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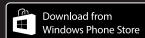
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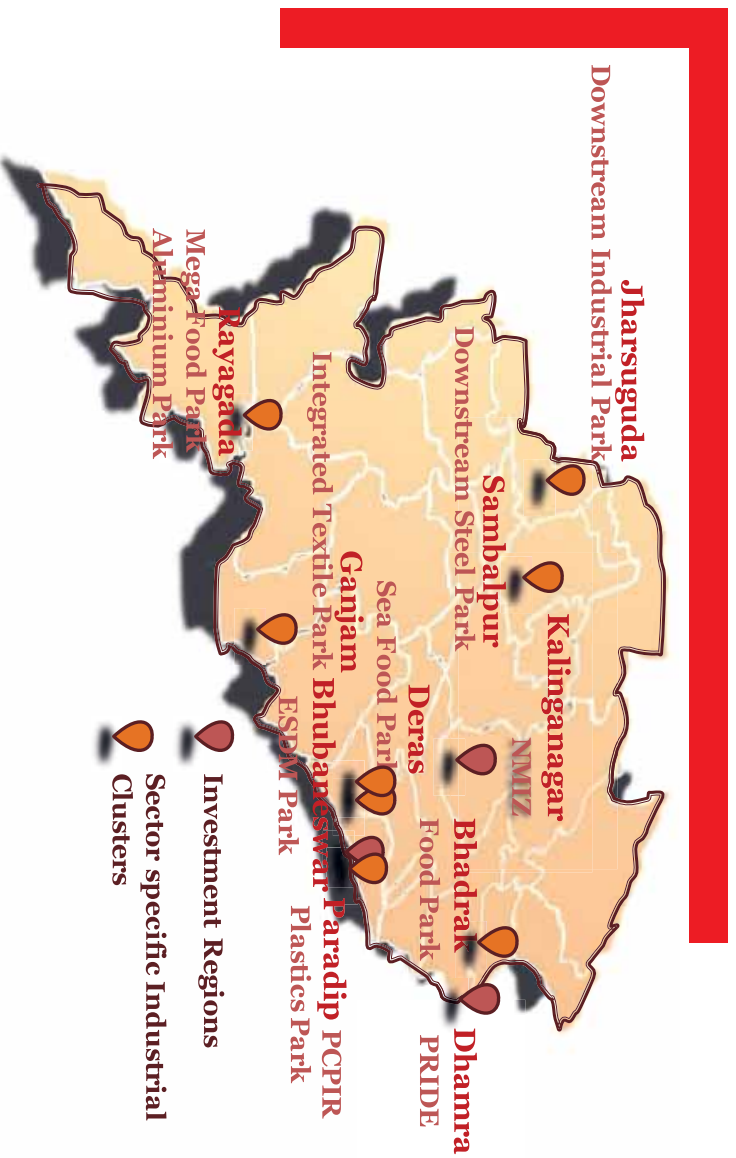


INVEST ODISHA

Policy and Incentive Framework

 **ODISHA**
NEW OPPORTUNITIES





Unit Conversions:
1 USD = Approx. INR 60, 1 crore = 10 million, 1 crore = 100 lakh

ADVANTAGE ODISHA

- Consecutive 4 terms of stable Government and Leadership
- One of the Fastest Growing Economies in India
- Heartland of India's Mineral Deposits
 - Mineral production of USD 3.64 billion - more than the aggregate value of 21 other Indian States
 - 93% of Chromite, 52% of Bauxite, 33% of Iron Ore, 24% of Coal deposits in India
- Pioneer in Single Window Clearance System
 - Orissa Industries (Facilitation) Act 2004 - one of the first legislations for single window clearance system in India
- Competitive Power Tariffs
- Availability of industry-ready 1,26,000 skilled technical manpower per annum from 773 technical training institutions
- Ready land bank of 1,00,000 acres for industrial use and growing
- Robust Industrial Infrastructure Ecosystem
 - 3 Investment Regions
 - 10 Sector Specific Cluster Parks
 - 118 Industrial Estates with Plug-and-Play Infrastructure



EASE OF DOING BUSINESS IN ODISHA

Industrial Policy Resolution 2015 has been formulated to create a conducive environment through an enabling policy and regulatory framework to drive sustainable industrial growth in the State.

The emphasis of the Policy is to make Odisha "a destination of choice" for industrial enterprises.

- The Policy strives to:
- Transform Odisha into a vibrant industrialized State.
 - Promote sustainable and inclusive economic growth by attracting investments in a systematic manner.

KEY REFORMS AND INITIATIVES

Recognised as an 'Aspiring Leader' in business reforms by the World Bank and DIPP, Government of India

- Single Window Clearance and Online Combined Application Form (CAF) to facilitate time bound clearances
- eBiz Portal for Online Application for 15 services
- Final approval of projects in 15 days for Green category industries and 30 days for other industries
- Investment Facilitation Cell with deputation of senior officers from different Departments to IPICOL for handholding and facilitation of clearances
- Fixed timelines for all industrial clearances under Right to Public Services Act
- Risk based Online Central Inspection Framework
- Availability of GIS based comprehensive industrial Data Bank
- Self-Certification for Labor related compliances
- Green category industries exempted from consent by Pollution Control Board

PRIORITY SECTORS OF THE STATE

- Agro and Food Processing
- Ancillary and Downstream
- Automobiles and Auto-components
- Manufacturing in Aviation and Maintenance Repair & Overhaul (MRO) facilities
- Bio-technology
- Gem stone cutting and polishing
- Handicrafts, Handloom, Coir and Leather products
- Information Technology, IT enabled services and ESDM units
- Petroleum, Chemicals & Petro-chemicals
- Pharmaceuticals
- Plastics and Polymers
- Sea food Processing
- Shipbuilding
- Textile including Technical Textile & Apparel
- Tourism and Hospitality



INDUSTRIAL POLICY 2015

Land & Infrastructure Development Support

Industrial Infrastructure Development Fund	An exclusive Industrial Infrastructure Development Fund (IIDF) with an initial corpus of INR 100 crore for development of quality infrastructure
Capital grant to support Quality Infrastructure	<ul style="list-style-type: none">• 50% of the Infrastructure cost with a ceiling of INR 10 crore per green field industrial park/cluster• 50% of total cost with a ceiling of INR 5 crore for up gradation of brown field clusters
Power	<ul style="list-style-type: none">• Committed 24*7 power• Dedicated industrial feeders• Exclusive sub-station for industrial park with energy requirement in excess of 20 MVA
Land	10% of the land for large projects subject to an upper limit of 300 Acres earmarked for setting up ancillary and downstream industrial park
Special Economic Zones (SEZs)	Separate policy for SEZs to provide fiscal and non-fiscal incentives
Anchor Tenant	<ul style="list-style-type: none">• 25% subsidy on cost of land• VAT Reimbursement for additional 2 years subject to the overall limit
Environmental Protection Infrastructure Subsidy	INR 20 lakhs or 20% of capital cost of setting ETP for MSME Units

EMPLOYMENT & INVESTMENT BASED INCENTIVES

To encourage employment intensive industries in the priority sector, government shall offer special package of incentives to the industrial projects

Power cost reimbursement	Reimbursement of INR. 0.25 – 1.25 per KWH unit for a period of 5 years based on employment and investment
Training	Reimbursement of training cost upto INR 1,750-INR 4,000 per person for every person trained and newly recruited for a period of three years based employment and investment
Land for Workers Hostels	Land rate at 50% of the prevailing market rates of IDCO
Capital Subsidy for Plant and Machinery	Capital subsidy of 10% upto INR 50 crore based on employment and investment in Auto and Auto Components, Agro and Food Processing, Textile including Technical Textile & Apparel, Pharmaceuticals and Plastics sectors



FISCAL INCENTIVES

Interest Subsidy	5% per annum for 5 years on term loan availed from Public Financial Institutions / Banks
Max Limit for Interest Subsidy for Priority Sector facilities	INR 1 crore (Non-MSME Industries)
Stamp Duty Exemption	100%
Energy (Exemption in contract demand)	5 MVA for 5 years
Reimbursement of Value Added Tax (VAT)	100% for 7 years
Reimbursement of Entry Tax	100% for Plant and Machinery 100% of raw materials for 5 years
Reimbursement of Employment Cost Subsidy (ESI/ ESF)	75% for Micro & Small for 5 years and 50% for Medium enterprises for 3 years 100% for 5 years in Micro & Small and 3 years for medium enterprises 100% for 3 years 100% for 5 years
	Male Female Domicile of state Disabled

OTHER INCENTIVES

Patent Registration	100% of the registration cost up to maximum of INR 10 lakhs
Quality Certification	Renewal for consecutive two years i.e. for a period of 3 years @ 100% to a total maximum limit of INR 3 lakhs
Assistance for technical know-how	100% of cost of purchase of technical know-how up to INR 1 lakh in case of indigenous technology and up to INR 5 lakh in case of imported technology.
Entrepreneurship Development Subsidy	Reimbursement of 75% of course fee limited to INR 50,000 per course

Special Benefits

Additional benefits for Pioneer Units, Anchor units and Industries being set up at Kalahandi, Nuapada, Bolangir, Subarnpur, Koraput, Malkangiri, Rayagada, Nawrangpur, Kandhamal, Gajapati and Mayurbhanj districts are available. For more information, please refer www.investodisha.org



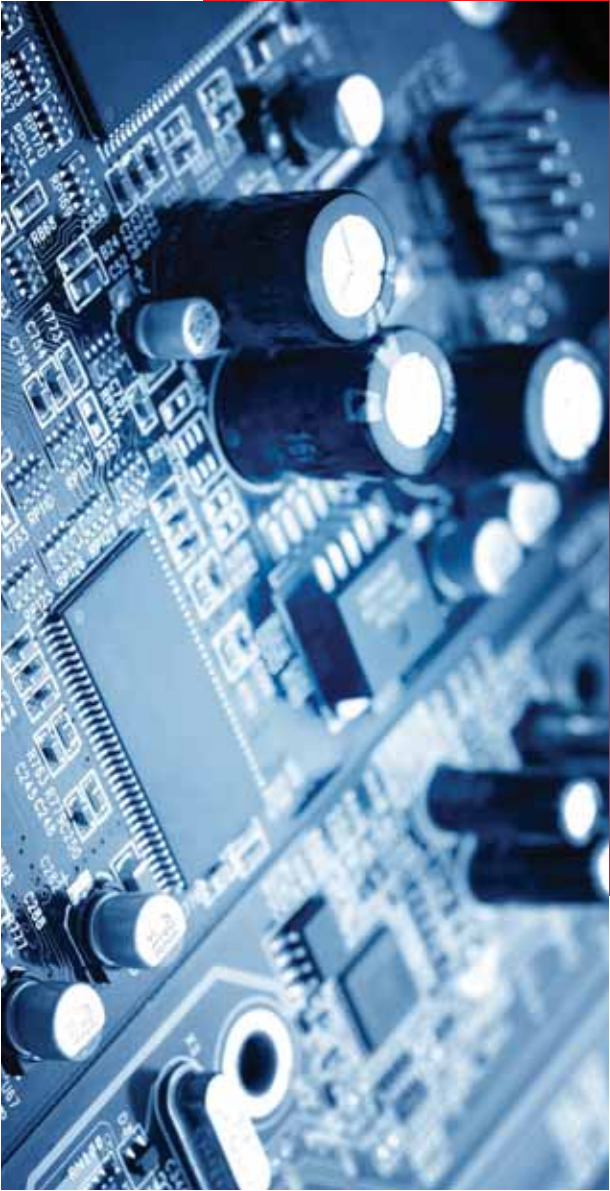
INFORMATION & COMMUNICATION TECHNOLOGY POLICY, 2014

Context & Objective

The Information and Communication Technology Policy, 2014 envisions development of IT/ITES/Electronics Manufacturing in Odisha and leverage IT & ITES in governance to transform the State into a knowledge economy.

Incentives

Incubation	60% to 80% subsidy on lease rentals for a center with minimum 40 employees for a maximum of 2 years, based on the area
Lease Rentals	30% to 50% subsidy on lease rentals for a project with minimum 40 employees with minimum 2 years of operation, based on the area
Land Allotment in IT Parks	<ul style="list-style-type: none">• 0.5 acre/50 employees with minimum 2 years of operations• 1 acre/100 employees with minimum 2 years of operations• >1.0 acre/100 employees with minimum 3 years of operations
Interest Subsidy	5% per annum on term loan for a period of 5 years for Micro & Small Enterprises with a ceiling of INR 10 lakhs and INR 20 lakhs respectively
Capital Investment Subsidy	20% on Fixed Capital Investment with a maximum limit of INR 5 crore
Power and Water	<ul style="list-style-type: none">• Exemption from Electricity duty and inspection fee• Uninterrupted power
VAT Reimbursement	75% reimbursement of VAT for a period of 5 years limited to 100% of Fixed Capital Investment
Large and Mega Projects	Special package on a one-on-one basis
Tier-2 Cities	Projects in Tier-2 cities are provided additional benefits



SPECIAL INCENTIVE PACKAGE SCHEME FOR ESDM SECTOR

Context & Objective

The Government of Odisha has come up with a Special Incentive Package Scheme to attract investors in Electronics System Design and Manufacturing (ESDM) Sector. The Special Incentive Package Scheme would provide incentives and concessions over and above the ones specified in the ICT Policy, 2014 to promote Odisha as an attractive investment destination for ESDM companies.

Incentives for large and mega ESDM projects*

Capital Investment Subsidy	25% on Fixed Capital Investment for plant and machinery subject to maximum of INR 50 crore
Entry Tax	Exemption on machinery and equipment for a period of 3 years from registration
Human Capital Investment Subsidy	<ul style="list-style-type: none">• Upto INR 800 per person per month to be reimbursed• Reimbursement of expenditure towards ESI and EPF subject to maximum of INR 2 crore
Sales Tax and VAT reimbursement	100% reimbursement for a period of 5 years limited to 100% of the fixed capital investment
Power and Water	Exemption from electricity duty and water duty
Interest Subsidy	At 5% per annum for a period of 5 years with a maximum moratorium of 18 months

*Large and Mega ESDM Project is required to have investment intent with minimum investment of INR 200 crore and generate an employment of minimum 500 persons at the time of starting the production and create and employment opportunity for more than 2,000 persons in 5 years.



ODISHA FOOD PROCESSING POLICY, 2013

Context & Objective

The Odisha Food Processing Policy, 2013 aims to increase the flow of investments in the sector across the supply chain from farm to market. The Policy provides financial incentives, infrastructure development, skill development, cluster approach for development of the sector. The Policy also aims at creation of infrastructure, such as warehouses, cold storage, etc. along with an enabling ecosystem.

Incentives

Land	<ul style="list-style-type: none">25% subsidy, if the enterprise is set in the industrially backward districts in the StateExemption of earnest money and 25% of security deposit for registered local MSEsAdditional price preference of 3% to local M & SEs having ISO or ISI certification25% subsidy on the capital cost (excluding land) subject to a maximum of INR 2 crore33%, subject to a maximum of INR 3 crore, in case of women entrepreneurs, SC/ST entrepreneurs or if enterprises set in KBK region5% per annum back ended interest subsidy on working capital loan for first 5 years, subject to a limit of INR 5 lakh per yearNew enterprises to be exempted from Electricity Duty for a period of 10 yearsEnterprises expanding or diversifying their products can also avail this exemption	
Exemption for Electricity Duty	<ul style="list-style-type: none">On plant and machinery and balancing equipment procured by MSMEs.On raw material, incidental goods & packaging material procured by MSMEs for a period of 5 years from the date of starting commercial production	
Exemption from Entry Tax	<ul style="list-style-type: none">Reimbursement of INR 5 lakh for the preparation of DPR for setting up of Food Parks50% subsidy subject to maximum INR 20 lakh, on project report, if the project is prepared for carbon creditsOne time Capital Grant for infrastructure - 20% project cost, subject to a limit of INR 15 crore100% VAT reimbursement for 10 years, limited to 200% of fixed capital investment	
Incentives for Mega Food Park and Sea Food Park	SPV	
	Units	



MSME DEVELOPMENT POLICY, 2009

Context & Objective

The emphasis of this MSME Development Policy, 2009 is to make Odisha “a destination of choice” for MSME enterprises. The objective of the Policy is to enhance competitiveness of MSME sector in the State and provide a conducive eco-system to encourage MSMEs and attract new investments into the sector.

Incentives

Infrastructure	<ul style="list-style-type: none">• Orissa MSME Venture Capital Scheme to provide financial assistance in the form of equity and quasi-equity• Reservation of 20% area in industrial estate, industrial parks, industrial corridors and land banks for MSMEs and Development of 10% of the land limiting to 200Acre by Large and Mega Industries• Land on free of cost as the State Government's share to CFCs set up by SPVs of MSME clusters
Raw material and Marketing	<ul style="list-style-type: none">• Linkages amongst MSMEs and Central / State PSUs for sourcing crucial raw materials at the lowest rate• Exemption of earnest money and 25% of security deposit for registered local MSEs• Additional price preference of 3% to local M & SEs having ISO or ISI certification
Capital Incentive Subsidy	<ul style="list-style-type: none">• 10% of FCI upto INR 8 lakh to new MSEs• 12% of FCI up to INR 10 lakh to SC, ST, PH, Women, Technical entrepreneurs
Technology upgradation	<ul style="list-style-type: none">• 50% cost reimbursement, up to INR 1 lakh in case of indigenous technology and up to INR 5 lakh in case of imported technology
Clean Development Mechanism	<ul style="list-style-type: none">• 50% subsidy or INR 25,000, whichever is less on consultancy services for adoption of CDM



ODISHA TOURISM POLICY, 2013

Context & Objective

The Odisha Tourism Policy, 2013 was formulated to promote Sustainable Tourism with a view to create employment opportunities. The Policy promotes Odisha as “one-stop destination” to experience cultural heritage and eco-tourism. It envisages integrated development of identified tourist centers with public and private participation.

Incentives

Land	<ul style="list-style-type: none">Land Allotment at concessional ratesLand allotment for Hotel and Tourism management institutes in earmarked zones
Capital Investment Subsidy	20% to 35% upto a maximum of INR 40 lakh based on the location of the project setup
Interest Subsidy	3% to 5% upto a maximum of INR 1 crore for a maximum duration of 7 years, based on the area of project setup
Stamp Duty exemption	50% exemption on purchase of land for the project
Reimbursement of VAT	30% to a maximum of INR 10 lakh per annum for a period of 5 years from COD
Reimbursement of Entertainment Tax	100% for a period of 5 years for New Multiplex Cinema halls of at least 3 screens, Public Aquarium, Aqua park & Amusement Park
Transport industry	75% exemption from registration charges and 50% concession from payment of permit charges for AC coaches with minimum 25 seats

