

Small Industries Department, Government of Tamilnadu

POLICY NOTE 2007-2008

in respect of

Tamilnadu Small Industries Development Corporation Limited

Tamilnadu Small Industries Development Corporation Limited (TANSIDCO) a Government of Tamil Nadu Undertaking, was established in 1970 with the specific objective of developing the small industries sector in Tamilnadu. SIDCO has been implementing over the years schemes for the promotion of Small Scale Industries. The website of SIDCO www.sidco.tn.gov.in provides detailed information about the schemes of SIDCO, the vacancy position of work sheds and plots in industrial estates and the availability of various raw materials in the Raw Material Depots of SIDCO.

2. SIDCO undertakes the following promotional activities

1. Establishment of Industrial estates
2. Distribution of raw materials
3. Marketing assistance scheme

2.1 Establishment of Industrial Estates

One of the major activities of SIDCO is the establishment of Industrial estates with infrastructural facilities like roads, storm water drains, street lights, water supply, drainage etc. SIDCO develops plots and also constructs factory sheds of various sizes in these Industrial Estates and allots them on easy instalment basis / outright sale basis. SIDCO has so far developed 43 Industrial Estates besides managing 35 Government Industrial Estates on agency terms.

2.2 During 2006-07 SIDCO has sold 247 plots and 39 sheds. During 2007-08, SIDCO proposes to develop 574 plots and sell 809 developed Plots and 58 Sheds.

3. Strengthening and Developing the infrastructure of Industrial Estates

The Corporation has initiated steps to strengthen the infrastructure of existing Industrial Estates.

Developmental schemes implemented with the assistance of Central / State Governments.

3.1 Integrated Infrastructure Development Scheme:

Sanction has been accorded by the Govt. of India for taking up upgradation works under Integrated Infrastructure Development (IID) Scheme at a cost of Rs.506.59 lakhs in respect of Kappalur Phase II, Kurichi and Virudhunagar and sanction at a cost of Rs.168.00 lakhs for upgradation works in respect of Industrial Estates in Uthagamandalam in The Nilgiris and Mukundarayapuram in Vellore District is expected shortly. These will be taken up during 2007-08. The upgradation of Guindy Industrial Estate at a cost of Rs.1,296.40 lakhs is now being implemented by Guindy Industrial Estate Infrastructure Upgradation Company (GIEIUC), a Special Purpose Vehicle formed for the purpose.

3.2 Additional Central Assistance Scheme:

Action is being taken to upgrade the infrastructure of Pettai, Ranipet, and Kappalur Phase I Industrial Estates with assistance under Additional Central Assistance Scheme by mobilizing 20% of the project cost from the beneficiaries at a total cost of Rs.244 lakhs. Works will be completed in 2007-08.

3.3 Industrial Infrastructure Upgradation Scheme:

Ambattur, Tirumudivakkam and Thirumazhiszai Industrial Estates are being upgraded under the Industrial Infrastructure Upgradation Scheme. A Special Purpose Vehicle by the name of Chennai Auto Ancillary Industrial Infrastructure Upgradation Company (CAAIUC) is implementing the project. The sanctioned cost of this project is Rs.47.49 crores with an assistance of Rs.27.74 crores from Govt. of India. Works will be completed in 2007-08.

3.4 Assistance from the State Government:

Government have given a grant of Rs.25/- lakhs in 2006-07 to meet part of the cost of upgrading SIDCO estates at Kosakulam Pudur (Madurai) Salem and Erode. The upgradation works for the above estates at a cost of Rs.101.50 lakhs, is under progress and will be completed by end of April, 2007.

3.5 In addition to the above, SIDCO will upgrade all its estates in a phased manner. In the year 2006-07, work have been taken up at the following estates from the funds of SIDCO at an estimated cost of Rs 179.75 lakhs

1. Dindigul
2. Pudukottai
3. Krishnagiri
4. Karur
5. Tiruppur
6. Tiruchengodu
7. Namakkal

Implementation is under various stages. The upgradation works will be completed by August, 2007.

3.6 In 2007-08 SIDCO will upgrade the Industrial Estates at Ariyamangalam in Trichy, Theni and Dharmapuri at a cost of Rs.100 lakhs with the assistance of Government of Tamil Nadu.

3.7 During the year 2007-08, steps will be initiated to take up upgradation works at the following estates, from SIDCO's own funds.

1. Katpadi
2. Tiruvannamalai
3. Cuddalore
4. Pilliarpatti near Thanjavur
5. Mathur, Pudukkottai district
6. Konam near Nagercoil
7. Vadalur, Cuddalore district

4. NEW INDUSTRIAL ESTATES

4.1 During the year 2006-07, the Corporation initiated works to establish new Industrial Estates at the following locations.

4.1.1 Vazhavanthankottai Phase II in Thiruchirapalli District

With a view to assist the ancillary units which manufacture spare parts required by major industries like Bharat Heavy Electrical Limited, an extent of 83.55 acres of land in Vazhavanthankottai Phase-II has been taken up for development at an expenditure of Rs.125 lakhs. The development works are in progress and will be completed by July, 2007.

4.1.2 Plans have been initiated in respect of establishing Industrial Estates at Kappalur in Madurai (Women Industrial Park) Techno Parks at Vinnamangalam, Myladuthurai and Theni. In respect of Theni, land acquisition proceedings have to be initiated as no Government poromboke lands are available.

5.1 During the year 2007-08, the Corporation plans to establish new Industrial Estates at the following locations.

5.1.1 Pollupalli in Krishnagiri District

SIDCO is in possession of an extent of 86.64 acres of land for formation of an Industrial Estate at Polupalli Village in Krishnagiri Taluk and District. SIDCO has received about 160 offer letters with commitment charges from the SSI units, indicating their willingness to start industries. In view of the good response, SIDCO will be undertaking development works for providing infrastructure facilities and development of plots shortly.

5.1.2 Oragadam in Kancheepuram District:

SIDCO proposes to form an Industrial Estate at Oragadam on allotment of 100.00 acres of land at Oragadam Phase-II by SIPCOT.

5.1.3 Elambalur in Perambalur District

SIDCO is in possession of 44.48 acres of land (alienated) at Elambalur near Perambalur (60 KMs from Trichy). Board approval has been given for development works

5.1.4 Bargur in Krishnagiri District - Phase-II

An extent of 31.640 acres of land was alienated to SIDCO for the formation of Industrial Estate at Bargur in Krishnagiri District. SIDCO had constructed 20 Nos. of Sheds in Phase I and allotted to the Small Enterprises. It is now proposed to develop 100 Tiny plots on about 19 acres at an estimated cost of Rs.93 lakhs with a view to encourage Micro Enterprises.

5.1.5 Kakkalur in Thiruvallur District- Phase-II

An extent of 283.010 acres of land was acquired for the formation of Industrial Estate at Kakkalur in which an extent of about 36 acres of undeveloped land is still available. It is proposed to develop the same as a Phase-II scheme and allot them to small enterprises.

5.1.6 SIDCO plans to establish new Industrial Estates in Thiruvarur and Villupuram districts which have, so far, not been covered.

5.1.7 In all the proposed industrial estates, SIDCO will give special priority to women entrepreneurs while making allotment of plots for setting up of industries. Further, to motivate the entrepreneurs to start the industries, SIDCO will be conducting Entrepreneurs Development Programme in association with General Manager, DIC, Lead bank, TANSTIA / District Small Scale Industries Association.

6 Distribution of Raw Materials

One of the main functions of the Corporation is to distribute raw materials to small enterprises at reasonable prices from its 17 depots. SIDCO handles the following raw materials:

- (i) Iron & Steel
- (ii) Wax
- (iii) Potassium Chlorate
- (iv) Paper

The total value of sales of these raw materials in the year 2006-07 is Rs. 3770.00 lakhs.

The details of target and achievements of sales for the year 2006-07 and Target for the year 2007-08 are as follows:-

| SI No | Material | Target for 2006- 07 | Achievement for 2006-07 (MTs) | Target for 2007- 08 (MTs) |
|-------|--------------------|---------------------|-------------------------------|---------------------------|
| 1 | Iron & Steel | 20000 | 8509 | 10000 |
| 2 | Wax | 1500 | 1113 | 1500 |
| 3 | Potassium Chlorate | 60 | 27.5 | 60 |
| 4 | Paper | 2265 | 1401 | 2000 |

7 Marketing Assistance Scheme

Under this scheme, the Corporation participates on behalf of SSI units, which are registered with SIDCO in the tenders floated by State Government Departments, procures and distributes orders to small enterprises for execution. Value of orders executed in 2006-07 is Rs.55.02 lakhs and plans to execute orders worth Rs.60 lakhs during 2007-08.

7.1 Export Marketing Assistance

SIDCO has created a website, www.sidcoexports.com and displays the details of products and company profiles of the units registered under this scheme.

8. Part II Schemes for 2007-08

The SIDCO has proposed to improve the infrastructure facilities in the Government Industrial Estates at Ariyamangalam, Dharmapuri and Theni under Part II Scheme at a cost of Rs.100 lakhs, which includes Government grant of Rs.25 lakhs.

