

**OPERATIONAL GUIDELINES FOR REIMBURSEMENT OF
SUBSIDY ON CAPITAL SUBSIDY FOR PLANT AND MACHINERY
UNDER PHARMACEUTICALS POLICY 2016**

(See Para 5.A of Pharmaceuticals Policy 2016)

(To be reviewed after one year)

1. **Short Title:** - Operational guidelines for reimbursement of subsidy on capital subsidy for plant and machinery under pharmaceuticals policy 2016
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 Pharmaceuticals Policy 2016 i.e. **24.11.2016**.
4. **Terms and Expressions:** -
 - a) Investment means cost of Land, Building, Plant & Machinery, Other fixed assets and Electrical installations as per book value (Working capital is not considered).
 - b) Terms and expressions used in this operational guideline, but not specifically defined / explained here, shall have the same meaning as in Pharmaceuticals Policy 2016.

5. Policy Provisions-

To encourage employment intensive industries in **Pharmaceuticals Sector** in the state, special package of incentives is provided to the industrial projects as outlined below;

Classification of Districts:

For the purpose of administering the incentives, the classification of districts is as follows:

Category	Districts
A	All other districts other than Category B
B	Industrially Backward Districts- Kalahandi, Nuapada, Bolangir, Subarnapur, Koraput, Malkangiri, Rayagada, Nawrangpur, Kandhamal, Gajapati and Mayurbhanj.

Classification of Industry:

S. No.	Category	Investment (Rs. Cr.)	Minimum Employment (No.)
Category A			
1	A 0	>20	80
Category B			
1	B 0	>10	40

Provision of Subsidy on Plant & Machinery (P & M):

SL. No.	Classification	*Subsidy
1.	A0/ B0	10% of investment in plant and machinery

** Subsidy to be allowed till the date of production and will be reviewed on an annual basis.*

6. **Eligibility:** - Industrial units in Pharmaceutical Sector satisfying definition and falling under -

- a) New Small, Medium Enterprises & Large Industrial Units.
- b) Migrated industrial unit treated as new industrial unit under Small/ Medium Enterprises/ Large Industrial Units.
- c) Rehabilitated sick industrial unit treated at par with new industrial unit under Small /Medium/ Large Sector.
- d) The applicable incentive shall not be sanctioned & disbursed if the industrial unit is found closed / has gone out of production. In such a case, it may be deferred and will be released on satisfactory resumption of production.

7. **Determination of date of production:** The date of production for availing of this incentive (CIS) shall be determined by the General Manager RIC/ DIC for Small & Medium Enterprises and Director of Industries, Odisha in case of Large Industrial Unit basing on the totality of documentary evidence as per Pharmaceuticals Policy 2016.

8. **Time frame for filing application.**

Eligible Industrial unit shall file its claim in the prescribed Application Form complete in all respect, **within one year** from the date of starting production / **within one year** from the date of notification of this Rules and Operational guidelines, whichever is later. Application received after the due date/ incomplete in any respect shall be liable to be summarily rejected.

9. **Constitution State Level Committee (SLC).**

9.1 **State Level Committee (S L C)** – State Level Committee shall be the competent authority to sanction subsidy claims of eligible Industrial Units belonging to Small & Medium Enterprises/ Large Industrial Units in Pharmaceutical Sector. The State Level Committee shall comprise of following members;

1	Principal Secretary to Government, Industries Department	Chairman
2	Secretary to Government, MSME Department	Member
3	Secretary to Government, Health & Family Welfare Department	Member
4	Managing Director, IDCO	Member
5	Managing Director, IPICOL	Member
6	Director of Industries, Odisha	Member -Convener
7	Drug Controller, Odisha	Member
8	Any other member to be co-opted as per requirement	

9.2 The State Level Committee shall discharge all other functions as may be necessary and subservient to the sanction and disbursement of subsidy under this scheme and shall regulate / monitor the implementation of this scheme.

10. **Meetings of the Committee:** The State Level Committee may meet monthly or as per requirement.

11. Procedure:

11.1 Industrial units in Pharmaceutical Sector satisfying the eligibility shall file application in the prescribed form appended to this operational guideline at **Annexure -A-1** along with copies of all relevant documents as mentioned in the Checklist at **Annexure -A-2** and Undertaking prescribed at **Annexure A-2.1** as per the following category;

New Small & Medium Enterprises in Pharmaceutical Sector shall file application in triplicate with General Manager, RIC / DIC and Large Industrial Units with Managing Director, IPICOL.

Copies of the documents as indicated in the checklist shall be self - certified by Proprietor / Managing Partner / Managing Director / Authorized Signatory.

11.2 On receipt of application, the acknowledgement as prescribed at **Annexure- A (3)** shall be dispatched to the applicant / applicant unit duly signed by the authorized officer / General Manager, RIC / DIC/ IPICOL on the day of receipt. General Manager, RIC /DIC and CMD, IPICOL may authorize any of his officers for the purpose.

11.3 The RIC/ DIC/IPICOL will check the eligibility and determine the applicability of Pharmaceutical Policy 2016 in each case within a **week**. All the documents submitted by the units shall be verified with the original by an officer of the RIC/ DIC not below the rank of Asst. Manager & not below the rank of Joint Manager in IPICOL who will record his verification on the body of the copy of the document.

11.4 The RIC/DIC, in case of Small & Medium Enterprises & IPICOL jointly with DI shall examine the eligibility and veracity of facts concerning the claim, visit the unit and assess the total investment as per format at **Annexure-A (4)**. The modality for assessment of investment / plant & machinery is prescribed below.

11.5 The RIC/ DIC / IPICOL on receipt of application will scrutinize the same and send a detail report to Director of Industries, Odisha with a detail note on fulfilment of eligibility criteria, time limit, applicability of Pharmaceutical Policy 2016, eligible amount of subsidy vis-à-vis investment in Plant & Machinery, decrease/ increase in recommended CIS amount with justification, working status, specific suggestion, if any, for consideration. A model agenda Note prescribed at **Annexure-A-5** may be referred to for the purpose.

12. Assessment of Investment: Investment means investment in land, building, plant, machinery and balancing equipment. Further, balancing equipment generally means equipment required for de-bottlenecking the production process.

12.1.1 Land & Building: The land / land & building / building / shed shall be in the name of industrial unit / Company represented through its proprietor / partner(s) / Director (s) / shareholder (s) / Member (s). If ROR of the land is in joint possession and no clear-cut title deed is established in the name of the promoter, the said land should have been leased out in favour of the industrial unit. If the land / land & building / building/ shed is ancestral or its title is represented by sale deed or other title deeds which are old, the market value (for the year of

starting fixed capital investment) as assessed by Tahasildar under the appropriate rules of the Revenue & Disaster Management Department will be taken into account. In other cases, the value of the land / land & building / building / shed as embodied in the sale deed (or) proportionately to the extent of need will be the cost for the purpose of assessment. The value of land / land & building / building / shed shall not be considered for the purpose of assessment on the following contingencies, if,

- It is held on registered lease from authorities **other than** government or IDCO and the lease period is less than 30 years,
- Rented or licensed and / or hired land / land & building / building / shed.

In no case the cost / premium paid towards conversion of land for industrial use shall be taken into account for the purpose of assessment.

12.1.2 Building constructed - For valuation of building constructed over the acquired land, the year of construction, the type of construction and the specification of the building, and the valuation certified by Chartered Civil Engineer for different type of construction will be taken into consideration.

12.1.3 The valuation of civil construction like factory building, godown, stores, office, R&D lab, testing lab, overhead tank, compound wall, gate, barbed wire fencing, well and civil works for the purpose of pollution control, energy conservation, installation of non-conventional energy equipment, power generation, transformer, gas plant, water treatment plant, rain water harvesting & charging etc shall be made as per the pro-forma prescribed at **Annexure-B (1)**. If the land is leasehold through a registered deed for a period of more than 30 years, the value of building constructed over the said land to the extent of industrial use will be considered for assessment for the purpose of CIS. In case of IDCO shed, value of shed will be taken into account.

12.2 Plant & Machinery- The value of plant & machinery as erected at factory site shall be taken into account including the cost of productive equipment such as tools, jigs, dies, mould etc. Amount spent towards insurance premium and tax for procurement of such assets will also be taken into account. In case of imported machinery, import duty, shipping charges, custom clearance charges, VAT paid thereon will also be taken into consideration.

12.3 Balancing equipment- The investment made on the following items will be taken into account for assessment, namely;

- a) Generator set not less than 10 K.W., transformer and Captive power plant (certified by DISTCOMs / Electrical Inspector (T&D))
- b) Gas producing plant
- c) Water and waste Water treatment plant
- d) Pollution Control equipment (certified by State Pollution Control Board, Odisha)
- e) R & D equipment, Quality control & Lab equipment
- f) Energy conservation equipment (certified by GRIDCO / DISTCOMs / Electrical Inspector (T&D / approved consultant))
- g) Non-conventional Energy equipment
- h) Fire Fighting equipment / sensors for safety measures
- i) Storage tanks / Bins for storing of raw material / finished goods
- j) Empty Gas cylinders for re-use

12.4 Electrification & Installation-

12.4.1- The cost involved in electrification, wiring, installation of cables, bus bar, electrical panels (not mounted on individual machines), circuit breakers etc. which are necessarily to be used for providing electrical power for industrial use will be taken into account.

12.4.2- The cost involved in installation & erection of plant & machinery and balancing equipment etc. will be taken into account for assessment.

12.5- The detailed valuation of plant & machinery and balancing equipment, electrification & installation etc. shall be made in the proforma prescribed at **Annexure-B (2)**.

12.6- The valuation of fixed assets shall be supported with a **certificate** that the assets acquired by the industrial unit are **new**, the cost has been duly paid for, the assets are required in process of operation and are found to be in use / working in the premises of industrial unit.

12.7- The Subsidy is not admissible on land & building. The period of Lease / Rent shall be for a period not less than 30 years starting from the date of first fixed capital investment through duly registered deed (s) so as to avail subsidy on Plant & Machinery.

12.8- Valuation of second-hand Plant & machinery and balancing equipment:-

The valuation shall be made on the basis of original price less depreciation as per **Annexure- B-3** and provided further that the original and subsequent owners have not received subsidy from any sources at any stage of purchase, use, transfer or sale and the effective life should not have been expired. The Proprietor/ Managing Partner/ Managing Director/ Authorized signatory claiming subsidy, shall submit documentary evidence to the full satisfaction of SLC and affidavit in this regard duly sworn before an Executive Magistrate.

13. SANCTION, CONFIRMATION & RATIFICATION THEREON:

13.1 Considering the merit of each case, the SLC shall accord sanction of subsidy on Plant & Machinery by the industrial unit.

13.2 After sanction of Subsidy on Plant & Machinery by the S L C, the Directorate of Industries, Odisha will communicate the details of sanction in the format prescribed at **Annexure-C-(1)** to the concerned industrial unit within **7 days** of issue of the Proceedings.

13.3 The industrial unit on receipt of sanction letter shall be required to execute Agreement with DIC/ RIC/ DI/ IPICOL as per **Annexure –C (2)** within next **3 days**.

13.4 In case of rejection by the S L C, the same will be communicated by DI to DIC/ RIC/ IPICOL & to the concerned enterprises in the format prescribed at **Annexure-C-(3)**.

13.5 DI, Odisha to ensure that the sanction for reimbursement of the subsidy should not take more than 30 days from the date of application by the industrial unit.

14. DISBURSEMENT OF SUBSIDY ON PLANT & MACHINERY

14.1 Director of Industries, Odisha shall disburse the subsidy on Plant & Machinery to Small & Medium Enterprise & Large Industrial Unit through the Financing Agency from which the unit has availed term loan/ financial assistance. In case of self-financed units the subsidy amount can be disbursed directly to the bank account unit.

14.2 Disbursement will be made on availability of funds through budgetary provision as per the modality to be decided, if necessary, by the Director of Industries, Odisha.

15. Funds & Audit:

15.1 Funds: The Directorate of Industries, Odisha in consultation with DICs/ RICs/IPICOL will estimate the requirement of funds and furnish the requirement to the Industries/ MSME Department for budget provision every year. The State Govt. in Industries/ MSME Department will provide funds to Directorate of Industries, Odisha, who shall be the Disbursing Agency. The Disbursing Agency will maintain regular accounts for each case & shall be accountable to the Audit and the State Govt. Directorate of Industries will furnish the utilization certificate in format as prescribed by Finance Department along with the list of beneficiaries disbursed with assistance at the end of each financial year.

15.2 Audit: The accounts maintained by the DI, Odisha shall be audited by the AG, Odisha.

16. Maintenance of Records: The receipt / forwarding / sanction / rejection / disbursement of subsidy on Plant & Machinery shall be monitored both electronically & manually at DIC /RIC/IPICOL/Directorate of Industries level.

17. Recovery of Subsidy on Plant & Machinery: In the following events or circumstances, Subsidy on Plant & Machinery received by an Industrial unit shall be recoverable from it under the provision of OPDR Act as arrears of land revenue, unless refunded within a period of one month from the date of an order issued to this effect by the GM, RIC/ DIC / Director of Industries, Odisha.

(i) Where an industrial unit in the opinion of the State Level Committee has availed of the Subsidy on Plant & Machinery by misrepresentation, fraud or by furnishing false & misleading information or by suppressing facts / materials or disbursed in excess of the amount actually admissible for whatsoever reason.

(ii) Where the Subsidy on Plant & Machinery amount becomes recoverable in terms of the stipulation contained in the Agreement- **Annexure – C (2)** or the beneficiary units violate any other condition of the Rules & Guidelines and Agreement.

18. Miscellaneous:

18.1 DIC / RIC/IPICOL/ DI may inspect the industrial unit individually / jointly if required.

18.2 Administration of CIS in the contingencies like shifting of industrial unit within the State, change of ownership etc. within the period of this incentive shall be governed as per the terms & conditions stipulated in the Agreement.

18.3 Industrial Unit shall furnish its audited financial statements and other periodical statements of each financial year to the DIC/ RIC/ IPICOL during the period of incentives.

18.4 Any change in facts or circumstances affecting the eligibility of the unit shall be intimated immediately to the DIC /RIC/ IPICOL/Directorate of Industries, Odisha by the unit.

19. Where any doubt arises regarding implementation of these rules, the same shall be referred to Government of Odisha in the Industries Department whose decision shall be final and binding on all the parties.
20. This has been concurred in by Finance Department vide their UOR No. 02/ES-II dt. 07.01.2017

Government of Odisha
Industries Department

Memo No 774/I., Bhubaneswar, dated 2/2/17
XIV-HI-01/2017

Copy forwarded to All Department / All Heads of Department / All PSUs / All RDCs / All Collectors / All DICs / All RICs / Head, Portal Group, IT Centre, Secretariat, Bhubaneswar / All Section of Industries Department / Guard File (5 Copies) for information and necessary action.


3/2/2017
Joint Secretary to Government

**APPLICATION FOR SANCTION AND DISBURSEMENT OF CAPITAL INVESTMENT SUBSIDY ON PLANT
& MACHINERY UNDER PHARMACEUTICAL POLICY 2016**

Application received after the due date / incomplete in any respect shall be liable for rejection
(Strike out whichever is not applicable)

(See Clause- 11.1)

From

M/s. _____

At/PO _____

Dist. _____

(Location of the Industrial Unit)

To

The General Manager,

Regional Industries Centre / District Industries Centre -----

Managing Director,

Industrial Promotion and Investment Corporation of Odisha limited

IPICOL House, Janpath, Bhubaneswar-751022

Sub: Application for sanction and disbursement of Subsidy on Plant & Machinery under
Pharmaceutical Policy, 2016

Sir,

In accordance with the provisions laid down in Pharmaceutical Policy, 2016 and its Rules
& Guidelines, the Application for sanction and disbursement of Subsidy on Plant & Machinery is
submitted with following particulars.

1	Category of the Unit New Small / Medium Enterprises/ Large Industrial Unit	:										
2	Address of Registered office	:										
3	Type of organization (Proprietorship / Partnership / Co-operative / Private Limited / Public Limited)	:										
4	Name of Proprietor / Managing Partner / Managing Director / Authorized Signatory	:										
5	EM-II / PC / IEM / IL No. and date	:										
6	Items of manufacture / activity with installed capacity	:	<table border="1"> <tr> <th>Item</th> <th>Quantity</th> <th>Value</th> </tr> <tr> <td>(i)</td> <td></td> <td></td> </tr> <tr> <td>(ii)</td> <td></td> <td></td> </tr> </table>	Item	Quantity	Value	(i)			(ii)		
Item	Quantity	Value										
(i)												
(ii)												
7	Employment created	:										
8	Name of the Financer	:										
9	Amount of loan applied for	:										
10	Amount of loan sanctioned with date	:										
11	Date of first fixed capital investment i.e. investment in land / building / plant & machinery and balancing equipment (specify the investment)	:										
12	Date of starting production	:										
13	Details of fixed capital investment of the unit (Head-wise)											
Sl.	Items	As per scheme approved by Financial Institution / DIC	Actual expenditure incurred									
a	Land											
b	Building											
c	Plant & Machinery											
d	Balancing equipment											

e	Electrification & Installation			
f	Loading, unloading, transportation, duties, tax, Inc etc.			
g	IDCO Shed			
	Total			
14	Means of Finance (in Rs.)	Internal Resources -		
		OSFC / Commercial Banks -		
		Other Financing Institutions -		
15.	A/c No. of the Industrial unit			
16.	Name of Bank Branch with IFSC code & MICR No.			

I, Sri _____ S/o _____ at _____ present
 _____ (designation) of M/S _____ (name of the industrial unit
 in Pharmaceutical Sector) certify that the information furnished as above is true and correct to
 the best of my knowledge and belief.

Date-

Signature of the Proprietor / Managing Partner/
 Managing Director / Authorized Signatory in full and on behalf of
 M/s-----

Place-

CHECK LIST
(See Clause- 11.1)

Copies of documents to be attached with the application shall be self-certified by Proprietor / Managing Partner/Managing Director / Authorized Signatory.
(Strike out whichever is not applicable)

1	Entrepreneurs Memorandum- I / Entrepreneurs Memorandum- II, IEM / Industrial License & Production Certificate.																								
2	Power of Attorney / Board Resolution/ Society Resolution, as applicable, while signing as Partner / Managing Director / Authorized person.																								
3	Certificate of registration under Indian Partnership Act1932 / Societies Registration Act-1860 / Certificate of incorporation (Memorandum of association & Article of Association) under Company Act-1956																								
4	Certificate of Migrated industrial unit treated as new industrial unit issued by Director of Industries, Odisha																								
5	Document(s) in support of rehabilitated sick industrial unit treated at par with new industrial unit and duly recommended by State Level Inter Institutional Committee (SLIIC)/BIFR for this incentive.																								
6	Undertaking on non-availment of subsidy earlier on this project as per clause- 11.8.1																								
7	Approved DPR / Project Profile																								
8	Document in support of date of production																								
9	Document in support of date of first investment in fixed capital i.e. investment in land / building / plant & machinery and balancing equipment																								
10	Sanction order(s) of the Term Loan																								
11	Land document –Title Deed / Sale Deed																								
12	Document in support of market value of land assessed by Tahasildar as per clause- 11.1.1																								
13	Copy of Registered Lease Deed in support of land / land & building / building where the lease period is for 30 years or more																								
14	<p>Approved plan for civil construction</p> <p>Certificate(s) from the competent authority against the fixed assets- Balancing equipment. <i>Certificate to be issued by the competent authority / approved consultant for installation of Generator set not less than 10 K.W., transformer and Captive power plant / Pollution Control equipment / Energy conservation equipment / Non-conventional Energy Equipment.</i> (see Clause-11.3)</p> <p>Certified that the application of M/s. _____ located at _____ Dist _____ has been verified and the details of installation of Generator set not less than 10 K.W., transformer and Captive power plant / Pollution Control equipment / Energy conservation equipment / Non-conventional Energy Equipment by the Industrial unit is as follows :</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 5%;">Sl</th> <th style="width: 30%;">Name of Machinery with Specification</th> <th style="width: 15%;">Bill No. & Date (Rs.)</th> <th style="width: 15%;">Duty / Tax/ Ins. etc. (Rs.)</th> <th style="width: 15%;">Cost of installation (Rs.)</th> <th style="width: 10%;">Total (Rs.)</th> </tr> <tr> <th style="text-align: center;">1</th> <th style="text-align: center;">2</th> <th style="text-align: center;">3</th> <th style="text-align: center;">4</th> <th style="text-align: center;">5</th> <th style="text-align: center;">6</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p style="text-align: right; margin-top: 10px;">Signature of <i>competent authority / approved consultant</i> with date & seal,</p>	Sl	Name of Machinery with Specification	Bill No. & Date (Rs.)	Duty / Tax/ Ins. etc. (Rs.)	Cost of installation (Rs.)	Total (Rs.)	1	2	3	4	5	6												
Sl	Name of Machinery with Specification	Bill No. & Date (Rs.)	Duty / Tax/ Ins. etc. (Rs.)	Cost of installation (Rs.)	Total (Rs.)																				
1	2	3	4	5	6																				
16	Copies of bills, vouchers, etc. signed by the entrepreneur / Authorized person in support of Plant & Machinery, Balancing equipment, Electrification & Installation, Loading, unloading, transportation, duties, tax, Inc etc																								
17	Consent to operate issued by State Pollution Control Board, Odisha other than Green Category																								

UNDERTAKING

(Strike out whichever is not applicable)

From

M/s. _____

At/PO _____

Dist. _____

- i) I / We hereby undertake that claim for reimbursement of Subsidy on Plant & Machinery under Pharmaceutical Policy, 2016 is for Rs. ----- (in words).
- ii) I / We shall abide by the terms and conditions prescribed under the provisions of Pharmaceuticals Policy 2016 and its operational guidelines.
- iii) I / We shall repay the Subsidy on Plant & Machinery or any part thereof with penal interest as decided by the authority;
- (a) If the information stated in the application & supporting documents is found to be false/ incorrect / misleading or mis-represented and there has been suppression of facts / materials or if found to have been disbursed in excess of the amount actually admissible for whatsoever reason.
- (b) If the industrial unit goes out of production for a period exceeding six months at a time for any reasons other than labour troubles, want of electric power or for the reason which is beyond the control of entrepreneur / management during the period of incentives.
- iv) This industrial unit has not applied / availed Subsidy on Plant & Machinery in any manner under any other scheme of the State Govt. or the Central Govt. or any Financial Institution(s).

I / we shall furnish its audited financial statements and other periodical statements of each financial year to the RIC / DIC / IPICOL/ Directorate of Industries, Odisha during the period of incentives

Signature of the Proprietor / Managing Partner /
Managing Director / Authorised Signatory of

M/s _____

Date-

OFFICE OF THE GENERAL MANAGER, RIC / DIC----- /
INDUSTRIAL PROMOTION AND INVESTMENT CORPORATION OF ODISHA LIMITED, IPICOL HOUSE,
JANPATH, BHUBANESWAR.

Letter No.----- / Date-----

Acknowledgement

(To be issued by authorized officer / General Manager, RIC / DIC / IPICOL on the day of receipt)
(Strike out whichever is not applicable)

To

Sri _____

M/s. _____

Received the application for ----- under the provisions of
PHARMACEUTICAL POLIY - 2016 and its operational guidelines along with documents mentioned
below from M/s----- At/PO-----Dist. ____ on dt. ----through post / person.

List of documents

- 1.
- 2.
- 3.

Signature of authorized officer / General Manager, RIC/ DIC / IPICOL
with seal & date-----

Annexure- A (3)

(TO BE DISPATCHED TO THE APPLICANT)

OFFICE OF THE GENERAL MANAGER, RIC / DIC----- /
INDUSTRIAL PROMOTION AND INVESTMENT CORPORATION OF ODISHA LIMITED, IPICOL HOUSE,
JANPATH, BHUBANESWAR.

Letter No.----- / Date-----

Acknowledgement

(To be issued by authorized officer / General Manager, RIC / DIC / IPICOL on the day of receipt)
(Strike out whichever is not applicable)

To

Sri _____

M/s. _____

Received the application for ----- under the provisions of
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below from M/s----- At/PO-----Dist. ____ on dt. ----through post
/ person.

List of documents

- 1.
- 2.
- 3.

Signature of authorized officer / General Manager, RIC/ DIC / IPICOL
with seal & date-----

ASSESSMENT OF VALUE OF INVESTMENT
(See Clause- 11.4)

1. The cost of the Project of M/s. _____ as given by the unit has been approved by this institution while sanctioning the term loan.
2. While submitting application for Entrepreneurs Memorandum- I / Entrepreneurs Memorandum – II/ IEM / Industrial License & Production Certificate, the unit has furnished scheme in support of the cost of the project as given below. (This relates to cases approved by concerned authority).
3. We have verified the investment made by the unit & the valuation of the assets acquired vis-à-vis the schematic provision is given below;

Item of Fixed Assets		As per Scheme	Actual Expenditure incurred.
a)	Land		
b)	Building and or IDCO Shed		
c)	Plant & Machinery		
d)	Balancing equipment		
e)	Electrification & Installation		
f)	Loading, unloading, transportation, duties, tax, Inc etc.		
Total			

4. Direct Employment generated by the enterprises is _____ number (comprising of _____ salaried & _____ wage employment)
5. Fixed Capital Investment has been made for the first time for setting up the unit forwarding the application made in **Annexure- B (1)**
6. 1st Fixed Capital Investment has been made on _____ by way of acquisition of _____ (mode of investment)
7. The unit is eligible to get Subsidy on Plant & Machinery @ 10% being in the category A0 / B0 and its Rules & Guidelines and it amounts to Rs. _____ (in words also) Rupees _____
8. It is a working unit.

Signature & Designation of Officer
forwarding the application with seal

FOOT NOTE:

- In case of own or ancestral land, the date of issue of Entrepreneurs Memorandum- I will be the date of first investment.
- In case, land has been purchased after issue of Entrepreneurs Memorandum- I, actual date of purchase of land will be taken as date of first investment.
- In case, the cost of Fixed Assets acquired exceeds the schematic provisions, the reasons with justification for the excess investment should be explained while recommending the proposal.
- A certificate should be furnished by the GM, RIC/ DIC/ Officers DI/IPICOL of that the land on which the industrial unit is established, belongs to the Promoter and that the promoter is the absolute owner of the land.

N.B – Strike out whichever is not applicable.

MODEL AGENDA TO BE PLACED BEFORE SLC
(See Clause- 11.5)

1	Name & Address of the Unit	:	
2	Location of the Unit	:	
3	Name of the District	:	
4	Name of the Proprietor / Mg. Partner / Mg Director	:	
5	Date of receipt of application by DIC	:	
6	Date of issue of EM-I/ EM- II/ IEM /PC No.	:	
7	End Product (s)	:	
8	Installed Capacity	:	Unit - Value- Rs.
9	Financer (Self/OSFC/IPI/Bank)	:	
10	Term Loan (Rs. In Lakh)	:	
11	Date of 1 st Fixed Capital Investment	:	
12	Date of Production	:	
13	Applicability of Pharmaceutical Policy 2016	:	
14	Rate of SPM	:	
15	Investment in Rs		
	a) Land		
	b) Building and or IDCO Shed		
	c) Plant & Machinery		
	d) Balancing equipment		
	e) Electrification & Installation		
	f) Loading, unloading, transportation, duties, tax, Inc etc.		
	Total		
16	Direct employment generated	:	
17	Amount of SPM eligible	:	
18	Present working status	:	
19	Amount of Subsidy sanctioned earlier	:	
20	Amount of SPM recommended	:	

Brief Note on-

- in time submission of application,
- eligibility,
- date of 1st Fixed Capital Investment and mode of investment,
- applicability of Pharmaceutical Policy 2016,
- valuation of the fixed assets acquired vis-à-vis the schematic provision & justification, if there is variation,
- rate of SPM,
- eligible amount of SPM,
- present working status,
- Loan A/c s etc.
- Recommendation / Suggestions, if any.

PROFORMA FOR VALUATION OF CIVIL CONSTRUCTIONS

(See Clause- 12.1.3)

1	Name & address of the Unit	:			
2	Name of the Proprietor / Managing Partner / Managing Director / Director	:			
3	Location of the Unit	:			
4	Land particulars over which civil construction made	:	Mouza		
			Khata No		
			Plot No		
			Total area		
			Area used		
5	Period of Construction	:	Year of Starting	Year of Completion	
6	Date of Valuation	:			
7	Name & designation of Inspecting Officer(s)		1. -		
			2. -		
			3. -		
8	Name of the Proprietor / Mg Partner / Mg Director / Director / Authorized person / Representative of the unit present during valuation with his signature		Name-		
			Signature & date.		
9	Type of Construction				
Sl	Items		Floor	Wall	Roof
			Concrete / AS / chequered tile / others	(Brick or stone in cement, lime or tile mud mortar)	(RCC / CI / AC)
					(Steel / Wooden)
a	Factory				
b	Godown				
c	Office				
d	R & D Lab / Testing Lab				
e *	Civil constructions for pollution control, energy conservation, installation of non-conventional energy equipment, power generation, transformer, gas plant, water/waste water treatment plant, rain water harvesting & charging etc				
f	Store				
g	Well (Bore well / Open well)				
h	Overhead Tank (RCC / Brick)				
i	Compound Wall / Gate / Barbed				
j	Wire Fencing				
10	Description of Building Constructed				
A	Items		Plinth (L x B)	Plinth area rate of complete building in Rs./sq. ft as per	Valuation

			approved norms of OSFC	(Rs.)
a	Factory			
b	Godown			
c	Office			
d	R & D Lab / Testing Lab			
e	Civil constructions for pollution control, energy conservation, installation of non-conventional energy equipment, power generation, transformer, gas plant, water treatment plant, rain water harvesting & charging etc			
f	Store			
g	Well (Bore well / Open well)			
h	Overhead Tank (RCC / Brick)			
i	Compound Wall / Gate / Barbed			
j	Wire Fencing			
			Total	
B	Type of Pillars (If this is a framed structure or open type building – indicate whether pillars are with RCC / Brick / Wood / Steel)			

Certified that the assets as valued above were verified during my / our inspection on date _____ and are actually needed for the industry.

Signature of GM, RIC/DIC or Officers of IPICOL / DI

Date-

Date-

- N.B:
1. For items not applicable, give 'X'.
 2. In all cases insist for a Plan (approved plan if located in Urban area)
 3. While making valuation of the civil construction, the period of construction should be indicated.

**PROFORMA FOR VALUATION OF PLANT & MACHINERY AND BALANCING EQUIPMENT,
ELECTRIFICATION & INSTALLATION
(See Clause- 12.5)**

Sl	Name with detailed specifications	Name & address of the approved supplier	Date of Supply	Bill No. & Date	Cost	Duty / Tax/ Ins. etc.	Total cost of the assets (6 & 7)	Remarks
1	2	3	4	5	6	7	8	9
1								
2								
3								

Certified that the assets as above have been verified during my / our inspection on date _____ and are new. The Cost has been duly paid for and found to be working in the factory premises of the unit and actually required in process of operation.

► Required certificate from competent authority against the fixed assets (see Clause-11.3) is appended to this statement.

Signature of GM, RIC/DIC or Officers of IPICOL / DI	
Date-	Date-

PROFORMA FOR VALUATION OF SECOND-HAND PLANT & MACHINERY AND BALANCING
EQUIPMENT, ELECTRIFICATION & INSTALLATION
(See Clause- 12.8)

(in Rupees)

Sl	Name with detailed specifications	Name & address of the original and subsequent owners	Date of Sale	Sale Value	Original cost with Bill No. & Date	Depreciation	Cost of the assets	Remarks
1	2	3	4	5	6	7	8	9
1								
2								
3								

Certified that the acquired second-hand Plant & Machinery and balancing equipment have physically been verified during our inspection on date _____ and found to be working in the factory premises in good condition and capable of satisfactory production for a period not less than five years starting from the date of commercial production. The cost of the assets have been duly paid for and actually required in process of operation.

Signature of
General Manager
Regional/ District Industries Centre/
Officers of IPICOL / DI
with date & seal

SANCTION LETTER
(See Clause- 13.2)
OFFICE OF THE DIRECTOR OF INDUSTRIES, ODISHA, CUTTACK.
Lt. No. ----- Dt-----
(Strike out whichever is not applicable)

To

M/s. _____
At _____
PO _____
Sub-Division _____
Dist. _____
(Location of the Industrial Unit / Registered Office Address)

Sub: Sanction of Subsidy on Plant & Machinery @ 10% of investment (A0/B0) under Pharmaceutical Policy, 2016.

Ref: Your application for Capital Investment Subsidy dated -----.

Dear Sir,

We are pleased to inform you that the State Level Committee in its meeting held on _____ have sanctioned Subsidy on Plant & Machinery of Rs. _____ (Rupees _____) only in favour of your unit @ of 10 % of investment Pharmaceutical Policy, 2016.

The said sanction of subsidy is subject to the following conditions in addition to the conditions prescribed under the scheme.

2. From the evidence furnished by you from time to time for the purpose of sanction of subsidy (SPM), the investment in P & M of the unit already set up has been estimated as under.

- a) Plant & Machinery
- b) Balancing equipment
- c) Electrification & Installation
- d) Loading, unloading, transportation, duties, tax, Inc etc.

Total

Based on the above, the amount of 10 % subsidy (SPM) to which you are entitled to is determined at Rs. _____.

3. The above sanctioned can be disbursed in full subject to availability of funds on subsidy on P & M account for your unit at _____. An attested copy of the sanction letter of any of the bank from whom loan has been obtained for financing the project should also be furnished.

4. You shall have to furnish advance stamped receipt in triplicate for each instalment of disbursement on the following proforma on the letterhead of the unit.

"Received with thanks from _____ sum of Rs. _____ (Rupees _____) only by cheque / draft No. _____ dated _____ on account of 10 % capital investment subsidy (CIS) on

Plant & Machinery as per the terms and conditions laid down in the agreement executed by us on _____.

5. You shall also have to execute an agreement and the agreement shall be on stamp paper of Rs.-----, which shall be kept by us / Inspector General Registration.

6. The agreement should be executed by the proprietor, in the case of proprietary concern,

7. In case of partnership, agreement should be executed by all the partners; however, if any one of the partner hold a general power of attorney, he may execute the agreement on behalf of the remaining partners. In that case, please furnish a certified copy of the partnership deed registered with Registrar of Firms under Indian Partnership Act, 1932.

8. Erasures, if any should be properly, initialled No. blank should be left in the agreement and all the blanks should be filled in with proper initials.

9. Along with the above agreement duly executed, you are requested to furnish a certified true copy of the resolution passed by the Board of Director of your company for availing and utilizing the CIS sanctioned. (This is applicable in case of limited company).

10. You shall also have to produce a Certificate on the working status of your unit from your financier duly countersigned by the concerned GM, RIC/ DIC.

Yours faithfully,

Director of Industries, Odisha,

Memo No----- Date-----

Copy forwarded to Managing Director, IPICOL, GM-----, RIC/ DIC for information and necessary action.

Director of Industries, Odisha

AGREEMENT
(See Clause- 13.4)

This INDENTURE made in this _____ day of _____, 20____ between a private / public limited company incorporated under companies Act, 1956, a cooperative society registered under the Orissa Cooperative Society Act 1962 and having its registered office at _____

OR

Carrying on business as a sole Proprietor / Partner / Director / Managing Director / Trustee / others in the firm with the name and style of M/s. _____ having its office at _____ hereinafter called the entrepreneur (which expression shall unless it be repugnant to the context or meaning there of be deemed to include its successor or successors and assigns / the partners for the time being of the said firm and their assigns / his / their, executors, administrators and assigns) of the first part,

And

The Joint / Additional Director of Industries, Directorate of Industries, Odisha, representing the Governor of Odisha, exercising the executive powers of the Government of the State of Odisha (here in after referred to as "the Governor" which expression shall unless it be repugnant to the context or meaning the thereof be deemed to include his successor of successors and assigns) of second part, as :-

- a) The Government of Odisha have framed a scheme as Subsidy on Plant & Machinery under the provisions of Pharmaceutical Policy, 2016, for the Industrial units with a view to promote growth of Industries standing therein that Government of Odisha will grant a subsidy to the Project Proponent who set up new industries in the districts of the State if the said parties satisfy the terms and conditions laid down under the Policy and its Rules & Guidelines which shall be deemed to be a part of this agreement.
- b) The Government of Odisha (hereinafter referred to as the Government has appointed the Director of Industries to act as the Disbursing Agency of the said investment subsidy.
- c) The Entrepreneurs have set up an industries at _____ on plot No. _____ Khata No. _____ measurement of area _____ Mouza _____ District _____ standing in the name of _____ and have satisfied other conditions of the capital investment subsidy scheme and have, therefore, become entitled to the benefits under the said Subsidy on Plant & Machinery scheme.
- d) The entrepreneurs by their application dated the day of _____ 20__ applied to the Government for the grant of (Rupees _____) @ 10 % Subsidy on Plant & Machinery amounting to Rs. _____ (Rupees _____) and whereas:-
 - i) Relying on the said application and subsequent representations made by the entrepreneurs, the Government have sanctioned 10 % subsidy on Plant & Machinery of Rs. _____ and the DI has agreed to pay the same on behalf of the Government to the entrepreneur on their executing the necessary documents as hereinafter appearing and creating the fixed assets to the tune of Rs. _____

ii) Now this INDENTURE witnesses and it is hereby agreed by and between the parties hereto as under :-

1. In consideration of the Government agreeing to give to the entrepreneurs under the said scheme, in such instalments the Government in its sole discretion think fit, an aggregate amount of _____ and by way of the subsidy on Plant & Machinery to the entrepreneurs creating the fixed assets of Rs. _____ for the purpose of the said unit and the entrepreneurs do and each of them do hereby covenant with the Government as under:-
2. The DI, Odisha will be entitled in its sole discretion to make disbursement of the Subsidy on Plant & Machinery or of any part thereof of either in one or more instalments to the party on it complying with the terms & conditions of the Subsidy on investment scheme and of this agreement.
3. In the event of the State Level Committee ultimately deciding for any reasons whatsoever that the entrepreneurs are entitled to a lesser amount of subsidy the excess amount of the Subsidy on Plant & Machinery shall be repaid by the entrepreneurs to the DI, Odisha along with interest thereon @ 12 ½% per annum or such other rate as the Government might decide from time to time from the date of payment of the said amount of Rs. _____ or any part thereof paid under this agreement till the repayment.
4. The entrepreneurs shall duly observe and perform the covenants and the conditions to be observed and performed by him / them under the said scheme.
5. The entrepreneurs shall not without prior approval of the State Level Committee change the location of the whole or any part of the industrial unit or affect any substantial change in the said project within a period of 5 years from the commercial production of the unit.
6. The entrepreneurs shall promptly furnish all the information asked for to the RIC / DIC, _____ / IPICOL/ Director of Industries / Government and also furnish certified copies of its audited balance sheet and profit & loss amount within a period of 6 months from the end of the year and also such other periodicals statements in such form and by such dates as may be prescribed by the Government from time to time to the RIC/ DIC, _____ / IPICOL/Director of Industries, Orissa / State Government.
7. The said sum of Rs. _____ or such part thereof as may have been till then paid by the Government to the entrepreneurs shall become forthwith repayable by the entrepreneurs to the Government in each and every of the following events namely ;-
 - a) If the entrepreneurs go out of production within 5 years from the date of start of production.
 - b) (i) If the entrepreneur(s) change(s) the location of whole or any part of the industrial unit or effect any substantial construction or disposal of substantial part of their total fixed capital investment within a period of 5 years after going into commercial production.
(ii) If any information furnished by the entrepreneur (s) in his / their application for the subsidy or otherwise particularly regarding location, capital investment

and production, capacity of the said unit prior to the sanctioning of the sum of Rs. _____ as the subsidy is found to be incorrect or false or misleading and there has been suppression of any material / facts.

- c) If a distress of execution shall be levied upon any property of the entrepreneurs or any part of the said factory or a receiver thereof is appointed.
 - d) If the entrepreneurs shall commit a breach of any one of the covenants or provisions herein contained and on his / their part to be observed and performed.
 - e) If the entrepreneurs close the said factory for a period exceeding 6 months at a time for reasons other than the labour troubles, want of electric power or raw material or shall cease to carry on business for any reason whatsoever within 5 years from the date of commercial production.
 - f) If the entrepreneurs or any of them file a petition for being adjudicated as insolvent or are / is adjudicated as insolvent.
 - g) If any petition for winding up the entrepreneurs company is presenting to any court or the entrepreneurs company passes any resolution for being wound up.
 - h) If the entrepreneurs fail or neglect to forth with execute such further documents as may be required by the Government or to duly comply with any direction given to it by the Government or the RIC/ DIC. In each one of the aforesaid contingencies the entrepreneurs are to repay the whole amount mentioned above with interest thereon @ 12 ½% per annum or such rate as the Government might decide from time to time from the date of disbursement of the subsidy till the repayment.
8. Whenever any sum due and payable by the entrepreneur under these presents shall be in arrears the same shall be deemed to be public demand and may without prejudice to any other right and the remedies of the Government be recovered from the entrepreneurs as a public demand under the Orissa Public Demand Recovery Act, 1962.
9. The entrepreneurs shall permit any person or persons authorized by the Government in that behalf at any time and from time to time during the usual time or business to inspect and examine any part of the said factory and shall render to him / them such assistance as may be required for the Government and furnish to such person or person as aforesaid all such information relating to the said factory as may be required by such person or persons.
10. The entrepreneurs shall observe and perform all instruction and direction that may be issued from time to time by the Government or the DI, Odisha or IPICOL or RIC / DIC, _____ in relation to utilisation of the said sum of Rs. _____ and shall for 7 years hereinafter submit to the Government yearly periodical progress reports on the working of the said unit at the time and the form prescribed by Government or the Corporation.

11. The entrepreneurs shall -

- a) Furnish further information asked for by the Government of Odisha or by the State Level Committee or by the RIC/ DIC, _____/IPICOL/DI, Odisha from time to time.
- b) Furnish to the RIC/ DIC, _____/IPICOL certified copies of the annual statement of accounts including the balance sheet and also periodical statements in such form and by such dates as may be prescribed by the Government or the RIC/ DIC, _____ from time to time.
- c) Furnish true copies of documents as may be required by the Government or the RIC/ DIC, _____/IPICOL/DI, Odisha.

12. In the event of any dispute or difference arising between the parties hereto in respect of or in relation to this agreement or any provision herein contained either during the subsistence of this agreement or thereafter the same shall be referred to the sole arbitration or a suitable person acceptable to the entrepreneurs as well as the Government and / or the RIC/ DIC, _____/IPICOL/DI, Odisha or any other person nominated by Govt. and his decision thereof shall be final and binding on the parties. Such arbitration shall be under the provision of the Arbitration Act, 1940 and shall be held in **Cuttack**.

13. The entrepreneurs agree that in respect of any matters arising under this agreement the courts at Cuttack along with have exclusive jurisdiction and that the entrepreneurs submit to the same will not object that the courts at Cuttack have no jurisdiction for any reason whatsoever.

14. In the event of any action arising under any of the clause herein above the entrepreneurs agree to pay to the DI, Odisha the legal charges and such other costs as the DI, Odisha may be required to incur in connection with the aforesaid action.

15. The entrepreneurs agree to bear and pay all the costs charged and the expenses incidental to the preparation and the execution of the agreement.

In Witness whereof, of parties hereto have affixed their common seal of this writing the day and year first herein above written.

The common seal of:

Is there into affixed pursuant to the resolution of the Board of Directors of the company passed on the day of _____ in the presence of who has / have put his/their signatures.

In token of his / their presence in the presence of _____

In the witness thereof the entrepreneurs have put their (Respective land here today _____ year herein above written)

Signed and delivered by the _____

With name in the presence of

Witness

1.

2.

Signature of Officer

Acting in the premises for on behalf of the Government of Orissa in the presence of

Witness

1.

2.

Signature of

19377200022017