

ODISHA MSME DEVELOPMENT POLICY- 2022

Introduction: The department of MSME, Govt. of Odisha is running this new MSME Development Policy with an objective to provide fiscal incentives support to boost the growth and development of MSME enterprises in the State.

Implementing Agency: The Director of Industries, Odisha along with Regional Industries Centers (RICs)/District Industries Centres (DICs) are the implementing agency.

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

Eligible Enterprises: This scheme is eligible for all MSME enterprises except those are listed as ineligible under the scheme.

Focus Sectors: These sectors shall be eligible for a set of additional fiscal and non-fiscal incentives under this scheme -

Sl. No:	Focus Sectors
1	Automobile & Auto Component
2	Plastics & Polymers
3	Steel & Stainless Steel
4	Defence Equipment
5	Aluminium
6	Pharmaceuticals
7	Medical Equipment
8	Apparel and Textiles

Grant-in-Aid available under the Scheme:

1. Capital Investment Subsidy (CIS):

Sl. No.	Category	Subsidy	Maximum Quantum	Applicability
1	General Enterprise	@25% of capital investment made in plant & machinery	Up to Rs. 2.00 Cr.	For both New & Existing Micro & Small Scale Enterprises

2	Enterprises owned by SC, ST, persons with disabilities, women, technical (degree/diploma) entrepreneurs	@30% of capital investment made in plant & machinery	Up to Rs. 2.50 Cr.	undertaking Expansion/ Modernization/ Diversification (E/M/D)
3	Enterprises set up – a) At Industrially backward districts b) At Designated IDCO Industrial Estates or Industrial Areas in Biju Express Highway Corridor c) Under Focus Sectors	Additional CIS @5% of capital investment in plant & machinery	Up to Rs. 20.00 lakhs over and above specified limit in Sl. No. 1 & 2	
4	Capital Investment made in Technical Civil Works and Plant & Machinery for Non-Polluting Measure	Additional CIS @5% of capital investment made in plant & machinery	Up to Rs. 25.00 lakhs over and above specified limit in Sl. No. 1 & 2	
5	Anchor enterprises	@30% of capital investment made in plant & machinery	Up to Rs. 4.00 Cr.	
6	Enterprises engaged in manufacturing of E-Vehicle component and charging infrastructure	@30% of capital investment made in plant & machinery	Up to Rs. 3.00 Cr.	For new Micro, Small & Medium Enterprises

Note –

i) For SC, ST, persons with disabilities, Women, Technical entrepreneur their stake in shareholding shall be 51% or more individually or jointly on the date of CCP.

ii) Investment in Plant & Machinery till the date of CCP

2. Interest Subsidy:

For Micro, Small & Medium Enterprises

New enterprises shall be eligible for reimbursement of 50% of interest paid on term loan for a period of 5 years up to a maximum of Rs. 1.00 Cr.

- Term loan availed from public financial institutions/banks will be eligible.
- Benefits will be applicable from the date of CCP.
- Not applicable to existing enterprise on E/M/D

3. Electricity Duty Exemption:

For Micro, Small & Medium Enterprises

New enterprises shall be exempted from the payment of electricity duty up to a contract demand of 750 KVA for a period of 5 years.

- Benefits will be applicable from the date of CCP.
- Not applicable to existing enterprise on E/M/D.

4. SGST Reimbursement

For Micro, Small & Medium Enterprises

- For New and Existing enterprises undertaking E/M/D - reimbursement of 75% of net SGST paid for a period of 3 years from the date of CCP up to 100% of cost of Plant & Machinery

2) For New Pioneer Enterprises - reimbursement of 100% of net SGST paid for a period of 5 years from the date of CCP up to 200% of cost of Plant & Machinery.

5. Exemption/Reimbursement of Stamp duty

For Micro, Small & Medium Enterprises

- Enterprises with investment in Plant & Machinery up to Rs. 10.00 Cr. - 100% exemption of stamp duty.
- Enterprises with investment in Plant & Machinery above Rs. 10.00 Cr. and up to Rs. 50.00 Cr. - 75% exemption of stamp duty.

Note - Applicable on transfer of land/ shed by Government, IDCO and Private Estate Developers to new enterprises and existing enterprises acquiring fresh land for E/M/D.

6. Exemption/Reimbursement of Land Conversion Charges

For Micro, Small & Medium Enterprises

- Enterprises with investment in Plant & Machinery up to Rs. 10.00 Cr. - 100% exemption up to 5 acres.
- Enterprises with investment in Plant & Machinery above Rs. 10.00 Cr. and up to Rs. 50.00 Cr. -75% exemption up to 25 acres.

7. Subsidy for MSME Sustainable Certification Zero Defect Zero Effect (ZED)

For Micro, Small & Medium Enterprises

- 1) New and existing MSMEs will be provided an additional subsidy of 80% on the balance cost i.e., over and above the financial support provided by GOI.
- 2) One-time reimbursement towards the expenses incurred on acquisition of plant & machinery/testing equipment for achieving ZED Certification –

ZED Bronze	50% up to Rs. 2.00 lakh
ZED Silver	50% up to Rs. 3.00 lakh
ZED Gold	50% up to Rs. 5.00 lakh

8. Subsidy for investing in Quality Certification

For Micro, Small & Medium Enterprises

100% quality certification charges up to a total maximum limit of 5 lakhs for new and existing enterprises undertaking E/M/D for total 3 years (including renewal for 2 consecutive years).

9. Employment Cost Subsidy

For Micro, Small & Medium Enterprises

Reimbursement of employers' contribution paid towards ESI and EPF for new and existing units undertaking E/M/D.

- For General Enterprise - 100% for 5 years
- For Focused Sector - 100% for 7 years

10. Technology Purchase Subsidy

50% up to Rs. 20 Lakh on purchase of technology from the National Research Development Corporation (NRDC) or other Government research centres.

11. Assistance for raising Capital through SME Exchange

New Small & Medium Enterprises can claim one-time grant of 20% of expenditure incurred for raising of capital through SME Exchange up to Rs. 10 lakhs.

12. Reimbursement of Audit Cost for Water Conservation

75% of water audit cost up to Rs. 1.00 lakh shall be provided to new enterprises.

13. Reimbursement of Audit Cost for Energy Conservation

75% of energy audit cost up to Rs.5.00 lakh shall be provided to new enterprises.

14. Subsidy on the cost of Patent Registration in India or abroad

100% of the Patent and IPR registration cost up to a Rs. 5 lakhs for new and existing enterprises undertaking E/M/D.

15. Trade Mark Assistance

100% of the Trade Mark registration cost up to a Rs. 3 lakhs for new and existing enterprises undertaking E/M/D.

16. Award to MSMEs

Annual State Awards shall be given to MSMEs in recognition of their contribution under various parameters. Prizes amount will be Rs. 1,51,000, Rs. 1,00,000 and Rs. 51,000 respectively.

LIST OF INELIGIBLE ENTERPRISES/INDUSTRIES

The following units shall not be eligible for fiscal incentives specified under this Odisha MSME Development Policy – 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)	Hullers and Rice mills	< Rs. 10 Crore
8)	Flour mills, Pulse mills, Besan mills	< Rs. 1 Crore
9)	Confectionary Unit – 1) Industrially backward districts 2) Other area	< Rs. 10 Lakh < Rs. 1 Crore
10)	Edible / Non-Edible Vegetable Oil Mills with Expeller	< Rs. 10 Lakh
11)	Solvent Extraction Plant	< Rs. 50 Lakh
12)	Refining of Oil	< Rs. 5 Crore
13)	Bakeries & units involve in preparation of sweets and savouries etc. – 1) Industrially backward districts 2) Other districts	 < Rs. 10 Lakh < Rs. 50 Lakh
14)	Manufacturing of tarpaulin out of canvas cloth	< Rs. 20 Lakh
15)	Carpentry, joinery and wooden furniture making	< Rs. 1 Crore
16)	Bookbinding, rubber stamp making, exercise notebooks and envelopes	< Rs. 50 Lakh
17)	Size reducing, size separating, Grinding, mixing units (except manufacturing of Cement	< Rs. 10 Crore

	with clinker)	
18)	Package Drinking Water	< Rs. 1 Crore
19)	Soft & Carbonated Drinks (except units manufacturing fruit pulp and/or juice out of it)	< Rs. 1 Crore

20) Edible / Non-Edible Vegetable Oil Mills having;

a) Hydrogenation of Oil.

b) Repacking of oil with Filtering, Colouring and Deodorizing

21) Mixture, Bhujia and Chanachur preparation units

22) Manufacture of Ice candy.

23) Manufacture and processing of betel nuts.

24) Hatcheries, Piggeries, Rabbit or Broiler farming

25) Standalone Sponge Iron plants.

26). "Iron and Steel Processors"

a) Coiling and De-Coiling of Sheets, Straightening and Cutting of sheets and Rods, Cutting of angle, Channels, Bar Blooms, Billets, Slabs.

b) Iron and Steel scrap processing unit

c) Integrated Rolling Mill.

27) Cracker-making units.

28) Tyre retreading units.

29) Stone crushing units.

30) Coal, Coke screening, coal washing, Coal & Coke Briquetting.

31) Production of firewood and charcoal.

32) Painting and spray-painting.

33) Units for physical mixing of fertilizers.

34) Brick-making units (except units making refractory bricks and those making bricks from fly ash, red mud not less than 25% as base material).

35) Saw-mill, sawing of timber.

36) Drilling rigs, Bore-wells and Tube-wells.

37) Units for mixing or blending / packaging of tea.

- 38) Units for cutting raw tobacco and sprinkling jaggery for chewing purposes and Gudakhu manufacturing units.
- 39) Distilled water units.
- 40) Tailoring (other than readymade garments manufacturing).
- 41) Re-packaging Units.
- 42) Pre-processing of oil seeds: decorticating, parching and frying.
- 43) Bottling units or any activity in respect of IMFL or liquor of any kind.
- 44) Single Use Plastic, Polythene less than 120 microns in thickness.
- 45) Stitching, printing of woven sacks out of woven fabrics.
- 46) Manufacturing of Asbestos-based products.

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