

## 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. There are 55 large scale, 137 medium scale and 6876 Small Scale industries providing employment to 82790 persons as on March 2003.

During 2004-2005 it is expected that 2 large scale, 12 medium scale and 300 small scale industries will be set up giving employment to 1600 persons. A Technology Transfer cell will be established to enable the industrialists to upgrade and modernise their technologies and remain competitive in the globalised economy. Technology Business Incubators will be established in association with technical institutions to foster the spirit of entrepreneurship mainly among the students of Pondicherry. 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. Departments / Agencies providing clearance for the establishment of industrial unit will be networked. It is proposed to establish a New Product Development Centre in collaboration with professional institutions to enable small entrepreneurs to experiment and develop new products.

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. Various infrastructural projects such as Growth Centre at Polagam, Karaikal, an Electronic Industrial Estate and Software Technology Park (STP) in Pondicherry, Integrated infrastructure development project, Export Processing Zone/Special Economic Zone at Sedarapet and formation of venture capital fund are in various stages of implementation through PIPDIC. The Pondicherry Textile Corporation, another State owned Corporation, provides employment to about 4020 workers, besides generating indirect employment to more than 25,000 people. 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.

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. The District Industries Centre conducts exhibition and also participates in various exhibitions arranged by other administration/ agencies in other parts of 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. The District Industries Centre acquired land at Sardar Valabai Patel Salai, Pondicherry to set 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 7-26-06 H.A.CA will be acquired at Murungappakkam, Pondicherry to set up Craft Village. The District Industries Centre implements Prime Minister's Rozgar Yojana, a self employment scheme of the Govt. of India and other self employment schemes sponsored by the State Government. As part of the objective of attaining electronic governance, it is proposed to computerise the entire activities of the Industries Department.

## OUTLAY AT A GLANCE

Sector : INDUSTRIES

No. of Schemes : 13

Department : INDUSTRIES & COMMERCE

(Rs. in lakh)

Tenth Plan 2002-07 Approved Outlay	:	15500.00
Annual Plan 2002-03 Actual Expenditure	:	2273.81
Annual Plan 2003-04 Approved Outlay	:	3250.00
Annual Plan 2003-04 Revised Outlay	:	2750.00
Annual Plan 2004-05 Proposed Outlay	:	3589.60

(Rs. in lakh)

Sl. No.	Name of the Scheme	2002-03	2003-04		2004-05
		Actual Expenditure	Approved Outlay	Revised Outlay	Proposed Outlay
(1)	(2)	(3)	(4)	(5)	(6)
<b>VILLAGE &amp; SMALL INDUSTRIES</b>					
1.	Development of Handicrafts	86.11	145.00	76.00	83.00
2.	Development of Khadi & village Industries	242.50	220.00	241.39	370.00
3.	Development of Coir Industries	12.00	25.00	15.00	18.00
<b>Sub-Total</b>		<b>340.61</b>	<b>390.00</b>	<b>332.39</b>	<b>471.00</b>
<b>INDUSTRIES (OTHER THAN VILLAGE &amp; SMALL INDUSTRIES)</b>					
4.	Training	111.11	157.00	120.00	180.00
5.	Motivation of SC/ST/Women entrepreneurs to start Industries	0.22	100.00	30.00	100.00
6.	Fiscal Assistance to New Industries	5.53	150.00	5.00	100.00
7.	Marketing & Publicity	49.97	55.00	61.00	70.00

(1)	(2)	(3)	(4)	(5)	(6)
8.	Share capital assistance to public sector corporation (PIPDIC&PDL)	--	147.00	122.00	300.00
9.	Development of Infrastructure for Industrial Promotion	102.73	250.12	156.11	428.70
10.	District Industries Centre	21.31	30.00	24.00	26.00
11.	Assistance for restructuring of AFT Mills of PTC Ltd.	1628.00	1882.00	1882.00	1882.00
12.	Incentives for Pollution control equipments and Energy saving devices	3.00	67.00	10.00	10.00
13.	Strengthening of Dte. of Industries	11.33	21.88	7.50	21.90
	<b>Sub-Total</b>	<b>1933.20</b>	<b>2860.00</b>	<b>2417.61</b>	<b>3118.60</b>
	<b>Total</b>	<b>2273.81</b>	<b>3250.00</b>	<b>2750.00</b>	<b>3589.60</b>

## Scheme No. 1

Sector : INDUSTRIES

Implementing INDUSTRIES &  
Department : COMMERCE

1. **Name of the Scheme** : Development of Handicrafts
2. **Objective of the Scheme** :
  - a) To revive the vanishing crafts and to restore the traditional Handicrafts.
  - b) 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 from each region is selected as state awardee and honoured by awarding cash prize of Rs.10000/- along with Tamarapatra. One Craftsperson from each region 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 followed by pattern of Janashree Bima Yojana, LIC. 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

Apart from conducting handicraft exhibition in all the four regions. It is also proposed to participate in National Handicraft Expo's Mini Handicrafts expo's/Handicrafts Fairs/Market meets/Exhibition/Handicrafts workshop in the Union Territory of Pondicherry and also 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. ADMINISTRATIVE GRANT TO RUN SALES EMPORIA

Grant to registered Institutions, Corporations/ Boards, Cooperative societies/ Association and recognised Organisations duly approved by Government may avail 100% grant for the first five years not exceeding Rs. 2.00 lakhs every year for running sales emporia exclusively for Handicrafts in this territory.

#### VI. GRANT TO HANDICRAFT SOCIETIES LIKE PUDHUMAI, PONDICHERRY, PUGHAZH KARAİKAL FOR PARTICIPATING OR CONDUCTING EXHIBITION IN INDIA

The handicraft societies like Pondicherry Pudhumai Handicrafts Artisans Co-operative Society Ltd., Pughazh, Karaikal) sells the products of its members through their show rooms. They have to be sold by conducting exhibitions at various other places on the occasion of festivals/important events, for which grant of Rs.4 lakhs to pudhumai, Pondicherry and Rs.1 lakh to Pughazh, Karaikal per year is proposed to be provided. Further exclusively for the purpose of craft bazaar, it is proposed to provide Rs.2.5 lakhs to pudhumai as 25% of the total expenditure incurred during craft bazaar under development of handicraft, Government of India scheme. It is proposed to give financial assistance to implement Baba saheeb Ambedkar Hastashilp vikas yojana of D.C. handicrafts, Ministry of textile, Government of India through mother NGO pudhumai. Grant if required for the implementation of the scheme will be provided to the mother agency.

To enable the society to participate in the exhibition arranged by others or to conduct one or two exhibition for sales cum display of their products in the important places of India, for which Grant of Rs.4 lakhs per year is proposed to be provided.

#### VII. GRANT OF FINANCIAL ASSISTANCE TO OLD CRAFT PERSONS

The craftsperson who worked for their craft and contributed in their early age for the improvement of the craft, need to be protected in their old age. Hence, under the scheme financial assistance is proposed to be given to them who find difficult to take up a job or strain physically to maintain their living when their income falls below the normal need. Such crafts persons are considered for grant of financial assistance as they are in indigent circumstances.

#### VIII. WORKSHED TO THE ARTISANS

The main object of the scheme is to provide infrastructure facilities to craftpersons so as to develop the handicraft. Grant is released to the craftsperson/crafrperson's unit for construction of workshed.

#### IX. OPENING OF SALES EMPORIUM AT IMPORTANT PLACES

In order to ensure the easy supply of raw materials to the artisans and to promote the sale of handicraft products "PUDHUMAI" a Handicraft artisan Co-op society has been set up by

the Department. This society procures and supplies raw material to the member artisans at reasonable cost and will setup sales emporia in different parts of the country. Emporium has been set up in Pondicherry and new emporiums has to be set up in, metros like Delhi, Chennai etc. Expansion of Pudumai emporium will also be attempted.

#### X. 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 PT&TDC for development of handicrafts.

#### XI. SETTING UP OF CORPORATION FOR DEVELOPMENT OF HANDICRAFTS AND COIR

In the tenth five-year plan it is proposed to create a corporation exclusively for the development of Handicrafts and Coir industry. During the ninth five-year plan about 1500 persons were trained under various crafts and also about 1000 artisans are working/practicing in various crafts/centre. These artisans have to be provided with employment opportunities and also to assist in creating their own ventures.

In respect of development of coir industry, a Coir Growth Centre will be created in this Plan period. Action is being taken to identify the suitable land. In the X Five Year Plan, funds will be required for creating infrastructural facilities for this programme such as constructing of workshed, installing machineries and working capital, etc. Tie up arrangements with Coir Board, Kochi for imparting training is essential for which training center is proposed under this programme. The following functional activities for the development of handicrafts and coir are to be given much thrust.

1. To improve skill and update knowledge of the artisans with technical upgradation
2. To provide working capital/Margin money assistance
3. To create market support and market consortiums
4. To organize/ participate in exhibitions in India and abroad.
5. To assist artisans in exporting their products.
6. To organize buyers- sellers meet.
7. To establish, maintain and manage showrooms in Pondicherry and other cities.
8. To boost the sales amount of Coir products through the Society/Corporation, the MDA is granted at the rate of 10% of their average annual sales turn over of Coir products /goods during the preceding 3 financial years. The assistance will be shared on 1:1 basis between the Central and the State/U.T Government.

In view of the facts narrated above, setting up of Corporation for development of handicrafts and Coir industry in this Union Territory of Pondicherry needs to be given more importance.

**3.(a) Actual physical Achievement 2002-03 :**

Training to persons	-	1026 nos.
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**(b) Anticipated Physical Achievement 2003-04 :**

Training to persons	-	471
Exhibition	-	50
Pension	-	1

**(c) Programme envisaged for Annual Plan 2004-05 :**

Training	-	421
Exhibition	-	200
Insurance	-	400

**4. Remarks :** Continuing scheme

**PATTERN OF ASSISTANCE**

**TRAINING**

- Honorarium to Mastercrafts person at the rate of Rs 250/- per trainee up to a maximum of Rs 2500/- per month.
- Stipend to a trainee at Rs 750 per month.
- Compensation towards wastage of raw materials at Rs 50/- per trainee per month up to a maximum of Rs 500/- per month.
- Rent subsidy at Rs/- 50 per trainee per month up to a maximum of Rs 500/- per month.
- 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 honourium. However craftpersons moving between Pondicherry & Karaikal will be paid honorarium as per clause (a) mentioned above.

**ADVANCED TRAINING**

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

**EXHIBITION**

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

## **GRANT OF FINANCIAL ASSISTANCE TO OLD CRAFTPERSONS.**

### 1. Eligibility

- a) Master craftsperson, who are in receipts of National Award or state award in Handicrafts, will only be eligible for being considered for old age financial assistance.
- b) The income of the applicant from all sources must not be Rs12000/- (Rupees Twelve thousand only) or more per year.
- c) The applicant should not be recipient of similar financial assistance from any other source.
- d) The applicant should not be less than 60 years of age on the date of application.
- e) The crafts person should be native of this Union Territory or have resided for not less than years and a certificate from the competent authority to be produced to this effect.

## **GRANT OF FINANCIAL ASSISTANCE TO OLD CRAFTPERSONS.**

### 1. Nature of Assistance

Assistance from Government in the form of monthly sustenance allowance of Rs 1000/- (Rupees one thousand only) per month.

### 2. Period of Assistance

This assistance will be for the life time of the beneficiary from his 60th year. But it should be got renewed by the beneficiary every year. This assistance will further be continued after the death of the beneficiary till the life time of the spouse subject to fulfilling the income criteria. The pension amount will be restricted Rs 500/-only i.e 50%

### 3 Mode of Implementation

Application will be called through wide publicity every year. Applicant should apply in the prescribed form to this office directly addressed to the General Manager, District Industries Centre, Pondicherry -9. Any application received through any organisation or association will not be accepted.

### 4. Applications should be duly supported by the following documents.

- a) A certificate from the District collector/ Dy. Commissioner certifying the financial position of the applicant including a certificate that the applicant is not in receipt of financial assistance from any other source.
- b) Age certificate from the appropriate authority.

OR

Required certificates in respect of income and age mentioned above can also be furnished by the craftsperson himself/ herself in the form of an affidavit declared before a First class Magistrate.

### 5. Disbursement of Assistance.

- a) The assistance would be disbursed by the General Manager, District Industries Centre, Pondicherry.
- b) The income certificate submitted by the craftsperson will hold good for a period of three years for which the assistance is sanctioned. However, the renewal of assistance for a subsequent term of three years, the craftsperson will be asked to submit a fresh income certificate.
- c) Government may also at their discretion to terminate the allowance without assigning any reasons at any time when the beneficiary is found to have furnished false statement or is found ineligible at any later date.



## **WORKSHEDS TO THE ARTISANS:**

- a) This will comprise the worksheds of the artisans.
- b) Grant to the maximum of Rs.25,000/- is released being one time grant after construction of the workshed.

### **Condition to avail the benefit:**

- a) The craftsperson unit should be a permanently registered unit situated in this Union Territory.
- b) It should be a handicraft unit covered under SSI norms.
- c) The craftsperson should own the site.
- d) He/she should be a regular practicing craftsperson of this Union Territory.
- e) He/she should produce approved the plan of the building while applying for the grant for consideration along with the valuation of the building issued by any licensed Engineer.
- f) He/she should be a native/permanent resident of Union Territory of Pondicherry.

## **INSURANCE SCHEME FOR ARTISANS:**

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

### **Scheme No. 2**

Sector : INDUSTRIES

Implementing DISTRICT INDUSTRIES  
Department : 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 X plan period.

- 3.(a) **Actual physical Achievement 2002-03** : Administrative grant
- (b) **Anticipated Physical Achievement 2003-04** : Administrative grant
- (c) **Programme envisaged for Annual Plan 2004-05** : Administrative grant
4. **Remarks** : Continuing scheme

### Scheme No. 3

Sector : INDUSTRIES

Implementing DISTRICT INDUSTRIES  
Department : 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.

Under the scheme a "Coir Growth Centre" would be set up after acquiring necessary land. In the centre various Coir based industrial units would be set up. Besides a training institute to give intensive training in mechanisation and diversification of coir would also set up.

**3.(a) Actual physical Achievement 2002-03 :**

Training - 161 Nos.

**(b) Anticipated Physical Achievement 2003-04 :**

Training - 210 nos.

**(c) Programme envisaged for Annual Plan 2004-05 :**

Training - 220 nos.

4. **Remarks** : Continuing scheme

This department proposes to set up a Coir Growth Centre at Pondicherry. In the centre coir based industrial units would be set up in this Five Year Plan period. Hence the creation of following 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. ADVANCED TRAINING**

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

## Scheme No. 4

Sector : INDUSTRIES

Implementing DISTRICT INDUSTRIES  
Department : CENTRE

1. **Name of the 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.

### I A. TRAINING FOR EDUCATED UNEMPLOYED.

It is proposed to impart inplant 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 of 1 year. During the period of training, they will be paid monthly stipend in the following rates based on their educational qualification.

H.Sc and below	: Rs 750/-
Graduate / 3 years Diploma in Engg. Or equivalent	: Rs 1500/-
Degree in Engineering / 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 for wastage of raw materials.

### B. VOCATIONAL TRAINING:

Till 9<sup>th</sup> 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 Garment Manufacturing Technology (GMT), beauty parlour, etc, are to be considered under the scheme of vocational training.

### C. SUMMER TRAINING

In the Union Territory of Pondicherry, large number of students will be coming out from various colleges and technical institutions after finishing their courses every year. To add to their knowledge, students will be made to undergo training called "Summer Training" during the vacation period of April and May every year. This Summer training will last for a period of 45 days. Training will be imparted on need based trades for 45 days by recognised by Institutions like SISI, PMPC, etc. The charges prescribed for the training by the Institution will be borne under this scheme. By imparting the above training, every year around 200 students could benefit. Summer training will be provided for specific qualified students to prepare them for the job market. The students will be trained in various aspects in administering the environment of industry/establishments in order to acquaint themselves with additional knowledge, besides their academic qualification. This additional knowledge would fetch them a job either in an industrial

sector or in a Management Sector or elsewhere immediately after finishing their course in their colleges/institutions.

#### D. TRAINING BY HIGHLY SKILLED INDUSTRIES.

Technically qualified persons will be sent outside the Union Territory for the training in advanced technology viz., Electronics, Instrument technology, Operation of sophisticated machinery etc, in the undertakings having training facilities. These trainees will be paid a stipend of Rs.1500/-per month plus travelling expenses restricted to II class railway fare.

#### II. 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 management training programme will be given as subsidy by the Government and the remaining 10% will be borne by the beneficiaries.

#### III. ADVANCED TECHNOLOGY EXPOSURE FOR THE OFFICIALS OF THE INDUSTRIES DEPARTMENT/ DISTRICT INDUSTRIES CENTRE/ KHADI AND VILLAGE INDUSTRIES BOARD/ ENTREPRENEURS.

a. The officials of the Industries Department/ District Industries Centre / Khadi Village Industries Board who are involved in the implementation of various schemes are proposed to be taken to various institutions for getting acquainted with industrial development taking place in other parts of the country & abroad. The full expenditure for this programme will be met under this scheme.

b. It is proposed to arrange entrepreneur development programme/awareness programme for educated unemployed youth and for persons who have availed Voluntary Retirement Scheme (VRS) to set up their own venture, to create awareness about the quality, new scheme, etc., under Self- Employment scheme. This training highlights the action to be taken by the entrepreneurs for setting up of industry. The amount provided in the Budget 2003-04 is meant for giving honorarium to the guest lectures providing course materials, practical training expenses, visiting well developed industrial units, training aids and other miscellaneous expenses. During the financial year 2003 -04 it is proposed to provide training for 40 trainees.

#### IV. GRANT-IN-AID TO THE PONDICHERRY PRODUCTIVITY COUNCIL

The Pondicherry Productivity Council was formed on 8th July 1988. It is an autonomous body aided by Government of Pondicherry and managed by an Executive body. Main objectives of the Council is to inculcate productivity consciousness at all levels of National life such as industry, agriculture, health, education, research and development, science and technology including defense, man power, communications, conservation of natural resources etc., and bring all round improvement by paving way for productivity drive in all spheres of economic activities of the Nation. To achieve these objectives the council has to involve in various functional activities. Its activities have now multiplied manifold and therefore to strengthen its economic base, for smooth functioning, it is proposed to give grant-in-aid to the council every year approved by General Body of the Pondicherry Productivity Council. Every month one management programme is being conducted wherein representative of various industries

participate and undergo training and are also benefited by the various lectures delivered by the faculty members from reputed organisation both Government and Private.

**V. PERMANENT ACCOMMODATION FOR PONDICHERY MANAGEMENT PRODUCTIVITY COUNCIL:**

It is proposed to provide a permanent accommodation for the Pondicherry Management and Productivity Council by either acquiring land or by purchasing the same either ready built accommodation or vacant site & then to construct a complex providing for administrative wing and for training hall with full infrastructures. The entire expenditure in this connection will be borne by the Government.

**3.(a) Actual physical Achievement 2002-03 :**

Training in nos. - 1556

**(b) Anticipated Physical Achievement 2003-04 :**

i)	Training	747
ii)	Management Training	950
iii)	EDP programme	5 nos.

**(c) Programme envisaged for Annual Plan 2004-05 : 2585**

i)	Inplant training	800
ii)	Vocational training	400
iii)	Management training	1000
iv)	EDP Programme	5 nos.
v)	Summer training	250

**4. Remarks :** Continuing scheme

**Scheme No. 5**

Sector : INDUSTRIES

Implementing INDUSTRIES &  
Department : COMMERCE

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

**2. Objective of the Scheme :**

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 of 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 as 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.

**3.(a) Actual physical Achievement 2002-03 :**

Subsidy to SC/ST entrepreneurs - 2

**(b) Anticipated Physical Achievement 2003-04 :**

Subsidy to SC/ST/Women entrepreneurs - 5 units

**(c) Programme envisaged for Annual Plan 2004-05 :**

Subsidy to SC/ST/Women entrepreneurs - 10 units

**4. Remarks :** Continuing scheme

**PATTERN OF ASSISTANCE**

**Rent Subsidy**

- ii) 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
- iii) 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.
- iv) In the case of 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 and 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 lakhs 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 lakhs 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 lakhs 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 lakhs.
- 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. 6**

Sector : INDUSTRIES

Implementing INDUSTRIES &  
Department : COMMERCE

- 1. **Name of the Scheme** : Fiscal Assistance to New 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 give capital investment subsidy and other subsidies to the industries proposed to be set up in this Territory in the thrust areas like I.T, Electronics, Biotechnology, food processing eco-friendly industries and exporting units. The capital investment subsidy is to be considered on the investment made in Land, Building and Machinery. Special incentives for IT / eco-friendly industry are also proposed to be given.

Countries like China, Taiwan etc have created enormous employment opportunities through the development of micro enterprises producing high technology involved quality products like telephones, calculators, toys and other components for computers and electronic products. It is proposed to develop micro enterprises on the same model. Suitable persons and products will be identified. Adequate training will be arranged to be given Assistance will be given for tying-up capital and marketing arrangements, subsidies will be provided and suitable work place will be arranged.

Incentives for Certification, Power, R & D units and incubators, sale tax reimbursement, reimbursement of CST, Technology upgradation for exporting units, preparation of appraisal reports for sick industries and special incentives for IT Industries will be given

**3.(a) Actual physical Achievement 2002-03 :**

Guidelines for IT Subsidies has been approved by the Government and Amendment G.O. has not approved by the Govt.

**(b) Anticipated Physical Achievement 2003-04 :**

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

**(c) Programme envisaged for Annual Plan 2004-05 :**

Formulation of guideline for issue of certification subsidy, Sales tax reimbursement subsidy, power subsidy and other subsidies for IT / eco-friendly Industries/EOU's, subsidies for R&D units and incubators, subsidies for technology upgradation of Exporting units, special incentives for IT industries etc.

- i) Units to be benefited by grant of investment, interest subsidy to IT and other thrust area industries - 15 Nos.
- ii) Certification subsidy
- iii) Sales Tax reimbursement subsidy
- iv) Subsidy for R&D units
- v) Reimbursement of CST
- vi) Subsidy for appraisal report
- vii) Land Identification for establishment of industrial units

**4. Remarks :** Continuing scheme

**PATTERN OF ASSISTANCE**

**I. Capital Investment Subsidy**

In order to attract investment to this territory and to sustain the industrialisation process, capital investment subsidy will be granted to the industries proposed to be set up in this



Territory in the thrust areas/eco-friendly industries/exporting units. The capital investment subsidy is to be considered on the investment made in Land, Building and Machinery. The Micro enterprises will be given capital investment subsidy. 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 lakhs.

An additional investment subsidy of 5% subject to a ceiling of Rs.5.00 lakhs 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 will grant an interest subsidy to the units in Thrust area/eco-friendly industries / micro enterprises/ exporting units. The subsidy will be 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 lakhs 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 provides and Internet café etc. will not be eligible.

## **V. Certification Incentive**

A subsidy scheme will be introduced to meet 25% of the cost of acquiring the certification subject to a ceiling of Rs.5 lakhs by the IT / eco-friendly / exporting units. This subsidy will enable the IT /eco-friendly / exporting 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 / eco-friendly industries /EOU's/ micro enterprises 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. Subsidies for R&D units and Subsidies for incubators**

Subsidy to an extent of 50% on the expenses for conducting market potential survey not exceeding Rs.2.00 lakhs per project.

## **VIII. Sale Tax Reimbursement subsidy**

25% to 50% of sales tax paid may be reimbursed subject to a ceiling of Rs.1 lakh per month per unit.

## **IX. 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.

## **X. Reimbursement of CST**

It is proposed to give 1% reimbursement of CST charged on the purchase of raw materials subject to a maximum of Rs 5 lakhs per annum per unit.

## **XI. Subsidy for preparation of 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 lakhs per sick industrial unit.

## **XII. Subsidy for technology upgradation of exporting units –**

To the extent of 25% expenditure incurred subject to a ceiling of Rs.50 lakhs per exporting unit.

## **XIII. Special Incentives for IT Industries**

- a) 100% reimbursement of registration fee, stamp duty and transfer of property duty for manufacturing units set up in Electronic Park.
- b) Government of Pondicherry to share the cost of infrastructure upto 25%, whenever industries are located in places other than Industrial Areas (isolated areas), if such a location is justified.

- c) 20% investment subsidy on capital investment on land, buildings and plant and machinery up to a maximum of INR 5 crores.
- d) 20% subsidy on electricity to units set up in the Electronic Park.
- e) 50% subsidy on power to the manufacturers of IT hardware components for the first three years. The subsidy will be restricted only to the units involved in manufacturing. Units involved in assembling, testing and integration will not qualify for this subsidy.
- f) 50% subsidy to R&D labs involved in R&D of IT hardware and components for first three years.

*In respect of Mega units :*

- a) Provision of free land for setting up manufacturing unit
- b) 50% rebate on electricity bills for 5 years, for any mega project of IT hardware and components manufacturing.
- c) Capital subsidy of INR 20,000 per person employed.

#### **Scheme No. 7**

Sector : INDUSTRIES

Implementing INDUSTRIES &  
Department : COMMERCE

- 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. Hence this scheme has to be continued during X plan period also.

It is proposed to entrust of the work advertisement to some advertising agency / service provider which will be incharge of conducting roadshows, seminar, exhibition, etc.

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.
- v) Appointment of service provider/advertisement agency for attracting entrepreneurs.

## Provision of a showroom

In order to provide permanent show-room in the midst of the city to display and promotion of SSI, cottage and tiny sector products suitable land was acquired in Sardar Vallabhai Patel Salai, Pondicherry (1040 Sq.ft). In order to implement the Scheme, the building has to be constructed, 5 nos. of post are to be created and necessary vehicles and other equipments are also to be purchased in this 10<sup>th</sup> Five Year Plan period as follows:

## Marketing Agency

Industrial units established their industries in small scale sector find it difficult to market their products which ultimately affect their probability leading to sickness. In order to provide marketing support to the industrial units of Pondicherry, it is proposed to create a Marketing Agency during the financial year 2003-2004. The agency will be registered as a society and non-professionally. Financial assistance will be granted by the Government initially as seed capital and the society will be self-sustaining through the earnings made in marketing the products. The staff of the agency will be hired on contract basis and performance will be strictly monitored.

### 3.(a) Actual physical Achievement 2002-03 :

Industries assisted - 200 units

### (b) Anticipated Physical Achievement 2003-04 :

Industries to be assisted - 85 units

### (c) Programme envisaged for Annual Plan 2004-05 :

Industries to be assisted - 85 units

Sales rebate 1 No.

Assistance to Marketing agency

### 4. Remarks : Continuing scheme

Under this scheme a new component of 'incentives to SSI units acquiring ISO certification' has been introduced in the X Five Year Plan. Besides, it is also proposed to create a Marketing Agency during the financial year 2003-2004. It is also proposed to entrust the work advertisement to some advertising agency which will be incharge of conducting road shows, seminar, exhibition, etc.

## PATTERN OF ASSISTANCE

### i. 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.

### ii. Exhibition and Participations in Trade Fairs/Expo's/ other Melas:

In order to attract industrialists to invest in Pondicherry, promotion campaigns, investment meets, seminars etc. will be arranged both within India and abroad. Professional agencies will be engaged for the marketing of Pondicherry as an investment destination. CDs,

floppies print material, videos etc. will be prepared for the publicity. Wide publicity through advertisements about the Schemes implemented for Promotion of Industries in the Union Territory of Pondicherry in suitable media will be made. It is proposed to participate in Investment meets, seminars, etc organised by other agencies both within the country and abroad. Further, under this scheme, it is proposed to conduct Exhibition in important towns and cities to display the products of Industrial Units of this Territory (SSI products, Handicrafts and cottage industrial products) to advertise the products and boost the sales. This will help them to increase their marketing ability. Also 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. The participating industrialists/artisans will be paid traveling expenses at second class railway fare and D.A at the rate of Rs.300/- per day per industrialist/Artisan.

**iii. Payment of honorarium and winter clothing for the duty staff of official of this Department at Delhi, India International Trade Fair.**

- a) Honorarium at rate of Rs.300/- per day in addition to the normal D.A.
- b) Winter clothing allowance not exceeding Rs.3000/- each.

**iv. Incentive to SSI Units acquiring ISO certification:**

In the present scenario the quality and technological upgradation is very essential to the marketability of any product. The international market competitiveness are also an additional stress on SSI units to maintain the quality of the products. Hence, it is necessarily to give importance for technological upgradation and quality improvement for the survival of Small Scale Industries. In order to encourage Technological upgradation and quality improvement, it is proposed to implement an Incentive Scheme for ISO-9000 Quality System in the Tenth Five Year Plan.

The Scheme provides reimbursement of 75% of the amount spent for acquiring ISO-9000 Certification (or its equivalent) up to Rs.75,000/- to each unit. The Scheme has been extended up to the end of 10<sup>th</sup> Five Year Plan i.e. 31<sup>st</sup> March 2007.

The Scheme contemplates norms of reimbursement as under:

- |     |   |   |   |
|-----|---|---|---|
| (a) | Payments made to Certification Agency<br>(excluding travel & hotel expenses & Surveillance charges) | - | Full amount                                       |
| (b) | Payments made towards (i) Consultancy:<br>(ii) Training; and (iii) Calibration                      | - | Upto Rs.30,000/-<br>(Rupees Thirty Thousand only) |

The entitlement for reimbursement = 75% [(a) full Amount + (b) upto Rs.30,000/-] upto Rs.75,000/-

**Creation of ministerial posts**

**Scheme No. 8**

Sector : INDUSTRIES

Implementing INDUSTRIES &  
Department : COMMERCE

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

**2. Objective of the Scheme :**

Share capital assistance will be provided to PIPDIC & Pondicherry Distilleries.

**3.(a) Actual physical Achievement 2002-03 :**

Steps taken for establishing IT Park, Kalapet and construction of Fire Station at Thirubhuvanai.

**(b) Anticipated Physical Achievement 2003-04 :**

- i) Share capital assistance paid for IT Park.
- ii) Share capital assistance for Construction of Fire Station.

**(c) Programme envisaged for Annual Plan 2004-05 :**

- i) Assistance for site Development and construction of Information Technology Park at Pondicherry and establishment of Earth Station
- ii) Assistance for establishment of Fire Station

**4. Remarks :** Continuing scheme

**Scheme No. 9**

Sector : INDUSTRIES

Implementing INDUSTRIES &  
Department : COMMERCE

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

**2. Objective of the Scheme :**

Under this scheme new industrial estates will be developed and the existing estates, growth centres, technology park will be maintained.

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 lakhs.

The Export Processing Zone would be developed in Pondicherry as per the guidelines of Government of India, Ministry of Commerce. The possibilities of establishing a Special Economic Zone (SEZ)/ FTZ are also being explored.

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 lakhs, 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.(a) Actual physical Achievement 2002-03 :**

- i) Growth centre: Land acquisition was completed.
- ii) Land was identified and Acquisition Notification has been issued for IID Project.

**(b) Anticipated Physical Achievement 2003-04 :**

- i) Growth Centre - Release of grant to implementing agency PIPDIC.
  - ii) Integrated Infrastructural Development -
1. Expansion of Directorate of Industries & Commerce to accommodate election wing, technology transfer cell, store room, library record room etc. including car shed.
  2. Construction of compound wall in the northern side of Industrial Estate, Thattanchavady at the left out portion
  3. Construction of New office Building at Rural Industrial Estate, Kottucherry, Karaikal.
  4. Electrification and provision of A/C facilities to the computer room with tiles flooring and false roofing in the first floor of the Directorate.
  5. Separate building to accommodate PMPC office to accommodate five staff, a training hall with 50 persons capacity, a service hall, store room and two toilets for District Industries Centre near the garage building belongs to this Department located near PONTEX and Dinamalar.
  6. A Conference hall may have the sitting capacity of 200 persons with A/C facility and all other amenities
  7. Visitors cabin to be constructed adjacent to Director's room.
  8. Structured cabling of computed network and UPS connection throughout the building.
  9. The repairing works with tiles flooring, glass door, A/C facility to be taken up in the Deputy Directors' Room in the Ground floor and in the First Floor.
  10. Reconstruction of Over Head Tank and Toilet blocks inside the estate in Kottucherry, Karaikal.

**(c) Programme envisaged for Annual Plan 2004-05 :**

- i) Growth Centre : Site development at Polagam, Karaikal.
  - ii) Integrated Infrastructural Development: Land acquisition
  - iii) Establishment of Infrastructure Balancing Scheme
  - iii) Assistance for Establishment of Industrial Estate by Private sector
  - iv) Payment of financial assistance for setting up of Export Processing Zone/SEZ
1. Construction of compound wall in the northern side of Rural Industrial Estate, Kattukuppam.
  2. Construction of side drains and re-laying of roads etc. in the Rural Industrial Estate, Manapet, Pondicherry

3. Re-laying of roads, construction of side drains/drainages outlets in the Industrial Estate, Thattanchavady, Pondicherry.
4. Electrification and provision of A/C facilities to the computer room and to the proposed expansion in the first floor of the Directorate
5. Providing of fire proof car shed with locking facilities.
6. Providing of store room (fire proof shed) in the rear side of the office building.
7. Construction of building for setting up Coir Board.
8. Expansion of office building of Directorate to accommodate Technology Transfer Cell, sub contract exchange library, store room, record room etc.
9. Construction of residential quarters in the Kottucherry, Karaikal.
10. Repairing of existing store room.
11. Land acquisition for Art & Craft village centre.
12. Construction of Cycle shed for DIC office.
13. Provision of infrastructure facilities for conference hall / exhibition hall.

**4. Remarks** : Continuing scheme

#### **Scheme No. 10**

Sector : INDUSTRIES

Implementing DISTRICT INDUSTRIES  
Department : CENTRE

**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.

**3.(a) Actual physical Achievement 2002-03** :

To meet the salaries of staff in Pondicherry & Karaikal.

**(b) Anticipated Physical Achievement 2003-04** :

To meet the salaries of staff in Pondicherry & Karaikal.

**(c) Programme envisaged for Annual Plan 2004-05** :

To meet the salaries of staff in Pondicherry & Karaikal.

**4. Remarks** : Continuing scheme

Creation of functional posts



## Scheme No. 11

Sector : INDUSTRIES

Implementing INDUSTRIES &  
Department : COMMERCE

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

The Mill has drawn up a comprehensive modernisation programme at a cost of Rs.104 crores 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 modernisation 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.

Revenue Expenditure :- Presently the wage bill has also gone up through the sanctioning of two interim reliefs to the workers by the Govt. The award of Special Industrial Tribunal is also expected to be implemented at any time which will also increase our wage cots. These additional financial commitments and bonus have to be met only from the share capital contribution to be received from the Govt., since the corporation is incurring loss and is in a tight financial position.

Apart from the modernisation programme, the Corporation has also proposed for VRS at a cost of Rs.25 crores (by the way of Grant-in-aid) to further reduce the man power strength. At present, the work force of Mill has been reduced from 6000 to 4020 (3522 workers and 498 officers/staffs) by implementing VRS. Now, the Corporation has proposed an enhanced VRS package for closing down the weaving Department 'A' Unit.

### 3.(a) **Actual physical Achievement 2002-03** :

- i. Paid share capital for modernisation of AFT and meet out revenue expenditure.
- ii. Paid as grant-in-aid to AFT for implementing VRS.

**(b) Anticipated Physical Achievement 2003-04 :**

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

**(c) Programme envisaged for Annual Plan 2004-05 :**

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

**4. Remarks :** Continuing scheme

**Scheme No. 12**

Sector : INDUSTRIES  
Implementing Department : INDUSTRIES & COMMERCE

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

**2. 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.

**3.(a) Actual physical Achievement 2002-03 :**

Grant-in-aid paid to Annamalai University for carrying capacity study

**(b) Anticipated Physical Achievement 2003-04 :** --

**(c) Programme envisaged for Annual Plan 2004-05 :**

Subsidies & incentives for Industrial units - 10 units

**4. 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.

- i. 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 lakhs per Industrial unit.

ii. 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 lakhs 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 INDUSTRIES &  
Department : 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. Further this Department is to be proposed to host a own website in the Internet comprising procedures to allow people to make complaints and suggestions electronically. 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:

- i) The most successful entrepreneurs award.
- ii) The most successful women entrepreneurs award
- iii) Award for Excellence in quality of products
- iv) 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

- |                       |           |
|-----------------------|-----------|
| 1. Assistant Director | - 1 post  |
| 2. Technical officer  | - 2 posts |
| 3. U.D.C              | - 1 post  |
| 4. L.D.C              | -1 post   |
| 5. Peon               | - 1 post  |

Action has already been taken 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.

### **Incubators :**

Many budding entrepreneurs find it difficult to translate their business ideas into commercial enterprises. It is proposed to establish Technology Business Incubator in association with technical institutions like Engineering College, Medical, Agri and Veterinary College or University Departments. The above three centers 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

- |                       |           |
|-----------------------|-----------|
| 1. Assistant Director | - 1 post  |
| 2. Technical officer  | - 2 posts |
| 3. U.D.C              | - 1 post  |
| 4. L.D.C              | -1 post   |
| 5. Peon               | - 1 post  |

### **Establishment of Nodal Agency for promotion of IT Industries**

It is proposed to establish a Nodal promotional and facilitation agency for the IT Industries. The agency will be responsible for (1) marketing Pondicherry as IT destination and (2) Single point contact for the prospective investors and existing players.

The agency will act as a single window for the prospective investors and act as a bridge between the Government and IT Industries. A nodal officer will be appointed by Government of Pondicherry to head the agency. The agency will also have an interactive portal to promote Pondicherry as a global destination for IT Industries. The portal will provide detailed information on investment potential of Pondicherry, existing industrial scenario, Government policies and incentives, access to data bases and a platform for discussion. The agency will also extend assistance in securing approvals from the Government agencies and provide sufficient

manpower for training and other support services. Financial assistance will be provided by the department for the establishment and successful functioning of the agency.

### **E-governance :**

It is proposed to host a website other than the website maintained by NIC, the Government of India Organisation. The proposed website will cover extensively about the industrial development incentives, products of Pondicherry & the necessary statutory forms to start an industry. The website will be extensively used for creating marketing opportunity for the Industrial units of Pondicherry. Department also plans to develop a CD giving the details of Industrial scenario and government policies and incentives of Union Territory of Pondicherry. The CD will be widely circulated among potential investors to motivate them to set up industries in UT of Pondicherry.

### **WTO**

Due to the lifting of quantitative restrictions on exports with effect from April, 2001, industrial products manufactured in India, especially, those in the Small Scale Sector are facing stiff competition from substitute imported goods. While opening up of imports under WTO regime poses a threat to Indian Industry, it also offers an opportunity of reaching out to the world market through aggressive exports. In the context of this liberalized, import-export regime, industry has to improve the quality of goods and cut cost of production to internationally acceptable levels. This requires thorough examination of the production processes and cost of production.

### **3.(a) Actual physical Achievement 2002-03 :**

Met out the salaries for the staff and purchased office equipment.

### **(b) Anticipated Physical Achievement 2003-04 :**

Purchase of books, magazines, project profiles, computers, software, furniture, office equipment, computer stationeries.

### **(c) Programme envisaged for Annual Plan 2004-05 :**

- i. Preparation of master plan for Industrial Development of Pondicherry.
- ii. Purchase of Office equipments & Vehicles
  - a. Payment for AMC of Computers & its accessories
  - b. Maintenance of Information and Facilitation counter.
  - c. Purchase of books, project profiles, magazines.
  - d. **E-Governance** - host a own website for Industrial development and creating marketing opportunities, Purchase of computer accessories, stationeries, and office equipment for the Technology Transfer Cell, Export Promotion Cell and newly created posts.
- iii. ISO Certification for Directorate.
- iv. 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.
- v. Establishment of Export Promotion Cell.
- vi. Financial Assistance for New Product Development Centre.
- vii. Financial Assistance for R & D units, Incubators, Marketing Agency, Nodal agency for development of IT Industries and other thrust area industries.

- viii. Conduct of studies Departmentally or through reputed consultants to promote industrial growth in Pondicherry

**4. Remarks** : Continuing scheme

It is proposed to establish Technology Business Incubators in association with technical institutions and also proposed to establish a nodal agency for promotion of IT Industries as new component in the Annual Plan 2004-2005. Also proposed to host a own website for industrial development and creating marketing opportunities in the Annual Plan 2004-2005.

Creation of functional and ministerial posts