

Tamil Nadu Salt Corporation Limited

POLICY NOTE 2014-2015

1. PREFACE

Tamil Nadu is the second largest salt producing state next to Gujarat state. In India around **245** lakh tonnes of salt is produced per annum. Tamil Nadu has contributed around **11%** i.e. 26 lakhs tonnes on the total salt production of India. Tamil Nadu Salt Corporation is the only State Government owned company in manufacturing salt and salt based products in India.

The Corporation was established in 1974 by allotting 5520 acres of land, on long lease basis, at Valinokkam village, in Kadaladi Taluk, Ramanathapuram District for salt production with a view to develop the backward area by providing employment opportunities to the local people and to avoid migration of the local people to other districts for searching of job. The corporation is providing employment opportunity to about **1350** workers belongs to the surrounding **15** villages of Valinokkam.

2. MISSION

To give impetus to develop the backward region of Ramanathapuram District, for creating and providing employment opportunities for the weaker segments of the society, for upliftment of the socio economic condition of the region, to exploit the potential resources of the sea for the production of salt, salt based by products and Marine chemicals, to control and eliminate the commonly prevailing micronutrient deficiencies like Iron and Iodine disorders among the school going children, women and other general population by the supplementation of Iron and Iodine through Iodised and Double Fortified salt.

3. ACTIVITIES OF THE CORPORATION

3.1 Launching of "Amma" Salt in the open market

As announced by the Hon'ble Chief Minister, the sale of three kind of salt namely "**Amma**" Refined Free Flow Iodised salt, "**Amma**" Double Fortified Salt and "**Amma**" Low Sodium Salt produced by Tamil Nadu Salt Corporation in the open market was introduced by the Hon'ble Chief Minister of Tamil Nadu on 11.06.2014. The above said three kind of "**Amma**" salt are sold in the open market at Rs.10/- Rs.14/- & Rs.21/- per kg respectively. The above said three kind of salt produced by private manufacturers were sold at higher price in the open market at which circumstances, the above said three kind of "Amma" salt are sold at cheaper price in the open market.

3.2 PRODUCTION OF INDUSTRIAL GRADE SALT

TNSC is manufacturing around **1.75** lakh tonnes of good quality Industrial grade salt per annum. The quality of the salt produced by the Corporation is well accepted by the Chlor Alkali Industries in the neighbouring states. Further, there is tremendous market potential for our Industrial Grade salt.

The Chlor Alkali Industries like M/s.Tuticorin Alkali Chemicals, M/s. Dharanga Dhara Chemical Works, Arumuganeri, in Tuticorin District, M/s. Shree Rayalaseema Alkalies and Allied Chemicals, Kurnool in Andhra Pradesh, M/s. Travancore Cochin Chemicals, Cochin in Kerala State, M/s. Tamil Nadu Petro Products, Manali near Chennai, M/s. Chemplast Sanmar Limited Mettur and M/s. Chemfab Alkali Limited in Pondicherry are using the Industrial Grade Salt manufactured by Tamil Nadu Salt Corporation Limited.

3.3 FORTIFIED SALTS

TNSC had initially produced only Industrial Grade Salt. Later the Corporation had expanded its activity over a period of time to produce Iodised salt, Double Fortified (iron and iodine) Salt (Crystal Form) and Double Fortified (iron and iodine) Salt (Free Flow Form). TNSC is pioneer in the production of Iron Fortified salt by installing required plant and machinery in 1987 for the production of Iron Fortified salt. At present TNSC supplying Fortified salt to the States of Tamil Nadu , Kerala and Karnataka under PDS / MDM schemes for the benefit of the common public and school going children.

The possibilities are more to supply the Fortified salt to the other states particularly North Eastern States during the current year.

3.3.1 Iron Fortified salt

TNSC has been co-ordinating with Health Department, Government of Tamil Nadu for the past 22 years in implementing the Health Programme like eliminating Iron deficiency disorders among the school going children.

Since 1991, TNSC has been producing Double Fortified Salt as per the formula developed by National Institute of Nutrition, Hyderabad and supplying Double Fortified salt to Noon meal Programme of Government of Tamil Nadu. Initially as per the Government decision, Double Fortified Salt was supplied by TNSC to the anemia prone districts of Dharmapuri, Krishnagiri, Trichy, Perambalur, Ariyalur, Salem and the Nilgiris. Subsequently the scheme was successfully expanded to the rest of the districts of Tamil Nadu also.

3.3.2. IODISED SALT

TNSC obtained Government orders for the distribution of Iodised Salt as an essential commodity through Public Distribution System for the benefit of the common public. Accordingly, since 1998, TNSC has been supplying Iodised Salt to every nook and corner of the state including hilly stations. By distributing Iodised Salt through PDS at an affordable price, it has been made a tremendous change in the percentage of consumption of Iodised Salt among the population of below the poverty line people.

The following diseases are caused for deficiency of Iodine.
These diseases can be controlled by using Iodised Salt.

- a. Goiter
- b. Mental retardation
- c. Learning Disability
- d. Impair mental function
- e. Retarded physical development
- f. Abortion
- g. Stillbirth
- h. Deaf and mutism
- i. Hypothyroidism

At the time of introduction of Iodised salt during the 1997-98. TNSC was able to distribute around 3000 tonnes of Iodised salt through PDS.

Consequent on the awareness programme undertaken by TNSC on the consumption of Iodised Salt with the support and assistance of UNICEF, Salt Department, GOI, District Administration and the Health Department of Government of Tamil Nadu, the sale level of Iodised salt through Public Distribution System was improved step by step and it has been now increased multifold to an extent of 30000 MT per annum.

This year Tamil Nadu Salt Corporation will explore the possibilities to sell the Iodised Salt to all the card holders by creating awareness programme.

The Crystal and Refined Free Flow Iodised salt are being sold at most affordable price of Rs. **3.50** and Rs.6/- per kg respectively. The Iodised salt is being sold at Rs.5/- to Rs.9/- per kg in PDS outlets of our neighbouring states. The Iodised Salt sold upto Rs.15/- per kg in the open market.

3.3.3 DOUBLE FORTIFIED SALT (Crystal and powder Form)

TNSC is pioneer in the production of Double Fortified salt (Iron and Iodine). TNSC is producing Double Fortified Salt in the following two methods viz.,

1. In the production of Double Fortified Salt as per the Formula developed by National Institute of Nutrition , Hyderabad, Food Grade Ferrous Sulphate is used a nutritive agent
2. In the production of Double Fortified Salt as per the Formula developed by Micronutrient Initiative, Canada, Encapsulated Ferrous Fumerate is used as nutritive agent.

The Double Fortified Salt is being supplied to the Mid Day Meal scheme of Tamil Nadu and Karnataka. An average, each 2500 MT of Double Fortified Salt is being supplied to Tamil Nadu and Karnataka for the above said scheme.

Tamil Nadu Salt Corporation has been taken active participation in the "Universal Salt Iodisation programme "

The details of supply of Fortified Salt from 1991 to 2014 are given below.

| SI No. | Name of the Fortified salt | Quantity supplied in tonnes |
|--------|---|-----------------------------|
| 1 | Iodised salt | 4,52,717 |
| 2 | Iron Fortified salt | 20,604 |
| 3 | Double Fortified salt | 22,101 |
| 4 | Di-Ethyl Corbomizine citrate Fortified salt | 11,303 |
| | Total | 5,06,725 |

In view of this, several million people were benefitted by consuming fortified salts.

4. PRODUCTION OF BROMINE

TNSC has entered into a Memorandum of understanding (MOU) with M/s South India Bromine and Allied Chemicals (SIBAC), Tuticorin for the production of bromine by supplying the waste water (Bittern) let out after salt production. Bromine is a bye product of salt. Previously TNSC used to let out the waste water (bittern) to sea itself. Now, as per the arrangement, TNSC is earning income of Rs.8,00,000 to Rs.10,00,000/- per annum. TNSC has so far earned a sum of Rs.64.67 lakhs towards supply of bittern.

5. MAJOR ACHIEVEMENTS OF TNSC

1. As a first time in India, TNSC has been producing and supplying Iron Fortified Salt from 1991.
2. Double Fortified salt was introduced in the year 2001

3. TNSC has been distributing crystal iodised salt at the selling price of Rs.3.50 per kg, which is cheapest price in India through Public Distribution System.
4. TNSC achieved its highest production of 178675 tonnes of Industrial grade salt during the year 2012.
5. Annual Salt production has been increased from 1.75 lakhs tones to 3 lakh tone by commencing the production of Industrial Grade Salt in the additional developed area of 2200 acres of land.

6. ISO certified company

TNSC obtained ISO **9001:2008** certificate for Quality Management system for the production and supply of Industrial grade salt and Fortified salts. The corporation has been supplying Iodised salt through PDS network confirming to the ISI standards **IS 7224:2006**. The Corporation has obtained a certificate from Food Safety Standard Association of India (FSSAI) in 2012 for the quality production of Iodised salt.

7. MARKETING ACTIVITIES

TNSC has developed its marketing activities over a period time. TNSC is distributing its products not only in Tamil Nadu but re gain the orders from the Kerala, Andhra and Karnataka states for supply of Fortified Salt.

8. R &D ACTIVITIES

TNSC is giving at most importance to upgrade the quality of its products by the R&D activities. All its products are dispatched only after passing the strict quality control test, for

which a well equipped laboratory has been established at MVSC, Valinokkam.

1. New Laboratory

Now, with the help of GAIN (Global Alliance for Improved Nutrition) TNSC is to set up two modern laboratories, one at valinokkam and other one at Corporate office, Chennai at the estimated cost of Rs.25,00,000/- in order to improve the quality. At the laboratory to be set up at Corporation Office, the finished products of TNSC and the raw material to be required for the production of Fortified Salt will be tested. With a view to give utmost importance for the quality, necessary training is imported to the employees.

2. Augmentation of production of crystal Iodised Salt

For augmentation of production of crystal iodised salt, TNSC would install new plant and machineries with the help of Global Alliance for Improved Nutrition(GAIN). The GAIN has given consent to sanction Rs.90 lakhs towards supply and erection of machinery for Crystal Iodised Salt production. By this arrangements TNSC could able to produce 3000 MT of Crystal Iodised salt per month.

9. LABOUR WELFARE ACTIVITIES

TNSC has extended various welfare measures like providing RO water, Tea & Biscuits at their work spot, to the workers. Besides safety items like Sun goggles, gumboots are also provided to the workers every year to protect them from the hot sun.

TNSC has extended all statutory benefits to its salt workers. TNSC is conducting periodical medical health camps for take care of the health condition of the salt workers.

During the year 2012-13, 5 nos of manually operated Reverse Osmosis system were installed at MVSC Valinokkam for providing good quality of drinking water to the salt workers at the cost of Rs.35 lakhs.

10. TNSC'S CONTRIBUTION TOWARDS CORPORATE SOCIAL RESPONSIBILITY

TNSC is providing major employment to the workers belonging to around 15 villages in and around Valinokkam. As a part of Corporate Social Responsibility, TNSC has provided furniture like tables and benches to the schools which are situated in the villages in and around of the factory in Valinokkam. During the year 2013-14, TNSC has paid a sum of Rs 2 lakhs for conducting a Book fair at Ramanathapuram by the Ramanathapuram District Administration.

Tamil Nadu Salt Corporation Ltd.,

11. FINANCIAL PERFORMANCE

Tamil Nadu Salt Corporation has been continuously earning profit from 1990-91 onwards.

The financial performance for past 17 years of the corporation is given below.

| Working Results | | | | | Paid to Government towards | | | |
|-----------------|-----------|-------------------|-----------------|------------------------------|----------------------------|---------------|------------------|------------------|
| Sl.No. | Year | Sales Turnover | Gross Profit | Net Profit (after Tax) | Dividend | Lease rent | Addl. Royalty | Total (5+6+7) |
| 1 | 2 | 3 | | 4 | 5 | 6 | 7 | 8 |
| 1 | 1997-1998 | 385.17 | 90.64 | 56.03 | 22.00 | 1.82 | - | 23.82 |
| 2 | 1998-1999 | 505.46 | 86.64 | 49.43 | 33.00 | 1.82 | - | 34.82 |
| 3 | 1999-2000 | 919.43 | 255.14 | 130.77 | 47.55 | 6.40 | - | 53.95 |
| 4 | 2000-2001 | 651.99 | 39.24 | 27.76 | 15.85 | 7.46 | - | 23.31 |
| 5 | 2001-2002 | 987.24 | 40.74 | 27.95 | 3.17 | 7.46 | 164.30 | 174.93 |
| 6 | 2002-2003 | 996.68 | 49.55 | 21.22 | 3.17 | 7.46 | 161.08 | 171.71 |
| 7 | 2003-2004 | 934.81 | 72.59 | 44.68 | 3.17 | 7.50 | 48.08 | 58.75 |
| 8 | 2004-2005 | 1298.10 | 137.37 | 83.59 | 10.30 | 7.47 | - | 17.77 |
| 9 | 2005-2006 | 1311.76 | 179.77 | 114.14 | 12.68 | 7.43 | - | 20.11 |
| 10 | 2006-2007 | 1760.68 | 130.36 | 83.27 | 12.68 | 7.43 | - | 20.11 |
| 11 | 2007-2008 | 2137.30 | 101.81 | 65.91 | 12.68 | 7.43 | 292.06 | 312.17 |
| 12 | 2008-2009 | 1686.12 | 192.31 | 121.85 | 12.68 | 7.43 | 257.00 | 277.11 |
| 13 | 2009-2010 | 1764.50 | 181.30 | 118.71 | 12.68 | 7.43 | 160.92 | 181.03 |
| 14 | 2010-2011 | 2172.46 | 326.29 | 228.43 | 17.61 | 7.43 | 135.45 | 160.49 |
| 15 | 2011-2012 | 2188.79 | 434.82 | 284.92 | 25.36 | 7.43 | 147.84 | 180.63 |
| 16 | 2012-2013 | 2336.65 | 164.35 | 107.80 | 25.36 | 7.43 | 178.67 | 211.46 |
| 17 | 2013-2014 | 3299.85 | 175.17 | | | | | |

Details of production of Fortified Salt from 2001 to 2013-14

| Year | Iodised Salt | | | | | | | Double Fortified Salt | | | (Grand Total) (A+B) |
|-----------|--------------|------------|-----------|-----------|----------------|--------|-----------|-----------------------|-----------|-----------|------------------------|
| | TamilNadu | Tamil Nadu | Karnataka | Karnataka | Andhra Pradesh | Kerala | Total (A) | Tamil Nadu | Karnataka | Total (B) | |
| | PDS | NMP | PDS | NMP | PDS | PDS | | NMP | NMP | | |
| 2001-2002 | 13228 | | 10 | | | | 13238 | | | | 13238 |
| 2002-2003 | 23544 | 1533 | | 785 | | | 25862 | 275 | | 275 | 26137 |
| 2003-2004 | 24728 | 2141 | 843 | 2991 | 20 | | 30723 | 536 | | 536 | 31258 |
| 2004-2005 | 25253 | 2092 | 8900 | 2749 | 3836 | | 42829 | 574 | | 574 | 43403 |
| 2005-2006 | 27227 | 2021 | 7895 | 3187 | 2281 | | 42610 | 607 | | 607 | 43217 |
| 2006-2007 | 29590 | 1929 | 11691 | 2499 | 10368 | | 56075 | 921 | | 921 | 56996 |
| 2007-2008 | 30684 | 552 | 7492 | 1329 | 6192 | | 46248 | 2142 | 620 | 2762 | 49010 |
| 2008-2009 | 23769 | | | | | | 23769 | 2432 | | 2432 | 26202 |
| 2009-2010 | 25041 | | 193 | | | | 25234 | 2554 | | 2554 | 27788 |
| 2010-2011 | 27076 | | 219 | | | | 27295 | 2043 | | 2043 | 29338 |
| 2011-2012 | 24476 | | | | | | 24476 | 2064 | | 2064 | 26540 |
| 2012-2013 | 31231 | | 491 | | 17 | 880 | 32619 | 2191 | 1691 | 3882 | 36500 |
| 2013-2014 | 28529 | | 1612 | | 8569 | 4200 | 42910 | 1776 | 1752 | 3528 | 46439 |

Details of Industrial Grade Salt Production and Supplies

TNSC is started its production during 1976. During the year 2012-13 TNSC has produced its highest production of 178675 tonnes of Industrial Grade Salt

| S.No. | Years | Production (tonnes) | Sales (tonnes) |
|-------|-----------|---------------------|----------------|
| 1 | 2000-2001 | 157328 | 84895 |
| 2 | 2001-2002 | 91280 | 116908 |
| 3 | 2002-2003 | 146435 | 103833 |
| 4 | 2003-2004 | 120192 | 96297 |
| 5 | 2004-2005 | 133431 | 149576 |
| 6 | 2005-2006 | 132908 | 94163 |
| 7 | 2006-2007 | 139692 | 94557 |
| 8 | 2007-2008 | 129805 | 123884 |
| 9 | 2008-2009 | 81630 | 80867 |
| 10 | 2009-2010 | 160920 | 97236 |
| 11 | 2010-2011 | 135450 | 160800 |
| 12 | 2011-2012 | 147845 | 138350 |
| 13 | 2012-2013 | 178675 | 118197 |
| 14 | 2013-2014 | 166370 | 155739 |

Managing Director