

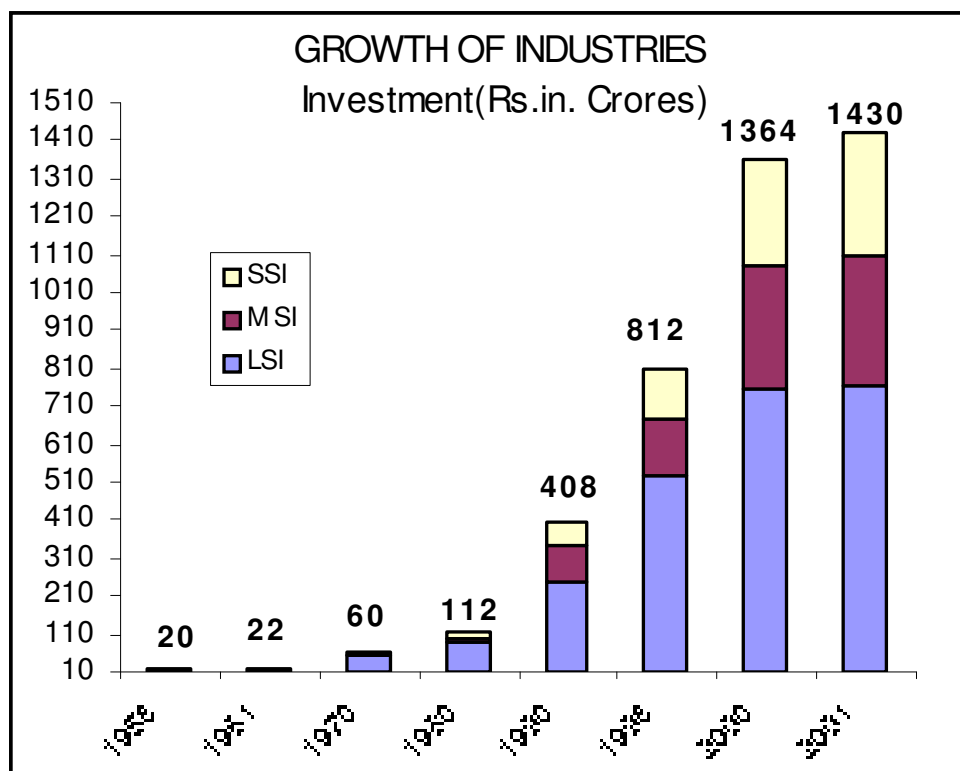
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1. INDUSTRIAL DEVELOPMENT OF PONDICHERRY- AT A GLANCE

Union Territory of Pondicherry comprises four coastal enclaves in South India. PONDICHERRY is situated 160 kms. south of Madras, KARAIKAL 130 kms south of Pondicherry. YANAM is about 900 kms away in the lap of Kakinada district of Andhra Pradesh. MAHE in Kerala is 650 kms afar on the west coast.

Pandit Jawaharlal Nehru has envisioned a special status for Pondicherry to preserve "The Window to the French Culture in India." While Nehru was laying strong foundations for a modern industrialised nation, Pondicherry has joined the Union of India in 1954 with limited industrial inheritance. There were only three large textile mills and some five odd small industrial institutions. The territory has since come a long way. Pondicherry has achieved rapid industrial progress in all these years and is poised for spectacular growth. By February 1997, we have an impressive establishment of 25 large scale industries, 88 medium and 5492 small scale units. Over the years, there has been massive growth of industries in Pondicherry.



The industrial sector employed just about 8000 persons in the early fifties. Now, with investment of over Rs. 883 crores, industries are the life-blood of economy providing livelihood to over 64,323 people.

Contribution made by small scale industries in generating employment as well as in value of production deserves a special mention. Deliberate promotion of small industries by the Government has yielded positive dividends.

187 investment proposals are currently in the pipeline promising a total outlay of about Rs 2042 crores, having potential to employ over 19894 persons. More than 40% of these projects are under various stages of execution, Pondicherry has deservedly magnetised many large industrial houses of national repute and several renowned multinational corporations.

The present status of industries in Pondicherry can be summarised as below.

As in May 2001	No. of Units	Invest-ment in Rs. Crores	Employment in Number	Value of Production
Large scale	44	770	16152	2639
Medium Scale	127	339	7627	2746
Small Scale	6463	333	53906	3756
Total	6634	1442	77685	9141

2. INDUSTRIAL POLICY 1997

2.1 OBJECTIVES

- 1) To promote sustainable industrialisation in the Union Territory of Pondicherry.
- 2) To gainfully utilize the human resource of the Territory and maximise employment.
- 3) To improve the standard of living and quality of life of the people of the Union territory.
- 4) To conserve the environment of Pondicherry for sustained and rapid industrial growth.

5) To participate in the globalisation of the economy with greater exports and imaginative imports.

6) To take advantage of the special features of Pondicherry including its heritage and culture.

7) To ensure balanced industrial development in all the regions of the Union Territory.

3. STRATEGY

In pursuit of the above objectives, Pondicherry Administration have decided to adopt the following strategies.

3.1 TO PROMOTE SUSTAINABLE INDUSTRIALISATION IN THE UNION TERRITORY OF PONDICHERRY.

Industries, having high productivity and sound financial returns with less demand on environmental resources will be promoted.

The " Priority Industries" have been listed in Schedule - I. Thrust areas have been identified.

THRUST AREAS.

Concerted and well co-ordinated efforts will be made to give special focus on certain identified thrust areas for their obvious compatibility with Pondicherry.

(a) AGRO PROCESSING INCLUDING MARINE PRODUCTS.

The strength of our coastal territory lies in the exclusive economic zone that awaits scientific harvest. The limited land of the territory, in essence, should be used as foothold for launching into sea based activities. Effective forward and backward linkages is required to sustain a symbiosis between industry and agriculture. Food processing industries can transform the productivity in agriculture.

(b) ELECTRONICS AND SOFTWARE DEVELOPMENT

This " Sunrise Industry " of the twenty-first century will prove to be a catalyst for all round development and quantum change in growth pattern. This high value - low volume industry with locally available technical manpower is bound to have abundant competitive edge.

(c) LEATHER PRODUCTS AND FOOTWEARS.

South India is traditionally known for leather processing and leather goods. Pondicherry has already made a remarkable beginning in this sub-sector. Leather goods form the second largest item of exports from this territory. However, this labour intensive industry cries out for greater value-addition, better market attuning and quality augmentation. Leather goods from Pondicherry are much in demand all over the world. Its inherent advantages are waiting to be fully explored.

(d) LIGHT ENGINEERING INCLUDING AUTO COMPONENTS.

Not making unreasonable demands on our depleting subsoil water and having little air and water pollution hazards, light engineering and auto components manufacturing are quite compatible with the fragile ecology of Pondicherry. The growing transport sector of our country has considerable appetite for auto components.

(e) TEXTILES INCLUDING GARMENTS.

While large composite textile mills are struggling, the well-managed compact small scale spinning and powerloom units with modern technology are making good business. The labour intensive garment making industry could dominate the international marketplace. We need to remain up-to-date with fashion-of-the-day, safety requirements and consumer-sensibilities.

Proper locations have been designated for sustainable industrialisation. The zoning of industrial areas, is discussed in Chap- 8.

Industries dependent on locally available raw materials will not be encouraged.

Highly polluting and hazardous industries will not be promoted.

3.2 TO GAINFULLY UTILIZE THE HUMAN RESOURCES OF THE TERRITORY AND MAXIMISE EMPLOYMENT.

Labour intensive enterprises will be given priority. Such industries, which employ local manpower at various levels, will receive encouragement.

Vocational courses in schools, skill generating courses in ITIs, technician education in polytechnics and technical education in professional institutions will be sensitized to meet the manpower requirement of the industries. Industry-Education integration will be promoted for proper match between academic programmes and productivity manpower generation.

Apprenticeship training programme, In-plant and On-the-job- training will be promoted for upgradation of skill and knowledge for improving productivity.

Training and orientation programmes, workshops and seminars will be organised involving Promoters, Executives, Trade Unions and Employees and Organisation like Pondicherry Productivity Council, Community Polytechnic etc. Training institutions will be associated for improving efficiency and quality.

3.3 TO IMPROVE THE STANDARD OF LIVING AND QUALITY OF LIFE OF THE PEOPLE OF THE UNION TERRITORY

Industries providing high-wage compensations and generating multiplier benefits will be welcomed and nurtured. Industries will be motivated to employ local manpower as far as possible. Wherever necessary, training to upgrade the knowledge and skills of the locally available manpower will be accorded importance.

Employment of child labour even in non-hazardous industries and occupation will be deprecated. A Consultative Forum will be constituted for regular dialogue between industrialists, environmentalists, consumers, labour and others for better understanding and smooth development of industries.

3.4 TO CONSERVE THE ENVIRONMENT OF PONDICHERRY FOR SUSTAINED AND RAPID INDUSTRIAL GROWTH.

Environment- friendly industries will be given priority. Industries will be guided to adopt latest pollution control technologies. Existing industries having pollution potential will be guided upgrade pollution control systems and adopt regular monitoring of pollution.

Common effluent treatment systems will be encouraged in the interest of economy. Industrial Estates would be modernised with infrastructure for re-cycling of wastes and efficient treatment of effluents.

Industries will be given incentives wherever possible to keep the environment free from pollution by installing effective treatment systems and adequate pollution control measures.

Investment by private sector for community treatment and disposal of effluents will receive encouragement.

3.5 TO PARTICIPATE IN THE GLOBALISATION OF THE ECONOMY WITH GREATER EXPORTS AND IMAGINATIVE IMPORTS.

Pondicherry had been famous for its export of silk, pearls, gems stones and ivory products since ancient time. "Arikamedu" was a famous entry port and was a famous beads manufacturing complex of that time. Up to 1954, Pondicherry was Free Port and had a flourishing export-import trade.

During 1989-90, export was to an extent of Rs 35 crores which increased to Rs 240 crores during 1995-96. Textiles, leather goods, ready-made garments, handicrafts, softwares, gems and jewellery, polished granites, marine food etc. are the items having good export potential.

Efforts will be made to revive traditional foreign trade skill and the genius of the people of Pondicherry to regain their socio-economic prosperity.

Export oriented will be given incentives and will be supported. An Export Promotion Cell will be organised in the Industries Department.

To promote easy handling of exports, efforts will be made to strengthen ports in Pondicherry, Karaikal and Mahe. Pondicherry port will be modernised with container handling facilities and storage infrastructure.

Steps will be taken to set up Export Processing Zone (EPZ) in the Union Territory. On the line of the pattern prevailing in Singapore and Hongkong, Pondicherry may be made as a heaven for shopping and trade.

3.6 TO TAKE ADVANTAGES OF THE SPECIAL FEATURES OF PONDICHERRY INCLUDING ITS HERITAGE AND CULTURE.

Having remained the capital of the erstwhile French India, the legacies in Pondicherry have a special flavour not found anywhere in the Indian sub-continent.

Pondicherry is internationally known for its architecture, town planning, spiritual and yogic institutions and centres of international brotherhood. South Indian temples, Catholic shrines and the sun sand and the surf all add up to a productive package for international tourism. Hotels, beach-resorts, meditation centres, health centres, leisure, pleasure activities, sports and adventure have significant potential.

The potentials of traditional connections with France, French speaking countries and the erstwhile French colonies will be strengthened. The commonalities of their historical linkages, cultural and linguistic similarities will be exploited for promotion of foreign trade and collaboration in investment and technology transfers.

Industrial and commercial heritage of Pondicherry will be preserved and projected through industrial museums and exhibitions.

3.7 TO ENSURE BALANCED INDUSTRIAL DEVELOPMENT IN ALL THE REGIONS OF THE UNION TERRITORY.

The Government of Pondicherry have categorised Pondicherry and Yanam as 'Industrially Backward - B', whereas Karaikal and Mahe regions have been given the status of 'Industrially Backward -A'. To ensure balanced industrial development, more concessions and incentives have been given for industries in Karaikal and Mahe regions.

A Growth Centre and Software Technology Park will be developed in Karaikal, Growth Centres in Pondicherry and Yanam will also be developed. Adequate fund would be provided to develop and improve the infrastructural facilities in outlying regions.

A Committee with Secretary (Industries) as Chairman and Regional Executive Officers of the outlying regions, Directors of Industries, MD/PIPDIC etc. as members would be constituted to have frequent dialogue, so as to ensure balanced development in all the regions.

4. SIMPLIFICATION OF PROCEDURE AND SPEEDY CLEARANCES BY GOVERNMENT AUTHORITIES.

Licensing and clearing procedures have been simplified. Single Window Clearance of proposals in a time-bound fashion, is adopted. Deliberations are held in the presence of the promoters and all concerned authorities for transparency.

Pollution Control Committee has representation of non-officials and Chamber of Commerce for balanced deliberations and realistic decisions.

Inspections required under the various provisions of the law will be streamlined through a mechanism of " Common Inspection System" to avoid repetitive visits and to promote decisions through discussions rather by rigid regulations.

An Information and Public Relations office will be established in the Industries Department for day-to-day communication with industries.

5. PEACEFUL WORK ENVIRONMENT

5.1 LAW AND ORDER

Pondicherry is known for peace and stability which is a pre-requisite for smooth industrial growth.

5.2 LABOUR RELATION

Labour relation in the Union territory is good. The cost of labour is reasonable at different levels. The workforce is reputed for its sincerity and its ability to adopt to modern technology. Good industrial relations is the order of the day with appreciable industrial peace. The Labour Department provides conciliatory and mediatory mechanism for resolution of industrial disputes between Management and Labour. Tripartite and bi-partite consultative and deliberative forums would be activated for attaining industrial peace.

6. INFRASTRUCTURE

6.1 GENERAL

The Union Territory of Pondicherry is endowed with good infrastructure for industries of various kinds and dimensions.

6.2 INDUSTRIAL ESTATES

Six Industrial Estates are presently in existence and additional industrial estates are being planned. An Electronic Industrial Estate at Thrubuvanai, Pondicherry is getting ready for allotment. A modern Growth Centre -cum- Industrial estate at Polagam in Karaikal is being finalised. Growth Centres in Pondicherry & Yanam regions are also being planned. A Coir Development Industrial Estates & Growth Centre will be established in Ariyankuppam. Further, it is proposed to set up a Software Technology Park in Pondicherry.

Government will take necessary steps to further develop the infrastructure facilities in the existing Industrial Estates & provide better facilities in new estates and growth centres. Common facilities like banking, sewage, security, effluent disposal etc., would be encouraged.

6.3 *POWER*

As part of southern-grid, adequate power has been allocated to Union Territory of Pondicherry.

Steady supply of power is presently available at rates cheaper than neighbouring states.

A gas based power plant is being established at Karaikal

Government would promote private participation in power generation sector. Captive power generation by individual units and group of industries will be promoted.

Gas based power plant will be encouraged in private sector in Yanam which is close to Godavary basin.

6.4 *WATER RESOURCES*

The policy of the Government is to promote less water intensive industries. Being a coastal area bore wells are not allowed within six kms from high tide line. Hence, desalination and recycling techniques of waste water would be encouraged.

6.5 *TELECOMMUNICATION*

Direct dialing facilities to different countries are available. Pondicherry is well connected to various cities and industrial centres in India. Telex and Telefax facilities are well developed.

Efforts will be made in coordination with concerned authorities to improve this facility further.

6.6 *TRANSPORT*

ROADS.

Pondicherry is linked properly with National Highways and State Highways. A network of all-weather roads connecting every village exists in the territory.

Newly formed East Coast Highway adds new possibilities.

RAILHEADS

Territory is having rail heads at Pondicherry and Mahe. Conversion of metre-gauge into broad-gauge in the offing. Efforts will be made to link Yanam with Kakinada and Karaikal with Nagapattinam.

AIR

Medium sized air port is available. Further development will be attempted.

6.7 DEVELOPMENT OF PORT

Pondicherry very close to several major ports like Madras, Nagapattinam, Tuticorin, Kakinada, Visagapattinam and Cochin. Pondicherry port will be modernised with container handling facilities and storing infrastructure.

6.8 FINANCIAL INFRASTRUCTURE

Large number of branches of various Nationalised and Commercial banks are functioning in different parts of Pondicherry.

State Finance Corporation is rendering yeoman service for promotion of small and medium scale enterprises. Term loan is sanctioned by PIPDIC (State Financial corporation) under IDBI / SIDBI refinance scheme up to Rs. 150.00 lakhs for projects whose cost is below Rs. 500.00 lakhs. Branches of national financial institutions like SIDBI / NABARD also exist in this Union Territory.

6.9 DEVELOPMENT OF PRIVATE SECTOR IN INFRASTRUCTURE DEVELOPMENT.

Private participation will be encouraged in the development of all the categories of infrastructure described above.

7. INCENTIVES AND CONCESSIONS.

7.1 EXEMPTION FROM COLLECTION OF SALES TAX.

- (a) Pondicherry and Yanam regions.
 - (i) Both Central Sales Tax and Pondicherry General Sales Tax are exempted for sale of finished products for a period of five years from the date of starting production for all the industries except new oil mills.
 - (ii) Additional exemption for 2 years from sales tax beyond 5 years is allowed in case of expansion of by more than 50% of investment on plant and machinery.

- (iii) For small scale industrial units alone, 1% concessional rate of Central Sales Tax is charged for a period of fourteen years after completion of the first five years referred to in para (i) above.
- (b) Karaikal and Mahe regions
 - (i) Both Central Sales Tax and Pondicherry General Tax are exempted for sale of finished products for a period of ten years from the date of starting of production for all the industries except new oil mills.
 - (ii) For small scale industries units alone 1% concessional rate of Central Sales Tax is charged for a period of nine years after completion of the first ten years referred to in para (i) above.

7.2 POWER SUBSIDY

(a) Pondicherry and Yanam regions

Small Scale Industries consuming Low Tension Power alone are eligible for power subsidy for a period of five years, from the date of starting production, for the energy charges paid by them at the following rates subject to a limit of Rs. 1.00 lakh per month.

- 33 1/3 % for the first three years.
- 20 % for the fourth year
- 10 % for the fifth year.

(b) Karaikal and Mahe regions

All the Low Tension and High Tension industries are eligible for power subsidy for a period of five years from the date of starting production, for the energy charges paid by them at the following rates subject to a limit of Rs. 1.00 lakh per month.

- 33 1/3 % for the first three years
- 20 % for the fourth year
- 10 % for the fifth year

7.3 INCOME -TAX HOLIDAY

Income-tax holiday for five years is permitted for the new industrial undertakings set up in this Union Territory which start regular production on or after 1-4-1993 as announced by the Government of India.

7.4 100% Export Oriented units are totally exempted from Income Tax, Excise Duty and Sales Tax.

7.5 Sales tax concessions of 1% on electricity consumption charges is allowed for units which export atleast 10% their product in a year.

7.6 In order to encourage Small Scale Industries to employ local people in their units, it is proposed to grant subsidy to Small Scale Industries at the following rates.

Rs.100/- per month/person subject to a maximum subsidy of Rs 12000/- per annum per unit.

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

(a) *Rate of Incentive for Small scale industries: -*

50% of the cost of pollution control machineries and equipments with a ceiling of Rs 5.00 lakhs per unit.

(b) *Rate of Incentives for Medium & Large scale industries:-*

25% of the cost of pollution control machineries and equipment with ceiling of Rs. 5.00 lakhs per unit.

8. ZONING OF INDUSTRIAL AREAS.

Realising the limitations imposed by the restricted land area, nature of settlements, location of existing industries, soil characteristics, infrastructure, siting of power sub - stations, road networks, air and water quality in the areas and the limitations imposed by the Coastal Zone Regulations 1991 (Under Environment Protection act.), zoning of industrial areas has been undertaken.

To check random and sporadic disbursement of industries, to earmark exclusive zones for systematic growth of industrial units, to protect agricultural operations and to safeguard peace of residential areas, it has become necessary to designate specific zones as " Industrial Areas" with half a century vision of what Pondicherry should be like say, in the middle of 21st century. Accordingly, various areas are summarised below and various maps of the identified " Industrial Areas" are appended as Schedule - III

IDENTIFIED INDUSTRIAL AREAS

Region	Commune	Revenue Village	Extent H-A-Ca	Survey No.	
Pondicherry	Mannadipet	1. Thirubuvani	06-43-50	94,97 to 99	
		2. Thiruvandarkoil			
		3. Kalitheerthal – Kuppam (Karamedu)	22-78-30	153 to 159, 166	
		4. Lingareddipalyam	28-20-00	1,2,3,13,14,16 to 19	
		5. Electronic Indl. Estate at a) Thirubuvani b) Thiruvandarkoil c) Sannyasikuppam	18-24-00	6,7,8,11pt 1pt 2pt 99pt	
	Villianur	6. Sedarapet	215-09-85	2 to 19,28,29,31 to 42, 98 to 101, 103 to 108, 110,112 to 141	
		7.Karasur	09-33-50	29,37,35	
		8.a. Thuthipet	09-04-25	5,27 to 29, 34, 35, 37,50 to 53,55,115 to 123, 135,136	
		b. Thondamanatham	22-95-50	3 to 6,9,10	
		9. Kurumbapet	27-47-50	1 to 6, 15, 16,17	
		10. Othiyampet	46-05-00	244,248 to 51,253, 255, 258,259	
		11. Mangalam	14-27-25	35 to 37,38pt	
		Nettapakkam	12. Eripakkam	10-52-00	26,27,28, 32, 35
		Bahour	13. Karayamputher	10-26-00	72 to 77, 87
Oulgaret	14. Sanjeevarayanpet & Alankuppam	32-81-50	2,3,4,6,25,28,29, 30,32,33,38		
Karaikal	T.R. Pattinam	1. Vanjoor	74-19-40	7,8,10,11,25,27, 28,54 to 65,76,78, 81, 83, 84, 87, 88, 90, 94, 95, 97	

	2. Keezhaiyur South	101-11-00	38 to 40, 46 to 48, 51,55 to 58, 60 to 71, 74, 75, 76,81 to 85, 90 to 111, 155,156, 157.
	3. Palagam	250-33-82	34 to 52, 54 to 60, 79, 81 to 86, 88 to 120, 123 to 134, 136 to 160, 162 to 169
Thirunallar	4. Thennankudi	165-92-10	120 to 123, 126, 127, 129, 131, 135, 136, 140 to 147, 150 to 153, 157, 159 to 163, 167, 168, 170 to 182
	5. Sethur	167-25-00	189 to 224, 227 to 247, 253, 261 to 265, 267 to 275
Kottucherry	6. Varichikudy South	103-31-50	262 to 265, 269, 270, 272 to 278, 300 to 310
Yanam	1. Adivipolam	103-65-00	F/2 14/1 to 5, 18/1 to 3, 19 F/3 3,7,8,12,13, 14/1 to 5, 17/1 to 5, 20/1 to 3,21,22 F/4 2,3,7/1 pt. 2pt, 8,9, 10.1 to 6 11,16

9. TECHNOLOGY IMPROVEMENT AND QUALITY CONTROL

Industries will be encouraged to improve the quality of goods produced and services rendered. Subsidy to the tune of 25% of the cost of testing of equipments upto a maximum of Rs. 20000 per unit will be given to small scale industries.

Industries will be encouraged to earmark funds for Research and Development. Industries with ISO Certifications will be duly recognised and promoted.

9.1 PONDICHERY PRODUCTIVITY COUNCIL

The institution of Pondicherry Productivity Council would be further strengthened to play the vital role of moderator between the Capital and the labour for Optimization of productivity. The council will be geared up for providing substratum for deliberations on industry, labour, technology and quality improvements. Modern methods of management would be deddminated through this body.

10. INDUSTRIAL SICKNESS

The problem of industrial sickness has become a matter of great concern. Closure of industrial units leads to unemployment and wastage of investment made. In order to prevent and remedy this malaise, all possible assistance will be rendered.

A Committee under the Chairmanship of the Secretary (Industries) has been constituted with the representatives of concerned banks and various authorities to facilitate deliberations on revival and rehabilitation of sick industries. Suitable package will be evolved through discussion for specific relief and concessions to the ailing industries which will include re-schedulement of various re-payments, waiver of interest, penalty, arrears etc.,

11. SPECIAL ASSISTANCE TO SC/ST ENTREPRENEURS.

11.1 INVESTMENT SUBSIDY

The SC/ST entrepreneurs require special encouragement, as almost all of them are new to business. Their participation in the industrial promotion is quite low. The Government therefore will grant enhanced investment subsidy on fixed capital to the tune of 25% of the investment. subject to a maximum of Rs. 25 lakhs for the units started by SC/ST entrepreneurs.

11.2 INTEREST SUBSIDY

For the loans obtained for setting up of an industry by SC/ST entrepreneurs, an interest subsidy of 5.5% is granted for a period of five years, subject to a maximum of Rs. 20000/- per unit every year.

11.3 RENT SUBSIDY

Rent subsidy at the following sliding percentage for a period of five years is granted to the SC/ST entrepreneurs, who start industry in rented sheds owned by PIPDIC or Industries Department.

- | | | | |
|-------|-------------------------------|---|---------------------|
| (i) | For the first two years | - | 50% of the rent |
| (ii) | For the third year | - | 40% of the rent and |
| (iii) | For the fourth and fifth year | - | 30% of the rent. |

11.4 10% of the plots and sheds will be reserved for the SC/ST entrepreneurs for setting up industrial units in the proposed industrial Estates subject to the condition that interest shall not be transferred to non SC/ST.

11.5 22.5% reservation is extended under Prime Minister's Rozgar Yojana (PMRY) for SC/ST entrepreneurs.

12. WOMEN ENTREPRENEURS

12.1 To encourage women entrepreneurs, 10% of the plots and sheds will be reserved for women entrepreneurs in the estates to be developed by the Industries Department or PIPDIC subject to the condition that the interest shall not be transferred to any male entrepreneurs.

12.2 Potential women entrepreneurs will be trained through Entrepreneurship Development Programmes. Care will be taken to identify such areas in which women entrepreneurs have special aptitude, skill and capability.

12.3 To encourage the women entrepreneurs supply of raw material and marketing of their produce will be supported through institutions.

13. PUBLIC SECTOR POLICY

13.1 Public sector has played an important role in preventing concentration of economic power, reducing disparities and ensuring that planned development serves the common good.

13.2 A realistic view has to be taken about the role of Government in Public Sector Undertakings, conscious shift of the Government from direct participation to that of a catalyst and a facilitator is envisaged in the policy.

13.3 Boards of Public Sector Companies would be made more professional and given greater powers.

13.4 There will be greater thrust on performance and management would be granted greater autonomy and will be held directly accountable.

14. INDUSTRY UNDER CO-OPERATIVE MOVEMENT

14.1 Industry promoted under co-operative movement will receive encouragement.

15. KHADI AND VILLAGE INDUSTRIES

15.1 Khadi and Village Industries continue to be relevant even in the midst of highly competitive phase of industrial growth. These industries would receive the support of the Government in the interest of thrift and dignity of manual labour and for the protection of rural artisans. Pondicherry Khadi and Village Industries Board will be further activated to play an important role in promoting these industries to generate more employment in rural areas.

15.2 Women, handicapped persons and old people would be given higher priority in taking up Khadi and Village Industries. Women Organisation like Maathar Sangams, will be encouraged to work for Khadi and Village industries.

16. SMALL AND TINY ENTERPRISES.

The Small Scale Industrial sector has emerged as a dynamic and vibrant sector of the economy of the Union Territory. The Government of India has already delicensed this sector. In tune with policy, the Union Territory Administration would further simplify the procedure to promote the small and tiny enterprises.

Service sub-sector is a fast growing area and there is a need to give due importance to it in view of its recognised potential for generating employment. Hence, all industry-related service and business enterprises are recognised as Small Scale Industries and their investment ceilings will correspond to those of Tiny Enterprises.

A greater degree of awareness to produce goods and services conforming to national and international standards would be created among the Small Scale Sector.

17. NRIs AND FOREIGN INVESTMENT.

17.1 FRENCH CONNECTIONS OF PONDICHERRY

A large number of NRIs from Pondicherry have migrated to France. They have over a period of time prospered and now possess surplus capital for productive investment in India. They have close cultural and emotional bonds with Pondicherry. Efforts will be made to organise a Regular Forum for promoting investment by these Non-Resident Indian (NRI) in Pondicherry through direct foreign investment and through appropriate joint ventures. Special meets will be organised for mobilising these resources for the mutual benefits of NRI's and Union Territory of Pondicherry.

To facilitate Non Resident Indians and foreign investors, the Bureau of Industrial Promotion (Government of India) has been designated as Nodal authority for foreign and NRI investments. The Union Territory Administration will similarly constitute a state level committee to promote foreign investment in Pondicherry.

18. DISTRICT INDUSTRIES CENTRE

District Industries Centre plays a prominent role in promoting Small Scale Industries by getting clearances from various Departments and Authorities for setting up of small and tiny projects through Single Window Committee. The centre also organises various entrepreneurship development programmes. Schemes for development of Handicrafts Industries and Coir based Industries, will be devised. For educated and uneducated artisans, various training Programmes are arranged to promote their self employment. Under PMRY, educated unemployed youths are given assistance with loan from banks to a maximum of Rs 100000/- for setting up self employment ventures with subsidy of 15% subject to a maximum of Rs. 7500/-. The PMRY beneficiaries are specially trained for running their units successfully.

19. CLEARANCE AND APPROVALS BY CONCERNED DEPARTMENTS/ AUTHORITIES WITH TIME SCHEDULE ETC.

19.1 PROCEDURE FOR STARTING SMALL SCALE INDUSTRY.

For starting a Small Scale Industry (Other than Chemical, Chemical based industries and highly polluting industries), entrepreneurs have to first apply to the Directorate of Industries, branch office at Karaikal, Sub -Office at Mahe and Yanam, depending on the location of the unit for Provisional SSI Registration, in the form prescribed by the Development Commissioner (SSI), New Delhi. In case of Chemical and Chemical based industries, entrepreneurs have to first get clearances from the Committee for Chemical Industries through the Directorate of Industries and then approach for provisional SSI registration after its clearance.

19.2 All the entrepreneurs irrespective of their size of investment, may approach the 'Single Window Committee' (Functioning in the District Industries Centre) for getting the said clearances expeditiously.

The District Industries Centre will forward the complete set of application received from the entrepreneurs to the concerned Municipality/ Commune Panchayat. In turn, the Municipality/ Commune Panchayat after getting clearances from the concerned Departments/ Organisations, will issue permission for establishment of the industrial units.

19.3 The Municipalities/ Commune Panchayats will obtain the following clearances depending upon the nature of the manufacturing activities:-

(a) NOC on pollution angle from the Department of Science, Technology & Environment (Second working day of every month is earmarked for environmental clearances meeting).

(b) Approval of Factory Building and Machinery layout from the Inspectorate of Factories.

(c) Site clearance from Town & Country Planning Department.

(d) Permission for land use conversion and ground water clearance from Agricultural Department.

(e) Power feasibility Certificate from Electricity Department.

(f) Building Plan approval from Pondicherry Planning Authority.

- (g) Clearance from Health Department
- (h) Clearance from Fire Service Department
- (i) Clearance from Revenue Department
- (j) Licence from Food & Drugs Administration
- (k) Licence from Civil Supplies Department.

19.4 In order to help the entrepreneurs to get the above clearances, procedures are being simplified. Single Window Committee, under the Chairmanship of the Secretary to Government (Industries) is being given a new vigor with meaningful "Single Point Deliberation" with the concerned decision making departments/ authorities right in the presence of the promoters of the industries. High degree of earnestness and transparency is being installed into the process. First working day of every month has been earmarked for this meeting.

19.5 After installing machinery, entrepreneurs have to get licences from the concerned Municipality/ Commune Panchayat, Licence from Inspectorate of Factories and consent orders from the Department of Environment for operation of the unit.

19.6 After commencement of regular production, the entrepreneurs have to apply for Permanent SSI Registration to the Directorate of Industries.

19.7 PROCEDURE FOR STARTING LARGE / MEDIUM SCALE INDUSTRIES

For starting Large/ Medium Scale Industries, the entrepreneurs have to first apply/ file for Industrial Licence/ Industrial Entrepreneurs Memorandum with the Secretariat for Industrial Approvals in the Ministry of Industry, Government of India, New Delhi. After obtaining the Industrial Licence/ IEM acknowledgment from Government of India, entrepreneurs have to apply to the Directorate of Industries for Provisional No objection Certificate for setting up of their unit.

19.8 After commencement of regular production, the entrepreneurs have to approach the Directorate of Industries for getting commencement of Production Certificate for availing Sales Tax exemption and other concessions.

19.9 CLEARANCES AND APPROVALS BY VARIOUS DEPARTMENTS
WITH TIME LIMIT: -

Sl. No.	Item/Activity	Dept./ Organisation	Time Limite
1	Issue of Provisional SSI Registration Certificate	Directorate of Industries	7 days
2	Issue of Provisional NOC to Medium /Large Scale Industries Non-Chemical and Non-polluting nature	Directorate of Industries	1 Month
3	Forwarding application to Municipality /Commune Panchayet for Issue of permission under Single Window System	District Industries	7 days
4	Forwarding application for seeking clearance from various departments for issue of Permission	Municipality/ Commune Panchayat	7 days
5	Issue of NOC from Pollution angle	Department of Environment	6 weeks
6	Site Clearance	T own & Country Planning Dept.	1 Month
7	Approval of factory bldg. and machinery layout	Inspectorate of Factories and Boilers	1 month
8	Permission for land use conversion/ ground water clearance, outside the Industrial Estate	Agriculture Dept.	1 Month
9	Power Feasibility certificate	Electricity Dept.	1 month
10	Clearance Under Revenue Acts wherever necessary	Revenue Dept.	1 month
11	Clearance	Health Dept.	1 month
12	Publication of proposals inviting, objections if any in the Gazette	Government Press	15 days
13	Licence, where required	Food & Drugs Admn.	1 month
14	Licence, where required	Civil Supplies Dept.	1 month
15	Statutory permission for establishment of the unit	Municipality/Commune Panchayat.	2 Month

Sl. No.	Item/Activity	Dept./ Organisation	Time Limit
For commencement of regular production after installation of plant and machinery			
16	Licence	Municipality/Commune Panchayat.	1 Month
17	Running Licence	Inspectorate of Factories	1 month
18	Consent for operation of the unit	Department Environment	6 weeks
19	Issue of permanent SSI Registration	Directorate of Industries	1 month
20	Issue of Commencement of Production certificate	Directorate of Industries in case of Large /Medium Scale Unit.	1 month

Note: The above time schedule will run concurrently. This will also apply differently depending upon the nature of the Industries

20. POLICY IMPLEMENTATION AND PERIODICAL REVIEW

Industrial growth is a dynamic process. The policy for industrial development will be closely monitored and reviewed periodically to remain in tune with the realities of the day.

This policy will, in public interest, encourage and welcome new industries which do not adversely affect the people.

SCHEDULE - I

PRIORITY INDUSTRIES

1. Agro based
2. Food Processing
3. Fruit and Vegetables preservation including Mushrooms
4. Horticulture and Floriculture
5. Marine Food
6. Boat Building
7. Feed: Cattle, Poultry and Fish feed
8. Textiles: Spinning and weaving
9. Cotton, Silk, Woollen and synthetic Garments
10. Industrial Garments
11. Ayurvedic and Homeopathic Medicines
12. Leather Goods - Shoes, Shoe-Uppers, Garments etc.,
13. Electrical and Electronic
14. Computers and Software
15. Telecommunication and Information
16. Medical and Precision instruments
17. Automobiles
18. Light engineering including Auto components
19. Industrial Plastic components
20. Agarbathies, Perfumeries
21. Coir Industries
22. Tourism related industries
23. Handicrafts
24. Gem-cutting
25. Toiletries, soaps, Detergents.

SCHEDULE -II

GOVERNMENT OF PONDICHERRY
DEPARTMENT OF INDUSTRIAL DEVELOPMENT
(INDUSTRY)

No. I.11018/1/94/Ind.A

Pondicherry, the

O R D E R

Sub: - DID (Ind.)- Pondicherry-New Industrial Policy-Formation
of a Consultative Committee for formulation of Industrial
Policy - Orders-Issued

Ref: - Letter no. 4/94/Fac.Cell/31 dt.3-6-94 of the Joint Secretary
to Govt. of India, Department of Industrial Development,
New Delhi -110 011

The Government of Pondicherry is pleased to constitute a Consultative
Committee for the formulation of New Industrial Policy of this Union Territory of
Pondicherry with the following composition: -

1. The Secretary to Government (Industries) - Chairman
2. The Secretary to Government (Labour) - Member
3. The Managing Director, PIPDIC - Member
4. The Director, Science, Technology & Environment - Member
5. The Commissioner of Labour - Member
6. The President - Chamber of Commerce - Member
7. The Director of Industries - Member
8. R.Mananathan, Managing Director
Manatec Automation Pvt Ltd. - Member
9. A.L.Shah, Director, Fastenex Pvt. Ltd
Thattanchavady, Industrial Estate, Pondicherry - Member
10. The Under Secretary to Govt.(Inds.) - Member
Secretary

The Committee shall meet as often as necessary for formulation of draft industrial policy for the Union Territory of Pondicherry.

(By Order)

sd-

(V.KUPPUSAMY)

UNDER SECRETARY TO GOVT.(INDS.

Special Invitees

1. The Regional Executive Officer, Karaikal/Yanam/Mahe
2. The Commissioner of Payments, Pondicherry
3. The Chief Town Planner, Pondicherry
4. The General Manager, District Industries Centre, Pondicherry
5. Thiru. M.Mariasusai, Deputy Director of Industries, Pondicherry
6. Thiru S.Dinakaran, Assistant Director of Industries, Pondicherry
7. Thiru M.Ramadoss, Director, Academic Staff College, Pondy
8. Thiru Cyril Antony, INTECH, Pondicherry
9. Thiru K.Parthasarathy, ASIUPTOP, Pondicherry
10. Thiru R.M.Bhairavan, President, Kariakl Industrial Forum
11. Thiru A.Balasubramanian, General Secretary, Chamber de Commerce, Pondicherry.
12. Thiru E.V.V. Rao, Managing Director, AVR Chemicals Pvt Ltd. Yanam
13. Thiru Ranjit, President, Mettupalayam Industrial Association
14. Thiru M.Sivakumar, Henkel SPIC Industries, Karaikal
15. Thiru G.N.Naidu, President, Yanam Chamber De Commerce

Dates on which meetings were held

First meeting was held on	---	09-10-96
Second meeting was held on	---	22-10-96
Third meeting was held on	---	07-11-96
Fourth meeting was held on	---	05-03-97

To
The Director of Stationary & Printing
Pondicherry With a request to publish the above
matter in the next issue of the Official
Gazette and send 50 copies of the same
to this department for record.

Copy to:

1. The Chairman & Member of the Consultative committee.
2. The Director of Industries, Pondy
3. The Central Record Branch, Pondy
4. G.O. File/F.no I. 11018/1/94/Ind/A