

2.17. Village & Small Industries

2.17.1. Village and Small Industry Sectors have become prominent players in the total manufacturing sector of the Country. The State of Tamil Nadu with a vibrant SSI Sector has carved out a niche for itself among other States. The importance of these sectors stems from the fact that they make a substantial contribution to the State Domestic Product (SDP) and serve as a large employment provider next only to agriculture, facilitating equitable distribution of national wealth, reduction of inter and intra regional disparities, accentuating the rural mobilization and utilization of resources and by exploiting the rural skills preventing exodus to urban agglomerations. As an important sector of the economy as a whole, Small Scale Industries sector accounts for 95 % of industrial units, 40 % of output in manufacturing sector and 35 % of exports. There are nearly 5.16 lakh registered SSI Units in Tamil Nadu with total investment about Rs.16,199 crore as on 30.06.2006. Employment is provided for more than 36 lakh persons.

2.17.2. This sector is undergoing a big transformation. The sector is set to shed its old skin and emerge in the market as a dynamic player. The role of Government would be constructively expanded during the XI Plan period to provide advisory and other support to enable these industries to go in for capital up-gradation, product diversification and quality and cost controls to ensure that they remain competitive in the fast changing market.

2.17.3. In consonance with current trends, Government changed the nomenclature of SSI sector into SME sector, giving due importance to the enterprise segment and at the same time bringing or merging the medium sector into its fold. The new Micro Small and Medium Enterprises Development (MSMED) Act which came into force on 2nd October 2006, is expected to bring about a sea change in the SME sector as it envisages the establishment of an apex statutory body (National Small & Medium Enterprises Board), the introduction of the concept of an enterprise rather than industry the classification of enterprises as Micro, Small, Medium etc., including services, the enactment of the establishment procedure for setting up SME units, the procurement policy, dispute resolution policy, the

delayed payment penalty policy, the exit route policy besides enabling provisions for facilitating credit for the sector.

Directorate of Industries and Commerce.

2.17.4. The nodal agency for implementing programmes for the development of Small Scale /Tiny Sector Industries is the State Directorate of Industries and Commerce. It has been entrusted with the responsibility to register small scale industrial units, to assist them under the 'Single Window' system to get statutory approvals and clearances, providing testing facilities for electrical, electronic and chemical industries, etc. District Industries Centres are functioning in 29 Districts in Tamil Nadu except Chennai District where Regional Joint Directorate renders all help to the prospective entrepreneurs for starting Small, Rural and Tiny industries. District Industries Centres provide escort services to the entrepreneurs, i.e., in identification of industries, in the preparation of project profile, obtaining financial assistance from financial institutions and sanction and disbursement of State subsidies and incentives. Export Guidance cells have been created in all the District Industries Centres to provide information relating to export activities, potential for further exports and to provide necessary assistance in procedural matters. The Directorate has also established and maintains Industrial Estates for various activities such as chemical, ceramics, electrical, electronic and allied industries.

2.17.5. Entrepreneur Development Programmes are being conducted by the Department of Industries and Commerce with a view to motivate first generation Entrepreneurs to take up self employment ventures. On completion of the above training programme, financial assistance is tied up for the entrepreneurs through financial institutions to enable them to start their own industrial/ business ventures. Around 1,36,399 women were trained during the period from 2001-02 to 2005-06 under the Women EDP Scheme.

2.17.6. The Prime Minister's Rozgar Yojana (PMRY) for Educated Unemployed Youth was launched by Government of India on October 2nd 1993. The scheme is fully funded by GOI. 24,773 beneficiaries have been

disbursed with financial assistance for about Rs.85.41 Crore under the scheme during 2005-06.

2.17.7. The Government, in December 2003, introduced a scheme to provide Back Ended Interest Subsidy to SSI units with the objective of reducing the interest burden on SSI and tiny units for loans obtained for Technology Upgradation / Modernisation etc., The Government will endeavour to take the scheme to the beneficiaries and continue it in future.

2.17.8. In order to encourage the small scale sector which has tremendous employment generation potential, the scheme of providing capital subsidy assistance to small scale industries established in industrially backward areas of the State is to be revived. A Committee of officials has been constituted to advise on the criteria for determination of industrially backward areas. On receipt of its recommendations action will be taken to grant capital subsidy to small industries.

2.17.9. Tamil Nadu Small Industries Development Corporation Limited (TANSIDCO) a Government of Tamil Nadu Undertaking, was established in 1970 with the specific objective of developing the Small Scale Industries (SSIs) sector in Tamil Nadu. TANSIDCO has been implementing over the years a number of schemes for the promotion of Small Scale Industries, particularly with a view to generate self employment to technocrats, educated (unemployed) youth and women entrepreneurs.

2.17.10. One of the major activities of TANSIDCO is the establishment of industrial estates with infrastructural facilities like roads, storm water drains, street lights, water supply, drainage etc. TANSIDCO develops plots and also constructs factory sheds of various sizes in these Industrial Estates and allots them on easy instalment basis / outright sale basis. TANSIDCO has developed 43 industrial estates and also manages 35 Government Industrial Estates on agency terms. So far TANSIDCO has developed 4798 plots and constructed 4260 sheds. During 2005-06 TANSIDCO has sold 376 plots and 22 sheds. During 2006-07, TANSIDCO proposes to develop 507 plots in various Industrial Estates and sell 644 Developed Plots and 60 sheds.

2.17.11. TANSIDCO has established a Women Industrial Park in an extent of 51.70 acres in the first phase of development of Vazhavanthankottai in Trichy District during 2002-2003. It has proposed to develop another 83.55 acres of land at Vazhavanthankottai at a cost of Rs.125 lakh as a Phase II development for the benefit of Ancillary units catering to Bharat Heavy Electricals Limited. In addition to the above, action is being pursued to establish Industrial Estates in Madurai (Women Industrial Park) and Theni, Vinnamangalam and Mayiladuthurai (Techno Parks).

2.17.12. The Corporation has initiated steps to strengthen the infrastructure of existing industrial estates. The upgradation of Guindy Industrial Estate is being implemented at a cost of Rs.1002.24 lakh by Guindy Industrial Estate Infrastructure Upgradation Company (GIEIUC) a Special Purpose Vehicle formed for the purpose. TANSIDCO proposes to take up upgradation of infrastructure at the Muguntharayapuram, Ooty and Kappalur (Phase-II) Industrial Estates under IID Scheme of Govt. of India and upgradation of infrastructure of Auto Ancillary Cluster at Ambattur, Thirumudivakkam and Thiumalisai Industrial Estates under Industrial Infrastructure Upgradation Scheme (IIUS) at an outlay of Rs.127.60 Lakh during 2007-08 .

Handlooms & Textiles

2.17.13. The Textile Industry occupies a pivotal place in the economy of Tamil Nadu. Tamil Nadu has played a key role towards achieving the growth of the Textile Industry in India. The Textile Industry in Tamil Nadu not only provides employment, but also caters to the clothing needs of community. The State's textile industry also has a significant presence in the national economy. The Textile Industry in the private sector has a very important role to play in the Industrial field, with regard to employment potential, overall economic and commercial activities. This industry enables the Central and State Government to earn revenue, besides foreign exchange through exports. Spinning, Handloom, Powerloom and Garments are the four pillars of the Textile Sector in the State.

2.17.14. Tamil Nadu is the only state in the country which has a complete textile value chain. Of the 1787 organised textile mills in the country, Tamil Nadu accounts for 834 units. Of the All India spinning capacity of 34.03 million spindles, Tamil Nadu alone has 12.91 million (38%). These mills together provide direct employment to about 2.99 lakh workers. Besides they provide Indirect employment to several lakh of workers in handloom, powerloom, garment, hosiery and processing units. Around 42% of the yarn produced in the country is from Tamil Nadu Textile Mills and 47% of the cotton yarn exports valued at Rs.3065 crore come from these mills.

2.17.15. The Handloom industry is one of the largest economic activities in Tamilnadu providing employment about 6.63 lakh weavers. As against 4.29 lakh Handlooms in Tamilnadu, 2.17 lakh handlooms are functioning under 1232 Handloom Weavers Co-operative Societies and the remaining 2.12 looms are outside the Cooperative fold. The average annual production of handloom cloth in the State is about 2500 lakh metres, of which, contribution made by handloom cooperatives is around 1200 lakh meters. In the context of opening up of global textiles market, the approach of the Government would be to 'sustain the handloom industry' and 'continue to provide livelihood to the Lakh of weavers who depend on this activity' by taking up initiatives for constant skill upgradation to produce marketable products, technology upgradation to increase the productivity and to maintain quality to compete in the world market besides product diversification through continuous design interventions.

2.17.16. The Powerloom sector in Tamilnadu has also been playing an important role in meeting the clothing needs of the people. There are 4.50 lakh Powerlooms in Tamil Nadu, providing employment to about 9.14 lakh workers. As far as Cooperative Sector is concerned, 133 Powerloom Weavers Co-operative Societies are functioning with around 32,087 Powerlooms in Tamilnadu. The major challenges faced by the Powerloom Industry pertains to low productivity and Low level of skills of the persons engaged in the Industry. The Government will act as a facilitator to provide appropriate infrastructure towards enhancing productivity and skills. The infusion of upgraded technology looms and establishment of more number of hi-tech

powerloom weaving parks are likely to ensure these. Large-scale training will be imparted to the persons to meet the requirement of the industry.

2.17.17. The Hosiery and Garment sectors are the fast growing segments of the Textile Industry in Tamil Nadu. There are about 400 garment units in the State providing employment to about 2 lakh persons contributing Rs.2500 crore in foreign exchange. In Hosiery sector in the State, most of the units are located in Coimbatore District. There are about 8000 hosiery units in India, of which 4000 units are located in Tamil Nadu. The hosiery sector in Tamil Nadu is providing large scale employment to around 3 lakh persons and contributes 44% of Country's export. It contributes about Rs.8000 crore in foreign exchange.

2.17.18. Processing is an important value added segment in the Textile Sector. There are 2614 Hand Processing Units and 985 Power Processing Units located in Tamil Nadu. Out of 985 Power Processing Units in the State, 713 Units are located in Tirupur. The State Government is taking initiative to set up one exclusive Processing Park at Cuddalore under the Scheme of Integrated Textile Park launched by Government of India.

2.17.19. The demand for the Indian Textile goods has increased manifold in recent years due to the liberalization of global trade. Textile units have started installing Modern Hi-Tech machineries to increase the production capacity and also to meet the international standards in quality. This necessitates supply of skilled manpower in more numbers to the textile industry. Government will take suitable steps to start training courses covering the process of ginning to finishing in Textiles Sector in the existing Industrial Training Institutes (ITIs) and Polytechnics to meet the growing demand of the Sector and the rural youth-particularly in the Southern and Backward Districts will be trained and suitably accommodated in the textile units, across the State.

The Department of Handlooms and Textiles

2.17.20. The Department of Handlooms and Textiles has been implementing various welfare and developmental schemes so as to promote the socio-economic conditions of the Handloom weavers and also looking

after the smooth functioning of the Spinning and Textile mills, Garment and Hosiery sectors in the state. Some of the welfare and developmental schemes being implemented by the Department of Handlooms and Textiles are as follows:

Welfare schemes:

- ? Deendayal Hathkargha Protsahan Yojana (DHPY)
- ? Weavers House-Cum-Workshed Scheme
- ? Workshed Scheme
- ? Bunkar Bima Yojana Scheme (Insurance scheme for Handloom Weavers)
- ? Group Insurance Scheme for Handloom Weavers
- ? Health Package Scheme for Handloom Weavers
- ? Integrated Handloom Training Scheme
- ? Central Thrift Fund Scheme
- ? Free distribution of Sarees and Dhotis Scheme

Developmental schemes

- ? Establishment of Apparel Park in Tirupur and Irungattukottai
- ? Establishment of Hi-tech Shuttleless Weaving Parks in Palladam, Andipatti and Kumarapalyam
- ? Textile Centre Infrastructure Development Scheme in Tirupur and Kanchipuram
- ? Establishment of a Composite Textile Park at Karur with the financial assistance from the (UNIDO)
- ? Establishment of Enforcement Machinery

Khadi & Village Industries

2.17.21. The promotion and development of Khadi and Village Industries in the State with a view to providing employment to rural people utilising locally available raw material, and thereby improve their economic condition is looked after by the Tamil Nadu Khadi and Village Industries Board which was formed in 1960. The major activities are production of Cotton and Silk. Village Industries include leather and leather products industry, hand made

paper industries, bee keeping industry, pottery, non-edible oil & soap industry, service sectors and gem cutting industries etc. The KVIB has 501 production units. The Board has 201 Khadi krafts, 10 Grama Shilpas and 8 Leather Sales Depots to popularise and market the products produced by the units of the Board and the Cooperative Societies. The various schemes implemented by the Board by availing of financial assistance of State and Central Government are Integrated Tribal Development Programme, Western Ghat Development Programme, Hill Area Development Programme, Special Central Assistance for SC/ STs, Rebate on Sale of Khadi and Silk varieties, Establishment of Honey Testing Lab at Nagercoil and Jawadhu Hills.

Palm Products Development

2.17.22. The main objective of the Tamil Nadu Palm Products Development Board which has been functioning with effect from 6.1.95, is to introduce modern concepts, to promote research for the development of Palm Products industry and better utilisation of Palm products with the social objective of uplifting the economic condition of rural palmgur artisans. Out of estimated 8.59 crore of Palmyrah trees in India, about 5.2 crore are in Tamil Nadu. About 30,000 artisans mostly belonging to Scheduled Castes are engaged in Palm products industry such as tapping of Neera, production of Palm jaggery, Palm candy and other edible items out of palm sugar and extraction of Palm fibre, manufacturing of Palm leaf articles, manufacturing of brush varieties and other activities under non edible items.

Sericulture

2.17.23. Tamil Nadu a traditionally silk producing State is having 22180 acres under mulberry cultivation. Sericulture consists of cultivation of mulberry and rearing of silkworms. Sericulture Industry has a high employment and income generation potential for farmers, especially women in rural Tamil Nadu. 60% of the works are carried out by women and they are involved in garden maintenance, Silk Worm rearing, Cocoon harvesting, Silk reeling etc. Tamil Nadu is the major silk consuming State and the estimated requirement of silk will be 1500 metric tones per year. During 2005-06, 739 M.T. of raw silk was produced in the State and it is

anticipated to produce 1150 M.T. during 2006-07 and the standing mulberry acreage will be 25000 Acres. It is programmed to cover additional 10000 acres under mulberry every year during XI Plan.

2.17.24. The main activities of the Directorate of Sericulture are:

- ? Motivating farmers to plant high yielding varieties, imparting training in mulberry cultivation and silkworm rearing and reeling process.
- ? Extending assistance in procurement of improved equipments and construction of rearing houses.
- ? Ensuring quality disease free Silkworm seeds
- ? Transfer of technology for increased cocoon productivity
- ? Providing assistance for establishing small reeling units under private sector.
- ? To propagate judicious use of water by introducing drip irrigation.
- ? To maintain the flow of funds to SC/ ST beneficiaries.
- ? To provide marketing facilities.

2.17.25. The schemes that would be continued to be implemented during 2007-08 are Catalytic Development Programme, Hill Area Development Programme, Western Ghat Development Programme, Incentive for Planting improved mulberry varieties, Training to take up Bivoltine crops, etc.

Handicrafts Development

2.17.26. The Tamil Nadu Handicrafts Development Corporation is the one and only agency not only providing marketing assistance to craftsmen but also nurturing and developing heritage crafts of Tamil Nadu. The Corporation is running its business under the trade name Poompohar and today Poompohar is a repository for the best handicrafts of Tamil Nadu. The Corporation is presently running 16 showrooms in Tamil Nadu and 4 showrooms in other States.

2.17.27. The agreed outlay for the year 2007-08 for Village and Small Industries is Rs.401.72 crore. Of this, the outlays earmarked for Scheduled Caste Sub Plan and Tribal Sub Plan are Rs.80.34 crore and Rs. 5.58 crore respectively.