EXPORT PROMOTION BUREAU

Tamil Nadu Industrial Guidance and Export Promotion Bureau (Guidance Bureau) was established as a non-profit registered Society on 15th July 1992 with the objective of attracting investment proposals into Tamil Nadu. Since, inception till May 2019, Guidance Bureau has successfully handled 438 investment proposals with an aggregate investment exceeding Rs.3.75 lakhs crore. As per Tamil Nadu Business Facilitation Act 2018, Guidance Bureau has been given the statutory responsibility of functioning as the Nodal Agency for providing single window clearances for large industries.

Functions of Guidance Bureau

Guidance Bureau has been mandated to give a fillip to industrial development in the State by

- Serving as a focal point for dissemination of information to attract new investments.
- Rendering facilitation services to new investors
- Acting as a single window for industrial clearances
- Acting as a sounding board for industry and industrial policy change.

1.1 Investment Promotion

1.1.1 Tamil Nadu Global Investors Meet 2019

Encouraged by the success of Tamil Nadu GIM-2015, the State Government organised the second edition of Global Investors Meet (GIM) on 23rd and 24th January 2019 in Chennai to showcase the opportunities in Tamil Nadu and to attract new investments.

Road-shows and Seminars on “Investing in Tamil Nadu” were organized in various countries namely USA, France, UK, Singapore, Thailand,

China, Republic of Korea, Taiwan and Japan to invite investors from all over the World. Domestic road shows were also carried out in various cities like Mumbai, Ahmedabad, Delhi, Coimbatore, Madurai and Tiruchirapalli. Meetings were conducted at all districts by Honourable Ministers and District Collectors with the domestic investors.

The Honourable Chief Minister inaugurated TNGIM 2019. The Minister of Defence, Government of India released the "Tamil Nadu Aerospace and Defence Industrial Policy 2019". Honourable Vice President of India participated as the Chief Guest in the valedictory function. Australia, France, Japan, Republic of Korea, Singapore and United Kingdom participated in the event as Partner Nations. Ambassadors, High Commissioners and Consuls of various countries, dignitaries, industrialists and delegates participated from across the world

during the 2 day event. The event saw the participation of nearly 9000 delegates.

The positive response by the investors surpassed the estimates of the Government with 304 MoUs committing an investment of Rs.3,00,431 crore and 10.5 lakhs jobs. The investment commitments included those from reputed companies from Japan, Korea, Taiwan, Germany, France, Finland, China and USA making TNGIM 2019 a resounding success.

**Memoranda of Understanding Signed
during
Global Investors Meet 2019**

S.No	Department	No of MoUs	Investment (Rs. in crore)
1	Industries	147	1,55,248
2	Information Technology	11	11,974
3	Energy	16	48,200

4	Housing	66	48,980
5	Tourism	8	642
6	Agriculture	2	2,011
7	Higher Education	51	1,014
8	School Education	3	157
	Total	304	2,68,226
9	MSME	12360	32,205
	Grand Total		3,00,431

Government has taken the following steps to handhold the TNGIM MoU projects.

- i. A GIM Cell has been constituted at the Industries Department for coordinating these activities. This cell shall co-ordinate the functions of various departments and follow-up on these issues.

- ii. An online project monitoring dashboard has also been developed to track the progress of the projects.
- iii. 18 senior IAS officers have been appointed as Facilitation Officers to handhold 147 MoUs signed by Industries Department.
- iv. Secretaries to Government of 8 Departments have been made the Nodal Officers for the MoUs signed by their respective departments.
- v. The Facilitation officers conduct regular meetings with the MoU signatories and send a monthly report to the Empowered Committee chaired by Chief Secretary.
- vi. The Empowered Committee reviews the progress of the MoU projects and sorts out any unresolved issues.

- vii. At the highest level, the State Investment Promotion and Monitoring Board constituted as per the Tamil Nadu Business Facilitation Act, 2018, chaired by the Honourable Chief Minister, monitors the execution of TNGIM 2019 MoU projects.

**Progress of MoUs signed by Industries
Department during
Global Investors Meet-2019**

S.No.	Particulars of the MoUs	No. of Projects
1.	Total MoUs signed by Industries Department	147
2.	Projects at various stages of construction	31
3.	Purchased land / application for single window clearances	71
4.	Projects in the process of identifying land	30
5.	Yet to commence activities	15

Among the above projects, foundation stones have been laid by Honourable Chief Minister for 22 projects so far. This has been possible only because of the continuous facilitation support provided by the Government.

1.2 Other Investments during 2018-19

Apart from 147 MoUs signed during TNGIM 2019 by Industries Department, Guidance Bureau facilitated 8 other investment proposals in the year 2018-2019, committing an investment of Rs. 4697 crore and 3885 new jobs. Necessary pre-establishment clearances has been facilitated for 3 of these projects. Other 5 projects are under various stages of implementation.

1.3 Investments received during GIM 2015

Among the MoUs signed during GIM 2015, out of 98 projects across 6 Departments and 10,073 projects under MSME Department, 67 and 5,813 projects respectively are already in various stages of implementation. The total investment committed by these projects under implementation is Rs.1,04,961 crore. The signatories have informed that they have

invested Rs. 52,783 crore till date and created 1,60,140 new jobs.

Out of 50 MoUs signed by Industries Department during GIM 2015, 28 MoU projects with a committed investment of Rs. 19,228 crore have reported that they have already invested Rs.17,309 crore so far and have started their commercial production and reported to have created 23,353 jobs. Apart from this, 9 projects are in the advanced stage of construction and 5 are in various stages of land acquisition. These 14 projects have reported to have made an investment of Rs. 12,280 crore till date.

1.4 Investment Facilitation

Guidance Bureau provides necessary facilitation services by providing all the information necessary for investment decisions such as availability of skilled human resources, economic indicators, sector profiles, land

availability and nodal departments. A revamped website of Guidance disseminates information in various languages including French, Japanese, Korean and Mandarin.

1.5 Single Window Facilitation as per Tamil Nadu Business Facilitation Act 2018

As per Tamil Nadu Business Facilitation Act, 2018 Tamil Nadu Industrial Guidance and Export Promotion Bureau is the Nodal agency for facilitating single window clearances for industries with investment over Rs.10 crore.

A Single Window portal viz – www.easybusiness.tn.gov.in was launched by the Hon'ble Chief Minister on 2nd November 2017. The portal integrates 24 services/approvals relating to 11 Government departments at pre-establishment and pre-operative stage of projects. The portal enables online submission of applications and

payment of fee through an online payment gateway. Industries from various sectors are applying through this online single window facility. Out of the 69 applications received till 31st May 2019, 39 applications have been cleared.

1.6 International Cooperation

1.6.1 Japan

Government, vide G.O. Ms. No.15, Industries (MIB.2) Department, dated 9th January 2012 had constituted a Joint Working Committee of Japan and Tamil Nadu. So far,8 JWC meetings have been convened to discuss various issues related to Japanese investments. Government is in the process of entering into a Memorandum of Cooperation with the Ministry of Economy, Trade and Industry, Japan on economic cooperation for investment promotion and for providing necessary facilitation for Japanese Industrial Townships in Tamil Nadu. This, along with our

existing MoUs with the Kanagawa and Hiroshima Prefectural Governments of Japan will help in further boosting the investments from Japan into Tamil Nadu.

Industries Department also conducts regular meetings to discuss the issues raised by the Japanese Chamber of Commerce and Industry, Chennai (JCCIC) relating to various Japanese projects in Tamil Nadu. So far, 12 meetings have been conducted with Japanese Chamber of Commerce and Industry, Chennai.

1.6.2 Federal Republic of Germany

Government, vide G.O. Ms. No. 182, Industries (MIB.2) Department, dated 21st December 2017 have constituted a Joint Working Committee of Federal Republic of Germany and Tamil Nadu to resolve grievances of German companies, discuss social developmental issues, enhance cultural and educational exchange, improve the investment

climate and business environment including infrastructure. The first meeting of the JWC was held on 8th November 2018.

1.6.3 Republic of Korea

An arrangement has also been made with Republic of Korea for resolving grievances of Korean companies, improving investment climate and infrastructure, etc.

1.6.4 Ease of Doing Business

Guidance Bureau is the nodal agency for coordinating the implementation of reforms by various Departments of the State as per the Business Reform Action Plan. The Government of Tamil Nadu has taken up a series of measures to simplify and rationalize the regulatory processes (registration and inspection processes) and deploying information technology to make governance simpler, responsive, transparent, accountable and efficient. In the year 2018, Tamil Nadu implemented 354 out of total 369

reform points and got a reform implementation score of 95.9%. Overall, Tamil Nadu got a score of 334.60 (90.4%) and was placed under the "Achievers" category.

1.6.5 Action Plan for 2019 - 2020

1. As announced by the Hon'ble Chief Minister during his TNGIM 2019 valedictory speech, Guidance Bureau will commence necessary preparatory activities for the conduct of the **Tamil Nadu Global Investors Meet 2021**.
2. Guidance Bureau will develop a new state-of-the-art comprehensive single window portal, by adding 30 new services to the existing 24 services. This will ensure end-to-end online delivery of 54 services by various departments to the investors.
3. Necessary efforts will be taken to strengthen Guidance Bureau by bringing in

experienced professionals with expertise in investment promotion, trade and country/sector expertise and capacity building.

4. A new office space will be provided for Guidance Bureau in line with its mission.

2. STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED

State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) was formed in the year 1971 with the objective of enabling speedy industrialisation of the State by establishing Industrial Parks. One of the objectives is to promote balanced industrial development with focus on economically backward regions.

2.1 Development of Industrial Parks/Growth Centres & Special Economic Zones

Harnessing a forward looking growth, over the past 48 years, SIPCOT has made a tremendous contribution in nurturing 21 Industrial Parks/Growth Centres including 7 sector specific Special Economic Zones (SEZ) with basic amenities in a total extent of 32,004 acres spread over 12 districts.

Details of existing SIPCOT Industrial Complexes / Parks / Growth Centres (including Special Economic Zones) are:

(Extent in Acres)

1	Ranipet Industrial Complex & Engineering Sector SEZ	1420.71
2	Hosur Industrial Complex	2092.50
3	Pudukkottai Industrial Complex	421.10
4	Manamadurai Industrial Complex	492.07
5	Gummidipoondi Industrial Complex and Export Promotion Industrial Park	1490.02
6	Thoothukudi Industrial Complex	2308.73
7	Cuddalore Industrial Complex	2670.71
8	Irungattukottai Industrial Park & Footwear and Leather Products SEZ	1843.65
9	Pillaiakkam Industrial Park	1045.89
10	Sriperumbudur Industrial Park & Electronic/Telecommunication Hardware Hi-Tech SEZ	2377.09

11	Siruseri Information Technology Park	782.97
12	Nilakkottai Industrial Complex	381.16
13	Bargur Industrial Complex & Granite Processing SEZ	1389.70
14	Perundurai Industrial Growth Centre & Engineering Sector SEZ	2706.44
15	Gangaikondan Industrial Growth Centre & Transport Engineering Goods SEZ	2014.36
16	Oragadam Industrial Growth Centre & Electronic Hardware Hi-Tech SEZ	3160.19
17	Cheyyar Industrial Complex	2426.44
18	Mappedu Industrial Park	121.74
19	Thervoykandigai Industrial Park	1127.00
20	(i) Vallam-Vadagal Industrial Park	1381.54
	(ii) Aerospace Park-Vallam Vadagal	250.00
21	Gurubarapalli Industrial Park	100.22
	Total	32,004.23

2.2 Investment and Employment in Industrial Parks

SIPCOT has so far allotted 21,500 acres to 2,591 Industrial units. These allotments solicited an investment to the tune of Rs.1,13,630 crore and created direct and indirect employment opportunities for 6.40 lakhs persons. Land for an extent of 4,648 acres are readily available for industrial units.

2.3 Major Industries at SIPCOT Industrial Parks

With the effective guidance of the Government and the proactive approach of SIPCOT many prominent industrial units viz. M/s. Amway, Apollo Tyres, Ashok Leyland, Bosch, Britannia, Cognizant Technology, Daimler, DELL, Delta Electronics, Delphi TVS, Eicher Motors, Foxconn, Growth Link, Hyundai, India Yamaha, Kone Elevator, KPR Spinning Mills, Mahindra & Mahindra, Mando-Hella, Michelin Tyres, Nokia Seimens, Renault-Nissan,

Saint Gobain, Samsung, Sanmina and Wheels India have established their facility in various Industrial Parks of SIPCOT.

During the year 2018-19 and subsequently, SIPCOT has allotted land to M/s Chemplast Sanmar, Polyhose, Renganayaki Papers, Schewing Stetter, Tata Consultancy Services besides other industries attracting a total investment of about Rs.3570 crore providing direct and indirect employment to 10643 persons.

2.4 Proposed New Industrial Parks

Acquisition of land is in progress for the establishment of 11 new Industrial Parks over an area of 8,785 acres viz. Vaipur-Mathur Industrial Park (Kancheepuram District), Manallur Industrial Park (Thiruvallur District), Madurai Industrial Park (Madurai District), Tindivanam Industrial Park (Villupuram District), Manaparai

Industrial Park (Tiruchirappalli District), Panapakkam Industrial Park (Vellore District), Hosur Industrial Park, Phase-III (Krishnagiri District), Dharmapuri Industrial Park (Dharmapuri District), Paadalur Industrial Park (Perambalur District), Nemili Industrial Park (Kancheepuram District) and Kurubarapalli Industrial Park Phase-II & III (Krishnagiri District).

Of these, the acquisition of land for the proposed Tindivanam (720 acres) and Manaparai (1077 acres) Industrial Parks has been completed. Environmental Impact Assessment study for these parks has been carried out and Environmental Clearance is expected shortly. Further, in respect of the proposed Manallur Industrial Park (706 acres) Environmental Impact Assessment study is in progress. Acquisition of land for Madurai (1478 acres) and

Nemili (229 acres) Industrial Parks is nearing completion.

2.5 Industrialisation of Southern Districts

With a view to ensuring balanced industrial development in the State, SIPCOT is taking action to establish new Industrial Parks in the southern districts viz. Ramanathapuram, Dindigul, Theni, Virudhunagar, Thoothukudi and Tirunelveli in a total extent of about 14,090 acres. Administrative Sanction was issued for about 4,388 acres and acquisition is in progress. Administrative Sanction proposals for the acquisition of remaining 9,702 acres of land are under process in various stages. In respect of the proposed Manakudi Industrial Park in Ramanathapuram District, land acquisition is completed and Environmental Impact Assessment study is under progress.

To attract new investments in southern districts, SIPCOT has been allotting land at 50% subsidised rates for the units established in the existing and new SIPCOT Industrial Parks in the industrially backward southern districts. Accordingly, SIPCOT has so far allotted 200 acres of land to 89 industrial units.

2.6 Implementation of Special Projects

2.6.1 Establishment of Food Parks

SIPCOT proposes to develop Food Parks at five industrial parks of SIPCOT viz. Bargur, Cheyyar, Tindivanam, Manaparai & Thoothukudi over an area of 100 to 150 acres each. Special infrastructure facilities such as, cold storage, grading & sorting and testing will be created by Tamil Nadu State Agriculture Marketing Board, for which land will be allotted by SIPCOT at concessional rate. Preparation of Detailed

Project Report for establishing the Food Parks is under process.

2.6.2 Alternate source of water supply

In order to provide alternate source of water supply to the industries located at Irungattukottai, Sriperumbudur, Oragadam, Pillaipakkam & Vallam-Vadagal, CMWSSB has set up 10 MGD TTRO Plant at Koyambedu with conveying mains to the above industrial parks which is nearing completion and expected to be commissioned soon. SIPCOT has also proposed to establish desalination plants for the industrial parks along the coastal region by conducting feasibility study.

2.6.3 Water Security

SIPCOT has proposed to implement water security system in SIPCOT Industrial Parks by way of water conservation / efficiency in usage of water / recycling of water by conducting

hydrological studies through Water Resources Department, at Anna University / Indian Institute of Technology, Chennai, right from the upstream of water bodies & in and around the Industrial Parks.

2.6.4 Greenery in Industrial Parks

To improve the green cover in SIPCOT Industrial Parks, avenue plantation has already been made and it is also proposed for additional plantation of 2,32,000 of saplings at an estimated cost of Rs.10 crore. Nursery preparation and plantation will be done through Forest Department and will be maintained by SIPCOT in association with industrial units. Nursery preparation will be done during 2019-2020 and out of the total target, 10% of the seedlings will be planted during 2019-20 and the balance seedlings will be planted during 2020-21.

2.6.5 Integrated Textile Processing Parks

SIPCOT has allotted 304 acres of land at Cuddalore Industrial Park (Phase III) to M/s SIMA Textile Processing Centre Limited for establishing textile processing centre. The critical need of water supply to commence operation by SIMA is proposed to be met out by laying pipelines from Phase II at an estimated cost of Rs.14.25 crore. Also to meet out the water supply requirements of the units at Cuddalore Industrial Park, a 20 MLD desalination plant has been proposed.

Integrated Textile Processing Park at Manakudi village, Thiruvadanai Taluk, Ramanathapuram District over an extent of 225 acres at a cost of Rs.150 crore is being developed by SIPCOT, which will accommodate 30 textile park units. This park will have the facility of marine disposal and desalination plant. District level CRZ committee has forwarded its

recommendations for CRZ clearance and Environmental Impact Assessment study is under progress.

2.6.6 Infrastructure facilities

SIPCOT has constructed two Truck Terminals, one at Irungattukottai Industrial Park at a cost of Rs.10.98 crore with parking facility of 190 trucks and another at SIPCOT Vallam-Vadagal Industrial Park at a cost of Rs.10.20 crore with parking facility of 240 trucks, to ease the traffic congestion in Sriperumbudur area and they are in operation.

SIPCOT has already constructed two dormitories, one for men (400 persons) and another for women (600 persons) at SIPCOT Industrial Park, Sriperumbudur and their operation & maintenance is through Self Help Group identified by M/s. Tamil Nadu Women Development Corporation Limited.

SIPCOT has also constructed a dormitory at a capital outlay of Rs.8.54 crore for women (600 persons) at Nerupperichal village in Tiruppur District. M/s Tiruppur Exporters' Association has been identified. It is also proposed to construct a dormitory for 400 men at an estimated cost of Rs.10 crore under CSR in the identified land at Nerupperichal villages in Tiruppur District.

To improve the technical skills of youth around SIPCOT Industrial Parks, a Skill Development Centre at Oragadam SIPCOT Industrial Growth Centre, was constructed and handed over to M/s Oragadam SIPCOT Manufacturers Association (OSMA). OSMA will provide various training facilities particular to automobile sector by conducting accredited certified courses. Another Skill Development facility is housed in the existing building at SIPCOT Industrial Park, Thervoykandigai.

Further, 0.50 acres of land has been allotted to M/s Nellai Small and Tiny Industries Association (NELSTIA) at Gangaikondan Industrial Growth Centre in Tirunelveli District for establishing a Skill Development Centre.

2.7 Corporate Social Responsibility

Under CSR scheme, SIPCOT has been contributing for various welfare measures viz. school buildings, provision of drinking water, medical equipments, roads, community centre, etc. for the general public living around SIPCOT Industrial Parks. During the financial year 2018-2019, SIPCOT has contributed Rs.3 crore out of its CSR Fund to the Hon'ble Chief Minister's Relief Fund towards "GAJA" cyclone relief.

2.8 Nodal Agency Function

SIPCOT is the Nodal Agency of the Government for implementing the Structured

Package of Assistance scheme for Mega, Super Mega and Ultra Mega projects. So far, Rs.10,531.16 crore have been released to 30 industrial units. The amount released during the year 2018-19 is Rs.2,183.09 crore to 17 industries.

2.9 Financial Performance

SIPCOT has been showing good financial performance and consistently paying dividend to the Government since 2005-2006. For the financial year 2017-18, it earned a profit of Rs.166.45 crore and paid the highest ever declared dividend (85%) amounting to Rs.49.23 crore to the Government. Based on the unaudited financial results, the estimated profit for the financial year 2018-19 will be Rs.176.02 crore.

3. TAMIL NADU INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

Tamil Nadu Industrial Development Corporation Limited (TIDCO) was established in 1965 as a Government of Tamil Nadu Enterprise to stimulate industrial development and promote capital investment in the State by attracting investment through Joint Ventures. TIDCO identifies and facilitates implementation of Industrial and Infrastructure Projects with a vision to accelerate the growth of the state economy.

TIDCO has promoted several Joint Venture projects in manufacturing sector such as Chemicals, Fertilizers, Pharmaceuticals, Textiles, Iron and Steel, Auto Components, Food & Agro, Floriculture, Engineering, Petroleum and Petrochemicals and in infrastructure sector such as IT/ITES Parks, Bio-Tech Parks, Special

Economic Zones (SEZ), Road Development Projects and Agri Export Zones.

TITAN Industries Ltd, TANFAC Industries Ltd, Mahindra World City, Tamilnadu Petro products Ltd, TIDEL Park Ltd, Ascendas IT Park (Chennai) Ltd, TICEL Bio Park Ltd, Tamilnadu Road Development Company Ltd, Chennai Trade Centre, Tanflora Infrastructure Park Ltd, IT Expressway Ltd, TIDEL Park Coimbatore Ltd, L&T Shipbuilding Ltd and Indian Oil LNG Private Ltd are some of the successful Joint Ventures of TIDCO.

TIDCO's investments of Rs.503.29 crore (as on March 2019) are mostly in the form of equity investment in Joint Venture Companies and investments made in on-going projects.

TIDCO and Indian Oil Corporation Ltd have established a Liquefied Natural Gas (LNG) Import, Storage and Re-gasification Terminal of

5 Million tonne per year capacity at a project cost of Rs.4317 crore in Kamarajar Port, Tiruvallur District through a joint venture company namely M/s. Indian Oil LNG Private Limited. This LNG Import Terminal will distribute regasified LNG to power plants, fertilizer units, other industries, domestic users and transportation sector in Tamil Nadu. The Hon'ble Prime Minister of India has dedicated this Terminal to the Nation on 6th March 2019.

TIDCO has implemented a 10 MW Solar PV Power Plant in Valinokkam Salt Complex, Mariyur village in Ramanathapuram District through TIDEL Park Limited for their captive usage. The Hon'ble Chief Minister has inaugurated this project on 5th March 2019.

At present, TIDCO is implementing an Information Technology - Information Technology Enabled Services (IT/ITES) SEZ at Taramani, Chennai, a Special Investment Region

in Krishnagiri District, TICEL Bio Park III in Coimbatore District, a Polymer Industries Park in Tiruvallur District and a Medipark near Chengalpattu in Kancheepuram District.

TIDCO is also taking steps for establishing a Heavy Engineering Components Hub in Tiruvallur District and a National Investment and Manufacturing Zone (NIMZ) in Ramanathapuram District. Further TIDCO is the designated Nodal Agency for the Development of Chennai Bengaluru Industrial Corridor (CBIC) and Chennai Kanyakumari Industrial Corridor (CKIC) in the state.

3.1 Current Projects under implementation

3.1.1 TRIL Infopark Limited

TIDCO is establishing an IT-ITES Special Economic Zone with an Integrated International Convention Centre on 25.27 acres of land in Taramani through joint venture with

M/s. Tata Realty and Infrastructure Limited (TRIL) at an estimated cost of Rs.4,000 crore. Construction of IT office space of 4.6 million sq ft in six towers has been completed, fully leased and has become operational.

This IT Park is providing employment to 47,000 IT professionals and also indirect employment for over 5000 persons involved in day-to-day operations of the campus. Construction of Integrated International Convention Centre and Serviced Apartments has been completed. Final interior work is in progress and the project is expected to be completed fully by December 2019.

3.1.2 Polymer Industries Park

TIDCO has taken steps to establish a Polymer Industries Park through a Special Purpose Company viz., Tamil Nadu Polymer Industries Park Limited (TPIPL), a Joint Venture of TIDCO

and SIPCOT in Voyalur and Kattupalli villages, Tiruvallur District to accommodate medium and small scale polymer based manufacturing units under the Government of India scheme for setting up Plastic Parks.

The Department of Chemicals and Petrochemicals, GoI has released an amount of Rs.8 crore towards grants-in-aid to TPIPL out of the total grant of Rs. 40 crore sanctioned for this project.

Due to environmental issues (CRZ), the site selected could not be used for developing the project. Hence, an alternate site of 265.65 acres in Voyalur and Puzhudhivakkam villages has now been selected for developing the project. Accordingly, possession of these lands has been transferred to TPIPL. Tender for selection of contractor for land development work will be released by June 2019. The site development work will commence in August 2019.

3.1.3 TICEL Bio Park - III

TIDCO and TIDEL are jointly establishing the TICEL Bio Park III for Biotechnology, Pharmaceuticals and R&D activities with built-up area of 2.29 lakhs sq. ft. with Ground + 13 floors in 10 acres of land in Anna University campus at Somayampalayam Village, Coimbatore District at an estimated cost of Rs.55 crore. The construction of 10 floors of the multi storeyed building has been completed. The project will be completed by November 2019.

3.1.4 Aerospace Advanced Computing and Design Engineering Centre

TIDCO along with TIDEL is establishing an Advanced Computing and Design Engineering Centre (ACDEC) Project for Aerospace and Defence Manufacturing & Design Industries in the Sriperumbudur Aerospace Park. The proposal is to create built up space and facilities for Advanced Computing and Design Engineering

Centre comprising of Avionics Complex, Centre of Excellence, Skill development Centre and Warehouse facility. This project will be implemented in two phases. The first phase will be established with built up space of 5 lakhs sq. ft. at an estimated cost of Rs.180 crore. The Detailed Project Report for this project has been prepared and the Project Management Consultant has been selected for the implementation of this project. The construction of first phase will commence in September 2019.

3.1.5 National Investment and Manufacturing Zone

A National Investment and Manufacturing Zone (NIMZ) is proposed to be set up in Ramanathapuram District under National Investment and Manufacturing Policy of Government of India. Department for Promotion of Industry and Internal Trade (DPIIT), GoI has granted in-principle approval. Techno Economic

Feasibility Study for this project has been completed. An area of about 5,468 hectares has been identified in Devipattinam, Chittarkottai, Pullangudi and Athiyuthu villages of Ramanathapuram Taluk. As per the study report, the total investment required for development of infrastructure in this zone is estimated at about Rs.7,021 crore. A proposal requesting final approval for this project has been submitted to DPIIT. This project will be completed in five years from the date of receipt of the final approval from Government of India.

3.1.6 Heavy Engineering Components Manufacturing Hub

Heavy Engineering Components Manufacturing Hub, a sector specific investment hub with relevant infrastructure will be established in an area of about 700 acre in the Ponneri Taluk of Tiruvallur District. This location

will have road connectivity with Kamarajar and Kattupalli Ports.

Government has accorded Administrative Sanction for acquisition/ alienation of about 700 acres of lands in Kattur and Ebrahampuram villages of Ponneri Taluk. The Land Acquisition is in progress. A Detailed Project Report for this project has been completed. The project is proposed to be developed in two phases. The first phase will be developed in 400 acres of land and the second phase will be developed in the remaining 300 acres of land. The above 400 acres of land are under the category of Meikkal Poramboke land. Hence, for exchange of this Meikkal Poramboke lands, TIDCO has identified 279 acres of Government Poramboke lands in Karadiputhur village and 152 acres of TIDCO lands in Kalanji village which are under inspection. Based on this, the first phase development in 400 acres will be commenced.

3.1.7 Special Investment Region in Krishnagiri

GMR Infrastructure Limited is establishing a Special Investment Region as a joint venture of TIDCO in about 2,101 acres of land in Krishnagiri District in a phased manner. The Hon'ble CM has laid the foundation stone on 25.08.2018 marking the commencement of the implementation of this project. The implementation of Phase-IA covering an extent of 275 acres at an estimated cost of Rs.212 crore, has commenced to cater to Precision Engineering, Auto Components and Electronics along with supporting infrastructure. Phase-1A of the project is expected to attract an investment of Rs.500 crore and generate employment opportunities for about 5,000 persons in about three years period.

3.1.8 Expansion of Chennai Trade Centre

Tamilnadu Trade Promotion Organisation (TNTPO) has proposed to expand Chennai Trade Centre (CTC) with an additional exhibition space of 20,804 Sq. m. at an estimated project cost of Rs.289 crore. The Government of Tamil Nadu has given enter upon permission for an additional 9.13 acres of land to TNTPO for the expansion of CTC. The Government of India has approved this expansion project of TNTPO and extended financial assistance of Rs.20 crore. Preparatory works are under progress and the construction work will commence by September 2019.

3.1.9 Chennai Bengaluru Industrial Corridor (CBIC) – Ponneri Industrial Node Development

The Chennai-Bengaluru Industrial Corridor is one of the several Corridor Development projects that are included in the 'Vision Tamil

Nadu 2023'. TIDCO has been designated as Nodal Agency by the State Government for the Development of Chennai Bengaluru Industrial Corridor (CBIC) in the state.

Many Integrated Special Investment Regions will be developed along the Corridor. These regions will be self-sustained industrial townships with world-class infrastructure, road and rail connectivity for freight movement to and fro from the Chennai, Ennore and Kattupalli ports and logistics hubs with reliable power and social infrastructure. Japan International Cooperation Agency (JICA) has completed the Comprehensive Integrated Master Plan for this project. The Plan contains the Perspective Plan and strategy for development of industries and allied infrastructure in the CBIC Region.

As a part of this study, JICA has identified three Industrial Nodes in the Chennai Bengaluru

Industrial Corridor Region including the Ponneri Industrial Node in Thiruvallur District. The Ponneri Industrial Node comprises ten villages in the Ponneri Taluk of Tiruvallur District covering total area of about 21,966 acres. The Department for Promotion of Industry and Internal Trade (DPIIT) has granted in-principle approval for declaring Ponneri Industrial Node Area as a National Investment and Manufacturing Zone (NIMZ).

As per the development plan prepared by Japan International Co-operation Agency, it is proposed to develop the Ponneri Industrial Node in three Phases. The investment for the Phase-1 development including the cost of land, has been estimated at about Rs.13,314 crore and the total investment for this Node development has been estimated at about Rs.32,713 crore for all the three phases.

Based on the proposal of TIDCO, Government has amended TNITDA Act, 1997, and published the amended Act in Government Gazette on January 18, 2019. The Revised Institutional Framework, as suggested by DMICDC for the development of this node is under finalization. The State support Agreement and Shareholders Agreement will be signed shortly.

3.1.10 Medipark

TIDCO in association with Government of India is implementing Medipark in 330 acres near Chengalpattu in Kancheepuram district at an estimated project cost of Rs.220 crore. The Park will have Medical devices and Equipment zone, Biotech / Bio information zone, a Research & Development and Knowledge Management Infrastructure. This project will be implemented

through a Special Vehicle Purpose (SPV) Company. TIDCO will subscribe to 10% of equity in this SPV Company. Tamil Nadu Infrastructure Fund Management Corporation (TNIFMC) has been requested to prepare a Detailed Project Report and also for funding support for this project.

3.1.11 Biotechnology Venture Capital Fund

The Tamil Nadu Biotechnology policy states that the State Government will establish a Biotechnology Venture Capital Fund. State Government has approved procurement of consultancy and financial services from Tamil Nadu Infrastructure Fund Management Corporation as fund Manager for setting up Biotechnology Venture Capital Fund. In this fund, Rs.10 crore will be contributed by TIDCO, Rs.10 crore by TIDEL & TICEL together and

Rs.5 crore by the State Government. The balance contribution will be raised from market. TIDCO has initiated steps to establish this fund.

3.1.12. Chennai Kanyakumari Industrial Corridor

TIDCO has been designated as Nodal Agency by the State Government for the Development of Chennai Kanyakumari Industrial Corridor (CKIC) in the state. This CKIC project will focus on increasing the share of manufacturing, promoting balanced regional growth and development of the southern districts. The CKIC is being implemented by GoI in partnership with the Asian Development Bank (ADB) as the second phase of East Coast Economic Corridor to promote port-based economic development.

The Comprehensive Development Plan for development of CKIC has been prepared by the

consultant. This Corridor covers 23 districts of Tamil Nadu. Six Industrial nodes viz., Madurai-Dindigul-Virudhunagar-Theni, Thoothukudi-Tirunelveli, Ramanathapuram, Cuddalore-Nagapattinam, Tiruchirappali-Pudhukottai-Sivaganga and Ariyalur-Perambalur are identified for CKIC with two nodes Madurai-Dindigul-Virudhunagar-Theni and Thoothukudi-Tirunelveli prioritized for Phase-I development. Port based focus sectors such as Food processing, textiles, automobiles, chemicals and petrochemicals, machinery, electronics and electrical machinery sectors have been identified to lead manufacturing growth in the corridor.

3.1.13 Defence Industrial Corridor in Tamil Nadu

Union Government in the Budget 2018-19 has announced that a Defence Industrial Corridor connecting Chennai, Trichirappalli, Coimbatore, Salem and Hosur will be developed

in Tamil Nadu. This corridor will create new defence production facilities and clusters with necessary testing and certification facilities, export facilitation centres and technology transfer facilitation. Department of Defence Production has conducted series of meetings in all the nodes. State Government officials participated in all the meetings and provided all support to formulate the implementation plan for this Corridor. Hon'ble Defence Minister inaugurated the Tamil Nadu Defence Industrial Corridor Project in Trichirappalli on 20.01.2019 wherein several DPSUs and private industries have announced and committed investments of Rs.3,123.50 crore. The State Government is taking follow-up action to promote projects in this corridor.

3.1.14 Greenfield Airport near Chennai

Government has proposed to set up a new Greenfield airport near Chennai. An announcement in this regard has been made by the Hon'ble Chief Minister during the birth centenary of Dr. MGR on 30.9.2018. In this connection Government has ordered that the work of development of Greenfield airport near Chennai be carried out by Industries department. Further, Government has directed TIDCO to select the private sector developer/partner and SIPCOT to acquire or purchase the necessary extent of land required for the new Greenfield airport. As directed by the Government, TIDCO is in the process of selection of consultant for preparing the project report for development of Greenfield Airport near Chennai.

3.1.15 TIDEL Park at Pattabiram

TIDEL Park, Chennai is establishing an Information Technology (IT) Park with built up space of 5 lakhs sq. ft. in Phase-I in an area of 10 acres of land in Pattabiram village, Avadi at an estimated project cost of around Rs.200 crore. State Level Export Promotion Committee has sanctioned ASIDE grant of Rs.20 crore for this project. TIDEL has selected an Engineering Consultant for Architectural and Detailed Engineering Consultancy Services and the consultant has prepared the Architectural Design for this IT park. The construction of this IT Park is expected to commence in September 2019. On completion, this project will provide employment to around 5000 persons.

3.2 Financial Performance

During the financial year 2017-18, TIDCO has earned a net profit of Rs.52.13 crore and has

given 30% dividend of Rs.21.61 crore to the Government. For the Financial year 2018-19, TIDCO has earned a net profit of Rs.165.45 crore.

4. TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED

Established in 1949, Tamil Nadu Industrial Investment Corporation Limited (TIIC) has played a catalytic role in the promotion and development of industries in the State. Among the major industries in the State which owe their development to the support given by TIIC are sugar, cement, textile and textile machinery, engineering, paper and aluminium. TIIC, which is the pioneer among the State Financial Corporations in the country, provides financial assistance to Micro / Small / Medium / Large Scale Industrial Units and Service Sector Projects. With vast experience in industrial financing, TIIC has been encouraging first generation entrepreneurs through various financing schemes. More than 90% of TIIC's assistance goes to the Micro, Small & Medium Enterprise (MSME) sector and 40% of its total

assistance goes to first generation entrepreneurs.

TIIC has so far assisted 1,23,544 units with a cumulative sanction of Rs.17,281.26 crore till 31.03.2019. The loan portfolio of the Corporation as on 31.03.2019 stands at Rs.1166.07 crore.

With the continued support of the State Government and the focused efforts of the employees of the Corporation, TIIC has been earning profit continuously for 16 years from 2003-04 onwards. TIIC registered a net profit of Rs.23 crore during 2018-19.

4.1 Share Capital

With the infusion of additional capital of Rs.55 crore by SIPCOT and TIDCO, the share capital of TIIC has increased from Rs.321 crore to Rs.376 crore.

4.2 Schemes

In order to fulfill the divergent needs of industries, TIIC has been operating various schemes. The General Term Loan for starting new units and for expansion of existing units, New Entrepreneur cum Enterprise Development Scheme (NEEDS), Working Capital Term Loan for manufacturing & processing units / job work units, Flexi Working Capital Term Loan, Wind Power / Solar Power Projects, Equipment Finance Scheme, Transport Operators Scheme, Generator Loan Scheme, Corporate Loan Scheme and Bill Finance Scheme for TANGEDCO & TANTRANSCO / TWAD Vendors & Contractors.

4.2.1 General Term Loan

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

Assistance is given by way of Term Loan upto Rs.30 crore for Private/ Public Limited companies, Rs.20 crore for Partnership / LLP Firms and Rs.15 crore for Proprietary concerns. Promoter's contribution ranges from 25% to 33.33% of the project cost. Based on the type of project, repayment period can be upto 9 years including moratorium period ranging from 6 months to 2 years for repayment of principal. Under this scheme, 284 entrepreneurs have been sanctioned loan of Rs.194.01 crore during the year 2018-19.

4.2.2 New Entrepreneur cum Enterprise Development Scheme (NEEDS)

TIIC plays an active role in implementation of the New Entrepreneur cum Enterprise Development scheme (NEEDS) for assisting educated youth to become first generation entrepreneurs. Under this Scheme, State Government will provide capital subsidy of 25%

of the project cost subject to a maximum of Rs.30 lakhs. Besides, interest subvention of 3% is also extended to the entrepreneurs on the loan availed for the project. The special feature of this scheme is the low promoter's contribution which is 5% for special category entrepreneurs like Backward Community, Most Backward Community, Scheduled Caste / Tribes entrepreneurs and 10% for others. So far upto 31.03.2019, 577 first generation entrepreneurs have been sanctioned loan of Rs.271.51 crore.

4.2.3 Working Capital Term Loan for Manufacturing & Processing units / Job Work Units

The scheme aims to extend financial assistance to manufacturing and processing units including modern rice mill units to meet their working capital needs and is being implemented successfully. The maximum financial assistance under this scheme is Rs.2 crore per unit. Similar Working Capital

Term Loan Scheme is available for units undertaking job works only with reduced quantum of Rs.50 lakhs. Under this scheme, 143 entrepreneurs have been sanctioned loan of Rs.52.43 crore during the year 2018-19.

4.2.4 Flexi Working Capital Term Loan

The scheme aims to extend financial assistance to units manufacturing and processing sectors including rice mill units, to meet their working capital / additional working capital requirements on a continual basis. The maximum financial assistance under this scheme is Rs.2 crore per unit.

4.2.5 Wind Power Projects / Solar Power Projects

The scheme aims to encourage entrepreneurs to set up private wind mills / solar power plants for captive consumption of renewable energy as well as for selling power to TANGEDCO.

The assistance is extended towards cost of land, equipment, electrical, erection and commissioning.

4.2.6 Equipment Finance Scheme

The scheme will facilitate existing industrial units with good track record to purchase capital goods/equipment. The promoter's contribution under this scheme is minimum 15% of the cost of capital goods / equipment acquired. So far, under this scheme, 1311 units have been sanctioned loan of Rs.729.54 crore.

4.2.7 Transport Operators Scheme

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

4.2.8 Generator Loan Scheme

The scheme is extended to MSME units for purchase of generator sets. The promoter's contribution under this scheme is 10%. TIIC has further liberalized the collateral security norms to make the generator loans easily accessible to entrepreneurs.

4.2.9 Corporate Loan Scheme

Financial assistance is extended to assisted units of TIIC with good track record to meet their unexpected business demands. The maximum financial assistance under this scheme is Rs.1 crore.

4.2.10 Bill Financing Scheme

TIIC has entered into MoUs with TANGEDCO, TANTRANSCO and TNPL for offering bill discounting facilities to their MSME suppliers/contractors. It is also offering discounting facilities to TWAD contractors against

their bills. The bill discounting facility is offered without any collateral security. Under this scheme, 38 contractors have been sanctioned loan of Rs.202.04 crore during the year 2018-19.

4.3 Subsidy

TIIC is also functioning as a nodal agency for various State/ Central Government incentives for promoting industries in Tamil Nadu as under:

4.3.1 Government of Tamil Nadu Subsidies

4.3.1.1 Backward area subsidy and Specific Thrust Sector subsidy

Subsidy to the tune of 25% on Plant & Machinery subject to a maximum of Rs.30 lakhs is provided to the industries set up in backward areas / SIPCOT / SIDCO Estates and to select products specified under thrust sectors. It is available for subsequent expansions also, provided there is 25% increase in cost of Plant & Machinery and 25% increase in the average

turnover of last 3 years after expansion. The Corporation has disbursed Rs.66.10 crore as State Capital subsidy to 504 beneficiaries during the year 2018-19.

4.3.1.2 3% interest subvention for MSME units

The 3% interest subvention scheme for MSME units availing loan from TIIC, has been extended upto FY 2021-22. Since inception of the scheme, the Corporation has sanctioned loans to the tune of Rs.3429.79 crore and Government has released Rs.90.81 crore to 3314 units as subsidy till 31.03.2019. During the FY 2018-19, the Government has released Rs.23.60 crore towards interest subvention.

4.3.1.3 Incentives and Subsidies for Large / Mega Industries

TIIC has been appointed vide G.O.(Ms).No.85 Industries (MIF.2) Department dated 08.03.2019 as the Nodal Agency for sanction and

disbursement of back ended Capital Subsidy, Environment Protection Infrastructure Subsidy and Soft Loan against VAT+CST paid, for all non-MOU projects with investment above Rs.10 crore and below Rs.300 crore.

4.3.1.4 Subsidy under NEEDS

Under this Scheme, Rs.4.95 crore has been disbursed to 69 beneficiaries as capital subsidy for the year 2018-19.

4.3.1.5 Generator Subsidy

With effect from 19.03.2012, the capacity limit for generator sets has been enhanced from 125 KVA to 320 KVA and the upper limit for subsidy quantum, at 25% of the generator cost, has been enhanced from Rs.1.50 lakhs to Rs.5 lakhs. The Corporation has disbursed Rs.40 lakhs to 25 beneficiaries as generator subsidy for the year 2018-19.

4.4 Central Government Subsidies

4.4.1 Credit linked Capital Subsidy (CLCS)

Under this Scheme, Capital Subsidy at 15% on the eligible Plant & Machinery subject to a maximum of Rs.15 lakhs per unit is provided to the notified sectors. For the year 2018-19 TIIC has drawn and disbursed Rs.7.42 crore to 134 beneficiaries as subsidy under this scheme.

4.4.2 Textile Upgradation Fund (TUF) – Capital Subsidy

Under this scheme, Capital Subsidy at 10%/15% is being extended for eligible machinery in textile sectors like textile processing, weaving, spinning, garment manufacture, technical textiles, jute sector etc. The above is available to eligible MSME and non-MSME units. For the year 2018-19, the Corporation has disbursed interest subsidy of Rs.8 lakhs to 12 beneficiaries.

4.5 Other Activities

4.5.1 Insurance

The Corporation has ventured into insurance business over the past 8 years. It is registered with Insurance Regulatory and Development Authority of India (IRDAI) and is functioning as a Corporate Insurance Agent for The New India Assurance Co. Ltd. Income is generated by way of commission (10% to 16%) on the insurance premium collected from TIIC's customers in respect of assets financed by TIIC. It has earned an income of Rs.26.73 lakhs in the financial year 2018-19.

4.5.2 Fixed Deposits

TIIC has been accepting fixed deposit in accordance with the terms and conditions laid by the RBI/SIDBI in this regard. The deposits accepted by TIIC are guaranteed by Government of Tamil Nadu. The Fixed Deposits held by the Corporation as on 31.03.2019 are Inter Corporate Deposits (Rs.203.82 crore),

Educational Institutions' Deposits (Rs.67.92 crore), Temples' Deposits (Rs.46.24 crore) and deposits from the public (Rs.19.55 crore).

4.6. Performance

The performance of the Corporation in the various areas of operations viz. sanction and disbursement from May 2011 upto 31.03.2019 is as under:

(Rs.in crore)

Area of operation	11.05.2011– 31.03.2019
Sanction (including Bill Finance Scheme)	8633.37
Disbursement	7227.92

4.6.1 Operational Performance - Financial Year 2018-19

(Rs. in crore)

Particulars	Achievement
Sanction	698.60
Disbursement	512.23
Operating Profit	52.00
Net Profit	23.00

The Corporation has declared dividend in 2015-16 after a gap of 15 years. Subsequently, it has declared dividend for 2016-17 and also has paid Rs.3.21 crore as dividend for the financial year 2017-18.

During 2018-19, most of the financial assistance given by the Corporation was to the units falling under Engineering / Auto Components (28.85%), Textiles (7%), Polymers (9.75%) and Food Processing Sectors (8.25%).

4.6.2 Target for the year 2019-20 and 2020-21

(Rs. in crore)

Year	Sanction	Disbursement
2019-20	1200	960
2020-21	1400	1150

5. TAMIL NADU NEWSPRINT AND PAPERS LIMITED

Government of Tamil Nadu established Tamil Nadu Newsprint and Papers Limited (TNPL) during the year 1979 to produce newsprint and printing and writing paper using bagasse as primary raw material. TNPL commenced its paper production with a capacity of 90,000 tonne per annum during the year 1985 at Pugalur (Unit I) in Karur District. The company has increased its paper production capacity to 4,00,000 tonne per annum progressively in four stages. Also the Pulp production capacity has been increased to 1180 tonne per day in various stages.

TNPL has set up its second manufacturing unit to produce 2,00,000 tonne per annum of multi-layer double coated board (Unit II) during the year 2016, in Mondipatti Village, Manaparai Taluk, Tiruchirappalli District.

Thus, TNPL has emerged as the third largest Paper Mill to produce printing & writing paper and coated board in the country.

TNPL produces a wide variety of high quality paper and coated boards suited for different end users. TNPL markets its products throughout the country and also exports about 20% of its production to over 37 countries across the globe. TNPL is the largest exporter of printing and writing paper in India.

TNPL has set up a Cement Plant with a capacity of 900 tonne per day to produce cement from the mill solid wastes viz, lime sludge and fly ash generated during the process of manufacture of paper.

TNPL has installed two wind farms with a capacity of 35.5 MW in Tirunelveli district. TNPL has installed captive power generation capacity of 103.62 MW in its Paper Mill complex

and 30 MW in its Board Mill complex by which it has become self-sufficient in power generation.

To meet the growing raw material requirement and to become self-reliant in pulp wood, TNPL undertook the implementation of pulp wood plantation program for the first time during the year 2004-05 under two schemes namely Captive plantation and Farm forestry. As on 31st March 2019, under the farm forestry scheme, TNPL developed 1,30,561 acres of pulp wood plantations involving 27,596 farmers throughout the state.

The Government of Tamil Nadu holds 35.32% shares in the company and the Government of Tamil Nadu owned companies hold 4.06% shares. The balance shares are held by Foreign Institutional Investors (FIIs), Indian Financial Institutions, Mutual funds, Insurance companies, Corporate bodies and the general public.

5.1 Production and Capacity Utilization for the year 2018-19

• **Paper Production** : 4,32,572 tonne

Capacity Utilisation (Paper Mill) : 108%

Paper production in the year 2018-19 of 4,32,572 tonne is the highest ever. The previous best was 4,03,430 tonne during the year 2015-16.

• **Board Production** : 1,76,997 tonne

Capacity Utilisation (Board Mill) : 88.5%

Board production in the year 2018-19 of 1,76,997 tonne is the highest ever and is higher than the previous year best production of 1,41,851 tonne.

Cement Production : 2,33,676 tonne

Cement production is higher than the previous year production of 2,27,947 tonne.

Total Power Generated : 8,219 lakhs units

5.2 Turnover and Profit for the year 2018-19

The turnover of the company during the year 2018-19 is Rs.4,122 crore as against the previous year turnover of Rs.3,159 crore.

Profit Before Tax is Rs.155 crore and Profit After Tax is Rs.94 crore.

5.3 Dividend

The performance of the company has been consistent over the years. The company has been paying reasonable dividend to its shareholders on a regular basis. Even though the company did not make a profit for the year 2017-18, it has paid a dividend of 50% for the year 2017-18, which amounts to Rs.12.22 crore to the Government of Tamil Nadu. The company has announced a dividend of 75% for the year 2018-19.

5.4 Exports

During the year 2018-19, the company has exported 84,027 tonne of printing and writing paper and 2,386 tonne of multi layer coated board.

5.5 Employment

The company is providing direct employment to 2,680 employees and indirect employment to about 3,000 persons.

5.6 Implementation of Board Plant Expansion in Unit II

To achieve the next phase of growth, in the Budget for the year 2017-2018, the Government has announced that TNPL will expand the capacity of its second unit at Mondipatti Village, Manapparai Taluk in Tiruchirappalli District, with a total investment of Rs.2,100 crore.

In pursuance of the above announcement, the company has initiated action and obtained Environmental Clearance (EC) on 04.04.2019 from the Ministry of Environment, Forest and Climate Change (MOEFCC).

The Mill Expansion Plan of TNPL Unit II is proposed to be implemented in two phases. The Phase 1 of the Mill Expansion Plan, at a capital outlay of Rs.1100 crore has been taken up for installation of a Chemical Hardwood Pulp Plant with required Chemical Recovery system and 20 MW Turbo generator. Procurement of major plant and machineries is in progress. By installation of a Chemical Hardwood Pulp Plant, the company will avoid procurement of imported hard wood.

After implementation of Mill Expansion Plan in Unit 2, the annual pulpwood requirement for the company will increase to 12 lakhs tonne of

pulpwood per annum from the current requirement of 5 lakhs tonne per annum. Considering the above, the company has increased the pulp wood plantation target from 10,000 to 25,000 acres per annum from the year 2018-2019.

The Phase 2 of the project covering installation of Paper machine and Power plant shall be taken up later.

This project will provide direct and indirect employment opportunities for about 2000 persons.

5.7 Projects Implemented

5.7.1 Process Improvement Measures

To improve the operational performance, TNPL has installed a Roll Grinding machine facility in a separate building at Board Plant in Manaparai Taluk, Tiruchirapalli District in Unit II

at a capital cost of Rs.30 crore. The Hon'ble Chief Minister has inaugurated the Roll Grinding Machine facility on 25.07.2018.

5.7.2 Welfare Measures – Housing Colony for employees

TNPL has constructed 80 houses to provide residential accommodation in its Board Plant colony in Manaparai Taluk, Tiruchirappalli District, at a capital cost of Rs.15 crore. The project was completed during June 2018.

5.8 Projects under Implementation

5.8.1 Environment Improvement Measures

To improve the operational efficiency and to reduce pollution, TNPL has installed additional Electro Static precipitator chamber in the Chemical Recovery Boiler and has taken up various developmental works like reconditioning of press rolls in the Paper Plant in Kagithapuram,

Karur District. These projects will be completed by August 2019.

5.8.2 Additional safety, environment, storage and process improvement measures

To further improve safety, environment, storage and process improvement measures, the company has initiated action, at a capital outlay of Rs.10 crore and the improvement measures will be completed by July 2019.

5.8.3 Process Improvement Measures

As a process improvement measure, an additional board sheet cutter and a ream wrapping machine are being installed to increase the sheet cutting capacity in its Board Plant in Mondipatti, Manaparai Taluk, Tiruchirappalli District at a cost of Rs.15 crore. The project will be completed by December 2019.

5.9 Corporate Social Responsibility (CSR)

The company spends 2% of the profit before tax for its CSR activities. As a part of CSR, TNPL regularly undertakes community welfare measures in the fields of education, health, infrastructure, economic development, environment, drinking water supply and promotion of arts and culture.

The company has spent Rs.4.06 crore for CSR activities during the year 2018-2019.

In the year 2018, Gaja cyclone hit the delta region and uprooted trees in thousands of acres. The company opened 19 temporary pulpwood procurement centers to procure pulpwood directly from the farmers thus avoiding intermediaries and ensured that fair price was paid in time to the distressed farmers. Till date, TNPL has procured 1,12,000 tonne of pulpwood from Gaja cyclone affected areas.

5.10 AWARDS

1. TNPL bagged first place during “**15th National Award for Excellence in Cost Management 2017 – Good Performance Award**” under the category Manufacturing - Public Organization - from the “Institute of Cost Accountants of India” during October 2018 at New Delhi.
2. TNPL received the “**Fly ash utilization Award 2018**” in the category of Green Building Material – Cement at New Delhi, from Mission Energy Foundation, Maharashtra.
3. TNPL bagged the “**Most Innovative Project**” award for Environmental Best Practices Award 2018 conducted by CII - Sohrabji Godrej Green Business Centre, Hyderabad during June 2018 at Chennai.

4. TNPL received the “**Water Stewardship Award**” during India Corporate Governance and Sustainability Vision Summit 2018 held at New Delhi conducted by Indian Chamber of Commerce, Kolkata.
5. TNPL received the **IEI Industry Excellence Award 2018**, from the Institution of Engineers India (IEI, Kolkata). This award has been instituted to recognize industry leaders for their innovation, excellence in engineering and operation & services, their capacity to sustain excellence in a competitive manner.
6. TNPL received the prestigious **Golden Peacock National Quality Award** for the year 2018-2019, by the Institute of Directors (IOD), India. The award was presented to TNPL at a convention conducted by IOD at Dubai.

6. TAMIL NADU CEMENTS CORPORATION LIMITED

Tamil Nadu Cements Corporation Limited (TANCEM), a Government of Tamil Nadu Undertaking has two cement manufacturing plants, one at Ariyalur District with 5 lakhs tonne capacity per annum and another at Alangulam in Virudhunagar District with 2 lakhs tonne capacity per annum. A new state-of-the-art plant having a capacity of 10 lakhs tonne per annum is being installed in the premises of the existing plant at Ariyalur. With this installation, the combined production capacity of TANCEM would become 17 lakhs tonne per annum. It is to be highlighted that these three plants which are located in the backward districts of Ariyalur and Virudhunagar, have helped to generate employment opportunities in these areas.

TANCEM is supplying cement to District Rural Development Agency (DRDA) and other

Government departments at lower price than the prevailing market rate. TANCEM has supplied 74% of its production i.e., 4.07 lakhs tonne of cement to Government departments out of 5.50 lakhs tonne of cement produced during 2018-19. It includes 488 tonne of Ordinary Portland Cement (OPC) and 4,06,792 tonne of Pozzolana Portland Cement (PPC). The prevailing market rate of OPC is Rs.405/- per bag and that of PPC is Rs.395/-per bag. However, TANCEM is supplying cement to the Government departments at a much lower rate of Rs.298/- per bag of OPC and Rs.285/- per bag of PPC. By doing so, TANCEM helps Government departments to implement their welfare schemes in an effective manner.

6.1 Expansion of Ariyalur Cement Unit

TANCEM is installing a new 10 lakhs tonne per annum plant at Ariyalur at a cost of Rs.809.09 crore. The project work was started

on 19.05.2016 by engaging M/s.Larsen and Toubro Limited as EPC contractor. The erection of the plant is almost completed and the trial run is underway. The new plant is expected to commence production shortly. During the current financial year (2019-20), the new plant would produce around 5 lakhs tonne of cement. From the year 2020-21 onwards, the new plant would produce around 10 lakhs tonne per annum. Hence the combined cement production capacity of TANCEM would increase to 17 lakhs tonne per annum from 2020-21.

As the project activities are nearing completion, TANCEM is in the process of recruiting officers and staff. The new plant will have around 250 direct employees and around 1000 indirect employees.

6.2 Modernization of Alangulam Cement Unit

With a view to modernizing Alangulam Cement Unit, it is proposed to get a Detailed Project Report by commissioning a study by a competent consultant.

6.3 Amma Cement Supply Scheme

TANCEM acts as the nodal agency for the "Amma Cement Supply Scheme" under which cement is being supplied at a concessional price of Rs.190 per bag to the general public. This price is much lower than the current open market price which is around Rs.405 per bag. This scheme is very much beneficial to the people and cement is being distributed through 501 godowns belonging to RD & PR department and TNCSC spread across the state.

Under the scheme, every beneficiary can get maximum of 750 bags at the rate of 50 bags per

100 sq.ft. for the construction of a new house measuring up to 1,500 sq.ft. In case of repairs and renovation of houses, upto 100 bags can be obtained.

Since inception of this scheme till 30.06.2019, 42,12,936 tonne of cement have been supplied and 12,98,511 beneficiaries have benefited under this scheme. Amma cement is also being used for the Chief Minister's Solar Powered Green House scheme and Pradhan Mantri Awas Yojana (PMAY) and Individual House Hold Latrine (IHHL) Schemes that are implemented by Rural Development and Panchayat Raj Department.

In order to ensure better implementation of the scheme, the District level Officials have been equipped with Tablet Computers. Besides, an online **"Highly Integrated Supply Chain Management System"** has been introduced which has helped to build a data bank with vital details such as beneficiary registration, supply,

sales, payment deposits, waiting list, scheme wise beneficiary details and stock position at each godown.

6.4 Cement supply to Government Departments

The annual cement requirement of DRDA is around 9.32 lakhs tonne. TANCEM's share in meeting this demand is around 43%. From 2011-12 till 30.06.2019, TANCEM has supplied around 77.8 lakhs tonne to DRDA and other Government Departments.

6.5 Commencement of PPC sales to Government Departments

Considering the environmental benefits of using PPC, Government's approval has been obtained for the usage of PPC in the construction activities carried out by DRDA and other Government departments. In the year 2018-19, TANCEM has sold 4,06,792 tonne of PPC to Government departments at the rate fixed by the Government. During 2019-20, as on

30.06.2019, TANCEM has sold 80,214 tonne of PPC to the Government departments.

6.6 Cement sales in the open market

TANCEM is supplying cement at a rate which is lesser by around Rs.80/- per bag than the prevailing market rate. While the private cement manufacturers are selling cement at a rate of around Rs.405 per bag of OPC and around Rs.395 per bag of PPC in the open market, TANCEM is selling at a reasonable rate of Rs.325 per bag of OPC and Rs.315 per bag of PPC. This pricing policy of TANCEM helps to ease the cement price hike in the open market.

During 2018-19, TANCEM sold 1,42,997 tonne of cement in the open market. During 2019-20, as on 30.06.2019, TANCEM sold 51,060 tonne of cement in the open market. The supply to the open market will increase

substantially once the new plant at Ariyalur starts commercial production.

The following efforts are being undertaken to improve sales and establish brand image in open market:

1. 259 stockists and 43 contractors have been newly appointed.
2. Sale of cement to Kerala has been restarted.
3. Bulk cement sales has been encouraged.
4. The benefits of Arasu cement is being informed to the customers through SMS.

6.7 Corporate Social Responsibility

The following CSR initiatives have been taken by TANCEM in coordination with the Ariyalur District Administration at a cost of Rs.13.52 crore, pursuant to the 110 Announcement for the year 2016-17 of the Hon'ble Chief Minister:

1. Constructing a new building for the Ariyalur District Headquarters Government Hospital with a floor area of 36,000 sq.ft, comprising of a Visitor's waiting hall, modern laundry, in-patient & out-patient wards, upgrading the Hospital Lab by installing new X-ray, ECG, Ventilator, Echo, Ultra Sound scan, Autoclave. Rs.9.50 crore has been allocated for this work, of which Rs.6.25 crore has been spent so far.

2. Providing basic amenities such as additional class rooms, bore wells, R.O plants and separate lavatories for boys and girls in Government and Panchayat Union Schools in Ariyalur and surrounding villages. Rs.2.12 crore has been allocated for this work, of which Rs.1.61 crore has been spent so far.

3. Implementing Green schemes such as plantation, formation of ponds and rain water harvesting structures in the surrounding areas of

Ariyalur. Rs.1.90 crore has been allocated for this work, of which Rs.1.62 crore has been spent so far.

4. TANCEM has spent Rs.9.48 crore till date for the above works and the balance works are under progress.

6.8 Mines Status

As a measure to ensure uninterrupted supply of limestone to the plants of TANCEM, the following long term plans have been taken up:

1. Action has been undertaken to obtain the Environmental Clearance for the mines with a total extent of 1402.88.5 Hectares.
2. Action has been undertaken to enhance the limestone production capacity of the Anandavadi limestone mines from the present level of 2.6 lakhs tonne per annum to 15 lakhs tonne per annum.

3. Mining lease has been obtained for two lime kankar mines with a total extent of 8.61.0 Hectares.
4. Action has been undertaken for obtaining new lease for limestone mines with a total extent of 97.25.0 extent.

6.9 Achievements of TANCEM

6.9.1 Performance Improvement

By way of sustained performance improvement activities at Ariyalur cement unit, the power consumption per ton of cement has been reduced from 139.61 units in 2017-18 to 123.84 units in 2018-19 and also the PPC production has increased from 38% (1,59,595 MT) in 2017-18 to 89% (4,15,018 MT) in 2018-19. Thereby the cost of production has been reduced from Rs.5,370.59 per tonne of cement in 2017-18 to Rs.3647.91 per tonne of cement in 2018-19 and a profit of Rs.16.08 crore has been earned. Due to this,

TANCEM has earned a net profit of Rs.14.42 crore in 2018-19.

6.9.2 Introduction of 'Highly Integrated Supply Chain Management System' and 'V Collect' system

In order to ensure better implementation of Amma Cement Supply Scheme, an online 'Highly Integrated Supply Chain Management System' has been introduced.

To streamline the collection under the scheme an online payment system called 'V collect' has been introduced through Indian Bank on trial basis. In this system, instead of drawing D.D, the beneficiaries can remit the payment through NEFT.

6.10 ISO certification

As a measure to ensure quality in products & services, TANCEM has initiated action for obtaining ISO: 9001-2015 certification.

ISO certification for the Corporate Office and Ariyalur Cement Unit has been approved by BIS. The process for obtaining ISO certification for Alangulam Cement plant is nearing completion.

6.11 Financial Performance

By undertaking various performance improvement activities, the production and sales have increased during 2018-19 and thereby a profit of Rs.14.42 crore has been earned.

7. TAMIL NADU SALT CORPORATION LIMITED

Tamil Nadu is one of the top three salt manufacturing states in India. TNSC was established during the year 1974 at Valinokkam village in Ramanathapuram district, with a view to developing the socio economic condition of the people of that industrially backward district. This Corporation is manufacturing salt in an extent of 5236 acres of land leased by Government covering Valinokkam and Mariyur Villages in Ramanathapuram District.

TNSC commenced its commercial production of Industrial Grade salt (IGS) during the year 1978. This Corporation initially produced and supplied only Industrial Grade Salt (IGS) to the Chlor Alkali industries in south India. Over a period of time, it has commenced production and distribution of Fortified salts like Iron Fortified Salt, Iodised Salt and Double Fortified Salt for the Government schemes like Mid Day

Meal Scheme (MDM), Integrated Child Development Scheme (ICDS) and Public Distribution Scheme (PDS) of Tamil Nadu, Andhra Pradesh and Karnataka. TNSC is providing employment opportunity to 1210 workers directly and to around 300 workers indirectly.

7.1 Mission

To create employment opportunity in Kadaladi Taluk and to uplift the socio economic conditions of the people.

To produce salt and its bye products in a large scale by utilizing the favorable conditions prevailing in this area.

To provide Fortified salt to the common people at affordable price for controlling and eradicating deficiencies among people for lack of micronutrients like Iodine and Iron.

7.2 Activities of the Organization

7.2.1 Production of Industrial Grade Salt

TNSC is producing around 2 lakhs tonne of good quality of Industrial Grade Salt (IGS) per annum by using sea brine. This salt is supplied to the major Chlor Alkali industries in Tamil Nadu & Andhra Pradesh. The salt refineries in Thoothukudi District are also procuring salt from TNSC for producing Refined Free Flow Iodised Salt.

7.2.2 Production of Fortified Salts

TNSC is producing Fortified Edible Salt like AMMA crystal Iodised Salt, AMMA Refined Free Flow Iodised Salt & AMMA Double Fortified Salt and distributing to the PDS scheme and open market at an affordable price for the benefit of the common public.

7.2.3 AMMA Crystal Iodised Salt

TNSC has setup a Crystal Iodised Salt Plant with a capacity of 20 TPH in Valinokkam village in Ramanathapuram district. This plant produces around 3500 tonne per month of AMMA crystal iodised salt.

7.2.4 AMMA Double Fortified Salt (DFS)

In order to eradicate iron deficiency anemia, TNSC is producing Double Fortified Salt (salt fortified with iron & iodine micronutrients). TNSC has been supplying DFS, since the year 2000, to the PTMGR Nutritious Meal Programme and ICDS Scheme of our State. TNSC established a plant with a capacity of 3.6 tonne per hour for the production of Double Fortified Salt with the support of TATA Trusts, Mumbai.

7.3 Sales performance

Sales performance of Industrial Grade salt and Fortified salts for the year 2018-19 as compared to 2017-18 is furnished below:

Quantity in tonne

Sl No	Product name	2017-2018	2018-2019
1	Industrial grade salt	1,67,176	1,95,863
2	Crystal Iodised salt	17,230	19,622
3	Refined Free Flow Iodised salt	6,652	5,037
4	Double Fortified salt	2,773	8,417

Sale of Industrial Grade salt increased by 17.15% and the sale of Fortified salt increased by 24%. Totally a quantity of 1,06,825 tonne of Amma salt has been sold, since launching of Amma salt in June 2014 to 30.06.2019.

7.4 Salt Refinery

TNSC has established a 7 TPH salt refinery at Valinokkam village, Ramanathapuram district for the production of Refined Free Flow Iodised Salt. TNSC produced 5270 tonne of Refined Free Flow Iodised salt and 3350 tonne of Double fortified salt from this plant during 2018-2019.

7.5 Major Achievements

- (i) TNSC produced 1,87,664 tonne of Industrial Grade Salt during 2018-19, which is 3.96% more than the previous year production.
- (ii) TNSC achieved highest sale of 1,95,863 tonne of Industrial Grade Salt (IGS) during 2018-2019. This is 17.15% more than the previous year sale of IGS.
- (iii) TNSC has achieved its highest sale of 8,417 tonne of Double Fortified Salt (DFS) during the year 2018-19, which is

203% more than the previous year sale of DFS.

7.6 Quality Certification

The Corporation has obtained licenses for producing Iodised Salt and Double Fortified Salt as per IS 7224:2006 and IS 16232:2014. The Corporation has obtained license from the Food Safety and Standards Authority of India (FSSAI) for the quality production of Iodised salt and Double Fortified Salt. TNSC has also obtained ISO 9001:2015 certificate for its upgraded Quality Management system for the production and supply of Industrial Grade Salt and Fortified Salts.

7.7 Production of Bromine

TNSC is having Memorandum of Understanding (MoU) with M/s. South India Bromine & Allied Chemicals (SIBAC), Thoothukudi for the production of Bromine from

the bittern, which is an effluent of salt works and raw material for production of Bromine. The bittern is being supplied to the above firm for Bromine production. The Bromine plant was set up at Valinokkam by SIBAC. TNSC is earning revenue of around Rs.10 lakhs per annum by the sale of bittern.

7.8 Labour Welfare Activities

Around 1210 workers are working at its salt works and TNSC is providing the following welfare amenities to them:

- TNSC is paying a sum of Rs.1 lakh to the nominee of the deceased worker in the event of the unfortunate death of worker, while in service.
- TNSC is providing RO drinking water to its workers by erecting 5 Nos. of RO plants at various places in the salt works.

- Safety items like sun goggles, gumboots/chapel, and towels are provided to the workers every year.
- Medical camps are conducted periodically.

7.9 Commencement of Salt production in Kancheepuram District

The Government allotted 3010 acres of land in Thiruporur Taluk, Kancheepuram District to TNSC vide G.O.No.291 dt.10.08.2018. TNSC has taken possession of the land on 25.04.2019. TNSC has appointed a consultant to study the possibilities and submit a feasibility report for commencement of salt production in this area.

7.10. Nodal Agency for Salt Industries

Government of Tamil Nadu vide G.O. MS. No.104 Industries (MIF2) Department dated 14.09.2018 has appointed Tamil Nadu Salt Corporation as the Nodal Agency for the Salt industries in the State. In this role, TNSC

co-ordinates with the salt manufacturers to increase the salt production in the State.

7.11. Action plan for 2019-20

TNSC has fixed targets for production of IGS of 2.25 lakhs tonne and sale of 2 lakhs tonne during the year 2019-20. Target for production and sale of Fortified Salts like Crystal Iodised Salt, Refined Free Flow Iodised Salt and Double Fortified Salt is 41,400 tonne and 40,750 tonne respectively for the year 2019-20. Projected sales turnover of TNSC for the year 2019-20 would be rupees forty three crore.

7.12 Financial performance

TNSC made a turnover of Rs.3,757 lakhs and net profit of Rs.19 lakhs during 2018-2019.

8. DEPARTMENT OF SUGAR

Sugar Industry being the second largest agro-industry in Tamil Nadu, contributes to the socio-economic development of rural population. The industry generates employment to the rural labour force right from the farm to the factory.

Until few years back, Tamil Nadu had been a major sugar producing state in the country and was in the top 5. In the recent past, area under sugarcane cultivation has drastically come down resulting in low capacity utilization of the sugar mills. Some of the reasons attributed to this reduction in the area are vagaries of rainfall, fall in sugar price, varietal degeneration, falling sugar recovery and mounting cane payment arrears. Hence, the major focus is towards enhancing sugarcane productivity and production through the introduction of new sugarcane varieties, and by installing micro

irrigation by optimizing the water usage thereby improving the living standards of the sugarcane growers.

8.1. Organization Structure

Sugar sector in Tamil Nadu comprises of 16 Sugar mills in Co-operative Sector, 2 Sugar mills in Public Sector and 24 Sugar mills in Private Sector, totalling 42.

8.1.2 Directorate of Sugar

The Commissioner of Sugar is the Head of the Department of Sugar, and also the Cane Commissioner for the State. The Commissioner, apart from being the administrative head of the department is the Functional Registrar for Cooperative Sugar Mills in the State under Tamil Nadu Cooperative Societies Act, 1983.

8.1.3 Tamil Nadu Sugar Corporation

Tamil Nadu Sugar Corporation Limited (TASCO) was incorporated as a Government Company under the Companies Act, 1956 in the year 1974. The objective of setting up of TASCO was to incorporate new sugar mills, expansion of existing sugar mills, implementation of projects by utilizing the by-products generated in the Co-operative & Public Sector Sugar Mills, and also render Technical Consultancy Services to Co-operative and Public Sugar Mills.

TASCO controls Arignar Anna Sugar Mills, Kurungulam, Thanjavur District and Perambalur Sugar Mills Ltd, located at Eraiyur, Perambalur District is a subsidiary company of TASCO.

8.1.4 Tamil Nadu Cooperative Sugar Federation Limited

Tamil Nadu Cooperative Sugar Federation is an apex Co-operative Society, working to cater

to the needs of the member sugar mills under the control of Directorate of Sugar. Its main functions include providing needy technical services to the member sugar mills, arranging bulk purchase of chemicals, gunny bags, lime, lubricants, bearing etc. and arranging bulk sale of sugar and its byproducts.

Main Bio Control Research Laboratory (MBRL), a unit of Tamil Nadu Cooperative Sugar Federation, is engaged in production of bio fertilizers, viz. Acetobacter, Phosphobacterium, T.Viride, Pseudomonas, Bio-inoculum, A. Mycorrhizae, Metarhizium, G.Virus for cane cultivation activities of the member sugar mills.

8.2 Sugarcane Cultivation and Mechanisation

The sugar industry in Tamil Nadu is facing a serious crisis due to various reasons like decrease in average yield and sugar recovery due to varietal degeneration, non-availability of

varieties equal or superior to the existing Co 86032 variety, failure of monsoon, delay in disbursement of cane payment, falling sugar prices, scarcity of cane labourers to carry out the cultivation operations and so on. Meanwhile, the cane growers are losing interest in sugarcane cultivation as their profit margins have come down drastically due to increase in labour and input costs and reduction in cane yields.

Several steps are being taken to improve the cane productivity and to reduce the cost of cultivation of sugarcane. Based on the Sustainable Sugarcane Initiative Principles and Cane Cultivation practices, subsidy for planting of single bud chip seedlings, installation of shade nets for the production of quality saplings, subsidy for propagation of tissue culture saplings, purchase of breeder seed materials from Sugarcane Breeding Institute, Coimbatore

and Tamil Nadu Agricultural University and for rejuvenating Co 86032 and developing new sugarcane varieties have been extended under National Agricultural Development Programme (NADP). Further, subsidy for installation of drip irrigation is provided under Pradhan Mantri Krishi Sinchayee Yojana.

Apart from this, to identify the suitable varieties for each sugar mill, six varietal trials are being laid out in various locations of the State in co-ordination with Sugarcane Breeding Institute / Tamil Nadu Agricultural University, Coimbatore. From the varietal trials conducted, Co 11015 variety seems to be superior. At present Co 86032 seed materials taken from Sugarcane Breeding Institute, Coimbatore are planted in 413 acres as breeder seed nursery in Co-operative and Public Sector Sugar Mills. In the next six months, it will be multiplied to

4000 acres and in another two years it will be further multiplied to 2 lakhs acres.

Sugarcane is an annual crop and ratooned subsequently after harvest. Being a labour intensive crop, the sugarcane farmers necessarily have to incur lot of expenditure for carrying out various field operations. The availability of labour for agricultural operations is decreasing over the years due to rapid industrialization and urbanization. Hence, mechanization of all the field operations in sugarcane cultivation viz., land preparation, ridges and furrows formation, planting, weeding, partial and full earthing up, detrashing, harvesting, stubble shaving and off barring is the need of the hour. Considering the paucity of labour and high cost of cultivation, farm implements are being distributed under NADP subsidy scheme & Sub Mission on Agricultural Mechanization scheme to the sugarcane farmers.

8.3 Sugar Production and Sales

8.3.1. Sugar Production

The sugar mills in the State have crushed 71.07 Lakhs MTs of sugarcane and produced 6.42 Lakhs MTs of sugar with an average recovery of 9.03% during 2018-19 sugar season up to 31.3.2019.

Sugar and other by-products produced by all the Co-operative and Public Sector Sugar Mills in our state are sold through Tamil Nadu Cooperative Sugar Federation Limited. During 2018-19 up to 31.03.2019, 1.15 lakhs tonne of sugar was sold and an amount of Rs.383.14 crore was realized.

8.3.2. Cane Price Payment

The Government with a view to ensuring better remuneration for the farmers and bringing the industry out of the cycle of negative growth have announced transition to a

Revenue Sharing Formula (RSF) based on pricing policy wherein the farmers will get assured Fair and Remunerative Price (FRP) and in addition get a share in the revenue realized by the sale of sugar or sugar and its primary by-products.

Further, to facilitate this transition to RSF and to protect the interest of the farmers, Government in the Budget 2018-19 announced that the difference of Rs.200 between the State Advised Price (SAP) of Rs.2750 of 2016-17 and FRP of Rs.2550 notified by the Central Government will be paid as **Transitional Production Incentive (TPI)**. Government has remitted Rs.134.53 crores up to 31.05.2019 as Transitional Production Incentive (TPI) to the eligible cane farmers directly into their bank accounts. Government of India have announced Fair and remunerative Price for sugarcane at Rs.2612.50 per M.T. linked to 9.5% sugar

recovery. To extend the Transitional Production Incentive (TPI) for 2018-19 crushing season at Rs. 137.50 per M.T., Government have allocated Rs.200 crore in the budget estimate 2019-20.

8.4 By-Products Of Sugar Industry

8.4.1 Bagasse

Bagasse is the primary by-product of sugar industry. Apart from being used by the mills as fuel to produce steam and power for their functioning, the surplus bagasse is sold to other Industries like paper and bio-energy. During 2018-19, upto 31.03.2019, 61,214 MTs of bagasse was sold and an amount of Rs.12 crore was realized.

8.4.2. Molasses

Molasses is a major secondary product in sugar production which serves as raw material in

production of alcohol, chemicals and cattle feed. The distillery units in Amaravathi and Salem Cooperative Sugar Mills purchase molasses from other Cooperative & Public Sector sugar mills. Surplus molasses is sold to private distilleries, cattle feed producers, chemical manufacturers and other users. During the financial year 2018-19, upto 31.3.2019, 1.45 lakhs metric tonne of molasses was sold and an amount of Rs.90.58 crore was realized.

8.4.3. Distillery Units

In the Distillery units of Salem and Amaravathi Co-operative Sugar Mills during the financial year 2018-19, 159.21 lakhs litres of Rectified Spirit for a value of Rs.59.74 crore were sold.

The Distillery units of Salem and Amaravathi Co-operative Sugar Mills have started producing

Ethanol of which 15.11 lakhs litres were sold for Rs.6.32 crore during the financial year 2018-19.

8.5 Co-Generation & Modernization

M.R.K Co-operative Sugar Mill and Subramaniya Siva Co-operative Sugar Mill have earlier established Co-generation plants with a capacity of 7.5 MW and 5 MW respectively. During the financial year 2018-19, surplus power have been exported to State Grid resulting in an earning of Rs.1.16 crores.

Further, it had been decided by the Government to establish Co-generation Plants in 10 Cooperative and 2 Public Sector Sugar Mills through TANGEDCO. To reduce power and steam consumption by the sugar mills and to maximize the power export to TANGEDCO, the project for Co-generation includes modernization of these mills. Projects have been commissioned at Chengalrayan,

Vellore, Cheyyar, Arignar Anna and Perambalur Sugar mills. During 2018-19 financial year, these 5 mills exported 481.55 lakhs units of power to the state grid. The Co-generation plants of Cheyyar Cooperative sugar mill (15MW) and Arignar Anna sugar mill (15MW) along with sugar mill modernization were inaugurated by Hon'ble Chief Minister of Tamil Nadu on 19.02.2019.

Modernization units have been commissioned in 10 mills namely Salem, Subramania Siva, Dharmapuri, Kallakurichi-I, Kallakurichi-II, Chengalrayan, Vellore, Cheyyar, Arignar Anna and Perambalur Sugar Mills.

M.C. SAMPATH
Minister for Industries