

INDUSTRIES

The Union Territory of Pondicherry is an Industrially Backward area classified as Category-A, Special District. Due to the pro-active investment policies, hassle free environment and industry friendly Administration, the Union Territory has made rapid strides in industrialisation. As on 31/3/2001, there were 42 large scale, 127 medium scale and 6607 Small Scale industries providing employment to 77341 persons. During 2000-2001, 1 LSI, 12 MSI and 239 Small Scale Industries were set up providing employment to 2744 persons.

During Tenth Plan period 2002-2007, it is proposed to encourage setting up of 1500 small scale, 50 medium scale and 15 large scale industries providing employment opportunity to 17000 persons, out of which 500 S.C persons would be benefited. In the IT Sector alone 5000 persons will get employment. During 2001-2002 it is expected that 2 large scale, 12 medium scale and 300 small scale industries will be set up giving employment to 1600 persons.

The Pondicherry Industrial Promotion Development and Investment Corporation (PIPDIC), a state owned Finance Corporation has been playing a catalytic role in the industrial development by extending term loan, hire purchase and lease finance to the entrepreneurs and by developing new estates / growth centres endowing them with infrastructure facilities. During the Tenth Plan period PIPDIC would implement various infrastructural projects such as Growth Centre at Polagam, Karaikal, an Electronic Industrial Estate and Software Technology Park (STP) in Pondicherry and Integrated Infrastructure Development Project. Further it is proposed to form a venture capital fund with Government of Pondicherry and SIDBI as settlers of the fund. The administration will provide financial assistance to the corporation for effective and successful implementation of the above schemes. The projects are in various stages of implementation. Therefore, in the interest of overall industrial development in the Union Territory of Pondicherry, financial assistance to the Corporation is necessary for effective and successful implementation of the schemes.

The Pondicherry Textile Corporation, another State owned Corporation, provides employment to about 5000 workers, besides generating indirect employment to more than 25000 people. As the biggest industrial employer and foreign exchange earner of the Union Territory of Pondicherry, it plays a very important role in the economy of Pondicherry. It has proposed to implement a comprehensive modernisation programme at a cost of Rs.104 crores over a period of 3 ½ years. The Corporation has also proposed for Voluntary Retirement scheme at a cost of Rs.25 crores to further reduce the man power strength. It is, therefore necessary to assist the Pondicherry Textile Corporation during the Tenth Plan also, so as to revitalise the Corporation.

The District Industries Centre, provides all services and support to the small entrepreneurs in the preparation of suitable schemes and assist in getting the required licences and clearances, procurement of machineries and other required help etc., through the Single Window System. It arranges for training in the field of Engineering, Electrical, Technology, Handicrafts, Coir and in various other fields to

the educated as well as unemployed youth and also arranges loan through Nationalised Banks for setting up of small industry thereby creating more employment opportunities. It makes entrepreneur and his employees aware of the latest technology and 6894 trainees were benefited in various trade training in different industrial units. During the Tenth Five Year Plan the above activities will be continued. In addition, DIC proposes to introduce Vocational training for tailoring, which are more relevant to the rural poor. The District Industries Centre conducts exhibition and also participates in various exhibitions arranged by other states / agencies within the country to directly help in marketing the products manufactured in the Union Territory of Pondicherry by the handicraft artisans.

Advanced training will also be given to the candidates who would like to acquire the advanced skill of the trade from other states. District Industries Centre has acquired land at Pondicherry for setting up a show room. A sales emporia will be set up in Karaikal region to give better marketing facilities to the tiny handicrafts and small scale units. Land measuring 1-20-00 hec. has been acquired in Pondicherry to set up a Coir Growth Centre. Land measuring 7-26-06 H.A.CA will be acquired at Murungappakkam, Pondicherry to set up Craft Village.

As part of the objective of attaining smart governance, it is proposed to computerise the entire activities of the Industries Department. A Technology Transfer cell will be established to enable the industrialists to upgrade and modernise their technologies and remain competitive in the globalised economy. An Entrepreneur Development Institute will be established as a society to nurture and foster entrepreneurship among the people of Pondicherry, Motivation, awareness, entrepreneurship development, skill development programmes will be undertaken. Consultancy and research studies will also be conducted. An Industrial Guidance Bureau will be established to help the entrepreneurs to set up their units expeditiously.

OUTLAY AT A GLANCE

Sector : INDUSTRIES
Department : INDUSTRIES & COMMERCE

No. of Schemes: 13

(Rs. in lakh)

Ninth Five Year Plan 1997-02 Approved Outlay	:	16200.00
Annual Plan 1997-2000 Actual Expenditure	:	8468.81
Annual Plan 2000-01 Actual Expenditure	:	2877.11
Annual Plan 2001-02 Approved Outlay	:	3794.00
Annual Plan 2001-02 Revised Outlay	:	3794.00
Tenth Five Year Plan 2002-07 Proposed Outlay	:	15508.25
Annual Plan 2002-03 Proposed Outlay	:	3949.56

(Rs. in lakh)

Sl. No.	Name of Scheme	2000-01	2001-02		2002-07	2002-03
		Actual Expenditure	Approved Outlay	Revised Outlay	Proposed Outlay	Proposed Outlay
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Training	63.01	76.89	68.47	200.00	50.00
2.	Motivation of SC/ST/Women entrepreneurs to start Industries	0.00	7.50	1.00	50.00	10.00
3.	Development of Handicrafts	61.02	72.23	66.40	500.00	200.00
4.	Development of Khadi & village Industries	220.00	220.00	220.00	1000.00	220.00
5.	Development of Coir Industry	38.47	19.86	9.56	150.00	35.00
6.	Fiscal Assistance to New Industries	0.00	200.00	0.01	2000.00	50.00

(1)	(2)	(3)	(4)	(5)	(6)	(7)
7.	Marketing & Publicity	54.37	83.62	78.15	200.00	80.00
8.	Share capital assistance to public sector corporation (PIPDIC&PDL)	200.00	72.10	222.01	200.00	50.00
9.	Development of Infrastructure for Industrial Promotion	66.50	150.01	240.00	918.25	350.00
10.	District Industries Centre	22.34	18.23	18.69	90.00	18.00
11.	Assistance for restructuring of AFT Mills of PTC Ltd.	2140.00	2839.00	2839.00	10000.00	2839.00
12.	Incentive for Pollution Control Equipments	0.00	22.00	19.50	100.00	35.00
13.	Strengthening of Dte. of Inds.	11.40	12.56	11.21	100.00	12.56
Total		2877.11	3794.00	3794.00	15508.25	3949.56

Scheme No. 1

Sector : INDUSTRIES

Implementing
Department : DISTRICT
INDUSTRIES
CENTRE

1. Name of Scheme : Training.

2. Objective of the Scheme :

- i. To create more employment opportunities for the educated unemployed youth of Union Territory of Pondicherry.
- ii. To motivate entrepreneurship among the youth.

A) Training for educated unemployed

It is proposed to impart in plant training to the unemployed to make them acquire better skill in the trade so as to start either their self ventures or to get employed in established industries. It is proposed to select suitable persons and to place them in the existing Industries for training for a period 1 year. During the period of training, they will be paid stipend in the following rates based on their educational qualification.

S.S.L.C and below	: Rs. 750/-
Graduate and 3 years Diploma	: Rs. 1500/-
Degree in Engineering and post graduate in Arts & Science or equivalent	: Rs.2,000/-

During the period of training, the trainees may waste some of the raw materials for which an amount up to Rs 200/- per trainee per month to be paid to the industry which imparts the training as compensation.

B. Vocational training

Till 9th Five Year Plan, certain trades such as Tailoring, jute etc. which are more relevant to the rural / Village women were considered under the scheme of inplant training. After the successful completion of the training course, some of the beneficiaries set up their own industries and some have got employment opportunity, which helped them to get additional resources. The response for this trade is mainly from women and that too from rural areas. The training for such trades i.e tailoring, jute, leather garments, etc, are to be considered under the scheme of vocational training.

C. Training to entrepreneurs (Management Training)

Under the scheme, it is proposed to give management training to the entrepreneurs and industrialists or their representative in the various disciplines namely, Financial Management, Marketing Management, Personnel Management, Quality control, and Productivity etc. It is proposed to utilise expertise available in the Pondicherry Productivity Council, National Productivity Council, SIET Institute Hyderabad, SISI Madras etc. Under the scheme 90% of the expenditure incurred by the entrepreneur/ Industrialists or their representative for undergoing the managements training programme will be given as subsidy by the Government and the remaining 10% will be borne by the beneficiaries.

(Rs. in lakh)

3. Ninth Plan 1997-02	:	
a) 1997-2000 (Actual Expenditure)	:	151.42
b) 2000-2001 (Actual Expenditure)	:	63.01
c) 2001-2002 (Revised Outlay)	:	68.47
d) Actual Physical Achievement (1997-2000)	:	2161
e) Actual Physical Achievement (2000-01)	:	1246
f) Anticipated Physical Achievement (2001-02)	:	1200
4. Proposed Outlay for the Tenth Plan 2002-07	:	200.00
Proposed Outlay for the Annual Plan 2002-03	:	50.00
5. Programme envisaged for the Tenth Plan (2002-07) :		
Training in nos.		13100
6. Programme envisaged for the Annual Plan (2002-03):		
a) Inplant Training		500
b) EDP programme		5
c) PMPC – Management training		200
7. Remarks	:	Continuing scheme.

During the X Five Year Plan this Department is proposed to introduce new components of Summer Training and Vocational Training.

(i) Vocational training

1. Age limit - 18 – 35 Years.
2. Qualification and Stipend eligible
 - i. ITI/HSC/SSLC/Passed Std VIII and above - Rs.750/- p.m.
 - ii. Graduate and Diploma in Engg (3 year course) - Rs.1,500/-p.m.

3. Period of training

- 6 Months

During the period of training the master trainer/institution will be given as Honorarium of Rs.350/- per trainer per month and rent subsidy of Rs.500/- per month for an institution will also be granted. The trainees may waste some of the raw materials, which belongs to the institution/centres for which an amount of Rs.100/- per trainee per month will be paid to the training centre/institution/units as compensation.

(ii) Grant of Subsidy for the purchase of machinery/Tools to the Trainees who have completed the vocational training programme successfully :

After successful completion of the vocational training, the beneficiaries are very much interested to set up a small Unit. To fulfill their aspiration, it is proposed to grant subsidy for the trades at the rate of 75% of the cost of machinery/tools purchased subject to a maximum of Rs 2500/- per trainee. The trainees who have successfully completed the training programme and purchased the relevant machinery/tools have to produce the original invoice/bill to this office to avail the subsidy. This trade will definitely help in improving the economic conditions of the rural people especially the women.

Scheme No. 2

Sector : INDUSTRIES

Implementing
Department : INDUSTRIES &
COMMERCE

1. Name of the Scheme : Motivation of SC / ST / Women entrepreneurs to start industries.

2. Objectives of the Scheme :

A Scheme was initiated during the Seventh Plan period to extend extra facilities to SC/ST entrepreneurs, who intend to start industries/ self employment industrial units. This scheme would be continued during the 10th plan period also with enhanced incentives and to extend the incentives to the women entrepreneurs also.

Subsidies and incentives under the scheme shall be admissible in respect of industrial units fully owned by the SC/ST/Women entrepreneurs. In case of Partnership and Private Ltd., companies all the partners, share holders and the Board of Directors should belong to SC/ST/Women as the case may be.

The amount subsidies, incentives availed under the scheme shall be refunded fully with interest in case new partners or share holders or Board of Directors belonging to other castes or men the case may be are included in the business within five years from the date of availing of the subsidy.

The entrepreneurs should inform the Department of his/her proposal to set up his/her own industrial unit and to avail the benefits under the scheme with the

provisional Registration Certificate, Project Report, Sources of finance etc., to the Department well in advance in the prescribed format.

The entrepreneurs should submit their application for the payment of subsidy/incentive within 6 months from the date of functioning of their unit/commencement of commercial production in the prescribed format. This may be relaxed up to a period of one year at the discretion of the Director in respect of genuine cases.

(Rs. in lakh)

- | | | |
|--|---|--------------------|
| 3. Ninth Plan 1997-02 | : | |
| a) 1997-2000 (Actual Expenditure) | : | 0.14 |
| b) 2000-2001 (Actual Expenditure) | : | -- |
| c) 2001-2002 (Revised Outlay) | : | 1.00 |
| d) Actual Physical Achievement (1997-2000) | : | -- |
| e) Actual Physical Achievement (2000-2001) | : | |
| Subsidy to SC/ST entrepreneurs | - | -- |
| (Since the guidelines of the scheme yet to be approved by the Govt.) | | |
| f) Anticipated Physical Achievement (2001-2002) : | | |
| Subsidy to SC/ST/Women entrepreneurs | - | -- |
| 4. Proposed Outlay for the Tenth Plan 2002-2007 | : | 50.00 |
| Proposed Outlay for the Annual Plan 2002-2003: | | 10.00 |
| 5. Programme envisaged for the Tenth Plan (2002-07) : | | |
| Subsidy to SC/ST/Women entrepreneurs | | 105 units |
| 6. Programme envisaged for the Annual Plan (2002-03): | | |
| Subsidy to SC/ST/Women entrepreneurs | - | 6 units |
| 7. Remarks | : | Continuing Scheme. |

The new component of 'Motivation of Women entrepreneurs to start new industries' will be introduced. This new component of the scheme mainly will be to encourage women entrepreneurs to start new industries in this Union Territory of Pondicherry.

PATTERN OF ASSISTANCE

Rent Subsidy

- i) SC/ST/Women entrepreneurs, who starts the industry in a rented building, will be granted a rent subsidy for the period of first five years as detailed below.

- | | | |
|----|-----------------------------|---------------------|
| a. | for the first two years | - 50 % of the rent |
| b. | For the third year | - 40 % of the rent |
| c. | For the fourth & Fifth year | - 30 % of the rent. |

ii) In the case of industrial units situated in the sheds or premises owned by Govt. Departments including local bodies or to Govt. Undertakings or Govt. sponsored societies, the rent fixed by such organisations shall be taken into account.

iii) In the case industries situated in the sheds or premises owned by private individuals or body's the rent actually charged or the rent value as fixed by P.W.D whichever is less will be taken into account.

Interest subsidy

For the loans received towards creation of fixed assets for working capital, an interest subsidy equal to the difference between the actual rate charged by the financial institution/banks and a concessional rate of interest of 5.5 % per annum will be disbursed for five years. However, the maximum amount of subsidy to each industry should not exceed Rs.1 lakh in any financial year. In case of women entrepreneurs who belongs to SC/ST, the maximum amount of subsidy to each industry should not exceed Rs.1.25 lakh in a year.

The interest subsidy will be admissible only in cases of loan availed in

- i) PIPDIC, Pondicherry or any other Govt. Corporations.
- ii) Scheduled Banks including Coop. Banks
- iii) Govt. Sponsored Coop. Societies
- iv) Finance or Nidhi companies approved by the Reserve Bank of India.

Interest subsidy shall be paid to the entrepreneurs on prompt payment of interest to the financial institutions/banks concerned and on the production of the required "No Due Certificate" of interest from them.

Special Investment Subsidy

A special investment subsidy at 25 % on the capital invested including working capital by the SC/ST/Women entrepreneurs, subject to maximum of Rs.25.00 lakh will be granted. In case of women entrepreneurs who belongs to SC/ST category, a special investment subsidy at 30% on the capital invested including working capital subject to maximum of 30 lakh will be granted.

- i) Investment subsidy shall be admissible only in the case of setting up of new industries. Subsidy is also admissible for expansion of industries subject to aggregate subsidy of Rs.25 lakh.

- ii) The unit should be run for a minimum period of five years. Further, either the unit or the machineries therein for which subsidy has been availed should not be shifted without the prior approval of the Director of Industries.
- iii) The unit, the machineries for which subsidy has been availed should not be sold within the period of five years from the date of disbursement of subsidy.
- iv) The subsidy is admissible on the investments made on the land, buildings & machineries.
 - a) Investment on land means the value as per land documents (sale deed)
 - b) Investment on building means the value assessed by a competent engineer approved by Govt. for valuation.
 - c) The investment on machinery means the initial purchase price of the machineries and other equipments.
 - d) In case of second hand machineries the initial purchase value with depreciation or the second hand purchase value whichever is less will be taken as investment.

The subsidy amount will be disbursed directly to the financial institutions/banks only, if they finance the unit for adjustment against the loan availed by them.

Scheme No. 3

Sector : INDUSTRIES
 Implementing Department : INDUSTRIES & COMMERCE

1. Name of the scheme : Development of Handicrafts

2. Objectives of the scheme :

- i) To revive the vanishing crafts and to restore the traditional Handicrafts.
- ii) To develop the skill in order to create better employment opportunities and to boost the livelihood of rural people who have contributed a significant share to exports by the Union Territory of Pondicherry.

The development of Handicrafts is a source of additional income particularly to the rural poor. Such activities come handy for practicing when farm activities are not there or the income generated from the agricultural sector is very low. Further it also increases the export potential of the country. Therefore, this scheme has to be continued.

The Planning Commission, Government of India has laid emphasis on the training for skill formation so as to improve employment opportunities. The crafts

which are being practised traditionally are the only source of livelihood for many rural people who have contributed a significant share to exports. This scheme envisages and attempts to create more employment opportunities for the rural folk and to raise their living standards. Under this scheme, training is given to the candidates in the crafts in which they have aptitude. This is Gurukulam type of training under the Master Craftsperson and hence education and age limit are not strictly adhered to. The period of training varies from 6 to 12 months.

I) TRAINING

Under training scheme the Master Craftsperson is paid with honorarium, subsidy amount for the rent paid to the premises, compensation amount for the raw materials wasted by the candidates during training. The trainee will be paid a stipend amount every month. Advanced training will also be given to the candidates who would like to learn the exquisite skill craft in other regions and in other states, for which travelling allowance and stipend amount will be given to the candidates.

II) HANDICRAFTS AWARD

State handicrafts Award Competition is conducted every year to select outstanding masterpieces identified and encourage skilled craftsperson. One Master Craftsperson is selected as state awardee and honoured by awarding cash prize of Rs.10000/- along with Tamarapatra. One Craftsperson is also selected for merit certificate and will be provided with a cash prize of Rs 5000/-.

III) INSURANCE SCHEME FOR ARTISANS

An important welfare measure for the Craft persons is to cover the artisans under Insurance. This insurance cover for each artisan would be for an amount of Rs.1,00,000/- in case of death by accident. The premium amount of Rs.100/- per annum per artisan will be shared by the Government and the artisan in the ratio of 80:20. There are about 2000 artisans and it is proposed to cover about 500 artisans every year.

IV) EXHIBITION

It is proposed to participate in National Handicraft Expo's Mini Handicrafts expo's/Handicrafts Fairs/Market meets/Exhibition/Handicrafts workshop in other states of the country for which the cost towards travelling allowance, dearness allowance to the crafts persons and charges towards transportation of goods, rent for stall and interior decoration, if any will be borne by the Government.

V) SETTING UP OF CRAFTS VILLAGE

Work sheds of handicraft artisans, Pondicherry are spread over at different places. They are not located in cluster in our Territory. As such, people desirous of purchasing variety of handicraft products right in one place and directly from the artisans concerned, find it difficult to make such purchase. If workshops are

constructed at a place, where tourism activities could fastly develop, it would not only help the artisans produce more articles but also boost the sales. The tourists visiting Pondicherry would also have the pleasure of seeing the demonstration of production of the craft articles and could make purchase at comparatively low cost. TAFSIL, an agency that formulated a project report for development of Tourism in Pondicherry has also recommended for setting up of craft village viz., cluster of worksheds for mass production. It is therefore, proposed to set up a craft village in the model of Shilparamam, Hyderabad which will be having number of sheds for production of articles of various crafts in Pondicherry, sales point, mini open theatre for cultural programmes and small restaurants for serving variety of Indian foods. It is proposed to carry out the work by District Industries Centre, Pondicherry / a Society for development of handicrafts/Corporations.

(Rs. in lakh)

3. Ninth Plan 1997-02	:	
a) 1997-2000 (Actual Expenditure)	:	149.61
b) 2000-2001 (Actual Expenditure)	:	61.02
c) 2001-2002 (Revised Outlay)	:	66.40
d) Actual Physical Achievement (1997-2000)	:	1477 Nos.
e) Actual Physical Achievement (2000-2001)	:	
Training to persons	-	809 Nos.
f) Anticipated Physical Achievement (2001-2002) :		
Training to persons	-	726
4. Proposed Outlay for the Tenth Plan 2002-07	:	500.00
Proposed Outlay for the Annual Plan 2002-03	:	200.00
5. Programme envisaged for the Tenth Plan (2002-07) :		
i) Training		5360
ii) Establishment of Arts craft village		
6. Programme envisaged for the Annual Plan (2002-03):		
Training	-	982
7. Remarks	:	Continuing scheme

DETAILS OF PATTERN OF ASSISTANCE

Training

- a) Honorarium to Mastercrafts person at the rate of Rs 250/- per trainee up to a maximum of Rs 2500/- per month.

- b) Stipend to a trainee at Rs 750 per month.
- c) Compensation towards wastage of raw materials at Rs 50/- per trainee per month up to a maximum of Rs 500/- per month.
- d) Rent subsidy at Rs/- 50 per trainee per month up to a maximum of Rs 500/- per month.
- e) Mastercraftperson brought from other states will be paid a honourarium of Rs.5000/- p.m for a period of two years. This guarantee amount has to be paid to attract new crafts into our Union Territory. However, Tamilnadu craftpersons will be paid Rs.3000/- per month in Pondicherry and Karaikal, Kerala State craftpersons will be paid only Rs.3000/- only per month in Mahe and Andhra Pradesh craftpersons will be paid Rs.3000/- only in per month. Similarly craftpersons moving from one region to another region will also be paid Rs.3000/- only per month as honorarium. However craftpersons moving between Pondicherry & Karaikal will be paid honorarium as per clause (a) mentioned above.

Advanced Training

- a) Stipend to a trainee at Rs 1000/- per month.
- b) Travelling allowance limited to II class railway fare.

Exhibition

- a) The participants will be paid the actual cost of transportation of goods or Rs.1000/- whichever is less.
- b) The participants will be paid a D.A. of Rs.100/- per day.
- c) Travelling Allowance limited to second class railway fare to one person of the unit.

Insurance scheme for artisans

The artisan should not be receipt of similar Insurance scheme from any other Department (or) Organisation and should be produce a undertaking letter.

Scheme No. 4

Sector : INDUSTRIES
 Implementing Department : DISTRICT INDUSTRIES CENTRE

1. Name of the Scheme : Development of Khadi & Village Industries

2. Objective of the scheme :

To Promote and develop the Khadi and Village Industries programmes/activities with a view to create rural employment.

To achieve the above object, it is proposed to continue the scheme i.e. to give grant to Pondicherry Khadi and Village Industries Board to meet out its administrative expenses during IX plan period.

(Rs. in lakh)

3. Ninth Plan 1997-2002 :

- a) 1997-2000 (Actual Expenditure) : 557.04
- b) 2000-2001 (Actual Expenditure) : 220.00
- c) 2001-2002 (Revised Outlay) : 220.00

- d) Actual Physical Achievement (1997-2000) : Administrative grant
- e) Actual Physical Achievement (2000-2001) : Administrative grant
- f) Anticipated Physical Achievement (2001-2002) : Administrative grant

- 4. Proposed Outlay for the Tenth Plan 2002-2007 : 1000.00
- Proposed Outlay for the Annual Plan 2002-2003 : 220.00 Recurring

- 5. Programme envisaged for the Tenth Plan (2002-07) : Administrative grant

- 6. Programme envisaged for the Annual Plan (2002-03): Administrative grant

- 7. Remarks : Continuing Scheme

Scheme No. 5

Sector : INDUSTRIES
Implementing Department : DISTRICT INDUSTRIES CENTRE

- 1. Name of the scheme : Development of Coir Industries.

2. Objective of the scheme :

To develop coir and coir based industry and to generate employment for the downtrodden and needy people. This scheme envisages training to rural poor in producing coir rope, coir mat and coir matting and other coir products. The period of training is normally 6 to 12 months.

During the X Five Year Plan period, it is proposed to continue the training programme in coir rope, mat and coir matting and coir based products and to promote establishment of mechanised coir units viz., by utilising motorised ratts in the production of coir yarn etc. The training will be imparted in the SSI units and if

needed in the registered co-operatives society. Advanced training will also be given to the candidates who like to upgrade their skill through institution available in other states for which travelling allowance and stipend amount will be given to the candidates.

Under the scheme a "Coir Growth Centre" would be set after acquiring necessary land measuring 01-20-00 Hec in Thengaithittu village has been identified and necessary G.O for transferring of land has been issued by the Govt. In the centre 100 Coir based industrial units would be set up in the XI Five Year Plan period. Besides a training institute to give intensive training in mechanisation and diversification of coir would also set up.

(Rs. in lakh)

3. Ninth Plan 1997-2002	:	
a) 1997-2000 (Actual Expenditure)	:	45.27
b) 2000-2001 (Actual Expenditure)	:	38.47
c) 2001-2002 (Revised Outlay)	:	9.56
d) Actual Physical Achievement (1997-2000)	:	Trg - 440 nos.
e) Actual Physical Achievement (2000-2001)	:	Trg - 259 nos.
f) Anticipated Physical Achievement (2001-2002)	:	Trg -160 nos.

4. Proposed Outlay for the Tenth Plan 2002-2007	:	200.00
Proposed Outlay for the Annual Plan 2002-2003	:	35.00

5. Programme envisaged for the Tenth Plan (2002-07) :

- i. Training 1500 Nos.
- ii. Setting up of Coir Growth Centre

6. Programme envisaged for the Annual Plan (2002-03):

Training 161 nos.

7. Remarks : Continuing scheme.

This department proposed to set up a Coir Growth Centre at Pondicherry for which land measuring 01-20-00 HC at Thengai Thittu village has been acquired. In the centre coir based industrial units would be set up in this Five Year Plan period. Hence the creation of posts are absolutely necessary for successful implementation of Coir Growth Centre.

PATTERN OF ASSISTANCE

I. COIR ROPE MAKING AND COIR MATTINGS: (PERIOD OF TRAINING IS SIX MONTHS)

- a) Honorarium to Master craftsperson at the rate of Rs.150/= per month, per trainee up to a maximum of Rs.1,500/= per month.

- b) Stipend to a trainee at Rs.750/= per month.
- c) Compensation towards wastage of raw materials at Rs.50/= per month per trainee up to a maximum amount of Rs.500/= per month.
- d) Rent subsidy at Rs.50/= per trainee per month up to a maximum of Rs. 500/= per month.

II. ADVANCE TRAINING

- a) Stipend to a trainee at Rs.750/= per month.
- b) Travelling Allowance limited to II class railway fare.

Scheme No. 6

Sector : INDUSTRIES
 Implementing Department : INDUSTRIES & COMMERCE

1. Name of the Scheme : Fiscal Assistance to Industries

2. Objective of the Scheme :

To promote industrial development in the Union Territory of Pondicherry by providing fiscal assistance to new Industries.

In order to attract investment to this territory and to sustain the industrialisation process this department intends to introduce the capital investment subsidy scheme to the industries proposed to be set up in this Territory in the thrust areas like I.T, Electronics, Biotechnology and food processing during the 9th Five Year Plan and continued in the 10th Five Year Plan also. The capital investment subsidy is to be considered on the investment made in Land, Building and Machinery. Special incentives for IT industry are also proposed to be given.

If the incentives are not offered the investor may not chose to invest in Pondicherry as Pondicherry has no raw material resources and no market for the finished products. It is necessary to compensate these inherent disadvantages by the provision of fiscal incentives.

The following incentives are proposed to be introduce in the 10th Five Year Plan .

1. CERTIFICATION INCENTIVE

India has one of the largest number of quality certified software companies in the world. The increasing quality perception will help India transcend the cost barrier and increase margins in offshore business. There are several quality standards, which a software company can obtain. These are

- SEI's Capability Maturity Model - Level 1 to Level 5
- ISO 9000
- Tick IT
- Bootstrap
- Spice (Software Process Improvement and Capability Determination)

The first three are among the main certificates generally obtained by Indian software companies. There are about 170 software companies in India with quality certification. 15 Indian companies now have the SEI CMM Level 5 certification (out of 23 worldwide). Apart from global recognition and quality assurance, government policy also tends to be favorable to companies holding quality certification. Hence it is proposed to give incentive to IT/eco-friendly units/ EOU's to acquire these certification.

2. POWER SUBSIDY

New units in thrust areas are proposed to be given power subsidy subject to a ceiling of Rs.1 lakh per month. The pattern of subsidy will be as follows :

First 3 years at the rate of 33 1/3% of consumption charges

Fourth year at the rate of 20% of consumption charges

Fifth year at the rate of 10 % of consumption charges

3. SUBSIDIES FOR R & D UNITS AND INCUBATORS

R & D units and incubators are proposed to be encouraged by the grant of special incentives in the form of investment subsidy, interest subsidy, power subsidy and connectivity subsidy as applicable to the units in the thrust areas, eco-friendly industries. In addition they will be provided subsidy for conducting marketing survey. The budding entrepreneurs are finding very difficult to choose their projects for setting up of their unit due to the non-availability of data about the market sources. Therefore it is proposed to introduce a scheme for providing subsidy to an extent of 50% on the expenses for conducting market potential survey not exceeding Rs.2.00 lakhs per project.

4. SCHEME FOR ENCOURAGING INSURANCE COMPANIES, FINANCE COMPANIES, STOCK EXCHANGES, FINANCIAL INSTITUTIONS TO SET UP THEIR BACK OFFICES

It is proposed to encourage setting up of back offices of the said companies to in the UT of Pondicherry by the grant of subsidies on par with the subsidies incentives provided to IT units. Adequate support in the form of furnishing industrial data, support for identifying infrastructure will also be provided for the companies.

5. SUBSIDY FOR PREPARATION APPRAISAL REPORT FOR SICK INDUSTRIES

The Financial institutions are entrusted with the preparation of appraisal report on the rehabilitation proposals furnished by the sick industrial units for revival. It is

proposed to grant 10% of the appraisal fee charged by the financial institutions as subsidy to a maximum limit of Rs.1 lakh per industrial unit which is declared as sick.

(Rs. in lakh)

3. Ninth Plan 1997-2002	:	
a) 1997-2000 (Actual Expenditure)	:	366.50
b) 2000-2001 (Actual Expenditure)	:	--
c) 2001-2002 (Revised Outlay)	:	0.01

d) Actual Physical Achievement (1997-2000)	:	
Power subsidies to Industrial units		141 units

e) Actual Physical Achievement (2000-2001)	:	--
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The guidelines for IT Subsidies are yet to be approved by the Government.

f) Anticipated Physical Achievement (2001-2002) :

Formulation of guidelines for issue of IT Subsidy & release of subsidy.

4. Proposed Outlay for the Tenth Plan 2002-2007	:	2000.00
Proposed Outlay for the Annual Plan 2002-2003	:	50.00

5. Programme envisaged for the Tenth Plan (2002-07) :

Subsidies to IT	800 units
Quality Certification incentives	5 units
Power Subsidy	600 units
Special subsidy for R&D units and incubators	100 units
Subsidy for appraisal report	50 units
Grant of subsidies for IT units for encouraging set up of Back offices	5 units

6. Programme envisaged for the Annual Plan (2002-03):

Formulation of guideline for issue of certification subsidy, Sales tax reimbursement subsidy, power subsidy and other subsidies for IT / eco-friendly Industries/EOU's etc.

i) Units to be benefited by way of investment, interest subsidy to IT/eco-friendly industries	15 units
ii) Certification subsidy	1 unit
iii) Power Subsidy to thrust area units	1 unit

- | | |
|---|--------|
| iv) Subsidy for R&D units and incubators | 1 unit |
| v) Subsidy for appraisal report | 1 unit |
| vi) Grant of subsidies for IT units for encouraging
Set up of Back offices | |

7. Remarks : Continuing Scheme.

In the Tenth Five Year Plan, the following new components are introduced for promoting the new industries. They are (a) Quality Certification Incentives, (b) Power Subsidy for Thrust areas, (c) Special incentives for R&D unit and incubators, scheme for encouraging insurance companies, finance companies, stock exchange, financial institutions to set up their back offices.

PATTERN OF ASSISTANCE

I. CAPITAL INVESTMENT SUBSIDY

In order to attract investment to this territory and to sustain the industrialisation process, this department intends to introduce capital investment subsidy scheme to the industries proposed to be set up in this Territory in the thrust areas. The capital investment subsidy is to be considered on the investment made in Land, Building and Machinery.

The rate of investment subsidy to be disbursed after due consideration and approval is 20% subject to the maximum limit of Rs.20 lakh.

An additional investment subsidy of 5% subject to a ceiling of Rs.5.00 lakh for units employing more than 30% women workers.

The detailed scheme shall be presented in consultation of with Planning & Finance Department.

II. INTEREST SUBSIDY

For the loans received towards creation of fixed assets and for working capital, this department intend to introduce an interest subsidy scheme equal to the difference between the actual rate charged by the financial institution/banks and a concessional rate of interest of 5.5% per annum for a period of five years from the date of starting production as detailed below:-

Maximum amount of subsidy to each industry should not exceed Rs. 60,000/- in a financial year only for SSI units.

The interest subsidy will be admissible only in the cases of loan availed in :

- a) PIPDIC, Pondicherry or any other Govt./ Corporations.
- b) Scheduled Banks including Co-operative Banks.
- c) Govt. Sponsored cooperative societies.
- d) Finance or Nidhi companies approved by the RBI.

Interest subsidy shall be paid to the entrepreneurs on payment of interest to the financial institutions/banks concerned and on the production of the No Due Certificate of interest from them.

III. SUBSIDY FOR CAPTIVE GENERATION OF POWER TO IT UNITS

As per the IT policy of the Govt. of Pondicherry, a subsidy of 50% subject to a ceiling of Rs.15 lakh shall be paid to the entrepreneurs for installing captive generation sets.

IV. CONNECTIVITY INCENTIVE

Subsidy on the rental paid for the leased lines obtained either from DOT or from other authorised / licensed vendors will be paid to the IT units to reduce their expenditure for obtaining connectivity. The subsidy will be paid annually for leased lines upto 64 kbps dataline capacity for a period of 3 years. Maximum line length of 500 kms or distance to the nearest available international gateway which ever is less will be considered. 50% of lease rental of the "Indian Halt Circuit" will be paid as subsidy for connectivity through satellite earthstations. Internet service providers and Internet café etc. will not be eligible.

V. CERTIFICATION INCENTIVE

A subsidy scheme may be introduced to meet 25% of the cost of acquiring the certification subject to a ceiling of Rs.5 lakh by the IT units. This subsidy will enable the IT units in Pondicherry to acquire the quality certification and build up Pondicherry as a place known for quality IT products.

VI. POWER SUBSIDY

New units in thrust areas are proposed to be given power subsidy subject to a ceiling of Rs.1 lakh per month. The pattern of subsidy will be as follows :

First 3 years at the rate of 33 1/3% of consumption charges

Fourth year at the rate of 20% of consumption charges

Fifth year at the rate of 10 % of consumption charges

VII. SUBSIDY FOR CONDUCTING MARKET POTENTIAL SURVEY

It is proposed to provide subsidy to an extent of 50% on the expenses for conducting market potential survey for a particular survey not exceeding Rs.2.00 per project.

VIII. SUBSIDY FOR PREPARATION APPRAISAL REPORT

It is proposed to grant 10% of the appraisal fee charged by the financial institutions as subsidy subject to a maximum limit of Rs.1 lakh per sick industrial unit.

Scheme No. 7

Sector : INDUSTRIES
 Implementing Department : DISTRICT INDUSTRIES CENTRE

1. Name of the scheme : Marketing and Publicity

2. Objective of the scheme :

To promote sale of products of small scale industries, cottage and tiny sector products.

Marketing is the greatest problem for the cottage & tiny units and small scale industries. Many units become sick due to the marketing problem. Sales rebate of 15% was given for sales of products through recognized emporia during the past plan periods. In addition to the exhibition being conducted by the District Industries Centre in Pondicherry and other States. District Industries Centre has been participating in exhibitions being held in other cities like Madras, Bangalore and India International Trade Fair, New Delhi etc., These Exhibitions serve as an effective tool for promotion and sale of cottage and tiny and small scale industries sector products.

Under this scheme the following incentives and assistance are to be given to the industrial units to enhance their marketing power.

- i) Sales Rebate
- ii) Exhibition and Participations in Trade Fairs:
- iii) Payment of Honorarium and winter clothing for the duty staff at Delhi, India International Trade Fair.
- iv) Incentives to SSI units acquiring ISO certification

3. Ninth Plan 1997-2002 :

- a) 1997-2000 (Actual Expenditure) : 124.75
- b) 2000-2001 (Actual Expenditure) : 54.37
- c) 2001-2002 (Revised Outlay) : 78.15

d) Actual Physical Achievement (1997-2000) :

Industries assisted 302 units

e) Actual Physical Achievement (2000-2001) :

Industries assisted 200 units

f) Anticipated Physical Achievement (2001-2002) :

- (i) Industries to be assisted 80 units

- (ii) Sales rebate 1 No.
- 4. Proposed Outlay for the Tenth Plan 2002-2007 :** 200.00
Proposed Outlay for the Annual Plan 2002-2003 : 80.00
- 5. Programme envisaged for the Tenth Plan (2002-07) :**
- (i) Industries to be assisted 800 units
(ii) 5 nos. of posts are to be created in various cadres such Group “B”, “C” & “D”
(iii) Purchase of Mini van (Load Carrying) - 1 No, Motor Cycle - 2 Nos, Computer 2 Nos. and other office equipments.
- 6. Programme envisaged for the Annual Plan (2002-03) :**
- (i) Industries to be assisted - 80 units
(ii) Sales rebate - 1 No.
- 7. Remarks :** Continuing Scheme

PATTERN OF ASSISTANCE

SALES REBATE

The products manufactured by the local cottage and Tiny sector units are eligible for a sales rebate of 15% on the total sales value, for the products sold through sales emporia recognised by the Government of Pondicherry.

EXHIBITION AND PARTICIPATIONS IN TRADE FAIRS/EXPO'S/ OTHER MELAS

It is proposed to take part in the trade fairs conducted by any other agencies, duly taking up a separate pavilion to display the industrial products. The cost towards posting of staff for exhibition and traveling allowance, dearness allowance, transportation of goods, decoration, rent for stall etc., will be met under this scheme.

Scheme No. 8

Sector : INDUSTRIES
Implementing Department : INDUSTRIES & COMMERCE

1. Name of the Scheme : Share Capital Assistance to Public Sector Corporations (PIPDIC & PDL)

2. Objective of the scheme :

For sustained industrial development, assistance to public sector Corporations involved in financing industrial activities and promotion is felt very essential.

I. PONDICHERRY INDUSTRIAL PROMOTION DEVELOPEMNT AND INVESTMENT CORPORATION.

The Corporation was established in the year 1974. Authorised share capital is Rs.40 crore and paid up capital is Rs.34 Crore. This is the only corporation under the Govt. of Pondicherry for the development of Industries. It plays a catalytic role in the promotion and development of Industries in this Union Territory. To cope with the increased industrial development and to facilitate the entrepreneurs to set up their industrial units, the corporation is providing term loans and equity assistance. Besides the Corporation has developed and is maintaining its own industrial estates with all infrastructural facilities. Further, PIPDIC also provides assistance to Medium Scale and Small Scale units and also to professionally qualified persons under hire purchase and lease financing schemes. The Corporation is the implementing agent for the development of the upcoming infrastructure projects such as Growth Centre at Polagam village, Karaikal, Electronic Industrial Estate at Thirubhuvannai, Pondicherry, Integrated Infrastructure Development scheme (IID scheme) at Sedarapet village, Pondicherry, Export Processing Zone at Sedarapet village, Pondicherry and Software Technology Park(Information Technology Park) both at Pondicherry and Karaikal. Under this scheme the Govt. will be providing financial assistance in the form of share capital to PIPDIC for developing an Electronic Industrial Estate at Thirubhuvannai and a Software Technology Park at Pondicherry.

It is proposed to establish a venture capital fund under the aegis of PIPDIC to boost the establishment of IT units in Pondicherry. The fund will also cover other sunrise sectors like food and agro processing, biotechnology, pharmaceutical and health care sectors. Venture capital of PIPDIC will fill the void that is now felt in the funding of units in sunrise sectors such as IT sector. It is proposed to release share capital assistance to PIPDIC for the establishment of venture capital fund. Venture capital plays a pioneering role in promoting successful enterprises, especially in the small scale sector. Promotion of small and innovative enterprises through venture capital besides spreading the risks is in tune with the national priorities of promoting employment and the creation of new class of promising entrepreneurs. Availability of venture capital has become a critical input for the IT units to make it internationally competitive and maintain its export growth rate.

Besides, In the Tenth Five Year Plan, PIPDIC has to proposed to incorporate a Housing Finance Company with the aim of providing housing loans to the public at comparatively lessor rate of interest. The proposed company will be a subsidiary of PIPDIC, with Pondicherry Housing Board and Government of Pondicherry as the other co-promoters. PIPDIC has requested share capital / financial assistance for implementing Housing Subsidiary scheme.

II. PONDICHERRY DISTILLERIES LTD.

Pondicherry Distilleries Ltd. was incorporated in December 1971, and produces arrack. The authorised share capital of the company is Rs.900 lakh and paid up share capital is Rs.845 lakh. It has set up 5 nos. of semiautomatic line and one no. of automatic line for bottling. The bottled arrack is being marketed under the trade name

“COUNTRY BREEZE”. The requisite major raw material for the project, Rectified Spirit (RS) is procured from outside Pondicherry by following the usual excise formalities. The commercial production and sale of bottled arrack was effected from 18/7/1998. Since then the sale of arrack in PDL is smoothly going on well. Its present accumulated profits stand at Rs.330.56 lakh and the dividends already paid to the Government at 138.03 lakh so far.

- 3. Ninth Plan 1997-2002 :**
- a) **1997-2000 (Actual Expenditure) :** 741.70
- b) **2000-2001 (Actual Expenditure) :**
- PIPDIC 200.00
- c) **2001-2002 (Revised Outlay) :** 222.00
- d) **Actual Physical Achievement (1997-2000) :**
- i) Site development was completed for Setting up of Information Technology Park at Kalapet and Electronic Park at Thirubhuvanai.
- ii) Shifting of PDL from old premises to Ariyalalayam and setting up of Blending and Bottling unit at Ariyalalayam were completed.
- e) **Actual Physical Achievement (2000-2001) :**
- Share capital assistance paid for establishing Earth Station at Information Technology Park, Kalapet and action initialised.
- f) **Anticipated Physical Achievement (2001-2002) :**
- (i) Share capital assistance paid for IT Park, Venture capital funds.
- (ii) Share capital assistance for Construction of Fire Station.
- 4. Proposed Outlay for the Tenth Plan 2002-2007 :** 200.00
- Proposed Outlay for the Annual Plan 2002-2003 :** 50.00
- 5. Programme envisaged for the Tenth Plan (2002-07) :**
- PIPDIC
- Share capital assistance for establishment of Venture Capital Funds and Implementation of Earth Station at IT Park.
- 6. Programme envisaged for the Annual Plan (2002-03):**
- Share Capital assistance to PIPDIC
- 7. Remarks :** Continuing Scheme.

Sector : INDUSTRIES
 Implementing Department : INDUSTRIES & COMMERCE

1. Name of the Scheme : Development of Infrastructure for Industrial Promotion.

2. Objective of the Scheme :

This scheme, previously known as Development of New Industrial Estate and improvement to existing Industrial Estate was continued in the IX Five year Plan period to develop.

- | | | | |
|----|------------------------------|----|-----------------------|
| a) | Existing industrial estates. | b) | New Industrial estate |
| c) | Growth Centre. | d) | Technology parks. |

Besides, industrial Growth Centre which would help promote rapid and sustained industrial development of backward areas along with concomitant infrastructure development, thereby bringing about a balanced development of such areas would be set up in the Union Territory of Pondicherry. These growth centres conceptualised by the Government of India, are expected to act as a magnet for attracting industries to backward areas and would be endowed with infrastructure facilities on par with the best available in the country. One growth Centre is under implementation in Polagam, Karaikal. The Government of India had introduced a scheme Integrated Infrastructural Development Project for Small Scale Industries in rural/backward areas. It has been decided by the Government that PIPDIC would be the implementing agency of the IID scheme to be implemented at Sedarapet.

An infrastructure balancing scheme is proposed to be established to provide faster infrastructural facilities for the IT/eco-friendly units. When any of the departments responsible for providing infrastructure are not able to do so for want of funds, they may make use of the funds available under this scheme to meet the urgent needs of the IT/eco-friendly units. Funds will be released to PIPDIC. PIPDIC in turn will release the amount to the needy agencies.

Private sector will be encouraged to establish Industrial Estates in the Union Territory of Pondicherry and develop cost will be reimbursed to the extent of 10% subject to maximum of Rs.50 lakh.

“Participation of Southern Gas Grid” scheme has been introduced and implemented in the last Eighth and Ninth Five Year Plan as separate scheme. In the Tenth Five Year Plan this scheme is proposed to be merged under this Scheme of “Development of Infrastructural for Industrial promotion”.

Adequate power is the basic requirement for industrial and economic development of this Union Territory. Therefore, with a view to foster industrial development in the Union Territory of Pondicherry by providing alternative energy

resources (Natural & Associated Gas) the Government of Pondicherry decided to participate in the proposed southern Gas Grid and/or utilise the gas resources in the country basis.

Under the scheme all the southern States - Tamilnadu, Kerala, Karnataka and Andhra Pradesh and the Union Territory of Pondicherry will be connected by laying of pipelines to ensure supply of gas to the gas based industrial units located in these states and in the Union Territory of Pondicherry. The main sources of supply of gas to the grid are Bombay high in the State of Maharashtra, Godavari & Krishna basin in Andhra Pradesh, Cauvery basin in Tamilnadu and proposed Omen-India Gas pipeline. The Government of Pondicherry has contributed Rs.10 lakh, being its share contribution to study the feasibility of the scheme and for the preparation of pre-feasibility Report, to Kerala State Industrial Development Corporation - the designated Nodal state Agency, during 1995-96.

According to the feasibility report prepared by "LOGICON" Engineers Pvt. Ltd., New Bombay the southern Gas Grid would be viable if the external source of Omen-India pipe line are dedicated to it. GAIL will be approached for supply of gas from Cauvey basin to Pondicherry & Karaikal region industrial units and from Godavari basin to Yanam region.

3. Ninth Plan 1997-2002	:	
a) 1997-2000 (Actual Expenditure)	:	471.04
i) Building Programme		21.04
ii) Growth Centre & IID		450.00
b) 2000-2001 (Actual Expenditure)	:	66.50
i) Building Programme		16.50
ii) IID project		50.00
c) 2001-2002 (Revised Outlay)	:	240.00
d) Actual Physical Achievement (1997-2000)	:	
i) Land acquisition has been completed for Growth Centre.		
ii) Some of the Building programme has been completed like construction of office building, raising of compound wall, Construction / Conversion of Director's room to Information-cum- Facilitation Counter in the Industries Department, Pondicherry, etc.		
e) Actual Physical Achievement (2000-2001)	:	
i) Growth centre: Land acquisition was completed.		
ii) Land was identified and Notification has been issued for IID Project.		

f) Anticipated Physical Achievement (2001-2002):

- i) Growth Centre : Release of grant to implementing agency PIPDIC.
- ii) Integrated Infrastructural Development
 - a) Construction of compound wall in the northern side of Rural Industrial Estate, Kattukuppam.
 - b) Construction of side drains and re-laying of roads etc. in the Rural Industrial Estate, Manapet, Pondicherry
 - c) Re-laying of roads, construction of side drains/drainages outlets in the Industrial Estate, Thattanchavady, Pondicherry.
 - d) Electrification and provision of A/C facilities to the computer room and to the proposed expansion in the first floor of the Directorate.
 - e) Providing of fibre proof car shed instead of permanent shed with locking facilities.
 - f) Providing of store room (fire proof shed) in the rear side of the office building.
 - g) Construction of building for setting up Coir Board.
 - h) Acquisition of land and Construction of flatted industrial sheds in urban areas.

4. Proposed Outlay for the Tenth Plan 2002-2007 : 918.25
Proposed Outlay for the Annual Plan 2002-2003 : 350.00

5. Programme envisaged for the Tenth Plan (2002-07) :

- i) Land acquisition and site development for IID project, Sedarapet
- ii) Site Development and construction of plot/shed in Growth Centre at Polagam.
- iii) Contribution to Southern Gas Grid
- iv) Maintenance / Upgradation of exiting industrial estate.
- v) **Building programmes.**
 - a) Construction of Flatted Shed
 - b) Compound Wall for Thattanchavady Industrial Estate and NSIC building
 - c) Canteen / Common facilities Centre in the Industrial Estate
 - 1 floor - canteen
 - 1 ground floor – facilities centre tele-phone/STD/Xexor/FAX/Email
 - Construction of Estate administration building
 - Cum Recreation cum conference hall
 - d) Construction of Stock room – rear side of Dte. Bldg.
 - e) Construction of compound wall in Eastern and Western side
 - f) Construction of New Building at RIE, Kottucherry
- vi) Southern Gas Grid
 - a) Share contribution towards techno-economic study and the preparation of the report

- b) Share contribution towards laying of trunk pipelines.
- c) Setting up of Gas Corporation with all infrastructural facilities and staff components.
- d) Costs of laying internal distribution pipeline from the Terminal, delivery points to consumer units. Subject to taking decision of the project token provision is made in the X Five Year Plan.

6. Programme envisaged for the Annual Plan (2002-03):

- i) Growth Centre : Site development at Polagam, Karaikal.
- ii) Integrated Infrastructural Development: Land acquisition.
- iii) Biotechnology Park - Land acquisition and development. This will be implemented by the Industries Deptt. & PIPDIC.

7. Remarks : Continuing Scheme.

Scheme No. 10

Sector : INDUSTRIES
 Implementing Department : INDUSTRIES & COMMERCE

1. Name of the Scheme : District Industries Centre

2. Objective of the Scheme :

The Scheme " District Industries Centre" is meant to provide all services and support required by the small entrepreneurs such as identification of suitable schemes, preparation of feasibility reports, credit facilities and inputs for marketing and extension services at one place for setting up of small and village industries. District Industries Centre, assists all small scale, medium and large industries in obtaining various clearances and licence under Single Window System and also implements self-employment schemes like PMRY. To attend the above activities and to provide continued systematic service, it is proposed to continue this plan schemes "District Industries Centre" during the 10th Five Year Plan (2002-2007) period.

(Rs. in lakh)

3. Ninth Plan 1997-2002 :

- a) 1997-2000 (Actual Expenditure) : 32.81
- b) 2000-2001 (Actual Expenditure) : 22.34
- c) 2001-2002 (Revised Outlay) : 18.69

d) Actual Physical Achievement (1997-2000) :

Met the salaries of staff in Pondicherry & Karaikal.

e) Actual Physical Achievement (2000-2001) :

Met the salaries of staff in Pondicherry & Karaikal and 10 computers and its accessories were purchased.

f) Anticipated Physical Achievement (2001-2002) :

To meet the salaries of staff in Pondicherry & Karaikal and purchase of four wheeler for Pondicherry.

- 4. Proposed Outlay for the Tenth Plan 2002-2007 : 90.00**
Proposed Outlay for the Annual Plan 2002-2003 : 18.00

5. Programme envisaged for the Tenth Plan (2002-07) :

To meet the salaries of staff in Pondicherry, Karaikal, Mahe & Yanam and purchase of office equipments.

6. Programme envisaged for the Annual Plan (2002-03):

To meet the salaries of staff in Pondicherry, Karaikal, Mahe & Yanam and purchase of office equipments.

7. Remarks : Continuing Scheme.

Scheme No. 11

Sector : INDUSTRIES
Implementing Department : INDUSTRIES & COMMERCE

1. Name of the Scheme : Assistance for restructuring of Anglo French Textile Mills of Pondicherry Textiles Corporation Ltd.

2. Objective of the scheme :

To provide financial assistance to Government owned AFT Mills to modernise its spinning weaving and processing facilities to increase productivity and to sustain its competitive strength.

Government of Pondicherry took over the Anglo French Textile Mills in 1986. The main purpose of taking over the Mill was to protect the interest of 6000 employees and for the improvement of socio-economic condition of Pondicherry. Pondicherry Textile Corporation is running it. The authorised share capital of the company is Rs.170 crore. It is generating indirect employment to more than 25000 people. As the biggest Industrial employer and the largest foreign exchange earner in

the Union Territory of Pondicherry, it plays a very important role in the economy of Pondicherry.

For sustaining the competitive strength, the Mill requires continuous modernisation and restructuring. Government has so far given share capital contribution to the extend of Rs.157.76 crore. The Corporation has partly modernised weaving and processing facilities in the Mill. According to the Textile Research Association, Mills have to invest about 16% of their sales every year on modernisation to sustain their competitive strength. However, due to adverse market conditions, the corporation has not been able to earn any profit from the year 1993 -94 onwards. The total accumulated loss of the Corporation, as on 31/3/2001 is Rs.139.72 crore. The networth of the Company as on 31/3/2001 is Rs.18.89 crore. The modernisation and restructuring of the Mill will have to be funded by the Government since it is the promoter, and owner of the Mill.

The Mill has drawn up a comprehensive modernisation programme at a cost of Rs.104 crore to be executed in 4 phases over a period of 3 ½ years.

The Corporation would be able to improve the following thro' the comprehensive modernistaion programme.

- i) Upgrading of machines to meet the quality requirement of the market & to achieve higher machine and labour productivity.
- ii) Diversification of product mix for increased turnover.
- iii) Reduction of uneconomical activities like old spinning machinery, plain looms in 'A' Unit and Narrow width Howa looms in 'B' Unit. (in order to improve the financial performance of the Mill.)
- iv) Rationalisation of work loads effected with modernisation & increased work norm and shedding of redundant surplus manpower through VRS.
- v) Strengthening of building structure particularly in 'A' Unit.
- vi) Deployment of surplus labour suitably in other area.
- vii) Reduction in waste/damage and in manufacturing costs.

As per the comprehensive modernisation programme it is proposed to modernise the Spinning, Weaving, Weaving preparatory and processing Departments of the Mill.

Apart from the modernisation programme, the Corporation has also proposed for VRS at a cost of Rs.25 crore to further reduce the man power strength. At present, the work force of Mill has been reduced from 6000 to 4522 by implementing VRS of I-Phase. Now, the Corporation has proposed an enhanced VRS package for closing down the weaving Department 'A' Unit.

(Rs. in lakh)

3. Ninth Plan 1997-2002	:	
a) 1997-2000 (Actual Expenditure)	:	5789.00
b) 2000-2001 (Actual Expenditure)	:	2140.00
c) 2001-2002 (Revised Outlay)	:	2839.00

i) Share capital for modernisation	1115.00
ii) Share capital for meeting revenue expenditure	1115.00
iii) Grant in aid for VRS	609.00

d) Actual Physical Achievement (1997-2000) :

Paid share capital as assistance for Modernisation, implementation of VRS and Working Capital.

e) Actual Physical Achievement (2000-2001) :

Paid share capital for modernisation of AFT and to meet out revenue expenditure

f) Anticipated Physical Achievement (2001-2002) :

- i) Payment of share capital for modernisation of AFT.
- ii) Fund for working capital.
- iii) Payment of Grant-in-aid for VRS.

4. Proposed Outlay for the Tenth Plan 2002-2007 : 10000.00

PATTERN OF ASSISTANCE

- i) Share capital for Modernisation programme
- ii) Grant in aid for implementation of VRS
- iii) Share capital for meeting revenue expenditure

Proposed Outlay for the Annual Plan 2002-2003 : 2839.00

- i) Share capital for Modernisation programme
- ii) Grant in aid for implementation of VRS
- iii) Share capital for meeting revenue expenditure

5. Programme envisaged for the Tenth Plan (2002-07) :

Financial assistance for modernisation and restructuring of AFT Mills, Funds for voluntary retirement scheme and Fund for working capital as share capital.

6. Programme envisaged for the Annual Plan (2002-03):

- i) Financial assistance for modernisation and restructuring of AFT Mills.
- ii) Funds for voluntary retirement scheme
- iii) Fund for working capital as share capital.

**7. Remarks : Continuing Scheme.
Change in nomenclature.**

Sector : INDUSTRIES
 Implementing Department : INDUSTRIES & COMMERCE

1. Name of the scheme : Incentives for Pollution control equipments and Energy saving devices.

1. Objective of the scheme :

- i) To encourage the entrepreneurs to install pollution control equipments in their units, so as to promote and maintain clean and pollution free environment in the Union Territory of Pondicherry.
- ii) To encourage the entrepreneur to install energy saving devices and to use alternative sources of energy in lieu of petroleum and electricity.
- iii) To conduct carrying capacity study on the establishment of industrial units through professional agencies.

(Rs. in lakh)

3. Ninth Plan 1997-2002 :

- a) 1997-2000 (Actual Expenditure) : --
- b) 2000-2001 (Actual Expenditure) : --
- c) 2001-2002 (Revised Outlay) : 19.50
- d) Actual Physical Achievement (1997-2000) : --
- e) Actual Physical Achievement (2000-2001) : --
- f) Anticipated Physical Achievement (2001-2002) : Subsidies & incentives for Industrial units.

4. Proposed Outlay for the Tenth Plan 2002-2007 : 100.00

- i) Incentives on pollution control equipments 75.00
- ii) Carrying capacity study 25.00

Proposed Outlay for the Annual Plan 2002-2003 : 35.00

- i) Incentives on pollution control equipments 25.00
- ii) Carrying capacity study 10.00

5. Programme envisaged for the Tenth Plan (2002-07) :

Subsidies & incentives for Industrial units 20 units

6. Programme envisaged for the Annual Plan (2002-03):

Subsidies & incentives for Industrial units 4 units

7. Remarks : Continuing Scheme.

PATTERN OF ASSISTANCE

In order to motivate industrialist/entrepreneurs to install pollution control equipments in their industries, it is proposed to adopt the following pattern of assistance.

- a) Rate of incentive for SSIs- 50% of the cost of pollution control equipments and/or energy saving devices subject to maximum of Rs.5.00 lakh per Industrial unit.
- b) Rate of incentives for Medium and Large Scale Industries - 25% of the cost of pollution control equipments and/or energy saving devices subject to maximum of Rs. 5.00 lakh per industrial unit.

Energy saved is energy produced. It is therefore necessary that the entrepreneurs should be encouraged to adopt energy saving devices and use alternative sources of energy in lieu of Petroleum products and Electricity and for adopting Energy Audit System.

Scheme No. 13

Sector : INDUSTRIES
Implementing Department : INDUSTRIES & COMMERCE

1. Name of the scheme : Strengthening of Directorate of Industries

2. Objective of the scheme :

For effective implementation of various plan schemes of the Department and to promote sustainable industrialisation of the Union Territory, it is felt absolutely necessary to strengthen the establishment of the Directorate of Industries and other Regional Offices. Computerisation of the entire activities of the Industries Directorate to achieve simple, moral, accountable, responsive and transparent governance/administration is proposed. The expenditure on account of purchase of machineries, office automation and equipments including computers and vehicles required for improving the efficiency of office functioning would also be met under the scheme.

State Level Awards for successful entrepreneurs

It is proposed to institute schemes of State Level Awards for promoting entrepreneurship and to recognize the achievements of successful entrepreneurs in the SSI sector. It is needles to emphasize that the awards to the successful entrepreneurs will serve as a morale booster in their future endeavors and will be an inspiration for others to emulate them and there by contribute to the quantitative and qualitative improvements to the industrial scenario in Pondicherry. The awards proposed are: : The most successful entrepreneurs award. The most successful women entrepreneurs award Award for Excellence in quality of products. Award for excellence in exports.

Each award has a specific objective and will consist of a) cash prize of Rs.10,000/-; b) Certificate of merit and c) a memento. The awards are open to all small scale units and the Directorate of Industries & Commerce will be the implementing agency. The units should be permanently registered with the Directorate of Industries & Commerce. The SSI unit shall not be permitted to get the award continuously for more than two years in a row for a particular category. For selecting the awardees, a State Level Committee will be constituted. The award will be granted once in each financial year.

The considerations on which the awards will be granted are as follows:

- i) Rate of growth as seen from investment, production, employment offered and profits.
- ii) Use and choice of technology
- iii) Self dependence
- iv) Product development and quality control.

Weightage would be given to entrepreneurs from SC/ST Category.

Technology Transfer Cell

Technology is the key for industrial growth. Use of appropriate technology increases the efficiency of production and adds to the profitability of the unit. In order to ensure that the industrial units in Pondicherry especially the small scale units adopt the appropriate technologies and thereby contribute to the growth of Pondicherry, it is proposed to establish a Technology Transfer Cell in the Directorate of Industries and Commerce. The objectives of the Cell will be to enable the industrial units in Pondicherry to upgrade their technology and adopt new technologies involving (1) introduction of new tools and equipments for production; (2) changes in the manufacturing process; (3) improvement in the quality of products and quality management and use of I.T. tools.

Technology Transfer Cell will comprise of a Technology Bank which will provide information on technologies available for different sectors, their applications, sources, institutional infrastructure, sources finance for acquiring technology. The Cell may undertake the following other functions. (1) to assess the present level of technology in various sectors and suggest upgradation to motivate the units to obtain ISO Certification; (2) to organise awareness campaign regarding quality, standardisation and customer satisfaction to create infrastructure facilities in various technical institutions; (3) to promote environmental friendly technologies; (4) to promote energy conservation; (5) to provide consultancy services to encourage product excellence, arrange buyer-seller meets, documentation of latest developments in the areas and technology process export to gain market opportunities etc. The cell is proposed to be manned by one Assistant Director and two Technical officers. It is proposed to prepare a master plan for Industrial Development of Pondicherry through reputed consultants.

New Product Development Centre

It is proposed to establish a New Product Development Centre under the auspices of Directorate of Industries & Commerce to enable the small entrepreneurs to

develop new products. The small entrepreneurs find it difficult to execute their ideas on developing new products by improvising the existing product and develop prototype as this involves the availability of suitable facilities and capital. This New Product Development Centre to be formed in association with the technical institutions like engineering Colleges will provide the necessary physical infrastructure to enable the entrepreneurs to experiment with the products and develop new products, which can be put into commercial production later. After the Centre is established with the financial assistance from the Department of Industries & Commerce it is expected to be self-sustaining. Initially the Centre will cater to a few carefully identified sectors of industry and gradually expanded.

R & D Centre for I.T Industries

Pondicherry is considered to be the hardware capital of India by virtue of the presence of almost all the hardware manufacturers in India. It is felt essential to establish R & D Centre for the I.T industries so as to conduct research and develop suitable components that go into production of hardware devices. This Centre will also be formed in association with technical institutions like Departments of University and engineering colleges. Financial assistance will be provided by the Department of Industries & Commerce for the formation of the Centre. Both the above centres may be formed as society and the financial assistance can be given as share capital/grant-in-aid.

Export Promotion Cell

The U.T Pondicherry is already famous for their leather, handicraft textile products in the world. During 99-2000 US \$ 72 millions worth of goods were exported from this territory. Avenues for exporting the other commodities to various countries need to be ascertained for boosting the exports of this territory. In order achieve this export promotion cell is proposed to be formed in this Dept. in association with Dy. Director General of Foreign trade & Asst. Collector (Excise & Customs) & Export promotion Councils. The cell is proposed to be manned by Assistant Director - 1, Technical Officer - 2 .

(Rs. in lakh)

3. Ninth Plan 1997-2002	:	
a) 1997-2000 (Actual Expenditure)	:	39.53
b) 2000-2001 (Actual Expenditure)	:	11.40
c) 2001-2002 (Revised Outlay)	:	11.21
d) Actual Physical Achievement (1997-2000)	:	
Staff salaries, purchase of vehicles, computers, software etc. for strengthening the Department.		
e) Actual Physical Achievement (2000-2001)	:	
Computers were purchased for Industries Department, purchased office equipment and met out the salaries for the staff.		

f) Anticipated Physical Achievement (2001-2002) :

- i) Setting up of Garden surrounding of this Directorate.
- ii) Purchase of two wheelers - 4 Nos.
- iii) Purchase of books, magazines, project profiles, computers, furniture, office equipment.
- iv) Creation of necessary technical posts.

4. Proposed Outlay for the Tenth Plan 2002-2007 : 100.00

Proposed Outlay for the Annual Plan 2002-2003 : 12.56

5. Programme envisaged for the Tenth Plan (2002-07) :

- i) Computerisation of entire activities of the Industries Department, purchase of office equipments, vehicles, computers, books for establishment of library
- ii) Distribution of awards to industrialists.
- iii) Preparation of master plan for Industrial Development of Pondicherry.
- iv) Establishment of Technology Transfer Cell.
- v) Assistance for establishment of Entrepreneurship Development Institute.
- vi) Financial Assistance for New Product Development Centre.
- vii) Financial assistance for R & D Centre.
- viii) Assistance for establishment of Entrepreneurship Development Institute.

Post Creation : 21 Nos. of post is proposed to be created.

Group 'B'	-	3
Group 'C'	-	16
Group 'D'	-	2

6. Programme envisaged for the Annual Plan (2002-03):

- i) Setting up Garden for surrounding of this Directorate.
- ii) Preparation of master plan for Industrial Development of Pondicherry.
- iii) Purchase of Office equipments & Vehicles
 - a. Purchase of two wheeler - 4 nos.
 - b. Maintenance of Information and Facilitation counter.
 - c. Purchase of books, project profiles, magazines.
 - d. Purchase of computer, software, accessories, peripherals, audio visual aids like LCD projection furniture and office equipment for the Technology Transfer Cell and newly created posts.
- iv) Grant-in-aid to EDI society
- v) Establishment of Industrial Guidance Bureau and networking of the various Department / agencies involved in the issue of clearances for the setting up of suitable software.
- vi) Financial Assistance for New Product Development Centre.
- vii) Financial Assistance for R & D units.
- viii) Strengthening of the Directorate

7. Remarks : Continuing Scheme.