

# The Odisha Gazette

EXTRAORDINARY  
PUBLISHED BY AUTHORITY

---

---

No. 3353, CUTTACK, WEDNESDAY, NOVEMBER 30, 2022/ MARGASHIRA 9, 1944

---

---

[No.12300-IND-HI2-POL-0006/2019]

INDUSTRIES DEPARTMENT

RESOLUTION

The 30th November, 2022

**Industrial Policy Resolution 2022**

**ODISHA**

## Table of Contents

1. Background.....	2
1.1. Stable Governance .....	2
1.2. Industry Overview .....	2
1.3. Industrial Infrastructure .....	3
1.4. Ease of Doing Business .....	3
2. Introduction .....	4
2.1. Vision.....	4
2.2. Mission .....	4
2.3. Objectives.....	4
3. Policy Framework .....	6
3.1. Investment Promotion .....	6
3.2. Investment Facilitation .....	7
3.3. Industrial Infrastructure Development.....	9
4. Incentive Framework.....	13
4.1. Priority Sectors .....	13
4.2. Thrust Sectors .....	14
4.3. Eligibility Criteria .....	15
4.4. General Provisions.....	16
4.5. Incentives.....	16
5. Marketing Support.....	23
6. Human Resource Development .....	24
7. Revival of Sick Industrial Units .....	25
8. Labour Reforms .....	26
9. Policy Implementation, Review and Monitoring .....	27
10. Miscellaneous.....	28
Annexure I - Definitions and Interpretations .....	29
Annexure II - Schedule: Undertakings carrying on activities recognized as industrial units, or given the status of industrial units, for the purpose of IPR 2022 .....	33
Annexure III - List of Negative Sectors .....	34

# 1. Background

The state of Odisha located on the eastern seaboard of India, is the heartland of India's mineral deposits. It ranks 9<sup>th</sup> in terms of land area and 11<sup>th</sup> in terms of population in the country. With a nominal GSDP growth rate of 10.1% during the financial year 2021-22, it is one of the fastest-growing state economies in the country. Over the last two decades, Odisha's economy has performed better than the national average, as the state's economy has taken a distinct shift towards manufacturing and services sectors. In the FY 2021-22, manufacturing sector contributed 39.5%, services sector contributed 39.9% and agriculture and allied sectors added 20.6% to the state's GSVA. This sustained industrial progress has translated into real value for the people of Odisha. The state is seeing a continuing surge in labour force participation with higher Labour Force Participation Rate (LFPR) and a better Worker Population Ratio (WPR) than the national average owing to sustained efforts in improving the skilling ecosystem in the state. The state has excelled in achieving Efficient Governance, Industrial Growth, Infrastructure Development and significant improvements in Ease of Doing Business.

## 1.1. Stable Governance

Odisha is recognized for its stable polity and resultant policy consistency. Since the beginning of the new millennium, the state has experienced consistent and robust socio-economic development under strong and focused governance. It has achieved remarkable progress on all socio-economic indicators of development starting from agricultural productivity and industrial output; to education, health, housing, irrigation, roads, electricity, water and sanitation, and women empowerment. Odisha has adopted a transformative approach towards governance with the adoption of the 5T framework to deliver government services through Teamwork, Technology and Transparency leading to Transformation in a Time bound manner.

## 1.2. Industry Overview

Odisha has traditionally been a preferred destination for investments in the mineral and metallurgy sectors, due to its inherent natural resource advantage. The state has approximately 96% chromite, 92% nickel, 53% bauxite, 45% manganese, 35% iron ore and 25% coal deposits of the country. Odisha has been recognized for implementing reforms and adopting modern technology in the mining sector, which has enhanced transparency, productivity, and sustainability. Further, due to proactive implementation of the principle of value addition, Odisha has now become the largest producer of Aluminium, Steel and Stainless Steel in India, while continuing its leadership of being the largest producer of bauxite, iron ore and chromite ore in the country.

While the rich mineral resource deposits in the state provide abundant raw materials to the mineral and metallurgy sector, Odisha is also blessed with fertile lands, river basins, conducive agro-climatic conditions, a 480 km long coastline and also a highly skilled workforce, making it the ideal destination for both manufacturing and service industries.

Over the years, the Government of Odisha has taken up concerted measures to broaden the industrial base in the state which has resulted in the growth of industries in Downstream and Ancillary, Chemicals and Petrochemicals, Fertilizers, Cement, Apparel, Food Processing, Information Technology and Tourism sectors. Now, the state is focusing on promoting investments in the emerging sectors like Green Energy, E-mobility, Technical Textiles, Electronics, Telecommunication Equipment, Aerospace & Defence, amongst others to further propel the growth of industries in the state.

### 1.3. Industrial Infrastructure

In order to support the rapid growth of industry in Odisha, the State Government has developed quality industrial infrastructure including Industrial Parks & Estates, Seaports, Airports, Railways, Roadways, Waterways, etc., along with facilities for door-step availability of reliable Power, Water and Gas supply.

The Odisha Industrial Infrastructure Development Corporation (IDCO) has established industrial parks and industrial estates throughout the state with industry ready land parcels available at concessional rates. An extensive mesh of roadways and railways connects the industrial zones to other parts of the state and the country facilitating efficient movement of goods and services. The state has developed dedicated ports at Dhamra, Paradip and Gopalpur for import-export of raw materials and finished goods. These facilities have provided avenues for development of Port-based Industrial Regions and Industrial Corridors along the highways. An extensive network of natural gas pipelines has also been laid to connect major industrial clusters, alongwith an LNG terminal at Dhamra. With the development of National Waterway 5 (NW-5), the state is set to become one of the most well-connected industrial regions in the country. Also, the availability of plug and play infrastructure, industry grade reliable power and water supply at highly competitive rates ensures a reasonable cost of doing business to the investors.

### 1.4. Ease of Doing Business

In the last decade, the state has undertaken significant measures to develop an investor-friendly industrial ecosystem. Government of Odisha's – Single Window for Investor Facilitation and Tracking (GO SWIFT), established under the Odisha Industries (Facilitation) Act 2004 has significantly improved the ease of doing business in Odisha. Owing to its focused approach towards reforming the business centric services, Odisha has been classified as an "Achiever" state in the Ease of Doing Business rankings by Government of India.

## 2. Introduction

The Industrial Policy Resolution (IPR) 2015 put in place a robust policy framework for industrial promotion and investment facilitation in the State. It provided a major fillip to industrial development in the state, placing Odisha in the league of major industrialized states in the country. It also enabled the development of a robust industrial ecosystem focused on broad-basing of industry and rapid development of industrial infrastructure. The policy created new employment avenues, enabling overall socio-economic development of the state.

IPR 2022 aims to reinforce and further accelerate this process. IPR 2022 has been formulated following an elaborate iterative process wherein the concerned stakeholders, including National and State-level Industry Associations, Sector Specific Associations, Chambers of Commerce and Industry, Industry representatives, Experts and Government Departments have been consulted and their suggestions have been duly considered.

### 2.1. Vision

To transform Odisha into a modern and advanced industrial state by offering the investors outstanding opportunities for sustainable business growth and to foster holistic socio-economic development of the people.

### 2.2. Mission

To maximize Odisha's economic potential by leveraging its natural and human resource advantages, aided by modern technology, enabling the creation of a sustainable industrial ecosystem for inclusive growth.

### 2.3. Objectives

IPR 2022 has been conceptualized with the prime objective of accelerating broad-based and regionally balanced industrial growth, generating large-scale employment opportunities and making Odisha a preferred investment destination.

The objectives of IPR 2022 are as follows:

- i. To make Odisha the industrial hub of Eastern India
- ii. To make Odisha the trade and commerce gateway to South and East Asia
- iii. To promote industries in the Thrust and Priority sectors
- iv. To develop best-in-class industrial infrastructure
- v. To put in place a competitive incentive framework for new investments in desirable sectors
- vi. To create an enabling environment for Start-ups, MSMEs and promote Local-entrepreneurship
- vii. To promote Innovations, Research and Development in new areas of technology
- viii. To facilitate industry-institution linkages for enabling technology transfer and ensuring availability of industry-ready workforce

- ix. To encourage environment-friendly industrial practices and ensure sustainable industrial development
- x. To promote gender equity and social inclusion
- xi. To provide marketing support for state-based industries and MSMEs
- xii. To provide support for revival of sick units

## 3. Policy Framework

The IPR 2022 targets to achieve the policy objectives through the following key pillars:

1. Investment Promotion
2. Investment Facilitation
3. Industrial Infrastructure Development
4. Incentive Framework

### 3.1. Investment Promotion

The IPR 2022 shall pursue a multi-pronged approach for investment promotion by providing institutional and infrastructural support, pre and post-production clearances, competitive incentives and dedicated investment facilitation. The State government shall undertake focused initiatives to establish the State as an investment destination of choice. These will include:

- a. Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL) as a nodal agency for promotion of investment in the state shall be further strengthened to become a one stop shop for the investors. The major responsibilities of IPICOL towards investment promotion shall include:
  - i. Conducting investment promotion roadshows across the industrial hubs of India
  - ii. Organizing targeted country roadshows to attract FDI
  - iii. Organizing sector-specific conferences showcasing the strengths and opportunities of Odisha
  - iv. Undertaking campaigns for positioning state's industrial regions and clusters for specific sectors
  - v. Attracting additional investments from companies already having presence in the state.
- b. The role of IPICOL shall be reinforced by establishing an Industrial Planning and Strategizing Unit (IPSU), which shall prepare State Industrial Development Plans on a periodic basis and shall also identify the Priority and Thrust Sectors for targeted promotional activities.
- c. The organizational structure of IPICOL shall be revamped to create additional verticals to cater to the emerging requirements of focused industrial development of the state. The verticals shall include investor outreach, branding and communication, focus sector cells, investor facilitation, approvals and clearances, incentive administration, aftercare services, and project tracking and monitoring.
- d. IPICOL shall setup a robust IT system to discharge its functions.
- e. Suitable professionals shall be inducted in IPICOL to enable it to discharge its emerging roles and responsibilities.
- f. District Investor Promotion Agency (DIPA) shall be setup in all districts of the state under a special state-sponsored scheme. It will be chaired by the District Collector and supported by a dedicated team of professionals. DIPA will be responsible for carrying

out investment promotion and facilitation activities, providing after-care services to investors, and other key functions including:

- i. Support in land bank identification and development
  - ii. Advocacy for industrial infrastructure development such as roads, power and water supply
  - iii. Investment promotion activities based on the local sectoral strengths of respective districts
  - iv. Facilitation & handholding of the industries as well as support for grounding of projects
  - v. Ensuring resolution of grievances and responding to investor queries in a timely manner
- g. To further improve the coverage of investor outreach, IPICOL shall setup satellite offices in identified locations in India and abroad, preferably through partnerships with suitable agencies.
- h. The role of Odisha Investment and Export Promotion Office (OIEPO), located in the office of the Resident Commissioner, Government of Odisha, New Delhi shall be further reinforced to network proactively with the Embassies, Industry Associations, Chambers of Commerce and Industry and other International Organizations to promote Odisha as an attractive investment destination. OIEPO shall act as an integral part of IPICOL for extending outreach services to the prospective investors. OIEPO shall also facilitate the approvals and clearances for the projects coming up in the state by liaising with the Government of India Ministries and other concerned Agencies.

## 3.2. Investment Facilitation

### 3.2.1. Strengthening Odisha's Investment Facilitation Framework

- a. The Government of Odisha has established a Single Window Clearance Mechanism in pursuance of the Odisha Industries (Facilitation) Act 2004 for providing time-bound clearances and approvals for industrial units. IPICOL is the state nodal agency for facilitation of investments of more than Rs 50 crore, whereas the Regional Industries Centers (RICs) / District Industries Centers (DICs) are responsible for facilitation of investments up to Rs 50 crore. The key investment facilitation services to be provided shall include:
- i. Guidance to the investors for application submission and government approvals
  - ii. Appraisal of projects to assess suitability, land and utility requirements
  - iii. Recommend projects for approval to State Level Single Window Clearance Authority (SLSWCA)
  - iv. Follow-up on approvals from respective line Departments on behalf of the investors and facilitate necessary clearances
- b. The state has put in place an effective institutional mechanism for investment facilitation at various levels of administration. A 3-tier single window clearance mechanism to facilitate speedy implementation of industrial projects is established.
- i. The District Level Single Window Clearance Authority (DLSWCA) provides the necessary approvals and direction for projects upto Rs.50 crore at the district



- level. The RICs and DICs are the Technical Secretariats of the respective DLSWCAs.
- ii. At the next level, the State Level Single Window Clearance Authority (SLSWCA), chaired by the Chief Secretary provides the overall guidance and approvals for large projects of more than Rs. 50 Crores.
  - iii. At the helm is the High-Level Clearance Authority (HLCA), chaired by the Hon'ble Chief Minister which provides approvals for projects of more than Rs 1000 crore.
  - iv. IPICOL, the State Level Nodal Agency (SLNA), acts as the Technical Secretariat for the SLSWCA and HLCA.
- c. The state has developed the online Single Window portal, GO SWIFT i.e. Government of Odisha – Single Window for Investor Facilitation and Tracking, to transform the B2G interface through the entire investment lifecycle of project. The portal is a “One-stop Solution” for information on clearances required; land banks available; application, payment, tracking & approval of G2B services; risk-based synchronized inspection by regulatory agencies; incentive administration; post land allotment services; grievance redressal; and dovetailing of CSR activities with the developmental goals of the State. GO SWIFT is also integrated with the National Single Window System (NSWS).
  - d. The state has also developed a Central Inspection Framework to achieve the objective of simplifying business regulations by bringing in transparency and accountability through synchronized inspections on risk-based assessment. In order to facilitate this, Government of Odisha – Synchronized Mechanism for Inspection of Licensed Enterprises (GO-SMILE), an online system has been implemented to enable randomized, risk-based, synchronized, joint inspection by the regulatory agencies.

### 3.2.2. Initiatives to enhance the Ease of Starting and Doing Business in the state

- a. IPICOL, RICs and DICs will be further strengthened by way of improvements in infrastructure, manpower and financial support, to enable them to discharge additional functions of investment facilitation.
- b. IPICOL shall induct Sectoral Experts in Thrust and Priority sectors to provide technical guidance to investors and government departments.
- c. IPICOL shall assign “Nodal Officer” to provide handholding support to investors.
- d. The scope of work of DIPA shall be expanded to facilitate investments during the complete life-cycle.
- e. GO SWIFT 2.0 will be launched by adding to the capabilities of the online single window portal. The upgraded system will expand to cover approvals, certifications and clearances from all the concerned departments, provisions for Unified Payment Gateway, Document Archival Facility, Online Grievance Redressal, administration of incentives and many more advanced investor-friendly facilities.
- f. IPICOL will design and implement a “Project Investment Tracker” to monitor the progress, triggering necessary action by the relevant officials as required.
- g. For select high value investments, project specific “Task Force” shall be constituted to steer the investments and monitor the project progress, providing necessary support for successful completion of the projects in a timely manner.

- h. The Government shall rigorously implement “Industry Care” mechanism, ensuring that all grievances/issues raised by industries about setting-up and operating in the State are resolved promptly.
- i. The State Level Facilitation Committee (SLFC) shall be strengthened further by involvement of representatives from all the concerned departments.
- j. Investors (for projects more than Rs 50 crore) can use an online portal to raise major concerns to the State Level Project Monitoring Group (SPMG), chaired by the Chief Secretary for quick resolution. IPICOL will be the technical secretariat for SPMG.
- k. The Government will undertake initiatives to review and simplify the prevailing regulatory mechanisms and make the business ecosystem more investor friendly.
- l. The state shall endeavor to eliminate physical interface between the approving departments and the industry, except in case of specific exceptions.

### 3.3. Industrial Infrastructure Development

The State recognizes the need for providing quality infrastructure for promoting orderly and sustainable industrial growth. The State Government would take the following key steps towards infrastructure development:

#### 3.3.1. Strengthening of IDCO

- a. Strengthening the state’s industrial infrastructure development agency, IDCO by augmenting office infrastructure, induction of skilled manpower and providing budgetary support to ensure adequate presence in all industrial clusters.
- b. IDCO shall be empowered to enter into public private partnerships with leading agencies for setting up world class industrial infrastructure. Suitable amendments shall be incorporated in Orissa Industrial Infrastructure Development Corporation (OIIDC) Act, 1980 for the same.

#### 3.3.2. Land Bank Scheme

- a. Under the “Land Bank Scheme”, IDCO will identify suitable public and private land, collate and aggregate them to create Land Banks for the purpose of industrial and infrastructure development.
- b. Large Land Banks will be created near ports, airports, railway junctions, highways and urban centres to enable organised and futuristic growth of industries.
- c. Special drives will be undertaken to retrieve and take possession of the land allocated to the industries (including PSUs) which have not been utilized within the stipulated time, to be brought back into the Land Bank, for redistribution to other investors.
- d. The State Government shall provide adequate budgetary support for effective implementation of the “Land Bank Scheme”.

#### 3.3.3. Land Pooling Scheme

In order to fast-track the setting up of new Industrial Parks by utilising private lands, a new scheme called Land Pooling Scheme shall be formulated and launched by the State Government. Under this scheme, landowners would contribute land to IDCO to form a land pool.

IDCO shall then develop the land pool into a modern industrial park with required infrastructure. The landowners shall be entitled to retain leasing rights for a specified portion of the developed land and the balance developed land would be leased out by IDCO.

### 3.3.4. Development of Industrial Regions and Parks

- a. To enable port-based industrial growth, the state government shall develop large industrial regions near Paradip, Dhamra, Gopalpur, Subarnarekha and other ports through IDCO as well as private agencies.
- b. The state shall develop theme based Industrial parks for the major sectors – IT Park, Metal Park, Textile Park, Chemicals Park, Plastics Park, Food Processing Park, Electronics Park, Accessories Park, Pharma Park, Auto Park, Defence Cluster, etc. at suitable locations with infrastructure as may be required for the specific sector. Such parks may be developed both through IDCO as well as private agencies.
- c. IDCO shall develop Industrial Parks with Plug and Play infrastructure for sectors such as IT, Apparel and Electronics, where such infrastructure is essential.
- d. IDCO shall setup at least one new MSME park in each district.
- e. IDCO shall additionally earmark at least 10% of the land allotted for large projects subject to an upper limit of 500 Acres for setting up related ancillary and downstream industrial parks.

### 3.3.5. Maintenance and Upgradation of Industrial Estates

- a. Upgradation of existing industrial estates will be undertaken on a Priority basis. A special scheme shall be rolled-out under this initiative.
- b. Dedicated Park Managers shall be appointed in major industrial estates for the upkeep and maintenance work.
- c. IDCO shall be empowered to enter into public private partnerships with leading agencies to operate and maintain industrial infrastructure.

### 3.3.6. Industrial Corridors

- a. The Government has launched the Odisha East Coast Economic Corridor along the National Highway 16 with nodes at Gopalpur - Bhubaneswar - Kalinganagar (GBK) and Paradip – Kendrapada – Dhamra – Subarnarekha (PKDS).
- b. The Government will further develop the following Industrial Corridors along the major roads, wherein suitable land parcels will be identified and developed as industrial clusters–
  - i. Biju Economic Corridor along the Biju Expressway covering the districts of Sundergarh, Jharsuguda, Sambalpur, Bargarh, Bolangir, Kalahandi, Nuapada, Nabarangpur, Koraput and Malkangiri.
  - ii. Odisha East-West Economic Corridor from Khurda to Jharsuguda covering the districts of Khurda, Cuttack, Dhenkanal, Angul, Sambalpur and Jharsuguda.

A suitable state sponsored scheme shall be implemented for the development of such industrial corridors.

### 3.3.7. Industrial Utilities

- a. The industrial units shall be facilitated to obtain factory gate availability of industry grade electricity and water connection in a time-bound manner.
- b. Dedicated and exclusive power supply shall be provided to all Industrial regions. Infrastructure required for the purpose shall be developed by IDCO and the concerned agencies.
- c. Necessary steps shall be taken for making available telecommunication, gas, effluent treatment, waste management and disposal and other utilities in the industrial regions.
- d. IDCO shall facilitate land and right of way for the utilities and also enter into suitable public private partnerships for the purpose.

### 3.3.8. Financing of Industrial Infrastructure

- a. **Industrial Infrastructure Development Fund (IIDF):** The quantum of IIDF will be enhanced to Rs. 500 Crores for the policy period. This fund will be utilized to develop quality external and internal infrastructure such as roads, power, water, waste management, common effluent treatment plants and other common utility infrastructure for the industrial clusters.
- b. **Industrial Infrastructure Maintenance Fund (IIMF):** The Government will set-up a new fund to be called "Industrial Infrastructure Maintenance Fund" with an outlay of Rs. 500 Crores for the policy period. The fund shall be utilized for maintenance and up-gradation of industrial infrastructure such as strengthening of power network, internal roads, sewage systems, etc. in existing industrial clusters.
- c. An inter-departmental committee headed by the Chief Secretary shall be constituted to approve the projects to be undertaken under these funds.
- d. The state shall explore new and innovative financing and management options for development, upgradation and maintenance of industrial infrastructure.

### 3.3.9. Sustainable Infrastructure and Business Practices

To attain sustainable industrial development, the Government aims for optimum use of resources and prevent environmental degradation. The Government is committed to ensure compliance to environmental standards and support development of sustainable industrial infrastructure. The following initiatives shall be taken up:

- a. The State Government will promote and facilitate the creation of infrastructure for green manufacturing practices such as Renewable Energy, Waste Recycling, Continuous Emission Monitoring System (CEMS), Rainwater Harvesting and Rainwater Recharging Systems.
- b. The Government will facilitate setting up of common infrastructure facilities such as Common Effluent Treatment Plants, Waste Management Systems, Common Spray-dryer, Common Multiple Effect Evaporator etc. in select industrial parks.

### 3.3.10. Other Infrastructure

- a. **IDCO Towers:** IDCO shall develop dedicated office space in the major industrial regions in the state.
- b. **Workers Hostels:** IDCO shall construct workers' hostels with adequate capacity in all the industrial regions in the state.
- c. **Multimodal Logistics Parks:** Multimodal Logistics Parks will be promoted for sector specific logistics such as cold chain infrastructure, refrigeration units, clean cargo facilities, containerized shipment units, e-retail warehouses, etc.
- d. **Common Facilities:** The industrial parks will be equipped with common utilities including utility corridors, skill development centers, waste management facilities, business services, logistics services, quality testing labs, etc. with pre-approvals from concerned departments.
- e. **Infrastructure for Start-ups:** To promote and provide incubation support to start-ups, the state has established Start-up Odisha. 'O-Hub'- the co-working facility managed by Start-up Odisha will be made fully functional and expanded further. Dedicated facilities for start-ups in the manufacturing sector will also be developed.

## 4. Incentive Framework

The State Government is committed to provide facilitation support to all industries while providing competitive, and best-in-class financial incentives to the desired sectors of industries in a graded manner to achieve the objectives of the IPR 2022 as set out in Section 2.3 of this policy.

For the above purpose, industries are classified into four (4) categories as mentioned below:

- a. **Priority Sectors:** Desirable Sectors likely to generate significant employment opportunities and create avenues for further value addition in the state
- b. **Thrust Sectors:** Desirable Sectors dealing with New Age Technologies, Products and Services and sectors likely to have maximum multiplier effect on state's industrial ecosystem
- c. **Negative Sectors:** Sectors not provided with financial incentives but supported with investment facilitation
- d. **All other Sectors:** Sectors other than the three above, provided with investment facilitation and land at concessional industrial rates

A snapshot of the various categories of industries and the eligibility for benefits (fiscal and non-fiscal) from the state Government is listed in the table below:

Sectors	Investment Facilitation	Land @ Concessional rates	Incentives
Priority Sectors	Yes	Yes	Priority Sector Incentives
Thrust Sectors	Yes	Yes	Thrust Sector Incentives
Negative Sectors	Yes	No	No
All other Sectors	Yes	Yes	No

Table 1: Snapshot of categories of Industries and eligibility for benefits

### 4.1. Priority Sectors

The following sectors are categorized as Priority Sectors:

- 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 Priority Sectors, 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, Gajapati, 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 Produces as primary raw material
  - g. Dormitories and hostels for workers

The Government may, by notification, modify the list of Priority sectors from time to time.

## 4.2. Thrust Sectors

**The following sectors are categorized as Thrust Sectors:**

- i. Aerospace and Defense
- ii. Automobiles and Auto-components
- iii. Biotechnology, Pharmaceuticals, Bulk Drug and Medical Equipment
- iv. 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.

The Government may, by notification, modify the list of Thrust Sectors from time to time.

### 4.3. Eligibility Criteria

- a. New Industrial units in Priority and Thrust sectors shall be eligible for incentives provided in this policy, subject to fulfillment of the general conditions and specific conditions as stipulated in this IPR and the Operational Guidelines thereof. However, Special Economic Zone (SEZ) & SEZ units are not covered by this IPR for which a separate SEZ Policy is in force.
- b. Industrial units covered under earlier IPRs shall continue to avail the admissible incentives of the earlier IPR as per eligibility.
- c. Migrated Industrial units in the Priority and Thrust sectors of this policy shall be eligible for incentives provided in the respective category of this policy subject to the specific conditions applicable for the incentives.
- d. Existing industrial units in Priority and Thrust sectors of this policy which take up expansion/modernization/diversification (E/M/D) will be eligible for specific incentives as applicable for new industrial units.
- e. New industrial units in Priority and Thrust sectors of this policy which have commenced commercial production during the effective period of this IPR, taking up expansion / modernization / diversification (E/M/D) during this IPR policy period shall be eligible for admissible incentives for additional investments towards the same.
- f. Eligible industrial units in Priority and Thrust sectors shall be allowed to take up phase-wise commissioning of the total approved plant capacity within the overall prescribed time limit of 3 years for MSMEs and 5 years for Large Industries from the date of first fixed capital investment and avail applicable incentives in a phased manner.
- g. Industrial Units set up without financial assistance from Public Financial Institutions and/or Banks will be required to be assessed by the appropriate agency i.e.
  1. IPICOL for Large Industrial Units
  2. Director of Industries (DI) for Micro, Small & Medium Enterprises.
- h. If the industrial unit has availed similar incentive under any other 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.



## 4.4. General Provisions

- a. Implementation of various provisions covering the incentives, concessions, etc., will be subject to the issue of detailed guidelines/ statutory notifications.
- b. An industrial unit, which considers itself eligible for any incentives, shall have to apply in accordance with the IPR and the applicable Operational Guidelines (OGs) and the same shall be considered and disposed of on merit by the competent authority as may be prescribed.
- c. Industrial units in the Negative List are not eligible for any financial incentives specified under this IPR nor for allotment of land at concessional industrial rate in the state, but shall be eligible for investment facilitation, allotment of land under normal rules at benchmark value, recommendations as may be required to the financial institutions for term loans and working capital and for recommendations, if necessary to power distribution companies.
- d. Investments in 'All other sectors' category will not be eligible for financial incentives specified under this IPR, except those specifically prescribed, but can avail allotment of land at concessional industrial rate in the state and will be provided necessary investment facilitation.
- e. A unit shall only be eligible to apply for incentives within the time limit as prescribed in the operational guidelines of the IPR-2022 for the different category of incentives.
- f. The date of first fixed capital investment and the date of commencement of commercial production for availing of incentives and for any other purpose as may be required, shall be determined by the General Manager (GM) RIC/DIC for MSMEs and the Director of Industries (DI) for the large industrial units basing on the totality of documentary evidence.
- g. Condonation of delay for time overrun in implementation of projects, applying for incentives and for any other purpose for reasons beyond the control of the industrial units may be considered by the Empowered Committee (EC) on a case-to-case basis. The EC may be constituted under the chairmanship of Secretary to Government, Industries Department for Large Industries and Secretary to Government, MSME Department for MSMEs.
- h. Necessary permission in SEZ, private industrial parks, Infrastructure projects and Public Private Partnership (PPP) projects for the purpose of sub-leasing will be given as per the applicable circular of Revenue & Disaster Management (R&DM) Department, Government of Odisha.
- i. If an enterprise falling under any of the three categories of enterprises (Micro, Small & Medium) as defined in the Micro, Small & Medium Enterprises Development (MSMED) Act, 2006, graduates to a higher category from its original category or beyond the purview of the Act, it shall continue to avail all non-financial benefit of its original category prescribed under this Policy for a period of three years from the date of such graduation to the higher category.

## 4.5. Incentives

The specific provisions for incentives for the eligible units shall be as described below:

### 4.5.1.Land Incentives

- a. Government land earmarked for industry under the “Land Bank” scheme of Odisha Industrial Infrastructure Development Corporation (IDCO) and other government land wherever available may be allotted for the New industrial units including infrastructure projects.
- b. Government land will be alienated and transferred to IDCO for industrial and infrastructure development at the following rates.

Zones	Location	Rate for transfer of government land to IDCO (Rs. Lakhs /Acre)
Zone-A	Urban areas under the jurisdiction of Bhubaneswar Municipal Corporation.	Rs. 125 Lakhs/ Acre
Zone-B	Urban areas under the jurisdiction of Development Authorities of Cuttack, Rourkela, Berhampur, Sambalpur, Paradeep, Puri, Angul and Jharsuguda	Cuttack – Rourkela: Rs.60 Lakhs /Acre  Berhampur, Sambalpur, Paradeep, Puri, Angul, Jharsuguda- Rs. 30 Lakhs /Acre
Zone-C	Revenue Sub-Divisions of Bhubaneswar (except BMC area), Khurda, Angul, Cuttack, Jharsuguda, Panposh, Puri, Sambalpur	ULB area – Rs.15 Lakhs /Acre  Other than ULB area – Rs.6 lakhs/acre
Zone-D	Revenue Sub-Divisions of Athagarh, Balasore, Berhampur, Chhatrapur, Champua, Dhenkanal, Jagatsinghpur, Jajpur, Keonjhar, Talcher	ULB area- Rs. 10 Lakhs /Acre  Other than ULB area - Rs. 4 lakhs/acre
Zone-E	Revenue Sub-Divisions of Banki, Baripada, Bhadrak, Baragarh, Bolangir, Jeypore, Koraput, Rayagada, Sundargarh	ULB area– Rs.6 Lakhs /Acre  Other than ULB area - Rs. 2 lakhs/acre
Zone-F	Revenue Sub-Divisions —Anandpur, Athamalik, Baliguda, Bamanghati, Bhanjanagar, Bhawanipatna, Birmaharajpur, Bonai, Boudh, Deogarh, Gunupur, Dharmagarh, Hindol, Kamakshyanagar, Kaptipada, Kandhamala, Kendrapada, Kuchinda, Malkangiri, Nabrangpur, Nayagarh, Nilagiri, Nuapada, Padampur, Pallahara, Panchpir, Paralakhemundi, Patnagarh, Rairakhol, Sonapur, Titlagarh	ULB area- Rs. 3 Lakhs /Acre  Other than ULB area - Rs. 1 lakh/acre
Ground rent and cess shall be fixed @1% and 0.75% respectively at the IPR land rate at the time of sanction of lease of government land and transfer of the same by Government to IDCO.		

- c. IDCO will add its development cost and administrative charges etc. to these rates and notify the final concessional industrial rate at which land will be available to industrial units.
- d. New industrial units in Priority and Thrust sectors and existing industrial units in Priority and Thrust sectors taking up expansion/ modernization/ diversification will be granted 100% 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 on production of eligibility certificate from the Director of Industries, Odisha for Large Industries and Medium Enterprises and G.M, RIC/DIC for Micro and Small Enterprises.
- e. Registration fee for Deed of Agreement between Collector and IDCO and lease deed between IDCO and the Industrial Unit /Enterprise shall be charged as follows:
  - i. For execution of lease deed between Collector and IDCO, registration fee shall be charged as per the IPR rate at which the land is transferred to IDCO.
  - ii. For execution of lease deed between IDCO and the Industrial Unit/ Enterprise, registration fee shall be charged on the land rate at which IDCO transfers the said land to the Industrial Unit/ Enterprise.
- f. No stamp duty will be required to be paid in respect of the land allotted by the Government to IDCO, Government or IDCO to Private Industrial Estate developers.
- g. 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 industrial units in Priority and Thrust sectors and existing industrial units acquiring fresh land for expansion, modernization and diversification in Priority and Thrust sectors.
- h. Stamp Duty will be exempted on conveyance instruments for units required to be transferred to a new owner / management under the provisions of the State Financial Corporation (SFC) Act,1951 or under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act 2002, and IBC 2016.
- i. Loan agreements, credit deeds, mortgages and hypothecation deeds executed by the Industrial Units in favour of Banks or Financial Institutions shall be allowed 100% exemption from stamp duty.
- j. **Special Provisions for Land:**
  - i. New industrial units in the Thrust Sectors, creating direct employment for not less than 1000 state-domiciled people, shall be eligible for land at a special subsidized rate of 50% of the concessional industrial rate (except for areas covered under Bhubaneswar Development Authority and Cuttack Development Authority).
  - ii. Land for setting-up Offices in the State:

IDCO will allocate land to companies having existing investments or making new investments in the state, for setting-up offices in Odisha. Land for this purpose shall be provided at IDCO's prevailing concessional industrial land rate applicable in the nearest notified industrial area. The companies setting-up offices will be eligible to choose out of available government or IDCO land parcels at a location of their choice as per the following criteria:

Approved Investment in Odisha		Direct Employment Generated in Odisha	Maximum Eligible Land at Concessional Rates
More than Rs. 50,000 crores	OR	>5,000	<b>2 acres</b>
More than Rs. 10,000 crores		>1,000	<b>1 acre</b>
More than Rs. 5,000 crores		>500	<b>0.5 acre</b>

#### 4.5.2. Power

##### a. Priority Sectors

- i. New industrial units in the Priority Sectors shall be provided 100% exemption from payment of Electricity Duty for a period of 7 years from the date of commencement of commercial production.
- ii. New industrial units in the Priority Sectors shall be provided reimbursement of Power Tariff of Rs. 2.00 per unit for power purchased and consumed from local DISCOMs for a period of 7 years from the date of commencement of commercial production.
- iii. Industrial units in the Priority Sectors shall be eligible for 100% exemption / reimbursement of cross subsidy surcharge & additional surcharges and state transmission charges on renewable energy procured from state based renewable energy plants/GRIDCO for a period of 7 years from the date of procurement of renewable energy for commercial production in the state.

##### b. Thrust Sectors

- i. New industrial units in the Thrust Sectors shall be provided 100% exemption from payment of Electricity Duty for a period of 10 years from the date of commencement of commercial production.
- ii. New industrial units in the Thrust Sectors shall be provided reimbursement of Power Tariff of Rs. 2.00 per unit consumed and purchased from local DISCOMs for a period of 10 years from the date of commencement of commercial production.
- iii. Industrial units in the Thrust Sectors shall be eligible for 100% exemption / reimbursement of cross subsidy surcharge & additional surcharges and state transmission charges on renewable energy procured from state based renewable energy plants/GRIDCO for a period of 10 years from the date of procurement of renewable energy for commercial production in the state.
- iv. For Green Hydrogen and Green Ammonia manufacturing units, the following provisions shall be applicable for power consumed for manufacturing:
  1. 100% exemption from payment of Electricity Duty for a period of 20 years from the date of commencement of commercial production
  2. Reimbursement of Power Tariff of Rs.3.00 per unit consumed and purchased from local DISCOMs/GRIDCO for a period of 20 years from the date of commencement of commercial production
  3. For renewable energy consumed for manufacturing of green hydrogen and green ammonia, cross subsidy surcharge & additional surcharges and state transmission charges will be exempted / reimbursed

for a period of 20 years from the date of commencement of commercial production.

- c.** Special Incentives for Captive Renewable Energy Plants: Existing and new industrial units in Thrust, Priority and All Other Sectors, as defined in this IPR, 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 for following incentives for the power generated and consumed for commercial operations within the state.
1. 30% capital investment subsidy for plant and machinery including technical civil works, transmission lines and systems in a phased manner as explained in section 4.5.3.
  2. 100% exemption of Electricity Duty for 20 years from the date of consumption of renewable energy for commercial operations in the state.
  3. 100% exemption / reimbursement of state transmission charges for 20 years from the date of consumption of renewable energy for commercial operations in the state.
  4. Priority allocation of site(s) for renewable energy generating plant(s) under the categories as mentioned above.
  5. Provision of long-term lease of water reservoir surface area for floating solar power plant at a total premium of Rs.1 lakh/acre.
  6. Power Banking shall be allowed within the state on a monthly basis subject to regulation by Odisha Electricity Regulatory Commission (OERC).

### 4.5.3. Capital Investment Subsidy

#### a. Priority Sectors

- i. Eligible new industrial units in the Priority sector shall be provided 20% capital investment subsidy on actual investment in plant & machinery (excluding the cost of land and building) which shall be disbursed in a phased manner, over a period of 5 years from the date of commencement of commercial production.
- ii. The subsidy will be disbursed annually on a financial year basis, and the unit can claim 4% of the overall eligible investment made till the end of the financial year on an annual basis up to 5 years from the date of commencement of commercial production.
- iii. The subsidy is applicable to the eligible investments made up to the first 3 years for MSMEs and first 5 years for large units from the date of first fixed capital investment made by the industrial unit.
- iv. The date of commencement of commercial production should not be later than 3 years from the date of first fixed capital investment for MSMEs and 5 years from the date of first fixed capital investment for large units.

## **b. Thrust Sectors**

- i. Eligible new industrial units in the Thrust sector shall be provided 30% capital investment subsidy on actual investment in plant & machinery (excluding the cost of land and building) which shall be disbursed in a phased manner, over a period of 5 years from the date of commencement of commercial production.
- ii. The subsidy will be disbursed annually on a financial year basis, and the unit can claim 6% of the overall eligible investment made till the end of the financial year on an annual basis up to 5 years from the date of commencement of commercial production.
- iii. The subsidy is applicable to the eligible investments made up to the first 3 years for MSMEs and first 5 years for large units from the date of first fixed capital investment made by the industrial unit.
- iv. The date of commencement of commercial production should not be later than 3 years from the date of first fixed capital investment for MSMEs and 5 years from the date of first fixed capital investment for large units.

### **4.5.4. State Goods and Services Tax (SGST) Reimbursement**

- a. New industrial units under Thrust and Priority Sectors shall be eligible for reimbursement of 100% of net SGST paid, overall limited to 200% of the cost of plant and machinery, provided that the SGST reimbursement shall be applicable only to the net tax paid towards the state component of GST, after the adjustment of input tax credit against output tax liability.
- b. Non-mineral based new industrial units in the notified areas in the Biju Economic Corridor shall be eligible for reimbursement of 100% of net SGST paid, overall limited to 300% of the cost of plant and machinery, provided that the SGST reimbursement shall be applicable only to the net tax paid towards the state component of GST, after the adjustment of input tax credit against output tax liability.
- c. The overall limit of 200% / 300% of the cost of plant and machinery is applicable to the investments made up to the first 3 years for MSMEs and first 5 years for large units from the date of first fixed capital investment made by the industrial unit

### **4.5.5. Employment Subsidy**

#### **a. Priority Sectors**

New industrial units in the Priority Sectors shall be eligible for 100% reimbursement of the employer's contribution towards ESI and EPF Scheme for a period of 5 years from the date of commencement of commercial production for skilled and semi-skilled workers, who are domicile of the state.

#### **b. Thrust Sectors**

New industrial units in the Thrust Sectors shall be eligible for 100% reimbursement of employer contribution towards ESI and EPF Scheme for a period of 7 years from the date of

commencement of commercial production for skilled and semi-skilled workers, who are domicile of the state.

#### 4.5.6.Environment Friendly Infrastructure Incentives

- a. To support sustainable green practices across new & existing industrial units in Priority and Thrust Sectors, a subsidy of 25% of the investment in new plant & machinery and the cost of new technical civil works will be provided for the following green measures up to the maximum total limit of Rs. 10 crore per industrial unit:
  - i. Green Buildings
  - ii. Waste Water Treatment Facilities
  - iii. Effluent Treatment Plant
  - iv. Deep sea discharge facility
- b. New and Existing Industries in Thrust and Priority Sectors practicing at least 50% waste water recovery through Zero Liquid Discharge (ZLD)by setting up of new facilities as certified by Odisha State Pollution Control Board (OSPCB) shall be provided up to 50% of capital subsidy on cost of relevant equipment up to a maximum of Rs.10 crore per industrial unit.

#### 4.5.7.Incentives for Private Industrial Park

The Government will provide support for development of quality industrial infrastructure to industrial parks and clusters promoted by private sector developers or industry associations or user units forming an SPV with a minimum land area of 100 acres. Such support will be provided in the form of capital grant limited to 50% of the cost of industrial infrastructure subject to maximum of Rs.25 crore per park or cluster.

#### 4.5.8.Incentives for Innovation and R&D

Eligible R&D investments in the identified Priority and Thrust Sectors would be eligible for 50% assistance on investments subject to maximum of Rs. 10 Crores to the academia, R&D institutions as well as technical and scientific organizations of repute, subject to approval by the Government.

## 5. Marketing Support

- a. To promote manufacturing and service industries in the state, purchase preference shall be given in public procurement for goods and services produced in the state.
- b. Industries department in consultation with other departments shall publish a list of products / services, manufactured/rendered by local industries and generally required by state govt departments/agencies and such items shall be reserved fully or partially for local industries only.



## 6. Human Resource Development

Odisha Skill Development Authority (OSDA) has been established to provide overall direction, guidance and implementation of skill development programs in the State by converging different sectors. OSDA's overarching mission is to bring transformative human development through skilling youth and making "Skilled in Odisha" a Global Brand. The World Skill Center (WSC) established in Bhubaneswar is a premier advanced skill training institute established by the Government of Odisha, assisted by the Asian Development Bank (ADB) with Institute of Technical Education Services (ITEES), Singapore as the knowledge partner.

The Government of Odisha shall take up the following activities to promote skill development:

- a. The Government shall address the supply and demand side gaps, and issues of technical manpower by setting-up of specialized Industrial Training Institutions (ITIs) and Skill Development Centers (SDCs).
- b. The Government will encourage the opening of Industrial Training Centers (ITCs) in blocks where such facilities do not exist.
- c. The WSC will impart advanced skill training in identified trades from engineering and service sectors.
- d. The Government shall focus on maximization of industry-institute linkages by encouraging industries to adopt existing technical institutions and also to setup specialized advanced technical training institutions.
- e. Industrial Units shall be encouraged to adhere to the provisions of The Apprentices Act 1961 and Apprenticeship Rules, 1962 and its subsequent amendments, as a measure of their contribution to skill development.

## 7. Revival of Sick Industrial Units

The intensification of industrial activities in the State provides significant growth opportunities for the existing industries, especially in the SME sector, including those, which may have become sick for various reasons. For the revival of such sick units, the following provisions will be put in place:

- a. A proactive mechanism for early detection of incipient sickness in the MSE sector and their rehabilitation shall be operationalized through a sub-committee of SLBC chaired by Secretary, Finance department with participation of Industries Associations.
- b. The Government will extend need based incentives as applicable under the present IPR to sick units under revival. The industries under this category will be treated at par with the New Industrial Units for determination of the applicable incentives.

## 8. Labour Reforms

- a. The Odisha Industries (Facilitation) Act 2004 and the corresponding rules 2005 lay down the importance of Labour Reforms for industrial growth. Highest priority shall be accorded to amalgamation of different records, registers and returns required to be maintained under the various Labour Laws and introduce systems of self-certification for labour related compliance.
- b. A system of joint inspection by various regulatory agencies including OSPCCB, Odisha Labour Commissionerate, Chief Inspector Factories & Boilers shall be implemented diligently and expanded in scope to cover all the inspections required under a single portal.
- c. Implementation of the processes and portals shall be reviewed by the SLSWCA and HLCA from time to time.
- d. The following categories of industries or establishments shall be declared as Public Utility Services for the purpose of application of the provisions under the Chapter-V of the I.D. Act 1947
  - i. Information Technology (IT) and IT enabled Services (IT & ITES)
  - ii. Biotechnology
  - iii. Agro-based and Marine Products Processing
  - iv. Electronics and Telecommunication
  - v. Export Oriented Units (EOU)
  - vi. Software Technology Parks (STPs)
  - vii. Electronics System Design and Manufacturing (ESDM)
  - viii. Infrastructure Projects including Industrial Parks, Special Economic Zones (SEZs), and IT Parks approved under STP scheme of the Government of India
  - ix. Industrial units producing / capable of producing medical oxygen
- e. Industrial Units and establishments in the following categories shall be exempted from the provision of Chapter VI of the Factories Act 1948 (Working Hours of Adults)
  - i. Information Technology (IT) and IT enabled Services (IT & ITES)
  - ii. Electronics System Design and Manufacturing (ESDM)
  - iii. Biotechnology
  - iv. Electronics and Telecommunication
  - v. Export Oriented Units (EOU)
  - vi. Industries set-up in the SEZs, STPs and Electronics Hardware Technology Parks (EHTPs)
  - vii. Industrial units producing / capable of producing medical oxygen
  - viii. Textiles, Technical Textiles and Apparel units.

## 9. Policy Implementation, Review and Monitoring

- a. This policy will come into effect from the date as notified in the Government Resolution for the purpose and will remain in force for a period of 5 years or until it is substituted by another policy, whichever is later.
- b. The implementation of the policy will be periodically reviewed by the Industries Department for necessary facilitation and mid-course correction, wherever necessary.
- c. The State Government may at any time amend any provision of this policy.

## 10. Miscellaneous

- a. This policy lays down the base financial and non-financial incentives available to industries set up in the State.
- b. Various sector specific policies have been and will be notified by the Government from time to time. In such cases, while the allocation of land will be governed by this IPR, the industrial unit can choose to avail a particular incentive under either this policy or the sectoral policy.
- c. In case of any Act or Policy of Government of Odisha along-with its rules and procedures thereunder dealing with promotion of investments in the State that is conflicting with this policy, the relevant rules and procedures shall be suitably amended to the extent required to bring conformity with this policy within one year of notification of this policy.
- d. A special package of incentives over and above what has been enumerated in this Policy document may be considered for new industrial projects in certain sectors or certain locations on a case-to-case basis by a high-level committee to be constituted under the Chairmanship of the Chief Secretary taking into account the benefits to the State. The Cabinet would consider such proposals duly recommended by the high-level committee.
- e. Doubts relating to interpretation of any term and / or dispute relating to the operation of any provision under this IPR shall be referred to the Industries Department for clarification / resolution. The decision of Government in this regard shall be final and binding on all concerned.

## Annexure I -Definitions and Interpretations

For the purpose of this IPR, the various terms shall have the meanings assigned to them hereunder:

- a. "Ancillary Industry" means an industrial undertaking in the state which is engaged in or is proposed to be engaged in manufacturing or production of parts, components, sub-assemblies, tooling or intermediates or rendering of services and the undertaking supplies or renders or proposes to supply or render not less than 50% of its production or services as the case may be, to one or more other industrial undertakings within the State.
- b. "Downstream Industry" means an industrial undertaking in the state which is engaged or proposed to be engaged in value addition of the intermediate or final produce or waste product of one or more industrial undertakings within the State utilizing a minimum of 50% by weight of such products as base raw materials.
- c. "Earlier IPRs" means the applicable previous Industrial Policy Resolutions.
- d. "Effective Date" means the date of notification of this IPR.
- e. "Existing Industrial Unit" means an industrial unit that has commenced production before the effective date of this IPR.
- f. "Expansion / Modernization / Diversification" of an existing/ new industrial unit means additional investment of at least 50% of the un-depreciated book value of plant and machinery of the said unit made in acquisition of additional plant and machinery and technology for such E / M/ D, duly appraised and approved by DIC/ RIC/ MSMEDI / NSIC/ NCDIC/ OCAC/ STPI/ IPICOL/ Public Financial Institutions. In case of "Expansion", the additional investment as above must result in at least 50% addition in production capacity. In case of "Diversification" the additional investment as above must result in production of at least one additional product. In case of "Modernization" the additional investment as above must result in at least 30% energy saving or 30% reduction of pollution level or latest technology in that sector as certified by the reputed institutions recognized by the Government.
- g. "Finished Goods" means goods exclusively manufactured by the industrial unit and includes by-products, scrap, defective products either sold as such or as seconds/scrap/waste etc. which also come out as a result of its normal manufacturing activity / process.
- h. "Fixed Capital Investment" means investment in land, building, plant, machinery and balancing equipment.
- i. "Infrastructure Project" means roads, bridges & culverts, railway lines, power plants, electric substations and transmission lines, cold storage, water supply and storage facilities undertaken predominantly for use by industrial units, ports, airports, container terminals, warehouses, satellite townships around industrial centers, film cities, film studios, transport and telecommunication facilities, common effluent treatment plants, waste management facilities, tool rooms, R&D Institutes, Technology Laboratories / Centers, Quality testing labs / centers, exhibition and conference centers, trade centers,

display centers, way side facilities for marketing of products, industrial townships, industrial estates, hostels and dormitories for industrial workers, amusement parks, multiplexes, golf courses and other tourism-related infrastructure, social and allied infrastructure such as schools, technical & professional institutes and hospitals etc.

- j. "Industrial Unit" means any Industrial Unit undertaking located inside the State and engaged in manufacturing or servicing activity as detailed in the schedule appended to this policy.
- k. "Micro, Small, Medium and Large Enterprise" means an Industrial Unit as defined by the Government of India from time to time.
- l. "Migrated Industrial Unit" means an Industrial Unit which has commenced fixed capital investment but not gone into commercial production before the effective date and will have the option to be treated as New Industrial Unit under this IPR provided that it goes into production within three years for MSMEs and five years for Large Industries from the date of first fixed capital investment and it will surrender and/or refund the incentives availed, if any, under earlier IPRs. Provided also that such option shall be exercised in the prescribed form provided in the Operational Guidelines and submitted within 180 days from the "Effective Date". Once the option is exercised, it shall be final and irrevocable.
- m. "New Industrial Unit" means an Industrial Unit where fixed capital investment has commenced on or after the effective date and which goes into commercial production within three years for MSMEs and five years for Large units from the date of starting of first fixed capital investment. New investment after the effective date on existing land towards building and plant and machinery and which goes in to production within three and five years for MSME and Large units respectively from the date of starting of first fixed capital investment will be considered as a new industrial unit.
- n. "Raw Material" means materials required by the unit that will directly go into the composition of its finished products.
- o. "Transferred Unit" means an industrial unit whose ownership or management has been transferred in pursuance of the provisions of the State Financial Corporations Act, 1951 or SARFAESI Act or SIDBI Act, 1989 or IBC 2016 or transferred with the approval of OSFC or IPICOL or SIDBI.
- p. "SGST" means State Goods and Services Tax as defined under the provisions of The Odisha Goods and Services Tax Act 2017.
- q. "Year for the purpose of incentives" means a period of 365 consecutive days.

**Abbreviations:**

- 1. "CEMS" means Continuous Emission Monitoring System
- 2. "DIC" means District Industries Centre
- 3. "DEP&M" means Directorate of Export Promotion and Marketing
- 4. "DIPA" means District Investor Promotion Agency
- 5. "DLSWCA" means District Level Single Window Clearance Authority
- 6. "EHTP" means Electronics Hardware Technology Parks
- 7. "EOU" means Export Oriented Unit
- 8. "ESDM" means Electronics System Design and Manufacturing

9. "ETP" means Effluent Treatment Plant
10. "FDI" means Foreign Direct Investment
11. "GO SWIFT" means Government of Odisha's – Single Window for Investor Facilitation and Tracking
12. "GO SMILE" means Government of Odisha – Synchronized Mechanism for Inspection of Licensed Enterprises
13. "HLCA" means High Level Clearance Authority
14. "IBC" means Insolvency and Bankruptcy Code, 2016
15. "IDCO" means the Odisha Industrial Infrastructure Development Corporation
16. "IDCO Land" means land allotted to and land acquired by IDCO
17. "IIDF" means Industrial Infrastructure Development Fund
18. "IIMF" means Industrial Infrastructure Maintenance Fund
19. "IPICOL" means the Industrial Promotion and Investment Corporation of Odisha Limited
20. "IPR" means Industrial Policy Resolution
21. "IPSU" means Industrial Planning and Strategizing Unit
22. "ISO" means International Standards Organization
23. "ITEES" means Institute of Technical Education Services
24. "ITC" means Industrial Training Centers
25. "ITI" means Industrial Training Institutions
26. "LFPR" means Labour Force Participation Rate
27. "MRO" means Maintenance, Repair & Overhaul
28. "MSE" means Micro Small Enterprises
29. "MSME" means Micro, Small & Medium Enterprises
30. "NCDCC" means the National Co-operative Development Corporation
31. "NSIC" means the National Small Industries Corporation
32. "NSWS" means National Single Window System
33. "OCAC" means Odisha Computer Application Centre
34. "OEIPO" means Odisha Investment and Export Promotion Office
35. "OERC" means Odisha Electricity Regulatory Commission
36. "OGFR" means Odisha General Financial Rules
37. "OIIDC" means Orissa Industrial Infrastructure Development Corporation
38. "OSDA" means Odisha Skill Development Authority
39. "OSFC" means the Odisha State Financial Corporation
40. "OSIC" means the Odisha Small Industries Corporation
41. "OSPCB" means Odisha State Pollution Control Board
42. "PSU" means Public Sector Undertaking
43. "RIC" means Regional Industries Centre
44. "RVSF" means Registered Vehicle Scrapping Facilities
45. "SARFAESI Act" means Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act
46. "SDC" means Skill Development Centers
47. "SEZ" means Special Economic Zones
48. "SIDBI" means the Small Industrial Development Bank of India
49. "SLFC" means State Level Facilitation Cell



50. "SLSWCA" means State Level Single Window Clearance Authority
51. "SPMG" means State Level Project Monitoring Group
52. "STP" means Software Technology Parks
53. "STPI" means Software Technology Parks of India
54. "WPR" means Worker Population Ratio
55. "WSC" means World Skill Center
56. "ZLD" means Zero Liquid Discharge

## Annexure II - Schedule: Undertakings carrying on activities recognized as industrial units, or given the status of industrial units, for the purpose of IPR 2022

- a. Units engaged in manufacturing and / or servicing activity belonging to the following categories:
  - i. Industries listed under the first schedule of the Industries Development and Regulation Act, 1951 and manufacturing enterprises classified under the Micro, Small and Medium Enterprises Development Act, 2006 as amended from time to time.
  - ii. Industries falling within the purview of the following Boards and public Agencies:
    1. Coir Board
    2. Silk Board
    3. All India Handloom and Handicrafts Board
    4. Khadi and Village Industries Commission / Board
    5. Any other Agency constituted by Government for industrial development
  - iii. Infrastructure projects only for the purpose of determining applicable land rate.
  - iv. Service sector projects under Priority and Thrust Sectors
  - v. Service sector other than Priority and Thrust sectors only for the purpose of applicable land rates.
- b. Industrial unit will not include non-manufacturing/servicing industries except:
  - i. General workshops including repair workshops having investment in plant & machinery of Rs. 50 Lakh and above and running with power.
  - ii. Registered Vehicle Scrapping Facilities (RVSF)
  - iii. Cold storage and Seafood freezing units having investment of Rs. 25 Lakh and above.
  - iv. Electronics repair and maintenance units for professional grade equipment and Computer Software, ITES/BPO, Datacenters and related services with investment of Rs.25 Lakh and above.
  - v. Technology Development Laboratory /Prototype Development Centre/ Research & Development with investment of Rs. 25 Lakh and above.
  - vi. Printing press with investment in plant and machinery of Rs. 50 Lakh and above.
  - vii. Laundry/ Dry Cleaning with investment in plant and machinery/ equipment of Rs. 25 Lakh and above.
  - viii. Warehousing and Logistics facilities with a minimum investment of Rs.100 Crores excluding the cost of land and direct employment of minimum 100 people of State Domicile
  - ix. Educational institutions and Healthcare establishments with a minimum investment of Rs. 50 Crores excluding the cost of land and direct employment of minimum 100 people of State Domicile.

## Annexure III - List of Negative Sectors

The following units shall neither be eligible for financial incentives specified under IPR-2022 nor for allotment of land at concessional industrial rates in the State, but shall be eligible for investment facilitation, allotment of land under normal rules at benchmark value and recommendations to the financial institutions for term loan and working capital and for recommendation, if necessary, to the Power Distribution Companies:

- a. Rice mills with investment of less than Rs. 10 Crore in plant and machinery
- b. Flour mills, Pulse mills & Besan mills with investment of less than Rs. 1 Crore in plant and machinery
- c. Processing of spices with investment of less than Rs. 1 Crore in plant and machinery
- d. Confectionary with investment of less than Rs. 1 Crore in plant and machinery
- e. Vegetable Oil Mills with investment of less than Rs. 5 Crore in plant and machinery
- f. Bakeries and units involved in preparation of sweets and savories with investment of less than Rs. 50 Lakhs in plant and machinery
- g. Manufacture and processing of betel nuts
- h. Hatcheries, Piggeries, Rabbit, or Broiler farming
- i. Standalone Sponge Iron plants
- j. Firecracker-making units
- k. Tyre re-treading units
- l. Stone crushing units
- m. Coal, Coke screening, coal washing, Coal & Coke Briquetting
- n. Painting and spray-painting units
- o. Units for physical mixing of fertilizers
- p. Brick-making units (except units making refractory bricks and those making bricks from fly ash, red mud and similar industrial waste not less than 25% as base raw material)
- q. Saw-mill, sawing of timber
- r. Carpentry, joinery and wooden furniture making with investment of less than Rs. 1 Crore in plant and machinery
- s. Drilling rigs, Borewells and Tube-wells
- t. Units for cutting raw tobacco and sprinkling jaggery for chewing purposes and Gudakhu manufacturing units
- u. Bookbinding, Rubber stamp making, Making notebooks, exercise notebooks and envelopes with investment of less than Rs. 50 Lakhs in plant and machinery
- v. Packaged drinking water with investment of less than Rs. 1 Crore in plant and machinery
- w. Any activity in respect of IMFL or liquor of any kind
- x. Manufacturing of Asbestos-based products
- y. Single Use Plastics

Odisha State Government is pleased to promulgate the new Industrial Policy Resolution (IPR) 2022. The implementation of all provisions in this IPR 2022 shall come into force with effect from 01<sup>st</sup> December 2022 i.e. the effective date of this IPR-2022 and will be applicable for a period of 5 years or until it is substituted by another policy, whichever is later.

**ORDER:** Ordered that the Resolution be published in the extraordinary issue of the *Odisha Gazette* and copies of the Resolution be forwarded to all Departments, all Heads of Departments and Accountant General, Odisha.

By order of the Governor

HEMANT SHARMA

Principal Secretary to Government