

INDUSTRIAL POLICY RESOLUTION- 2022

Introduction: Industry Department, Government of Odisha is running this industrial policy with the prime objective of accelerating broad-based and regionally balanced industrial growth, generating large scale employment opportunity and making Odisha a preferred destination of investment.

Validity of the Scheme: The scheme is effective from 01.12.2022 and shall remain valid for a period of 5 years.

Implementing Agency: Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL) is the implementing agency for investment of more than Rs. 50 Cr.

Regional Industries Centres (RICs) / District Industries Centres (DICs) are the implementing agencies for investment up to Rs. 50 Cr.

Eligible Project: This policy is applicable in the entire state for both new industries and existing industries undertaking Expansion/ Modernization/ Diversification (E/M/D).

Eligible Enterprises: This scheme is applicable for both MSME and Non MSME Enterprises falls under the eligible sectors as defined under Priority Sector and Thrust Sector in the scheme.

The list of sectors covered under Priority and Thrust Sector are given in **Annexure I** and **Annexure II**.

Grant-in-Aid available under the Scheme:

1. Power Subsidy:

For Priority Sector

- New industrial units will get 100% exemption from payment of electricity duty for 7 years.
- New industrial units will get reimbursement of Power Tariff @ Rs. 2.00 per unit for 7 years.
- 100% exemption / reimbursement of cross subsidy surcharges and additional surcharges and state transmission charges on renewable energy procured from state renewable plants / GRIDCO for 7 years.

For Thrust Sector

- New industrial units will get 100% exemption from payment of electricity duty for 10 years.

- New industrial units will get reimbursement of Power Tariff @ Rs. 2.00 per unit for 10 years.
- 100% exemption / reimbursement of cross subsidy surcharges and additional surcharges and state transmission charges on renewable energy procured from state renewable plants / GRIDCO for 10 years.

2. Capital Investment Subsidy:

For Priority Sector

- New industrial units can claim subsidy @20% on actual investment in Plant & Machinery (excluding the cost of land & building) shall be disbursed in phase wise for 5 years from CCP date.
- Unit can claim 4% of the overall eligible investment made annually till the end of the financial year, over a period of 5 years from the date of CCP.

For Thrust Sector

- New industrial units can claim subsidy @30% on actual investment in Plant & Machinery (excluding the cost of land & building) shall be disbursed in phase wise for 5 years from CCP date.
- Unit can claim 6% of the overall eligible investment made annually till the end of the financial year, over a period of 5 years from the date of CCP.

Note – For both Priority & Thrust Sector units - Date of commercial production should not be later than 3 years and 5 years respectively for MSMEs and large units from the date of first fixed capital investment.

3. SGST Reimbursement:

For Both Priority & Thrust Sector

- 100% reimbursement of net SGST paid by new units up to a limit of 200% of cost of plant & machinery.
- 100% reimbursement of net SGST paid to a limit of 300% of cost of plant & machinery for non-mineral based new units in the notified area in Biju Economic Corridor.
- The overall limit of subsidy will be 200%/300% of the cost plant & machinery.

4. Employment Subsidy:

For Priority Sector

- 100% reimbursement of the employer's contribution towards ESI & EPF for 5 years from the date of commercial production for skilled and semi-skilled workers, who are domicile of the state.

For Thrust Sector

- 100% reimbursement of the employer's contribution towards ESI & EPF for 7 years from the date of commercial production for skilled and semi-skilled workers, who are domicile of the state.

5. Environment Friendly Infrastructure Incentives:

- 25% on investment in new plant & machinery and cost of new technical civil works by new and existing industrial units in priority and thrust sector, up to a maximum total limit of Rs. 10 Crore for setting up of –
 - 1) Green Buildings
 - 2) Waste Water Treatment Plant
 - 3) ETP
 - 4) Deep Sea discharge facility
- 50% capital subsidy on the cost of Zero Liquid Discharge plant /relevant equipment up to a maximum of Rs. 10.00 Cr. per unit.

6. Incentive on Innovation R&D:

50% up to a maximum of Rs. 10.00 Cr. for projects in Priority and Thrust Sectors.

7. Incentive on Stamp Duty

For both Priority and Thrust sectors

- New and existing industrial units taking up expansion/ modernization/ diversification will be granted 100% exemption from payment of premium.
- No stamp duty will be required to be paid in respect of transfer of land or shed by the Government, IDCO and Private Industrial Estate developers to new and existing industrial units acquiring fresh land for expansion, modernization and diversification.
- 100% exemption of stamp duty on execution of hypothecation deeds, loan agreements, credit deeds in favour of banks or Financial Institutions.

8. Special Provision for Land:

- New industrial units in Thrust Sector creating direct employment for not less than 1000 state domiciled people, shall be eligible for land at special subsidized rate of 50% of the concessional industrial rate (except areas under Bhubaneswar 7 Cuttack Development Authority)
- IDCO may provide land for setting up office at concessional rate.

9. Special Incentives for Captive Renewable Energy Plants:

- Existing and new industrial units in Thrust, Priority and all other sectors shall be eligible.
- Setting up renewable energy captive generating plants within the state with rooftop solar, floating solar, wind, hydro, pumped storage hydro, battery energy storage and hybrid of these technologies shall be eligible.
- 30% capital investment subsidy for plant and machinery including technical civil works, transmission lines and systems.
- 100% exemption of Electricity Duty for 20 years.
- 100% exemption / reimbursement of state transmission charges for 20 years.
- Priority allocation of site(s).
- Provision of long-term lease of water reservoir surface area for floating solar power plant at a total premium of Rs.1 lakh/acre.
- Power Banking shall be allowed within the state on a monthly basis.

10. Incentives for Private Industrial Park:

Capital grant up to 50% of the cost of industrial infrastructure subject to maximum of Rs. 25 crore per park or cluster.

Note - Industries or activities considered under negative list shall not be eligible for financial incentives specified under IPR-2022.

Annexure I

Priority Sector

- i) Ancillary and Downstream in metal sector
- ii) Agro Processing
- iii) Cold Storage and Cold-chain infrastructure
- iv) Food and Sea-food Processing
- v) Gemstone - Cutting and Polishing; Granite - Cutting and Polishing
- vi) Handicraft, Handloom, Coir based products
- vii) Information Technology (IT), IT Enabled Services (ITES) and Datacenters
- viii) Plastics
- ix) Rare Earth Minerals based value added products
- x) Specialty Steel and its Products
- xi) Shipbuilding, Ship-repair, and construction of other mechanized floating vessels
- xii) Tourism and Hospitality
- xiii) Special Category of Industries considered equivalent to Priority Sector:
 - a) Industrial units in dealt under the State Financial Corporation Act 1951 or Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 or under the provisions of Insolvency and Bankruptcy Code (IBC) of India, 2016 or any other applicable provisions of law and thereafter sold to a new entity and certified eligible as new industrial unit for the purpose of this IPR
 - b) Migrated industrial units in the Priority sectors will be treated as new industrial units
 - c) Non-mineral based new industrial units located in the districts of Bolangir, ajapati, Kalahandi, Kandhamal, Koraput, Malkangiri, Mayurbhanj, Nabarangpur, Nuapada, Rayagada, Subarnapur, Boudh, Nayagarh, Deogarh, Kendrapada with a minimum investment of Rs 5 crores in Plant & Machinery and providing direct employment to not less than 20 state domiciled people
 - d) Non-mineral based new manufacturing industrial units providing direct employment to not less than 200 state domiciled people.

- e) An industry other than mineral extraction and mineral based industries which exports more than 50% of its total turnover, duly certified by the Director of Export Promotion and Marketing, Odisha
- f) Industrial units utilizing Notified Forest Produce, Social and Agro-forestry Produce as primary raw material
- g) Dormitories and hostels for workers

Annexure II

Thrust Sectors

- i) Aerospace and Defense
- ii) Automobiles and Auto-components
- iii) Biotechnology, Pharmaceuticals, Bulk Drug and Medical
- iv) Equipment Chemicals and Petrochemicals
- v) Electronics System Design and Manufacturing (ESDM) vi) Green Energy Equipment
- vii) Green Hydrogen and Green Ammonia
- viii) Manufacturing in Aviation and Maintenance, Repair & Overhaul (MRO) facilities
- ix) Mechanical and Electrical Capital Goods
- x) Telecommunication Equipment
- xi) Textiles, Technical Textiles, Apparel, Wearables and Luggage
- xii) White goods and Components
- xiii) Special Category of Industries considered equivalent to Thrust Sector:
 - a) Non-mineral based new industrial units in the notified areas in the Biju Economic Corridor
 - b) Non-mineral based new industrial units providing direct employment to not less than 1000 state-domiciled people
 - c) Migrated industrial units in the Thrust sectors will be treated as new

industrial units.

d) Industrial units in Thrust Sector list, dealt under the State Financial Corporation Act 1951 or Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 or under the provisions of Insolvency and Bankruptcy Code of India, 2016 or any other applicable provisions of law and thereafter sold to a new entity and certified eligible as new industrial unit for the purpose of this IPR.

LIST OF INELIGIBLE ENTERPRISES/INDUSTRIES

The following units shall not be eligible for fiscal incentives specified under Odisha Industrial Policy Resolution - 2022.

Sl No.	Manufacturing Sector	Limit of Investment in Plant & Machinery
1)	General workshops including repair workshop running with power	< Rs. 50 Lakh
2)	Cold storage and Seafood freezing units	< Rs. 25 Lakh
3)	Electronics repair and maintenance units for professional grade equipment and Computer Software, ITES/BPO and related service	< Rs. 25 Lakh
4)	Technology Development Laboratory /Prototype Development Centre/ Research & Development	< Rs. 25 Lakh
5)	Printing press	< Rs. 50 Lakh
6)	Laundry/ Dry Cleaning	< Rs. 25 Lakh
7)	Rice mills	< Rs. 10 Crore
8)	Flour mills, Pulse mills, Besan mills	< Rs. 1 Crore
	Processing of Spices	< Rs. 1 Crore
9)	Confectionary	< Rs. 1 Crore
10)	Vegetable Oil Mills	< Rs. 5 Crore
11)	Bakeries & units involve in preparation of sweets and savouries	< Rs. 50 Lakh
12)	Carpentry, joinery and wooden furniture making	< Rs. 1 Crore
13)	Bookbinding, rubber stamp making, exercise notebooks and envelopes	< Rs. 50 Lakh
14)	Package Drinking Water	< Rs. 1 Crore

15) Warehouse and Logistic Facilities with minimum investment of Rs. 100 Crore excluding the cost of land and direct employment of minimum 100 people of state domicile.

16) Educational institutions and Healthcare establishments with minimum investment of Rs. 50 Crore excluding the cost of land and direct employment of minimum 100 people of state domicile.

17) Manufacture and processing of betel nuts.

- 18) Hatcheries, Piggeries, Rabbit or Broiler farming
- 19) Standalone Sponge Iron plants.
- 20) Firecracker-making units.
- 21) Tyre retreading units.
- 22) Stone crushing units.
- 23) Coal, Coke screening, coal washing, Coal & Coke Briquetting.
- 24) Painting and spray-painting.
- 25) Units for physical mixing of fertilizers.
- 26) Brick-making units (except units making refractory bricks and those making bricks from fly ash, red mud not less than 25% as base material).
- 27) Saw-mill, sawing of timber.
- 28) Drilling rigs, Bore-wells and Tube-wells.
- 29) Units for cutting raw tobacco and sprinkling Jaggery for chewing purposes and Gudakhu manufacturing units.
- 30) Any activity in respect of IMFL or liquor of any kind.
- 31) Single Use Plastic.
- 32) Manufacturing of Asbestos-based products.

Note: List of Industrial Units indicated above may be modified by the Government from time to time.