

SMALL INDUSTRIES DEPARTMENT

POLICY NOTE 2006-07

Demand No. 44

The small scale industrial sector plays a vital role in the economy of Tamil Nadu. The Small Scale Industries Sector acts as a nursery for the development of entrepreneurs. Small Scale Industries account for 95 per cent of industrial units, 40 per cent of the output in the manufacturing sector and 35 per cent of exports. As on 30.6.2006, 5.16 lakh SSI units have been registered. The total investment in these units is more than Rs.16,199 crores. Employment has been provided for more than 36 lakh persons.

The Small Industries sector provides employment opportunities next to agricultural and allied sectors. Small Industries act as a source of business ideas. The Government under the leadership of Dr.Kalaignar is aware that efforts to usher in self sustainable economic growth will be achieved only if productive employment in the SSI sector rises. Government is therefore committed to the creation of a facilitating environment for small business and entrepreneurship.

In the Governor's address to the State Legislature on 24.5.2006, it was stated as follows:

"This Government will be easily accessible to investors, and function as their ally, providing all required facilities to them for establishing industries. 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 will be revived by this Government."

This Government led by Dr.Kalaignar who is holding office as Chief Minister for the fifth time has indicated in the budget that :-

"This Government is well aware of the important role played by Small and Tiny Industries in employment generation in rural areas. During the previous DMK regime, capital subsidy was granted to industries established in industrially backward areas. It has been announced in the Governor's address that this scheme will be revived. As per this announcement, 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. For this purpose Rs.11 crores has been provided".

2. Directorate of Industries and Commerce

The Directorate of Industries and Commerce is the nodal agency for the development of small scale industries in the State of Tamil Nadu. The Directorate implements a variety of programmes with emphasis on the development of industries, upgradation of technology and quality control.

2.1 Registration of SSI units

SSI units have the option to register themselves with the Directorate of Industries and Commerce. For the convenience of entrepreneurs, the Directorate has arranged for online provisional certification through 269 browsing centers in the state. During 2005-06, 60211 prospective entrepreneurs registered themselves online. Provisional certificates issued by the Department qualify the entrepreneurs to get all statutory clearances, sanction of loan, power connection, allotment of sheds or plots in SIDCO estates. Once a unit commences production, it is eligible for a permanent certificate. 67,005 provisional and 20,399 permanent registration certificates were issued by the Directorate during 2005-2006. In the year 2006-07, the Department will take all efforts to ensure 70,000 provisional and 30,000 permanent registration certificates are issued.

2.2.1 Escort services under Single Window

To mitigate inconvenience to the prospective entrepreneurs and facilitate speedy start up, the District Industries Center in each district is functioning as the Single Window for obtaining statutory approvals required from the Pollution Control Board, Tamil Nadu Electricity Board, Local Body, Fire Services and Public Health Department etc.

2.2.2 Testing, Servicing and Production Facilities

2.2.2.1. Chemical

Chemical Testing and Analytical Laboratory (CTAL), Guindy, Chennai, undertakes material testing, physical testing, chemical testing, equipment calibration etc. The Regional Testing Laboratories at Madurai, Coimbatore, Salem and Thoothukudi render the above mentioned support services to small scale industries in the respective regions. These testing laboratories offer 50% concession on testing fees to registered SSI units. 52,191 samples have been tested in these five laboratories during last year.

2.2.2.2 Electrical

The Central Electrical Testing Laboratory, Kakkalur offers testing facilities for electrical products. Nearly 160 electrical items and new electrical/electronic products like TFL lamps, compact fluorescent lamps, smart card readers, automatic power saving device etc. are being tested in the laboratory. Common Facility Centre, Hosur provides product development facilities for electronic units in and around Hosur. Environmental Chambers have been purchased and installed in the premises for the use of entrepreneurs for product development. During 2005-06 around 4,823 samples have been tested in the two facilities.

2.2.2.3 Government Production Centre for Scientific Glass Apparatus, Coimbatore

The Centre manufactures scientific glass apparatus to cater to the needs of the testing laboratories attached to the Agriculture Department and other Government Departments and institutions.

2.2.2.4 Electro Medical Equipment Centres

The Government have set up four Electro Medical Equipment Centres at Guindy, Madurai, Thanjavur and Coimbatore for repairing and servicing electro medical equipments belonging to Government hospitals.

2.3. Training Institutes

2.3.1 Institute of Ceramic Technology

The Institute of Ceramic Technology, Vridhachalam, runs a Diploma Course in Ceramic Technology. The duration of the course is three years and six months including six months of inplant training. Thirty students are admitted every academic year.

2.3.2 Government Scientific Glass Training Centre, Guindy

The Centre organises a two year certificate course under which practical training is imparted to students in the manufacture of scientific glass apparatus. Twenty five students are trained every year. Fifty three batches of students have completed their training till 31.3.2006.

2.3.3 Government Technical Training Centre, Guindy

This Institute offers a three year Diploma course in Mechanical Engineering in the specialized branches of (i) Tool and Die Engineering (ii) Refrigeration and Air Conditioning with an annual intake of thirty and forty students respectively. Besides, a one year Post Diploma in Die and Tool Design is also offered with an annual intake of ten students.

2.3.4 Institute of Tool Engineering, Dindigul

This Institute offers a three years Diploma Course in Mechanical Engineering in the specialized branches of Tool and Die Engineering with an annual intake of thirty students.

2.3.5 The Directorate of Technical Education conducts examinations for all the above mentioned courses and awards Diploma Certificates . All the courses have been recognized by the All India Council for Technical Education, New Delhi.

2.4 Regulatory Functions

2.4.1 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, Cables, 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 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 (Electrical and Electronics), Chennai in respect of Chennai district.

2.4.2 Implementation of Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings, Act 1993

Under the 'Interest on Delayed Payments to Small Scale Industrial Undertakings, Act', 1993, State Governments have been empowered to constitute Industries Facilitation Councils in the State. The Government of Tamil Nadu have constituted four Regional Industries Facilitation Councils at Chennai, Madurai, Trichy and Coimbatore.

2.5 Government Industrial Estates:

2.5.1 Ceramics:

The Department has promoted an Industrial estate for Ceramics at Vridhachalam. The Estate comprises of 64 industrial sheds. The Industrial units in this estate manufacture low tension insulators, sanitaryware, artware, refractory bricks and other refractory materials.

2.5.2 Electrical and Electronic

Government have established eight industrial estates specifically for electrical and electronic industries. Of the eight industrial estates, two are located in Chennai (Tiruvanmiyur and Perungudi), and one each in Tiruvallur(Kakkalur), Madurai(Kappalur), Salem(Suramangalam), Coimbatore (City), Krishnagiri(Hosur), and Trichy (Thuvakudi) districts. 515 plots and 140 sheds have been developed in these industrial estates.

2.6 Registration and Promotion of Industrial Co-operatives

Industries Commissioner and Director of Industries and Commerce is the functional Registrar of Industrial Co-operatives in the State. As on 31-03-2006, 306 Industrial Co-operative Societies are registered with the Department out of which 203 earned audited profits in the year 2004-2005. During 2005-06, these societies, cumulatively achieved a sales turnover of Rs.394 crores.

2.6.1 Industrial Co-operatives for Tea

There are 17 Tea Industrial Co-operatives in Nilgiris District, registered with the Department. Of these, 15 are production societies and 2 are trading societies.

2.6.1.1 The Industrial Co-operative Tea Factories

The Department has promoted 15 Industrial Co-operative Tea Factories in Nilgiris District with a membership of nearly 20,000 small tea growers. During 2005-06, these factories have purchased 475.87 lakh kgs of green leaf and produced 123.42 lakh kgs. of tea valued at Rs. 4,289.16 lakhs. The Government led by Dr.Kalaingar has announced in the budget the following in respect of Sales Tax levied on tea:

“In order to benefit thousands of small tea growers and manufacturers in the State the Government has decided to reduce the rate of General Sales Tax from 4% to 1% and

Central Sales Tax from 2% to 1% in respect of tea sold in the auction centres of Tea Serve. In respect of other auction centres at Coimbatore and Coonoor, the rate of General Sales tax will be reduced from the present 8% to 4% and Central Sales Tax from 4% to 2%. Levy of Additional tax and surcharge will also be exempted on sales effected at these auction centres”.

2.6.1.2 INDCOSERVE

The Tamil Nadu Small Tea Growers Industrial Co-operative Tea Factories Federation Ltd., (INDCOSERVE), established in 1965, has grown to be the largest tea trading Co-operative in India. Besides other activities, the Federation has sold through the Public Distribution System and retail Co-operative societies 3385 M.Ts of tea worth Rs.2,835 Lakhs named “Ooty Tea” last year. During last year, INDCOSERVE registered a total turnover of Rs. 2,886 lakhs and earned a provisional profit of Rs. 294.44 lakhs.

2.6.1.3 Tea Manufacturers’ Service Industrial Co-operative Society (TEASERVE)

TEASERVE, a new Co-operative, set up to run an Electronic Tea Auction Centre at Coonoor ensures transparency in auctions and reasonable prices for made tea. This Society sold 12796 M.Ts. of made tea valued at Rs.4,500.67 lakhs and earned a profit of Rs. 0.84 lakhs for last year.

2.6.2. Sago and Starch sector

The Salem Starch and Sago Manufacturers Service Industrial Co-operative Society Ltd., popularly known as “SAGOSERVE”, is one of the most successful examples of Industrial Co-operatives. The Society has 370 members with a paid up share capital of Rs.564.82 lakhs, which includes a Government share of Rs. 99.83 lakhs. At present, the Society has got 10 godowns with a storage capacity of 2.25 lakh bags. After the formation of the Society, starch and sago producers, especially in the small scale sector, have been able to get better prices for their products. During last year the society registered a turnover of Rs.23,029.00 lakhs and the Society earned a provisional profit of Rs.84.12 lakhs.

2.6.3 Coir Sector

Sixty eight Coir Industrial Co-operative Societies are functioning in the State with 10,750 members and a share capital of Rs.279.83 lakhs which includes a Government share of Rs.231.18 lakh. Of the sixty eight societies, fifty four are spinning, eight fibre extraction, four marketing, one curled coir and one a rubberized coir society. Under the Market Development Assistance to the Coir Industrial Co-operative Societies, the State Government has released a sum of Rs.34.77 lakhs during the year 2005-2006. During last year, the societies achieved a sales turnover of Rs.1,068.78 lakhs.

2.6.4 Service Co-operatives

The Directorate of Industries and Commerce took a pioneering step between 1983 and 2000 to register seven labour service co-operative societies in the State. These societies organized groups of casual / unskilled labourers by providing them an opportunity for stable employment with full statutory benefits. At present seven societies are functioning in the State with 3,706 members.

2.6.5 Tamil Nadu Industrial Co-operative Bank

To meet the credit needs of the Industrial Co-operative Societies and the SSI units, the Department has promoted the Tamil Nadu Industrial Co-operative Bank (TAICO Bank). The Bank has been recognized by the Reserve Bank of India for providing credit facilities to Industrial Co-operative Societies under the National Bank for Agriculture and Rural Development Refinance Scheme. Besides credit servicing to the industrial co-operative societies, the Bank has been extending other forms of credit to the general public and salaried employees. During last year, the Bank earned a provisional profit of Rs.297 lakhs. The Bank declared a dividend of 12 percent for the year 2004-2005.

2.6.6 Industrial Co-operative Estates

The Department has promoted 11 Industrial Estates in the Co-operative fold. These estates are located at Chennai, Coimbatore, Salem, Sivakasi, Tuticorin, Madurai, Kanyakumari and Tirunelveli. Of these, 8 are functional and 3 [Anna Estate (Coimbatore), Priyadarshini Estate (Tenkasi) and Salem Granite Estate (Pagalpatti)] are under implementation. The main aim of these Estates is to provide plots, sheds and other common facilities to small scale entrepreneurs. Totally 2,319 members are enrolled in these societies.

2.6.7 Other Industrial Co-operative Societies

Besides sector specific societies, about 200 other Co-operative Societies are registered with the Department. These societies are engaged in various kinds of activities. As on 31.3.2006, 41 special type societies, 40 auto and taxi societies, 30 printing societies, 19 handicrafts societies, 17 tailoring societies, 13 polythene societies, 11 engineering societies, 8 metal societies, 7 brick societies, 6 match societies, 5 coal and coke societies and 3 leather societies are registered in the State. In the tailoring and polythene sectors, all members are women.

2.7 Major Schemes implemented by the Department

2.7.1. Prime Minister's Rozgar Yojana (PMRY)

The scheme, started on October 2nd 1993, specifically aims at creating self employment opportunities for the less educated poor. During 2005-06, Rs.85.41 crores has been disbursed to 24,773 beneficiaries. During 2006-07, it is proposed to cover 27,000 beneficiaries under the scheme.

2.7.2 Industrial Infrastructure Upgradation Scheme (IIUS)

Under this scheme, Ministry of Commerce and Industry, Government of India, provides a grant of 75% of the project cost or Rs.50 crores per project, whichever is lower, for cluster infrastructure upgradation. Upto 31.3.2006, 5 projects, namely, (1) Auto Ancillary Cluster, Chennai, (2) Hosiery Cluster, Tiruppur, (3) Cereal, Pulses and Staples Milling Cluster, Madurai, (4) Pump, Motor and Foundry Cluster, Coimbatore and (5) Leather Cluster, Ambur, have been approved for a total project cost of Rs.370.89 crores. Of the total project cost, Government of India have agreed to provide a grant of Rs.198.05 Crores. All the five projects are under various stages of implementation.

2.7.3 Anna Marumalarchi Pudhia Thittam

As on 30.6.2006, 1,346 projects with a total project cost of Rs. 839.99 crores covering all the 385 blocks in the State have been cleared by the State Level Co-ordination Committee (SLCC) under the scheme. Of these, 402 projects in 242 blocks with a total project cost of Rs.260.32 crores have commenced production giving employment opportunities to an estimated 14,084 persons including 9,698 women. Two hundred and twelve projects with a total project cost of Rs.112.03 crores are under various stages of implementation; and 227 projects with a total project cost of Rs.153.99 crores have applied for sanction of loan to various financial institutions. So far, Rs.824.86 lakhs has been disbursed towards Special Capital Subsidy and Low Tension Power Tariff Subsidy under the scheme.

2.7.4. Back Ended Interest Subsidy to SSI units

The Government, in December 2003, introduced this scheme with the objective of reducing the interest burden on SSI and tiny units for loans availed under:

- a. Term Loan obtained for Technology Upgradation / Modernisation.
- b. National Equity Fund Scheme
- c. ISO Certification or Research and Development activities leading to patent registration obtained by tiny units.
- d. National Small Industries Corporation - Small Industries Development Corporation Consortium Scheme, Composite Term Loan and loan obtained by Tiny Industries under the Credit Guarantee Fund Trust Scheme.

The Government will endeavour to take the scheme to the beneficiaries and continue it in future.

2.7.4. Entrepreneurship Development Programme

Development of entrepreneurship culture is recognized as one of the important requirements for industrial growth. During last year, the Department trained 35,560 women entrepreneurs.

In addition to the above programme, training on computerized numerically controlled machines with specially devised training modules was given to 500 workers to upgrade their technical capabilities.

2.7.5. Assistance to Tea growers:

For the benefit of the Small Tea Growers in Nilgiris District, the Government, in July last year announced "Small Tea Growers Protection Scheme" for six months. In view of the depressed prices for green leaf, a relief of Rs.2,800/- per acre was announced under the scheme. The Government further announced additional relief of Rs.1,400/- per acre. 43,296 tea growers have obtained additional relief till 31.3.2006.

The Department of Industries and Commerce has proposed to implement the following schemes in the year 2006-07.

- (1) To initiate steps for a diagnostic study of the various sub-sectors of SSI in various districts so that the Directorate and schemes can be suitably reorganized to meet current needs effectively.
- (2) To propose a policy for the development of the sector in consultation with industry and in harmony with the broad objectives of the Micro, Small and Medium Enterprises Development Act, 2006 under which appropriate notifications are expected to be issued in the near future by Government of India.
- (3) To enforce more effectively the Control Orders which the Directorate is enjoined to implement, so that consumer interests are well protected.
- (4) To work with Banks (a) for evolving a standard loan application form in vernacular for the tiny sector (b) addressing credit issues to SSI as they arise.
- (5) To improve the capacity and quality of guidance of the Department particularly in respect of foreign trade at the District Industries Centre by getting the officers well

trained to perform to the expectation of the entrepreneur. A specific outlay of Rs.10 Lakhs will be provided in 2006-07,

- (6) To take steps for rejuvenation of sustainable Industrial Co-operatives wherever feasible and propose plan for turnaround of Industrial Co-operative Tea Factories,
- (7) To create a Common Facility Centre and basic amenities for each of the three co-operative societies namely Periakulam Coir Fibre Workers Society, Kanyakumari District Central Coir Society and Incofom, Panayakottai at a total cost of Rs.30 lakhs.

TAMILNADU SMALL INDUSTRIES DEVELOPMENT CORPORATION LIMITED

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. SIDCO 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.

The website of SIDCO www.sidco.tn.gov.in provides detailed information about the schemes of SIDCO, vacancy position of work sheds and plots in its Industrial Estates as well as the availability of various raw materials in its Raw Material Depots.

2. The following promotional activities are undertaken by SIDCO.

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 2005-06, SIDCO has sold 376 plots and 22 sheds. During 2006-07, SIDCO proposes to develop 507 plots in various Industrial Estates and sell 644 developed plots and 60 sheds.

2.3 Distribution of Raw Materials

One of the main functions of the Corporation is to distribute the raw-material to Small Scale Units at reasonable prices. SIDCO distribute raw materials from its depots at Guindy, Coimbatore, Madurai, Trichy, Hosur, Sattur, Sviakasi, Erode, Salem, Thanjavur, Vellore, Tirunelveli, SIDCO Head Office and from Virudhunagar Branch Office, Coimbatore Branch Office, Madurai and Trichy Branch offices SIDCO handles the following raw materials:

1. Iron & Steel
2. Wax
3. Potassium Chlorate
4. Paper

The details of sales last year and targets proposed for 2006-07 are as follows:

Sl. No.	Particulars	Achievement for the year 2005-06	Target for the year 2006-07
		MTs.	MTs.
1	Iron and Steel	9146.10	20000
2	Wax	448.50	1500
3	Potassium Chlorate	44.35	60
4	Paper	1647.74	2265

2.4 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 SSI units for execution. SIDCO executed orders worth Rs.65 lakhs during last year and plans to execute orders worth Rs. 70 lakhs during 2006-07.

2.5 Export Marketing Assistance

SIDCO has created a website, www.sidcoexports.com for this scheme and displays the details of products and company profiles of the units registered under this scheme. So far, 97 units have registered with SIDCO under this scheme.

3. Strengthening and Developing the infrastructure of Industrial Estates

The Corporation has initiated steps to strengthen the infrastructure of existing industrial estates.

3.1 During last year, the Corporation has completed the infrastructure upgradation of Hosur Industrial Estate under the Integrated Infrastructure Development Scheme at a cost of Rs.61 lakhs. Proposals for taking up upgradation works under Integrated Infrastructure Development scheme in respect of Kappalur Phase II, Kurichi and Virudhunagar have been furnished to Small Industries Development Bank of India. The upgradation of Guindy Industrial Estate at a cost of Rs.1,002.24 lakhs is being implemented by Guindy Industrial Estate Infrastructure Upgradation Company (GIEIUC) a Special Purpose Vehicle formed for the purpose.

3.2 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.

3.3 Ambattur, Tirumudivakkam and Thirumazhisai Industrial Estates are being upgraded under the '**Industrial Infrastructure Upgradation Scheme**', at a proposed cost of Rs. 4,720 Lakhs

wherein the contribution from Government of India is 75%, stake holder contribution is 15% and the remaining contribution of 10% is from State Government/Financial Institutions. A sum of Rs. 90 lakhs has been released by Government of Tamilnadu as its contribution. A Special Purpose Vehicle by the name of Chennai Auto Ancillary Industrial Infrastructure Upgradation Company [CAAIUC] is implementing the project.

3.4 Government have proposed to grant Rs.25/- lakhs in 2006-07 to meet part of the cost of upgrading SIDCO estates at Kosakulam Pudur (Madurai), Salem and Erode. These estates were set up four decades ago.

3.5 In addition to the above SIDCO will draw a plan to undertake the upgradation of all its estates in a phased manner. In the year 2006-07, steps will be initiated to take up work at the following estates.

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

4. NEW INDUSTRIAL ESTATES

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

4.1.1 Vazhavanthankottai Phase II in Thiruchirapalli District

An extent of 230.72 acres of land was acquired by SIDCO at Vazhavanthankottai, Trichy District from the Tamil Nadu Housing Board during the year 1999. Out of this, 65 acres of land was allotted to M/S Indian Oil Corporation for their Chennai-Madurai Oil Terminal Project and an extent of 51.70 acres utilized for formation of a Women Industrial Park in the first phase of development during 2002-2003.

4.1.2 Ancillary units catering to Bharat Heavy Electricals Limited have now evinced interest for plots in and around Trichy. To cater to the demand, it has been decided to develop 83.55 acres of land at Vazhavanthankottai at a cost of Rs.125 lakhs as a Phase II development.

4.1.3 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).

4.1.4 SIDCO will establish additional Industrial Estates in places according to demand.

TAMILNADU SMALL INDUSTRIES CORPORATION LTD. (TANSI)

The Tamil Nadu Small Industries Corporation Limited (TANSI) was formed in the year 1965 as a conglomerate of 64 industrial units started by Directorate of Industries and Commerce during the early plan periods when there was limited industrial activity in the State. TANSI had under its fold different kinds of industrial products like die castings, machine tools, forgings, enameled wires, foundries, tanneries and leather goods, electrical goods, machine shops and tool rooms, heavy structurals, galvanizing, light engineering, steel and wooden furniture etc. Much of private initiative in these areas started thereafter.

2. With the development of various units by private entrepreneurs, TANSI has slowly phased out its activities. Now it has 23 Production Units and 5 Project Cells functioning.

3. TANSI has carved a niche for itself in the manufacture of galvanized power transmission towers, microwave towers, heavy structurals of various kinds, deep well hand pumps, quality wooden and steel furnitures etc. TANSI has also been supplying various items required for the Sarva Shiksha Abhiyan, Operation Black Board Scheme, installing pumps for drinking water on turn-key basis during drought and making available pump spares all over the State. It has also been supplying sophisticated components to the Indian Space Research Organization, Bharat Heavy Electricals Ltd., Hindustan Aeronautics Limited etc. Tamil Nadu Paints and Allied Products Limited (TAPAP) a subsidiary of TANSI, two pump units at Ambattur and Trichy and three fabrication units at Vellore, Palani, and Rajapalayam have obtained **ISO-9001:2000** certification.

4. To enable TANSI to comply with environmental norms, Government have proposed to advance a concessional loan of Rs.25 lakhs to TANSI to meet a part of the expenses for installing air pollution control equipments in the galvanizing unit at Mettur Dam.

5. During the year 2006-07 Government will take steps for the financial restructuring of TANSI and support it to improve its order book, competitiveness and efficiency.

**ARCOT N. VEERASWAMI
MINISTER FOR ELECTRICITY
AND RURAL INDUSTRIES**

SMALL INDUSTRIES DEPARTMENT

BUDGET ESTIMATE

DEMAND NO: 44

(Rupees in Thousands)

Head of Account	2005-06 Revised Estimate	2006-07 Interim Budget Estimate	2006-07 Revised Budget Estimate
2851 Village and Small Industries	640008	394616	417958
2852 Industries	34692	39683	40679
2885 Other Outlays on Industries and Minerals	10000	1	1
3451 Secretariat – Economic Services	11726	13383	13534
4425 Capital Outlay on Co-operatiion	0	0	3000
4551 Capital Outlay on Hill Areas	0	1	1
4851 Capital Outlay on Village and Small Industries	3498	3	1503
6851 Loans for Village and Small Industries	17944	0	2500
Total	717868	447687	479176

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