

GOVERNMENT OF ODISHA
ELECTRONICS & INFORMATION TECHNOLOGY DEPARTMENT

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No. 839 /E&IT
E IT-Dev.-II-59/2017

Bhubaneswar
Dated 02-03-19

RESOLUTION

Sub: Revised Special Incentive Package Scheme to attract investments in Electronics Systems Design and Manufacturing (ESDM) Sector to Odisha.

In order to keep pace with the growth in ESDM sector across the country, there is a need to provide Special incentives to attract Large & Mega ESDM industries for setting up of their units in the State. In order to attract Large and Mega IT Investment and/or large employment opportunities, provision for a special set of upfront negotiated package of incentives and concessions on a case to case basis was made under the provisions of Para 6.21 of ICT Policy 2014. These benefits shall also be extended to both new as well as existing units interested for expansion of capacity/ modernization and diversification. Accordingly by extending the provisions of Para 6.21 of ICT Policy 2014 to Large & Mega ESDM Companies a Special package of Incentives and concessions over and above the Incentives and Concessions provisioned under ICT Policy 2014 and in addition to the incentives given by Govt Of India under MSIP was approved by the Government of Odisha and notified vide Resolution No.2545/E&IT,dt.04/09/2015 by E&IT Department.

Simplification of the eligibility criteria for the new & existing ESDM Units to avail the benefits of the incentives provisioned under this Scheme was under active consideration of the Government. Further, after implementation of Goods and Services Tax (GST) in the State, amendment in the Entry Tax, Sales Tax & VAT provisioned under the Special incentive Package Scheme was essential. Therefore the Government after Careful consideration have revised the Special Incentive Package Scheme as stated below to promote Odisha as an attractive investment destination for ESDM Sector. The new Large & Mega ESDM unit (and Expansion of Capacity/ modernization and diversification of existing ESDM units) of the EMC at

Info valley or any other ESDM Park to be set up in the State shall be entitled for reimbursement either under this Scheme or under IPR-2015.

These incentives shall be applicable to the first twenty such prospective new Large & Mega ESDM units and Expansion of Capacity/ modernization and diversification of existing ESDM units which required to have investment intents with minimum investment of Rs 50 Crores and generate an employment of minimum 100 persons at the time of starting of commercial production and create an employment opportunity of more than 500 persons in a span of five years.

5.1 Capital Investment Subsidy: 25% investment subsidy on "Fixed Capital Investment" (means investment in land, building, plant, machinery and balancing equipment) will be given to new Large & Mega ESDM units (and Expansion of Capacity/ modernization and diversification of existing ESDM units) subject to maximum limit of Rs 50 Crores for each cluster Company of the EMC at Info valley or any other ESDM Park to be set up in the State. To avail this benefit each new Large & Mega ESDM units (and Expansion of Capacity/ modernization and diversification of existing ESDM units) are required to have investment intents with minimum investment of Rs 50 crores and generate an employment of minimum 100 persons at the time of starting of production and create an employment opportunity of more than 500 persons in a span of five years. This Provision shall be applicable to this Revised Special Incentive Package Scheme (RSIPS) in specific and not to any similar provisions under other Sectoral Policy like ICT Policy 2014, IPR 2015.

5.2- Human Capital Investment Subsidy:-Training Subsidy up to Rs.800 per person per month shall be reimbursed by Govt. to each new Large & Mega ESDM unit (and Expansion of Capacity/ modernization and diversification of existing ESDM units) of the EMC at Info valley or any other ESDM Park to be set up in the State for training of manufacturing work force who are domicile of Odisha for a period not exceeding three years from the date of start of commercial production. In addition each cluster companies shall be entitled for reimbursement of the expenditure incurred towards contribution for Employees State Insurance (ESI) and Employees Provident

Fund (EPF) subject to a maximum of Rs.2 crore per year for two years from the date of start of commercial production only to the employees who are domicile of Odisha

5.3- State GST Reimbursement:- Each new Large & Mega ESDM units (and Expansion of Capacity/ modernization and diversification of existing ESDM units) of the EMC at Infovalley or at any other ESDM Park of the State shall be entitled for reimbursement of 100% State Component of GST (SGST) as per actual paid for a period of 5 years from the date of start of commercial production limited to 100% of the fixed capital investment provided that the SGST reimbursement will be applicable only to the net tax paid, after adjustment of input tax credit against output tax liability.

5.4- Power incentives:- Each new Large & Mega ESDM units (and Expansion of Capacity/ modernization and diversification of existing ESDM units) of the EMC at Info valley or at any other ESDM Park of the State shall be entitled for exemption of Electricity Duty and Inspection Fees as per Para-6.12 of ICT Policy 2014.

5.5- Water incentives:- Each new Large & Mega ESDM units (and Expansion of Capacity/ modernization and diversification of existing ESDM units) of the EMC at Info Valley shall be entitled for exemption of Water Duty if any by IDCO. Since water supply to Info Valley will be made through PPP Mode, IDCO may charge the same rate at which IDCO will procure the water from Private Water Supply Utility subject to its Board's approval.

5.6- Interest Subsidy Reimbursement:- Each new Large & Mega ESDM units (and Expansion of Capacity/ modernization and diversification of existing ESDM units) of the EMC at Info Valley or at any other ESDM Park to be set up in the State shall be entitled for reimbursement of an interest subsidy @ 5% per annum from public Financial Institutions / Banks for a period of 5 years from the date of starting of Commercial Production with a maximum moratorium period of 18 months.

5.7- Agency to Administer Incentives: The Electronics and Information Technology Department through IPICOL and OCAC shall act as the single agency to administer the incentives. They will continuously monitor the


quantum of incentives provided to the entrepreneurs to ensure that the total incentive allowed in the foregoing paragraphs does not exceed the capital investment made by the entrepreneur.

This Scheme will remain in force until **31st March 2020 or till substituted by another Scheme**. The State Government may at any time amend any provision of this Scheme.

(The Resolution is issued with the concurrence of Finance Department and approval of 70th meeting of the Cabinet held on 26.02.2019)

ORDER – Ordered that the Resolution be published in an extra ordinary issue of the Odisha Gazette and copies thereof be forwarded to all departments of Government, all Heads of Departments, all Public Sector Undertakings.

By Order of Governor



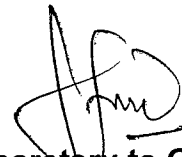
(C.J. Venugopal)

Principal Secretary to Government

Memo No. 840 /E&IT

Dated 02-03-19

Copy forwarded to the Director, Printing, Stationery and Publications, Odisha, Cuttack, for immediate publication in the extra ordinary issue of Odisha Gazette and supply 500 copies of the Resolution to this Department.

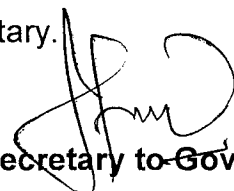


Principal Secretary to Government

Memo No. 841 /E&IT

Dated 02-03-19

Copy forwarded to the Principal Secretary to Governor, Odisha / ACS to Chief Minister / Private Secretary to all Ministers / OSD to Chief Secretary / Private Secretary to Development Commission-cum-Additional Chief Secretary for favour of kind information of Governor / Chief Minister / All Ministers / Chief Secretary / Development Commissioner-cum-Additional Chief Secretary.



Principal Secretary to Government

Memo No. 842 /E&IT

Dated 02-03-19

Copy forwarded to all Departments of Government / All Heads of Departments / All Revenue Divisional Commissioners / All Collectors / Principal Resident Commissioner, Government of Odisha, Odisha Niwas, New Delhi – 110021 / Additional Secretary, DeitY, New Delhi, Govt of India, All Public Sector Undertakings / Additional Director, STPI, Bhubaneswar, SIO, NIC, Bhubaneswar / Accountant General (A&E), Odisha, Bhubaneswar for information.


Principal Secretary to Government