

## 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 2004.

During 2005-2006 it is expected that 5 large scale, 5 medium scale and 200 small scale industries will be set up giving employment to 1600 persons. 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 as well as to providing guidance for new product development to enable small entrepreneur to have experiment and develop new products. An Industrial Guidance Bureau has been established to help the entrepreneurs to set up their units expeditiously.

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 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 Vallabai 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.. 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. It is proposed to take up the two sick mills namely Swadeshi Cotton Mills and Sri Bharathi Mills under the administrative control of Pondicherry Textile Corporation.

## 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 2003-04 Actual Expenditure	:	2609.57
Annual Plan 2004-05 Approved Outlay	:	2650.00
Annual Plan 2004-05 Revised Outlay	:	2607.50
Annual Plan 2005-06 Proposed Outlay	:	7612.00

(Rs. in lakh)

Sl. No.	Name of the Scheme	2003-04	2004-05		2005-06
		Actual Expenditure	Approved Outlay	Revised Outlay	Proposed Outlay
(1)	(2)	(3)	(4)	(5)	(6)
<b>VILLAGE &amp; SMALL INDUSTRIES</b>					
1.	Development of Handicrafts	72.75	80.00	90.00	110.00
2.	Development of Khadi & village Industries	250.00	300.00	300.00	500.00
3.	Development of Coir Industries	14.46	18.00	16.00	16.00
<b>Sub-Total</b>		<b>337.21</b>	<b>398.00</b>	<b>406.00</b>	<b>626.00</b>
<b>INDUSTRIES (OTHER THAN VILLAGE &amp; SMALL INDUSTRIES)</b>					
4.	Training	106.72	118.00	130.00	212.00
5.	Motivation of SC/ST/Women entrepreneurs to start Industries	29.66	30.00	100.00	100.00
6.	Fiscal Assistance to New Industries	0.00	25.00	1.00	25.00
7.	Marketing & Publicity	77.19	70.00	90.00	80.00

(1)	(2)	(3)	(4)	(5)	(6)
8.	Share capital assistance to public sector corporation (PIPDIC&PDL)	122.00	50.00	--	150.00
9.	Development of Infrastructure for Industrial Promotion	120.76	350.00	263.50	4960.00
10.	District Industries Centre	23.21	26.00	26.00	28.00
11.	Assistance for restructuring of AFT Mills of PTC Ltd.	1764.00	1537.00	1537.00	1400.00
12.	Incentives for Pollution control equipments and Energy saving devices	0.00	25.00	27.00	1.00
13.	Strengthening of Dte. of Industries	28.82	21.00	27.00	30.00
<b>Sub-Total</b>		<b>2272.36</b>	<b>2252.00</b>	<b>2201.50</b>	<b>6986.00</b>
<b>Total</b>		<b>2609.57</b>	<b>2650.00</b>	<b>2607.50</b>	<b>7612.00</b>

## Scheme No. 1

Sector : INDUSTRIES

Implementing INDUSTRIES &  
Department : COMMERCE

1. **Name of the Scheme** : Development of Handicrafts
2. **Objective 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, the 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. 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 and accommodation charges 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.

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

The handicraft societies like Pondicherry Pudhumai Handicrafts Artisans Co-operative Society Ltd., and 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.

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 craft persons are considered for grant of financial assistance as they are in indigent circumstances.

#### **Pattern of Assistance:**

#### TRAINING

- a. Honorarium to Master crafts 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.
  - i. Compensation towards wastage of raw materials at Rs 50/- per trainee per month up to a maximum of Rs 500/- per month.
  - ii. Rent subsidy at Rs/- 50 per trainee per month up to a maximum of Rs 500/- per month.
  - iii. Master craft person brought from other states will be paid a honorarium 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 per month at Yanam. 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.
- c. Accommodation charges will also be given as per norms.

## EXHIBITION

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

## GRANT OF FINANCIAL ASSISTANCE TO OLD CRAFT PERSONS.

### 1. Eligibility

- iv. Master craftsman, who are in receipt of National Award or state award in Handicrafts, will only be eligible for being considered for old age financial assistance.
- v. The income of the applicant from all sources must not be Rs12000/- (Rupees Twelve thousand only) or more per year.
- vi. The applicant should not be recipient of similar financial assistance from any other source.
- vii. The applicant should not be less than 60 years of age on the date of application.
- viii. The craftsman 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.
  - i. The assistance would be disbursed by the General Manager, District Industries Centre, Pondicherry.
  - ii. 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.
  - iii. 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.

#### 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 an undertaking letter.

#### 3.(a) Actual physical Achievement 2003-04 :

persons trained - 1295 nos.

#### (b) Anticipated Physical Achievement 2004-05 :

Training to persons	-	421
Exhibition	-	200
Pension	-	1
Insurance	-	400

#### (c) Programme envisaged for Annual Plan 2005-06 :

Training	-	510
Exhibition	-	150
Insurance	-	400
Pension	-	1

4. Remarks : Continuing scheme

## 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 2003-04** : Administrative grant
- (b) **Anticipated Physical Achievement 2004-05** : Administrative grant
- (c) **Programme envisaged for Annual Plan 2005-06** : 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.

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 rafts 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 and accommodation charges will be given to the candidates.

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.



## 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 Janshree Bhima Yojana, LIC. The premium of Rs.100/- per annum per artisan will be shared by the Government and the Artisan in the ratio of 80:20. It is proposed to cover about 200 artisans every year.

### 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.

## INSURANCE SCHEME FOR ARTISANS

The artisans should not be recipient of similar insurance scheme from any other Department (or) Organisation and should produce an undertaking letter.

### ADVANCED TRAINING

- a. Stipend to a trainee at Rs.1000/= per month.
- b. Travelling Allowance limited to II class railway fare Accommodation charges will be paid as per norms

### 3.(a) Actual physical Achievement 2003-04 :

Persons Trained - 210 nos.

### (b) Anticipated Physical Achievement 2004-05 :

Training to be given - 232 nos.

### (c) Programme envisaged for Annual Plan 2005-06 :

Training will be given - 225 nos.  
Insurance - 200 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.

#### 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. TRAINING FOR EDUCATED UNEMPLOYED.

A. INPLANT TRAINING:

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.

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 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.

### C. ADVANCE / HIGH SKILLED TRAINING

Under this Advanced / High skilled Training programme the candidates, who have completed the basic training and interested for advance training in their trade or the candidates who are willing to undergo some special high skilled Training are sponsored to the relevant reputed units or Institutions situated in the other States of India so as to develop their skills for making them to start their own ventures or to get suitable employment opportunity.

Eligibility:-

Qualification : As prescribed by the Training Units / Institutions.  
Residence : Candidates should reside in this Union Territory of Pondicherry.  
(Minimum 3 years continuous residence required)

#### **Pattern of Assistance:**

I. For Training Units / Institutions:

Course fees / Honorarium and accommodation Charge are proposed to be granted to the trainer as per their norms and conditions.

II. For Trainees:

(i) Stipend:-

- A) Upto +2 / ITI, etc., : Rs. 1,500/- per month per trainee.
- B) For Degree / Diploma holders (3 years Course) / Post Graduate : Rs. 2,000/- per month per trainee.

(ii) Travelling allowance:

One time to and Fro traveling expenses restricted to 2<sup>nd</sup> class Train fare

III Mode of payment:

- i) Payment pertaining to the trainer will be issued in the form of cheque as required by the trainer.
- ii) The monthly stipend for the trainees will be issued to trainees through the trainer after receipt of the attendance particulars of the trainees from the trainer every month.
- iii). Travelling Allowance for Onward journey will be issued to the selected candidates at the time of issuing Reporting order and the Travelling Allowance for Return journey will be issued to the trainees through the trainer after receipt of requisite letters from the trainer.

## 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. ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

It is proposed to arrange entrepreneur development programme/awareness programme for educated unemployed youth and for persons who 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 2004-05 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 2004-05 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 PONDICHERRY 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 2003-04 :

i) Persons Trained	1928
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**(b) Anticipated Physical Achievement 2004-05 :**

i)	Inplant training	-	826
ii)	Vocational training	-	255
iii)	Management training	-	700
iv)	EDP Programme	-	150

**(c) Programme envisaged for Annual Plan 2005-06 :**

i)	Inplant training	-	795
ii)	Vocational training	-	390
iii)	Management training	-	450
iv)	EDP Programme	-	100

**4. Remarks :** Continuing scheme

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

**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 :**

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 Tenth 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 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 for genuine cases.

**3.(a) Actual physical Achievement 2003-04 :**

Subsidy given to SC/ST/Women entrepreneurs - 7 units

**(b) Anticipated Physical Achievement 2004-05 :**

Subsidy to SC/ST/Women entrepreneurs - 16 units

**(c) Programme envisaged for Annual Plan 2005-06 :**

Subsidy to SC/ST/Women entrepreneurs - 30 units

**4. Remarks : Continuing scheme**

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 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.20,000/- in any financial 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.

This scheme has been modified as follows:-

- i) The industrial units, which have availed loan from financial institution towards creation of fixed assets and for working capital, an interest incentive to an extent of 25% of the annual interest amount paid, for five years shall be admissible from the date of commencement of commercial production.
- ii) The maximum amount of subsidy to each industry shall not exceed Rs.75,000/- in any financial year.

#### Special Investment Subsidy

A special investment subsidy at 25 % on the fixed capital invested by the SC/ST/Women entrepreneurs, subject to maximum of Rs.25.00 lakhs will be granted.

- i) Investment subsidy shall be admissible for setting up of new industries and for expansion of existing 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.

The subsidy amount will be disbursed directly to the financial institutions/banks, if they financed by such institutions.

#### Employment Incentive

- i) "Wage / Employment subsidy of 20% Wage/Salary in case of such workers who are covered under Provident Fund (PF) will be granted for a period of 5 years. This would be limited by the minimum wages prescribed by Govt. from time to time. Further the maximum amount which can be given as subsidy would be Rs.5 lakhs per annum per unit under this provision;
- ii) Wage / Employment subsidy would be available only if the units provide direct employment to atleast 10 persons. Wage / Employment subsidy will be considered after verification of the previous years records by the Directorate of Industries.

## Scheme No. 6

Sector : INDUSTRIES

Implementing Department : INDUSTRIES & 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.

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.

**3.(a) Actual physical Achievement 2003-04 :**

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

**(b) Anticipated Physical Achievement 2004-05 : 2 Units**

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

**(c) Programme envisaged for Annual Plan 2005-06 : 15 Units**

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.

Units to be benefited by grant of investment, interest subsidy to IT and other thrust area industries - 15 Nos.

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

## II. Interest Subsidy

- i) The industrial units which have availed loan from financial institution towards creation of fixed assets and for working capital, an interest incentive to an extent of 25% of the annual interest amount paid, for five years shall be admissible from the date of commencement of commercial production.
- ii) Maximum amount of subsidy to each industry should not exceed Rs. 75,000/- in any financial year.

## 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

The IT policy of the UT of Pondicherry has recognised the importance of connectivity between the computing devices as extremely important to the growth of the information technology industry in the UT. In order to facilitate data transfer connectivity, it is proposed to provide subsidy on the leased lines / RF (Radio Frequency) obtained either from Department of Telecom or from other authorised/licensed vendors. The units could avail the subsidy @ 50% of the lease rental that it pays for its data line/RF subject to a maximum of Rs.10 lakhs per annum. It would be admissible annually for three years or the date of closure of the scheme, whichever is earlier. A unit would receive subsidy on actual annual lease rental paid for the connectivity of the nearest available international gateway. Any fixed costs paid in the process of installing these lines will not be admissible for the connectivity incentive.

## V. Interest subsidy

- i) The IT industries/ Thrust area industries / exporting units which have availed loan from financial institution towards creation of fixed assets and for working capital, an interest incentive to an extent of 25% of the annual interest amount paid, for five years shall be admissible from the date of commencement of commercial production.
- ii) The maximum amount of subsidy to each industry shall not exceed Rs. 75,000/- in any financial 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.

#### VI. Employment Incentive

- i) " Wage / Employment subsidy of 20% Wage/Salary in case of such workers who are covered under Provident Fund (PF) will be granted for a period of 5 years. This would be limited by the minimum wages prescribed by Government from time to time. Further the maximum amount which can be given as subsidy would be Rs 5 lakhs per annum per unit under this provision;
- ii) Wage/ Employment subsidy would be available only if the units provide direct employment to atleast 10 persons. Wage/ Employment subsidy will be considered after verification of the previous years records by the Directorate of Industries.

#### 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.

#### SCHEME DETAILS IN IX PLAN:

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 been constructed. The Building is being provided to the Industries to exhibit their products.

**3.(a) Actual physical Achievement 2003-04 :**

Industries were assisted - 150 units

**(b) Anticipated Physical Achievement 2004-05 :**

Industries to be assisted - 190 units

**(c) Programme envisaged for Annual Plan 2005-06 :**

Industries to be assisted	100 units
Sales rebate	1 No.
Assistance to Marketing agency	

**4. Remarks :** Continuing scheme

**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.

**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 2003-04** :

Steps taken for establishing IT Park, Kalapet.

(b) **Anticipated Physical Achievement 2004-05** :

Share capital assistance paid for IT Park.  
Share capital assistance for Electronic Industrial Estate.

(c) **Programme envisaged for Annual Plan 2005-06** :

**PIPDIC:**

- i) Assistance for site Development and construction of Information Technology Park at Pondicherry and establishment of Earth Station
- ii) Construction of 2 Nos. of flatted shed.

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** :

i) This scheme, previously known as Development of New Industrial Estate and improvement to existing Industrial Estate will be continued in the X Five year Plan period to develop.

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

To foster industrial growth in the Union Territory of Pondicherry and to provide improved infrastructures to facilitate the entrepreneurs to set up their industries in the Union Territory of Pondicherry.

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 conceptualized 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 lakhs.

This new scheme has been proposed in the IX Five Year Plan and continued in the 10<sup>th</sup> Five Year Plan, to foster the development of export oriented industries in the Union Territory of Pondicherry and to bring them all under one roof. The Export Processing Zone would be developed in Pondicherry as per the guidelines of Government of India, Ministry of Commerce. The Special Economic Zone (SEZ) will be established for which land is being acquired.

“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 with the 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 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 Cauvery basin to Pondicherry & Karaikal region industrial units and from Godavari basin to Yanam region.

**3.(a) Actual physical Achievement 2003-04 :**

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

**(b) Anticipated Physical Achievement 2004-05 :**

- i) Growth Centre : | Release of grant to implementing
- ii) Integrated Infrastructure Development : | agency PIPDIC.

1. Construction of New office Building at Rural Industrial Estate, Kottucherry, Karaikal.
2. Electrification and provision of A/C facilities to the computer room with tiles flooring and false roofing in the first floor of the Directorate.
3. A Conference hall may have the sitting capacity of 200 persons with A/C facility and all other amenities
4. Visitors cabin to be constructed adjacent to Director's room.
5. Structured cabling of computed network and UPS connection throughout the building.
6. 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.
7. Reconstruction of Over Head Tank and Toilet blocks inside the estate in Kottucherry, Karaikal.
8. Establishment of Special purpose vehicle for SEZ.

**(c) Programme envisaged for Annual Plan 2005-06 :**

- i) Growth Centre : Site development at Polagam, Karaikal.
- ii) Integrated Infrastructural Development: Land acquisition
- iii) Establishment of Infrastructure Balancing Scheme
- iv) Payment of financial assistance for setting up of SEZ which includes acquisition of land.

1. Construction of compound wall in the northern side of Rural Industrial Estate, Manapet.
2. Construction of side drains and re-laying of roads etc. in the Rural Industrial Estate, Manapet, Pondicherry
3. Electrification and provision of A/C facilities to the computer room and to the proposed expansion in the first floor of the Directorate
4. Providing of fireproof car shed with locking facilities.
5. Providing of storeroom (fire proof shed) in the rear side of the office building.
6. Construction of building for setting up Coir Board.
7. Construction of residential quarters in the Kottucherry, Karaikal.
8. Repairing of existing storeroom.
9. Construction of multi-storeyed building for IT Industries at RIE., Manapet.

**4. Remarks : Continuing scheme**

In the Tenth Five-Year Plan, the schemes of "Participation of Southern Gas Grid" and Setting up of Export Processing Zone, Pondicherry" which were implemented as separated scheme have been merged under this 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 Industrial Guidance Bureau 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 10<sup>th</sup> Five Year Plan (2002-2007) period.

**3.(a) Actual physical Achievement 2003-04** :

To meet the salaries of staff in Pondicherry & Karaikal.

**(b) Anticipated Physical Achievement 2004-05** :

To meet the salaries of staff in Pondicherry & Karaikal.

**(c) Programme envisaged for Annual Plan 2005-06** :

To meet the salaries of staff in Pondicherry & Karaikal and to Purchase one Generator to meet the requirement.

**4. Remarks** : Continuing scheme

## 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 costs. 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 2003-04 :**

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

**(b) Anticipated Physical Achievement 2004-05 :**

- i) Fund for working capital
- ii) Payment of Grant-in-aid for VRS

**(c) Programme envisaged for Annual Plan 2005-06 :**

1. Financial assistance for modernisation and restructuring of AFT Mills.
2. Funds for voluntary retirement scheme
3. Fund for working capital as share capital.
4. Swadeshi Cotton Mills & Sri Bharathi Mills will be brought under PTC.

**4. Remarks :** Continuing scheme



**Scheme No. 12**

Sector : INDUSTRIES

Implementing INDUSTRIES &  
Department : 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 2003-04** :
- |   |   |     |
|---|---|-----|
| Subsidies & incentives for Industrial units | - | Nil |
|---|---|-----|
- (b) Anticipated Physical Achievement 2004-05** :
- |   |   |         |
|---|---|---------|
| Subsidies & incentives for Industrial units | - | 9 units |
|---|---|---------|
- (c) Programme envisaged for Annual Plan 2005-06** :
- |   |   |         |
|---|---|---------|
| Subsidies & incentives for Industrial units | - | 2 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 equipment's 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 hosted an 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 momento. 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.

Action has already been taken to prepare a master plan for Industrial Development of Pondicherry through reputed consultants.

## 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.

## 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.

## 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 2003-04 :**

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

### **(b) Anticipated Physical Achievement 2004-05 :**

Purchase of books, magazines, project profiles, office equipment, computer stationaries, Industrial Guidance Bureau, etc.

### **(c) Programme envisaged for Annual Plan 2005-06 :**

- i. Purchase of Office equipments, Vehicle, computer stationery, etc.
  - a. Payment for AMC of Computers & its accessories
  - b. Maintenance of Information and Facilitation counter.
  - c. Purchase of books, project profiles, magazines.
- ii. WTO Cell.
- iii. Conduct of studies Departmentally or through reputed consultants to promote industrial growth in Pondicherry
- iv. Implementation of Industrial Master Policy.
- v. Action Plan for Export Promotion Cell

### **4. Remarks :** Continuing scheme

Creation of functional and ministerial posts.