

GOVERNMENT OF ODISHA
MSME DEPARTMENT

NOTIFICATION

No. MSME-IP-MISC-0001-2024 1348/MSME, Bhubaneswar, the 26 February, 2024

OPERATIONAL GUIDELINES FOR INTEREST SUBSIDY
UNDER ODISHA MSME DEVELOPMENT POLICY -2022

(Reference: Para 7.4 of Odisha MSME Development Policy, 2022)
(Effective from 30.11.2022)

1. Policy Provisions: Para 7.4 of Odisha MSME Development Policy' 2022 states as follows,

"New enterprises with investment in plant and machinery up to INR 50 crores shall be eligible for reimbursement of 50% of interest paid on term loan availed from public financial institutions/banks for a period of 5 years from the date of commencement of production, subject to a total maximum limit of INR 1 crore."

2. Terms and Expressions:

- 2.1 Terms and expressions used in this operational guideline, but not specifically defined here, shall have the same meaning as in Odisha MSME Development Policy, 2022.
- 2.2 Cost of Plant & Machinery - Definition of Plant and Machinery and assessment of its values shall be done exactly as provided in the Operational Guidelines of IPR, 2022 issued/to-be-issued by Industries Department.

Note:

- Investment made on Plant & Machineries from the date of 1st Fixed Capital Investment till the date of commencement of production shall be considered for determining the cost of P&M of the enterprise.
- Interest paid on Term loan shall not include penal interest.
- Promoter(s) concerned 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 for or for any other unit/ activity with which promoter concerned is associated either directly or indirectly.

3. Eligibility:

- 3.1 New enterprises with investment in Plant & Machinery up to INR 50 crores except the units/activities listed under Annexure-II of Odisha MSME Development Policy-2022, amended from time to time.
- 3.2 Migrated industrial unit / Transferred unit shall be treated as new industrial unit under Odisha MSME Development Policy 2022.
- 3.3 Date of first Fixed Capital Investment (FCI) for new enterprises should be on or after the effective date of Odisha MSME Development Policy 2022. This is not applicable in case of Migrated units.

[1]



- 3.4 New enterprises must commence commercial production within three years from the date of first FCI.
- 3.5 Eligible Industrial unit that has availed Interest Subsidy on Term loan under any other scheme of State Government or Government of India or Government Agencies or any Financial Institution(s) shall be entitled only for the differential amount of benefit.
- 3.6 Incentive shall not be sanctioned and disbursed if the enterprise is found closed / has gone out of production as on the date of sanction or disbursement. In such case, sanction and/or disbursement, as the case may be, shall be reconsidered if commercial production resumes satisfactorily within two years from the date of closure of the enterprise.
- 3.7 Interest Subsidy shall not be applicable where Term loan is sanctioned and disbursed after the date of commencement of commercial production.
- 3.8 Units which are classified as a NPA at the time of making the application and / or at any time up to the date of disbursement of this benefit will not be eligible to avail such incentive.

4. Time frame for filing application:

- 4.1 Eligible enterprises shall file their claim in AIM portal (<https://odishamsme.nic.in>), annually within six months from the end of the respective financial year. Applications received beyond the specified time frame shall be rejected. However, Government may consider condonation of delay for filing of application as per provisions in Odisha MSME Development Policy-2022 (See Para 9.6 of the Policy).
- 4.2 The application with requisite documents shall be self-attested by Proprietor / Managing Partner / Managing Director / Authorized Signatory.

5. Procedure to avail Interest Subsidy (Scrutiny, Approval and Rejection):

- 5.1 Eligible new enterprises shall submit online application (as per Annexure-A), with uploading of supporting documents (as per Annexure-B), to General Manager (DIC) in AIM Portal (<https://odishamsme.nic.in>). They need not have to furnish physical copies of documents unless asked for.
- 5.2 Application for Interest Subsidy for subsequent years, after 1st Year / initial year of claim, shall be accompanied with documents and statutory clearances/ approvals related only to the year of claim.
- 5.3 General Manager (DIC) shall verify the application within 7 working days and acknowledge the same in the Portal if it is found in order. If not, he will either reject the application by citing grounds of rejection in the Portal or ask the applicant unit to make good the deficiencies in the application by reverting the application to the applicant unit in the Portal with details of the deficiencies found in the application.
- 5.4 If the application is in order, General Manager (DIC) shall inspect the unit within 15 working days from the date of online application to ascertain its working status and to check veracity of submitted documents to assess eligibility of the unit and furnish report in Annexure-C. If the unit is found not eligible for Interest Subsidy, General Manager (DIC) will reject the application in the Portal citing detailed grounds of ineligibility. However, if on inspection of the unit, General Manger (DIC) wants some clarification or some more information, he shall ask the applicant unit, in Offline mode, to furnish necessary clarification/information and shall keep the application processing pending in the Portal till then.
- 5.5 If the unit is found eligible, General Manager (DIC) shall transmit one set of application to the concerned Branch Manager of the financing Bank



Branch to certify the amount of Interest paid on Term loan excluding any penal interest in the format prescribed in Annexure-D under intimation to the concerned unit within 3 working days after inspection of the enterprise.

- 5.6 At the same time (within 3 working days as mentioned above), in case of enterprises with investment in Plant & Machineries above Rs. 10 Crores, General Manager (DIC) shall forward one set of application to the Director of Industries (Odisha) for processing under intimation to the concerned unit.
- 5.7 The concerned Branch Manager of the financing Bank Branch shall furnish necessary certificate in the format as at Annexure-D to General Manager (DIC) in case of enterprises with investment in Plant & Machineries up to Rs. 10 Crores /to Director of Industries (Odisha) in case of enterprises with investment in Plant & Machineries above Rs. 10 Crores, within 7 working days of receipt of proposal at his end under intimation to the concerned unit / General Manager (DIC) and Director of Industries (Odisha).
- 5.8 General Manager (DIC)/Director of Industries (Odisha) may also defer consideration of a proposal for want of further information. In that case, the application shall be shown pending in the Portal till a final decision is taken.

6. Sanction:

- 6.1 General Manager (DIC) (in case of enterprises with investment in Plant & Machineries up-to Rs. 10 Crores) shall issue sanction order in favour of the applicant unit in the Portal, in the format prescribed at Annexure-E, within 7 working days of receipt of Certificate from the Bank.
- 6.2 Director of Industries (Odisha) (in case of enterprises with investment in Plant & Machineries above Rs. 10 Crores) shall issue sanction order in favour of the applicant unit in the Portal, in the format prescribed at Annexure-E, within 7 working days after receipt of Certificate from the Bank.
- 6.3 In case of rejection, the General Manager (DIC)/ Director of Industries (Odisha) shall upload the rejection letter in the format prescribed at Annexure-F, clearly mentioning the grounds of rejection, on the AIM portal within 7 working days from the date of rejection of the proposal.

7. Disbursement:

- 7.1 General Manager (DIC) shall verify the working status of the unit and report in the format at Annexure-C within 3 working days from the date of issue of sanction order and update the same in the Portal.
- 7.2 In the case where sanction is made by Director of Industries (Odisha), General Manager (DIC) shall verify the working status of the unit and report in the format at Annexure-C within 3 working days from the date of issue of sanction order and intimate the same to the Director of Industries (Odisha) by updating the same in the Portal itself.
- 7.3 Disbursement shall be made by the concerned sanctioning authority directly to the Bank Account Number of the applicant enterprise given in the online application form within 3 working days, if the unit is found operating at the given location.
- 7.4 Disbursement shall, however, be held up if the unit is found to be non-operational at the given location and will be made only on satisfactory resumption of operation. However, if operation does not resume within



two years from the date of sanction order, the sanction order shall be cancelled.

8. Recovery:

In the following events or circumstances, Interest Subsidy received by an enterprise shall be recovered, along with penal interest @18% per annum, under the provisions of the Orissa Public Demand Recovery Act unless refunded within a period of one month from the date of an order issued to this effect by the General Manager (DIC) or Director of Industries (Odisha).

- i. If Interest Subsidy is availed by misrepresentation of facts, fraud or by furnishing false and misleading information or by suppression of facts.
- ii. If reimbursement of Interest Subsidy disbursement is found to be made erroneously or found to be in excess of the amount actually admissible. However, if the industrial unit is not responsible for such erroneous or excess payment, then no penal interest shall be charged on it.
- iii. Where the disbursed amount becomes recoverable in terms of the stipulation contained in the Undertaking in Annexure A or the beneficiary unit violates any other condition of Undertaking/ Guidelines or Government Rules.
- iv. If the enterprise goes out of production for a continuous period exceeding 6 months within 5 years from the date of commencement of commercial production.
- v. If the enterprise shifts its location to outside the state or removes the Plants and Machineries (on which Interest Subsidy has been availed) from the installation location, within 10 years from the date of receipt of the incentives, without prior approval of MSME Department.

9. Miscellaneous

- 9.1 Application for condonation of delay in implementation of the project due to force majeure (like natural calamities) and reasons beyond the control of the industrial unit only shall be dealt on case-to-case basis. General Manager (DIC) shall examine such case(s) and forward the application made by the entrepreneur with justification to the Director of Industries (Odisha). Director of Industries (Odisha) shall examine and recommend such case(s) to MSME Department for placement of the same before the Empowered Committee constituted under chairmanship of Secretary, MSME Department for consideration of such cases.
- 9.2 Government may inspect the enterprise at any time, to ascertain whether the incentive is availed by fraudulent means or not.
- 9.3 Any change in facts or circumstances affecting the eligibility of the unit shall be intimated immediately to the General Manager (DIC) / Director of Industries (Odisha) by the unit.
- 9.4 Where any doubt arises regarding implementation of these rules, the same shall be referred to the MSME Department whose decision shall be final and binding on all the parties.

These Operational guideline have been concurred in by Finance Department in OSWAS File No. MSME-IP-MISC-0001-2024.

By order of the Governor


(Saswat Mishra) 26/02/2024

Principal Secretary to Government

Memo No. 1349 /MSME Dated 26-02-2024

Copy forwarded to Principal Secretary (Industries Department)/ MD (IPICOL)/ MD (IDCO) /Director of Industries (Odisha)/ /All General Manager (DICs) for information and necessary action.

Alkate
26.2.2024

Memo No. 1350 /MSME Dated 26-02-2024 Additional Secretary to Government

Copy forwarded to all Industries Associations for information and necessary action.

Alkate
26.2.2024

Additional Secretary to Government

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Annexure-A

APPLICATION FOR AVAILING INTEREST SUBSIDY ON TERM LOAN AVAILED BY NEW ENTERPRISES UNDER ODISHA MSME DEVELOPMENT POLICY-2022

(See Para 7.4 of Odisha MSME Development Policy-2022)

(Strike out whichever is not applicable)

From:

To

The General Manager,
District Industries Centre, _____

Sub : Application for Interest Subsidy on Term Loan availed by New Enterprises under the provisions of Odisha MSME Development Policy- 2022.

Sir / Madam,

In accordance with the provisions laid down in Odisha MSME Development Policy 2022 and its operational guidelines notified by MSME Department, Government of Odisha, the application for sanction and disbursement of Interest Subsidy on Term Loan availed @ 50% of Interest Paid excluding penal interest is submitted with following particulars for the period from _____ to _____ (Period of claim).

1	Name of the Industrial Unit	:	
2	Location Address of the enterprise with PIN Code	:	
3	Address of Registered Office with PIN Code	:	
4	Type of Organization (Proprietorship/ Partnership/ Co-operative / Private Limited/ Public Limited/ LLP/ Trust/ Others)	:	
5	Name of the Proprietor/ Managing Partner/ Managing Director/ Authorised Signatory	:	
6	Email ID for correspondence	:	
7	Mobile/ Cell Phone No.	:	
8	Production Certificate No. & Date	:	
9	Udyam Registration No.	:	
10	Type of Enterprise (Tick the appropriate Box)	(a)	New enterprise
		(b)	Migrated Industrial Unit treated as new enterprise
		(c)	Transferred Unit shall be treated as a new industrial unit. [See Para 6(e) of ODISHA MSME DEVELOPMENT POLICY 2022]
11	Date of first fixed capital investment i.e. land/ building/ plant & machinery/ equipment's (As per Production Certificate)		
12	Date of commencement of production as per Production Certificate		

13	Whether commercial production has commenced within three years from the Date of 1 st FCI.	Yes	No		
	If no, whether project implementation delay has been condoned by the Empowered Committee	Yes	No		
	If condoned, mention decision of the Empowered Committee and date of the meeting	:			
14	Items of manufacturing/activity	Sl	Item(s)	Quantity	Value (Rs. In lakhs)
15	Investment in Plant & machinery (In Rs.)	:			
16	Term Loan A/c No of the enterprise with IFS Code <i>(If Term loan availed from more than one Bank and or multiple term loan, inform detail of such Term loan Accounts)</i>	:	Account No.		
			IFS Code		
17	Current A/c No of the enterprise with IFS Code		Account No.		
			IFS Code		
18	Detail of Term loan sanctioned (Amount & Date) <i>(If Term loan availed from more than one Bank and or multiple term loan, inform detail of such Term loan Accounts)</i>				
19	Detail of Term loan availed (Amount & Date) <i>(If Term loan availed from more than one Bank and or multiple term loan, inform detail of such Term loan Accounts)</i>				
20	Term loan repaid during the period of claim <i>(If Term loan availed from more than one Bank and or multiple term loan, inform detail of such Term loan Accounts)</i>	a	Principal		
		b	Interest		
21	Details of interest subsidy sanctioned / availed so far with sanction order no & date (Financial Year-wise)				
22	Claim for interest subsidy (Specify the amount & period)				
23	Employment Generated	:			
24	Validity of Consent to operate / Authorisation granted by State Pollution Control Board, Odisha	:			
25	Validity of other statutory clearances	:	Type of Statutory Clearance	Validity	

I/We hereby undertake that;

- (i) Claim for Interest Subsidy on Term Loan availed for Rs. _____ (in words) _____ made for (mention period) from _____ to _____ (From the date of commencement of production to the end of 1st Financial year / 2nd Financial Year/ 3rd Financial Year / 4th Financial Year /5th Financial Year / 1st April of 6th Financial Year to the date of completion of five years of commencement of Production) does not include any penal interest.
- (ii) The assets including Plant & Machineries acquired by date of commercial production has not been removed/disposed of/discarded.
- (iii) The promoter(s) of the enterprise has not defaulted to Banks/ Financial Institutions/ SIDBI/ OSFC/ IPICOL / Government and Government controlled agencies.
- (iv) My/ Our Term loan account is not classified as a NPA at the time of making the application for this incentive.

I, Ms/Smt./Sri _____ D/W/S/o _____ at present _____ (designation) of M/s _____ (name of the enterprise) certify that the information furnished as above are true and correct to the best of my knowledge and belief.

I further hereby undertake to abide by the terms and conditions prescribed under the provisions of Odisha MSME Development Policy, 2022 and its operational guidelines. I shall repay the entire amount of Interest Subsidy on Term loan availed or any part thereof with penal interest @18% per annum if,

- A. The information furnished by me is found to be false/misleading or there has been suppression of material facts by me.
- B. The enterprise goes out of production for a continuous period exceeding 6 months within 5 years from the date of commencement of commercial production 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.
- C. Reimbursement of Interest Subsidy is sanctioned erroneously or more than the actual amount due and admissible. However, if the applicant unit is not responsible for such erroneous or excess payment, then no penal interest shall be charged on him/her.
- D. The industrial unit shifts the registered office or the Plants and Machineries of the unit to a place outside the State without taking prior permission of the State Government.

Copies of relevant documents in support of information/facts furnished above are enclosed herewith.

Enclosure: -

- 1.
- 2.

Date
Place

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



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)

Sl.No	Documents
1.	Production Certificate
2.	Udyam Registration Number
3.	Power of Attorney / Board Resolution / Society Resolution, as applicable, while signing as Partner / Managing Director / Authorized person
4.	Certificate of registration under Indian Partnership Act 1932 / Societies Registration Act-1860 / Certificate of Incorporation (Memorandum of Association & Article of Association) under Company Act-1956/ LLP
5.	Consent to operate / Authorization issued by State Pollution Control Board, Odisha except for White Category
6.	Document in support of delay in implementation condoned by State Government, if applicable
7.	Declaration by firms whose Registered Office is outside the State
8.	Other valid statutory clearances
9.	Documents in support of Migrated Industrial Unit treated as new enterprises/ Transferred Unit shall be treated as a new industrial unit. [See Para 6(e) of Odisha MSME Development Policy-2022]
10.	Documents in support of 1 st investment in fixed capital
11.	Term loan sanction order of financial institute (s) / Banks
12.	Term loan account statement during the period of claim
13.	If availed Interest Subsidy from any other sources, submit proof thereof



Annexure-C

Visit Report to the Industrial Unit for extending financial benefits under the provisions of Odisha MSME Development Policy -2022.
(Strike out whichever is not applicable)

Name and location address of the Industrial unit.

M/s. _____
At: _____
PO: _____
Dist: _____
Production Certificate No. _____
Udyam Registration No. _____

I/We have visited the industrial enterprise on dt. _____ in connection with verification of working status for sanction/ disbursement of Interest Subsidy on Term Loan availed for the claim period from dt. _____ to dt. _____ sanctioned vide Order No. _____ Date: _____ of General Manager, DIC, _____ /Director of Industries, Odisha.

Status of the Industrial unit:

- The industrial enterprise is continuing its manufacturing activities as on the date of the visit.
- The industrial unit is found non-operational at the given location with effect from dt. _____.
- The industrial unit was non-operational at the given location from dt. _____ to dt. _____.
- Documents furnished have been verified and found correct/not correct (if not correct, mention details).

Remarks:

The industrial enterprise is eligible/ not eligible for sanction/ disbursement of Interest Subsidy on Term Loan availed under the provisions of Odisha MSME Development Policy-2022.

Signature of visiting Officer(s) with
Designation and Date.



Annexure-D

INTEREST SUBSIDY UNDER ODISHA MSME DEVELOPMENT POLICY -2022
(See Para 7.4 of Odisha MSME Development Policy, 2022)

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 Ms/Smt./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 _____ PO _____ Dist. _____. The term loan has been sanctioned on (Date) _____ @ annual interest of _____% and as on this date the enterprise unit has availed Term loan of Rs. _____. (Mention sanction & disbursement with dates in tabular form if it is for more than one)

Further it is certified that the above unit has paid Rs. _____ (in words) _____ towards interest due on Term Loan excluding penal interest during the period of claim i.e. from Dt. _____ to Dt. _____ @ annual interest of _____% against the interest due of Rs. _____.

The Account(s) of the enterprise unit is/are not declared as NPA as on the date of this Certificate and has not defaulted in payment the dues as per sanctioned order.

Date:

Signature & Seal of the
Financial institution/ Bank.



Annexure-E

OFFICE OF THE GENERAL MANAGER, DIC _____
/ DIRECTOR OF INDUSTRIES, ODISHA
(Strike out whichever is not applicable)

SANCTION ORDER

Order No. _____ Date: _____

1. Sanction is hereby accorded for 50% of Interest paid on Term Loan / differential benefit in favour of M/s. _____ At: _____ PO: _____ Dist.: _____ having Production Certificate No. _____ Date _____ for Rs. _____ in words (Rupees _____) only for the period from _____ to _____ i.e. (mention period) for the 1st Financial Year (from the date of commencement of production to the end of 1st Financial Year) / 2nd Financial Year/ 3rd Financial Year / 4th Financial Year / 5th Financial Year / 6th Financial Year (1st April of 6th Financial Year to the date of completion of five years of commencement of Production) under provisions of Para 7.4 of Odisha MSME Development Policy-2022.
2. The unit is a new enterprise with investment in Plant & Machineries up to Rs. 10 Crores / above Rs. 10 Crores up to Rs. 50 Crores.
3. The enterprise unit has already been sanctioned Rs. _____ for the previous years. The aggregate amount of all the sanctioned interest subsidy including this sanction is within the maximum limit of Rs. 1 Crore.

General Manager, DIC _____/
Director of Industries, Odisha

Memo No. _____ Dt. _____
Copy forwarded to M/s _____ At _____ PO _____
Dist.: _____ for information.

General Manager, DIC _____/
Director of Industries, Odisha

Memo No. _____ Dt. _____
Copy forwarded to the Financing Bank _____ for information &
necessary action.

General Manager, DIC _____/
Director of Industries, Odisha

Memo No. _____ Dt. _____
Copy forwarded to General Manager, DIC _____/ Director of Industries,
Odisha for information and necessary action.

General Manager, DIC _____/
Director of Industries, Odisha



OFFICE OF THE GENERAL MANAGER, DIC _____
/ DIRECTOR OF INDUSTRIES, ODISHA
(Strike out whichever is not applicable)

Letter No.

Date:

To

M/s
At
PO
Dist:
Email:
Mobile No.
(Location of the Unit)

Sir,

This is to inform that your application for sanction of Interest Subsidy on Term Loan availed for the period _____ filed on dt. _____ under Odisha MSME Development Policy-2022 is rejected due to the following reasons.

(Specify the reasons)

- 1.
- 2.
- 3.

General Manager, DIC _____/
Director of Industries, Odisha

