

INDUSTRIES DEPARTMENT

Demand No. 27

POLICY NOTE 2009-2010

INTRODUCTION

Tamil Nadu has been a leading State in industrialization among the States of India. Traditionally, the State has been strong in textile, leather, sugar and cement industries and continues to maintain its position in these traditional industries.

With the liberalization of Indian economy in 1990's, a new set of opportunities came up for Tamil Nadu. The State already had a good entrepreneurial pool, trained manpower and good physical infrastructure for the development of new industries. The present Government have introduced investor friendly policies and pro-active initiatives during the last three years. Utilizing the opportunity thrown up by the liberalization of the economy, the State has today become a leader in automotive as well as electronic hardware sector.

The State has become one of the most favoured investment destination for both domestic and foreign investments. Due to the transparent and pro-active policies of the Government, the State has ushered a new era of industrialization during the last three years. Centre for Monitoring Indian Economy (CMIE) reports about the investments in pipeline in different States of India. According to CMIE report, the total investments in pipeline in Tamil Nadu was Rs.1,73,729 crores in June, 2006. This figure has shot up to Rs.5,79,191 crores in March, 2009. This statistics captures the investment intentions and is the best measure for investor's confidence in the investment climate in a State. Thus, it can be seen that the investments in pipeline in Tamil Nadu has increased more than 3 times during the last 3 years.

The Government have been taking untiring efforts to attract new investments to the State. Under the New Industrial Policy, the Government have been sanctioning structured package of assistance to attract new investments. During the last three years, the present Government have signed 23 Memoranda of Understanding in addition to sanctioning structured package of assistance for 9 projects separately. The total investment in the State through these 32 projects would be Rs.39,741 crores and these projects would create employment opportunities for more than 2,14,192 persons.

While moving the demand of this Department for 2008-09 in the Legislative Assembly, it was stated that the Government are targeting to sign MoU for an investment in excess of Rs.30,000 crores in the calendar year 2008. It is worth mentioning that during the calendar year 2008, the Government have signed 12 MoUs with total investment of Rs.25,050 crores and issued structured package sanctioning orders for 7 other projects separately for an investment of Rs.5462 crores. Thus, through these 19 projects, for which the Government have signed MoU or issued orders sanctioning structured package during the calendar year 2008, a total investment of Rs.30,512 crores has been attracted to the State. This is much higher than the total investment attracted to the State through all the MoUs signed

by the Government and structured package of assistance since the liberalization of Indian economy in 1991 till the year 2007.

Tamil Nadu is ranked third among the States in India in terms of number of approved SEZs. The State has totally 49 notified SEZs and the total area under these 49 SEZs is 3972 hectares. Thus, the average area under one SEZ is only 81 hectares. Therefore, it can be seen that the SEZs in the State have not occupied unduly large areas of land. Usually, each SEZ allots lands to a number of manufactures in the related area. Further, the Government have not resorted to any compulsory acquisition of land for the development of SEZ.

Even while acquiring the land by SIPCOT Industrial Park, the Government are fully sensitive to the interests of the land owners. Therefore, it has taken action to give fair value for the land to the land owners. Only lands which are non-agriculture or have low productivity are identified for acquisition to develop Industrial Park. The Government have also created a mechanism by which the land owner actually receives the market price for his land. In most of the cases, when the land is acquired under Tamil Nadu Acquisition of Land for Industrial Purposes Act, the price for the land is negotiated with the farmers. The negotiated price is approved by a District Level Committee headed by the District Collector or by the State Level Committee headed by the Commissioner of Land Administration or by the Government. It is worth mentioning here that for the land recently acquired at Pillaipakkam village for SIPCOT, the average negotiated price of approximately Rs.46 lakhs per acre was paid. Further, the Government have also announced that for every land owner, who gives more than one acre of land for the development of Industrial Park by SIPCOT, a job would be provided to one member of the family of the land owner in the industries to be set up in the Industrial Park developed there. Simultaneously, industrial units which are allotted land in SIPCOT park are required to reserve 10% of the direct jobs created by them for the family members of the land owners, subject to the availability of skill and other qualifications.

Tamil Nadu has annual turn out of more than 6 lakhs graduates from 1145 arts, science and other colleges and about 1,36,140 engineering graduates from 355 engineering educational institutions. Apart from this, the State has 317 polytechnics, 60 Government ITIs with intake capacity of about 21,322 seats, 605 affiliated private industrial training centers with an intake capacity of about 58,880 seats and 753 industrial training centers with a capacity of 74,000 trainees. Thus, it can be seen that every year more than 9 lakhs youth acquire some degree or diploma in the State with a hope of getting a job. These youngsters are not interested in taking up farming for livelihood. Therefore, there is a need to create job opportunities to channelise the energies of these youngsters. If we analyse the employment generation potential of different sectors for every acre of land utilized, then the agriculture sector generates about 300 mandays of employment per acre per annum. Whereas, manufacturing sector generates about 4500 to 6000 mandays of employment per annum for every acre of land utilized. Thus, industrial development is essential to generate greater employment opportunities. Also the employment in industries would be more remunerative.

Current Global Economic Slowdown: The fall of Lehmann Brothers of USA has triggered a global financial crisis since October, 2008. This crisis has led to financial crunch and fall in purchasing power of the people in the developed economies of the world. As a result, these developed economies have entered into

economic recession. The World Bank has forecast a growth of just (-)2.9 per cent for the world economy in 2009. According to the World Bank, the world is on the brink of a rare recession with global trade expected to fall for the first time since 1982. According to the International Monetary Fund (IMF), USA, and the world will be suffering from recession in 2009. The (IMF) prediction for this year in terms of global growth is quite pessimistic at (-)1.3 percent. In fact, the predictions for USA, Europe and Japan are even gloomier with contracting economy and negative growth rate being indicated for the year 2009.

Recession in the developed countries has affected the exports from India to these countries. This has affected the export oriented sectors like textile, leather, gem and jewellery etc. Export has been showing negative growth rate since the beginning of this crisis. This had an impact on the overall GDP growth rate of the country. According to the latest estimates released by the Central Statistical Organisation (CSO), the country's GDP growth at 1999-2000 prices has decelerated to 6.7 per cent for the year 2008-09 as against 9.0 per cent for the year 2007-08. The current Global economic slow-down has impacted Tamil Nadu's manufacturing sub-sectors like Textiles and Garments, Leather Goods, Automobiles and Components besides Software and BPO.

The Government are taking necessary steps to face the challenge posed by global economic crisis. The Government plans to put more investment in the infrastructure sector so that the State is ready to take full advantage of the situation when the turn around takes place. Also, it is seen as an opportunity to attract new investment to India. Due to the economic slow down, many multinational companies would be looking towards the low cost economies with large markets like India and China to survive in this dull market. Our State is fully geared up to take advantage of this opportunity thrown up by the present economic crisis.

The Government have identified certain countries as having higher potential to make investment in our State. Towards this, the Government have issued orders for development of country specific industrial parks for Japan, Korea, Finland, German and France. Each park would be developed by SIPCOT in an extent of about 100 acres of land to cater to the needs of the potential investors for these countries.

The Government desire that the benefit of industrialization should reach all parts of the State. As a step towards this, the Government have issued orders for a special package of incentive for industries coming up in the Southern Districts of Madurai, Theni, Dindigul, Sivagangai, Ramanathapuram, Virudunagar, Tirunelveli, Tuticorin and Kanniyakumari. Generally, a package of incentives would be given for the industries having investment above Rs.250 crores. However, in case of these Southern Districts, a special package of investment will be given, even if the investment is more than Rs.50 crores. Also, for investments above Rs.250 crores and upto Rs.1500 crores the VAT related incentive is usually given in the form of soft loan to be repaid after a certain period. However, in case of Southern Districts for investments above Rs.250 crores and upto Rs.1500 crores, the VAT related incentives would be given as refund in the form of investment promotion subsidy.

The Government have simultaneously taken steps to develop Industrial Parks and SEZ in different parts of the State to disperse the industries. Approval and final notification for the multi product SEZ at Nanguneri in Tirunelveli District has been obtained. A multi product SEZ is being developed in Perambalur District. The

land for this SEZ has been fully assembled and approval for this SEZ has been obtained from Ministry of Commerce and Industry, Government of India. In addition to this, the Government have issued administrative sanction orders for development of new industrial parks in Madurai District, Perundurai in Erode District and Cheyyar in Tiruvannamalai District. These parks would be developed through SIPCOT.

As a result of the sustained efforts taken by the Government to disperse the industries to different parts of the State, the investments have now moved to other parts of the State. A district wise analysis of investments in pipeline reveals that Tuticorin, Tirunelveli, Tiruchirappalli and Cuddalore Districts are emerging as new growth centres in the State.

Creation of employment is one of the most important objective of industrialization. The Government have recently issued orders for a special package of incentives to the employment intensive industries. Under this policy, new industries giving direct jobs to more than 750 persons (1500 person in case of Chennai, Tiruvallur and Kancheepuram Districts) will be given a special package of incentives provided at least 75% of the employees belong to the State.

The State Government would continue to take all necessary action for further industrialization of the State with the twin objectives of providing employment to the people and dispersing the industries to reach all parts of the State.

TAMIL NADU INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

Over the past 44 years, TIDCO has been instrumental in setting up over 100 industries and infrastructure projects in Tamil Nadu. TIDCO's investments in these joint ventures have ranged from below one percent to 50 percent.

Some of the successful joint ventures of TIDCO are Tanflora Infrastructure Park (50%), Tamil Nadu Road Development Company (TNRDC) (50%), Titan Industries Limited (28%), Tamil Nadu Petroproducts (17.61%), TIDEL Park (24%), Mahindra World City (11%) and Ascendas IT Park (11%). [Figures in brackets are TIDCO's shareholding in the respective companies]

Over the years, TIDCO has been effectively creating viable projects out of investment ideas. It has also played a leading role in identifying critical deficit in infrastructure and has come up with schemes to bridge the infrastructural gap. Another major area of focus for TIDCO is to set up Special Economic Zones with ultimate objective of wide dispersal of industry within the State and creation of employment opportunities for the youth in the State.

Over the past three years, due to positive investment climate in Tamil Nadu, TIDCO is able to attract several new joint ventures and also revive some of the existing joint ventures that had not taken of earlier. Notable among the older joint ventures that have been revived and under implementation are the Nanguneri Special Economic Zone (SEZ) and the Petroleum Refinery at Cuddalore. Among the new joint ventures during the current year, the Shipyard cum Minor Port project with Larsen and Toubro at Kattupalli (near Ennore), Tidel-2 with DLF at Taramani, Tidel-3 with Tata Group at Taramani are notable. Further, under the Tier-2 initiatives of the Government, TIDCO is building Tidel Park at Coimbatore in ELCOT's IT-ITES SEZ.

A brief description of the upcoming joint ventures of TIDCO and new proposals of TIDCO is given below:

Shipyard-cum-Minor Port Complex in Tiruvallur District

TIDCO is establishing a shipyard cum minor port complex in association with Larsen and Toubro Limited (L&T) in Kattupalli village, Ponneri Taluk of Tiruvallur District. This proposal is for developing a global scale shipbuilding yard and a minor port complex which will include manufacturing units and facilities for the following:

- Commercial ship building including very large cargo carriers; specialized cargo ships for liquid/gas transportation and cruise vessels;
- Building of Defence ships including submarines;
- Off-shore platforms for oil / gas sectors;
- Refitting and re-engineering of commercial and defence ships;
- Heavy engineering fabrication and components production for ship building.

Total investment for this project is estimated to Rs.4675 crores. It will be implemented in two phases; Phase I (2009-11) with an investment of about Rs.3050 crores and the rest will be in Phase II (2012-15). It will generate direct and indirect employment for about 10,000 persons. When completed, this shipyard complex will be the largest in Asia.

Petroleum Refinery Project of Nagarjuna Oil Corporation Limited

Nagarjuna Oil Corporation Limited (NOCL) is a joint venture of TIDCO and Nagarjuna Fertilizers and Chemicals Limited of Nagarjuna Group. NOCL is implementing a six million tonnes per year (mtpa) crude throughput capacity Petroleum Refinery Project at Tiruchopuram in Cuddalore Taluk at an investment of about Rs.4790 crores. The other strategic investors of NOCL includes Tata Petrodyne Limited (of Tata Group) and Cuddalore Port Company Private Limited.

The process plant works of this project was inaugurated by the Hon'ble Chief Minister on 2nd July, 2008. The project is scheduled to be commissioned in 2011. Employment generation during the construction period will be for about 5000 persons and it will be 10,000 when the refinery goes into full operation.

NOCL's refinery, when it goes on stream in 2011, will be the second refinery in the State and will enhance the petroleum refining capacity in Tamil Nadu to 15 mtpa. It will make the State self sufficient in petroleum products. NOCL has also planned to expand its refining capacity to 15 mtpa by 2014/15. One of the main components of the project is the Thiruchopuram Minor Port, which will operate as a captive port of NOCL as well as for other users. This project will trigger establishment of a number of downstream industries and create many jobs in the region.

IT-ITES SEZ at Taramani

The proposal is to develop a state-of-the-art IT - ITES SEZ with about 4.00 million sq.ft. built up space on 26.64 acres of land at Taramani in Chennai in Mylapore-Triplicane Taluk, Thiruvanmiyur village and Tambaram Taluk, Kottivakkam Village with all supporting infrastructure. M/s.DLF Limited have been selected as the Joint Venture Partner for development of the above project. The estimated cost of the project is Rs.1500 crores. The Joint Venture Company is in the process of obtaining various approvals for implementing the project.

IT-ITES SEZ with Integrated International Convention centre at Taramani

The proposal is to develop a state-of-the-art IT - ITES SEZ with an Integrated International Convention Centre in 25.27 acres of land in Kanagam village of Mambalam – Guindy Taluk and Thiruvanmiyur village of Mylapore – Triplicane Taluk in Chennai District. The project would have a state-of-the-art facilities with built up space for IT and ITES and commercial activities to the extent of about 2.1 million sq.ft., an Integrated International Convention Centre to seat 1500 delegates along with 100 Serviced Apartments. The consortium led by M/s.Tata Reality and Infrastructure Limited has been selected as the Joint Venture Partner for developing this project. The project cost is estimated at Rs.3000 crores. The SEZ has been notified by the Board of Approvals on 23.01.2009. The Joint venture Company is in the process of obtaining various approvals for implementing the project.

Perambalur SEZ Project:

TIDCO is setting up a multiproduct SEZ in Perambalur District in association with M/s. GVK Group of Hyderabad. A special purpose vehicle (SPV) JV company,

viz., GVK Perambalur SEZ Private Limited has been incorporated to implement this project.

The SPV company has completed the land procurement of around 2880 acres through private negotiations. Ministry of Commerce and Industries, Government of India, has given formal approval for this SEZ. The company is in the process of getting notification for this SEZ.

Nanguneri SEZ in Tirunelveli District

Government of India granted formal approval in favour of the joint venture company, viz., M/s. AMRL International Tech. City Limited in August, 2008, and Notified Nanguneri SEZ for multi products, in November, 2008. Action is being taken by the Joint Venture Company for marketing the space to set up units within SEZ, including identification of anchor clients.

Agri Export Zone for Cashew

TIDCO with the assistance of APEDA and the State Agriculture Department is setting up an Agri Export Zone for cashew at Cuddalore district covering Cuddalore, Thanjavur, Perambalur, Pudukottai and Sivaganga districts at a project cost of Rs.16.54 crores. The project is being implemented through an Associate Sector Joint Venture Company, M/s.Sattva Agro Expo Private Limited. Phase I of the project includes Raw Cashew Nut Processing, Common Processing and Pack House (CPPH) and is expected to be completed by the end of July, 2009. Around 3000 small and marginal farmers will benefit under this scheme.

Petroleum Chemicals and Petrochemicals Investment Region

Government of India announced a policy for promotion of Petroleum Chemicals and Petrochemicals Investment Regions (PCPIR) in May, 2007, with the objective of accelerating promotion of investment in the chemical / petrochemical sectors so as to make India a hub for both domestic and international markets taking advantage of global shift in demand and production for petrochemicals. The petroleum refinery project under implementation by Nagarjuna Oil Corporation, a joint venture of TIDCO, will be one of the anchor units in the proposed PCPIR. NOCL's refinery project will go on stream in 2011. A detailed proposal has been prepared by TIDCO for establishing the PCPIR along the coastal stretches in Cuddalore and Nagapattinam districts. The proposal would be recommended by Government of Tamil Nadu to Government of India.

Coimbatore TIDEL Park

TIDEL Park Coimbatore Limited has been incorporated with ELCOT, TIDCO, TIDEL and STPI as promoters to construct an IT Park with built up area of 1.7 million sq. ft. at the IT-SEZ, Coimbatore, at an estimated cost of Rs.370 crores. The project is scheduled to be completed by December 2009. The employment potential through the units to be located in this IT Park is around 12,000 IT professionals.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED

SIPCOT - a Government of Tamil Nadu undertaking has been a prime mover for the industrial development of Tamil Nadu for the past 38 years since 1971. SIPCOT has been a pioneer in developing Industrial Complexes in different parts of the State to help in making Tamil Nadu a hub for global manufacturing.

During the year 2008-09, SIPCOT has allotted 2226 acres of developed plots to 120 industrial units with potential of providing employment opportunity to about 54,000 persons. Also, over 3000 acres of land has been assembled during this period paving way for supply of developed plots to prospective entrepreneurs. This is the maximum extent of land acquired over the last five years. Despite the global economic down turn SIPCOT has been successful in attracting the investors and has maintained a good growth rate for developed industrial plots.

Establishing employment intensive units in its Industrial Complexes is a matter of high priority with SIPCOT. The industrial units which have been given allotment in the Industrial Complexes of SIPCOT in the last three years alone have potential for direct and indirect employment for about 2.27 lakh persons.

I. Achievements of SIPCOT- An Overall View:

1. Development of Industrial Complexes:

SIPCOT has so far developed 19 Industrial Complexes in 12 districts of Tamil Nadu and allotted an extent of 16,224 acres of land to 1803 units paving way for direct and indirect employment opportunity for about 3.52 lakh persons.

Year wise details of land acquired and allotted are as follows:

(Extent in Acres)

Year	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Extent Acquired	217.01	1049.36	507.86	2940.02	248.37	926.33	475.63	837.32	3001.93
Extent Allotted	165.41	274.65	-	587.09	810.56	1936.56	1563.47	2840.89	2226.04

2. Special Economic Zones:

SIPCOT has actively promoted seven Sector Specific Special Economic Zones in its Industrial Complexes mainly focusing on Electronic/Telecom Hardware SEZ at Sriperumpudur (570.92 acres), Electronic/Hi-Tec SEZ at Oragadam (347.66 acres), Engineering Sector SEZ at Perundurai (263.19 acres), Transport Engineering Goods SEZ at Gangaikondan (255 acres), Automobile/ Auto Ancillary SEZ at Cheyyar (255 acres), Footwear and Leather Products SEZ at Irungattukottai (153.65 acres) and Engineering Sector SEZ at Ranipet (260 acres). Due to poor response for Leather Sector SEZ at Ranipet, it was changed into Engineering Sector SEZ with the approval of Government of India. Further, the allotments earlier made in Ranipet Leather Sector SEZ were transferred to Irungattukottai Foot Wear and Leather Products SEZ.

SIPCOT HAS RECEIVED THE BEST DEVELOPER AWARD FOR THE YEAR 2008 FOR ITS HI-TECH SEZ AT SRIPERUMPUDUR.

3. Financial Performance

The performance of the Corporation has improved for the year 2007-08. The total turnover has increased from Rs.329.90 crores (2006-07) to Rs.364.93 crores (2007-08) and the net profit has increased from Rs.56.69 crores (2006-07) to Rs.96.55 crores (2007-08). Due to increased net profit, SIPCOT has declared a dividend of 25% for the year 2007-08 as against 20% for the year 2006-07 and thus contributed Rs.14.48 crores as dividend to the Government. As per the provisional estimation, the turnover and the net profit would be Rs.369.99 crores and Rs.100.43 crores respectively for the year 2008-09.

(Rs. in crores)

31 st March	2001	2002	2003	2004	2005	2006	2007	2008	2009 (Provisional)
Income	37.83	34.75	39.07	56.11	106.64	169.15	329.90	364.93	369.99
Net Profit / (Loss)	(23.59)	(11.76)	(29.15)	0.57	2.97	23.18	56.69	96.55	100.43

II. Industrial Complexes of SIPCOT

In order to meet the overwhelming demand for industrial lands, SIPCOT has been exploring various options to create a land bank. The Corporation has already started expanding its existing Industrial Complexes, besides forming new industrial complexes around Chennai, where the demand for industrial land is high. Further, the Corporation, with a view to make available and to facilitate immediate supply of developed plots to the investors, has been taking necessary action to create a Land Bank by acquiring lands in strategic locations. Incidentally, most of these Industrial Complexes are being developed along the regions, viz., Chennai – Ranipet – Hosur, Madurai – Tuticorin and Coimbatore – Salem, which are being developed as Industrial Corridors of Excellence pursuant to the announcement made by the Government.

Chennai – Ranipet – Hosur Industrial Corridor

This region is being developed in two phases, viz., Chennai – Ranipet and Ranipet – Hosur.

For the development of Chennai – Ranipet region, SIPCOT has already taken up expansion of its existing Industrial Complexes at Oragadam, Irungattukottai and Cheyyar. While Oragadam and Irungattukottai Industrial Complexes in Sriperumpudur Taluk are expanded in an extent of about 1200 acres each, the Cheyyar Industrial Complex in Cheyyar Taluk, Thiruvannamalai District, is being expanded in an extent of 2300 acres. Apart from the above, acquisition of 2583 acres of land in Sriperumpudur Taluk has recently commenced. Further, SIPCOT

has proposed to promote a few more Industrial Complexes in this region including Ranipet Expansion IV (1082 acres) in Wallajah Taluk.

For the development of Ranipet – Hosur region, SIPCOT has proposed to expand its existing Industrial Complex at Hosur in Krishnagiri District with two more expansions, viz., Expansion III and IV over an extent of 2306 acres in total covering Addagurukki, Nallaganakothapalli, Doripalli and Marudandapalli villages in Hosur Taluk and action has been taken to acquire the lands.

Madurai – Tuticorin Industrial Corridor

In order to give impetus to the industrial growth of southern districts and to create a new Industrial Park in Madurai District, SIPCOT has identified 1478 acres of land in Thirumangalam Taluk of Madurai District. Further action to acquire the land is in progress.

Tuticorin Industrial Park

Further, to create one more Industrial Park in Thoothukudi District, SIPCOT has identified about 1533 acres of land in Ottapidaram Village in Ottapidaram Taluk, Thoothukudi District.

Coimbatore – Salem Industrial Corridor

For the development of this region and also pursuant to the Government announcement, SIPCOT has proposed to expand its existing Industrial Complex at Perundurai in Erode District in an extent of 1257 acres. The Corporation is also taking action to identify few more sites in this region for setting up of new Industrial Complexes.

New Schemes in other areas

SIPCOT has also identified few more sites in other strategic locations in the State for setting up new Industrial Complexes.

Thervoy Kandigai and Mappedu Industrial Complexes

The Government issued orders alienating 1127 acres of poramboke land in favour of SIPCOT for formation of a new Industrial Complex in Thervoy Kandigai village of Gummidipoondi Taluk, Thiruvallur District. The land development work is in progress now. Similarly 125 acres of poramboke land in Mappedu village of Thiruvallur Taluk in Thiruvallur District has been taken possession of by SIPCOT for creating a new complex.

III. Providing Employment to the Family Members giving Land for SIPCOT Industrial Complexes

SIPCOT has taken up effective action to provide employment to at least one person from the families, who have given land for its Industrial Complexes, in the industries being established there. The enumeration work to identify the youths in the families, who have given land of one acre and above for SIPCOT Industrial Complexes developed after 2006, has since been completed. To upgrade their skill, SIPCOT has been taking action to create Skill Development Training Centres in its

Industrial Complexes, one at Gangaikondan Industrial Growth Centre, Tirunelveli District, the second at Thervoykandigai Industrial Complex, Tiruvallur District, and the third at Oragadam Industrial Growth Centre, Kancheepuram District. The youth trained in these Skill Development Centres would be recommended for employment depending on their skill. In the meanwhile, about 750 persons including local villagers have been given employment in Cheyyar Industrial Complex.

IV. Special Development Schemes

1. Comprehensive Plan for Sriperumpudur Area

As announced by the Government, it has been proposed to upgrade the basic infrastructure as well as the social infrastructure, which includes modern housing facility for the working staff and the general public in Sriperumpudur and its surrounding areas. Necessary action for preparation of a Comprehensive Plan for the purpose has been taken up. In the meanwhile, action to create a dormitory in SIPCOT Sriperumpudur Industrial Park, which would accommodate about 1000 numbers of working staff, is in process.

2. Attracting Investment from MNC, viz., Japan, Korea, Finland, Germany and France

Pursuant to the Government announcement that separate Industrial Parks would be set up to attract investors from countries like Japan, Korea, Finland, Germany and France, SIPCOT has proposed to earmark land for them in the expansion scheme of Sriperumpudur Industrial Park after completion of acquisition proceedings here.

3. Water Augmentation Project

SIPCOT has proposed to set up a 120 MLD Tertiary Treatment - Reverse Osmosis Plant near Koyambedu on DBOOT basis to recycle the secondary treated sewerage water obtained from CMWSSB and to supply the treated water to the industries in SIPCOT Industrial Parks at Irungattukottai, Oragadam and Sriperumpudur. The Corporation is in the process of selecting a private operator to implement the project.

V. Foot Wear and Leather Products SEZ at Irungattukottai:

SIPCOT is developing a Footwear and Leather Products Special Economic Zone over an extent of 153.65 acres at Irungattukottai Industrial Park. Out of 83.33 acres of allotable extent, the Corporation has so far made in principle allotment to 12 units covering a total extent of 29 acres. This zone will have special infrastructure facilities, viz., working women hostel, training centre, convention centre and design centre. Further, 15 acres of land has been allotted here free of cost to Foot Wear Design and Developmental Institute (FDDI), a premier national training institute.

TAMIL NADU INDUSTRIAL INVESTMENT CORPORATION LIMITED

I. Activities

The Tamil Nadu Industrial Investment Corporation Limited (TIIC) provides financial assistance for setting up of new industrial units and for expansion /modernization/ diversification of existing industries in Tamil Nadu. TIIC is the pioneer in State Financial Corporations having been established in the year 1949. TIIC fosters industrial development in Tamil Nadu by providing financial assistance to industries for purchase of land, machinery and construction of buildings. It also offers loan for service sector projects such as hotels, hospitals and tourism related projects.

1,03,115 units with a cumulative sanction of Rs.7004.64 crores have been assisted by TIIC upto 31.03.2009. Around 14,225 people gained new employment opportunities as a result of TIIC's loan efforts during 2008-09. TIIC has earned a net profit of Rs.19.46 crores during the financial year 2007-08. A profit of Rs.29.36 crores has been earned in 2008-09. While TIIC provides assistance to micro, small, medium and large enterprises, about 90% of the assistance goes to the micro small & medium enterprises (MSME) sector. Of this, about 40% goes to first generation entrepreneurs. Thus, TIIC acts as a catalyst for industrial promotion within the State by creating a new generation of entrepreneurs. The long term objective of TIIC is to increase its loan portfolio from Rs.1000 crores to Rs.5000 crores.

II. Performance in 2008-09 / Budget for the year 2009-10

(Rs. in crores)

Particulars	2007-08	2008-09	Target for 2009-10
Sanction			
General	488.79	538.37	550.00
Co-op Sugar Mills	(*)150.00	--	--
Disbursement			
General	317.56	373.49	450.00
Sugar	59.72	42.73	--
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	377.28	416.22	450.00
Collection	378.14	380.84	400.00

* One time sanction made to co-operative sugar mills of Rs.150.00 crores as per the direction of Government of Tamil Nadu.

III Some of the important schemes operated by TIIC:

- i) Technology Upgradation Fund (TUF) Scheme for Textile Industry;
- ii) Wind Power Projects;
- iii) Working Capital Term Loan for Modern Rice Mills;

- iv) Bill Finance Scheme for TNEB/TWAD Board Contractors;
- v) Equipment Finance Scheme.

IV. Entrepreneur Development Programmes

From the year 2009-10, the Corporation has started providing training to entrepreneurs at its training centre at Coimbatore.

TAMIL NADU NEWSPRINT AND PAPERS LIMITED

Tamil Nadu Newsprint and Papers Limited was established by Government of Tamil Nadu in the year 1979 as Public Limited Company under the Companies Act, 1956. The main objective of establishing the plant was to manufacture Newsprint and Printing and Writing Paper using bagasse (sugarcane waste) as the primary raw material. Tamil Nadu Newsprint and Papers Limited is the second largest manufacturer of copier and printing and writing papers in the country. TNPL is also the largest bagasse based plant in the world. It is the largest paper mill in India in a single location and second largest in terms of paper production.

Mission Statement

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

The plant has been consistently achieving higher production and capacity utilisation as detailed below:

Profit for 2008-09 and Target for 2009-10

The Company has achieved a profit before tax of Rs.157.85 crores during 2008-09 which is creditable amidst the severe economic crisis facing the world. The targeted profit before tax for the year 2009-10 is set at Rs. 172 crores.

Initiatives taken in 2008-09

- Mill Development Plan (MDP) was completed in May, 2008, at a cost of Rs.596.55 crore. Under MDP, the Company has added the facility of Elemental Chlorine Free (ECF) pulp bleaching for both hardwood and bagasse which are environment friendly. MDP has also enhanced the pulp production capacity from 520 tonnes per day (tpd) to 720 tpd.
- Pulp wood plantations through farm forestry and captive plantation schemes have been raised in 40,291 acres upto 30.04.2009. This includes 10,571 acres brought under cultivation during the financial year 2008-09.
- A world class Clonal Propagation and Research Centre (CPRC) with infrastructure such as Tissue Culture Laboratory, Clonal Mini Garden, Mist Chambers, Hardening Chambers and Open Nursery has been set up in the mill campus with a capacity to produce 1.5 crore high quality hybrid clonal saplings annually. It is the largest CPRC in a single location in the whole country. The clonal saplings and seedlings of Eucalyptus and Casuarina raised here are distributed to the farmers at subsidised rates. It is expected that a farmer will earn about Rs.10,000/- per acre per annum from their dry lands through this initiative.
- The Life cycle Extension of the Paper Machine I was carried out at a capital cost of Rs.70 crores between 16-03-2009 to 15-04-2009. This has improved

the runnability of the Paper Machine I and has also improved the quality of product.

Actions proposed for the year 2009-10

- ❖ Under the Mill Expansion Plan (MEP) under implementation at a capital outlay of Rs.1000 crores, the paper production capacity will be increased from the current level of 2,45,000 tonnes per annum (tpa) to 4,00,000 tpa. The project is expected to be completed by June, 2010.

Welfare of the community

The Company has been taking up various community welfare activities mainly in the neighbouring areas. TNPL has set apart Rs.2 crores for the year 2009-10 for various welfare activities.

These welfare measures are being taken up in different areas such as education, skill development, provision of drinking water facilities, medical and public health facilities, cattle care, infrastructure and road improvement, sports activities, etc.,

TAMIL NADU CEMENTS CORPORATION LIMITED

Tamil Nadu Cements Corporation Limited (TANCEM) was established on February 11, 1976, under the Companies Act as a fully owned subsidiary company of Tamil Nadu Industrial Development Corporation Limited (TIDCO). It took over the Cement Plant set up in 1970 at Alangulam by TIDCO. TANCEM established one more cement plant at Ariyalur in 1979, an Asbestos Cement Sheet Plant at Alangulam in 1981 and one Asbestos Cement Pressure Pipe Plant at Mayanur in 1984. TANCEM took over the defunct Stoneware Pipe Unit from Tamil Nadu Ceramics Limited at Vridhachalam in 1989. TANCEM became a wholly owned Government Company from 31.12.1994.

TANCEM is a multi-product, multi-locational organization with an annual turnover of about Rs.265 crores. Cement is the principal product of the company. The other products are Asbestos Sheet and Stoneware Pipes.

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

Vision: To serve public interest by supplying the products to Government Departments at reasonable price, creating infrastructure, improving the housing stock and providing sustainable employment opportunities in economically backward areas.

In view of the increasing demand and restricted availability of 43 Grade OPC, TANCEM has diverted its entire production to meet the requirement of Government Departments and Public Sector Undertakings.

TANCEM has been given the responsibility to purchase cement from private cement manufacturers to meet the requirement of Rural Development and Panchayat Raj Department. In this regard, seven private manufacturers have supplied a total quantity of 2,00,449 MT and 3,41,911 MT during the years 2007-08 and 2008-09 respectively and TANCEM has been instrumental in ensuring prompt supply of cement to various Blocks of DRDA for the implementation of the Rural Development Schemes.

Significant achievements during the year 2008-09

- TANCEM has been instrumental in ensuring timely supply of 43 grade OPC to RD Department for construction of IAY Houses for the Below Poverty Line families, strengthening rural infrastructure and construction of houses under Tsunami rehabilitation schemes. During the year 2008-09, TANCEM supplied a quantity of 4,28,112 MT to RD Department at the reduced cost of Rs.200 – Rs.220 / bag.

- With a view to make cement available at a reasonable price to the general public, TANCEM played vital role in co-ordinating with Tamil Nadu Civil Supplies Corporation. Thereby, consumers, who are building houses with less than 1000 sq. feet, can purchase upto 400 bags of PPC cement at Rs.200/- per bag in the godowns of Tamil Nadu Civil Supplies Corporation. Cement upto 50 bags is sold at Rs.200/- per bag for undertaking repairs without any conditions. This concessional cement supply is being done by the private cement companies as announced by the Hon'ble Chief Minister to make cement available at reasonable prices. The private manufacturers have so far supplied a quantity of 5,63,955 MT as on 31.03.2009.
- During the year 2008-09 TANCEM has achieved a net profit of Rs.260.51 lakhs (provisional) and a cash profit of Rs.547.81 lakhs (provisional).
- In Ariyalur Cement works, three Belt Bucket elevators at a cost of Rs.3.00 crores are being installed.
- Tamil Nadu Asbestos (Sheet) Alangulam unit has achieved a net profit of Rs.50.08 lakhs during the year 2008-09 as against the profit of Rs.2.09 lakhs achieved during the previous year.
- The Stoneware pipe unit has improved its performance and achieved sales turnover of Rs.166.16 lakhs during the year 2008-09 as against Rs.36.69 lakhs achieved during the same period in the previous year.
- To reduce the fuel consumption and increase clinker production in Ariyalur factory, the long pending major maintenance was undertaken in kiln II at a cost of Rs.2.60 crores.

Physical & Financial Performance of TANCEM Units for the year 2008-09 (Provisional) *Rs. in lakhs

Sl. No.	Name of the Unit	2008-09 (Provisional)				
		Prodn. MT	Sales MT	Cap. Util%	Turn Over *	Net Profit / Loss *
1.	Ariyalur Cements	360289	363308	72.05	11488.51	1616.62
2.	Tamil Nadu Asbestos Sheets, Alangulam	19873	19659	69.72	1349.17	50.08
3.	Alangulam Cements	143895	142519	49.61	4090.06	(-)544.30
4.	Stoneware Pipe Factory, Vridhachalam	3283	3283	45.60	166.16	6.10
5.	Corporate Office (Trading)	--	--	--	201.80	201.80
6.	Tamil Nadu Asbestos (Pipes) Mayanur (Under closure)	--	--	--	--	(-)46.95
	Total				17295.90	1283.35
	Proposed bad debts Written off					1022.84
	Net profit					260.51

TAMIL NADU MINERALS LIMITED

Minerals are finite and exhaustible. TAMIN's endeavour is to exploit prudently the available resources and market the minerals profitably. Large deposits of black, white, paradiso and other colour granites and major minerals like Graphite, Quartz, Feldspar, Limestone, Silica Sand & Vermiculite are exploited by adopting Scientific Mining and marketed through Fair Trade practices.

Trends

Production, Value addition and Sales

(i) Granite

The production of Black Granite raw blocks during the year 2008-09 is 24,437 M³ against the previous year production of 17,629 M³.

TAMIN Granites, Manali (Slab processing Unit) has achieved a sales turn over of Rs.1264.64 lakhs (provisional) in the current year 2008-09 compared to 2007-08 turnover of Rs.219.01 lakhs. It is a record turn over for this unit.

TAMIN has commenced a mini tile unit at a plan outlay of Rs.25 lakhs in the month of June, 2008, at Naganoor quarry, Karur District, and provided employment to self help groups.

(ii) Limestone

The production of Limestone at Ariyalur during the year 2008-09 is 2,25,850 M.Ts. against the previous year production of 1,15,275 M.Ts.

iii) Graphite

Graphite Beneficiation plant at Sivaganga has achieved a record sales turn over of Rs.1370.34 lakhs (provisional) during the year 2008-09.

iv) Indian Standard Sand

The Indian Standard Sand Unit at Ennore is the only unit in the country authorized by the Bureau of Indian Standards, New Delhi, for production and supply of Indian Standard Sand as per IS 650: 1991 BIS specification. This unit has achieved a record sales turnover of Rs.182.52 lakhs (provisional) during the year 2008-09.

Sales

TAMIN has achieved overall sales turnover of Rs.105 crores (provisional) during the year 2008-09 and has programmed to achieve a turnover of Rs.125 crores in the year 2009-10.

Initiatives

i) Granite-100% EOU at Manali

It is proposed to set up a 100% EOU at TAMIN Granites, Manali, as Plant - II by investing Rs. 20 crores. This will generate an additional production of 1,50,000

M² of exportable quality of bigger size granite building slabs per year. Tender has been called for, for importing modern processing machineries and further works are under progress. The plant will go into stream before the end of 2009-10.

ii) Graphite

It is proposed to set up a Joint Venture Company to produce high purity graphite with fixed carbon of 97% and above. Based on Expression of Interest (EOI), tenders were called for. Since the lowest offered rate in the tender was much less than the upset price fixed in Request for Proposal (RFP), the offer was not accepted. It is proposed to initiate further action.

iii) Graphite downstream projects

TAMIN has initiated action to encourage entrepreneurs in Sivagangai District to establish down stream projects using graphite flakes concentrate. Techno-Economic Feasibility Report is under preparation.

iv) ECO Sand

TAMIN has planned to manufacture sand by using appropriate technology from the waste generated in the existing quarries suitable for the same as well as from exclusive charnockite quarries. Techno economic feasibility report is under preparation.

Mines Safety Awards

Tamil Nadu and Kerala Mines Safety Association has adjudged TAMIN mines as the “**Best**” and awarded first prize for overall performance for the year 2008 in all the three Zones in the Chennai Region. (Salem, Thirunelveli and Chennai Zones). In addition, TAMIN Mines and Quarries have also bagged 24 First Prizes, 14 Second Prizes and One Special Prize.

TAMIL NADU MAGNESITE LIMITED

Tamil Nadu Magnesite Limited (TANMAG) was established in January, 1979. The Company processes the Magnesite excavated from the mines and produces Dead Burnt Magnesite and Lightly Calcined Magnesite.

Magnesite is converted to Caustic Magnesia or Lightly Calcined Magnesite (LCM) and is used in the manufacturing of grinding wheels, soral cement for flooring purposes in railway bogies and ship deck. It is also used as good filler in cattle feeds, rubber, paper and paint industries.

1. Sales Performance of the Company

The Sales Performance of the Company for the three years from 2006-07 to 2008-09 is as follows:

Year	Sales Value (Rs.in crores)
2006-07	42.80
2007-08	49.64
2008-09	57.08

TANMAG has been exporting Lightly Calcined Magnesite to various countries like Netherlands, Ethiopia, Germany, Bangladesh and Sudan.

2. Plan of Action for the year 2009-10

The production and sales targets for the year 2009-10 are as follows:

	Production	Sales
	(Metric Tonnes)	
Raw Magnesite	1,31,000	1,31,000
Dead Burnt Magnesite	35,000	35,000
Lightly Calcined Magnesite	17,000	17,000

For 2008-09, TANMAG is expected to make a profit of Rs.598.25 lakhs (unaudited). For 2009-10 also, the profitability is expected to be at the same level.

TAMIL NADU INDUSTRIAL EXPLOSIVES LIMITED

Tamil Nadu Industrial Explosives Limited, (TEL) was started as a subsidiary of TIDCO in February, 1983. TEL manufactures a wide range of products, viz., Explosives, Slurry, Emulsion, Detonators and Detonating Fuse, etc.

During the year 2008-09, TEL has increased the sales considerably by targeting supplies to the Organised Sector and by Exports. The turnover and overall performance of the company has improved during 2008-09. The turnover has increased to Rs.4133.63 lakhs (Rs.1900.15 lakhs for 2007-08). During 2008-09, the net loss would be Rs.610.59 lakhs (previous year Rs.1660.84 lakhs) after providing interest and depreciation. VRS compensation of Rs.617 lakhs was paid during the year.

TEL has implemented cost control measures and achieved substantial progress in reducing the loss.

TAMIL NADU SALT CORPORATION LIMITED

Tamil Nadu Salt Corporation Limited (TNSC) was established in 1974 and manufactures Industrial Grade Salt from the inception. Tamil Nadu Salt Corporation Limited has got 5524 acres of leased lands from Government of Tamil Nadu at Valinokkam, Ramnad District. The Corporation has expanded its activity over the period of time into production of Iodised Salt and Double Fortified Salt (DFS contains Iron and Iodine). So far, the Corporation has developed 3210 acres of leased lands. There are 835 crystallisers for producing about 1,75,000 tonnes of salt per annum.

The Corporation has obtained ISO 9001:2000 Certificate for processing and supply of Industrial Grade and Fortified Salt products.

TNSC continues to supply Double Fortified Salt (Iron & Iodine) to all school children under PT MGR NMP Scheme in order to reduce iron and Iodine deficiencies in this vulnerable category. Besides, TNSC is also distributing DFS to the mid-day meal scheme of Union Territory of Puducherry.

Unseasonal rains affected normal production of salt and caused shortage during 2008-09. However, the Corporation managed to earn record profit by improving price realization for Industrial Grade Salt.

The Corporation has proposed to develop the remaining undeveloped land of 2200 acres at its works in Valinokkam and to integrate this area with 3210 acres of salt pan for optimum production efficiency.

Working Results

Tamil Nadu Salt Corporation continues to earn profit from 1990-91 onwards. During the year 2008-09, after payment of additional royalty of Rs.257.13 lakhs to the Government, net profit is estimated at Rs.126.49 lakhs (tentative) with a turnover of Rs.16.81 crores.

TAMIL NADU INDUSTRIAL GUIDANCE AND EXPORT PROMOTION BUREAU

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

The primary objectives of Guidance Bureau are:

1. To attract major industrial projects into Tamil Nadu;
2. To function as Single Window Documentation Centre for major investment proposals;
3. To consider the proposals for ASIDE grant etc.

During the year 2008 – 09, Guidance Bureau successfully attracted and handled 18 major investment proposals with a total investment of Rs.11,080 crores.

These projects include:-(Rs. In crores)

Sl. No.	Project	Products	Investment
1	Daimler Hero Commercial Vehicles Pvt. Ltd.	Commercial vehicles	3000.00
2	Ashok Leyland – Nissan	Medium and Heavy Comml. Vehicles + Engine & Gear Box plants	4150.00
3	Harsha Group of Companies	Float Glass, Oil & Gas drilling equipment	1500.00
4	Caterpillar	Earthmoving equipment	800.00
5	M/s. Winwind Power Energy Pvt. Ltd.	Rotor Blades	220.00
6	Delphi TVS expansion	Automotive components	85.00
7	Inergy Automotive System India Pvt. Ltd.	Plastic fuel tanks	50.00
8	Dixon Technologies India Pvt. Ltd.	Colour TV	36.50
9	Ashley Alteams India Pvt. Ltd.	Light aluminium castings	110.00
10	WEG Industries (India) Pvt. Ltd.	Electric Motors	201.50
11	Allison Transmissions India Pvt. Ltd.	Automotive components	280.81
12	Unipress India Pvt. Ltd.	Automotive components	280.00
13	Shirdi Industries Ltd.	Particle Boards, MDF Boards, etc.	54.25
14	Rieter Nittokku Automotive Sound Proof Products India Pvt. Ltd.	Automobile components	44.50
15	Ferodo India Pvt.Ltd.	Brake Disc pads	128.90
16	Mecaplast India Pvt. Ltd.	Automotive components	29.50
17	Natronix Semiconductor Technology Ltd.	Advanced semi conductor packages	65.20
18	SMC Pneumatics India Pvt. Ltd.	Cylinders, solenoid valves, filter regulator, lubricator	43.86
		Total	11,080.02

ASIDE: Government of India had introduced a scheme “Assistance to States for developing Export Infrastructure and Allied Activities (ASIDE)” and Guidance Bureau is the designated State-level agency for scrutinizing proposals for consideration of the State level Export Promotion Committee (SLEPC). During the year 2008-09, 5 proposals were scrutinized and Rs.28.19 crores was sanctioned by the SLEPC as ASIDE grant.

DEPARTMENT OF GEOLOGY AND MINING

Minerals play a vital role in the economic growth of the Nation. The availability of mineral wealth and its exploitation reflect in the development activity and prosperity of the State. Minerals, being the basic resource for several mineral based industries, contribute substantially to the States economic growth.

The Geology branch of the Directorate of Industries and Commerce was formed during the year 1957 and investigated various mineral deposits of Limestone, Bauxite, Graphite, Iron ores, Vermiculite, Fireclay, Quartz and Feldspar, Garnet sand, Granites etc. This has led to establishment of several mineral based industries in the State. A separate Department was set up in 1983 with an objective of assessing the State's mineral potential and regulating production and consumption subject to environmental effects. The Department is broadly classified under the following heads to carry out its work:

1. Planning and Development
2. Mineral Exploration
3. Mineral Management
4. Chemical Wing
5. Legal Cell
6. Co-ordination
7. Personnel and office Management.

The following are the primary functions of the Department of Geology and Mining

- (i) To investigate and evaluate the new Mineral deposits occurring in the State adopting modern exploration techniques;
- (ii) To make available the mineral based technical data for setting up of mineral based industries;
- (iii) Geotechnical studies in the Hill tracts of the Nilgiris and Kodaikanal to ensure sustained development activities and protect the environment and ecology in the hilly areas;
- (iv) To augment more revenue through effective mineral administration.

Mineral Exploration

The mineral explorations were carried out during the past to evaluate various mineral deposits of strategic economic importance by adopting both conventional and modern techniques. In order to enable the Department to find out new sources of minerals, the State Government have now accorded sanction for a separate exploration wing in the Commissionerate, Chennai, in G.O.(2D) No.90 Industries (E1) Department, dated 05.12.2007.

In view of the ever increasing demand for cement, the Department has prioritized the investigation for Limestone in Ariyalur Taluk, Ariyalur District (South of Maruthaiyar River), and the work is in progress. The work involves reconnaissance survey, detailed mapping, examination of existing mine workings and open wells, sampling, pitting and drilling in definite grid pattern, chemical analysis and reserve estimation. During the year 2008-09, a total area of 35 sq. kms has been covered under detailed mapping. Further investigation is under progress.

Geo-technical Studies in the Hill Tracts of the Nilgiris and Kodaikanal.

The Geo-Technical Cells functioning on the hill tracts of the Nilgiris and Kodaikanal are carrying out the field study and providing technical guidance to the district administration in mitigating the natural disasters.

The Geo-Technical Cells are preparing the thematic maps, zonation maps, deciphering vulnerable points of landslides, remedies etc. Further, the cells are furnishing scientific feasibility reports for any developmental activity in the hill areas after studying the site from landslide angle to preserve environment and ecology in the hill ranges. The Geo-technical cell has issued 705 site clearances during the year 2008-09.

Mineral Administration

There are well defined Acts and Rules governing the grant of mineral concessions. The following are mineral administration activities taken by the Department:

- ❖ Grant of mineral concessions in accordance with relevant provisions of the Acts and Rules;
- ❖ Regulation of the mining / quarrying of minerals and curbing of illicit mining/quarrying and transport of minerals;
- ❖ Collection of mineral revenue.

At the end of March, 2009, 821 Major mineral mining leases and 5784 Minor mineral quarry leases are existing in the State and sizable mineral revenue have been realized to State exchequer from the mines and quarries.

The details of existing mining and quarrying leases for important minerals are furnished below:

Sl No	Name of the mineral	Patta land	Extent (in hecets.)	Government land	Extent (in hecets.)	Patta & Government land	Extent (in hecets.)	Total no. of Mining Leases	Total Extent (in hecets.)
1	Oil and Natural Gas	21	292.9 Sq.Km.	2	77 Sq.Km.	-	-	23	369.9 Sq.Km.
2	Lignite	-	-	1	259.00 Sq.Km.	-	-	1	259.00 Sq.Km.
3	Lime stone	338	4677.23.9	66	1241.65.6	13	1025.33.5	417	6944.23.0
4	Garnet sand with associated minerals.	55	174.23.0	13	248.43.5	2	152.95.0	70	575.61.5
5	Bauxite	1	1.92.0	1	190.84.0	-	-	2	192.76.0
6	Black Granite	116	236.69.0	75	896.96.5	-	-	191	1133.65.5
7	Colour granite	441	1027.89.0	107	835.11.5	-	-	548	1863.00.5

Mineral Revenue

The mineral revenue has gone up from Rs.2.83 crores at the time of inception of the Department in 1983 to Rs.552.46 crores during year 2007-08. During the year 2008-09, the Department has collected mineral revenue of Rs.570.84 crores.

The quarrying and sale of sand have been entrusted to the Public Works Department from 01.10.2003. The mineral revenue realized from Mines and Minerals prior to 01.10.2003 was inclusive of the revenue realized from sand. After 01.10.2003, the revenue realization by this Department is exclusive of revenue realized from sand.

Statement showing the revenue realization from 2004-05 to 2008-09 for various minerals is given below showing steady increase of revenue:

(Rs. in lakhs)

Sl. No	Name of the Mineral	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Oil and Natural Gas	9691.51	14183.39	17313.63	15626.21	13491.95
2.	Lignite	9932.87	10477.54	10041.61	12724.52	14612.46
3.	Limestone	6494.70	7163.90	7893.60	8511.71	9111.47
4.	Garnet sand	24.30	73.65	114.47	601.61	703.24
5.	Granite	3455.23	3200.35	4641.00	3511.98	3531.80
6.	Bauxite	129.31	149.97	158.06	221.07	215.56
7.	Others	6741.08	10083.20	8762.63	14048.89	15417.31
Total		36469.00	45332.00	48925.00	55245.99	57083.79

SUGAR INDUSTRY

Overview of Sugar Industry

Sugarcane is the most efficient converter of solar energy into food. The crop has evolved in India for centuries and presently India along with Brazil and Australia is the leading producer of sugar. The farmers of Tamil Nadu went to distant lands to sow and reap sugarcane and today form a formidable diaspora in Mauritius, Surinam, Fiji, New Islands etc. Sugarcane is an important crop for the State and is cultivated in an area between 2.75 and 3.00 lakh hectares in our State. Tamil Nadu is a sugar surplus State producing about 10% of the total sugar produced in the country.

As per the recent estimates, the total sugar production in the country has fallen from 263.28 lakh MTs to 142 lakh MTs during 2008-09 crushing season and the overall shortfall is to the tune of 46%. However, in the State of Tamil Nadu, the fall has not been so steep and the sugar production has gone down from 21.41 lakh MTs to 16.16 lakh MTs.

Strategies for development of Sugar Industry in Tamil Nadu

The Government have recognised sugar industry as an engine for rural economic growth and is taking all possible steps to improve sugarcane production and productivity on one hand and increasing efficiency and viability of the sugar manufacturing on the other hand.

The Government have taken an elaborate programme for Drip fertigation, Precision Farming, Tissue Culture and Mechanisation of agricultural operations, for reducing the cost of cultivation, increasing the productivity and thus increasing the overall remuneration to the sugarcane farmers. Tamil Nadu Agricultural University along with the Research and Development Wings of individual sugar mills are attempting to bring in progressive agronomic practices so as to achieve the physiological and genetic potential of the sugarcane crop which is estimated to be around 40% more than the existing yield. The mills are being encouraged to improve the sugar recovery by modernisation and introducing a state-of-the-art manufacturing practices. The cost of production is being reduced by better inventory management, upkeeping of sugar godowns and emphasis on clean cane harvest.

As production of crystal sugar alone is no longer economically viable, the Government have taken initiatives for establishment of sugar complexes with Co-generation and Distillery-cum-Ethanol Plants in the sugar mills for a better product mix.

The performance of sugar mills in Tamil Nadu

There are 41 sugar mills in Tamil Nadu comprising of 16 sugar mills in cooperative sector, 3 sugar mills in public sector and 22 sugar mills in private sector. Presently, 38 sugar mills are functioning while 3 mills, viz., Madurantakam Cooperative sugar mills, Madura sugars and Arunachalam sugar mills are not operational.

During 2008-09 crushing season, all the sugar mills in Tamil Nadu are expected to crush 166.41 LMT of sugarcane and produce 16.16 LMT of sugar with an average recovery of 9.71%. During 2008-09 crushing season as on 31.05.2009, the Co-operative, Public and Private sector sugar mills in Tamil Nadu have crushed 135.24 LMT of cane and have produced 13.32 LMT of white sugar with an average recovery of 9.85%.

Production and sale of By-products

Molasses

During the year 2007-08, a quantity of 3.87 lakh MTs of Molasses have been sold with an average realisation of Rs.703/- per MT. For the current financial year 2008-09 (upto March) 2.58 lakh MTs of Molasses have been sold with an average realisation of Rs.2510.26 per MT.

Bagasse

During the financial year 2008-09 (upto March), a quantity of 1.08 lakh MTs have been sold with an average realization of Rs.784/- per MT.

Rectified Spirit (RS)

During the current financial year (upto March 2009) both the distilleries at Salem and Amaravathy Co-operative Sugar Mills have produced 163.74 lakh Litres of Rectified Spirit and sold 163.71 lakh Litres with an average realization of Rs.23.65 per Litre.

Export of Sugar

The Central Government have announced a subsidy of Rs.1350/- per MT for export of sugar during the 2007-08 season to liquidate sugar stocks. By utilizing the export subsidy announced by the Central Government, 2.97 LMT of sugar has been exported and liquidity position of the sugar mills has improved and due to this, most of the sugar mills are in a position to pay the cane price promptly to the farmers during the current 2008-09 season.

Policy Initiatives

Higher remunerative cane price to Sugarcane farmers

The Government of India announced Statutory Minimum Price (SMP) of Rs.811.80 per/MT of cane linked to 9% recovery with a premium of Rs.9/- per MT for every 0.1% increase the recovery for the 2008-09 crushing season without any increase from the 2007-08 season. The Government of Tamil Nadu announced State Advised Price (SAP) of Rs.1050/- per MT amounting to an increase of Rs.238.20 over and above the S.M.P. On the basis of request to further increase in cane price, the Government of Tamil Nadu has decided to raise it to Rs.1100/- per tonne. Besides, the entire cane transportation charges are borne by the Co-operative and Public sector sugar mills. Thus, by bearing Rs.90/- towards transport charges and providing on an average of Rs.30/- as recovery based incentive, the sugarcane farmers in Tamil Nadu will get a cane payment to the tune of Rs.1220/-

per tonne for the current crushing year 2008-09. However, this will vary for individual mills and grower based on actual recovery and distance of farm from the mills.

Steps taken for Scientific cultivation of sugarcane

The Government have taken steps to promote scientific cultivation of sugarcane by water conservation, achieving higher cane yield and Farm Mechanization. The farmers are being trained in micro-fertigation and precision farming.

Setting up of new Integrated Sugar Complexes in Tamil Nadu

Recognising the potential of sugar industry in the State, permission was granted for establishment of 9 new integrated sugar complexes and so far 3 projects have been completed and commissioned.

The Government have taken policy decision that new sugar mills will have an integrated sugar complex comprising of Co-generation plant, Distilleries, Ethanol Plant and Bio-composting facilities. It is obligatory for the new sugar mills to pay Statutory Minimum Price (SMP) and State Advised Price (SAP) to the cane growers along with cost of cane transportation.

New Co-generation plants and modernisation to make the sugar mills economically viable

Tamil Nadu is the pioneer in the establishment of co-generation plants in sugar mills having installed capacity of 404.19 M.W. The Government of Tamil Nadu have decided to establish Co-generation plants in all the 17 Co-operative and Public Sector Sugar Mills at a cost of Rs.1177 Crores. Further, Rs.322 crores shall be spent for modernization of these mills. Tamil Nadu Electricity Board has invited tenders for establishment of Co-generation Plants and evaluation of the bids is in progress. The project will be completed within 18 months from the date of issue of orders.

Eco-friendly Bio fuel programme

Eight Ethanol Plants of total production capacity of 960 Lakh litres per annum are established in the State. The Government have announced for the establishment of 45 KLPD Distillery cum Ethanol plants at Cheyyar and M.R. Krishnamoorthy Co-operative Sugar Mills at a cost of Rs.36.00 crores each. National Co-operative Development Corporation has already sanctioned 50% of the cost as term loan for these distilleries. Action is being taken to obtain sanction of 40% of the cost as term loan from Sugar Development Fund (SDF) and collection of 10% share capital from the Members of the Sugar Mills. The environmental clearance and finalization of specifications of the plants is in progress.

Simputerisation and Computerisation of agronomic practices

In line with the e-governance policy of the Government of Tamil Nadu, Simputers have been successfully introduced in four Co-operative and Public Sector

Sugar Mills. Action is being taken to introduce Simputers in rest of the Co-operative and Public Sector Sugar Mills for real time data capture and on the spot information delivery of operations like cane registration, cutting order priority, cane supply, cane payment and loan details of the cane grower.

Rehabilitation of Tamil Nadu Sugar Corporation Limited

The Public Sector Sugar Mills, viz., Arignar Anna Sugar Mill and Perambalur Sugar Mill will be rehabilitated by establishing Co-generation Plant, setting up of Distillery-cum-Ethanol Plant and introducing a state-of-the-art manufacturing technologies.

Reopening of Closed Sugar Mills

As per the decision taken by the Government, action is being taken to revive Madurantakam Co-operative Sugar Mills and Madura Sugars on Lease, Rehabilitate, Operate and Transfer (LROT) basis.

ISO:9001:2000 Certification

Out of 17 Co-operative and Public Sector Sugar Mills, so far 16 sugar mills have received ISO:9001:2000 Certification. The Cheyyar CSM is in the process of obtaining ISO 14001:2004 for environmental safety.

National Awards

The hard work of the Sugar mill employees and the efforts of the Government are being recognized at National level. The National Federation of Co-operative Sugar Factories, an apex body of Co-operative Sugar Mills in our country, has announced the following awards for 2007-08 season:

- ❖ First Prize for the technical performance to Tirupattur Co-operative Sugar Mills;
- ❖ First Prize for financial management to Kallakurichi-II Co-operative Sugar Mills;
- ❖ Further, South Indian Sugarcane and Sugar Technologists Association (SISSTA) has awarded Tirupattur Co-opetrative Sugar Mills for their technical performance.

M.K. STALIN
DEPUTY CHIEF MINISTER