

INDUSTRIES

As on 31.01.2012, there are 77 Large Scale, 185 Medium Scale and 8423 Small Scale and Micro Industries available with an investment of ₹2562.76 Crores and providing employment to 99857 persons. The Industrial Guidance Bureau networking the licensing and clearing agencies has been established to help the entrepreneurs to set up their units expeditiously.

For the faster industrial growth, investment in the field industrial infrastructure development will be encouraged with the Public Private participation. The major project proposed to be implemented during 2012-13 is setting up of a Multi-product Special Economic Zone by converting Growth Centre, Karaikal and another Multi-Product SEZ in Puducherry. It is also proposed for setting up of an Integrated Textile Park in Puducherry.

An independent District Industries Center will be opened in Karaikal. It is proposed to form Small & Medium Enterprises (SME) Clusters in collaboration with the Confederation of Indian Industry (CII) and to provide modern marketing, appropriate technology and to achieve quality products. Financial support for setting up of sales emporia / exhibitions in important cities and rent subsidy for such sales emporia are contemplated. The employment potential in IT, ITES and other service sectors will be fully utilized by giving training to the educated youth. It is also proposed to set up CAD/CAM/CAE Training Centres at Puducherry Management Productivity Council, Puducherry.

Establishment of mini industrial estates in the rural constituencies of UT of Puducherry and Karaikal ranging from 2 to 5 acres to promote native entrepreneurs to set up micro, tiny manufacturing and service enterprises to boost the local economy and to generate employment opportunities.

Further, Pondicherry Industrial Promotion Development & Investment Corporation (PIPDIC), Public Sector Union of Govt. of Puducherry, has proposed to start Skill Development Mission in this UT of Puducherry. M/s.IL&FS CDI has been appointed as the consultant for mapping the skill gaps, identifying the groups to be trained and the training courses. The consultant has submitted the report and the same has been discussed in the State Level Skill Development Mission. The project envisages to impart training to about 20,200 persons in five years period through skill schools by M/s.IL&FS CDI.

PUBLIC SECTOR UNDERTAKINGS :

1. PONDICHERY TEXTILE CORPORATION LIMITED

Anglo French Textiles, a Unit of Pondicherry Textile Corporation Limited was taken over by Government of Pondicherry under the Anglo French Textile Limited (Acquisition and Transfer of Textile Undertaking) Act 1986. The Mill has been incurring loss because of various problems, both external and internal. Externally, the primary reason for the loss had been the phenomenal increase in the cost of cotton and yarn since 1993-94. The cotton prices during 1993-94 increased by nearly 74% over the previous year. In fact this sudden increase in the price of cotton had melted down to a large number of textile mills all over India during the subsequent period. Since the cotton and yarn costs constitute almost 40% of the total cost, this had hit the textile industry very hard.

Yet another external cause for the loss had been recession in both domestic and foreign textile market. Since 1993-94 the textile market abroad especially in Europe has been going through a recessionary phase. This has substantially affected the turnover of the Mill since at an average about 90% of the export turnover of the Mill comes from Europe. The most damaging phenomenon in the export market has been imposition of the anti-dumping duties by the E.E.C. on the grey fabrics from India on a provisional basis with effect from December 1996 . This was followed by anti-dumping duty of 24.7% on bed linen (which constitute about 85% of the total export) with effect from the year 1997-98. This anti-dumping duty has been suspended for six months from 15.08.2001. Further due to the September 11 2001 incident in world trade centre in United States, severe recession continued in the textile market both in export and home sales. The domestic market has also been similarly affected by recession due to a liquidity crunch and there has been no significant increase in the demand for textiles since 1993-94. As a result of this recessionary trend which has been persisting, the sale of fabric in domestic market has also suffered. The European Commission has further imposed Anti Subsidy duty (instead of anti-dumping duty) @ 7.6% on our made-ups exported to the European Countries w.e.f. 18.01.2004.

So far as the internal factors are concerned the prime reason for the loss has been the high cost of production resulting from the increase of raw material cost (as indicated above) as well as increased employee cost. The employee cost consisting of salaries, wages, gratuity welfare benefits, bonus and ex-gratia constitutes nearly 45% of the total cost in this Mill. This

increase in cost of production is required to be neutralized either by increase in the realization per mtr. of fabric sold and/or by continuously reducing the fixed cost so as to break-even. Because of the sluggish demand in the textile market the price realization per mtr. could not keep pace with the increase in the fixed cost. It had not been possible to substantially reduce the fixed cost due to various reasons.

Two other reasons for the high cost of production in the Mill are increasing rate of labour absenteeism which stands at 22% and the obsolescence of the machinery resulting in low productivity and high rate of damage.

In view of the above said reasons, the Corporation is finding it very difficult to run even the day-to-day operations due to the loss over the years i.e. from 1993-94 which resulted that the cash flow to the corporation is very meager by way of sales and other activities Hence, the corporation is solely depending on the Government assistance for making the payment of salary/wages to the staff and Officers. The viability of the mill may perhaps be ensured only after reducing the present work force by closing the uneconomical operations such as Spinning and Weaving Departments in the A unit, modernisation in the essential areas such as spinning, processing and weaving in the new mill to do trading business through out sourcing by infusing separate corpus fund so that trading activity could be carried out independent of production operations to augment the available resources. In order to reduce the work force, a Voluntary Retirement Scheme to the staff and workers of the A unit was evolved. Accordingly, 169 workers and officers have been voluntarily retired and another 700 workers and officers expected to opt for VRS.

2. SWEDESHEE-BHARATHEE TEXTILE MILLS LTD.

M/s. Swadeshi Cotton Mill and Sri Bharathi Mill were established in 18th Century in the year 1829 and 1892 respectively. Both the mills were taken over by the Govt. of Puducherry from 1.4.2005 with a view to safeguard the interests of the people working in the mills and as well as to make these mills viable. The company was incorporated on 1.7.2005 in the name of Swadeshee-Bharathee Textile Mills Ltd.

After takeover of Swadeshi Cotton Mill and Sri Bharathi Mill by Govt. of Puducherry, both mills are incurring continuous loss. The NTC is continuously demanding the settlement of purchase consideration of Rs.3 9.37 crores. The said amount is not settled so far and hence the transfer of title deeds from NTC to Govt. of Puducherry is still pending. Meantime the Ministry

of Textiles, Govt. of India has written a letter to Govt. of Puducherry to hand over these two mills again to NTC if Govt. of Puducherry is unable to settle the purchase consideration amount of Rs.39.37 crores as per MOU.

Since the company is incurring heavy losses year after year due to obsolete machinery and low productivity, at present the company does not have any schemes / programmes / projects to be included in the draft annual plan 2012-13.

3. PONDICHERY INDUSTRIAL PROMOTION DEVELOPMENT AND INVESTMENT CORPORATION (PIPDIC)

PIPDIC has at present set up industrial estates/parks at Mettupalayam, Sedarapet, Kirumampakkam, Thirubuvanai and Pondy Technopolis at Kalapet. In all these estates/parks, basic infrastructural facilities have been provided. The Corporation is running on profit.

The existing projects are as follows: -

i) Industrial Growth Centre

A growth centre has been established at Polagam village, Karaikal in an area of 597 acres and out of which 200 acres have been developed in Phase IA. As the demand for developed plots in the Growth Centre at Karaikal was not encouraging, the corporation has now decided to convert the same into a SEZ. The Govt. of Puducherry and Govt. of India have approved the proposal for setting up of SEZ at Growth Centre. The project is to be developed under PPP mode. Necessary action is underway.

ii) Industrial Estate

An Industrial Estate has been established at Thirubuvanai in an area of 52 acres with all the infrastructural facilities. A few flatted roof factory sheds has also been constructed to cater to the requirements of the entrepreneurs. It is also proposed to construct two storied ready built factory building at the Electronic Park.

iii) Information Technology Park

The Corporation has established an IT Park at Kalapet and the Phase I was inaugurated on 27.10.1999. An earth station has also been established at cost of Rs.2.5 crs. Considering the need to support this knowledge based industry, PIPDIC has decided to expand this IT Park by implementing the Phase II by constructing buildings in an area of about 1,55,000 sq.ft. PIPDIC invited twice Expression of Interest (EOI) for private developers for development of phase-II of

the IT Park. But, there was no response. Therefore, it is felt by the govt. that there may not be response from private parties for developing further IT Park due to global meltdown. However, the Software Technology Park-I has evinced interest in developing Incubation Centres on the piece of land allotted to them. Hence, as advised by the Govt., it is proposed to associate with STPI in its incubation project as a part of further development of the IT Park.

The proposed new projects are:-

I) Mini Industrial Estates

The scheme of setting up of mini industrial estates in the UT of Puducherry was discussed at the Board meeting of PIPDIC held on 30th January 2008 and the Board decided to set up one such estate in Puducherry and Karaikal on pilot basis and also decided to seek necessary funds to the tune of Rs.10.00 Crs from the Govt. for the purchase of land directly from the land owners and to provide minimum infrastructure. The proposal of setting up of the mini industrial estates in this UT of Puducherry was also announced on the floor of Assembly during 2008. In this regard, the proposal for approval of the project and to provide funds to the tune of Rs. 10 Crs is also submitted to Govt.

ii) Integrated Textile Park

It is proposed to set up an Integrated Textile Park in Puducherry, for which Letter sent in June 2010 to the Ministry of Textiles, Govt. of India to appoint M/s. IL&FS as Project Management Consultant. Reply is awaited.

iii) Skill Development Mission

PIPDIC has also proposed to start Skill Development Mission in this UT of Puducherry. It has already appointed M/s.IL&FS CDI as the consultant for mapping the skill gaps, identifying the groups to be trained and the training courses. The consultant has submitted the report and the same has been discussed in the State Level Skill Development Mission at its meeting held on 23.9.20 10 at the Assembly Secretariat under the Chairmanship of the Hon'ble Chief Minister. The project envisages to impart training to about 20,200 persons in five years period through skill schools by M/s.IL&FS CDI. Based on the discussion in the meeting, PIPDIC has submitted proposal to the Govt. for approval of the implementation plan. Once the approval is obtained, the project will be implemented.

4. PONDICHERY DISTILLERIES LTD. (PDL)

The erstwhile French Government Distillery run under the Distillery Department since 1916 was taken over by a government company incorporated on 8.12.1971 in the name and style "Pondicherry Distilleries Ltd" in 1971-72. The Company had closed its distillation operations at its Kurusukuppam site, Beach Road, Puducherry on 30.4.1997 in compliance with the order of the Hon'ble Supreme Court of India on a WP No.184/1996. After the closure of the distillery, the Govt. of Puducherry has decided to dispense with the process of distillation and permitted PDL to take up the simpler process of blending and bottling of arrack by purchasing RS from outside. The company has set up its unit at Ariyapalayam village, Villianur Commune, Puducherry. The company is running on profit.

5. PUDUCHERRY KHADI AND VILLAGE INDUSTRIES BOARD

The Board was established as a statutory body in 1981 by a statute called PKVIB Act, 1980. The activities of the Board are diversified to the four enclaves of the UT administration namely, Puducherry, Karaikal, Mahe and Yanam. The Administrative expenditure of the Board is met by the Govt. of Puducherry in the form of grant-in-aid. The Grant-in-aid sanctioned by the Govt. are utilized only for the recurring expenditures like salary of the staff, office expenses, maintenance of vehicle/ building, payment of Rebate/Rent, Training/ Advertisement, etc. The main activities of the Board are to promote Khadi and Village Industries programme with a view to create employment opportunities in rural areas and thereby strengthening the rural economy.

The Board derives fund mainly from the following sources:

- i) Grant from the UT Government
- ii) Grants and other loan from KVIC., Mumbai
- iii) Revenue receipts realized from the Boards own production and sales units.

ACHIEVEMENTS DURING 2007-11

- 6 Large Scale , 17 Medium Scale and 727 Small and Micro industrial units have been registered with an investment of 380 Crores providing employment to 7324 persons.
- Under the Motivation of entrepreneurs to start industrial units and Fiscal assistance to Industries scheme, an amount of 952.70 lakhs was disbursed as subsidy to 143 women entrepreneurs and 694.98 Lakhs was disbursed to 65 units under Thrust Area.

- Under the "Motivation of Unemployed Persons to start Self-Employed Enterprises Scheme, an amount of 240.11 Lakhs was disbursed as subsidy to 1742 owner run enterprises..
- Starting of Skill Development Mission in this UT is under process. M/s. IL&FS CDI have been appointed as Project Management Consultant. The project envisages to impart training to about 20200 persons in five year period through skill schools.
- Under Industrial Guidance Bureau, 14 Red, 150 Orange and 656 Green category industrial units have set up of their projects in this UT.
- Participated in the India International Trade Fair held at New Delhi.
- Under Training scheme, 6779 persons are given training under various trades.
- Under Development of Handicrafts scheme, 4444 persons are given training.
- Under Development of Coir Industries scheme, 2212 persons are given training.
- Under Marketing and Publicity scheme, 931 artisans/industrial units were assisted in marketing their products.

LIKELY ACHIEVEMENTS DURING 2011-12

- 97 Small and Micro industrial units have been registered with an investment of 51.45 Crores providing employment to 1136 persons.
- Under the Motivation of entrepreneurs to start industrial units and Fiscal assistance to Industries scheme, an amount of 16.23 lakhs was disbursed as subsidy to 3 women entrepreneurs.
- Under the Motivation of Unemployed Persons to start Self-Employed Enterprises Scheme, an amount of 40.89 Lakhs was disbursed as subsidy to 156 owner run enterprises. Further 544 person will be given subsidy amounting Rs 59.11 lakhs.
- Starting of Skill Development Mission in this UT is under process. M/s. IL&FS CDI have been appointed as Project Management Consultant. The project envisages to impart training to about 20200 persons in five year period through skill schools.
- Under Industrial Guidance Bureau, 5 Red, 27 Orange and 150 Green category industrial units have set up of their projects in this UT.
- Participated in the India International Trade Fair held at New Delhi.
- 1400 persons under Handicrafts scheme and 500 persons under Coir Industries are given training in addition to 1050 persons given training under various trades.

- Under Marketing and Publicity scheme, 120 artisans/industrial units were assisted in marketing their products.

PROPOSED TARGETS FOR 2012-13

- Announcement of New Industrial Policy.
- Setting up of Coir Growth Centre in Puducherry.
- Setting up of a Multi-product Special Economic Zone in Karaikal and another multi-product SEZ in Puducherry.
- An Integrated Textile Park will be set up in Puducherry
- Share capital assistance will be released to PIPDIC for multi-product Special Economic Zone, establishment of mini industrial estates and starting of Skill Development Mission in Puducherry.
- Training will be given to 2400 persons in various trades under „Training scheme.
- Training will be given to 3520 persons under „Development of Handicrafts scheme.
- Training will be given to 1900 persons under „Development of Coir Industries scheme.
- 950 industrial units will be assisted in marketing its products under „Marketing & Publicity scheme.
- Training will be given to 200 persons in silk weaving sector under „Development of Silk Industries scheme.
- Training will be given to 1000 persons in Development of Khadi & Village Industries.
- Conduct of Buyer-Seller Meet.
- Participation in India International Trade Fair, New Delhi/ Pravasi Bharathiya Divas and many other Fairs in India.
- 40 Units will be given subsidy under the scheme „Motivation of entrepreneurs to start industries and Fiscal assistance to industries .
- Under Motivation of Unemployed Persons to start Self-employed Enterprises Scheme (MUPSES), 1200 owner run enterprises will be given subsidy.

OUTLAY AT A GLANCE

Sector : INDUSTRIES

No. of Scheme : 10

Department : INDUSTRIES & COMMERCE

(₹ in lakh)

Eleventh Five Year Plan 2007-12 Approved Outlay	:	40127.65
Annual Plan 2007-10 Actual Expenditure	:	18310.51
Annual Plan 2010-11 Actual Expenditure	:	8178.71
Annual Plan 2011-12 Approved Outlay	:	8636.00
Annual Plan 2011-12 Revised Outlay	:	8500.00
Twelfth Five Year Plan 2012-17 Tentative Outlay	:	84506.00
Annual Plan 2012-13 Proposed Outlay	:	12626.00

(₹ in lakh)

Sl. No.	Name of the Scheme	Annual Plan 2010-11	Annual Plan 2011-12	Twelfth Plan 2012-17 (Tentative Outlay)	Annual Plan 2012-13
		Actual Expdr.	Approved Outlay	Proposed Outlay	Proposed Outlay
(1)	(2)	(3)	(4)	(6)	(7)

VILLAGE & SMALL INDUSTRIES

1.	Development of Handicrafts	122.01	225.00	--	--
2.	Development of Khadi & village Industries	604.83	600.00	--	--
3.	Development of Coir Industries	195.68	80.00	--	--
Sub-Total		922.52	905.00	--	--

INDUSTRIES (OTHERS)

4.	Training	302.83	350.00	--	--
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(₹ in lakh)

Sl. No.	Name of the Scheme	Annual Plan 2010-11	Annual Plan 2011-12	Twelfth Plan 2012-17 (Tentative Outlay)	Annual Plan 2012-13
		Actual Expdr.	Approved Outlay	Proposed Outlay	Proposed Outlay
(1)	(2)	(3)	(4)	(6)	(7)
5.	Marketing & Publicity	114.05	110.00	--	--
6.	Strengthening of District Industries Centre	54.99	58.00	--	--
7.	Development of Silk Industries	12.74	16.00	--	--
8.	Motivation of entrepreneurs to start Industries & Fiscal Assistance to Industries	451.88	400.00	--	--
9.	Share Capital / Grant-in-aid assistance to PDL	0.00	0.01	--	--
10.	Share Capital / Grant-in-aid assistance to PIPDIC	0.00	1284.05	--	--
11.	Share Capital / Grant-in-aid assistance to PTC	5325.00	4567.97	--	--
12.	Share capital / Grant-in-aid assistance to Swadeshee-Bharathee Textiles Mills Ltd.	975.00	900.00	--	--
13.	Strengthening of Dte. of Industries	19.70	24.96	--	--

(₹ in lakh)

Sl. No.	Name of the Scheme	Annual Plan 2010-11	Annual Plan 2011-12	Twelfth Plan 2012-17 (Tentative Outlay)	Annual Plan 2012-13
		Actual Expdr.	Approved Outlay	Proposed Outlay	Proposed Outlay
(1)	(2)	(3)	(4)	(6)	(7)
14.	Promotion Campaign for attracting foreign investment	0.00	20.00	--	--
15.	Panchayat Window	0.00	0.01	--	--
	Sub-Total	7256.19	7731.00	--	--
	Total	8178.71	8636.00	--	--

Schemes for 2012-13 and 2012-17 after Zero Based Budgeting Exercise

**VILLAGE &
SMALL
INDUSTRIES**

1.	Development of Handicrafts	--	--	1200.00	240.00
2.	Development of Khadi & village Industries	--	--	3500.00	700.00
3.	Development of Coir Industries	--	--	450.00	90.00
	Sub-Total	--	--	5150.00	1030.00

**INDUSTRIES
(OTHER THAN
VILLAGE &
SMALL
INDUSTRIES)**

4.	Training	--	--	2150.00	430.00
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(₹ in lakh)

Sl. No.	Name of the Scheme	Annual Plan 2010-11	Annual Plan 2011-12	Twelfth Plan 2012-17 (Tentative Outlay)	Annual Plan 2012-13
		Actual Expdr.	Approved Outlay	Proposed Outlay	Proposed Outlay
(1)	(2)	(3)	(4)	(6)	(7)
5.	Promotion Campaign for attracting foreign investment and Marketing & Publicity	--	--	750.00	150.00
6.	Strengthening of District Industries Centre	--	--	325.00	65.00
7.	Development of Silk Industries	--	--	80.00	16.00
8.	Motivation of entrepreneurs to start Industries & Fiscal Assistance to Industries	--	--	3250.00	650.00
9.	Share Capital / Grant-in-aid assistance to PDL, PIPPDIC, PTC /Swadeshee-Bharathee Textile Mills Ltd.	--	--	72676.01	10260.01
10.	Strengthening of Dte. of Industries & Panchayat Window	--	--	124.99	24.99
	Sub-Total	--	--	79356.00	11596.00
TOTAL		8178.71	8636.00	84506.00	12626.00

Note : The number of schemes indicates with reference to Draft Annual Plan 2012-13.