

**Operational Guidelines for
Sanction & Disbursement of Interest Subsidy & Reimbursement of Guarantee Fee
under CGTMSE Scheme under IPR-2015**
(See Para – 5.4.2 (a) & (b) of IPR 2015)

1. **Short Title:** - Operational guidelines for Sanction & Disbursement of Interest Subsidy & Reimbursement of Guarantee Fee under CGTMSE Scheme under provisions of para- 5.4.2 (a) & (b) of Industrial Policy Resolution. 2015
2. **Extent:** - It shall extend to the whole of the State of Odisha.
3. **Commencement:** - It shall come into force from the "Effective Date" of Industrial Policy Resolution 2015 i.e. 24.08.2015.
4. **Terms and Expressions:** - Terms and expressions used in this operational guideline, but not specifically defined here, shall have the same meaning as in Industrial Policy Resolution-2015.

5. **Policy Provisions:** -

5.1 **Para 5.4.2 (a) of IPR 2015**

- a) New industrial unit coming under Micro, Small and Medium Enterprise and non MSME priority sector shall be entitled to interest subsidy for timely payment @ 5% per annum on term loan availed from Public Financial Institutions / Banks for a period of five years from the date of commencement of production subject to a total maximum limit of -

Rs 10 lakhs for Micro Enterprises;

Rs 20 lakhs for Small Enterprises;

Rs. 40 lakhs for Medium Enterprise and

Rs 1 Crore for non MSME Priority Sector Units

Units which are classified as a NPA at the time of making the application will not be eligible to avail such incentives.

For units in Kalahandi, Nuapada, Bolangir, Subarnpur, Koraput, Malkangiri, Rayagada, Nawrangpur, Khandamal, Gajapati and Mayurbhanj, the reimbursement period will be seven years from the date of commencement of production subject to the aforesaid limit.

- b) Provided further that the concerned promoter(s) would not have defaulted to OSFC /IPICOL /SIDBI /Banks /Public Financial Institutions /other Government agencies in connection with the unit for which the incentive is sought or for any other unit/ activity with which concerned promoter is directly or indirectly associated.
- c) Entitlement for interest subsidy shall be contingent on timely repayment of loan instalments along with interest

5.2 In addition to interest subsidy @ 5% per annum, the guarantee fee charged under CGTMSE (Credit Guarantee Trust for Micro & Small

Enterprises) Scheme charged to Micro & Small Enterprises will be reimbursed to the enterprise in order to improve the CGTMSE coverage for collateral free loans in the State.

6. **Eligibility:-**The following industrial units shall be entitled to interest subsidy as applicable.

6.1 New industrial unit coming under Micro Enterprise / Small Enterprise / Medium Enterprise and Priority sector.

6.2 Migrated industrial unit treated as new industrial unit under Micro Enterprise / Small Enterprise / Medium Enterprise and Priority Sector.

6.3 Rehabilitated sick industrial unit treated at par with new industrial unit under Micro Enterprise / Small Enterprise / Medium Enterprise and Priority Sector and duly recommended by State Level Inter Institutional Committee (SLIIC) for this incentive.

6.4 Industrial unit seized under Section 29 of the State Financial Corporation Act, 1951 / SARFAESI Act, 2002 and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit for the purpose of this IPR under Micro Enterprise / Small Enterprise / Medium Enterprise and Priority Sector.

6.5 Pioneer Units under each Priority sector shall be eligible for extension of period of incentives for an additional two years over and above the limit specified, provided the unit has been in continuous production during the normal period of incentive.

6.6 The units as stated above at point 6.1, 6.2, 6.3, 6.4 & 6.5 are eligible provided further that the concerned promoter(s) would not have defaulted to OSFC / IPICOL / SIDBI / Banks / Public Financial Institutions / other Government agencies in connection with the unit for which the incentive is sought or for any other unit / activity with which concerned promoter is directly or indirectly associated and entitlement for interest subsidy shall be contingent on timely repayment of loan instalments along with interest

6.7 Industrial unit that has availed interest subsidy under any other scheme of the State Govt. or the Central Govt. or Govt. Agencies or any Financial Institution(s) shall be eligible for the differential amount of benefit only.

6.8 Units which are classified as a NPA at the time of making the application will not be eligible to avail incentives.

7. Time frame for filing application: -

7.1 The eligible Industrial unit shall file Application in prescribed form for sanction of Interest Subsidy within six months from the end of each financial year.

Application in the prescribed form received after the due date / incomplete in any respect shall be liable to be summarily rejected.

8. Procedure: -

8.1 Industrial unit satisfying the eligibility shall file application in the prescribed form appended to this operational guideline at Annexure -'A' along with copies of all relevant documents as mentioned in the Checklist at Annexure -'B' before General Manager concerned RIC / DIC.

Application for sanction & disbursement of Interest Subsidy for the subsequent years, after 1st year / initial year of claim, during the eligible period shall accompany with the documents & valid statutory clearances / approvals only related to the year of claim.

The application with requisite documents shall be filed in duplicate for Micro & Small Enterprise and in triplicate for Medium Enterprise & Large Industry and shall be self-attested by Proprietor / Managing Partner / Managing Director / Authorized Signatory.

8.2 On receipt of application, the acknowledgement as prescribed at Annexure- 'C' shall be issued to the applicant duly signed by the General Manager, RIC / DIC / his authorized officer on the day of receipt. The General Manager, RIC / DIC may authorize any of his officers for the purpose.

8.3 After receipt of the application from the industrial unit, RIC / DIC will check the eligibility concerning the claim and transmit one set of application with relevant documents indicating the date of commencement of production of the unit to the concerned Financial Institution / Bank within **3 days** from the date of receipt of application for checking and furnishing the certificate in the format prescribed at Annexure -D on interest paid / Guarantee fee paid under CGTMSE / during the period of claim under intimation to the concerned unit. Where the industrial unit is financed with term loan by more than one Financial Institution / Bank, the photocopy of application with relevant documents certified by the RIC / DIC shall be transmitted to the concerned Financial Institution(s) / Bank (s).

8.4 At the same time (within 3 days as mentioned above), RIC / DIC shall forward one set of application of Medium Enterprise / Large Industries to the Director of Industries, Odisha for processing under intimation to the concerned unit.

8.5 The concerned financial institution(s) / Bank(s) has to furnish the required certificate in the prescribed format at Annexure- D within 15 **days** from the date of forwarding the proposal by RIC / DIC to RIC / DIC in case of Micro & Small / to Director of Industries, Odisha in case of Medium Enterprise & Large Industries under intimation to the concerned unit / RIC / DIC.

8.6 Within 15 days as mentioned above, the working status & production continuity of the industrial unit shall be checked by RIC / DIC, if felt necessary jointly with Financial institution / Bank, in case of Micro Enterprises, Small Enterprises / Director of Industries, Odisha, if felt necessary, jointly with Financial institution(s) / Bank(s) in case of Medium Enterprise & Large Industries.

9. Sanction:-

Sanction of interest subsidy shall be accorded in the prescribed format as at Annexure- E, if found eligible and suitable as below within next 7 days.

- (A) Micro Enterprise & Small Enterprise unit by the General Manager, RIC / DIC.
- (B) Medium Enterprise & Large Industries by Director of Industries, Odisha.

10. Disbursement

10.1 The disbursement of sanctioned amount of interest subsidy or part thereof / Guarantee fee paid / shall be made by the General Manager, RIC / DIC in respect of Micro Enterprise & Small Enterprise and Director of Industries, Odisha in respect of Medium Enterprise & Large Industry within **5 days** of sanction **subject to availability of funds under the scheme** through the financing agency from which it has availed the term loan.

10.2 The disbursement may be deferred if the unit is found closed and may be effected on resumption of production.

11. Rejection:- In case of rejection of application, the reasons of rejection shall be communicated to the applicant unit within **25 days** of receipt of application from the claimant unit by the respective agencies in the format prescribed at Annexure – 'F'.

12. Recovery- The amount disbursed towards interest subsidy or any part thereof shall be recoverable forthwith with penal interest as decided by the authority on following events.

- (A) If the information furnished is found to be false/ incorrect / misleading or misrepresented and there has been suppression of facts / materials or 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.

13. Miscellaneous:-

13.1 The RIC / DIC / Directorate of Industries, Odisha and financier jointly may inspect the industrial unit, if felt necessary.

13.2 The Industrial Unit 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.

13.3 The Industrial Unit that had availed interest subsidy will not be allowed to shift location of the industry without prior approval of Director of Industries, Odisha.


13.4 Time limit prescribed in this guideline is of working days only.

14. This has been concurred in by Finance Department vide their letter UOR No. 87-ES-II/F, dated 10.06.2015.

GOVERNMENT OF ODISHA
INDUSTRIES DEPARTMENT

Memo No. 5925 /I., Bhubaneswar, dated 2/9/2015.
XIV-HI-32/2015

Copy forwarded to All Departments/ All Heads of Departments/ All PSUs/ All Revenue Divisional Commissioners/ All Collectors/ All DICs/ All RICs/ Head, State Portal Group, IT Centre, Secretariat, Bhubaneswar/ All Sections of Industries Department/ Guard File (5 copies) for information and necessary action.


Joint Secretary to Government

**APPLICATION FOR SANCTION & DISBURSEMENT OF INTEREST SUBSIDY &
REIMBURSEMENT OF GUARANTEE FEE UNDER CGTMSE SCHEME UNDER IPR 2015**

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

(Strike out whichever is not applicable)

M/s. _____

At _____

PO _____

Sub-Division _____

Dist. _____

(Location of the Industrial Unit)

To

The General Manager,

Regional Industries Centre / District Industries Centre, _____

Sub-Sanction & disbursement of Interest Subsidy / reimbursement of Guarantee fee paid under CGTMSE Scheme/ under Industrial Policy Resolution 2015

Sir,

In accordance with the provisions laid down in Industrial Policy Resolution 2015 and operational guidelines, the claim for Interest Subsidy is submitted herewith for the period ----- with following particulars.

1	Category of the Unit	:	
a	Micro / Small / Medium Enterprises / Large Industries		
B	Priority Sector		
C	Migrated industrial unit treated as new industrial unit		
D	Rehabilitated sick industrial unit treated at par with new industrial unit and duly recommended by State Level Inter Institutional Committee (SLIIC)		
E	Industrial unit seized under Section 29 of the State Financial Corporation Act, 1951/ SARFAESI Act, 2002 and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit		
F	Pioneer Units under each Priority sector		
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 / IEM / I L No. and date	:	

6	Items of manufacture / activity	:	Item	Quantity	Value
7	Direct employment generated	:			
8	Date of commencement of production	:			
9	Date of first fixed capital investment i.e. land / building / plant & machinery and balancing equipment.	:			
10	Total capital investment (Head-wise)	:			
	a				
	b				
	c				
	d				
	e				
11	Name of the Financial Institution (s) / Bank(s)	:			
12	Details of sanction of Term loan (Date & Amount – FI / Bank wise)	:			
13	Details of term loan availed with amount, date - FI / Bank wise	:			
14	Details of Term loan repaid (financial year-wise) Attach separate Sheet FI / Bank wise	:			
	a Principal	:			
	b Interest	:			
15	Amount of interest paid on term loan from the date of commencement of production (Financial Year-wise) - to be certified by the FI / Banks	:			
16	Details of Interest subsidy sanctioned / availed so far with sanction order no & date (Financial Year-wise)	:			
17	Claim for interest subsidy (Specify the amount & period)	:			
18	Deferential amount of benefit claimed (Mention the details.	:			
19	Amount of claim for Reimbursement of Guarantee Fee under CGTMSE Scheme	:			

I ,Sri_____ s/o _____ at present _____ (designation) of M/S _____ (name of the industrial unit) 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 Industrial Policy Resolution 2015 and its operational guidelines.

I hereby undertake to repay the interest subsidy or any part thereof with penal interest as decided by the authority-

- (i) If the information stated above 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.
- (ii) 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.

I hereby certify that I / We / the concerned promoter(s) have not defaulted to OSFC / IPICOL / SIDBI / Banks / Public Financial Institutions / other Government agencies in connection with the unit for which the incentive is sought or for any other unit / activity in the state with which concerned promoter(s) is / are directly or indirectly associated.

I hereby certify that this industrial unit has not been classified as a NPA at the time of making the application.

I hereby certify that this industrial unit has not applied / applied / availed / not availed interest subsidy under any other scheme of the State Govt. or the Central Govt. or Govt. Agencies any Financial Institution(s).

I hereby certify that this industrial unit has not been classified as a NPA

I hereby undertake to 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.

Copies of relevant documents in support of information / facts furnished above are self-attested and enclosed herewith.

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

Place-

Date-

Enclo.

- 1
- 2.
- 3.
- 4.

CHECK LIST

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

1	Entrepreneurs Memorandum- II / IEM / Industrial License / Production Certificate in case of Large Industry
2	Power of Attorney / Board Resolution / Society Resolution, as applicable, while signing as Partner / Managing Director / Authorized Signatory.
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 Priority Sector / Pioneer Unit in each Priority Sector / 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) for this incentive.
6	Document(s) in support of Industrial unit seized under Section 29 of the State Financial Corporation Act, 1951/ SARFAESI Act, 2002 and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit for the purpose of this IPR
7	Document in support of date of first investment in fixed capital i.e. land / building / plant & machinery and balancing equipment
8	Certificate on Date of Commencement of production - in case of Large Industries.
9	Term loan sanction order of Financial Institute (s) / Banks
10	Documents in support of Interest Subsidy availed, if any. / interest paid / Guarantee fee paid under CGTMSE
11	Undertaking (Annexure B1) (In a separate sheet duly signed by the Proprietor / Managing Partner/ Managing Director / Authorized Signatory)
12	<i>Valid statutory clearances including consent to operate issued by OSPCB</i>
13	Documents in support of claim for differential amount of benefit
14	Documents in support of implementation delay condoned by the Empowered Committee

UNDERTAKING

(Strike out whichever is not applicable)

- i) I / We shall abide by the terms and conditions prescribed under the provisions of Industrial Policy Resolution 2015 and its operational guidelines.
 - ii) I / We shall repay the interest subsidy or any part thereof / Guarantee Fee with penal interest as decided by the authority-
 - (a) If the information stated above 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.
 - iii) I / we the promoter(s) have not defaulted to OSFC / IPICOL / SIDBI / Banks / Public Financial Institutions / other Government agencies in connection with the unit for which the incentive is sought or for any other unit / activity in the state with which concerned promoter(s) is / are directly or indirectly associated.
 - iv) This industrial unit has not applied / availed interest subsidy under any other scheme of the State Govt. or the Central Govt. or any Financial Institution(s).
 - v) This industrial unit has not been classified as a NPA
- 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 Proprietor / Managing Partner/
 Managing Director / Authorized Signatory
 in full and on behalf of M/s-----

**Annexure -C
(FOR OFFICE USE)**

OFFICE OF THE GENERAL MANAGER, RIC / DIC----- /

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

Acknowledgement

(To be issued by authorized officer / General Manager, RIC / DIC / on the day of receipt)

(Strike out whichever is not applicable)

To

Sri _____

M/s. _____

Received the application for ----- under the provisions of
INDUSTRIAL POLICY RESOLUTION -2015 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-----

Annexure -C

(TO BE DISPATCHED TO THE APPLICANT)

OFFICE OF THE GENERAL MANAGER, RIC / DIC----- /

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

Acknowledgement

(To be issued by authorized officer / General Manager, RIC / DIC on the day of receipt)

(Strike out whichever is not applicable)

To

Sri _____

M/s. _____

Received the application for ----- under the provisions of INDUSTRIAL POLICY
RESOLUTION -2015 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-----

INTEREST SUBSIDY / GUARANTEE FEE UNDER CGTMSE UNDER IPR-2015

(For 1st / 2nd / 3rd / 4th / 5th / 6th / 7th / 8th / 9th year of claim)

CERTIFICATE TO BE FURNISHED BY THE FINANCIAL INSTITUTION / BANK

(Strike out whichever is not applicable)

Certified that M/s. _____, Proprietor / Managing Partner / Managing Director / Authorized Signatory Sri _____ At/PO _____ Dist. _____ (Address of the Registered office of the unit) has been sanctioned with term loan of Rs. _____ (in words) _____ for acquisition of fixed assets for the new project located at _____ Sub-Division _____ District _____. The term loan has been sanctioned on (Date) _____ @ annual interest of _____% and the disbursement of loan started with effect from dt. _____. (Mention sanction & disbursement with dates in tabular form if it is for more than one)

Further it is certified that the above unit has already paid Rs. _____ (in words) _____ towards interest due against the period of claim i. e. Dt. _____ to Dt. _____ and the unit has not defaulted in payment of his dues as per sanctioned order.

The details of interest due and interest paid by the industrial unit from the date of commencement of production i.e. Dt.----- are as below. (Does not include penal interest / interest on over dues)

Sl.	Period	Interest due (Rs)	Interest paid (Rs)
1	Date of commencement of production to end of the first financial year		
2	2nd. financial year		
3	3rd. financial year		
4	4th. financial year		
5	5th. financial year		
6	1st. April of 6th. financial year to the end of completion of 5 years of production		
7	6th. financial year		
8	7th. financial year		
9	1st. April of 8 th .. financial year to the end of completion of 7 years of production		
10	8th. financial year		
11	9th. financial year		
12	1st. April of 10 th .. financial year to the end of completion of 9 years of production		

* Additional 02 years over and above the prescribed limit may be mentioned in case of Pioneer Unit.

The unit has been charged the Guarantee fee under CGTMSE for Rs.-----

Signature & Seal of the
Financial Institution / Bank.

OFFICE OF THE GENERAL MANAGER, RIC / DIC-----

OR

OFFICE OF THE DIRECTOR OF INDUSTRIES, ODISHA, CUTTACK

(Strike out whichever is not applicable)

SANCTION ORDER

Office order No. _____ dt. _____

Sanction is hereby accorded for payment of interest subsidy for the period-----
 ----- (i.e starting from the date of commencement of production to the end of the first financial year / 2nd. financial year / 3rd. financial year / 4th. financial year / 5th. financial year / 1st. April of 6th financial year to the end of completion of 5 years of production / 6th financial year / 7th, financial year / 1st. April of 8th financial year to the end of completion of 7 years of production / 8th financial year / 9th, financial year / 1st. April of 10th financial year to the end of completion of 9 years of production (ie additional period in case of Pioneer Unit) for Rs. _____ (Rupees _____) only / Sanction is hereby accorded for reimbursement of Guarantee fee paid under CGTMSE Scheme for Rs.-----

in favour of M/s. _____ Proprietor / Managing Partner / Managing Director / Authorized Signatory Sri _____ At / PO _____ Dist. _____
 (Address of the Registered office of the unit) has been sanctioned with term loan of Rs. _____ (in words) _____ for acquisition of fixed assets for the new project located at _____ Sub-Division _____ District _____ in accordance with the provisions laid down in Industrial Policy Resolution, 2015 and operational guidelines.

The captioned industrial unit is a Micro Enterprise / Small Enterprise / Medium Enterprises / Large Industry under Priority Sector / Pioneer Unit in Priority Sector / Migrated industrial unit treated as new industrial unit / Rehabilitated sick industrial unit treated at par with new industrial unit and duly recommended by State Level Inter Institutional Committee (SLIIC)/Industrial unit seized under Section 29 of the State Financial Corporation Act, 1951/ SARFAESI Act, 2002 and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit and the total amount sanctioned so far, does not exceed the limit of rupees ten lakh / rupees twenty lakh / rupees forty lakh / rupees one crore and prescribed rate of interest subsidy i.e. 5% under Industrial Policy Resolution, 2015.

General Manager, RIC / DIC ____ /
 Director of Industries, Odisha.

Memo No. _____ /Ind., dt. _____

Copy forwarded to M/s. _____ Proprietor / Managing Partner / Managing Director / Authorized Signatory Sri _____ At/PO _____ Dist. _____ for information.

General Manager, RIC / DIC ____ /
 Director of Industries, Odisha.

Memo No. _____/dt. _____

Copy forwarded to the Financial Institutions / Bank / Director of Industries, Odisha / Managing Director, IPICOL / General Manager, RIC / DIC _____ for information and necessary action.

General Manager, RIC / DIC ____/
Director of Industries, Odisha.

Memo No. _____/dt. _____

Copy forwarded to General Manager, RIC / DIC concerned / Director of Industries, Odisha for information.

General Manager, RIC / DIC ____/
Director of Industries, Odisha.

OFFICE OF THE GENERAL MANAGER, RIC / DIC----- /

OFFICE OF THE DIRECTOR OF INDUSTRIES; ODISHA; CUTTACK

No----- Dt.-----

(Strike out whichever is not applicable)

This is to inform that –

The application for sanction of Interest Subsidy reimbursement of Guarantee fee paid under CGTMSE made by M / S _____ bearing EM- Part-II / IEM / IL / Production Certificate No _____ Dt _____ on dt. _____ for the period _____ under IPR-2015 is rejected due to following reasons.

(Specify the reasons)

- 1.
- 2.
- 3.
- 4.

Signature of G.M, RIC / DIC / D.I Odisha

with seal & date-----.