

**GOVERNMENT OF ODISHA
INDUSTRIES DEPARTMENT**

RESOLUTION

No. IND-HI2-POL-0003-2016-9538 /I., Bhubaneswar, Dt. 29th November, 2021

Subject: Amendment of Industrial Policy Resolution (IPR) – 2015

Industrial Policy Resolution (IPR) - 2015 came into force vide Industries Department Resolution No. 5700/I, dated 24th August, 2015 with an objective to broad base industrial development in the State through effective and need based incentives and facilitation services.

In the near future, the New Age Sector Industries such as Electric Vehicles Manufacturing, Green Energy equipment, electronics and hardware manufacturing, etc. will play an important role in the development of industrial ecosystem. With the Government of India announcing the Production Linked Incentive (PLI) schemes across several categories of industries, such sectors are likely to witness large investments in the coming years. Establishment of Mega Industries in New Age Sectors in the State will assist in generation of ancillary industries around them and thereby having a multiplier effect on employment, revenue and overall growth in the state. In order to encourage New Age industries, which will attract large scale investments and create employment opportunities, this amendment is being made for providing special incentive package by way of addition of a Section 5A in the Industrial Policy Resolution (IPR) 2015.

Under the provisions of Para 14 (f) of IPR – 2015, Government have been pleased to amend the provisions of the IPR – 2015 **by addition of a new section 5A on “Special Incentives for New Age Mega Industries”** as follows:

5A. SPECIAL INCENTIVES FOR NEW AGE MEGA INDUSTRIES

Mega Industries in emerging technology sectors have an important role in development of industrial ecosystem of the state. Besides generating revenue and creating local employment, the Mega Industries are also instrumental in bringing high-end technologies. They also assist in generation of ancillary industry around them thereby having a multiplier effect on employment, revenue and overall growth



in the state. In order to encourage new age industries which will attract new large scale investments and create employment opportunities, special incentive package will be provided by the state, as per the details provided in this section.

5A.1. Definition of New Age Mega Industries

The following two parameters will be used to define New Age Mega Industries in Odisha –

i. Investment value and Employment generated

The following classification shall determine the eligibility of the industries to be included in the New Age Mega category:

Category	Investment Value (Rs. Cr)	Minimum Employment (No.)
M1	> 300	1000
M2	> 500	750
M3	> 1000	500

Table – 1: Eligibility categories based on investment value and employment generated

An industry qualifying in any of the three categories above will be eligible to be considered as a New Age Mega Industry, provided that the investment is in the following New Age sectors.

ii. New Age Sectors

The following sectors shall be categorized as “New Age Sectors” and investment in units manufacturing the ‘Specified Products’ therein will only be eligible for availing the benefits:

S.No.	Special Sector	Specified Products
1	Automobile and auto components	1) Vehicle aggregates of 2-Wheelers, 3-Wheelers, passenger vehicles, commercial vehicles, tractors; and auto components
		2) Advanced Automotive Technology components of vehicles
		3) Completely Knocked Down (CKD)/Semi Knocked Down (SKD) kits
		4) Clean Energy based automobiles and components
		5) Advanced Chemistry Cell (ACC) batteries
		6) Drones and Drone components

2	Green Energy Equipment	1) Equipment and accessories used in solar power generation such as polysilicon, wafer-ingot, solar cells, panels, modules etc.
		2) Eco-friendly/ New technology batteries, fuel cells, etc.
		3) Wind Turbines and components
		4) Nuclear power plant components
		5) Hydropower equipment and components
3	Large Scale Electronics Manufacturing	1) Devices including Mobile Phones, Laptops, Tablets, All-in-one PCs and Servers
		2) Surface Mount Technology (SMT) components
		3) Discrete semiconductor devices including transistors, diodes, thyristors, resistors, capacitors, Printed Circuit Boards (PCB), PCB laminates, prepregs, photopolymer films, PCB printing inks
		4) Sensors, transducers, actuators, crystals for electronic applications, System in Package (SIP)
		5) Micro/Nano-electronic components such as Micro Electro-mechanical Systems (MEMS) and Nano Electro-mechanical Systems (NEMS)
		6) Modern Medical Devices and implants
4	Telecommunication Equipment Manufacturing	7) Assembly, Testing, Marking and Packaging (ATMP) units thereof
		1) Core Transmission Equipment - Dense Wavelength Division Multiplexing (DWDM), Optical Transport Network (OTN), Multi Service Provisioning Platform (MSPP), Synchronous Digital Hierarchy (SDH), Packet Transport Network (PTN) / Multi-Protocol Label Switching (MPLS), Gigabit Passive Optical Networks, (GPON) / Next Generation- Passive Optical Network (NG-PON) Optical Line Terminal (OLT), Digital Microwave Radio.
		2) 4G / 5G, Next Generation Radio Access Network and Wireless Equipment - 4G / Long Term Evolution (LTE), Radio Access Network (RAN) Base Station & Core Equipment; 5G RAN Base Station & Core Equipment; Edge and Enterprise Equipment; Wireless, Telecommunication Equipment in Access and Backhaul

		<p>3) Access and Customer Premises Equipment (CPE), Internet of Things (IoT) Access Devices, and Other Wireless Equipment - Unified Communications Platforms, IP Multimedia Subsystem, Soft Switch, GPON Optical Network Terminal (ONT), Wireless Fidelity (Wi-Fi) Access Point and Controller, LTE CPE, 5G, CPE, Short Range Devices and Associated Electronics in new technologies like 4G/5G/Fiber to the Home (FTTH) etc.</p>
		<p>4) Enterprise equipment - Switches, Routers, Internet protocol (IP) and Packet Switching and Routing Apparatus</p>
5	Textile, apparel, wearable and luggage	<p>1) Man-made Fabrics and garment</p> <p>2) Technical textiles and its products</p> <p>3) Wearables including footwear, undergarments, watches, eyewear, etc.</p> <p>4) Luggage including suitcases, handbags, etc.</p> <p>5) Sports apparel and equipment</p>
6	Pharmaceuticals and Bulk Drugs	<p>1) Biopharmaceuticals</p> <p>2) Complex generic drugs</p> <p>3) Patented drugs or drugs nearing patent expiry</p> <p>4) Cell based or gene therapy drugs</p> <p>5) Orphan drugs</p> <p>6) Special empty capsules like HPMC, Pullulan, enteric etc.</p> <p>7) Complex excipients</p> <p>8) Phyto-pharmaceuticals</p> <p>9) Repurposed drugs</p> <p>10) Auto immune drugs, anti-cancer drugs, anti-diabetic drugs, anti-infective drugs, cardiovascular drugs, psychotropic drugs and anti-retroviral drugs</p> <p>11) In-vitro diagnostic devices</p> <p>12) Drugs, APIs, DIs and KSMs as identified and targeted by the Government of India</p> <p>13) Other drugs as approved</p> <p>14) Other drugs not manufactured in India.</p>
7	White Goods and components	<p>1) Air conditioners, Television sets, refrigerators, dryers, washing machines, freezers and components thereof</p> <p>2) LED lightings and components</p>
8	Capital Goods	<p>1) Electrical and industrial machinery & equipment</p>

9	Aerospace and Defense	1) Commercial Aviation: Commercial aircraft, helicopters, commercial unmanned aerial vehicles, business jets and personal aircraft
		2) Ground Defense: Armaments and ordnance including tactical vehicles, tanks, personnel transports and their communications and electronic systems, as well as non-civilian, military high powered personal armaments
		3) Military Aircraft: Fighter aircraft, patrol aircraft, helicopters, bombers, unmanned aerial vehicles (drones) and transporters.
		4) Shipbuilding: Amphibious assault vessels, aircraft carriers, cruisers, cutters, submarines, destroyers and transports
		5) Space Systems: Satellites, space launch vehicles, spacecraft and ground systems for both commercial and government markets

Table – 2: Special Sectors and Specified Products for New Age Mega Industries

***Government may modify the above list from time to time.**

iii. Eligibility Criteria:

- 1) An industrial unit **should qualify in one of the three criteria** in Table-1 and also **should be operating in one of the New Age Sectors** as enumerated in Table-2, to be eligible to be defined as a New Age Mega Industry.
- 2) **Only new industrial units** establishing in the state will be eligible.
- 3) **Date of commencement of commercial production** should not be later than 3 years from the date of first capital investment made by the industrial unit.

5A.2. Incentives and Provisions

The New industrial units in the New Age Mega Industries category will be eligible for the incentives and provisions as detailed below:

1. Land

- 1.1 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 in the New Age Mega Industries category. The concessional rates of land are specified in section 5.4.1 of the IPR.

1.2 No stamp duty will be required to be paid in respect to the land allotted by the Government or IDCO to the New industrial units in the New Age Mega Industries category.

1.3 New industrial units in the New Age Mega Industries category will be exempted from payment of premium for conversion of land for industrial purpose.

2. Capital Investment Subsidy

2.1 For New industrial units in the New Age Mega Industries category, **30% capital investment subsidy on actual investment in Plant & Machinery** (excluding the cost of land and building), will be disbursed in a phased manner, over a period of 10 years from the date of commencement of commercial production.

2.2 The subsidy will be disbursed annually, and the investor can claim 3% of the overall eligible investment made till date on an annual basis.

2.3 The subsidy is applicable to the eligible investments made up to the first 6 years from the date of first capital investment made by the industrial unit.

2.4 The date of commencement of commercial production should not be later than 3 years from the date of first capital investment made by the industrial unit.

3. State Goods and Service Tax (SGST) Reimbursement

3.1 New industrial units in the New Age Mega Industries category shall be eligible for reimbursement of 100% of net SGST paid for a period of 7 years from the date of commencement of commercial production, overall limited to 200% of the cost of plant and machinery, in a tapered manner, 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.

3.2 The overall limitation of 200% of the cost of plant and machinery is applicable to the investments made up to the first 6 years from the date of first capital investment made by the industrial unit.

4. Energy Subsidy

4.1 New industrial units in the New Age Mega Industries category shall be provided exemption from payment of electricity duty for a period of 7 years from the date of commencement of commercial production.

4.2 New industrial units in the New Age Mega Industries category shall be eligible for reimbursement of Power Tariff of INR 2.00 per unit consumed for a period of 7 years from the date of commencement of commercial production.

4.3 For renewable energy procured from within the state, cross subsidy surcharge and state transmission charges will be reimbursed for a period of 5 years from the date of commencement of commercial production.

5. Employment Cost Subsidy

5.1 New industrial units in the New Age Mega Industries category shall be eligible for 100% reimbursement of employer 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.

5.2 For every new person recruited and trained for the unit during the period of 3 years from the date of commencement of commercial production, the State Government shall reimburse the training cost as mentioned below

	Male	Female	Persons with Disability
Training Subsidy (INR per person)	3000	4000	5000

6. Special Facilitation Support

6.1 Each investment in the New Age Mega Industries category will be assigned a dedicated nodal officer from the Government, who will facilitate required clearances and also provide aftercare services to the industry.

6.2 IDCO will prioritize land identification, procurement and allotment for the requirements of the New Age Mega Industries category and facilitate the development of required infrastructure with a special focus.

6.3 The Government shall monitor the progress and prioritize the resolution of grievances of investors by constituting a High-Level Committee.

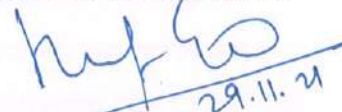
5A.3 General Provisions

- i. Implementation of various provisions covering the incentives, concessions, etc. will be subject to the issue of detailed guidelines / statutory notifications.
- ii. An industrial unit which considers itself eligible for any incentives shall apply in accordance with the operational guidelines and the same shall be considered and disposed off on merit by the competent authority.
- iii. The date of commencement of commercial operations for availing the incentives shall be determined by the Director of Industries (DI) on the basis of evidence provided by the industry and verification thereof.
- iv. A unit shall become ineligible to get incentives if it doesn't file its claim complete in all respects within the time limits prescribed.
- v. Condonation of delay in implementation of projects for reasons beyond the control of the industrial units may be considered by the Empowered Committee (EC) constituted for the purpose.
- vi. The implementation of these provisions shall come into force from the effective date of this amendment of the IPR-2015.

This amendment shall come into force from the effective date i.e. the date of issue of this resolution.

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

Memo No. 9539 /I., Bhubaneswar, dated the 29/11/2021

Copy forwarded to the Director of Printing, Stationary and Publication, Odisha, Cuttack with a request to kindly publish the Resolution in the extra ordinary issue of the Odisha Gazette and supply 500 copies to this Department immediately.



Deputy Secretary to Government

Memo No. 9540 /I., Bhubaneswar, dated the 29/11/2021.

Copy forwarded to the Odisha Gazette Cell in-charge, Odisha Gazette Cell, C/o Commerce Department for information with a request to take appropriate action to publish the Resolution in the next extraordinary issue of the Odisha Gazette.


Deputy Secretary to Government

Memo No. 9541 /I., Bhubaneswar, dated the 29/11/2021

Copy forwarded to the Heads of Portal Group, IT Centre, Odisha Secretariat for information and necessary action.

He is requested to launch this Notification in the website of Industries Department for general information.


Deputy Secretary to Government

Memo No. 9542 /I., Bhubaneswar, dated the 29/11/2021

Copy forwarded to All Departments/ All Heads of Departments/ All Revenue Divisional Commissioners/ All Collectors/ All Regional Industries Centres/ All District Industries Centres/ All Public Sector Undertakings/ Accountant General, Odisha, Bhubaneswar for information.


Deputy Secretary to Government

Memo No. 9543 /I., Bhubaneswar, dated the 29/11/2021

Copy forwarded to Additional Secretary to Government, CMO / PS to All Ministers/ O.S.D. to Chief Secretary, Odisha/ P.S. to Development Commissioner-cum-A.C.S., Odisha / P.S. to Principal Secretary, Industries Department for kind information of Hon'ble Chief Minister, Odisha, Hon'ble Ministers, Chief Secretary, Odisha, D.C.-cum-A.C.S., Odisha and Principal Secretary, Industries Department respectively.


Deputy Secretary to Government

Memo No. 9544 /I., Bhubaneswar, dated the 29/11/2021

Copy forwarded Parliamentary Affairs Department for information with reference to their Memo No. 7190 /PA dated.23.11.2021.


Deputy Secretary to Government

Memo No. 9545 /I., Bhubaneswar, dated the 29/11/2021

Copy forwarded to All Sections of Industries Department / Guard File for information.


Deputy Secretary to Government