

OPERATIONAL GUIDELINES ON EXEMPTION OF ELECTRICITY DUTY UNDER IPR-2015

[See Para 5.4.4 (a), (b) & (c) of IPR-2015]

1. **Short Title:** - Operational guidelines for Exemption of Electricity Duty under provisions of Para- 5.4.4 (a), (b) & (c) of Industrial Policy Resolution 2015
2. **Extent:** - It shall extend to the whole of the State of Odisha.
3. **Commencement:** - It shall come into force from the "Effective Date" of Industrial Policy Resolution, 2015 i.e. 24.08.2015

4. **Terms and Expressions:** -

- (i) Terms and expressions used in this operational guideline, but not specifically defined here, shall have the same meaning as in Industrial Policy Resolution, 2015.
- (ii) "Electrical Authority" means Superintendent Engineer-cum-Electrical Inspector for the purpose of exemption of Electricity Duty.

5. **Policy Provisions:-**

Para- 5.4.4 (a), (b) & (c) of Industrial Policy Resolution, 2015

- (a) New M S M Es shall be exempted from the payment of electricity duty up to a contract demand of 500 KVA for a period of 5 years from the date of availing power supply for production.
- (b) New industrial unit in Priority sector shall be exempted from the payment of electricity duty up to a contract demand of 5 MVA for a period of 5 years from the date of availing power supply for production.
- (c) New & existing industrial units setting up Captive Power Plant with non-conventional sources & bio-fuel shall be exempted from payment of 100% Electricity Duty for a period of 5 years from the date of commissioning as Green Energy Subsidy.

6. **Eligibility:** -

- 6.1 New industrial unit under Micro enterprise / Small enterprise / Medium Enterprise up to a contract demand of 500 KVA other than Priority sector industries.
- 6.2 Migrated industrial unit treated as new industrial unit under Micro enterprise / Small enterprise / Medium Enterprise up to a contract demand of 500 KVA other than Priority sector industries.

- 6.3 Rehabilitated sick industrial unit treated at par with new industrial unit under Micro enterprise / Small enterprise / Medium Enterprise up to a contract demand of 500 KVA other than Priority sector industries.
- 6.4 Industrial unit seized under Section 29 of the State Financial Corporation Act, 1951 / Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit for the purpose of this IPR under Micro enterprise / Small enterprise / Medium Enterprise up to a contract demand of 500 KVA other than Priority sector industries.
- 6.5 New industrial unit under Micro enterprise / Small enterprise / Medium Enterprise / Large Industries up to a contract demand of 5 MVA in Priority sector.
- 6.6 Migrated industrial unit treated as new industrial unit under Micro enterprise / Small enterprise / Medium Enterprise / Large Industries up to a contract demand of up to a contract demand of 5 MVA in Priority sector.
- 6.7 Rehabilitated sick industrial unit treated at par with new industrial unit under Micro enterprise / Small enterprise / Medium Enterprise / Large Industries up to a contract demand of 5 MVA in Priority sector.
- 6.8 Industrial unit seized under Section 29 of the State Financial Corporation Act, 1951 / Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit for the purpose of this IPR under Micro enterprise / Small enterprise / Medium Enterprise up to a contract demand of 5 MVA in Priority sector.
- 6.9 New & existing industrial units setting up Captive Power Plant with non-conventional sources & bio-fuel for Green Energy Subsidy.
- 6.10 Pioneer Units under each Priority sector shall be eligible for extension of period of incentives for an **additional two years** over and above the limit specified, provided the unit has been in continuous production during the normal period of incentive.
- 6.11 If the industrial unit has availed this incentive under any scheme of State Govt. or the Central Govt. (GoI) or Govt. Agencies or any financial institutions, it shall be eligible for the differential benefit only.