

**GOVERNMENT OF PUDUCHERRY
ABSTRACT**

Department of Industries and Commerce – Reimbursement of 100% Stamp Duty for purchase / mortgage / hypothecation of land / shed / buildings to the entrepreneurs who start new / expansion of existing industries – Under the scheme “Incentives to Industries-Stamp Duty Reimbursement” – Orders – Issued.

DIRECTORATE OF INDUSTRIES AND COMMERCE(SECRETARIAT WING)

G.O. Ms. No.5 /Ind. & Com./T-8/2025-26/698 Puducherry, dated **11 AUG 2025**

READ : G.O. Ms. No.7/2016/Ind. A, Puducherry dated 4th
October 2016 of the Additional Secretary (Ind. &
Com.), Puducherry.

ORDER :

The following Notification shall be published in the next issue of the official Gazette:

NOTIFICATION

A new Industrial Policy, 2016 was issued vide G.O. Ms. No. 7/2016/Ind. A, Puducherry, dated 4th October 2016 which provides various incentives/subsidies for the growth of industries in the Union Territory of Puducherry. In the policy 100% stamp duty exemption for purchase/lease mortgage and hypothecation of land/shed/buildings to the new/existing industries is one of the incentives provided.

For 100% Stamp Duty Exemption, the Department of Revenue and Disaster Management had issued Notification No. 0823/RDM/C3/SD/2017 dated 25/09/2017 subject to obtaining a certificate from the Director of Industries & Commerce to the effect that the entrepreneurs identified in the certificate have to obtain an industrial license and are eligible for availing the stamp duty exemption under the Industrial Policy'2016 notified by the Government of Puducherry. The validity of the said notification expired on 31/03/2020.

The Directorate of Industries and Commerce has requested to amend the said notification without insisting for the certificate as the Industrial license could not be issued due to withdrawal of Notification regarding issuing of Provisional/Part-I/Part –II/Permanent Registration by the Government of India vide notification No. SO1643(E) dated 29/09/2016.

Consequently, the Revenue Department has prepared a revised Notification and placed the same before the Cabinet. The Council of Ministers vide it's resolution No. 2018/M.30/201 dated 04/06/2018 have decided as follows:

“Reimbursement of stamp duty” approved

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Based on the decision of the cabinet, 100% Stamp duty "exemption" has to be modified as "reimbursement". Accordingly, the scheme is formulated to implement "Reimbursement of 100% Stamp Duty for purchase/mortgage/hypothecation of land/shed/buildings to the entrepreneurs who start new/expansion of existing industries as follows:

1. Short title, extent and commencement:-

1.1 This scheme shall be called as "Incentives to industries-100% Reimbursement of stamp duty with a ceiling of Rs.25.00 lakhs".

1.2 This scheme shall be in operation in the whole of the Union territory of Puducherry.

1.3 It shall deemed to have come into force with effect from **04/06/2018**.

2. Definitions:-

100% Reimbursement of stamp duty: Reimbursement of stamp duty for purchase/lease mortgage and hypothecations of land/shed/buildings to the entrepreneurs who start new units/expand existing industries.

3. Incentives:-

Reimbursement of Stamp duty (for new and expansion of existing industries) upto a maximum of **Rs.25.00 lakhs** per unit.

3.1 Eligibility.:-

This scheme shall be applicable to Micro, Small, Medium and Large scale Enterprises.

3.2 Conditions:-

3.2.1 The area of land to be utilised for industrial manufacturing use will alone be considered for reimbursement as per the factory building plan approved by the Chief Inspector of Factories and Boilers, Puducherry and not for the land kept vacant/ un-utilised as per the approval of Chief Inspector of Factories and Boilers, Puducherry.

3.2.2 The stamp duty paid in respect of new units which have the land in possession on or after **04/06/2018** by way of purchase/lease/ mortgages and hypothecations of land/shed/buildings by the entrepreneurs is eligible for reimbursement. The new unit shall apply within one year from the date of commencement of production. The date of commencement of production would be arrived based on the first Tax Invoice/Udyam Registration/Local body License.

- 3.2.3 The stamp duty paid in respect of the existing units for expansion of existing units which have the land in possession on or after **04/06/2018** by way of purchase / lease mortgages and hypothecation of land / shed / buildings by the entrepreneurs is eligible for reimbursement and shall apply within (2) two months from the date of notification of this G.O. The unit shall apply within one year from the date of industrial activity / production in the additionally established building.
- 3.2.4 If two or more industrial undertakings are set up by the same person as proprietor, common partners, common board of directors/ share holders such units are eligible for reimbursement as separate entity provided the location, products and licences / clearances registrations are obtained separately. In such cases, only a maximum of two claims are admissible with a ceiling of Rs.50 lakhs.
- 3.2.5 The term "stamp duty" means the amount for which stamp paper/e-stamp was purchased by the entrepreneurs.

4. Procedure for claiming the reimbursement:-

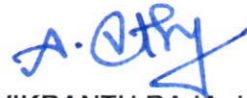
- 4.1 The unit / entrepreneur should produce a copy of the registered deed and a copy of receipt for the registration fee paid along with requisition letter for reimbursement of stamp duty.
- 4.2 The claim shall be supported by certificate from the financial institution if loan is availed by the unit for the purchase of said land as the case may be.
- 4.3 The reimbursement shall be eligible only if the unit provides more than 60% of employment to the people of UT of Puducherry of the total employment strength of the industrial units.
- 4.4 The request for claiming stamp duty reimbursement shall be scrutinised by the Directorate of the Industries and Commerce to determine the quantum of reimbursement and the case shall be placed before the Committee.
- 4.5 Sanction shall be accorded by the Director of Industries & Commerce based on the recommendation of the Committee.
- 4.6 Constitution of the Committee shall be as under.
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| (1) The Secretary to Govt.(Ind.&Com.), Puducherry | : Chairman |
| (2) The Director of Industries and Commerce,
Puducherry. | : Member |
| (3) The District Registrar, Puducherry | : Member |
| (4) The Under Secretary (Finance), Puducherry | : Member |
| (5) The Deputy Director of Industries and
Commerce, Puducherry | : Member Secretary |
- 4.7 The Chairman may co-opt the Revenue Officer/Special Officer as member who deals with land transaction of the regions concerned, if required.
- 4.8 The decision of the Committee in deciding the eligible amount of reimbursement shall be final.

5. General conditions:-

- 5.1 The reimbursement 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.
- 5.2 The financial institutions shall mean and include PIPDIC or any other Government Corporation, Scheduled Banks including Co-operative Banks, NBFCs and any other bank/ financing institution registered under RBI.
- 5.3 In case of self-financed units, the reimbursement shall be disbursed directly to the bank account of the unit.
- 5.4 The reimbursement shall be disbursed in single or multiple instalments as per the availability of fund.
- 5.5 The industrial unit shall not transfer or dispose off the property for which the reimbursement was made in any manner till the completion of 5 years from the date of availing the reimbursement.
- 5.6 The reimbursement obtained by the industrial units is liable to be refunded by the units with interest @ 14% per annum if reimbursement was 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 full reimbursement.
- 5.7 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.
- 5.8 The Government is empowered and reserve the right to withdraw all/part of the above mentioned incentives/subsidies without assigning any reason.

This issues with the concurrence of Finance Department, Puducherry vide their I.D.No.1889/FD/F3/FC/2024-25 dated 05.06.2024.

/BY ORDER/



**(A. VIKRANTH RAJA, I.A.S.)
SECRETARY TO GOVT (IND & COM)**

To

The Director, Directorate of Industries and Commerce, Puducherry.

Copy to:

1. All Secretaries to Government/Private Secretaries to Hon'ble Lt. Governor /Hon'ble Chief Minister/ PS to Speaker/Dy.Speaker/ PS to all Ministers.
2. All Heads of Departments, Puducherry.
3. The Finance Department, Puducherry.
4. The Director of Accounts and Treasuries, Puducherry, Karaikal, Mahe and Yanam.
5. The Office of Accountant General (Audit), Tamilnadu and Puducherry, Chennai.
6. The Office of Accountant General (Audit), Puducherry.
7. The Director, Stationery and Printing, Puducherry ---
8. The Central Records Branch, Puducherry.
9. The Senior Branch Manager, NSIC, Puducherry.
10. Stock File/G.O. file.

With a request to publish the same in the next issue of Official Gazette of Puducherry and send 25 copies of the same for record.