

The Odisha Gazette

EXTRAORDINARY
PUBLISHED BY AUTHORITY

No. 445 CUTTACK, SATURDAY, MARCH 16, 2013 / FALGUNA 25, 1934

MSME DEPARTMENT

NOTIFICATION

The 15th March 2013

No. 1375—III-MSME-60/2013-MSME.—Government of Odisha was contemplating to bring out a Food Processing Policy aiming at value addition and waste reduction of the farm produce thereby increasing the income of farmers, maximize direct and indirect employment generation opportunities in Food Processing Sector, increase the flow of investment across the supply chain from farm to market more importantly, this Policy aims at establishment of units in food parks and Mega Food Parks. This Policy is in conjunction with IPR-2007 and MSME Development Policy, 2009 and emphasizes development of supply chain and infrastructure opportunity in rural areas, development of food parks, providing various fiscal and non-fiscal incentives to promote the Food Processing Industries in the State.

The proposal was under active consideration of State Government for sometime past. After careful consideration of the proposal, the State Cabinet in their 30th meeting held on 27th February 2013 at 9-00 A.M. has been pleased to approve the Odisha Food Processing Policy, 2013.

ORDER—Ordered that the notification be published in the extraordinary issue of *Odisha Gazette* and copy thereof be forwarded to all Departments of Government/all Heads of Department/ Accountant- General (A & E), Odisha/all RDCs/all Collectors.

By order of the Governor

D. K. SINGH

Commissioner-cum-Secretary to Government

MICRO, SMALL AND MEDIUM ENTERPRISES DEPARTMENT

MEMORANDUM FOR THE CABINET

The 16th January 2013

SUBJECT—Odisha Food Processing Policy, 2013

No. VII-MSME-41/2012—The Odisha Food Processing Policy, 2013 aims at increasing the flow of investments across the supply chain from farm to market, increase the value addition and reduce wastage of farm produce, thereby increasing the income of farmers, maximizing direct and indirect employment generation opportunities, creating the necessary supply chain like transportation, warehouses and cold storage in the food processing sector, extending the supply chain and infrastructure opportunity in rural area and to promote establishment of units in Food Parks/Mega Food Parks.

There is vast untapped potential for food processing industry in the State. In Odisha, about 0.7% of the total produce is processed currently. The National Food Processing Policy strives to achieve 25% from the current national average of 6% by 2025. In line with the national benchmark, the Odisha Food Processing Policy, 2013 aims to achieve 10% of food processing by 2017 and 25% by 2025 in the State. This policy aims to develop food processing as a vibrant industry creating employment opportunities for the people engaged in primary production activities and increasing the farm returns by value addition in the farm produce.

The State Government has undertaken strategic initiatives to intensify the industrial promotion & investment facilitation in general through Industrial Policy Resolution, 2007, Odisha MSME Development Policy, 2009 with objectives for creation of employment opportunities, value addition of resources & revenue augmentation in both mineral and non-mineral sector. Despite the initiatives taken in the extant policies, the food processing sector suffers from lack of concerted efforts, problems, specific needs and requirements. Thus the Odisha Food Processing Policy, 2013 is a new step in the same direction but with special focus on the Food Processing Industries so as to enable them to maximize the vast opportunity available in food processing sector.

The policy aims at addressing the Infrastructure needs of the food processing units. Industries Department shall identify and notify the areas of development in the potential food clusters. Upon notification of the areas, IDCO shall initiate establishment of industrial estates for industrial units. The Government of Odisha shall identify Agri Export Zones (AÉZ) for food processing industries. The implementing agency shall identify the need for setting up of common facility centers in the identified clusters. IDCO shall participate in SPV for Mega Food Parks (as defined by MoFPI). The participation can be in the form of land provided to SPV in the form equity contribution.

Human resource development is crucial for providing support to the food processing sector. The agro and food industry needs highly skilled manpower at both the workmen and supervisory levels, familiar with special requirements of the industry such as Good Hygiene Practices. This is particularly important for smaller units, which do not have the capacity to provide in-house training. The Agriculture Education & Research Institutes and Private institutions including Skill Development Agencies shall be encouraged to design specific training programmes for developing skills in the

food processing sector with focus on plucking, grading and sorting, packaging, storing and produce. Implementing agency shall encourage processing-related training for poultry and dairy sector. Currently, these training centers in the State are providing poultry farming and dairy farming related trainings.

Brackwish Water Training Centre and Fishery Training Institute shall be encouraged to provide training on marine processing. The implementing agency shall provide financial support to Private Skill Development Agencies of Rs. 5,000 per person for courses approved by DTET on vocational skills in the food processing sector. The grant would be released only upon successful certification and placement of the trainee for minimum 6 months.

Fiscal incentives are necessary to attract investment. The policy has provided support measures in form of Capital Investment Subsidy of 25% of the project cost (excluding the cost of land) subject to a limit of Rs. 2 crore. In case of units promoted by women entrepreneurs or entrepreneurs belonging to Schedule Caste/Schedule Tribe and units promoted in KBK districts, the subsidy shall be 33% of the project cost subject to a limit of Rs. 3 crore. Interest Subsidy 5% per annum back ended interest subsidy on working capital loan for first 5 years from commencement of operations for MSMEs in Food Processing Sector. The interest subsidy will be subject to a limit of Rs. 5 lakh per year for 5 years. Agro processing and food processing units shall be encouraged to adopt latest quality certification standards like Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP), ISO 9000, Agmark, FPO, Good Laboratory Practices (GLP), Total Quality Management (TQM). Exemption on Entry Tax on plant and machinery procured by MSMEs in Food Processing sector and exemption on Entry Tax on raw material procured by MSME industrial units for a period of 5 years from the date of starting commercial production.

For Mega Food Parks and Sea Food Parks the capital subsidy is up to 20% of the project cost subject to limit of Rs. 15 crore to Special Purpose Vehicle (SPV) to develop Mega Food Park and Sea Food Park. The subsidy can also be in the form of equity participation from Government of Odisha through a Special Purpose Vehicle (SPV). Reimbursement of cost for preparation of DPR for setting up Mega Food Park would be limited to Rs. 5 lakh. If the project is prepared for carbon credit, then the unit will get 50% of the consultancy charges with a cap of Rs. 20 lakh. The industrial units in the Mega Food Park and Sea Food Park shall be eligible for reimbursement of 100% VAT paid for a period of 10 years limited to 200% of fixed capital investment. Exemption on Entry Tax on plant and machinery procured by industrial units setting in MFP and SFP. Exemption of Entry Tax on raw materials for industrial unit for a period of 5 years from the date of commercial production.

The formulation of this policy has passed through elaborate consultative process with all stakeholders including the industry association, Banks and experts in the field of Food Processing and incorporating their suggestions.

The draft Odisha Food Processing Policy, 2013 is placed at Annexure-A for kind consideration and approval by the Cabinet.

**ODISHA FOOD PROCESSING POLICY
2013**

1. Preamble

- 1.1. Odisha's diverse agro-climatic condition which includes 10 agro-climatic zones and 8 major soil types is favorable for production of different types of crops, vegetables, fruits and spices. In 2009-10, agriculture and allied activities contributed less than 20% to the Gross State Domestic Product, although more than 60% of workforce is employed in the agriculture sector.
- 1.2. In the marine segment, the state has a coastal line of over 480 kms. and is the 9th largest producer of fish in India. The state has witnessed increase in fish production from 259,642 MT in 2000-01 to 370,642 MT in 2009-10; primarily contributed by 7.4% CAGR in production of freshwater fish.
- 1.3. Total agricultural crop production in Odisha has nearly doubled from 46.32 lakh MT in 2002-03 to 87.47 lakh MT in 2009-10. Food grain production has been witnessing an increasing trend in production since 2002-03 at 35.55 lakh MT to reach 75.51 lakh MT in 2009-10.
- 1.4. Although Odisha is country's leading producer of rice, pulses, vegetables, oilseeds, cotton, groundnut, coconut, jute, spices, potato and fruits, the agro and food processing industry in Odisha is in nascent stage under unorganized private sector. The agro-horticultural produce is marred by colossal wastage and very low level of processing. The low levels of processing are primarily due to infrastructure constraints.
- 1.5. The linkage of Research & Development institutions and laboratories with users like processing industries is poor resulting in lack of technology flow. Weak data base, underdeveloped market intelligence and primitive market structure are the prevailing features of food processing sector. This inherent weakness of the sector needs interventions to promote vital linkage and synergy between two pillars of economy - industry and agriculture and allied sector.
- 1.6. As of 2009-10, Odisha had approximately 24,811 enterprises engaged in food and allied sector generating over 1.3 lakh employment opportunities with an investment of more than Rs. 1,510 crores. During the meeting of High Level Clearance Authority in May 2011, the state has also given clearance to 6 industries for projects under food processing industries with an investment of Rs. 1334.98 crores.
- 1.7. The growth potential of this sector is enormous as consumption of value added product will grow at fast pace. A well developed and integrated food processing industry is vital for Odisha to enhance the productivity and quality of agricultural production, farm returns, and economic stability for rural households.

- 1.8. The State government has undertaken strategic initiatives to intensify the industrial promotion & investment facilitation in general through Industrial Policy Resolution, 2007, Odisha MSME Development Policy, 2009 and State Agricultural Policy, 2008 with objectives for creation of employment opportunities, value addition of resources & revenue augmentation in both mineral and non-mineral sector. National Food Processing Policy has identified the Food Processing Industry as thrust sector and as priority lending sector. Despite the initiatives taken in the extant policies, the food processing sector suffers from lack of concerted efforts, problems, specific needs and requirements.
- 1.9. In order to provide impetus to the food processing sector in the state and given the challenges associated with the food processing sector, the Government of Odisha is declaring a separate Food Processing Policy of its own christened as "Odisha Food Processing Policy, 2013."
- 1.10. This Policy shall provide a new direction to the ongoing industrial process by providing infrastructure support, institutional support and fiscal support to food processing sector.
- 1.11. The "Odisha Food Processing Policy, 2013" has been formulated in consultative process involving all stake holders.

2. Objectives

There is vast untapped potential for food processing industry in the state. In Odisha, about 0.7% of the total produce is processed currently. The National Food Processing Policy strives to achieve 25% from the current national average of 6% by 2025. In line with the national benchmark, the Odisha Food Processing Policy, 2013 aims to achieve 10% of food processing by 2017 and 25% by 2025 in the state. This policy aims to develop food processing as a vibrant industry creating employment opportunities for the people engaged in primary production activities and increasing the farm returns by value addition in the farm produce. The broad objectives of the policy are:

- 2.1 To increase the flow of investments across the supply chain from farm to market
- 2.2 To increase the value addition and reduce wastage, thereby increasing the income of farmers
- 2.3 To maximize direct and indirect employment generation opportunities
- 2.4 To create the necessary supply chain like transportation, warehouses, and cold storage in the food processing sector
- 2.5 To extend the supply chain and infrastructure opportunity in rural area
- 2.6 To promote establishment of enterprises in Food Parks/ Mega Food Parks

3. Strategy

The agricultural produce including horticulture, dairy, fishery and animal husbandry are perishable in nature. An estimated 35 to 40% of the fruit, vegetable in Odisha goes waste due to lack of storage, cold chain and transport infrastructure. To limit the wastage and increase value to farm produce, development of food processing enterprises and adequate post harvest infrastructure especially storage and transportation facilities is necessary. The strategy adopted includes:

- 3.1** Fiscal incentives for attracting investment to the sector
- 3.2** Fiscal incentives for encouraging investments in the supply chain infrastructure to reduce wastage
- 3.3** Developing human resource to create skilled & technical manpower
- 3.4** Strengthening the linkage between processing enterprises and Research & Development institutes
- 3.5** Fiscal incentives for setting up focused industrial clusters and food processing parks in potential food clusters
- 3.6** Promote collection and dissemination of information and market intelligence
- 3.7** Encourage adoption of internationally accepted quality certifications

4. Nodal Agency

The MSME Department, Government of Odisha shall be the nodal agency for Odisha Food Processing Policy, 2013. Directorate of Industries along with Regional Industries Centre/District Industries Centre shall be the implementing agency for Odisha Food Processing Policy, 2013.

5. Commencement

The Odisha Food Processing Policy, 2013 shall remain in force from the date of its notification in Odisha Gazette until substituted by another policy. The date of notification shall be treated as effective date of this policy.

6. Definitions

- 6.1 Agro and Marine processing** includes grading, grinding, cutting/cubing/dicing, sorting, packing (dehydrated packing, vacuum packing, nitrogen sachet packing, tetra packing, canning, bottling), waxing, drying (spray drying, dehydration), irradiation any value add activity to the agricultural, horticulture, and forest produce. Agro processing also covers projects in hi-tech and bio-technology based agriculture.
- 6.2 Food Processing** includes processing of ready-to-eat or ready-to-cook food and manufacturing of additives, preservatives, colors and fragrant manufacturers for food products.
- 6.3 Agro Infrastructure providers include warehouse, cold storage, transportation food items including reefer vans/containers and processing machinery producers**
- 6.4 Quality assurance providers** include food testing laboratory and certification agencies
- 6.5 Research and Human Resource Development** includes Research & Development, Product Development, and Crop Development Institutes, and Human Resource Development (courses in Food Processing, Agro Management)
- 6.6** Any enterprise carrying the activities as mentioned in (Clause 6.1 to Clause 6.5) shall be hereinafter mentioned as "enterprise". A list of Agro and Food Processing Industries and Agro Infrastructure eligible for incentives and facilitation support is specified in Annex I.
- 6.7 MSMEs – Micro, small and medium enterprises** as defined in The Micro, Small and Medium Enterprises Development Act, 2006 shall be applicable.
- 6.8 Expansion of enterprise** – Existing enterprise in agro and marine processing (as defined in Clause 6.1) and food processing (as defined in Clause 6.2) that undertakes an expansion of 50% in the installed capacity shall also be eligible for the incentives under this policy. Eligibility for incentive shall be on expanded capacity and new investment only.
- 6.9 Diversification of enterprise** – Existing enterprise in agro and marine processing (as defined in Clause 6.1) and food processing (as defined in Clause 6.2) that diversifies into other agro and marine processing (as defined in Clause 6.1) or food processing (as defined in Clause 6.2) shall also be eligible for the incentives under this policy. Eligibility for incentive shall be on expanded capacity and new investment only.
- 6.10 KBK region covers 8 districts** – Koraput, Nawarangpur, Malkanagiri, Rayagada, Subarnapur (Sonepur), Bolangir, Kalahandi and Nuapada
- 6.11 Potential Food Clusters** – Potential areas for development of food processing sector have been identified include following districts:

Category	Potential Food Clusters
Cereals, Pulses, Foodgrains and Oilseed	Ganjam, Kalahandi, Bargarh, Mayurbhanj and Nabarangpur
Fish -	Bhadrak, Ganjam, Balasore, Jagatsinghpur and Puri
Poultry and Meat	Ganjam, Bolangir, Mayurbhanj, Keonjhar, Sundargarh
Milk	Cuttak, Bhadrak, Puri, Bargarh, Jagatsinghpur
Cashew	Koraput, Khordha, Sundargarh, Jagatsinghpur and Sambalpur
Fruits and vegetables	Keonjhar, Ganjam, Mayurbhanj, Khordha, Rayagada, Aungul, Deogarh, and Sundargarh
Condiments and spices	Phulbani, Koraput, Keonjhar, Angul and Cuttack

6.12 Category & potential district food clusters may be notified from time to time

Project Clearance

The project clearance shall be administered under the provisions relevant statutory Acts & Rules, under Single Window Mechanism laid down under Odisha Industries (Facilitation) Act, 2004 and Rules, 2005.

Facilitation Support to Food Processing Sector

8.1 Single Window Clearance System

- 8.1.1 The existing single window clearance system shall continue to clear the projects for food processing sector.
- 8.1.2 As per the Orissa Industries Facilitation Act 2005, the Government of Odisha has to set up a computerized online system for submission of application forms for various clearances. The Government of Odisha shall also take steps to provide facility of online tracking of the status of application by the applicant.

8.2 Infrastructure Development

- 8.2.1 MSME Department shall identify and notify the areas of development in the potential food clusters. Upon notification of the areas, IDCO shall initiate establishment of industrial estates for enterprises.
- 8.2.2 The Government of Odisha shall identify Agri Export Zones for food processing industries.
- 8.2.3 The implementing agency shall identify the need for setting up of common facility centres in the identified clusters.

8.2.4 IDCO shall participate in SPV for Mega Food Parks (as defined by MoFPI). The participation can be in the form of land provided to SPV in the form equity contribution.

8.2.5 IDCO shall provide necessary assistance for development of mega food parks/food parks and necessary infrastructure including road, water, power and other such infrastructure.

8.2.6 Establishment of Sea Food Park: IDCO shall develop Mega Food Park for fish processing and allied sea food and ancillary enterprises. The common infrastructure as required shall be developed by IDCO. IDCO shall provide the maintenance and management of Food Park by floating SPV.

8.3 Human Resource Development

8.3.1 Human resource development is crucial for providing support to the food processing sector. The agro and food industry needs highly skilled manpower at both the workmen and supervisory levels, familiar with special requirements of the industry such as Good Hygiene Practices. This is particularly important for smaller enterprises, which do not have the capacity to provide in-house training.

8.3.2 The Agriculture Education & Research Institutes and Private institutions including Skill Development Agencies shall be encouraged to design specific training programmes for developing skills in the food processing sector with focus on plucking, grading & sorting, packaging, storing, processing, etc.

8.3.3 Implementing agency shall encourage processing-related training for poultry and dairy sector. Currently, these training centres in the state are providing poultry farming and dairy farming related trainings.

8.3.4 Brackish Water Training Centre and Fishery Training Institute shall be encouraged to provide training on marine processing. The implementing agency shall provide financial support to Private Skill Development Agencies of Rs. 5,000 per person for courses approved by Directorate of Technical Education and Training, Odisha on vocational skills in the food processing sector. The grant would be released only upon successful certification and placement of the trainee for minimum 6 months.

8.4 **Information Centers:** This support shall include website management containing information relevant for agriculture & food processing sector in Odisha. The information center shall maintain databases on food processing enterprises, infrastructure providers, key export destinations from Odisha, and other such knowledge on food processing in the state. The implementing agency shall also take a proactive approach of sending brochures/ white papers/ publications to the target enterprises/industrial houses in order to generate goodwill and educate the prospects on relevant information on the food & agriculture processing sector. Krishi Sahayak Kendras in Odisha can be utilized as information centers.

8.4 Knowledge Support Centers: Agriculture Promotion and Investment Corporation of Orissa Ltd. shall be empowered to empanel consultants who can prepare bankable project reports. The supporting institutions like Orissa University of Agriculture & Technology, National Bank for Agriculture and Rural Development, Central Food Technological Research Institute and other accredited institutions, etc. shall be pooled to the fold of knowledge centre.

8.5 Entrepreneurship Development

8.5.1 Support Cell: The cell shall support entrepreneurs by providing knowledge on incentives under various policies and programmes of central and state government. The cell shall assist in organizing buyer-seller meets and provide guidance on quality certification. Bureau of Indian Standard (BIS) shall be a knowledge partner to the said cell. The implementing agency shall take necessary support from institutions such as OUAT, NABARD, CFTRI and other such consultants for assistance in preparation of detailed project reports.

8.5.2 Entrepreneurship Development Programme – The Institute of Entrepreneurship Development, Odisha shall be suitably equipped to take up the Entrepreneurship Development Programme in line with MoFPI's entrepreneurship development.

8. Fiscal Incentives

9.1 Rebate on Land

9.1.1 "Government earmarked for 'Land Bank' scheme and other Government land wherever may be allotted to enterprises at prevailing rate as provided by Government of Odisha (and IDCO) from time to time under Industrial Policy Resolution, 2007". The amount of land to be given to the unit shall be at the discretion of the nodal agency after assessing the requirement of land in a realistic manner and shall not exceed the limit specified here.

Sl. No.	Project cost (Rs. in crores)	Land to be available at concessional rate
1.	From 1 to 50	As per requirement - Maximum 5 acres
2.	Above 50 up to 100	As per requirement - Maximum 10 acres
3.	Above 100	As per requirement - Maximum 30 acres

9.1.2 "The concession for identified potential food clusters or enterprises set up in KBK region shall be provided in the form of reimbursement of additional 25% of land rate of the extant Industrial Policy Resolution, 2007 announced by Government of Odisha (and IDCO). The reimbursement is subject to the commencement of production in the enterprise".

9.2 Capital Investment Subsidy

- 9.2.1 Enterprises shall be provided capital investment subsidy of 25% of the project cost (excluding the cost of land) subject to a limit of Rs. 2 crore. In case of enterprises promoted by women entrepreneurs, or entrepreneurs belonging to Schedule Caste/ Schedule Tribe and enterprises promoted in KBK region, the subsidy shall be 33% of the project cost subject to a limit of Rs. 3 crore.

9.3 Interest Subsidy

- 9.3.1 5% per annum back ended interest subsidy on working capital loan for first 5 years, from commencement of operations for MSME. The interest subsidy will be subject to a limit of Rs. 5 lakh per year for 5 years.
- 9.3.2 The interest subsidy shall be available on the funds borrowed from public sector banks/OSFC. The interest subsidy shall be released so long as the eligible enterprise continues timely repayment of the loan and remains in production.
- 9.3.3 The interest subsidy will not be available on term loan.

9.4 Power

- 9.4.1 New enterprises should be exempted from Electricity Duty for a period of 10 years from the date of commercial production. Expansion or diversification of existing enterprise shall be entitled for exemption from the payment of electricity duty for a period of ten (10) years from the date of commencement of policy.

9.5 Quality Certification

- 9.5.1 Agro processing and food processing enterprises shall be encouraged to adopt latest quality certification standards like Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP), ISO 9000, Agmark, FPO, Good Laboratory Practices (GLP), Total Quality Management (TQM). The Government shall reimburse up to 50% of the cost of such certification subject to ceiling of Rs. 2 lakh.

- 9.6 Marketing support will be allowed to the Food Processing entrepreneurs as per Para-7 of MSME policy 2009 and Para-24 of IPR 2007.

9.7 Entry Tax Exemption

- 9.7.1 Exemption on Entry Tax on plant and machinery and balancing equipment procured by MSMEs.
- 9.7.2 Exemption on Entry Tax on raw material, incidental goods & packaging material procured by MSMEs for a period of 5 years from the date of starting commercial production.

9.8 Mega Food Parks and Sea Food Parks

- 9.8.1 Capital subsidy up to 20% of the project cost subject to limit of Rs. 15 crore to special purpose vehicle (SPV) to develop Mega Food Park and Sea Food Park. The subsidy can also be in the form of equity participation from GoO through a special purpose vehicle (SPV).
- 9.8.2 State Government will provide reimbursement of 5 lakh on the cost of preparation of DPR for setting up of Mega Food Parks besides Government of India grants. If the project report is prepared for carbon credit then the unit will get 50% of the consultancy charges with a cap of 20 lakh.
- 9.8.3 The enterprises in the Mega Food Park and Sea Food Park shall be eligible for reimbursement of 100% VAT paid for a period of 10 years limited to 200% of fixed capital investment.
- 9.8.4 Industrial units set up in the Mega Food Park and Sea Food Park shall be provided capital investment subsidy of 25% of the project cost (Excluding cost of land) subject to a limit of Rs. 2 crore. In case of units promoted by women entrepreneurs, or entrepreneurs belonging to Schedule Caste/ Schedule Tribe and units promoted in KBK districts, the subsidy shall be 33% of the project cost subject to a limit of Rs. 3 crore.
- 9.8.5 Exemption on Entry Tax on plant and machinery procured by enterprises setting in Mega Food Parks and Sea Food Parks.
- 9.8.6 Exemption of Entry Tax on raw materials for enterprises setting in Mega Food Parks and Sea Food Parks. This exemption shall be for a period of 5 years from the date of commercial production.

10. Implementation and Monitoring

Implementation of various provisions covering the incentives, concessions, etc., will be subject to the issue of detailed guidelines / statutory notifications, wherever necessary, in respect of each item by the concerned department of Government of Odisha.

10.1 Monitoring & Evaluation Framework

- 10.1.1 MSME Department shall organized half yearly meetings with relevant departments involved for this policy, where it shall provide reports on the progress of region-wise investments in the sector, number of projects provided support, direct & indirect employment generated, and subsidy given under the

various clauses under this policy. MSME Department shall also provide opportunity to DICs to highlight the implementation hurdles regarding the policy.

10.1.2 The implementing agency will also publish periodical progress reports on the activities of Skill Development Initiatives, and development of infrastructure in potential food clusters and Mega Food Parks.

10.1.3 Doubts relating to interpretation of any term and / or dispute relating to the operation of any provision under this policy shall have to be referred to the Nodal Agency for clarification / resolution and the decision of Government in this regard shall be final and binding on all concerned.

Annex I – Illustrative List of Agro processing and Food Processing Industries and Agro Infrastructure¹

1.	Fruit and Vegetable Processing, including grading / packing;
2.	Food grain milling / Processing, using modern technology and equipment;
3.	Dairy Products (including milk processing and milk based products);
4.	Processing of Poultry, eggs, meat and meat products;
5.	Fish Processing including shrimps;
6.	Bread, oilseed meals (edible), breakfast foods (such as cornflakes, oats and muesli), biscuits, confectionery (including cocoa processing and chocolate) oil expellers and refining, malt extract, protein isolates, high protein foods, weaning food, extruded / other ready to eat food products and all other processed foods (excluding non packed food items served in Hotels and Restaurants of all categories);
7.	Fruit based ready to serve beverages;
8.	Produce of animal husbandry
9.	Spices and condiments
10.	Tissue culture laboratories, green houses, green house nurseries & seed production standards, mushroom laboratories;
11.	Floriculture;
12.	Cold Storage Enterprises;
13.	Refrigerated transport vehicles / containers (excluding second hand refurbished vehicles / containers);
14.	Enterprises manufacturing food – grade packaging materials for food processing industry;
15.	Enterprises engaged in packaging, canning and bottling of processed foods;
16.	Enterprises manufacturing additives, preservatives, colours and fragrant for the processed food industry;
17.	Bio-technology and bio-informatics industries;

¹ Subject to amendment from time to time

18.	Commodity grading and packaging industry;
19.	Processing of plantation crops including tea and coffee, forest produce such as herbal, medicinal and aromatic plants, coconut based products and Arecanut / Arecanut based products;
20.	Sugar industry (excluding molassess / alcohol)

Annex II – List of Industries Not Eligible for Incentives/ Negative List²

- ▶ Rice huller and seller
- ▶ Flour mill of less than 50 TPD capacity
- ▶ Masala making without cold process grinding
- ▶ Bread/confectionery except mechanization
- ▶ Preparation of sweet meat and salted snacks
- ▶ Production of ice block
- ▶ De-mineralized water and distilled water manufacturing units
- ▶ Processing of betel nuts
- ▶ Tea blending units
- ▶ Units connected with raw-tobacco and gul related products
- ▶ Mixture, Bhujia and Chanachur preparation units.
- ▶ Fruit Juice base, aerated water and soft drink units (excepting the units manufacturing fruit pulp or fruit pulp and juice out of it).

Annex III – Eligibility

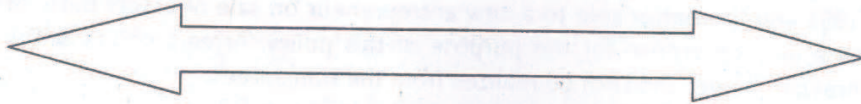
- a. Incentives under this policy shall be applicable to all eligible new industrial units acknowledged with Entrepreneur Memorandum Part-II under MSMED Act, 2006 or IEM from GoI. The new enterprise shall be eligible only after first fixed capital investment made after the effective date of the Policy. The first fixed capital investment means the investment made by the new enterprise upto the date of start of commercial production. The date of commercial production for availing of incentives shall be determined by the RIC/DIC/MSME Department basing on the totality of documentary evidence.
- b. The expansion or diversification of enterprises as per illustrative list in Annex I and eligible for incentives under this policy should be on or after the date of notification of the Odisha Food Processing Policy.
- c. Food Processing Industry which has commenced fixed capital investment but not gone into commercial production before the effective date of this policy will have the option to be treated as New Enterprise under this Policy provided that it goes into commercial production within 2 years for MSMEs and 3 years for large industries from the effective date.

² Subject to amendment from time to time

- d. The date of commercial production for availing of incentives shall be determined by the General Manager, RIC / DIC for Micro, Small & Medium Enterprises and the Director of Industries for the large enterprises basing on the totality of documentary evidence.
- e. The list of industries not eligible for incentives is provided in Annexure II. However, the list may be amended, modified from time to time by the State Level Task Force Committee when felt necessary and shall be notified by the MSME Department, Government of Odisha.
- f. An enterprise shall become ineligible to get incentives if it does not file its claim complete in all respects, within 6 (six) months of its starting commercial production.
- g. Food Processing Industries covered under earlier Industrial Policy Resolutions and extant Policies i.e. IPR-2007 & Odisha MSME Development Policy 2009 shall enjoy additional if any, admissible under this policy.
- h. Transferred enterprise (enterprise that change their location from the state of Odisha to other state) of Food Processing Sector after going into commercial production shall be eligible to avail all or any of the incentives for the period for which the enterprise was eligible before transfer.
- i. Food processing industry seized under section 29 of the State Financial Corporation Act, 1951 and thereafter sold to a new entrepreneur on sale of assets basis shall be treated as a new enterprise for the purpose of this policy. Arrears of Tax & Duty payable by previous owner shall not be realized from the transferees.
- j. Enterprises which have availed similar incentives under any Government of Odisha or Government of India policy shall not be eligible to avail same incentives under the Odisha Food Processing Policy 2013. However enterprises are free to avail any other benefits not in the Odisha Food Processing Policy 2013 from other schemes of Government of Odisha and Government of India.
- k. Approval of project – Eligible enterprises shall get capital investment subsidy if their projects are appraised or approved by financial institutions/banks. Eligible enterprises without financial assistance from financial institutions/banks will require to get their projects approved by RIC/DIC/Directorate of Industries, Odisha

Annex IV – Abbreviations

Abbreviation	Full Form
MT	Metric Tonne
MSME	Micro, small and medium enterprises
IDCO	Orissa Industrial Infrastructure Development Corporation
MoFPI	Ministry of Food Processing Industries
SPV	Special Purpose Vehicle
IPR	Industrial Policy Resolution, Orissa
RIC/DIC	Regional Industries Centre / District Industries Center



GUIDELINES – ODISHA FOOD PROCESSING POLICY, 2013

1. **Short Title:**- Operational guidelines for Odisha Food Processing Policy, 2013
2. **Extent:** - It shall extend to the whole of the State of Odisha.
3. **Commencement:** - It shall come into force from the date of notification of Odisha Food Processing Policy, 2013 i.e. _____ 2013.
4. **Terms and Expressions:** -Terms and expressions used in this operational guideline, but not specifically defined here, shall have the same meaning as in Odisha Food Processing Policy, 2013.
5. Reimbursements and exemption shall be allowed to units that have not availed such incentives under any policy/scheme of Government of Odisha or Government of India.
6. **Eligibility for incentives:**

Incentive clause	Eligibility
Rebate on land (Clause 9.1)	<ul style="list-style-type: none"> ➤ New enterprise as defined in the Odisha Food Processing Policy, 2013 shall be entitled for rebate on land for government land earmarked for "Land Bank" scheme and other Government land wherever available may be allotted to agro and food enterprises including infrastructure projects at concessional rate as provided by IDCO from time to time under Industrial Policy Resolution 2007. The rebate shall be provided in the form of reimbursement of 25% of the price announced by Government of Odisha (and IDCO). The reimbursement is subject to the commencement of production in the enterprise. ➤ Units set up in potential food clusters and KBK region shall be eligible for additional 25% of the IPR rate in addition to the clause 1 above.
Capital investment subsidy (Clause 9.2 and Clause 9.8.4)	<ul style="list-style-type: none"> ➤ New enterprise as defined in the Odisha Food Processing Policy, 2013 where fixed capital investment has commenced on or after the date of notification of Odisha Food Processing Policy, 2013 and started commercial production within two years for MSMEs and three years for large enterprises from the date of starting first fixed capital investment shall be entitled to capital investment subsidy.
Interest subsidy (Clause 9.3)	<ul style="list-style-type: none"> ➤ The interest subsidy shall be available on the working capital borrowed from public sector bank/OSFC. The interest subsidy shall be released so long as the eligible enterprise continues timely repayment of the loan and remains in production.
Exemption on electricity duty (Clause 9.4.1)	<ul style="list-style-type: none"> ➤ New enterprise as defined in the Odisha Food Processing Policy, 2013 shall be entitled for 100% exemption from the payment of electricity duty for a period of ten (10) years from the date of availing power supply for commercial production. ➤ Existing enterprise as defined in the Odisha Food Processing Policy, 2013 shall be entitled for 100% exemption from the payment of electricity duty for a period of ten (10) years from the date of commencement of Odisha Food Processing Policy, 2013.
Quality certification	<ul style="list-style-type: none"> ➤ Eligible costs of assistance shall include: <ol style="list-style-type: none"> a) Cost of application form and or application fees, assessment fees,

Incentive clause	Eligibility
(Clause 9.5)	<p>processing charges, and all other costs / charges / fees, known by whatever name, paid to the competent Registering Authority.</p> <p>b) The total amount of assistance under these rules shall be limited to Rs. 2.00 lakh for an enterprise. If any enterprise obtains quality certificate for more than one product during the operative period of this Food Processing Policy 2013, the assistance shall be available for each quality certificate separately subject to an overall cumulative limit of Rs. 2.00 lakh (Two lakh).</p> <p>➤ If the enterprise has availed assistance / subsidy / any incentive for obtaining quality certification from any State Government or the Central Government (GoI) or any Financial Institutions of the country or abroad, it shall be eligible for the differential amount of benefit only.</p>
Entry tax exemption on plant and machinery (Clause 9.7.1 and Clause 9.8.5)	<p>➤ Plant and machinery shall also include new plant and machinery or second-hand plant and machinery.</p>
Capital investment subsidy to SPV of mega food park or sea food park (Clause 9.8.1)	<p>➤ SPV as defined under the Mega Food Park Scheme (of Ministry of Food Processing Industries) who is developing the Mega Food Park (or Sea Food Park) shall be eligible for availing incentives.</p> <p>➤ The subsidy can also be in the form of equity participation from GoO through a special purpose vehicle (SPV), where GoO can provide for land for the Mega Food Park.</p> <p>➤ The exemption will be applicable in addition to the capital grant provided under the Mega Food Park Scheme of Ministry of Food Processing Industries.</p>
Detailed project report reimbursement for Mega Food Park (Sea Food Park) (Clause 9.8.2)	<p>➤ Special Purpose Vehicle formed for Mega Food Park or anchor entrepreneur in Mega Food Park who prepares Detailed Project Report shall be eligible for claiming reimbursement of DPR.</p>
VAT Reimbursement (Clause 9.8.3)	<p>➤ New enterprises and existing enterprise shall be eligible for VAT reimbursement under Odisha Food Processing Policy, 2013</p>

7. Time Frame for filing application:-

Incentive Clause	Time Frame
Rebate on land (Clause 9.1) Capital investment subsidy (Clause 9.2)	<p>➤ New enterprises shall file its claim complete in all respect, within six months from the date of commencement of commercial production.</p>

Exemption on electricity duty (Clause 9.4.1)	➤ Existing enterprises that have undergone expansion or diversification shall file its claim complete in all respect, within six months from the date of notification of the Policy.
Interest subsidy (Clause 9.3) VAT reimbursement (Clause 9.8.3)	➤ The eligible enterprise shall file its claim within six months from the end of each financial year.
Quality certification (Clause 9.5)	➤ Existing or new enterprise shall submit his claim within six months from the date of obtaining quality certification / within six months from the date of notification of the Policy, whichever is later.
Air freight subsidy (Clause 9.6.1)	➤ The eligible enterprise shall file its claim within six months from the date of export of perishable goods.
Trade fair/exhibition cost (Clause 9.6.2)	➤ The eligible enterprise shall file its claim within six months from the end of each financial year.
Entry tax exemption on plant and machinery (Clause 9.7.1 and Clause 9.8.5) Entry tax exemption on raw material (Clause 9.7.2 and Clause 9.8.6)	➤ Within one month of entry of plant and machinery and balancing equipment ➤ Within one month of entry of raw material, incidental goods or packaging material
Capital investment subsidy to SPV under mega food park (Clause 9.8.1) Detailed project report reimbursement of mega food park (Clause 9.8.2)	➤ Eligible SPVs/anchor entrepreneur shall file an application after six months of the start of functioning of the mega food park.

3. Procedure

8.1. Eligible enterprise claiming reimbursement shall submit 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 to the concerned officer as mentioned in the table below.

Application form to be submitted	Incentives
General Manager/Project Manager of District Industries Centre / Regional Industries Centre	<ul style="list-style-type: none"> ➤ Rebate on land (Clause 9.1) ➤ Interest subsidy (Clause 9.3) ➤ Exemption of electricity duty (Clause 9.4.1) ➤ Quality certification (Clause 9.5) ➤ Air freight subsidy (Clause 9.6.1) ➤ Trade fair/exhibition cost (Clause 9.6.2) ➤ Entry tax exemption on plant and machinery (Clause 9.7.1 and Clause 9.8.5) ➤ Entry tax exemption on raw material (Clause 9.7.2 and Clause 9.8.6) ➤ VAT reimbursement (Clause 9.8.3)
MSME Department	<ul style="list-style-type: none"> ➤ Capital investment subsidy to enterprise (Clause 9.2 and Clause 9.8.4) ➤ Capital investment subsidy to SPV of mega food park (Clause 9.8.1) ➤ Detailed project report reimbursement (Clause 9.8.2)

- 8.2. The copies should be submitted in triplicate. Copies of the documents as indicated in the checklist shall be self - attested by Proprietor / Managing Partner / Managing Director / Authorized Signatory of the enterprise.
- 8.3. The application shall be examined and scrutinized by the concerned General Manager / Project Manager, RIC/DIC or MSME Department and where necessary spot verification shall be made. After scrutiny, correction, if any required on the application form, shall be made under the signature of General Manager / Project Manager, RIC/DIC or MSME Department.
- 8.4. On receipt of application with copies of relevant documents, the acknowledgement as prescribed at Annexure – C shall be given to the applicant duly signed by the authorized officer of RIC/DIC/MSME Department. G.M / P.M, RIC/DIC/MSME Department may authorize any of his officers for the purpose.
- 8.5. Determination of date of commercial production – The start date of commercial production for availing of incentives shall be date of manufacture of products for upto 10% of installed capacity. The date of commercial production shall be verified by the G.M / PM, RIC/DIC based on the totality of documentary evidence.
- 8.6. The GM/PM RIC/DIC/MSME Department shall take necessary steps to process the application in consultation with relevant departments and intimate the applicant on the sanction or rejection. In case of rejection, the reason for the same shall be communicated to the enterprise. The application processing should be completed within 60 days from the date of the application.
- 8.7. After the sanction of subsidy, MSME Department shall provide funds to RIC/DIC. RIC/DIC shall be the disbursing agency for disbursement of following:
 - 8.7.1. Rebate on land
 - 8.7.2. Interest subsidy
 - 8.7.3. Rebate in power tariff
 - 8.7.4. Quality certification
 - 8.7.5. Air freight subsidy
 - 8.7.6. Trade fair/exhibition cost
 - 8.7.7. VAT reimbursement
- 8.8. MSME Department shall be the disbursing agency for following:
 - 8.8.1. Capital investment subsidy to enterprise
 - 8.8.2. Capital investment subsidy to SPV of mega food park
 - 8.8.3. Detailed project report reimbursement
- 8.9. The disbursement should be made within 30 days from the day of sanction.

10. Disbursement will be made on availability of funds through budgetary provisions as per the modality decided, if necessary, by MSME Department.

11. Inspection of the enterprise can be done by RIC/DIC/MSME Department or other relevant Government authority prior to disbursement/exemption or during the course of application.

Additional requirements for following incentives

1. Capital investment subsidy (Clause 9.2 and Clause 9.8.4)

9.1.1. Determination of date of commercial production – The date of commercial production for availing of incentives, shall be determined by the G.M / PM, RIC/DIC based on the totality of documentary evidence.

9.1.2. Completion of Project – The investment as defined in project cost shall be treated as complete on the date of starting commercial production of the project. Any fixed capital investment after the said date will not be considered unless there is an expansion as defined in under the provisions of the policy.

9.1.3. The decision to grant capital investment subsidy shall be as follows:

9.1.3.1. For capital investment subsidy upto Rs. 25 lakhs – MSME Department shall provide approvals for capital investment subsidy.

9.1.3.2. For capital investment subsidy amount of more than Rs. 25 lakhs upto Rs. 6 crore – A committee constituting of following members shall provide approvals for capital investment subsidy. The committee shall also determine the quantum of subsidy admissible to enterprise.

Secretary to Government of Odisha, MSME Department	Chairman
Representative of or Secretary to Government of Odisha, Finance Department	Member
Directorate of Industries	Member
General Manager of RIC/DIC where the facility to be located	Member Secretary

Proceedings of the meeting shall be recorded by Member Secretary and approved by Chairman. This shall be circulated to all the members in the committee.

9.1.4. Assessment of Project Cost

9.1.4.1. Valuation of all components of plant and machinery and balancing equipment and cost of building construction as defined in the project cost shall be done in the prescribed format (Annexure – D) by officer authorized by MSME Department. The cost approved by financing institution/bank may be taken into account. The authorized officer may take assistance of financing institutions/technical officer of RIC/DIC, Directorate of Industries, OSPCB,

and OREDA, GRIDCO, APICOL or obtain technical opinion of Department(s) / Financier, if required for the purpose of valuation. The record for project cost shall be maintained by the authorized officer.

- 9.1.4.2. Valuation of second-hand plant and machinery and balancing equipment - The valuation shall be made on the basis of original price less depreciation and provided further that the original and subsequent owners have not received subsidy from any sources at any stage of purchase, use, transfer or sale and the effective life should not have expired. The proprietor/managing partner/ managing director/ authorized signatory claiming subsidy, shall submit documentary evidence to the full satisfaction of the authority specified in clause above (9.1.3.2). The authority specified in clause above shall authorize relevant personnel for conducting this valuation exercise.

The authority shall certify that the acquired second-hand plant and machinery and balancing equipment is in good condition and capable of satisfactory production for a period of not less than five years starting from the date of commercial production and submit their report in the format prescribed at Annexure - D.

9.2. Interest Subsidy (Clause 9.3)

- 9.2.1. "Working Capital"- means the difference between current/ short term assets and current/ short term liabilities. Working capital measures how much in liquid assets a company has available to build its business. The number can be positive or negative, depending on how much debt the company is carrying.
- 9.2.2. "Interest Subsidy"- in relation to any enterprise operating in the state of Odisha refers to the interest subsidy on working capital loan availed from banks/ financial institutions extended to such enterprises as per Odisha Food Processing Policy, 2013.
- 9.2.3. RIC/DIC shall examine the claim of enterprise (i.e. Existing Micro, Small & Medium Enterprises / Enterprises set up in Mega Food Park/ Sea Food Park) based on the letter from the concerned financial institution in the format prescribed at Annexure - E. Excess working capital loan without proper justification shall not be considered for calculation of interest subsidy.
- 9.2.4. The enterprise shall file the application every year based on the working capital loan availed each year.

9.3. Exemption of Electricity Duty (Clause 9.4.1)

- 9.3.1. According to the provisions of the Odisha Food Processing Policy, 2013; the date of Power Supply to avail of admissible exemption on Electricity Duty is the date of power supply by the DISTICO for commercial production. Therefore, it is advisable that Enterprises should take construction power and production power separately and to execute separate agreement for construction power and production power.

9.3.2. In case of existing enterprises that have applied for exemption of electricity duty, the exemption will be applicable from the next month of the sanction of the rebate in power tariff /exemption of electricity duty.

9.4. Quality Certification (Clause 9.5)

9.4.1. Definition of Quality Certification:

- i. HACCP - Hazard Analysis and Critical Control Points
- ii. GMP - Good Manufacturing Practices
- iii. ISO 9000 - International Organization of Standardization 9000
- iv. Agmark – Agricultural Marketing
- v. FPO – Fruit Products Order
- vi. GLP - Good Laboratory Practices
- vii. TQM – Total Quality Management
- viii. Internationally recognized Institutions - Certification Body or Certification Registrar accredited by national / regional accreditation bodies or by International Accreditation Forum.

9.4.2. Directorate of Industries, Odisha shall maintain a list of International Standardizing Bodies and communicate the same to the General Manager / Project Manager, RIC/DIC. If required, RIC/DIC may refer the proposal or obtain technical opinion of Directorate of Industries, Odisha or from any other Government / Semi Government / Certified Private Organization within the country or abroad from time to time through Directorate of Industries, Odisha / MSME Department in the matter.

9.4.3. The entrepreneurs shall immediately intimate to the concerned DICs and Director of Industries, Odisha if the Quality Certificate is revoked by the authority for any reason. The sanction granted for the Quality Certificate will need to be paid back to RIC/DIC

9.5. Trade Fair/Exhibition Cost (Clause 9.6.2)

9.5.1. Definitions / Explanations

9.5.1.1. "Trade Fair/ Exhibition" means an exhibition to market, or to promote, or to advertise; or to showcase any product or service, intended for the growth in business of the producer or provider of such product or service, as the case may be.

9.5.1.2. "Economy Class Air Fare"- means air fare incurred in domestic/ international travel by economy class of any airline based out of India.

9.5.1.3. "SC/ST" refers to the 1,108 castes across 25 states in its First Schedule of The Constitution (Scheduled Castes) Order, 1950 and 744 tribes across 22 states in The Constitution (Scheduled Tribes) Order, 1950 listed in its First Schedule.

9.6. Exemption of entry tax on plant and machinery (Clause 9.7.1 and Clause 9.8.5)

9.6.1. Valuation of all components of plant and machinery and balancing equipment and cost of building construction as defined in the project cost shall be done in the prescribed format (Annexure – D) by officer authorized by MSME Department. The cost approved by financing institution/bank may be taken into account. The authorized officer may take assistance of financing institutions/technical officer of RIC/DIC, Directorate of Industries, OSPCB, and OREDA. GRIDCO, APICOL or obtain technical opinion of Department(s) / Financier, if required for the purpose of valuation. The record for project cost shall be maintained by the authorized officer.

9.6.2. Valuation of second-hand plant and machinery and balancing equipment – The valuation shall be made on the basis of original price less depreciation and provided further that the original and subsequent owners have not received exemption from any sources at any stage of purchase, use, transfer or sale and the effective life should not have expired. The proprietor/managing partner/managing director/ authorized signatory claiming exemption, shall submit documentary evidence to the full satisfaction of the authority specified in clause above (9.1.3.2). The authority specified in clause above shall authorize relevant personnel for conducting this valuation exercise.

9.6.3. The authority shall certify that the acquired second-hand plant and machinery and balancing equipment is in good condition and capable of satisfactory production for a period of not less than five years starting from the date of commercial production and submit their report in the format prescribed at Annexure – D.

9.7. Entry tax exemption on raw material (Clause 9.7.2 and Clause 9.8.6)

9.7.1. "Raw Material" means materials required by the enterprise that will directly go into the composition of its finished products.

9.8. Capital investment subsidy to SPV of Mega Food Park (Clause 9.8.1)

9.8.1. **Assessment of Project Cost** – The project cost for the purpose of capital subsidy shall include core processing facilities, factory building, cost incurred on enabling basic infrastructure, non-core infrastructure (such as administrative buildings, training center, etc.) and project implementation expense (including cost incurred on preparation of DPR) as defined under the Mega Food Park Scheme.

9.9. VAT Reimbursement (Clause 9.8.3)

9.9.1. Definitions / Explanations

9.9.1.1. "Input Tax Credit"- in relation to any tax period means the setting off of the amount of input tax or part thereof under section 20 against the output tax, by a registered dealer other than a registered dealer paying turnover tax under section -16 of The Orissa VAT Act-2004.

9.9.1.2. "Output Tax"- in relation to any registered dealer means the tax leviable and payable under The Orissa VAT Act-2004 in respect of sale of any taxable goods made by that dealer in the course of his business, and includes tax payable by a commission agent in respect of sale of taxable goods on behalf of such dealer.

9.9.1.3. "Finished Goods" means goods exclusively manufactured by the enterprise and includes by-products, scrap, defective products either sold as such or as seconds /scrap /waste etc. which also come out as a result of its normal manufacturing activity / process.

9.9.2. The enterprise shall also furnish a statement in Annexure – F apportioning the net VAT (output) paid after adjustment of the corresponding Input Tax Credit on the quantum of sale of finished goods over and above the existing installed capacity during the period of claim.

10. Funds & Audit

10.1. RIC/DIC shall be accountable to the Audit and the State Government. DIC/RIC shall forward the list of funds released under various fiscal incentives to MSME Department on a quarterly basis. It shall furnish the utilization certificate in OGFR – 7(A) alongwith list of beneficiaries disbursed with assistance at the end of each financial year.

10.2. MSME Department in consultation with Directorate of Industries and DICs will estimate the requirement of funds for budget provisioning every year.

10.3. The accounts maintained by DIC/RIC shall be audited by the Government of Odisha.

11. Maintenance of records: The receipts/forwarding/sanction/rejection/disbursement of incentives shall be maintained and monitored electronically/manually. MSME Department shall authorize relevant department for maintenance of records.

12. Recovery of subsidy granted:

12.1. In the following events or circumstances as the subsidy/exemption received by an enterprise shall be recoverable unless refunded within a period of one month from the date of an order issued to this effect by GM/PM, RIC/DIC/MSME Department:

12.1.1. Where an enterprise in the opinion of the authorized departments has availed subsidy/exemption by misrepresentation, fraud or by furnishing false and misleading information or by suppressing facts/materials or disbursed in excess of the amount actually admissible for whatsoever reason

12.1.2. If the enterprise 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.

12.2. The enterprise shall refund the subsidy provided in the form of Demand Draft drawn in favor of the RIC/DIC where the enterprise is located.

12.3. The enterprise shall pay the amount they were exempted under various clauses to the relevant departments.

13. Miscellaneous:

13.1. Any change in facts or circumstances affecting the eligibility of the enterprise shall be intimated immediately to the RIC/DIC/Directorate of Industries/MSME Department by the enterprise.

13.2. Enterprise shall furnish its audited financial statements and other periodical statements of each financial year to the RIC/DIC / Directorate of Industries/MSME Department, Odisha during the period of incentives.

14. Doubts relating to interpretation of any term and / or dispute relating to the operation of any guideline under this policy shall have to be referred to the Nodal Agency for clarification, resolution and the decision of Government in this regard shall be final and binding on all concerned.

15. This has been concurred in by Finance Department and communicated vide their letter No. _____ dt. _____

Annexure – A

APPLICATION FOR INCENTIVES UNDER ODISHA FOOD PROCESSING POLICY, 2013

(Strike out whichever is not applicable)

Ms. _____
at _____
PO _____
Sub-Division _____
Dist. _____ (Location of the Enterprise)

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

To
The MSME Department

Sub: Reimbursement for incentives under the provisions of Odisha Food Processing Policy, 2013

Sir/Madam,

In accordance with the provisions laid down in Odisha Food Processing Policy, 2013 and its operational guidelines, the claim for reimbursement of following is submitted herewith:

		Tick (✓ or X)	Amount of incentive (in Rs.)
1.	Rebate on land		
	Please specify if rebate is for potential food clusters or units set up in KBK region		
2.	Capital investment subsidy		
	Please specify if the enterprise is in mega food park or sea food park Please specify if the enterprise is set up by women entrepreneurs, or entrepreneurs belonging to Schedule Caste/ Schedule Tribe and units promoted in KBK districts		
3.	Interest subsidy details for 5 years		
4.	Exemption of electricity duty		NA
5.	Quality certification Please specify the name and the amount for each quality certification		
6.	Air freight subsidy		
7.	Trade fair/exhibition		

	Please specify if the participation was by Women/SC/ST Entrepreneurs		
8.	Entry tax exemption on plant and machinery		NA
9.	Entry tax exemption on raw material		NA
10.	Capital investment subsidy to SPV of mega food park or sea food park		
11.	Detailed project report reimbursement for Mega Food Park (Sea Food Park)		
12.	VAT Reimbursement		

The relevant information required for the above claim is as follows:

1.	Category of the Enterprise : New Micro / Small / Medium Enterprises / Large Industries			
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 / I L No. and date			
6.	Items of manufacture / activity	Item	Quantity (installed capacity)	Approximate Value
		I		
		II		
7.	Date of starting commercial production			
8.	Production in first year of production			
9.	Total land area of the enterprise (in square meters)			
10.	Extent of land area for rebate under the Odisha Food Processing Policy, 2013 (in square meters)			
11.	Direct employment generated			

Additional information for Rebate on land (Clause 9.1)

12.	Total land area of the enterprise (in square meters)	
13.	Extent of land area for rebate under the Odisha Food Processing Policy, 2013	

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Additional information for Interest subsidy (Clause 9.3)

1. Details of working capital loan and availed:

Details of Working Capital loan sanctioned and availed						
Type of Loan	Name of Financial Institution	Loan A/c No.	Sanction Order No. & Date	Amount Sanctioned	Rate of Interest	Amount Availed
1	2	3	4	5	6	7
Interest Subsidy Claimed						
Working capital loan for half year ending			Rate of Interest Charged		Amount Claimed	

Additional information for Electricity duty exemption (Clause 9.4.1)

1.	Date of power supply for the purpose of commercial production	
2.	Consumer no of the Industry	
3.	Connected load / contract demand allowed to the industry	
4.	Whether Electricity Duty exemption has availed earlier (Yes/ No) If yes, furnish in details	
5.	Extent of exemption of electricity duty and the period for which exemption is claimed	

Additional information for Quality certification (Clause 9.5)

1.	Total capital investment (Head-wise & specify investment in Laboratory / R&D Lab) a. b. c. d.	
2.	Whether loan has been availed from FI / Banks for the purpose of obtaining quality certification, if so specify a. Name of FI / Bank b. Amount of loan availed	
3.	Name the products or activities for which quality certificate has been obtained by the	

applicant enterprise	
4. Name & address of the Registration Authority/ Authorities issued Certificate(s)	
5. Certificate No with date (copy to be submitted)	
5. Amt. of expenditure incurred for obtaining quality certification. (Copy of the bills/vouchers/receipt etc. be submitted with a statement of)	
7. Details of assistance sanctioned / availed so far with sanction order no & date	
8. Present claim for assistance	

Additional information for Air freight subsidy (Clause 9.6.1)

1.	Registration Number & Date (Issued by Commercial Tax Authority) TIN (Tax Payer's Identification number) / CST	
2.	Air Freight Subsidy Details a) Name of Perishable goods exported b) Total Air Freight c) Air Freight Subsidy Claimed in Rs d) Air Freight Subsidy already received in Rs. e) Current A/c. No. in which foreign exchange earnings are credited	

Additional information for Trade fair/exhibition (Clause 9.6.2)

Name of the MSME enterprise with full address and e-mail ID (if any).	
Details (Name, Venue, Date) of the Trade Fair/ Exhibition attended	
Name & designation of person who participated.	
Details of travel including date of departure from India and arrival in India (copy of passport to be attached)	
Name of airline by which journey was made and actual expenditure incurred on return airfare (original air ticket to be enclosed)	
Whether the MSME enterprise has been charged/ prosecuted/ debarred/ blacklisted/ under investigation under Exim Policy or any other law	

relating to export import business	
Whether any marketing assistance has been availed from any source for similar activity in this financial year.	
Amount claimed for reimbursement	

Additional information for Entry tax Exemption on plant and machinery (Clause 9.7.1 and Clause 9.8.5)

1. Registration certificate number under Orissa Entry Tax Rules	
2. Details of fixed capital investment in plant & machinery and balancing equipment	

Additional information for Entry tax exemption on raw material (Clause 9.7.2 and Clause 9.8.6)

1. Registration certificate number under Orissa Entry Tax Rules	
2. Particulars with quantity and approximate value of goods required each year of consumption or use as incidental goods in the manufacture of other goods and packing material required in the packing of manufactured goods a. Raw material b. Incidental goods c. Packing material	

Please grant an eligibility certificate for exemption of required raw material, incidental goods and packing material for a period of 5 years from the date of commercial production. I shall provide actual expenditure on raw material, incidental goods and packing material each year during the eligibility period of the certificate.

Additional information for Capital subsidy for SPV in mega food park/sea food park (Clause 9.8.1)

1.	Name of mega food park	
2.	Name of SPV of mega food park	
3.	Address of Registered office	
4.	Name of Proprietor / Managing Partner / Managing Director / Authorized Signatory	
5.	Date of start of mega food park	
6.	Project cost of mega food park	

Additional information Reimbursement for detailed project report prepared for mega food park (Clause 9.8.2)

1.	Name of SPV/anchor entrepreneur of mega food park	
2.	Address of Registered office	
3.	Name of mega food park in Odisha	
4.	Name of Proprietor / Managing Partner / Managing Director / Authorized Signatory	
5.	Date of start of mega food park	
6.	Cost of preparing Detailed Project Report	

Additional information for Value-added tax (VAT) reimbursement (Clause 9.8.3)

1.	TIN (Tax Payer's Identification number) / CST	
2.	Amount of VAT paid against which reimbursement is claimed	
3.	Year of claim	
4.	Years in which VAT has been claimed earlier under the Odisha Food Processing Policy, 2013	

I, Sri/Srimati _____ s/d/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 Food Processing Policy, 2013 and its operational guidelines.

I hereby certify that this enterprise has not applied / availed the incentives claimed here under any other scheme of the State Government or Central Government or any Financial Institution(s).

I hereby undertake to repay / surrender forthwith the claim if any part thereof availed with penal interest as decided by the authority:

- i. If 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 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.
- iv. If the Quality Certificate is revoked by the authority within five years of obtaining such certificate for any reason.

I hereby undertake to furnish information, reports, periodical statements, etc. to the RIC/DIC/ Directorate of Industries or authorized representatives as mentioned in the guideline as and when required.

I hereby undertake to furnish information, reports, periodical statements etc to the RIC/DIC / Directorate of Industries as and when required.

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

Encl.-

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

Date-

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

CERTIFICATE FURNISHED BY GENERAL MANAGER / PROJECT MANAGER, RIC/DIC OR MSME DEPARTMENT

Certified that the information furnished as above has been verified and found correct.

Signature of authorized officer / G.M / P.M, RIC/DIC with seal & date-----

Annexure – B

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)

S. No.	Document	Put a tick or cross
1.	Entrepreneurs Memorandum- II / IEM / Industrial License	
2.	Power of Attorney / Board Resolution / Society Resolution, as applicable, while signing as Partner / Managing Director / Authorized person.	
3.	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	

Additional documents for rebate on land (Clause 9.1)

S. No.	Document	Put a tick or cross
1.	Land documents like Registration / lease/ rent Deed	
2.	Building plan drawn to scale	
3.	Detailed Land Use Plan	

Additional documents for capital investment subsidy (Clause 9.2 and Clause 9.8.4)

S. No.	Document	Put a tick or cross
1.	Certificate from competent authority as SC/ST/Other Backward Class and documents in support of having share capital of not less than 51% as SC/ST/Women Entrepreneurs	
2.	Approved DPR / Project profile	
3.	Document in support of date of first investment in fixed capital i.e. investment in building/ plant and machinery/ balancing equipment	
4.	Sanction order (s) of the Term Loan	
5.	Copy of Registered Lease Deed in support of land/ land and building/ building where lease period is for 10/30 years or more	
6.	Document in support of IDCO shed	
7.	Approved plan for civil construction	
8.	Certificate from chartered engineer/competent authority against the plant and machinery and balancing equipment	
9.	Copies of bills, vouchers, etc. signed by entrepreneur/authorized signatory in support of plant and machinery and balancing equipment	
10.	Consent to operate issued by State Pollution Control Board, Odisha	
11.	Status of term loan issued by Financial Institution	

Additional documents for interest subsidy (Clause 9.3)

S. No.	Document	Put a tick or cross
1.	Approved DPR / Project Profile	
2.	Certificate on Date of Commercial production	
3.	Working Capital Sanction Letter	
4.	Certificate for Working Capital	
5.	Single Window Approval Letter	

Additional documents for rebate Electricity duty exemption (Clause 9.4.1)

S. No.	Document	Put a tick or cross
1.	Certificate on date of commercial production	
2.	Certified copy of the agreement indicating contract demand executed with Power Distribution Company for supply of power for commercial production	
3.	Certificate in support of date of power supply indicating connected load for commercial production with Consumer No of the Industry from appropriate authority of Power Distribution Company	
4.	Details of Electricity duty exemption availed earlier	

Additional documents for quality certification (Clause 9.5)

S. No.	Document	Put a tick or cross
1.	Statement on fixed asset acquired & installed for Lab. / R&D Lab. supported with bills & vouchers	
2.	Certificate on Date of Commercial production	
3.	Sanction order of loan availed from FI / Banks for the purpose of obtaining Quality Certification.	
4.	Quality Certificate / Registration Certificate issued by the competent authority	
5.	Statement on expenditure incurred for obtaining Quality Certification supported with copies of the bills / vouchers / receipt etc.	
6.	Details of assistance sanctioned / availed so far with sanction order no. & date and other supporting documents	

Additional documents for air freight subsidy (Clause 9.6.1)

S. No.	Document	Put a tick or cross
1.	Certificate of Registration under Odisha Value Added Taxes Act, 2004 / Central Sales Tax Act, 1956	
2.	Custom certified Short Air Certificate in original, if any.	
3.	Custom/Bank certified copy of the commercial Invoice in original	
4.	Self certified photocopy of the original Airway Bill / Bill of lading	
5.	Certificate of Realisation of Foreign Exchange by Bank (BRC) in original	
6.	Details of perishables Exported duly certified by the C.A.	
7.	Bills of Freight Charges	
8.	Payment Proof	
9.	Banker's Certificate in Form – III	

Additional documents for trade fair and exhibition cost (Clause 9.6.2)

S. No.	Document	Put a tick or cross
1.	Approved DPR / Project Profile	
2.	Certificate on Date of Commercial production	
3.	Proof of FIEO/EPC membership	
4.	CA's certificate for FOB exports over last 3 years	
5.	A certificate/communication from concerned EPC/FIEO that the MSME enterprise will not be availing any assistance for this activity from the EPC/FIEO	
6.	Literature on the fair/event (if available).	
7.	Photocopy of passport showing departure from India and return to India, visa, country/countries visited	
8.	Air ticket and Original Boarding Pass	

Additional documents for exemption on entry tax of plant and machinery (Clause 9.7.1 and Clause 9.8.5)

S. No.	Document	Put a tick or cross
1.	Document in support of date of commercial production	
2.	Document in support of date of first investment in fixed capital i.e. plant and machinery/ balancing equipment	
3.	Sanction order (s) of the Term Loan, if any	
4.	Certificate from chartered engineer/competent authority against the plant and machinery and balancing equipment	
5.	Copies of bills, vouchers, etc. signed by entrepreneur/authorized signatory in support of plant and machinery and balancing equipment	
6.	Consent to operate issued by State Pollution Control Board, Odisha	

Additional documents for entry tax exemption on raw material (Clause 9.7.2 and Clause 9.8.6)

S. No.	Document	Put a tick or cross
1.	Estimate of raw material, incidental goods, packing material required	
2.	Certificate of Registration under tax state tax authorities	
3.	Certificate of commencement of commercial production	

Additional documents for capital subsidy for SPV of mega food park/sea food park (Clause 9.8.1)

S. No.	Document	Put a tick or cross
1.	Affidavit of availment of subsidy from Ministry of Food Processing Industries	
2.	Approved DPR and project cost	
3.	Approved plan for civil construction	
4.	Copies of bills, vouchers, etc. signed by SPV in support of any equipment falling under the ambit of project cost	

Additional documents for detailed project report of mega food park/sea food park Clause 9.8.2)

S. No.	Document	Put a tick or cross
	Copy of payment invoice	
	Copy of Detailed Project Report	
	Proof of payment made	

Additional documents for VAT reimbursement (Clause 9.8.3)

S. No.	Document	Put a tick or cross
	Certificate of Registration under Orissa Value Added Taxes Act, 2004 / Central Sales Tax Act, 1956	
	Documents in support of VAT Paid , during the period of claim	
	No dues certificate issued by ACCT / DCCT (Commercial Tax Authority) in favour of the enterprise	
	Challans / documents in support of Payment of VAT against which reimbursement is claimed	
	For apportionment of VAT paid against the quantum of sale of finished goods of over and above the existing installed capacity – Statement as prescribed at Annexure – F.	

Annexure – C

Acknowledgement

To be issued by authorized officer on the day of receipt

Received the application for reimbursement/exemption of following incentives under the provisions of Odisha Food Processing Policy, 2013:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

along with documents mentioned below from M/s----- At/PO-----
-----Dist. _____ on dt. ----- through post / person.

List of documents

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

Signature of authorized officer / G.M / P.M, RIC/DIC with seal & date-----

Certified that the assets as above have been verified during my inspection on ____ date and are new. The cost has been duly paid for and found to be working in the factory premises of the enterprise and actually required in process of operation.

Proforma for valuation of second hand plant and machinery and balancing equipment

(in Rs)

S. No.	Name with detailed specifications	Name and address of original and subsequent owners	Date of sale	Sale value	Original cost with bill no. an date	Depreciation	Cost of the assets	Remarks
1.								
2.								
3.								
4.								

Certified that the acquired plant and machinery and balancing equipment have physically been verified during our inspection on ____ date and found to be working in the factory premises in good condition and capable of satisfactory production/service for period not less than 5 years starting from the date of commercial production. The cost of the assets have been duly paid for and actually acquired in process of operation.

Signature of GM/PM RIC/D

Date:

Annexure E

CERTIFICATE FOR WORKING CAPITAL

(Strike out whichever is not applicable)

It is to certify that M/s..... the Micro / Small / Medium Enterprises / Large Enterprise engaged in the manufacture of have been sanctioned a sum of Rs..... by our financial institution vide sanction dated towards working capital loan account No..... The enterprise has paid interest due as detailed below on the limits utilized during the period under certification.

Period	Total Product determined on actual limits utilized during the quarter	Rate of interest charged	Interest amount determined	Due date for payment of interest	Date of payment	Amount of interest paid
1	2	3	4	5	6	7

Certified that the total product has been determined on the actual credit limit utilized but not on the outstanding in the loan account which includes interest payable during earlier period but not paid.

Date

Certifying Officer

(Name of the Financial Institution)

Annexure – F

STATEMENT FOR APPORTIONMENT OF NET VAT PAID ON THE QUANTUM OF SALE FINISHED GOODS ON INCREASED COMMERCIAL PRODUCTION OVER AND ABOVE EXISTING INSTALLED CAPACITY

From _____

M/s. _____

At/PO _____

Dist. _____

I / We hereby furnish the information as below for availing VAT reimbursement on increase in sale due to increased commercial production over and above the existing installed capacity.

NEW / EXPANSION / DIVERSIFICATION

(Strike out whichever is not applicable)

TABLE-I

1. Information on installed capacity, production, sales and output tax

Original Installed Capacity as certified by RIC/DIC earlier			Incremental Installed Capacity on account of expansion or diversification			Installed capacity after new expansion / diversification		
(i)			(ii)			(iii)		
Items	Quantity	Value* (Rs.)	Items	Quantity	Value (Rs.)	Items	Quantity	Value (Rs.)
(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)
1								
2								
Total			Total			Total		

Total sale during the claim period				Sale eligible for incentive			
(iv)				(v)			
Items	Quantity	Value (Rs.)	Output Tax**	Items	Quantity	Value (Rs.)	Output Tax
(a)	(b)	(c)	(d)	(a)	(b)	(c)	(d)
1							
2							
Total				Total			

* Take actual sale value of the goods during the claim period

** Here put the difference after deducting the notional tax value of (i) (c) from (iv) (d)

TABLE - II

2. Apportionment of Input Tax Credit (ITC) availed during the claim period

Total input tax credit availed during the claim period	Total quantity of sale during the period	Value of total sale during the period	Quantity of incremental sale	Total value of incremental sale	Percentage of incremental sale to total sale	ITC relatable to incremental sale at the same % worked out at (vi)
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)

*** In case any industry fails to apportion the ITC in Table-II above, a separate calculation sheet may be attached apportioning the ITC on the incremental sale.

3. VAT paid after adjustment of total input tax credit against total Output tax liability during the claim period

(v)(d) of Table-I – (i) of Table-II: Rs

4. Net VAT paid on incremental sale on account of increased commercial production after adjustment of input tax credit against Output tax liability during the claim period.

Total of (v)(d) of Table-I – (vii) of Table-II: Rs
(Amount eligible for reimbursement)

We hereby certify that the information furnished as above is true and correct to the best of my knowledge and belief.

Place:

Date:

Signature of the Proprietor / Managing Partner /
Managing Director / Authorised Signatory