



ABSTRACT

Tamil Nadu Civil Supplies Corporation - Modernization of Modern Rice Mills owned by Tamil Nadu Civil Supplies Corporation in second phase - Orders Issued.

Co-operation, Food and Consumer Protection(A1) Department

G.O.(Ms).No.8

Dated : 27 .1.2014.

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Read:-

From the Managing Director, Tamil Nadu Civil Supplies Corporation, letter Rc.No.ME5/69004-2012, dated 24.1.2013.

ORDER:

In the Budget speech 2013-2014, the Hon'ble Minister (Finance) has announced among other things, that in 2013-2014, the Tamil Nadu Civil Supplies Corporation would modernize seven more rice mills at a cost of Rs.32.6 crores to improve the efficiency of the Modern Rice Mills (MRM) and the quality of rice hulled by these mills.

2. To implement the above announcement, the Managing Director, Tamil Nadu Civil Supplies Corporation, in the letter read above, has sent proposal to take up phase II Modernisation programme involving following seven mills based on the condition of the plant and machinery and capacity utilization:-

1.	Ammanpet (Boiled)	Thanjavur District.
2.	Pattukottai (Boiled)	Thanjavur District
3.	Kadachanendal (Boiled)	Madurai District.
4.	Erukkur II (Boiled)	Nagapattinam District
5.	Neyveli (Boiled)	Cuddalore District
6.	Pollachi (Main) & (Addl) (Raw)	Coimbatore District.
7	Cheyyar (Main) & (Addl) (Raw)	Thiruvannamalai District.

3. The Managing Director, Tamil Nadu Civil Supplies Corporation in the letter read above, has stated that among the above 7 rice mills, there exists loadman problem at Pollachi and Cheyyar as two rice mills are located in the same premises. Further, for operational convenience, it is proposed that the two separate units at Pollachi and Cheyyar will be converted into a single unit of 100 MTs per day capacity. He has stated that all the seven rice mills are proposed to be upgraded with modern machineries having capacity to process 100 MTs of paddy per day, by replacing the entire existing machinery.

4. The Managing Director has also stated that the estimated project cost is Rs.3260 lakhs and the above cost would be funded by means of Government Contribution to the extent of Rs.700 lakhs, term loan to the extent of Rs.2415 lakhs and realization from the sale of existing machineries to the extent of Rs.145 lakhs by Tamil Nadu Civil Supplies Corporation. The above term loan will be repaid over a period of six years, out of the incremental cash accruals on account of increase in capacity utilization, better value realization from by products and reduction in cost of production without any budgetary support from the Government. It is proposed to execute the work on turn key basis with buy back arrangement for the existing machineries. The entire modernization will be completed over a period of 12 months. He has sent the proposal in the prescribed format along with profitability statements, cash flow, Internal Rate of Return estimation, sensibility analysis etc. and requested orders of the Government.

5. The Government after careful examination accept the proposal of Managing Director, Tamil Nadu Civil Supplies Corporation to take up modernization of the following seven rice mills based on the condition of the plant and machinery and capacity utilization at a total cost of Rs.32.60 crore of which Government funding is Rs.7.00 crore and out of the balance of Rs.25.60 crore, Rs.24.15 crore is to be availed as loan from the National Bank for Agriculture and Rural Development and Rs. 1.45 crore from the sale of existing machineries:-

1.	Ammanpet (Boiled)	Thanjavur District.
2.	Pattukottai (Boiled)	Thanjavur District
3.	Kadachanendal (Boiled)	Madurai District.
4.	Erukkur II (Boiled)	Nagapattinam District
5.	Neyveli (Boiled)	Cuddalore District
6.	Pollachi (Main) & (Addl) (Raw)	Coimbatore District.
7	Cheyyar (Main) & (Addl) (Raw)	Thiruvannamalai District.

6. The Government have sanctioned Rs.7.00 crore (Rupees seven crore only) as Government contribution for the modernization of Seven Modern Rice Mills mentioned at para 5 above.

7. The expenditure sanctioned in para 6 above shall be debited to the following head of account:-

4408 - Capital outlay on Food Storage and Ware Housing 01 - Food - 190
Investments in Public Sector and Other Undertakings - JB-Share Capital
Contribution to Tamil Nadu Civil Supplies Corporation Limited -22
Investments.
(DPC -4408 01 190 JB 2201)

8. The amount sanctioned at para 5 above shall not be paid in cash but kept in P.D. Account of Tamil Nadu Civil Supplies Corporation by contra credit to " K Deposits and Advance (b) Deposits not bearing interest -8443-00 Civil Deposits -800 Other Deposits- BJ Deposits of Tamil Nadu Civil Supplies Corporation (TNCSC) (DPC 8443 00 800 BJ 000G Receipt)
(DPC 8443 00 800 BJ 0004 (outgo).

9. The Commissioner of Civil Supplies and Consumer Protection is authorized to draw the amount sanctioned at para 6 above by means of an Account Payee Cheque drawn in favour of P.D. Account of the Tamil Nadu Civil Supplies Corporation indicating the account number thereon and disburse the same to the Tamil Nadu Civil Supplies Corporation. He is requested to arrange to obtain and furnish the utilization certificate from the Tamil Nadu Civil Supplies Corporation in due course.

10. The Managing Director, Tamil Nadu Civil Supplies Corporation is requested to submit the project completion report in time in respect of each of the sanctioned projects within one month of the completion.

11. This order issues with the concurrence of the Finance (BPE) Department vide their U.O.No. 534/DS (SK)/14, dated 9.1.2014 and Finance (CF&CP) Department vide their U.O.No.2912/CF&CP/2014, dated 23.1.2014.

(BY ORDER OF THE GOVERNOR)

**M.P. NIRMALA
SECRETARY TO GOVERNMENT.**

To
The Managing Director,
Tamil Nadu Civil Supplies Corporation, Chennai – 10.
The Commissioner of Civil Supplies and Consumer Protection, Chennai-5
The Assistant General Manager, National Bank for Agriculture and Rural Development
(NABARD), Tamilnadu Regional Office, Chennai-34.
The Accountant General(A&E), Chennai-18.
The Accountant General(A&E), Chennai-18(By name)
The Accountant General(Audit-I), Chennai-18
The Pay and Accounts Officer, Chennai-5

Copy to:

The Principal Secretary(II) to Chief Minister, Chennai-9.

The Special Personal Assistant to Minister(Food), Chennai-9

The Special Personal Assistant to Minister(Finance), Chennai-9

The Finance(CF&CP)/Res.II/BPE Department, Chennai-9.

SF/SC.

//FORWARDED / BY ORDER//

SECTION OFFICER