

The Orissa



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INDUSTRIES DEPARTMENT

NOTIFICATION

The 7th March 1996

No. 4863-XIV-HI. -HI/96-1. — The Industrial Policy, 1996 of Government of Orissa issued on the 1st March 1996, vide Industries Department Circular Letter No. 4600—XIV.—HI.—1/96-1, dated the 1st March 1996, is hereby published in the Extraordinary Gazette of Orissa for general information.

By order of the Governor
S. Nautiyal
Commissioner-cum-Secretary to Government

INDUSTRIAL POLICY, 1996

PART - I

POLICY FRAMEWORK

1. **POTENTIAL AND PROMISE**

1.1 Orissa, the ancient land of temples in the eastern coast of India, is one of the most resource rich states in the country. With the onset of the process of economic reforms in India and fast emerging globalisation of the Indian economy, Orissa is on the threshold of rapid industrial growth. The State Government is determined to take full advantage of the sweeping changes in the national and international scenario and forge ahead with its programme of industrialisation.

1.2 The State is endowed with vast natural resources- mineral, marine, agricultural and forest wealth. It has abundant reserves of coal, iron ore, bauxite, chromite, limestone, dolomite and manganese. It also has tin, nickel, vanadium, gemstones and granite. Of late, vast potential of Diamond and Gold has been indicated. Water resources are plentiful. Potential of agriculture is unlimited. At Paradip is the country's deepest port. A wide network of new railway linkages connecting strategic resource bearing locations is fast emerging. With these advantages Orissa has become a major destination of steel plants, thermal power plants, Alumina/Aluminium projects and oil refineries. The projects/proposals in hand include 13 steel plants, half a dozen large power projects, 3 alumina/aluminium projects and two green field oil refineries - most of them by major national and international industrial enterprises. The State Government is fully committed to attract large investment in development of infrastructure, mining and industry including power generation to harness the vast promise and potential to improve the economy, to create employment and generate resources for all round development of the State and its people. While the past industrial policies starting from 1980 have created a favourable industrial climate in the State with many new industries coming up, the State has to take full advantage of the liberalised economic and industrial regime to attract substantial private investment for infrastructure and industrial development of the state. Accordingly the new industrial policy (IP-96) is formulated by the state Government to spell out the strategies and modalities to translate this commitment into concrete action.

2. **OBJECTIVE AND STRATEGY.**

- 2.1 The Objectives of the new Industrial Policy (IP-96) are the following :
- a) Harnessing Orissa's vast natural resources and potential for accelerated industrial growth consistent with the protection of the environment.
 - b) Advancement of agriculture by establishing appropriate linkages between agriculture, agro and food processing industries.
 - c) Attracting and facilitating large investments in infrastructure and industries both from inside the country and abroad.
 - d) Generation of employment in large scale industrial/commercial activities.
 - e) Emphasis on development of backward areas/regions of the State through industrial/mining ventures.
 - f) Strengthening the rural economy through development of agro-based industries, small industries, village and cottage industries, sericulture, handloom and handicraft.
 - g) Stimulating and strengthening local entrepreneurial base/talent.
 - h) Development of skill/expertise.
- 2.2 The strategies to be adopted for achieving the objectives of IP-96 are broadly the following:
- a) Strengthening physical and social infrastructure like power generation, railway and road network, ports and airports, higher technical/professional institutions, modern hospitals and schools through prioritisation of public investment and through private investment.
 - b) With the opening up of the telecommunication sector by the Government of India to private enterprise, telecommunication facilities are also expected to improve and grow rapidly. The State Government will provide all support for development of telecommunication facilities in the State.
 - c) Facilitating large investment in resource based industries like power, steel, alumina etc.

- d) Improving the investment climate through peaceful industrial relations and work culture, helpful escort services, fast and transparent decision making and quick clearance of projects.
- e) Providing greater support to export oriented industries, agro/food processing industries, small scale industries and micro-enterprises and to women/S.C/S.T/Physically handicapped entrepreneurs.
- f) Providing greater incentives/support to industries generating large employment specially employment of women and industries located in disadvantaged localities.
- g) Making special efforts for rehabilitation of viable sick industries.
- h) Simplification of rules and procedures and organisational reforms to facilitate unhindered growth of Industry and trade.
- i) Emphasis on quality and productivity and on skill development.

3. **INFRASTRUCTURE**

3.1 Infrastructure is the key to industrial growth. The Government will pay special attention to development of key infrastructure. The Government have carefully considered the World Bank's Country Economic memorandum- India 1995 (The enabling framework for private investment in infrastructure) and would take appropriate steps to provide a suitable framework for private sector participation in infrastructure development in the State. An infrastructure development Board (IDB) would be set up under the Chairmanship of the Chief Minister with the Chief Secretary as the Member-Convenor to (a) identify key infrastructural requirements, (b) prepare specific projects/proposals in a timebound manner (c) prioritise public investment in these projects/proposals (d) decide on the modalities of external funding including private funding/investment and (e) review execution of the projects. The State Government would encourage private investment/participation in infrastructure projects. Government would also be prepared to participate in joint ventures for infrastructure development. In selected cases Government may consider providing land at concessional rate or free of cost.

3.2 **POWER GENERATION.**

3.2.1 Orissa is the ideal location of Thermal Power Projects. Large coal reserves in Talcher-IB Valley Coalfields of Mahanadi Coalfields Ltd. and abundant water in Hirakud and Rengali reservoirs in close proximity of the coal mines make these locations perhaps the best sites for pit-head power plants in the country. Unlike most States in the country, Orissa is at present surplus in power and with careful planning already undertaken, it will remain so despite speedy growth of industrialisation during the coming decades. Already proposals from established Indian Industrial houses and multinationals for generating over 10,000 MW of Thermal Power are being processed and most of these projects would start implementation during 1996. Additional 1,000 MW of Hydel Power generation would take place during the coming five years. Proposals for barge-mounted power plants are being processed. Many of the large industries existing and new are setting up Captive Power Plants. To attract flow of investment to the power sector the new policy contemplates provision of land and water at industrial rates to power plants and electricity duty exemption for Captive Plants. Power Plants generating power from non-conventional sources are entitled to all incentives applicable to industries and total electricity duty exemption.

3.2.2 Orissa is the pioneer in restructuring and reforming the power sector. Appreciating the need to structurally re-organise power generation, transmission and distribution with a view to achieving improvement in the management and ensuring a fairdeal to the customers in regard to Tariff and quality of service, the Orissa Electricity Reforms Act, 1995 has been enacted. In the changed scenario the existing power generation, transmission and distribution functions under the OSEB are being split into separate units and corporatised. In the State sector the responsibility of power generation would rest with the Orissa Power Generation Corporation (For Thermal Power) and the Orissa Hydro Power Corporation (For Hydel Power). The transmission and distribution functions would be discharged by the Grid Corporation Of Orissa Ltd. (GRIDCO) with a clear mandate to separate the distribution function in due course. Under the said Act., an independent Regulatory Authority i.e. Orissa Electricity Regulatory Commission shall be constituted to take over the regulatory functions including aiding and advising the State Government on policy matters. The commission shall also act as the body which issues and enforces licenses, balances the interest of the State, the consumers, the entities involved in power generation, transmission, distribution and supply of electricity and the investors in the electricity industry.

The Commission shall also determine the Tariff for various categories of consumers, taking into consideration their view points as may be expressed during the deliberations in the Commission Advisory Committee Meeting.

Power sector is in urgent need of modernisation and upgradation. This needs huge capital investment. Private effort/participation in generation, transmission and distribution would be welcome and transparency in selecting private parties through open competitive bidding would be ensured. The attempts made by Orissa so far to reform and restructure the power sector have been commended by the World Bank, Asian Development Bank, Overseas Development Administration (U.K.) and international experts and the State has been held out as a model for other States to follow. The policy of negotiating fair and equitable power purchase agreement with the Independent Power Producers and Industries owning Captive Power Plants (Supplying surplus power to the State Grid) will continue. In special cases Government of Orissa may permit sale of power by an independent power producer to an industry on payment of wheeling charges and other terms and conditions in consultation with the GRIDCO, Co-generation of Power would be encouraged.

- 3.2.3 Special attention would be paid to promote power generation from non-conventional sources. Such activity will get all incentives and facilities as an industry and complete exemption of Electricity duty would be available to such projects. The State Hydro Corporation and Orissa Renewable Energy Development Agency would promote Mini Hydel projects and other renewable energy projects respectively in Public sector/ Joint venture and private sector.

3.3 **RAILWAYS.**

Several important new railway links have been sanctioned/are under implementation. The Koraput-Rayagada line has been completed providing access to the Bauxite belt of Southern Orissa. The Daitari - Banspani Railway link is under construction and when completed in 2/3 years, will open up the vast Iron-ore reserves of Gandhamardan- Malangtoli reserves to Paradip/ Gopalpur ports and the Steel Plants located at Nayagarh, Daitari and Gopalpur. The Rupsa-Bangiriposi gauge conversion will make Mayurbhanj district more accessible to railway traffic. The Talcher-Sambalpur line linking the rich coal belts of Thalcher and IB-valley will be completed soon and connect coastal Orissa with northern Orissa. The recently sanctioned Khurda-Bolangir railway link will also provide the much needed linkage between coastal and Western Orissa through the rich forest/agricultural hinterland of Nayagarh, Phulbani and Bolangir districts. The Kesinga-Lanjigarh link recently sanctioned will

provide vital access to the Bauxite Belt.. Efforts will be made to convert the narrow gauge line between Nawapara to Gunupur to broad gauge and then connecting it to Rayagada. Finally, the Koraput-Malkangiri link for which a proposal is pending with the Railway Ministry, seeks to access the rich Limestone/Granite deposits of the southern most part of Orissa. An ambitious mines cum infrastructure development project of Orissa Mining Corporation (OMC) with foreign participation contemplates a second dedicated railway link between the rich iron ore deposits of Gandhamardan/Malangatoli belt with Paradip Port via Daitari. Doubling of Talcher-Paradip stretch is under implementation. All out efforts will be made for a new direct railway line between Talcher and Gopalpur. Electrification of Kharagpur-Khurda stretch has commenced and would in due course extend to Visakhapatnam. An inland container depot is coming up at Balasore and another at Angul is under contemplation. The State Government is determined to pursue all these projects for their early completion to ensure that the railway infrastructure is in place to help industries, especially mining and mineral processing industries come up in the rich hinterland full of natural resources.

3.4 **ROADS.**

Improvement of key road links like Sambalpur-Rourkela and Cuttack-Bhubaneswar are under implementation. The State has an ambitious programme of connecting all Panchayats by all weather tarfeltd roads. A number of important road links like the Jaipur Road-Joda stretch are contemplated for improvement with external assistance. New roads under contemplation include a highway from Talcher to Gopalpur linking the coal belt with Gopalpur port. The State Government would make sustained effort to complete/implement these projects expeditiously. Private initiative for these new projects would be welcome. The same will apply to new bridges. The private parties would be entitled to collect Toll towards return of investment. The State Government would also consider allowing commercial use of specified road side lands in order to improve the economic viability of road and bridge projects. Improvement of road infrastructure including building new highways is the State Government's priority.

3.5 **PORTS.**

Paradip Port, the country's deepest port, is fast coming up as a premier port of the country. New facilities like modern coal handling and oil terminals are coming up. A modern fishing harbour has just been completed. A number of oil tank farms are on the anvil. With an oil refinery coming up, a petro

chemical complex would follow. Gopalpur minor port is being developed as an all weather modern port in joint venture. A study has been commissioned to identify new locations of major/minor ports on the State's coastline. Basing on this study, new ports will be offered to private parties for development and operation.

3.6 **AIR CONNECTION.**

Air link is vital to attract investors, spur industrial/commercial activities and also to promote tourism. Bhubaneswar airport is under expansion/modernisation to facilitate landing/take off of wide-bodied aircraft, specially for chartered flights. The State Government will continue to make efforts to have an international airport here. An Air cargo complex with full custom clearance facility would come up. Efforts are on to increase the frequency of flights to Calcutta, Madras, Bombay and Hyderabad. The State Government will endeavour to have direct links with Bangalore and other cities. Efforts would continue to have a second national airport in the State. Inside the State Air Taxi services connecting Jeypore, Jharsuguda and Rourkela will be organised. Nayagarh, Daitari and Gopalpur Steel industry complexes will have their own Air strips to be used by air taxi operators. Similar facility at Angul, Balasore/Mayurbhanj would also come up.

3.7 **INDUSTRIAL AREA/ESTATES.**

3.7.1 The Orissa Industrial Infrastructure Development Corporation (IDCO) has established a wide network of Industrial areas and estates for various industries in different parts of the State. Among them are Bhubaneswar, Rourkela (Kalunga), Balasore, Angul/Talcher, Khurda, Bolangir, Sambalpur etc. To meet the rapidly increasing demand for new industrial complexes/areas/estates are coming up in different parts of the State.

3.7.2 Under the Central Government's programmes of growth centres, three new centres are coming up at Chhatrapur, Duburi (Kalinga Nagar) (near the steel plant complexes of MESCO, Ganapati Exports, Neelachal Ispat Nigam etc.) and Jharsuguda. Under the mini growth centre scheme of Government of India, new centres are coming up. An Export Promotion Industrial Park (EPIP) is coming up at Bhubaneswar with assistance from the Ministry of Commerce, Government of India. At Bhubaneswar an Electronic Hardware Park and a Software Park (with dedicated earth station) have been established. A diamond park is planned at Bhubaneswar. These new industrial areas/estates will provide readymade facilities for locating new industries.

3.7.3 The State Government has decided to establish 'Functional industrial estates'. Functional industrial estates are coming up in different parts of the State : Ceramics at Jharsuguda, hosiery and knit-wear at Jagatpur (Cuttack), aluminium near Khurda, ship breaking at Gopalpur and Paradip ports, plastic and polymer at Bhubaneswar, auto ancillaries at Berhampur, agro-tech park near Bhubneswar, etc. More such functional industrial estates would be established for food processing, chemical, castings, leather, gems and jewellery.

3.7.4 The State Government welcomes participation of private sector in industrial areas/estates. Three such parks namely, the aluminium park near khurda, agro-tech park near Bhubaneswar and diamond park at Bhubaneswar are being established by private parties in India with participation of overseas parties. A similar proposal is being processed with the location at Paradip. More industrial estates/parks in private sector are welcome for which the State Government would provide land, water and power facilities and if necessary, equity participation. Private Export Processing Zones (EPZs) are also welcome.

3.7.5 Large Steel Plants, Alumina Plants and Oil Refineries are coming up at Duburi, Nayagarh, Gopalpur, Paradip, Haridaspur and Rayagada. The State Government are planning industrial estates for ancillary/auxiliary industries at these locations and would welcome participation of private parties in this effort.

3.8 **SOCIAL INFRASTRUCTURE.**

Social infrastructure in close proximity of industrial complexes has to be adequately developed. The State Government would welcome participation of private parties in putting up excellent residential/non-residential schools, hospitals etc. Large industries would also be persuaded to establish such facilities individually or to pool their resources to set these up collectively. State Government would consider providing land and other facilities at concessional rates for this purpose.

3.9 **ENVIRONMENTAL PROTECTION.**

In seeking the rapid industrialisation of the State, the State Government is also keenly aware of the need to protect the environment. All existing and new industrial units will be required to conform to the prescribed environment standards. The State environment protection machinery will be suitably strengthened so that it not only performs a regulatory role but also actively helps and assists industrial units in meeting environment standards.

4. **SKILL DEVELOPMENT**

Skill development is the key to quality and productivity and employment of local people in sophisticated industries. The State Government have planned a series of initiatives in this direction.

- 4.1 Government ITI's and polytechnics are being modernised with World Bank assistance to improve the quality of technical manpower. Efforts would be made to improve the quality of ITI's and polytechnics in private sector by co-ordinating their activities to improve their infrastructure and teaching standards.
- 4.2 The State Government would formulate a policy for Technical Education in private sector to facilitate the establishment of new technical institutions of good quality and standard in the private sector. New Engineering colleges and Medical Colleges will be permitted in the private sector in selected locations. The State Government will endeavour to persuade Government of India to locate an IIT and an IIM in Orissa. Management/Computer training institutions of high standard in the private sector would be encouraged.
- 4.3 A technical University will be established in the State at the earliest.
- 4.4 The regional centre for CIPET at Bhubaneswar, the Danish Tool Room at Bhubaneswar, the Master Craftsman Training Centre at Bhubaneswar and the Foreman Training Institute at Kansbahal are playing useful roles. Efforts will be made to set up more such specialised institutes with the help of industrial/commercial houses and other private parties. continuous efforts would be on to establish close interaction between Industry and Research Institutions.
- 4.5 Large Industries coming up in the State would be required to indicate the number and categories of skilled workmen they would be requiring and the phasing of the requirement. Technical Institutions in the state will be fully geared to produce and make available skilled personnel in the disciplines needed. Wherever necessary, new disciplines will be introduced in these institutions to meet the needs of Industries locally.
- 4.6 Special efforts would be made to set up high quality training facilities in computer software. Orissa Computer Application Centre and Orissa State Electronics Development Corporation will play the nodal role in this effort. Established Software Training Houses in the country will also be encouraged to set up training facilities in the State.

- 4.7 Steps will be taken to provide training facilities for local boys and girls by suitably strengthening the facilities at the Bhubaneswar Flying Club and also arranging for deputation of trainees to Indira Gandhi Udan Academy in order to enable them to obtain Students and Pilots' License and Commercial Pilots' License.

5. **THRUST AREAS**

5.1 **MINERAL BASED INDUSTRIES.**

Given the rich mineral reserves in the State, this sector has huge potential for attracting large investment to create employment and raise resources. The State Government would formulate a Mineral Policy in due course. However, the basic features of development of mineral based industries in the State would be on the following lines.

5.1.1 **AUGMENTING POTENTIAL.**

Concerted efforts will be made to expedite/ undertake survey/exploration/investigation of mineral resources. Reputed private parties including multi-nationals will be involved in exploration of Gold and Diamond bearing areas. Efforts would be made with the help of Central Government for exploration of Mineral Oils and Gas in mahanadi basin and off-shore. The State is pioneer in Aero-magnetic survey. Modern methods of exploration like remote sensing, aero-magnetic survey and other methods would be used to build up the resource inventory of various minerals in the State. Multi-nationals, Indian Companies and Central and State Agencies would be fully utilised for this purpose.

5.1.2 **VALUE ADDITION.**

Instead of exporting Raw Materials outside the State, efforts would be made for processing Ores (Washing, Crushing, Sizing and Benefication etc.) inside the State for value addition to provide greater employment and generate greater tax resources. Efforts would also be made to set up manufacturing industries based on minerals for further value addition and generation of Tax source inside the State. For this purpose processing/manufacturing industries would be given preference for supply of minerals and long term arrangement/joint ventures can be established between local processing/manufacturing industries and Orissa Mining Corporation. In recommending PL/ML for mines, the State Government's policy would be to give preference to local industries

as far as practicable. The Orissa Mining Corporation has large plans for joint venture mining/ processing projects relating to Iron-Ore, Chromite, Gold, Diamond and Tin etc.

5.1.3 A large number of Independent Power Producers both Indian and Foreigners have evinced interest to set up their power plants in the State. The Power Purchase Agreements with some of these IPP's are being finalised. The State Government would provide support to these units to obtain Captive mining lease from the Union Government and also assist them in securing long term Coal supply arrangement with the Mahanadi Coal Fields Ltd,. Government also intend to encourage Mega Power Projects to come up in Orissa with a view to supplying the power generated by them to other power deficit States in the country by making use of the power transmission system of the Power Grid Corporation of India Ltd,. New Power Plants would be prevailed upon to adopt modern technology for utilisation of Fly-Ash, curbing pollution and investing in local and peripheral development activities.

5.1.4 GRANITE.

The State has vast potential for Granite. Already a number of quarries have started working on scientific lines and a large number of cutting and polishing units are coming up. A comprehensive policy for development of Granite Industries will be formulated shortly to provide a fillip to this sector.

5.1.5 GEMSTONE.

Orissa is probably the richest State in the country for coloured Gemstones. There is vast potential for Gemstone mining and cutting and polishing units which will provide large employment and generate resources for the State. An integrated policy for collection/mining of Gemstones and establishment of lapidary units will be formulated separately for development of this sector. Already a sophisticated Gemstone laboratory has been set up at Bhubaneswar under the UNDP programme.

5.2 **AGRO AND FOOD PROCESSING INDUSTRIES.**

The State has vast potential for agro and food processing industries. This sector has therefore been identified as a prominent thrust area. A comprehensive agricultural policy is being announced separately. However, efforts would be made to develop agro and food processing industries on the following lines.

- 5.2.1 Appropriate linkages would be established in the form of post harvest storage facilities, cold storage, processing facilities etc. Processing facilities would be encouraged in private sector for fruits, vegetables, cashew, oil seed, cotton, sugarcane etc. Soyabean sunflower, oil palm, rubber, tea/coffee, spices would be promoted with appropriate linkages for processing. Quality seed production in private sector would be promoted in a big way.
- 5.2.2 Government would consider privatisation of Government agricultural farms to act as nuclei for production of high quality seeds for hi-tech. agriculture and dissemination of advanced technology to farmers.
- 5.2.3 Private efforts for development of agriculture, horticulture, plantation crops etc. will be generally through contract farming. However, provisions of the Land Reforms Act. would be suitably amended to exclude private commercial plantations from the provisions of Land Reforms.
- 5.2.4 Greenhouse horticulture/floriculture would be promoted in private sector. Hi-tech. agritech firms would be also supported in selected areas.
- 5.2.5 Sericulture will get high priority and private sector would be permitted to be involved in this activity.
- 5.2.6 Tissue-Culture and techniques of advanced bio-technology will be promoted in a big way.
- 5.2.7 Industries using agro-residue as raw material will also be actively supported.
- 5.2.8 Special efforts would be made to extensively develop cotton and sugarcane. Separate agencies will be created in the Agriculture Department for development of sugarcane and cotton with active participation of spinning mills and sugar mills in different parts of the State. The State Government is seeking 9 new Letters of Intent (LOI's) for sugar mills besides 5 LOI's under implementation. In the hinterland of these mills, sugarcane cultivation will be developed with close participation of private parties setting up these units.
- 5.2.9 A comprehensive programme for development of inland pisciculture through advanced techniques of high yielding fish production will be launched. Brackish water and fresh water prawn culture has vast potential in the State. While promoting this sector, care will be taken to regulate this activity to prevent encroachments/pollution/ disease spread. Modern hatcheries and feed plants would be promoted/ supported.

- 5.2.10 To give the required support to agro and food processing industries, a new corporate body will be set up to promote this sector through equity participation, loan and other financial support and escort services.
- 5.2.11 A comprehensive programme for development of Poultry sector will also be launched.
- 5.2.12 Efforts will be made for long term arrangements to meet the raw material requirements of existing forest-based industries. Measures to promote commercial plantations in areas like rubber, coffee and tea will also be adopted.

5.3 **ELECTRONICS AND SOFTWARE.**

This is a priority sector for the State Government as it provides great scope for employment. This Industrial Policy provides special incentives for this sector, Bhubaneswar, the State Capital is ideal for location of electronics and Software Industries as no polluting industries are permitted in and around the city.

- 5.3.1 An electronic Hardware Park has been established at Bhubaneswar. Similarly, a software Park has also been established at Bhubaneswar with a dedicated Earth Station. Steps would be taken to attract Industries from all over the country to these parks.
- 5.3.2 The State Electronic Development Corporation (ELCO) is the nodal agency for development of electronic Hardware Industries in the State. A software division under this corporation will be organised not only to attract and guide software industries but also to develop local software houses to get adequate assignments by obtaining bulk orders from bigger parties and parcelling it to small units. Orissa Computer Application Centre (OCAC) will be responsible for systems development in Govt. and Government agencies, promoting computerisation in the Government sector and training of man-power.

5.4 Petroleum Refinery and Petro-Chemicals :

Two large refineries are coming up in the State at Paradip and Haridaspur area in joint venture and private sector. A number of Oil tank farm projects are also coming up at Paradip. It would be the Government's endeavour to provide the requisite support to these projects and also to plan and develop downstream petro-chemical complexes, nearby.

5.5 **Pharmaceutical Industries :**

Government will make every endeavour to promote large basic drugs industries and formulation industries in the State by attracting established houses in the country and providing them requisite support and services.

5.6 **Automobile and Automobile Components :**

The State would make every endeavour to attract entrepreneurs specially established industrial houses to the State for setting up Automobile, Automobile components and Auto Ancillary industries at suitable locations.

5.7 **Garment and Hosiery Knit-wear :**

It is a priority area considering its employment potential and would receive priority attention of Government in earmarked complexes.

5.8 **Export Oriented Industry :**

Export-oriented units will get priority. An Export Promotion Industrial Park is being established at Bhubaneswar where special incentives are available from Government of India. A Diamond Park is also being set up at Bhubaneswar. Private Export Processing Zones will be welcome. Efforts would be made to have/up-grade branches of various Export promotion councils in the State. Expo Exhibition and Trade Fairs will be organised at regular intervals. A sophisticated Trade-cum-Exhibition Centre will be established at Bhubaneswar.

5.9 **Tourism :**

Orissa was the first State to declare Hotels as an Industry. In addition to Hotels, other tourism related activities and wayside amenities would be entitled to various incentives as industries under the Industrial Policy. A separate policy on tourism would be formulated and announced shortly.

5.10 **Ancillary and Auxilliary Industries :**

Priority attention would be given to development of small scale industries in the vicinity of large steel, alumina, power and refinery projects coming up in the State. For every such complex an Ancillary Promotion Board/Council with participation of Government and plant authorities will be set up and firm linkages between the mother industry and ancillaires established.

5.11 **Handicrafts, Handlooms, Khadi and Village Industries:**

Handlooms and Handicrafts of Orissa are known the world over. All efforts would be made to provide assistance for marketing., quality up-gradation, etc. Strong incentives and support would be provide to Khadi and Village Industries sector to provide large scale employment in rural areas.

6. ORGANISATIONAL AND PROCEDURAL REFORMS

A responsive, helpful and result oriented administration is the key to quick grounding of industrial projects. The administration in Orissa is known for transparency, quick decision making and fast and helpful response to the needs of entrepreneurs. This positive environment will be further strengthened through procedural and organisational reforms.

6.1 The State Level Nodal Committee (SLNC) under the Chairmanship of Chief Secretary will provide one-window clearance for major projects. SLNC with representatives of all concerned Departments/ Agencies will give time-bound decisions on requirements of land, power supply, water supply, mining leases and other infrastructural facilities for large industrial projects. Decisions of SLNC, after approval by the Chief Minister, will be final and binding on all departments and no inter-departmental references would be needed. Similarly, the State Level Empowered Committee (SLEC) under the Chairmanship of Secretary, Industries, with representatives of the concerned Departments, would sort out Inter-departmental problems in grounding of industrial projects. The State Level Inter Institutional Committee (SLIIC) will continue to play an effective role in rehabilitation of sick industries.

6.2 Thirty Districts in the State are now served by 17 DICs. Steps should be taken to establish new DIC's phase-wise so that each district will eventually have a DIC. DICs will serve as nodal agencies for promotion of small scale industries and for recommending various incentive and facilities under the Industrial Policy in respect of different categories of industries.

6.3 Collectors have been delegated with powers to allocate upto 5 acres of Government land for industries. Steps would be taken to ensure that sanction of power connection for new industries is given in 30 days. For this purpose adequate delegation will be made to the field officers. Similarly permission for watersupply from Government sources/natural sources would be given to new industries on the basis of need with 30 days. Power should be delegated to field officers accordingly. IPICOL/OSFC will take steps to sanction loan for new industries within 90 days of receipt of application in all eligible cases. IDCO will allot land/shed where available in the industrial areas/estates within 30 days of the application in all eligible cases. There will be effective coordination between IPICOL/OSFC/ DICs. Pollution Control Board would also provide NOC/CONSENT within 90 days of application. Permission for conversion of agricultural land for non-agricultural purpose would be given in 3 months.

- 6.4 A committee will be set up to work out the modalities to minimise Inspection/ visit to factory premises by functionaries of various tax/regulatory departments. Representatives of Industries Associations would be associated with this committee. After recommendation of the committee, Government would take suitable decisions to ensure minimal interference in industrial establishment by regulatory authorities.
- 6.5 A High Level Committee would be set up to consider abolition of Octroi and different types of check gates so as to ensure smooth and unhindered flow of traffic concerning industrial/trade activities.
- 6.6 While the State Government will make all efforts to streamline Tax administration in the State and allow the best possible Tax incentives to industry, the State Government will also expect full compliance to the tax laws of the State.
- 6.7 To provide a forum for looking into the general grievances of industries/ trade, a high level Standing Committee under the Chairmanship of Chief Secretary will be set up to meet once every three months. Representatives of Trade and Industries Association, Secretary Finance, Commissioner Commercial Tax, Commissioner Income Tax, Collector Customs, Secretary Industries and Secretary Science and Technology Department will be the members of the Standing Committee.

7. **INDUSTRIAL PEACE AND HARMONY.**

Orissa is a peaceful State. Industrial unrest is minimal. The State Government have issued strict instructions to law and order and labour authorities to ensure peaceful conditions in industries and to strive for a harmonious relationship between management and labour in industrial establishments. The labour machinery will continue to be active and vigilant for redressal of grievance for maintaining a cordial relationship in industrial establishments so that production is not hampered.

8. **NON-RESIDENT INDIANS.**

The State welcomes industrial/business ventures by NRIs. IPICOL and ELCO will continue to work as nodal agencies to provide facilities to NRI entrepreneurs. The State Level Nodal Committee is also geared to make available infrastructural and other facilities to NRI Industrialists quickly and effectively. The State Government will formulate a policy to provide land for housing for

the NRI- Industrialists in the State Capital and other important places through the concerned Urban Development Authorities and Housing Boards. Reservation of some seats for children of NRIs setting up industries in the State. In Engineering and Medical and other Professional Institutions may also be considered in conformity with the National and State policies. Government would allocate land to large Industries including NRI industrialists to set up their Corporate Headquarters at the State Capital and other locations on preferential basis.

9. **SICK INDUSTRIES.**

The State Government will make all efforts to revive sick but potentially viable industrial units. Unviable sick units, however, will not be supported. The State Level Inter Institutional Committee, the State Level Empowered Committee and State Level Nodal Committee will quickly process and finalise the cases of rehabilitation coming through BIFR or otherwise. Efforts would be made to obtain assistance from the National renewal Fund (NRF) for rehabilitation of surplus personnel of Industrial establishments.

10. **PUBLIC SECTOR UNDERTAKINGS.**

The State Government would follow a pragmatic policy regarding Public Sector Undertakings (PSUs). The State PSUs will undertake rationalisation of their existing manpower. They will also seek more commercial borrowing instead of depending on budgetary support from the State Government. A Cabinet Sub-committee has been formed to decide about the future of all PSUs. The General policy would be to continue with promotional PSUs and strengehen them to play their role effectively. Commercial Undertakings could be privatised. While profit making commercial PSUs would be suitable for partial disinvestment to generate resources for modernisation/expansion/ diversification, shares of loss making PSUs would be disinvested to the extent of 51% or more in order to infuse private management and capital for revival.

11. **QUALITY.**

Small Scale Industries would be encouraged to seek ISI certification. Large and medium Industries will similarly be encouraged to obtain ISO 9000 certification. Incentive/awards would be provided for this purpose. In public sector units ISO certification and Total Quality Management (TQM) would be sought. While SSI units may receive some marketing support from the State Government and its agencies, such industries would also look into their cost and quality aspects.

12. **CONSULTANCY.**

IDCO will be strengthened to undertake turn-key project consultancy. ORITCO would also be strengthened to provide consultancy to small and medium scale industries. Promotional institutions would be geared to have updated industrial Data Bank and undertake project identification on a continuous base so that a shelf of projects with latest information and data is available to entrepreneurs. A State Level Project Identification Committee will be constituted to constantly review and update this effort. In this process, private consultancy organisation in the State will also be involved.

13. **ENTREPRENEURSHIP DEVELOPMENT.**

The Industrial Policy of 1980 and after have helped in promoting small, medium and large industries in the State. Still, the entrepreneurship base in the State is small and needs to be expanded. For this purpose the State Government will support the strengthening of the Institute of Entrepreneurship Development and opening of its branches in different parts of the State. Steps will also be taken to improve the facilities at the district level for training of entrepreneurs including those selected under the Prime Minister's Rozgar Yojana (PMRY) which is priority area. Industries Associations and NGOs will also be involved in conducting Entrepreneurship Development Programmes.

14. **ADVISORY BOARD.**

An Industrial Advisory Board under the Chairmanship of the Chief Minister and Heads of important Industrial Houses in the country as members will be constituted to provide direction and guidance to the State's industrial development efforts.

15. **CO-ORDINATION AND MONITORING.**

A Cabinet Sub-Committee will be constituted to oversee implementation of this Industrial Policy. A Committee on fast track projects for large industries in power, mineral and other key sectors will be constituted under the Chairmanship of the Chief Secretary to review implementation of these projects once every month. These projects will also be reviewed at the Chief Minister's level with the assistance of Minister, Industries once every three months. Open house discussions will be held from time to time in different parts of the State to interact with entrepreneurs and their associations directly to appreciate their problems.

INCENTIVES

1. **INCENTIVES**

1. The incentives envisaged under the Industrial Policy, 1996 are detailed below :

2. **DEFINITIONS**

2.1 "Effective Date" means the date of issue of this policy on and from which, the provision thereof shall be operative. This policy was issued on 1st March 1996.

2.2 "Existing Industrial Unit" means an Industrial unit where fixed capital investment has commenced before the effective date.

2.3 "Industrial Unit" means any industrial undertaking located inside the state (including public sector undertakings of the State Government and their subsidiaries) detailed in the annexure of this policy and excludes the undertakings expected therein.

2.4 "Fixed Capital Investment" means investment in land, building, plant and machinery and other equipments of permanent nature.

2.5 "New Industrial Unit" means an industrial unit located inside the State (including public sector undertakings of the State Government and their subsidiaries) where fixed capital investment has commenced on or after the effective date.

(i) Provided that an industrial unit which has started fixed capital investment before the effective date but on or after 01.04.95 will have the option to be treated as a new industrial unit to avail itself of incentives under IP-96 instead of those under the IPR-92.

(ii) Provided further that such option shall be exercised in the prescribed form to the designated authority within 90 days from the effective date.

(iii) Provided further that an industrial unit opting to be treated as a new industrial unit will be required to surrender/refund the incentives availed, if any, under IPR-92.

2.6 "Pioneer Units" means the first two new medium/large scale industrial units with project cost of over Rs.5.00 Crore going into commercial production in a Panchayat Samiti area provided that no other medium/ large scale industrial unit has gone into commercial production in the concerned Panchayat Samiti prior to the said units.

2.7 "Priority Industries" means industrial units in the following specific categories and having a project cost not less than Rs. 1 Crore.

- (i) Electronics/Telecommunication (Hardware and Software)
- (ii) Agro and Food Processing.
- (iii) Aluminium based industries.
- (iv) Garments including hosiery and knit-wear.
- (v) Synthetic Yarn Spinning & Weaving Mills.
- (vi) Gem and Jewellery.
- (vii) Industries manufacturing leather goods.
- (viii) Industries manufacturing equipment and products relating to generation and/or use of non-conventional energy and relating to pollution control.
- (ix) Precision Engineering.
- (x) Automobile and Automatic Components.
- (xi) Basic Drugs and Pharmaceuticals.
- (xii) Petrochemicals.
- (xiii) Fly Ash based Industries utilising a minimum of 25 % by weight of Flyash as base rawmaterial.
- (xiv) 100% Export Oriented Industries.
- (xv) Ship breaking.
- (xvi) Stainless Steel downstream industries.

Provided that the requirement of minimum project cost Rs.1 Crore shall not apply in respect of Electronics/Telecommunication (Hardware and Software) industrial units.

Provided further that Government may notify from time to time the types of industrial activities which will come within the category of 'Priority Industries'.

2.8 "SPECIAL CLASS ENTREPRENEUR" Means,

- (i) an entrepreneur belonging to any of the Scheduled Castes or Scheduled Tribes
- (ii) a Women technical entrepreneur
- (iii) a Women's Co-operative
- (iv) an Artisans' Co-operative
- (v) a certified physically handicapped entrepreneur

2.9 "Expansion/Modernisation/Diversification" of an industrial unit means additional investment to the extent of 50% or more of the undepreciated book value of fixed capital investment made in an industrial unit in acquisition of plant and machinery for expanding/modernising/ diversifying the production of the said unit.

2.10 "Transferred Unit" means an industrial unit whose ownership/ management has been transferred in pursuance of the provisions of the State Financial Corporation Act, 1951 for transferred with the approval of OSFC/ IPICOL.

Provided that the industrial unit in question should have been completed in all respects including installation of plant and machinery and the entire assets including land, building, plant and machinery should have been transferred.

2.11 "Sales Tax" for the purpose of policy means 'Sales Tax' (State and Central), and purchase tax payable to Government of Orissa under the Orissa Sales Tax Act, 1947 and Central Sales Tax Act, 1956 and shall include sales tax imposed on contracts.

2.12 "GRIDCO" means Grid Corporation Of Orissa Limited.

2.13 "IPICOL" means The Industrial Promotion and Investment Corporation of Orissa Limited.

2.14 "OSEB" means Orissa State Electricity Board.

2.15 "OSED" means Orissa State Electronics Development Corporation.

- 2.16 "OSFC" means The Orissa State Financial Corporation.
- 2.17 "OSIC" means Orissa Small Industries Corporation.
- 2.18 "Public Sector" A public sector unit means a Government of Orissa Undertaking and its wholly owned subsidiary.
- 2.19 "Sick Unit" means an industrial unit held sick by the Board for Industrial and Financial Reconstruction under the Sick Industrial Companies (Special Provisions) Act, 1985 or the Nodal Committee constituted under resolution No. 28949, Dt.30.09.1992 of Industries Department or, the State Level Inter-Institutional Committee constituted under Resolution No. 25569, Dt.25.10.1983 of Industries Department.
- 2.20 "Technical Entrepreneur" means and entrepreneur having-
- (i) recognised Engineering Diploma/Degree or
 - (ii) National Trade Certificate of National Council for Vocational Training or
 - (iii) recognised M.B.A. degree or
 - (iv) recognised qualification as Chartered Accountant or Cost Account or Chartered Financial Analyst, or Company Secretary.
 - (v) Diploma in Computer Application, Master in Computer Application and other Computer and Software related qualifications recognised by All India Council of Technical Education and Certificates of O.A.B & C levels under the Department of Electronics Accreditation Scheme (DEAS) of Government of India.
- 2.21 "Year" for the purpose of period of Incentives means a period of 365 consecutive days.
- 2.22 "Earlier Industrial Policy Resolutions" means and includes the IPR 1992 (No. 21875, Dt. 01.08.1992), the IPR 1989 (No. 36243, Dt.01.12.1989), the IPR 1986 (No. 13195 Dt.13.05.1986), and the IPR of 1980 (No.20783 Dt.31.07.1980)

3. **CLASSIFICATION OF AREAS.**

For the purpose of incentives, depending upon industrial development of different areas of the State, the State has been divided into the following three zones :

ZONE - A :

Anandapur, Athamallik, Balliguda, Bamanghati, Bhawanipatna, Birmaharajpur, Bonai, Boudh, Deogarh, Dharamgarh, Gunpur, Hindol, Kamakhyanagar, Kaptipada, Khandmals, Kuchinda, Malkangiri, Nawapara, Nilgiri, Nowrangpur, Padampur, Pallahara, Panchpir, Paralakhemundi, Patnagarh, Rairakhol and Sonepur Sub-divisions.

ZONE - B :

Athgarh, Banki, Baripada, Bhanjanagar, Bhadrak, Bolangir, Champua, Jagatsingpur, Jeypore, Kendrapara, Keonjhar, Khurda, Koraput, Nayagarh, Puri, Sundergarh and Titlagarh sub-divisions.

ZONE - C :

Angul, Balasore, Bargarh, Berhampur, Bhubneswar, Chhatrapur, Cuttack, Dhenkanal, Jaipur, Jharsuguda, Panposh, Rayagada, Sambalpur and Talcher sub-divisions.

4. CAPITAL INVESTMENT SUBSIDY

New Industrial Units will be allowed capital investment subsidy in the following manner :

Zone - A	20 percent of the fixed capital investment subject to a limit of Rs.20 Lakh.
Zone - B	15 percent of the fixed capital investment subject to a limit of Rs.15 Lakh.
Zone - C	10 percent of the fixed capital investment subject to a limit of Rs.10 Lakh.

Provided that only new industrial units with a maximum project cost upto Rs.5 Crores will be eligible to avail of the incentive of capital investment subsidy.

Provided further that special class entrepreneurs' will be eligible for 5% extra capital investment subsidy subject to a limit of Rs. 5.00 Lakhs over and above the limits specified.

5. **SALES TAX.**

5.1 Subject to operational guidelines/instructions and procedure, sales tax incentives shall be allowed after the unit has gone into commercial production and from the date of commercial production.

5.2 **DEEMED PAYMENT OF DEFERRED SALES TAX.**

Whenever payment of Sales Tax on a finished product is allowed to be deferred, such deferment shall, for the purpose of payment of Income Tax by the concerned industrial unit, at the option of the industrial unit and subject to conversion of deferred amount into interest free loan, be deemed in public interest, to have been paid. Actual payment of deferred amount in such cases shall be done in accordance with the terms and conditions of loan. The option once exercised shall be final.

5.3 Sales Tax incentives under this policy will be available to all new Khadi, Village, Cottage and Handicraft industries and new small, medium and large industrial units and expansion/modernisation/diversification of industrial units after the effective date.

5.4 **EXEMPTION OF SALES TAX ON RAW MATERIALS AND SPARE PARTS.**

All new Khadi, Village, Cottage and Handicraft industrial units will be exempted from payment of Sales Tax on purchase of Machinery, Spare parts of machinery, Raw materials and packaging materials for a period of 7 years from the date of commercial production.

5.5 Exemption of Sales Tax on finished products of Khadi, Village, Cottage and Handicraft industrial units.

Finished product of all existing and new Khadi, Village, Cottage and Handicrafts industrial units will be exempted from sales tax when sold at sales outlets of authorised Cooperatives/Government agencies and agencies recognised by Khadi and Village Industries Commission/ Board, Coir Board, Handicraft Corporation etc.

5.6 All new small, medium and large scale industrial units will be eligible for exemption/deferment of sales tax on purchase of machineries, spare parts of machineries, raw materials, packaging materials and finished products in the manner indicated below :

Category	Maximum Amount of exemption/ Deferment Payment of Sales Tax	Maximum Eligibility Period
Zone - A	100 % of the fixed capital investment	7 (seven) Years
Zone - B	100 % of the fixed capital investment	6 (six) Years
Zone - C	100 % of the fixed capital investment	5 (five) Years

Provided that while new small scale industries will be eligible for exemption, new large and medium scale industries only will have the option to defer payment of sales tax on finished products for the specified number of years from the date of commencement of commercial production. Deferred amount in respect of each year will be repaid in full after the period of deferment, annually.

- (i) For Pioneer units the period of exemption/deferment will be extended by two additional years.
- (ii) For 'priority industries' the maximum limit of exemption/deferment of sales tax will be 200% of the fixed capital investment and the period of exemption/deferment will be extended by 2 additional years.

Provided that in respect of Electronic/Telecommunication (Hardware ware) industrial units, the maximum limit of exemption/deferment of sales tax will be 250% of the fixed capital investment.

- (iii) For Small Scale Industrial Units with fixed capital investment not exceeding Rs.10.00 Lakhs the maximum limit of exemption of sales tax will be 200% of the fixed capital investment and period of exemption will be extended by one additional year.
- (iv) For labour intensive industrial units which are not priority industries the maximum limit of exemption/deferment will be as follows :

	RATE OF INVESTMENT PER EMPLOYMENT	MAXIMUM LIMIT OF SALES TAX EXEMPTIONS/ DEFERMENT.
a)	More than Rs.10,000/- but less than Rs.25,000/- in fixed capital investment per employment generated.	175 % of the Fixed capital investment
b)	More than Rs.25,000/- but less than Rs.50,000/- in fixed capital investment per employment generation.	150 % of the Fixed capital investment
c)	More than Rs.50,000/- but less than Rs.75,000/- in fixed capital investment per employment generation.	125 % of the Fixed capital investment

(v) For industrial units of 'priority industry' category with project cost of over Rs.100.00 Crore the period of the exemption/deferment will be further extended as indicated below:

a) Over Rs.100 Crore and upto 500 Crore 1 year.

b) Over Rs.500 Crore and upto 1000 Crore 2 years.

c) Over Rs.1,000 Crore 3 years.

(vi) For new industrial units having more than 30% of the regular employees as women and/or handicapped and/or belonging to S.C/S.T will be entitled to exemption/deferment by two additional years, provided that the unit has regular employment of not less than 20 persons.

(vii) The additional years of exemption/deferment allowed under Sub-para (i) to (vii) above taken together will not exceed 5 years.

5.7 EXPANSION/MODERNISATION/DIVERSIFICATION.

All existing industrial units going in for expansion/modernisation/diversification will be eligible for exemption/deferment from payment of sales tax on finished products in the manner indicated below subject to fulfilment of the prescribed eligibility criteria :

Category	Maximum amount of exemption/deferment from payment of Sales Tax.	Maximum Eligibility period.
Zone - A	100 % of the additional fixed capital investment	7 (Seven) Years
Zone - B	100 % of the additional fixed capital investment	6 (Six) Years
Zone - C	100 % of the additional fixed capital investment	5 (Five) Years

(i) Provided that - expansion/modernisation/diversification has been undertaken on the basis of separate project report duly appraised by the financial institutions.

- (ii) Provided that subject to the provisions of the Sales Tax Act, the benefit of exemption/deferment shall not have the effect of reducing the Sales Tax paid by the unit prior to Expansion/Modernisation/ Diversification programmes. In other words benefits shall be applicable to incremental Sales tax only.

Provided that the highest sale recorded during the last 5 years should be the basis for calculation of incremental sales.

6. **LAND.**

- 6.1 Government land wherever available will be allotted for industrial projects including power projects and sub-stations of OSEB at predetermined rates as notified from time to time. The following rates shall apply until further orders.

Category	Rate for land located within Municipal/NAC area (per Acre)	Rate for land located outside Municipal/ NAC area (per Acre)	Ground Rent (Rs.)
ZONE - A	Rs.75,000/-	Rs.25,000/-	1 % of the land value
ZONE - B	Rs.1,50,000/-	Rs.50,000/-	1 % of the land value
ZONE - C	Rs.2,25,000/-	Rs.75,000/-	1 % of the land value

Provided that for Cuttack including Jagatpur, Rourkela including Kalunga and Bhubaneswar including Chandaka Industrial area shall be as notified by the State Government from time to time.

- 6.2 The premium in respect of private land acquired by the Orissa Industrial Infrastructure Development Corporation (IDCO) for establishment of industries or for any specific industrial unit will be fixed on the basis of compensation/ rehabilitation (if any) amount involved and on the basis of infrastructure development undertaken, if any.

- 6.3 Small Scale Industrial units will be eligible for an additional subsidy, over and above subsidy admissible under paragraph - 4 above to the extent of 30 percent of the cost of built up sheds constructed by IDCO in Zone - A, 25 percent in Zone - B and 20 percent in Zone - C for outright purchase of the sheds.

- 6.4 In exercise of the power U/S 73 (c) of OLR Act new as well existing industrial units will be granted exemption from payment of premium leviable under provisions of Section 8 (a) of the O.L.R. Act (Orissa Act. 12 of 1994) on production of eligibility certificate from the Director of Industries or any other designated authority notified by the Government in that behalf.

7.1 **INTEREST SUBSIDY.**

Special class entrepreneurs setting up new industrial units with project cost not exceeding Rs.1.00 crore will be entitled to interest subsidy @2% on term loans availed for setting up the units.

8. **POWER.**

8.1 **Exemption Of Electricity Duty :**

New industrial units with contract demand upto 500 KVA will be exempted from payment of Electricity duty for a period of 5 years from the date of power supply.

- 8.2 New industrial units with contract demand between 500 KVA and 5000 KVA will be exempted from payment of 50 percent of electricity duty for a period of 5 years from the date of power supply if they are located in Zone - A. For new industrial units located in Zone - B and C, this exemption shall be respectively 35 percent and 25 percent for 5 years.

- 8.3 New industrial units with contract demand between 5,000 KVA and 10,000 KVA will be exempted from payment of 25 percent of electricity duty payable for a period of 5 years from the date of power supply if these are set up in Zone - A, 15 percent in Zone - B and 10 percent in Zone - C.

Explanation :

Date of power supply means the date of power supply by the Orissa State Electricity Board for commercial production. In cases where power for construction and power for production are separately taken, the date of power supply shall be arrived on the basis of power for commercial production.

8.4 **POWER PLANTS.**

Power Plants (including generating sets with an installed capacity of not less than 10 KW) set up by industrial units individually or jointly will be eligible for incentive under this chapter.

8.5 Captive Power Plants in respect of which fixed capital investment has commenced after the effective date will be entitled to exemption from Electricity duty payable, for a period of five years from the date of commissioning of the plant. Provided that no such exemption from payment of electricity duty will be available in respect of quantum of power sold/supplied to users other than the industrial unit (s) to which such power plant is Captive.

8.6 A power plant set up after the effective date shall be deemed to be a new industrial unit for the purpose of allotment of land, vide paragraph - 6 and supply of water vide paragraph - 9.

8.7 A power plant generating power from non-conventional sources set up after the effective date shall be deemed to be a new industrial unit and will be entitled to all the incentives under this policy. These plants will not be liable to pay electricity duty.

8.8 NON-CONVENTIONAL ENERGY.

Machinery and equipment installed by existing and new industrial units for utilisation of non-conventional energy as certified by Orissa Renewable Energy Development Agency (OREDA), shall be allowed capital investment subsidy of 10% of its cost subject to a maximum of Rs.10 Lakhs. This will be in addition to capital investment subsidy envisaged under paragraph - 4.

8.9 ENERGY CONSERVATION EQUIPMENT.

New and existing industrial units will be allowed capital investment subsidy of 10% subject to a maximum of Rs.10 Lakhs on energy conservation equipment and machinery purchased on the basis of an energy audit report and plan prepared by an approved consultant and installed in the industrial unit. This subsidy will be in addition to capital investment subsidy envisaged in Paragraph - 4.

9. **WATER.**

9.1 In case of drawal of water by a new industrial unit from any 'Government water source' as defined in Clause 6 (a) of section 4 of the Orissa Irrigation (Amendment) Act, 1993 (Orissa Act.3 of 1994), water charge will be payable in the manner indicated below :

- (i) At 50 percent of the rates prescribed for the purpose under the provisions of Irrigation Act for a period of five years.

- (ii) Thereafter at full prescribed rates.

In respect of water to be drawn by a new industrial unit from any existing Government controlled irrigation source, water charge at the prescribed rate will be payable from the date of commercial production as indicated below :

- (i) At 75 percent of the rate prescribed for the purpose for drawal of water from such Government controlled irrigation sources for a period of three years.
- (ii) Thereafter at full prescribed rates :

Provided that where an industrial unit makes financial contribution for creation/completion of the irrigation source, no water charge will be payable at the rates stipulated in sub para(i) & (ii) till full adjustment of the amount contributed by the industrial unit in question for creation/ completion of the irrigation source.

10. **STAMP DUTY.**

- 10.1 No stamp duty will be required to be paid in respect of land allotted by the Government to IDCO. But stamp duty @5% will be required to be paid in respect of transfer of land/shed by Government and IDCO to industrial units. This will also be applicable in respect of private land acquired by IDCO which is subsequently allotted to industrial units.
- 10.2 In respect of land acquired by Government and subsequently transferred of allotted to industrial units, stamp duty @5% will be required to be paid.
- 10.3 Stamp duty will be exempted for units required to be transferred to a new owner/management under the provisions of the State Financial Corporations Act, 1951 or on the recommendation of the State Level Inter-Institutional Committee (SLIIC) or the State Level Nodal Committee, as the case may be .
- 10.4 Stamp duty will be exempted for units under proprietary/partnership farms to be converted to companies for rehabilitation on the recommendation of SLIIC or otherwise, on the recommendation of IPICOL/ OSFC.

11. **EXEMPTION FROM OCTROI.**

Machinery and equipments required to set up new industrial units will be exempted from payment of octroi. Similarly, spare parts of machinery, raw

materials and packing materials used by an industrial unit for a period of 5 years from the date of its commercial production will be exempted from payment of Octroi.

12. **ANTI POLLUTION MEASURES.**

Capital investment subsidy for installation of pollution control and monitoring equipments shall be allowed on the certificate of the State prevention and control of pollution Board (SPCPB) about the necessity for such installation. This incentive will be allowed to new and existing industrial units. This subsidy will be 20 percent of the cost of pollution control and monitoring equipment subject to a ceiling of Rs.20.00 Lakhs and this would be in addition to Capital Investment Subsidy available to the industrial unit.

13. **TRANSFERRED UNITS.**

13.1 A transferred unit after going into commercial production shall be eligible to avail all or any of the incentives for the period for which the unit was eligible before transfer but could not avail the same due to suspension of production or closure on account of sickness or for any other reason.

13.2 Any industrial unit seized under section 29 of the State Financial Corporation Act. and thereafter/sold to a new entrepreneur shall be treated as new industrial unit for the purpose of Sales Tax and Octroi concessions only. Transfer value of the unit will form the basis for determining the fixed capital investment for the purpose of Sales tax concessions. Arrears of electricity and Sales Tax dues payable by previous owners shall not be realisable from the transferees of the units transferred under Section 29 of SFC Act.

14. **SOCIAL INFRASTRUCTURAL SUPPORT.**

14.1 New Hospital-cum-Diagnostic Centre having a project cost of Rs.10.00 Crores or more will be entitled to the following incentives provided that investment on land, building, equipment and machineries is made on or after the effective date.

- (i) Allotment of Government land, subject to availability at 50 percent of the rates stipulated in paragraph - 6 above.
- (ii) Exemption from payment of electricity duty for a period of five years from the date of commencement of operation.

- (iii) Exemption from payment of Octroi on machinery and equipments, spare parts of machinery and equipments for a period of five years from the date of commencement of operations.

Explanation : Similar facilities can be extended to higher technical/professional educational institutions which in the opinion of the Government are of the standard of I.I.Ts/I.I.M.S/ A.I.I.M.S., New Delhi/P.G.I., Chandigarh.

15. **REHABILITATION OF SICK INDUSTRIES.**

- 15.1 Sick Industrial Units may be given by the Government any of the incentives/facilities applicable to new industrial units on the recommendations of State Level Inter Institutional Committee (SLIIC)/ State Level Empowered Committee (SLEC) or the State Level Nodal Committee (SLNC), if the SLIIC, SLEC and SLNC came to the conclusion that extension of such incentives/facility is necessary for the revival of the sick unit. In case of medium and large industrial units, approval of the Chief Minister will have to be taken for the purpose. In case of small scale units, approval of the Government in the Industries Department will have to be taken.

16. **DEVELOPMENT OF TOURISM INDUSTRY.**

- 16.1 The following tourism related activities will be treated as industrial activity and will be entitled to incentives applicable to new industrial units, except for exemption/deferment of Sales Tax and exemption of Octroi on Raw Materials and Packing materials.
- (i) Hotels/Motels/Golf Courses/Ropeways and Wayside amenity centres satisfying the norms/conditions stipulated by the State Government.
 - (ii) Transport facility with Air Conditioned Cars/Coaches with minimum capital investment of Rs.15 Lakhs operating in Travel Circuits identified/certified by the Department of Tourism.
 - (iii) Motor Launches operating in tourist centres identified/certified by the Tourism Department with minimum of investment of Rs.10 Lakhs.
 - (iv) Aero Sports Centres developed at place identified by the Department of Tourism with minimum investment of Rs.10 Lakhs and meant for promotion of adventure tourism.

- (v) Water Sports Complexes and Amusement Parks with minimum investment of Rs.10 Lakhs and operated in Tourism Centres identified by the Department of Tourism.
 - (vi) Health Resorts established at places like Hill Stations, Hot Springs etc. identified by the Department of Tourism with a minimum investment of Rs.10 Lakhs.
 - (vii) Tourism Camps and Camping sites having minimum capacity of accommodating not less than 30 Tourists in the camp to be set up at places determined by the Department of Tourism.
- 16.2 Such Tourism related activities (existing and new) will be entitled to have power at industrial and not commercial rates of Tariff.

17. **DEVELOPMENT OF FILM INDUSTRY.**

- 17.1 Development of the Film Industry will be supported in such manner and to such extent as the Orissa Film Development Corporation (OFDC) may decide with the approval of the Government.
- 17.2 New Cinema Hall means, Cinema Halls for which investment in land, building and equipments has been made on or after effective date.
- 17.3 Incentives for new cinema halls will be available to cinema halls in areas other than urban areas having a population of 1 Lakh or more according to 1991 census and subject to other conditions if any mentioned against each incentive.
- 17.4 Subject to availability, Government land at rates applicable to new industrial units will be made available for construction of new cinema halls in areas satisfying the stipulation in para 17.3 above.
- 17.5 In respect of new cinema halls, the amount collected by way of entertainment tax excluding surcharge, tax on exhibition of advertisement and show tax for the first two years after its commissioning shall be given as subsidy to the concerned cinema halls through the Orissa Film Development Corporation Limited (OFDC). Provided that if any loan including interest obtained from OFDC, National Film Development Corporation Limited, Banks and Financial Institutions for any such cinema halls is outstanding at the time of disbursement of subsidy, the outstanding amount or any amount lower than that as may be decided by OFDC, shall be deducted from the subsidy payable and paid to the concerned lending institutions on behalf of the loanee.

- 17.6 OFDC will continue as the Nodal Agency for development of cinema halls and production of films. It will continually take steps for accelerated progress in construction of cinema halls primarily in semi-urban and rural areas. In deserving cases, it may extend guarantee on behalf of the entrepreneur for loan to be sanctioned by the National Film Development Corporation Ltd., Banks and other financial institutions for construction of cinema halls.
- 17.7 Production of Films in the State will be subsidised by OFDC as per the scheme framed for the purpose.
- 17.8 Soft loan assistance at nominal rate of interest subject to maximum ceiling limit and condition as may be decided by the OFDC will be made available by OFDC to producers of film in the State. In deserving cases OFDC may extend guarantee for Bank loan and loan from National Film Development Corporation Ltd, for the purpose.
- 17.9 OFDC may provide term loan to producers of Oriya Films subject to the maximum ceiling limit, rate of interest and other terms and conditions as may be decided by it.
- 17.10 Producers of Films who utilise the facilities of Kalinga Studio Limited (KSL) and Prasad Colour Processing laboratory will be eligible to get incentives in shape of subsidy subject to ceiling limit and terms and conditions as laid down by OFDC.

18. **DEVELOPMENT OF MINING INDUSTRY.**

- 18.1 State Government will actively develop access roads and electricity transmission line to mining areas where a cluster of small mines in the private sector could be developed.
- 18.2 On request of the lease holders of small mines, the State Government will organise survey, exploration and assessment of mineral deposits and testing of ore samples through the Directorate of Mining & Geology provided that the lease holder will deposit 50 percent of the actual cost of the operation to be assessed on a 'no profit and no loss' basis. The relief in each case would be limited to Rs. 1 Lakh.

19. **ELECTRONICS INDUSTRIES.**

- 19.1 The following additional incentives will be available to new Electronics/ Telecommunication (Hardware and Software) industrial units.

- 19.2 Land at Bhubaneswar (including Chandaka industrial area) will be allotted @ Rs.5 Lakh per Acre.
- 19.3 Electronics/Telecommunication (Hardware and Software) industrial units will be eligible for incentives applicable to Zone - A irrespective of their actual location.
- 19.4 In appropriate cases, venture capital for Technical Entrepreneurs (belonging to Electronics and Computer discipline) upto 50% of the equity requirements subject to a limit of Rs.25 Lakhs (either single or jointly) and equity participation for other categories of entrepreneurs upto 25% subject to a limit of Rs.25 Lakhs will be provided. This facility will be available for a maximum period of five years with effect from the effective date.
- 19.5 Travel assistance to the technical entrepreneurs (belonging to Electronics and Computer disciplines) to visit abroad for interaction with Software industries and organisations likely to offer Software assignments. The assistance can only be availed of by those sponsored by the Department of Science & Technology.

The scale of assistance will be as under :

1st year	Rs.20,000/-
2nd year	Rs.15,000/-
3rd year	Rs.10,000/-

20. **MARKETING SUPPORT.**

- 20.1 The policy of the State Government is to ensure that State Government departments and agencies under the control of the State Government purchase their requirements of store items available from industries located inside the State. In order to achieve this, the products of industries located inside the State will be eligible for the facility of preferential purchase by State Government departments and agencies under its control. Central Government agencies and private/joint sector industries located inside the State will be persuaded to accord similar facilities to products of local industries. Simultaneously efforts will be made to bring down cost and achieve over all competitiveness of the products of local industries. New industrial units coming up in the State will be persuaded to patronise local industries/Farms for construction/supply of materials.

Explanations : "State Government Departments and Agencies under the control of State Government" means Departments under the Orissa Government Rules of Business, Heads of Departments and Offices subordinate to them, Boards, Corporations, Authorities and Improvement Trusts, N.A.Cs , Co-operative bodies and Institutions aided by State Government.

20.2 PURCHASE FROM "EXCLUSIVE LIST".

A list of store items reserved for exclusive purchase from industries located in the State may be prepared from time to time keeping in view the production capacity of the local industries and requirements of State Government Departments and agencies under the control of the State Government. The latter will have to purchase their requirements of these items from local industries with ISO/ISI/EPM certification for the items only by inviting competitive quotations from such industries. Efforts will be made to distribute the purchase order equitably among the participating industries prepared to accepted the lowest negotiated rate keeping in view their capacity. Local Small Scale Industrial Units will enjoy a price preference of 5% and also Khadi & Village Industrial units including Handlooms and Handicrafts over local medium/large industries. Any local small scale industrial unit having ISO-9000 and ISI Certification for its products will get an additional price preference of 3% and 2% respectively.

20.3 RATE CONTRACT.

20.3.1 Rate contract in respect of specific store items not in the exclusive list and manufactured by the local small scale industrial units will be finalised by the Director of Export Promotion & Marketing. This will be finalised on the basis of competitive offers received from such local units, cost structure obtained from these offers, market price and other consideration relevant to fixing the price of the product. State Government Departments and agencies under the control of the State Government will purchase "Rate Contract Items" from the rate contract holder small scale industries at the price fixed in the rate contract without inviting tenders.

20.4 "PURCHASE ON OPEN TENDER".

Items other than those in the "Exclusive Purchase List" or on "Rate Contract" may be purchased by State Government Departments and Agencies under the control of State Government through open Tender. Local Small Scale Industrial Units and Khadi and Village Industrial units (including Handloom and Handicrafts) competing in the open tender will be entitled to price preference

as in paragraph - 20.2. The local industries not having the lowest offer including price preference if any will be given an opportunity to supply at the lowest rate and orders will be distributed equitably among the willing local industries keeping in view their production capacity.

20.5 EXEMPTION FROM EARNEST MONEY DEPOSIT AND REDUCED RATES OF SECURITY DEPOSITS.

Local small scale industrial units registered with the Director of Export Promotion & Marketing and Khadi and Village Industries will be exempted from payment of earnest money while tendering to State Government Departments and agencies under the control of State Government.

20.6 Small Scale Industrial units registered with Directorate of Export Promotion & Marketing will be entitled to get tender papers free of cost for registered items from State Government Departments and agencies under its control. Khadi and Village Industries will similarly be eligible to get tender papers free of cost for their products.

20.7 PAYMENT OF DUES OF SMALL SCALE UNITS AND KHADI AND VILLAGE INDUSTRIES.

State Government Departments and agencies under the control of the State Government will make prompt payment of dues of local small scale industrial units and Khadi and Village industries in respect of goods purchased from them.

Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993, provides due protection to small scale industrial units for realisation of their dues.

20.8 DIRECTORATE OF EXPORT PROMOTION & MARKETING TO ACT AS NODAL AGENCY.

Directorate of Export Promotion & Marketing will be the nodal agency for issue of detailed guidelines for implementation of the above facilities extended to local industries. Director, Export promotion & marketing of his nominee will be a member of the purchase committee constituted at levels above the district level in State Government Departments and agencies under the control of State Government. General Manager/Project Manager, District Industries Centre (DIC) or his representative will be a member of purchase committee constituted at district level or below.

20.9 In order to ensure that the policy on marketing support is meticulously followed, the Director, Export Promotion & Marketing or his representative shall be allowed access to tender papers, purchase documents, books of accounts etc. to ascertain whether there has been any contravention in the implementation of the policy.

20.10 PURCHASE REVIEW COMMITTEE TO IMPLEMENT PURCHASE POLICY.

In order to ensure strict implementation of the above purchase policy of the Government, a "Purchase Review Committee" will be formed with the following officers.

- | | |
|--|--------------|
| a) Chief Secretary to Government | Chairman |
| b) Secretary to Government, Finance Dept. | Member |
| c) Secretary to Government, Industries Dept. | Member |
| d) Director, Export Promotion & Marketing | Member Secy. |

Secretaries of concerned Departments will be invited to the meeting. The committee will review annual purchase forecast of purchasing department, prompt payment and placement of timely order with local industries.

The decision of the Committee subject to the orders of the Government in Industries Department will be binding on all State Government Departments and agencies under the Control of the State Government. In case it is considered necessary by the purchase committee of a particular departments/agencies to deviate from the above policy, such cases will be brought to the notice of Government through Director, Export Promotion & marketing, and general or specific exemption should be obtained before such purchases.

20.11 TESTING OF PRODUCTS OF LOCAL INDUSTRIES.

Director, Export Promotion and Marketing, will have the power to draw samples and test the quality of products of local industries from time to time and shall have powers to blacklist and deregister industries supplying products not conforming to prescribed quality and specifications. He shall have the power to blacklist local industries for trading in the store item instead of manufacturing.

20.12 INCENTIVE FOR OBTAINING ISI CERTIFICATION MARK.

In order to encourage small scale industrial units to obtain ISI or ISO 9000 certification for their products to compete at all India level, State

Government will reimburse 50% of actual expenditure upto a maximum limit of Rs.10,000/- for registration fee, testing fee, annual licence fee and expenditure towards purchase of testing equipments. These facilities will be available to small scale industrial units only once after obtaining ISI or ISO 9000 certification mark.

- 20.13 Small Scale Industrial Units for the purpose of Paragraph - 20 shall mean small scale industrial units presently defined as such by Government of India in relation to capital investment.

21. **MISCELLANEOUS.**

- 21.1 Incentives for Educative Travel Visits of selected teams of entrepreneurs of small scale industrial units to national and international/trade fairs, festivals, exhibitions and industrial estates/areas/growth centres sponsored by Directorate of Industries will be subsidised by Government to the maximum extent of 50% of travel expenses.

21.2 **AWARD FOR PERFORMANCE.**

Performance of industry will be evaluated every year and on the basis of the evaluation suitable awards will be given by the State Government for outstanding achievements.

22. **ELIGIBILITY FOR INCENTIVES.**

- 22.1 Subject to general conditions and specific condition for any incentive stipulated in this policy and the Annexure appended hereto, new industrial units shall be eligible for all incentives provided in this policy.
- 22.2 Industrial units, hotels, cinema halls etc. covered under earlier industrial Policy Resolution shall continue to enjoy the incentives admissible under the said policy except to the extent abridged/ modified/enlarged in this policy.
- 22.3 Expansion/Modernisation/diversification will be eligible for specific incentives as mentioned against the concerned incentives. However, defaulters of OSFC and IPICOL dues will be eligible only after they clear such dues.
- 22.4 This policy shall become operative from the date of its issue and shall remain in force until substituted by another policy. The State Government may at any time amend any provision of this policy.

23. **GENERAL PROVISIONS.**

23.1 **CLAIM FOR INCENTIVES.**

No right or claim for any incentive under this policy shall be deemed to have been conferred merely on the ground of provision in this policy. The State Government may issue operational guidelines/ instructions for administration of incentives contained in this policy. An industrial unit which considers itself eligible for any incentive, shall apply for the same in accordance with the operational guidelines/ instructions and the same shall be considered and disposed off on merit.

23.2 **DETERMINATION OF DATE OF COMMERCIAL PRODUCTION.**

The date of commercial production for availing of incentives on sale tax or for any other incentive, shall be the date determined by the General Manager/ Project Manager, District Industries Centres for Small Scale Industrial Units and Director of Industries for medium and large industrial units, basing on the totality of documentary evidence and recommendation of promotional/financial agencies, if any.

24. **REMOVAL OF DOUBTS.**

24.1 Industrial Units set up without financial assistance from Financial Institutions and Banks, will be required to be assessed by the appropriate nodal agency (like IPICOL, OSFC, DIC s, OSEDC etc.) in order to be eligible for any of these incentives.

24.2 The Industries Department of the State Government shall be the Nodal Department to resolve all matters relating to problems of entrepreneurs.

In case of doubt or difficulty in interpretation of any item of this policy, or implementation thereof, the same shall be finally decided or resolved by Government in Industries Department.

PART - III

ADMINISTRATIVE FRAMEWORK

25. ADMINISTRATIVE MEASURES

25.1 INDUSTRIAL ADVISORY COMMITTEE.

An Industrial Committee would be constituted under the Chairmanship of Chief Minister with prominent industrialists as members to advise the State Government about rapid industrialisation of the State.

25.2 STATE LEVEL NODAL COMMITTEE (SLNC).

The Nodal Committee constituted at the State Government level under the Chairmanship of Chief Secretary will continue to function as the forum where issues relating to the clearance of specific proposals for supply of infrastructural facilities as well as Government assistance for specific industrial projects involving inter-departmental reference would be taken up for quick decisions. Government orders shall issue with the approval of Chief Minister without further inter-departmental reference.

25.2.1 In addition to considering the co-ordinational problems relating to supply of land, water, forest produce and other raw materials from Government sources, the Nodal Committee will consider and recommend measures to be taken for rehabilitation of medium and large scale industrial units or industrial undertakings of industrial companies held sick by it or the Board for Industrial and Financial Reconstruction and are potentially viable for revival. The Committee will also review the progress of implementation of all major projects in the State and issue appropriate instructions to ensure expeditious implementation.

26. STATE LEVEL EMPOWERED COMMITTEE (SLEC).

In order to make the delivery system more effective care has to be taken to meet the following needs of the entrepreneur.

- i) Availability of land, water, electricity within a stipulated time frame.
- ii) Clearance of the State Pollution Control Board.
- iii) Sanction of Term Loan and working capital finance within the specified time schedule.

iv) Industrial Policy benefits to existing and new industrial units.

26.1 To achieve the above objectives, problems of the industries referred to the Government will be reviewed by the State Level Empowered Committee of the Industries Department and appropriate instructions issued to all concerned. To facilitate resolving the problems at the ground level, a District Level Empowered Committee (DLEC) has been formed under the Chairmanship of the Collector of the District.

27. **SINGLE WINDOW CONTACT.**

27.1 The Industrial Co-ordination Bureaus constituted in the office of IPICOL, OSFC and Orissa State Electronics Development Corporation (OSED) will continue to provide assistance and guidance to entrepreneurs in project identification, project finance, preparation of project report, getting registration and license, obtaining clearance from various authorities and statutory bodies and removal of operational constraints for medium and large scale units. The bureau at IPICOL will deal with medium and large units other than electronic units which will be dealt with by bureau in OSED. Matters relating to project finance for small scale industries shall be dealt with by the bureau of OSFC. A new Corporate Body will be formed for Agro & Food Processing Units and it will perform similar services in respect of Agro based and food processing industries.

27.2 The Foreign Investment Division in IPICOL will be the single contact point for Non-resident Indians and foreign investors desirous of making investment in industrial projects in the State.

27.3 The Orissa Industrial Infrastructure Development Corporation (IDCO) will be the Nodal Agency regarding provisions of infrastructure facilities such as land (both developed and undeveloped), water, power and built-up industrial sheds. It will also be geared up to provide turnkey consultancy service for project implementation.

27.4 District Industries Centres will provide all facilities to the entrepreneurs in the small scale sector at the district level.

28. **PROJECT IDENTIFICATION.**

Constant efforts would be made to identify new areas of Industrialisation and formulation of new projects. IPICOL, OSFC, Orissa State Electronics Development Corporation (OSED) and Director of Industries will identify new thrust areas for industrialisation in the State in the coming decades. The State Level Committee constituted under the Chairmanship of Secretary, Industries Department will continue to streamline and coordinate efforts in this direction.

29. **ADVANCED TRAINING CENTRES.**

The State Government in collaboration with Industries will endeavour to establish Advanced Craftsmen Training Centres and Foreman Training Centres in different parts of the State to upgrade the skill of Craftsmen and Technicians employed in Industries.

30. **REVIEW OF FAST TRACK PROJECTS.**

30.1 Large Projects will be treated as Fast Track Projects and their implementation will be reviewed once every month by a committee headed by the Chief Secretary. The Chief Minister will review implementation of these projects with the assistance of Minister, Industries once every three months.

30.2 **CABINET COMMITTEE.**

A Cabinet Committee under the Chairmanship of Chief Minister will review the implementation of Industrial Policy from time to time.

PART - II ANNEXURE

INDUSTRIAL UNIT.

1. 'Industrial Unit' will mean manufacturing/processing industry belonging to the following categories :
 - a. Industries listed under the First Schedule of the Industries (Development and Regulation) Act, 1951 as amended from time to time.
 - b. Industries falling within the purview of the following Boards/Public Agencies :
 - i) Small Scale Industries Board
 - ii) Coir Board
 - iii) Silk Board
 - iv) All India Handloom And Handicrafts Board
 - v) Khadi and Village Industries Board
 - vi) Any other agency constituted by Government for Industrial Development.
2. Industrial Unit will not include non-manufacturing service industries except:
 - a) General Workshops including repair workshops.
 - b) Cold Storages and Fish Freezing Units.
 - c) Plantation of Tea, Coffee, Rubber, Cashew and Spices.
 - d) Electronics repair and maintenance units for professional grade equipment and Computer Software, Data Processing and related services (to be certified by Science & Technology Department).
3. THE FOLLOWING UNITS SHALL NOT BE ELIGIBLE FOR INCENTIVES AS INDUSTRIAL UNITS :
 1. Rice Hullers and Rice Mills.
 2. Flour Mills including manufacturer of Besan, Pulse Mills and Chuda Mills.
 3. Making of Spices, Pampad etc. (excluding Pampad manufactured by co-operative Societies).
 4. Confectionary (excluding mechanised confectionary)
 5. Preparation of Sweets and Numkeens etc.
 6. Bread making (excluding mechanised Bakery)
 7. Mixture, Bhujia and Chenachur preparation units.
 8. Manufacturer of Ice Candy and Ice Fruits.
 9. Manufacturer and processing of Betelnuts.
 10. Hatcheries, Piggeries, Rabbit or Broiler Farming.
 11. Iron and Steel Processors including Cutting of Sheets, Bars, Angles, Coils, M.S. sheets, Decoiling, Straightening, Corrugating and Drop hammer units etc.

12. Chrome-Ore beneficiation.
13. Cracker making units.
14. Tyre Retreading Units.
15. Stone Crushing Units.
16. Coal/Coke Screening Units.
17. Coal/Coke Briquetting Units.
18. Production of Firewood and Charcoal.
19. Painting and Spray Painting Units.
20. Units for Physical Mixing of Fertilizers.
21. Brick making units (except units making refractory Bricks and those making Bricks from Fly Ash, Red Mud and similar Industrial Waste)
22. Manufacturing of Tarpaulin out of Canvas Cloth.
23. Oil Mills including Oil Processing, Filtering, Colouring, Decolouring, Refining, Hydrogenation and Scenting Etc.
24. Saw-Mill and Sawing of Timber.
25. Carpentry, Joinery and Wooden Furniture making.
26. Drilling Rigs, Bore-wells and Tube-wells.
27. Units for mixing or blending of Tea.
28. Units for cutting Raw Tobacco and sprinkling jaggery for chewing purposes and Gudakhu manufacturing units.
29. Units for Bottling of Medicines.
30. Book Binding.
31. Rubber Stamp making.
32. Making Note Books, Exercise Note Books and Envelops,
33. Printing Press.
34. Photo Copying.
35. Stenciling Units.
36. Processing of Stencil Paper.
37. Distilled Water Units.
38. Distillery Units.
39. Tailoring (other than readymade garment manufacturing units)
40. Repacking and Stitching of Woven Sacks out of Woven Fabrics.
41. Laundry/Dry Cleaning.
42. Photographic Studios and Laboratories.
43. Clinical/Pathological laboratories.
44. Beauty Parlours.
45. Video Parlours.
46. Guest Houses/Restaurants.
47. Goods and Passenger Carriers.

Note : List of Industrial Units indicated above can be modified by Government in Industries Department from time to time.

GOVERNMENT OF ORISSA
INDUSTRIES DEPARTMENT

No. XIV-HI-1/96 4600-1, Bhubaneswar, dated 1st March, 1996.
From Shri Santosh Nautiyal, I.A.S.

Commissioner-cum-Secretary to Government.

To

All Secretaries, Government of Orissa, Bhubaneswar /
All Heads of Department / All Chief Executives of State Public Sector Undertakings.

Subject : INDUSTRIAL POLICY 1996.

Sir,

The Industrial Policy, 1996 duly approved by the Government as enclosed herewith is hereby issued for information and necessary action of all concerned.

Yours faithfully,

Sd/-

Commissioner-cum-Secretary to Government.

Memo No. 4601 - I, Bhubaneswar, dated 1st March 1996.

Copy with copy of the Industrial Policy, 1996 is forwarded to All Collectors / Accountant General, Orissa / All D.I.Cs. for favour of information.

Sd/-

Deputy Secretary to Government

Memo No. 4602 - I, Bhubaneswar, dated 1st March, 1996.

Copy with copy of the Industrial Policy, 1996 is forwarded to the Secretary to Chief Minister / Private Secretary to All Ministers / Private Secretary to Additional Chief Secretary / Private Secretary to Additional Development Commissioner for favour of kind information of Chief Minister / Ministers / Chief Secretary / Agriculture Production Commissioner / Additional Chief Secretary / Additional Development Commissioner.

Sd/-

Deputy Secretary to Government

Memo No. 4603 - I, Bhubaneswar, dated 1st March, 1996.

Copy with copy of the Industrial Policy, 1996 forwarded to All Sections of Industries Department for information

Sd/-

Deputy Secretary to Government

Memo No. 4604 - I, Bhubaneswar, dated 1st March, 1996.

Copy with copy of the Industrial Policy, 1996 to Guard File.

Sd/-

Deputy Secretary to Government



**EXTRAORDINARY
PUBLISHED BY AUTHORITY**

NO. 398 CUTTACK, MONDAY, APRIL 15, 1996/CHAITRA 26, 1918

**INDUSTRIES DEPARTMENT
CORRIGENDUM**

The 9th April, 1996.

No. 8210—XIV-HI-1/96/I— In Industries Department Notification No. 4863—I XIV.HI-1/96 dated the 7th March 1996 in which Industrial Policy, 1996 has been issued, the following should be substituted

Errors/mistakes occurring in relevant paragraphs	Page No.	Line	Proposed Corrections
(1) 3.7.2 (Part-I)	(2) 6	(3) 2nd to 3rd	(4) The words "(near the Steel Plant complexes of MESCO Ganapati Exports, Nilachal Ispat Neegam etc)" appearing after the word 'Chhatrapur' and before the words 'Duburi' (Kalinganagar) be replaced and inserted after the word 'Duburi (Kalinganagar) and before the words 'and Jharsuguda' and a comma(,) will be added after the word 'Chhatrapur'
3.7,3 (Part - I)	6	6th	The word "and appearing after the word 'leather and before the word 'gems' be deleted and a comma (,) will be added after the word 'leather'.
10 (Part - 1)	14	7th & 8th	The word "divestment" appearing after the word 'partial' and before the word 'to' be read as 'disinvestment'. Similarly the word "divested" appearing after the word 'be' and before the word 'to' be read as 'disinvested'.
11 (Part - 1)	14	5th	The word "marketing support from the State Government and" appearing after the word 'and & before the word its be omitted as being repetitions.
5,6 (IV) (Part - II)	19 & 20	2nd column of the heading	At the top of the second column of the headings underlined as "minimum" limit of sales tax exemption/deferment be read as 'maximum limit of sales tax exemption/deferment.
17-3 (Part - II)	24	5th & 6th	This paragraph has been divided into two parts and read as one paragraph.

ORDER — Ordered that the corrigendum may be supplemented to the Industrial Policy, 1996 for general information.

By order of the Governor
S. NAUTIYAL
Commissioner-cum-Secretary to Government