

POLICY NOTE 2009-10

Demand No. 44

MICRO, SMALL AND MEDIUM ENTERPRISES DEPARTMENT

1. Introduction

The contribution of the Micro, Small and Medium Enterprises is very much important in the economic development of a country. Through increased production, they provide more employment opportunities. Next to agriculture, the Micro, Small and Medium Enterprises play an important role in employment generation. Specifically, the contribution of those enterprises is remarkable in providing employment in the industrial segments ranging from the traditional rural handicrafts to upgraded technologies and bio technology oriented industrial units. Considering the importance of the Micro, Small and Medium Enterprises involving lesser capital investment and more employment opportunities, to increase and develop such enterprises, the "Micro, Small and Medium Enterprises Policy - 2008" has been announced and being effectively implemented.

In effectively implementing this policy, the Industries and Commerce Department and the Public Sector Undertakings of this Government namely, the Tamil Nadu Small Industries Development Corporation Limited (TANSIDCO) and Tamil Nadu Small Industries Corporation Limited (TANSI) are rendering services in "Issuing Industrial Clearances and granting subsidies", "Allotment of industrial plots, providing and developing infrastructure facilities" and "supply of plant and machineries required by the Industrial Enterprises" respectively.

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

In order to encourage the growth of the Micro, Small and Medium Enterprises, the Government of India have enacted the Micro, Small and Medium Enterprises Development Act 2006. This Act has changed the nomenclature of the Small Scale Industries Sector as Micro, Small and Medium Enterprises Sector, giving due recognition to the enterprises segment and at the same time merging the Medium Enterprise Sector into its fold.

Micro, Small and Medium Enterprises Development Act has classified Manufacturing enterprise in terms of investment in plant and machinery (excluding land and building) as indicated below:-

- Micro Manufacturing Enterprises – up to Rs.25 lakhs.
- Small Manufacturing Enterprises – Above Rs.25 lakhs and upto Rs.5 Crores.
- Medium Manufacturing Enterprises – Above Rs.5 Crores and upto Rs.10 Crores.

Similarly, Service Enterprises have been classified in terms of their investment in equipment (excluding land and building) as indicated below:-

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

3. Micro, Small and Medium Industries Policy 2008

In tune with the legislation of Government of India, Hon'ble Chief Minister of Government of Tamil Nadu released an exclusive policy for the Micro, Small and Medium Enterprises (MSMEs) on 22.02.2008, which is a first-of-its-kind in the country, with a vision to enhance the competitiveness of the Micro, Small and Medium Enterprises sector and aim for sustained annual growth rate of over 10 per cent for MSMEs and generate direct and indirect employment opportunities to the tune of 10 lakhs during the XI Five Year Plan period. The Policy focussed on all initiatives to be taken up for the development of MSMEs in the State including infrastructure development, incentive schemes, technology development, subsidy schemes for units located in industrially backward areas, skill development, marketing support, deregulation and simplification, administrative reforms and rehabilitation of sick enterprises in the state. Through this initiative, the Khadi and Village Industries Commission, the Khadi and Village Industries Board, Coir Board, Small Industries Development Bank of India (SIDBI), Tamil Nadu Industrial Investment Corporation Limited, Tamil Nadu Industrial Cooperative Bank Limited belonging to the Central and State Government facilitate assistance and loans along with employment opportunities.

For the speedy implementation of the package of incentives and concession announced in this policy, this Government have formulated guidelines and issued Government Orders thereon on 7.5.2008.

4. The Commissionerate of Industries and Commerce

The Commissionerate of Industries and Commerce is the nodal agency for the development of Industries in general and Micro, Small and Medium Industries in particular in the State. The Commissionerate implements various programmes with emphasis on the development of Micro, Small and Medium Enterprises in the State. District Industries Centres are functioning in 29 Districts in Tamil Nadu except Chennai District where Regional

Joint Director renders all help to the prospective entrepreneurs for starting micro, small and medium enterprises. District Industries Centres provide escort services to the entrepreneurs, i.e., in identification of enterprises, in the preparation of project profile, obtaining financial assistance from financial institutions, obtaining clearances from various Government Departments and sanction and disbursement of subsidies and incentives.

With the objective of increasing exports in the State, the Government have issued orders appointing the Industries Commissioner and Director of Industries and Commerce as "State Export Commissioner".

5. Filing of Entrepreneur Memoranda:

MSMED Act, 2006 has brought in filing of Entrepreneur Memorandum in the place of SSI registration. Filing of Entrepreneur Memorandum is optional for Micro and Small manufacturing enterprises, compulsory for medium manufacturing enterprises and optional for Micro, Small and Medium Service enterprises. Any person who intends to start a Micro or Small enterprise may now file, on a voluntary basis, the required Entrepreneur Memorandum in the prescribed format with the General Manager, District Industries Centre of the concerned District or Regional Joint Director of Industries and Commerce having jurisdiction in respect of Chennai District.

The Department has introduced a system for 'Online filing of Entrepreneur Memorandum Part I and Part II', as part of e-governance initiatives of Government of Tamilnadu and as announced by the Hon'ble Minister for Rural Industries and Animal Husbandry in the Legislative Assembly. The online filing application for Entrepreneur Memoranda Part I and Part II have been launched by the Hon'ble Minister for Rural Industries and Animal Husbandry on 08.08.2008 and by the Hon'ble Union Minister for Shipping and Road Transport on 11.10.2008 respectively. Now, any MSME entrepreneur can login to the website www.msmeonline.tn.gov.in and file application online for Entrepreneur Memorandum Part-I or Part-II and obtain acknowledgement instantly from wherever they are, without visiting DICs. 21,395 Nos. of Entrepreneur Memorandum Part-I and 9,407 Nos. Entrepreneur Memorandum Part - II have been issued online as on 31.3.2009. This scheme is introduced for the first time in India.

6. Subsidy Schemes

a. Micro Manufacturing Enterprises

Micro Manufacturing Enterprises established anywhere in the State are eligible for the following incentives

- 15% capital subsidy on the value of eligible plant and machinery, subject to a maximum of Rs.3.75 lakhs.

- 20% low tension power tariff subsidy for 36 months from the date of commencement of commercial production or from the date of power connection, whichever is later, after allotment of Entrepreneur Memorandum Part - II.
- 100% subsidy on the net value of value added tax (VAT) paid by them for the first 6 years up to the value of investment made in plant and machinery at the time of allotment of Entrepreneur Memorandum Part - II.

b. Micro, Small and Medium manufacturing enterprises established in 251 industrially backward blocks and agro based industries set up in all 385 blocks in the State

Micro, Small and Medium manufacturing enterprises established in 251 industrially backward blocks and all industrial estates promoted by the Government and Government Agencies like SIPCOT, SIDCO, etc. (excluding industrial estates located within the radius of 50 Kms. from Chennai City centre) and agro based enterprises set up in 385 blocks in the State are eligible for the package of incentives given below:-

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

c. Special Capital Subsidy for Thrust Sector manufacturing enterprises set up anywhere in the State

10 thrust sector manufacturing enterprises viz., Electrical and Electronic Industry, Leather and Leather goods, Auto parts and components, Drugs and Pharmaceuticals, Solar

Energy Equipment, Gold and Diamond Jewellery for exports, Pollution Control equipments, Sports Goods and Accessories, Cost effective building material and Readymade Garments, set up anywhere in the State are eligible for a special capital subsidy of 15% on the eligible plant and machinery, subject to a maximum of Rs.30 lakhs.

d. Generator Subsidy

Micro, Small and Medium manufacturing enterprises established anywhere in the State are eligible for a subsidy of 25% on the cost of Generator set purchased (upto 125 KVA capacity), subject to a maximum of Rs. 1.50 lakhs.

e. Back-ended Interest Subsidy.

A back ended Interest subsidy at the rate of 3% (subject to a maximum of Rs.10 lakhs per enterprise over a period of five years) will be extended on loans taken up to Rs.100 lakhs by Micro, Small and Medium Enterprises for Modernization by induction of well established and improved technologies in specified sub-sectors / products as listed in the guidelines on Credit Linked Capital Subsidy Scheme (CLCSS) of Government of India.

7. Schemes for Technology Development

The following new schemes for Technology Development are announced in the Micro, Small and Medium Industries Policy 2008:

- 50% subsidy on the cost of filing a patent application, subject to a maximum of Rs.2 lakhs per application and 50% of the cost of the application for trade mark registration or Rs.25000 whichever is less for Micro, Small and Medium Manufacturing Enterprises,
- Establishment of industrial clusters and mini tool rooms under Public Private Partnership mode by providing 25% of the total project cost, subject to a maximum of Rs.1 crore as assistance.
- Creation of Technology Development Fund for evolving cleaner / energy efficient / IT enabled technologies for the Micro, Small and Medium Manufacturing Sector.
- Assistance for creation of Centres of Excellence and Technology Business incubators for introduction of a new production techniques and design Development to the tune of Rs.50 lakhs per incubator / centre of excellence.

8. Schemes of Skill Development and Training

Reimbursement of 50% of the tuition fees for Skill Development Training schemes for the benefit of the educated unemployed youth and upgradation of the skills of existing employees of Micro, Small and Medium Enterprises by the MSME Associations have been announced in the MSMI Policy 2008.

9. Marketing support

Government have announced the following schemes to provide marketing support to Micro, Small and Medium Enterprises in the MSMI Policy 2008.

- 15% Price preference for purchase of goods of domestic Micro and Small Enterprises as provided in the Tamil Nadu Transparency in Tenders Act, 1998.
- Purchase preference for items notified from time to time by the State Government.
- Waiver of Earnest Money Deposit for participation in tenders.
- 50% grant on hall rent for participation in exhibitions within the State and also in other States by MSME Associations.
- Support for marketing under a common banner or brand name.

10. Policy for Rehabilitation of Sick Micro, Small and Medium Enterprises

A separate Policy for rehabilitation of sick Micro, Small and Medium Enterprises in the State has been announced for the first time in the State with appropriate rehabilitation package. The Policy provides for assistance for conducting of diagnostic study of sick enterprises, scrutiny of the diagnostic study reports by a sub committee of the State Level Inter Institutional Committee (SLIIC) constituted by the Reserve Bank of India and its recommendation to Empowered State Level Rehabilitation Committee (SLRC) for rendering rehabilitation assistance to sick Micro, Small and Medium Enterprises.

The guidelines for the implementation of the rehabilitation package announced in the Policy will be released shortly by the Government. A Rehabilitation Fund will be set up soon to meet 75% of the cost of the diagnostic study of sick enterprises, extend rehabilitation assistance and also to meet out the expenditure related to administration of the rehabilitation scheme.

11. Empowered Committee for monitoring of the implementation of MSMI Policy

An Empowered Committee under the Chairmanship of Hon'ble Minister for Rural Industries and Animal Husbandry has been set up vide G.O. Ms. No.37 MSME Department, dated 3.6.2008 for monitoring of the implementation of MSMI Policy. Ten officials from various Government Departments including the Principal Secretary to Government, MSME Department have been nominated as Members of the Committee. The first meeting of the

Committee was held on 25.9.2008 under the Chairmanship of Hon'ble Minister for Rural Industries and Animal Husbandry. The decisions taken by the Committee is under examination of the Government.

12. Micro, Small and Medium Enterprises Board

The Small Scale Industries Board functioning under the Chairmanship of Hon'ble Minister for Rural Industries hitherto has been re-designated as Micro, Small and Medium Enterprises Board based on G.O.(D) No.81, MSME Department dated 11.9.2008. The new MSME Board functions under the Chairmanship of Hon'ble Minister for Rural Industries and Animal Husbandry with the Chief Secretary to Government as Vice Chairman. The Board includes 17 high level officials of various Departments as Official Members, 6 high level officials of State / Central Government organizations and 12 MSME / SSI Associations as Non-Official members of the Board. The Industries Commissioner and Director of Industries and Commerce is the official convenor of the Board. This board will meet once in six months to analyze the problems and issues of MSMEs raised by the MSME Associations and suggest suitable solutions and then send its recommendations to Government. The first MSME Board meeting was held on 9.3.2009 under the Chairmanship of Hon'ble Minister for Rural Industries and Animal Husbandry.

13. Prime Minister's Employment Generation Programme (PMEGP)

Prime Minister's Rozgar Yojana (PMRY) scheme, started on October 2nd 1993, to create self employment opportunities for the educated unemployed youth, has been dispensed with effect from 31.3.2008.

On the eve of the 61st Anniversary of India's Independence, Government of India, Ministry of MSME, New Delhi has introduced a new Credit linked Subsidy Programme called Prime Minister's Employment Generation Programme (PMEGP) by merging the existing schemes of PMRY and REGP (Rural Employment Generation Programme), to empower the First Generation Entrepreneurs to set up micro enterprises. Loans up to Rs.10 Lakhs to set up Service Enterprises and upto Rs.25 Lakhs to set up manufacturing enterprises are eligible under this scheme. This scheme is being implemented by Khadi and Village Industries Commission (KVIC), a statutory organization under the administrative control of the Ministry of MSME as the single nodal agency at the National level. At the State level, the Scheme is being implemented through State Khadi and Village Industries Commission (KVIC), State Tamil Nadu Khadi and Village Industries Board (KVIB) and District Industries Centre (DIC) through Banks. Government of India, Ministry of MSME, New Delhi has announced the guidelines for implementation of the scheme.

The details of Target and achievement of the scheme for 2008-09 are as follows:

Department	Target			Sanctioned		
	Nos.	Margin Money (Rs. in Lakhs)	Employment Generated (Nos)	Nos.	Margin Money (Rs. in Lakhs)	Employment Generated (Nos)
Department of Industries and Commerce	1407	1688.09	14067	1040	1416.62	6342
KVIB	1055	1266.07	10549	110	189.61	1580
KVIC	1055	1266.07	10549	422	1496.64	12470
Total	3517	4220.23	35165	1572	3102.87	20392

14. Rajiv Gandhi Udyami Mitra Yojana (RGUMY)

The Ministry of Micro, Small and Medium Enterprises, Government of India has formulated a Scheme, viz., Rajiv Gandhi Udyami Mitra Yojana to provide hand holding support and assistance to the potential first generation entrepreneurs for setting up and running of the enterprises. The Entrepreneur Development Institute (EDI), Chennai a State Level EDI has been empanelled by the Government of India under Category-II training institute. Government of India have released a sum of Rs.21.14 lakhs of Grant-in-Aid from plan funds for providing hand holding support to first generation entrepreneurs under this scheme.

15. Cluster Development Schemes

a. Industrial Infrastructure Upgradation Scheme (IIUS)

This scheme is operated by Ministry of Commerce and Industry, Department of Industrial Policy and Promotion, Government of India with a view to provide quality infrastructure in select industrial clusters through public-private partnership. The Central assistance per cluster / industrial location will be restricted to 75% of the cost of the project, subject to a ceiling of Rs.50 Crores. The remaining 25% will be financed by other stakeholders of the respective cluster / location out of which the industry shall contribute minimum of 15% of the project cost. The projects under the scheme are implemented by Special Purpose Vehicles (SPVs) registered under Companies Act/ Registration of Societies Act. The Special Purpose Vehicles are promoted by the concerned Industrial Associations.

The following 5 cluster proposals have been approved by Government of India:

Sl. No.	Name of the cluster	Project Cost	Expenditure
		(Rupees in Crores)	
1	Tirupur Textile Cluster, Tirupur	150.00	156.20
2	Chennai Auto Ancillary Cluster, Chennai	39.96	27.75
3	Cereals Pulses Staples Milling Cluster, Madurai	47.49	35.99
4	Leather Cluster, Ambur	67.34	82.38
5	Pump Motor and Foundry Cluster, Coimbatore	56.30	54.12

Infrastructure development works for these clusters like road, water supply and sewerage system, effluent treatment plant, solid waste management, Information and Communications Technology Infrastructure, Research and Development Centre, Common Facilities Centre, Marketing Infrastructure etc., have been taken up under the scheme. A total number of 16,370 Micro, Small and Medium Enterprises would be benefited under the scheme.

**b. Micro and Small Enterprises – Cluster Development Programme (MSE-CDP)
(*Erstwhile Small Industry Cluster Development Programme - SICDP*)**

This scheme is operated by Ministry of Micro, Small and Medium Enterprises, Government of India. The Central assistance per cluster for setting up of Common Facility Centres is available up to 80 per cent of the total project cost, subject to a ceiling of Rs.10 Crores per project including Rs. 10 lakhs for “soft activities” i.e. capacity building activities in the cluster where no fixed asset is acquired or formed.

50 Clusters have been taken up under this scheme during the 11th Plan of which 13 cases have been approved by the Steering Committee and 30 cases are in the process of being sent to Govt. of India and 7 cases have been taken up for conducting diagnostic study.

The details of the 13 clusters approved by the Steering Committee are as follows:

(Rs. in lakhs)

S. No	Name of the cluster	Project Cost	Funding pattern				Fund Allotted	Expenditure
			GOI grant	GOTN	SPV contribution	Bank		
1.	COWMA Coimbatore	288.2	99.00	16.52	172.68	--	58.26	58.26
2	Sagoserve Salem	498.00	398.00	--	100.00	--	4.00	4.00
3 4 5 6 7 8	Match Clusters (6 growth Centres) Srivilliputhur Gudiyatham Kalugumalai Virudunagar Sattur Kovilpatti	156.00 x6 = 936.00	85.54 x 6 = 513.24	10.73 x 6= 64.38	25.00x6= 150	34.73 x 6= 208.38	390.00	173.75
9	Ceramic Cluster, Vridhachalam Cuddalore District	101.25	70.53	-	17.73	13.00	--	--
10	Coir Cluster –Singampuneri Sivagangai District	853.20	500.00	-	153.20	200.00	--	--

For the following 3 Clusters the Government of India have approved soft intervention only.

1. Pharmaceutical/ Formulations Cluster, Alathur
2. Engineering Cluster, Ekkattuthangal, Ambattur
3. Plastic Cluster, Guindy, Ekkattuthangal, Ambattur

When the 50 clusters are implemented during the 11th Five Year Plan, they would generate direct and indirect employment opportunities to total of 15.26 lakh persons.

16. Single Window Clearance Concept

In order to enable the MSMEs to obtain clearances from various agencies viz. Tamil Nadu Pollution Control Board, Tamil Nadu Electricity Board, Fire Services, Public Health Department and Local bodies, at a single point, the District Industries Centre in each district is serving as a Single Window Agency providing entry level essential services to eligible MSMEs. As announced in the Micro, Small and Medium Industries Policy, 2008 Government is in the process of enacting the Tamil Nadu Industrial Development and Facilitation Act for giving Single Window Clearance Committees, at State and District level, the formal authority and set time limit for grant of approvals and deemed approvals.

17. Micro and Small Enterprises Facilitation Councils

The Government of Tamilnadu, with the advent of Micro Small and Medium Enterprises Development Act 2006, with the objective to facilitate speedy settlement of the arrear sale proceeds due from the major industrial undertaking to the Micro and Small Enterprises, for the goods supplied have established four Regional Micro and Small Enterprises Facilitation Councils at Chennai, Tiruchirappalli, Madurai and Coimbatore. In the year 2008-09, the Council has so far taken up 105 cases of delayed payment related to the MSEs in the State, conducted 16 sittings of the Facilitation Councils, and settled 52 cases resulting in the disbursal of Rs. 198.24 lakhs to MSEs.

18. Testing Services, Training and Infrastructure Facilities

a. Testing Laboratories

To assist Micro, Small and Medium Enterprises in evaluating the quality to their materials, products and with the aim to protect the interest of the consumers, these Testing Laboratories have been set up.

i. Electrical Testing Centres

The Central Electrical Testing Laboratory, Kakkalur, an NABL Accredited and BIS Recognised Laboratory, offers testing and calibration facilities for Electrical Products / Equipments. Nearly 170 Electrical / Electronic items including compact fluorescent lamps, smart card readers, automatic power saving device etc., are being tested in the laboratory as per relevant Indian Standard Specifications. Major beneficiaries of the services are BIS, DGS&D, Quality Control / Marking Organisations, Private Manufacturers and various State and Central Government Departments / Undertakings.

The Common Facility Centre, Hosur provides testing facilities for development of electrical products of the electronic units in and around Hosur. Against the target of 5800 samples to be tested and collection of testing fees of Rs.150.00 lakhs, 7,521 samples have been tested in the two centres to the value of Rs.150.10 lakhs in 2008-2009.

ii. Chemical Testing Laboratories

Chemical Testing Laboratories are functioning at Chennai, Madurai, Salem, Coimbatore and Thoothukudi to assist the MSMEs in testing raw-materials, products and processed items. These Laboratories provide testing facilities to MSMEs at concessional rates. Against the target of 56700 samples to be tested and collection of testing fees of Rs.120.75 lakhs, 57,819 samples have been tested to the value of Rs.136.27 lakhs in the Chemical Testing Laboratories during 2008-09. A technical library with 20000 IS specifications, 6100 books and 14 journals is available at Chennai Laboratory, for the use of entrepreneurs.

iii. **Data Bank and Information Centre for Electrical and Electronic industries**

This centre located at Dr. VSI Estate, Thiruvanniyur, Chennai, provides information and guidance to the entrepreneurs on electrical and electronic enterprises, offers project profiles on select projects and also maintains a State wide Directory on MSM electrical and electronic enterprises for the use of entrepreneurs to identify buyers and sellers. A technical library with 1400 books and 100 journals is available in the DATA Bank for the use of entrepreneurs.

iv. **Enforcement of Quality Control Orders**

The Quality Control Order Enforcement Centre of the Directorate implements the Household Electrical Appliances (Quality Control) Order, 1981 and the Electrical Wires, Cable, Appliances, and Protection Devices and Accessories (Quality Control) Order, 2003. Contravention of the first Order is punishable as provided for under the Essential Commodities Act 1955. The second Order prohibits manufacture or storage for sale or distribution of specified items without the Bureau of Indian Standard marking. Contravention of this Order attracts penal action under Bureau of Indian Standards Act. The General Manager, District Industries Centre, of the concerned district has been appointed as the "Appropriate Authority" to implement the provisions of these Orders in mofussil districts and Deputy Director (E&E), Quality Control Centre, Chennai in respect of Chennai district. During the year 2008-09, 855 inspections have been conducted and 4 search and seizures have been made for which cases have been filed.

b. Training Institutes:

1. Government Technical Training Centre, Guindy offers a 3 - year Diploma in "Tool and Die", 3 - year Diploma in "Refrigeration and Air-conditioning" and 1 year Post-Diploma (Advanced) in "Die and Tool Design" Courses with an intake of 30, 40 and 10 students respectively.

2. Institute of Tool Engineering, Dindigul offers a 3 - year Diploma course on "Tool and Die" with an intake of 30 students.

3. Institute of Ceramic Technology, Vridhachalam offers a 3½ - year specialised course on "Diploma in Ceramic Technology" with an intake of 50 students.

4. Government Scientific Glass Training Centre offers a 2 - year specialised certificate course for 10th standard passed out candidates on "Manufacture of Scientific Glass Apparatus" with an intake of 25 students.

The students who passed out of these institutions are well placed in MSMEs and Large industries both in India and abroad.

19. Government Industrial Estates

i. Ceramic Industrial Estate

An Industrial Estate for the production of Ceramic products has been functioning at Vridhachalam, with 64 industrial sheds since 1964. The industrial units in this estate manufacture low tension insulators, sanitary wares, art wares, refractory bricks and other refractory materials.

ii. Electrical & Electronic Industrial Estates

Government had established eight Industrial estates specially for Electrical and Electronic industries. Of the eight Industrial estates, two are located in Chennai (Thiruvanniyur, and Perungudi) and one each in Tiruvallur (Kakkalur), Madurai (Kappalur), Salem (Suramangalam), Coimbatore (City), Krishnagiri (Hosur), and Trichy (Thuvakudi) districts. Totally, 517 plots and 140 sheds have been developed in these Industrial estates.

Now, as per the Announcement made in the Assembly, the eight Electrical and Electronic Industrial Estates and the Ceramic Industrial Estate at Vridhachalam are proposed to be handed over to SIDCO for future maintenance. Pending formalities these Industrial Estates would be handed over to SIDCO shortly.

20. The Entrepreneurship Development Institute (EDI)

The Entrepreneurship Development Institute, popularly called as EDI was constituted by this Government in 2001 as a society with the aim to fulfil the long felt need for creating an apparatus for catering to the needs of Small Scale Industrial Units during that period. Its main object is to harness the industrial potential and to develop and hone up the skills of the prospective Entrepreneurs for the future needs of Micro, Small and Medium Enterprises in the state.

In 2007-08, this Institute provided training for 6175 PMRY beneficiaries and conducted Entrepreneurship Awareness Camps for 350 persons in 2007-08 and 753 persons in 2008-09. It also conducted Training for Trainers programme and 17 persons have been benefited during 2007-08. This institute also has conducted two days free Entrepreneurship Awareness Programme for the SC/ST members and trained 200 persons in 2008-09. This institute has trained 49 beneficiaries under PMEGP scheme during the year 2008-09. This institute has given 2 weeks training to 59 candidates under EDP during 2008-09.

21. Industrial Cooperative Societies

Industries Commissioner and Director of Industries and Commerce is the Registrar of Industrial Cooperatives in the State. The object of Industrial Cooperatives is to provide

gainful employment to the economically weaker sections (viz) rural artisans, workers and labourers. These societies also ensure remunerative price for the produce of small tea growers and tapioca cultivators. Industrial Cooperative Estates provide developed industrial plots constructed industrial sheds along with infrastructure facilities to the Micro and Small Entrepreneurs to run their industries. Industrial Cooperatives have been formed in trades like Tea, Sago, Matches, Coir, Banking, Polythene, Handicrafts, Tailoring, Labour Contract Service, Printing, Auto Service, Engineering, Metal, Industrial Estates and Special types like Iruulas Snake Catchers Industrial Cooperatives Society.

There are 367 Industrial Cooperative Societies in this Department, of which 228 societies are functioning on profit. The Sales turnover of the Industrial Cooperative Societies is Rs.504.72 Crore during the year 2008-09. Besides, employment has been provided to 1,01,894 persons with wage disbursement of Rs 2136.48 lakhs.

22. Tea Sector

There are 15 Industrial Cooperative Tea Factories organized from the year 1961 onwards and two Tea Service Societies functioning in the Nilgiris District from 1965 onwards. Out of 15 Industrial Cooperative Tea Factories, 3 Industrial Cooperative Tea Factories at Salisbury, Bitherkad and Panthalur have obtained ISO: Hazard Analysis and Critical Control Point Certification. Out of 2 Tea service societies 1 service society viz. Indcoserve has obtained ISO certification.

23. Industrial Cooperative Tea Factories

15 Industrial Cooperative Tea Factories in Nilgiris with the membership of about 20,000 small tea growers have procured 562.13 lakhs Kgs of green tea leaves from their members and produced 148.98 lakhs Kgs. of Made Tea to the value of Rs.9574.03 lakhs and made sales to the tune of Rs.9649.46 lakhs during the year 2008-09. On an average, green leaf rate at Rs.11.58 per Kg. was paid by Industrial Cooperative Tea Factories to their grower - members during the year 2008-09.

Out of 15 Industrial Cooperative Tea Factories in the Nilgiris District 14 Industrial Cooperative Tea Factories have earned profit of Rs.4.57 crores in the year 2008-09. The Ebbanad Industrial Cooperative Tea Factory will commence tea production after installation of new machineries at the cost of Rs 59.03 lakhs.

In order to ensure quality of Made Tea and to increase the production capacity of the Factories for the benefit of small tea growers, a scheme called "Rejuvenation of Cooperative Tea Sector" at a cost of Rs.10.53 Crore to modernize 15 Cooperative Tea Factories was sanctioned in the year 2008 and is being implemented now.

The State Government have released 25% of the cost as share and another 25% as loan totalling to Rs.5.26 Crore. For the remaining 50% of the cost, 25% of the amount is proposed to be met from Tea Board subsidy and the balance 25% from Bank as loan. Under the scheme, the machineries of the Indco Tea Factories would be modernised which in turn leads to improve the quality of made tea produced thereby enabling to pay competitive rate to small tea growers for their green leaf.

24. Indcoserve

The Tamil Nadu Small Tea Growers Industrial Cooperative Tea Factories Federation Ltd. called "INDCOSERVE" established in 1965, sells 'Ooty Tea' through fair price shops to sustain the demand for Nilgiris Tea in the market and to make the Nilgiris tea available to the consumers at reasonable price. Indcoserve has sold 22.59 lakh Kgs. of Tea to the value of Rs.2811.32 lakhs and earned a net profit of Rs.25.60 lakhs during the year 2008-09.

For the second time in succession, Indcoserve has bagged the Tender of the Defence Department to supply made tea to the Defence personnel. In the year 2008-09, Indcoserve has effected sale of 845 MTs of Tea to the value of Rs.6.24 Crore to the Defence Department. Again in the same year, Indcoserve has fetched sales orders from the Defence Department for the supply of 600 MTs of Tea valued Rs.5.57 Crore and executed it.

25. Tea Manufacturers' Service Industrial Cooperative Societies Ltd., (TEASERVE)

TEASERVE, an electronic tea auction centre at Coonoor registered on 28.8.2002, ensures transparency in the sale of Tea in the Electronic Auction Centre, eliminates brokers in the sale of Tea and provides remunerative selling price for made Tea to the producers. It has effected auction sale of 15147 MTs of Made Tea to the value of Rs.9751.22 lakhs and earned a net profit of Rs.1.89 lakhs during the year 2008-09.

26. Coir Industrial Cooperative Societies

There are 76 Coir Industrial Cooperative Societies functioning for the benefit of 10,557 members / workers with a share capital of Rs.277.17 lakhs including Government share of Rs.223.25 lakhs. These societies have effected sale of coir products to the value of Rs.10.91 Crore during the year 2008-09. Besides, these societies provided employment to 1491 persons and distributed a sum of Rs 131.78 lakhs as wages.

Market Development Assistance (MDA) for Coir Cooperative Societies

To dispose of the Coir products through discount so as to enable coir cooperatives to provide continuous employment to their coir workers. Government of India through Coir Board have introduced Market Development Assistance to the value of 10% on the average sales turnover of the preceding three years. This MDA at the rate of 10% is equally shared between the Government of India and concerned State Government. Accordingly, Government of Tamil Nadu have sanctioned and released Market Development Assistance to 63 Coir Cooperative Societies to the tune of Rs.40.00 lakhs matching the Government of India's share for the year 2008-09 in G.O.(D) No.126, MSME (A) Department dated 31.12.2008. The Coir Board has also released its portion of Rs 40.00 lakhs under the scheme.

27. Coir - Scheme of Fund for Regeneration of Traditional Industries (SFURTI)

Under SFURTI scheme, six coir clusters viz., Cuddalore, Salem, Singampunari, Periyakulam, Pattukottai and Gudiyatham have been approved by the Coir Board for implementation of projects at a cost of Rs.531.00 Lakhs at the rate of Rs.88.50 lakhs per cluster, for the benefit of the beneficiaries / stakeholders engaged in coir trade in their respective region. All the coir clusters have already identified the land and formed Special Purpose Vehicles. To lessen the burden of beneficiaries, the State Government have sanctioned a sum of Rs.59.50 lakhs to six clusters as loan. At present, speedy actions are underway to set up the "Common Facility Centres" under the scheme.

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

REMOT is a Government of India scheme being implemented through Coir Board intending to financially assist 1136 Coir units in Tamilnadu during the 11th Plan Period. The scheme envisages the project at a cost of Rs.2.00 lakhs for Spinning sector and Rs.5.00 lakhs for Tiny / Household sector, with the Government of India subsidy @ 40% for each project. The Coir Board will provide lateral support in getting loan assistance from the Banks. During 2007-08, 220 units with a project cost of Rs.962.00 lakhs were sanctioned for Tamilnadu and the Coir Board has released the Govt. of India subsidy of Rs.372.00 lakhs to the units. During 2008-09, 219 units have been provided financial assistance of Rs.942.00 lakhs, out of which the grant of coir board is Rs.376.80 lakhs.

29. SAGOSERVE

The Salem Starch and Sago Manufacturers' Service Industrial Cooperative Society Ltd., known as "SAGOSERVE", registered on 21.07.1981, enables the starch and sago

producers to get remunerative price for their products through sale of sago and starch in public auction. During the year 2008-09, the society has registered a sales turnover of Rs.248.52 crore and earned a net profit of Rs.2.07 crore.

With a view to modernise the member-production units, modernization scheme with subsidy at 50% of the cost of each project subject to a maximum of Rs.4.00 lakhs to each member sago unit will be released by Sagoserve. Out of this, the State Government will reimburse to Sagoserve 50% cost of the subsidy, subject to a maximum of Rs.2.00 lakhs per unit. The entire State Government subsidy of Rs.50.00 lakhs sanctioned during the year 2006-07 has been fully utilized by disbursing it to 54 member-units.

30. SAGO CLUSTER

To establish a Sago and Starch Industry Cluster under the MSE-CDP in the Salem and Namakkal region, a Detailed Project Report at a project cost of Rs.498.00 lakhs was sent to Government of India. Government of India have sanctioned Rs.120.00 lakhs for the setting up of a Testing Laboratory as a Common Facility Centre and Rs.10.00 lakhs for Soft Interventions. Besides, another grant of Rs.4.00 lakhs has been sanctioned by Government of India towards Soft-interventions. For setting up of an Analytical laboratory under Common Facility Centre scheme, the required equipments and machineries have been finalised and communicated to the Government of India for release of funds.

31. Brick Workers' Industrial Cooperative Societies

Six Brick Workers' Industrial Cooperative Societies are functioning in the State providing employment to 956 Adi-dravidar brick workers. These societies have paid up share capital of Rs.7.08 lakhs including Government share of Rs.2.14 lakhs. During the year 2008-09, these societies have effected sale to the value of Rs.108.54 lakhs.

32. Polythene Industrial Cooperative Societies

There are 12 Polythene Industrial Cooperative Societies in the State providing employment to 924 women worker members. These societies produce and supply polythene bags to the Forest and Agriculture Departments. These societies have achieved sales to the value of Rs.167.61 lakhs during the year 2008-09.

33. Auto Service Cooperative Societies

Auto Service Cooperatives Societies have been formed to provide employment to the Auto Rickshaw Drivers and to make them owners of the auto after recovering HP Loan dues in easy monthly instalments. There are 53 auto service societies functioning in the State and out of these, 15 auto societies have been organized under TAMCO (Tamil Nadu

Minorities Development Corporation Limited) Scheme to provide employment to the youth belonging to minority communities. So far 645 auto-rickshaws have been issued to the members @ 6% rate of interest under TAMCO scheme.

34. Printing Service Cooperative Societies

Printing Cooperative Societies have been formed to help small printing press owners in marketing and also to provide employment to the workers engaged in printing industry. These societies procure printing orders from Government, Government undertakings, Local Bodies and Cooperative Institutions and execute the order through the member printers and workers. There are 29 Printing Service Co-operative Societies and 3 Printing workers' Societies. During the year 2008-09, these societies have effected sales to the value of Rs.1856.55 lakhs.

35. Labour Contract Service Cooperative Societies

Labour Contract Service Societies have been organized under Cooperative Sector to eliminate private labour contractors, to prevent exploitation of the workers and to bring the skilled labourers into the organized set up. There are 39 Labour Contract Service Societies functioning in the State to ensure all the statutory benefits to the workers / members. During the year 2008-09, these societies have disbursed wages to the value of Rs.2082.77 lakhs.

36. Cooperative Industrial Estates

The Department has promoted 12 Cooperative Industrial Estates in various districts for the benefit of 2204 Micro and Small Entrepreneurs/members. The object of these estates is to provide developed industrial plots, constructed works sheds and other infrastructure facilities to promote micro and small enterprises. In respect of Anna Cooperative Industrial Estate, Coimbatore District the allotment of plots was delayed for many years. However, the Government have taken speedy actions to allot the plots. Accordingly, the plots have been allotted provisionally to 514 members during 2008-09 i.e on 5.10.2008. Further this Estate, after clearing all its debts, has started working with net profit from 2008-09 onwards.

37. The Chennai Industrial Cooperative Analytical Laboratory Ltd., (MICAL), Chennai

The Chennai Industrial Cooperative Analytical Laboratory Ltd., (MICAL) is rendering services to the member pharmaceutical units in testing their samples / products and issue test certificates to them as per the standards prescribed. The branch lab of Mical at Coonoor has obtained ISO certification. This lab has earned service charges of Rs.43.90 lakhs during the year 2008-09.

38. The Irula Snake Catchers' Industrial Cooperative Society

This Society was started in 1979 with 345 members with a paid up share capital of Rs.11.03 lakhs. At present, 232 members are engaged in snake catching. This society extracts venom from the snakes and sells it to the Research Institutions and Pharmaceutical labs for manufacturing anti-venom for snake bites. During the year 2008-09, the society has earned a net profit of Rs.56.41 lakhs.

There are 45 registered cooperative societies engaged in various other trades such as match, tailoring, engineering, coal and coke, leather servicing and other special types.

39. Tamil Nadu Industrial Cooperative Bank Ltd. (TAICO BANK)

In order to meet the credit needs of the Industrial Cooperative Societies, the Tamil Nadu Industrial Cooperative Bank Ltd. was established in 1961. This Bank has been recognized by the Reserve Bank of India for providing credit facilities in the State under the NABARD Refinance Scheme through the Tamil Nadu State Apex Cooperative Bank. This Bank is also extending financial assistance to the Micro and Small enterprises. It also extends jewel loans, housing/house mortgage loans to the general public and personal loans to the salaried employees of Government Departments and Public Sector undertakings. It has mobilized deposit to the tune of Rs.352.63 Crore, extended loans and advances to the tune of Rs.282.64 Crore and earned a net profit of Rs.4.37 Crore during the year 2008-09. The bank was functioning with 34 branches during 2008-09. However, with the opening of new branches at Villupuram, Perambalur, Nagapattinam and Ramanathapuram recently, the total number of branches has now gone upto 38.

TAMIL NADU SMALL INDUSTRIES DEVELOPMENT CORPORATION LTD. (TANSIDCO)

40. Tamil Nadu Small Industries Development Corporation Ltd (TANSIDCO), a Government of Tamil Nadu Undertaking was established in 1970 with the objective of developing the Small and Micro Enterprises (SMEs) in Tamil Nadu. The Government of Tamil Nadu first established 35 Industrial Estates in this State and subsequently issued orders to transfer them to TANSIDCO during 1974 and appointed TANSIDCO as agent of the Government for the management of these 35 Government Industrial Estates. Besides these 35 Government Industrial Estates, TANSIDCO has so far developed 43 Industrial Estates on its own in Tamil Nadu and has been maintaining all these 78 industrial estates.

In order to provide opportunity to develop Micro, Small and Medium Enterprises in all the districts, 22 New Industrial estates are proposed to be established in addition to the existing 78 Industrial Estates. In the new industrial estates, infrastructure works were taken up in 11 industrial estates, under progress in 3 industrial estates and for the remaining 8 industrial estates, land acquisition work is in progress at various stages.

TANSIDCO has so far allotted 5596 developed plots and 4385 worksheds in the existing 78 industrial estates to 6774 industrial units and generated direct employment of about 2.24 lakhs persons. The annual turnover of industrial units in all industrial estates is about Rs.11,433 Crores and export turn over is about Rs.3,112 Crores.

In the 22 new Industrial Estates, 2,226 plots will be developed for allotment to Micro, Small and Medium Enterprises. These new Industrial Estates are likely to generate direct employment for 10,000 persons approximately.

41. The main activities of SIDCO are

1. Establishment of New Industrial Estates
2. Upgradation of existing Industrial Estates.
3. Distribution of Raw Materials.
4. Marketing Assistance.

41.1 Establishment of New Industrial Estates

One of the major activities of SIDCO is the establishment of new Industrial Estates with infrastructure facilities like roads, street lights, water supply, storm water drain, etc. SIDCO develops Plots with an area of 8 Cents, 15 Cents, 25 Cents, 50 Cents and 1 Acre in these industrial estates and allots them on Hire Purchase / Outright sale basis. The procedure for allotment is as follows:

Advertisements are released in Newspapers notifying the availability of Plots and Sheds every year. The applications received are processed and placed before a Screening Committee constituted with the officials from SIDCO, Directorate of Industries and Commerce, Tamil Nadu Industrial Investment Corporation and representative from TANSTIA. The applicants are invited to appear before the Screening Committee and eligible applications with extent required are selected on merits. Allotment of plots are made by drawal of lots in a transparent manner. In respect of SIDCO owned Industrial Estates, allotment orders are issued irrespective of the extent by Chairman and Managing Director whereas in respect of Government owned Industrial Estates, Chairman and Managing Director issues allotment orders for extents less than 5000 Sq.ft and for extents more than 5000 Sq.ft prior approval of Government is obtained as per the G.O. No. 877 Industries dated 1.7.1982 and then allotment orders are issued.

41.2 Sale of Plots and Sheds

During 2008-09, SIDCO has sold 1083 Plots and 14 Sheds. It proposes to develop 802 Plots in various Industrial Estates and to sell 1531 Developed Plots and 29 Sheds during the year 2009-10.

By sale of developed plots and industrial sheds during the year 2007-2008 the Corporation has earned a profit of Rs.848.44 lakhs (before tax) and project a profit of Rs.1212.64 lakhs for 2008-2009.

42. Strengthening the infrastructure of existing Industrial Estates

The Corporation has initiated steps to upgrade and strengthen the infrastructure facilities of existing industrial estates with financial assistance under various schemes of Government of India, viz., Integrated Infrastructure Development Scheme (IID), Additional Central Assistance Scheme (ACA), Industrial Infrastructure Upgradation Scheme (IIUS), Assistance to State for Infrastructure Development for Exports (ASIDE) and financial assistance from State Government besides funds collected from the beneficiaries viz., Industrial unit holders in the Industrial Estates.

42.1 Micro, Small Enterprises - Cluster Development Programme [formerly Integrated Infrastructure Development Scheme (IID)]

42.1.1 Action has been taken to upgrade the infrastructure facilities in respect of six existing industrial estates at Kovilpatti, Kakkalur (Phase-I), Mukundarayapuram, Ooty, Alathur and Athur (Karur) in the year 2008-09 at a total project cost of Rs.1401.00 lakhs out of which Rs.560.40 lakhs is IID grant from Government of India, Rs.560.40 lakhs is from Government of Tamil Nadu and the balance of Rs.280.20 lakhs is the beneficiary contribution.

For Kurichi (Coimbatore), Mukundarayapuram (Vellore) and Ooty Industrial Estates, Government of India has sanctioned a sum of Rs.82.98 lakhs and the matching grant of Rs.82.98 lakhs has been released by Government of Tamil Nadu. Work will be taken up by August 2009.

For taking up upgradation works in respect of Industrial Estates at Alathur (Kancheepuram), Athur (Karur), Kovilpatti and Kakkalur (Phase-I) (Tiruvallur) proposals have been recommended to Government of India by SIDBI and orders from Government of India are awaited.

42.1.2 Six Industrial Estates at Tiruverumbur, Mettur, Sivaganga(Phase-I), Karaikudi (Phase-I), Marthandam and Gummidipoondi are proposed to be upgraded under this scheme for the year 2009-2010 at a total cost of Rs.764 lakhs out of which Rs.305.60 lakhs will be grant from Government of India, Rs.305.60 lakhs will be grant from Government of Tamil Nadu and Rs.152.80 lakhs will be the beneficiary contribution.

42.1.3 Guindy Industrial Estate Infrastructure Upgradation Company (GIEIUC)

The upgradation of Guindy Industrial Estate at a project cost of Rs.2794.50 lakhs is being implemented by M/s. Guindy Industrial Estate Infrastructure Upgradation Company

(GIEIUC), a Special Purpose Vehicle, formed for this purpose. Out of total project cost, Rs.1712 lakhs is met from Government of India grant, Rs.200 lakhs is met from this Government grant, Rs.320 lakhs from the share of Property Tax from Chennai Corporation and the rest as contribution from the beneficiaries. All the works are under progress and expected to be completed before September 2009.

42.2 Additional Central Assistance Scheme

Upgradation of infrastructure facilities at Industrial Estates, Pettai, Ranipet and Kappalur (Phase-I) with 80% share of Rs.195.20 lakhs from Government of India under Additional Central Assistance Scheme was taken up after mobilizing 20% share of Rs.48.80 lakhs from the beneficiaries. All works in Pettai and Ranipet have been completed and in Kappalur (Phase-I), all works will be completed by July 2009.

42.3 Industrial Infrastructure Upgradation Scheme

Ambattur, Thirumudivakkam and Thirumazhisai Industrial Estates are being upgraded under the "Industrial Infrastructure Upgradation Scheme" sanctioned by Government of India, Ministry of Industries and Commerce at a project cost of Rs.61.10 crores (approximately) wherein the contribution from Government of India is Rs.2774 lakhs under Industrial Infrastructure Upgradation Scheme and Rs.1168 lakhs under the Assistance to State for Infrastructure Development for Exports. The State Government shares the project cost by providing a grant of Rs.139 lakhs and Rs.150 lakhs by way of sharing property tax from Ambattur Municipality. The remaining project cost of Rs.1879 lakhs is proposed to be contributed by the beneficiaries of the Industrial Estates. A Special Purpose Vehicle called "M/s.Chennai Auto Ancillary Industrial Infrastructure Upgradation Company (CAAIUC)" is implementing the project. The upgradation works will be completed before September 2009.

42.4 Government have sanctioned a grant of Rs.20 lakhs under Part II for 2008-09 to meet part of the cost of upgrading the Industrial Estates at Kancheepuram, Thanjavur and Nagapattinam while SIDCO has contributed Rs.100 lakhs for the above purpose. The upgradation works for the above estates are under progress and will be completed by July 2009.

42.5 The Government have sanctioned Rs.5.00 lakhs for the construction of New Product Display Centre at Industrial Estate, Guindy. Estimate for the scheme has been prepared. Effective steps are being taken to get the required 0.47 acre of land from the land owned by

Industries Commissioner and Director of Industries and Commerce in Thiru Vi Ka Industrial Estate, Guindy.

43. NEW INDUSTRIAL ESTATES

43.1 For the year 2008-2009, the following 11 new Industrial Estates have been established.

Sl. No.	Location	District	No. of Indl. Plots
1	Arakonam (Phase-2)	Vellore	111
2	Asanur	Vilupuram	155
3	Elambalur	Perambalur	91
4	Kakkalur (Phase-2)	Tiruvallur	93
5	Kumbakudi (Phase-1)	Tiruchirappalli	50
6	Valavanthankottai (Phase-3)	Tiruchirappalli	60
7	Vinnamangalam	Vellore	38
8	Kadagathur	Dharmapuri	30
9	Kappalur	Madurai	70
10	Valliyur (Phase-2)	Tirunelveli	54
11	Myladuthurai	Nagapattinam	64

The development works in the above 11 Industrial Estates have been taken up at a total project cost of Rs.2218 lakhs.

For the year 2009-2010, the following 3 new industrial estates are developed at a total project cost of Rs.774 lakhs.

Sl. No.	Location	District	No. of Plots
1	Bargur (Phase-2)	Krishnagiri	100
2	Polupalli	Krishnagiri	135
3	Pudukottai (Phase-2) (SIPCOT)	Pudukottai	104

Apart from the above, the land acquisition is under progress for development of new industrial estates at the following places:

Sl.No.	Location	District
1	Sedapatti	Madurai
2	Vaipur	Tiruvarur
3	Thandarai	Kancheepuram
4	Polur	Tiruvannamalai
5	Sankagiri	Salem
6	Vadamugam Kangeyan Palayam	Erode
7	Kandian Koil	Coimbatore
8	Nanjai Uthukuli	Erode

44. Multistoried Flatted Factory Complex

As per the announcement made during the year 2007-08, action has been initiated to establish Multistoried Flatted Factory Complex in the following locations for allotment to Micro Enterprises:

1. Guindy in Chennai District
2. Thirumazhisai in Tiruvallur District
3. Madhavaram in Tiruvallur District
4. Ambattur in Tiruvallur District and
5. Perungudi in Kancheepuram District

The construction of Multistoried Flatted Factory Complex at Industrial Estate, Guindy has been taken up as first programme to resettle the micro units from their rental premises. SIDCO Board has accorded administrative sanction for Rs.28 Crores for this project. The Government have ordered for transfer of 1.91 acres of Government land to SIDCO and given permission to enter upon the land pending formal transfer.

45. Distribution of Raw Materials

SIDCO distributes the raw materials viz., Iron & Steel, Wax and Potassium Chlorate from its 6 Raw Material Depots and 4 Branch Offices to the industrial units based on their requirement.

During the year 2008-2009 this Corporation has handled raw materials worth Rs.68.08 crores as against Rs.52.65 crores in 2007-2008. Further, TNPL paper worth of Rs.10.29 crores have been distributed through its 11 Sale Points.

46. Marketing Assistance Scheme

Under this scheme, the Corporation participates in the tenders floated by State Government Departments on behalf of MSME units which are registered with SIDCO. SIDCO procures and distributes orders to MSME units for execution.

This Corporation has executed orders worth Rs.36.65 lakhs during 2008-09 and plans to execute orders worth Rs.110.00 lakhs during 2009-2010.

TAMILNADU SMALL INDUSTRIES CORPORATION LTD. (TANSI)

47. Tamil Nadu Small Industries Corporation Limited, popularly known as TANSI, was established on 1.12.1965. This Corporation was formed under the Companies Act, 1956 by bringing together various small scale units set up by the Department of Industries and Commerce. The initial turnover in 1965 was Rs.3.42 Crore which increased gradually and reached about Rs.50 Crore during 2003. Subsequently, due to increase in production costs, the Corporation suffered huge losses. Hence, most of the production units were closed. Consequently, the staff strength was also reduced. After the Government initiated various rehabilitation measures during the past three years, the Corporation which had become sick has turned the corner and is on the road to recovery and progress. The turnover which stood at Rs.61.80 Crore, during 2005-06 has increased to Rs.125.28 Crore in 2008-09 which was the highest ever achievement.

48. Production Units

This Corporation has 22 Production Units and 14 Project Cells under its control which carry out production of various items. Apart from production and supply through these units, this Corporation also procures various materials on open tender basis from private units and supplies the requirements for steel and wooden furniture, heavy and light structurals, galvanized materials for Electricity Board, Agricultural Department, Health Department, Courts, Industries Department, Water Supply Department, Education Department, Transport and Social Welfare Departments.

TANSI has carved a niche for itself in the manufacture and supply of galvanized Power transmission towers, Microwave Towers, Heavy Structurals of various kinds, galvanization, Hand Pumps for borewells, quality wooden and steel furniture etc. TANSI has also been supplying various items required under the Sarva Shiksha Abhiyan, "Operation Black Board Scheme", installing hand pumps for drinking water during droughts on turn-key basis and supply of pumps and pump spares all over the State.

Further, the TANSI manufactures and supplies Jigs and Fixture for Launch Vehicles for the Indian Space Research Organisations, Structural beams and columns for Power Plant erection to Bharat Heavy Electricals Ltd. etc.

49. Performance of 2008-09 and Target for 2009-10

(Rs. in lakhs)

Items	2008-09		2009-10
	Target	Achievement	Target
PRODUCTION	11000	12924.31	30000
SALES	11000	12528.08	30000
OPERATING PROFIT	1737.31	3155.85	4724.06

Tamil Nadu Paints and Allied Products Limited (TAPAP) is manufacturing red oxide paints, rubberized paint for road marking, various enamel paints etc. which cater to various industrial and domestic requirements.

During the year 2008-09, TANSI has been entrusted with the work of supply of materials for electricity in 26 Districts of Tamil Nadu for giving connections to Below Poverty Line (BPL) families by TNEB, on turnkey contract worth Rs.250 Crore, under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY). The order is being executed and the same will be completed during the current year.

PONGALUR N. PALANISAMY,
MINISTER FOR RURAL INDUSTRIES AND ANIMAL HUSBANDRY

MICRO, SMALL AND MEDIUM ENTERPRISES DEPARTMENT
BUDGET ESTIMATE
Demand No.44

(Rs.in Thousands)

Head of Account	Budget Estimate 2008-09	Revised Estimate 2008-09	Budget Estimate 2009-10
2851 Village and Small Industries	772222	855694	893036
2852 Industries	42133	48985	61595
3451 Secretariat Economic Services	26051	20831	23659
4425 Capital Outlay on Co-operation	1974	1974	2
4551 Capital Outlay On Hill Areas	1	26338	1
4851 Capital Outlay on Village and Small Industries	6003	6003	3
6851 Loans for Village and Small Industries	0	26338	1
Total	848384	986163	978297

PONGALUR N. PALANISAMY,
MINISTER FOR RURAL INDUSTRIES AND ANIMAL HUSBANDRY