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# புதுச்சேரி மாநில அரசிதழ்

## La Gazette de L'État de Poudouchéry

### The Gazette of Puducherry

#### PART - II

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GOVERNMENT OF PUDUCHERRY  
DIRECTORATE OF INDUSTRIES AND COMMERCE  
(SECRETARIAT WING)

(G.O. Ms. No. 2/Ind. & Com./A6/2017, Puducherry, dated 2nd May 2017)

#### NOTIFICATION

Whereas, after the introduction of Industrial Policy 2013, the anticipated growth in industrial sector was not achieved due to various factors like global economic recession, the difference in taxations, the need arose to review the Industrial Policy 2013 taking into account, the renewed emphasis laid by the Government of India on the manufacturing

sector in the economy, the announcement of the Industrial Policy by the Hon'ble Chief Minister, Puducherry in the Assembly and to secure additional employment opportunities to the youth.

And therefore, after due considerations the New Industrial Policy, 2016 was formulated and the Gazette notification was issued *vide* G.O. Ms. No. 7/2016/Ind.A, dated 4th October 2016. The following Scheme is formulated to implement the incentive/subsidy components conforming to the New Industrial Policy 2016. The Government Order implementing the following Schemes supercedes the existing G.O. Ms. No. 2/2012-Ind.-A, dated 7-5-2012, various incentives/subsidies provided to the industrial units under the Scheme "Motivation of Entrepreneurs to Start Industries and Fiscal Assistance to Industries."

1. *Short title, extent and commencement.*— (i) This Scheme shall be called as "Motivation of Entrepreneurs to Start Industries and Fiscal Assistance to capital intensive industries".

(ii) This Scheme shall be in operation in the whole of the Union territory of Puducherry.

(iii) It shall come into force with effect from 1-4-2017.

2. *Definitions.*— (a) **Land:** 'Investment on land' means, the value as per land document (sale deed) or the guideline register value (GLR) of the Government whichever is less.

(b) **Building:** 'Investment on building' means, the value assessed by Public Works Department/ Pondicherry Industrial Promotion Development and Investment Corporation (PIPDIC).

(c) **Plant and machinery:** The plant and machinery including electrification costs (such as transformer costs, control panel and costs of industrial wiring), testing equipment, tools, jigs and moulds.

3. *Subsidies.*— 3.1 Capital Investment Subsidy (for new and existing industries):

**Eligibility :** This Scheme shall be applicable to the following categories :

(a) For Micro and Small Enterprises, 40% on the investments made on land, building, plant and machinery subject to a maximum of ₹ 40.00 lakhs.

- (b) For Medium and Large Enterprises, 35% on the investments made on land, building, plant and machinery subject to a maximum of ₹ 35.00 lakhs.
- (c) For Women/SC/ST Entrepreneurs, 45% on the investments made on land, building, plant and machinery subject to a maximum of ₹ 75.00 lakhs.

**Conditions:**

3.1.1 In case of SC/ST/Women category, the investments in respect of industrial units fully owned by the respective category and women entrepreneurs will alone be considered.

3.1.2 In ease of partnership and private limited companies, all the partners, shareholders and Board of Directors shall belong to the respective category as the case may be.

3.1.3 Buildings which have already been occupied and used, subsequently purchased by the entrepreneurs for setting up of the industry are not eligible for subsidy.

3.1.4 Second hand/Used imported/indigenous machineries are not eligible.

3.1.5 Investment made on or after 1-4-2017 are eligible for subsidy as prescribed in this Government Order.

**3.2 Infrastructure Development Subsidy (For IT/ITES):** 30% Subsidy subject to a maximum of ₹ 1 crore will be granted on the investment made on building with a minimum extent of 50000 sq.ft. constructed area, by the infrastructure developers/industries for leasing out to Information Technology industries or for own industrial use [for manufacturer of computer systems, Software/Information Technology Enabled Services, Business Process Outsourcing (BPO) and Knowledge Process Outsourcing (KPO)].

**Conditions:**

3.2.1 The building value shall be assessed by the PIPDIC/Public Works Department.

3.2.2 The infrastructure subsidy shall be disbursed in annual installment not exceeding ₹ 25 lakhs per annum till completion of the total eligible subsidy.

**3.3 Subsidy to Pollution Control Equipment :** The units which are installing pollution control equipment will be granted subsidy @ 25% up to a maximum of ₹ 5 lakhs.

**Conditions :**

3.3.1 The unit shall obtain a certificate [consent to operate (air/water)] from Pondicherry Pollution Control Committee.

3.3.2 The assistance will be allowed on the basis of expenditure incurred and eligible assets created towards installation of pollution control equipment as specified by the Pondicherry Pollution Control Committee.

**3.4 Assistance for Technology acquisition:** Assistance for acquisition of appropriate technology in any form for specific product/process will be provided by way of 50% grant subject to a maximum of ₹ 10 lakhs.

**Conditions:**

3.4.1 Assistance will be available to set up a new unit with new technology. Existing units will also be eligible for new product or for improvement of production process.

3.4.2 Assistance will not be available for purchase of any plant and machinery or equipment, since this assistance is provided only for acquiring technology.

4. *Procedure for-claiming the subsidies.*— (i) The application for subsidy shall be submitted in the prescribed form.

(ii) The subsidy application for capital investment shall be submitted within one year from the date of commencement of regular commercial production. The delay can be condoned by the State Level Committee.

(iii) The date of commencement as admitted by the entrepreneurs shall be reckoned after due verification by the Officials of the Industries Department.

(iv) All claims shall be supported by a certificate issued by the Chartered Accountant.

(v) All claims shall be supported by certificate from the financial institution if loan is availed by the unit.

(vi) The incentives/subsidies/assurances shall be granted if the unit provides atleast 60% of employment to the people of Union territory of Puducherry of the total employment strength of the industrial units.

(vii) The applications shall be scrutinized by the Directorate of the Industries and Commerce for the grant of incentives/subsidies/assurances and to determine the quantum of amount admissible so as to place before the Committee.

(viii) State Level Committee will go into the merits of each case for the grant of capital investment subsidy, infrastructure development subsidy, pollution control equipment subsidy and assistance for technology acquisition to decide whether the industrial unit qualifies for the grant of incentive/subsidy and will recommend the quantum of incentive/subsidy admissible to the unit.

(ix) Sanction shall be accorded by the Director of Industries and Commerce based on the recommendation of the Committee

(x) The constitution of the State Level Committee shall be as under :

- (1) The Secretary to Government (Industries and Commerce), Puducherry. . . Chairman
- (2) The Managing Director, PIPDIC, Puducherry. . . Member
- (4) The Deputy Secretary/Under Secretary (Finance), Puducherry. . . Member
- (5) The Director of Industries and Commerce, Puducherry. . . Member-Secretary.

(xi) The Chairman may co-operate the Director (DSTE), the Director (IT), the Director (Agriculture), the Chief Engineer (Public Works Department) or any officers when projects related to the Infrastructure/Information Technology/Agriculture/Bio-Technology fields are considered in the meeting.

(xii) The decisions of the State Level Committee shall be final in deciding the eligible amount of capital investment subsidy, infrastructure development subsidy, pollution control equipments subsidy and assistance for technology acquisition.

(xiii) In case of any doubt/ambiguity the decision/interpretations of the State Level Committee is final and binding on all concerned.

5. *General conditions.*— 5.1 When the unit undergoes any amendments in new partners or shareholders or Board of Directors not belonging to the respective category (as the case may be) within five years from the date of availing the subsidy, then the entire amount of subsidies and incentives availed shall be refunded with simple interest of 14% per annum.

5.2 The following investments shall not be eligible for investment subsidy:—

- (i) Working capital
- (ii) Commissioning fee
- (iii) Goodwill fees
- (iv) Royalty
- (v) Preliminary and pre-operative expenses
- (vi) Capitalized interest
- (vii) Transportation and erection charges
- (viii) Goods vehicles
- (ix) Office equipment, furniture, crates, pallets and consumable stores, *etc.*

5.3 The subsidy amount shall be disbursed through the financial institutions/banks only, if the unit is financed by them, towards the adjustment against the loan availed by the entrepreneurs or for the creation of additional fixed assets or for the working capital purposes.

5.4 The financial institution shall mean and include PIPDIC or any other Government Corporation, Scheduled Banks including Co-operative Banks.

5.5 In case of self-financed units, the subsidy shall be disbursed directly to the entrepreneur/unit.

5.6 The subsidy shall be disbursed in single or multiple installments depending on the availability of fund.

5.7 A unit which has availed investment subsidy from Central Government/State Government or any other agency shall not be eligible to apply for subsidy for same investment again under this Scheme.

5.8 If, two or more industrial undertakings are set up by the same person as proprietor, common partners, common Board of Directors/ shareholders, such units are eligible for subsidy as separate entity provided the location of the unit are different and licences /clearances/ registrations are obtained separately for the enterprises.

5.9 The industrial unit shall not transfer or dispose of the fixed asset including plant and machinery in any manner till the completion of 5 years from the date of submitting the application/disbursement of the subsidy whichever is later.

5.10 The industrial unit shall have to furnish the details of production, employment and other information every year and from time to time as sought by the Industries and Commerce Department.

5.11 60% of the local employment will have to be maintained by the industrial unit during the period specified in the Affidavit.

5.12 Investment subsidy to the industrial units is liable to be refunded by the units with interest @ 14% per annum if subsidy has availed by misrepresentation, forgery, deception, excess payments made or if, the unit is not found working for 5 years from the date of receipt of subsidy.

5.13 All amount due to the Government under this provision shall, in case of default, be recoverable as arrears of land revenue under the provisions of the Revenue Recovery Act.

5.14 The Government is empowered and reserves the right to withdraw all/part of the above mentioned incentives/subsidies without assigning any reason.

5.15 The subsidy forms in respect of the said Scheme will be prescribed by the Directorate of Industries and Commerce.

5.16 The units which have commenced commercial production on or after 1-4-2017 are considered as new industries and the units which have commenced production prior to 1-4-2017 are considered as existing units. The additional investments made by the new/existing industrial units after availing first claim is also eligible for subsidy up to the ceiling limit.

5.17 The investments made prior to 1-4-2017 are eligible as per the subsidy prescribed in the earlier G.O. Ms. No. 2/2012-Ind.-A, dated 7th May 2012.

(By order)

**G. MALAR KANNAN,**  
Additional Secretary to Government  
(Industries and Commerce).

GOVERNMENT OF PUDUCHERRY  
**DIRECTORATE OF INDUSTRIES AND COMMERCE**  
(SECRETARIAT WING)

(G.O. Ms. No. 4/Ind. & Com./A6/2017, Puducherry, dated 2nd May 2017)

NOTIFICATION

Whereas, after the introduction of Industrial Policy 2013, the anticipated growth in industrial sector was not achieved due to various factors like global economic recession, the difference in taxations, the need arose to review the Industrial Policy 2013 taking into account the renewed emphasis laid by the Government of India on the manufacturing sector in the economy, the announcement of the Hon'ble Chief Minister, Puducherry in the Assembly and to secure additional employment opportunities to the youth.

Whereas, after due considerations, the New Industrial Policy, 2016 was formulated and the Gazette notification was issued *vide* G.O. Ms. No. 7/2016/Ind.A, Puducherry, dated 4th October 2016 which provided various incentives/subsidies and accordingly, the following scheme is formulated to implement the incentive/subsidy components conforming to the New Industrial Policy 2016. The Government Order implementing the following Schemes supercedes the existing G.O. Ms. No. 2/2012-Ind.-A, dated 7-5-2012, various incentives/subsidies provided to the industrial units under the Scheme "Motivation of Entrepreneurs to Start Industries and Fiscal Assistance to Industries".

1. *Short title, extent and commencement.*— (i) This Scheme shall be called as "Motivation of Entrepreneurs to Start Industries and Fiscal Assistance to Industries - Various incentives".

(ii) This Scheme shall be in operation in the whole of the Union territory of Puducherry.

(iii) It shall come into force with effect from 1-4-2017.



2. *Subsidies.*— The Scheme provides the following subsidies with certain conditions as provided hereunder.

**2.1 Interest Subsidy (For Micro, Small, Medium and Large new Industries):** The industrial units availing loan from financial institutions towards creation of fixed assets and for working capital shall be eligible for an interest subsidy to an extent of 25% of the annual interest amount paid, which shall be admissible from the date of commencement of commercial production, subject to a maximum of ₹ 5 lakhs per annum for a period of 5 years for Puducherry and Karaikal regions and 7 years for Mahe and Yanam regions.

***Condition:***

The interest subsidy claim should be accompanied by 'No Due Certificate' issued by the financial institution/bank. The interest subsidy will be paid through the financial institution.

**2.2 Generator Subsidy:** 50% Subsidy with a ceiling of ₹ 5 lakhs per industrial unit for micro, small, medium and large industries for purchase and installation of Generator.

***Condition:***

The Generator subsidy shall be eligible for the purchase and installation of new Generators purchased on or after 1-4-2017. The Generator purchased prior to 1-4-2017 are eligible as per the subsidy prescribed in the earlier G.O. Ms. No. 2/2012- Ind.-A, dated 7th May 2012.

**2.3 Employment Incentive:** Wage/Employment subsidy of 20% wage/salary up to a maximum of ₹ 5 lakhs per annum, in case of workers who are covered under Provident Fund (PF) will be granted for a period of five years for Puducherry and Karaikal regions and 7 years for Mahe and Yanam regions. Wage/Employment subsidy would be available only if, the units provide direct employment to at least 10 persons and at least 60% of the employment to the people of Union territory of Puducherry.

***Condition:***

For Employment incentive, claim shall accompany with statement of Provident Fund remittance acknowledgment.

**2.4 Subsidy for Quality Certification :** Assistance will be granted for maximum 3 quality certifications @ 50% of the cost of quality certification with a ceiling of ₹ 2 lakhs per unit.

**Conditions:**

2.4.1 For quality certification incentive, the cost for certificate will include fees charged by certification agency, approved by Quality Council of India (QCI) (excluding travel, hotel and surveillance charges).

2.4.2 Expenditure incurred for renewal of certificate shall not be eligible for assistance under the Scheme.

**2.5 Assistance for Intellectual Property Protection Support:** Assistance @ 50% subject to a maximum of ₹ 2 lakhs for the expenditure for obtaining domestic patent and ₹ 5 lakhs for international patent.

**Conditions:**

2.5.1 For availing assistance under Intellectual Property Protection Support Scheme, the fees paid to patent attorney, patent service centre and patent registration will be eligible as cost/ expenditure (excluding travel, hotel charges) for any patent registration.

2.5.2 Assistance will be disbursed after the publication/ notification of the patent.

2.5.3 Applicant shall have to submit application within 1 year from the date of publication/notification of the patent.

2.5.4 Application submitted after 1 year from the date of publication/notification will not be eligible for assistance.

**2.6 Market Development Support Assistance:** Assistance to the industrial units for participation in international trade fair as an industry association will be given @ 50% of total rent, literature and display material subject to a maximum of ₹ 5 lakhs.

**Conditions:**

2.6.1 Market Development Support Assistance for market development support would be reimbursed provided on the basis of actual expenditure incurred.

2.6.2 The unit shall obtain prior approval from the Director of Industries about the participation in exhibition.

**2.7 Assistance for energy and water conservation:** Reimbursement of 50% cost of energy/water audit conducted in a unit by a recognized institution/ consultant subject to a limit of ₹ 25,000.

**Conditions:**

2.7.1 The assistance for energy and water conservation shall be eligible subject to condition that saving in energy/water minimum by 10% of average monthly consumption of previous 12 months before conduct of audit.

2.7.2 The fees paid to the recognized institution/consultant conducting the energy/water audit shall only be reimbursed to the unit and not for the machinery/equipment

4. *Procedure for claiming the subsidies.*— (i) The application for subsidy shall be submitted in the separate prescribed Form.

(ii) The applications shall be scrutinized by the Directorate of the Industries on merit basis for the grant of incentives/subsidies/ assistances to determine the quantum of amount admissible will be placed before the Committee.

(iii) Sanction shall be accorded by the Director of Industries based on the recommendation of the Committee.

(iv) The constitution of the Committee shall be as under:

- (1) The Director, Directorate of Industries and . . Chairman  
Commerce, Puducherry.
- (2) The Deputy Director (Technical) / . . Member  
Assistant Director, Directorate of Industries  
and Commerce, Puducherry.
- (3) The Deputy Director (Administration), . . Member  
Directorate of Industries and Commerce,  
Puducherry.

(v) The Chairman may co-opt any officers related to the projects/fields.

(vi) The Committee will go into the merits of each case for the grant of Interest subsidy, Generator subsidy, Employment incentive, Subsidy for quality certification, Assistance for Intellectual Property Protection Support, Market Development Support Assistance, Assistance for energy and water conservation to decide whether the industrial unit qualifies for the grant of incentive/subsidy and will recommend the quantum of incentive/subsidy admissible to the unit.

(vii) In case of any doubt/ambiguity the decision/interpretations of the Committee is final and binding on all concerned.

5. *General conditions.*— 5.1 All claims shall be supported by a certificate issued by the Chartered Accountant.

5.2 All claims shall be supported by certificate from the financial institution if loan is availed by the unit.

5.3 The financial institution shall mean and include PIPDIC or any other Government Corporation, Scheduled Banks including Co-operative Banks.

5.4 The Government is empowered and reserves the right to withdraw all/part of the above mentioned incentives/subsidies without assigning any reason.

5.5 The application for the assistance will be prescribed by the Directorate of Industries and Commerce.

5.6 The assistance/subsidy will be eligible for Micro, Small, Medium and Large industries those who have obtained UAM/EM (Part-II)/Permanent Registration/Commencement of production certificate.

5.7 The date of commencement as admitted by the entrepreneurs shall be reckoned after due verification by the officials of the Industries Department.

5.8 The incentives/subsidies/assistances shall be granted if the unit provides atleast 60% of employment to the people of Union territory of Puducherry of the total employment strength of the industrial units.

5.9 Second hand/used imported/indigenous machineries are not eligible.

(By order)

**G. MALAR KANNAN,**  
Additional Secretary to Government  
(Industries and Commerce).

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