

Government of Odisha
MSME Department

NOTIFICATION

No. II-MSME-2/2017 614/MSME, Bhubaneswar, the 31st January, 2017

Sub: Operational Guidelines for Sanction and Disbursement of Capital Investment Subsidy under Odisha MSME Development Policy- 2016 (See Para 6.1 of Odisha MSME Development Policy-2016)

1. **Short Title:** "Operational Guidelines for Sanction and Disbursement of Capital Investment Subsidy" under Odisha MSME Development Policy-2016.
2. **Extent:** It shall extend to the whole of the State of Odisha.
3. **Commencement:** It shall come into force with effect from 24th November, 2016 i.e. date of Notification of Odisha MSME Development Policy-2016.
4. **Policy Provisions: "Capital Investment Subsidy"**

Sl.	Category of Enterprise	Quantum of Assistance
1.	New Micro & Small Enterprises	@ 25% of capital investment made in Plant & Machinery subject to an upper limit of Rs.1 crore only.
2.	New Micro & Small Enterprises owned by SC, ST, Differently abled, Women & Technical (Degree / Diploma) entrepreneur.	@ 30% of capital investment made in Plant & Machinery subject to an upper limit of Rs.1.25 crore only.
3.	New Micro & Small Enterprises set up in industrially backward districts including KBK districts.	Additional capital investment subsidy @ 5% of investment made in Plant & Machinery with an upper limit prescribed at sl.1 & 2 above as applicable.
4.	New Micro & Small Enterprises engaged in recycling of E-waste, Hospital waste, Construction & demolition waste.	Additional capital investment subsidy @ 5% of capital investment made in Plant & Machinery subject to an upper limit of Rs.10 lakh over and above the limits specified as above.

Note: For the Enterprises set up by SC / ST / Differently Abled / Women / Technical Degree or Diploma holders, their stake in equity participation / shareholding shall be 51% or more individually or jointly."

5. **Terms and Expressions:** Terms and expressions used in this Operational Guidelines, but not specifically defined here, shall have the same meaning as in Odisha MSME Development Policy-2016.
- 5.1 **Scheduled Caste Entrepreneur / Scheduled Tribe Entrepreneur:** Person(s) belonging to Scheduled Caste / Scheduled Tribe, managing enterprise in proprietary concern or in which he / she / they individually or jointly has or have a share capital of not less than 51% as partner(s) / share holder(s) /

- Director(s) of Private Limited Company / Member(s) of Co- Operative Society and issued with Scheduled Caste Certificate / Scheduled Tribe Certificate by the competent authority such as District Magistrate / Collector, Additional District Magistrate, Sub-divisional Magistrate / Sub-divisional Officer, Revenue Officers not below the rank of Tahasildar / Additional Tahasildar or authority declared competent by the State Government for the purpose.
- 5.2 Differently abled Entrepreneur: Person (s) managing enterprise in proprietary concern or in which he / she / they individually or jointly has or have a share capital of not less than 51% as partner(s) / share holder(s) / Director(s) of Private Limited Company / Member(s) of Co-operative Society and preferred with interchangeable terms like physically / mentally challenged, handicapped, impaired, disabled and holding Certificate to this effect by Medical Authority / State / District Medical Board / Govt. Hospitals notified by the State Government / Union Territory Administration or authority declared competent by the State Government / Union Territory Administration for the purpose.
- 5.3 Women Entrepreneur: Woman managing enterprise in proprietary concern or in which she / they individually or jointly has or have a share capital of not less than 51% as partner(s) / share holder(s) / Director(s) of Private Limited Company / Member(s) of Co-operative Society or as defined by Ministry of MSME, Government of India.
- 5.4 Technical (Degree / Diploma) Entrepreneur: Person(s) having Degree in Engineering / Technology from accredited Institution / University or equivalent Bachelor Degree approved under Ministry of Human Resources Development (Education) Govt. of India or having Diploma in Engineering / Technology from accredited Institution under State Board of Technical Education / All India Council of Technical Education managing enterprise in proprietary concern or in which he / she / they individually or jointly has or have a share capital of not less than 51% as partner(s) / share holder(s) / Director(s) of Private Limited Company / Member(s) of Co-operative Society.
- 5.5 Industrially backward districts including KBK districts: Kalahandi, Nuapada, Bolangir, Subarnapur, Koraput, Malkangiri, Rayagada, Nabarangapur, Kandhamal, Gajapati & Mayurbhanj.
- 5.6 Recycling of E-waste: The "e" in e-waste stands for "electronics." Generally, e-waste describes discarded electrical or electronic devices. Recycling of E-waste refers to recycling / processing of electrical and electronic equipment, whole or in part discarded as waste by the consumer or bulk consumer as well as rejects from manufacturing, refurbishment and repair processes. Micro / Small Enterprises shall have been granted with authorization for recycling /

processing of E-waste by State Pollution Control Board under the provisions of E-Waste (Management) Rules, 2016 or as amended by the Govt. from time to time.

- 5.7 Recycling of Hospital waste: Refers to recycling / processing of bio medical waste in any form generated during the diagnosis, treatment or immunisation of human beings or animals or research activities pertaining thereto from hospitals, nursing homes, clinics, dispensaries, veterinary institutions, animal houses, pathological laboratories, blood banks, ayush hospitals, clinical establishments, research or educational institutions, health camps, medical or surgical camps, vaccination camps, blood donation camps, first-aid rooms of schools, forensic laboratories and research labs etc. Micro / Small Enterprises shall have been granted with authorization for recycling / processing of such bio-medical waste by State Pollution Control Board under the provisions of Bio-Medical Waste Management Rules, 2016 or as amended by the Govt. from time to time.
- 5.8 Recycling of Construction & demolition waste: Recycling / processing of waste comprising of building materials, debris and rubble resulting from construction, re-modelling, renovation, repair and demolition of any civil structure. Micro / Small Enterprises shall have been granted with authorization for recycling / processing of construction & demolition waste (CDW) by State Pollution Control Board under Construction & Demolition Waste Management Rules, 2016 or as amended by the Govt. from time to time.
- 5.9 Balancing Equipment: Generally means equipment required for debottlenecking the production process.

6. **Eligibility:**

- 6.1 New Micro and Small Enterprises as defined in Annexure I of Appendices of Odisha MSME Development Policy, 2016 where fixed capital investment has commenced on or after 24th November, 2016 i.e. effective date of Odisha MSME Development Policy-2016 and gone into production within three years from the date of starting first fixed capital investment.
- 6.2 Where period of implementation of projects (new Micro and Small Enterprises) exceeds stipulated period of three years due to force majeure (reasons like natural calamities), if such delay shall have been condoned by Empowered Committee.
- 6.3 New Micro and Small Enterprises shall have been acknowledged with Entrepreneurship Identification Number (EIN) and or Production Certificate (PC) from the RIC / DIC.
- 6.4 Enterprises / activities which are declared ineligible as in Annexure II of

Appendices of Odisha MSME Development Policy, 2016 to avail incentives shall not be entitled to get Capital Investment Subsidy (CIS).

- 6.5 Any portion / part / whole of Plant and Machinery for which subsidy have been availed under any other scheme(s) / source(s) shall not be entitled for CIS under this Policy.
- 6.6 Expansion / Modernization / Diversification of an enterprise shall not be entitled for CIS.
- 6.7 New Micro and Small Enterprises financed by Banks / Financial Institutions shall be required to get their projects appraised and or approved by the Financial Institutions / Bank(s). New Micro and Small Enterprises set up **without** financial assistance from Financial Institutions / Bank(s) will be required to get their projects approved by the RIC / DIC concerned.
- 6.8 The eligible New Micro and Small Enterprises shall furnish a VAT clearance Certificate till notification of GST. Post Notification of GST, it may be suitably revised / changed.
- 6.9 Identified viable sick Micro & Small Enterprises treated at par with new industrial unit shall avail Capital Investment Subsidy after rehabilitation provided such Micro Enterprise / Small Enterprises have not availed Capital Investment Subsidy from any source under any Policy / scheme before or after rehabilitation and subject to fulfilment of relevant conditions as stipulated as above provided CIS is the one of the constituents of rehabilitation package.
7. **Date of Commencement of Production:** The date determined and recorded in the Production Certificate of Micro & Small Enterprises by RIC / DIC.
8. **Time Limit for filing CIS application:**
 - 8.1 Eligible Enterprise shall file its claim for Capital Investment Subsidy in the prescribed Application Form complete in all respect, **within one year** from the date of commencement of production / **within one year** from the date of notification of this Operational Guidelines, whichever is later.
 - 8.2 Eligible rehabilitated sick Micro & Small Enterprises as in Para-6.9 of this Operational Guidelines shall file its claim for Capital Investment Subsidy in the prescribed Application Form complete in all respect, **within one year** from the date of commencement / resumption of production after rehabilitation / **within one year** from the date of notification of this Operational Guidelines, whichever is later.
 - 8.3 CIS Application received after the due date / incomplete in any respect shall be liable to be summarily rejected. There shall be no consideration for

condonation of delay in filing CIS application.

9. Quantum of Assistance applicable:

- 9.1 Eligible new Micro & Small Enterprises set up in general area (not in industrially backward districts including KBK districts) and owned by general category entrepreneur [not by SC, ST, Differently abled, Women & Technical (Degree / Diploma) entrepreneur] shall be entitled for CIS @ 25% of capital investment made in Plant & Machinery subject to an upper limit of Rs.1 crore only.
- 9.2 Eligible new Micro & Small Enterprises set up in industrially backward districts including KBK districts and owned by general category entrepreneur [not by SC, ST, Differently abled, Women & Technical (Degree / Diploma) entrepreneur] shall be entitled for CIS @ 25% + additional 5% of capital investment made in Plant & Machinery subject to an upper limit of Rs.1 crore only.
- 9.3 Eligible new Micro & Small Enterprises set up in general area (not in industrially backward districts including KBK districts) and owned by general category entrepreneur [not by SC, ST, Differently abled, Women & Technical (Degree / Diploma) entrepreneur] and engaged in recycling of E-waste, Hospital waste, Construction & demolition waste shall be entitled for CIS @ 25% of capital investment made in Plant & Machinery subject to an upper limit of Rs.1 crore and additional capital investment subsidy @ 5% of capital investment made in Plant & Machinery subject to an upper limit of Rs.10 lakh over and above the limit of Rs.1 crore.
- 9.4 Eligible new Micro & Small Enterprises set up in industrially backward districts including KBK districts and owned by general category entrepreneur [not by SC, ST, Differently abled, Women & Technical (Degree / Diploma) entrepreneur] and engaged in recycling of E-waste, Hospital waste, Construction & demolition waste shall be entitled for CIS @ 25% + additional 5% of capital investment made in Plant & Machinery subject to an upper limit of Rs.1 crore and additional capital investment subsidy @ 5% of capital investment made in Plant & Machinery subject to an upper limit of Rs.10 lakh over and above the limit of Rs.1 crore.
- 9.5 Eligible new Micro & Small Enterprises set up in general area (not in industrially backward districts including KBK districts) and owned by SC, ST, Differently abled, Women & Technical (Degree / Diploma) entrepreneur shall be entitled for CIS @ 30% of capital investment made in Plant & Machinery subject to an upper limit of Rs.1.25 crore only.
- 9.6 Eligible new Micro & Small Enterprises set up in industrially backward districts including KBK districts and owned by SC, ST, Differently abled, Women &

Technical (Degree / Diploma) entrepreneur shall be entitled for CIS @ 30% + additional 5% of capital investment made in Plant & Machinery subject to an upper limit of Rs.1.25 crore only.

- 9.7 Eligible new Micro & Small Enterprises set up in general area (not in industrially backward districts including KBK districts) and owned by SC, ST, Differently abled, Women & Technical (Degree / Diploma) entrepreneur and engaged in recycling of E-waste, Hospital waste, Construction & demolition waste shall be entitled for CIS @ 30% of capital investment made in Plant & Machinery subject to an upper limit of Rs.1.25 crore and additional capital investment subsidy @ 5% of capital investment made in Plant & Machinery subject to an upper limit of Rs.10 lakh over and above the limit of Rs.1.25 crore.
- 9.8 Eligible new Micro & Small Enterprises set up in industrially backward districts including KBK districts and owned by SC, ST, Differently abled, Women & Technical (Degree / Diploma) entrepreneur and engaged in recycling of E-waste, Hospital waste, Construction & demolition waste shall be entitled for CIS @ 30% + additional 5% of capital investment made in Plant & Machinery subject to an upper limit of Rs.1.25 crore and additional capital investment subsidy @ 5% of capital investment made in Plant & Machinery subject to an upper limit of Rs.10 lakh over and above the limit of Rs.1.25 crore.

10. Constitution and Powers of District Level Committee (DLC) and State Directorate Level Committee (SDLC):

- 10.1 **District Level Committee (DLC):** There shall be a District Level Committee in each RIC / DIC which shall be the competent authority to sanction Capital Investment Subsidy in favour of Micro Enterprises. The District Level Committee shall comprise of following members:

1	General Manager, RIC / DIC	Chairman-cum-Convenor
2	Branch Manager, OSFC - concerned	Member
3	Manager / Asst. Manager, RIC / DIC dealing with the subject	Member
4	Divisional Head of IDCO or His representative	Member
5	Branch Manager(s) of Financing Bank (s) (Bank / FI financed the enterprise whose CIS claim is placed in the Committee)	Member (s)
6	District Agriculture Officer	Member
7	Asst. Commissioner / Deputy Commissioner, Commercial Tax	Special Invitee

- 10.1.1 District Level Committee shall meet once in every two month or as often as necessary. Chairman may invite any other officer / agency concerning the sector for which applications are under consideration.

- 10.1.2 The RIC / DIC concerned shall provide secretarial services to District Level

Committee.

- 10.1.3 The District Level Committee shall go into merits of CIS Application of each Micro Enterprise and decide whether the enterprise qualifies for grant of capital investment subsidy and shall also decide the quantum of CIS admissible to the enterprise.
- 10.1.4 The District Level Committee may accord sanction / rejection of the CIS claim of Micro Enterprises or refer the same to the State Directorate Level Committee with sufficient reasons and recommendations for decision.
- 10.1.5 Proceedings of each DLC meeting shall be recorded by the Convener & approved by the Chairman and shall be circulated to all members.
- 10.1.6 District Level Committee (DLC), as constituted above, shall also be competent authority to accord necessary sanction of Project Report Subsidy, Reimbursement of Audit cost for Water Conservation, Trade Mark Assistance and Reimbursement of Training Expenditure under Odisha MSME Development Policy 2016.
- 10.2 **State Directorate Level Committee (SDLC):** The State Directorate Level Committee with following composition shall be the competent authority to accord sanction / rejection of the CIS claims of Small Enterprises and Micro Enterprises referred by District Level Committee.

1	Director of Industries, Odisha	Chairman
2	Managing Director / representative, OSFC	Member
3	Managing Director / representative, IDCO	Member
4	Managing Director / representative, APICOL	Member
5	Branch Manager (s) of Financing Bank (s) (Bank / FI financed the project whose CIS claim is placed in the Committee)	Member (s)
6	Joint Commissioner, Commercial Tax.	Member
7	General Manager RIC / DIC whose referred Micro Enterprise and or Small Enterprise proposal is placed in the Committee	Member
8	Additional Director of Industries / Joint Director of Industries	Member- Convener

- 10.2.1 State Directorate Level Committee shall meet once in every two month or as often as necessary. Chairman may invite any other officer / agency concerning the sector for which applications are under consideration.
- 10.2.2 The Directorate of Industries, Odisha shall provide secretarial services to SDLC.
- 10.2.3 The State Directorate Level Committee shall go into merits of CIS Application of each Small Enterprises and Micro Enterprise referred by DLC and decide whether the enterprise qualifies for grant of capital investment subsidy and shall also decide the quantum of CIS admissible to the enterprise.
- 10.2.4 The State Directorate Level Committee may accord sanction / rejection of the

CIS claim of Small Enterprises and Micro Enterprises referred by DLC. In case of any doubt relating to interpretation of any term and or dispute relating to Policy provisions for CIS, the same may be referred to MSME Department for clarification / resolution.

10.2.5 Proceedings of State Directorate Level Committee meeting shall be recorded by the Convener, approved by the Chairman and circulated to all members.

10.2.6 The State Directorate Level Committee shall discharge all other functions as may be necessary and subservient to the sanction and disbursement of incentives prescribed under this Policy and shall also regulate / monitor the implementation of the same.

10.2.7 State Directorate Level Committee (SDLC), as constituted above, shall also be competent authority to accord necessary sanction of Assistance for raising Capital through SME Exchange under Odisha MSME Development Policy 2016.

11. Determination of First Date of Fixed Capital Investment:

11.1 The date of acknowledgement of Entrepreneurship Identification Number (EIN) shall be on or after the effective date (dt.24.11.2016) viz. date of Notification of Odisha MSME Development Policy-2016.

11.2 In case of own or ancestral land / land & building, the date of acknowledgement of Entrepreneurship Identification Number (EIN) shall be the date of first investment.

11.3 In case, land has been purchased after acknowledgement of Entrepreneurship Identification Number (EIN) and capital investment has been made on building, plant & machineries and balancing equipment subsequently, actual date of purchase of land as per registered Sale Deed will be taken as date of first investment.

11.4 In case of lease hold of IDCO land / IDCO land & shed / IDCO building, the date of payment of money towards cost of such IDCO land / IDCO land & shed / IDCO building shall be the date of first investment provided plant & machineries and balancing equipment are acquired later on. (Generally, allocation of IDCO land / IDCO land & shed / IDCO building is made after acknowledgement of EIN)

11.5 In case, where plant & machineries and balancing equipment are acquired after acknowledgement of EIN and before making payment of money towards cost of such IDCO land / IDCO land & shed / IDCO building, the first date of purchase of plant & machineries / balancing equipment which happens first shall be the date of first investment.

11.6 In case of private lease-hold land / private lease-hold land & building, where investment for construction of building & civil works / acquisition of plant & machinery and balancing equipment is made after acknowledgement of EIN,

the first date of investment towards construction of building & civil works / acquisition of plant & machinery / balancing equipment which is made first, shall be the date of first investment. [If 1st date of investment is considered against investment made in construction of building and civil works, the expenditure incurred towards purchase of building material should exceed 10% of cost envisaged for building and civil works in Detailed Project Report (DPR), the date of attaining such expenditure shall be treated as date of first investment].

11.7 In case of Enterprise who made new investment after the effective date (dt.24.11.2016) of the Odisha MSME Development Policy-2016 on the existing land towards building and plant & machinery, the date of acknowledgement of Entrepreneurship Identification Number (EIN) shall be the date of first investment.

12. **Assessment of Capital Investment in Plant & Machinery:**

12.1 The value of plant & machinery as installed at enterprise site shall be taken into account.

12.2 The cost new plant & machinery acquired as on the date of commencement of production shall be considered for computation of CIS. The same acquired after the date of commencement of production shall not be considered for the purpose.

12.3 The cost of second-hand plant & machinery acquired shall not be considered for computation of capital investment subsidy.

12.4 In calculating the value of plant & machinery, the following shall be **excluded**, namely:

- i) the cost of equipment such as tools, jigs, dies, moulds and spare parts for maintenance and the cost of consumable stores,
- ii) the cost of installation of plant & machinery,
- iii) the cost of Research & Development equipment and pollution control equipment,
- iv) the cost of generation sets, extra transformer etc installed,
- v) the bank charges and service charges paid,
- vi) the cost involved in procurement or installation of cables, wiring, bus bars, electrical control panels (not those mounted on individual machines), oil, circuit breakers / miniature circuit breakers etc. which are necessarily to be used for providing electric power to the plant and machinery / safety measures,
- vii) the cost of gas producer plants,
- viii) transportation charges (excluding of taxes e.g. Sales Tax, Excise etc.) for indigenous machinery from the place of manufacturing to the site of factory,
- ix) charges paid for technical know-how for erection of plant & machinery,

- x) cost of such storage tanks which store raw materials, finished products only and are not linked with the manufacturing process, and
- xi) cost of fire-fighting equipment,
- xii) cost of cylinders for supply of gas.

In case of imported machinery, the following shall be **included** in calculating the value, namely:

- (i) import duty (excluding miscellaneous expenses as transportation from the port to the site of factory, demurrage paid at the port),
- (ii) the shipping charges,
- (iii) custom clearance charges, and
- (iv) VAT& CST paid thereon.

- 12.5 The claim for CIS against new plant & machinery shall be supported with Bills & vouchers. Where the new plant & machinery have been procured from the Supplier(s) of outside the State, such Bills & vouchers checked / verified by the Commercial Tax authority only shall be taken in to consideration (as amended on introduction of GST). The view / opinion of Commercial Tax authority may be taken into account, if felt necessary.
- 12.6 In case, the cost of plant & machinery acquired exceeds the schematic provisions (as in approved DPR), the reasons for the excess investment should be explained by the enterprise and while recommending the proposal, the RIC / DIC shall also furnish justification thereof.
- 12.7 The cost of land, building, balancing equipment, electrification including, wiring, installation of cables, bus bar, electrical panels (not mounted on individual machines), circuit breakers etc., installation & erection and fixed assets of permanent nature including the amount invested on purchase of goods carriers utilized for transport of raw materials and marketing of the finished products etc. shall not be considered towards computation of Capital Investment Subsidy. But the enterprise shall fulfil the following conditions.
- 12.7.1 Land / land & building / building / shed shall be in the name of enterprise / Company **represented through** its proprietor / partner(s) / Director (s) / share-holder (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 may be leased out vide registered lease deed in favour of the enterprise for a minimum period of **ten** years.
- 12.7.2 A certificate should be furnished by the General Manager, RIC / DIC that the land except lease hold on which the enterprise is established, belongs to the Promoter / firm / Company and that the Promoter / firm / Company is the absolute owner of the land.

- 12.7.3 The building & civil works shall be accompanied with Plan layout, wherever applicable.
- 12.7.4 Registered Office of the enterprise / firm shall be in Odisha. Enterprises / firms / company whose Registered Office were outside the State before starting an enterprise in Odisha, in such cases the Enterprise / firm may be allowed to retain their Registered Office outside the State subject to following conditions.
- 12.7.4.1 Enterprises / firms / company should give an undertaking that they would continue to retain their purchase office within the State of Odisha and would give consideration and concession facilities to local units on merit in their purchase.
- 12.7.4.2 Undertake to give due consideration to local persons for employment.
- 12.7.4.3 Enterprises / firms / company should agree that they would be subject to the jurisdiction of competent Courts within Odisha in the matter of recovery and labour related matters.

13. **Procedure:**

- 13.1 Micro & Small Enterprise considered itself eligible shall submit application in the form prescribed at **Annexure – A** along with copies of relevant documents as mentioned in the Checklist at **Annexure – B** (application form and checklist in duplicate in case of Small Enterprise) to the concerned General Manager, RIC / DIC irrespective of sources of finance within the prescribed time limit. Copies of the documents as indicated in the checklist shall be self-certified in each page by Proprietor / Managing Partner / Managing Director / Authorized Signatory. The documents / relevant data which are already uploaded / furnished to RIC / DIC earlier shall not be uploaded / furnished once again unless there is any change including change in validity of the same. In case of online filing of CIS Application, there is no need to furnish the hard copy of documents unless asked for.
- 13.2 On receipt of complete application with relevant documents / data, the acknowledgement as prescribed at **Annexure – C** shall be dispatched to the applicant duly signed by the authorized officer / General Manager, RIC / DIC on the day of receipt. The General Manager RIC / DIC may authorize any of his sub-ordinate officers for the purpose. In case of online filing, the same shall be generated automatically.
- 13.3 RIC / DIC will check the veracity facts / data of CIS application & documents, determine the 1st date of fixed capital investment, eligibility & applicability of policy provisions in each case within **next 7 days**.
- 13.4 RIC / DIC with prior intimation shall take up joint inspection of the enterprise with financier in case of FI / Bank financed cases, if felt necessary, for

assessment of the value of Plant & Machinery and record certificates in the format prescribed at **Annexure – D** within next **10 days**.

- 13.4.1 The cost approved by Financing Institution / Bank may be taken in to account.
- 13.4.2 The valuation of Plant & Machinery shall be supported with certificate as prescribed in Annexure-D. The General Manager (Assessing Officer) may take assistance of Financing Institution / Bank / technical officer(s) of RIC / DIC, Directorate of Industries, Odisha, OSPCB, APICOL, or obtain technical opinion of line Department(s), if required for the purpose of valuation of Plant & Machinery.
- 13.5 All the documents / bills & vouchers etc. submitted by the enterprise shall be verified with the original by an officer of the RIC / DIC not below the rank of Asst. Manager who will record his verification on the body of the copy of the document(s).
- 13.6 Agenda Note prescribed at **Annexure – E** may be prepared & duly signed by officers and staff of RIC / DIC / Directorate of Industries as applicable.
- 13.7 After assessment of value of Plant & machinery, RIC /DIC shall:
 - 13.7.1 Recommend the CIS application with copies of relevant documents of eligible Small Enterprises along with **Annexure – C, D & E** duly fill-in and signed to the Directorate of Industries within **next 7 days**.
 - 13.7.2 CIS application of eligible Micro Enterprises shall be placed in District Level Committee.
 - 13.7.3 CIS application of eligible Micro Enterprises referred by District Level Committee shall also be recommended to Directorate of Industries within **next 7 days** of convening of DLC along with Minutes of DLC, **Annexure – C, D & E** duly fill-in and signed and copies of relevant documents.
- 13.8 Directorate of Industries, Odisha on receipt of CIS application of Small Enterprises and referred cases of Micro Enterprises shall scrutinize the same and make necessary correction as deemed fit within **next 15 days** and place before the State Directorate Level Committee (SDLC).
14. **SANCTION:**
 - 14.1 Agenda Note on fulfilment of eligibility criteria, time limit, Policy applicability, eligible amount of subsidy vis-à-vis investment in Plant & Machinery, excess investment with justification, working status, specific suggestion, if any, shall be placed by the Convenor in DLC / SDLC for consideration which shall be held once in every two months or as often as necessary. Model Agenda Note prescribed at **Annexure – E** may be followed for the purpose.
 - 14.2 The DLC / SDLC shall consider proposals for sanction of CIS in favour of the eligible Micro Enterprises / Small Enterprises on merit.

- 14.3 After sanction of CIS by the DLC / SDLC, the RIC / DIC / Directorate of Industries shall communicate the sanction in the format prescribed at **Annexure – F** to the concerned Micro / Small Enterprises within **7 days** of holding DLC / SDLC.
- 14.4 In case of rejection / any other decision taken by the DLC / SDLC, the same will be communicated by RIC / DIC / Directorate of Industries to the concerned enterprises in the format prescribed at **Annexure – G** within **10 days** of holding DLC / SDLC.
15. **DISBURSEMENT:**
- 15.1 Micro / Small Enterprises on receipt of sanction letter shall execute **Agreement** in the format prescribed at **Annexure – H**, furnish the advance stamped money receipt, valid copies of consent to operate of OSPCB, VAT clearances Certificate and copies of any other document (s) asked for by DLC / SDLC within **next 15 days** to RIC / DIC who shall verify the working status of the enterprise and disburse the CIS.
- 15.2 The disbursement shall be made to the Term loan Account of the Enterprise. In case of self-financed or where the term loan has been recovered, the CIS may be disbursed to Bank Account of Enterprise. Disbursement shall be made within **next 7 days** subject to availability of funds under the scheme.
- 15.3 Disbursement of CIS shall not be made, if the unit is found closed. It may be deferred and effected on satisfactory resumption of production.
- 15.4 The details of disbursement / utilization of funds shall be communicated to Directorate of Industries, Odisha.
16. **Maintenance of Records:** The receipt, forwarding, sanction, rejection, disbursement of CIS shall be monitored both electronically & manually by RIC / DIC / Directorate of Industries.
17. **Recovery:** Capital Investment Subsidy received by enterprise shall be recoverable under the provision of OPDR Act, 1962 as arrears of land revenue on violation of Policy provisions, terms & conditions of Operational Guidelines & Agreement.
18. **Miscellaneous:-**
- 18.1 RIC / DIC / Bank / FI may inspect the enterprise once a year individually / jointly.

- 18.2 Administration of CIS in the contingencies like shifting of enterprise 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 Enterprise shall furnish information / financial statements to RIC / DIC when asked for.
- 18.4 Any change in facts or circumstances affecting the eligibility of the enterprise shall be intimated immediately to the RIC / DIC / DI, Odisha by the enterprise.
19. Time limit prescribed in this Guideline is of working days only.
20. This has been concurred by Finance Department vide their UOR No. 270/PSF dated 21-01-2017.

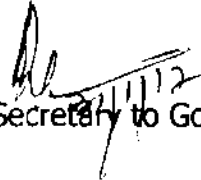
By Order of Governor


(L.N. Gupta) 21.1.17

Principal Secretary to Government

Memo No. 615 /MSME Date: 31-01-2017

Copy forwarded to All Departments / All Heads of Departments / All Revenue Divisional Commissioners / All Collectors / All RICs / All DICs / Technical Director, NIC (managing MSME portal) / All sections of MSME Department / Guard File (5 copies) for information and necessary action.


Additional Secretary to Government

**APPLICATION FOR SANCTION AND DISBURSEMENT OF CAPITAL INVESTMENT SUBSIDY
UNDER ODISHA MSME DEVELOPMENT POLICY-2016**

Application received after the due date / incomplete in any respect shall be liable for rejection

(Strike out whichever is not applicable)

(See Para 13.1 of Operational Guidelines)

From

M/s. _____

At _____

PO _____ Sub-Division _____

Dist. _____

(Location of the Industrial Unit)

To

The General Manager,
Regional Industries Centre / District Industries Centre, _____

Sub: Sanction and disbursement of Capital Investment Subsidy @ 25 % / 30% of capital investment made in Plant & Machinery and additional CIS @ 5 % of capital investment made in Plant & Machinery under Odisha MSME Development Policy-2016.

Sir,

In accordance with the provisions laid down in Odisha MSME Development Policy-2016 and its Guidelines, the Application for sanction and disbursement of Capital Investment Subsidy is submitted with following particulars.

1	Category of the Enterprise (New Micro / Small Enterprises)	:										
2	Sick unit treated at par with new Micro / Small Enterprise	:										
3	Address of Registered office	:										
4	Location of enterprise is in industrially backward districts including KBK districts (Mention the Name of District)	:										
5	Type of organization (Proprietorship / Partnership /LLP/ Co-operative / Private Limited)	:										
6	Name of Proprietor / Managing Partner / Managing Director / Authorized Signatory	:										
7	SC / ST / Women / Differently abled Enterprise	:										
8	Promoter (s) are Technical (Degree / Diploma holder)	:										
9	Percentage of share in the enterprise in case of SC / ST / Women / Differently abled / Technical (Degree / Diploma holder) Promoter(s)	:										
10	EIN No and date	:										
11	Date of first fixed capital investment with its mode {EIN / investment in land / building / plant & machinery and balancing equipment (specify the investment & mode of investment)}	:										
12	Udyog Aadhaar Memorandum No & date	:										
13	Production Certificate No. and Date	:										
14	Date of commencement of production	:										
15	Whether Production has commenced within three years from the 1 st date of FCI. If no, whether project implementation delay has been condoned by Empowered Committee.	:										
16	Items of manufacture / activity with installed capacity	:	<table border="1"> <thead> <tr> <th>Item(s)</th> <th>Quantity</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>(I)</td> <td></td> <td></td> </tr> <tr> <td>(II)</td> <td></td> <td></td> </tr> </tbody> </table>	Item(s)	Quantity	Value	(I)			(II)		
Item(s)	Quantity	Value										
(I)												
(II)												
17	Whether engaged in recycling of E-waste / Hospital waste / Construction & demolition waste	:										
18	Name of the Financer (Bank Branch details) / Self-Financed	:										

19	Amount of Term loan sanctioned with date	:	
20	Amount of Term loan availed	:	
21	Term Loan A/c No, IFS Code, e-mail Id (Mention Bank A/c of Enterprise in case Term loan is recovered or Self-financed)	:	
22	Investment in Plant & Machinery (Furnish details in the format as in Annexure-D in a separate Sheet)	:	
23	Validity of Consent to operate / Authorisation granted by State Pollution Control Board, Odisha	:	
24	Validity of VAT Clearance (Post Notification of GST, it may be suitably revised / changed)	:	
25	Employment created	:	
26	Amount of CIS claimed (Rs)	:	
27	Have applied for /availed CIS from any source, if so furnish the details.	:	

I, Sri _____ s/o _____ at present _____ (designation) of M/S _____ (name of the enterprise) located in Mouza _____, Khata No _____, Plot No _____ certify that the information furnished as above is true and correct to the best of my knowledge and belief.

I hereby undertake to abide by the terms and conditions prescribed under the provisions of Odisha MSME Development Policy-2016 and its Operational Guidelines.

I hereby certify that this enterprise has applied / not applied / availed / not availed the incentives claimed here under any other scheme of the State Government or the Central Government or any Financial Institution(s).

I hereby undertake to repay / surrender forthwith the Capital Investment Subsidy amount or any part thereof availed with penal interest as decided by the authority-

- (i) If capital investment subsidy amount disbursed in excess of the amount actually admissible for whatsoever reason
- (ii) If the information stated above is found to be false / incorrect / misleading or misrepresented and there has been suppression of facts / materials
- (iii) If the enterprise 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.

I hereby undertake to furnish information, reports, periodical statements etc to the RIC / DIC / D I, Odisha as and when asked for.

Copies of relevant documents in support of information / facts furnished above are **enclosed** here with.

Encl.-

- 1.
- 2.
- 3.

Date:

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

Place:

M/s. _____

CHECK LIST**See Para 13.1 of Operational Guidelines**

Copies of documents to be attached with CIS application shall be self- certified in each page by
Proprietor / Managing Partner / Managing Director / Authorized Signatory

(Strike out whichever is not applicable)

There is no need to submit / upload the documents which have already been furnished /
uploaded unless there is any change or change in validity.

1	Production Certificate and Entrepreneurs Identification Number.
2	Power of Attorney / Board Resolution / Society Resolution, as applicable, while signing as Partner / Managing Director / Authorized person.
3	Certificate from competent authority as SC, ST, Differently abled, and Technical (Degree / Diploma holding)
4	Certificate of registration under Indian Partnership Act, 1932 / Limited Liability Partnership Act 2009 / Societies Registration Act, 1860 / Certificate of incorporation (Memorandum of association & Article of Association) under Company Act, 1956 & 2013 indicating share of SC, ST, PH, Women and Technical (Degree / Diploma holding) Entrepreneurs (not less than 51%)
5	Approved DPR / Project Profile / Project at a Glance with Process flow diagram
6	Document in support of date of first investment in fixed capital i.e. investment in land / building / plant & machinery and balancing equipment
7	Sanction order(s) of the Term Loan, Status of Term Loan A/c, Bank Account of Enterprise where Term loan is recovered or Self-Finance case, IFS Code of Bank concerned
8	Copies of bills, vouchers of Plant & Machinery signed by the Entrepreneur / Authorized person
9	Copies of bills, vouchers of investment in building construction in consonance with Para 11.6
10	Justification, if the investment in Plant & Machinery exceeds the Schematic provision
11	Consent to operate / Authorization issued by State Pollution Control Board, Odisha
12	VAT clearance Certificate (may be changed accordingly on introduction of GST)
13	Condonation of implementation delay due to force majeure (reasons like natural calamities) by Empowered Committee, if any.
14	Sick unit treated at par with new Micro / Small Enterprise & Copy of Rehabilitation package decided, if any.
15	Declaration by firms whose Registered Office is outside the State.
16	Document in support of land / land & building / building / shed over which the enterprise is established is in the name of enterprise / Company represented through its proprietor / partner(s) / Director(s) / share-holder(s) / Member(s).
17	Registered lease deed in favour of the enterprise for a minimum period of five years if the land / land & building is leasehold.
18	Approval of the Plan & layout of building (wherever applicable).
19	Self-Certification on non-availing of Subsidy earlier on this project.
20	Permission / clearance from Local Body

Acknowledgement

(See Para - 13.2 of Operational Guidelines)

(To be issued by authorized officer / General Manager, RIC / DIC)

(Strike out whichever is not applicable)

To

Sri _____

M/s. _____

Received the application for Capital Investment Subsidy under the provisions of Odisha MSME Development Policy-2016 and its Operational Guidelines along with documents mentioned below from M/s. _____ A/PO _____ Dist. _____ on dt. _____ through post / person.

List of documents

- 1.
- 2.
- 3.

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

- ❖ In case of online filing of CIS application, the acknowledgement shall be generated electronically on receipt of complete application.

Annexure- C

(TO BE DISPATCHED TO THE APPLICANT)

Acknowledgement

(See Para - 13.2 of Operational Guidelines)

(To be issued by authorized officer / General Manager, RIC / DIC)

(Strike out whichever is not applicable)

To

Sri _____

M/s. _____

Received the application for Capital Investment Subsidy under the provisions of Odisha MSME Development Policy-2016 and its Operational Guidelines along with documents mentioned below from M/s. _____ A/PO _____ Dist. _____ on dt. _____ through post / person.

List of documents

- 1.
- 2.
- 3.

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

- ❖ In case of online filing of CIS application, the acknowledgement shall be generated electronically on receipt of complete application.

VALUATION OF PLANT & MACHINERY
(See Para13.4 of Operational Guidelines)
 (Strike out whichever is not applicable)

Name & Address of the Enterprise: M/s _____

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

- Certified that the captioned unit is a new Micro / Small Enterprise / Sick unit treated as new Micro / Small Enterprise and the Plant & Machinery 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 enterprise and actually required in process of operation.
- The Plant & Machinery acquired after the date of commencement of production and cost of second-hand plant & machinery acquired have not been considered here for CIS purpose.
- In calculating the value of plant & machinery, provisions laid down at Para-12 of Operational Guidelines have been followed.
- The cost of Plant & Machinery acquired does not exceeds the schematic provisions (as in approved DPR) / exceeds the schematic provisions for the reasons _____ (to be mentioned by RIC /DIC)
- Land / land & building / building / shed over which the enterprise is established is in the name of enterprise / Company represented through its Proprietor / Partner(s) / Director (s) / Share-holder (s) / Member (s).
- The Land / land & building is leasehold vide registered lease deed in favour of the enterprise for a minimum period of **ten** years.
- The building & civil works has been approved by competent authority / Urban Local Body.
- Bills & vouchers etc. submitted by the enterprise has been verified with the original by an officer of the RIC / DIC Sri _____ (not below the rank of Asst. Manager) and has recorded his verification on the body of the document(s).
- 1st Fixed Capital Investment has been made on _____ (date) by way of acquisition of _____ (mode of investment)
- The enterprise is eligible to get Capital Investment Subsidy @ 25 % / 30% of capital investment made in Plant & Machinery and additional CIS @ 5 % of capital investment made in Plant & Machinery under Odisha MSME Development Policy-2016 and its Operational Guidelines and it amounts to Rs. _____ (in words also) Rupees _____
- It is a working enterprise and the status of Term Loan A/c is _____
- Remarks (If any)

Name & signature of the Proprietor / Managing Partner / Managing Director / Director / Authorized Signatory of the Enterprise present during valuation with date & seal

Name & signature of Branch Manager of Bank / Financing Institution with date & seal (Not required in Self-financed case)

Signature of General Manager, RIC / DIC with date & seal

Agenda Note

(Strike out whichever is not applicable)

Model Format**Part-A**

1	Name & Address of the Enterprise with e-mail & Cell Phone No	:							
2	Location of the Enterprise	:							
3	Name of the RIC /DIC & District	:							
4	Name of Proprietor / Managing Partner / Managing Director / Authorized Signatory	:							
5	Entrepreneurs Identification Number & Date	:							
6	Udyog Aadhaar Memorandum Number & Date	:							
7	Production Certificate Number & Date	:							
8	Category of the Enterprise (Micro/Small Enterprises)	:							
9	Date of receipt of CIS application by DIC / RIC	:							
10	Date of commencement of production	:							
11	Installed capacity	:	<table border="1"> <thead> <tr> <th>Item(s)</th> <th>Qty.</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Item(s)	Qty.	Value			
Item(s)	Qty.	Value							
12	Engaged in Re-cycling of E-waste, Hospital waste, Construction & demolition waste.	:							
13	Financer (Bank / FI / Self)	:							
14	Term Loan (Amount & Date of sanction)	:							
15	Term Loan A/c No, Status of Term Loan A/c, Bank A/c of Enterprise where Term loan is recovered or Self-Finance case, IFS Code of Bank concerned	:							
16	Date of 1 st Fixed Capital Investment & mode of investment	:							
17	Whether SC, ST, Differently abled, Women and Technical (Degree / Diploma) entrepreneur	:							
18	Percentage share capital (%)	:							
19	Cost of Plant & Machinery assessed RIC /DIC (In Rs)	:							
20	Date of verification of Plant & Machinery with name of assessing Officer(s)	:							
21	Employment generated	:							
22	Present working status	:							

Prepared by

Checked by

Approved by