

Government of Odisha  
Department of Tourism & Culture  
(Tourism)

**NOTIFICATION**

No 6208 / TSM, Bhubaneswar, Dated 16.6 / 2017  
T.TSP-II(C)-30/2017

Sub: Operational Guidelines for reimbursement of VAT under Odisha Tourism Policy, 2016.

Government has notified the Odisha Tourism Policy 2016 vide Tourism Department Resolution No. 11487/ TSM, dtd. 24.11.2016. For reimbursement of VAT prescribed under Para 8.1.6 of Odisha Tourism Policy 2016, the Government has been pleased to issue the following Operational Guidelines.

Memo No 6209 / TSM, Bhubaneswar, dtd 16.6.17  
Principal Secretary to Govt.

Copy forwarded to the OSD to the Chief Secretary/ PS to DC-cum-ACS/ PS to Principal Secretary, Finance Department/PS to Principal Secretary, Tourism/ PS to Director & Addl. Secretary, Tourism for kind information of Chief Secretary/ DC-cum-ACS/Principal Secretary, Finance/ Principal Secretary, Tourism/ Director & Addl. Secretary, Tourism.

Memo No 6210 / TSM, Bhubaneswar, dtd 16.6.17  
Director & Addl. Secretary to Govt.

Copy forwarded to M.D OTDC/ all Officers/all Tourist Officers/all Sections of Tourism Department for information.

Memo No 6211 / TSM, Bhubaneswar, dtd 16.6.17  
Director & Addl. Secretary to Govt.

Copy forwarded to Chairman/ President, HRAO/ TAAO/ OTOA/ IATO (Odisha Chapter) for information.

Memo No 6212 / TSM, Bhubaneswar, dtd 16.6.17  
Director & Addl. Secretary to Govt.

Copy forwarded to the Computer Cell of Tourism Department for information and necessary action. They are requested to upload the Notification in Tourism Department website for general information.

Director & Addl. Secretary to Govt.

**OPERATIONAL GUIDELINES ON  
REIMBURSEMENT OF VALUE ADDED TAX (VAT) UNDER TOURISM  
POLICY- 2016**

**(See Para 8.1.6 of TOURISM POLICY 2016)**

**(WILL BE REPLACED/ MODIFIED AFTER GST IS INTRODUCED)**

- 1. Short Title:** - Operational guidelines for reimbursement of Value Added Tax (VAT) under Tourism Policy, 2016.
- 2. Extent:** -It shall extend to the whole of the State of Odisha.
- 3. Commencement:** - It shall come into force prospectively from the date of issue of the operational guideline.
- 4. Terms and Expressions:** -Terms and expressions used in this operational guideline, but not specifically defined / explained here, shall have the same meaning as in Tourism Policy, 2016.

**5. Definitions / Explanations:-**

**5.1.** "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 of the OVAT Act, 2004 by a registered dealer.

**5.2.** "Output Tax"- in relation to any tax period means the tax leviable and payable under OVAT Act, 2004 in respect of sale of any taxable finished goods manufactured by a registered dealer in the course of his business.

**5.3.** "Finished products shall have the same meaning of "Finished Goods" – as defined in TOURISM POLICY-2016

**5.4. Cost of Plant & Machinery:-**

(a) In calculating the cost of plant & machinery, the original price thereof, irrespective of whether the plant & machinery / additional plant & machinery are new or second hand shall be taken into account excluding, namely:-

- i) the cost of equipment such as tools, jigs, dies, moulds and spare parts for maintenance and the cost of consumable stores,
- ii) the cost of installation of plant & machinery
- iii) the cost of Research & Development equipment and pollution control equipment
- iv) the cost of generation sets, extra transformer, installed
- v) the bank charges and service charges paid

- vi) the cost involved in procurement or installation of cables, wiring, bus bars, electrical control panels (not those mounted on individual machines), oil, circuit breakers / miniature circuit breakers etc which are necessarily to be used for providing electric power to the plant and machinery / safety measures,
  - vii) the cost of gas producer plants
  - viii) transportation charges (excluding of taxes eg Sales Tax, Excise etc) for indigenous machinery from the place of manufacturing to the site of factory
  - ix) charges paid for technical know-how for erection of plant & machinery,
  - x) cost of such storage tanks which store raw – materials, finished products only and are not linked with the manufacturing process, and
  - xi) cost of fire fighting equipment
  - xii) cost of cylinders for supply of gas
- (b) In case of imported machinery, the following shall be included in calculating the value, namely:-
- (i) import duty (excluding miscellaneous expenses as transportation from the port to the site of factory, demurrage paid at the port),
  - (ii) the shipping charges,
  - (iii) custom clearance charges, and
  - (iv) VAT& CST paid thereon.

## 6. Policy Provisions-VAT

### Reimbursement:-

- (i) New tourism projects shall be eligible for reimbursement of 100% of VAT paid for a period of 7 years from the date of commercial operation limited to 200% of cost of plant & machinery / 100% of the project cost whichever is low in a tapered manner provided that the VAT reimbursement shall be applicable only to the net tax paid after adjustment of Input Tax credit. This provision will be suitably replaced / modified after Goods & Service Tax is introduced
  - (ii) **Tapered manner** – Project cost : 1<sup>st</sup> yr- 25%, 2<sup>nd</sup> yr- 20%, 3<sup>rd</sup> yr- 15%, 4<sup>th</sup> yr- 15%, 5<sup>th</sup> yr-10%, 6<sup>th</sup> yr-10%, 7<sup>th</sup> yr-5%. (totalling to 100% of the project cost)
- tapered manner** – cost of plant & machinery : i.e. 1<sup>st</sup> yr- 50%, 2<sup>nd</sup> yr- 40%, 3<sup>rd</sup> yr- 30%, 4<sup>th</sup> yr-30%, 5<sup>th</sup> yr-20%, 6<sup>th</sup> yr-20%, 7<sup>th</sup> yr-10%. (totalling to 200% of cost of plant & machinery)



**7. Eligibility:** - Tourism units satisfying definition and falling under –

- a) A New Tourism Unit.
- b) Expansion of an existing Tourism Unit and tourism properties developed on PPP mode shall not be eligible for VAT reimbursement under this policy
- c) Any investor availing incentive under this policy shall not be eligible to avail any incentives under any such policy including IPR & vice versa.
- d) The applicable incentive shall not be sanctioned & disbursed if the tourism unit is found closed / has gone out of commercial operation. In such a case, it may be deferred and will be released on satisfactory resumption of commercial operation.

**7.a. Determination of date of Commercial Operation:** The date of Commercial Operation for availing of this incentive shall be determined by the Director Tourism Odisha basing on the totality of documentary evidence, mentioned in **Annexure-A-2.2 of C.I.S** and joint inspection report

**7.b.** The terms “set up” mentioned in Clause-6.3 of the Tourism Policy means the date on which the approval of the Bank / Financial Institutions is received by the promoter for the project or the plan of the project is approved by the Local Development Authority. The applicant applying for incentives shall submit either of the two document as a proof of date of set-up

**8. Time frame for filing application: -**

8.1 The eligible Tourism unit shall file Application in prescribed form for reimbursement of VAT within six months from the end of each financial year.

8.2 Application in the prescribed form received after the due date / incomplete in any respect shall be liable to be summarily rejected.

**9 Special Single Window Clearance Committee (SSWCC)** – SSWCC shall be the competent authority to sanction claims of eligible Tourism Units.

10 The SSWCC shall go into merits of each case to decide whether the tourism unit qualifies for reimbursement of VAT under the frame work of Tourism Policy, 2016 and will determine the quantum admissible to the Tourism unit.

11 The SSWCC shall discharge all other functions as may be necessary and subservient to the sanction and disbursement of subsidy under this scheme and shall regulate / monitor the implementation of this scheme.

12 **Meetings of the Committee:** The SSWCC may meet monthly or as per requirement.

13 **Procedure:-**

13.1 **Tourism units** satisfying the eligibility shall file 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' and Undertaking prescribed at Annexure A-1 to Director Tourism, Govt.of Odisha.

13.2 Copies of the documents as indicated in the checklist shall be self – certified by Proprietor / Managing Partner / Managing Director / Authorized Signatory. Application for reimbursement of the benefit for subsequent years, after 1<sup>st</sup> year /initial year of claim, during the eligible period shall accompany with the documents & valid statutory clearances / approvals only related to the year of claim.

13.3 On receipt of application, the acknowledgement as prescribed at Annexure-'C' shall be dispatched to the applicant / applicant unit duly signed by the authorized officer on the day of receipt. Director Tourism may authorize any of his officers for the purpose.

13.4 Application received for VAT reimbursement and complete in all respect shall be examined by the Facilitation Cell and the process will be followed as below.

(a) The authorised officer shall transmit one set of application within **3 days** of its receipt to certify the amount of net tax paid for the tax period in the format prescribed in the body of the application form-Annexure A-2 under intimation to the concerned unit.

(b) Concerned officer (Commercial Tax Authority) shall furnish necessary certificate in the format as at Annexure A-2 to Director Tourism within **7 days** of receipt of proposal at his end.

(c) The Facilitation Cell shall accesses the cost of Plant & Machinery / Project Cost **till the date of commencement of commercial operation** and furnish the report in the Format prescribed at Annexure-D. This assessment for the cost of Plant & Machinery shall be carried on once during period of incentives while processing the application for the reimbursement of VAT

for the first time. The assessment of cost of Plant & Machinery may not be taken up in the subsequent years during the period of incentives unless felt necessary by the authority.

13.5 The cost of Plant & Machinery in Annexure D may not be furnished ordinarily in subsequent years during the period of VAT reimbursement.

13.6 The admissibility of the claim i.e. net VAT paid, project cost, cost of plant & machinery shall be scrutinized by Facilitation Cell and recommend to the SSWCC for approval.

**14. Sanction:-**

14.1 Sanction for reimbursement of eligible amount of VAT shall be communicated by Director Tourism as per Annexure –“E”

**15. Disbursement:** -Disbursement of sanctioned amount for reimbursement of VAT or part thereof shall be made by Director Tourism, Odisha within **5 days** of sanction **subject to availability of funds under the scheme**. Further, the disbursement may be deferred if the unit is found closed and may be effected on resumption of operation.

**16. Rejection:-** In case of rejection of application, the reasons of rejection shall be communicated to the applicant unit **within 25 days** of receipt of application from the claimant unit by the respective agencies in the format prescribed at Annexure-F

**17. Recovery:-**The amount disbursed towards reimbursement of VAT and or any part thereof shall be recoverable with penal interest as decided by the authority on following events as per terms and conditions undertaken by the unit in the body of application form.

17.1 If the information furnished is found to be false/ incorrect / misleading or misrepresented and there has been suppression of facts / materials or disbursed in excess of the amount actually admissible for whatsoever reason.

17.2 If the Tourism unit 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.

17.3 If any part of Plant & machinery is disposed of and not reported which affects the maximum limit of VAT reimbursement during the period of incentives.



18. The eligible units under the scheme may be identified by concerned officer and details of the units be communicated to well in advance , so that the units will be flagged by the Department in their data base for monitoring their activities relating to their eligible claims. In order to avail of reimbursement, units will be required to disclose relevant information separately in their returns on the net tax paid which is to be reimbursed under the scheme. As tax returns are self assed, reimbursement to the unit will be made on the basis of eligibility and tax paid. In order to prevent evasion or false claims each year, about 5% of eligible units may be selected by Department randomly for audit. If any unit is found to be deliberately furnishing wrong / false information, the incentives provided shall be withdrawn from the unit by Director Tourism, Odisha as the case may be.

**19. Miscellaneous:-**


19.1 The Tourism Unit shall furnish its audited financial statements and other periodical statements of each financial year to Director Tourism, Odisha during the period of incentives.

19.2 Any change in facts or circumstances affecting the eligibility of the unit shall be intimated immediately to Director Tourism, Odisha by the unit.

**19.3 Time limit prescribed in this guideline is of working days only.**

20. This has been concurred in by Finance Department and communicated vide their UOR No.603/SSM/F dated 01.05.2017.

**By Order of Governor**



( A. Ahuja)

**Principal Secretary,  
Tourism**

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**APPLICATION FOR REIMBURSEMENT OF VALUE ADDED TAX (VAT) UNDER  
TOURISM POLICY –2016.**

Application received after the due date / incomplete in any respect shall be liable for rejection  
(Strike out whichever is not applicable)

M/s. \_\_\_\_\_

At/PO \_\_\_\_\_

Dist. \_\_\_\_\_

(Location of the Tourism Unit)

To

Director Tourism  
Department of Tourism & Culture (Tourism)  
Paryatan Bhawan, Bhubaneswar-751014

Sub: Application for reimbursement of Value Added Tax (VAT) under TOURISM POLICY-2016.

Sir,

In accordance with the provisions laid down in Tourism Policy – 2016 and its operational guidelines, the claim is submitted with following particulars.

1	Name of the Tourism Unit	:	
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	Sanction Reference of Single Window Clearance Authority	:	
6	Employment generated	:	
7	Date of Commercial Operation	:	



8	Registration Number & Date (issued by Commercial Tax Authority)		
9	a. Amount of Output Tax (VAT) on sale of finished goods. b. Amount of Output Tax (VAT) on sale of trading goods c. Total amount of Output Tax (VAT) for sale of finished goods & trading goods d. Amount of Input Tax Credit (ITC) for manufacturing of finished goods e. Amount of Input Tax Credit (ITC) for trading goods f. Total Input Tax Credit (ITC) for manufacturing of finished goods & trading goods g. Amount of net VAT paid for finished goods h. Amount of net VAT paid for trading goods i. Total amount of net VAT paid for finished goods & trading goods		
12	Period of Reimbursement of VAT requested	:	
13	Amount of net VAT reimbursement claimed by the Tourism Unit as per TOURISM POLICY 2016.	:	
14	Differential benefit claimed (mention details of claim)	:	
15	Bank Account No	:	
16	IFSC & MICR Code of the Bank	:	

I, Sri \_\_\_\_\_, S/o. \_\_\_\_\_ at present \_\_\_\_\_ (designation) of M/s. \_\_\_\_\_ (name of the Tourism unit) 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 TOURISM POLICY-2016 and its operational guidelines.

I hereby certify that I / We / the concerned promoter(s) have not defaulted to Banks / Development Financial Institutions / SIDBI / OSFC / IPICOL / Government and Government controlled agencies.

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

- (i) If the information stated above is found to be false/ incorrect / misleading or mis-represented and there has been suppression of facts / materials or if found to have been disbursed in excess of the amount actually admissible for whatsoever reason.
- (ii) If the Tourism unit 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.
- (iii) If any part of Plant & machinery is disposed of and not reported which affects the maximum limit of VAT reimbursement during the period of incentives.

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

I hereby undertake to furnish its audited financial statements and other periodical statements of each financial year to Director Tourism, Odisha during the period of incentives

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

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

M/s -----

Place-

Date-

**UNDERTAKING**

(Strike out whichever is not applicable)

From

M/s. \_\_\_\_\_

At/PO \_\_\_\_\_

Dist. \_\_\_\_\_

TIN \_\_\_\_\_

I / We hereby undertake that claim for reimbursement of VAT for Rs. -----  
(in words)----- made for (mention period) .....(From the  
date of commencement of operation to the end of Financial year / 2<sup>nd</sup> Financial Year /  
3<sup>rd</sup> Financial Year / 4<sup>th</sup> Financial Year / 5<sup>th</sup> Financial Year / 6<sup>th</sup> Financial Year / 7<sup>th</sup>  
Financial Year / 1<sup>st</sup> April of 8<sup>th</sup> Financial Year to the date of completion of seven years  
of commencement of operation is for sale of finished goods exclusively manufactured  
by the Tourism Units.

Further, I hereby certify that I / We / the concerned promoter(s) have not  
defaulted to Banks / Development Financial Institutions / SIDBI / OSFC / IPICOL /  
Government and Government controlled agencies.

Signature of the Proprietor / Managing Partner /  
Managing Director / Authorised Signatory of  
M/s -----

Date-



**Annexure A-2**

OFFICE OF THE DEPUTY / ASST. COMMISSIONER OF COMMERCIAL TAXES ---

Letter no----- Date-----

(Strike out whichever is not applicable)

Certified that M / S \_\_\_\_\_ bearing TIN (Tax Payer's  
Identification number) \_\_\_\_\_ has paid net VAT for Rs  
\_\_\_\_\_ (in words) Rupees \_\_\_\_\_ for tax period from  
..... to .....

Signature of D. C. C.T / A.C.C.T  
in charge of the Circle with seal  
& date.

## Annexure B

### CHECK LIST

Copies of documents to be attached with the application shall be self- Certified by

Proprietor / Managing Partner/Managing Director / Authorized Signatory

(Strike out whichever is not applicable)

1	Entrepreneurs Memorandum- I / Entrepreneurs Memorandum- II, IEM / Tourism License& Production Certificate for Original & E/M/D
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 Act1932 / Societies Registration Act- 1860 / Certificate of incorporation (Memorandum of association & Article of Association ) under Company Act-1956
4	Document in support of date of first investment in fixed capital i.e. land / building / plant & machinery and balancing equipment in respect of Original / Expansion / Modernisation / Diversification
5	Term loan sanction order of OSFC / Banks / FI in case of Original / E/ M/ D & approval documents in support of E/M/D as <b>defined in TOURISM POLICY</b>
6	Approved DPR / Project Profile / Scheme –as the case may be
7	Certificate of Registration under Odisha Value Added Taxes Act, 2004
8	Documents in support of net VAT Paid , during the period of claim / for differential benefit
9	<b>Undertaking in the format prescribed at Annexure A-1</b>
10	<i>In case of Hotel project star categorization certificate of appropriate authority</i>
11	<i>Valid statutory clearances including consent to operate issued by OSPCB</i>

Annexure –C

(FOR OFFICE USE)

OFFICE OF DIRECTOR TOURISM, GOVT.OF ODISHA.

Letter No.----- / Date-----

Acknowledgement

(To be issued by authorized officer / General Manager, RIC / DIC / IPICOL on the day of receipt)

(Strike out whichever is not applicable)

To

Sri \_\_\_\_\_

M/s. \_\_\_\_\_

\_\_\_\_\_

Received the application for ----- under the provisions of TOURISM 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.
- 3.

Signature of authorized officer /

Director Tourism

with seal & date-----



(TO BE DISPATCHED TO THE APPLICANT)

OFFICE OF DIRECTOR TOURISM, GOVT.OF ODISHA.

Letter No.----- / Date-----

Acknowledgement

To

Sri \_\_\_\_\_

M/s. \_\_\_\_\_

\_\_\_\_\_

Received the application for -----

----- under the

provisions of TOURISM 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.
- 3.

Signature of authorized officer /

Director Tourism

with seal & date-----

## VALUATION OF COST OF PLANT &amp; MACHINERY

(Strike out whichever is not applicable)

1. We have verified the Plant & Machinery acquired by M/s -----  
 ----- located at ----- bearing EM-II / IEM / I.L No----- Dt.-----  
 and the valuation of Plant & machinery unit vis-à-vis schematic provisions till  
 commencement of production is given here under.

Sl	Items of Fixed assets	Original	
		As per Estimate	Actual expenditure incurred
1	Plant & Machinery		
2			
3			
4			
5			
6			
	Total		

2. Justification for excess investment, if any.--

(Excess investment without proper justification shall not be considered for calculation for the purpose of sanction of VAT reimbursement)

Signature & designation of authorized officer of  
 Department of Tourism

Date

OFFICE OF DIRECTOR TOURISM, GOVT.OF ODISHA.

**Sanction Order**

Order No. \_\_\_\_\_ / Date: \_\_\_\_\_

1. Sanction is hereby accorded for hundred percent reimbursement of VAT paid / differential benefit / for Rs. \_\_\_\_\_ In words (Rupees \_\_\_\_\_) only for the period from \_\_\_\_\_ to \_\_\_\_\_ i.e. (mention period) ..... From the date of commencement of operation to the end of Financial year / 2<sup>nd</sup> Financial Year / 3<sup>rd</sup> Financial Year / 4<sup>th</sup> Financial Year / 5<sup>th</sup> Financial Year / 6<sup>th</sup> Financial Year / 7<sup>th</sup> Financial Year / 1<sup>st</sup> April of 8<sup>th</sup> Financial Year to the date of completion of seven years of commencement of operation in favour of M/s.

\_\_\_\_\_ At: \_\_\_\_\_ PO: \_\_\_\_\_ Dist.: \_\_\_\_\_ under provisions of Para 8.1.6 of TOURISM POLICY,2016

2. The amount sanctioned here is within / equal to the net tax paid after adjustment of input tax credit against the output tax liability and within / equal to the maximum limit of 100% of project cost / 200% cost of plant & Machinery (whichever is low).

Director Tourism, Odisha

Memo No. \_\_\_\_\_ Dt. \_\_\_\_\_ / Copy forwarded to Sri \_\_\_\_\_ Proprietor / Mg Partner / Mg Director / Authorized Signatory of M/s-----  
----- At: \_\_\_\_\_ PO \_\_\_\_\_ Dist.: \_\_\_\_\_ for information.

Director Tourism, Odisha

Memo No. \_\_\_\_\_ Dt. \_\_\_\_\_ / Copy forwarded to Commissioner, Commercial Taxes, Odisha, Cuttack / Deputy / Assistant Commissioner of Commercial Taxes \_\_\_\_\_ for information & necessary action.

Director Tourism, Odisha



OFFICE OF THE DIRECTOR TOURISM, GOVT. OF ODISHA.

Letter No.----- / Date-----

(Strike out whichever is not applicable)

To

Sri \_\_\_\_\_

M/s. \_\_\_\_\_

At \_\_\_\_\_

PO \_\_\_\_\_

Sub-Division \_\_\_\_\_

Dist. \_\_\_\_\_

(Location of the Tourism Unit)

Sir,

This is to inform that your application for sanction -----  
under TOURISM POLICY-2016 is  
-----filed on dt. \_\_\_\_\_ rejected due to

following reasons.

(Specify the reasons)

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

Director Tourism, Odisha

with seal & date-----.