

## **"Interest Subsidy (For Micro, Small, Medium and Large New Industries)" under "Motivation of Entrepreneurs to Start Industries and Fiscal Assistance to Industries - Various Incentives"**

### **Details ("Interest Subsidy (For Micro, Small, Medium and Large New Industries)" under "Motivation of Entrepreneurs to Start Industries and Fiscal Assistance to Industries - Various Incentives")**

"Interest Subsidy (For Micro, Small, Medium and Large New Industries)" under "Motivation of Entrepreneurs to Start Industries and Fiscal Assistance to Industries - Various Incentives" is a scheme by the Industries and Commerce Department, Union Territory of Puducherry. The scheme came into force with effect from 1st April 2017 and is in operation in the whole of the UT of Puducherry. Through this scheme, the industrial units availing loans from financial institutions towards the 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.

### **Objectives ("Interest Subsidy (For Micro, Small, Medium and Large New Industries)" under "Motivation of Entrepreneurs to Start Industries and Fiscal Assistance to Industries - Various Incentives")**

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- "Various Incentives" is a scheme by the Industries and Commerce Department, Union Territory of Puducherry. The scheme came into force with effect from 1st April 2017 and is in operation in the whole of the UT of Puducherry. Through this scheme, the industrial units availing loans from financial institutions towards the 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. The applications are accepted offline in the prescribed form available on the Official Website of the Department.

### **Important Features ("Interest Subsidy (For Micro, Small, Medium and Large New Industries)" under "Motivation of Entrepreneurs to Start Industries and Fiscal Assistance to Industries - Various Incentives")**

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### **Benefits ("Interest Subsidy (For Micro, Small, Medium and Large New Industries)" under "Motivation of Entrepreneurs to Start Industries and Fiscal Assistance to Industries - Various Incentives")**

- Subsidy: Upto 25% of the annual interest amount paid. Admissibility: From the date of commencement of commercial production. Ceiling: ■5,00,000/- per annum. Period: 5 years for Puducherry and Karaikal, and for 7 years for Mahe and Yanam. Number of Instalments: In single or multiple instalments, depending on the availability of funds. Mode of Disbursement: Through the financial institution.

## **Eligibility ("Interest Subsidy (For Micro, Small, Medium and Large New Industries)" under "Motivation of Entrepreneurs to Start Industries and Fiscal Assistance to Industries - Various Incentives")**

- All the Micro, Small, Medium and Large Industries are eligible.
- The Unit should have made the investment on or after 1st April 2017.
- The unit should provide at least 60% of employment to the people of the Union territory of Puducherry of the total employment strength of the industrial units.
- This 60% of the local employment will have to be maintained by the industrial unit during the period specified in the Affidavit.
- The industrial unit should be availing of a loan from a financial institution.
- The industrial unit should be availing of a loan towards the creation of fixed assets and/or for working capital.
- 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.
- The additional investments made by the new/existing industrial units after availing the first claim are also eligible for subsidy up to the ceiling limit.
- \*The date of commencement as admitted by the entrepreneurs shall be reckoned after due verification by the officials of the Industries Department.
- Special Cases 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 licenses /clearances/ registrations are obtained separately for the enterprises.

## **Application Process ("Interest Subsidy (For Micro, Small, Medium and Large New Industries)" under "Motivation of Entrepreneurs to Start Industries and Fiscal Assistance to Industries - Various Incentives")**

- Step 1: The industrial unit should register the claim for the grant of incentive/subsidy in the prescribed form available on the Official Website of the Directorate of Industries and Commerce, Puducherry.
- Step 2: In the application form, fill in all the mandatory fields, and attach copies of all the mandatory documents (self-attest, if required).
- Step 3: The unit should submit the duly filled and signed application form and the documents to the concerned authority.
- Step 4: Request a receipt or acknowledgement from the concerned authority to whom the application form has been submitted.
- Ensure that the receipt contains essential details such as the date and time of submission, and a unique identification number (if applicable).
- Post-Application Process Step 1: The applications shall be scrutinized by the Directorate of the Industries on a merit basis for the grant of incentives/subsidies/assistance to determine the quantum of amount admissible will be placed before the State Level Committee.
- Step 2: The State Level Committee will go into the merits of each case to decide whether the unit qualifies for the grant of incentive/subsidy and will recommend the quantum of incentive/subsidy admissible to the unit.
- Application Deadline For New Units Within one year from the date of commencement of obtaining the Entrepreneurs Memorandum Part-2/ Permanent Registration/ Commencement of Production Certificate.
- For Existing Units Within one year of completion of Expansion/ Diversification/ Modernization.

## **Documents Required ("Interest Subsidy (For Micro, Small, Medium and Large New Industries)" under "Motivation of Entrepreneurs to Start Industries and Fiscal Assistance to Industries - Various Incentives")**

- Entrepreneurs Memorandum Part-2 (UAM/ PMT) Registration/ Commencement of Production Certificate. Caste certificate from the competent authority in the case of Scheduled Caste/Scheduled

Tribe (SC/ST) Entrepreneurs. Loan Sanction Letter. Purchase Invoices for Plant & Machinery/ Pollution Equipment/ Generator. Chartered Accountant Certificate for the Investment in Fixed Assets / Pollution Control Equipment / Generator. Month-wise Interest Paid Statement from the Finance Institution/Bank Along with No-due Certificate. List of Employees Covered Under the Provident Fund Scheme Along with Wage/Salary Payment Particulars. Provident Fund Remittance for the Claiming Period. Notary Affidavit. 'No Due Certificate of Interest' issued by the financial institution/bank etc.

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