

## CHAPTER-13 (Manual 12)

### **13.1. The manner of Execution of Subsidy Programme:**

#### **1.Name of Programme/Scheme:**

Granting financial incentives to tourism related projects

#### **2. Duration of the Programme/Scheme**

Unlimited.

#### **3. Objectives of the programme/Scheme**

To attract quality investment in hotel and tourism infrastructure, and with an objective of interalia, developing atleast 500 rooms in the 1 to 5 star hotel category and heritage hotels in the next 5 years, attracting a global hotel chain to Pondicherry, attracting investments in amusement parks, entertainment multiplexes, food courts, beach resorts, eco-tourism resorts, health spas convention centres, Arts & Craft Villages, Yacht Marinas,etc.

To preserve architectural heritage, encouraging the use of listed heritage properties as residential houses, hotel, pubs, boutiques and other similar uses as also economic value for heritage and to provide tourists an authentic experience of Pondicherry's cultural, spiritual and artistic values."

#### **4.Physical and financial targets of the programme for the last year:**

The scheme is introduced in April 2004. The benefits of the financial incentives will be given to the investors after two years from the date of commercial operation of the project. Beneficiary will be identified only after 2006. Therefore no physical targets could achieve in 2004-05 and 2005-06.

#### **5. Eligibility of Beneficiary:**

Open to all Citizens

#### **6. Pre-requisites for the benefit:**

The Applicant should produce the Project Report of the proposed tourism project along with the application duly filled in with details thereof, copies of documentary evidences of approval/clearances of the concerned Govt. Departments where ever necessary.

#### **7. Procedure to avail the benefits of the programme**

The beneficiary can avail financial incentive for one or more projects and the filled application may be submitted to the Director of Tourism.

#### **8. Criteria for deciding eligibility:**

Open.

#### **9. Detail of the benefits given in the programme:**

- Investment subsidy: 25% of the total investment subject to maximum of Rs.1 crore
- Interest subsidy: 5 % of rate interest subject to maximum of Rs.5 lakhs per year for 5 years
- Reimbursement of Town Planning Charges
- Reimbursement of Registration charges on land/building
  - Special incentives for tourism projects brought up in Heritage buildings for the following: Roof Repairs and façade improvements upto 70% of the cost of work upto a maximum of Rs.1.50 lakhs (per building)
  - Removal and alterations of existing unsympathetic changes as pointed by the Competent Authorities, upto 70% of the cost of work upto maximum of Rs.1 lakh (per building)
  - Rs. 5 lakhs for construction of additional lettable rooms

**10. Procedure for the distribution of the subsidy:**

As detailed in serial No. 7

**11. Where to apply or whom to contact in the Office for applying:**

Director of Tourism, 40, Goubert Avenue, Pondicherry-1.

**12. Application Fee:**

Free of cost

**13. Other Fees:**

Nil

**14. Application Formats (Enclosed):**

**PROFORMA-I**

**APPLICATION FOR DISBURSEMENT OF INCENTIVE UNDER THE  
INTEREST SUBSIDY FOR TOURISM PROJECTS**

1. Name of the applicant :
2. Address for communication :
3. Name & address including R.S.No. of the Establishment. :
4. Category of tourism infrastructure (Please tick the category)

Hotel	-1 star/2star/3 Star / 4 Star / 5 star
Heritage Hotel	-
Amusement Park	-
Entertainment Multiplex	-
Food Court	-
Beach Resort	-
Eco-Tourism Resort	-
Health Spa	-
Convention Centre	-
Arts & Crafts Village	-
Yacht Marina	-
Others	-
5. Date of commencement of commercial operation :  
A. Date of building approval from PPA(attach copy) :  
B. Date of occupancy certificate from PPA(attach copy) :
6. Name of Financial Institution/Bank which has financed the project (copy of the project report to be enclosed) :
7. Details of loan availed from the Financial Institution/Bank(Sanction copy enclosed) :

8. Rate of interest charged(copy to be enclosed) :
9. Repayment schedule (from FI) :  
(Details regarding the installments of Interest paid by the applicant until the date of commencement of operation)
10. Period for which the interest subsidy to be claimed ( No due certificate from the Financial Institution/Bank should be enclosed) :

Signature of the applicant

#### AFFIDAVIT

The particulars furnished above are true and I hereby undertake to refund the entire subsidy with interest if the claim is found to be false subsequently.

Signature of the applicant

Place :  
Date :

**PROFORMA-II**

**APPLICATION FOR DISBURSEMENT OF INCENTIVE UNDER THE  
CAPITAL INVESTMENT FOR TOURISM PROJECTS**

1. Name of the applicant :
  
2. Address for communication :
  
  
3. Name & address including R.S.No. of the Establishment. :
  
  
  
4. Category of tourism infrastructure (Please tick the category)  

Hotel	-	1 star/2star/3 Star / 4 Star / 5 Star
Heritage Hotel	-	
Amusement Park	-	
Entertainment Multiplex	-	
Food Court	-	
Beach Resort	-	
Eco-Tourism Resort	-	
Health Spa	-	
Convention Centre	-	
Arts & Crafts Village	-	
Yacht Marina	-	
Others	-	
  
5. Date of commencement of commercial operation :  
A. Date of building approval from PPA(attach copy) :  
B. Date of occupancy certificate from PPA(attach copy) :
  
6. Name of Financial Institution/Bank which has financed the project (copy of the project report) :

7. Estimate of project

- i) Cost of fixed assets :
- ii) Cost of working capital :

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Total cost  
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8. Total fixed capital investment

- i) Extent of land :
- ii) Cost of land :
- iii) Extent of Building :
- iv) Cost of building :
- v) Extent of other assets :
- vi) Cost of other assets :

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Total  
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9. Details of fixtures/equipments/cutleries & crockery's/linen/furniture/kitchen works etc. :

10. Details of loan availed from the Financial Institution/Bank(Sanction copy enclosed) :

11. Rate of interest charged(copy to be enclosed) :

12. The following certificates have to be appended :

- i) A certificate from Chartered Accountant M/S ..... Certifying the extent of share capital subscribed and paid up value of fixed assets, if any, acquired and paid for as stated above.
- ii) A copy of latest audited accounts of the unit is also enclosed herewith
- iii) A Valuation Certificate furnished from Registered Engineer for Building.

13. I/We hereby agree that I/We shall forthwith repay the amount disbursed to me /us under this scheme, if the amount of 20 percent (maximum 20.00 lakhs) investment subsidy is found to have been disbursed in excess of the amount actually admissible for whatsoever reason. Further, I/We shall also be liable to pay interest at such rate as prescribed by Government from time to time on such amount and such other charges expenses which may be payable by me/us.

14. It is hereby further certified that I/We have not hitherto applied for or have received any amount by way of grant or subsidy in respect of the Hotel from any Schemes of State or Central Government or Govt. Undertakings.

15. I/We hereby agree that I/We shall forthwith be responsible for the whole amount of subsidy received in case of any changes in the partners or shareholders or Board of Directors.

Signature of the applicant

Place :  
Date :

Name of signatory  
For and on behalf of (Name of Hotel)

**PROFORMA – III**

**APPLICATION FOR REIMBURSEMENT OF TOWN PLANNING CHARGES FOR  
TOURISM PROJECTS**

1. Name of the applicant :
  
2. Address for communication :
  
3. Name & address including R.S.No. of the Establishment. :
  
4. Category of tourism infrastructure (Please tick the category)  
Hotel - 1 star/2star/3 Star / 4 Star / 5 Star  
Heritage Hotel -  
Amusement Park -  
Entertainment Multiplex -  
Food Court -  
Beach Resort -  
Eco-Tourism Resort -  
Health Spa -  
Convention Centre -  
Arts & Crafts Village -  
Yacht Marina -  
Others -
  
5. Date of commencement of commercial operation :  
A. Date of building approval from PPA(attach copy) :  
B. Date of occupancy certificate from PPA(attach copy) :
  
6. Whether the Plan is approved by the PPA (please attach the documents) :
  
7. Amount of TP Charges levied (attach the proof) :

Place :

Date :

Signature of the applicant

**PROFORMA – IV**

**APPLICATION FOR REIMBURSEMENT OF REGISTRATION CHARGES ON  
LAND & BUILDING FOR TOURISM PROJECTS**

1. Name of the applicant :
  
2. Address for communication :
  
3. Name & address including R.S.No. of the Establishment. :
  
4. Category of tourism infrastructure (Please tick the category)  
Hotel - 1 star/2star/3 Star / 4 Star / 5 Star  
Heritage Hotel -  
Amusement Park -  
Entertainment Multiplex -  
Food Court -  
Beach Resort -  
Eco-Tourism Resort -  
Health Spa -  
Convention Centre -  
Arts & Crafts Village -  
Yacht Marina -  
Others -
  
5. Date of commencement of commercial operation :  
A. Date of building approval from PPA(attach copy) :  
B. Date of occupancy certificate from PPA(attach copy) :
  
6. Whether the asset is free from encumbrance :  
(please attach the certificate given by the competent authority)
  
7. Whether the asset is legally owned by the applicant :  
(please attach legal opinion of the Competent Authority)

Place :  
Date :

Signature of the applicant

**PROFORMA – V**

**APPLICATION FOR DISBURSEMENT OF SPECIAL INCENTIVES FOR  
HERITAGE HOTELS & BUILDINGS**

1. Name of the applicant :
  
9. Location of the Heritage Hotel (OR)  
Residential address of the Heritage Building :
  
3. Address for communication :
  
4. Proof of ownership (attach legal opinion) :
5. Present use of the building (attach photos) :
6. Proposed use of the building :
7. Purpose for which incentive sought : 1)  
2)  
3)
  
9. Detailed estimate and drawings of the work  
To be undertaken(attach copy of approval from  
PPA in case of removal/ alterations /addition)  
:
  
9. Financial assistance required/eligible :

Place :  
Date :

Signature of the applicant

**ANNEXURE – I**

**VALUATION OF THE PROJECT**

**Name of the Chartered Accountant(s) :**

We hereby certify that M/s.....  
(Name of the firm) have acquired the following for their project  
.....  
(name of the project or nature of the firm) at  
.....  
..... (Address).

Details of investment

9. LAND :

Date of Purchase	Value of Purchase

(B) BUILDING :

Date of completion of building or part there of (1)	Value as per Engineer's certificate (2)	Amount spent on upto (3)

© ELECTRICAL & FITTINGS :

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Sl.No When installed.	Details of equipment	Name & Address of the supplier	Invoice Bill No.& date	Value
1	2	3	4	5

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(D) FURNITURE & FIXTURES

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Sl.No When fixed.	Details of item	Name & Address of the supplier	Invoice Bill No.& date	Value
1	2	3	4	5

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(E) MISCELLANEOUS

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Sl.No When fixed.	Details of item	Name & Address of the supplier	Invoice Bill No.& date	Value
1	2	3	4	5

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We have checked the books of accounts of the unit, the invoice etc. and certify that the aforesaid information furnished above have been verified and found to be true. We also certify that all the aforesaid items have been paid and no credit is raised there against in the books of the unit.

Place :

CHARTERED ACCOUNTANTS

Date :

**ANNEXURE – II**

**VALUATION CERTIFICATE IN RESPECT OF BUILDING**

I hereby certify that as against the estimated cost of Rs.....  
(Rupees .....) of the building  
and Civil works for M/s..... for their proposed  
project ..... at  
.....

The unit has so far completed the civil works as under :

- 1. Value of completed civil works as per the estimates : Rs.....
  - 2. Amount of Service/Labour charges paid to Contractor : Rs.....
  - 3. Amount of Consultant fees/designing charges paid to Architect : Rs.....
- Total -----  
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Place:

Signature of Engineer.

Date :

ANNEXURE-III

**AGREEMENT**

**THIS DEED OF AGREEMENT** made on this the ..... day of .....  
 Two thousand four **BETWEEN** .....  
 ..... hereinafter called  
**"THE BENEFICIARY"** which expression shall include wherever the context  
 so admits, his successors and assigns, of the one part and the President of  
 India represented by ....., Director of Tourism,  
 Government of Pondicherry, hereinafter called "The Director" which  
 expression shall include wherever the context so admits, his successors in  
 office and assigns of the other part.

**WHEREAS** the Government of Pondicherry implements the Scheme of  
 Financial incentives and subsidies to individuals, entrepreneurs, tourism  
 infrastructure companies and hoteliers for investment in developing  
 infrastructures in tourism related projects like hotels, amusement parks,  
 entertainment multiplexes, food courts, beach resorts, eco-tourism resorts,  
 health spas/ wellness centers, convention centers, Art & Craft Villages, Yacht  
 Marinas etc.

**AND WHEREAS** the Beneficiary is one of those who has applied to the  
 Government for the grant of incentive/subsidy under the scheme in respect  
 of the project under the category of .....  
 (established at .....  
 .....).

**AND WHEREAS** the Government of Pondicherry had considered the  
 application of the Beneficiary ..... and has decided  
 to sanction a sum not exceeding Rs..... (Rupees  
 .....) as Special  
 Incentive / Special Investment subsidy under the above scheme on the terms  
 and conditions contained in the sanction letter No..... dated  
 ..... a copy of which duly attested by both the parties is attached  
 hereunto and is to be read as forming part and parcel of this Agreement.

NOW THEREFORE THIS DEED WITNESSETH AND IT IS HEREBY AGREED AND DECLARED AS FOLLOWS

In consideration of the decision taken by the Government of Pondicherry agreeing to grant to the Beneficiary an amount not exceeding Rs.....  
(Rupees .....)  
as subsidy, the Beneficiary hereby covenants with the Government as follows :

- (a) That the beneficiary shall utilize the Subsidy for the purpose for which it was granted, i.e for the creation of Fixed Assets or Working Capital and shall also furnish to the Director a Certificate of Utilisation of the Incentive / Subsidy for the purpose for which it was sanctioned, within a period of six months from the date of receipt of the full amount.
- (b) That the Beneficiary shall submit half-yearly Progress Reports to the Director about the on going/proposed activities of the firm and the proposed outcome of the project for a period of five (5) years.
- (c) That the Beneficiary shall furnish all the information and assistance as may be required by the Director or by any of the Officer or representative duly authroised by him.
- (d) That the Beneficiary after receiving a part or whole of the incentive or subsidy shall not without obtaining the prior written permission of the Director change the location of the project or any part of it.
- (e) That the Beneficiary shall refund the subsidy together with interest or other charges, if any, to the Government of Pondicherry, if it is proved to the satisfaction of the Director that the Beneficiary has violated any of the covenants mentioned herein or that the subsidy or incentive has been obtained by fraud or by misrepresentation as to an essential fact or by furnishing of false information or else the amount due will be recovered as arrears of land revenue under the Revenue Recovery Act.

9. I / We undertake that I / We will not divert the project to anything other than the one anticipated in the project for a minimum of 5 years from the date of receipt of subsidy / incentive. And in case of such diversion / conversion, I agree to repay the incentives / subsidies availed from the State Government within such period.

**IN WITNESS WHEREOF** the parties hereunto have signed this agreement on the date respectively mentioned against their signature.

BENEFICIARY

Witnesses :

1.

2.

Signed and executed  
For and on behalf of the President of India  
Director of Tourism,  
Government of Pondicherry

Witnesses :

1.

2.