

Motivation of Entrepreneurs and Financial Assistance for Rehabilitation of Sick Industries Are you sure you want to sign out? Cancel Sign Out Eng English / हिंदी / বাংলা / తెలుగు / தமிழ் / မြန်မာ / Urdu / Pashto / Sindhi / Gujarati / Punjabi / Hindi / English / বাংলা / తెలుగు / தமிழ் / မြန်မာ / Urdu / Pashto / Sindhi / Gujarati / Punjabi / Hindi / English

Sign In Back Details Benefits Eligibility Application Process Documents Required Frequently Asked Questions Sources And References Feedback Something went wrong. Please try again later. Ok You need to sign in before applying for schemes Cancel Sign In Something went wrong. Please try again later. Ok It seems you have already initiated your application earlier. To know more please visit Cancel Apply Now Check Eligibility Puducherry Motivation of Entrepreneurs and Financial Assistance for Rehabilitation of Sick Industries Business Finance Industry Rehabilitation Subsidy Details

is a scheme by the Industries and Commerce Department, Union Territory of Puducherry. Through this scheme, the cost of implementing suggestions given by the experts in the field of technology, marketing and finance engaged to advise sick units is reimbursed. Also, a 50% subsidy is provided towards the cost of diagnostic study by technical institutions initiated through Financial Institutions/Banks/etc. The applications are accepted offline in the prescribed form available on the Official Website of the Department.

**Benefits Subsidy @ 50%** on the cost of diagnostic study by technical institutions initiated through Financial Institutions/Banks/Government with a maximum of ₹1,50,000/- .50% of fees (maximum ₹1,50,000/- per unit) will be reimbursed on implementing suggestions given by the experts in the field of technology, marketing and finance engaged to advise sick units. Interest subsidy @ 5% per annum limited to ₹3,00,000/- per year for 3 years on additional finance disbursed by Banks/Financial Institutions for Rehabilitation. \*The interest subsidy will be paid through the financial institution. \*The financial institution shall mean and include PIPDIC or any other Government Corporation, Scheduled Banks including Co-operative Banks.

**Eligibility**

- The applicant should be MSME unit those who have obtained UAM/EM(Part-II)/Permanent Registration.
- The applicant should be a "Sick" Industrial Enterprise. "Sickness" is defined as follows at present and shall be revised as per RBI guidelines from time to time:  
Continuous decline in gross output compared to the previous two financial years.  
Delay in repayment of loan, taken from institutional sources, for more than 12 months.  
Erosion in net worth due to the accumulated losses to the extent of 50% of the net worth during the previous accounting year.
- Other firms taking over a sick unit for rehabilitation will also be eligible.

**Application Process Offline**

**Step 1:** The sick enterprise should take print from the prescribed form from 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.

**Step 3:** The enterprise should submit the duly filled and signed application form and the documents to the Director of Industries either in person or by post.

**Step 4:** Request a receipt or acknowledgement from the concerned authority at the Directorate. \*The State Level Committee will go into the merits of each case to decide whether the unit qualifies for the grant of financial assistance.

**Documents Required**

Entrepreneurs Memorandum Part-2 (UAM/PMT) Registration/ Commencement of Production Certificate. Certificate issued by the Financial Institution/Bank. Any other document, as required by the Committee.

**Frequently Asked Questions**

Who makes the final decision regarding the assistance for rehabilitation of sick enterprises? The Committee for Rehabilitation of Sick Enterprises, chaired by the Secretary to Government (Industries and Commerce), makes the final decision regarding assistance for rehabilitation. What institutions are considered as financial institutions for the purpose of this scheme? Financial institutions include PIPDIC, Government Corporations, Scheduled Banks, and Co-operative Banks. Are there any additional persons who may be involved in the decision-making process? Yes, the Chairman of the Committee may co-opt the Branch Manager of Financing Banks, President/Secretary of Industrial Association, or any other relevant persons to the industry for assistance in decision-making. Can other firms taking over sick units for rehabilitation also receive assistance? Yes, other firms taking over sick units for rehabilitation are also eligible for assistance under this scheme. What is the procedure for applying for assistance under this scheme? Sick industrial enterprises meeting the criteria must apply to the Director of Industries for rehabilitation in the prescribed form. The application will be reviewed by a Committee constituted for the Rehabilitation of Sick Enterprises. What assistance is provided to sick enterprises under this scheme? Sick enterprises can avail a subsidy of 50% on the cost of diagnostic studies, reimbursement of fees for engaging experts in technology, marketing, and finance, as well as an interest subsidy of 5% per annum for three years on additional finance disbursed for rehabilitation. How is 'sickness' defined within the context of this scheme? Sickness within the scheme refers to various criteria including a continuous decline in gross output over two financial years, delayed repayment of loans, and erosion in net worth due to accumulated losses. What is the official name of the scheme, and when did it come into effect? The scheme is officially titled "Motivation of Entrepreneurs and Financial Assistance for Rehabilitation of Sick Industries" and has been in operation since April 1, 2017. How are funds disbursed to eligible enterprises under this scheme? Funds are disbursed through the respective financial institutions or banks, with the interest subsidy being paid directly to the financial institution based on the claim submitted by the enterprise. Can sick enterprises apply directly to financial institutions for assistance under this scheme? No, sick enterprises must apply to the Director of Industries for rehabilitation, and the application will be processed through the Committee for Rehabilitation of Sick Enterprises. Can sick enterprises outside the MSME sector apply for assistance under this scheme? No, only Micro, Small, and Medium Enterprises (MSMEs) are eligible for assistance under this scheme. How long is the interest subsidy provided for additional finance disbursed for rehabilitation? The interest subsidy of 5% per annum is provided for three years on additional finance disbursed for rehabilitation purposes. Sources And References Guidelines

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