

Industrial Policy Resolution, 2015

Industry Department, Government of Odisha had announced this industrial policy on 24.08.2015.

Eligibility

- New industrial units shall be eligible for incentives provided in this policy.
- Existing industrial units which take up expansion/ modernization/ diversification (E/M/D) will be eligible for specific incentives as specified.
- Industrial Units set up without financial assistance from Public Financial Institutions and / or Banks required to be assessed by the appropriate agency i.e.,
 - 1) IPICOL for Large Industrial Units;
 - 2) Director of Industries (DI) /DIC/RIC for Micro, Small & Medium Enterprises
- Pioneer Units in each Priority Sector shall be eligible for extension of period of incentives for an additional two years over and above the period specified.
- If the industrial unit has availed incentive under any scheme of the State Government or the Government. of India (GoI) or Government Agencies or any Financial Institutions, it shall be eligible for the differential amount of benefit only.

Types of Subsidies

1) Land

New Industrial units and existing industrial units taking up expansion/ modernisation/ diversification under both General & Priority Sector will be granted exemption under the provisions of clause - C of Section-73 of Orissa Land Reforms (OLR) Act, 1960 from payment of premium' leviable under provisions of clause - C of Section 8 (A) of the OLR Act.1960 as follows.

Micro & Small Sector: 100 % up to 5 Acres

Medium Sector: 75 % up to 25 Acres

Large Sector: 50 % up to 500 Acres

Priority Sector: 100% up to 100 Acres and 50% for balance area

2) Interest Subsidy

New MSME units and non MSME Priority sector units shall be entitled to interest subsidy for timely payment @ 5% per annum on term loan availed from Public Financial Institutions/Banks for a period of five (5) years from the date of commencement of production subject to a total maximum limit of –

Rs.10 Lakhs for Micro Enterprises;

Rs.20 Lakhs for Small Enterprises;

Rs. 40 Lakhs for Medium Enterprises;

Rs. 1 Crore for Non-MSME Priority Sector Units

For units in Industrially Backward districts, subsidy period will be seven (7) years from the date of commencement of production subject to the aforesaid limit.

In addition to the interest subsidy, the guarantee fee charged under CGTMSE scheme to MSEs will be reimbursed to the enterprises.

3) Stamp Duty

In respect of transfer of land / shed by Government, IDCO and Private Industrial Estate developers to new industrial units and existing industrial units acquiring fresh land for expansion, modernization and diversification, exemption on stamp Duty shall be applicable as follows -

- ✓ Micro & Small Sector: @ 75% of applicable Stamp duty
- ✓ Medium Sector: @ 50% of applicable Stamp duty
- ✓ Large Sector: @ 25% of applicable Stamp duty
- ✓ Priority Sector: @ 100% of applicable Stamp duty

Stamp duty will also be exempted in following cases - ownership change under SARFAESI Act; proprietary /partnership firms to company for rehabilitation; reconstruction and amalgamation of companies; Loan agreements, credit deeds, mortgages and hypothecation deeds executed by the Industrial units in favour of Banks or Financial Institutions.

4) Electricity Duty

New MSMEs shall get exemption for a contract demand up to 500 KVA for 5 years from the date of availing power supply for production.

New industrial units in the Priority Sector shall get exemption for a contract demand up to 5 MVA for 5 years.

New & existing industrial units setting up Captive Power Plant with non-conventional sources & bio-fuel shall get exemption for 5 years from the date of commissioning as Green Energy Subsidy.

A one-time reimbursement of cost of Energy Audits by Industrial Units shall be provided up to a maximum of -

- Rs. 1 Lakh for Micro Enterprises
- Rs. 2 Lakhs for Small Enterprises
- Rs. 3 Lakhs for Medium Enterprises

per unit subject to achieving energy efficiency. Independent and credible third party agency must certify energy efficiency of industries.

5) SGST Reimbursement

Net SGST Reimbursement instead of VAT reimbursement except for Cement manufacturing / grinding units, Blast Furnace Slag based units, Hullers & Rice Mills, Flour Mills (excluding Roller Flour Mills), Pulse and Besan Mills w.e.f. 01.07.2017.

New & Existing MSMEs taking up expansion/ modernisation/ diversification shall be eligible for reimbursement of 75% of net SGST paid for the balance period out of the eligibility period of five (5) years for units starting production before July 01, 2017 or five (5) years from the date of commencement of production for the units starting production on or after July 01, 2017 limited to 100% of cost of plant and machinery.

New & Existing industrial units in Priority Sector shall be eligible for reimbursement of 100% of net SGST paid for the balance period out of the eligibility period of seven (7) years for units starting production before July 01, 2017 or seven (7) years from the date of commencement of production for the units starting production on or after July 01, 2017 limited to 200% of cost of plant and machinery.

Note – For expansion/ modernisation/ diversification, reimbursement shall be applicable only on increased production over and above the existing installed capacity limited to 100% or 200% of additional cost of plant and machinery acquired for taking up Expansion/ Modernization/ Diversification, in a tapered manner.

New Pioneer Units under each Priority Sector & Anchor Tenant in each industrial park shall be eligible for reimbursement of 100% of net SGST paid for the balance period out of eligibility period of nine (9) years for units starting production before July 01, 2017 or nine (9) years from the date of commencement of production for units starting production on or after July 01, 2017 limited to 200% of the cost of plant & machinery in a tapered manner.

6) Entertainment Tax

New Multiplex Cinema hall of at least 3 screens with minimum capital investment of Rs. 3.00 crores and above with modern projection system, sound system, air conditioning, shall be eligible for reimbursement of 100% of net SGST for the balance period out of the eligibility period of five (5) years for units starting operation before July 01, 2017 or five (5) years from the date of commencement of operation for the units starting operation on or after July 01, 2017.

If the existing cinema hall is upgraded to a multiplex and modernised with minimum investment of Rs. 1.00 crore, be eligible for reimbursement of 100% Net SGST for the balance period out of the eligibility period of five (5) years for units starting operation before July 01, 2017 or five (5) years from the date of commencement of operation for the units starting operation on or after July 01, 2017.

7) Employment Cost

a) 75% reimbursement (in case of male workers) and 100% reimbursement (in case of female workers) towards ESI and EPF Scheme for a period of 5 years for new and existing units undertaking E/M/D in Micro and Small sector which employ skilled and semi-skilled workers who are domicile of the state as regular employees.

b) 50% reimbursement (in case of male workers) and 100% reimbursement (in case of female workers) towards ESI and EPF Scheme for a period of 3 years for new and existing units undertaking E/M/D in Medium sector which employ skilled and semi-skilled workers who are domicile of the State as regular employees.

c) 100% reimbursement towards ESI and EPF Scheme for a period of 3 years for new and existing industrial units undertaking E/M/D in MSME and priority Sector which employ skilled and semi-skilled workers who are domicile of the State and have been displaced due to the establishment of the said Industrial unit as regular employees.

d) 100% reimbursement of expenditure towards ESI and EPF Scheme for a period of 5 years for new and existing Industrial units undertaking E/M/D in MSME and priority Sector which employ skilled and semi-skilled persons with Disabilities who are domicile of the State as regular employees.

e) For Industrially Backward districts the Employment Cost Subsidy will be allowed for additional for a period of 2 years.

8) Patent Registration

New Industrial units and Existing Industrial units in Micro, Small & Medium Enterprises and Priority Sector taking up Expansion/ Modernization/ Diversification will be encouraged to file patents for the products of their research and development and State will provide assistance to entrepreneurs for Patent and Intellectual Property Right registration @ 100% of the registration cost up to maximum of Rs.10 Lakhs.

9) Other Miscellaneous Subsidies

Quality certificate, Assistance for Technical Know How, Entrepreneurship Development Subsidy, environmental protection infrastructure subsidy, Capital Grant to Support Quality Infrastructure etc.

Priority Sector means - Industrial units which fall within the following categories:

- a. Agro and Food Processing.
- b. Ancillary and Downstream.
- c. Automobiles and Auto components.
- d. Manufacturing in Aviation and Maintenance Repair & Overhaul (MRO) facilities.
- e. Bio-technology.
- f. Fly ash & Blast furnace slag based industries utilizing a minimum of 25% by weight as base raw material.
- g. Gem stone cutting and polishing.
- h. Handicraft, Handloom, Coir and Leather products.
- i. Information technology, IT enabled service and ESDM units.
- j. Petroleum, Chemicals & Petro-chemicals.
- k. Pharmaceuticals.
- l. Plastics and Polymers.
- m. Sea food Processing.
- n. Shipbuilding and construction of other floating vessels/ Ship repair
- o. Textile including Technical Textile & Apparel.
- p. Tourism and Hospitality (All the units/activities specified in Para 6.11 of Odisha Tourism Policy -2013 are eligible units).
- q. Any industry other than mineral extraction and mineral based industries, which exports more than 50% of its total turnover, duly certified by the Director, Export Promotion and Marketing.
- r. Migrated industrial units treated as new industrial units under Priority sector.
- s. Rehabilitated sick industrial unit treated at par with new industrial unit under Priority sector.
- t. Industrial unit seized under the State Financial Corporation Act 1951/ Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and thereafter sold to a new entrepreneur on a sale of asset basis and treated as new industrial unit for the purpose of this IPR.
- u. Non-mineral based new industrial units located in industrially Backward districts with minimum investment of five crore rupees in plant & machinery.

Government may modify the above list from time to time.