

GOVERNMENT OF ODISHA
MSME DEPARTMENT

NOTIFICATION

No. MSME-IP-MISC-0049-2023 269 /MSME, Bhubaneswar, the 10th January, 2024

OPERATIONAL GUIDELINES FOR ELECTRICITY DUTY EXEMPTION FOR MSMEs

(Reference: Para 7.5 of Odisha MSME Development Policy-2022)
(Effective from 30.11.2022)

1. **Policy Provisions:** Para 7.5 of Odisha MSME Policy-2022 states as follows.

"New enterprises with investment in Plant & Machinery up to INR 50 crores shall be exempted from the payment of electricity duty up to a contract demand of 750 KVA for a period of 5 years from the date of commencement of production."

2. **Terms and Expressions:**

- i. Terms and expressions used in this operational guideline, but not specifically defined/explained here, shall have the same meaning as in Odisha MSME Development Policy-2022 (OMSMDP-2022).
- ii. "Electrical Authority" means Additional Chief Engineer-cum-Electrical Inspector for the purpose of exemption of Electricity Duty.

3. **Eligibility Conditions:**

- 3.1 New enterprises with investment in Plant & Machinery up to INR 50 crores, except units/activities listed under Annexure-II of Odisha MSME Policy-2022.
- 3.2 Migrated industrial unit/Rehabilitated sick industrial unit/ industrial unit seized under Section 29 of the State Financial Corporation Act, 1951/SARFAESI Act, 2002/ by the orders of NCLT under the IBC 2016 and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit under Odisha MSME Policy-2022.
- 3.3 Eligible Industrial unit that has availed this incentive under any scheme of State Government or Government of India or Government Agencies shall be entitled only for the differential amount of benefit.
- 3.4 Industrial units with contract demand of power load above 750 KVA shall not be eligible for Electricity Duty exemption under this Policy.

4. **Time frame for filing application:**

Eligible enterprises shall file their claim in AIM portal (<https://odishamsme.nic.in>), within two years from the date of starting commercial production.

5. **Procedure (Scrutiny, Approval and Rejection):**

- 5.1 Eligible new enterprises shall submit online application (as per Annexure-A), with uploading of supporting documents (as per Annexure-B), to General Manager

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- (DIC) in AIM Portal (<https://odishamsme.nic.in>). They need not have to furnish physical copies of documents unless asked for.
- 5.2 General Manager (DIC) shall verify the application within 7 working days and acknowledge the same in the Portal if it is found in order. If not, he will either reject the application by citing grounds of rejection in the Portal or ask the applicant unit to make good the deficiencies in the application by reverting the application to the applicant unit in the Portal with details of the deficiencies found in the application.
 - 5.3 If the application is in order, within 15 working days from the date of online application, the General Manager (DIC) shall inspect the unit to ascertain its working status and to check veracity of facts vis-à-vis submitted documents to assess eligibility of the unit. If the unit is found not eligible for Electricity Duty Exemption, General Manager (DIC) will reject the application in the Portal citing detailed grounds of ineligibility. However, if on inspection of the unit, General Manger (DIC) wants some clarification or some more information, he shall ask the applicant unit, in Offline mode, to furnish necessary clarification/information and shall keep the application processing pending in the Portal till then.
 - 5.4 If the unit is found eligible, General Manager (DIC) will sign the Certificate of verification as provided in the application form at Annexure- **A** within 15 working days from the date of online application.
 - 5.5 General Manager (DIC) shall then recommend the case to the Additional Chief Engineer-cum-Electrical Inspector concerned in the format as per Annexure-**D** if investment made in Plant and Machineries is up to Rs. 10 Crore or to Director of Industries (Odisha) in the format as per Annexure-**C** if investment made in Plant and Machineries is more than Rs. 10 Crore and up to Rs.50 crore, within next 3 working days under intimation to the industrial unit. The fact of recommendation shall be mentioned in the Portal itself for information of all concerned including the applicant unit.
 - 5.6 Director of Industries (Odisha) shall examine the application recommended by the General Manager (DIC). If necessary, the applicant unit will be jointly inspected by a team comprising of Addl. Director of Industries /Joint Director of Industries, General Manager (DIC) and representative of local Electrical Authority within 15 working days from the date of receipt of recommended application from the General Manager (DIC) in the Portal.
 - 5.7 Director of Industries (Odisha), on proper scrutiny, may reject the claim application citing grounds of rejection. However, in case of eligible cases, Director of Industries (Odisha) will approve the Electricity Duty Exemption claim of the Industrial unit having investment made in Plant and Machineries more than Rs. 10 Crore and up to Rs. 50 Crore and then recommend the case to the Additional Chief Engineer-cum-Electrical Inspector concerned in the format as per Annexure-**D**. The fact of recommendation shall be mentioned in the Portal itself for information of all concerned including the applicant unit.
 - 5.8 On receipt of the recommendation from General Manager (DIC) or Director of Industries (Odisha), as the case may be, the Additional Chief Engineer-cum-Electrical Inspector concerned shall examine the case and if found alright, shall allow Electricity Duty exemption as admissible within next 7 working days in the prescribed format at Annexure- **E**.
 - 5.9 In case exemption is allowed after collection of electricity duty; the Executive Engineer of the concerned DISCOM shall take necessary steps to adjust the excess collection against tariff payable by the industrial unit in near future after getting refund order from the Additional Chief Engineer-cum-Electrical Inspector concerned.

- 5.10 Additional Chief Engineer-cum-Electrical Inspector shall intimate the accounts of exemption and adjustment on Electricity Duty at the end of each financial year to Chief Engineer-cum-Chief Electrical Inspector, Odisha of concerned zone / EIC (Elec.)-cum-PCEI, Odisha/Director of Industries (Odisha) / DIC concerned so as to keep record of quantum of benefit extended under this Policy.
- 5.11 Receipt of claim filed by industrial enterprise units and exemption of Electricity Duty allowed shall be monitored at DIC / Directorate of Industries (Odisha) / Electrical authorities level from time to time.
- 5.12 The date of Power Supply to avail admissible exemption on Electricity Duty is the date of power supply by the DISCOM for production. Therefore, it is advisable that eligible enterprises should take construction power and production power separately and to execute separate agreement for construction power and production power. No exemption is allowed for construction power.
- 5.13 **Rejection:** In case of rejection of application at any level, reasons of rejection must be communicated to the applicant unit and other stakeholders by the authority concerned in the format prescribed at Annexure-F. The rejection order shall be uploaded on the AIM Portal within 15 working days from taking such decision for rejection.
- 5.14 **Appeal:** Anyone aggrieved by any decision of General Manager (DIC)/Director of Industries (Odisha) can file appeal in writing, within 60 days from the date of communication of the decision appealed against, before Director of Industries (Odisha) or Secretary (MSME Department) respectively, for redressal of his/her grievance. The appellate authorities shall take all necessary steps to dispose of appeals within 30 working days.

6. Recovery:

Exempted Electricity Duty shall be recoverable with penal interest @ 18% per annum on following events.

- A. If the information furnished by the applicant is found to be false/ incorrect/misleading or misrepresented and there has been suppression of facts/materials.
- B. If exemption is sanctioned erroneously or in excess of the actual amount due and admissible. However, if the industrial unit is found to be not responsible for such erroneous or excess payment, then no penal interest shall be charged on him/her.
- C. If the industrial unit shifts its registered office to outside Odisha without taking prior permission of the State Government.
- D. If the industrial unit shifts the location of the unit outside the State.

7. Miscellaneous: -

- 7.1 Application for condonation of delay (up to 90 days after the prescribed time limit) in implementation of projects due to force majeure (like natural calamities) and reasons beyond the control of the industrial unit only shall be dealt on case to case basis. The General Manager (DIC) shall examine such case(s) and forward the application made by the entrepreneur with justification to the Director of Industries (Odisha). Director of Industries (Odisha) shall examine and recommend such case(s) to MSME Department for placement of the same before the Empowered Committee constituted under chairmanship of the Secretary, MSME Department for consideration of such cases.
- 7.2 Electrical authority(s) / Director of Industries (Odisha)/ General Manager (DIC) may inspect the enterprise any time, if required, to ascertain whether the Electricity Duty Exemption is availed by fraudulent means or not.

- 7.3 Any change in facts or circumstances affecting the eligibility of the unit shall be intimated immediately to the DIC / Directorate of Industries (Odisha) by the unit.
- 7.4 Where any doubt arises regarding implementation of these rules, the same shall be referred to Govt. in MSME Department, whose decision shall be final and binding on all the parties.

This Operational guidelines have been concurred in by Finance Department in OSWAS File No MSME-IP-MISC-0049-2023.

By order of the Governor



(Saswat Mishra) 10.01.2024

Principal Secretary to Government

Memo No. 270 /MSME Dated 10-01-2024

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



Memo No. 271 /MSME Dated 10-01-2024

Additional Secretary to Government

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



Additional Secretary to Government



Annexure- A

APPLICATION (WITH UNDERTAKING) FOR ELECTRICITY DUTY EXEMPTION FOR MSMES

(Para 7.5 of Odisha MSME Policy' 2022)

Application received incomplete in any respect shall be liable for rejection
(Strike out whichever is not applicable)

From:

To

General Manager,
District Industries Centre, _____

Sub: Exemption from payment of Electricity Duty under the provisions of Odisha MSME Development Policy, 2022.

Madam/ Sir,

In accordance with the provisions laid down in Odisha MSME Development Policy, 2022 and its operational guidelines, the claim for Electricity Duty exemption is hereby submitted with following particulars.

| | | | | | |
|----|--|---|------|----------|-------|
| 1 | New Industrial unit / Migrated industrial unit/Rehabilitated sick industrial unit/ industrial unit seized under Section 29 of the State Financial Corporation Act, 1951/SARFAESI Act, 2002/ by the orders of NCLT under the IBC 2016 and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit with investment in Plant & Machinerics | : | | | |
| 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 | Production Certificate/ Udyam Registration Number | : | | | |
| 6 | Items of manufacture / activity | : | Item | Quantity | Value |
| | | | | | |
| | | | | | |
| 7 | Date of Production | : | | | |
| 8 | Date of Power Supply for production | : | | | |
| 9 | Location & Present status of the Project | : | | | |
| 10 | Connected Load/ Contract Demand of Power supplied | : | | | |
| 11 | Consumer no. of the Enterprise | : | | | |
| 12 | Date of initial inspection by Electrical Authority for availing power supply for production power | : | | | |
| 13 | Extent of exemption of electricity duty and the period of exemption availed from any scheme of | : | | | |

| | | | |
|----|---|---|--|
| | State Govt. or the Central Govt. (GoI) or Govt. Agencies (Furnish details) | | |
| 14 | Extent of exemption of electricity duty and the period for which exemption is claimed | : | |
| 15 | Statutory clearances, if any | : | |

I, Ms./Smt/Sri _____ D/W/S of _____ at present (designation) _____ of M/s. _____ 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 MSME Development Policy, 2022 and its operational guidelines.

I further undertake that I shall repay the amount of Electricity Duty exemption allowed with penal interest @ 18% per annum if: -

- i. The information furnished by me is found to be false/ incorrect / misleading/misrepresented or there has been suppression of facts / materials by me.
- ii. If exemption is sanctioned erroneously or in excess of the actual amount due and admissible. However, if the industrial unit is found to be not responsible for such erroneous or excess payment, then no penal interest shall be charged on him/her.
- iii. If the industrial unit shifts the location of the unit outside the State.
- iv. If the industrial unit shifts registered office of the unit outside the State without taking prior permission of the State Government.

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

Enclosure: -

1.

2.

Date:

Place:

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

CERTIFICATE OF VERIFICATION

Certified that the information furnished as above has duly been verified and found correct. The captioned industrial Unit, M/s _____ At _____ Dist _____ bearing Production Certificate No _____ Date. _____ and Udyam Registration No. _____ is eligible for Electricity Duty exemption under the provisions laid down at Para 7.5 of Odisha MSME Development Policy, 2022 for the contract demand of _____ KVA which is being used for industrial purpose.

General Manager,
DIC _____



Annexure –B

CHECK LIST OF DOCUMENTS (For Electricity Duty Exemption)

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

(Strike out whichever is not applicable)

| | |
|---|---|
| 1 | Production Certificate / Udyam Registration Number |
| 2 | Power of Attorney / Board Resolution / Society Resolution, as applicable, while signing as Partner / Managing Director / Authorized person |
| 3 | Certified copy of the agreement indicating contract demand executed with Power Distribution Company for supply of power for production |
| 4 | Certificate in support of date of power supply indicating connected load for production with Consumer No. of the Industry from appropriate authority of Power Distribution Company |
| 5 | Last month Electricity Bill with payment voucher |
| 6 | Details of Electricity Duty exemption availed earlier, if any |
| 7 | Documents in support of Migrated industrial unit/Rehabilitated sick industrial unit/ industrial unit seized under Section 29 of the State Financial Corporation Act, 1951/SARFAESI Act, 2002/ by the orders of NCLT under the IBC 2016 and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit under Odisha MSMED Policy-2022. |
| 8 | Documents in support of statutory clearances/ Valid statutory clearances of OSPCCB except for White Category |
| 9 | Initial Inspection Report of the industrial unit by the Electrical Authority availing power supply for production power |

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Annexure-C

OFFICE OF THE GENERAL MANAGER, DIC _____

No.

Dt.

(Strike out whichever is not applicable)

From

General Manager,
DIC _____

To

The Director of Industries,
Odisha, Cuttack

Sub: Recommendation for exemption from payment of electricity duty on Distribution Company's power supply in favour of Industrial Enterprise with investment in Plant & Machineries above INR 10 Crs. under the provisions of OSMEDP 2022.

Sir,

In accordance with the provisions laid down in Odisha MSMD Policy 2022 and its operational guidelines, I am to furnish herewith the application with copies of all relevant documents filed by M/s _____, At: _____ PO: _____ Dist _____ bearing Production Certificate No. _____ Date: _____, Udyam Registration No. _____. The particulars of the unit are given below.

| | | |
|---|--|-----------------------|
| 1 | New Industrial unit/ Migrated industrial unit/Rehabilitated sick industrial unit/ industrial unit seized under Section 29 of the State Financial Corporation Act, 1951/SARFAESI Act, 2002/ by the orders of NCLT under the IBC and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit with investment in Plant & Machineries up to Rs.50 crore | |
| 2 | Date of commencement of production | |
| 3 | Date of initial inspection by Electrical Authority availing power supply for production power | |
| 4 | Connected load / contract demand allowed to the industry (up to 750 KVA) | |
| 5 | Electricity Consumer No. of the industry | |
| 6 | Whether delay in implementation of Project has been condoned by the Empowered Committee | |
| 7 | The industrial unit has availed this incentive under any scheme of State Govt. or the Central Govt (GoI) or Govt Agencies | (Mention the details) |

The industrial unit is eligible for exemption of Electricity Duty under the provisions of OSMEDP-2022.

Encl. (Two sets of application with supporting documents)

Yours faithfully,

General Manager,
DIC _____

Memo No.

Date:

Copy forwarded to M/s _____ At _____ P.O. _____ Dist. _____ for information.

General Manager,
DIC _____

Annexure-D

**OFFICE OF THE GENERAL MANAGER, DIC _____ /
OFFICE OF THE DIRECTOR OF INDUSTRIES, ODISHA, CUTTACK**

No. _____ Dt. _____
(Strike out whichever is not applicable)

From

General Manager, DIC _____ /
Director of Industries, Odisha, Cuttack

To

The Additional Chief Engineer-cum-Electrical Inspector,

Sub: Recommendation for exemption from payment of electricity duty on Distribution Company's power supply up to a contract demand of 750 KVA under the provisions of Odisha MSME Development Policy-2022.

Sir,

I recommend that M/s _____, At. _____ P.O. _____ Dist. _____ bearing Production Certificate No. _____ dated _____ and Udyam Registration No. _____ may be exempted from payment of Electricity Duty from _____ i.e., from the date of commencement of production for a period of five (05) years. The particulars of the unit are given below.

| | | |
|---|---|--|
| 1 | New Industrial unit / Migrated industrial unit/Rehabilitated sick industrial unit/ industrial unit seized under Section 29 of the State Financial Corporation Act, 1951/SARFAESI Act, 2002/ by the orders of NCLT under the IBC 2016 and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit with investment in Plant & Machineries of INR _____ Crores. | |
| 2 | Date of commencement of production | |
| 3 | Date of initial inspection by Electrical Authority availing power supply for production power | |
| 4 | Connected load / contract demand allowed to the industry (up to 750 KVA) | |
| 5 | Electricity Consumer no of the industry | |
| 6 | Date of condonation of delay by the Empowered Committee, in case of delay in implementation of Project. | |
| 7 | Quantum of such incentive availed if any under any other scheme of State Govt. or the Central Govt. or Govt. Agencies. | |

It is certified that the unit is entitled to Electricity Duty exemption under OMSMEDP-2022.

Yours faithfully,

Encl.

(One set of application with supporting documents)

General Manager, DIC _____/
Director of Industries, Odisha

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

General Manager, DIC _____/
Director of Industries, Odisha

Memo No. _____ Date: _____
Copy forwarded to M/s _____ At _____ P.O. _____
Dist. _____ for information.

General Manager, DIC _____/
Director of Industries, Odisha



Annexure-E

OFFICE OF THE ADDITIONAL CHIEF ENGINEER-CUM-ELECTRICAL INSPECTOR,

No _____ Date: _____
(Strike out whichever is not applicable)

From

The Additional Chief Engineer-cum-Electrical Inspector,

To

M/s _____
At _____ P.O. _____
Dist. _____

Sub: Sanction of exemption from payment of electricity duty on Distribution Company's power supply up to a contract demand of 750 KVA under the provisions of Odisha MSMED Policy-2022.

Sir,

Exemption from payment of electricity duty on Distribution Company's power supply up to a contract demand of _____ (up to 750 KVA) is allowed in favour of M/s _____, At. _____ P.O. _____ Dist. _____ bearing Production Certificate No. _____ dated _____ and Udyam Registration No. _____ and electricity consumer no _____ for a period of Five (05) years from the date of commencement of production..... as a New Industrial unit/ Migrated industrial unit/Rehabilitated sick industrial unit/ industrial unit seized under Section 29 of the State Financial Corporation Act, 1951/SARFAESI Act, 2002/ by the orders of NCLT under the IBC 2016 and thereafter sold to a new entrepreneur on sale of assets basis and treated as new industrial unit with investment in Plant & Machinerics of INR _____ Crore for availing power supply for production under the provisions of Odisha MSMED Policy-2022.

Yours faithfully,

Additional Chief Engineer-cum
-Electrical Inspector _____

Memo No.

Date

Copy forwarded to the Chief Engineer-cum-Chief Electrical Inspector of concerned zone / EIC (Electricity)-cum-PCEI, Odisha / Director of Industries, Odisha, Cuttack / General Manager, DIC _____ for information with reference to their Letter No. _____ Dt. _____.

Additional Chief Engineer-cum
-Electrical Inspector _____

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Annexure-F

**OFFICE OF THE GENERAL MANAGER, DISTRICT INDUSTRIES CENTRE _____
/ DIRECTOR OF INDUSTRIES, ODISHA, CUTTACK / ADDITIONAL CHIEF
ENGINEER-CUM-ELECTRICAL INSPECTOR _____**

No. _____ Date _____
(Strike out whichever is not applicable)

From

General Manager,
DIC _____/
Director of Industries, Odisha / Additional Chief Engineer-cum-Electrical Inspector

To

M/s
At/P.O
Dist.

This is to inform that the application for exemption from payment of electricity duty on Distribution Company's power supply made by M/s _____ bearing Production Certificate No. _____ Dated _____, Udyam Registration No. _____ on dated _____ for the period _____ under OMSMEDP 2022 is rejected due to following reasons.

Reasons.

(Specify the reasons)

- 1
- 2
- 3
- 4

G.M, DIC / D.I Odisha /
Additional Chief Engineer-cum-Electrical Inspector

Memo No.

Date

Copy forwarded to the Chief Engineer-cum-Chief Electrical Inspector of concerned zone / EIC (Electricity)-cum-PCEI, Odisha / Director of Industries, Odisha, Cuttack / General Manager, DIC _____ for information.

G.M, DIC / D.I Odisha /
Additional Chief Engineer-cum-Electrical Inspector

