

**OPERATIONAL GUIDELINES FOR REIMBURSEMENT OF
SUBSIDY ON PLANT AND MACHINERY UNDER IPR- 2015**

(See Para 5.4.18.D of IPR 2015)

(To be reviewed after one year)

1. **Short Title:** - Operational guidelines for reimbursement of Subsidy on Plant and Machinery under 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:** -
 - a) Investment means cost of Land, Building, Plant & Machinery, Other fixed assets and Electrical installations as per book value (Working capital is not considered).
 - b) Terms and expressions used in this operational guideline, but not specifically defined / explained here, shall have the same meaning as in Industrial Policy Resolution-2015.
5. **Policy Provisions-**
To encourage employment intensive industries in **Auto and Auto Components, Agro and Food Processing, Textile including Technical Textile & Apparel, Pharmaceuticals and Plastics Industries under Priority Sector** in the state, special package of incentives is provided to the industrial projects as outlined below;

Classification of Districts:

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

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

Classification of Industry:

S. No.	Category	Investment (Rs. Cr)	Minimum Employment (No.)
Category A			
1	A 1	>100	100
2	A 2	>200	200
3	A 3	>500	400
Category B			
1	B 1	>50	75
2	B 2	>100	100
3	B 3	>250	200

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

SL. No.	Classification	*Subsidy
1.	A1/ B1	10% of investment in P & M with a max. of Rs. 10.0 Cr
2.	A2/ B2	10% of investment in P & M with a max. of Rs. 20.0 Cr
3.	A3/ B3	10% of investment in P & M with a max. of Rs. 50.0 Cr

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

6. Eligibility: - Industrial units satisfying definition and falling under -

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

7. Determination of date of production: The date of production for availing of this incentive (CIS) shall be determined by the General Manager RIC/ DIC for Medium Enterprises and Director of Industries, Odisha in case of Large Industrial Unit basing on the totality of documentary evidence as per IPR-2015.

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

9. Constitution State Level Committee (SLC).

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

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

9.2 The State Level Committee shall go into merits of each case to decide whether the industrial unit qualifies for grant of the subsidy and will determine the quantum of subsidy admissible to the industrial unit.