

Note on Industrial Policy Resolution (IPR) - 2022

Government of Odisha has released the new Industrial Policy Resolution (IPR) – 2022 on December 01, 2022. The new IPR divides the industries under two broad categories –

1. Priority Sectors

Following industries are categorized as Priority Sectors:

- I. Ancillary & Downstream in Metal Sector
- II. Handicraft, Handloom & Coir based products
- III. Agro Processing
- IV. IT, ITeS & Data Centres
- V. Cold Storage & Cold-chain Infrastructure
- VI. Plastics
- VII. Food & Sea-Food Processing
- VIII. Rare Earth Minerals based value added products
- IX. Specialty Steel & its Products
- X. Gemstone – Cutting & Polishing; Granite – Cutting & Polishing,
- XI. Tourism & Hospitality
- XII. Shipbuilding, Ship-repair & Construction of other mechanized floating vessels

2. Thrust Sectors

Following industries are categorized as Thrust Sectors:

- I. Aerospace & Defense
- II. Automobiles & Auto Components
- III. Chemicals & Petrochemicals
- IV. Biotechnology, Pharmaceuticals Bulk Drug & Medical Equipment
- V. Green Energy Equipment
- VI. Electronics System Design & Manufacturing (ESDM)
- VII. Green Hydrogen & Green Ammonia
- VIII. Manufacturing in Aviation & Maintenance, Repair & Overhaul (MRO) facilities
- IX. Mechanical & Electrical Capital Goods
- X. Telecommunications Equipment
- XI. White Goods & Components
- XII. Textiles, Technical Textiles, Apparel, Wearables & Luggage

Summary of Incentives under the new IPR – 2022:

Sl. No.	Component	Priority Sectors	Thrust Sectors
1.	Stamp Duty	100% exemption from Stamp Duty. (Clause 4.5.1 g)	100% exemption from Stamp Duty. (Clause 4.5.1 g)
2.	Capital Subsidy	20 % of actual investment on Plant & Machinery (excluding cost of land and building), will be disbursed in a phased manner, over a period of 5 years from the date of commercial production. (Clause 4.5.3 a.1)	30 % of actual investment on Plant & Machinery (excluding cost of land and building), will be disbursed in a phased manner, over a period of 5 years from the date of commercial production. (Clause 4.5.3 b.1)
3.	SGST Reimbursement	Reimbursement of 100% of net SGST paid, overall limited to 200% of the cost of plant & machinery. The limit of 200% is applicable up to the first 3 years for MSMEs & first 5 years for large units from the date of first fixed capital investment. (Clause 4.5.4)	Reimbursement of 100% of net SGST paid, overall limited to 200% of the cost of plant & machinery. The limit of 200% is applicable up to the first 3 years for MSMEs & first 5 years for large units from the date of first fixed capital investment. (Clause 4.5.4)
4.	Power	i. Reimbursement of INR 2.00 per unit for power purchased & consumed from local DISCOMs for 7 years from the date of commercial production. ii. 100% exemption from cross subsidy surcharge & state transmission charges from renewable sources within the state / GRIDCO for 7 years from the date of procurement of such renewable energy. iii. 100% exemption from payment of Electricity Duty for 7 years from the date of commercial production. (Clause 4.5.2 a)	i. Reimbursement of INR 2.00 per unit for power purchased & consumed from local DISCOMs for 10 years from the date of commercial production. ii. 100% exemption from cross subsidy surcharge & state transmission charges from renewable sources within the state / GRIDCO for 10 years from the date of procurement of such renewable energy. iii. 100% exemption from payment of Electricity Duty for 10 years from the date of commercial production. (Clause 4.5.2 b)
5.	Employment Cost Subsidy	Reimbursement of 100% of the employer's contribution towards ESI & EPF Scheme for a period of 5 years from the date of commencement of commercial production (Clause 4.5.5)	Reimbursement of 100% of the employer's contribution towards ESI & EPF Scheme for a period of 7 years from the date of commencement of commercial production (Clause 4.5.5)

For Green Hydrogen & Green Ammonia manufacturing units, the following shall be applicable for power consumed for manufacturing (**Clause 4.5.2 b.iv**):

- I. Reimbursement of **INR 3.00 per unit** for power purchased & consumed from local DISCOMs for **20 years** from the date of commercial production.
- II. Renewable energy consumed for manufacturing of green hydrogen & green –
Cross subsidy surcharge, additional surcharges & state transmission charges will be exempted / reimbursed for a period of **20 years** from the date of commencement of commercial production.
- III. 100% exemption from payment of Electricity Duty for **20 years** from the date of commercial production.

Apart from the above-mentioned incentives, the IPR – 2022 also provides incentives towards Innovation and R&D, Environment-friendly initiatives.

Eligibility Criteria

- I. New industrial units under Priority & Thrust sectors are eligible for incentives.
- II. Units set up in the Domestic Tariff Area are covered under IPR – 2022. Units in Special Economic Zones (SEZ) are not covered under this IPR. They shall be governed by the separate SEZ Policy in place.

For more details on IPR - 2022, please visit:

- [**Industrial Policy Resolution - 2022**](#)