

GOVERNMENT OF ODISHA
ELECTRONICS AND INFORMATION TECHNOLOGY DEPARTMENT

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NOTIFICATION

No. 2002/E&IT
E&IT-Dev-II-13/2017

Bhubaneswar
Dated 13-06-18

Sub: Operational Guidelines for Capital Investment Subsidy under ICT Policy 2014
(See Clause No. 6.7 of ICT Policy-2014)

1. **Short Title** - Operational guidelines for reimbursement of Subsidy on Capital Investment under ICT Policy, 2014.
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 ICT Policy 2014, i.e. 16th January, 2014.
4. **Terms and Expressions** -
 - a) Capital Investment refers to cost of Plant & Machinery, Computer hardware & peripherals, other fixed assets and Electrical & Networking installations as per book value (Working capital is not considered).
 - b) The Capital Investment subsidy will be in the form of reimbursement to the IT/ITES/ESDM unit i.e. the total investment has to be made by the company post which the applicable subsidy will be reimbursed to the eligible and approved applicants.
 - c) This subsidy can be applied for more than one time by a company subject to the total maximum limit set forth in the ICT Policy 2014 i.e. Rs. 50 Lacs for IT/ITES industries and Rs. 5 Crores for ESDM industries.
 - d) Terms and expressions used in this operational guideline, but not specifically defined / explained here, shall have the same meaning as in ICT Policy 2014.
5. **Policy Provisions** -

To encourage investment, growth and employment in the state of Odisha through IT/ITES or Electronic System Design and Manufacturing (ESDM) industry, 20% investment subsidy on fixed capital investment for plant and machinery (except land and building) will be given to IT/ITES/ESDM units with a maximum limit of Rs. 50 Lakhs for IT/ITES and Rs. 5 Crores for ESDM industries.
6. **Eligibility** - IT/ITES/ESDM units satisfying definition and falling under the following criteria -
 - a) The total investment of the company is within Rs.50 Crore in the state of Odisha
 - b) The company has not reached its total maximum limit of availing Capital Investment Subsidy based on its prior applications and disbursements from Government, if any

- c) New Units in Odisha coming under Micro Small & Medium Enterprise (MSMEs) with any capital investment done after grounding of ICT Policy 2014 (i.e. 16th Day of January 2014)
- d) The capital investments made in the state of Odisha prior to the effective date of ICT Policy 2014 will not be considered for evaluation and approval of the application
- e) The applicable incentive shall not be sanctioned & disbursed if the IT/ITES/ESDM unit is found closed or has gone out of production.
- f) Sister concern under the Company who already availed the subsidy/applied will not be considered for evaluation and approval for reimbursement of this subsidy.
- g) Two or more companies, having the same registered office or the same senior leadership team (Managing Director/Managing Partner/CXO/Proprietor/Stakeholder), will not be considered for evaluation and approval for reimbursement of this subsidy, if they are having separate application for this incentive.

7. Determination of date of production/Operation: The date of production/commencement of commercial operations for availing this incentive shall be determined by the OCAC Committee basing on the totality of documentary evidence as per ICT Policy 2014.

8. Timeframe for filing application: Eligible IT/ITES/ESDM unit shall file its claim in the prescribed Application Form complete in all respect. The duly filled application must be submitted **within one year** from the date of starting production / **within one year** from the date of notification of this Operational Guidelines, whichever is later. Application received after the due date/ incomplete in any respect shall be liable to be summarily rejected.

9. Approval Process

9.1 OCAC as nodal agency through PIU shall examine all the incentive/ Subsidy claims in accordance with the chronological order and place it before the Secretary, E& IT department and Chairman, OCAC for approval/ sanction/rejection.

9.2 The Secretary, E & IT department and Chairman OCAC shall be the competent authority to go into merits of each case to decide whether the applicant qualifies for grant of the incentive/ subsidy and will determine the quantum of incentive/ subsidy admissible and sanction any incentive/ subsidy claims of eligible IT/ITES/ESDM units.

9.3 The Secretary, E & IT department and Chairman OCAC may recommend/ approve/ reject/ defer any application for incentives/ subsidy at its Sole Discretion.

9.4 Any incentive beyond the ICT Policy provisions would be placed before the Apex Committee constituted under the chairmanship of Chief Secretary vide Notification No. 2126/IT/2015 dated 25/07/2015 issued by Dept. of Electronics & Information Technology, Govt. of Odisha for approval. All admissible incentives/subsidy released at the level of the Secretary to Government, E&IT Department and Chairman, OCAC may also be placed before this Committee for perusal/approval

10. Procedure

- a. IT/ITES/ESDM units satisfying the eligibility shall file application in the prescribed form appended to this operational guideline in **Annexure II** along with copies of all relevant documents as mentioned in the Checklist in **Annexure I** and Undertaking prescribed in **Annexure III**.

Copies of the documents as indicated in the checklist should be self-certified by the Proprietor/ Managing Partner / Managing Director / Authorized Signatory.

- b. On receipt of application, the acknowledgement as prescribed at Annexure IV shall be dispatched to the applicant / applicant unit duly signed by the authorized officer, on the day of receipt. OCAC will coordinate and facilitate this.
- c. OCAC will check the eligibility and determine the applicability in each case within 15 days. All the documents submitted by the units shall be physically verified against the original by OCAC.
- d. A detailed report will be submitted to SSWCA (State Level Single Window Clearance Authority) by OCAC for approval and to forward to Apex Committee for final approval with a detail note on fulfilment of eligibility criteria, time limit, incentive applicability, eligible amount of subsidy vis-à-vis capital investment made, any recommendation on capital investment subsidy amount with justification, working status, specific suggestion, if any, for consideration.
- e. As per the Approval of the Apex committee, OCAC will disburse the eligible amount of subsidy to the bank/ financial institution directly, however if the business is self-financed then it will be reimbursed back to the industry unit directly.

OCAC will act as the nodal point during the entire process to respond to any queries or address any grievances from the applicants.

11. Disbursement - Disbursement of sanctioned amount for reimbursement of subsidy on Capital Investment shall be credited to the company's bank account after receiving the document evidences specified in this guideline provided the maximum limit is not reached and the eligibility criteria and terms & conditions are continued to be met even after approval of the Apex Committee.

12. Rejection - In case of rejection of application, the reasons with detailed explanation/justification shall be communicated to the applicant unit.

13. Re-Application - After fulfilling the criteria or requirement as per the rejection details, the company can reapply for the incentive within six(6) months from the date of rejection along with the reference of earlier application.

14. Monitoring - A periodic monitoring by the OCAC will be administered to track the operations of the unit either by in-premise physical verification or review of related documents received physically or in an electronic format. If any unit is found to be deliberately furnishing wrong/false information, the incentives provided shall be withdrawn under due approval of the Apex Committee.

15. Recovery - The amount disbursed towards reimbursement of capital investment subsidy shall be recovered with penalty as per the prevailing rate of interest from the date from which the subsidy is availed under the following circumstances:

- a) If the information furnished is found to be false/incorrect/misleading or misrepresented and there has been suppression of facts for whatsoever reason.
- b) If the production unit goes out of operation for a period exceeding six months at a time for any reasons other than labor issues, want of electrical power and/or network connectivity or for reasons beyond the control of entrepreneur/management during the period of incentives.

Further, the entrepreneurs shall give an undertaking that without prior approval of the Apex Committee, they will not change the location of the whole or any part of the unit or affect any substantial change in the project / close the unit within a period of 5 years from the disbursement of the incentives.

16. Amendment – Electronics & Information Technology Department (E&IT), Govt. of Odisha shall be the competent authority to review and make necessary amendment in the operational guidelines from time to time.

By Order of Governor


(R. N. Palai)

Special Secretary to Government

Memo No. 2003 /EIT Dated 13-06-18

Copy forwarded to the Principal Secretary to Governor, Odisha / ACS to the Chief Minister, Odisha/ P.S. to all Ministers / OSD to Chief Secretary, Odisha/ P.S. to D.C Cum ACS / P.S to Principal Secretary to Government, E&IT Department for kind information of the Governor / Chief Minister / All Ministers / Chief Secretary / DC Cum ACS / Principal Secretary, respectively.



Deputy Secretary to Government

Memo No. 2004 /EIT Dated 13-06-18

Copy forwarded to All Departments of Government / all Heads of Department / all RDCS / all Collectors / Principal Resident Commissioner, Government of Odisha, Odisha Niwas, New Delhi – 110021/ Additional Secretary to Government, Deity / All PSUs / Director, STPI, Bhubaneswar / SIO, NIC, Bhubaneswar / AG (A&E) Odisha, Bhubaneswar for information.



Deputy Secretary to Government

Memo No. 2005 /EIT Dated 13-06-18

Copy forwarded to the CMD, IPICOL, Bhubaneswar / CMD, IDCO, Bhubaneswar for information and necessary action.



Deputy Secretary to Government

Memo No. 2006 /EIT Dated 13-06-18

Copy forwarded to the Director IIIT, Bhubaneswar / General Manager (Admin.) OCAC, Bhubaneswar / Head IF & IT Promotion Cell, OCAC / All Sections of E & IT Department for information and taking necessary action.



Deputy Secretary to Government

Memo No. 2007 /EIT Dated 13-06-18

Copy forwarded to the Director, Printing, Stationary & Publication, Odisha, Cuttack for immediate publication of the Notification in the Extra Ordinary issue of Odisha Gazette and supply of 500 Copies to this Department.



Memo No. 2008 Dated 13-06-18 Deputy Secretary to Government

Copy forwarded (with Soft Copy) to the Head, State Portal Group, IT Centre Secretariat for information and necessary action. He is requested to host the Notification in the Government website as well as website of E&IT Department for wide circulation.



Deputy Secretary to Government

Annexure - I

CHECK LIST TO APPLY FOR CAPITAL INVESTMENT SUBSIDY

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

(Tick Mark whichever is available and has been complied with)

No.	Documents Required	Available?
1	IT/ITES/ESDM License & Production Certificate	<input type="checkbox"/>
2	Power of Attorney / Board Resolution/ Society Resolution, as applicable, while signing as Partner / Managing Director / Authorized person	<input type="checkbox"/>
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 read with	<input type="checkbox"/>
4	Certificate of Migrated IT/ITES/ESDM unit treated as new IT/ITES/ESDM unit issued by Director of Industries, Odisha	<input type="checkbox"/>
5	Undertaking that industry has not availed subsidy earlier on this project as per Annexure (New)	<input type="checkbox"/>
6	Approved DPR/ Project Profile	<input type="checkbox"/>
7	Document in support of date of production	<input type="checkbox"/>
8	Document in support of date of first investment in fixed capital i.e. investment in Computers / Computer Peripherals / Rougher / Plant / Machinery equipment etc. except Land & Building	<input type="checkbox"/>
9	Details and Sanction order(s) of the Term Loan	<input type="checkbox"/>
10	Bank Statement in release of Term Loan	<input type="checkbox"/>
11	Bank certificate along with invoice copies, regarding purchase of fixed asset and date of payment release	<input type="checkbox"/>
12	Installation certificate for Machinery/Equipment which is fall under Fixed asset except Land & Building	<input type="checkbox"/>
13	Auditor certificate for Investment in plant and machinery except Land and building made by the company after Grounding of ICT Policy, 2014 i.e. 16th Day of January 2014	<input type="checkbox"/>

Annexure - II

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

From

M/s. _____

At/PO _____

Dist. _____

To

The General Manager, Admin

OCAC, E&IT Dept. Govt. of Odisha

OCAC Building, Plot No. N-1/7-D

Acharya Vihar Square, BBSR

Odisha - 751013

Sub: Application for receiving Incentive(s) under ICT Policy 2014

Sir,

In accordance with the provisions laid down in ICT Policy 2014 and its operational guidelines, the details of the organization and the reimbursement claims submitted are as following:

I. Details of IT/ITES/ESDM Company	
1. Name of the ICT Company	
2. Date of Incorporation	
3. Name of the MD/CEO	
3.1 Name(s) of the Director(s)	
4. Details of License obtained	
5. Registration Number & Date (Issued by Commercial Tax Authority) GSTIN	
6. Registered With	<input type="checkbox"/> ROC <input type="checkbox"/> STPI <input type="checkbox"/> DIC <input type="checkbox"/> Others (Please Specify)

7. Organization PAN No.	
II. Address of Applicant	
1. Address of Registered Office	
2. Contact Person	
3. Email Address	
4. Mobile No.	
5. Office Telephone No.	
6. Other Offices (if any)	

III. Nature and activities
A. Constitution of the Organization (Please Select as applicable)
<input type="checkbox"/> Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Pvt. Ltd. <input type="checkbox"/> Ltd. <input type="checkbox"/> LLP <input type="checkbox"/> NGO <input type="checkbox"/> Others (Please Specify)

B.1 Line of Activity/Core competency/nature/type of the Organization (Please Select)
<input type="checkbox"/> IT/ITES/BPO/BPM <input type="checkbox"/> Communications/IT Infrastructure Developer/IT Park/IT SEZ <input type="checkbox"/> Startups <input type="checkbox"/> MSMEs <input type="checkbox"/> IT Product/R&D Companies/Innovation <input type="checkbox"/> Local Entrepreneurs <input type="checkbox"/> Women Entrepreneurs <input type="checkbox"/> Visual Effect , Animation, and Gaming & Entertainment <input type="checkbox"/> Creation of IT Incubation Facilities at Educational Institutes <input type="checkbox"/> Electronic system design and Manufacturing (ESDM) <input type="checkbox"/> Mega IT projects

B.2 In case your organization is engaged in multiple activities, please indicate your core Competency & line of activity from which maximum revenues are generated
1.
2.

3.

B.3 In case your core competency is in IT Product/R&D activity, please give details on patents

Obtained/registered/applied for on the date of application

C.1 Existing Status	<input type="checkbox"/> New <input type="checkbox"/> Operational
C.2 Category	<input type="checkbox"/> Domestic <input type="checkbox"/> Export Oriented <input type="checkbox"/> 100% EOU

D. Investment Made in Odisha (Rs. in Lakhs)

Date of first fixed capital investment i.e. land /building / plant & machinery (Please specify date here in DDMMYYYY):

Plant & Machinery	Rs. _____ /-	Year -
Land & Buildings	Rs. _____ /-	Year -
Furniture and Fixtures	Rs. _____ /-	Year -
Electrical & Networking Equipment	Rs. _____ /-	Year -
Computers and Peripherals	Rs. _____ /-	Year -
Other Fixed Assets (Specify)	Rs. _____ /-	Year -
Total	Rs. _____ /-	Year -

E. Date of commencement of commercial production: (Date on which the first invoice is raised by you on your client/customer)

Date: _____ Attachment

F. Place of Operation in Odisha: (Tick all that apply with the corresponding office space in sq. ft.)

- STPI - (in Sq. Ft.)
- SEZ - (in Sq. Ft.)
- Govt. Facility - (in Sq. Ft.)
- Incubation Center - (in Sq. Ft.)
- Own Building - (in Sq. Ft.)
- Other Private IT Park - (in Sq. Ft.)

G. Performance: Last three financial years (in Rs. Lakhs)			
Year	1 st Year	2 nd Year	3 rd Year
Export turnover			
Domestic turnover			
Total turnover*			
*Provide Annual Reports/Audited PL & BS	Attachment 1	Attachment 2	Attachment 3
Name of the Financial Institution(s)/Bank(s) [in case loan is availed]			

H. Employment			
Total number of Employees at present	Name of Location	No. of Employees	
Employee Category	Category Name	No. of Employees	
	Technical		
	Non-Technical		
	Executive Level		
	Male		
	Female		
	Differently able Persons		
Employment (Last 3 years)	1 st Year	2 nd Year	3 rd Year

I. Incentive Applied for (Choose the appropriate incentive)
<input type="checkbox"/> Assistance for Quality and security certification <input type="checkbox"/> Human Capital investment subsidy <input type="checkbox"/> Assistance for participation in Exhibition and Trade Delegation <input type="checkbox"/> Assistance for patent <input type="checkbox"/> Interest subsidy reimbursement <input type="checkbox"/> Reimbursement of VAT <input type="checkbox"/> Recruitment Assistance Subsidy <input type="checkbox"/> Specific Incentive for local enterprises

- Specific Incentives for Anchor Investors in level-II locations
- Capital Investment Subsidy
- Rental for Incubation space
- Incentives for lease rental
- Exemption from Stamp Duty
- Power Incentives

J. Claim Details for Subsidy on Capital Investment	
Total Investment	
Investment in Plant & Machinery	
Date of installation completion	
Total Term Loan against Plant & Machinery	

I, Sri _____ s/o _____ at present _____ (designation) of M/S _____ (name of the IT/ITES/ESDM unit) certify that the information furnished as above is true and correct to the best of my knowledge and belief.

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

M/s _____

Date -

Place -

LETTER OF UNDERTAKING

From

M/s. _____

At/PO _____

Dist. _____

- 1) I/We hereby confirm that this application for reimbursement of subsidy is on the basis of Capital Investment made by M/s _____ in the state of Odisha on or after 16th January, 2014 for an amount of Rs. _____ (in words _____ only).
- 2) I/We shall abide by the terms and conditions prescribed under the provisions of ICT Policy, 2014 and its operational guidelines.
- 3) I/We shall repay the Subsidy received on Capital Investment (excluding Land & Building) or any part thereof with penal interest as decided by the authority:
 - (a) If the information stated in the application & supporting documents is found to be false/ incorrect/ misleading/ misrepresented 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 IT/ITES/ESDM unit goes out of production or commercial operation for a period exceeding six months at a time for any reasons other than labor issues, want of electric power and/or network communication or for reasons beyond the control of entrepreneur / management during the period of incentives.
- 4) This IT/ITES/ESDM unit has not applied/availed reimbursement for subsidy on Capital Investment (excluding Land & Building) in any manner under any other scheme of the State Government or the Central Government or any Financial Institution(s).

I/we shall furnish audited financial statements and other periodical statements of this organization for each financial year to OCAC during the period of availing incentives.

**Signature of the Proprietor / Managing Partner /
Managing Director / Authorized Signatory of
M/s**

Date -

Place -

Letter No. _____ / Date _____

Acknowledgement

(To be issued by the Authorized Officer / General Manager, OCAC on the day of receipt)

To

Sri _____

M/s. _____

Received the application for reimbursement of incentive(s) under provision of ICT Policy 2014 and its Operational Guidelines along with the supporting documents mentioned below.

From

Person/Post

On Date

List of supporting documents received:

- 1.
- 2.
- 3.
- 4.
- 5.

Signature of authorized officer / General Manager OCAC
(with seal & date)

