

Government of Odisha
MSME Department

NOTIFICATION

No. II-MSME-2/2017 616 /MSME, Bhubaneswar, the 31st January, 2017

Sub: Operational Guidelines for Sanction and Disbursement of Seed Capital Assistance under Odisha MSME Development Policy-2016 (See Para 6.2 of Odisha MSME Development Policy-2016)

1. **Short Title:** "Operational Guidelines for Seed Capital Assistance" under Odisha MSME Development Policy-2016.
2. **Extent:** It shall extend to the whole of the State of Odisha.
3. **Commencement:** It shall come into force with effect from 24th November, 2016 i.e. date of Notification of Odisha MSME Development Policy-2016.
4. **Policy Provisions: Seed Capital Assistance**
"The 1st generation Women, SC, ST, Differently abled entrepreneurs setting up new Micro / Small Enterprises in Industrially Backward Districts including KBK districts shall be entitled to a onetime grant equivalent to 10% of Term Loan disbursed by the financing Bank / institution subject to a maximum of Rs.15 lakh."
5. **Terms and Expressions:** Terms and expressions used in this operational guideline shall have the same meaning as in Odisha MSME Development Policy-2016.
 - 5.1 **Seed Capital:** It refers to the initial capital needed to get the enterprise started. Seed capital assistance is meant to reduce the burden of promoter's contribution / to meet a part of his margin money required for availing institutional finance.
 - 5.2 **1st Generation Entrepreneur:** are those entrepreneurs who do not possess any entrepreneurial background i.e. they do not inherit the enterprise passing from one generation to another. They start an enterprise by means of their own entrepreneurial ability and skills.
 - 5.3 **Women, SC, ST, Differently abled entrepreneurs:** Women SC / ST / Differently abled persons whose stake in equity participation / shareholding shall be 51% or more individually or jointly in the enterprise. (For details, expressions made

in Operational Guidelines for Capital Investment Subsidy under Odisha MSME Development Policy-2016 may be referred)

- 5.4 Industrially Backward Districts including KBK districts: Kalahandi, Nuapada, Bolangir, Subarnapur, Koraput, Malkangiri, Rayagada, Nabarangapur, Kandhamal, Gajapati & Mayurbhanj.

6. Eligibility:

- 6.1 New Micro / Small Enterprises as defined in MSME Act-2006 where fixed capital investment has commenced on or after 24th November, 2016 i.e. effective date of Odisha MSME Development Policy-2016 and extended with term loan by Bank / Financial Institution for setting up new Micro / Small Enterprises in Industrially Backward Districts including KBK districts .
- 6.2 The entrepreneur(s) shall belong to 1st generation Women, SC, ST, Differently abled entrepreneur's category.
- 6.3 New Micro / Small Enterprises shall have been acknowledged with Entrepreneurship Identification Number (EIN) from the RIC / DIC.
- 6.4 Enterprises / activities which are declared ineligible as in Annexure II of Appendices of Odisha MSME Development Policy, 2016 to avail incentives shall not be entitled to get Seed Capital Assistance.
- 6.5 Seed Capital Assistance / Margin Money Subsidy / Margin Money Loan / Soft Loan / similar assistance known in any other form / name on the same project has been availed under any other scheme(s) / source(s), it shall not be entitled for Seed Capital Assistance under this Policy.
- 6.6 Project selected under Prime Minister's Employment Generation Programme (PMEGP) or any other similar programme of GoI / State Govt. where Margin Money (Subsidy) is a component of the Scheme **shall not** be eligible for Seed Capital Assistance under this Policy.
- 6.7 Enterprises undertaking Expansion / Modernization / Diversification of an enterprise **shall not** be entitled for Seed Capital Assistance.
- 6.8 Detailed Feasibility Report / Detailed Project Report of New Micro / Small Enterprises shall be required to be appraised and approved by financing Banks / Financial Institutions.
- 6.9 Identified viable sick Micro Enterprise / Small Enterprise treated at par with new industrial unit shall avail Seed Capital Assistance after rehabilitation provided Seed Capital Assistance is one of the constituents of rehabilitation package of that Micro / Small Enterprise subject to fulfillment of relevant conditions as stipulated as above.
- 6.10 The 1st generation Women, SC, ST, Differently abled entrepreneurs setting up new Micro / Small Enterprises in Industrially Backward Districts including KBK

districts should have preferably undergone Entrepreneurship Development Programme (EDP) / Skill Development Programme (SDP) / Management Development Programme (MDP) / Entrepreneurship- cum - Skill Development Programme (ESDP). If an entrepreneur has not undertaken EDP / SDP / MDP / ESDP, General Manager, DIC / RIC shall arrange to cover such entrepreneur under any of the above mentioned trainings.

6.11 As sanction of Seed Capital Assistance is made before commencement of production (pre-production incentive), the new Micro / Small Enterprise shall have to undertake that-

6.11.1 The enterprise shall go into production within three years from the date of starting first fixed capital investment.

6.11.2 Where period of implementation of projects (new Micro /Small Enterprises) exceeds stipulated period of three years due to force majeure (reasons like natural calamities), such case(s) of delay shall be placed before the Empowered Committee for consideration.

6.11.3 In cases where Empowered Committee has decided not to condone the delay, the Seed Capital Assistance availed be recovered through the financing Bank under OPDR Act, 1962.

7. **Constitution of Task Force:** A Task Force under the Chairmanship of District Collector with Members as constituted below shall be the competent authority to sanction Seed Capital Assistance prescribed in Para-6.2 of Odisha MSME Development Policy-2016.

1	District Collector	Chairman
2	Additional Director of Industries / Joint Director of Industries / Deputy Director of Industries	Member
3	District Agriculture Officer	Member
4	Branch Manager / representative of OSFC	Member
5	Divisional Head / representative of IDCO	Member
6	Lead Bank Manager	Member
7	Branch Manager(s) of the Financing Bank Branch	Member
8	General Manager, RIC /DIC	Convenor

7.1 Task Force shall meet every month or as often as necessary. Chairman may invite any other officer / agency concerning the sector for which applications are under consideration.

7.2 RIC / DIC concerned shall provide secretarial services to the Task Force.

7.3 RIC / DIC shall prepare the detail agenda note to be placed before the Task Force.

7.4 The financing Bank Branch shall place the detailed project report / feasibility & viability report and Bank Appraisal Report made on the proposed

project of Micro / Small Enterprises considered for finance before the Task Force.

- 7.5 The Task Force shall go into eligibility, policy applicability and merits of credit proposal of each Micro / Small Enterprise and decide the sanction of Seed Capital Assistance admissible / rejection of proposal in favour of the enterprise.
- 7.6 The minutes of Task force shall be recorded by the Convener & approved by the Chairman and shall be circulated to all members.

8. Procedure:

- 8.1 The 1st generation Women, SC, ST, Differently abled entrepreneurs interested for setting up new Micro / Small Enterprises in Industrially Backward Districts including KBK districts and satisfying eligibility for Seed Capital Assistance, shall submit application in the form prescribed at **Annexure – A** along with copies of relevant documents as mentioned in the Checklist at **Annexure – B** to the concerned General Manager, RIC / DIC for availing credit (Term loan and or cash credit) from Bank / FI and also Seed Capital Assistance under this Policy.
- 8.2 Application & copies of the documents shall be made in duplicate, if filed in offline mode.
- 8.3 Copies of the documents as indicated in the checklist shall be self-certified in each page by Proprietor / Managing Partner / Managing Director / Authorized Signatory. The documents / relevant data which are already uploaded / furnished to RIC / DIC earlier shall not be uploaded / furnished once again unless there is any change including change in validity of the same. In case of online filing of Application for Seed Capital Assistance, there is no need to furnish the hard copy of documents unless asked for.
- 8.4 On receipt of complete application with relevant documents / data, the acknowledgement as prescribed at **Annexure – C** shall be dispatched to the applicant duly signed by the authorized officer / General Manager, RIC / DIC on the day of receipt. The General Manager RIC / DIC may authorize any of his sub-ordinate officers for the purpose. In case of online filing, the same shall be generated electronically.
- 8.5 Applications received at RIC / DIC shall be examined & scrutinised as regards to eligibility, policy applicability, project cost, promoter's contribution, seed capital assistance required etc and forwarded to Bank /FI willing to finance the project in the format prescribed at **Annexure – D** within 15 days from the date of receipt.

- 8.6 The Bank / FI shall complete the documentation, approve the Detailed Project Report, prepare Appraisal Report and accord sanction of Term Loan and or Cash Credit (Working Capital) in favour of enterprise within next 21 days.
- 8.7 The Bank / FI shall be associated with RIC / DIC for preparation of Agenda Note jointly, which shall be placed before Task Force for sanction of Seed Capital Assistance in favour of enterprise sanctioned with Term Loan within next 7 days.
9. **Sanction:**
- 9.1 The Task Force shall consider the proposals for sanction of Seed Capital Assistance equivalent to 10 % of Term loan limiting to Rs.15 lakh per proposal in favour of eligible Micro / Small Enterprises.
- 9.2 Sanction of Seed Capital Assistance shall be communicated by General Manager, RIC /DIC in the format as prescribed at **Annexure – E** to the promoter under intimation to financing Bank / Directorate of Industries, Odisha within next 07 days of holding the Task Force meeting.
- 9.3 On receipt of sanction, the promoter(s) shall execute tripartite agreement with RIC / DIC and financing Bank in the format as prescribed at **Annexure – F**.
- 9.4 In case of rejection, the reasons of rejection shall be communicated in the format as prescribed at **Annexure – G** to the promoter under intimation to financing Bank / Directorate of Industries, Odisha within next 07 days of holding Task Force.
10. **Bank Finance & Disbursement of Seed Capital Assistance:-**
- 10.1 The Concerned Bank shall disburse the Term Loan and working capital in form of cash credit in favour of the enterprise. On disbursement of Term loan, Bank shall furnish the claim to RIC / DIC with details of loan sanctioned & disbursed in the format as prescribed at **Annexure – H** under intimation to the Promoter, Directorate of Industries, Odisha.
- 10.2 RIC / DIC will release the funds, **subject to the availability of funds**, to the financing Bank under intimation to the Promoter / Directorate of Industries, Odisha.
- 10.3 Once Seed Capital Assistance is released to the bank in favour of the enterprise, it should be kept in Term Deposit Receipt (TDR) and credited to the Term Loan Account after three years from the date of first disbursement of Term Loan.

10.4 No interest shall be paid on the TDR and no interest shall also be charged by the concerned bank on the corresponding loan amount equivalent to TDR.

10.5 Seed Capital Assistance on availing the actual amount of Term loan shall be retained and excess, if any, shall be refunded to RIC / DIC immediately once the project is ready for commencement of production under intimation to the Promoter / Directorate of Industries, Odisha.

11. Funds Management:

11.1 The Director of Industries, Odisha in consultation with RIC / DIC will estimate the requirement of funds and furnish the requisition to the MSME Department well in advance for making budget provision every year.

11.2 The State Government in MSME Department will provide funds every year to the Director of Industries, Odisha.

11.3 Director of Industries, Odisha shall place the funds with RIC / DIC which shall maintain regular accounts of Seed Capital assistance with case wise details.

11.4 The concerned Bank shall avail sanctioned amount of Seed Capital Assistance from the RIC / DIC concerned.

11.5 The RIC / DIC shall furnish the utilization of funds along with the list of beneficiaries disbursed with Seed Capital Assistance regularly to the Director of Industries.

11.6 Director of Industries, Odisha shall furnish utilization Certificate regularly to the MSME Department & A.G., Odisha.

12. Maintenance of Records: The receipt, forwarding, sanction, rejection, disbursement of Seed Capital Assistance shall be monitored both electronically & manually by RIC / DIC & Directorate of Industries, Odisha.

13. Recovery:

13.1 The amount paid towards Seed Capital assistance or any part thereof shall be recoverable by the financing Bank and paid back to the RIC / DIC concerned under intimation to Directorate of Industries, Odisha, if the information furnished is found to be false / incorrect / misleading or mis-represented and there has been suppression of facts / materials or paid in excess of the amount actually admissible for whatsoever reason.

- 13.2 The recovery shall be made under the provision of OPDR Act, 1962 as arrears of land revenue on violation of Policy provisions, terms & conditions of Operational Guidelines & Agreement.
- 13.3 In case the enterprise fails to commence production within three years from the date of first fixed capital investment due to force majeure (reasons like natural calamity) and the delay has been condoned by Govt. on recommendation of Empowered Committee / in case the Banks advance goes 'bad' before the three year period of TDR due to force majeure (reasons like natural calamity), the seed Capital Assistance shall be adjusted by the financing Bank to liquidate the Term loan liability of enterprise.
14. **Miscellaneous:**
- 14.1 RIC /DIC / Directorate of Industries, Odisha/ Financing Bank Branch may inspect the assisted project, if felt necessary.
- 14.2 Any change in facts or circumstances affecting the eligibility of the enterprise shall be intimated immediately to the RIC / DIC / Directorate of Industries, Odisha by the enterprise / Financing Bank.
15. Time limit prescribed in this guidelines are of working days only.
16. This has been concurred in by Finance Department and communicated vide their UOR No. 270/PSF dated 21-01-2017.

By Order of Governor


31.1.17
(L.N. Gupta)

Principal Secretary to Government

Memo No. 617 /MSME Date 31-01-2017

Copy forwarded to All Departments / All Heads of Departments / All Revenue Divisional Commissioners / All Collectors / All RICs / All DICs / Technical Director, NIC (managing MSME portal) / All sections of MSME Department / Guard File (5 copies) for information and necessary action.


Additional Secretary to Government

**APPLICATION FOR AVAILING ADVANCE FROM BANK AND SEED CAPITAL ASSISTANCE UNDER
ODISHA MSME DEVELOPMENT POLICY-2016.**

(See Para 8.1 of Operational Guidelines)

Application received incomplete in any respect shall be liable for rejection

(Strike out whichever is not applicable)

From :

Sri _____

M/s. _____

(Address of Communication / Registered Office Address)

To

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

Sub: Application for availing advance from Bank and Seed Capital Assistance under Odisha MSME Development Policy-2016

Sir,

In accordance with the provisions laid down in Odisha MSME Development Policy-2016 and its operational guidelines, following particulars are submitted for availing advance from Bank and Seed Capital Assistance.

1	Name and Address of communication of the Enterprise with E-mail Id & Cell Phone Number			:	
2	Micro Enterprise / Small Enterprise			:	
3	Type of organization (Proprietorship / Partnership /LLP/ Co-operative / Private Limited)			:	
4	Name of Proprietor / Managing Partner / Managing Director / Authorized Signatory			:	
5	Proposed location of Enterprise with name of District (Industrially Backward Districts including KBK districts:- Kalahandi, Nuapada, Bolangir, Subarnapur, Koraput, Malkangiri, Rayagada, Nabarangapur, Kandhamal, Gajapati & Mayurbhanj).			:	
6	Entrepreneurs Identification Number (EIN) & Date			:	
7	Proposed item(s) of manufacture / activity			:	
8	Proposed date of commencement of Production			:	
9	Are you 1 st generation Entrepreneur (Furnish self- declaration)			:	
10	Are you women / SC / ST / Differently abled (Furnish copy of certificate from the competent authority against claim for SC / ST/ Differently- abled)			:	
11	Percentage of share in the enterprise in case of Women / SC / ST / Differently abled			:	
12	Are you EDP / SDP / MDP / ESDP trained (Furnish copy of Certificate)			:	
13	Total Project cost (in Rs.)			:	
14	Means of Finance	Bank	Promoter's contribution	Seed Capital Assistance required	
	Fixed Capital (Term Loan)				
	Working Capital			XXXXXXXXXXXXXX	
15	Date of first fixed capital investment with its mode (EIN / investment in land / building / plant & machinery and balancing equipment (specify the investment & mode of investment , if made))			:	
16	Details of assistance sanctioned / availed so far from GoI / State Govt / other organization / Agencies, if so specify -			:	

17	Amount of Seed Capital Assistance claimed (Rs.)	:	
18	Name of Bank Branch interested to Finance the Project	:	
19	Identified viable sick Micro / Small Enterprises treated at par with new industrial unit (Furnish the Copy)		

I, Sri _____ s/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 MSME Development Policy-2016 and its operational guidelines.

I hereby certify that the enterprise has not applied for / sanctioned / availed any amount of assistance towards Seed Capital / Margin Money (Subsidy) / Margin Money Loan / Soft Loan / similar assistance known in any other form / name on this project from State Govt. or GoI or any Financial Institution(s) against which the present claim is made.

I hereby undertake that this Enterprise shall commence production within stipulated time of three years from the date of starting first fixed capital investment.

I hereby undertake to repay / surrender forthwith the Seed Capital Assistance or any part thereof availed with penal interest as decided by the authority-

- (i) If the assistance amount disbursed is 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 fails to commence production within three years from the date of starting first fixed capital investment.
- (iv) If the enterprise violates Policy provisions and its Operational Guidelines and the terms & conditions enunciated in the Agreement.
- (v) I hereby undertake to furnish information, reports, statements etc to the RIC/ DIC /D I, Odisha / Financing Bank as and when asked for.

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

List of documents attached.

- 1.
- 2.
- 3.

Date:

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

Place:

M/s. _____

CHECK LIST

(See Para 8.1 of Operational Guidelines)

Copies of documents to be attached with Application for availing advance from Bank and Seed Capital Assistance shall be self-certified in each page by Proprietor / Managing Partner / Managing Director / Authorized Signatory. There is no need to submit / upload the documents which have already been furnished / uploaded unless there is any change or change in validity.

(Strike out whichever is not applicable)

1	Entrepreneurs Identification Number (EIN)
2	Detailed Feasibility Report / detailed Project Report with details means of finance & process flow diagram
3	Power of Attorney / Board Resolution / Society Resolution, as applicable, while signing as Partner / Managing Director / Authorized person
4	Certificate of registration under Indian Partnership Act1932 / Societies Registration Act- 1860 / Certificate of incorporation (Memorandum of association & Article of Association) under Company Act-1956 & 2013 indicating share of Women, SC, ST, Differently abled Entrepreneur(s) not less than 51%
5	Certificate from competent authority as SC, ST, Differently abled
6	Certificate in support of EDP / MDP / SDP / ESDP training, if undergone
7	Self- declaration being 1 st generation entrepreneur in non-judicial Stamp Paper of Rs.10/- in the format prescribed at Annexure- B1
8	Documents in support of assistance applied for / sanctioned / availed towards Seed Capital / Margin Money (Subsidy) / Margin Money Loan / Soft Loan / similar assistance known in any other form / name so far with sanction order no & date from State Govt. / Central Govt (GoI) / Govt Agencies / Financial Institutions
9	Document in support of identified viable sick Micro / Small Enterprises treated at par with new industrial unit
10	Document in support of date of first investment in fixed capital i.e. investment in land / building / plant & machinery and balancing equipment, if made
11	Copy of Aadhaar Card & Passport size photograph of Applicant

Annexure- B1**SELF- DECLARATION BEING 1ST GENERATION ENTREPRENEUR**

(In non-judicial Stamp Paper of Rs.10/-)

I / We, 1. Sri _____, s/o _____ at present _____ (designation), 2. Sri _____, s/o _____ at present _____ (designation) of M/s. _____ (name of the enterprise) certify that I / We do not possess any entrepreneurial background and do not inherit any enterprise passing from one generation to another. I / We propose to start this enterprise by means of my / our own entrepreneurial ability and skills and qualify to be 1st Generation Entrepreneur(s).

Date

1.

Place

2.

3.

(Signature of 1st Generation Entrepreneur(s))

Acknowledgement

(See Para - 8.4 of Operational Guidelines)

(To be issued by authorized officer / General Manager, RIC / DIC)

(Strike out whichever is not applicable)

To

Sri _____

M/s. _____

Received the application for availing advance from Bank and Seed Capital Assistance under the provisions of Odisha MSME Development Policy-2016 and its Operational Guidelines along with documents mentioned below from M/s _____ At/PO _____ Dist. _____ on dt. _____ through post / person.

List of documents

- 1.
- 2.

Signature of authorized officer / General Manager, RIC /, DIC
with seal & date _____

- ❖ In case of online filing of application for availing advance from Bank and Seed Capital Assistance, the acknowledgement shall be generated electronically on receipt of complete application.

Annexure – C

(TO BE DISPATCHED TO THE APPLICANT)

Acknowledgement

(See Para - 8.4 of Operational Guidelines)

(To be issued by authorized officer / General Manager, RIC / DIC)

(Strike out whichever is not applicable)

To

Sri _____

M/s. _____

Received the application for availing advance from Bank and Seed Capital Assistance under the provisions of Odisha MSME Development Policy-2016 and its Operational Guidelines along with documents mentioned below from M/s _____ At/PO _____ Dist. _____ on dt. _____ through post / person.

List of documents

- 1.
- 2.

Signature of authorized officer / General Manager, RIC /, DIC
with seal & date _____

- ❖ In case of online filing of application for availing advance from Bank and Seed Capital Assistance, the acknowledgement shall be generated electronically on receipt of complete application.

OFFICE OF THE GENERAL MANAGER, RIC/ DIC _____

Lt. No. _____ Dt. _____

(See Para – 8.5 of Operational Guidelines)
(Strike out whichever is not applicable)

To

The Branch Manager,

Sub- Recommendation of Application for availing advance from Bank and Seed Capital Assistance under the provisions of Odisha MSME Development Policy-2016 and its Operational Guidelines.

Sir,

Enclosed, Please find herewith the application received from Sri _____

M/s _____ for availing advance (Term Loan & Working Capital) from Bank and Seed Capital Assistance under the provisions of Odisha MSME Development Policy-2016 and its Operational Guidelines.

As regards to eligibility & applicability of Policy provisions, this project may be eligible to avail Seed Capital Assistance subject to approval of the Task Force under the Chairmanship of District Collector.

You are advised to complete the documentation & processing of this proposal and please be associated with RIC / DIC for preparation of Agenda Note jointly, which shall be placed before Task Force for sanction of Seed Capital Assistance in favour of enterprise within next 21 days.

Enclos. Application with documents

Yours faithfully,

General Manger, RIC /DIC.

Memo. _____ Dt. _____

Copy forwarded to Sri _____, M/s. _____ At. _____
Po _____ Dist. _____ for information. He is advised to contact the Bank Branch for necessary documentation within 3 days.

General Manger, RIC /DIC

Memo. _____ Dt. _____

Copy forwarded to Director of Industries, Odisha, Cuttack for favour of kind information.

General Manger, RIC /DIC

SANCTION LETTER

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

The Task Force in its _____ meeting dated _____ has accorded sanction of Seed Capital Assistance for Rs. _____ (in words) Rupees _____ only in favour of M/s. _____ At _____ Po _____ Dist. _____ bearing Entrepreneurs Identification Number (EIN) _____ & date _____ for the setting up Micro Enterprise for manufacture of _____ (proposed item(s) of Production / Activities) / identified viable sick Micro Enterprises treated at par with new industrial unit under Odisha MSME Development Policy-2016 subject to condition that beneficiary enterprise shall go into production within three years from the date of first fixed capital investment .

Signature of General Manager, RIC / DIC _____
with seal & date _____.

Memo No. _____ /dt. _____

Copy forwarded to the Director of Industries, Odisha for information.

General Manager, RIC/ DIC _____

Memo No. _____ /Ind., dt. _____

Copy forwarded to Branch Manager, _____ for information necessary action.

General Manager, RIC/ DIC _____

Memo No. _____ /Ind., dt. _____

Copy forwarded to Sri _____ M/s. _____ Proprietor / Managing Partner / Managing Director / Authorized Signatory At _____ PO _____ Dist. _____ for information. She / He is requested to furnish Advance Stamped Money Receipt in the format as below and execute tripartite Agreement in the format prescribed at Annexure-F within 07 days.

General Manager, RIC/ DIC _____

Advance Stamped Money Receipt

“Received with thanks from _____ sum of Rs. _____ (Rupees _____) only by Cheque / Draft No./ On-line mode _____ dated _____ on account of Seed Capital Assistance as per the provisions of Odisha MSME Development Policy 2016, its Operational Guidelines & terms and conditions laid down in the Agreement executed by me / us on Dt. _____”.

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

AGREEMENT
(See Para 9.3 of Operational Guidelines)
(Strike out whichever is not applicable)

This INDENTURE made in this _____ day of _____, 20----- between a private / public limited company incorporated under companies Act, 1956, a cooperative society registered under the Odisha Cooperative Society Act 1962 and having its registered office at _____

OR

Carrying on business as a sole proprietor / partners in the firm with the name and style of M/s. _____ having its office at _____ hereinafter called the entrepreneur(s) (which expression shall unless it be repugnant to the context or meaning there of be deemed to include its successor or successors and assigns / the partners for the time being of the said firm and their assigns / his / her / their, executors, administrators and assigns) of the first part,

And

The Regional Industries Centre / District Industries Centre _____ operating in the District _____ under the administrative control of MSME Department, Government of Odisha, representing the Governor of Odisha, exercising the executive powers of the Government of Odisha (here in after referred to as "the Governor" which expression shall unless it be repugnant to the context or meaning the thereof be deemed to include his successor of successors and assigns) of second part,

And

The _____, _____ Branch operating in the District _____ which expression shall unless it be repugnant to the context or meaning the thereof be deemed to include his successor of successors and assigns) of third part, as:

- a) The Government of Odisha have framed a scheme as Seed Capital Assistance under the provisions of Odisha MSME Development Policy-2016 for the 1st generation Women, SC, ST, Differently abled entrepreneurs setting up new Micro / Small Enterprises in Industrially Backward Districts including KBK districts with a view to promote growth of MSME standing therein that Government of Odisha will grant Seed Capital assistance to the parties if the said parties satisfy the terms and conditions laid down under the Policy and its Operational Guidelines which shall be deemed to be a part of this agreement.
- b) The entrepreneur(s) by their application dated the day of _____ 20____ applied to the Government for sanction of Seed Capital Assistance for Rs. _____

(Rupees _____ @ 10% of Term Loan disbursed by the financing Bank / financial institution subject to a maximum of Rs.15 lakh whichever is less under Odisha MSME Development Policy-2016 and its Operational Guidelines and whereas :

i) Relying on the said application and subsequent representations made by the entrepreneurs, the Government have sanctioned Seed Capital assistance @ 10% of Term Loan disbursed by the financing Bank / financial institution for Rs. _____ and the RIC / DIC has agreed to pay the same on behalf of the Government to the entrepreneur on executing the necessary documents.

ii) Now this INDENTURE witnesses and it is hereby agreed by and between the parties hereto as under:

1. In consideration of the Government agreeing to give to the entrepreneurs under the said scheme, in such instalments the Government in its sole discretion think fit, an aggregate amount of Seed Capital Assistance of Rs. _____ and the entrepreneurs do and each of them do hereby covenant with the Government as under:
2. In the event of the Task Force ultimately deciding for any reasons whatsoever that the entrepreneurs are entitled to a lesser amount of assistance, the excess amount of the Seed Capital Assistance shall be repaid by the entrepreneurs to the RIC /DIC as agent of the Government along with interest thereon @ 12 ½% per annum or such other higher rate as the Government might decide from time to time from the date of payment of the said amount of Rs. _____ or any part thereof paid under this agreement till the repayment.
3. The entrepreneurs shall duly observe and perform the covenants and the conditions to be observed and performed by him / them under the said scheme.
4. The entrepreneurs shall promptly furnish all the information / statements / documents asked for to the RIC / DIC _____ / Director of Industries / Government by such dates as may be prescribed by the Government from time to time.
5. The said sum of Rs. _____ or such part thereof as may have been till then paid by the Government to the entrepreneurs shall become forthwith repayable with interest thereon @ 12 ½% per annum or such higher rate as the Government might decide from time to time from the date of disbursement of the subsidy till the

repayment by the entrepreneurs to the Government in each and every of the following events namely:-

- (a) If the entrepreneurs fails to abide by the terms and conditions prescribed under the provisions of Odisha MSME Development Policy-2016 and its operational guidelines and this Agreement.
 - (b) If the enterprise fails to commence production within stipulated time of three years from the date of starting first fixed capital investment.
 - (c) If the assistance amount disbursed is in excess of the amount actually admissible for whatsoever reason.
 - (d) If the information stated above is found to be false / incorrect / misleading or mis-represented and there has been suppression of facts / materials.
 - (e) If the entrepreneurs shift the registered office of the unit outside the State without taking prior permission of the State Government.
 - (f) If a distress of execution shall be levied upon any property of the entrepreneurs or any part of the said factory or a receiver thereof is appointed.
 - (g) If any petition for winding up the entrepreneurs company / enterprise is presenting to any court or the entrepreneurs company passes any resolution for being wound up.
6. Whenever any sum due and payable by the entrepreneur under these presents shall be in arrears the same shall be deemed to be public demand and may without prejudice to any other right and the remedies of the Government be recovered from the entrepreneurs as a public demand under the Odisha Public Demand Recovery Act, 1962.
 7. The entrepreneurs shall permit any person or persons authorized by the Government in that behalf at any time and from time to time during the usual time or business to inspect and examine any part of the said enterprise and shall render to him / them such assistance as may be required for the Government and furnish to such person or person as aforesaid all such information relating to the said enterprise as may be required by such person or persons.
 8. In the event of any dispute or difference arising between the parties hereto in respect of or in relation to this agreement or any provision herein contained either during the subsistence of this agreement or thereafter the same shall be referred to the sole arbitration or a suitable person acceptable to the entrepreneurs as well as the Government and / or the RIC / DIC _____ or any other person nominated

by Govt. and his decision thereof shall be final and binding on the parties. Such arbitration shall be under the provision of the Arbitration Act, 1940 and shall be held in **Cuttack**.

9. The entrepreneurs agree that in respect of any matters arising under this agreement, the courts at Cuttack along with have exclusive jurisdiction and that the entrepreneurs submit to the same will not object that the courts at Cuttack have no jurisdiction for any reason whatsoever.

10. In the event of any action arising under any of the clause herein above the entrepreneurs agree to pay to the RIC / DIC _____ as agent of the Government legal charges and such other costs as the RIC / DIC _____ may be required to incur in connection with the aforesaid action.

11. The entrepreneurs agree to bear and pay all the costs charged and the expenses incidental to the preparation and the execution of the agreement.

In Witness whereof of parties hereto have affixed their common seal of this writing the day and year first herein above written.

The common seal of :

Is there into affixed pursuant to the resolution of the Board of Directors of the company passed on the day of in the presence of who has / have put his/their signatures.

In token of his / their presence in the presence of

In the witness thereof the entrepreneurs have put their (Respective hand here today _____ year herein above written)

Signed and delivered by the _____

With name in the presence of

Witness

- 1.
- 2.

Signature of General Manager of RIC / DIC with name in the presence of

Witness

- 1.
- 2.

Signature of Branch Manager with name in the presence of

Witness

- 1.
- 2.

OFFICE OF THE GENERAL MANAGER, RIC / DIC _____
(See Para – 9.4 of Operational Guidelines)

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

To

Sri _____
M/s. _____
At _____
PO _____
Sub-Division _____
Dist. _____

(Location of the Enterprise / Registered Office Address)

Sir,

This is to inform that your application for sanction of Seed Capital Assistance under Odisha MSME Development Policy-2016 and its Operational Guidelines filed on dt. _____ is rejected due to following reasons.

(Specify the reasons)

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

Signature of General Manager, RIC / DIC _____
with seal & date _____.

Memo Dt

Copy forwarded to Director of Industries, Odisha, Cuttack / Branch Manager (concerned Bank Branch) for information

Signature of General Manager, RIC / DIC _____
with seal & date _____.

CLAIM FOR DISBURSEMENT OF SEED CAPITAL ASSISTANCE
(To be furnished by the Financing Bank)
(See Para – 10.1 of Operational Guidelines)

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

1. Name of the Bank-
2. IFS code-
3. Name & address of beneficiary Enterprise-
4. Category of Entrepreneur (Women SC / ST / Differently abled)-
5. Term Loan A/c No-
6. Details of Loan Sanctioned in favour of beneficiary Enterprise-
 - a. Term Loan-
 - b. Working Capital / Cash credit-
7. Details of Term Loan disbursed
 - a. Amount (In Rs.) & date (Date wise)-
 - b. Promoters contribution paid (Rs.)-
 - c. Amount of Seed Capital Assistance sanctioned in the Task Force-
 - d. Claim for release of Seed Capital Assistance sanctioned corresponding to the Term Loan-
8. Remarks, if any

Signature of Branch Manager of Financing Branch

Date

To

(1) General Manager, RIC /DIC -----

(2) Beneficiary Enterprise.