

Government of West Bengal
Commerce and Industries Department
Cell - 'I'

Notification

No.:276-CI/O/Incentive/052/05/I

Date:19.05.2005

WHEREAS, the Department of Power, Government of West Bengal by its letter nos.78-Power/II/IR-1/98 dated February 25, 1999 and 79-Power/II/IR-9/98 dated February 25, 1999 addressed to the Managing Director, Durgapur Projects Ltd. and Chairman, West Bengal State Electricity Board respectively granted concessional power tariff for new, expanding and sick & closed industrial consumers of Durgapur Project Limited (DPL) and West Bengal State Electricity Board (WBSEB).

AND WHEREAS, the West Bengal Electricity Regulatory Commission (WBERC) vide its order dated December 7, 2001 fixed the applicable tariff and related conditions for different categories and consumers of WBSEB for the years 2000-01 and 2001-02. Inter alia, this order provided for continuation of concessions for varying periods at varying rates to new industries, expanding industries and sick & closed industries being re-opened having HT & EHT connections on and after January 26, 1999. Accordingly, such concessions were being given by WBSEB to the eligible consumers.

AND WHEREAS, the West Bengal Electricity Regulatory Commission (WBERC) vide its order dated May 24, 2004 and June 6, 2004 while fixing tariff for DPL consumers for the years 2000-01, 2001-02, 2002-03, 2003-04 & 2004-05 has observed that there shall not be any concessional tariff for the new, expanding and sick & closed industrial consumers of DPL as was granted by the Department of Power, Government of West Bengal under letter referred above.

AND WHEREAS, the WBERC vide its order dated June 9, 2004 fixed the tariffs for WBSEB for the years 2002-03, 2003-04 and 2004-05. The tariff for the year 2002-03 was fixed at the same level as that of 2001-02. The tariff for 2003-04 was the applicable tariff for 2001-02 plus 52 paise per kilowatt hour for interim on certain categories.

However, in the tariff order for 2004-05, the concessional tariff for the new, expanding and sick & closed industries have not been allowed as was granted by the Department of Power, Government of West Bengal under its letters referred to above. As such, it has been decided by the Department of Power, Government of West Bengal vide their letter no. 3443/SS/04 dated July 16, 2004 and 3444/SS/04 dated July 16, 2004 that such concessions will not be provided to the industries as per earlier orders by DPL and WBSEB with effect from April 1, 2004.

AND WHEREAS, there has been robust growth and resurgence in the industrial scenario/investment in the State and the State Government is desirous of continuing all efforts to attract entrepreneurs for setting up industries in the State, especially, in the backward areas.

AND WHEREAS, considering the fact that certain commitments have already been made by the Department of Power, Government of West Bengal to the industries and that certain concessions have already been provided for part periods, it has been decided that reimbursements equivalent to the same concessions as indicated above would continue to be provided for the balance period to the eligible consumers of DPL and WBSEB and also to those consumers with whom DPL and WBSEB have entered into agreements, as reimbursements equivalent to same concessions as already agreed upon, to the said industries from the State Government. The detailed modalities for this are provided in part – A of the Scheme below.

AND WHEREAS, the State Government has decided to provide incentives to power intensive industries to new and expanding industries in certain designated areas by way of re-imbursement of part of the net energy charges for a certain period by the State Government as per details formulated in Part-B of the Scheme.

NOW, THEREFORE, The Governor is pleased hereby to approve and sanction incentive to power intensive industries located in West Bengal as per Scheme detailed below.

1.0 SHORT TITLE

This Scheme may be called The West Bengal Incentive to Power Intensive Industries Scheme 2005 (hereinafter referred to WBIPS 2005) for large scale industrial units (hereinafter referred to as Units) to be set up in the State.

2.0 COMMENCEMENT AND DURATION

The scheme shall come into effect on and from April 1, 2004 in the whole of West Bengal and shall remain valid for a period of 5 years or 31st March 2009, whichever is earlier.

3.0 DEFINITIONS

In the WBIPS 2005 unless the context otherwise requires,

- (a) “State” means the State of West Bengal.
- (b) “State Government” means the Government of West Bengal in the Department of Commerce & Industries Department.
- (c) “WBSEB” means the West Bengal State Electricity Board and includes all its subordinate offices anywhere in the State.
- (d) “DPL” means the Durgapur Projects Limited and includes all its subordinate offices anywhere in the State. Designated Power utility means the Durgapur Projects Limited, West Bengal State Electricity Board and such other utility as may be notified by the State Government.
- (e) Designated Power utility means the Durgapur Projects Limited, West Bengal State Electricity Board and such other utility as may be notified by the State Government.
- (f) “WBIDC” means the West Bengal Industrial Development Corporation Limited.
- (g) “Authorised Agent” means WBIDC an agent specially authorized by the State Government for operation of the WBIPS 2005 in respect of large scale industries.

- (h) “ Unit” means industrial project in large scale having approval in the form of letter of intent, industrial license or registration certificate, as the case may be, under the Industries (Development & Regulation) Act, 1951 (65 of 1951) or an Acknowledgement in the form of a reference number of the Secretariat for Industrial Assistance excluding those mentioned in the negative list of industries at Annexure I of West Bengal Incentive Scheme, 2000 and West Bengal Incentive Scheme, 2004;
- (i) “Large scale unit” means a unit as defined by the Government of India from time to time.
- (j) “New Unit” means an industrial unit in the large scale sector having investment in fixed capital assets which is established and commissioned by the entrepreneur for the manufacture of goods in West Bengal for the first time on or after the April 1, 2004 and is registered with the Directorate of Industries;
- (k) “Existing Industrial Unit” means an industrial unit in the large scale sector having investment in fixed capital assets which exists in West Bengal and manufactured goods in such unit, immediately before it starts commercial production in its expanded portion on or after the April 1, 2004;
- (l) “Approved Project” means the industrial project of a unit for which registration certificate and eligibility certificate have been issued under WBIS 2004;
- (m) “Eligible Unit” means a unit in the large scale sector having registration certificate issued by the Directorate of Industries and eligibility certificate by the authorized agent under WBIS 2004;
- (n) “Expansion of existing Unit” means expansion for the same item(s) of production within its existing approved capacity or for expansion for enlarged approved capacity or for manufacture of a new item with an approved capacity as per WBIS 2004 and covered by Eligibility Certificate issued by the Authorised Agent.
- (o) "Year" means, unless otherwise specifically stated and not repugnant to the context, the financial year commencing from the 1st April and ending on the 31st March following;

- (p) “WBIS 2000/2004” means West Bengal Incentive Scheme 2000/2004;
- (q) ‘Load Factor(LF)’ , is the ratio of average load and maximum load in a month expressed in percentage;

The same shall be computed as per the following formula:-

$$LF = \frac{\text{Actual energy (Kwh) consumed during the month}}{\text{Maximum demand in KVA recorded during the month} \times \text{Monthly average power factor} \times \text{Number of hours during the month}} \times 100\%$$

- (r) ‘Power Factor (PF)’ : Monthly average power factor shall be calculated from the number of units of Kilowatthours and Reactive kilovoltamperehours as recorded in the meter during the month ;
- (s) ‘Maximum demand in KVA’ , shall be the recorded largest kilovolt amperes delivered to the consumer(s) during any consecutive thirty minutes in a month
- (t) ‘Demand Charge’ , is the product of monthly chargeable Demand in KVA and demand charge rate as per prevailing tariff. Chargeable demand in a month shall be fixed as may be approved by the West Bengal Electricity Regulatory Commission in the tariff order from time to time. Presently it is the maximum KVA demand recorded between 6 A.M and 10 P.M of the day or 75% of the contract demand whichever is higher.
- (u) ‘Energy Charge’ , is the product of actual energy in Kwh drawn during the month and gross energy charge rate as per prevailing tariff, but excluding demand charge.
- (v) ‘Net Energy Charge’, is the energy charge computed after allowing rebate on energy charge as approved by the West Bengal Electricity Regulatory Commission from time to time. At present rate, such admissible rebate is 4% for 33KV & 66KV supply and 8% for 132 & 220 Kv supply.
- (w) “Incentive” means reimbursement of part of the net energy charges for a certain period by the State Government.

PART-A

A.4.0 APPLICABILITY

A.4.1. Units which were already availing concessions from DPL and WBSEB in terms of letter nos. 78-Power/II/IR-1/98 dated February 25, 1999 and 79-Power/II/IR-9/98 dated February 25, 1999 from the Department of Power, Government of West Bengal and whose concessions were discontinued in accordance with the tariff orders dated June 9, 2004 will continue to get incentives equivalent to these concession at the same rate for the balance period for which it was eligible, as re-imbursement from the State Government.

Provided that no reimbursement shall be given from the date of commencement of this Scheme till the date of effect of the revised tariff order (16.07.2004 for WBSEB) in respect of energy bills for which rebate has already been allowed by the WBSEB.

A.4.2 Certain units had not been given connection and had not started drawal of power, but DPL and WBSEB had entered into agreements, committing the concessions. These industries will also be provided with incentives equivalent to the concessions as per letter nos. 78-Power/II/IR-1/98 dated February 25, 1999 and 79-Power/II/IR-9/98 dated February 25, 1999 from the Department of Power, Government of West Bengal i.e. at the same rates and for the entire period of eligible years as reimbursement from the State Government. However, the unit should start commercial operation/production within two years from the signing of the agreement or six months from the issue of this scheme, whichever is later.

A.4.3 This, however does not apply to any unit in the State with which WBSEB have entered into an agreement after July 16, 2004. Such units will be covered under Part-B of this Scheme.

A.5.0 IMPLEMENTATION OF THE SCHEME

A.5.1 On application in Format-A in duplicate from any unit desiring to avail incentive in terms of Part-A of this Scheme, the Chief Engineer (Commercial) WBSEB/DPL or any other designated officer of the designated power utility will issue recommendation for issue of Eligibility Certificate in the space provided for in the said Format-A. Upon receipt of the recommendation from the designated officer of the designated utility, the authorized agent would issue the eligibility certificate in Format-B.

A.5.2 To claim incentive periodically, the unit will file application in Format-C in duplicate to the designated officer of the designated power utility. The said officer will thereafter issue Admissibility Certificate in the space provided for in the said Format-C.

A.5.3 The incentive will be disbursed quarterly in April, July, October and January or part thereof through the Authorised Agent from the funds placed by the State Government upon receipt of the Admissibility Certificate from Chief Engineer (Commercial), WBSEB/ DPL or any other officers nominated by the designated utility for this purpose along with a certified copy of Form-C, bill and receipt of the bill payment of the electricity bill.

PART –B

B.6.0 APPLICABILITY

B.6.1 This shall be applicable to all large scale new units and also for expansion of existing units on or after the July 16, 2004 drawing power from West Bengal State Electricity Board(WBSEB). The units may be in the private sector , co-operative sector, joint sector as also companies/ undertakings owned or managed by the Government of West Bengal and who draw power from the WBSEB.

B.7.0 ENTITLEMENT FOR INCENTIVE

B.7.1 The State Government through its Authorised Agent will offer incentive in the form of reimbursement from the State Government to all new units or expansion of existing units, in the districts falling in Group ‘B’ and Group ‘C’ areas as defined in the West Bengal Incentive Scheme , 2004, drawing power through HT (33 KV) and EHT(above 33KV) connection having actual monthly maximum demand of 1500 KVA and above, on the Net Energy Charge as stated in monthly electricity bill at the following rates:-

Area	Monthly average Load Factor	Admissible Incentive on Net Energy Charges	Period during which incentive will be available
Group ‘B’	Less than 40%	Nil	3 years
	40% to 50%	20%	
	Above 50%	25%	
Group ‘C’	Less than 40%	Nil	5 years
	40% to 50%	20%	
	Above 50%	25%	

However, all units in Special Economic Zones and 100% Export Oriented Units, having the same meaning as in the Export and Import Policy as formulated under section 5 of the Foreign Trade (Development and Regulation) Act, 1992 save in respect of premises used for residential purposes anywhere in the State will be entitled to incentive for 5 years at the rate applicable to Group 'C' areas.

Provided, however, that the incentive shall be available only for those consumption months when the monthly average load factor is at least 40%.

Provided also however, the State Government will have the power to modify the extent of incentive keeping in view all facts including the average cost of power of various utilities in the State.

B 7.2. The incentive shall be allowed to the eligible unit for its approved project for a period of 5 years for units in Group 'C' and 3 years for units in Group 'B' area(s) from the date of commencement of power supply for production/ commercial operation of the approved project.

B.7.3 In order to become eligible, the unit will have to commence actual drawal of power within 24 months from the day of incorporation of the benefit in the Eligibility Certificate as per paragraph B.8.1.

B.7.4 For availing of the incentive in the case of expansion of an existing unit separate metering arrangement for the approved expansion project is to be made by the unit at its own cost.

B.8.0 IMPLEMENTATION OF THE SCHEME

B.8.1 The units eligible to receive incentives under the West Bengal Incentive Scheme, 2004, are issued Eligibility Certificate by the Authorised Agent. The eligibility of availing subsidy under part-B of this scheme will also be incorporated in the same Eligibility Certificate.

B.8.2 To claim incentive periodically, the unit will file application in Format –D to the designated officer of the designated power utility for recommendation of admitted claim of power incentive.

B. 8.3 The incentive amount will be disbursed **quarterly in April, July, October and January or part thereof** through the Authorized Agent from the funds placed by the State Government upon receipt of recommendation of admitted claim of power incentive in Format-D from Chief

Engineer (Commercial), WBSEB or any other officers nominated by the designated utility for this purpose with a certified copy of bill and receipt of the bill payment of the electricity bill.

B.8.4 The incentive will **not** be available to units which have availed State Capital Investment Subsidy on purchase and installation of captive power generation set (s).

B.8.5 Units availing of incentive under this Scheme will not get State Capital Investment Subsidy under WBIS 2000/2004 for the investment in Captive Power Plant. The unit will also not get benefit of inclusion of investment in Captive Power Plant for the purposes of calculation of Fixed Capital Investment for Industrial Promotion Assistance under WBIS,2000/2004.

B.9.0 POWER TO AMEND AND/OR RELAX/REPEAL :

Notwithstanding anything contained in any of the provisions of the Scheme, the State Government may at any time –

- (a) make any amendment to this Scheme or repeal it, but the commitments already made for an approved project shall not be affected by any such amendments or repeal.
- (b) make any relaxation in applying the provisions of this Scheme but such relaxation shall be made on the merit of the approved project in each case, as the State Government may consider necessary and appropriate.
- (c) may issue instructions and guidelines to facilitate implementation, to remove anomalies and to clarify the interpretations of the provisions of this Scheme, and such decisions of the State Government shall be final and binding.

This Scheme is issued with the concurrence of Finance Department vide their U.O. No. Gr. C 551 dated 19.05.2005.

By Order of the Governor

SABYASACHI SEN

Principal Secretary to the
Government of West Bengal

FORMAT – A

**Application for Eligibility Certificate for Power Incentive under the West Bengal
Incentives to Power Intensive Industries Scheme, 2005.**

(For units which has partially availed concession on energy charge)
(Submitted to the Designated Officer WBSEB/DPL in duplicate)

To
The Managing Director,
West Bengal Industrial Development Corporation Limited,
5, Council House Street, Kolkata – 700 001.

Sir,

I,-----
Proprietor/Partner/ Managing Director/Director/Chairman/Authorised Signatory on behalf of
the Industrial Unit Known as
.....hereby apply for Eligibility
Certificate in terms of the provisions of the West Bengal Incentives to Power Intensive
Industries Scheme, 2005.

PART – A

- i) Name of the applicant unit :
- ii) Office Address
Tel. no.
Fax no.
e-mail
- iii) Factory Address
Tel. no.
Fax no.
e-mail
- iv) No. ,Date and Scheme of Registration Certificate
issued by Directorate of Industries
- v) No. and Date of Eligibility Certificate issued by
WBIDC Limited.
- vi) Manufacturing item of the approved project
- vii) Date of commencement of commercial production
- viii) Name of the agency from which electrical
Supply is taken.

- ix) Date of agreement with the said agency for Supply of electricity.
- x) Period for which concession on energy charge has already been availed
- xi) The residual period for which power subsidy is admissible.
- xii) Reference no. under which concession on Energy charge was availed.
- xiii) If any part of consumption of electricity is made for residential purpose. If so, details of such cases during the period for which claim is made.
- xiv) If there was any closure of the unit during the period of claim. If so, detail thereof.
- xv) Present status of the unit.

The particulars furnished herebefore are according to our books of accounts and records are true to the best of my knowledge and belief.

Signature of the applicant

Date:

Place: Name and status of the signatory

Seal of the applicant unit

Documents to be enclosed :

- i) Copy of Registration Certificate issued by Directorate of Industries
- ii) Copy of Eligibility Certificate issued by WBIDC Limited.
- iii) Copy of documents regarding supply of electricity to the unit.
- iv) Copy of Agreement of concessional energy charge.

PART – B

(RECOMMENDATION OF WBSEB/DPL)

To
The Managing Director,
West Bengal Industrial Development Corporation Limited,
5, Council House Street,
Kolkata – 700 001.

Dear Sir,

We hereby recommend that M/s.....having its registered office at for its unit located at.....for its new/expansion project for manufacturingcovered by eligibility certificate no.....and DI registration no.....is eligible for power incentive under the provisions of West Bengal Incentive to Power Intensive Industries Scheme, 2005 as per details given below :-

1. Eligibility Period : Fromto.....
2. Rates of concession and period over which such rate is applicable;
3. Reference no. and date of Agreement for concessional energy supply;
4. Period over which concessional energy availed (in year and month);
5. Balance period over which power subsidy will be available;

You are requested to acknowledge receipt of this letter and confirm acceptance.

Yours faithfully,

(Authorised Signatory)
WBSEB/DPL

FORMAT - B

WEST BENGAL INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

Ref.no.

Date

To

M./s.....

Re: Eligibility Certificate for Power Incentive under West Bengal Incentive to Power Intensive Industries Scheme, 2005.

Name of the Unit

Project

Location

Dear Sirs,

This Eligibility Certificate nodated.....for power incentive under West Bengal Incentive to Power Intensive Industries Scheme, 2005 issued to.....by Government of West Bengal under Commerce & Industries Department notification no.....for setting up a project new/expansion project at.....for manufacturing.....with annual Installed capacity of

The particulars of power incentives are as follows :

- 1) Eligibility Period : Fromto.....
- 2) Rates of concession and period over which such rate is applicable;
- 3) Reference no. and date of Agreement for concessional energy supply;
- 4) Period over which concessional energy availed (in year and month);
- 5) Balance period over which power subsidy will be available;

You are requested to acknowledge receipt of this letter and confirm acceptance;

Yours faithfully,

(Authorised Signatory)

WBIDC Limited

FORMAT – C

Application for Power Incentive and recommendation of admitted claim under the West Bengal Incentive to Power Intensive Industries Scheme, 2005.

(For units which has partially availed concession on energy charge)

(Submitted to the Designated Officer WBSEB/ DPL in duplicate)

To
The Managing Director,
West Bengal Industrial Development Corporation Limited,
5, Council House Street,
Kolkata – 700 001.

Sub:- Claim of Power Incentive under West Bengal Incentive
to Power Intensive Industries Scheme, 2005.

Sir,

.....Proprietor/Partner/M
anaging Director/Director/ Chairman/Authorised Signatory on behalf of the Industrial Unit
Known as.....hereby apply for Power
Incentive in terms of the provisions of the West Bengal Incentive to Power Intensive Industries
Scheme, 2005.

- i) Name of the applicant unit :

- ii) Office Address
Tel. no.
Fax no.
e-mail

- iii) Factory Address
Tel no.
Fax no.
e-mail

- iv) No. Date and Scheme of Registration Certificate
Issued by Directorate of Industries.

- v) No. and Date of Eligibility Certificate issued by
WBIDC Limited

- vi) Manufacturing item of the approved project.

- vii) Date of commencement of commercial production

- viii) Name of the agency from which electrical supply is taken
- ix) Date of agreement with the said agency for supply of electricity.
- x) Period of which rebate on energy charge has already been availed.
- xi) The residual period for which power subsidy is admissible.
- xii) Reference no. under which rebate on energy charge was availed.
- xiii) If any part of consumption of electricity is made for residential Purpose. If so, details of such cases during the period for which Claim is made.
- xiv) If there was any closure of the unit during the period of claim.
If so, detail thereof
- xv) Present status of the unit.

The particulars furnished herebefore are according to our books of accounts and records are true to the best of my knowledge and belief.

Signature of the applicant

Date :

Place: Name and status of the signatory

Seal of the applicant unit.

Documents to be enclosed :

- i) Copy of Registration Certificate issued by Directorate of Industries
- ii) Copy of Eligibility Certificate issued by WBIDC Limited.
- iii) Copy of documents regarding supply of electricity to the unit.
- iv) Copies of Electricity Bills for which power subsidy is claimed.
- v) Copy of agreement for concessional energy charge (if applicable)

PART – B

(RECOMMENDATION OF WBSEB/DPL)

To
The Managing Director,
West Bengal Industrial Development Corporation Limited,
5, Council House Street,
Kolkata – 700 001.

Dear Sir,

We hereby recommend that M/s.....having its registered office at..... for its unit located at.....for its new/expansion project for manufacturingcovered by eligibility certificate no and DI registration no.....is entitled for power incentive under the provisions of West Bengal Incentive to Power Intensive Industries Scheme, 2005 amounting Rs..... (Rupees.....) only as () no. instalment for the period To.....admitted on..... as detailed hereunder

Consumption	Net Energy Ch	<u>Admissible Incentive</u>	
Month	Claimed in the Bill	Rate (%)	Amount (Rs)

Yours faithfully,

(Authorised Signatory)
WBSEB/DPL

FORMAT – D

Application for Power Incentive and recommendation of admitted claim under the West Bengal Incentive to Power Intensive Industries Scheme, 2005.

(For new eligible units and for expansion of existing unit)

(Submitted to the Designated Officer WBSEB in duplicate)

To
The Managing Director,
West Bengal Industrial Development Corporation Limited,
5, Council House Street,
Kolkata – 700 001.

Sub : Claim of Power Incentive under West Bengal Incentive to Power Intensive Industries Scheme, 2005

Sir,

.....Proprietor/Partner/Managing Director/Director/ Chairman/Authorised Signatory on behalf of the Industrial Unit known as hereby apply for Power Incentive in terms of the provisions of the West Bengal Incentive to Power Intensive Industries Scheme, 2005.

- i) Name of the applicant unit :
- ii) Office Address
Tel. no.
Fax no.
e-mail
- iii) Factory Address
Tel no.
Fax no.
e-mail
- iv) No. Date and Scheme of Registration Certificate Issued by Directorate of Industries.
- v) No. and Date of Eligibility Certificate issued by WBIDC Limited
- vi) Manufacturing item of the approved project.
- vii) Date of commencement of commercial production of new unit/ expansion of existing unit
- viii) Name of the agency from which electrical supply is taken

- ix) Date of agreement with the said agency for supply of electricity.
- x) If any part of consumption of electricity is made for residential Purpose. If so, details of such cases during the period for which Claim is made.
- xi) If there was any closure of the unit during the period of claim. If so, detail thereof
- xii) Present status of the unit.

The particulars furnished herebefore are according to our books of accounts and records are true to the best of my knowledge and belief.

Signature of the applicant

Date :

Place: Name and status of the signatory

Seal of the applicant unit.

Documents to be enclosed :

- i) Copy of Registration Certificate issued by Directorate of Industries
- ii) Copy of Eligibility Certificate issued by WBIDC Limited.
- iii) Copy of documents regarding supply of electricity to the unit.
- iv) Copies of Electricity Bills for which power subsidy is claimed.
- v) Copy of agreement for concessional energy charge (if applicable)

PART – B

(RECOMMENDATION OF WBSEB)

To
The Managing Director,
West Bengal Industrial Development Corporation Limited,
5, Council House Street,
Kolkata – 700 001.

Dear Sir,

We hereby recommend that M/s.....having its registered office at..... for its unit located at.....for its new/expansion project for manufacturingcovered by eligibility certificate no and DI registration no.....is entitled for power incentive under the provisions of West Bengal Incentive to Power Intensive Industries Scheme, 2005 amounting Rs..... (Rupees) only as () no. instalment for the period To.....admitted on..... as detailed hereunder :-

Consumption	Monthly	Net Energy Ch	<u>Admissible Incentive</u>		
Area	Month	Avg. L.F	Claimed in the Bill	Rate (%)	Amount (Rs)
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Yours faithfully,

(Authorised Signatory)

WBSEB