

**GOVERNMENT OF ODISHA  
MSME DEPARTMENT**

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**NOTIFICATION**

**Bhubaneswar, dated the 13<sup>th</sup> November, 2018**

**Subject : Amendment of Odisha MSME Development Policy, 2016.**

No. MS&I-113/2018- **7262** /MSME, After careful consideration, Government have approved the following amendments in the provisions of Odisha MSME Development Policy, 2016:

- 1.** Definition of '**Downstream Enterprise**' at sl. no.3 of Annexure-I: '**Appendices**' shall be replaced with the following:

"Downstream Enterprise" means an Industrial undertaking, which is engaged or proposed to be engaged in value addition of the intermediate or final produce or waste product of one or more industrial undertakings within the state utilizing a minimum of 50% by weight as base raw material. The Downstream Enterprise shall not include the following items / activities based industry, having low value addition :

Sl. No.	Aluminum (Al.)	Sl. No.	Steel	Sl. No.	Stainless Steel
1	Al. Circles	1	Welding Electrode	1	SS Stapler
2	Al. Hinges	2	Corrugated Sheet	2	SS Structure
3	Al. Metal Mesh	3	Cable Tray	3	SS Annealing
4	Al. shots & notch bars	4	Motor Rewinding	4	Service Centers
5	Al. Tower bolt	5	Galvanizing of Structure Pipes		<b>Other Items</b>
6	Caps & closures	6	Pipe Coating	1	Manufacturing of Asbestos sheet by using Fly Ash
7	Venetian blinds	7	Furniture making		
		8	Barbed wire		
		9	Wire nails		

2. Under the Annexure-II: '**List of Ineligible Enterprises**' at Sl.6, the existing provision relating to 'Oil mills' shall be replaced with the following:

"Edible / Non-Edible Vegetable Oil Mills having;

- (i) Expeller with investment in plant & machinery less than Rs.10 lakh,
- (ii) Solvent Extraction with investment in plant & machinery less than Rs.50 lakh,
- (iii) Hydrogenation of Oil,
- (iv) Repacking of oil with Filtering, Coloring and Deodorizing, and
- (v) Refining of Oil with investment in plant & machinery less than Rs.5 crore."

3. Under the Annexure-II: '**List of Ineligible Enterprises**' at Sl.14, the existing provision relating to "Iron and Steel Processors" shall be replaced with the following:

"Iron and Steel Processors :

- a) Coiling and De-coiling of Sheets, Straightening and Cutting of sheets and Rods, Cutting of angle, Channels, Bars Blooms, Billets, Slabs etc.,
- b) Iron and Steel scrap processing unit, and
- c) Integrated Rolling Mill."

4. Under the Annexure-II: '**List of Ineligible Enterprises**' at Sl.34, the existing provision regarding "Pre-processing of oil seeds" shall be replaced with the following:

"Pre-processing of oil seeds : decorticating, parching and frying."

5. Under the Annexure-II: '**List of Ineligible Enterprises**' at Sl.35, the existing provision relating to "Aerated water and soft drink" shall be replaced with the following:

"Standalone Packaged drinking / Mineral water units, Aerated water, soft drink (except the units manufacturing fruit pulp and / or juice out of it)"

6. Under section-6 of the Policy on "Financial Support Framework" a new provision as follows shall be inserted at sl.no.6.9:

### **Incentives for ZED Certification**

**6.9.1** New and existing Micro, Small and Medium Enterprises shall be encouraged to adopt the Zero Defect Zero Effect (ZED) maturity assessment model under the "Financial Support to MSMEs in ZED Certification Scheme" of Ministry of MSME, Government of India, for which Quality Council of India (QCI) is the National Monitoring & Implementing Unit (NMIU). This will not only promote quality manufacturing amongst MSMEs of Odisha but also make them environmentally conscious leading them to be globally competitive over a period of time. Under the ZED Certification Scheme, the Government of India is providing a financial support of 80%, 60% & 50% to Micro, Small & Medium Enterprises respectively on the cost of assessment and handholding, with an additional 5% financial support to Women and SC/ST entrepreneurs. It is proposed to extend the same level of financial support to MSMEs undergoing ZED assessment/handholding on the balance cost, i.e. over and above the financial support provided by Government of India. For example: An MSME undergoing Desktop assessment, cost of which is Rs. 10,000/-, receives Govt. of India support of 80%, which is Rs. 8,000/- The Government of Odisha will provide an additional financial support of 80% on the balance cost (of Rs. 2000/-) which amounts to Rs. 1,600. Hence the effective cost to the MSME will be Rs. 400/-. The same formula will apply on the cost of all other components of the scheme.

The existing financial support by GoI is as follows:

ZED Certification Scheme Component	Costing (INR)	Effective cost for <b>MICRO</b> Enterprises @ 80% (INR)	Effective cost for <b>SMALL</b> Enterprises @ 60% (INR)	Effective cost for <b>MEDIUM</b> Enterprises@ 50% (INR)
Registration	NIL	NIL	NIL	NIL
Online Self-Assessment	NIL	NIL	NIL	NIL
Desktop Assessment	10,000	2,000	4,000	5,000
Site Assessment	80,000	16,000	32,000	40,000
Re-Assessment *	40,000	8,000	16,000	20,000
Gap Analysis and Handholding *	1,90,000	38,000	76,000	95,000
Defence Assessment *	40,000	8,000	16,000	20,000
<b>TOTAL</b>	<b>3,60,000</b>	<b>72,000</b>	<b>1,44,000</b>	<b>1,80,000</b>
Proposed Govt. of Odisha Support (Max)		57,600	86,400	90,000
Final Effective Cost to MSME of Odisha		14,400	57,600	90,000

\* **Optional Component**

**Note:** Additional 5% financial support for women & SC/ST entrepreneurs

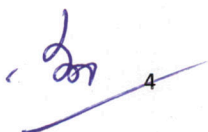
6.9.2. In order to support the investment for the purpose, a one-time reimbursement of expenses incurred by the applicant MSME unit on acquisition of Plant & machinery / testing equipment for obtaining ZED ratings shall be provided in the following manner :

Sl. No.	Quantum of Assistance	To achieve ZED Rating of
1.	@ 50% of expenses incurred on acquisition of Plant & machinery / testing equipment subject to an upper limit of Rs. 1.00 lakh to achieve "ZED Bronze" from "No Rating"	Bronze
2.	@ 50% of expenses incurred on acquisition of Plant & machinery / testing equipment subject to an upper limit of Rs. 2.00 lakh to achieve ZED Silver from ZED Bronze or lower rating.	Silver
3.	@ 50% of expenses incurred on acquisition of Plant & machinery / testing equipment subject to an upper limit of Rs. 3.00 lakh to achieve "ZED Gold" from ZED Silver or lower rating.	Gold
4.	@ 50% of expenses incurred on acquisition of Plant & machinery / testing equipment subject to an upper limit of Rs. 4.00 lakh to achieve "ZED Diamond" from ZED Gold or lower rating.	Diamond
5.	@ 75% of expenses incurred on acquisition of Plant & machinery / testing equipment subject to an upper limit of Rs. 5.00 lakh to achieve "ZED Platinum" from ZED Diamond or lower rating.	Platinum
Note: This assistance is over & above the assistance prescribed under ZED Scheme by Government of India.		

A monitoring mechanism will be developed by the Directorate of Industries, Government of Odisha, wherein the final installment of reimbursement of expenses under this category (6.9.2) will be made only after the desired ZED rating is achieved by the applicant MSME Unit.

7. The existing provision in para 9.6 shall be replaced with the following:

"This Policy shall be effective from the date of its notification and remain in force until the applicability of IPR-2015."

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8. The aforesaid amendments in the MSME Development Policy-2016 shall come into force with immediate effect.

**ORDER:** - Ordered that the Notification be published in an extraordinary issue of *Odisha Gazette* and copies of the Notification be forwarded to all Departments/ all Heads of Department.

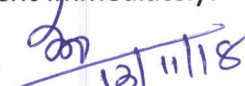
By order of Governor

  
13.11.18  
(L. N. Gupta)

Additional Chief Secretary to Government


Memo No 7263 /MSME, Bhubaneswar, Dated 13-11-2018

Copy forwarded to the Director of Printing, Stationery & Publication, Odisha, Cuttack with a request to kindly publish the Notification in the extraordinary issue of Odisha Gazette and supply 500 copies to this Department immediately.

  
13/11/18  
Joint Secretary to Government

Memo No 7264 /MSME, Bhubaneswar, Dated 13-11-2018


Copy forwarded to the Odisha Gazette Cell-in-Charge, Odisha Gazette Cell, C/o Commerce Department for information with a request to take appropriate action to publish the Notification in the next-extraordinary issue of Odisha Gazette.

  
13/11/18  
Joint Secretary to Government

Memo No 7265 /MSME, Bhubaneswar, Dated 13-11-2018

Copy forwarded to the Heads of Portal Group, IT Centre, Odisha Secretariat for information and necessary action.

She/ He is requested to upload the Notification on the website of MSME Department for general information.

  
13/11/18  
Joint Secretary to Government

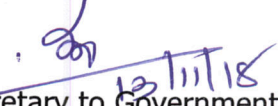
Memo No 7266 /MSME, Bhubaneswar, Dated 13-11-2018

Copy forwarded to the Director of Industries, Odisha, Cuttack/ All GM, RICs/DICs for information and necessary action.

  
13/11/18  
Joint Secretary to Government

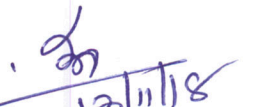
Memo No 7267 /MSME, Bhubaneswar, Dated 13-11-2018

Copy forwarded to All Departments/ All Heads of Departments / All Revenue Divisional Commissioners / All Collectors / All Commercial bank operating in the State/ All Public Sector Undertakings/ Accountant General, Odisha, Bhubaneswar for information.

  
Joint Secretary to Government

Memo No 7268 /MSME, Bhubaneswar, Dated 13-11-2018

Copy forwarded to Principal Secretary to Hon'ble Chief Minister / P.S to All Ministers / O.S.D. to Chief Secretary, Odisha / P.S to DC-CUM-A.C.S, Odisha / P.S to A.C.S, MSME for kind information of Hon'ble Chief Minister / All Ministers / Chief Secretary, Odisha / DC-CUM-A.C.S, Odisha / A.C.S., MSME.

  
Joint Secretary to Government

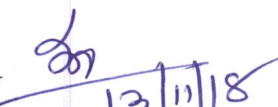
Memo No 7269 /MSME, Bhubaneswar, Dated 13-11-2018

Copy forwarded to Parliamentary Affairs Department for information with reference to their Memo. No.6092 Dt.09.11.2018.

  
Joint Secretary to Government

Memo No 7270 /MSME, Bhubaneswar, Dated 13-11-2018

Copy forwarded to all Sections of MSME Department / Guard File (10 copies) for information.

  
Joint Secretary to Government