

Government of Odisha
MSME Department

NOTIFICATION

No. II-MSME-2/2017 618 /MSME, Bhubaneswar, the 31st January, 2017

Sub: Operational Guidelines for Sanction and Disbursement of Project Report Subsidy under Odisha MSME Development Policy- 2016
(See Para 6.3 of Odisha MSME Development Policy-2016)

1. **Short Title:** "Operational Guidelines for Project Report 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: Project Report Subsidy**
"New Micro enterprises shall be entitled to a one time grant up to Rs.50,000/- or 2% of the project cost, whichever is lower for preparation of the detailed feasibility report / detailed project report, which will facilitate the entrepreneur to access finance from Banks / financial institutions. The said amount will be disbursed after sanction and disbursement of the first instalment of term loan by Bank / Financial Institution to the Micro enterprise."
5. **Terms and Expressions:** Terms and expressions used in this operational guideline shall have the same meaning as in Odisha MSME Development Policy, 2016.
 - 5.1 Project Cost means the total cost which includes design fees, material costs, construction costs, permit fees, land, furnishings, plant & machinery, financing and all other costs that are incurred for completion of the project and appraised by the financing bank based on feasibility and viability of the project.
6. **Eligibility:**
 - 6.1 New Micro Enterprises as defined in MSMED Act, 2006 where fixed capital investment has commenced on or after 24th November 2016 i.e. effective date of Odisha MSME Development Policy-2016 and extended with term loan

by Bank / Financial Institution.

- 6.2 New Micro Enterprises shall have been acknowledged with Entrepreneurship Identification Number (EIN) from the RIC / DIC.
- 6.3 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 Project Report Subsidy.
- 6.4 Project Report Subsidy on the same project if availed under any other scheme(s) / source(s), the enterprise shall not be entitled for Project Report Subsidy under this Policy.
- 6.5 Enterprises undertaking Expansion / Modernization / Diversification shall not be entitled for Project Report Subsidy.
- 6.6 Detailed Feasibility Report / Detailed Project Report of New Micro Enterprises shall be required to be appraised and approved by financing Banks / Financial Institutions.
- 6.7 Identified viable sick Micro Enterprises treated at par with new industrial unit shall avail Project Report Subsidy after rehabilitation provided such Micro Enterprise has not availed Project Report Subsidy from any source under any Policy / scheme before or after rehabilitation and subject to fulfillment of relevant conditions as stipulated as above provided Project Report Subsidy is one of the constituents of rehabilitation package.
- 6.8 As Project Report Subsidy is a pre-production incentive, the Micro Enterprise shall have to undertake that: a) The enterprise will go into production within three years from the date of starting first fixed capital investment, and b) where period of implementation of enterprise exceeds the stipulated period of three years due to reasons other than force majeure (reasons like natural calamities), the amount shall be recovered from the enterprise.

7. **Time Limit for filing application:**

- 7.1 Eligible Micro Enterprise shall file its claim for Project Report Subsidy in the prescribed Application Form complete in all respect, **within one year** from the date of disbursement of first installment of Term loan by Bank / Financial Institution / **within one year** from the date of notification of this Operational Guidelines, whichever is later.
- 7.2 Eligible rehabilitated sick Micro Enterprises as in Para 6.7 of this Operational Guidelines shall file its claim for Project Report Subsidy in the prescribed Application Form complete in all respect, **within one year** from the date of disbursement of first installment of Term loan by Bank / Financial Institution after rehabilitation / **within one year** from the date of notification of this Operational Guidelines, whichever is later.

- 7.3 Application for Project Report Subsidy received after the due date / incomplete in any respect shall be liable to be summarily rejected. There shall be no condonation for the delay in filing application for Project Report Subsidy.
8. **District Level Committee (DLC):** The District Level Committee constituted in each RIC / DIC as per para 10.1 of Operational Guidelines of CIS under Odisha MSMED Policy-2016 shall be competent to sanction reimbursement of Project Report Subsidy.
9. **Procedure:**
- 9.1 Micro 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** to the concerned General Manager, RIC / DIC. 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 Application for Project Report Subsidy, there is no need to furnish the hard copy of documents unless asked for.
- 9.2 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 / D I C may authorize any of his sub-ordinate officers for the purpose. In case of online filing, the same shall be generated automatically.
- 9.3 RIC /DIC will check the veracity of facts / data filled in the application & documents, determine the 1st date of fixed capital investment (refer Para 11 of Operational Guidelines for sanction of CIS), eligibility & applicability of policy provisions, Project cost, date of disbursement of first installment of Term Loan, quantum of subsidy in each case within **next 7 days**.
- 9.4 Agenda Note in terms of fulfilment of eligibility criteria, time limit, Policy applicability, approved Project cost, date of disbursement of first instalment of Term Loan etc. shall be placed by the Convenor before District Level Committee (DLC) to be held during the current month for consideration.

10. **SANCTION:**

- 10.1 The DLC will consider proposals for sanction of Project Report Subsidy in favour of the eligible Micro Enterprises on merit.
- 10.2 Sanction of Project Report subsidy shall be limited to the actual expenditure incurred on the detailed feasibility report / detailed project report or Rs.50,000/- or 2% of Project cost whichever is the lowest.
- 10.3 After sanction of Project Report Subsidy by the DLC, the RIC / DIC shall communicate the sanction in the format prescribed at **Annexure – D** to the concerned Micro Enterprise under intimation to the concerned Bank and Director of Industries, Odisha within **7 days** of the DLC meeting.
- 10.4 In case of rejection / any other decision taken by the DLC, the same will be communicated by RIC / DIC to the concerned enterprise under intimation to the concerned Bank and Director of Industries, Odisha in the format prescribed at **Annexure – E** within **7 days** of the DLC meeting.

11. **DISBURSEMENT:**

- 11.1 Micro Enterprise on receipt of sanction letter shall furnish the advance money receipt and Undertaking in the format prescribed at **Annexure – F** to RIC / DIC with copies of duly self-certified document (s), if any, asked for by DLC within **next 7 days**.
- 11.2 On receipt, disbursement of Project Report Subsidy shall be made by RIC / DIC directly to the Term loan Account of the Enterprise. Disbursement shall be made within **next 5 days** subject to availability of funds under the scheme.

12 **Maintenance of Records:** The receipt, forwarding, sanction, rejection, disbursement of Project Report Subsidy shall be monitored both electronically & manually at RIC / DIC / Directorate of Industries level.

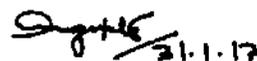
13 **Recovery:** Project Report Subsidy received by enterprise shall be recoverable under the provision of OPDR Act as arrears of land revenue on violation of Policy provisions, terms & conditions of Operational Guidelines & Undertaking, misrepresentation of facts and in cases rejected by the Empowered Committee.

14 **Miscellaneous :**

- 14.1 RIC /DIC / Directorate of Industries, Odisha / Financing Bank Branch may inspect the assisted Micro Enterprises, if felt necessary.
- 14.2 Any change in facts or circumstances affecting the eligibility of the Enterprise shall be intimated immediately to the RIC / DIC / Directorate of Industries, Odisha by the beneficiary enterprise.

- 14.3 The amount paid towards Project Report Subsidy or any part thereof shall be recoverable by RIC / DIC from the beneficiary, if
- 14.3.1 the information furnished is found to be false / incorrect / misleading or mis-represented and there has been suppression of facts / materials or paid in excess of the amount actually admissible for whatsoever reason.
 - 14.3.2 the enterprise fails to commence production within three years from the date of starting first fixed capital investment, and
 - 14.3.3 where period of implementation of enterprise exceeds the stipulated period of three years which has not been condoned by the Empowered Committee.
15. Time limit prescribed in these guidelines is of working days only.
16. This has been concurred in by Finance Department and communicated vide their UoR No. 270/PSF dated 21-01-2017.

By Order of Governor



(L.N. Gupta)

Principal Secretary to Government

Memo No. 619 /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 PROJECT REPORT SUBSIDY UNDER
ODISHA MSME DEVELOPMENT POLICY-2016.**

(See Para 9.1 of Operational Guidelines)

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

From :

Sri _____
M/s. _____

(Location of the Enterprise / Registered Office Address)

To

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

Sub: Sanction and disbursement of Project Report Subsidy under Odisha MSME Development Policy-2016

Sir,

In accordance with the provisions laid down in Odisha MSME Development Policy-2016 and its operational guidelines, the claim for Project Report Subsidy is submitted with following particulars.

1	Name and Address of the Micro Enterprise with E-mail Id & Cell Phone Number	:	
2	Entrepreneurs Identification Number (EIN) & Date	:	
3	Proposed items of manufacture / activity	:	
4	Proposed date of commencement of Production	:	
5	Name & address of Bank extended Term loan	:	
6	Project cost appraised and approved by Bank	:	
7	Date of Disbursement of first instalment of term loan with details of disbursement.	:	
8	Name & address with a profile of the Consultant / Agency / Organization prepared the detailed feasibility report / detailed project report	:	
9	Amount of expenditure incurred towards preparation the detailed feasibility report / detailed project report (Copy of the bills / vouchers / receipt etc. be submitted)	:	
10	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 , if made))	:	
11	Details of assistance sanctioned / availed so far from Govt. of India / State Govt. / other organization / Agencies, if so specify:	:	
12	Amount of Project Report Subsidy claimed (@2% limiting to Rs.50000/-)	:	
13	Details of Term loan Account with IFS Code for e-payment	:	
14	Identified viable sick Micro Enterprises treated at par with new industrial unit (Furnish the Copy)	:	

I, Sri _____ s/o _____ at present
_____ (designation) of M/S _____ (name of the enterprise)

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 the enterprise has not applied for / sanctioned / availed any amount of assistance towards preparation of detailed feasibility report / detailed Project report from State Govt. or the Central Govt. or any Financial Institution(s) against which the present claim is made.

I hereby undertake that this Enterprise shall commence production within stipulated time of three years from the date of starting first fixed capital investment.

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

- (i) If Project Report 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 fails to commence production within three years from the date of starting first fixed capital investment.
- (iv) If the enterprise violates Policy provisions and its Operational Guidelines and the terms & conditions enunciated in the Undertaking.
- (v) I hereby undertake to furnish information, reports, 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.

List of documents attached.

- 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 9.1 of Operational Guidelines)

Copies of documents to be attached with Application for Project Report Subsidy shall be self- certified in each page by the 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.

(Strike out whichever is not applicable)

1	Entrepreneurs Identification Number (EIN)
2	Detailed Feasibility Report / detailed Project Report appraised & Approved by Bank
3	Sanction order of Banks extended Term loan
4	Details of First disbursement of Term Loan certified by financier
5	Detailed feasibility report / detailed Project report approved by Bank.
6	Profile of the Consultant / Agency / Organization prepared detailed feasibility report / detailed Project report
7	Bills / vouchers / receipt etc. on payment made towards preparation of Detailed feasibility report / detailed Project report
8	Details of assistance applied for / sanctioned / availed so far with sanction order no & date and other supporting documents towards preparation of Detailed feasibility report / detailed Project report from State Govt. / Central Govt. (GoI) / Govt. Agencies / Financial Institutions
9	Document in support of identified viable sick Micro Enterprises treated at par with new industrial unit
10	Undertaking duly signed
11	Details of Term Loan Account, IFS Code etc. for e-payment

Annexure – C

(FOR OFFICE USE)

Acknowledgement

(See Para - 9.2 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 Project Report Subsidy under the provisions of Odisha MSME Development Policy-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
with seal & date-----

- ❖ In case of online filing of application for Project Report Subsidy, the acknowledgement shall be generated electronically on receipt of complete application.

Annexure – C

(TO BE DISPATCHED TO THE APPLICANT)

Acknowledgement

(See Para - 9.2 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 Project Report Subsidy under the provisions of Odisha MSME Development Policy-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
with seal & date_____

- ❖ In case of online filing of application for Project Report Subsidy, the acknowledgement shall be generated electronically on receipt of complete application.

OFFICE OF THE GENERAL MANAGER, RIC/ DIC _____
(See Para - 10.2 of Operational Guidelines)

SANCTION LETTER

No. _____ dt. _____
(Strike out whichever is not applicable)

The District Level Committee in its _____ meeting dated _____ has accorded sanction of Project Report Subsidy for Rs. _____ (in words) Rupees _____ only in favour of M/s. _____ At _____ PO _____ Dist _____ bearing Entrepreneurs Identification Number (EIN) _____ dated _____ for the setting up Micro Enterprise for manufacture of _____ (proposed item(s) of Production / Activities) / identified viable sick Micro Enterprises treated at par with new industrial unit under Odisha MSME Development Policy-2016 subject to condition that beneficiary enterprise shall go into production within three years from the date of first fixed capital investment.

The Details of Term loan Account with IFS code etc. are as below for e-payment.

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

Memo No. _____/dt. _____

Copy forwarded to the Director of Industries, Odisha for information.

General Manager, RIC/ DIC _____

Memo No. _____/Ind., dt. _____

Copy forwarded to A.F.A – cum Under Secretary to Govt, MSME Department for information.

General Manager, RIC/ DIC _____

Memo No. _____/Ind., dt. _____

Copy forwarded to Sri _____ M/s. _____ Proprietor / Managing Partner / Managing Director / Authorized Signatory At _____ PO _____ Dist. _____ for information. She / He is requested to furnish Advance Stamped Money Receipt (in duplicate) in the format as below and Undertaking in the format prescribed at Annexure-F of in the Non-Judicial Stamp Paper of Rs.10/-

General Manager, RIC/ DIC _____

Advance Stamped Money Receipt

*Received with thanks from _____ sum of Rs. _____ (Rupees _____) only by Cheque / Draft No./ On-line mode _____ dated _____ on account of Project Report Subsidy as per the provisions of Odisha MSME Development Policy 2016, its Operational Guidelines & terms and conditions laid down in the Undertaking by me / us on Dt. _____".

Signature of the Proprietor / Managing Partner/
Managing Director / Authorized Signatory in full and on behalf of
M/s. _____ with date _____

OFFICE OF THE GENERAL MANAGER, RIC / DIC _____
(See Para - 10.3 of Operational Guidelines)

No. _____ / Date _____
(Strike out whichever is not applicable)

To

Sri _____

M/s. _____

At _____

PO _____

Sub-Division _____

Dist. _____

(Location of the Enterprise / Registered Office Address)

Sir,

This is to inform that your application for sanction of Project Report Subsidy under Odisha MSME Development Policy-2016 and its Operational Guidelines filed on dt. _____ is rejected due to following reasons.

(Specify the reasons)

1.

2.

3.

4.

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

Memo _____ Dt

Copy forwarded to Director of Industries, Odisha, Cuttack for information.

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

UNDERTAKING

(Non-Judicial Stamp Paper of Rs.10/-)
(Strike out whichever is not applicable)

- i) I, Sri _____ s/o _____ at present _____ (designation) of M/S _____ (name of the enterprise) do hereby undertake that -
- ii) I shall abide by the terms and conditions prescribed under the provisions of Odisha MSME Development Policy-2016 and its operational guidelines.
- iii) I hereby undertake that this Enterprise shall commence production within stipulated time of three years from the date of starting first fixed capital investment.
- iv. I hereby certify that the enterprise has not applied for / sanctioned / availed any amount of assistance towards preparation of detailed feasibility report / detailed Project report from State Govt. or the Central Govt. or any Financial Institution(s) against which the present claim is made.
- v) I hereby undertake to repay / surrender forthwith the Project Report Subsidy amount or any part thereof availed with penal interest as decided by the authority:
- (a) If Project Report Subsidy amount disbursed in excess of the amount actually admissible for whatsoever reason.
- (b) If the information furnished on the basis of which Project Report Subsidy has been sanctioned is found to be false / incorrect / misleading or mis-represented and there has been suppression of facts / materials.
- (c) If the Enterprise fails to commence production within three years from the date of starting first fixed capital investment.
- (d) If the enterprise shifts its location without prior approval of RIC / DIC / Director of Industries, Odisha / MSME Department.

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

Date:

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

Place:

M/s. _____