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**PROJECT REPORT
ON
STRENGTHENING AND IMPROVING
THE INFRASTRUCTURE
OF THE SIDCO INDUSTRIAL ESTATE
AT METTUR
SALEM DISTRICT
TAMILNADU**



**TAMILNADU SMALL INDUSTRIES
DEVELOPMENT CORPORATION LTD.
(TANSIDCO)**

**SIDCO GARMENT COMPLEX-II
NEAR ELECTRONIC COMPLEX
THIRU VI KA INDUSTRIAL ESTATE
GUINDY, CHENNAI 600032**

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1.0. INTRODUCTION

Micro & Small Enterprises play a vital role in the socio economic development of the country since independence, through its contribution to Gross Domestic Product (GDP), Foreign Exchange, and creation of employment opportunities. This has prompted, Government of Tamil Nadu for extending several incentives for the growth of Micro and small Enterprises in the State. As a part of the programme, Industrial Estates with necessary basic infrastructure facilities and amenities have been established in different parts of the state during the last five decades. Tamil Nadu Small Industries Development Corporation Ltd. (TANSIDCO) has been established exclusively for the formation and maintenance of industrial estates and at present it is managing 35 Government Industrial Estates, besides 57 Industrial Estates developed on its own. All the 92 Industrial Estates are maintained by way of collecting maintenance charges from the unit holders. However in many of the Industrial Estates, roads and other infrastructural facilities which have been created during inception have got damaged due to its continuous usage over a period of time. The Industrial Estate, Mettur is one among them and needs restructuring of its infrastructure facilities to raise its standards.

The infrastructure facilities and the working environment of the Industrial Estates have to be enhanced to meet the competition risen due to globalisation of trade with reference to WTO regulations and to facilitate the production activities to attain the international standards. The upgradation of infrastructure facilities of Industrial Estate, Mettur proposed to be taken up are detailed in the following paragraphs. The upgradation of infrastructural facilities will change the environment of the industrial estate and will facilitate the Micro and Small Enterprises located in the Industrial Estate to go in for

modernisation and automation to increase their production, improve the quality of their product and to go in for export.

2.0 DETAILS ABOUT THE IMPLEMENTING AGENCY

Tamil Nadu Small Industries Development Corporation Limited (TANSIDCO) was established by the Government of Tamil Nadu with the specific objective of playing a catalytic role, for promotion and development of Micro and Small enterprises and to hasten the industrial dispersal in the State of Tamil Nadu. TANSIDCO commenced its activities in 1971 with a comprehensive promotional programme designed to stimulate development of entrepreneurship and the growth of Micro and Small Enterprises in Tamil Nadu.

TANSIDCO is a public sector undertaking having its registered office at Garment Complex-II, Near Electronic Complex, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai-32. It has 19 Branch offices and 6 raw material Depots in the various districts of Tamilnadu to look after its promotional activities.

TANSIDCO's promotional activities mainly comprise of:

- Development of Industrial Estates with necessary infrastructure facilities and providing of factory sheds of various sizes and developed plots of extent in the range of 0.15 acre to 1 acre and above to Micro, Small and Medium Enterprises. Tiny sheds and Tiny plots for artisans and self employed are also provided to cater to the needs of Micro Enterprises.
- Raw Material Assistance Scheme implemented by TANSIDCO envisages supply of raw materials to Micro & Small enterprises with assured quality, at competitive prices through its wide net work of raw material depots located all over the state.

- Marketing Assistance Scheme provides assistance to Micro & Small Enterprises to market their products to Government Departments/ Undertakings, TANSIDCO participates in tenders floated by Government departments/ undertakings on behalf of Micro & Small enterprises and the secured orders are distributed to Micro & Small Enterprises. Execution of order is monitored by TANSIDCO to ensure timely supply and payments from departments / undertaking are expedited. In short TANSIDCO act as a "Marketing Manager".
- Under Export Assistance Scheme the products and company profiles of Micro & Small Enterprises registered under the scheme are displayed in our web site www.sidcoexports.com to create export opportunities for their products.

TANSIDCO has extended extensive support to MSMEs through all these schemes and has gained a good reputation. Invariably Micro, Small and Medium Enterprises have sought the assistance of TANSIDCO in all their needs and TANSIDCO has extended its helping hand on every occasion. The strong co-operation of MSMEs have considerably increased our financial portion also.

3.0 ABOUT THE INDUSTRIAL ESTATE

3.1 ESTABLISHMENT

The Industrial Estate, Mettur was established during the year 1965. The total extent of the Industrial Estate is 184.38 acres. The Industrial Estate was developed in a phased manner according to the demand for Developed Plots and Work sheds from the MSMEs. The maintenance of the Industrial Estate, Mettur is being carried out by TANSIDCO.

3.2 LOCATION:

The Industrial Estate, Mettur is situated in Pottaneri Nallagoundampatty Village in Mettur Taluk and in Salem district. It is located at a distance of 3 KM from Mettur Township on Salem - Mettur Highways. Quite a number of villages are in the surrounding area of the Industrial Estate and the units in this Industrial Estate provide employment opportunities to the people of these Villages.

3.3 INFRASTRUCTURAL FACILITIES PROVIDED

The following infrastructure facilities have been provided in the Industrial Estate.

i) Roads

- | | |
|--|-----------|
| a) BT width of 3.00 m and side berms of 1.00m on each side | - 160 RM |
| b) BT width 7.00m and side berms of 1.00m on each side | - 1300 RM |
| c) BT 3.75m | - 2600 RM |
| d) BM & SDBC 3.75m width | - 2650 RM |
| e) Culverts | |
| a) 4.5m length culverts | - 3Nos |
| b) 10.5m length culverts | - 3Nos |
| c) 15m length culverts | - 2Nos |

ii) **Water Supply system**

Ground level Reservoir
of 10 lakhs litre capacity
located at an elevated place - 1No.

3.4 **Storm water drain**

a) RCC Precast Drain 12500 RM
b) Masonry drain at Disposal points
and Junctions 400 RM

3.5 **Amenities provided**

a) Fire Service Station - 1 No.
b) Administrative Office - 1 No.
c) SSI Association Office - 1 No.
d) Post office - 1 No.

3.6 **Details of plots developed and sheds constructed and the details
of employment generated**

SIDCO has developed 141 plots, constructed 39 regular sheds and 11 tiny sheds. All the sheds and 137 plots have been allotted as on date. The balance plots will be allotted in a couple of months. It has created employment opportunities for more than 2000 employees including 750 women employees.

3.7 Maintenance of Industrial Estate

TANSIDCO is maintaining all the Industrial Estates under its control by way of collecting necessary maintenance charges from the allottees. Industrial Estate, Mettur is also one among them. The amount collected towards maintenance charges is not sufficient to maintain the Industrial Estate in good condition, As the roads and other infrastructural facilities have become deteriorated over a period of about 30 to 40 years, they need to be upgraded.

4. MSE - CDP SCHEME OF GOVERNMENT OF INDIA

The Government of India has formulated the scheme of Micro Small Enterprises – Cluster Development Programme (MSE–CDP) to promote clusters of Micro and Small Enterprises. It has been proposed to take up strengthening and upgradation of Mettur Industrial Estate under MSE-CDP Scheme.

5.0 DETAILS OF WORKS PROPOSED.

TANSIDCO had discussed with the office bearers of the Association and the stakeholders of the Industrial Estate, and finalized the works to be taken up. The Scheme Estimate is prepared for improving the following infrastructure facilities at SIDCO Industrial Estate, Mettur

- 1) Land filling / Levelling including Boundary Wall and Fencing
- 2) Strengthening and Relaying Roads
- 3) Construction of Storm Water Drainage
- 4) Water Supply arrangements
- 5) Streetlight arrangements
- 6) Road side Greenery and Social Forestry
- 7) Construction of Conference Hall & Canteen
- 8) Contingencies and Pre operative expenses

5.1 Land filling / Leveling including Boundary Wall and Fencing

Under this head Compound wall is to be constructed on the boundary besides fencing. The channel running in the industrial estate will be desilted and unsuitable earth on the road side will be cleared. The above works are being carried of an estimated cost of ₹ 50.00 lakhs, to protect the properties of units as well as industrial estate from thefts and floods.

5.2 Relaying and strengthening of existing roads

The roads are to be formed, relayed and repaired to a length of 6710 RM and 8 Nos of culverts have to be constructed for proper movement of the vehicles at an estimated cost of ₹ 178.00 lakhs.

5.3 Drainage – Storm Water Drain

For free flow of rain water without stagnation on the roads storm water drainage lined with RCC Precast slab for the length of 12500RM and RR Masonry have been proposed for a length of 400Rm. at an estimated cost of ₹116.00 lakhs.

5.4 Water Supply arrangements

It is proposed to renovate the reservoir to strengthen it to carry out special repairs to distribution line at an estimated cost of ₹ 6.00 lakhs.

5.5 Street light arrangements

The street lights with tube lights are being replaced with 150 Nos. of 70 Watts Sodium vapour lamps and 2 Nos. of High Mast lights at an estimated cost of ₹ 20.00 lakhs to provide better illumination to the entire estate.

5.6. Road Side Greenery and Social Forestry

It is proposed to plant avenue Trees with Tree guards at an estimated cost of ₹ 5.00 lakhs.

5.7 Building for Conference Hall & Canteen

The association of the Industrial estate has made a representation to have a conference hall / Exhibition Centre to hold discussion with the buyers and suppliers and conduct seminars/ meetings for the benefits of the unit holders and exhibit their finished products to their buyers. As the industrial estate is located at a distance of 3 kms they have been covered to serve refreshment and food to their customers and employees belatedly and some time good food is not available. Therefore they have decided to have their own canteen to cater to their needs. Further they have insisted for a Crèche and First Aid Centre inside the Industrial Estate as 750 women employees are working in the units and frequent accidents are occurring due to the presence of chemical industries.

Therefore a provision of ₹ 50.00 lakhs has been made towards the construction of the building for accommodating conference hall / Exhibition Centre, Canteen, Crèche and First Aid Centre.

5.8 Contingencies and Pre Operative Expenses

Provision of ₹ 25.00 lakhs has been made towards Contingencies and Pre operative expenses.

The estimated scheme cost and layout are furnished.

SCHEME ESTIMATE FOR UPGRADATION OF INFRASTRUCTURES AT SIDCOINDUSTRIAL ESTATE AT METTUR IN SALEM DISTRICT**I. COST OF LAND FILLING / LEVELLING INCLUDING BOUNDARY WALL AND FENCING:**

- a) Boundary Fencing, Compound wall and Yard Wall : Rs.12.00 Lakhs
- b) Clearing the Odai portion running inside the I.E.
for a length of 1500 M and width of 6.00 M,
OSR portion. : Rs. 25.00 Lakhs
- c) Clearing the unsuitable earth and Garbages dumped on road side
for a length of 4 KM : Rs. 13.00 Lakhs
- Sub Total : Rs.50.00 Lakhs**

II. LAYING OF ROADS

- A) Formation of new road SDBC width
of 3.00m and side berms
Total length 160RM @ Rs.2700/RM :4.32 lakhs
- B) Widening the Road from single lane to double lane
With BM & SDBC for a width of 7.00 m and
side berms of 1m on each side.
Total length 1300 RM at Rs.4700/Rm : 61.10 Lakhs
- C) Repair work with WBM two layers and
BM & SDBC 3.75m for existing roads
Total length 2600 RM @ Rs.2200/RM : 57.20 lakhs
- D) Laying of BM & SDBC 3.75m width for
balance existing roads
Total length 2650RM @ Rs.1600/RM : 42.40 lakhs
- E) CULVERTS.
- a) 0.75m vent way of 4.5m length - 3 Nos.
@ Rs.0.60 lakhs/each . : 1.80 lakhs
- b) 0.75m vent way of 10.5m length culverts- 3 Nos.
@ Rs.1.25 lakhs/each : 3.75 lakhs
- c) 1.00m vent way of 15m length culverts- 2 Nos.
@ Rs.2.10 lakhs/each : 4.20 lakhs
- d) Cleaning the silt from the existing culverts : 3.00 lakhs

Sub Total **Rs.177.77 Lakhs.**

Say **Rs.178.00 Lakhs.**

III) DRAINAGE

a) RCC precast Storm water drain Drain section – 12500RM @ Rs.850/RM	: 106.25 lakhs
b) Masonry drain at Disposal point and junctions Total length 400RM @Rs.2400/Rm	: 9.60 lakhs
Sub Total	Rs.115.85 Lakhs
Say	: Rs.116.00 Lakhs

IV. WATER SUPPLY ARRANGEMENTS

a) Renovation to Existing Reservoir	: 3.00 Lakhs
b) Specials repairs to distribution line fixing valve etc.,	: 2.00 Lakhs
c) Fencing of plot & Providing gate & gate pillars in which reservoir is located	: 1.00 Lakhs
Sub Total	: Rs: 6.00 Lakhs

V. STREET LIGHT:

a) 70 W Sodium vapour Lamp fixing in EB poles 150 Nos. @ Rs.4000/No.	: 6.00 Lakhs
b) Providing High Mast Lamp 2 Nos. @ Rs.6.00 Lakhs	: 12.00 Lakhs
c) Repairing the EB Pillar Box & meter box	: 0.50 Lakhs
d) EB service connection	: 1.50 Lakhs
Sub Total	: Rs.20.00 Lakhs

VI. ROAD SIDE GREENERY AND SOCIAL FORESTRY:

a) Avenue Trees & Tree guard	: Rs. 5.00 Lakhs
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2. ADMINISTRATIVE AND OTHER SERVICES

a) Conference Hall / Exhibition Centre	: Rs. 30.00 Lakhs
b) Canteen, Crèche and First Aid Centre	: Rs. 20.00 Lakhs

Sub Total : Rs. 50.00 Lakhs

3. Contingencies and Pre Operative Expenses: : Rs. 25.00 Lakhs

Total cost for Upgradation Works : Rs.450.00 lakhs

6.0) DETAILS OF PROJECT COST FOR INFRASTRUCTURE
UPGRADATION WORKS AT INDUSTRIAL ESTATE, METTUR,
SALEM DISTRICT

SLNo:	Items		₹ In Lakhs
1.	<u>INFRASTRUCTURE UPGRADATION WORKS</u>		
	I	Cost of Land filling / Leveling including boundary Wall and Fencing	50.00
	ii	Cost of Strengthening and Relaying roads	178.00
	iii	Drainage – Construction of Storm water Drainage	116.00
	iv	Water supply arrangements	6.00
	v	Street Light arrangements	20.00
	vi	Road side greenery and Social Forestry	5.00
		Sub Total	375.00
2.	Administrative and Other Services Complex		
	I	Construction of Conference Hall & Exhibition Centre	30.00
	li	Construction of Canteen, Crèche and First Aid Centre	20.00
3.	Contingencies & Pre Operative expenses		25.00
		GRAND TOTAL	450.00

7.00 IMPLEMENTATION OF THE SCHEME

The Government of India has formulated the scheme under the name of Micro Small Enterprises – Cluster Development Programme (MSE–CDP) to promote clusters of Micro and Small Enterprises. It has been proposed to take up strengthening and upgradation of Infrastructure facilities at Industrial Estate, Mettur under MSE-CDP Scheme.

The project report will be submitted by SIDCO to SIDBI Chennai for onward transmission to Government of India for sanction of the project under Infrastructure Development of MSE-CDP scheme.

On approval of the proposal by Government of India under MSE-CDP scheme, the works would be executed as per the regular norms of TANSIDCO and Government of Tamil Nadu. The tenders would be floated, finalized and executed through the contractors. The works would be carried out under the supervision of TANSIDCO Engineers of construction wing.

After completion of the works, necessary claim would be preferred with The Development Commissioner for disbursement of grant portion and the grant under MSE-CDP Scheme will be availed.

8. IMPLEMENTING PATTERN:-

It has been proposed to do the strengthening and upgradation of Infrastructure facilities at Industrial Estate Mettur by availing 60% grant from Government of India under MSE-CDP scheme and it is proposed to arrange the gap funding for the balance 40% of the project as follows.

State Government grant (Not as equity)	-	30% of cost of the project
Beneficiaries' contribution	-	10% of cost of the project.

Based on the anticipation that the state Government would sanction 30% cost of the project as grant and the balance 10% cost of the project would be received from the allottees of the Industrial Estates, the following funding pattern is proposed in respect of Upgradation of existing Industrial Estate of Mettur under MSE-CDP scheme.

Sl.No.	Item	Amount (₹ in lakhs)
1	Amount to be collected from the allottees in advance by SIDCO (10% of the project cost)	45.00
2	Grant from the State Government (30% of the project cost)	135.00
3	Grant from Government of India under MSE-CDP scheme (60% of the project cost)	270.00
	Total	450.00

Since Government of India releases the grant only on reimbursement basis, the amount would be initially invested by TANSIDCO for carrying out the Upgradation works and the interest loss if any incurred, will be collected from the individual units at Industrial Estate Mettur @ 15% interest per annum.

137 Nos of plots and 39 Nos of sheds have been allotted and handed over to Micro and Small Enterprises at Industrial Estate, Mettur. The 10% of project cost to be met by the allottees, would be collected from them in proportion to the area of land occupied by the individual units.

9.0 PROJECT COST

₹ in lakhs

1. Land Development and other overhead Infrastructure

1) Cost of land filling / Levelling including Boundary Wall and Fencing	50.00
2) Cost of Strengthening and Relaying roads	178.00
3) Drainage - Construction of Storm Water Drain	116.00
4) Water Supply arrangements	6.00
5) Streetlights arrangements	20.00
6) Road side Greenery	5.00

Sub Total **375.00**

2. Administrative and Other Services Complex

i) Construction of Conference Hall / Exhibition Centre	30.00
ii) Construction of Canteen, Crèche and First Aid Centre	20.00

Sub-Total **50.00**

3. Contingencies and Pre operative expenses 25.00

Total **450.00**

9.1 Proposed funding pattern

₹ in lakhs

1) Amount to be collected from the allottee by SIDCO in advance (10% of the project cost)	45.00
2) Grant from the State Government (30% of the project cost)	135.00
3) Grant from Government of India under MSE-CDP scheme (60% of the project cost)	270.00

Total **450.00**

10. SCHEDULE FOR IMPLEMENTATION AND RECOVERY OF THE EXPENDITURE INCURRED IN INSTALMENTS.

A PHYSICAL

- | | | |
|----|---|-------------------------------------|
| 1) | Expected date of approval of project under MSE-CDP Scheme | Jan 2011 |
| 2) | Floating of tenders and finalization of tender | Apr 2011 - May 2011 |
| 3) | Construction period | June 2011 – May 2012
(12 months) |

B FINANCIAL

- | | | | |
|----|---|-------------------------|------------------------------|
| 1) | Grant from Government of Tamilnadu | } May 2011 | 135.00 lakhs |
| 2) | Contribution from allottees | Dec 2010 – Mar 2011 | 45.00 lakhs |
| 3) | Grant under MSE-CDP scheme from Govt.of India | } Sep 2011
June 2012 | 135.00 lakhs
135.00 lakhs |

Total

450.00 lakhs

11. Justification Report for sanction of Grant

The Mettur Industrial Estate is located at a distance of 3 Kms from Mettur Town on Salem – Mettur Highway. The infrastructure facilities provided in this estate is more than 45 years old, and have become detroitied. It is one of the industrial estates as the larger area Mettur Thermal power station is part and peril of the industrial estate which remain as a main cause of development area. The upgradation of infrastructure facilities will give not only facelift for industrial estate but also will increase the production of the industrial estate by attracting investors and collaborators with modern technology. Most of the industrial units are chemical industries which is a flourishing industry now in out country. The above developments will increase the employment generation of both direct as well as indirect employment and economic status of the profile. Presently there are 2000 employees of which 750 are women and the annual production is about Rs. 75 Crores inclusive of export turnover of Rs. 25 Crores consequent to the development of infrastructure facilities. It is expected that there would be an increase employment generation by 10% and increase in turnover by 20%.

A status report on this estate scheme estimate is given below.

Sl. No	Name of the Industrial Estate	Year of Establishment	Total Extent	No of Plots		No of Sheds		No. of units		Total Employees	Total Revenue	Type of Units.
				Total	Allotted	Total	Allotted	Total	Exports			
1	Mettur, Salem Dt.	1965	184.38	141	139	39	39	156	2 9Rs. 25 (Crores)	2000	Rs. 75 Crores	1.Engineering 2.Chemical 3. Fabrication 4. Plastic Industry

12. Conclusion

The Micro & Small Enterprises in this Industrial Estate are generally functioning well. The strengthening and improvements of infrastructural facilities of the Industrial Estate will enhance the appearance of the Industrial Estate as a whole and will facilitate the industries to go in for expansion and modernization. Besides it will attract new ventures from existing as well as new entrepreneurs.

Consequently there will be remarkable progress in the generation of employment. The buyers / visitors including foreigners, who visit this Industrial Estate, may positively decide on increasing their orders and further investments in this Industrial Estate. The modernization and automation that would take place will pave way for improving the quality of the manufacture / finished products to attain International standards which will result in speedy development of Micro & Small Enterprises in general and in particular in this Industrial Estate.