

Odisha IT Policy- 2022

1. Introduction

The Indian Information Technology(IT) industry has been an unqualified success story globally, becoming the topmost off-shoring destination for IT companies across the world accounting for approximately more than half the Global Services Sourcing Business . It has created huge job opportunities and contributed majorly to India's growth and development; and in the last two decades, the industry has grown manifold in revenue terms, and its relative share to India's GDP has increased.

Odisha, the Sunrise State in Eastern India is on the cusp of an information & communication technology revolution. The Government of Odisha has been at the forefront in adoption of IT and experimenting with emerging technologies to drive and transform governance in the state to positively impact the lives of its citizens. This policy attempts to put in place a conducive environment for welcoming investment in the state through various initiatives. The policy also aims to usher in balanced socio economic growth of Odisha with suitable deployment of technology for seamless electronic service delivery, ensure acquisition of higher degree of employability skills for its people, provide a strong foundation to Start-ups, Innovators and Ideates to promote innovation & entrepreneurship in the state.

2. Odisha – Emerging State in IT

Odisha (formerly known as Orissa), the battleground for the famous Kalinga war fought by Ashoka the Great, lies on the country's east coast. Some call it an investors' paradise, some call it the State of Green Field Project, Odisha, famous for its abundant mineral resources, a long coastline, excellent infrastructure and warm & hospitable people, is fast becoming the destination of choice for investment in IT sector. Way back in 1991, Bhubaneswar was among the first three cities in India along with Bangalore and Pune to have a STPI center. In 1996, IT major Infosys chose Bhubaneswar for setting up its first offshore Development Centre outside Karnataka. Now, apart from

Infosys, IT majors TCS, Wipro, Tech Mahindra & Mindtree Capgemini, Quest Global & Semtech Corporation, Black Knight, Inc and more than 100 IT companies & Tech Start-ups have made it a vibrant IT destination.

Government of Odisha's emphasis on promoting investor friendly policies and programs coupled with a skilled workforce and stable governance has made the state an attractive destination for IT companies. As a testament to the efforts put in by the Government, Odisha has bagged fifth position in overall rankings in NITI Aayog's Export Preparedness Index 2020 and fourth position among the coastal states. In consonance with the **5T** principles of good governance (**Teamwork, Technology, Transparency, Time, Transformation**) propounded by Hon'ble Chief Minister of Odisha, Shri Naveen Patnaik, the state is all set to realize the vision of a digital democracy. Any company or investor desirous of investing in the IT sector in Odisha would avail of the following advantages which the state has to offer:

2.1. Transport infrastructure

Two major airports at Bhubaneswar and Jharsuguda connect Odisha to major cities all across India. Bhubaneswar is a major rail head on the Howrah-Chennai route while Rourkela and Jharsuguda are major rail heads on the Howrah-Mumbai route which passes through Odisha. It is also one of those few States which, is served by three zonal railways – East Coast, South Eastern and South East Central with East Coast Railway having its headquarter in Bhubaneswar .

Odisha is blessed with more than 485 KM of coastline with 3 operational seaports, of which, Paradeep being a major seaport, Gopalpur & Dhamra being the minor seaports. Odisha is connected with almost every big city in the country and also internally through 2,54,845.32 km of roads, including 5,762 km of national & 4,100.63 km of State highways.

2.2. Power Infrastructure

Odisha, one of the earliest states in the country to have reformed its power distribution system, is a power surplus State having an installed capacity in excess of 7500 MW . The power distribution in Odisha is now handled by Tata Power.

2.3. Telecom infrastructure

The overall tele-density of Odisha is 77.69% as of February 2019, which is a reflection of the fact that a large proportion of the state is covered with jungle and mountains. Understanding the correlation between a robust and adequate Telecom infrastructure with growth of Information Technology sector, Government of Odisha has been taking required steps for development of Telecom Infrastructure.

Odisha is one of the first states in the country to have notified a mobile policy -“**Odisha Mobile Towers, Optical Fiber Cable and Related Telecom Infrastructure Policy 2017**” for obtaining **RoW(Right of Way)** permission in a time bound manner by Infrastructure/Telecom Service Providers(IPs/TSPs). BharatNet project to provide broadband to Gram Panchayats is being undertaken by Odisha under the state led model.

2.4. IT sector infrastructure

Odisha offers a robust infrastructural support and also Plug & Play facility for investors in the IT sector as detailed below:

- a. Over 10,000 acres of available landbank, housing all the IT, Electronic Hardware Manufacturing (EHM) and R&D centers.
- b. 2 IT SEZs - Infocity and Infovalley spread over 400 acres of land in Bhubaneswar.
- c. 6 IT Towers with ready to move in space of over 10 lac sq. ft. in Bhubaneswar.
- d. 4 Incubation Centers in collaboration with STPI at Bhubaneswar, Berhampur, Balasore and Rourkela.

2.5. Abundant skilled manpower

The State houses 800+ technical colleges and 600+ ITI's from which 47,000+ students pass out annually. Odisha in total produces over 40,000 technical & management professionals every year. The State has established India's first **World Skill Center (WSC)** in Bhubaneswar spanning over 5 lakh sq. ft. to train and equip the future workforce with advanced skills.

2.6. Competitive wages

The cost of setting up infrastructure and cost of living index of cities/ towns in Odisha as compared to other Metro cities of the country like Mumbai, Delhi, Bangalore, Pune, Gurugram etc. is lower. Therefore, companies who set up their units in Odisha, would enjoy significant cost savings in terms of lower operational cost.

2.7. Quality of life

Odisha is known as a peaceful state with warm and hospitable people. It has plentiful of natural bounties providing ample space for soothing one's soul, there are number of rejuvenating holiday destinations along a long sea-shore and amidst Eastern Ghat with many hills/hillocks. Further, population density of Odisha is relatively low and Pollution comparably lesser.

Odisha is home to many premier educational institutes like IIT, IIM, NIT, XIMB, NISER etc. and many research institutes such as Institute of Physics (IoP), Institute of Mineral and Metals Technology (IMMT), Institute of Life Sciences (ILS), Central Rice Research Institute(CRRI) of ICAR, Regional Medical Research Centre(RMRC) etc.

There are number of good quality hospitals in Odisha like AIIMS Bhubaneswar, Government medical college and hospital at Cuttack, Burla and Berhampur and Apollo, Kalinga, AMRI, CARE among others in the private sector.

Bhubaneswar , the temple city has now transformed itself to become a sought after IT destination in Eastern India. A city of more than 500 temples now houses IT majors like Infosys, TCS, Wipro, and Tech Mahindra, Mindtree and Capgemini along with many other IT companies. The gentle, calm and pollution free environment, reasonable operating cost, low attrition rate, number of weekend gateways in the near vicinity rich with culture, heritage, wild life, and availability of quality Infrastructure, congestion & hassle free communication, cost competitiveness have helped the city attract the IT industry. Any IT professional working in Odisha would enjoy an optimum work life balance between his professional commitments and imperatives of his family.

● 2.8 E-Governance initiatives

The government of Odisha has been proactive in leveraging the use of technology to transform and reform Government functioning as well as develop an

efficient and effective G2C, G2B and G2G service delivery model. Some of the landmark initiatives worth mentioning are:

- e. **“Mo Sarkar”** – a One-of-its-Kind initiative across India, whereby the Hon'ble Chief Minister everyday personally calls and receives feedback from few of Odisha's Citizens chosen at random about their experience of interaction with government Officials.
- f. **Grievance Redressal through Social Media** has been much lauded due to its innovative approach in identifying actionable public complaints and seek resolution, intent being to move towards is transparent governance and responsible administration.
- g. **104 Covid Call Centre** – This initiative has been an unqualified success in the fight against Corona .Starting with a dedicated purpose to provide free medical consultation from qualified doctors related to Corona , now it has expanded to provide one stop solution for COVID response related to general information on lockdowns regulations etc. registration of Odisha citizens returned from abroad, distress mitigation related to COVID , handling medical emergency, follow up on patients and home isolations etc.
- h. **Student Academic Management System (SAMS)** - provides a podium for college admission through e-Admission and several services to students in the colleges post-admission through e-Administration.
- i. **Odisha Secretariat Workflow Automation System (OSWAS)** - one of the pioneering initiatives of Odisha has made office paperless in the Odisha Government Secretariat and Directorates with advantages of transparency, accountability.
- j. **GOSWIFT** - The Single Window Portal which acts as is a single window facilitation mechanism for investors concerning various services required throughout the lifecycle of projects has been much appreciated and won numerous awards.
- k. **i3MS** - Government of Odisha has implemented the IT Based mineral administration through a robust software application named Integrated Mines and

Mineral Management System or "i3MS" in the Steel and Mines Department which is one of the best in its kind in the whole country.

3. Title , Commencement and Eligibility

- l. The Odisha IT Policy 2022 will come into force from the date of notification of this Odisha IT Policy 2022.
- m. This policy will remain in force until 31st March 2027 or till it is substituted by another policy. The State Government may at any time amend any and/or all provision(s) of this policy.
- n. This Policy shall be applicable to the all IT units which will operate from Odisha except Hardware Trading units & Training Institutes.
- o. Doubts relating to interpretation of any term and/or dispute relating to the operation of any provision under this policy will have to be referred to the E&IT Department, Government of Odisha for clarification/resolution and the decision of the Government in this regard will be final and binding on all concerned.
- p. Any IT unit which is set up and commences operation in Odisha after the Odisha IT Policy 2022 is notified and before the expiry of the policy period are eligible for getting assistance, incentives under this Policy. Existing units which opt for expansion also get covered under this policy provided there is an increase of minimum 50% capacity(employees engaged in core operations i.e. software development) over the original capacity .

4. Objective

- Creation of employment for 1 lakh people to be directly & indirectly employed in the IT sector.
- Skilling for 10000 professionals.
- Achieving 10000 crores of gross IT revenue per Annum including IT exports & domestic sales.
- Doubling the area earmarked for IT sector from the present level.

5. Vision

The vision of this policy is to transform Odisha into a leading destination for Information Technology in the country and position it prominently on the global map as a preferred IT outsourcing destination along with quantum increase in creation of employment opportunities thereby contributing significantly to growth and development. Odisha Government intends to use IT to usher in efficiency and transparency in governance, give a fillip to spread of Digital literacy in the state by realizing the goal of “Internet for all”. This policy aspires to establish Odisha as a preferred IT hub with innovation and new age/emerging technologies featuring prominently in it.

6. Mission

1. Attracting new investments by creating world class infrastructure and promoting investor facilitation.
2. Promoting Tier-II & III cities and towns as IT destinations and providing assistance in setting up required infrastructure including IT parks for enabling them to attract IT investments and thereby enhancing employment opportunities.
3. Increase use of IT tools in offices, improve technology adoption and process efficiencies to achieve better delivery of various services to make Odisha the best e-governed state.
4. Providing affordable, adequate and timely citizen-centric services and information to the citizens.
5. To promote e-literacy among the citizens to bridge the “digital divide” and disseminate the opportunities in IT sector across the State for an equitable and inclusive development.
6. Focus on educational curriculum, training quality and skill development.
7. Promoting the innovation ecosystem in the State along with the promotion of emerging Technologies such as such as Cyber Security, Data Analytics, Mobile Tech/5G, IoT, Augmented Reality & Virtual Reality, Cloud computing, Deep learning, Blockchain, Artificial Intelligence, Machine Learning, etc. R&D activities, design and development of new products, services, processes and business models in Industry 4.0 etc. will be encouraged.
8. To significantly augment availability of skilled manpower .

9. Ensuring a digitally connected Odisha for spurring growth in demand for digital services by promoting creation of requisite digital infrastructure.
10. Incentivize adoption of green technologies for energy efficient operations with effective disposal of e-waste coupled and use of renewable sources of energy in the State to develop a Greener-Odisha.
11. Facilitate more women, ST/SC and differently abled persons to participate in the IT sector by bringing in suitable policy interventions and fiscal incentives.

7. Initiatives

The initiatives or the thrust area identified by Odisha Government in IT sector are as follows:

1. Development and expansion of IT infrastructure like IT Parks, IT Towers, hubs , incubation and co-working space for Startups, SMEs
2. Development of transport linkages to IT hubs/zones
3. Focus on BharatNet project, Odisha State Wide Area Network(OSWAN), Mo Seba Kendras(Common Service Centres promoted by Govt of Odisha)
4. Balanced regional development
5. Promoting green practices in IT for building green Odisha
6. Industry promotion and facilitation for IT industry
7. Partnerships through setting up of Centre of Excellence(CoE)
8. Encourage development of skilled human resource/ skilling & innovation
9. Promote industry academia linkage in IT sector
10. Emerging Technologies
11. Creation of Biju Innovation Labs(BIL) in selected schools in consultation with School & Mass Education Department to avoid duplication of efforts
12. Organizing tech camps for students, Grand Innovation Challenge through hackathon, support boot camps for startups in consultation with MSME Department to avoid duplication of such events.
13. Tech for people - e-services and electronic service delivery to citizens

8. Competitive Fiscal Incentives

8.1 Specific Incentives for IT Parks

Considering the growing demand of space from IT industry for starting operations from the State, the State Government will facilitate and encourage private initiatives to set up IT parks in strategic locations of Odisha. The Greenfield IT Park will be provided capital subsidy @ 25% of fixed capital investment in buildings and infrastructure facilities, excluding the cost of land, subject to a ceiling of Rs. 20 crores.

Such parks shall have at least 60% of the built-up area dedicated for IT units. Within this, 10% shall be earmarked as furnished space for allocation as Plug & Play incubation & co-working space to start-ups & ideates. The balance area may be used for supporting infrastructure such as canteen/food courts, recreational facilities, fitness centers sand crèches etc.

To support such projects, reimbursement of SGST on machines, equipment, capital goods and construction material procured for implementation of above project, for a period of three years or till the date of completion of the project, whichever is earlier shall be granted.

The Government shall reimburse 15% of the cost of developing solar power plant subject to maximum of Rs. 25 lakhs. Also, Greenfield IT Parks shall be eligible of 100% reimbursement of stamp Duty/ Registration Fee/ Conversion Fee.

8.2 Rental for Incubation Space

IT units with up to 40 **employee** will get subsidy on the rental of Incubation Space (without O & M) for a maximum of 3 years as follows on reimbursement basis on fulfillment of minimum new employment in core area.

INCUBATION RENTAL (GOVT. OWNED FACILITY)

CATEGORY	INCENTIVE
Up to 300 Sqft (Min. 10 employees)	80% subsidy
301 - 600 Sqft (Min. 20 employees)	70% subsidy
601 - 1000 Sqft (Min 40 employees)	60% subsidy

- The above Subsidy will be applicable in all Government owned facilities as well as designated IT Parks & Incubation Centers approved by Government.
- A rental reimbursement @ Rs. 20 per Sqft. per month or 75% of the actual rent paid, whichever is less, will be available for incubation space taken on lease or rent basis in notified private IT tower/Space at the scale of 30 Sqft. carpet area per employee.
 - Core operations/area means the number of people employed for the main economic activity of the unit and shall exclude people employed in support services such as security guards, gardener, house keeper, drivers etc.

CO-WORKING SPACE (GOVT. OWNED FACILITY)

CATEGORY	INCENTIVE
Co-working space	Up to Rs. 1400/- per seat per month

- The above Subsidy will be applicable in all Government owned facilities as well as designated IT Parks & Incubation Centers approved by Government.
- Reimbursement up to Rs. 1000/- per seat per month for Co-working space in notified private IT Park/IT Space will also be available.
- Government reserves the right to exercise control on the Rent charged in an IT Park which is set up with Government concessions or subsidies on land.

8.3 Lease Rental

Eligible IT units hiring buildings on rent for operating their centers employing above 40 employees for its main economic activity(core operations)will be entitled for a subsidy of 75% of the actual rent paid or Rs. 20 per sq. ft. per month whichever is lower

. The overall limit of this subsidy shall be limited to Rs. 12 lakhs per annum. The reimbursement of carpet area occupied by the unit is limited to 50 Sq. ft. Per employee.

An additional 25% lease rental limited to 5 lakhs per annum during the policy period will be provided to women, SC/ST and disabled Entrepreneurs.

8.4 Stamp Duty Exemption and Land allotment

The Government shall extend 100% exemption of stamp duty on **first transaction** and 50% exemption on second transaction on lease / sale agreement of land or built-up space allotted by Government/ IDCO/ designated development authorities to eligible IT units or to other agency for IT Projects. The eligible units will be entitled to get 100% reimbursement of conversion fee and registration fee for 1st transaction. The same shall also be applicable for the eligible companies for developing IT Parks in the State.

Land will be provided by IDCO at concessional rates by IDCO as per IPR. IT units meeting the following criteria shall be considered for allotment of Land.

Land Area	Area Minimum Employees in core area	Minimum Years of Operation
0.5 Acre	50	2 years
1 Acre	100	2 years
More than 1 Acre	100/acre	3 years

However, land can be allotted to the Women , SC/ST and Disabled Entrepreneurs having minimum 1 year of operation.

8.5 Power Incentive

The Government shall exempt IT units from Electricity duty, Electrical Inspection Fee for 05(five) years. The IT Units shall be eligible for Industrial Tariff. There will be reimbursement of electricity tariff @ 30 % for 3 years capped at Rs. 35 lakhs per unit.

Energy Audit: Reimbursement would be provided @75% of cost of Energy Audit subject to a cap of INR 1.5 lakhs.

8.6 Specific incentives for Green practices in IT

25% reimbursement on cleaner /greener production measures limited to Rs. 30 Lakhs per unit on the basis of certification by accredited certifying agencies/State Pollution Control Board, Odisha.

8.7 Interest Subsidy

Eligible IT units will be entitled to get interest subsidy @ 5% per annum **on term loans** availed from recognized financial institutions and banks, subject to a maximum of Rs. 10 Crores per year for a period of 5 years **from the date of commencement of commercial operation**. The Government shall encourage women, SC/ST & Disabled entrepreneurs by providing them additional interest subsidy of 1 % per annum over and above the instant incentive.

8.8 Capital Investment Subsidy

Capital subsidy of 30% of fixed capital investment in buildings and infrastructure, excluding the cost of land subject to a maximum of Rs. 3 Cr. shall be accorded to eligible IT units. The Subsidy is only applicable for one time purchase of computers, networking and related hardware & software.

8.9 Recruitment and Skilling

(a) **Recruitment Assistance:** One time Recruitment Assistance shall be provided @ Rs. 10,000 per newly recruited employee at executive level who are domiciles of Odisha with a maximum limit of Rs. 10 Lakhs per unit for a period of 03 years. Additional Rs. 1000 per employing women, SC/ST and Physically Disabled employees.

(b) **Human Capital Investment Subsidy:** 50% reimbursement of training fees for obtaining industry recognized skill certifications (in Emerging technologies, Project Management program, Six Sigma, ITIL and Security Certifications such as CEIH, CISM and CISA or equivalent etc.) limited to Rs. 10,000 per employee and subject to an overall ceiling of Rs. 20 lakhs per unit for 5 years.

(c) **Building a skilled resource base in the state**

- Units getting any assistance under this Policy will be required to take interns in the period it gets such assistance. It can get reimbursement of 50% of stipend paid for each intern. However, the reimbursement is for maximum 20 number of interns.
- Eligible Units can get reimbursement of 100% of stipend paid for each intern, if such interns are selected through SDTE/OSDA limited to maximum 20 interns.

- The duration of such internship for which reimbursement would be made is maximum 06 months & this mechanism will be different from Scheme of Apprenticeship by Govt. Of India.
- **Skill Upgradation** : Reimbursement of up to Rs. 1.5 Lakhs for travel and stay of international guest faculty from reputed foreign Universities/Institute for maximum 5 guests in a year per Government College/University for conducting training sessions, skill upgradation programs, etc for faculty on advanced courses related to Information Technology.

8.10 Assistance for Quality and Security Certification

In order to enhance the competitiveness of the IT units, 75% of the expenses incurred for obtaining quality and security certifications (CMM/ CMMi/ PCMM/ COPC and eSCM certification, ISO 9001 or an Equivalent / Higher Certification) limited to a maximum of Rs. 15 lakhs will be reimbursed. This incentive may be extended to other certifications based on the recommendations of the policy implementation authority.

8.11 SGST Reimbursement

IT units will be eligible for 100% reimbursement of net tax paid in cash towards state component of GST in their return (GST-3B or GSTR-4 as the case may be) for a period of 5 years in Bhubaneswar Development Authority (BDA) Area from the date of their first billing, subject to 100% of their Fixed Capital Investment(FCI) irrespective of whether the applicant IT Unit is assigned to the State Tax or Central Tax Jurisdiction .

In Non-BDA area, IT units will be eligible for 100 % reimbursement of payment of net tax paid in cash towards State Component of GST in their returns (GST-3B Or GSTR-4 as the case may be) for a period of 7 years from the date of their first billing, subject to 100% of their Fixed Capital Investment(FCI) irrespective of whether the applicant IT Unit is assigned to the State Tax or Central Tax Jurisdiction.

Existing units taking up expansion/ modernization/ diversification shall be eligible for reimbursement of 100% net tax paid in cash towards State Component of GST in their returns (GST-3B Or GSTR-4 as the case may be) subject to condition of achieving minimum 50% additional employment in core operations/area irrespective of whether the applicant IT Unit is assigned to the State Tax or Central Tax Jurisdiction.

8.12 Marketing Incentive

Reimbursement would be provided as per norms indicated below for participating in designated state/national/ international exhibitions and approved trade delegations.

These incentives are available to recognized Industry Associations too. Companies can avail this incentive maximum 2 times during the Policy.

- For National level events - 50% reimbursement of expenses capped at Rs 3 lakhs
- For events outside India - 50% reimbursement of expenses capped at Rs 6 lakhs
- For Associations/Industry bodies – Capped at Rs. 10 Lakhs with minimum 5 IT Units participation limited to international events. This can be availed 3 times by an Industry Association during the policy period.

8.13 Patent Registration Incentives

For a successful patent filing, 75% reimbursement of the cost incurred capped at Rs. 2 Lakhs per domestic patent and limited to Rs. 10 Lakhs per unit during the Policy period. Similarly, for international patent, the amounts are Rs. 5 Lakhs and Rs. 25 Lakhs respectively.

8.14 Reimbursement of PF/ESI contribution

Eligible IT units shall be entitled for 100% reimbursement of the expenditure incurred towards contribution for Employees State Insurance (ESI) and Employees Provident Fund (EPF) of employees of IT units who are domicile of Odisha up to Rs. 5 crore per annum for a period of 03(three) years .

For investment in Non-BDA area, reimbursement would be up to Rs. 7 Crore per annum per unit for 3 years.

8.15 Research & Development Incentive

IT companies engaged in product development need to invest a higher proportion of their resources in R&D with a comparatively lesser number of employees vis-à-vis IT services companies. Companies in the domain of product development/ Research domain hire high-end technology professionals. In order to encourage IT product development companies & build the State as a development and R&D Hub for IT products, Government shall provide reimbursement of 50% of R&D expenses (including manpower cost), limited to Rs. 1 crore per annum on successful development of a software product/successful completion of any R&D activity.

Above R&D incentive will be contingent on certification by a Committee to be set up for this purpose by the Electronics and IT department comprising of Industry experts, academicians, Scientists etc.

Applicable only for R&D projects driven by domestic IT entities (Not applicable to Indian subsidiaries of Foreign entities) in the field of emerging technologies, new area of interest.

8.16 Promotion of VFX and Animation

Capital Subsidy: AVGC unit with min. investment of Rs. 3 Cr. and min. employment of 30 people, shall get a capital subsidy of 25% of FCI, subject to an upper cap of Rs. 20 lakhs. For Women/SC/ST/disabled entrepreneurs additional subsidy of Rs. 10 lakhs will be provided.

Animation Film/Series/Games: Reimbursement of 20% (40% for Women/SC/ST/disabled entrepreneurs) of project/production cost for animation films/cartoon series/games produced in Odisha subject to 80% of animation film/series/game production happening in Odisha using local people. This incentive is limited to Rs. 10 lakhs per film per year. Women/SC/ST and disabled entrepreneurs will get additional subsidy of Rs. 5 lakhs per film per year.

Lease Rental: Reimbursement of 25% of lease rental charges, limited to Rs. 3 lakhs per year for 3 years. For Women/SC/ST/disabled entrepreneurs, reimbursement will be @ 50% of lease rental charges, limited to Rs. 5 lakhs per year for 3 years.

100% reimbursement of stamp duty, registration fees and transfer duty for first transaction and 50% of second transaction is also allowed.

Recruitment Assistance: Assistance of Rs. 15 lakhs for employing minimum 80 people within 2 years of operation with a condition that 50% recruitment is of Odisha domicile people.

Marketing Assistance: 50% reimbursement (100% for Women/SC/ST/disabled entrepreneurs) of cost incurred for participating in national exhibition/trade event or promotion events capped at 1.5 lakh per year. Such incentive can be claimed maximum 3 times during the policy period per company for participating in events.

Quality Certification: Reimbursement of 20% expenses (40% for Women/ST/SC/disabled entrepreneurs) incurred towards compulsory marketing/quality certificates. This incentive is limited to maximum Rs. 4 lakhs per unit

Bandwidth Connectivity Charges : Reimbursement of Internet bandwidth charges up to 1.5 lakhs per year for a period of 3 years

8.17 Reimbursement for Internet Connectivity

Reimbursement @50% of Internet bandwidth charges per annum subject to a maximum of Rs 5 lakhs per annum for a period of 2 years from the date of first billing.

8.18 Public Procurement & Procurement of IT Software & Services by Government

Odisha Government has made a mandate of spending 1% of Budget by every department towards IT implementation. E & IT Department will plan and assist other departments in finding technology-driven solutions related to individual department's activities. It will work with other Government departments to identify and recommend the most appropriate technology, solution for them for improving the efficiency of the department, increase the output or can contribute in better delivery of citizen services. (For this purpose, the Government intends to liaise with large IT companies, SMEs, Start-ups and entrepreneurs to leverage their potential- not required).

To promote the local small IT companies & ecosystem, award of Project cost up to Rs. 1 crore shall be awarded to only SME/MSME units operating from the State provided a high level committee certifies that such solution providers are present in Odisha.

Govt. while awarding projects of more than Rs. 5 crores would stipulate mandatory local participation & collaborative arrangement (minimum 25% for deployment and maintenance components) for implementation with local enterprises with experience and know-how.

8.19 Support for Biju Innovation Lab (BIL) at Schools

With a vision to foster the spirit of curiosity and innovation in school children in the state, Government shall support for creating Biju Innovation Lab (BIL) at selected schools, which would spur curiosity and interest in Artificial Intelligence(AI), Machine Learning(ML), Virtual Reality(VR), Internet of Things(IOT) , Block Chain and other emerging technologies. Government shall provide support for creating Biju Innovation Lab (BIL) at selected schools , preferably one in each district. Assistance of Rs. 20 lakhs for setting up of and maintenance of Biju Innovation Lab for 5 years will be

provided. During implementation of this project i.e. creation of Biju Innovation Lab, School & Mass Education Department will be consulted.

8.20 Specific Incentives for Large & Mega IT Investment

In order to attract large and mega IT Investment and/or create large employment opportunities or investment by large IT company or reputed large IT MNC, a special package of up front negotiated package of incentives and concessions will be extended on a case to case basis. These benefits will be extended to both new as well as existing large units that will scale-up in the State.

8.21 Incentives for Center of Excellence(CoE) in educational institutes in Odisha

- **To promote CoEs in engineering colleges, educational institutes in Odisha:-** The CoE shall focus areas on areas like Artificial Intelligence(AI), Cyber Security, Extended Reality(XR),AR,VR, Automation, Blockchain, Big Data, Cloud Computing, Internet of Things (IoT), Machine Learning(ML), Clean-tech, Edu-tech, Agri-tech, Health-tech and other areas of social or national importance.
- **Stamp Duty/Registration/Conversion Charges:** 100% exemption of Stamp Duty/registration/conversion Charges for first transaction and 50% reimbursement of stamp duty on second transaction will be provided.
- **Power:** CoE shall be eligible for Industrial Tariff.
- **Investment subsidy:** Reimbursement of 50% of FCI . Also State Government can invest upto 50% of the capital investment in CoE project depending on specific of the project.
- **Internet subsidy:** Reimbursement of internet charges subject to a maximum limit of Rs. 10 lakhs per year for 5 years.
- **Quality Certification:** Reimbursement of 20% expenses incurred towards compulsory marketing certificates, max. Rs. 4 lakhs per unit
- **Marketing Assistance:** 50% reimbursement of cost incurred for participating in national exhibition/trade event or promotion events capped at Rs. 1.5 lakh per year . This can be availed maximum 5 times in the policy period per company
- **Patent Registration Incentives:** Reimbursement of 100% of cost patent filling, subject to max up to Rs. 10 lakhs per patent. The incentives can be availed after successful filling of patent.

- **Bandwidth Connectivity Charges** : Reimbursement of 50% of Internet bandwidth charges per annum, subject to a maximum limit of Rs 2 lakhs per year for a period of 2 years.
- If a new product is successfully developed and accepted, then the state government can procure the same based on the recommendation of High-Level Committee, without going through tender process. This assistance is available to solutions/products developed in Government partnered CoEs.

8.22 Emerging Technologies Incentive

Companies/Units investing in the area of Artificial Intelligence(AI), Cyber Security, Extended Reality(XR),AR,VR, Automation, Blockchain, Big Data, Cloud Computing, Internet of Things (IoT), Machine Learning(ML), Clean-tech, Edu-tech, Agri-tech, Health-tech and other emerging technologies shall be eligible for this incentive.

- **Land Subsidy**: Land will be allotted at subsidized rate as per IPR policy.
- **Stamp Duty/Registration/Conversion Charges**: 100% exemption of Stamp Duty/registration/conversion Charges for first transaction and 50% reimbursement of stamp duty on second transaction will be provided.
- **Power**: Units shall be eligible for Industrial Tariff
- **Investment subsidy**: Reimbursement of 25% of FCI, limited to Rs. 10 Cr.
- **Internet subsidy**: Reimbursement of internet charges subject to a maximum limit of Rs. 20 lakhs per year for 5 years
- **Lease Rental**: Reimbursement of 25% of lease rental charges, limited to Rs. 3 lakhs per year for 3 years. For Women/SC/ST/disabled entrepreneurs, reimbursement will be of 50% of lease rental charges, limited to Rs. 5 lakhs per year for 3 years
- **Quality Certification**: Reimbursement of 20% expenses (40% for Women/ST/SC/disabled entrepreneurs) incurred towards compulsory marketing/quality certificates, with a maximum limit of Rs. 4 lakhs per unit
- **Marketing Assistance**: 50% reimbursement (100% for Women/SC/ST/disabled entrepreneurs) of cost incurred for participating in national exhibition/trade event or promotion events capped at Rs. 1.5 lakh per year . This will be available maximum 5 times in the policy period per company .

8.23.1 IT declared as Public Utility Services

- State Government has declared IT / ESDM units as Public Utility Services under the provisions of the Industrial Disputes Act, 1947 to exempt them from the disruption caused by general strikes and bandhs.
- The IT Industries are serving global customers on 24 X 7 X 365 basis. Government shall facilitate granting of permission to work on a 24 X 7 model given the nature of work of in IT industry including women employees. These units may be either exempted from the certain provisions of the Shops and Establishment Act or given special consideration under Section 5(1), 7(1), 7(2) & 10(b).

8.23.2 Self-certification allowed under various Acts

IT units shall be waived off the routine inspection by Labour Department and shall be allowed for electronic filing of all legal returns/ forms etc. Government shall allow self-certification of the records/ registers maintained by IT companies as far as possible under the following laws in consonance with the objectives of these Acts, barring inspections arising out of specific complaints:

- The Factories Act 1948
- Shops & Commercial Establishments Act
- The Payment of Wages Act, 1936
- The Minimum Wages Act 1948
- The Employment Exchanges (Compulsory Notification of Vacancies) Act 1959
- The Contract Labour [Regulation & Abolition] Act, 1970
- The Maternity Benefit Act, 1961
- Payment of Bonus Act, 1965
- Inter State Migrant Workmen [Regulation of Employment and Conditions of Service] Act, 1979
- The Child Labour (Prohibition & Regulation) Act, 1986
- The Sexual Harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013.
- Bonded Labour System (Abolition) Act, 1976
- Workmen's compensation Act

- Payment of Gratuity Act

8.23.3 Exemption from State Pollution Control Act

IT units that are currently exempted from the purview of Acts/ Rules/ Orders/ Notification as administered by Odisha State Pollution Control Board (OSPCB) will continue to do so. New units would also enjoy the such exemption.

9. Policy Implementation Framework

- An Apex Committee chaired by Secretary, E&IT Department will be formed to monitor the policy implementation and for approval of incentives. This committee would meet every quarter to take note of the implementation of the policy with respect to its goals and objectives. This committee would also have members from other stakeholder Departments, organizations in the IT Policy implementation.
- The E&IT Department shall be responsible for the successful implementation of the IT Policy, drive the coordination among various stakeholders and bring about corrective measures, if any.
- The Odisha Computer Applications Centre (OCAC) under E&IT Department would be the Nodal Agency for implementation of the IT Policy. The Odisha Computer Applications Centre (OCAC) will be responsible for monitoring the progress of various activities under this Policy.
- A Project Implementation Unit (PIU) will be set up in OCAC with induction of specialists with required skill sets for implementing the IT Policy, including administering/facilitating extension of various incentives/concessions available under the policy for eligible units and would provide all information to the High Level committee to take appropriate decisions.
- The PIU would be responsible for executing the Odisha IT Policy 2021 , for implementation & facilitation of various activities i.e. Application processing, Field verification & Inspection, Recommendation, issue of Operational Guidelines etc.
- The formation of the Project Implementation Unit (PIU) and notification of Operational Guidelines for implementation by PIU shall be done within 3 months of the notification of the IT policy.

- A task force shall be set up by E&IT Department for consultation and recommendations for quick disposal all IT Policy related points.
- The State Government may amend any provision of this policy at any time.

10. Miscellaneous

- Government of Odisha have come up with exclusive BPO Policy for BPO Units & Electronics Policy for ESDM Units. The respective IT Units cannot claim/avail similar benefits/incentives under such policies of the state Government.
- Units seeking to avail incentives/support under Odisha IT Policy- 2022, shall be under obligation not to claim the similar Incentives/support under any other Policy/Scheme of any other Department of the State Government .
- Execution of various provisions covering the incentives, concessions etc. will be subject to the issue of detailed operational guidelines/statutory notifications, wherever necessary in respect by the Electronics & Information Technology Department and concerned Administrative Departments.
- Units for which, any package of incentives has already been sanctioned under earlier policies, shall not be eligible to avail benefits under this policy.
- Companies/units which get benefit from the Odisha IT Policy will not get benefit from IPR in force for the same set of incentives and vice-versa.
- Units (except Startups) which will commence commercial production/ operations post the date of notification of this policy will be eligible for availing of incentives under this Policy.

11. Abbreviations

1. CFC - Common Facility Center
2. CoE - Center of Excellence
3. Cr - Crore equals to 10 million
4. EC - Empowered Committee
5. EMC - Electronics Manufacturing Cluster
6. ESDM - Electronics System Design and Manufacturing

7. FAR - Floor Area Ratio
8. FCI - Fixed Capital Investment
9. GDP - Gross Domestic Product
10. Gol - Government of India
11. IIIT - International Institute of Information Technology, Bhubaneswar
12. IIM - The Indian Institutes of Management
13. IIT - The Indian Institute of Technology
14. INR - The Indian Rupee
15. MeitY - Ministry of Electronics and Information Technology, Government of India
16. MSME - Micro, Small, and Medium Enterprises
17. NPE - National Policy on Electronics
18. PIA - Project Implementing Agency
19. PIU - Policy Implementation Unit
20. VFX - Visual Effects
21. SPV - Special Purpose Vehicle
22. CAGR – Compound Annual Growth Rate
23. GSDP – Gross State Domestic Product
24. R&D – Research & Development
25. MW – Mega Watt
26. IPR – Industrial Policy Resolution
27. SDTE – Skill Development & Technical Education
28. OSDA – Odisha Skill Development Authority
29. SGST – State Goods & Service Tax
30. GST – Goods & Service Tax
31. GSTR – GST Return
32. ISO – International Organization for Standardization
33. BIS – Bureau of Indian Standard
34. BDA – Bhubaneswar Development Authority

35. OGFR – Odisha General Finance Rule
36. IDCO – Odisha Industrial Infrastructure Development Corporation
37. BPO - Business Process Outsourcing
38. OCAC – Odisha Computer Application Centre